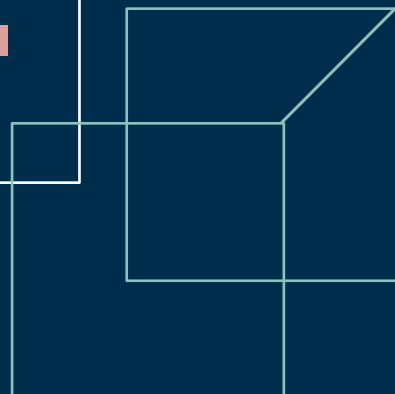
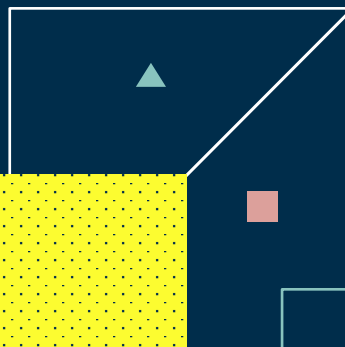
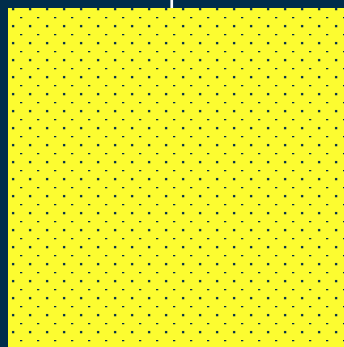


# MD&A

## 4<sup>th</sup> quarter 2021



## ■ PRESENTATION

The Management Discussion and Analysis – MD&A presents the economic and financial status of BB Seguridade Participações S.A. (BB Seguridade). Directed to financial analysts, shareholders and investors, this quarterly report provides an analysis of economic and financial indicators of BB Seguridade, stocks' performance and other aspects considered relevant for the assessment of the company's achievements.

The consolidated financial statements were prepared in compliance with the International Financial Reporting Standards – IFRS.

All the analyses in this report are based on IFRS Financial Statements, but are occasionally supplemented by managerial data, besides other information calculated based on accounting principles determined by the Superintendência de Seguros Privados – SUSEP (the regulator of the insurance industry in Brazil).

In the investees, since the fourth quarter of 2020, the financial statements are prepared in compliance with the accounting standard of the respective regulator, except when mentioned in a different accounting standard.

## ■ ON-LINE ACCESS

This MD&A is available at BB Seguridade's IR website, where additional information about the Company is also available such as: corporate structure, corporate governance, historical data, among other important information for shareholders and investors. The company's website can be accessed through [www.bbseguridaderi.com.br](http://www.bbseguridaderi.com.br).

This report makes references and statements about expectations, expected synergies, growth estimates, earnings forecasts and future strategies regarding BB Seguridade. Such statements are based on current expectations, estimates and projections of the Management about future events and financial trends that may affect the businesses that the company is involved in.

These forward looking statements are not guarantee of future performance and involve risks and uncertainties that could overextend the control of the management, and thus can result in balances and values different from those anticipated and discussed in this report. The expectations and projections depend on market conditions (technological changes, competitive constraints on products, prices, etc.), on the country's macroeconomic performance (interest and exchange rates, political and economic changes, inflation, changes in tax rules, etc.) and on international markets.

Future expectations based on this report should consider the risks and uncertainties that involve BB Seguridade's businesses. BB Seguridade has no responsibility to update any estimate contained either in this report or in previously published reports.

Tables and charts in this report show, in addition to the accounting balances, financial and managerial figures. The relative variation rates are calculated before the rounding procedure in R\$ million. The rounding method used follows the rules established by Resolution 886/66 of IBGE's Foundation: if the decimal number is equal or greater than 0.5, it increases by one unit, if the decimal number is less than 0.5, there is no increase.

## 4Q21 Earnings Conference Call

**Februray 7<sup>th</sup>, 2022**

Portuguese with simultaneous translation into English

Time: 11:00 AM (Brasilia time)  
09:00 AM (EST)

Livestream via ZOOM platform

To register for the event and receive the connection information, access: [https://bbseguros-br.zoom.us/webinar/register/WN\\_smX1GOCORhmGedqCwJWklw](https://bbseguros-br.zoom.us/webinar/register/WN_smX1GOCORhmGedqCwJWklw) or the investor relations website [www.bbseguridaderi.com.br/en](http://www.bbseguridaderi.com.br/en)

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# 1. SUMMARY

## ■ ADJUSTED NET INCOME ANALYSIS

Table 1 – Income statement of the holding

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Equity income</b>	<b>918,478</b>	<b>974,497</b>	<b>1,223,677</b>	<b>33.2</b>	<b>25.6</b>	<b>3,859,784</b>	<b>3,923,593</b>	<b>1.7</b>
Underwriting and accumulation businesses	423,222	404,481	728,784	72.2	80.2	1,896,405	1,842,988	(2.8)
Brasilseg	306,817	242,184	401,288	30.8	65.7	1,086,543	1,067,020	(1.8)
Brasilprev	90,480	119,072	406,967	349.8	241.8	686,379	756,544	10.2
Brasilcap	21,625	39,633	(83,753)	-	-	105,780	2,341	(97.8)
Brasildental	4,299	3,592	4,283	(0.4)	19.2	17,702	17,083	(3.5)
Distribution businesses	515,068	579,169	552,870	7.3	(4.5)	1,995,505	2,162,039	8.3
Other	(19,812)	(9,153)	(57,977)	192.6	533.4	(32,125)	(81,433)	153.5
<b>G&amp;A expenses</b>	<b>(4,088)</b>	<b>(4,159)</b>	<b>(4,772)</b>	<b>16.7</b>	<b>14.7</b>	<b>(19,107)</b>	<b>(17,787)</b>	<b>(6.9)</b>
<b>Net investment income</b>	<b>1,327</b>	<b>6,256</b>	<b>9,331</b>	<b>603.3</b>	<b>49.1</b>	<b>45,521</b>	<b>32,117</b>	<b>(29.4)</b>
<b>Earnings before taxes and profit sharing</b>	<b>915,716</b>	<b>976,594</b>	<b>1,228,236</b>	<b>34.1</b>	<b>25.8</b>	<b>3,886,198</b>	<b>3,937,922</b>	<b>1.3</b>
Taxes	903	(773)	(1,604)	-	107.6	(9,026)	(4,705)	(47.9)
<b>Adjusted net income</b>	<b>916,619</b>	<b>975,822</b>	<b>1,226,632</b>	<b>33.8</b>	<b>25.7</b>	<b>3,877,171</b>	<b>3,933,217</b>	<b>1.4</b>

In the **4Q21**, the net income of BB Seguridade reached R\$1.2 billion, the best quarterly result since the IPO, up 33.8% YoY. The result of the quarter was negatively impacted by the 500 bps increase of the income tax rate (CSLL), which was in force until the end of 2021 for insurance and premium bonds companies, reducing the net income of the holding in R\$54.6 million.

The R\$310.0 million increase in the net income compared to the 4Q20 is mostly explained by:

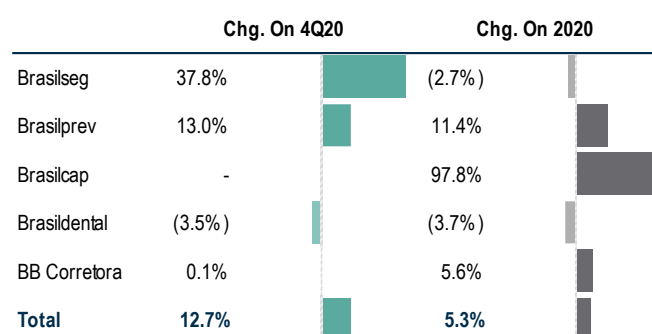
- **Brasilprev (+R\$316.5 million):** positively impacted both by the indexes and temporal mismatches in the adjustment of assets and liabilities related to the traditional plans (defined benefit) and by the non-interest operating result, which grew sustained by higher management fees. On the other hand, Brasilprev's result was impacted by the higher effective tax rate, which amounted to R\$ 22.9 million, due to the temporary increase of CSLL rate;
- **Brasilseg (+R\$94.5 million):** boosted by the improvement of loss ratio, partially offset by the retraction of the net investment income and by higher effective tax rate due to the temporary increase of CSLL rate, which reduced in R\$29.0 million the equity income that arised from Brasilseg; and
- **BB Corretora (+R\$37.8 million):** due to the improvement of the net investment income.

On the other hand, the equity income from **Brasilcap** was a drag and took R\$83.8 million away the net income, while in the 4Q20 it contributed with R\$21.6 million. The negative result is explained by the negative net investment income that is justified by market-to-market losses in the disposal of prefixed bonds available for sale.

In 2021, the adjusted net income grew R\$56.0 million. **BB Corretora** was the main positive highlight of the year, growing R\$166.5 million its contribution to earnings, explained by higher brokerage revenues related to the main business lines.

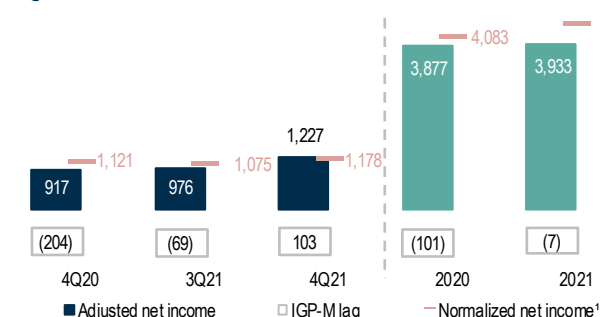
The equity income from **Brasilprev** increased R\$70.2 million in 2021, sustained by the non-interest operating result, which grew consistently but was partially offset by negative MtM result in prefixed linked securities for trading.

Figure 1 – Non-interest operating results<sup>1</sup>



<sup>1</sup>Non-interest operating results before taxes, weighted by the equity stake

Figure 2 – Normalized net income (R\$ million)

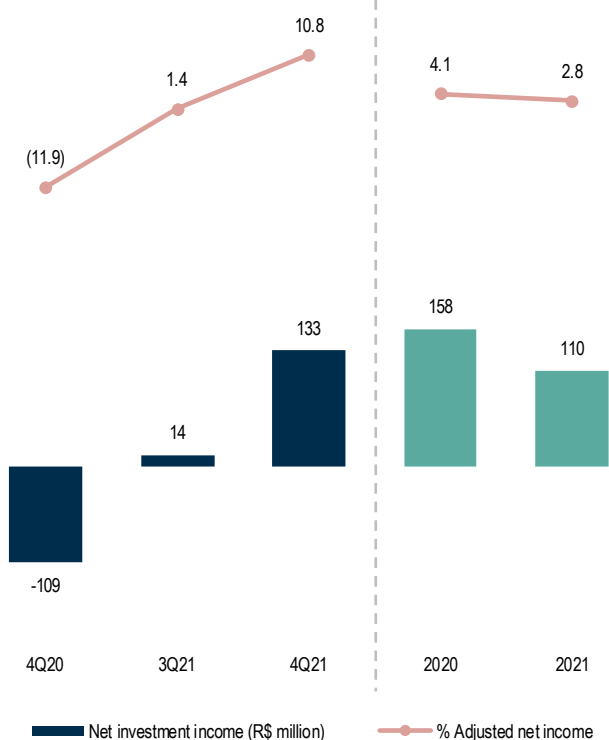


<sup>1</sup>Adjusted net income excluding the impacts of the one-month lag in the IGP-M accrual on liabilities, the claims related to Covid-19 and the temporary increase in the income tax rate (CSLL), from 15% to 20%, in the investee companies as of July 2021, which had an impact of R\$85.1 million in 2021.

On the negative side, the equity income from **Brasilcap** retracted R\$103.4 million, justified by the negative financial result due to the same reason mentioned in the quarterly analysis. The contribution from **Brasilseg** fell R\$19.5 million, explained by higher loss ratio and increase of the tax rate.

## ■ NET INVESTMENT INCOME ANALYSIS

Figure 3 – Consolidated investment income



In the **4Q21**, the consolidated net investment income of BB Seguridade and its investees amounted to R\$132.9 million, recovering from a negative result of R\$109.2 million in the 4Q20. The quarterly result was positively impacted by both the inflation index and temporal mismatches in the adjustment of assets (IGP-M: 1.5% | IPCA: 3.0%) and liabilities (IGP-M with one month lag: 0.02%) of the defined benefit plans in Brasilprev, besides the higher Selic rate. On the other hand, this positive impact was partially offset by mark to market losses in the disposal of prefixed income securities of the category available for sale in Brasilcap and Brasilseg, in a strategy carried out to reduce the market risk exposition in these companies. Additionally, in Brasilprev the steepening in the forward yield curve affected the results of prefixed and inflation linked bonds for trading.

In **2021**, the combined net investment income reduced 30.5%, mainly explained by the losses registered in Brasilcap related to the disposal of prefixed income securities available for sale, as explained in the quarterly analysis. This effect was partially offset by the reduction of financial losses in Brasilprev when compared to 4Q20, helped by the fiscal benefit of the increase in income tax (CSLL), which was 500 bps higher in the 2H21, and the higher Selic rate.

Figure 4 – Inflation rate (%)

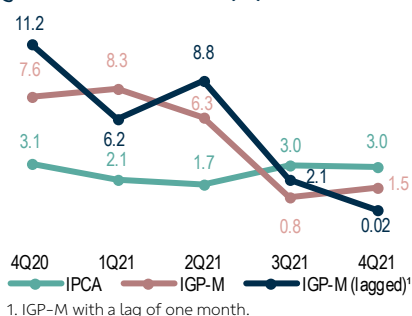


Figure 5 – Average Selic rate (%)

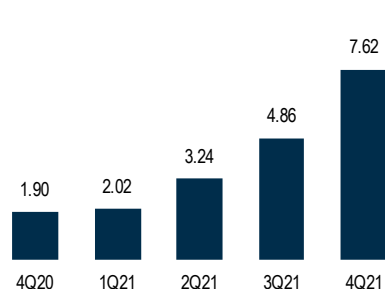


Figure 6 – Forward yield curve (%)

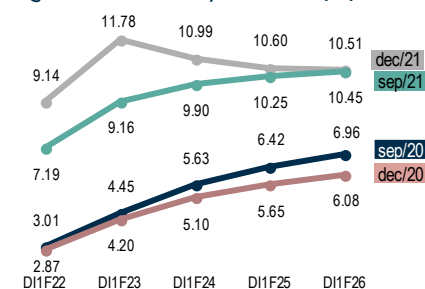


Figure 7 – Financial investments (%)

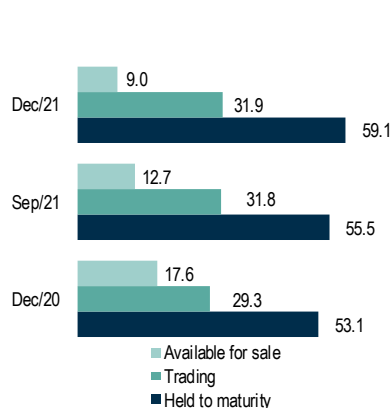


Figure 8 – Financial investments by index (%)

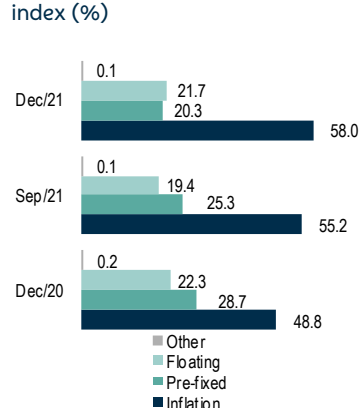
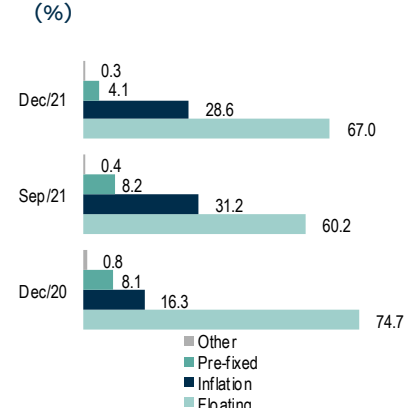


Figure 9 – Trading portfolio by index (%)



## ■ EXTRAORDINARY EVENTS

Table 2 – Extraordinary events

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Adjusted net income</b>	<b>916,619</b>	<b>975,822</b>	<b>1,226,632</b>	<b>33.8</b>	<b>25.7</b>	<b>3,877,171</b>	<b>3,933,217</b>	<b>1.4</b>
<b>Extraordinary events</b>	-	-	-	-	-	(26,400)	-	-
BB Corretora: donation to fight Covid-19	-	-	-	-	-	(26,400)	-	-
<b>Net income</b>	<b>916,619</b>	<b>975,822</b>	<b>1,226,632</b>	<b>33.8</b>	<b>25.7</b>	<b>3,850,771</b>	<b>3,933,217</b>	<b>2.1</b>

**BB Corretora – donation against Covid-19:** to help the society with the responses to the impacts of the pandemic, the Board of Directors approved a donation capped at R\$40 million by BB Corretora to Banco do Brasil Foundation (FBB), with the exclusive purpose of acquiring food and hygiene, cleaning and personal protection supply necessary for the social aid to the most affected people. Until June 2020, FBB demanded from BB Corretora the disbursement of R\$37.9 million, and the balance of R\$2.1 million was disbursed in July and August. Total impact to the net income was of R\$26.4 million.

## ■ 2021 GUIDANCE

In 2021, the non-interest operating result (ex-holding) grew 5.3% and the VGBL and PGBL pension plan reserves of Brasilprev increased 0.9%, both results within the ranges of the Guidance 2021.

On the other hand, the premiums written of Brasilseg were up 16.2%, outperforming the range (10% to 15%), explained by better than estimated performances in rural and term life insurances.

Figure 10 – 2021 estimates

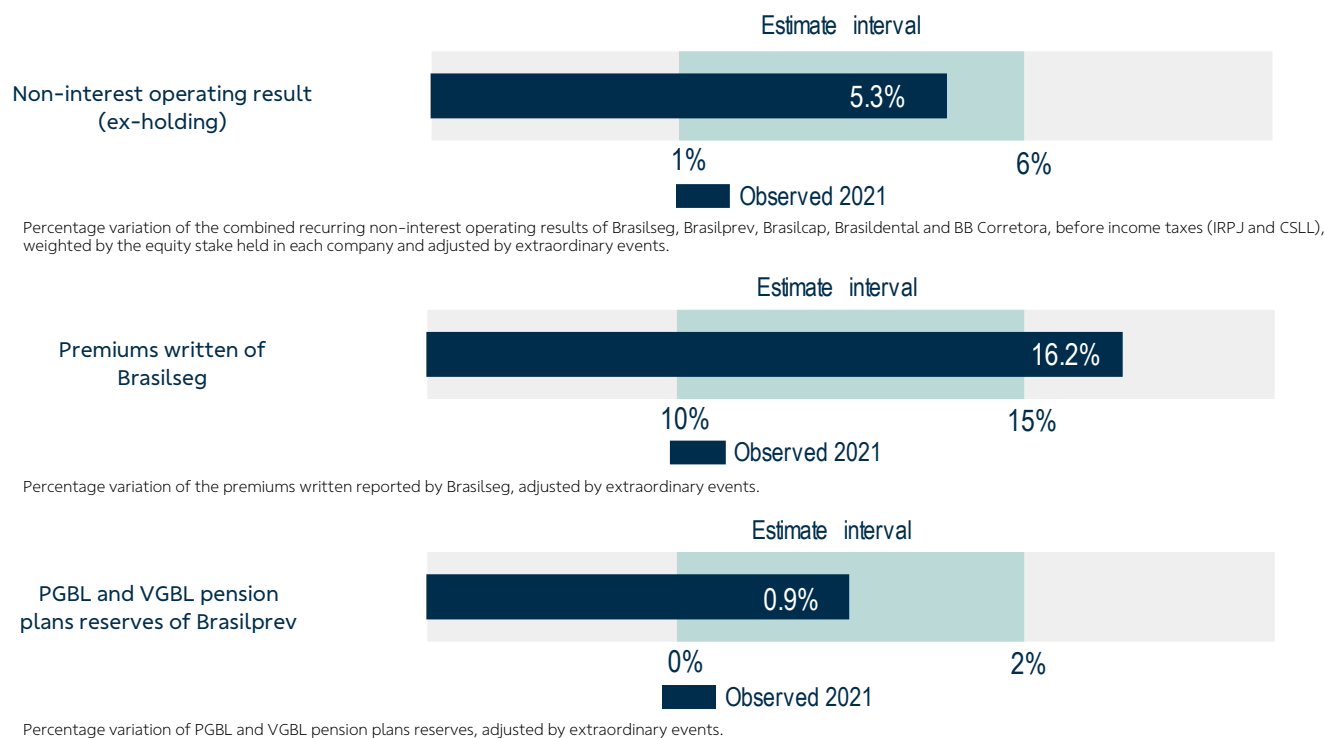


Table 3 – Breakdown of the non-interest operating result by company

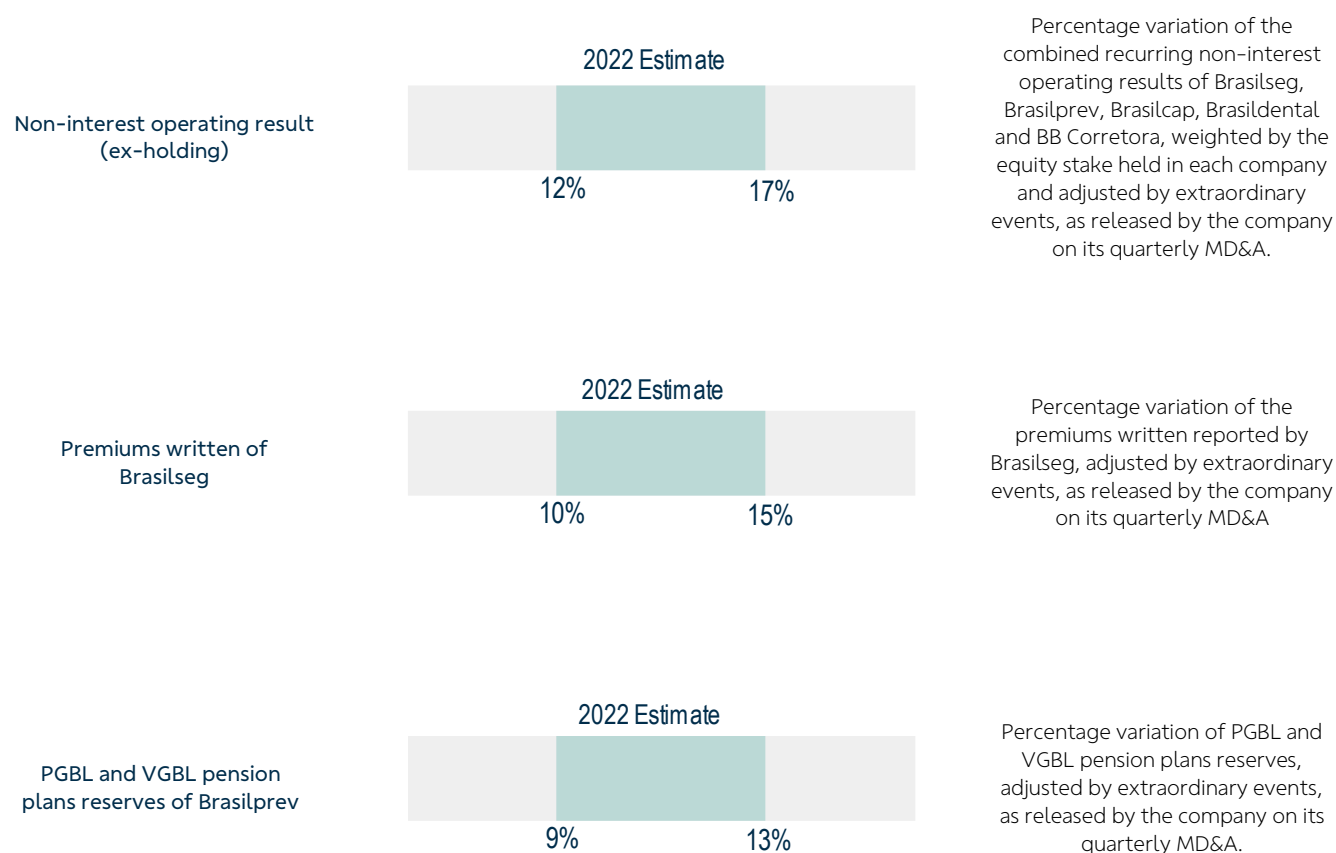
R\$ thousand	Annual Flow		Chg. %
	2020	2021	On 2020
<b>Non-interest operating result</b>	<b>5,636,118</b>	<b>5,933,933</b>	<b>5.3</b>
Brasilseg	1,306,380	1,271,040	(2.7)
Brasilprev	1,301,714	1,450,654	11.4
Brasilcap	17,652	34,923	97.8
Brasildental	27,618	26,598	(3.7)
BB Corretora	2,982,753	3,150,719	5.6



## ■ 2022 GUIDANCE

For 2022, BB Seguridade released the following estimates, keeping the same indicators of the Guidance 2021:

Figure 11 – 2022 estimates



## SUMMARY OF INVESTEE'S PERFORMANCES

Brasileg | Insurance (for further details, please refer to the page 28)

Table 4 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Premiums written</b>	<b>2,746,081</b>	<b>3,468,282</b>	<b>3,129,977</b>	<b>14.0</b>	<b>(9.8)</b>	<b>10,386,163</b>	<b>12,063,738</b>	<b>16.2</b>
Changes in technical reserves and premiums ceded	(747,119)	(1,161,814)	(717,382)	(4.0)	(38.3)	(2,680,181)	(3,127,928)	16.7
<b>Retained earned premiums</b>	<b>1,998,962</b>	<b>2,306,468</b>	<b>2,412,595</b>	<b>20.7</b>	<b>4.6</b>	<b>7,705,982</b>	<b>8,935,810</b>	<b>16.0</b>
Retained claims	(581,787)	(953,221)	(656,580)	12.9	(31.1)	(2,362,119)	(3,495,478)	48.0
Retained acquisition costs	(639,451)	(734,999)	(750,976)	17.4	2.2	(2,597,586)	(2,779,236)	7.0
G&A	(266,331)	(228,784)	(299,528)	12.5	30.9	(1,006,011)	(967,993)	(3.8)
Other	614	817	(106)	-	-	1,809	1,843	1.9
<b>Non-interest operating result</b>	<b>512,006</b>	<b>390,280</b>	<b>705,405</b>	<b>37.8</b>	<b>80.7</b>	<b>1,742,075</b>	<b>1,694,946</b>	<b>(2.7)</b>
Net investment income	57,561	85,190	48,279	(16.1)	(43.3)	261,647	266,430	1.8
<b>Earnings before taxes and profit sharing</b>	<b>569,567</b>	<b>475,470</b>	<b>753,684</b>	<b>32.3</b>	<b>58.5</b>	<b>2,003,722</b>	<b>1,961,376</b>	<b>(2.1)</b>
Taxes and profit sharing	(155,843)	(147,465)	(213,512)	37.0	44.8	(536,484)	(518,292)	(3.4)
<b>Net income</b>	<b>413,724</b>	<b>328,006</b>	<b>540,172</b>	<b>30.6</b>	<b>64.7</b>	<b>1,467,237</b>	<b>1,443,084</b>	<b>(1.6)</b>

In **4Q21**, **net income** of the insurance operation grew 30.6% compared to 4Q20, boosted by the improvement of the combined ratio (-3.7 p.p.), partially offset by the effective tax rate 1.3 p.p. higher, resulting from the temporary increase in the income tax rate (CSLL) that took R\$38.7 million away from net income, and by the reduction in net investment income (-16.1%), explained by the adjusted interest expenses related to the update of claims to be settled and judicial provisions.

**Premiums written** grew 14.0% YoY, with highlights to: (i) rural insurance (+32.2%), driven by the increase of agricultural input costs; (ii) term life (+11.1%) with growth in both new sales and volume of renewals; (iii) home (29.0%), driven mainly by increased sales.

The **loss ratio** improved 1.9 p.p. in the quarter, due to the reduction of claims related to Covid-19 in the segments that cover death risk, as a result of the high level of immunization of the Brazilian population.

The **commission ratio** fell 0.9 p.p. compared to 4Q20, due to lower performance bonus expenses.

The **G&A** improved by 0.9 p.p., mainly explained by the evolution of retained earnings premiums (+20.7%), denominator of the indicator calculation.

In **2021**, **net income** was down 1.6% YoY, due to the worsening of the loss ratio (+8.5 p.p.) and the increase in the income tax rate (CSLL), partially offset by the 1.8% increase in financial result.

In the year, the increase in the income tax rate (CSLL) withdrew R\$60.7 million from the company's net income. Setting this effect apart, net income would have grown by 2.5%.

Premiums written increased 16.2%, led by rural insurance (+35.5%), term life (+17.1%), home (+23.4%) and commercial lines (+36.7%).

Figure 12 – Key performance indicators

	Chg. On 4Q20	Chg. On 2020
<b>Breakdown of premiums written</b>		
Rural	32.2%	35.5%
Term Life	11.1%	17.1%
Credit Life	(18.0%)	(16.0%)
Others	33.6%	20.6%
<b>Performance ratios</b>		
Loss ratio	(1.9 p.p.)	8.5 p.p.
Commission ratio	(0.9 p.p.)	(2.6 p.p.)
G&A ratio	(0.9 p.p.)	(2.2 p.p.)
Combined ratio	(3.7 p.p.)	3.6 p.p.

Among the operational indicators, the increase in loss ratio reflects the higher frequency of claims reported in products with death coverage due to the worsening of the pandemic in 1H21. On the other hand, the reduction in commission ratio results from lower expenses with performance bonus related to credit life premiums written, while the reduction of the general and administrative expenses ratio is mainly explained by the lower volume of provision for payments to the Rural Insurance Stability Fund.

Table 5 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Total revenue from pension and insurance</b>	<b>12,103,705</b>	<b>11,761,460</b>	<b>11,994,534</b>	<b>(0.9)</b>	<b>2.0</b>	<b>40,969,185</b>	<b>45,668,826</b>	<b>11.5</b>
Provision for benefits to be granted	(12,095,918)	(11,756,366)	(11,989,152)	(0.9)	2.0	(40,944,862)	(45,645,573)	11.5
<b>Net revenue from pension and insurance</b>	<b>7,788</b>	<b>5,094</b>	<b>5,382</b>	<b>(30.9)</b>	<b>5.7</b>	<b>24,323</b>	<b>23,253</b>	<b>(4.4)</b>
Management fee	748,846	827,835	800,159	6.9	(3.3)	2,908,950	3,146,438	8.2
Acquisition costs	(165,948)	(172,344)	(126,824)	(23.6)	(26.4)	(659,944)	(633,712)	(4.0)
Retained earned premiums	44,479	43,482	44,524	0.1	2.4	171,507	172,088	0.3
G&A	(156,088)	(157,008)	(192,488)	23.3	22.6	(619,928)	(658,093)	6.2
Other	(26,160)	(35,176)	(18,872)	(27.9)	(46.3)	(89,058)	(115,511)	29.7
<b>Non-interest operating result</b>	<b>452,917</b>	<b>511,882</b>	<b>511,881</b>	<b>13.0</b>	<b>(0.0)</b>	<b>1,735,851</b>	<b>1,934,464</b>	<b>11.4</b>
Net investment income	(297,546)	(220,033)	279,388	-	-	(278,561)	(333,910)	19.9
<b>Earnings before taxes and profit sharing</b>	<b>155,371</b>	<b>291,849</b>	<b>791,269</b>	<b>409.3</b>	<b>171.1</b>	<b>1,457,290</b>	<b>1,600,554</b>	<b>9.8</b>
Taxes and profit sharing	(34,976)	(133,075)	(248,610)	610.8	86.8	(545,286)	(591,761)	8.5
<b>Net income</b>	<b>120,396</b>	<b>158,774</b>	<b>542,659</b>	<b>350.7</b>	<b>241.8</b>	<b>912,004</b>	<b>1,008,793</b>	<b>10.6</b>

In **4Q21**, **net income** from the pension plan segment reached R\$542.7 million, an increase of more than 300% compared to the same period in 2020. The performance was mainly driven by the **financial result**, which reached R\$279.4 million, compared to a negative balance of R\$297.5 million in 4Q20, positively impacted by the mismatch both temporal and between the inflation indexes in the adjustment of assets (IGP-M: 1.5% | IPCA: 3.0%) and liabilities (IGP-M with an average lag of 1 month: 0.02%) related to defined benefit plans. In the quarter, CSLL's temporary increase withdrew R\$30.5 million from net income.

