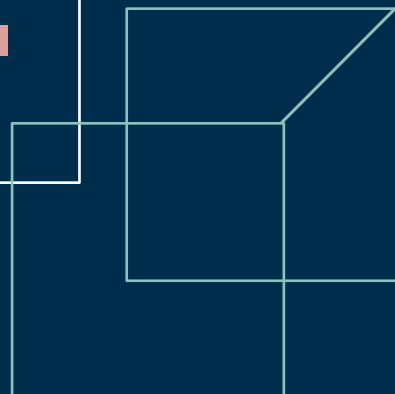
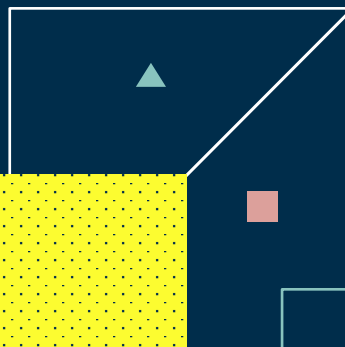
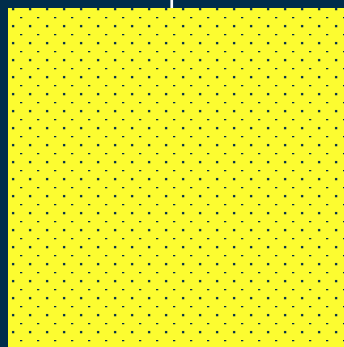


# MD&A

## 4Q22



## ■ 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.

## 4Q22 Earnings Conference Call

### February 9<sup>th</sup>, 2023

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\\_ZD5UA2CORN0m-jint50VIQ](https://bbseguros-br.zoom.us/webinar/register/WN_ZD5UA2CORN0m-jint50VIQ) or the investor relations website [www.bbseguridaderi.com.br/en](http://www.bbseguridaderi.com.br/en)

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# 1. SUMMARY

## ■ NET INCOME ANALYSIS

Table 1 – Income statement of the holding

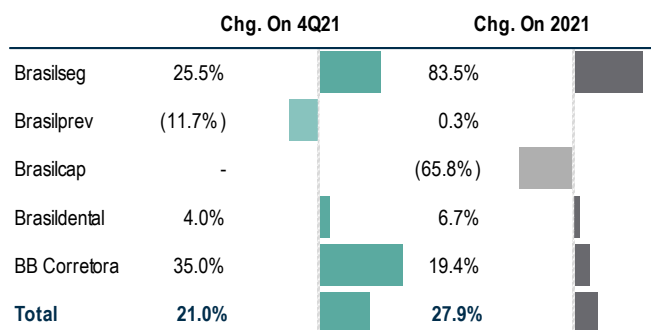
R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Equity income</b>	<b>1,223,678</b>	<b>1,648,550</b>	<b>1,807,766</b>	<b>47.7</b>	<b>9.7</b>	<b>3,923,594</b>	<b>6,042,788</b>	<b>54.0</b>
Underwriting and accumulation businesses	728,785	883,131	1,108,437	52.1	25.5	1,842,988	3,364,438	82.6
Brasilseg	401,288	636,121	636,033	58.5	(0.0)	1,067,020	2,081,551	95.1
Brasilprev	406,968	217,118	425,461	4.5	96.0	756,544	1,116,786	47.6
Brasilcap	(83,753)	25,002	41,959	-	67.8	2,341	145,199	6,101.7
Brasilidental	4,283	4,890	4,985	16.4	1.9	17,083	20,902	22.4
Distribution businesses	552,870	750,605	771,759	39.6	2.8	2,162,039	2,729,478	26.2
Other	(57,977)	14,814	(72,431)	24.9	-	(81,433)	(51,128)	(37.2)
<b>G&amp;A expenses</b>	<b>(4,772)</b>	<b>(5,542)</b>	<b>(5,568)</b>	<b>16.7</b>	<b>0.5</b>	<b>(17,788)</b>	<b>(23,000)</b>	<b>29.3</b>
<b>Net investment income</b>	<b>9,331</b>	<b>10,673</b>	<b>3,939</b>	<b>(57.8)</b>	<b>(63.1)</b>	<b>32,117</b>	<b>25,833</b>	<b>(19.6)</b>
<b>Earnings before taxes and profit sharing</b>	<b>1,228,237</b>	<b>1,653,681</b>	<b>1,806,137</b>	<b>47.1</b>	<b>9.2</b>	<b>3,937,922</b>	<b>6,045,621</b>	<b>53.5</b>
Taxes	(1,605)	(1,501)	451	-	-	(4,705)	(1,050)	(77.7)
<b>Net income</b>	<b>1,226,632</b>	<b>1,652,180</b>	<b>1,806,588</b>	<b>47.3</b>	<b>9.3</b>	<b>3,933,217</b>	<b>6,044,571</b>	<b>53.7</b>

In **4Q22**, BB Seguridade reported **net income** of R\$1.8 billion (+47.3% YoY). The R\$580.0 million increase was mainly driven by:

- **Brasilseg (+R\$234.7 million)**: boosted by the growth of retained earned premiums, loss ratio improvement, especially in term life and crop insurances, and higher net investment income;
- **BB Corretora (+R\$218.9 million)**: sustained by the evolution of brokerage revenues, due to the success of commercial incentives to Banco do Brasil's sales force, and the increase in the net investment income, with the higher Selic rate and the expansion of interest earning assets;
- **Brasilcap (+R\$125.7 million)**: explained by the financial result, with improvement in the net interest margin supported by the higher yield on earning assets, which was negatively impacted in 4Q21 by market-to-market losses in the disposal of prefixed income bonds available for sale; and
- **Brasilprev (+R\$18.5 million)**: positively impacted by the lower tax rate in the quarter, driven by the tax benefit arising from loC distribution, the higher tax credit arising from "Lei do Bem" and the lower CSLL rate, which had been increased by 5.0 p.p. in the second half of 2021.

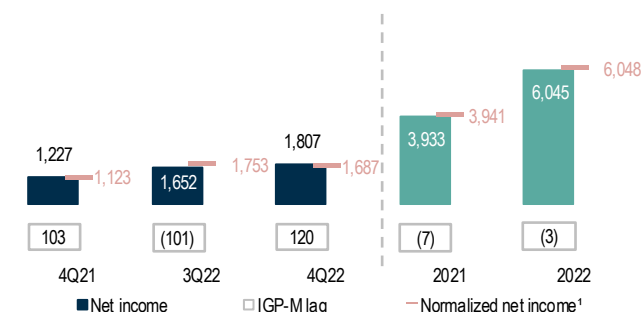
In **2022**, **net income** increased R\$2.1 billion (+53.7%), to R\$6.0 billion, highlighting:

- **Brasilseg (+R\$1.0 billion)**: supported by the evolution in earned premiums, loss ratio improvement and growth of net investment income;
- **BB Corretora (+R\$567.4 million)**: with brokerage revenues increase in all business lines and higher financial results;
- **Brasilprev (+R\$360.2 million)**: driven by the improvement in the net investment income, with the expansion of the average balance of earning assets, lower negative impact of MtM results in the comparative and the convergence of the inflation rates pegged to assets and liabilities of traditional plans; and

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)

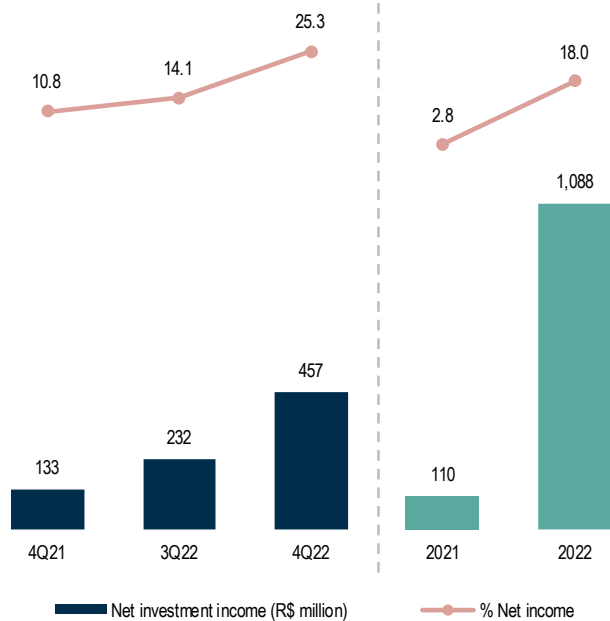


<sup>1</sup>Net income excluding the impacts of the one-month lag in the IGP-M accrual on liabilities.

- **Brasilcap (+R\$142.9 million)**: sustained by the improvement in the net investment income. The performance is attributed to the higher yield and to the expansion of the average balance of earning assets.

## ■ NET INVESTMENT INCOME ANALYSIS

Figure 3 – Consolidated investment income



In **4Q22**, the consolidated financial result of BB Seguridade and its investees reached R\$456.5 million, a volume more than 3x higher than the one recorded in the 4Q21. The higher average Selic rate and the expansion of the average balance of earning assets were the main drivers to the growth. It is worth noting that the fourth quarter of 2021 was negatively impacted by MtM losses in the disposal of prefixed bonds available for sale at Brasilcap and, to a lesser extent, at Brasilseg.

In the **year**, the combined financial result amounted to R\$1.1 billion, compared to R\$109.9 million in 2021. The following effects had contributed to the impressive growth: (i) the spike of the average Selic rate, with positive impacts to all companies within the group; (ii) the strong evolution of Brasilprev's net investment income, with expansion in the volume of earning assets, the parity of inflation rates that adjust assets and liabilities of defined benefit plans and the lower negative MtM impact, considering the lesser extent of the upward shifting of the forward yield curve as compared to 2021.

Figure 4 – Inflation rate (%)

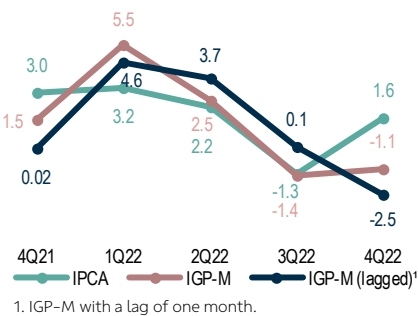


Figure 5 – Average Selic rate (%)

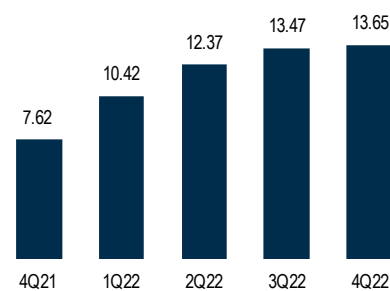


Figure 6 – Forward yield curve (%)

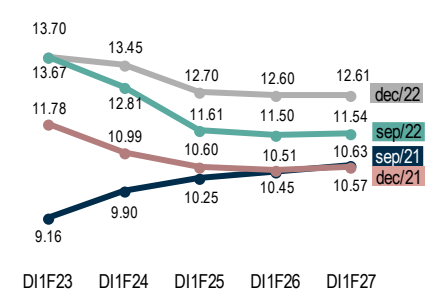


Figure 7 – Financial investments (%)

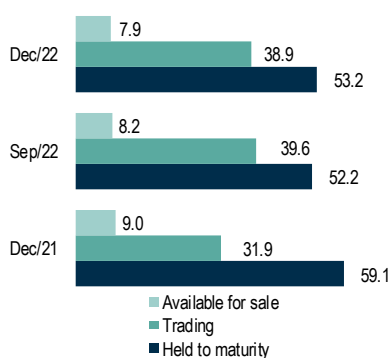


Figure 8 – Financial investments by index (%)

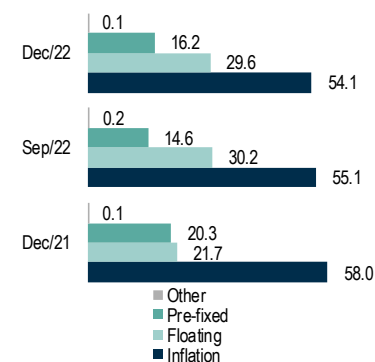
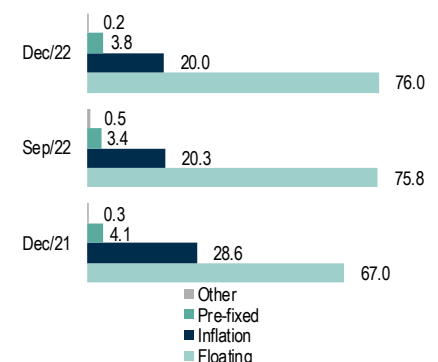


Figure 9 – Trading portfolio by index (%)



## ■ 2022 GUIDANCE

In **2022**, the non-interest operating result (ex-holding) grew 27.9%, beating the guidance range. Premiums written also outperformed the estimates, increasing 30.7%. The PGBL and VGBL pension plans reserves of Brasilprev expanded 10.0%, within the interval. Find below the explanations for the deviations:

**Non-interest operating result (ex-holding):** the 0.9 p.p. beat is largely explained by lower-than-expected loss ratio, in addition to stronger commercial performances in insurance, especially credit life, and premium bonds.

**Premiums written of Brasilseg:** the 2.7 p.p. upward deviation was mainly driven by higher-than-expected growth in premiums written of credit life, with increased penetration in credit origination, growth of sales for outstanding loans and reduction of cancellations.

Figure 10 – 2022 estimates

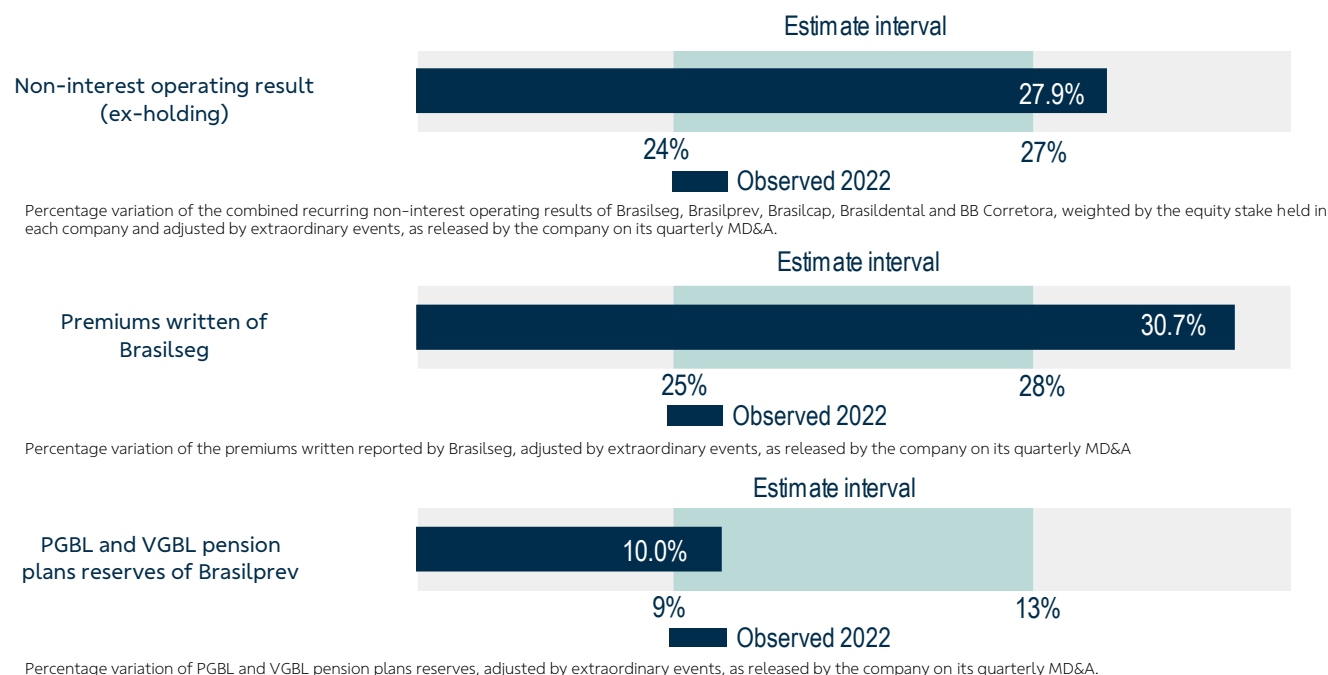


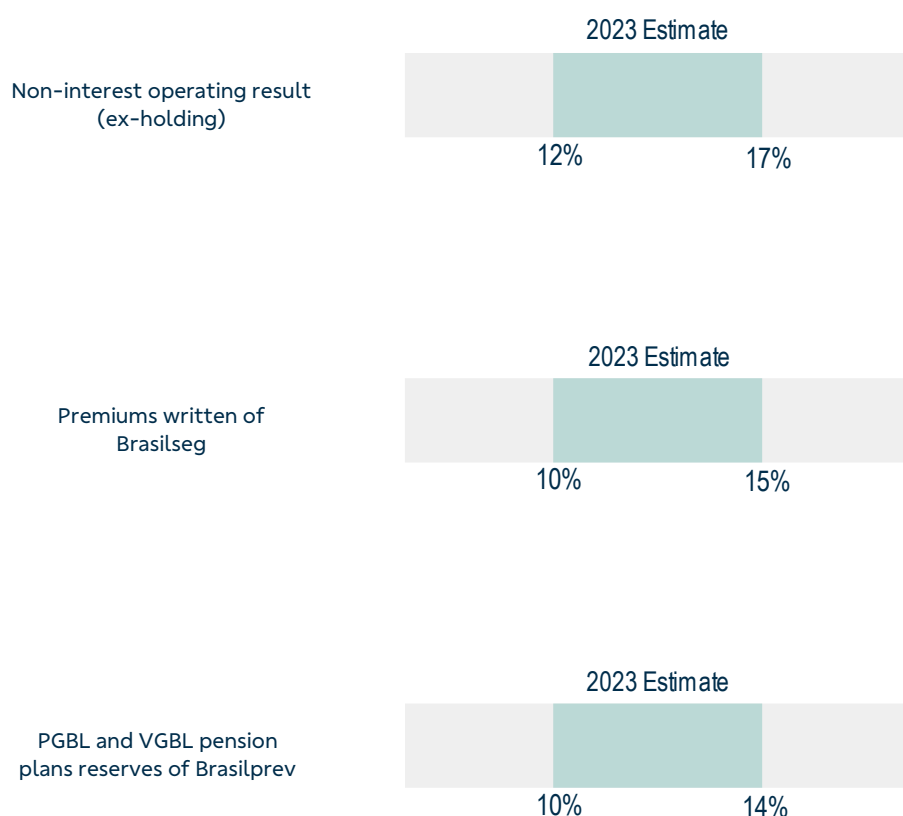
Table 2 – Breakdown of the non-interest operating result by company