The **non-interest operating income** grew 13.0%, sustained by a 6.9% increase in revenues with management fee and lower acquisition cost, due to the higher volume of commission returns, as a result of the increase in redemption requests in plans with less than one year of validity. **Reserves** expanded 1.6% in 12 months, while the **average annualized management fee** reached 1.03%, equivalent to an increase of 0.04 p.p. compared to 4Q20. This increase reflects the success of the strategy of reallocation of assets under management of the PGBL and VGBL plans for multimarket funds, which at the end of December 2021 represented 31.8% of the total reserves (+21.3 p.p. in 12 months).

The volume of **contributions** recorded a slight drop of 0.9%. Net inflow in the quarter was negative by R\$546 million compared to a positive balance of R\$3.0 billion in 4Q20. The negative result is largely justified by the increase of 3.7 p.p. in the redemption rate, still impacted by the outflows for payment of monthly expenses and debts, resulting from the economic impacts generated by the pandemic, and for the purchase of real estate in large cities, factors that account for about 55% of the redemption reasons identified in the quarter. Additionally, the higher volume of redemptions paid to the second beneficiary due to the death of the holder by Covid-19 also contributed to the negative net inflow in the quarter.

Figure 13 – Key performance indicators

	4Q21	Chg. On 4Q20	2021	Chg. On 2020
Net inflows (R\$ billion)	(546)	-	(783)	-
Reserves (R\$ billion)	313	1.6%	-	-
Management fee (%)	1.03	0.04 p.p.	1.02	0.03 p.p.
Redemption ratio (%)	12.3	3.7 p.p.	10.7	2.6 p.p.
Portability ratio (%)	2.9	1.6 p.p.	2.2	1.1 p.p.
Cost to income ratio (%)	39.8	(3.5 p.p.)	42.1	(1.9 p.p.)

**Year-to-date**, the **net income** grew 10.6%, mainly driven by an improvement in operating results, which recorded an increase of 11.4%. On the other hand, the financial result for the year was negative at R\$333.9 million, vs. -R\$278.6 million in 2020. This movement is largely attributed to the negative mark to market result generated by the steepening in the forward yield curve, both in nominal and real rates, which impacted fixed income securities for trading, while the negative impact of the mismatch between the inflation rates that update the assets (IPCA and IGP-M of the current month) and liabilities (IGP-M with one month of lag) of traditional plans was lower than in 2020 due to the rise of the IPCA at a faster pace than the IGP-M in the second half of 2021. In the year, CSLL's temporary increase withdrew R\$44.9 million from the company's net income.

The higher volume of redemptions and payment of benefits, as mentioned in the quarterly analysis, more than offset the increase of 11.5% in contributions and led to a negative net inflow of R\$783 million at the end of 2021.

On the other hand, revenues with management fee grew 8.2% backed by average fee 0.03 p.p. higher than that reported in 2020, reflecting the expansion in the allocation of resources to multimarket funds and greater participation of these instruments in the total assets under management.

Table 6 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Premium bonds collection</b>	<b>1,255,980</b>	<b>1,132,812</b>	<b>1,118,935</b>	<b>(10.9)</b>	<b>(1.2)</b>	<b>4,780,911</b>	<b>4,309,790</b>	<b>(9.9)</b>
Changes in provisions for redemption, lottery and bonus	(1,087,740)	(1,002,581)	(1,001,873)	(7.9)	(0.1)	(4,182,000)	(3,806,057)	(9.0)
<b>Revenue with load fee</b>	<b>168,239</b>	<b>130,230</b>	<b>117,063</b>	<b>(30.4)</b>	<b>(10.1)</b>	<b>598,911</b>	<b>503,733</b>	<b>(15.9)</b>
Result with lottery	654	5,158	4,818	636.2	(6.6)	5,721	18,196	218.1
Acquisition costs	(133,842)	(99,494)	(102,564)	(23.4)	3.1	(481,067)	(397,396)	(17.4)
G&A	(27,362)	(20,789)	(17,673)	(35.4)	(15.0)	(93,381)	(73,347)	(21.5)
Other	(7,761)	2,789	927	-	(66.7)	(3,704)	1,199	-
<b>Non-interest operating result</b>	<b>(71)</b>	<b>17,895</b>	<b>2,571</b>	<b>-</b>	<b>(85.6)</b>	<b>26,479</b>	<b>52,384</b>	<b>97.8</b>
Net investment income	52,008	90,803	(215,227)	-	-	239,061	(37,828)	-
<b>Earnings before taxes and profit sharing</b>	<b>51,937</b>	<b>108,698</b>	<b>(212,656)</b>	<b>-</b>	<b>-</b>	<b>265,541</b>	<b>14,557</b>	<b>(94.5)</b>
Taxes and profit sharing	(19,382)	(49,241)	87,015	-	-	(106,739)	(11,045)	(89.7)
<b>Net income</b>	<b>32,555</b>	<b>59,457</b>	<b>(125,642)</b>	<b>-</b>	<b>-</b>	<b>158,801</b>	<b>3,512</b>	<b>(97.8)</b>

In **4Q21**, the **net income** of the premium bonds segment was negative R\$125.6 million, explained by the loss registered in the disposal of prefixed securities that were classified in the category available for sale, in a strategy of resetting the investment portfolio after the steepening in the forward yield curve, seeking to raise the level of regulatory solvency and adapt it to the company's risk appetite.

The **collection** reduced 10.9% compared to 4Q20, which is justified by the drop in new sales, especially in the unique payment bonds, which has a higher average ticket than monthly payment plans.

In the quarter, the **average loading fee** fell by 2.9 p.p., with an increase in the participation in the collection mix of recurring installments of monthly payment and unique payment bonds securities with a term of 24 months, both modalities presenting lower quotes when compared to the first installments of monthly bonds and unique payment products with 36 and 48 months duration.

In **2021**, the **net income** of the premium bonds operation fell 97.8% YoY, due to the **negative financial result**, explained by the same reason mentioned in the quarter. On the other hand, the 1.0 p.p. drop in the general and administrative expenses ratio and the 1.4 p.p. reduction in the commission ratio improved operating results by 97.8% and offset part of the loss in the net investment income. In the year, CSLL's temporary increase withdrew R\$8.9 million from the company's net income.

The **collection** was down 9.9% YoY, mainly explained by the reduction in sales of unique payment bonds, partially offset by the growth of the average ticket of these products and the increase of 13.8% in sales of monthly payment bonds, a product that presents greater recurrence for the result.

On the other hand, **revenue with load fee** contracted 15.9%, due to the drop in total collection and a reduction of 0.8 p.p. in the average load fee quote. The contraction in the quote is justified by the higher concentration of the collection in recurring installments of monthly payment bonds, as explained in the quarterly analysis.

Figure 14 – Key performance indicators

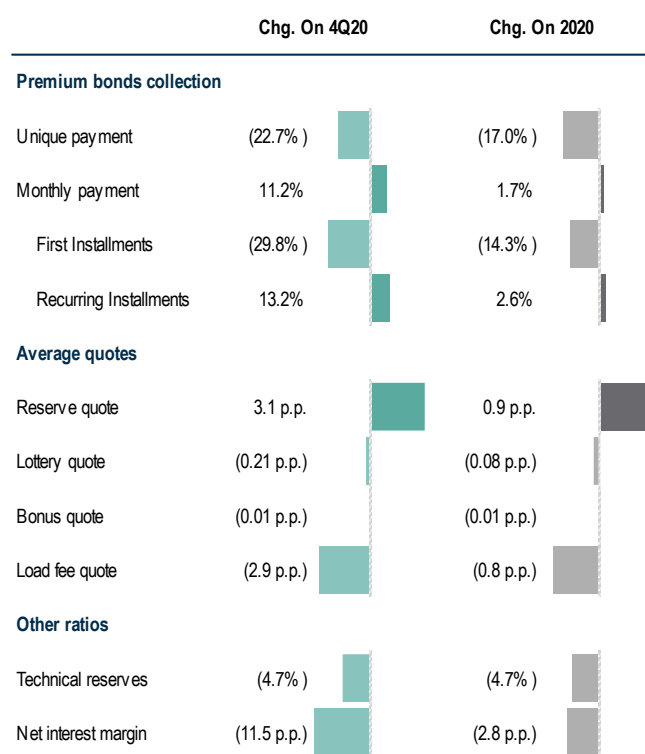


Table 7 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Brokerage revenues</b>	<b>960,827</b>	<b>1,028,276</b>	<b>1,053,954</b>	<b>9.7</b>	<b>2.5</b>	<b>3,676,972</b>	<b>3,968,115</b>	<b>7.9</b>
G&A	(185,194)	(184,488)	(277,931)	50.1	50.6	(678,304)	(804,763)	18.6
Equity income	(3,156)	(3,572)	(2,973)	(5.8)	(16.8)	(15,914)	(12,633)	(20.6)
<b>Earnings before interest and taxes</b>	<b>772,477</b>	<b>840,217</b>	<b>773,050</b>	<b>0.1</b>	<b>(8.0)</b>	<b>2,982,753</b>	<b>3,150,719</b>	<b>5.6</b>
Net investment income	10,178	33,300	53,878	429.4	61.8	49,252	113,452	130.4
<b>Earnings before taxes</b>	<b>782,654</b>	<b>873,517</b>	<b>826,928</b>	<b>5.7</b>	<b>(5.3)</b>	<b>3,032,005</b>	<b>3,264,171</b>	<b>7.7</b>
Taxes	(267,587)	(294,348)	(274,058)	2.4	(6.9)	(1,036,500)	(1,102,132)	6.3
<b>Adjusted net income</b>	<b>515,068</b>	<b>579,169</b>	<b>552,870</b>	<b>7.3</b>	<b>(4.5)</b>	<b>1,995,505</b>	<b>2,162,039</b>	<b>8.3</b>

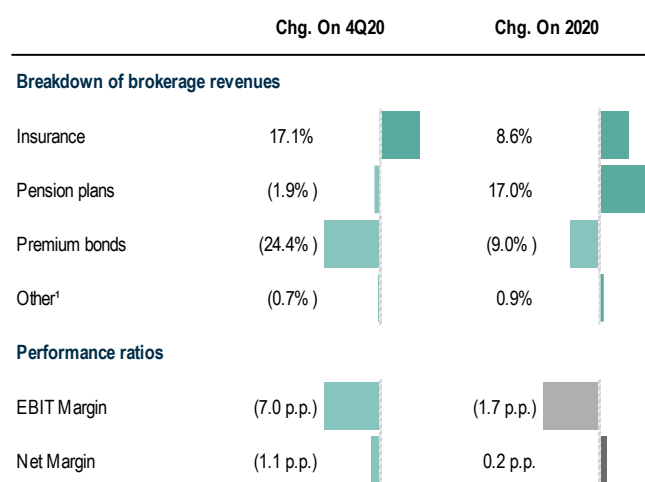
In **4Q21**, BB Corretora's **net income** grew 7.3% compared to 4Q20, driven by the increase in **financial result** arising from the increase in the average Selic rate and the evolution in the average balance of interest earning assets.

**Brokerage revenues** rose 9.7%, explained by the good commercial performance in insurance, especially rural, term life, home and commercial lines.

In the period, the **EBIT margin** reduced 7.0 p.p., explained by higher provision for the return of commissions to Brasilprev, resulting from the recent movement of increase in pension redemptions in plans sold less than 12 months before, due to the challenging economic scenario that reduced the household income and increased indebtedness, and a higher volume of donations and sponsorships with tax incentives in the amount of R\$ 18.8 million.

**Year-to-date**, adjusted net income grew 8.3%, a movement explained by the growth of 7.9% of brokerage revenues and 130.4% of financial results. In addition to the increase in commissions arising from insurance products, already mentioned in the analysis of the quarter, revenues from the pension segment grew 17.0%, resulting from good commercial performance and a more concentrated contribution mix in products that have greater commissioning.

Figure 15 – Key performance indicators



1. Include dental plans and other revenues.

## ■ OTHER INFORMATION

Table 8 – Market share and ranking<sup>1</sup>

		Quarterly Flow			Annual Flow	
		Unit	4Q20	3Q21	4Q21	2020
Life²						
Premiums written	R\$ thousand	846,064	943,189	940,240	3,002,061	3,514,897
Market-share	%	13.8%	13.9%	13.8%	13.1%	13.6%
Ranking		1º	1º	1º	1º	1º
Credit life						
Premiums written	R\$ thousand	647,117	557,682	530,509	2,574,472	2,162,813
Market-share	%	16.0%	13.5%	12.8%	17.4%	13.5%
Ranking		2º	3º	3º	2º	4º
Mortgage life						
Premiums written	R\$ thousand	72,470	72,533	72,490	289,276	287,612
Market-share	%	6.2%	5.6%	5.4%	6.4%	5.7%
Ranking		5º	5º	5º	5º	5º
Rural						
Premiums written	R\$ thousand	1,032,723	1,680,058	1,365,091	3,938,245	5,335,116
Market-share	%	59.8%	49.7%	60.9%	56.9%	54.3%
Ranking		1º	1º	1º	1º	1º
Home						
Premiums written	R\$ thousand	68,113	91,604	87,857	257,626	317,984
Market-share	%	6.5%	7.9%	7.3%	6.7%	7.3%
Ranking		5º	5º	5º	6º	5º
Commercial lines						
Premiums written	R\$ thousand	78,286	121,734	131,838	320,738	438,472
Market-share	%	3.1%	4.4%	4.9%	3.5%	4.1%
Ranking		11º	7º	6º	9º	9º
Pension Plans						
Technical reserves	R\$ thousand	308,210,266	310,772,277	313,217,130	-	-
Market-share	%	30.0%	29.4%	29.2%	-	-
Ranking		1º	1º	1º	-	-
Contributions	R\$ thousand	12,103,705	11,761,460	11,994,534	40,969,185	45,668,826
Market-share	%	33.5%	33.6%	31.5%	33.0%	33.1%
Ranking		1º	1º	1º	1º	1º
Premium Bonds						
Reserves	R\$ thousand	8,261,132	7,983,483	7,872,886	-	-
Market-share	%	25.5%	24.2%	23.7%	-	-
Ranking		2º	2º	2º	-	-
Collections	R\$ thousand	1,255,980	1,132,812	1,118,935	4,780,911	4,309,790
Market-share	%	21.2%	17.7%	16.6%	20.8%	17.5%
Ranking		1º	2º	2º	2º	2º

1. Source: Susep – data as of November/2021.

2. Market share considering only premiums written for risk coverage, excluding premiums for accumulation components (dotal and life insurance).

Table 9 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	1	1,325,000,000	66.3%
Treasury Stocks	1	3,313,471	0.2%
Free Float	384,932	671,686,529	33.6%
Foreign investors	760	427,013,041	21.4%
Companies	3,355	71,976,108	3.6%
Individuals	380,817	172,697,380	8.6%
<b>Total</b>	<b>384,934</b>	<b>2,000,000,000</b>	<b>100.0%</b>

Table 10 – Stocks | Performance

		Quarterly Flow					
		Unit	4Q20	1Q21	2Q21	3Q21	4Q21
Stock's performance							
Earnings per share	R\$	0.46	0.49	0.38	0.49		0.61
Dividends per share	R\$	-	0.47	-	0.52		-
Equity per share	R\$	3.19	3.58	3.45	3.89		3.64
Closing price	R\$	29.63	24.25	23.10	19.95		20.75
Annualized dividend yield¹	%	12.24	5.49	5.36	4.50		3.95
Market capitalization	R\$ million	59,260	48,500	46,200	39,900		41,500
Ratios							
P/E (12 month trailing)	x	15.28	12.21	12.34	11.01		10.55
P/BV	x	9.27	6.77	6.70	5.13		5.70
Business data							
Number of trades carried out		1,176,303	1,311,009	1,316,264	1,302,397		1,131,905
Average daily volume traded	R\$ million	122	159	145	136		108
Average daily volume traded - B3	R\$ million	26,201	32,008	28,742	26,761		26,130
Share on B3's average volume	%	0.47	0.50	0.50	0.51		0.41

1. Dividend yield calculated considering the dividends reported in the last 12 months divided by the average stock price in the same period.

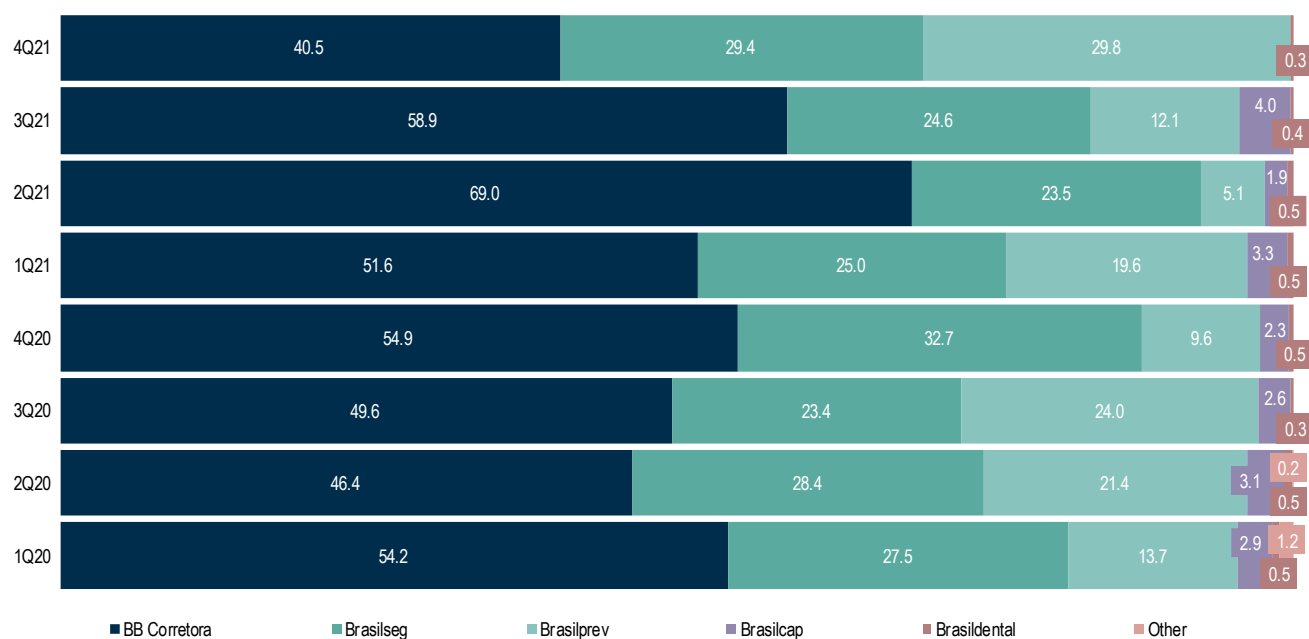
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## 2. EARNINGS ANALYSIS

### ■ EARNINGS BREAKDOWN

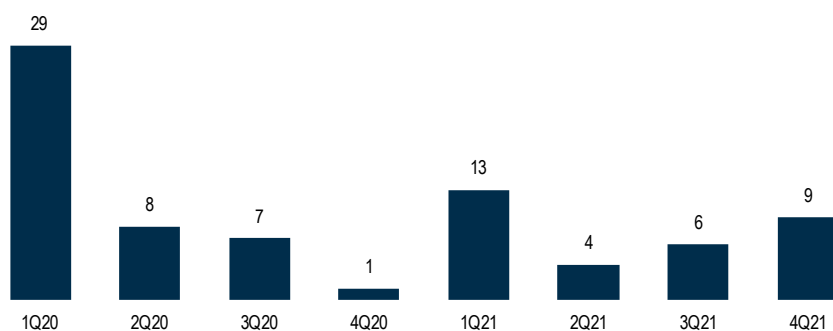
Figure 16 – Earnings Analysis | Breakdown<sup>1</sup> (%)



1. Does not consider the individual results from BB Seguridade and BB Seguros holdings and, when negative, the affiliates.

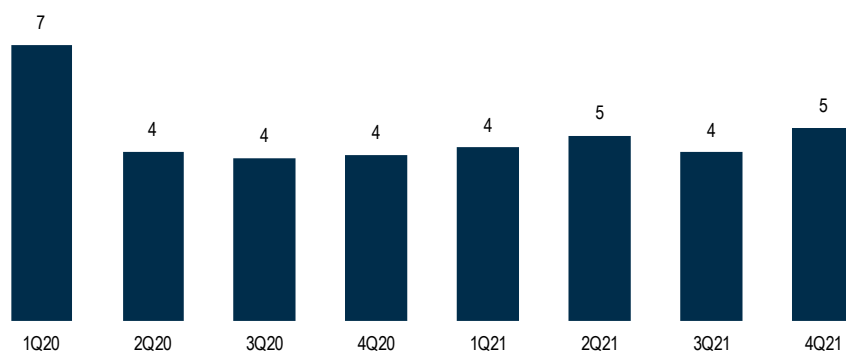
### ■ NET INVESTMENT INCOME OF THE HOLDING COMPANY

Figure 17 – Earnings Analysis | Net investment income (R\$ million)



## ■ GENERAL AND ADMINISTRATIVE EXPENSES OF THE HOLDING COMPANY

Figure 18 – Earnings Analysis | General and Administrative expenses (R\$ million)



### QUARTERLY ANALYSIS

In **4Q21**, the holding company's general and administrative expenses grew by 16.7% compared to the same period in 2020, due to:

- higher expenses with taxes on financial revenues, resulting both from the higher average Selic rate and the expansion of the average balance of financial investments; and
- increase in personnel expenses, explained by the collective adjustment of salaries of bank clerk that occurred in September and by the increase in the number of employees to fill vacant positions.

Administrative expenses were down 3.8%, with lower data processing expenses. On the other hand, the increase in expenses with specialized technical services and with bookkeeping services offset part of this fall in the quarter.

The consolidated expenses of the holding companies and BB Corretora increased by 183.3% YoY, largely explained by:

- increase of the line other operating revenues and expenses, with a higher volume of provision for the return of commission to Brasilprev;
- donations and sponsorships with tax incentive at BB Corretora; and
- tax expenses, due to the higher volume of PIS and COFINS incurred on financial revenues related to the receipt of interest on capital.

### YEAR-TO-DATE ANALYSIS

In **2021**, the general and administrative expenses of the holding company contracted 6.9%, a movement explained by lower tax expenses of PIS and COFINS on financial revenues, due to the contraction of the average balance of financial investments in the year (-87.0%), in addition to the positive effects of the closing of agreements within two lawsuits, which allowed the reversal of provisions.

Personnel expenses grew 3.9% in the year, for the same reason mentioned in the quarter analysis, while administrative expenses increased 5.4%, mainly due to higher expenses with legal publications of 2020 financial statements and increased expenses with specialized technical services.

In the year, the group's consolidated expenses grew 47.8%, with a higher volume of provisions for the return of Commission to Brasilprev, increase of donations with fiscal benefits and the increase of expenses with PIS and COFINS on the receipt of interest on capital.

Table 11 – Earnings Analysis | General and administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Administrative expenses</b>	<b>(1,085)</b>	<b>(772)</b>	<b>(1,043)</b>	<b>(3.8)</b>	<b>35.1</b>	<b>(3,826)</b>	<b>(4,034)</b>	<b>5.4</b>
Specialized technical services	(60)	(96)	(117)	94.9	22.0	(311)	(413)	32.6
Location and operation	(232)	(241)	(250)	8.0	4.0	(925)	(932)	0.8
Communication	(22)	(9)	(16)	(28.2)	68.3	(127)	(325)	155.6
Other administrative expenses	(771)	(427)	(660)	(14.4)	54.8	(2,463)	(2,364)	(4.0)
<b>Personnel expenses</b>	<b>(2,913)</b>	<b>(2,947)</b>	<b>(3,183)</b>	<b>9.3</b>	<b>8.0</b>	<b>(11,352)</b>	<b>(11,794)</b>	<b>3.9</b>
Compensation	(1,497)	(1,524)	(1,627)	8.7	6.8	(5,878)	(6,063)	3.1
Welfare benefits	(793)	(814)	(892)	12.5	9.6	(3,109)	(3,236)	4.1
Other compensation	(337)	(357)	(357)	5.9	(0.1)	(1,290)	(1,434)	11.2
Benefits	(285)	(252)	(308)	8.1	22.1	(1,065)	(1,056)	(0.9)
Other	(3)	-	-	-	-	(10)	(6)	(44.7)
<b>Tax expenses</b>	<b>(59)</b>	<b>(433)</b>	<b>(556)</b>	<b>843.5</b>	<b>28.4</b>	<b>(3,645)</b>	<b>(2,083)</b>	<b>(42.9)</b>
COFINS	(46)	(334)	(464)	899.1	38.7	(3,039)	(1,681)	(44.7)
PIS/Pasep	(7)	(62)	(86)	1,046.7	37.1	(523)	(306)	(41.4)
IOF	(2)	(19)	(2)	8.6	(91.4)	(24)	(24)	(0.4)
Other	(4)	(17)	(5)	49.0	(69.6)	(60)	(71)	18.4
<b>Other operating income (expenses)</b>	<b>(32)</b>	<b>(7)</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>(284)</b>	<b>123</b>	<b>-</b>
<b>G&amp;A expenses</b>	<b>(4,088)</b>	<b>(4,159)</b>	<b>(4,772)</b>	<b>16.7</b>	<b>14.7</b>	<b>(19,107)</b>	<b>(17,787)</b>	<b>(6.9)</b>

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### 3. BALANCE SHEET ANALYSIS

Table 12 – Balance Sheet Analysis | Balance sheet

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Assets</b>	<b>7,347,012</b>	<b>7,790,928</b>	<b>9,124,418</b>	<b>24.2</b>	<b>17.1</b>
Cash and cash equivalents	208,893	331,037	369,342	76.8	11.6
Financial assets marked to market	3,948	10,396	14,011	254.9	34.8
Investments	5,971,729	7,366,147	7,080,649	18.6	(3.9)
Current tax assets	85,155	69,850	70,260	(17.5)	0.6
Deferred tax assets	1,305	331	10	(99.3)	(97.1)
Dividends receivable	1,060,278	-	1,572,428	48.3	-
Other assets	10,223	8,001	12,759	24.8	59.5
Intangible	5,481	5,166	4,959	(9.5)	(4.0)
<b>Liabilities</b>	<b>957,407</b>	<b>9,048</b>	<b>1,843,002</b>	<b>92.5</b>	<b>20,269.5</b>
Provision for fiscal, civil and tax contingencies	230	72	28	(87.8)	(61.2)
Statutory obligation	948,493	443	1,831,691	93.1	413,487.5
Current tax liabilities	81	144	444	448.7	207.6
Other liabilities	8,603	8,389	10,839	26.0	29.2
<b>Shareholders' equity</b>	<b>6,389,605</b>	<b>7,781,880</b>	<b>7,281,416</b>	<b>14.0</b>	<b>(6.4)</b>
Capital	3,396,767	3,396,767	3,396,767	-	-
Reserves	3,062,544	3,062,463	4,124,433	34.7	34.7
Treasury shares	(82,588)	(81,320)	(81,320)	(1.5)	-
Other accumulated comprehensive income	12,882	(262,616)	(158,464)	-	(39.7)
Retained earnings	-	1,666,585	-	-	-

#### ■ INVESTMENTS

Table 13 – Balance Sheet Analysis | Direct investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Dec/21	Dec/20	Sep/21	Dec/21
Insurance, Pension Plans and Premium Bonds						
BB Seguros Participações	Holding	(1)	100.0	5,924,821	6,740,070	7,074,640
Insurance Brokerage						
BB Corretora de Seguros e Adm. de Bens	Insurance Broker	(1)	100.0	46,908	626,077	6,009

Note: (1) Controlled companies, fully consolidated.

Table 14 – Balance Sheet Analysis | BB Seguros Participações' investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Dec/21	Dec/20	Sep/21	Dec/21
Insurance						
Brasilseg	Holding	(1)	74.99	2,245,714	2,290,763	2,337,086
Brasilseg Companhia de Seguros						
Aliança do Brasil Seguros						
Pension Plans						
Brasilprev	Insurance/ Pension Plans	(1)	74.99	3,338,239	4,136,985	4,354,377
Health						
Brasildental	Health	(1)	74.99	15,582	11,806	16,088
Premium Bonds						
Brasilcap	Premium Bonds	(1)	66.67	470,327	362,049	427,840

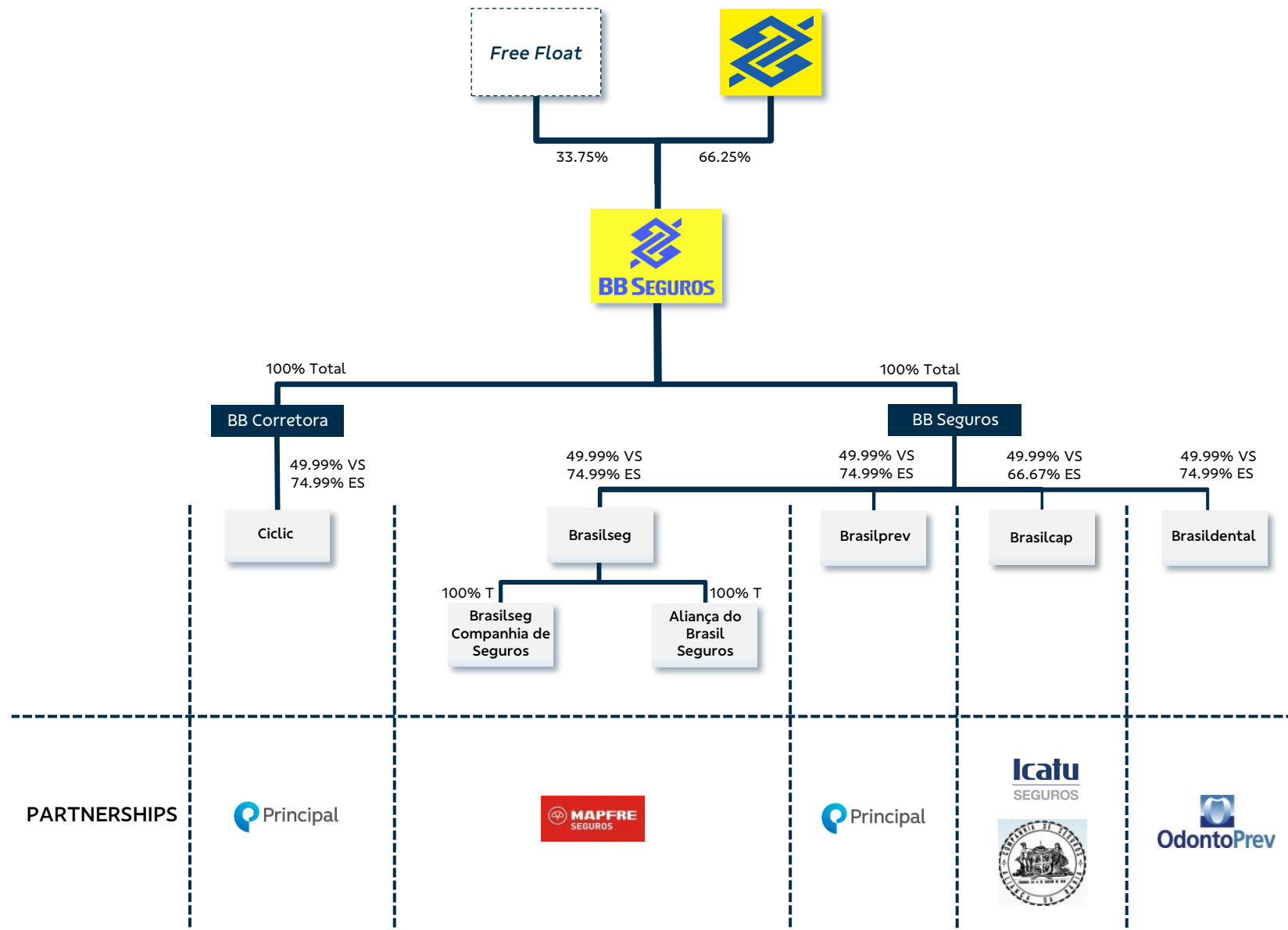
Note: (1) Affiliated companies, booked by the equity method.

Table 15 – Balance Sheet Analysis | BB Corretora's investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Dec/21	Dec/20	Sep/21	Dec/21
Insurance brokerage						
Ciclic	Digital Broker	(1)	74.99	14,483	4,822	1,850

Note: (1) Affiliated company, booked by the equity method.

Figure 19 – Balance Sheet Analysis | Ownership structure



Note: VS = Voting Stake; ES = Economic Stake; T = Total

## ■ SHAREHOLDER'S EQUITY

Table 16 – Balance Sheet Analysis | Statement of changes in equity

R\$ thousand	Capital	Capital Reserve	Legal and statutory reserve	Treasury stock	Retained earnings (losses)	Accumulated other comprehensive income	Total
<b>Balance on December 31, 2019</b>	<b>3,396,767</b>	<b>1,117</b>	<b>1,905,725</b>	<b>(83,306)</b>	<b>-</b>	<b>28,451</b>	<b>5,248,754</b>
Transactions with stock payments	-	471	-	718	-	-	1,189
Other comprehensive income	-	-	-	-	-	(15,569)	(15,569)
Dividends lapsed	-	-	-	-	42	-	42
Net income for the period	-	-	-	-	3,850,771	-	3,850,771
Allocation							
- Capital reserve	-	-	1,155,231	-	(1,155,231)	-	-
- Dividends paid	-	-	-	-	(1,747,565)	-	(1,747,565)
- Dividends proposed	-	-	-	-	(948,017)	-	(948,017)
<b>Balance on September 30, 2020</b>	<b>3,396,767</b>	<b>1,588</b>	<b>3,060,956</b>	<b>(82,588)</b>	<b>-</b>	<b>12,882</b>	<b>6,389,605</b>
<b>Changes in the Period</b>	<b>-</b>	<b>471</b>	<b>1,155,231</b>	<b>718</b>	<b>-</b>	<b>(15,569)</b>	<b>1,140,851</b>
<b>Balance on December 31, 2020</b>	<b>3,396,767</b>	<b>1,588</b>	<b>3,060,956</b>	<b>(82,588)</b>	<b>-</b>	<b>12,882</b>	<b>6,389,605</b>
Transactions with stock payments	-	-	-	-	-	-	-
Other comprehensive income	-	(80)	-	1,268	-	(171,346)	(170,158)
Dividends lapsed	-	-	-	-	45	-	45
Net income for the period	-	-	-	-	3,933,217	-	3,933,217
Intermediary dividends to be paid	-	-	1,061,969	-	(1,061,969)	-	-
<b>Balance on December 31, 2021</b>	<b>3,396,767</b>	<b>1,508</b>	<b>4,122,925</b>	<b>(81,320)</b>	<b>-</b>	<b>(158,464)</b>	<b>7,281,416</b>
<b>Changes in the Period</b>	<b>-</b>	<b>(80)</b>	<b>1,061,969</b>	<b>1,268</b>	<b>-</b>	<b>(171,346)</b>	<b>891,811</b>



## 4. UNDERWRITING AND ACCUMULATION

### ■ BRASILSEG

BB Seguridade offers life, mortgage life, rural, home and commercial lines insurance through its affiliate company Brasilseg, a company established under a 20-year term partnership with MAPFRE, which started in 2011 and was restructured in 2018. BB Seguridade holds, through BB Seguros, a 74.99% economic stake in Brasilseg, composed of 100% of the preferred shares and 49.99% of the common shares. The segments in which Brasilseg operates is dominated by the Brazilian banks, what reflects the strong association of this kind of products with the bancassurance channel.

The following items show a brief description of the main products offered by Brasilseg:

- a. **Term life insurance** is a product focused on individuals which assures financial protection to the beneficiaries, chosen by the policyholder, in case of death (natural or accidental), or permanent disability of the insured. If a claim occurs, the insurance company pays the amount agreed in the insurance policy to the beneficiary. Differently from the products sold in other countries, the life insurance sold by Brasilseg is a term life insurance without accumulation. If the customer fails to make the monthly payments, the coverage is suspended without any amount being reverted to the policyholder.
- b. **Credit life insurance** is a life insurance policy intended to pay off a borrower's loan in case of death of the insured. This type of product is designed to protect both the lender and the insured dependents, preventing them to inherit this liability via property succession process. This product is already quite widespread in Brazil and it is expected to grow with the expansion of the loan portfolio. The main beneficiary of this type of product is the lender.
- c. **Mortgage life insurance** is an insurance policy related to mortgage. In case of death or disability of the insured, the insurance policy guarantees the pre-payment of loan balance. A mortgage life insurance also protects against physical damage to the insured property. The premium is calculated on a monthly basis and varies according to the outstanding loan balance and the borrower's age.
- d. **Rural insurance** encompasses a group of three main products: (i) the crop insurance, which protects the farmers from weather hazards and from the loss of revenue in cases of falling prices of the crop; (ii) the rural lien insurance, which protects the asset given as collateral for a rural loan; and (iii) the credit life for farmers insurance, which is an insurance designed for farmers intended to pay off the rural loan in case the insured dies.
- e. **Home insurance** encompasses a set of coverages intended for the protection of individual homes against damages caused by fire, lightning and explosion, and may also include additional coverages against theft, electric damage, physical damage to the property, windstorm, hail rain, among others. This product can also include assistances and benefits according to the plan hired.
- f. **Corporate/Commercial lines** consist of products designed to protect the assets of companies against damage to the building and its contents, such as machinery, furniture, utensils, goods and raw materials, excluding large risks.

## ■ PENSION PLANS

BB Seguridade operates in the private pension plans segment through its affiliate Brasilprev in partnership with the American company Principal Financial Group (PFG). Brasilprev was established in 1993 as a partnership between Banco do Brasil and a group of insurance companies. After going through a series of corporate restructuring, within 1999–2000, PFG, through its subsidiary in Brazil, Principal Financial Group do Brasil, acquired an economic stake in the company and established a partnership with Banco do Brasil. In 2010, Banco do Brasil, through BB Seguros, and PFG renewed their partnership, extending it for 23 years more. As a result of this new agreement, BB Seguros increased its stake in Brasilprev from 49.99% to 74.99%. Pension plans are growing in popularity in Brazil, due to increasing life expectancy, level of financial education, tax benefits and the pension reform held in 2019.

Brasilprev has two main sources of revenue: the management fee on assets under management and the premiums paid to cover risks.

The following topics provide a brief description of the products offered by Brasilprev:

**1.1 Free Benefit Generator Plan (PGBL)** is recommended for people who fill their income tax statement in the complete form, as the contributions are tax deductible up to the limit of 12% of the annual gross taxable income. In this modality, in case of redemption or benefit received, income taxes are calculated on the amount redeemed or income received.

In Brazil, there are two alternatives for an individual to present the tax statements, the simple form or the complete form. In the complete form, a Brazilian citizen can inform not only the income but also deductible expenses, such as expenses with healthcare, education, investments in PGBL, and other. In addition, the participant may choose to be taxed either in the progressive tax system or in the regressive tax system when buying a pension plan.

In the progressive tax system, the annuity is taxed when money is received according to the “Tabela Progressiva Mensal” (Monthly Progressive Table) made available by the Brazilian Internal Revenue Service. The tax brackets can vary from zero to 27.5% according to the annual wages with adjustment in the income tax declaration. Redemptions are taxed at 15% in anticipation regardless the amount redeemed, with adjustment in the income tax statement according to the Monthly Progressive Table.

In the regressive tax system, in the event of redemption or annuity received, tax is withheld and is definitive, with no possibility of adjustment in the annual tax statement. The rates are determined by the length of stay of each inflow in the plan, starting at 35%, with gradual reduction every two years, reaching a level of 10% after 10 years.

**1.2 Free Benefit Generator Life Plan (VGBL)** is recommended for those who fill their income tax statement in the simplified form or is exempt, since the contributions are not tax deductible. As in PGBL, the customer can choose either the progressive or the regressive tax system. In VGBL, in case of redemption or annuity received, income tax will be charged on interest earned only. The main advantage of the VGBL is its simplicity of the process related to the inheritance transmission, being suitable for customers who wish to make a succession planning. In this product, the customer can determine who will be the beneficiaries after his death and, unlike other assets, funds invested in VGBL are not part of the inventory, which is a process with legal costs and attorney's fees that can consume from 6% to 20% of the wealth received by the heirs.

**1.3 Traditional Plan** guarantees a fixed interest of 6% plus inflation (IGP-M) or Taxa Referencial (TR) per year. These plans are no longer sold.

## ■ PREMIUM BONDS

BB Seguridade offers premium bonds through its affiliate company Brasilcap, in a partnership with Icatu and Aliança da Bahia. Premium bonds are very peculiar to the Brazilian market, but there are also quite similar products in United Kingdom and in other countries.

Premium bonds are mainly sold through the bancassurance channel and it is an alternative way to accumulate reserves, with term and interest rate previously determined, entitling the bondholder to participate in lotteries. Premiums are distributed through periodic draws, being most frequent the usage of a combination of numbers in pre-determined series, based on the Brazilian Official Lottery.

Depending on the type of premium bond and the payment method chosen, the load fee and lottery quotas can exceed 10% of the amount collected. The amount intended to cover lottery, administrative expenses, and operational and acquisition costs is covered by these quotas.

In case of early redemption, the bondholder must obey a grace period (12 months in most products). Beyond the grace period, penalties will be applied if the bondholder decides for early redemption, which will decrease as the bond approaches to maturity.

## ■ DENTAL INSURANCE

BB Seguridade offers dental insurance through its affiliate company Brasil dental. The Company was established in 2014, by a 20-year term partnership with Odontoprev. In this partnership BB Seguridade holds a 74.99% economic stake, being 49.99% of the common shares.

Brasil dental's dental insurance plans are sold under the BB Dental brand, with exclusivity of the bancassurance channel of Banco do Brasil, to individuals and companies, and counts on a wide network of specialized clinics and professionals all over the country.

The following sections show a deeper analysis of the controlled and affiliate companies of BB Seguridade including income statement, balance sheet and performance ratios.

It is worth mentioning that these information are influenced by the investor company accounting entries, e.g., changes in goodwill. Therefore, the statements are not necessarily reconcilable with those published by the Companies.

## 4.1 BRASILSEG

### ■ EARNINGS ANALYSIS

To provide a better analysis, the following table shows a managerial view built considering the reallocation of the result with reinsurance to the other accounts that compose the Income Statement. This reallocation allows the analysis of the performance ratios already considering the reinsurance effects.

Table 17 – Brasilseg | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Premiums written</b>	<b>2,746,081</b>	<b>3,468,282</b>	<b>3,129,977</b>	<b>14.0</b>	<b>(9.8)</b>	<b>10,386,163</b>	<b>12,063,738</b>	<b>16.2</b>
Premiums ceded to reinsurance	(320,122)	(657,140)	(396,579)	23.9	(39.7)	(1,368,992)	(1,895,034)	38.4
<b>Retained premiums</b>	<b>2,425,959</b>	<b>2,811,142</b>	<b>2,733,398</b>	<b>12.7</b>	<b>(2.8)</b>	<b>9,017,171</b>	<b>10,168,704</b>	<b>12.8</b>
Changes in technical reserves - premiums	(426,997)	(504,674)	(320,803)	(24.9)	(36.4)	(1,311,189)	(1,232,893)	(6.0)
<b>Retained earned premiums</b>	<b>1,998,962</b>	<b>2,306,468</b>	<b>2,412,595</b>	<b>20.7</b>	<b>4.6</b>	<b>7,705,982</b>	<b>8,935,810</b>	<b>16.0</b>
Retained claims	(581,787)	(953,221)	(656,580)	12.9	(31.1)	(2,362,119)	(3,495,478)	48.0
Retained acquisition costs	(639,451)	(734,999)	(750,976)	17.4	2.2	(2,597,586)	(2,779,236)	7.0
<b>Underwriting result</b>	<b>777,724</b>	<b>618,248</b>	<b>1,005,040</b>	<b>29.2</b>	<b>62.6</b>	<b>2,746,277</b>	<b>2,661,096</b>	<b>(3.1)</b>
Administrative expenses	(116,273)	(118,035)	(140,722)	21.0	19.2	(446,574)	(483,983)	8.4
Tax expenses	(75,464)	(75,627)	(93,661)	24.1	23.8	(304,990)	(300,280)	(1.5)
Other operating income (expenses)	(74,594)	(35,122)	(65,145)	(12.7)	85.5	(254,447)	(183,730)	(27.8)
Equity income	531	604	0	(100.0)	(100.0)	2,038	1,666	(18.2)
Gains or losses on non-current assets	83	212	(106)	-	-	(229)	176	-
<b>Non-interest operating result</b>	<b>512,006</b>	<b>390,280</b>	<b>705,405</b>	<b>37.8</b>	<b>80.7</b>	<b>1,742,075</b>	<b>1,694,946</b>	<b>(2.7)</b>
<b>Net investment income</b>	<b>57,561</b>	<b>85,190</b>	<b>48,279</b>	<b>(16.1)</b>	<b>(43.3)</b>	<b>261,647</b>	<b>266,430</b>	<b>1.8</b>
Financial income	91,828	97,330	93,212	1.5	(4.2)	372,000	362,309	(2.6)
Financial expenses	(34,267)	(12,139)	(44,934)	31.1	270.1	(110,354)	(95,878)	(13.1)
<b>Earnings before taxes and profit sharing</b>	<b>569,567</b>	<b>475,470</b>	<b>753,684</b>	<b>32.3</b>	<b>58.5</b>	<b>2,003,722</b>	<b>1,961,376</b>	<b>(2.1)</b>
Taxes	(149,248)	(141,211)	(207,036)	38.7	46.6	(515,118)	(499,986)	(2.9)
Profit sharing	(6,595)	(6,253)	(6,475)	(1.8)	3.6	(21,367)	(18,306)	(14.3)
<b>Net income</b>	<b>413,724</b>	<b>328,006</b>	<b>540,172</b>	<b>30.6</b>	<b>64.7</b>	<b>1,467,237</b>	<b>1,443,084</b>	<b>(1.6)</b>

**Retained premiums** = Premiums written + premiums ceded to reinsurance

**Changes in technical reserves – premiums** = Changes in technical provisions + changes in technical provisions on reinsured operations

**Retained claims** = Incurred claims – recovery of indemnity claims – recovery of claims expenses – changes in provisions for claims IBNR – salvages and reimbursed assets – changes in provision for claims IBNR – provisions for claims to be settled – changes of expenses related to IBNR – changes in estimates for salvages and reimbursed assets – provisions for claims to be settled

**Retained acquisition costs** = acquisition costs – commission return + revenue with reinsurance commissions

## ADJUSTED NET INCOME

Figure 20 – Brasilseg | Adjusted net income and ROAA

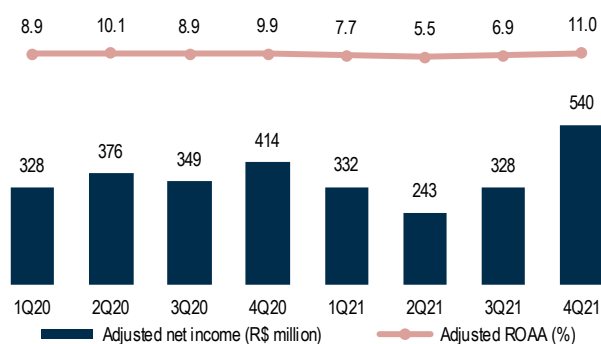
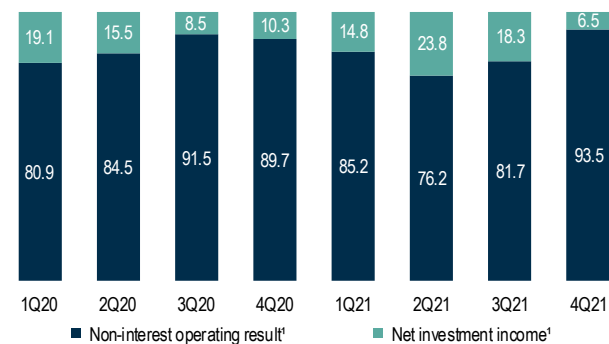


Figure 21 – Brasilseg | Adjusted net income breakdown (%)



1. Net of taxes considering the Company's effective tax rate.

Table 18 – Brasilseg | Managerial performance ratios<sup>1</sup>

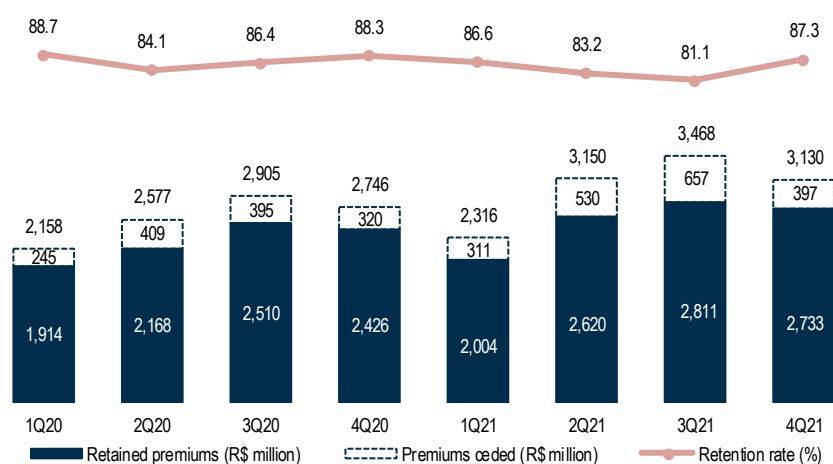
%	Quarterly Flow		Chg. (p.p.)			Annual Flow		Chg. (p.p.)
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Performance ratios</b>								
Loss ratio	29.1	41.3	27.2	(1.9)	(14.1)	30.7	39.1	8.5
Commission ratio	32.0	31.9	31.1	(0.9)	(0.7)	33.7	31.1	(2.6)
G&A ratio	13.3	9.9	12.4	(0.9)	2.5	13.1	10.8	(2.2)
Combined ratio	74.4	83.1	70.8	(3.7)	(12.4)	77.4	81.1	3.6
<b>Other ratios</b>								
Expanded combined ratio	72.3	80.2	69.4	(3.0)	(10.8)	74.9	78.7	3.8
Income tax rate	26.2	29.7	27.5	1.3	(2.2)	25.7	25.5	(0.2)
ROAA	9.9	6.9	11.0	1.1	4.0	9.1	7.8	(1.3)

1. Performance ratios calculated based on the managerial income statement, considering the reinsurance effects.

## ■ NON-INTEREST OPERATING RESULT ANALYSIS

### PREMIUMS WRITTEN

Figure 22 – Brasilseg | Premiums written



### QUARTERLY ANALYSIS

In **4Q21**, the insurance segment again showed a strong commercial performance, with **premiums written** growing 14.0% compared to 4Q20.

**Rural insurance** sustained a robust growth, up 32.2% YoY. The three main lines of the segment benefited from the higher costs of agricultural inputs, which led an increase in the volume of rural credit for the 2021/2022 harvest, resulting in a higher insured capital. As compared to 4Q20, the crop insurance grew 24.6%, rural lien expanded 48.6% and credit life for farmers was up 28.3%.

The premiums written of **term life insurance** grew 11.1% YoY, due to increase of sales after commercial campaigns carried out in BB's network, as well as growth in the renewal of premiums.

The performances in **home insurance** (+29.0%), resulting from commercial efforts in BB's network, and in **commercial lines insurances** (+68.4%), after the price adjustment of the breach of warranty product, also contributed to the evolution of premiums written in the quarter.

On the other hand, **credit life insurance** fell 18.0% compared to 4Q20, impacted by the reduction of the average insured capital in the new portfolio that overshadowed the growth of sales.

### YEAR-TO-DATE ANALYSIS

In **2021**, premiums written increased by 16.2%, an evolution driven by the commercial performance of the rural (+35.5%), term life (+17.1%), home (+23.4%) and commercial lines (+36.7%), partially offset by the fall in credit life.

Table 19 – Brasilseg | Breakdown of premiums written

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
Life	846,064	943,189	940,240	11.1	(0.3)	3,002,061	3,514,897	17.1
Credit Life	647,117	557,682	530,509	(18.0)	(4.9)	2,574,472	2,162,813	(16.0)
Mortgage Life	72,470	72,533	72,490	0.0	(0.1)	289,276	287,612	(0.6)
Rural	1,032,723	1,680,058	1,365,091	32.2	(18.7)	3,938,245	5,335,116	35.5
Crop	382,115	800,480	476,208	24.6	(40.5)	1,644,084	2,246,036	36.6
Rural lien	254,422	356,074	377,997	48.6	6.2	913,241	1,263,500	38.4
Credit life for farmers	384,383	507,029	492,989	28.3	(2.8)	1,351,995	1,762,317	30.3
Others	11,803	16,475	17,898	51.6	8.6	28,926	63,262	118.7
Home	68,113	91,604	87,857	29.0	(4.1)	257,626	317,984	23.4
Commercial lines	78,286	121,734	131,838	68.4	8.3	320,738	438,472	36.7
Large risks	805	953	1,490	85.2	56.3	1,740	4,717	171.1
Other	502	529	461	(8.2)	(12.8)	2,006	2,126	6.0
<b>Total</b>	<b>2,746,081</b>	<b>3,468,282</b>	<b>3,129,977</b>	<b>14.0</b>	<b>(9.8)</b>	<b>10,386,163</b>	<b>12,063,738</b>	<b>16.2</b>

Table 20 – Brasilseg | Breakdown of retained premiums

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
Life	844,849	941,500	936,594	10.9	(0.5)	2,996,937	3,501,525	16.8
Credit Life	646,347	558,452	528,596	(18.2)	(5.3)	2,571,598	2,154,686	(16.2)
Mortgage Life	72,401	70,519	72,140	(0.4)	2.3	287,306	284,609	(0.9)
Rural	714,682	1,025,813	976,279	36.6	(4.8)	2,579,831	3,474,064	34.7
Crop	72,227	158,381	99,404	37.6	(37.2)	301,449	438,117	45.3
Rural lien	254,371	353,027	378,111	48.6	7.1	915,164	1,255,102	37.1
Credit life for farmers	383,391	506,666	491,001	28.1	(3.1)	1,349,468	1,753,079	29.9
Others	4,693	7,739	7,763	65.4	0.3	13,750	27,765	101.9
Home	68,088	91,591	87,857	29.0	(4.1)	256,109	316,538	23.6
Commercial lines	78,284	121,781	129,937	66.0	6.7	318,997	431,809	35.4
Large risks	806	957	1,535	90.5	60.4	4,386	3,348	(23.7)
Other	502	529	461	(8.3)	(12.9)	2,006	2,125	6.0
<b>Total</b>	<b>2,425,959</b>	<b>2,811,142</b>	<b>2,733,398</b>	<b>12.7</b>	<b>(2.8)</b>	<b>9,017,171</b>	<b>10,168,704</b>	<b>12.8</b>

Figure 23 – Brasilseg | Breakdown of premiums written (%)

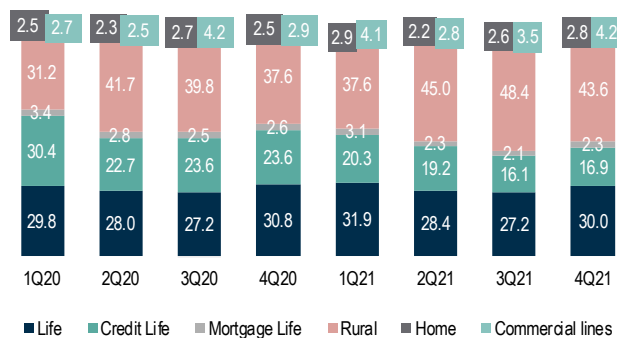
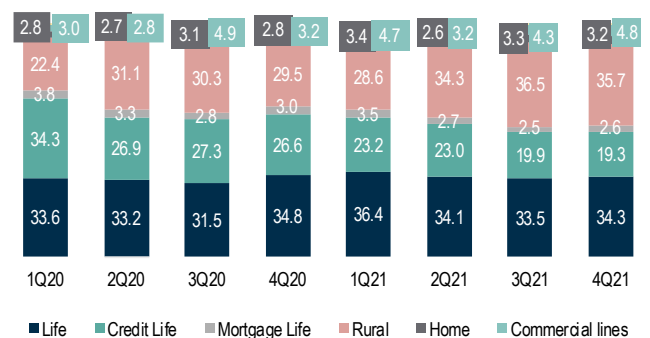


Figure 24 – Brasilseg | Breakdown of retained premiums (%)



## CHANGES IN TECHNICAL RESERVES – PREMIUMS

Table 21 – Brasilseg | Changes in technical reserves – premiums

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
Provision for unearned premiums	(400,819)	(761,425)	(242,050)	(39.6)	(68.2)	(1,436,553)	(1,474,026)	2.6
Provision for technical surplus	1,632	(614)	(601)	-	(2.1)	(260)	(2,821)	982.9
Complementary provisions of contributions	(5,593)	-	(16,950)	203.0	-	(8,554)	(26,805)	213.4
<b>Change in technical reserves - premiums</b>	<b>(404,781)</b>	<b>(762,040)</b>	<b>(259,601)</b>	<b>(35.9)</b>	<b>(65.9)</b>	<b>(1,445,367)</b>	<b>(1,503,651)</b>	<b>4.0</b>



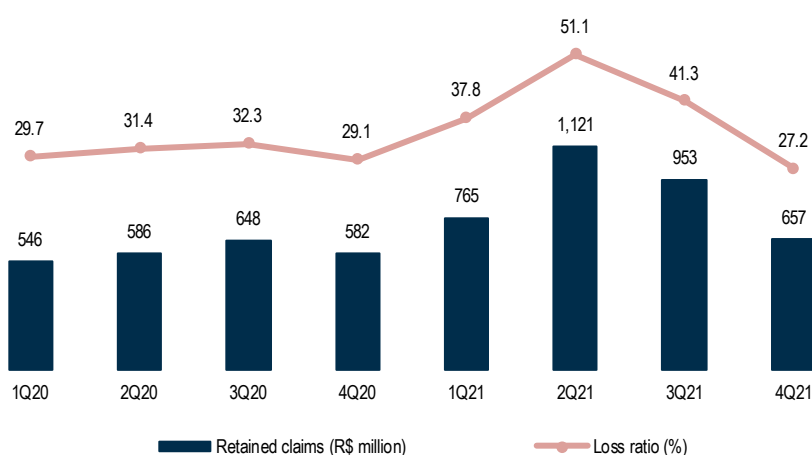
## RETAINED EARNED PREMIUMS

Table 22 – Brasilseg | Breakdown of retained earned premiums

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
Life	743,643	842,397	842,364	13.3	(0.0)	2,948,366	3,263,275	10.7
Credit Life	421,167	437,905	446,942	6.1	2.1	1,595,045	1,720,503	7.9
Mortgage Life	72,599	71,505	71,955	(0.9)	0.6	288,893	284,455	(1.5)
Rural	620,547	780,795	860,357	38.6	10.2	2,312,736	2,987,861	29.2
Crop	75,652	93,013	112,714	49.0	21.2	258,413	373,076	44.4
Rural lien	216,326	275,591	308,164	42.5	11.8	841,860	1,049,073	24.6
Credit life for farmers	325,100	405,590	432,836	33.1	6.7	1,198,962	1,543,159	28.7
Others	3,470	6,601	6,643	91.5	0.6	13,500	22,552	67.0
Home	62,914	70,597	74,109	17.8	5.0	235,797	274,951	16.6
Commercial lines	76,778	102,109	115,582	50.5	13.2	318,576	400,103	25.6
Large risks	796	616	807	1.4	31.0	4,518	2,494	(44.8)
Other	518	543	477	(7.8)	(12.0)	2,051	2,168	5.7
<b>Total</b>	<b>1,998,962</b>	<b>2,306,468</b>	<b>2,412,595</b>	<b>20.7</b>	<b>4.6</b>	<b>7,705,982</b>	<b>8,935,810</b>	<b>16.0</b>

## RETAINED CLAIMS

Figure 25 – Brasilseg | Retained claims



### QUARTERLY ANALYSIS

In the **4Q21**, the **loss ratio** decreased 1.9 p.p. (-14.1 p.p. vs. 3Q21), returning to pre-pandemic levels, as a consequence of the lower volume of claims related to Covid-19 for products with death coverage, reflecting the evolution in the vaccination calendar. It was registered in the quarter R\$42.2 million in claims marked as Covid-19 (dated as of: 01/18/2022), down 42.7% as compared to the same period of 2020 (R\$73.6 million) and down 70.9% compared to R\$145.1 million registered in the 3Q21.

Excluding Covid-19 claims, the loss ratio in the quarter would be stable YoY, considering the following variations by segment:

- term life (+2.1 p.p.) and credit life (+1.4 p.p.), due to a higher severity in the period, in addition to a base (4Q20) positively impacted by the reversal of provision for judicial claims to be settled, mainly in term life (R\$5.9 million), driven by the recurring evaluation of the lawsuits basis that resulted in the reversal of provisions for old lawsuits, which were closed with the insurer's win;
- crop insurance (+1.1 p.p.) negatively impacted by the higher volume of claims in December, mainly due to the drought in soybean and corn crops in the South due to the La Niña. The increase was partially offset by the reversal of provisions for claims to be settled related to intermediary corn crop, amounting to R\$28.2 million (net of reinsurance), which claims reported were higher than the effective losses;
- rural lien (+1.3 p.p.), with the worsening resulting from claims related to collision of agricultural machines and vehicles, as well as the higher frequency/severity of claims related to windstorms;
- home insurance (+2.6 p.p.), mainly due to the increase in the frequency of claims related to electrical and wind damage in the South and Southeast; and
- credit life for farmers (-9.7 p.p.) and mortgage life, considering the lower average volume of claims reported.

## YEAR-TO-DATE ANALYSIS

In **2021**, the **loss ratio** increased 8.5 p.p., impacted by the pandemic, which reached its death peak in the 2Q21. The claims related to Covid-19 totaled R\$864 million (dated as of: 01/18/2022) and were more than 3 times higher as compared to 2020 (R\$231 million). Discounting the Covid-19 claims, the loss ratio would be 9.7 p.p. lower than the number reported, increasing 1.8 p.p. compared to 2020.