R\$ thousand	Annual Flow		Chg. %
	2021	2022	On 2021
<b>Non-interest operating result</b>	<b>5,933,935</b>	<b>7,589,058</b>	<b>27.9</b>
Brasilseg	1,271,040	2,331,928	83.5
Brasilprev	1,450,654	1,455,166	0.3
Brasilcap	34,924	11,958	(65.8)
Brasildental	26,598	28,377	6.7
BB Corretora	3,150,719	3,761,630	19.4

## ■ 2023 GUIDANCE

For 2023, the same indicators of the Guidance 2022 were adopted. It is worth mentioning that due to the implementation of the IFRS 17 accounting standards in 2023, BB Seguridade will disclose non-audit managerial data based on the accounting standard in place until 2022, enabling the comparability with the performance reported in recent years. The company also reinforces that the Brazilian Private Insurance Regulator (SUSEP) has not adopted the IFRS 17 rules yet, meaning that the insurance companies regulated by SUSEP will remain disclosing their financial statements and calculating their capital needs without impacts of the new accounting standard. Within this context, the indicators for the Guidance 2023 will not be impacted by IFRS 17 and should be monitored by the market always following the managerial information disclosed by the company.

Figure 11 – 2023 estimates



Percentage variation of the combined recurring non-interest operating results of Brasilseg, Brasilprev, Brasilcap, Brasildental and BB Corretora, weighted by the equity stake held in each company and adjusted by extraordinary events, as released by the company on its quarterly MD&A, not considering the adoption of IFRS 17.

Percentage variation of the premiums written reported by Brasilseg, adjusted by extraordinary events, as released by the company on its quarterly MD&A, not considering the adoption of IFRS 17.

Percentage variation of PGBL and VGBL pension plans reserves, adjusted by extraordinary events, as released by the company on its quarterly MD&A, not considering the adoption of IFRS 17.

## ■ SUMMARY OF INVESTEE'S PERFORMANCES

## Brasilseg | Insurance (for further details, please refer to the page 23)

Table 3 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Premiums written</b>	<b>3,129,977</b>	<b>5,022,255</b>	<b>4,122,678</b>	<b>31.7</b>	<b>(17.9)</b>	<b>12,063,738</b>	<b>15,768,839</b>	<b>30.7</b>
Changes in technical reserves and premiums ceded	(717,382)	(2,219,530)	(1,163,588)	62.2	(47.6)	(3,127,928)	(4,973,977)	59.0
<b>Retained earned premiums</b>	<b>2,412,595</b>	<b>2,802,725</b>	<b>2,959,090</b>	<b>22.7</b>	<b>5.6</b>	<b>8,935,810</b>	<b>10,794,861</b>	<b>20.8</b>
Retained claims	(656,580)	(747,624)	(767,191)	16.8	2.6	(3,495,478)	(3,328,495)	(4.8)
Retained acquisition costs	(750,976)	(818,880)	(945,848)	25.9	15.5	(2,779,236)	(3,211,541)	15.6
G&A	(299,528)	(272,308)	(361,110)	20.6	32.6	(967,993)	(1,145,884)	18.4
Other	(106)	(7)	417	-	-	1,843	711	(61.4)
<b>Non-interest operating result</b>	<b>705,405</b>	<b>963,907</b>	<b>885,357</b>	<b>25.5</b>	<b>(8.1)</b>	<b>1,694,946</b>	<b>3,109,652</b>	<b>83.5</b>
Net investment income	48,279	218,882	239,084	395.2	9.2	266,430	771,198	189.5
<b>Earnings before taxes and profit sharing</b>	<b>753,684</b>	<b>1,182,789</b>	<b>1,124,441</b>	<b>49.2</b>	<b>(4.9)</b>	<b>1,961,376</b>	<b>3,880,850</b>	<b>97.9</b>
Taxes and profit sharing	(213,512)	(329,605)	(271,375)	27.1	(17.7)	(518,292)	(1,085,441)	109.4
<b>Net income</b>	<b>540,172</b>	<b>853,184</b>	<b>853,066</b>	<b>57.9</b>	<b>(0.0)</b>	<b>1,443,084</b>	<b>2,795,409</b>	<b>93.7</b>

In **4Q22**, the insurance operation's **net income** grew 57.9% YoY, with the increase in retained earned premiums (+22.7%) and retraction in the loss ratio (-1.3 p.p.), leading the non-interest operating result to an increase of 25.5%. Besides the expansion of the operating result, the net income was also positively impacted by the growth of **net investment income** (+395.2%), with higher average Selic rate and expansion of the average balance of earning assets.

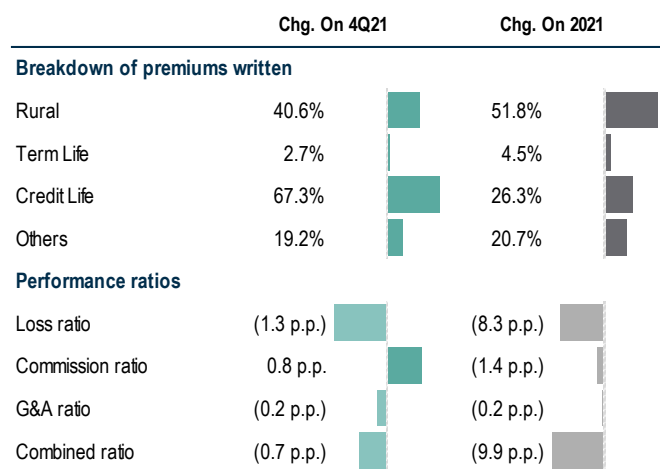
**Premiums written** rose 31.7% over 4Q21, highlighting credit life (+67.3%), due to the increased penetration in credit origination, growth of sales for outstanding loans and reduction of cancellations; and rural (+40.6%), supported mainly by the expansion of the crop cycle 2022/2023.

The **G&A ratio** improved 0.2 p.p. YoY, with the general and administrative expenses growing at a slower pace (+20.6%) than the earned premiums (+22.7%). The increase was concentrated in administrative expenses, especially in personnel, outsourcing and tax incentivized donations and sponsorships, while other operating expenses declined.

In the **year**, **net income** was up 93.7%, driven by the higher **retained earned premiums** (+20.8%) and by the drop in **loss ratio** (-8.3 p.p.), a movement resulting from the significant reduction in Covid-19 related claims in products with death coverage, more than offsetting the all-time high volume of claims reported in 1Q22 related to the climate events that affected the summer crop 2021/2022. The **net investment income** was 189.5% higher, with the spike in the Selic rate and the expansion in the volume of financial investments.

**Premiums written** grew 30.7% in 2022, propelled by the good commercial performance in rural (+51.8%), credit life (+26.3%), term life (+4.5%), home (+18.3%) and commercial lines (+33.1%).

Figure 12 – Key performance indicators





## Brasilprev | Pension plans (for further details, see page 44)

Table 4 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Total revenue from pension and insurance</b>	<b>11,994,534</b>	<b>15,144,470</b>	<b>12,960,663</b>	<b>8.1</b>	<b>(14.4)</b>	<b>45,668,826</b>	<b>52,816,022</b>	<b>15.7</b>
Provision for benefits to be granted	(11,989,152)	(15,139,216)	(12,955,472)	8.1	(14.4)	(45,645,573)	(52,795,218)	15.7
<b>Net revenue from pension and insurance</b>	<b>5,382</b>	<b>5,254</b>	<b>5,191</b>	<b>(3.5)</b>	<b>(1.2)</b>	<b>23,253</b>	<b>20,804</b>	<b>(10.5)</b>
Management fee	800,159	836,248	808,330	1.0	(3.3)	3,146,438	3,244,613	3.1
Acquisition costs	(126,828)	(178,283)	(175,360)	38.3	(1.6)	(633,716)	(696,584)	9.9
Retained earned premiums	44,524	49,788	40,581	(8.9)	(18.5)	172,088	183,833	6.8
G&A	(192,483)	(171,725)	(187,294)	(2.7)	9.1	(658,089)	(692,639)	5.3
Other	(18,872)	(11,572)	(39,374)	108.6	240.2	(115,511)	(119,547)	3.5
<b>Non-interest operating result</b>	<b>511,881</b>	<b>529,709</b>	<b>452,074</b>	<b>(11.7)</b>	<b>(14.7)</b>	<b>1,934,464</b>	<b>1,940,480</b>	<b>0.3</b>
Net investment income	279,388	(34,835)	260,276	(6.8)	-	(333,910)	329,585	-
<b>Earnings before taxes and profit sharing</b>	<b>791,269</b>	<b>494,874</b>	<b>712,350</b>	<b>(10.0)</b>	<b>43.9</b>	<b>1,600,554</b>	<b>2,270,065</b>	<b>41.8</b>
Taxes and profit sharing	(248,610)	(205,365)	(145,030)	(41.7)	(29.4)	(591,761)	(780,918)	32.0
<b>Net income</b>	<b>542,659</b>	<b>289,509</b>	<b>567,319</b>	<b>4.5</b>	<b>96.0</b>	<b>1,008,793</b>	<b>1,489,147</b>	<b>47.6</b>

In **4Q22**, **net income** arising from the pension plan business was 4.5% higher than reported in the same period of 2021, reaching R\$567.3 million, driven by the 11.3 p.p. drop in the effective tax rate. This decrease in tax rate was due to: (i) lower CSLL rate, which had been temporarily increased by 5 p.p. in the 2H21; (ii) the tax benefits related to the distribution of interest on capital (R\$307.2 million); and (iii) the recognition of R\$12.7 million in tax credits (vs. R\$9.0 million in 4Q21) resulting from the tax benefit of the “Lei do Bem” (Law 11,196/05), an incentive granted to companies that invest in R&D and technological innovation.

The **net investment income** was 6.8% lower, impacted by higher extent of the upward shifting in the forward yield curve compared to 4Q21.

The **non-interest operating result** reduced 11.7% compared to 4Q21, a period in which a higher volume of commission returns was registered, due to the increase in short-term redemptions before twelve months from the plan commercialization, which led a drop in the acquisition cost line in that quarter. On the other hand, **reserves** expanded 9.8% in 12 months, contributing to the 1.0% increase in revenues with management fee. The **average annualized management fee** reached 0.97% in 4Q22, 0.07 p.p. lower when compared to 4Q21 (-0.01 p.p. chg. on 3Q22). This drop is a result of increased risk aversion in client basis, leading the investment flow to more conservative products and reducing the participation of **multimarket funds** to 27.3% of total AuM (-4.5 p.p. on December 2021 | -0.9 p.p. on September 2022).

**Contributions** totaled R\$13.0 billion in the quarter, up 8.1% YoY. The performance is attributed to the increase in both the sales volume and the average ticket of sporadic and periodic contribution plans. **Net inflow** was positive by R\$676 million versus net outflow of R\$546 million in 4Q21, due to the growth in contributions and the improvement of both the **redemption** (-0.8 p.p. chg. on 4Q21 | -0.4 p.p. chg. on 3Q22) and the **portability ratios** (-1.1 p.p. chg. on 4Q21 | -0.6 p.p. chg. on 3Q22).

Figure 13 – Key performance indicators

	4Q22	Chg. On 4Q21	2022	Chg. On 2021
Net inflows (R\$ billion)	676	-	1,702	-
Reserves (R\$ billion)	344	9.8%	-	-
Management fee (%)	0.97	(0.07 p.p.)	0.99	(0.03 p.p.)
Redemption ratio (%)	11.5	(0.8 p.p.)	11.6	0.9 p.p.
Portability ratio (%)	1.9	(1.1 p.p.)	2.2	0.0 p.p.
Cost to income ratio (%)	47.1	7.3 p.p.	43.7	1.6 p.p.

In **2022**, **net income** grew 47.6%, with an improved **financial result**, which went from a loss of R\$333.9 million in 2021 to a positive balance of R\$329.6 million in 2022. The movement reflects the expansion of the average balance of earning assets, a lower impact of upward shifting in the forward yield curve, which reduced the negative MtM result in 2022, and a more favorable dynamics of the inflation rates that adjust the assets (IPCA and IGP -M of the current month) and liabilities (IGP-M with a one-month lag) of traditional plans, due to the convergence between IPCA and IGP-M in the year.

**Net inflow** was positive by R\$1.7 billion in 2022, compared to net outflow of R\$783 million in 2021, driven by the relevant increase of **contributions** (+15.7%). Revenues with **management fee** rose 3.1%, with the average fee contracting 0.03 p.p., due to the lower participation of multimarket funds in total AuM, as mentioned in the quarterly analysis.

## Brasileira | Premium Bonds (for further details, see page 59)

Table 5 - Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Premium bonds collection</b>	<b>1,118,935</b>	<b>1,615,265</b>	<b>1,743,163</b>	<b>55.8</b>	<b>7.9</b>	<b>4,309,790</b>	<b>5,949,271</b>	<b>38.0</b>
Changes in provisions for redemption, lottery and bonus	(1,001,873)	(1,447,294)	(1,561,977)	55.9	7.9	(3,806,057)	(5,327,808)	40.0
<b>Revenue with load fee</b>	<b>117,063</b>	<b>167,970</b>	<b>181,186</b>	<b>54.8</b>	<b>7.9</b>	<b>503,733</b>	<b>621,463</b>	<b>23.4</b>
Result with lottery	4,818	2,326	12,913	168.0	455.1	18,196	28,734	57.9
Acquisition costs	(102,564)	(139,662)	(169,041)	64.8	21.0	(397,396)	(532,865)	34.1
G&A	(17,673)	(26,081)	(30,629)	73.3	17.4	(73,347)	(98,391)	34.1
Other	926	(974)	(45)	-	(95.4)	1,199	(1,048)	-
<b>Non-interest operating result</b>	<b>2,570</b>	<b>3,580</b>	<b>(5,614)</b>	<b>-</b>	<b>-</b>	<b>52,386</b>	<b>17,893</b>	<b>(65.8)</b>
Net investment income	(215,228)	62,600	87,893	-	40.4	(37,828)	328,014	-
<b>Earnings before taxes and profit sharing</b>	<b>(212,658)</b>	<b>66,179</b>	<b>82,279</b>	<b>-</b>	<b>24.3</b>	<b>14,557</b>	<b>345,907</b>	<b>2,276.2</b>
Taxes and profit sharing	87,015	(28,671)	(19,389)	-	(32.4)	(11,045)	(128,140)	1,060.2
<b>Net income</b>	<b>(125,643)</b>	<b>37,508</b>	<b>62,889</b>	<b>-</b>	<b>67.7</b>	<b>3,512</b>	<b>217,767</b>	<b>6,099.9</b>

In **4Q22**, the **net income** from premium bonds segment reached R\$62.9 million, compared to a net loss of R\$125.6 million in the same period of 2021. The performance is attributed to the improvement in the net investment income, considering that in 4Q21 it was registered a loss in the disposal of prefixed bonds available for sale, in a strategy carried out in that quarter to rebalance the investment portfolio.

The **premium bonds collection** grew 55.8% YoY, boosted by the higher average ticket of unique payment bonds and by the increase in the number of bonds sold in both unique and monthly payment bonds. The **revenues with load fee** rose 54.8%, slightly below the increase observed in collection, due to the reduction of 0.1 p.p. at the average load fee quote.

In the **year**, **net income** of premium bonds operation reached R\$217.8 million, compared to R\$3.5 million in 2021. The performance was sustained by the improvement in the **financial result**, which ended the year with a positive balance of R\$328.0 million, compared to the R\$37.8 million loss registered in 2021, with the expansion in the average balance of earning assets and the spike in the average Selic rate.