It is important to note that an average period of 60 days elapses between the claim notification, which already sensitizes the insurer's P&L, and the confirmation of the cause of death by Covid-19, exclusively for management purposes. Considering this lag, part of the claims reported have not yet had the regulation process concluded and, therefore, are not reflected in the claims adjustments for the purpose of excluding the effects of Covid-19.

The worsening excluding the Covid-19 effects is largely explained by the increase in crop insurance claims, more concentrated in June and July, with losses in corn crop, mainly in Parana and Mato Grosso do Sul due to the drought and frost, this last event also reaching the coffee crop in Minas Gerais, and in December, for the reasons listed in the quarterly analysis.

Table 23 – Brasilseg | Breakdown of retained claims

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Incurred claims</b>	<b>(732,499)</b>	<b>(1,400,943)</b>	<b>(904,401)</b>	<b>23.5</b>	<b>(35.4)</b>	<b>(3,311,830)</b>	<b>(4,700,534)</b>	<b>41.9</b>
Expenses with claims	(714,681)	(1,346,484)	(862,879)	20.7	(35.9)	(3,173,264)	(4,597,747)	44.9
Changes in provisions for claims IBNR and IBNER	(5,417)	(14,198)	(21,313)	293.4	50.1	(96,474)	(47,781)	(50.5)
Recovery of claims - Coinsurance and reinsurance	152,203	419,590	250,737	64.7	(40.2)	953,322	1,209,120	26.8
Salvage and Reimbursements	8,593	8,354	11,469	33.5	37.3	29,400	45,893	56.1
Assistance services	(22,079)	(22,341)	(33,393)	51.2	49.5	(75,562)	(105,303)	39.4
Other	(406)	1,858	(1,200)	195.6	-	458	340	(25.7)
<b>Retained claims</b>	<b>(581,787)</b>	<b>(953,221)</b>	<b>(656,580)</b>	<b>12.9</b>	<b>(31.1)</b>	<b>(2,362,119)</b>	<b>(3,495,478)</b>	<b>48.0</b>

Figure 26 – Life Insurance | Loss ratio (%)

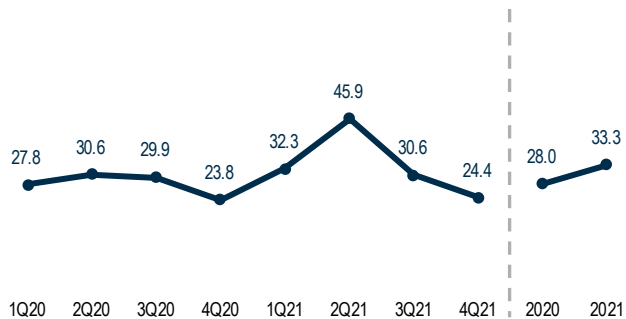


Figure 27 – Credit life insurance | Loss ratio (%)

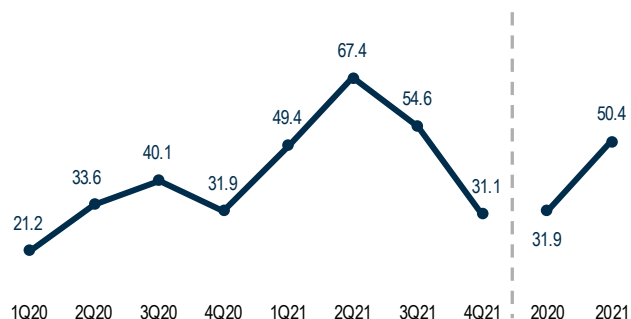


Figure 28 – Mortgage life | Loss ratio (%)

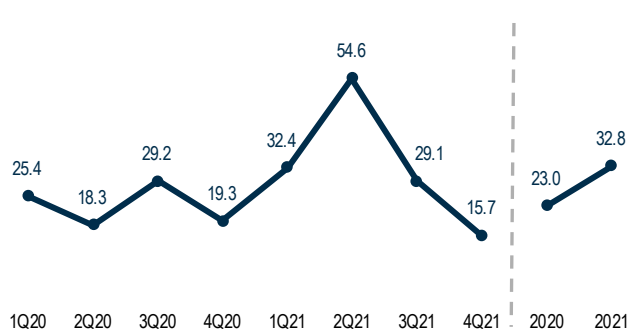


Figure 29 – Home insurance | Loss ratio (%)

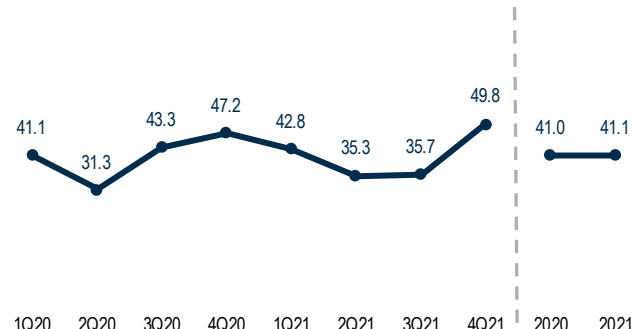


Figure 30 – Commercial lines insurance | Loss ratio (%)

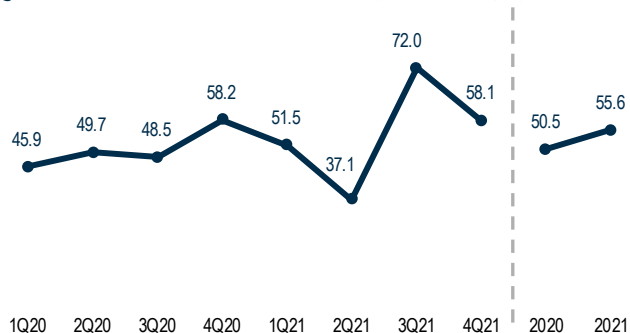


Figure 31 – Rural | Loss ratio (%)

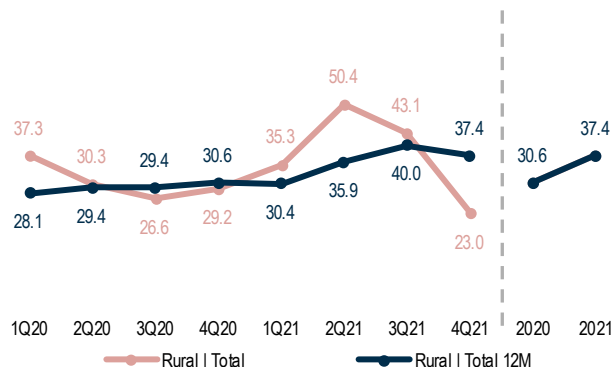


Figure 32 – Crop insurance | Loss ratio (%)

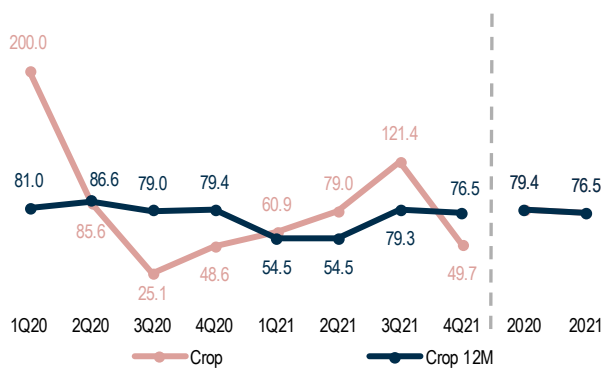
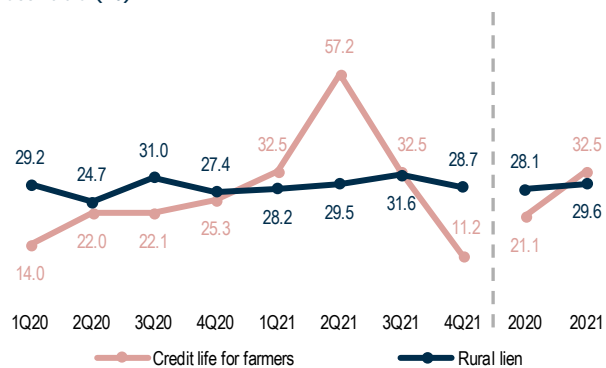


Figure 33 – Credit life for farmers and rural lien insurance | Loss ratio (%)



## RETAINED ACQUISITION COSTS

Figure 34 – Brasilseg | Retained acquisition costs

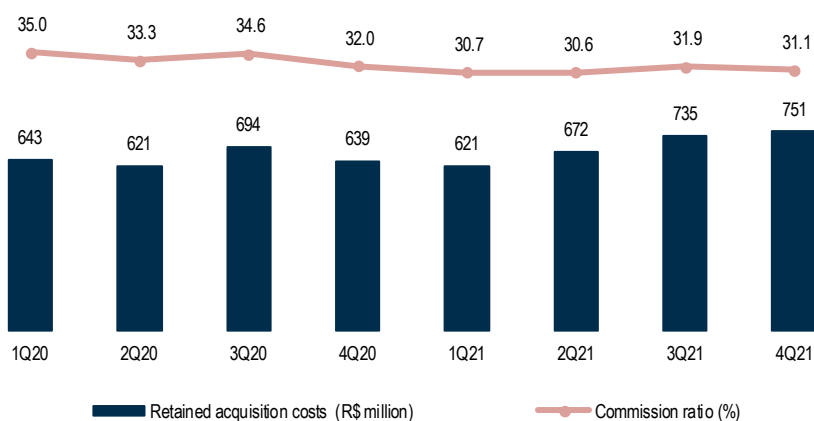
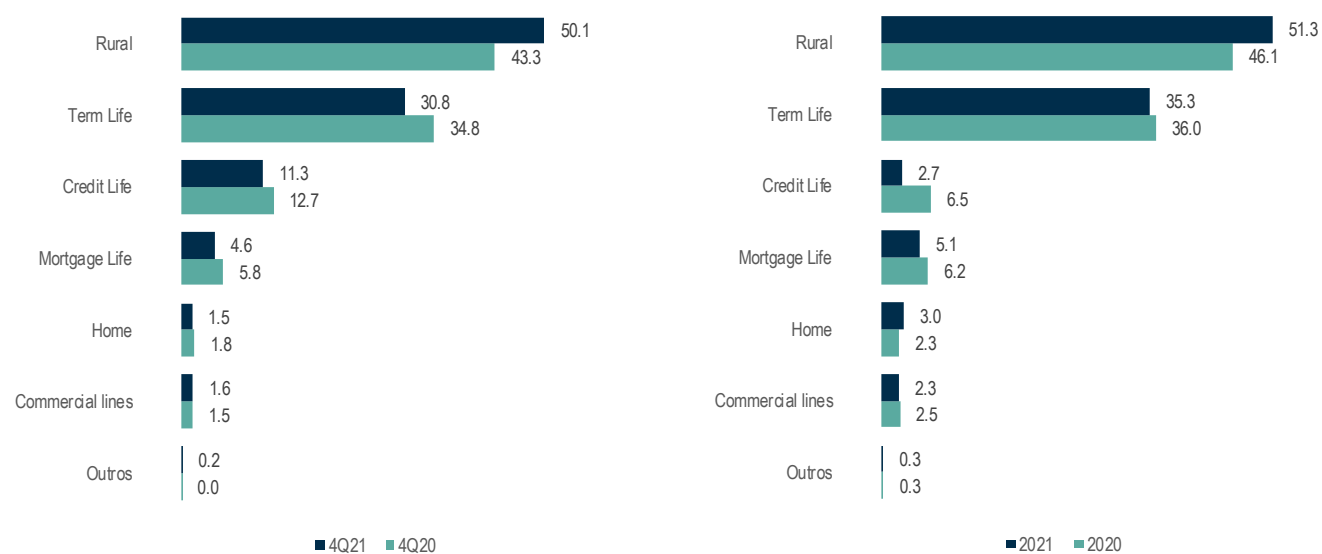


Table 24 – Brasilseg | Retained acquisition costs

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Acquisition costs</b>	<b>(728,471)</b>	<b>(835,307)</b>	<b>(859,633)</b>	<b>18.0</b>	<b>2.9</b>	<b>(2,936,409)</b>	<b>(3,213,658)</b>	<b>9.4</b>
Commission charged on premiums written	(765,015)	(892,805)	(852,817)	11.5	(4.5)	(2,814,841)	(3,205,663)	13.9
Revenue with reinsurance commission	89,020	100,308	108,657	22.1	8.3	338,823	434,422	28.2
Commissions recovered - Coinsurance	1,598	4,986	2,220	38.9	(55.5)	2,589	14,990	479.0
Change in deferred acquisition costs	152,469	182,061	106,100	(30.4)	(41.7)	501,748	441,999	(11.9)
Other acquisition costs	(117,524)	(129,549)	(115,137)	(2.0)	(11.1)	(625,904)	(464,984)	(25.7)
<b>Retained acquisition costs</b>	<b>(639,451)</b>	<b>(734,999)</b>	<b>(750,976)</b>	<b>17.4</b>	<b>2.2</b>	<b>(2,597,586)</b>	<b>(2,779,236)</b>	<b>7.0</b>

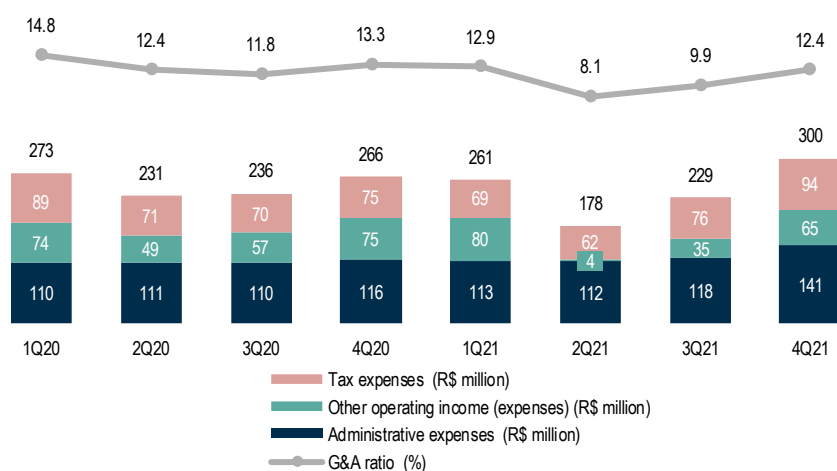
## UNDERWRITING RESULT

Figure 35 – Brasilseg | Breakdown of underwriting result by segment (%)



## GENERAL & ADMINISTRATIVE EXPENSES

Figure 36 – Brasilseg | G&A expenses



### QUARTERLY ANALYSIS

In the **4Q21**, the **G&A ratio** improved 0.9 p.p. YoY, due to the 20.7% growth in retained earned premiums, which is the denominator of indicator calculation, partially offset by the increase of 12.5% in expenses.

**Administrative expenses** grew by 21.0% YoY, mainly due to both the higher expenses with outsourcing, with increase in IT infrastructure and data center maintenance within the scope of Brasilseg's digital transformation process, and the evolution of personnel expenses, as a consequence of the increase in the number of employees, training and institutional events.

On the other hand, **other operating income (expenses)** decreased 12.7%, explained by lower expenses with the constitution of provisions for payment to the Rural Insurance Stability Fund (FESR), considering that since the 2Q21 the calculation of the provision relies on the balance of the Provision for Claims to be Settled (PSL) of the previous month instead of the claims effectively paid. Taking into account this new dynamic, and considering that in September, October and November there was an increase in the PSL, more concentrated in the rural lien insurance, due to the higher volume of reported claims, the FESR calculation basis for the quarter was reduced compared to the 4Q20. This effect was partially offset by the increase in the impairment line and by the brand disclosure expenses, the second allocated in other operating income (expenses) line.

**Tax expenses**, on the other hand, increased by 24.1%, following the evolution of the taxable base.

### YEAR-TO-DATE ANALYSIS

In **2021**, the **G&A ratio** improved by 2.2 p.p., justified by both the 3.8% drop in G&A expenses and the 16.0% growth of retained earned premiums.

**Other operating income (expenses)** decreased 27.8%. The retraction is explained by the reversal of R\$43.9 million in the provision for FESR in 2Q21, in addition to the lower volume of constitution in the 2H21, both movements resulting from the change in the provision calculation criteria mentioned in the quarterly analysis.

**Administrative expenses** grew 8.4%, bellow the inflation of the year, concentrated in expenses with outsourcing (+27.4%) related to investments in IT infrastructure, data protection compliance and data analytics, software licenses and data center maintenance, as well as higher personnel expenses (+3.1%), more concentrated in the 4Q21, as explained in the quarterly analysis. This increase was partially offset by lower expenses with location and operation, reflecting the reduction in travel and transportation expenses during the pandemic period, and with publicity and advertising.



**Tax expenses**, on the other hand, dropped by 1.5%, influenced by the higher volume of claims with death coverage, which reduced the PIS and Cofins calculation basis. Additionally, in 2020 this line was positively impacted by the reversal of R\$20 million in tax credits related to PIS/COFINS of the DPVAT segment, after changes determined by SUSEP (Superintendence of Private Insurance) in the form of recognition of the segment's results, affecting the comparables.

Table 25 – Brasilseg | General & Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Administrative expenses</b>	<b>(116,273)</b>	<b>(118,035)</b>	<b>(140,722)</b>	<b>21.0</b>	<b>19.2</b>	<b>(446,574)</b>	<b>(483,983)</b>	<b>8.4</b>
Personnel	(50,174)	(52,503)	(56,367)	12.3	7.4	(209,717)	(216,124)	3.1
Outsourcing	(33,772)	(43,099)	(52,479)	55.4	21.8	(133,643)	(170,242)	27.4
Location and operation	(21,194)	(20,497)	(20,748)	(2.1)	1.2	(83,250)	(80,913)	(2.8)
Institutional advertisement and publicity	(2,869)	(1,396)	(1,329)	(53.7)	(4.8)	(8,014)	(4,271)	(46.7)
Publications	(91)	(9)	(31)	(65.6)	248.4	(669)	(635)	(5.1)
Other administrative expenses	(8,173)	(532)	(9,768)	19.5	1,735.5	(11,280)	(11,798)	4.6
<b>Other operating income (expenses)</b>	<b>(74,594)</b>	<b>(35,122)</b>	<b>(65,145)</b>	<b>(12.7)</b>	<b>85.5</b>	<b>(254,447)</b>	<b>(183,730)</b>	<b>(27.8)</b>
FESR contributions	(55,608)	(17,450)	(30,428)	(45.3)	74.4	(186,573)	(92,223)	(50.6)
Charging expenses	(1,102)	(1,041)	(1,042)	(5.5)	0.1	(3,672)	(4,321)	17.7
Civil contingencies	(2,000)	(4,683)	(1,577)	(21.2)	(66.3)	(11,194)	(13,484)	20.5
Expenses with events	(1,113)	(236)	(1,348)	21.1	471.2	(2,160)	(1,816)	(16.0)
Endomarketing	(8,900)	(10,152)	(5,823)	(34.6)	(42.6)	(37,322)	(33,930)	(9.1)
Impairment	(654)	5,165	(5,893)	801.8	-	(3,018)	(9,329)	209.1
Other operating income (expenses)	(5,217)	(6,725)	(19,034)	264.8	183.0	(10,507)	(28,628)	172.5
<b>Tax expenses</b>	<b>(75,464)</b>	<b>(75,627)</b>	<b>(93,661)</b>	<b>24.1</b>	<b>23.8</b>	<b>(304,990)</b>	<b>(300,280)</b>	<b>(1.5)</b>
COFINS	(62,324)	(62,484)	(77,570)	24.5	24.1	(251,644)	(247,502)	(1.6)
PIS	(10,218)	(10,297)	(12,722)	24.5	23.6	(41,132)	(40,663)	(1.1)
Inspection fee	(1,881)	(1,881)	(2,248)	19.5	19.5	(7,524)	(7,891)	4.9
Other tax expenses	(1,041)	(965)	(1,121)	7.7	16.2	(4,689)	(4,224)	(9.9)
<b>G&amp;A</b>	<b>(266,331)</b>	<b>(228,784)</b>	<b>(299,528)</b>	<b>12.5</b>	<b>30.9</b>	<b>(1,006,011)</b>	<b>(967,993)</b>	<b>(3.8)</b>

## ■ NET INVESTMENT INCOME

Figure 37 – Brasilseg | Net investment income (R\$ million)

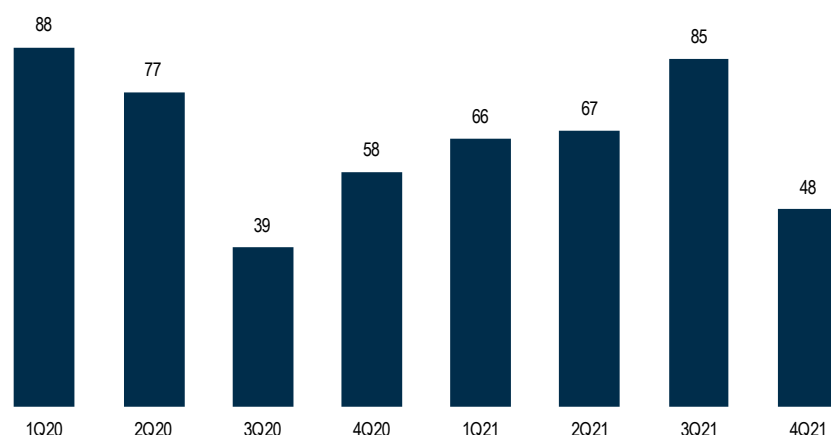


Table 26 – Brasilseg | Financial income and expenses<sup>1</sup>

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Adjusted interest revenues</b>	<b>92,569</b>	<b>96,701</b>	<b>92,079</b>	<b>(0.5)</b>	<b>(4.8)</b>	<b>368,478</b>	<b>360,501</b>	<b>(2.2)</b>
Revenues with mark to market financial investments	55,741	65,998	58,749	5.4	(11.0)	256,114	232,691	(9.1)
Revenues with held to maturity financial investments	30,846	25,298	35,443	14.9	40.1	84,046	114,442	36.2
Judicial deposits	2,061	341	2,946	43.0	764.3	9,723	7,415	(23.7)
Receivables from insurance and reinsurance operations	3,922	5,064	(5,059)	-	-	18,596	5,954	(68.0)
<b>Adjusted interest expenses</b>	<b>(19,753)</b>	<b>1,200</b>	<b>(33,050)</b>	<b>67.3</b>	<b>-</b>	<b>(49,175)</b>	<b>(48,254)</b>	<b>(1.9)</b>
Pending claims	(14,161)	5,616	(17,487)	23.5	-	(36,500)	(22,359)	(38.7)
Judicial provisions	(3,395)	(4,798)	(5,193)	52.9	8.2	(8,411)	(15,382)	82.9
Obligations with insurance and reinsurance operations	(2,197)	382	(10,371)	372.1	-	(4,263)	(10,514)	146.6
<b>Net interest income</b>	<b>72,816</b>	<b>97,901</b>	<b>59,028</b>	<b>(18.9)</b>	<b>(39.7)</b>	<b>319,304</b>	<b>312,247</b>	<b>(2.2)</b>

<sup>1</sup>. Managerial view.

### QUARTERLY ANALYSIS

In **4Q21**, the **net interest income** fell 18.9% compared to 4Q20, due to the 67.3% increase in **adjusted interest expenses**, explained by:

- increase in pending claims, as a consequence of the higher volume of inflation adjustment in provisions of judicial claims to be settled arising from the higher inflation index (INPC), mainly in October and November 2021; and
- growth in judicial provisions due to the higher Selic rate accrual with the rise of yields.

In addition to the above effects, which impacted the 4Q21, it is worth mentioning that the adjusted interest expenses of 4Q20 were positively impacted by the reversal of R\$15.7 million of monetary adjustment and interest on provisions for judicial claims to be settled, resulting from the closure of old lawsuits with the insurer's cause gain.

**Adjusted interest revenues** remained virtually stable. In the period, there was a growth of 14.9% in revenues of held to maturity securities, due to the expansion of both the average balance and the average rate, the latter factor related to the rise in inflation rates and higher rates of reinvestment in pre-fixed assets due to Selic rise. Interest from mark to market securities increased 5.4%, explained by the higher average balance, partially offset by losses in the disposal of prefixed securities available for sale, which amounted to R\$67.5 million, as consequence of the steepening in the forward yield curve.

## YEAR-TO-DATE ANALYSIS

**Year-to-date**, the **net interest income** was down 2.2% YoY.

**Adjusted interest revenues** fell 2.2%, due to mark to market loss in the disposal of prefixed assets available for sale, amounting to R\$113.1 million. Such effect was partially offset by the expansion of the average balance and the increase in inflation and in the reinvestment rates in prefixed securities, which positively impacted the average rate of investments in held to maturity category.

**Adjusted interest expenses** fell 1.9%, mainly due to the reversal of the provision for judicial claims to be settled (PSLJ) in 3Q21, resulting from the closure of some lawsuits with amounts below the initially provisioned and adjustments in the balance of provisions after the review of the process base. This reduction was partially offset by higher expenses with judicial provisions, largely explained by the adjustment of tax lawsuits, which have the Selic rate pegged to them, in addition to the following differences in the comparables:

- reversal of R\$24.8 million of monetary adjustment and interest on provisions for judicial claims to be settled, resulting from the closure of lawsuits with cause gain for the insurer or payments with amounts below the initially provisioned; and
- reversal of bank fees in 2Q20, in the amount of R\$2.9 million, recorded in the line of debits with insurance and reinsurance operations.

Table 27 – Brasilseg | Quarterly figures – Volume and rate analysis

R\$ thousand	4Q21/4Q20		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to Market financial investments	8,645	(5,637)	3,008
Held to maturity financial investments	2,643	1,953	4,597
Judicial deposits	(74)	959	885
Receivables from insurance and reinsurance operations	(3,162)	(5,818)	(8,981)
<b>Total<sup>1</sup></b>	<b>15,066</b>	<b>(15,556)</b>	<b>(490)</b>
<b>Interest bearing liabilities</b>			
Pending claims	(4,485)	1,159	(3,326)
Judicial provisions	(108)	(1,689)	(1,797)
Obligations with insurance and reinsurance operations	(5,287)	(2,887)	(8,174)
<b>Total<sup>1</sup></b>	<b>(7,385)</b>	<b>(5,912)</b>	<b>(13,298)</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 28 – Brasilseg | Quarterly figures – Earning assets – average balance and interest rates

R\$ million	4Q20			4Q21		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to Market financial investments	6,037	56	3.7	7,079	59	3.4
Held to maturity financial investments	809	31	16.2	874	35	17.2
Judicial deposits	845	2	1.0	824	3	1.4
Receivables from insurance and reinsurance operations	284	4	5.6	758	(5)	(2.6)
<b>Total</b>	<b>7,975</b>	<b>93</b>	<b>4.7</b>	<b>9,535</b>	<b>92</b>	<b>3.9</b>

Table 29 – Brasilseg | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R\$ million	4Q20			4Q21		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Pending claims	1,989	(14)	2.8	2,675	(17)	2.6
Judicial provisions	673	(3)	2.0	688	(5)	3.0
Obligations with insurance and reinsurance operations	87	(2)	9.7	178	(10)	21.3
<b>Total</b>	<b>2,750</b>	<b>(20)</b>	<b>2.8</b>	<b>3,541</b>	<b>(33)</b>	<b>3.7</b>

Table 30 – Brasilseg | Year-to-date figures – Volume and rate analysis

R\$ thousand	2021/2020		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to Market financial investments	14,973	(38,396)	(23,423)
Held to maturity financial investments	(2,702)	33,098	30,396
Judicial deposits	(167)	(2,141)	(2,308)
Receivables from insurance and reinsurance operations	3,081	(15,723)	(12,642)
<b>Total<sup>1</sup></b>	<b>26,698</b>	<b>(34,675)</b>	<b>(7,977)</b>
<b>Interest bearing liabilities</b>			
Pending claims	(3,560)	17,702	14,142
Judicial provisions	(128)	(6,843)	(6,971)
Obligations with insurance and reinsurance operations	(1,980)	(4,270)	(6,250)
<b>Total<sup>1</sup></b>	<b>(6,115)</b>	<b>7,035</b>	<b>921</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 31 – Brasilseg | Year-to-date figures – Earning assets – average balance and interest rates

R\$ million	2020			2021		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to Market financial investments	6,350	256	4.0	6,786	233	3.4
Held to maturity financial investments	878	84	9.6	858	114	13.4
Judicial deposits	851	10	1.1	832	7	0.9
Receivables from insurance and reinsurance operations	250	19	7.5	519	6	1.2
<b>Total</b>	<b>8,329</b>	<b>368</b>	<b>4.4</b>	<b>8,995</b>	<b>361</b>	<b>4.0</b>

Table 32 – Brasilseg | Year-to-date figures – Interest bearing liabilities – average balance and interest rates

R\$ million	2020			2021		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Pending claims	1,892	(37)	1.9	2,250	(22)	1.0
Judicial provisions	676	(8)	1.2	682	(15)	2.3
Obligations with insurance and reinsurance operations	100	(4)	4.3	124	(11)	8.5
<b>Total</b>	<b>2,669</b>	<b>(49)</b>	<b>1.8</b>	<b>3,056</b>	<b>(48)</b>	<b>1.6</b>

Table 33 – Brasilseg | Financial investment portfolio

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Trading</b>	<b>3,268,100</b>	<b>4,852,945</b>	<b>5,361,611</b>	<b>64.1</b>	<b>10.5</b>
Pre-fixed	144,811	109,879	-	-	-
Floating	3,083,500	4,676,527	5,333,751	73.0	14.1
Inflation	38,628	46,278	9,175	(76.2)	(80.2)
Other	1,162	20,260	18,685	1,508.6	(7.8)
<b>Available for sale</b>	<b>3,158,128</b>	<b>2,158,696</b>	<b>1,784,585</b>	<b>(43.5)</b>	<b>(17.3)</b>
Pre-fixed	3,025,831	2,053,868	1,477,779	(51.2)	(28.0)
Floating	132,297	104,828	106,888	(19.2)	2.0
<b>Held to maturity securities</b>	<b>823,954</b>	<b>855,974</b>	<b>891,417</b>	<b>8.2</b>	<b>4.1</b>
Pre-fixed	155,267	152,238	156,206	0.6	2.6
Inflation	668,687	703,736	735,211	9.9	4.5
<b>Total</b>	<b>7,250,182</b>	<b>7,867,614</b>	<b>8,037,612</b>	<b>10.9</b>	<b>2.2</b>

Figure 38 – Brasilseg | Breakdown of financial investments by index (%)

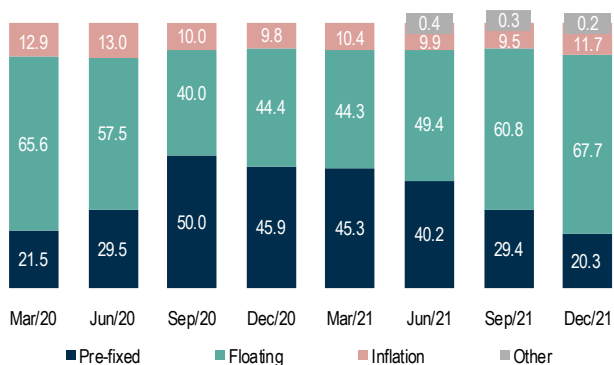
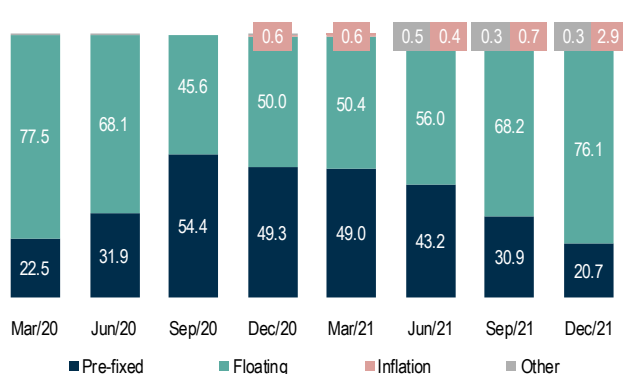


Figure 39 – Brasilseg | Breakdown of mark to market financial investments by index (%)



## ■ BALANCE SHEET ANALYSIS

Table 34 – Brasilseg | Balance sheet<sup>1</sup>

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Assets</b>	<b>17,367,315</b>	<b>19,695,820</b>	<b>19,725,687</b>	<b>13.6</b>	<b>0.2</b>
Cash	9,540	2,810	2,975	(68.8)	5.9
Financial assets	7,250,182	7,867,614	8,037,612	10.9	2.2
Receivables from insurance and reinsurance operations	4,564,786	4,788,770	4,538,448	(0.6)	(5.2)
Reinsurance and retrocession - technical reserves	938,454	1,704,157	1,642,269	75.0	(3.6)
Securities and credits receivable	1,123,881	1,406,601	1,460,515	30.0	3.8
Other	179	249,867	244,537	136,145.8	(2.1)
Prepaid expenses	6,814	16,778	18,059	165.0	7.6
Deferred costs	2,750,422	3,086,321	3,192,421	16.1	3.4
Investments	297,667	324,088	314,493	5.7	(3.0)
Fixed assets	256,430	45,615	45,932	(82.1)	0.7
Intangible	168,959	203,199	228,425	35.2	12.4
<b>Liabilities</b>	<b>15,141,694</b>	<b>17,368,554</b>	<b>17,341,294</b>	<b>14.5</b>	<b>(0.2)</b>
Accounts payable	486,899	493,546	512,665	5.3	3.9
Obligations with insurance and reinsurance operations	2,924,857	2,678,825	2,656,924	(9.2)	(0.8)
Technical reserves - insurance	11,048,118	13,188,838	13,152,633	19.0	(0.3)
Third party deposits	7,533	4,270	5,881	(21.9)	37.7
Other liabilities	674,287	1,003,075	1,013,191	50.3	1.0
<b>Shareholders' equity</b>	<b>2,225,621</b>	<b>2,327,266</b>	<b>2,384,393</b>	<b>7.1</b>	<b>2.5</b>

1. Consolidated balance sheet was prepared in compliance with the International Financial Reporting Standards (IFRS).

Table 35 – Brasilseg | Receivables from insurance and reinsurance operations

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
Receivable premiums	4,386,101	4,502,087	4,326,371	(1.4)	(3.9)
Operations with insurance companies	2,604	8,170	16,287	525.4	99.4
Premiums	304	506	1,001	228.6	97.6
Claims paid	922	2,838	3,652	296.2	28.7
Other receivables	1,378	4,826	11,635	744.3	141.1
Operations with reinsurance companies	57,403	216,658	173,930	203.0	(19.7)
Claims paid	57,399	215,890	173,927	203.0	(19.4)
Other receivables	4	768	3	(22.2)	(99.6)
Other operating receivables	172,343	118,269	86,050	(50.1)	(27.2)
Impairment	(53,666)	(56,415)	(64,190)	19.6	13.8
<b>Receivables from insurance and reinsurance operations</b>	<b>4,564,786</b>	<b>4,788,770</b>	<b>4,538,448</b>	<b>(0.6)</b>	<b>(5.2)</b>

Table 36 – Brasilseg | Reinsurance and retrocession – technical reserves

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
Deferred premiums - PPNG	503,871	768,996	724,343	43.8	(5.8)
Deferred premiums - RVNE	24,258	28,596	29,738	22.6	4.0
IBNR claims	85,438	97,125	103,247	20.8	6.3
Pending claims	319,081	797,949	770,035	141.3	(3.5)
Provision for related expenses	5,807	11,491	14,905	156.7	29.7
<b>Reinsurance and retrocession - technical reserves</b>	<b>938,454</b>	<b>1,704,157</b>	<b>1,642,269</b>	<b>75.0</b>	<b>(3.6)</b>

Table 37 – Brasilseg | Securities and credit receivable

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
Securities and credits receivable	10,550	120,647	194,507	1,743.6	61.2
Other tax and social security receivables	105,982	236,242	206,493	94.8	(12.6)
Receivable tax and social security - tax loss	439	284	132	(70.0)	(53.5)
Receivable tax and social security - temporary adjustments	148,804	214,398	223,455	50.2	4.2
Tax and judicial deposits	842,625	826,146	821,936	(2.5)	(0.5)
Other receivables	20,614	14,017	19,125	(7.2)	36.4
Impairment	(5,134)	(5,134)	(5,134)	-	-
<b>Securities and credits receivable</b>	<b>1,123,881</b>	<b>1,406,601</b>	<b>1,460,515</b>	<b>30.0</b>	<b>3.8</b>

Table 38 – Brasilseg | Accounts payable

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
Payable liabilities	134,889	318,015	272,998	102.4	(14.2)
Deferred taxes	522	6	55	(89.5)	778.6
Social securities and taxes payable	34,540	39,730	44,001	27.4	10.8
Labor charges	15,345	23,589	15,876	3.5	(32.7)
Taxes and contributions	31,908	91,448	175,506	450.0	91.9
Other accounts payable	269,694	20,758	4,229	(98.4)	(79.6)
<b>Accounts payable</b>	<b>486,899</b>	<b>493,546</b>	<b>512,665</b>	<b>5.3</b>	<b>3.9</b>

Table 39 – Brasilseg | Obligations with insurance and reinsurance operations

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
Premiums to return	35,798	124,541	21,151	(40.9)	(83.0)
Operations with insurance companies	4,250	4,705	6,185	45.5	31.5
Operations with reinsurance companies	474,710	541,079	519,736	9.5	(3.9)
Insurance and reinsurance brokers	488,005	221,510	291,376	(40.3)	31.5
Other operating obligations	1,922,094	1,786,991	1,818,476	(5.4)	1.8
<b>Obligations with insurance and reinsurance operations</b>	<b>2,924,857</b>	<b>2,678,825</b>	<b>2,656,924</b>	<b>(9.2)</b>	<b>(0.8)</b>



## ■ SOLVENCY

Table 40 – Brasilseg | Solvency<sup>1</sup>

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Brasilseg Companhia de Seguros</b>					
Adjusted shareholders' equity (a)	1,636,159	1,567,588	1,986,963	21.4	26.8
Minimum capital required (b)	1,259,080	1,354,658	1,351,164	7.3	(0.3)
Additional capital for underwriting risk	1,125,351	1,206,465	1,207,998	7.3	0.1
Additional capital for credit risk	134,058	177,533	165,696	23.6	(6.7)
Additional capital for operating risk	30,971	37,212	40,734	31.5	9.5
Additional capital for market risk	100,037	46,581	41,667	(58.3)	(10.5)
Benefit of correlation between risks	(131,338)	(113,132)	(104,930)	(20.1)	(7.2)
Capital adequacy (a) - (b)	377,079	212,930	635,798	68.6	198.6
Solvency ratio (a) / (b) - %	129.9	115.7	147.1	17.1 p.p.	31.3 p.p.
<b>Aliança do Brasil Seguros</b>					
Adjusted shareholders' equity (a)	169,739	208,373	248,145	46.2	19.1
Minimum capital required (b)	97,791	118,091	124,601	27.4	5.5
Additional capital for underwriting risk	87,880	106,456	111,507	26.9	4.7
Additional capital for credit risk	9,777	10,581	9,711	(0.7)	(8.2)
Additional capital for market risk	1,898	2,247	6,954	266.3	209.5
Additional capital for operating risk	4,122	5,362	5,938	44.1	10.7
Benefit of correlation between risks	(5,886)	(6,555)	(9,510)	61.6	45.1
Capital adequacy (a) - (b)	71,948	90,283	123,545	71.7	36.8
Solvency ratio (a) / (b) - %	173.6	176.5	199.2	25.6 p.p.	22.7 p.p.
<b>Total Brasilseg</b>					
Adjusted shareholders' equity (a)	1,805,899	1,775,962	2,235,108	23.8	25.9
Minimum capital required (b)	1,356,871	1,472,749	1,475,765	8.8	0.2
Additional capital for underwriting risk	1,213,231	1,312,920	1,319,505	8.8	0.5
Additional capital for credit risk	143,836	188,114	175,407	21.9	(6.8)
Additional capital for operating risk	35,093	42,574	46,672	33.0	9.6
Additional capital for market risk	101,935	48,828	48,621	(52.3)	(0.4)
Benefit of correlation between risks	(137,224)	(119,687)	(114,440)	(16.6)	(4.4)
Capital adequacy (a) - (b)	449,027	303,213	759,343	69.1	150.4
Solvency ratio (a) / (b) - %	133.1	120.6	151.5	18.4 p.p.	30.9 p.p.

1. Information based on the accounting principles of SUSEP (SUSEP GAAP).

## 4.2 BRASILPREV

### ■ EARNINGS ANALYSIS

Table 41 – Brasilprev | Income statement<sup>1</sup>

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Total revenue from pension and insurance</b>	<b>12,103,705</b>	<b>11,761,460</b>	<b>11,994,534</b>	<b>(0.9)</b>	<b>2.0</b>	<b>40,969,185</b>	<b>45,668,826</b>	<b>11.5</b>
Provision for benefits to be granted	(12,095,918)	(11,756,366)	(11,989,152)	(0.9)	2.0	(40,944,862)	(45,645,573)	11.5
<b>Net revenue from pension and insurance</b>	<b>7,788</b>	<b>5,094</b>	<b>5,382</b>	<b>(30.9)</b>	<b>5.7</b>	<b>24,323</b>	<b>23,253</b>	<b>(4.4)</b>
Management fee	748,846	827,835	800,159	6.9	(3.3)	2,908,950	3,146,438	8.2
Changes in other technical reserves	(4,780)	(848)	6,307	-	-	(17,159)	(43)	(99.7)
Expenses with benefits, redemptions and claims	(19,878)	(34,373)	(25,039)	26.0	(27.2)	(70,398)	(115,277)	63.8
Acquisition costs	(165,948)	(172,344)	(126,824)	(23.6)	(26.4)	(659,944)	(633,712)	(4.0)
Retained earned premiums	44,479	43,482	44,524	0.1	2.4	171,507	172,088	0.3
Administrative expenses	(88,076)	(78,883)	(114,220)	29.7	44.8	(345,312)	(350,443)	1.5
Tax expenses	(56,306)	(59,258)	(62,787)	11.5	6.0	(217,187)	(234,043)	7.8
Other operating income (expenses)	(11,707)	(18,868)	(15,482)	32.2	(17.9)	(57,429)	(73,607)	28.2
Gains or losses on non-current assets	(1,501)	46	(140)	(90.6)	-	(1,501)	(191)	(87.3)
<b>Non-interest operating result</b>	<b>452,917</b>	<b>511,882</b>	<b>511,881</b>	<b>13.0</b>	<b>(0.0)</b>	<b>1,735,851</b>	<b>1,934,464</b>	<b>11.4</b>
<b>Net investment income</b>	<b>(297,546)</b>	<b>(220,033)</b>	<b>279,388</b>	<b>-</b>	<b>-</b>	<b>(278,561)</b>	<b>(333,910)</b>	<b>19.9</b>
Financial income	7,181,350	(693,530)	4,013,032	(44.1)	-	9,490,596	5,923,987	(37.6)
Financial expenses	(7,478,896)	473,496	(3,733,644)	(50.1)	-	(9,769,157)	(6,257,897)	(35.9)
<b>Earnings before taxes and profit sharing</b>	<b>155,371</b>	<b>291,849</b>	<b>791,269</b>	<b>409.3</b>	<b>171.1</b>	<b>1,457,290</b>	<b>1,600,554</b>	<b>9.8</b>
Taxes	(34,090)	(129,679)	(244,890)	618.4	88.8	(537,168)	(578,677)	7.7
Profit sharing	(886)	(3,396)	(3,720)	319.9	9.5	(8,118)	(13,084)	61.2
<b>Net income</b>	<b>120,396</b>	<b>158,774</b>	<b>542,659</b>	<b>350.7</b>	<b>241.8</b>	<b>912,004</b>	<b>1,008,793</b>	<b>10.6</b>

1. In 2Q21, the accounting recognition for unique payment benefits granted was changed. The changes, which used to move between the lines of changes in technical reserves and expenses with benefits, redemptions and claims, now affect only the line of changes in technical reserves. For comparison purposes, the historical data was revised as of 1Q20.

## ADJUSTED NET INCOME

Figure 40 – Brasilprev | Adjusted net income and ROAA

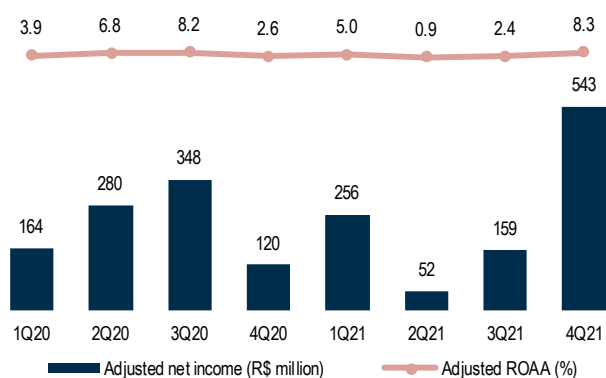
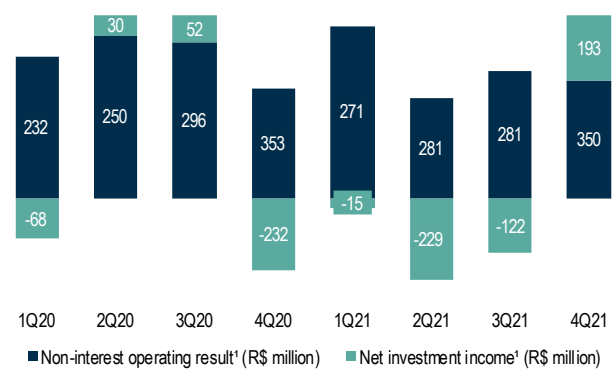


Figure 41 – Brasilprev | Adjusted net income breakdown



1. Net of taxes considering the effective tax rate

Table 42 – Brasilprev | Performance ratios

%	Quarterly Flow			Chg. (p.p.)		Annual Flow		Chg. (p.p.)
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
Commission ratio	1.4	1.5	1.1	(0.3)	(0.4)	1.6	1.4	(0.2)
Load fee	0.1	0.0	0.0	(0.0)	0.0	0.1	0.1	(0.0)
Management fee	1.00	1.03	1.03	0.04	0.00	0.99	1.02	0.03
Redemption ratio	8.6	11.3	12.3	3.7	1.0	8.1	10.7	2.6
Portability ratio	1.3	2.6	2.9	1.6	0.3	1.2	2.2	1.1
Cost to income ratio	43.3	41.6	39.8	(3.5)	(1.8)	44.0	42.1	(1.9)
Income tax rate	21.9	44.4	30.9	9.0	(13.5)	36.9	36.2	(0.7)
ROAA	2.6	2.4	8.3	5.7	5.9	4.8	4.4	(0.4)

## ■ RESULT WITH PENSION PLANS AND INSURANCE ANALYSIS

### CONTRIBUTIONS

Figure 42 – Brasilprev | Contributions (R\$ million)

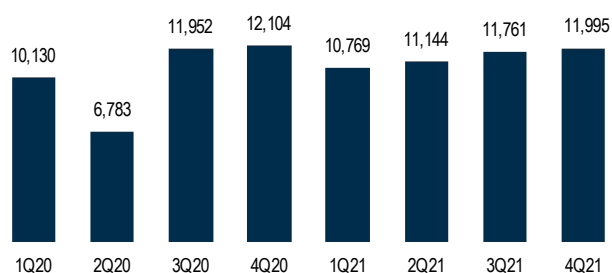
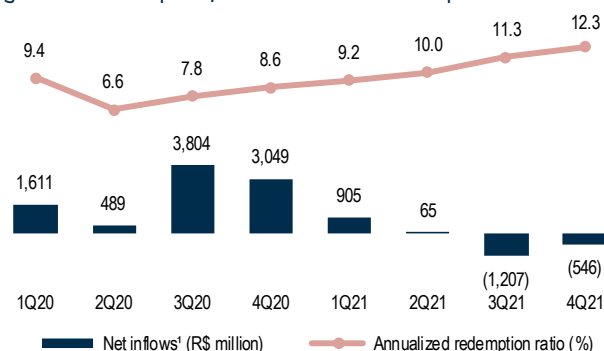


Figure 43 – Brasilprev | Net inflows and redemption ratio



1. Source: Quantum Axis

Figure 44 – Brasilprev | Contributions breakdown (%)

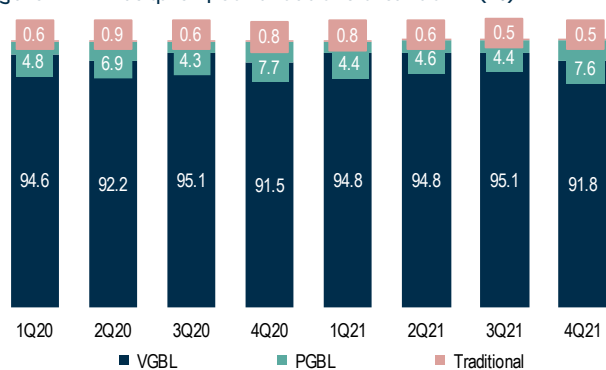
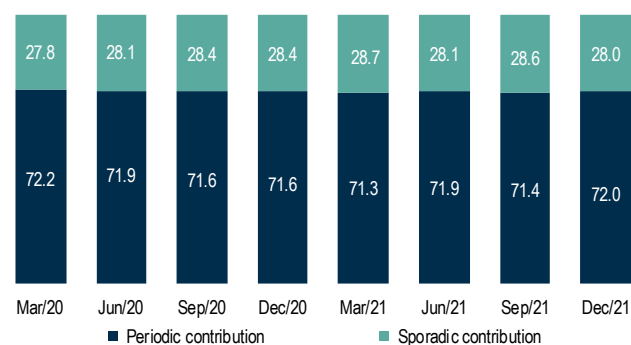


Figure 45 – Brasilprev | Pension plans outstanding (%)



## TECHNICAL RESERVES

Figure 46 – Brasilprev | Technical reserves (R\$ billion)

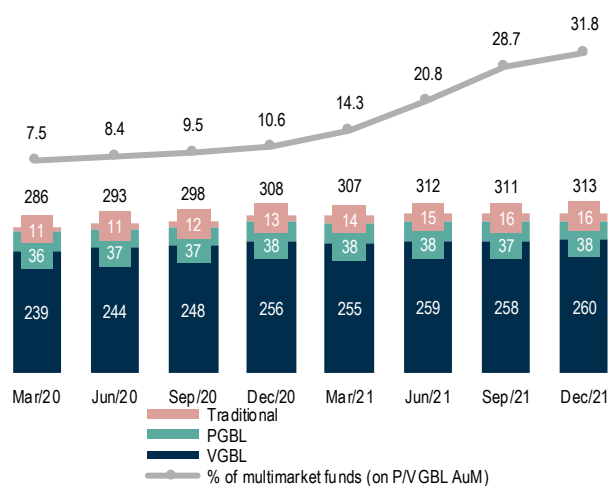


Figure 47 – Brasilprev | Technical reserves (%)

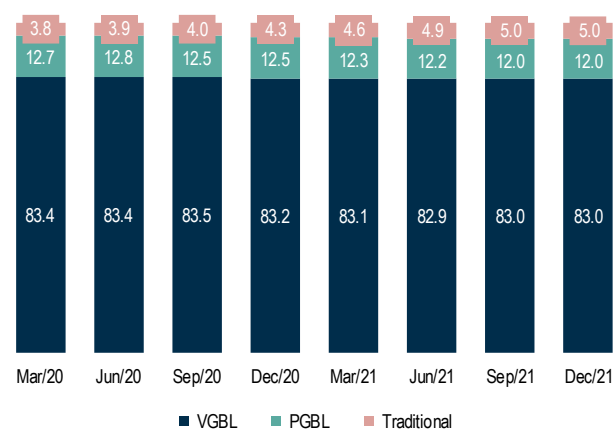


Figure 48 – Brasilprev | Active plans (thousand)

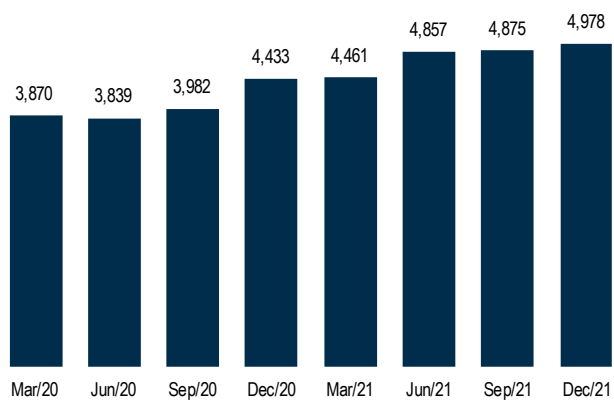


Figure 49 – Brasilprev | CPFs (thousand)

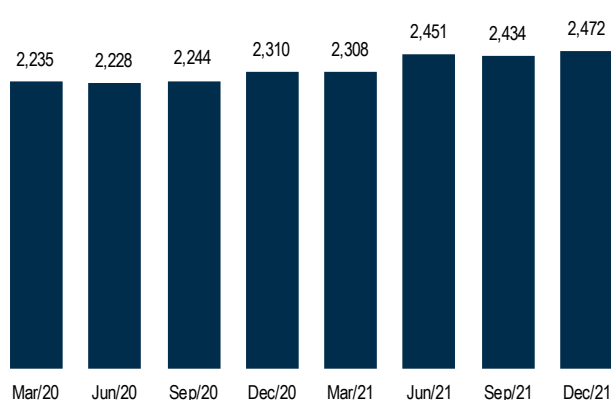


Table 43 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Benefits to be granted</b>					
Initial balance	292,491,472	305,495,198	303,461,683	3.8	(0.7)
Constitution	3,265,222	1,028,064	732,901	(77.6)	(28.7)
Reversal	(339,190)	(2,383,529)	(1,402,405)	313.5	(41.2)
Restatement	7,068,146	(678,050)	3,570,888	(49.5)	-
Final balance	302,485,650	303,461,683	306,363,068	1.3	1.0
<b>Benefits granted</b>					
Initial balance	3,831,021	4,966,955	5,193,921	35.6	4.6
Constitution	67,872	70,377	62,626	(7.7)	(11.0)
Reversal	(5,020)	(4,837)	(12,433)	147.7	157.0
Restatement	348,478	161,425	110,716	(68.2)	(31.4)
Final balance	4,242,351	5,193,921	5,354,830	26.2	3.1
<b>Other provisions</b>					
Initial balance	1,282,963	1,736,158	2,116,673	65.0	21.9
Constitution	430,442	725,495	296,640	(31.1)	(59.1)
Reversal	(304,393)	(392,971)	(955,359)	213.9	143.1
Restatement	73,253	47,992	41,278	(43.6)	(14.0)
Final balance	1,482,265	2,116,673	1,499,232	1.1	(29.2)
<b>Total Provisions</b>	<b>308,210,266</b>	<b>310,772,277</b>	<b>313,217,130</b>	<b>1.6</b>	<b>0.8</b>

Table 44 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans by product

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>P VGBL Reserves</b>					
Initial balance	285,620,466	296,899,280	295,100,177	3.3	(0.6)
Constitution	3,612,509	1,665,409	909,263	(74.8)	(45.4)
Reversal	(412,100)	(2,467,429)	(1,992,433)	383.5	(19.3)
Restatement	6,128,407	(997,083)	3,464,159	(43.5)	-
Final balance	294,949,281	295,100,177	297,481,166	0.9	0.8
<b>Traditional Reserves</b>					
Initial balance	11,984,990	15,299,031	15,672,100	30.8	2.4
Constitution	151,028	158,530	182,904	21.1	15.4
Reversal	(236,504)	(313,909)	(377,764)	59.7	20.3
Restatement	1,361,470	528,449	258,724	(81.0)	(51.0)
Final balance	13,260,985	15,672,100	15,735,964	18.7	0.4
<b>Total Provisions</b>	<b>308,210,266</b>	<b>310,772,277</b>	<b>313,217,130</b>	<b>1.6</b>	<b>0.8</b>

## MANAGEMENT FEE

Figure 50 – Brasilprev | Management fee

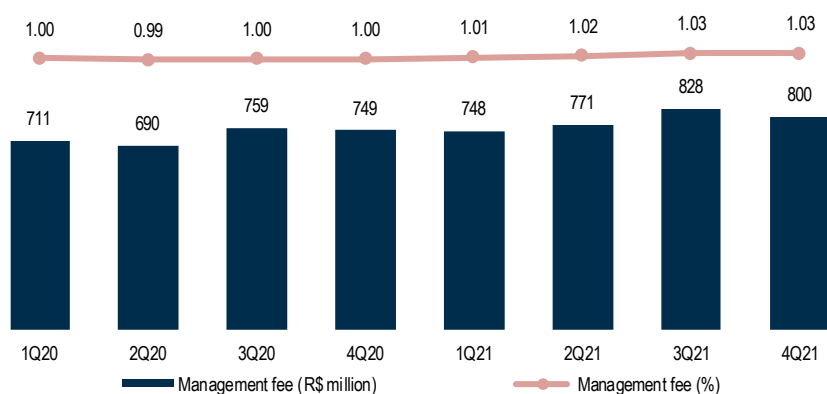


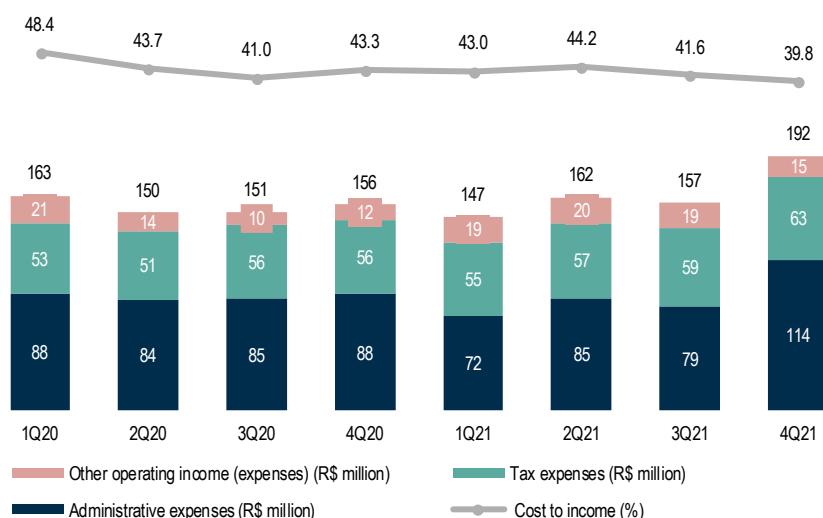
Table 45 – Brasilprev | Management fee breakdown<sup>1,2</sup>

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
Management fee	748,846	827,835	800,159	6.9	(3.3)	2,908,950	3,146,438	8.2
Average volume of reserves	301,307,436	311,810,244	310,600,836	3.1	(0.4)	294,981,700	309,945,181	5.1
Working days	63	65	63	0 w.d.	-2 w.d.	251	251	0 w.d.
<b>Annualized average management fee (%)</b>	<b>1.00</b>	<b>1.03</b>	<b>1.03</b>	<b>0.04 p.p.</b>	<b>0.00 p.p.</b>	<b>0.99</b>	<b>1.02</b>	<b>0.03 p.p.</b>

1. Management fee annualized considering the total of 252 working days.  
2. Working days calculated based on the holidays table provided by ANBIMA.

## GENERAL & ADMINISTRATIVE EXPENSES

Figure 51 – Brasilprev | G&A expenses and cost to income ratio



### QUARTERLY ANALYSIS

In the **4Q21**, **G&A** expenses grew 23.3% YoY.

The **administrative expenses** were up 29.7% YoY, mainly explained by the:

- increase of marketing expenses, due to the higher concentration of campaigns in the quarter, while in 2020 these campaigns were more concentrated at the beginning of the year;
- growth in outsourcing expenses, with a higher concentration of corporate and digital projects in the last quarter of 2021;
- increase in other expenses, due to the donation made in the quarter, which did not occur in the 4Q20; and
- higher personnel expenses, driven by the payment extra hours and overtime, in addition to a higher concentration of training in the period.

**Other operating income and expenses** increased 32.3%, due to the higher constitution of provisions for lawsuits contingencies, since in the 4Q20 it was registered reversals regarding the closure of some cases, which led this line to present a positive balance. Additionally, the other operating expenses line grew 113.2%, with higher provisions for operating losses, while expenses on sales incentive increased 86.6%, impacted by a reversal in the 4Q20 for the non-achievement of sales target that year.

**Tax expenses** grew 11.5% YoY, in line with the increase in taxable income.

### YEAR-TO-DATE ANALYSIS

In **2021**, **G&A** expenses were up 6.2%.

The **other operating income expenses** grew 28.2%, mostly due to the constitution of provisions for operating losses and contingencies, as mentioned in the quarterly analysis.

The **administrative expenses** increased by 1.5%, concentrated mainly in personnel expenses, justified by the collective bargain agreement in April, and by higher expenses in the 4Q21, as detailed in the quarterly analysis, as well as the higher volume of donations in 2021. On the other hand, outsourcing expenses dropped 8.7%, with lower costs related to administration of assets that guarantee the defined benefited plans reserves and decrease in costs with projects and suppliers.