**Premium bonds collection** was up 38.0%, with an increase in the average ticket of unique payment bonds and the 37.5% expansion in sales of monthly payment bonds. The **revenue with load fee** grew at a slower pace than that observed in collection (+23.4%), due to the 1.2 p.p. decline in the average quote, which is justified by the higher participation of short-term collection from unique payment bonds (12 and 24 months) in the mix, which have lower quotes compared to 36-months bonds that accounted for the major part of the inflows in 2021.

Figure 14 – Key performance indicators

		Chg. On 4Q21	Chg. On 2021
<b>Premium bonds collection</b>			
Unique payment	88.6%		56.6%
Monthly payment	13.3%		13.6%
First Installments	64.0%		14.1%
Recurring Installments	11.7%		13.6%
<b>Average quotes</b>			
Reserve quote	0.5 p.p.		1.8 p.p.
Lottery quote	(0.4 p.p.)		(0.5 p.p.)
Bonus quote	(0.01 p.p.)		(0.01 p.p.)
Load fee quote	(0.1 p.p.)		(1.2 p.p.)
<b>Other ratios</b>			
Technical reserves	22.0%		22.0%
Net interest margin	12.7 p.p.		3.5 p.p.

## BB Corretora | Brokerage (for further details, see page 76)

Table 6 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Brokerage revenues</b>	<b>1,053,999</b>	<b>1,261,814</b>	<b>1,311,112</b>	<b>24.4</b>	<b>3.9</b>	<b>3,968,160</b>	<b>4,671,135</b>	<b>17.7</b>
G&A	(277,976)	(236,128)	(267,826)	(3.7)	13.4	(804,808)	(908,832)	12.9
Equity income	(2,973)	(615)	146	-	-	(12,633)	(673)	(94.7)
<b>Earnings before interest and taxes</b>	<b>773,050</b>	<b>1,025,071</b>	<b>1,043,432</b>	<b>35.0</b>	<b>1.8</b>	<b>3,150,719</b>	<b>3,761,630</b>	<b>19.4</b>
Net investment income	53,878	111,015	115,999	115.3	4.5	113,452	365,294	222.0
<b>Earnings before taxes</b>	<b>826,928</b>	<b>1,136,086</b>	<b>1,159,431</b>	<b>40.2</b>	<b>2.1</b>	<b>3,264,171</b>	<b>4,126,924</b>	<b>26.4</b>
Taxes	(274,058)	(385,481)	(387,672)	41.5	0.6	(1,102,132)	(1,397,446)	26.8
<b>Net income</b>	<b>552,870</b>	<b>750,605</b>	<b>771,759</b>	<b>39.6</b>	<b>2.8</b>	<b>2,162,039</b>	<b>2,729,478</b>	<b>26.2</b>

In **4Q22**, BB Corretora's **net income** grew 39.6% YoY, boosted by the growth of brokerage revenues and by the higher financial result (+115.3%), with the spike in Selic rate and the expansion of the average balance of financial investments.

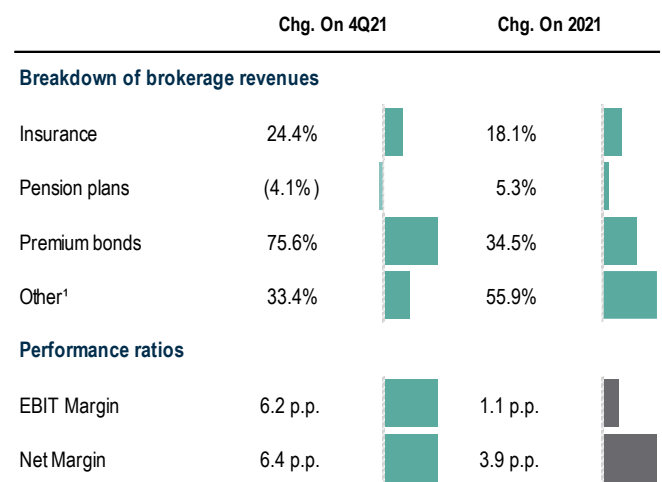
**Brokerage revenues** increased by 24.4%, due to the good commercial performance, highlighting the changes on revenues from insurance, explained by the strong growth of rural and credit life, and premium bonds, with higher collections due to the increased sales volume and higher average ticket. The revenues from pension plans dropped 4.1%, despite the gross inflow 8.1% higher, impacted by the concentration of contributions in sporadic plans, which present a lower commission ratio compared to the first installments of periodic plans.

The **EBIT margin** increased by 6.2 p.p. YoY, largely explained by the lower volume of provisions for devolution of commissions to Brasilprev, related to short-term redemptions, which negatively impacted the 4Q21 with a strengthening of R\$68.3 million, while in 4Q22 this provision amounted to R\$28.2 million. The lower expenses with tax incentivized donations and sponsorships, the improvement of Ciclic's equity income, the reduction in expenses with operational support and the concentration of sales in products with lower reimbursement cost were the other effects that contributed to the EBIT margin improvement.

In **2022**, **net income** grew 26.2%, due to the 17.7% increase in brokerage revenues, as a result of the evolution of commercial performance in all business lines, and the higher financial result (+222.0%), supported by both the higher average yield and the expansion in the volume of financial assets.

The EBIT margin was up 1.1 p.p. in 2022, supported by the lower volume of provision for devolution of commission to Brasilprev compared to 2021 (2022: R\$57.7 million | 2021: R\$73.2 million), the improvement in the equity income from Ciclic and lower expenses with operational support and tax incentivized donations and sponsorships.

Figure 15 – Key performance indicators



1. Include dental plans and other revenues.

## ■ OTHER INFORMATION

Table 7 – Market share and ranking<sup>1</sup>

		Quarterly Flow			Annual Flow	
		Unit	4Q21	3Q22	4Q22	2021
Life²						
Premiums written	R\$ thousand	940,240	960,957	965,492	3,514,897	3,671,803
Market-share	%	13.5%	12.6%	12.6%	13.5%	12.5%
Ranking		2º	1º	1º	1º	1º
Credit life						
Premiums written	R\$ thousand	530,509	815,110	887,506	2,162,813	2,732,379
Market-share	%	14.1%	17.4%	20.9%	13.8%	16.3%
Ranking		1º	1º	1º	3º	1º
Mortgage life						
Premiums written	R\$ thousand	72,490	74,878	75,872	287,612	297,279
Market-share	%	5.4%	5.1%	5.2%	5.7%	5.2%
Ranking		5º	6º	5º	5º	6º
Rural						
Premiums written	R\$ thousand	1,365,091	2,899,839	1,919,101	5,335,116	8,096,065
Market-share	%	63.8%	59.0%	67.5%	55.4%	60.1%
Ranking		1º	1º	1º	1º	1º
Home						
Premiums written	R\$ thousand	87,857	103,776	93,499	317,984	376,268
Market-share	%	7.5%	7.6%	7.0%	7.3%	7.5%
Ranking		5º	4º	6º	5º	5º
Commercial lines						
Premiums written	R\$ thousand	131,838	165,078	178,840	438,472	583,480
Market-share	%	4.7%	5.2%	5.4%	4.1%	4.8%
Ranking		5º	5º	5º	9º	6º
Pension Plans						
Technical reserves	R\$ thousand	313,217,130	336,261,334	343,826,496	-	-
Market-share	%	29.2%	28.5%	28.4%	-	-
Ranking		1º	1º	1º	-	-
Contributions	R\$ thousand	11,994,534	15,144,470	12,960,663	45,668,826	52,816,022
Market-share	%	31.8%	36.4%	34.0%	33.0%	34.4%
Ranking		1º	1º	1º	1º	1º
Premium Bonds						
Reserves	R\$ thousand	7,872,886	8,881,806	9,608,352	-	-
Market-share	%	23.7%	24.8%	25.8%	-	-
Ranking		2º	2º	1º	-	-
Collections	R\$ thousand	1,118,935	1,615,265	1,743,163	4,309,790	5,949,271
Market-share	%	17.7%	21.6%	23.7%	17.7%	21.0%
Ranking		2º	2º	1º	2º	2º

1. Source: Susep – data as of December/2022.

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

Table 8 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	1	1,325,000,000	66.3%
Treasury Stocks	1	3,273,567	0.2%
Free Float	333,805	671,726,433	33.6%
Foreign investors	940	461,225,217	23.1%
Companies	3,169	88,283,550	4.4%
Individuals	329,696	122,217,666	6.1%
Total	333,807	2,000,000,000	100.0%

Table 9 – Stocks | Performance

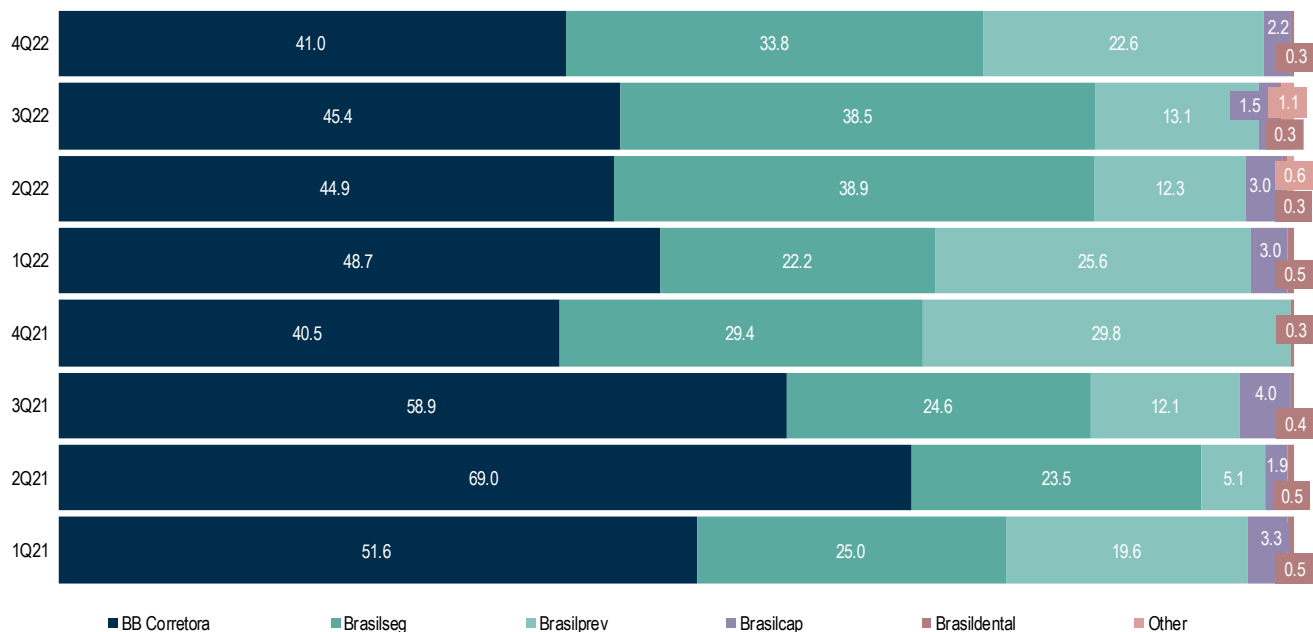
		Quarterly Flow				
	Unit	4Q21	1Q22	2Q22	3Q22	4Q22
Stock's performance						
Earnings per share	R\$	0.61	0.59	0.70	0.83	0.90
Dividends per share	R\$	-	0.92	-	1.03	-
Equity per share	R\$	3.64	4.22	3.89	4.73	3.80
Closing price	R\$	20.75	25.56	25.96	26.57	33.71
Annualized dividend yield¹	%	3.95	5.77	5.86	8.39	7.16
Market capitalization	R\$ million	41,500	51,120	51,920	53,140	67,420
Ratios						
P/E (12 month trailing)	x	10.55	12.36	10.84	9.72	11.15
P/BV	x	5.70	6.05	6.68	5.62	8.88
Business data						
Number of trades carried out		1,131,905	1,109,478	1,010,104	1,137,379	1,474,019
Average daily volume traded	R\$ million	108	129	132	153	212
Average daily volume traded - B3	R\$ million	26,130	26,991	24,626	22,563	26,927
Share on B3's average volume	%	0.41	0.48	0.54	0.68	0.79

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

## 2. EARNINGS ANALYSIS

### ■ EARNINGS BREAKDOWN

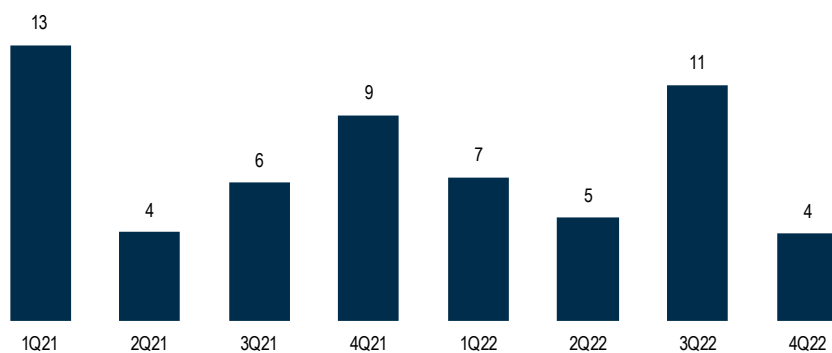
Figure 16 – Earnings Analysis | Breakdown<sup>1</sup> (%)



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

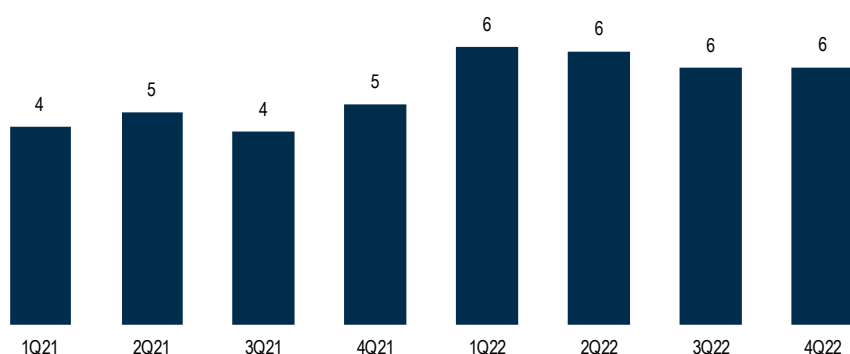
### ■ NET INVESTMENT INCOME OF THE HOLDING COMPANY

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 **4Q22**, the holding company's G&A were R\$0.8 million higher than in the same period of 2021, mainly due to:

- higher personnel expenses, impacted by the expansion in the number of employees and the collective bargaining agreement in September;
- increase in administrative expenses, largely explained by higher costs with business trips and location and operating expenses.

On the other hand, tax expenses on financial income were R\$0.3 million lower than in 4Q21, due to the retraction in the average balance of financial investments at the holding company.

The consolidated expenses of the holdings and BB Corretora were R\$47.9 million lower YoY, explained by the drop in other operating income and expenses line, since the last quarter of 2021 concentrated a higher volume of provision for commissions devolution to Brasilprev, and the lower expenses with donations and sponsorships at BB Corretora. On the other hand, the increase in tax expenses, due to the higher volume of PIS and COFINS on IoC received; the higher personnel expenses, resulting from the collective bargaining agreement and expansion of the staff; and higher spending on sales incentives and promotions and public relations offset part of this decline.

### YEAR-TO-DATE ANALYSIS

In **2022**, the holding company's G&A expenses grew by R\$5.2 million, mainly driven by the growth in personnel expenses, with the expansion of the number of employees and filling vacant positions, and by higher administrative expenses, with the growth of: share bookkeeping services and posting of share remuneration; location and operation, due to rental and condominium fees adjustment; and business trip and specialized technical services.

In the **year**, the consolidated expenses of BB Seguridade, BB Seguros and BB Corretora fell R\$10.0 million, with lower provisions for commission devolution to Brasilprev and lower volume of donations and sponsorships at BB Corretora, as mentioned in the quarterly analysis. However, part of this drop was offset by the increase in:

- tax expenses on financial income, due to the spike in the average Selic rate and the expansion of the average balance of financial investments, besides the increase in taxes on IoC received;
- personnel expenses, due to the collective bargaining agreement and the expansion of the staff; and
- administrative expenses, largely explained by costs with sales promotion.

Table 10 – Earnings Analysis | General and administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Administrative expenses</b>	<b>(1,043)</b>	<b>(1,007)</b>	<b>(1,204)</b>	<b>15.4</b>	<b>19.6</b>	<b>(4,034)</b>	<b>(5,105)</b>	<b>26.5</b>
Specialized technical services	(117)	(168)	(141)	20.9	(16.0)	(413)	(659)	59.7
Location and operation	(250)	(274)	(297)	18.9	8.4	(932)	(1,199)	28.6
Communication	(16)	(11)	(13)	(18.7)	22.2	(325)	(572)	75.9
Other administrative expenses	(660)	(554)	(753)	14.0	35.9	(2,364)	(2,675)	13.2
<b>Personnel expenses</b>	<b>(3,183)</b>	<b>(3,810)</b>	<b>(3,923)</b>	<b>23.3</b>	<b>3.0</b>	<b>(11,794)</b>	<b>(14,650)</b>	<b>24.2</b>
Compensation	(1,627)	(1,955)	(2,073)	27.4	6.0	(6,063)	(7,647)	26.1
Welfare benefits	(892)	(1,097)	(1,084)	21.6	(1.2)	(3,236)	(4,156)	28.5
Other compensation	(357)	(372)	(346)	(3.0)	(7.0)	(1,434)	(1,444)	0.7
Benefits	(308)	(385)	(420)	36.4	8.9	(1,056)	(1,404)	33.0
Other	-	-	-	-	-	(6)	-	-
<b>Tax expenses</b>	<b>(556)</b>	<b>(684)</b>	<b>(298)</b>	<b>(46.4)</b>	<b>(56.4)</b>	<b>(2,083)</b>	<b>(2,914)</b>	<b>39.9</b>
COFINS	(464)	(550)	(237)	(48.8)	(56.9)	(1,681)	(2,359)	40.3
PIS/Pasep	(86)	(106)	(45)	(48.0)	(58.1)	(306)	(415)	35.6
IOF	(2)	(23)	(16)	862.4	(28.9)	(24)	(45)	86.7
Other	(5)	(5)	(0)	(93.9)	(94.0)	(71)	(94)	32.6
<b>Other operating income (expenses)</b>	<b>10</b>	<b>(41)</b>	<b>(142)</b>	<b>-</b>	<b>247.7</b>	<b>122</b>	<b>(331)</b>	<b>-</b>
<b>G&amp;A expenses</b>	<b>(4,772)</b>	<b>(5,542)</b>	<b>(5,568)</b>	<b>16.7</b>	<b>0.5</b>	<b>(17,788)</b>	<b>(23,000)</b>	<b>29.3</b>



### 3. BALANCE SHEET ANALYSIS

Table 11 – Balance Sheet Analysis | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Assets</b>	<b>9,124,418</b>	<b>9,471,723</b>	<b>11,282,424</b>	<b>23.7</b>	<b>19.1</b>
Cash and cash equivalents	369,342	59,078	59,003	(84.0)	(0.1)
Financial assets marked to market	14,011	17,707	18,064	28.9	2.0
Investments	7,080,649	9,290,015	7,416,770	4.7	(20.2)
Current tax assets	70,260	87,486	91,308	30.0	4.4
Deferred tax assets	10	10	28	194.3	172.9
Dividends receivable	1,572,428	-	3,683,356	134.2	-
Other assets	12,759	12,795	9,874	(22.6)	(22.8)
Intangible	4,959	4,632	4,021	(18.9)	(13.2)
<b>Liabilities</b>	<b>1,843,002</b>	<b>10,832</b>	<b>3,686,323</b>	<b>100.0</b>	<b>33,933.0</b>
Provision for fiscal, civil and tax contingencies	28	28	81	190.1	190.1
Statutory obligation	1,831,691	307	3,674,027	100.6	1,197,608.3
Current tax liabilities	444	538	31	(92.9)	(94.2)
Other liabilities	10,839	9,959	12,184	12.4	22.3
<b>Shareholders' equity</b>	<b>7,281,416</b>	<b>9,460,891</b>	<b>7,596,101</b>	<b>4.3</b>	<b>(19.7)</b>
Capital	3,396,767	6,269,692	6,269,692	84.6	-
Reserves	4,124,433	1,251,571	1,553,800	(62.3)	24.1
Treasury shares	(81,320)	(80,344)	(80,344)	(1.2)	0.0
Other accumulated comprehensive income	(158,464)	(149,392)	(147,047)	(7.2)	(1.6)
Retained earnings	-	2,169,364	-	-	-

## ■ INVESTMENTS

Table 12 – Balance Sheet Analysis | Direct investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Dec/22	Dec/21	Sep/22	Dec/22
Insurance, Pension Plans and Premium Bonds						
BB Seguros Participações	Holding	(1)	100.0	7,074,640	8,532,710	7,410,432
Insurance Brokerage						
BB Corretora de Seguros e Adm. de Bens	Insurance Broker	(1)	100.0	6,009	757,305	6,338

Note: (1) Controlled companies, fully consolidated.

Table 13 – Balance Sheet Analysis | BB Seguros Participações' investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Dec/22	Dec/21	Sep/22	Dec/22
Insurance						
Brasilseg	Holding	(1)	74.99	2,337,086	2,382,446	2,436,345
Brasilseg Companhia de Seguros						
Aliança do Brasil Seguros						
Pension Plans						
Brasilprev	Insurance/ Pension Plans	(1)	74.99	4,354,377	4,317,876	4,512,886
Health						
Brasildental	Health	(1)	74.99	16,088	18,297	21,483
Premium Bonds						
Brasilcap	Premium Bonds	(1)	66.77	427,840	538,010	544,590

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

Table 14 – Balance Sheet Analysis | BB Corretora's investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Dec/22	Dec/21	Sep/22	Dec/22
Insurance brokerage						
Ciclic	Digital Broker	(1)	74.99	1,850	1,722	1,506

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

## ■ SHAREHOLDER'S EQUITY

Table 15 – 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, 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	-	(80)	-	1,268	-	-	1,188
Other comprehensive income	-	-	-	-	-	(171,346)	(171,346)
Dividends lapsed	-	-	-	-	45	-	45
Net income for the period	-	-	-	-	3,933,217	-	3,933,217
Allocation							
- Capital reserve	-	-	1,061,969	-	(1,061,969)	-	-
- Dividends paid	-	-	-	-	(1,040,024)	-	(1,040,024)
- Dividends proposed	-	-	-	-	(1,831,269)	-	(1,831,269)
<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>
<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>
Paid-in capital increase with earnings reserve	2,872,925	-	(2,872,925)	-	-	-	-
Transactions with stock payments	-	63	-	976	-	-	1,039
Other comprehensive income	-	-	-	-	-	11,417	11,417
Dividends lapsed	-	-	-	-	79	-	79
Net income for the period	-	-	-	-	6,044,571	-	6,044,571
Allocation							
- Capital reserve	-	-	302,229	-	(302,229)	-	-
- Dividends paid	-	-	-	-	(2,068,697)	-	(2,068,697)
- Dividends proposed	-	-	-	-	(3,673,724)	-	(3,673,724)
<b>Balance on December 31, 2022</b>	<b>6,269,692</b>	<b>1,571</b>	<b>1,552,229</b>	<b>(80,344)</b>	<b>-</b>	<b>(147,047)</b>	<b>7,596,101</b>
<b>Changes in the Period</b>	<b>2,872,925</b>	<b>63</b>	<b>(2,570,696)</b>	<b>976</b>	<b>-</b>	<b>11,417</b>	<b>314,685</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:

- a) **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.

- b) **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.
- c) **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 Brasildental. 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.

Brasildental'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 16 – Brasilseg | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Premiums written</b>	<b>3,129,977</b>	<b>5,022,255</b>	<b>4,122,678</b>	<b>31.7</b>	<b>(17.9)</b>	<b>12,063,738</b>	<b>15,768,839</b>	<b>30.7</b>
Premiums ceded to reinsurance	(396,579)	(1,257,969)	(520,570)	31.3	(58.6)	(1,895,034)	(3,104,669)	63.8
<b>Retained premiums</b>	<b>2,733,398</b>	<b>3,764,286</b>	<b>3,602,108</b>	<b>31.8</b>	<b>(4.3)</b>	<b>10,168,704</b>	<b>12,664,169</b>	<b>24.5</b>
Changes in technical reserves - premiums	(320,803)	(961,561)	(643,018)	100.4	(33.1)	(1,232,893)	(1,869,308)	51.6
<b>Retained earned premiums</b>	<b>2,412,595</b>	<b>2,802,725</b>	<b>2,959,090</b>	<b>22.7</b>	<b>5.6</b>	<b>8,935,810</b>	<b>10,794,861</b>	<b>20.8</b>
Retained claims	(656,580)	(747,624)	(767,191)	16.8	2.6	(3,495,478)	(3,328,495)	(4.8)
Retained acquisition costs	(750,976)	(818,880)	(945,848)	25.9	15.5	(2,779,236)	(3,211,541)	15.6
<b>Underwriting result</b>	<b>1,005,040</b>	<b>1,236,221</b>	<b>1,246,051</b>	<b>24.0</b>	<b>0.8</b>	<b>2,661,096</b>	<b>4,254,825</b>	<b>59.9</b>
Administrative expenses	(140,722)	(146,102)	(189,236)	34.5	29.5	(483,983)	(611,431)	26.3
Tax expenses	(93,661)	(112,204)	(121,685)	29.9	8.5	(300,280)	(404,676)	34.8
Other operating income (expenses)	(65,145)	(14,002)	(50,189)	(23.0)	258.4	(183,730)	(129,777)	(29.4)
Equity income	0	-	-	-	-	1,666	51	(97.0)
Gains or losses on non-current assets	(106)	(7)	417	-	-	177	660	274.0
<b>Non-interest operating result</b>	<b>705,405</b>	<b>963,907</b>	<b>885,357</b>	<b>25.5</b>	<b>(8.1)</b>	<b>1,694,946</b>	<b>3,109,652</b>	<b>83.5</b>
<b>Net investment income</b>	<b>48,279</b>	<b>218,882</b>	<b>239,084</b>	<b>395.2</b>	<b>9.2</b>	<b>266,430</b>	<b>771,198</b>	<b>189.5</b>
Financial income	93,212	259,524	298,309	220.0	14.9	362,309	988,874	172.9
Financial expenses	(44,934)	(40,642)	(59,224)	31.8	45.7	(95,878)	(217,676)	127.0
<b>Earnings before taxes and profit sharing</b>	<b>753,684</b>	<b>1,182,789</b>	<b>1,124,441</b>	<b>49.2</b>	<b>(4.9)</b>	<b>1,961,376</b>	<b>3,880,850</b>	<b>97.9</b>
Taxes	(207,036)	(322,581)	(260,529)	25.8	(19.2)	(499,986)	(1,054,739)	111.0
Profit sharing	(6,475)	(7,024)	(10,846)	67.5	54.4	(18,306)	(30,702)	67.7
<b>Net income</b>	<b>540,172</b>	<b>853,184</b>	<b>853,066</b>	<b>57.9</b>	<b>(0.0)</b>	<b>1,443,084</b>	<b>2,795,409</b>	<b>93.7</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

## NET INCOME

Figure 19 – Brasilseg | Net income (R\$ million)

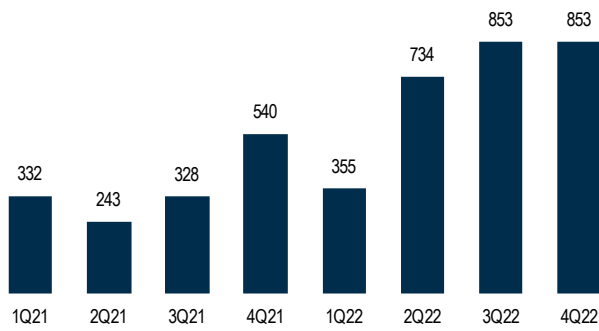
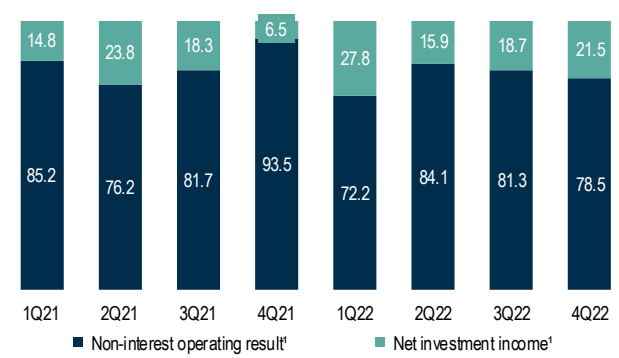


Figure 20 – Brasilseg | Net income breakdown (%)



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

Table 17 – Brasilseg | Managerial performance ratios<sup>1</sup>

%	Quarterly Flow			Chg. (p.p.)		Annual Flow		Chg. (p.p.)
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Performance ratios</b>								
Loss ratio	27.2	26.7	25.9	(1.3)	(0.7)	39.1	30.8	(8.3)
Commission ratio	31.1	29.2	32.0	0.8	2.7	31.1	29.8	(1.4)
G&A ratio	12.4	9.7	12.2	(0.2)	2.5	10.8	10.6	(0.2)
Combined ratio	70.8	65.6	70.1	(0.7)	4.5	81.1	71.2	(9.9)
<b>Other ratios</b>								
Expanded combined ratio	69.4	60.9	64.9	(4.5)	4.0	78.7	66.5	(12.3)
Income tax rate	27.5	27.3	23.2	(4.3)	(4.1)	25.5	27.2	1.7

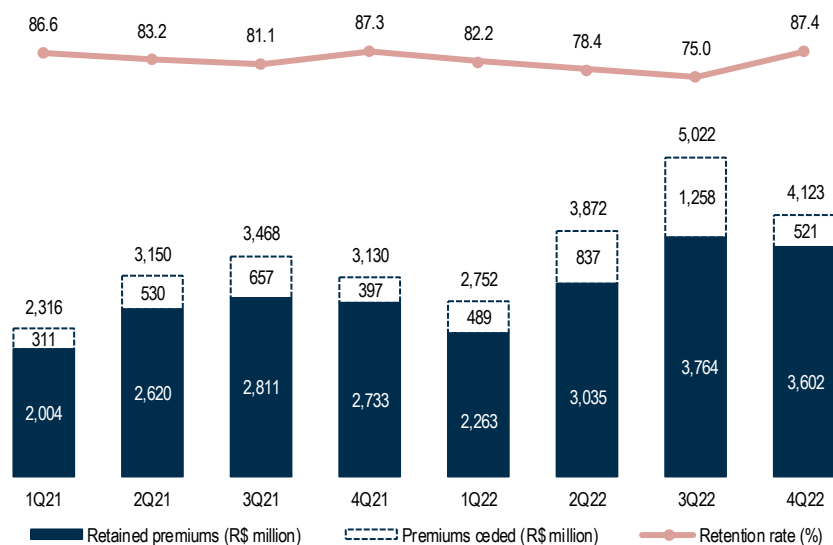
1. Performance ratios calculated based on the managerial income statement, considering the reinsurance effects.



## ■ NON-INTEREST OPERATING RESULT ANALYSIS

### PREMIUMS WRITTEN

Figure 21 – Brasilseg | Premiums written



#### QUARTERLY ANALYSIS

In **4Q22**, premiums written by Brasilseg were up 31.7% YoY, with strong commercial performance resulting from commercial incentives campaign for Banco do Brasil's sales force.

**Rural insurance** accounted for most of the premium variation in the period, up 40.6% YoY, due to the increased demand and expansion of the 2022/2023 Harvest Plan, with **credit life for farmers** insurance up 52.0%, followed by **crop** insurance (+29.1%) and **rural lien** (+36.3%).

In **credit life** insurance, the growth of 67.3% YoY (+8.9% chg. on 3Q22) was led by the higher penetration in Banco do Brasil credit origination and the growth of sales volume in outstanding loans, in addition to a reduction in cancellations.

**Term life** insurance premiums increased by 2.7%, with the evolution of new sales and improvement in cancellations, and **commercial lines** insurance expanded by 35.7%, highlighting new sales of machinery insurance in the SME segment, as well as the good commercial performance of the new corporate insurance product launched in October 2022.

**Home** (+6.4%) and **mortgage life** (+4.7%) insurances also contributed to the expansion of premiums written, driven by both higher average ticket and quantity sold, and improvement in cancellation.

#### YEAR-TO-DATE ANALYSIS

In **2022**, the premiums written grew 30.7% sustained by an impressive commercial performance: rural (+51.8%), credit life (+26.3%), term life (+4.5%), home (+18.3%), commercial lines (+33.1%) and mortgage life (+3.4%).