Table 46 – Brasilprev | G&amp;A expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Administrative expenses</b>	<b>(88,076)</b>	<b>(78,883)</b>	<b>(114,220)</b>	<b>29.7</b>	<b>44.8</b>	<b>(345,312)</b>	<b>(350,444)</b>	<b>1.5</b>
Personnel	(36,980)	(36,337)	(41,712)	12.8	14.8	(143,008)	(151,088)	5.7
Outsourcing	(27,710)	(22,753)	(33,880)	22.3	48.9	(109,459)	(99,936)	(8.7)
Location and operation	(15,285)	(15,158)	(15,470)	1.2	2.1	(59,186)	(60,557)	2.3
Marketing	(6,801)	(3,266)	(15,827)	132.7	384.6	(27,327)	(29,164)	6.7
Other	(1,300)	(1,369)	(7,331)	463.9	435.7	(6,332)	(9,699)	53.2
<b>Other operating income (expenses)</b>	<b>(11,707)</b>	<b>(18,868)</b>	<b>(15,482)</b>	<b>32.3</b>	<b>(17.9)</b>	<b>(57,429)</b>	<b>(73,607)</b>	<b>28.2</b>
Expenses on sales incentive	(1,621)	(3,455)	(3,024)	86.6	(12.5)	(20,990)	(22,838)	8.8
Charging expenses	(4,124)	(4,670)	(4,627)	12.2	(0.9)	(16,169)	(17,811)	10.2
Contingencies	164	(1,125)	(1,908)	-	69.6	(1,231)	(5,967)	384.7
Provision for losses on receivables	(4,653)	(2,460)	(2,783)	(40.2)	13.1	(12,703)	(11,880)	(6.5)
Other operating income (expenses)	(1,473)	(7,158)	(3,140)	113.2	(56.1)	(6,336)	(15,111)	138.5
<b>Tax expenses</b>	<b>(56,306)</b>	<b>(59,258)</b>	<b>(62,786)</b>	<b>11.5</b>	<b>6.0</b>	<b>(217,187)</b>	<b>(234,043)</b>	<b>7.8</b>
Federal and municipal taxes	(15,264)	(16,732)	(16,342)	7.1	(2.3)	(59,459)	(64,159)	7.9
COFINS	(33,843)	(35,111)	(39,045)	15.4	11.2	(131,251)	(141,382)	7.7
PIS/PASEP	(5,499)	(5,706)	(6,344)	15.4	11.2	(21,328)	(22,974)	7.7
Inspection fee	(1,083)	(1,083)	(1,295)	19.6	19.6	(4,335)	(4,546)	4.9
Other tax expenses	(617)	(626)	240	-	-	(814)	(982)	20.7
<b>General and administrative expenses</b>	<b>(156,089)</b>	<b>(157,009)</b>	<b>(192,488)</b>	<b>23.3</b>	<b>22.6</b>	<b>(619,928)</b>	<b>(658,094)</b>	<b>6.2</b>

Table 47 – Brasilprev | Cost to income ratio<sup>1</sup>

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Revenues - [ a ]</b>	<b>801,113</b>	<b>876,410</b>	<b>850,065</b>	<b>6.1</b>	<b>(3.0)</b>	<b>3,104,780</b>	<b>3,341,780</b>	<b>7.6</b>
Net revenue from pension and insurance	7,788	5,094	5,382	(30.9)	5.7	24,323	23,253	(4.4)
Management fee	748,846	827,835	800,159	6.9	(3.3)	2,908,950	3,146,438	8.2
Earned premiums	44,479	43,482	44,524	0.1	2.4	171,507	172,088	0.3
<b>Expenses - [ b ]</b>	<b>346,695</b>	<b>364,574</b>	<b>338,043</b>	<b>(2.5)</b>	<b>(7.3)</b>	<b>1,367,428</b>	<b>1,407,125</b>	<b>2.9</b>
Changes in other technical reserves	4,780	848	(6,307)	-	-	17,159	43	(99.7)
Expenses with benefits, redemptions and claims	19,878	34,373	25,039	26.0	(27.2)	70,398	115,277	63.8
Acquisition costs	165,948	172,344	126,824	(23.6)	(26.4)	659,944	633,712	(4.0)
Administrative expenses	88,076	78,883	114,220	29.7	44.8	345,312	350,443	1.5
Tax expenses	56,306	59,258	62,787	11.5	6.0	217,187	234,043	7.8
Other operating income (expenses)	11,707	18,868	15,482	32.2	(17.9)	57,429	73,607	28.2
<b>Cost to income ratio (%) - [ b / a ]</b>	<b>43.3</b>	<b>41.6</b>	<b>39.8</b>	<b>(3.5) p.p.</b>	<b>(1.8) p.p.</b>	<b>44.0</b>	<b>42.1</b>	<b>(1.9) p.p.</b>

1. In 2Q21, the accounting recognition for unique payment benefits granted was changed. The changes, which used to move between the lines of changes in technical reserves and expenses with benefits, redemptions and claims, now affect only the line of changes in technical reserves. For comparison purposes, the historical data was revised as of 1Q20.

## ■ NET INVESTMENT INCOME

Figure 52 – Brasilprev | Net investment income (R\$ million)

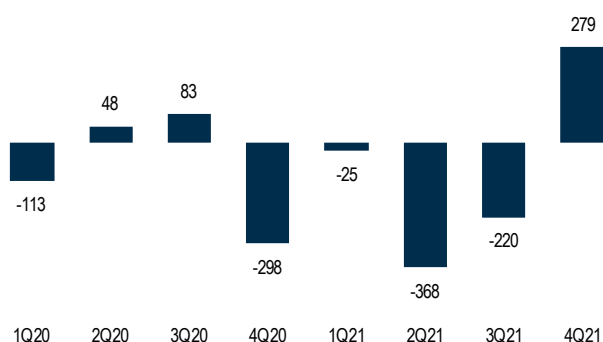
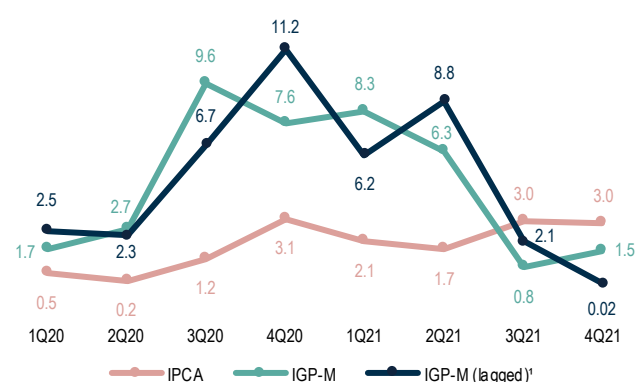


Figure 53 – Brasilprev | Inflation rates (%)



Source: IBGE e FGV.

1. Considering the IGP-M with a lag of one month, which is the average to accrual the interest bearing liabilities of Brasilprev's defined benefit plans.

Table 48 – Brasilprev | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Adjusted interest revenues</b>	<b>1,167,014</b>	<b>346,738</b>	<b>604,492</b>	<b>(48.2)</b>	<b>74.3</b>	<b>2,809,582</b>	<b>2,879,346</b>	<b>2.5</b>
Revenues with mark to market financial investments	202,078	(190,408)	(37,297)	-	(80.4)	154,105	(184,976)	-
Revenues with held to maturity financial investments	964,936	537,146	641,789	(33.5)	19.5	2,655,477	3,064,322	15.4
<b>Adjusted interest expenses</b>	<b>(1,464,560)</b>	<b>(566,771)</b>	<b>(325,103)</b>	<b>(77.8)</b>	<b>(42.6)</b>	<b>(3,088,142)</b>	<b>(3,213,256)</b>	<b>4.1</b>
Interest accrual on technical reserves	(1,464,560)	(557,005)	(312,014)	(78.7)	(44.0)	(3,088,142)	(3,188,931)	3.3
Interest accrual on debentures	-	(9,766)	(13,089)	-	34.0	-	(24,325)	-
<b>Net investment income</b>	<b>(297,546)</b>	<b>(220,033)</b>	<b>279,388</b>	<b>-</b>	<b>-</b>	<b>(278,561)</b>	<b>(333,910)</b>	<b>19.9</b>

### QUARTERLY ANALYSIS

In the **4Q21**, the **net investment income** was positive R\$279.4 million, compared to the negative balance of R\$297.5 million in the 4Q20.

The **interest revenues** were down 48.2%, mostly due to the contraction of 17.3 p.p. in the average yield of held to maturity securities, since the IGP-M, which adjusts part of these assets, grew at a slower pace than the observed in the 4Q20 (+1.5% vs. +7.6%). The interest revenues were also negatively impacted by market to market losses in prefixed income securities due to the steepening in the real yield curve.

On the other hand, **interest expenses** contracted at a higher rate than the decrease observed in revenues (-77.8%), movement explained by the 28.5% drop in the average yield on interest bearing liabilities related to the technical reserves of traditional plans compared to the 4Q20. Considering the one-month lag of the interest accrual on bearing liabilities pegged to IGP-M, the change of this index in the period that ranges from September 2021 to November 2021 was virtually null, compared to an increase of 11.2% in the same period of 2020.

### YEAR-TO-DATE ANALYSIS

In **2021**, **net investment income** was R\$333.9 million negative, while in 2020 the financial loss reached R\$278.6 million.

The **interest revenues** increased by 2.5%, mainly due to the expansion of average balance of earning assets classified as held to maturity. However, the mark to market losses in prefixed securities due to the steepening yield curve and the retraction in the average yield on earning assets held to maturity, with the lower IGP-M in the year, limited the growth of interest revenues in 2021.

The **interest expenses** were up 4.1%, with increase of the average balance of interest bearing liabilities related to the technical provisions of traditional plans. On the other hand, the average yield on interest bearing liabilities dropped 3.5 p.p., due to the lower IGP-M in the period that ranges from December 2020 to November 2021 (+17.9%), when compared to the same period last year (+24.5%), considering the one-month lag of the interest accrual on these liabilities.

Table 49 – Brasilprev | Quarterly figures – Volume and rate analysis

R\$ thousand	4Q21/4Q20		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	(12,060)	(227,315)	(239,375)
Held to maturity financial investments	153,463	(476,610)	(323,147)
<b>Total<sup>1</sup></b>	<b>157,427</b>	<b>(719,949)</b>	<b>(562,522)</b>
<b>Interest bearing liabilities</b>			
Technical reserves	(72,690)	1,225,236	1,152,546
Debentures	(13,089)	-	(13,089)
<b>Total</b>	<b>(82,842)</b>	<b>1,222,299</b>	<b>1,139,457</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 50 – Brasilprev | Quarterly figures – Earning assets – average balance and interest rates<sup>1</sup>

R\$ million	4Q20			4Q21		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to market financial investments	3,905	202	22.4	5,772	(37)	(2.6)
Held to maturity financial investments	12,966	965	33.3	17,040	642	15.9
<b>Total</b>	<b>16,871</b>	<b>1,167</b>	<b>30.7</b>	<b>22,812</b>	<b>604</b>	<b>11.0</b>

1. Guaranteeing assets and free assets of Traditional plans and guaranteeing assets of the P/VGBL plans in the granting stage.

Table 51 – Brasilprev | Quarterly figures – Interest bearing liabilities – average balance and interest rates<sup>1</sup>

R\$ million	4Q20			4Q21		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves	14,332	(1,465)	35.0	18,685	(312)	6.5
Debentures	-	-	-	548	(13)	9.2
<b>Total</b>	<b>14,332</b>	<b>(1,465)</b>	<b>35.0</b>	<b>19,232</b>	<b>(325)</b>	<b>6.6</b>

1. Technical reserves of Traditional and P/VGBL plans in the granting stage.

Table 52 – Brasilprev | Year-to-date figures – Volume and rate analysis

R\$ thousand	2021/2020		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	(37,365)	(301,716)	(339,081)
Held to maturity financial investments	587,567	(178,723)	408,845
<b>Total<sup>1</sup></b>	<b>559,163</b>	<b>(489,399)</b>	<b>69,764</b>
<b>Interest bearing liabilities</b>			
Technical reserves	(548,959)	448,171	(100,789)
Debentures	(24,325)	-	(24,325)
<b>Total</b>	<b>(596,603)</b>	<b>471,489</b>	<b>(125,114)</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 53 – Brasilprev | Year-to-date figures – Earning assets – average balance and interest rates<sup>1</sup>

R\$ million	2020			2021		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to market financial investments	3,895	154	4.0	4,881	(185)	(3.8)
Held to maturity financial investments	12,544	2,655	21.3	15,520	3,064	19.8
<b>Total</b>	<b>16,440</b>	<b>2,810</b>	<b>17.2</b>	<b>20,402</b>	<b>2,879</b>	<b>14.2</b>

1. Guaranteeing assets and free assets of Traditional plans and guaranteeing assets of the P/VGBL plans in the granting stage.

Table 54 – Brasilprev | Year-to-date figures – Interest bearing liabilities – average balance and interest rates<sup>1</sup>

R\$ million	2020			2021		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves	13,655	(3,088)	22.7	16,494	(3,189)	19.4
Debentures	-	-	-	548	(24)	4.5
<b>Total</b>	<b>13,655</b>	<b>(3,088)</b>	<b>22.7</b>	<b>16,768</b>	<b>(3,213)</b>	<b>19.2</b>

1. Technical reserves of Traditional and P/VGBL plans in the granting stage.

Table 55 – Brasilprev | Financial investments portfolio breakdown (except PGBL and VGBL funds)

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Held to maturity securities</b>	<b>13,376,782</b>	<b>16,417,427</b>	<b>17,663,507</b>	<b>32.0</b>	<b>7.6</b>
Pre-fixed	84,022	49,555	50,822	(39.5)	2.6
Inflation	13,292,760	16,367,872	17,612,685	32.5	7.6
<b>Mark to market securities</b>	<b>4,674,855</b>	<b>6,455,480</b>	<b>5,088,024</b>	<b>8.8</b>	<b>(21.2)</b>
Pre-fixed	153,215	455,069	214,435	40.0	(52.9)
Floating	2,932,832	2,288,093	1,410,297	(51.9)	(38.4)
Inflation	1,588,808	3,712,318	3,463,292	118.0	(6.7)
<b>Total</b>	<b>18,051,637</b>	<b>22,872,907</b>	<b>22,751,531</b>	<b>26.0</b>	<b>(0.5)</b>

Figure 54 – Brasilprev | Financial investments breakdown by index – except PGBL and VGBL funds (%)

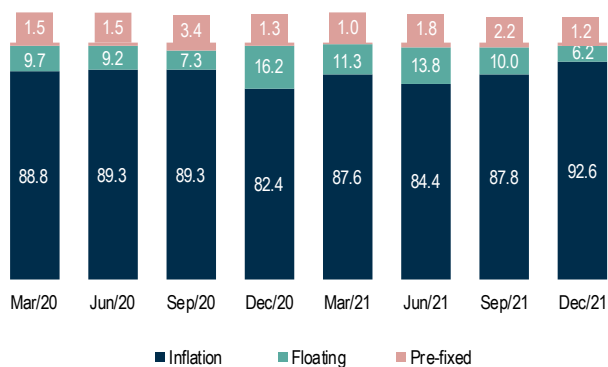
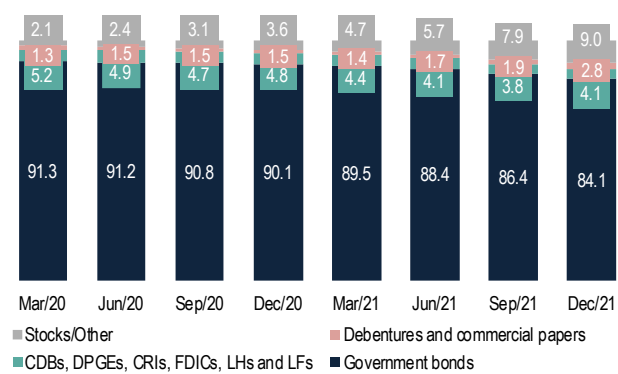


Figure 55 – Brasilprev | Assets allocation (%)



## ■ BALANCE SHEET ANALYSIS

Table 56 – Brasilprev | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Assets</b>	<b>313,154,647</b>	<b>317,550,703</b>	<b>320,585,453</b>	<b>2.4</b>	<b>1.0</b>
Cash and cash equivalents	14,201	1,839,506	601,280	4,134.2	(67.3)
Financial assets	311,137,610	313,592,034	317,557,199	2.1	1.3
Receivables from insurance and reinsurance operations	3,845	2,883	2,393	(37.8)	(17.0)
Securities and credits receivable	457,231	456,186	792,519	73.3	73.7
Prepaid expenses	6,433	6,109	3,305	(48.6)	(45.9)
Deferred costs	1,293,005	1,377,860	1,353,005	4.6	(1.8)
Credits from private pension transactions	548	1,873	698	27.4	(62.7)
Other	-	44,284	42,930	-	(3.1)
Investments	75	75	75	-	-
Fixed assets	26,232	20,688	19,264	(26.6)	(6.9)
Intangible	215,466	209,204	212,784	(1.2)	1.7
<b>Liabilities</b>	<b>308,826,180</b>	<b>312,007,141</b>	<b>314,752,015</b>	<b>1.9</b>	<b>0.9</b>
Accounts payable	520,026	508,892	879,595	69.1	72.8
Debentures	-	547,727	547,849	-	0.0
Obligations with insurance and reinsurance operations	11,669	7,895	6,511	(44.2)	(17.5)
Debts from private pension transactions	7,012	3,792	5,962	(15.0)	57.2
Third party deposits	58,428	99,805	27,453	(53.0)	(72.5)
Technical reserves - insurance	256,483,640	257,807,588	259,842,126	1.3	0.8
Technical reserves - private pension	51,726,625	52,964,689	53,375,004	3.2	0.8
Other liabilities	18,779	66,753	67,515	259.5	1.1
<b>Shareholders' equity</b>	<b>4,328,467</b>	<b>5,543,562</b>	<b>5,833,438</b>	<b>34.8</b>	<b>5.2</b>

## ■ SOLVENCY

Table 57 – Brasilprev | Solvency<sup>1</sup>

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Adjusted shareholder's equity (a)</b>	<b>3,703,076</b>	<b>4,948,791</b>	<b>5,311,370</b>	<b>43.4</b>	<b>7.3</b>
<b>Minimum capital requirement (b)</b>	<b>3,031,648</b>	<b>3,419,612</b>	<b>2,855,853</b>	<b>(5.8)</b>	<b>(16.5)</b>
Additional capital for underwriting risk	1,503,570	1,761,550	1,767,818	17.6	0.4
Additional capital for credit risk	78,494	98,005	98,354	25.3	0.4
Additional capital for market risk	1,955,696	2,178,219	1,456,064	(25.5)	(33.2)
Additional capital for operating risk	246,568	248,618	250,574	1.6	0.8
Correlation risk reduction	(752,680)	(866,780)	(716,957)	(4.7)	(17.3)
<b>Capital adequacy (a) - (b)</b>	<b>671,428</b>	<b>1,529,179</b>	<b>2,455,516</b>	<b>265.7</b>	<b>60.6</b>
<b>Solvency ratio (a) / (b) - %</b>	<b>122.1</b>	<b>144.7</b>	<b>186.0</b>	<b>63.8 p.p.</b>	<b>41.3 p.p.</b>

1. Information based on the accounting principles adopted by SUSEP.

## 4.3 BRASILCAP

### ■ EARNINGS ANALYSIS

The table below shows a managerial view built from the reallocation of expenses relates to the formation of lottery and bonus provisions. This reallocation aims to isolate and present the revenue with load fee, which is the source used to cover general & administrative expenses and acquisition costs.

Table 58 – Brasilcap | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Premium bonds collection</b>	<b>1,255,980</b>	<b>1,132,812</b>	<b>1,118,935</b>	<b>(10.9)</b>	<b>(1.2)</b>	<b>4,780,911</b>	<b>4,309,790</b>	<b>(9.9)</b>
Changes in provisions for redemption	(1,062,517)	(982,371)	(981,811)	(7.6)	(0.1)	(4,090,647)	(3,727,522)	(8.9)
Changes in provisions for lottery and bonus	(25,223)	(20,210)	(20,061)	(20.5)	(0.7)	(91,353)	(78,535)	(14.0)
<b>Revenue with load fee</b>	<b>168,239</b>	<b>130,230</b>	<b>117,063</b>	<b>(30.4)</b>	<b>(10.1)</b>	<b>598,911</b>	<b>503,733</b>	<b>(15.9)</b>
Changes in other technical reserves	(7,760)	2,788	927	-	(66.8)	(3,701)	1,202	-
Result with lottery	654	5,158	4,818	636.2	(6.6)	5,721	18,196	218.1
Acquisition costs	(133,842)	(99,494)	(102,564)	(23.4)	3.1	(481,067)	(397,396)	(17.4)
Administrative expenses	(26,891)	(22,172)	(24,351)	(9.4)	9.8	(88,891)	(88,450)	(0.5)
Tax expenses	(8,702)	(7,928)	(7,606)	(12.6)	(4.1)	(32,717)	(29,340)	(10.3)
Other operating income (expenses)	8,231	9,312	14,284	73.5	53.4	28,226	44,442	57.5
Equity income	(0)	0	1	-	94.5	(3)	(1)	(76.5)
<b>Non-interest operating result</b>	<b>(71)</b>	<b>17,895</b>	<b>2,571</b>	<b>-</b>	<b>(85.6)</b>	<b>26,479</b>	<b>52,384</b>	<b>97.8</b>
<b>Net investment income</b>	<b>52,008</b>	<b>90,803</b>	<b>(215,227)</b>	<b>-</b>	<b>-</b>	<b>239,061</b>	<b>(37,828)</b>	<b>-</b>
Financial income	208,491	261,683	278,821	33.7	6.5	755,472	1,081,179	43.1
Financial expenses	(156,482)	(170,880)	(494,048)	215.7	189.1	(516,411)	(1,119,007)	116.7
<b>Earnings before taxes and profit sharing</b>	<b>51,937</b>	<b>108,698</b>	<b>(212,656)</b>	<b>-</b>	<b>-</b>	<b>265,540</b>	<b>14,557</b>	<b>(94.5)</b>
Taxes	(18,009)	(47,642)	88,515	-	-	(101,144)	(5,124)	(94.9)
Profit sharing	(1,374)	(1,599)	(1,500)	9.2	(6.2)	(5,595)	(5,921)	5.8
<b>Net income</b>	<b>32,555</b>	<b>59,457</b>	<b>(125,642)</b>	<b>-</b>	<b>-</b>	<b>158,801</b>	<b>3,512</b>	<b>(97.8)</b>



## NET INCOME

Figure S6 – Brasilcap | Net income and ROAA

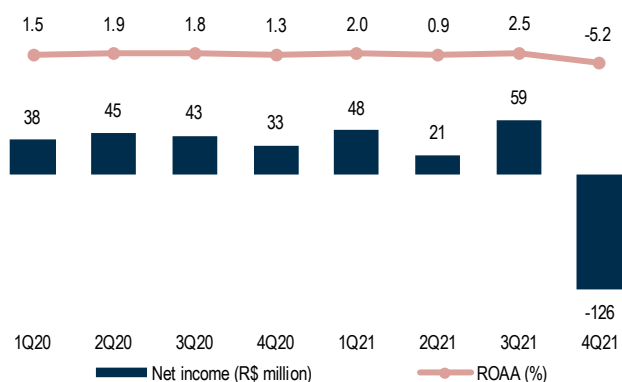
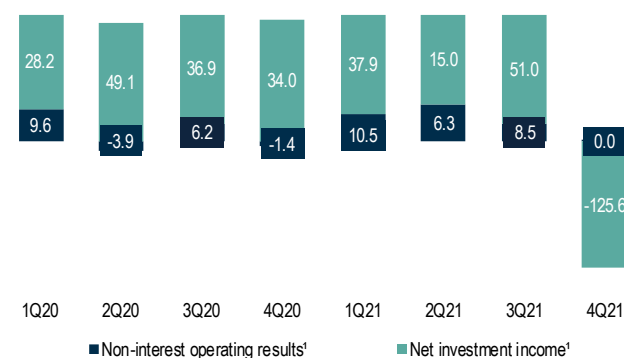


Figure S7 – Brasilcap | Net income breakdown (R\$ million)



1. Net of taxes considering the effective tax rate.

Table S9 – Brasilcap | Performance ratios

%	Quarterly Flow		Chg. (p.p.)		Annual Flow		Chg. (p.p.)	
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Average quotes</b>								
Reserve quote	84.6	86.7	87.7	3.1	1.0	85.6	86.5	0.9
Lottery quote	2.0	1.8	1.8	(0.2)	0.0	1.9	1.8	(0.1)
Bonus quote	0.02	0.01	0.01	(0.01)	(0.00)	0.02	0.02	(0.01)
Load fee quote	13.4	11.5	10.5	(2.9)	(1.0)	12.5	11.7	(0.8)
<b>Load fee consumption</b>								
Commission ratio	79.6	76.4	87.6	8.1	11.2	80.3	78.9	(1.4)
G&A ratio	16.3	16.0	15.1	(1.2)	(0.9)	15.6	14.6	(1.0)
<b>Financial</b>								
Net interest margin (p.p.)	2.4	4.3	(9.1)	(11.5)	(13.4)	2.4	(0.4)	(2.8)
<b>Other</b>								
Premium bonds margin	(0.0)	11.9	1.9	1.9	(10.0)	3.8	9.0	5.2
Income tax rate	34.7	43.8	41.6	6.9	(2.2)	38.1	35.2	(2.9)
ROAA	1.3	2.5	(5.2)	(6.6)	(7.8)	1.6	0.0	(1.6)

## ■ NON-INTEREST OPERATING RESULT ANALYSIS

### PREMIUM BONDS COLLECTION

Figure 58 – Brasilcap | Collection (R\$ million)

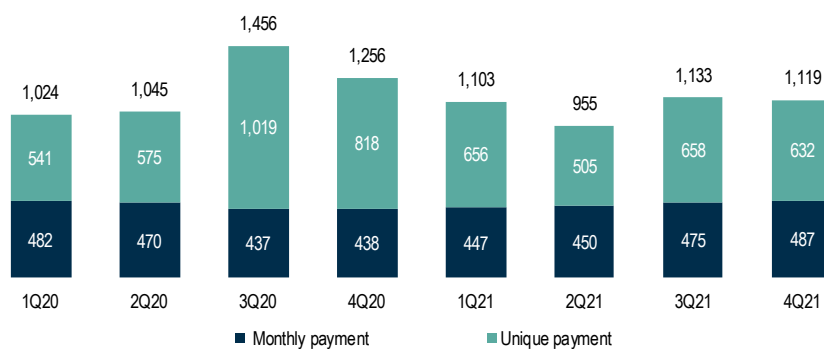


Figure 59 – Brasilcap | Collections by product (%)

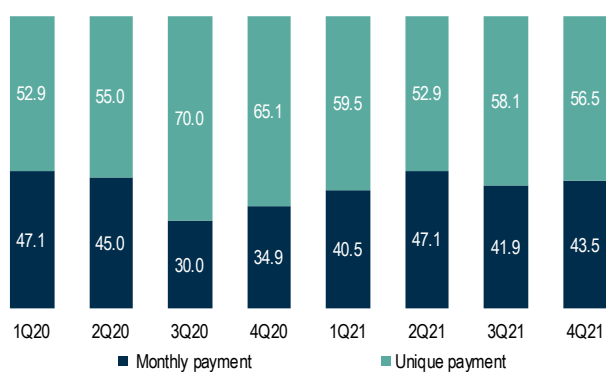
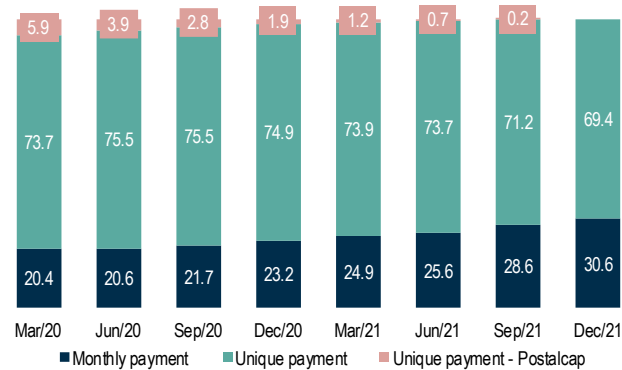


Figure 60 – Brasilcap | Bonds outstanding by product (%)



## REVENUE WITH LOAD FEE

Figure 61 – Brasilcap | Changes in revenue with load fee quote and average load fee quote

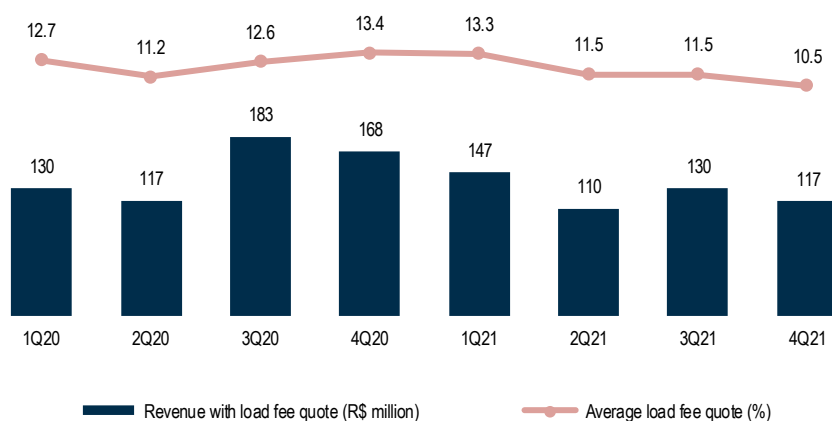


Figure 62 – Brasilcap | Changes in provisions for redemption and average reserve quote

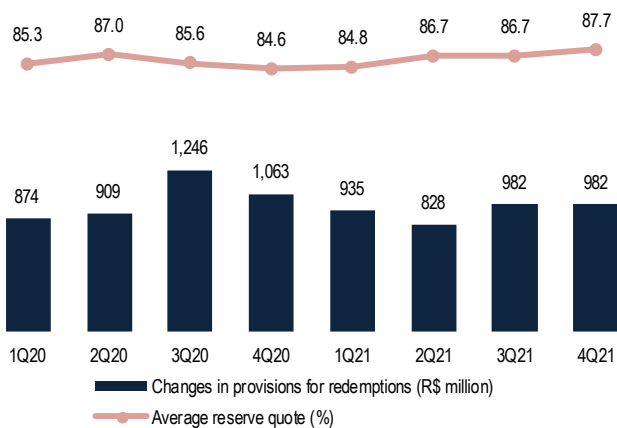


Figure 63 – Brasilcap | Changes in provisions for lottery and bonus and average lottery and bonus quotes

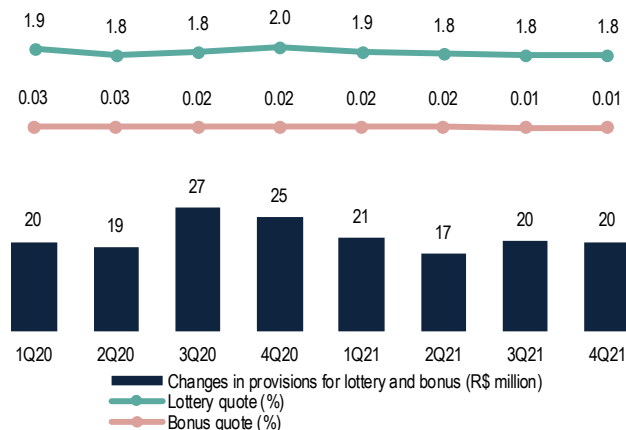


Table 60 – Brasilcap | Changes in premium bonds provision

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Premium bonds provision</b>					
<b>Initial balance</b>	<b>7,482,645</b>	<b>7,233,322</b>	<b>7,280,816</b>	<b>(2.7)</b>	<b>0.7</b>
Constitution	1,066,034	983,970	983,686	(7.7)	(0.0)
Cancellations	(3,771)	(2,236)	(2,867)	(24.0)	28.2
Transfers	(1,084,221)	(1,033,558)	(1,190,687)	9.8	15.2
Interest accrual	107,126	99,317	101,215	(5.5)	1.9
<b>Final balance</b>	<b>7,567,814</b>	<b>7,280,816</b>	<b>7,172,162</b>	<b>(5.2)</b>	<b>(1.5)</b>

Table 61 – Brasilcap | Changes in provisions for redemption<sup>1</sup>

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Provision for redemption</b>					
<b>Initial balance</b>	<b>548,812</b>	<b>566,226</b>	<b>575,777</b>	<b>4.9</b>	<b>1.7</b>
Transfers	1,083,925	1,033,541	1,191,527	9.9	15.3
Payments	(1,083,132)	(1,018,966)	(1,177,491)	8.7	15.6
Interest accrual	65	286	454	592.9	58.5
Premium bonds expiration	(3,613)	(5,310)	(6,964)	92.7	31.2
<b>Final balance</b>	<b>546,057</b>	<b>575,777</b>	<b>583,303</b>	<b>6.8</b>	<b>1.3</b>

<sup>1</sup>. Provision's flow does not pass through income statement

Table 62 – Brasilcap | Changes in provision for lottery to be held

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Provision for lottery to be held</b>					
<b>Initial balance</b>	<b>94,171</b>	<b>94,570</b>	<b>94,757</b>	<b>0.6</b>	<b>0.2</b>
Constitution	25,055	20,081	19,961	(20.3)	(0.6)
Reversal	(23,002)	(20,415)	(23,761)	3.3	16.4
Cancellations	(78)	(34)	(34)	(57.0)	(0.9)
Interest accrual	463	556	586	26.6	5.4
<b>Final balance</b>	<b>96,608</b>	<b>94,757</b>	<b>91,509</b>	<b>(5.3)</b>	<b>(3.4)</b>

Table 63 – Brasilcap | Changes in provision for draws to be paid

R\$ thousand	Balance		Chg. %		
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Provision for draws to be paid</b>					
<b>Initial balance</b>	<b>10,674</b>	<b>9,164</b>	<b>8,635</b>	<b>(19.1)</b>	<b>(5.8)</b>
Constitution	22,342	15,257	17,157	(23.2)	12.5
Payments	(23,331)	(15,785)	(15,923)	(31.8)	0.9
Interest accrual	(3)	(2)	4	-	-
Premium bonds expiration	(2)	-	(9)	366.4	-
<b>Final balance</b>	<b>9,680</b>	<b>8,635</b>	<b>9,864</b>	<b>1.9</b>	<b>14.2</b>

## RESULT WITH LOTTERY

Figure 64 – Brasilcap | Result with lottery (R\$ million)

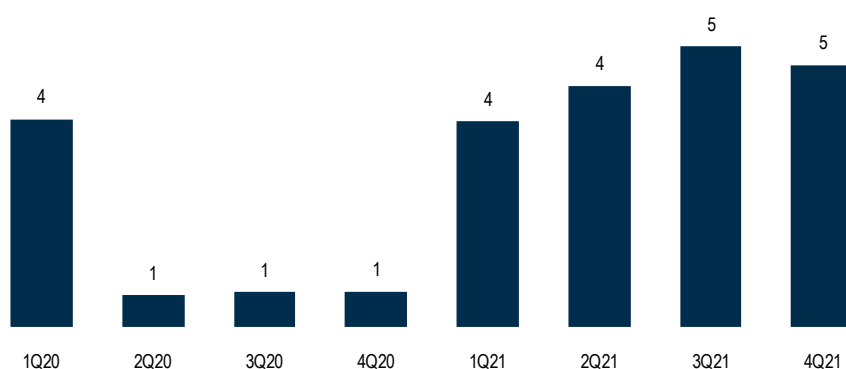
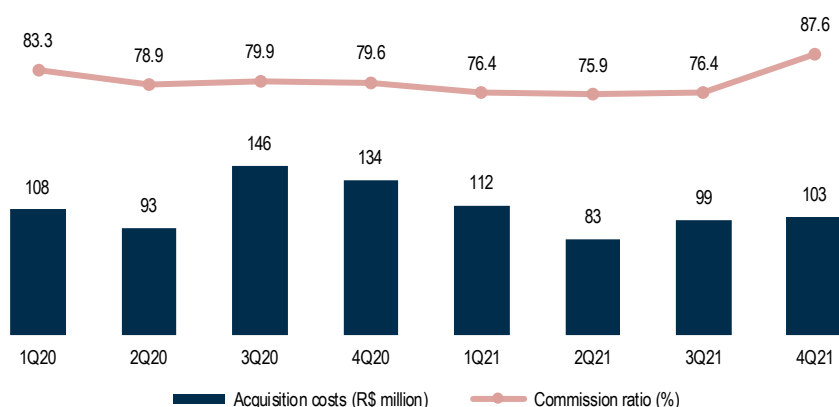


Table 64 – Brasilcap | Result with lottery

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Result with lottery</b>	<b>654</b>	<b>5,158</b>	<b>4,818</b>	<b>636.2</b>	<b>(6.6)</b>	<b>5,721</b>	<b>18,196</b>	<b>218.1</b>
Lottery provision reversal	22,998	20,415	23,761	3.3	16.4	85,375	85,240	(0.2)
Lottery expenses	(22,343)	(15,257)	(18,943)	(15.2)	24.2	(79,654)	(67,045)	(15.8)

## ACQUISITION COSTS

Figure 65 – Brasilcap | Acquisition costs



### QUARTERLY ANALYSIS

In the 4Q21, acquisition costs were down 23.4% YoY, driven by the drop in collections, due to a mix in the Banco do Brasil's channel more concentrated in the recurrent payments of monthly bonds, which present a lower commission ratio than the unique payment bonds and the first installments of monthly payment bonds, and by the reduction of participation of other distribution channels which have higher commission. Despite the drop in the acquisition cost, the commission ratio rose 8.1 p.p., explained by the reduction in the average load fee, since this ratio is calculated dividing the acquisition cost by the revenue with load fee, which in turn was also impacted by the collection mix changing, with a higher participation of recurrent payment of monthly bonds and unique payment bonds of 24 months term, both modalities presenting lower quotes when compared to the first installments of monthly and unique payment bonds of 36 and 48 months.