Table 18 – Brasilseg | Breakdown of premiums written

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
Life	940,240	960,957	965,492	2.7	0.5	3,514,897	3,671,803	4.5
Credit Life	530,509	815,110	887,506	67.3	8.9	2,162,813	2,732,379	26.3
Mortgage Life	72,490	74,878	75,872	4.7	1.3	287,612	297,279	3.4
Rural	1,365,091	2,899,839	1,919,101	40.6	(33.8)	5,335,116	8,096,065	51.8
Crop	476,208	1,519,598	614,642	29.1	(59.6)	2,246,036	3,722,548	65.7
Rural lien	377,997	563,875	515,344	36.3	(8.6)	1,263,500	1,739,594	37.7
Credit life for farmers	492,989	789,530	749,353	52.0	(5.1)	1,762,317	2,523,135	43.2
Others	17,898	26,837	39,763	122.2	48.2	63,262	110,787	75.1
Home	87,857	103,776	93,499	6.4	(9.9)	317,984	376,268	18.3
Commercial lines	131,838	165,078	178,840	35.7	8.3	438,472	583,480	33.1
Large risks	1,490	2,031	1,914	28.4	(5.7)	4,717	9,510	101.6
Other	461	585	453	(1.9)	(22.6)	2,126	2,056	(3.3)
<b>Total</b>	<b>3,129,977</b>	<b>5,022,255</b>	<b>4,122,678</b>	<b>31.7</b>	<b>(17.9)</b>	<b>12,063,738</b>	<b>15,768,839</b>	<b>30.7</b>

Table 19 – Brasilseg | Breakdown of retained premiums

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
Life	936,594	957,281	964,620	3.0	0.8	3,501,525	3,664,531	4.7
Credit Life	528,596	812,589	887,187	67.8	9.2	2,154,686	2,727,743	26.6
Mortgage Life	72,140	71,990	75,517	4.7	4.9	284,609	294,066	3.3
Rural	976,279	1,658,469	1,400,195	43.4	(15.6)	3,474,064	5,015,952	44.4
Crop	99,404	309,107	120,432	21.2	(61.0)	438,117	721,799	64.8
Rural lien	378,111	551,584	515,184	36.3	(6.6)	1,255,102	1,729,436	37.8
Credit life for farmers	491,001	786,732	749,164	52.6	(4.8)	1,753,079	2,516,859	43.6
Others	7,763	11,047	15,415	98.6	39.5	27,765	47,857	72.4
Home	87,857	102,122	93,499	6.4	(8.4)	316,538	374,613	18.3
Commercial lines	129,937	159,229	178,736	37.6	12.3	431,809	578,365	33.9
Large risks	1,535	2,021	1,902	23.9	(5.9)	3,348	6,844	104.4
Other	461	585	453	(1.7)	(22.6)	2,125	2,056	(3.3)
<b>Total</b>	<b>2,733,398</b>	<b>3,764,286</b>	<b>3,602,108</b>	<b>31.8</b>	<b>(4.3)</b>	<b>10,168,704</b>	<b>12,664,169</b>	<b>24.5</b>

Figure 22 – Brasilseg | Breakdown of premiums written (%)

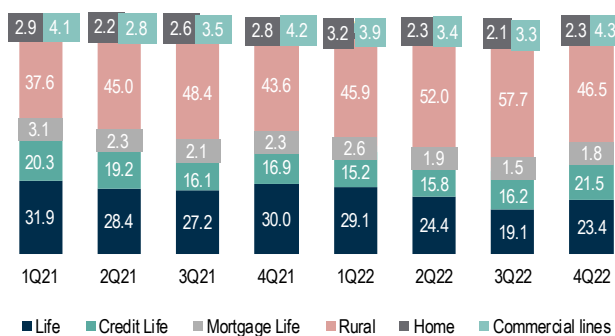
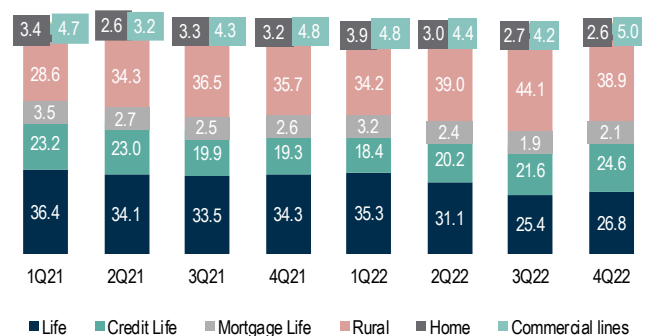


Figure 23 – Brasilseg | Breakdown of retained premiums (%)



## CHANGES IN TECHNICAL RESERVES – PREMIUMS

Table 20 – Brasilseg | Changes in technical reserves – premiums

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
Provision for unearned premiums	(242,050)	(1,546,006)	(428,303)	76.9	(72.3)	(1,474,026)	(2,477,104)	68.1
Provision for technical surplus	(601)	(1,410)	(1,547)	157.3	9.7	(2,821)	(5,200)	84.4
Complementary provisions of contributions	(16,950)	-	(6,432)	(62.1)	-	(26,805)	(9,610)	(64.1)
<b>Change in technical reserves - premiums</b>	<b>(259,601)</b>	<b>(1,547,416)</b>	<b>(436,283)</b>	<b>68.1</b>	<b>(71.8)</b>	<b>(1,503,651)</b>	<b>(2,491,914)</b>	<b>65.7</b>

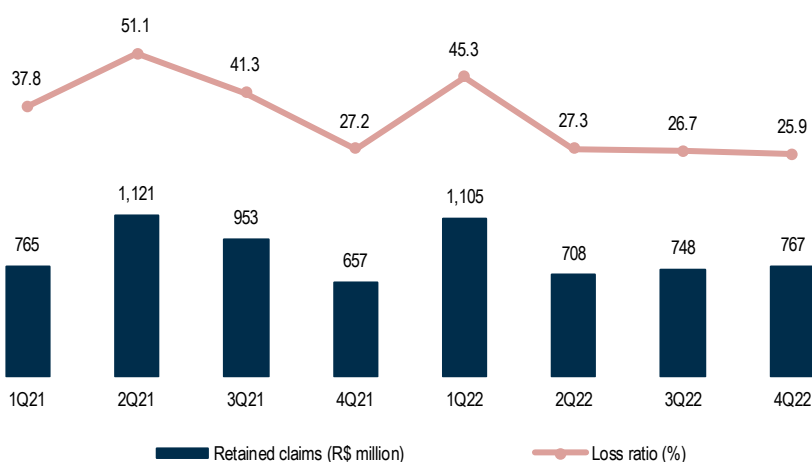
## RETAINED EARNED PREMIUMS

Table 21 – Brasilseg | Breakdown of retained earned premiums

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
Life	842,364	905,524	909,002	7.9	0.4	3,263,275	3,558,535	9.0
Credit Life	446,942	511,269	531,996	19.0	4.1	1,720,503	1,955,619	13.7
Mortgage Life	71,955	74,201	75,491	4.9	1.7	284,455	294,619	3.6
Rural	860,357	1,092,863	1,196,464	39.1	9.5	2,987,861	4,147,900	38.8
Crop	112,714	160,078	168,851	49.8	5.5	373,076	582,407	56.1
Rural lien	308,164	374,816	419,253	36.0	11.9	1,049,073	1,427,286	36.1
Credit life for farmers	432,836	548,083	596,980	37.9	8.9	1,543,159	2,101,309	36.2
Others	6,643	9,886	11,380	71.3	15.1	22,552	36,897	63.6
Home	74,109	83,847	89,858	21.3	7.2	274,951	330,476	20.2
Commercial lines	115,582	133,191	154,450	33.6	16.0	400,103	501,349	25.3
Large risks	807	1,232	1,335	65.5	8.4	2,494	4,250	70.4
Other	477	596	493	3.3	(17.3)	2,168	2,113	(2.5)
<b>Total</b>	<b>2,412,595</b>	<b>2,802,725</b>	<b>2,959,090</b>	<b>22.7</b>	<b>5.6</b>	<b>8,935,810</b>	<b>10,794,861</b>	<b>20.8</b>

## RETAINED CLAIMS

Figure 24 – Brasilseg | Retained claims



## QUARTERLY ANALYSIS

In **4Q22**, **loss ratio** fell 1.3 p.p. compared to 4Q21, largely helped by the improvement in crop insurance, which maintained the downward trend QoQ (-20.1 p.p.), reaching 17.3% (-32.4 p.p. YoY), the lowest level of the last 6 years. This dynamic is mainly explained by:

- 49.7% drop in the volume of claims, which in December 2021 was higher due to the drought resulting from the "La Niña" climate phenomenon, which affected soybean and corn crops in the Mid-South of the country; and
- reversal of provisions for claims to be settled of approximately R\$49.8 million (net of reinsurance) in 4Q22, after the end of claims regulation process, mainly for the winter corn crop. In 4Q21, the reversal of provision for claims to be settled totaled R\$28.2 million.

Term life loss ratio (-2.6 p.p.) also improved, because of the decrease in the frequency of claims identified as Covid-19, and rural lien (-7.0 p.p.), explained by the drop in claims reported, which were higher in 4Q21 due to the collision of agricultural machines and vehicles, as well as the lower frequency and severity of claims related to windstorms.

On the other hand, the decline in loss ratio in the aforementioned segments was partially offset by:

- **credit life:** (+5.7 p.p.), due to the increase in frequency;
- **mortgage life:** (+3.5 p.p.) and **credit life for farmers:** (+3.2 p.p.), due to the higher severity of claims reported; and
- **home:** (+2.3 p.p.), with higher claims related to climate events in the South and Southeast regions, which increased the frequency of electrical damage and windstorm claims, especially in Paraná and Rio Grande do Sul, in addition to higher-than-expected volume of assistance used.

## YEAR-TO-DATE ANALYSIS

In **2022**, **loss ratio** dropped 8.3 p.p. compared to 2021, mainly due to the lower impact of the pandemic. The amount of claims reported related to Covid-19 for the year reached R\$107.7 million (data as of: 01/02/2023), an amount more than 9 times lower as compared to 2021 (R\$1.0 billion), which explains the decline in the loss ratio for term life (-10.3 p.p.), credit life (-18.6 p.p.), mortgage life (-10.5 p.p.) and credit life for farmers (-16.2 p.p.).

The loss ratio decrease in products with death coverage was partially offset by the increase of 32.6 p.p. in the crop insurance ratio, due to higher volume of claims reported mainly in the 1Q22, as consequence of the drought caused by La Niña phenomenon that affected the grain production, mainly soy and corn, in Rio Grande do Sul, Paraná and Mato Grosso do Sul.

The loss ratio of home insurance rose 12.5 p.p., largely explained by higher-than-expected volume of assistance used.

Table 22 – Brasilseg | Breakdown of retained claims

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Incurred claims</b>	<b>(904,401)</b>	<b>(985,659)</b>	<b>(902,636)</b>	<b>(0.2)</b>	<b>(8.4)</b>	<b>(4,700,534)</b>	<b>(5,896,313)</b>	<b>25.4</b>
Expenses with claims	(862,879)	(972,188)	(862,099)	(0.1)	(11.3)	(4,597,747)	(5,725,375)	24.5
Changes in provisions for claims IBNR and IBNER	(21,313)	17,755	(8,811)	(58.7)	-	(47,781)	(77,019)	61.2
Recovery of claims - Coinsurance and reinsurance	250,737	239,070	137,340	(45.2)	(42.6)	1,209,120	2,577,116	113.1
Salvage and Reimbursements	11,469	14,381	10,741	(6.3)	(25.3)	45,893	46,155	0.6
Assistance services	(33,393)	(46,910)	(44,064)	32.0	(6.1)	(105,303)	(149,878)	42.3
Other	(1,200)	269	(298)	(75.2)	-	340	507	48.9
<b>Retained claims</b>	<b>(656,580)</b>	<b>(747,624)</b>	<b>(767,191)</b>	<b>16.8</b>	<b>2.6</b>	<b>(3,495,478)</b>	<b>(3,328,495)</b>	<b>(4.8)</b>

Figure 25 – Life Insurance | Loss ratio (%)

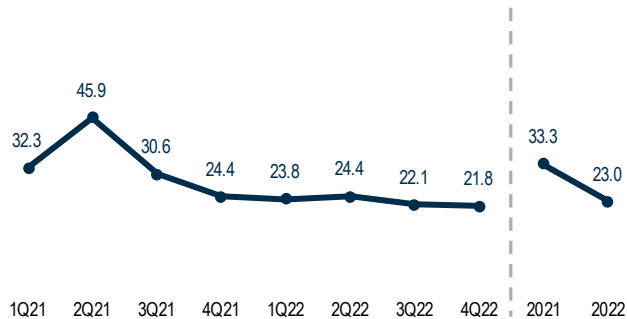


Figure 26 – Credit life insurance | Loss ratio (%)

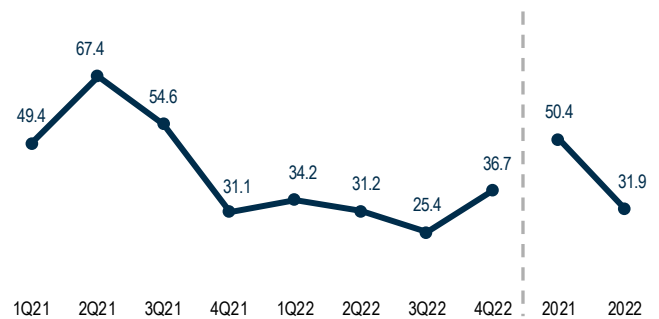


Figure 27 – Mortgage life | Loss ratio (%)

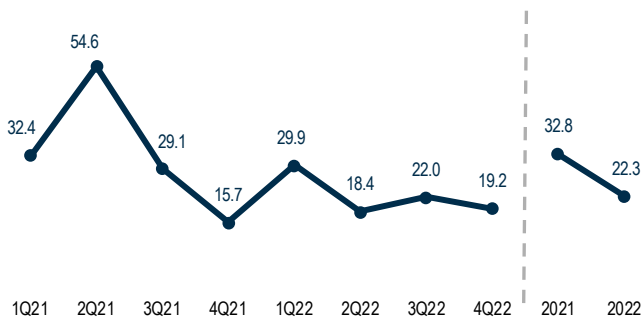


Figure 28 – Home insurance | Loss ratio (%)

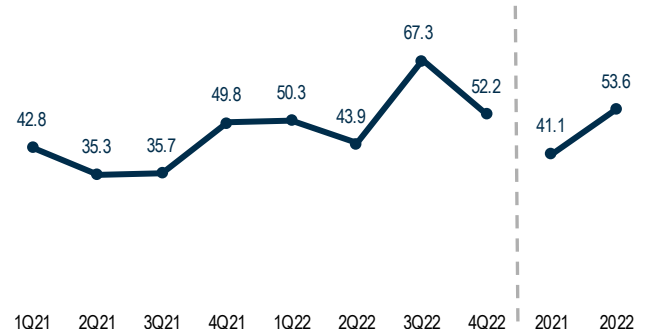


Figure 29 – Commercial lines insurance | Loss ratio (%)

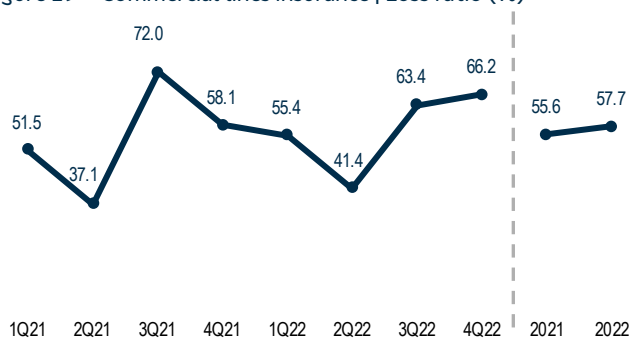


Figure 30 – Rural | Loss ratio (%)

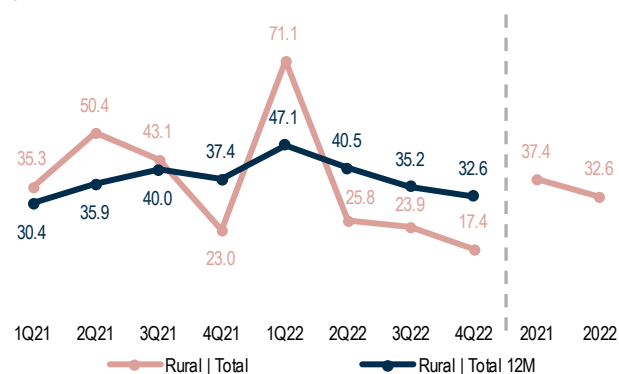


Figure 31 – Crop insurance | Loss ratio (%)

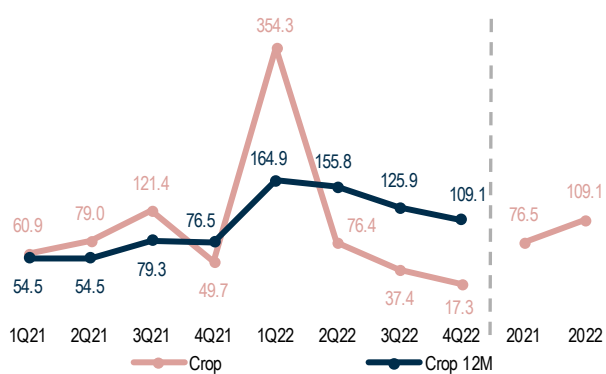
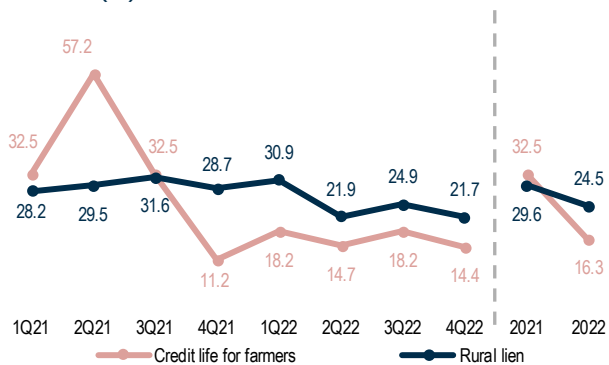


Figure 32 – Credit life for farmers and rural lien insurance | Loss ratio (%)