### YEAR-TO-DATE ANALYSIS

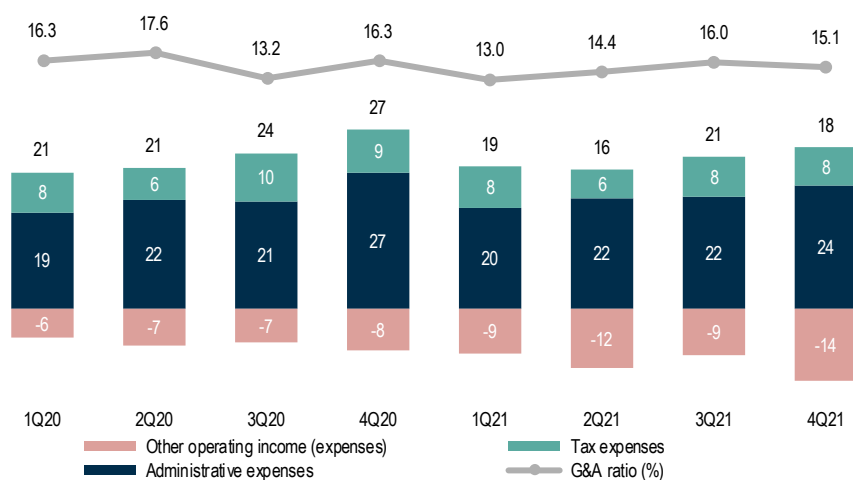
In 2021, acquisition costs decreased 17.4% and the commission ratio contracted 1.4 p.p., driven by the fall in collections, the mix more concentrated in recurrent payment of monthly bonds and the reduction of other distribution channels in the sales mix.

Table 65 – Brasilcap | Changes in Acquisition Costs

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
Acquisition costs	133,842	99,494	102,564	(23.4)	3.1	481,067	397,396	(17.4)
Brokerage	117,266	90,410	81,001	(30.9)	(10.4)	429,600	350,554	(18.4)
Sales cost	16,576	9,083	21,564	30.1	137.4	51,467	46,842	(9.0)

## GENERAL & ADMINISTRATIVE EXPENSES

Figure 66 – Brasilcap | G&A expenses (R\$ million)



### QUARTERLY ANALYSIS

In the 4Q21, **G&A expenses** decreased 35.4% YoY, leading to an improvement of 1.2 p.p. in the G&A ratio.

The 94.8% increase in revenue with premium bonds prescription and the higher volume of revenues with bonds redeemed within the grace period explain most of the 73.5% growth in the positive balance of **other operating income expenses** line, which was the main driver to the general expenses improvement.

The **administrative expenses** fell 9.4%, driven by the lower expenses with digital marketing, registered in advertisement and publicity expenses. The fall in advertising and publicity expenses was partially offset by higher personnel expenses, explained by an increase in the risk management and compliance structure to adapt to CNSP Rule Nr. 416, and by higher investments in employee training.

Tax expenses were down 12.6% aligned with the drop of the taxable income.

### YEAR-TO-DATE ANALYSIS

In 2021, **G&A expenses** reduced 21.5%, with the G&A ratio contracting 1.0 p.p. compared to 2020.

The growth of revenue with premium bonds prescription and the increase of revenues with bonds redeemed within the grace period, both registered in the group of **other operating income expenses**, whose positive balance rose 57.5% compared to the previous year, are the main factors explaining the drop in general expenses.

**Administrative expenses** were virtually stable in 2021, with the drop in advertising and publicity expenses, location and operation, and donations and contributions offsetting the increase in personnel expenses, as explained in the quarterly analysis, as well as in IT services, software licenses and technical support.

**Tax expenses** reduced 10.3%, aligned with the drop of the taxable income.

Table 66 – Brasilcap | General &amp; Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Administrative expenses</b>	<b>(26,891)</b>	<b>(22,172)</b>	<b>(24,351)</b>	<b>(9.4)</b>	<b>9.8</b>	<b>(88,891)</b>	<b>(88,450)</b>	<b>(0.5)</b>
Personnel	(12,651)	(12,894)	(13,785)	9.0	6.9	(50,824)	(52,050)	2.4
Location and operation	(1,342)	(1,258)	(1,474)	9.8	17.1	(5,622)	(5,109)	(9.1)
Outsourcing	(8,377)	(7,578)	(8,595)	2.6	13.4	(24,686)	(28,778)	16.6
Institutional advertisement and publicity	(3,240)	(101)	(80)	(97.5)	(21.2)	(4,848)	(748)	(84.6)
Leasing	(96)	-	(9)	(90.5)	-	(298)	(9)	(96.9)
Other	(1,186)	(341)	(409)	(65.5)	20.0	(2,613)	(1,756)	(32.8)
<b>Other operating income (expenses)</b>	<b>8,231</b>	<b>9,312</b>	<b>14,284</b>	<b>73.5</b>	<b>53.4</b>	<b>28,226</b>	<b>44,442</b>	<b>57.5</b>
Legal provisions	13	(633)	47	263.5	-	822	(429)	-
Other operating income (expenses)	4,656	4,659	7,297	56.7	56.6	15,384	22,504	46.3
Revenue with premium bonds prescription	3,562	5,286	6,940	94.8	31.3	12,020	22,368	86.1
<b>Tax expenses</b>	<b>(8,702)</b>	<b>(7,928)</b>	<b>(7,606)</b>	<b>(12.6)</b>	<b>(4.1)</b>	<b>(32,717)</b>	<b>(29,340)</b>	<b>(10.3)</b>
COFINS	(7,059)	(6,372)	(6,015)	(14.8)	(5.6)	(26,350)	(24,090)	(8.6)
PIS/PASEP	(1,147)	(1,035)	(977)	(14.8)	(5.6)	(4,282)	(3,069)	(28.3)
Inspection fee	(471)	(471)	(562)	19.5	19.5	(1,882)	(1,974)	4.9
Other tax expenses	(26)	(50)	(51)	98.0	0.7	(202)	(206)	1.8
<b>G&amp;A Expenses</b>	<b>(27,362)</b>	<b>(20,789)</b>	<b>(17,673)</b>	<b>(35.4)</b>	<b>(15.0)</b>	<b>(93,381)</b>	<b>(73,347)</b>	<b>(21.5)</b>



## ■ NET INVESTMENT INCOME

Figure 67 – Brasilcap | Net investment income (R\$ million)

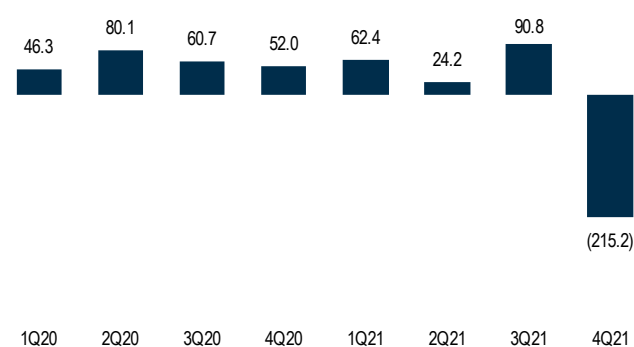


Figure 68 – Brasilcap | Annualized average interest rates and spread

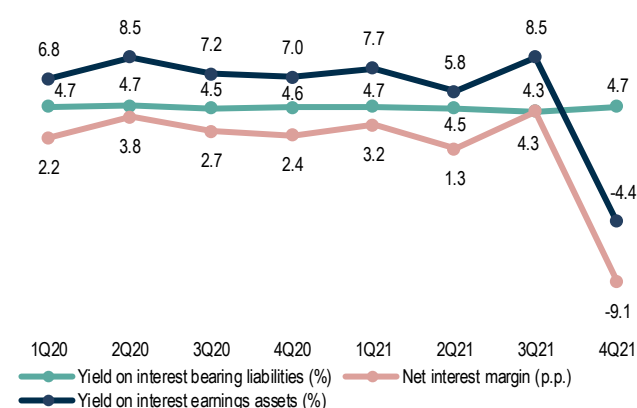


Table 67 – Brasilcap | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Interest revenues</b>	<b>163,528</b>	<b>195,046</b>	<b>(103,936)</b>	-	-	<b>678,843</b>	<b>395,003</b>	<b>(41.8)</b>
Revenues with mark to market financial investments	111,432	171,310	184,041	65.2	7.4	387,455	703,431	81.6
Expenses with mark to market financial investments	(44,963)	(66,637)	(382,757)	751.3	474.4	(76,629)	(686,175)	795.4
Revenues with held to maturity financial investments	96,924	90,344	94,598	(2.4)	4.7	367,836	375,711	2.1
Interest accrual on judicial deposits	135	29	182	34.6	535.5	180	2,036	1,029.8
<b>Interest expenses</b>	<b>(108,011)</b>	<b>(100,511)</b>	<b>(108,008)</b>	<b>(0.0)</b>	<b>7.5</b>	<b>(426,147)</b>	<b>(415,166)</b>	<b>(2.6)</b>
Interest accrual on technical reserves	(107,731)	(100,160)	(102,282)	(5.1)	2.1	(423,051)	(408,323)	(3.5)
Loans	-	-	(5,280)	-	-	-	(5,280)	-
Other	(279)	(351)	(446)	59.6	27.1	(3,096)	(1,563)	(49.5)
<b>Net interest income</b>	<b>55,517</b>	<b>94,534</b>	<b>(211,944)</b>	-	-	<b>252,695</b>	<b>(20,163)</b>	-

### QUARTERLY ANALYSIS

In the 4Q21, the net interest income was R\$211.9 million negative, against a positive balance of R\$55.5 million in the 4Q20. The decrease is explained by losses in the disposal of prefixed income assets available for sale, after the portfolio reset to reduce risk exposure and the capital need for market risk.

Interest expenses were stable YoY. In the quarter, the 5.1% drop in interest accrual on technical reserves, mainly due to the lower average balance, was offset by R\$5.3 million expenses with a banking loan to cover a momentary liquidity need.

### YEAR-TO-DATE ANALYSIS

In 2021, the net interest income was R\$20.2 million negative.

Interest revenues retracted 41.8%, largely explained by the mark to market losses in the prefixed income assets, due to the steepening in the yield curve, the recognition of losses in prefixed income available for sale, in a movement of portfolio reconfiguration as mentioned in the quarterly analysis, and the contraction of the average balance of financial investments.

Interest expenses dropped 2.6% in 2021, due to the fall in the average balance of premium bonds technical reserves.

Table 68 – Brasilcap | Quarterly figures - Volume and rate analysis

R\$ thousand	4Q21/4Q20		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	55,027	(320,212)	(265,185)
Held to maturity financial investments	13,503	(15,829)	(2,326)
Judicial deposits	12	34	47
<b>Total<sup>1</sup></b>	<b>4,083</b>	<b>(271,547)</b>	<b>(267,464)</b>
<b>Interest bearing liabilities</b>			
Technical reserves - premium bonds	3,731	1,718	5,449
Other	(26)	(141)	(166)
Loans	(5,280)	-	(5,280)
<b>Total<sup>1</sup></b>	<b>1,491</b>	<b>(1,488)</b>	<b>2</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 69 – Brasilcap | Quarterly figures – Earning assets – average balance and interest rates

R\$ thousand	4Q20			4Q21		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earnings assets</b>						
Mark to market financial investments	4,878,621	66,469	5.6	3,820,637	(198,716)	(19.2)
Held to maturity financial investments	3,736,965	96,924	10.8	4,359,195	94,598	9.0
Judicial deposits	994,077	135	0.1	1,066,592	182	0.1
<b>Total</b>	<b>9,609,663</b>	<b>163,528</b>	<b>7.0</b>	<b>9,246,424</b>	<b>(103,936)</b>	<b>(4.4)</b>

Table 70 – Brasilcap | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R\$ thousand	4Q20			4Q21		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves - premium bonds	8,217,415	(107,731)	5.1	7,928,185	(102,282)	5.1
Other	1,012,383	(279)	0.1	1,074,742	(446)	0.2
Loans	-	-	-	101,213	(5,280)	19.3
<b>Total</b>	<b>9,229,799</b>	<b>(108,011)</b>	<b>4.6</b>	<b>9,104,139</b>	<b>(108,008)</b>	<b>4.7</b>

Table 71 – Brasilcap | Year-to-date figures - Volume and rate analysis

R\$ thousand	2021/2020		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	1,500	(295,070)	(293,570)
Held to maturity financial investments	(55,737)	63,612	7,875
Judicial deposits	(58)	1,914	1,856
<b>Total<sup>1</sup></b>	<b>(10,851)</b>	<b>(272,989)</b>	<b>(283,840)</b>
<b>Interest bearing liabilities</b>			
Technical reserves - premium bonds	11,873	2,856	14,728
Other	45	1,488	1,533
Loans	(5,280)	-	(5,280)
<b>Total<sup>1</sup></b>	<b>7,364</b>	<b>3,617</b>	<b>10,981</b>

<sup>1</sup> Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 72 – Brasilcap | Year-to-date figures – Earning assets – average balance and interest rates

R\$ thousand	2020			2021		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earnings assets</b>						
Mark to market financial investments	3,992,382	310,826	7.8	4,372,370	17,256	0.4
Held to maturity financial investments	4,742,763	367,836	7.8	4,130,061	375,711	9.1
Judicial deposits	1,068,682	180	0.0	1,039,290	2,036	0.2
<b>Total</b>	<b>9,803,828</b>	<b>678,843</b>	<b>7.0</b>	<b>9,541,721</b>	<b>395,003</b>	<b>4.2</b>

Table 73 – Brasilcap | Year-to-date figures – Interest bearing liabilities – average balance and interest rates

R\$ thousand	2020			2021		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves - premium bonds	8,301,570	(423,051)	5.1	8,067,009	(408,323)	5.1
Other	1,080,926	(3,096)	0.3	1,050,750	(1,563)	0.1
Loans	-	-	-	101,213	(5,280)	5.2
<b>Total</b>	<b>9,382,496</b>	<b>(426,147)</b>	<b>4.6</b>	<b>9,218,972</b>	<b>(415,166)</b>	<b>4.5</b>

Table 74 – Brasilcap | Financial investments portfolio breakdown

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Trading</b>	<b>2,004,893</b>	<b>900,471</b>	<b>1,976,339</b>	<b>(1.4)</b>	<b>119.5</b>
Pre-fixed	551,822	483,440	323,718	(41.3)	(33.0)
Floating	1,364,756	341,458	1,584,455	16.1	364.0
Inflation	-	50,739	50,078	-	(1.3)
Equity funds	33,339	23,133	15,927	(52.2)	(31.1)
Other	54,975	1,702	2,162	(96.1)	27.0
<b>Available for sale</b>	<b>2,949,301</b>	<b>2,950,257</b>	<b>1,814,207</b>	<b>(38.5)</b>	<b>(38.5)</b>
Pre-fixed	2,949,301	2,947,082	1,814,207	(38.5)	(38.4)
Floating	-	3,175	-	-	-
<b>Held to maturity securities</b>	<b>3,775,535</b>	<b>4,233,802</b>	<b>4,484,588</b>	<b>18.8</b>	<b>5.9</b>
Pre-fixed	3,148,265	4,181,623	4,432,027	40.8	6.0
Inflation	627,270	52,179	52,561	(91.6)	0.7
<b>Total</b>	<b>8,729,728</b>	<b>8,084,530</b>	<b>8,275,134</b>	<b>(5.2)</b>	<b>2.4</b>

Figure 69 – Brasilcap | Asset allocation (%)

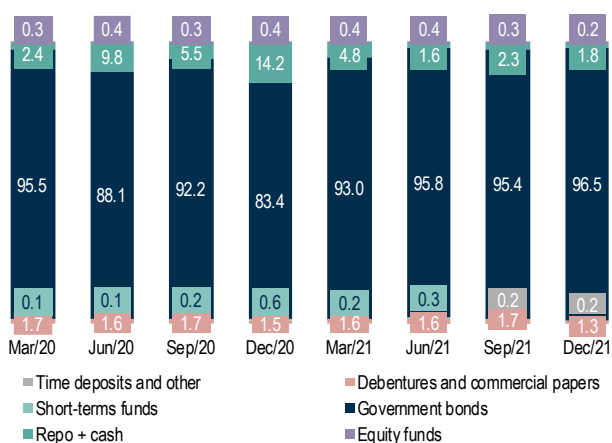
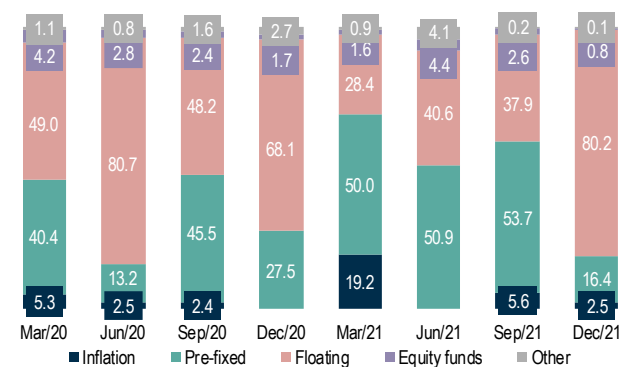


Figure 70 – Brasilcap | Financial investments breakdown by index (%)



## ■ BALANCE SHEET ANALYSIS

Table 75 – Brasilcap | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Assets</b>	<b>9,910,548</b>	<b>9,501,019</b>	<b>9,671,465</b>	<b>(2.4)</b>	<b>1.8</b>
Cash and cash equivalents	413	10	37	(91.1)	283.8
Financial assets	8,729,728	8,084,530	8,275,135	(5.2)	2.4
Securities and credits receivable	1,171,988	1,406,573	1,368,811	16.8	(2.7)
Prepaid expenses	1,746	1,955	2,120	21.4	8.5
Investments	1,124	1,125	1,125	0.0	0.0
Fixed assets	1,763	3,126	4,209	138.7	34.6
Intangible	171	55	41	(76.2)	(25.7)
Other assets	3,614	3,647	19,988	453.0	448.1
<b>Liabilities</b>	<b>9,371,012</b>	<b>9,123,915</b>	<b>9,196,500</b>	<b>(1.9)</b>	<b>0.8</b>
Accounts payable	84,898	67,485	30,190	(64.4)	(55.3)
Loans	-	-	202,426	-	-
Premium bonds operations debits	5,898	5,097	1,487	(74.8)	(70.8)
Technical reserves - premium bonds	8,261,132	7,983,483	7,872,886	(4.7)	(1.4)
Other liabilities	1,019,084	1,067,851	1,089,511	6.9	2.0
<b>Shareholders' equity</b>	<b>539,536</b>	<b>377,104</b>	<b>474,965</b>	<b>(12.0)</b>	<b>26.0</b>

## ■ SOLVENCY

Table 76 – Brasilcap | Solvency<sup>1</sup>

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Adjusted shareholders' equity (a)</b>	<b>573,727</b>	<b>202,227</b>	<b>224,937</b>	<b>(60.8)</b>	<b>11.2</b>
<b>Minimum capital required (b)</b>	<b>218,426</b>	<b>195,209</b>	<b>149,549</b>	<b>(31.5)</b>	<b>(23.4)</b>
Additional capital for underwriting risk	36,670	30,756	31,949	(12.9)	3.9
Additional capital for credit risk	56,876	37,038	33,842	(40.5)	(8.6)
Additional capital for operating risk	20,340	16,601	15,292	(24.8)	(7.9)
Additional capital for market risk	220,372	152,554	106,223	(51.8)	(30.4)
Benefit of correlation between risks	(115,832)	(41,740)	(37,758)	(67.4)	(9.5)
<b>Capital adequacy (a) - (b)</b>	<b>355,301</b>	<b>7,018</b>	<b>75,389</b>	<b>(78.8)</b>	<b>974.2</b>
<b>Solvency ratio (a) / (b) - %</b>	<b>262.7</b>	<b>103.6</b>	<b>150.4</b>	<b>(112.3) p.p.</b>	<b>46.8 p.p.</b>

<sup>1</sup> Information based on the accounting principles adopted by SUSEP.

Throughout 4Q21, Brasilcap made a reconfiguration of its asset's portfolio, selling prefixed income securities classified as available for sale, seeking to reduce risk exposure and additional capital need for market risk and, therefore, raise its solvency ratio, which was below the company's risk appetite at the end of September. In addition, in order to adapt to the new rules for the calculation of adjusted shareholder's equity imposed by CNSP Rule Nr. 412/2021, Brasilcap shareholders approved a capital increase of R\$100 million, through the issuance of 76,340,000 preferred shares issued by Brasilcap. The capital increase was fully subscribed and paid up by the shareholders on December 31, 2021, and BB Seguros subscribed and paid R\$66.7 million, keeping its economic stake in Brasilcap unchanged.

## 4.4 BRASILDENTAL

### ■ EARNINGS ANALYSIS

Table 77 – Brasildental | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Gross operating revenues</b>	<b>28,852</b>	<b>29,861</b>	<b>30,501</b>	<b>5.7</b>	<b>2.1</b>	<b>116,097</b>	<b>119,517</b>	<b>2.9</b>
Taxes on revenues	(1,212)	(1,154)	(1,239)	2.3	7.4	(4,856)	(4,806)	(1.0)
<b>Net operating revenues</b>	<b>27,640</b>	<b>28,707</b>	<b>29,262</b>	<b>5.9</b>	<b>1.9</b>	<b>111,241</b>	<b>114,711</b>	<b>3.1</b>
Cost of services	(12,218)	(12,831)	(12,425)	1.7	(3.2)	(45,453)	(48,420)	6.5
<b>Gross income</b>	<b>15,423</b>	<b>15,875</b>	<b>16,837</b>	<b>9.2</b>	<b>6.1</b>	<b>65,788</b>	<b>66,291</b>	<b>0.8</b>
Acquisition costs	(1,631)	(1,393)	(1,571)	(3.7)	12.8	(6,603)	(5,981)	(9.4)
Administratives expenses	(5,013)	(5,190)	(5,466)	9.0	5.3	(19,346)	(19,955)	3.1
Tax expenses	(128)	(153)	(105)	(17.5)	(31.2)	(867)	(568)	(34.4)
Other revenues (expenses)	229	(1,680)	(1,125)	-	(33.0)	(2,142)	(4,318)	101.6
<b>Earnings before interest and taxes</b>	<b>8,880</b>	<b>7,459</b>	<b>8,570</b>	<b>(3.5)</b>	<b>14.9</b>	<b>36,830</b>	<b>35,469</b>	<b>(3.7)</b>
<b>Net investment income</b>	<b>7</b>	<b>110</b>	<b>296</b>	<b>4,404.4</b>	<b>169.2</b>	<b>(536)</b>	<b>(8)</b>	<b>(98.4)</b>
Financial income	194	410	618	218.0	50.8	765	1,498	95.8
Financial expenses	(188)	(300)	(322)	71.3	7.3	(1,301)	(1,506)	15.8
<b>Earnings before taxes and profit sharing</b>	<b>8,887</b>	<b>7,569</b>	<b>8,866</b>	<b>(0.2)</b>	<b>17.1</b>	<b>36,294</b>	<b>35,461</b>	<b>(2.3)</b>
Taxes	(3,027)	(2,643)	(3,014)	(0.4)	14.0	(12,326)	(12,142)	(1.5)
Profit sharing	(128)	(136)	(141)	10.0	4.0	(366)	(541)	47.6
<b>Net income</b>	<b>5,732</b>	<b>4,790</b>	<b>5,711</b>	<b>(0.4)</b>	<b>19.2</b>	<b>23,602</b>	<b>22,778</b>	<b>(3.5)</b>

Table 78 – Brasildental | Performance ratios

%	Quarterly Flow			Chg. (p.p.)		Annual Flow		Chg. (p.p.)
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Performance ratios</b>								
Loss ratio	44.2	44.7	42.5	(1.7)	(2.2)	40.9	42.2	1.4
Comission ratio	5.9	4.9	5.4	(0.5)	0.5	5.9	5.2	(0.7)
G&A ratio	17.8	24.5	22.9	5.1	(1.6)	20.1	21.7	1.6
EBITDA margin	32.1	26.0	29.3	(2.8)	3.3	33.1	30.9	(2.2)
ROAA	51.0	48.4	52.5	1.5	4.1	51.9	48.5	(3.4)

Figure 71 – Brasildental | Clients by segment (thousand)

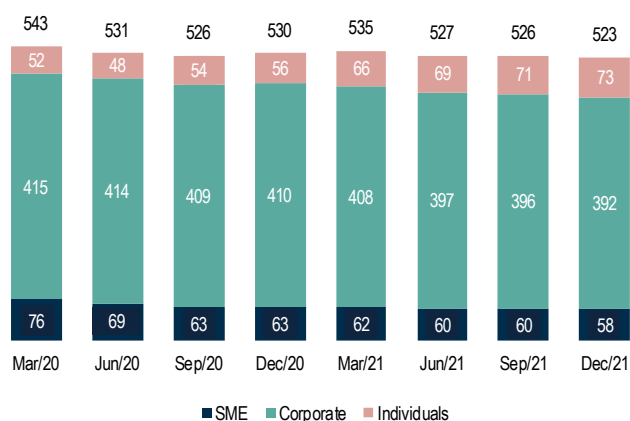


Figure 72 – Brasildental | Clients by segment (%)

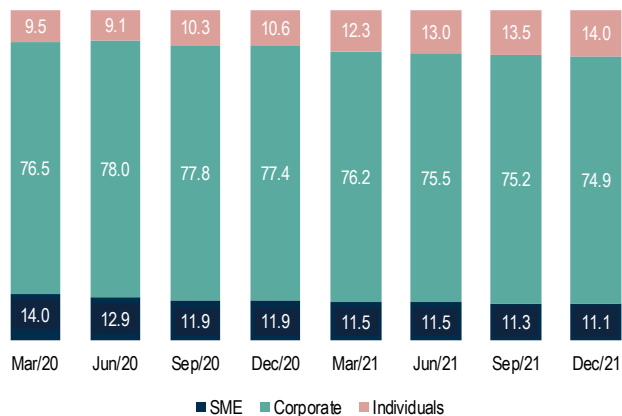


Table 79 – Brasildental | Client base breakdown

	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Client segments</b>					
Corporate	410,393	395,513	391,717	(4.6)	(1.0)
SME	63,215	59,625	57,951	(8.3)	(2.8)
Individuals	56,407	71,035	73,320	30.0	3.2
<b>Total</b>	<b>530,015</b>	<b>526,173</b>	<b>522,988</b>	<b>(1.3)</b>	<b>(0.6)</b>

## ■ BALANCE SHEET ANALYSIS

Table 80 – Brasildental | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Assets</b>	<b>47,155</b>	<b>40,192</b>	<b>46,834</b>	<b>(0.7)</b>	<b>16.5</b>
Cash and cash equivalents	2,108	2,277	2,262	7.3	(0.7)
Financial assets	37,126	29,971	36,402	(1.9)	21.5
Receivables from insurance and reinsurance operations	5,246	5,006	5,031	(4.1)	0.5
Tax assets	1,648	2,058	2,235	35.6	8.6
Other assets	1,026	879	904	(11.9)	2.9
<b>Liabilities</b>	<b>26,379</b>	<b>24,452</b>	<b>25,382</b>	<b>(3.8)</b>	<b>3.8</b>
Technical reserves	17,590	16,190	16,742	(4.8)	3.4
Tax liabilities	2,141	1,788	2,018	(5.8)	12.8
Other liabilities	6,647	6,474	6,622	(0.4)	2.3
<b>Shareholders' equity</b>	<b>20,776</b>	<b>15,740</b>	<b>21,452</b>	<b>3.3</b>	<b>36.3</b>

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## 5. DISTRIBUTION

The insurance intermediation in Brazil is not required by law, but the brokerage payment is mandatory for all insurance contracts, regardless the involvement of a broker. According to the law 6,317 as of 1975, in case no broker is involved, the amount supposed to be paid as brokerage shall be directed to the Fund for Developing the Insurance Culture, managed by the Foundation National Insurance School – FUNENSEG.