## RETAINED ACQUISITION COSTS

Figure 33 – Brasilseg | Retained acquisition costs

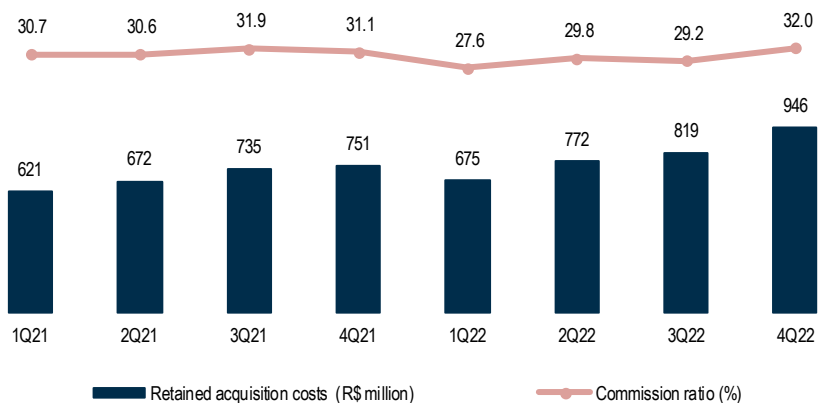


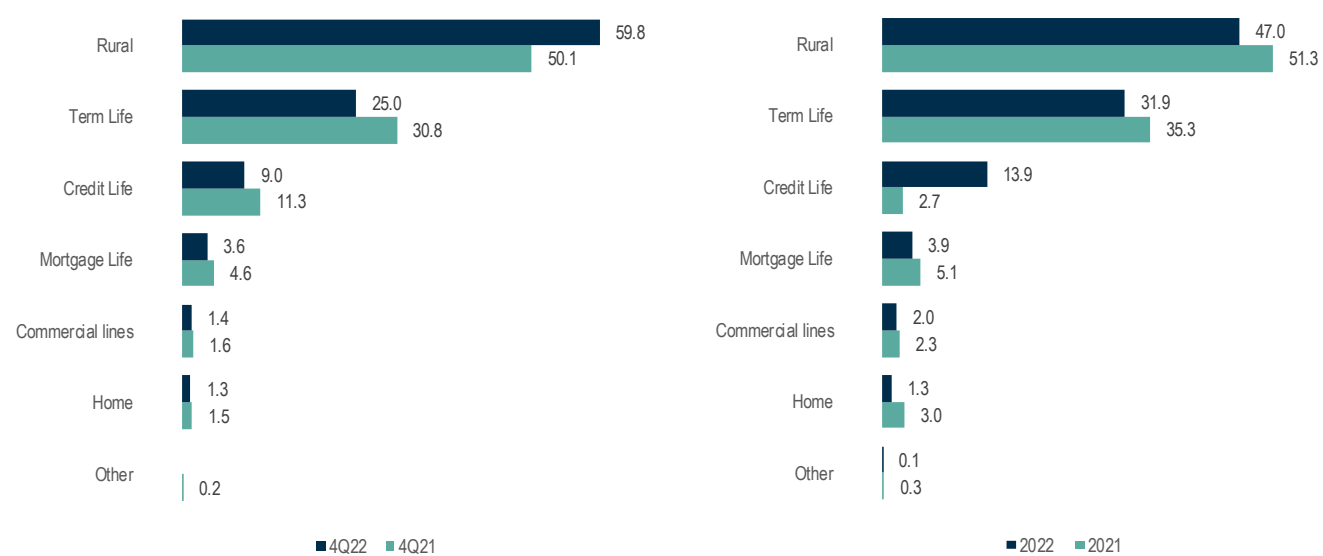
Table 23 – Brasilseg | Retained acquisition costs

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Acquisition costs</b>	<b>(859,633)</b>	<b>(954,946)</b>	<b>(1,086,128)</b>	<b>26.3</b>	<b>13.7</b>	<b>(3,213,658)</b>	<b>(3,733,547)</b>	<b>16.2</b>
Commission charged on premiums written	(852,817)	(1,198,652)	(1,126,069)	32.0	(6.1)	(3,205,663)	(4,008,424)	25.0
Revenue with reinsurance commission	108,657	136,066	140,280	29.1	3.1	434,422	522,006	20.2
Commissions recovered - Coinsurance	2,220	3,225	2,673	20.4	(17.1)	14,990	16,350	9.1
Change in deferred acquisition costs	106,100	341,248	220,258	107.6	(35.5)	441,999	677,968	53.4
Other acquisition costs	(115,137)	(100,767)	(182,990)	58.9	81.6	(464,984)	(419,440)	(9.8)
<b>Retained acquisition costs</b>	<b>(750,976)</b>	<b>(818,880)</b>	<b>(945,848)</b>	<b>25.9</b>	<b>15.5</b>	<b>(2,779,236)</b>	<b>(3,211,541)</b>	<b>15.6</b>



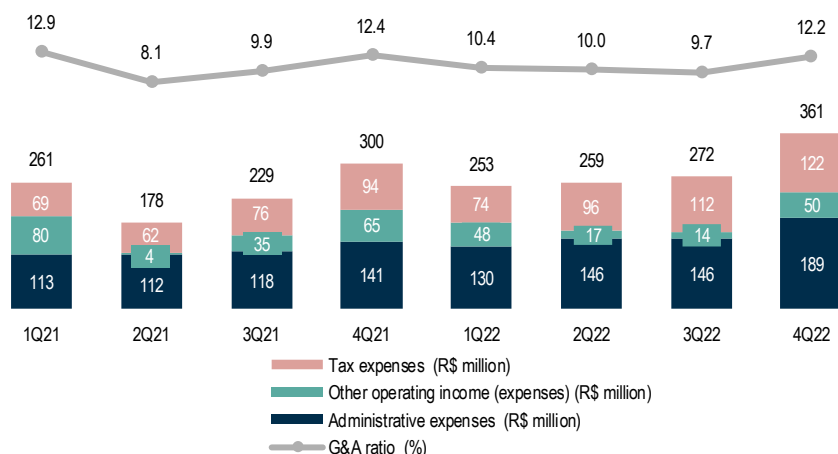
## UNDERWRITING RESULT

Figure 34 – Brasilseg | Breakdown of underwriting result by segment (%)



## GENERAL &amp; ADMINISTRATIVE EXPENSES

Figure 35 – Brasilseg | G&amp;A expenses



## QUARTERLY ANALYSIS

In **4Q22**, the **G&A** ratio fell 0.2 p.p. YoY, with the increase in general and administrative expenses being more than offset by the growth of earned premiums.

**Administrative expenses** grew by 34.5%, due to higher expenses with: personnel (+30.3%), mainly due to the growth in the number of employees, as well as the impact of the collective bargaining agreement for the category in March 2022; outsourcing (+31.6%), explained by higher investments in IT infrastructure, data protection projects, data analytics, software licenses and maintenance of the call center platform; and increase in other administrative expenses (+108.6%), with higher volume of tax incentivized donations and sponsorships.

The **other operating income (expenses)** decreased 23.0%, mainly due to the lower volume of provision for contribution to the Rural Insurance Stability Fund (FESR), considering the reduction in premiums written covered by the fund. This effect was partially offset by higher impairment, brand promotion, campaigns to incentivize the sales force and product marketing expenses, the last three events accounted in other operating income (expenses) line.

**Tax expenses** were up 29.9%, due to the larger taxable income in 4Q22, with higher retained earned premiums and lower loss ratio.

## YEAR-TO-DATE ANALYSIS

In **2022**, the **G&A** ratio dropped 0.2 p.p., with general and administrative expenses growth (+18.4%) being more than offset by the 20.8% increase in retained earned premiums.

**Administrative expenses** grew 26.3% in the year, a movement explained by the same factors mentioned in the quarterly analysis.

**Other operating income (expenses)** decreased 29.4%, due to the reversal in the impairment line and the lower volume of expenses with the FESR, the latter explained by: lower calculation basis, due to the high volume of Provision for Claims to be Settled (PSL), mainly in 1Q22; reduction of premiums written covered by the fund; and recovery of claims from policies covered by FESR, mainly in 3Q22. On the other hand, it is worth mentioning the higher expenses recorded in the other operating income (expenses) line, with customer loyalty actions and media campaigns related to the new home insurance and expenses with brand publicity, sales incentives campaigns and product marketing.

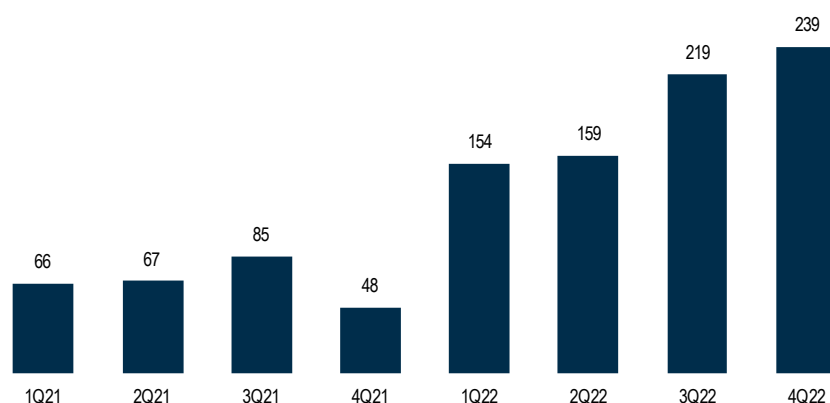
**Tax expenses** grew by 34.8%, due to the higher taxable income in the period.

Table 24 – Brasilseg | General &amp; Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Administrative expenses</b>	<b>(140,722)</b>	<b>(146,102)</b>	<b>(189,236)</b>	<b>34.5</b>	<b>29.5</b>	<b>(483,983)</b>	<b>(611,431)</b>	<b>26.3</b>
Personnel	(56,367)	(68,362)	(73,429)	30.3	7.4	(216,124)	(271,103)	25.4
Outsourcing	(52,479)	(52,247)	(69,070)	31.6	32.2	(170,242)	(216,091)	26.9
Location and operation	(20,748)	(22,497)	(22,601)	8.9	0.5	(80,913)	(90,283)	11.6
Institutional advertisement and publicity	(1,329)	(2,365)	(3,754)	182.4	58.7	(4,271)	(9,288)	117.5
Publications	(31)	(12)	(8)	(73.1)	(31.2)	(635)	(405)	(36.2)
Other administrative expenses	(9,768)	(619)	(20,373)	108.6	3,189.3	(11,798)	(24,261)	105.6
<b>Other operating income (expenses)</b>	<b>(65,145)</b>	<b>(14,002)</b>	<b>(50,189)</b>	<b>(23.0)</b>	<b>258.4</b>	<b>(183,730)</b>	<b>(129,777)</b>	<b>(29.4)</b>
FESR contributions	(30,428)	3,489	1,547	-	(55.7)	(92,223)	(25,999)	(71.8)
Charging expenses	(1,042)	(989)	(1,138)	9.2	15.1	(4,321)	(4,079)	(5.6)
Civil contingencies	(1,577)	(2,798)	(3,857)	144.7	37.8	(13,484)	(12,600)	(6.6)
Expenses with events	(1,348)	(1,436)	(1,154)	(14.4)	(19.6)	(1,816)	(4,203)	131.5
Endomarketing	(5,823)	(8,913)	(9,526)	63.6	6.9	(33,930)	(37,954)	11.9
Impairment	(5,893)	4,308	(7,461)	26.6	-	(9,329)	686	-
Other operating income (expenses)	(19,034)	(7,663)	(28,600)	50.3	273.2	(28,628)	(45,628)	59.4
<b>Tax expenses</b>	<b>(93,661)</b>	<b>(112,204)</b>	<b>(121,685)</b>	<b>29.9</b>	<b>8.5</b>	<b>(300,280)</b>	<b>(404,676)</b>	<b>34.8</b>
COFINS	(77,570)	(93,461)	(101,470)	30.8	8.6	(247,502)	(335,784)	35.7
PIS	(12,722)	(15,479)	(16,846)	32.4	8.8	(40,663)	(55,353)	36.1
Inspection fee	(2,248)	(2,248)	(2,248)	0.0	0.0	(7,891)	(8,991)	13.9
Other tax expenses	(1,121)	(1,016)	(1,122)	0.0	10.4	(4,224)	(4,548)	7.7
<b>G&amp;A</b>	<b>(299,528)</b>	<b>(272,308)</b>	<b>(361,110)</b>	<b>20.6</b>	<b>32.6</b>	<b>(967,993)</b>	<b>(1,145,884)</b>	<b>18.4</b>

## ■ NET INVESTMENT INCOME

Figure 36 – Brasilseg | Net investment income (R\$ million)

Table 25 – Brasilseg | Financial income and expenses<sup>1</sup>

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Adjusted interest revenues</b>	<b>99,899</b>	<b>247,465</b>	<b>278,251</b>	<b>178.5</b>	<b>12.4</b>	<b>360,501</b>	<b>957,874</b>	<b>165.7</b>
Revenues with mark to market financial investments	58,749	240,447	264,676	350.5	10.1	232,691	852,532	266.4
Revenues with held to maturity financial investments	35,443	(772)	3,934	(88.9)	-	114,442	71,398	(37.6)
Judicial deposits	2,946	6,242	8,328	182.7	33.4	7,415	27,096	265.4
Receivables from insurance and reinsurance operations	2,762	1,548	1,312	(52.5)	(15.3)	5,954	6,849	15.0
<b>Adjusted interest expenses</b>	<b>(24,551)</b>	<b>(13,531)</b>	<b>(27,993)</b>	<b>14.0</b>	<b>106.9</b>	<b>(39,755)</b>	<b>(132,969)</b>	<b>234.5</b>
Pending claims	(17,487)	(5,535)	(16,400)	(6.2)	196.3	(22,359)	(94,498)	322.6
Judicial provisions	(5,193)	(4,960)	(9,478)	82.5	91.1	(15,382)	(33,114)	115.3
Obligations with insurance and reinsurance operations	(1,871)	(3,035)	(2,115)	13.0	(30.3)	(2,014)	(5,357)	165.9
<b>Net interest income</b>	<b>75,349</b>	<b>233,934</b>	<b>250,257</b>	<b>232.1</b>	<b>7.0</b>	<b>320,747</b>	<b>824,905</b>	<b>157.2</b>

1. Managerial view.

## QUARTERLY ANALYSIS

In **4Q22**, **net interest income** grew by 232.1% compared to the same period in 2021.

**Adjusted interest revenues** expanded by R\$178.4 million. The increase of 6.9 p.p. in the average yield contributed with R\$150.7 million to the growth, supported mainly by the spike in the average Selic rate, which benefited the revenues with mark-to-market investments and revenues with monetary adjustments of judicial deposits. The expansion in balance of earning assets contributed with R\$27.6 million, highlighting the growth in the average balance of mark-to-market financial investments.

**Adjusted interest expenses** rose 14.0%, impacted by the increase in the average yield of monetary adjustment on judicial provisions amid the spike in the Selic rate, partially offset by the decline in the expenses with adjustment of provisions for claims to be settled, due to the retraction in the average balance.

## YEAR-TO-DATE ANALYSIS

The net interest income grew by 157.2% in 2022, driven by the R\$597.4 million increase in revenues, which is justified by the higher Selic rate and the expansion in the volume of financial investments.

Adjusted interest expenses evolved R\$93.2 million, resulting mainly from:

- increase in the average yield, due to the higher inflation and average Selic rates, which adjust the provisions for judicial claims to be settled and the judicial provisions, respectively; and
- higher provision for judicial claims to be settled (PSLJ), due to reversal of R\$12.2 million in 2Q21, after reduction of the probability of loss and the closing of lawsuits with favorable decisions for the insurance company, in addition to a reversal of PSLJ in 3Q21, after the closing of lawsuits with amounts below the initial provision and adjustments to the balance of provisions after the review of the lawsuit base.

Table 26 – Brasilseg | Quarterly figures – Volume and rate analysis

R\$ thousand	4Q22/4Q21		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to Market financial investments	52,930	152,997	205,927
Held to maturity financial investments	(18,200)	(13,309)	(31,509)
Judicial deposits	(67)	5,449	5,382
Receivables from insurance and reinsurance operations	11	(1,460)	(1,449)
<b>Total<sup>1</sup></b>	<b>27,623</b>	<b>150,729</b>	<b>178,351</b>
<b>Interest bearing liabilities</b>			
Pending claims	1,337	(250)	1,087
Judicial provisions	(228)	(4,057)	(4,285)
Obligations with insurance and reinsurance operations	(758)	514	(244)
<b>Total<sup>1</sup></b>	<b>691</b>	<b>(4,134)</b>	<b>(3,442)</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 27 – Brasilseg | Quarterly figures – Earning assets – average balance and interest rates

R\$ million	4Q21			4Q22		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to Market financial investments	7,079	59	3.4	8,848	265	12.7
Held to maturity financial investments	874	35	17.2	155	4	10.7
Judicial deposits	824	3	1.4	817	8	4.2
Receivables from insurance and reinsurance operations	758	3	1.5	764	1	0.7
<b>Total</b>	<b>9,535</b>	<b>100</b>	<b>4.3</b>	<b>10,586</b>	<b>278</b>	<b>11.1</b>

Table 28 – Brasilseg | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R\$ million	4Q21			4Q22		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Pending claims	2,675	(17)	2.6	2,474	(16)	2.7
Judicial provisions	688	(5)	3.0	705	(9)	5.4
Obligations with insurance and reinsurance operations	178	(2)	4.1	277	(2)	3.1
<b>Total</b>	<b>3,541</b>	<b>(25)</b>	<b>2.7</b>	<b>3,456</b>	<b>(28)</b>	<b>3.3</b>

Table 29 – Brasilseg | Year-to-date figures – Volume and rate analysis

R\$ thousand	2022/2021		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to Market financial investments	134,686	485,155	619,841
Held to maturity financial investments	(45,391)	2,348	(43,044)
Judicial deposits	(344)	20,025	19,681
Receivables from insurance and reinsurance operations	1,416	(521)	895
<b>Total<sup>1</sup></b>	<b>101,378</b>	<b>495,995</b>	<b>597,373</b>
<b>Interest bearing liabilities</b>			
Pending claims	(4,072)	(68,067)	(72,139)
Judicial provisions	(820)	(16,912)	(17,732)
Obligations with insurance and reinsurance operations	(2,668)	(674)	(3,342)
<b>Total<sup>1</sup></b>	<b>(9,729)</b>	<b>(83,485)</b>	<b>(93,214)</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 30 – Brasilseg | Year-to-date figures – Earning assets – average balance and interest rates

R\$ million	2021			2022		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to Market financial investments	6,786	233	3.4	8,059	853	10.6
Held to maturity financial investments	858	114	13.4	524	71	13.7
Judicial deposits	832	7	0.9	822	27	3.3
Receivables from insurance and reinsurance operations	519	6	1.2	654	7	1.1
<b>Total</b>	<b>8,995</b>	<b>361</b>	<b>4.0</b>	<b>10,060</b>	<b>958</b>	<b>9.6</b>

Table 31 – Brasilseg | Year-to-date figures – Interest bearing liabilities – average balance and interest rates

R\$ million	2021			2022		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Pending claims	2,250	(22)	1.0	2,352	(94)	4.0
Judicial provisions	682	(15)	2.3	699	(33)	4.8
Obligations with insurance and reinsurance operations	124	(2)	1.6	246	(5)	2.2
<b>Total</b>	<b>3,056</b>	<b>(40)</b>	<b>1.3</b>	<b>3,297</b>	<b>(133)</b>	<b>4.0</b>

Table 32 – Brasilseg | Financial investment portfolio

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Trading</b>	<b>5,361,611</b>	<b>7,014,100</b>	<b>7,337,727</b>	<b>36.9</b>	<b>4.6</b>
Pre-fixed	-	82,091	83,522	-	1.7
Floating	5,333,751	6,903,010	7,241,941	35.8	4.9
Inflation	9,175	-	-	-	-
Other	18,685	29,000	12,265	(34.4)	(57.7)
<b>Available for sale</b>	<b>1,784,585</b>	<b>1,710,006</b>	<b>1,635,034</b>	<b>(8.4)</b>	<b>(4.4)</b>
Pre-fixed	1,477,779	1,292,923	1,214,008	(17.8)	(6.1)
Floating	106,888	15,792	16,263	(84.8)	3.0
Inflation	199,917	401,291	404,762	102.5	0.9
<b>Held to maturity securities</b>	<b>891,417</b>	<b>153,323</b>	<b>157,257</b>	<b>(82.4)</b>	<b>2.6</b>
Pre-fixed	156,206	153,323	157,257	0.7	2.6
Inflation	735,211	-	-	-	-
<b>Total</b>	<b>8,037,612</b>	<b>8,877,430</b>	<b>9,130,018</b>	<b>13.6</b>	<b>2.8</b>

Figure 37 – Brasilseg | Breakdown of financial investments by index (%)

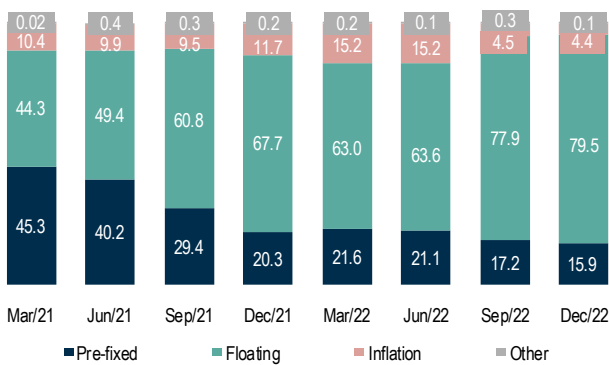
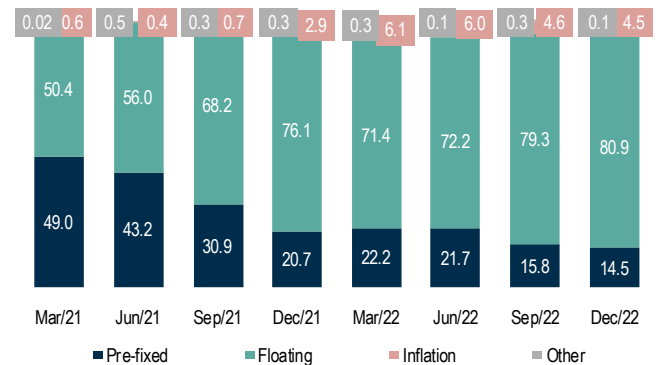


Figure 38 – Brasilseg | Breakdown of mark to market financial investments by index (%)





## ■ BALANCE SHEET ANALYSIS

Table 33 – Brasilseg | Balance sheet<sup>1</sup>

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Assets</b>	<b>19,725,687</b>	<b>22,948,449</b>	<b>22,619,911</b>	<b>14.7</b>	<b>(1.4)</b>
Cash	2,975	13,862	11,216	277.0	(19.1)
Financial assets	8,037,612	8,877,430	9,130,018	13.6	2.8
Receivables from insurance and reinsurance operations	4,538,448	5,556,607	5,187,358	14.3	(6.6)
Reinsurance and retrocession - technical reserves	1,642,269	2,634,043	2,100,861	27.9	(20.2)
Securities and credits receivable	1,460,515	1,258,145	1,281,958	(12.2)	1.9
Other	244,537	281,694	275,288	12.6	(2.3)
Prepaid expenses	18,059	12,174	17,384	(3.7)	42.8
Deferred costs	3,192,421	3,650,131	3,870,388	21.2	6.0
Investments	314,493	312,318	308,561	(1.9)	(1.2)
Fixed assets	45,932	46,452	44,798	(2.5)	(3.6)
Intangible	228,425	305,594	392,081	71.6	28.3
<b>Liabilities</b>	<b>17,341,294</b>	<b>20,491,015</b>	<b>20,089,449</b>	<b>15.8</b>	<b>(2.0)</b>
Accounts payable	512,665	674,706	792,678	54.6	17.5
Obligations with insurance and reinsurance operations	2,656,924	3,154,599	2,785,575	4.8	(11.7)
Technical reserves - insurance	13,152,633	15,524,241	15,420,742	17.2	(0.7)
Third party deposits	5,881	82,374	20,599	250.3	(75.0)
Other liabilities	1,013,191	1,055,096	1,069,855	5.6	1.4
<b>Shareholders' equity</b>	<b>2,384,393</b>	<b>2,457,433</b>	<b>2,530,462</b>	<b>6.1</b>	<b>3.0</b>

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

Table 34 – Brasilseg | Receivables from insurance and reinsurance operations

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
Receivable premiums	4,326,371	4,594,698	4,743,045	9.6	3.2
Operations with insurance companies	16,287	31,409	38,119	134.0	21.4
Premiums	1,001	3,477	7,264	626.0	108.9
Claims paid	3,652	5,901	5,740	57.2	(2.7)
Other receivables	11,635	22,030	25,115	115.9	14.0
Operations with reinsurance companies	173,930	448,662	268,280	54.2	(40.2)
Claims paid	173,927	448,661	268,280	54.2	(40.2)
Other receivables	3	0	1	(78.9)	435.6
Other operating receivables	86,050	576,103	252,076	192.9	(56.2)
Impairment	(64,190)	(94,264)	(114,161)	77.8	21.1
<b>Receivables from insurance and reinsurance operations</b>	<b>4,538,448</b>	<b>5,556,607</b>	<b>5,187,358</b>	<b>14.3</b>	<b>(6.6)</b>

Table 35 – Brasilseg | Reinsurance and retrocession – technical reserves

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
Deferred premiums - PPNG	724,343	1,441,384	1,268,841	75.2	(12.0)
Deferred premiums - RVNE	29,738	32,984	39,812	33.9	20.7
IBNR claims	103,247	146,822	163,168	58.0	11.1
Pending claims	770,035	998,061	608,337	(21.0)	(39.0)
Provision for related expenses	14,905	14,793	20,704	38.9	40.0
<b>Reinsurance and retrocession - technical reserves</b>	<b>1,642,269</b>	<b>2,634,043</b>	<b>2,100,861</b>	<b>27.9</b>	<b>(20.2)</b>

Table 36 – Brasilseg | Securities and credit receivable

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
Securities and credits receivable	194,507	8,400	35,629	(81.7)	324.1
Other tax and social security receivables	206,493	121,762	114,095	(44.7)	(6.3)
Receivable tax and social security - tax loss	132	132	287	118.0	118.0
Receivable tax and social security - temporary adjustments	223,455	295,762	295,356	32.2	(0.1)
Tax and judicial deposits	821,936	813,152	821,766	(0.0)	1.1
Other receivables	19,125	24,071	19,959	4.4	(17.1)
Impairment	(5,134)	(5,134)	(5,134)	-	-
<b>Securities and credits receivable</b>	<b>1,460,515</b>	<b>1,258,145</b>	<b>1,281,958</b>	<b>(12.2)</b>	<b>1.9</b>

Table 37 – Brasilseg | Accounts payable

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
Payable liabilities	272,998	120,210	172,482	(36.8)	43.5
Deferred taxes	55	93	92	67.1	(0.9)
Social securities and taxes payable	44,001	52,364	59,158	34.4	13.0
Labor charges	15,876	27,260	19,342	21.8	(29.0)
Taxes and contributions	175,506	422,735	519,427	196.0	22.9
Other accounts payable	4,229	52,044	22,177	424.4	(57.4)
<b>Accounts payable</b>	<b>512,665</b>	<b>674,706</b>	<b>792,678</b>	<b>54.6</b>	<b>17.5</b>

Table 38 – Brasilseg | Obligations with insurance and reinsurance operations

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
Premiums to return	21,151	26,801	103,868	391.1	287.6
Operations with insurance companies	6,185	11,961	9,274	49.9	(22.5)
Operations with reinsurance companies	519,736	1,380,105	780,042	50.1	(43.5)
Insurance and reinsurance brokers	291,376	1,580,709	1,710,914	487.2	8.2
Other operating obligations	1,818,476	155,023	181,476	(90.0)	17.1
<b>Obligations with insurance and reinsurance operations</b>	<b>2,656,924</b>	<b>3,154,599</b>	<b>2,785,575</b>	<b>4.8</b>	<b>(11.7)</b>

## ■ SOLVENCY

Table 39 – Brasilseg | Solvency<sup>1</sup>

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Brasilseg Companhia de Seguros</b>					
Adjusted shareholders' equity (a)	1,986,963	2,125,402	2,159,377	8.7	1.6
Minimum capital required (b)	1,351,164	1,495,026	1,575,644	16.6	5.4
Additional capital for underwriting risk	1,207,998	1,314,696	1,401,830	16.0	6.6
Additional capital for credit risk	165,696	209,907	184,412	11.3	(12.1)
Additional capital for market risk	41,667	39,072	53,899	29.4	37.9
Additional capital for operating risk	40,734	52,889	57,980	42.3	9.6
Benefit of correlation between risks	(104,930)	(121,537)	(122,477)	16.7	0.8
Capital adequacy (a) - (b)	635,798	630,375	583,733	(8.2)	(7.4)
Solvency ratio (a) / (b) - %	147.1	142.2	137.0	-10.0 p.p.	-5.1 p.p.
<b>Aliança do Brasil Seguros</b>					
Adjusted shareholders' equity (a)	248,145	281,315	284,851	14.8	1.3
Minimum capital required (b)	124,601	156,170	163,455	31.2	4.7
Additional capital for underwriting risk	111,507	140,124	147,921	32.7	5.6
Additional capital for credit risk	9,711	12,468	10,796	11.2	(13.4)
Additional capital for market risk	6,954	8,705	9,323	34.1	7.1
Additional capital for operating risk	5,938	6,915	7,183	21.0	3.9
Benefit of correlation between risks	(9,510)	(12,042)	(11,768)	23.7	(2.3)
Capital adequacy (a) - (b)	123,545	125,146	121,396	(1.7)	(3.0)
Solvency ratio (a) / (b) - %	199.2	180.1	174.3	-24.9 p.p.	-5.9 p.p.
<b>Total Brasilseg</b>					
Adjusted shareholders' equity (a)	2,235,108	2,406,717	2,444,228	9.4	1.6
Minimum capital required (b)	1,475,765	1,651,196	1,739,099	17.8	5.3
Additional capital for underwriting risk	1,319,505	1,454,819	1,549,752	17.4	6.5
Additional capital for credit risk	175,407	222,376	195,208	11.3	(12.2)
Additional capital for market risk	48,621	47,776	63,221	30.0	32.3
Additional capital for operating risk	46,672	59,803	65,163	39.6	9.0
Benefit of correlation between risks	(114,440)	(133,579)	(134,245)	17.3	0.5
Capital adequacy (a) - (b)	759,343	755,521	705,129	(7.1)	(6.7)
Solvency ratio (a) / (b) - %	151.5	145.8	140.5	-10.9 p.p.	-5.2 p.p.

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

## 4.2 BRASILPREV

### ■ EARNINGS ANALYSIS

Table 40 – Brasilprev | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Total revenue from pension and insurance</b>	<b>11,994,534</b>	<b>15,144,470</b>	<b>12,960,663</b>	<b>8.1</b>	<b>(14.4)</b>	<b>45,668,826</b>	<b>52,816,022</b>	<b>15.7</b>
Provision for benefits to be granted	(11,989,152)	(15,139,216)	(12,955,472)	8.1	(14.4)	(45,645,573)	(52,795,218)	15.7
<b>Net revenue from pension and insurance</b>	<b>5,382</b>	<b>5,254</b>	<b>5,191</b>	<b>(3.5)</b>	<b>(1.2)</b>	<b>23,253</b>	<b>20,804</b>	<b>(10.5)</b>
Management fee	800,159	836,248	808,330	1.0	(3.3)	3,146,438	3,244,613	3.1
Changes in other technical reserves	6,307	(4,065)	(5,861)	-	44.2	(43)	(11,038)	25,435.9
Expenses with benefits, redemptions and claims	(25,039)	(7,508)	(33,553)	34.0	346.9	(115,277)	(108,516)	(5.9)
Acquisition costs	(126,828)	(178,283)	(175,360)	38.3	(1.6)	(633,716)	(696,584)	9.9
Retained earned premiums	44,524	49,788	40,581	(8.9)	(18.5)	172,088	183,833	6.8
Administrative expenses	(114,220)	(90,941)	(119,881)	5.0	31.8	(350,443)	(382,757)	9.2
Tax expenses	(62,787)	(66,682)	(62,777)	(0.0)	(5.9)	(234,043)	(253,731)	8.4
Other operating income (expenses)	(15,477)	(14,101)	(4,637)	(70.0)	(67.1)	(73,602)	(56,150)	(23.7)
Gains or losses on non-current assets	(140)	1	39	-	4,602.5	(191)	7	-
<b>Non-interest operating result</b>	<b>511,881</b>	<b>529,709</b>	<b>452,074</b>	<b>(11.7)</b>	<b>(14.7)</b>	<b>1,934,464</b>	<b>1,940,480</b>	<b>0.3</b>
<b>Net investment income</b>	<b>279,388</b>	<b>(34,835)</b>	<b>260,276</b>	<b>(6.8)</b>	<b>-</b>	<b>(333,910)</b>	<b>329,585</b>	<b>-</b>
Financial income	4,013,032	9,195,938	7,618,809	89.9	(17.2)	5,923,987	30,229,939	410.3
Financial expenses	(3,733,644)	(9,230,773)	(7,358,532)	97.1	(20.3)	(6,257,897)	(29,900,354)	377.8
<b>Earnings before taxes and profit sharing</b>	<b>791,269</b>	<b>494,874</b>	<b>712,350</b>	<b>(10.0)</b>	<b>43.9</b>	<b>1,600,554</b>	<b>2,270,065</b>	<b>41.8</b>
Taxes	(244,890)	(200,156)	(140,017)	(42.8)	(30.0)	(578,677)	(763,227)	31.9
Profit sharing	(3,720)	(5,209)	(5,014)	34.8	(3.7)	(13,084)	(17,691)	35.2
<b>Net income</b>	<b>542,659</b>	<b>289,509</b>	<b>567,319</b>	<b>4.5</b>	<b>96.0</b>	<b>1,008,793</b>	<b>1,489,147</b>	<b>47.6</b>

## NET INCOME

Figure 39 – Brasilprev | Net income (R\$ million)