At BB Seguridade the distribution of its affiliates' products – Brasilseg, Brasilprev, Brasilcap and Brasildental – takes place through a fully owned broker named BB Corretora de Seguros e Administradora de Bens S.A. ("BB Corretora"), which intermediates the sales of insurance, pension plans, premium bonds and dental care plans at Banco do Brasil's distribution network.

BB Corretora is remunerated by the affiliates through the payment of commission per sale, and as a result of the usage of Banco do Brasil's distribution network, including the workforce, IT solutions and facilities, it reimburses the costs incurred by the Bank during the selling and maintenance of insurance, pension plans, premium bonds and dental care products. This reimbursement done by BB Corretora to Banco do Brasil is governed by an agreement, which will be in force until 2033.

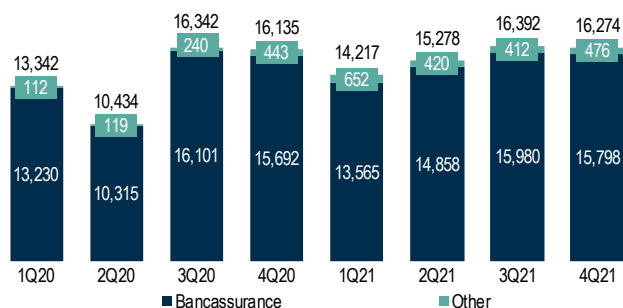
Also, BB Corretora sells auto and large risk insurance products which are underwritten by MAPFRE Insurance Company, the partner of BB Seguridade in Brasilseg. This relation is established in a commercial agreement signed by BB Corretora within the partnership reorganization, which provides exclusivity for MAPFRE to access the distribution channel.

The brokerage business in the bancassurance channel is not a complex business model, as it does not incur in the underwriting risk and has low capital needs. In addition to these factors, it is worth mentioning the footprint and the strong franchise of Banco do Brasil, which provides competitive advantages to BB Seguridade.

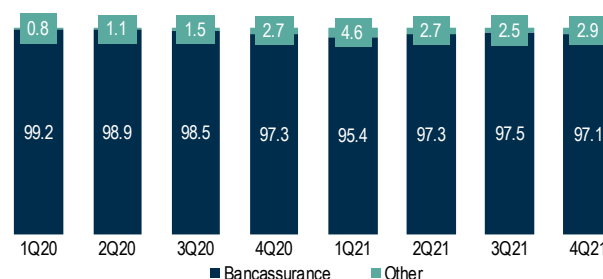
Beside to the Banco do Brasil's bancassurance channel, Brasilseg can eventually distribute insurance in the affinity channel, which is comprised of BB's business partners. At the Pension Plans and Premium Bonds segments, products can also be sold, at a smaller extent, by partners, notably the ones maintained by Brasilcap to distribute premium bonds in the Post Office ("Correios"), in the Votorantim branches and in real state agencies which sell the product named Cap Fiador, which are premium bonds offered as collateral for rental contracts.

Additionally, seeking to expand the scope of its digital strategy and to explore new alternatives to offer products to the public that is currently unattended by Banco do Brasil, on September 10<sup>th</sup> 2018, BB Corretora started to hold equity interest in Ciclic Corretora de Seguros S.A., in a joint venture with PFG do Brasil 2 Participações, (a Principal Financial Group subsidiary), aiming to distribute insurance, pension plans and premium bonds through digital channels.

**Figure 73 – Distribution | Consolidated premiums written, contributions and collection by channel<sup>1</sup> (R\$ million)**



**Figure 74 – Distribution | Consolidated premiums written, contributions and collection by channel<sup>1</sup> (%)**



1. Insurance premiums written, pension plans contributions, premium bonds collection and dental care revenues.

Figure 75 – Distribution | Insurance premiums written of Brasilseg by channel (R\$ million)

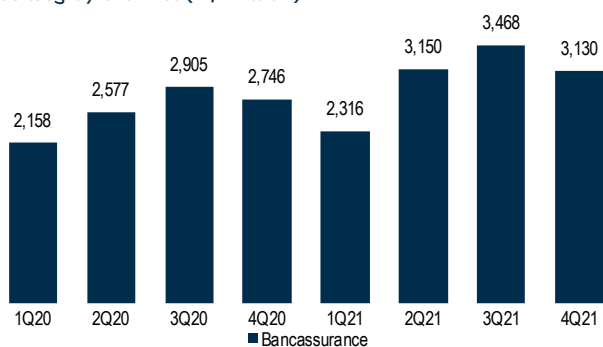


Figure 76 – Distribution | Insurance premiums written of Brasilseg by channel (%)

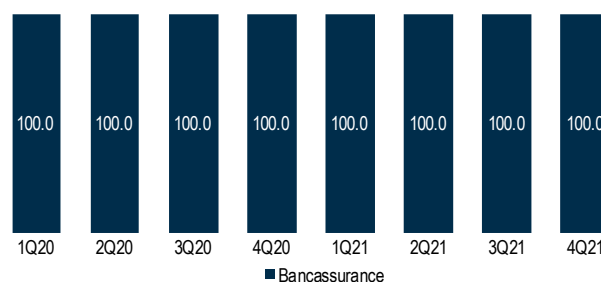


Figure 77 – Distribution | Brasilprev pension plans contributions by channel (R\$ million)

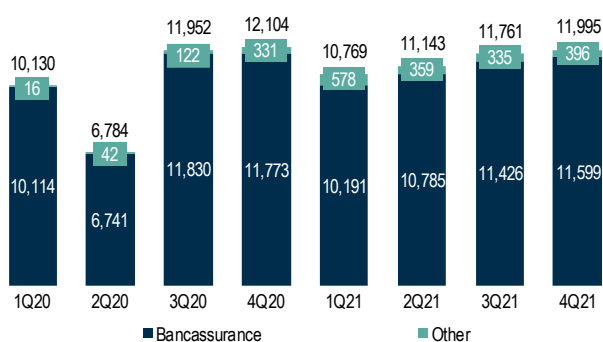


Figure 78 – Distribution | Brasilprev pension plans contributions by channel (%)

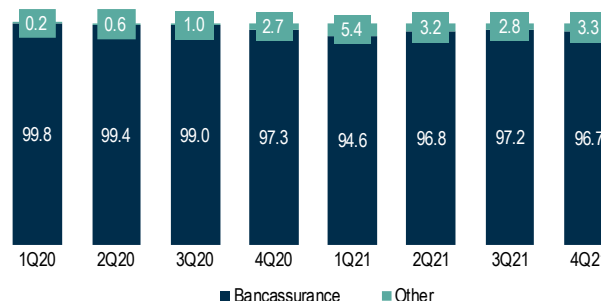


Figure 79 – Distribution | Brasilcap premium bonds collections by channel (R\$ million)

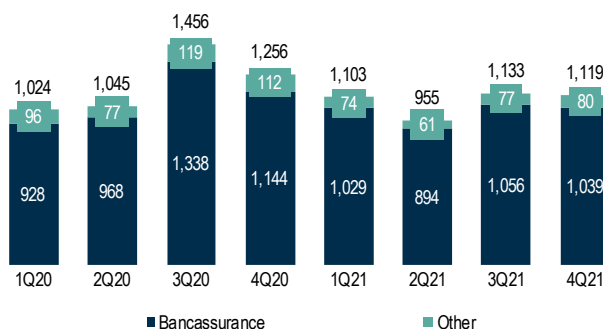


Figure 80 – Distribution | Brasilcap premium bonds collections by channel (%)

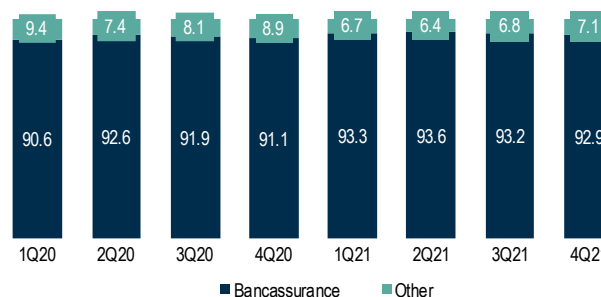


Figure 81 – Distribution | Brasildental dental insurance revenues by channel (R\$ million)

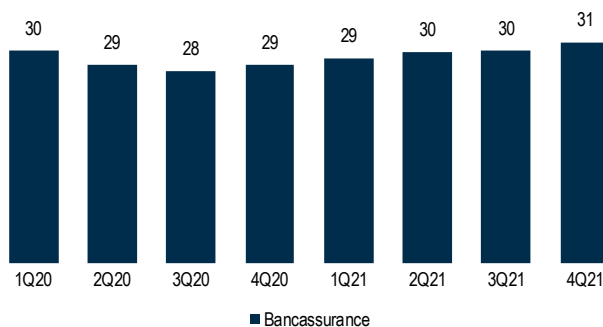
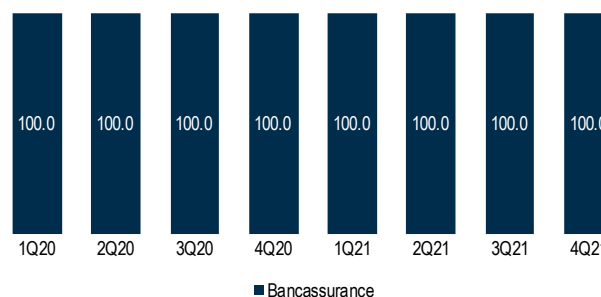


Figure 82 – Distribution | Brasildental dental insurance revenues by channel (%)



## 5.1 BB CORRETORA

### ■ EARNINGS ANALYSIS

Table 81 – BB Corretora | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Brokerage revenues</b>	<b>960,827</b>	<b>1,028,276</b>	<b>1,053,954</b>	<b>9.7</b>	<b>2.5</b>	<b>3,676,972</b>	<b>3,968,115</b>	<b>7.9</b>
Administrative expenses	(58,529)	(52,598)	(54,867)	(6.3)	4.3	(199,451)	(207,924)	4.2
Personnel expenses	(11,573)	(10,191)	(12,792)	10.5	25.5	(42,574)	(43,046)	1.1
Other operating income (expenses)	(3,075)	(1,178)	(87,513)	2,745.8	7,328.5	(7,888)	(90,491)	1,047.2
Tax expenses	(112,016)	(120,520)	(122,760)	9.6	1.9	(428,391)	(463,303)	8.1
Equity income	(3,156)	(3,572)	(2,973)	(5.8)	(16.8)	(15,914)	(12,633)	(20.6)
<b>Earnings before interest and taxes</b>	<b>772,477</b>	<b>840,217</b>	<b>773,050</b>	<b>0.1</b>	<b>(8.0)</b>	<b>2,982,753</b>	<b>3,150,719</b>	<b>5.6</b>
<b>Net investment income</b>	<b>10,178</b>	<b>33,300</b>	<b>53,878</b>	<b>429.4</b>	<b>61.8</b>	<b>49,252</b>	<b>113,452</b>	<b>130.4</b>
Financial income	10,715	33,357	54,116	405.1	62.2	58,024	116,801	101.3
Financial expenses	(537)	(57)	(238)	(55.7)	320.1	(8,772)	(3,349)	(61.8)
<b>Earnings before taxes</b>	<b>782,654</b>	<b>873,517</b>	<b>826,928</b>	<b>5.7</b>	<b>(5.3)</b>	<b>3,032,005</b>	<b>3,264,171</b>	<b>7.7</b>
Taxes	(267,587)	(294,348)	(274,058)	2.4	(6.9)	(1,036,500)	(1,102,132)	6.3
<b>Adjusted net income</b>	<b>515,068</b>	<b>579,169</b>	<b>552,870</b>	<b>7.3</b>	<b>(4.5)</b>	<b>1,995,505</b>	<b>2,162,039</b>	<b>8.3</b>
<b>One-off events</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,400)</b>	<b>-</b>	<b>-</b>
Donation to fight Covid-19	-	-	-	-	-	(40,000)	-	-
Donation to fight Covid-19 - Taxes	-	-	-	-	-	13,600	-	-
<b>Net income</b>	<b>515,068</b>	<b>579,169</b>	<b>552,870</b>	<b>7.3</b>	<b>(4.5)</b>	<b>1,969,105</b>	<b>2,162,039</b>	<b>9.8</b>

## ADJUSTED NET INCOME

Figure 83 – BB Corretora | Adjusted net income

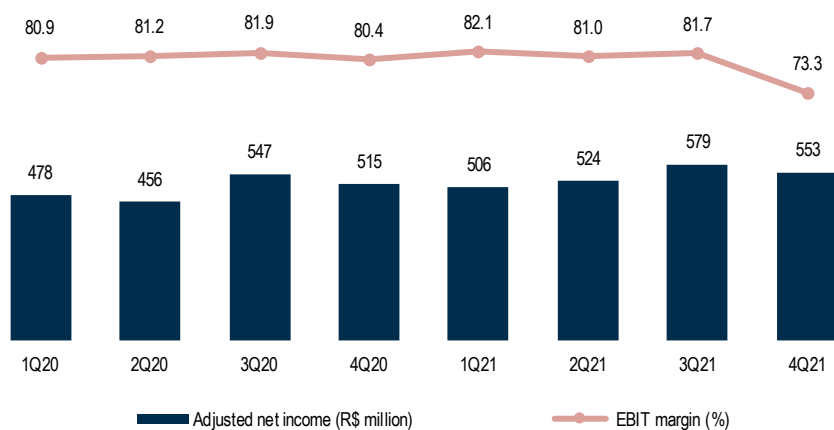
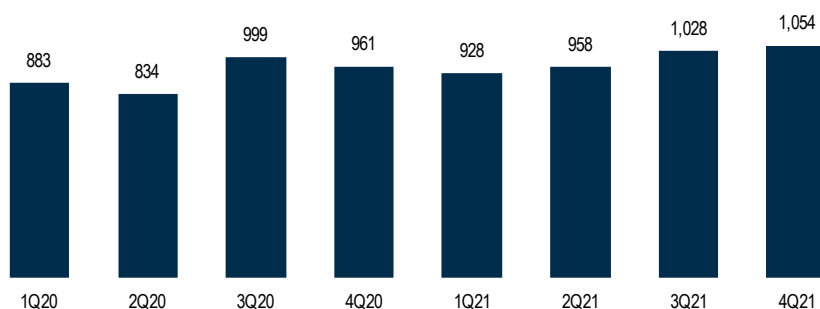


Table 82 – BB Corretora | Managerial performance ratios

%	Quarterly Flow		Chg. (p.p.)			Annual Flow		Chg. (p.p.)	
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020	
G&A expenses	19.3	17.9	26.4	7.1	8.4	18.4	20.3	1.8	
Tax expenses	11.7	11.7	11.6	(0.0)	(0.1)	11.7	11.7	0.0	
EBIT margin	80.4	81.7	73.3	(7.0)	(8.4)	81.1	79.4	(1.7)	
Income tax rate	34.2	33.7	33.1	(1.0)	(0.6)	34.2	33.8	(0.4)	
Net margin	53.6	56.3	52.5	(1.1)	(3.9)	54.3	54.5	0.2	

## BROKERAGE REVENUES

Figure 84 – BB Corretora | Brokerage revenues (R\$ million)



### QUARTERLY ANALYSIS

In the 4Q21, the brokerage revenues were up 9.7% YoY. The performance is explained by the:

- growth of premiums written in the rural insurance, emphasizing the three main products: crop insurance, rural lien and credit life for farmers;
- increase in term life premiums written, with the improvement in new sales and higher volume of policies renewal; and
- improvement in the commercial performance of home insurance, by higher sales volume.

### YEAR-TO-DATE ANALYSIS

In 2021, the brokerage revenues expanded 7.9%, propelled by the good commercial performance of insurance segment, as mentioned in the quarterly analysis, and by the increase in pension plans contributions, with a higher concentration in products with higher brokerage.

Table 83 – BB Corretora | Brokerage revenues breakdown

R\$ thousand	Quarterly Flow		Chg. %		Annual Flow		Chg. %	
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
Insurance	708,655	783,798	829,913	17.1	5.9	2,804,330	3,045,694	8.6
Pension plans	145,975	153,787	143,150	(1.9)	(6.9)	489,694	572,953	17.0
Premium bonds	103,839	88,394	78,550	(24.4)	(11.1)	374,304	340,749	(9.0)
Dental insurance	1,256	1,270	1,322	5.3	4.1	4,944	5,027	1.7
Other	1,102	1,027	1,019	(7.6)	(0.8)	3,699	3,692	(0.2)
<b>Total</b>	<b>960,827</b>	<b>1,028,276</b>	<b>1,053,954</b>	<b>9.7</b>	<b>2.5</b>	<b>3,676,972</b>	<b>3,968,115</b>	<b>7.9</b>

Figure 85 – BB Corretora | Brokerage revenues breakdown (%)

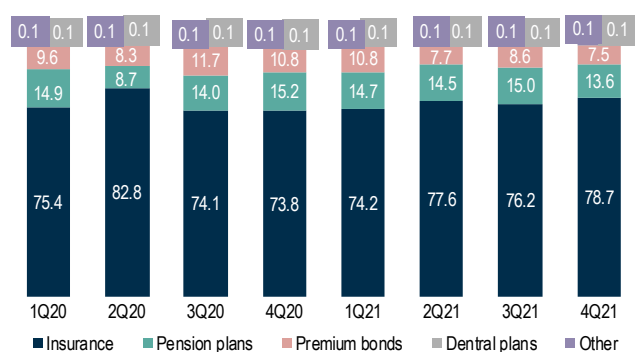
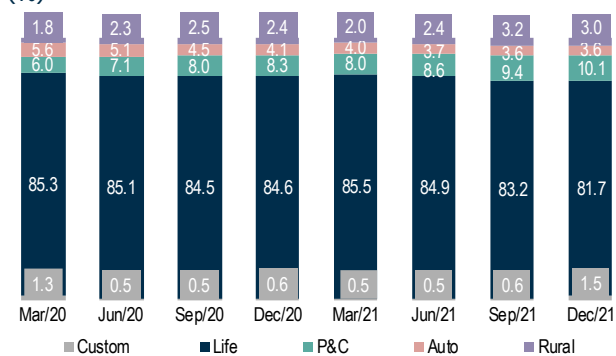
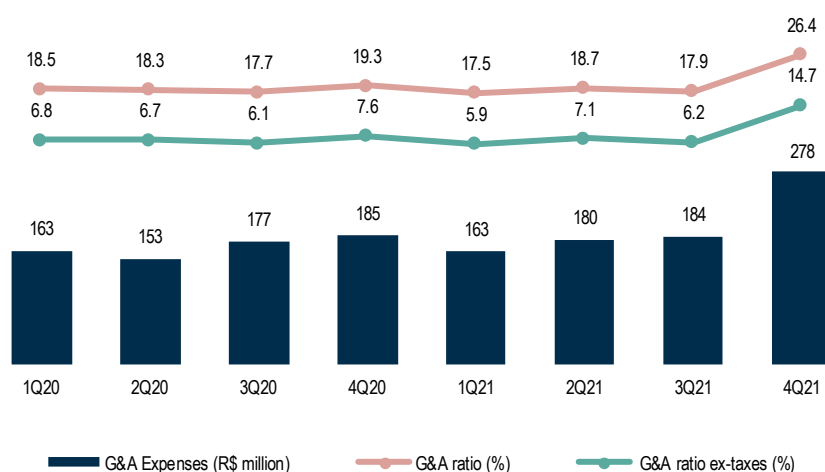


Figure 86 – BB Corretora | Unearned commissions breakdown (%)



## GENERAL AND ADMINISTRATIVE EXPENSES

Figure 87 – BB Corretora | G&A expenses



### QUARTERLY ANALYSIS

In the 4Q21, G&A ratio increased 7.1 p.p YoY. The 50.1% growth in the G&A is largely explained by: (i) the provision strengthening, amounting to R\$67.1 million related to commissions return to Brasilprev; and (ii) donations and sponsorships expenses, amounting to R\$18.8 million.

Setting apart these effects, the G&A would have grown 3.7%, due to the increase of 9.6% in tax expenses, aligned to the growth in brokerage revenues, and to the 10.5% growth in personnel expenses, with an increase in the number of employees to fill vacant positions.

### YEAR-TO-DATE ANALYSIS

In 2021, G&A expenses grew 18.6%, increasing the G&A ratio by 1.8 p.p. Setting apart the movements mentioned in the quarterly analysis, the expenses would be 6.0% higher, explained by:

- the increase in the administrative costs of products related to the reimbursement of expenses incurred by Banco do Brasil in the product's distribution, due to the higher cost per product sold after the collective bargaining agreement, allied to sales mix more concentrated in products with higher unit cost; and
- the higher tax expenses aligned to the growth in brokerage revenues.

These movements were partially offset by the reduction of expenses with operational support and IT, due to the lower use of Banco do Brasil's facilities, and by lower expenses with commercial campaigns for sale promotion, registered in other administrative expenses.

Table 84 – BB Corretora | General &amp; Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q20	3Q21	4Q21	On 4Q20	On 3Q21	2020	2021	On 2020
<b>Administrative expenses</b>	<b>(58,529)</b>	<b>(52,598)</b>	<b>(54,867)</b>	<b>(6.3)</b>	<b>4.3</b>	<b>(199,451)</b>	<b>(207,924)</b>	<b>4.2</b>
Administrative cost of products	(26,972)	(29,428)	(32,804)	21.6	11.5	(88,852)	(117,985)	32.8
Operational support	(17,609)	(15,801)	(14,303)	(18.8)	(9.5)	(68,764)	(60,556)	(11.9)
Information technology	(4,430)	(3,864)	(3,195)	(27.9)	(17.3)	(19,252)	(15,289)	(20.6)
Other	(9,518)	(3,505)	(4,565)	(52.0)	30.2	(22,583)	(14,094)	(37.6)
<b>Tax expenses</b>	<b>(112,016)</b>	<b>(120,520)</b>	<b>(122,760)</b>	<b>9.6</b>	<b>1.9</b>	<b>(428,391)</b>	<b>(463,303)</b>	<b>8.1</b>
PIS/PASEP	(15,913)	(17,173)	(17,489)	9.9	1.8	(61,010)	(65,952)	8.1
COFINS	(73,406)	(79,434)	(81,102)	10.5	2.1	(281,601)	(304,953)	8.3
ISS	(22,697)	(23,913)	(24,169)	6.5	1.1	(85,780)	(92,397)	7.7
<b>Personnel expenses</b>	<b>(11,573)</b>	<b>(10,191)</b>	<b>(12,792)</b>	<b>10.5</b>	<b>25.5</b>	<b>(42,574)</b>	<b>(43,046)</b>	<b>1.1</b>
<b>Other operating income (expenses)</b>	<b>(3,075)</b>	<b>(1,178)</b>	<b>(87,513)</b>	<b>2,745.8</b>	<b>7,328.5</b>	<b>(7,888)</b>	<b>(90,491)</b>	<b>1,047.2</b>
<b>G&amp;A Expenses</b>	<b>(185,194)</b>	<b>(184,488)</b>	<b>(277,931)</b>	<b>50.1</b>	<b>50.6</b>	<b>(678,304)</b>	<b>(804,763)</b>	<b>18.6</b>



## NET INVESTMENT INCOME

Figure 88 – BB Corretora | Net investment income (R\$ million)

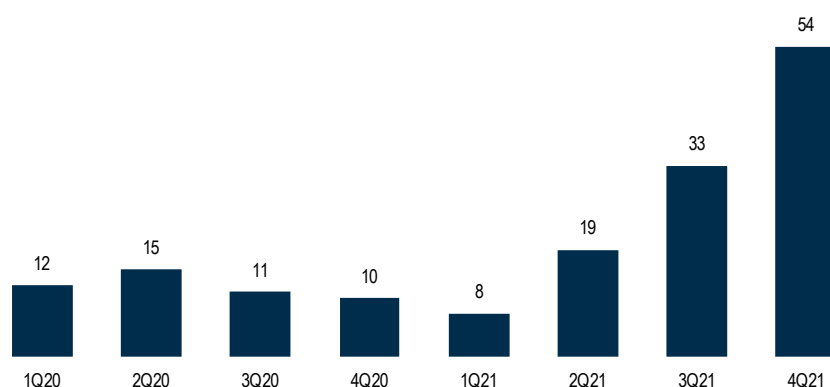


Table 85 – BB Corretora | Quarterly figures – Earning assets average balance and interest rates

R\$ thousand	4Q20			4Q21		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
<b>Earning assets</b>						
Cash and financial instruments	2,057,297	10,180	2.0	2,698,437	50,230	7.7
Other assets	206,423	535	1.0	211,981	3,887	7.5
Current tax assets	17,112	-	-	1,571	-	-
<b>Total</b>	<b>2,280,833</b>	<b>10,716</b>	<b>1.9</b>	<b>2,911,989</b>	<b>54,117</b>	<b>7.6</b>

Table 86 – BB Corretora | Quarterly figures – Interest bearing liabilities average balance and interest rates

R\$ thousand	4Q20			4Q21		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Dividends payable	530,139	-	-	566,019	-	-
Other liabilities	499	-	-	499	(195)	-
<b>Total</b>	<b>530,638</b>	<b>-</b>	<b>0.4</b>	<b>566,519</b>	<b>(195)</b>	<b>0.2</b>

Table 87 – BB Corretora | Year-to-date figures – Earning assets average balance and interest rates

R\$ thousand	2020			2021		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
<b>Earning assets</b>						
Cash and financial instruments	2,384,659	54,961	2.3	2,700,807	107,599	4.0
Other assets	205,144	3,064	1.5	210,308	8,829	4.2
Current tax assets	17,154	0	0.0	9,403	373	4.0
<b>Total</b>	<b>2,606,957</b>	<b>58,025</b>	<b>2.2</b>	<b>2,920,518</b>	<b>116,801</b>	<b>4.0</b>

Table 88 – BB Corretora | Year-to-date figures – Interest bearing liabilities average balance and interest rates

R\$ thousand	2020			2021		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Dividends payable	1,046,036	(6,770)	0.6	1,096,158	(2,934)	0.3
Other liabilities	498	(5)	0.5	499	(195)	-
<b>Total</b>	<b>1,046,534</b>	<b>(6,775)</b>	<b>0.8</b>	<b>1,096,658</b>	<b>(3,129)</b>	<b>0.3</b>

## ■ BALANCE SHEET ANALYSIS

Table 89 – BB Corretora | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/20	Sep/21	Dec/21	On Dec/20	On Sep/21
<b>Assets</b>	<b>4,406,679</b>	<b>4,167,516</b>	<b>5,058,914</b>	<b>14.8</b>	<b>21.4</b>
Cash and cash equivalents	1,887,215	2,332,813	3,070,107	62.7	31.6
Securities	450,588	1,040	-	-	-
Equity investments	14,483	4,822	1,850	(87.2)	(61.6)
Current tax assets	29,292	33,675	48,049	64.0	42.7
Commission receivable	1,817,078	1,583,882	1,724,593	(5.1)	8.9
Other assets	208,023	211,283	214,315	3.0	1.4
<b>Liabilities</b>	<b>4,359,771</b>	<b>3,541,438</b>	<b>5,052,905</b>	<b>15.9</b>	<b>42.7</b>
Dividends payable	1,060,278	-	1,132,039	6.8	-
Provision	16,786	14,211	14,507	(13.6)	2.1
Current tax liabilities	681,928	568,585	747,110	9.6	31.4
Unearned commissions	2,544,608	2,841,840	2,967,027	16.6	4.4
Other liabilities	56,171	116,802	192,222	242.2	64.6
<b>Shareholders' equity</b>	<b>46,908</b>	<b>626,077</b>	<b>6,009</b>	<b>(87.2)</b>	<b>(99.0)</b>

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## 6. DEFINITIONS

### COMMON RATIOS

**Quarterly adjusted ROAA annualized** = (adjusted net income / average total assets) x 4;

**Average volume** = net change - average rate;

**Average rate** = (current period interest / average current period balance) x (average previous period balance) - (previous period interest);

**Net change** = current period interest - previous period interest;

**Assets annualized rate** = interest revenues / average earning assets balance;

**Liabilities annualized rate** = interest expenses / average interest bearing liabilities.

### INSURANCE

**Loss ratio** = claims incurred / earned premiums;

**Commission ratio** = retained acquisition costs / earned premiums;

**Technical margin** = (earned premiums + policies issuance revenue + incurred claims + retained acquisition costs + result with reinsurance) / earned premiums;

**G&A Ratio** = (administrative expenses + tax expenses + other operating income (expenses)) / earned premiums;

**Combined ratio** = (policies issuance revenue + incurred claims + retained acquisition costs + result with reinsurance + administrative expenses + tax expenses + other operating income (expenses)) / earned premiums;

**Expanded combined ratio** = (policies issuance revenue + incurred claims + retained acquisition costs + result with reinsurance + administrative expenses + tax expenses + other operating income (expenses)) / (earned premiums + net investment income).

### INSURANCE MANAGERIAL

**Earned premiums** = premiums written - raw premiums ceded to reinsurance - changes in technical reserves - changes in expenses with reinsurance provisions;

**Retained claims** = incurred claims - recovery of indemnity claims - recovery of claims expenses - changes in provisions for claims IBNR - salvages and reimbursed assets - changes in provision for claims IBNER provisions for claims to be settled - changes of expenses related to IBNR - changes in estimates for salvages and reimbursed assets - provisions for claims to be settled;

**Retained acquisition costs** = acquisition costs - commission return + revenue with reinsurance commissions

**Commission** = acquisition costs - commission return;

**G&A expenses** = administrative expenses + tax expenses + other operating income (expenses);

### PENSION PLANS

**Quarterly adjusted ROAA annualized** = (adjusted net income / average total assets ex-P/VGBL) x 4;

**Commission ratio** = acquisition cost / income and premiums contributions

**Cost to income** = (changes in other technical reserves + expenses with benefits, redemptions and claims + acquisition costs + administrative expenses + tax expenses + other operating income (expenses)) / (net revenues with contributions and VGBL premiums + revenues with management fee + earned premiums)

## PREMIUM BONDS

**Commission ratio** = acquisition costs / revenue with load fee quote;

**G&A ratio** = (administrative expenses + tax expenses + other operating income (expenses)) / revenue with load fee quote;

**Reserve quote** = change in provision for redemption / premium bonds collection

**Lottery quote** = expenses with constitution of provisions for lottery / premium bonds collection

**Bonus quote** = expenses with constitution of provisions for bonus / premium bonds collection

**Load fee quote** = revenue with load fee quote / premium bonds collection

**Premium bond margin** = result with premium bonds / net revenue with premium bonds;

**Spread** = average yield on interest earning assets – average yield on interest bearing liabilities

## BROKERAGE

**Adjusted operational margin** = operational results / brokerage revenues;

**Adjusted net margin** = adjusted net income / brokerage revenues.