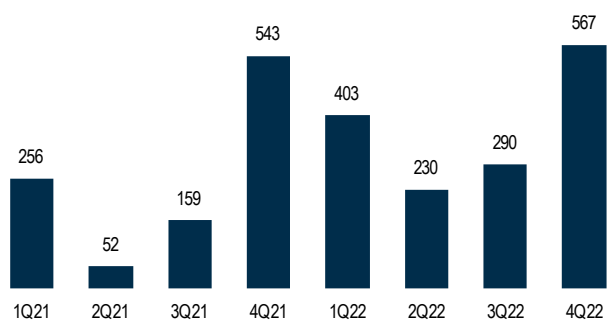
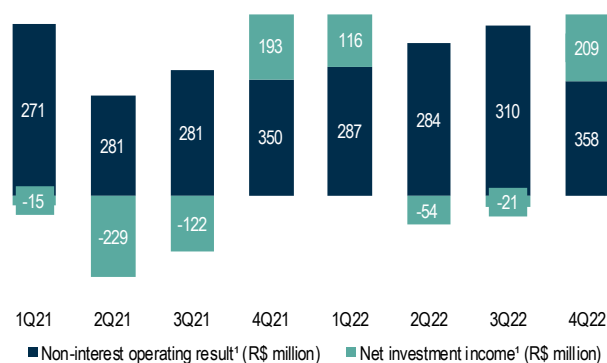


Figure 40 – Brasilprev | Net income breakdown



1. Net of taxes considering the effective tax rate

Table 41 – Brasilprev | Performance ratios

%	Quarterly Flow			Chg. (p.p.)		Annual Flow		Chg. (p.p.)
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
Commission ratio	1.1	1.2	1.4	0.3	0.2	1.4	1.3	(0.1)
Management fee	1.03	0.98	0.97	(0.07)	(0.01)	1.02	0.99	(0.03)
Redemption ratio	12.3	11.9	11.5	(0.8)	(0.4)	10.7	11.6	0.9
Portability ratio	2.9	2.4	1.9	(1.1)	(0.6)	2.2	2.2	0.0
Cost to income ratio	39.8	40.6	47.1	7.3	6.5	42.1	43.7	1.6
Income tax rate	30.9	40.4	19.7	(11.3)	(20.8)	36.2	33.6	(2.5)

## ■ RESULT WITH PENSION PLANS AND INSURANCE ANALYSIS

### CONTRIBUTIONS

Figure 41 – Brasilprev | Contributions (R\$ million)

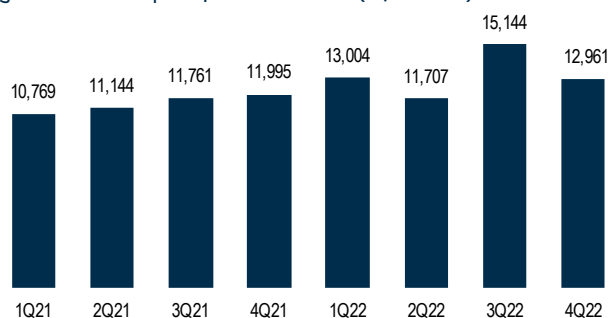
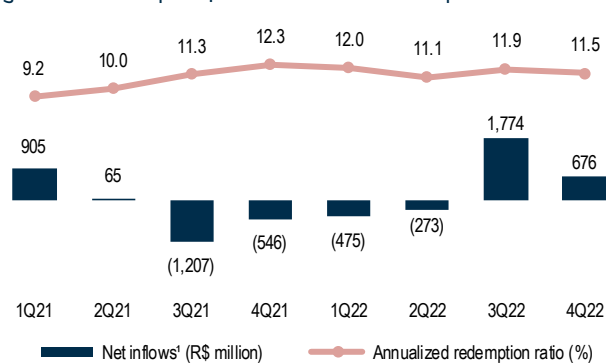


Figure 42 – Brasilprev | Net inflows and redemption ratio



1. Source: Quantum Axis

Figure 43 – Brasilprev | Contributions breakdown (%)

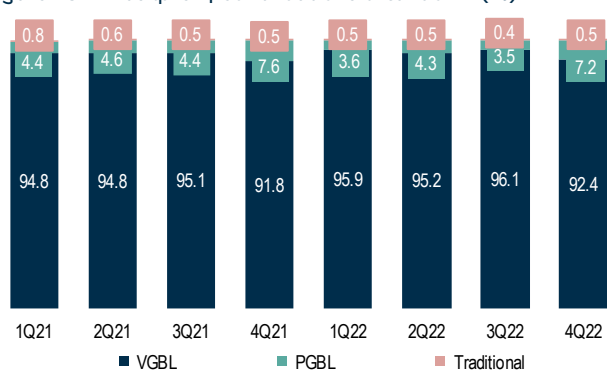
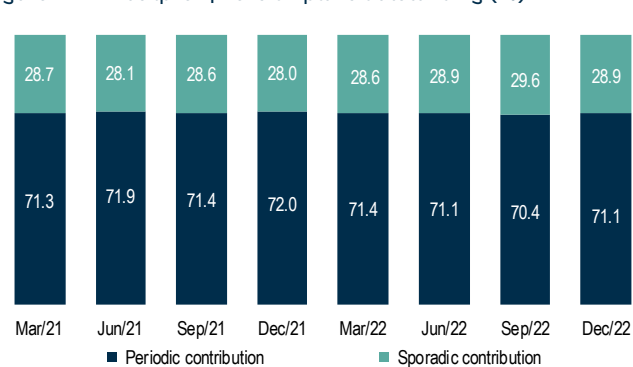


Figure 44 – Brasilprev | Pension plans outstanding (%)



## TECHNICAL RESERVES

Figure 45 – Brasilprev | Technical reserves (R\$ billion)

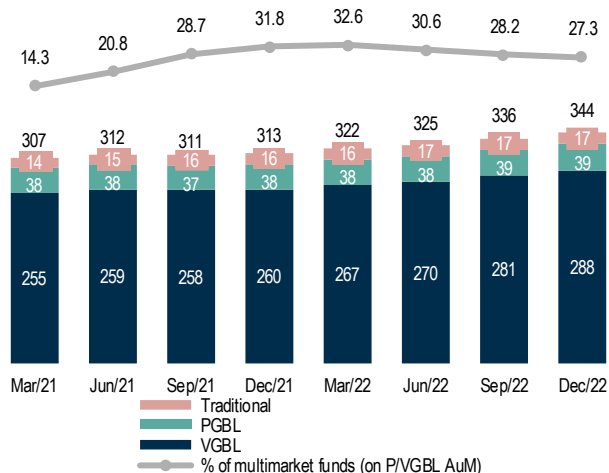


Figure 46 – Brasilprev | Technical reserves (%)

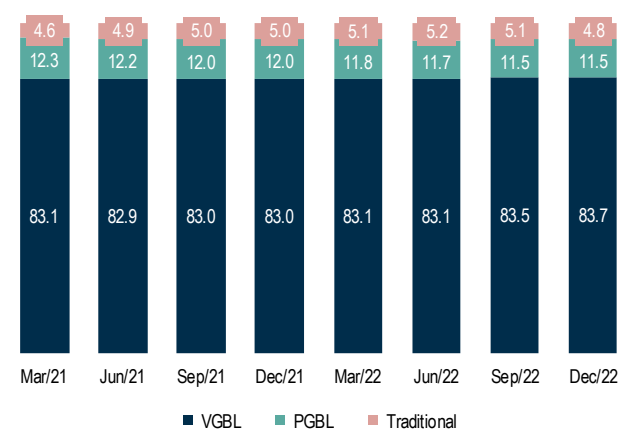


Figure 47 – Brasilprev | Active plans (thousand)

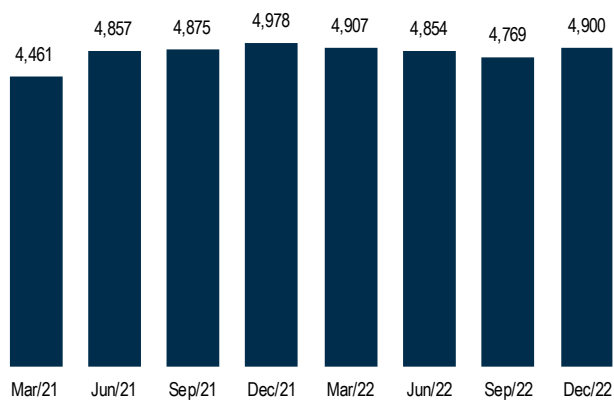


Figure 48 – Brasilprev | CPFs (thousand)

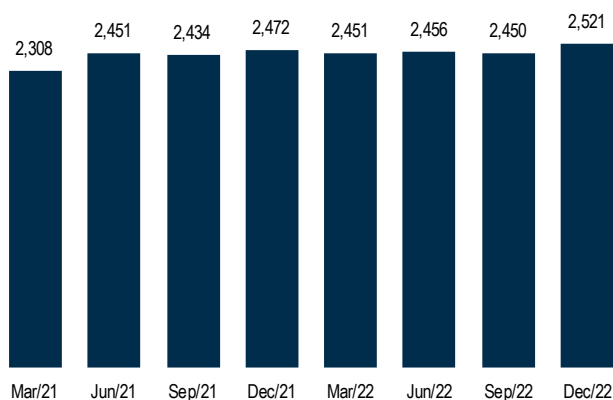


Table 42 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Benefits to be granted</b>					
Initial balance	303,461,683	317,929,210	328,687,147	8.3	3.4
Constitution	732,901	2,454,368	1,119,006	52.7	(54.4)
Reversal	(1,402,405)	(822,899)	(780,270)	(44.4)	(5.2)
Restatement	3,570,888	9,126,468	7,351,013	105.9	(19.5)
Final balance	306,363,068	328,687,147	336,376,897	9.8	2.3
<b>Benefits granted</b>					
Initial balance	5,193,921	5,932,211	6,001,803	15.6	1.2
Constitution	62,626	20,055	54,598	(12.8)	172.2
Reversal	(12,433)	(21,841)	(24,634)	98.1	12.8
Restatement	110,716	71,377	(12,890)	-	-
Final balance	5,354,830	6,001,803	6,018,876	12.4	0.3
<b>Other provisions</b>					
Initial balance	2,116,673	1,607,083	1,572,384	(25.7)	(2.2)
Constitution	296,640	1,184,681	534,183	80.1	(54.9)
Reversal	(955,359)	(1,265,985)	(708,880)	(25.8)	(44.0)
Restatement	41,278	46,605	33,036	(20.0)	(29.1)
Final balance	1,499,232	1,572,384	1,430,724	(4.6)	(9.0)
<b>Total Provisions</b>	<b>313,217,130</b>	<b>336,261,334</b>	<b>343,826,496</b>	<b>9.8</b>	<b>2.2</b>

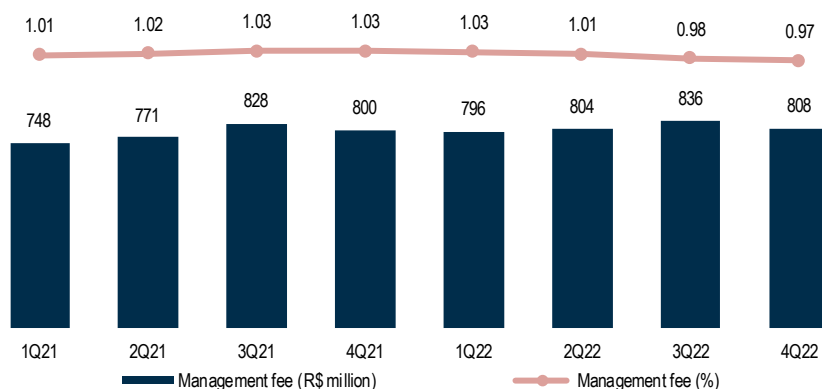
Table 43 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans by product

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>P VGBL Reserves</b>					
Initial balance	295,100,177	308,426,970	319,214,719	8.2	3.5
Constitution	909,263	3,147,431	1,348,543	48.3	(57.2)
Reversal	(1,992,433)	(1,308,256)	(859,529)	(56.9)	(34.3)
Restatement	3,464,159	8,948,574	7,466,770	115.5	(16.6)
Final balance	297,481,166	319,214,719	327,170,502	10.0	2.5
<b>Traditional Reserves</b>					
Initial balance	15,672,100	17,041,534	17,046,615	8.8	0.0
Constitution	182,904	511,674	359,243	96.4	(29.8)
Reversal	(377,764)	(802,470)	(654,254)	73.2	(18.5)
Restatement	258,724	295,877	(95,611)	-	-
Final balance	15,735,964	17,046,615	16,655,994	5.8	(2.3)
<b>Total Provisions</b>	<b>313,217,130</b>	<b>336,261,334</b>	<b>343,826,496</b>	<b>9.8</b>	<b>2.2</b>



## MANAGEMENT FEE

Figure 49 – Brasilprev | Management fee

Table 44 – Brasilprev | Management fee breakdown<sup>1,2</sup>

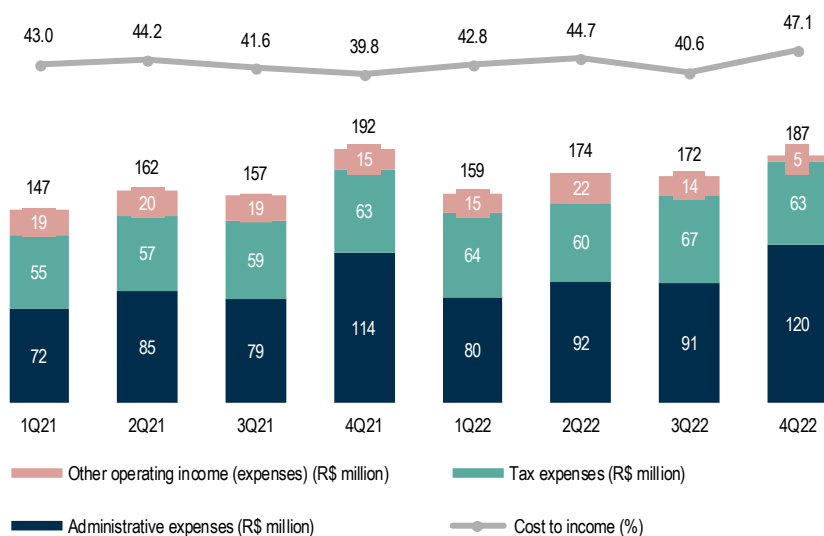
R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
Management fee	800,159	836,248	808,330	1.0	(3.3)	3,146,438	3,244,613	3.1
Average volume of reserves	310,600,836	330,660,364	340,191,627	9.5	2.9	309,945,181	327,896,935	5.8
Working days	63	65	62	-1 w.d.	-3 w.d.	251	251	0 w.d.
<b>Annualized average management fee (%)</b>	<b>1.03</b>	<b>0.98</b>	<b>0.97</b>	<b>(0.07) p.p.</b>	<b>(0.01) p.p.</b>	<b>1.02</b>	<b>0.99</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 &amp; ADMINISTRATIVE EXPENSES

Figure 50 – Brasilprev | G&amp;A expenses and cost to income ratio



## QUARTERLY ANALYSIS

In **4Q22**, **G&A** expenses decreased 2.7% compared to the same period in 2021. The cost to income ratio deteriorated 7.3 p.p., as in 4Q21 it was positively impacted by a higher volume of commission returns due to an increase in redemptions held less than 12-months from the plan commercialization.

**Other operating income (expenses)** were down 70.0% YoY, mainly due to the reversal observed in the provision for losses on receivables related to plans with contributions for risk coverage, as a result of the write-off of policies with debts due for more than 90 days.

On the other hand, **administrative expenses** grew 5.0% compared to 4Q21, largely explained by:

- higher personnel expenses, due to the payment of extra hours, besides the impact of the collective bargaining agreement in 1Q22 and the increase in the number of employees;
- increase in outsourcing expenses, due to higher costs with software renewal and external audit services related to the preparation of financial statements in accordance with the IFRS 17 accounting rules; and
- higher expenses with advertising and publicity, with a higher concentration of marketing campaigns carried out in the period.

**Tax expenses** remained at the same level observed in 4Q21, considering the stability of taxable income.

## YEAR-TO-DATE ANALYSIS

In **2022**, **G&A** expenses grew 5.3%, while the cost to income ratio deteriorated 1.6 p.p. The movement is largely explained by the 9.2% growth in **administrative expenses**, which is justified mainly by higher personnel and outsourcing, as detailed in the quarterly analysis.

The **other operating income (expenses)** line recorded a negative balance 23.7% lower, driven by the retraction observed in the provisions for operating losses related to portability, redemptions and claims processes, in addition to a lower volume of provision for losses on receivables related to plans with contributions for risk coverage, as mentioned in the quarterly analysis. On the other hand, the increase in expenses with charging and sales incentive expenses offset part of this drop.

**Tax expenses** grew 8.4%, in line with the evolution of taxable income.

Table 45 – Brasilprev | G&amp;A expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Administrative expenses</b>	<b>(114,220)</b>	<b>(90,941)</b>	<b>(119,881)</b>	<b>5.0</b>	<b>31.8</b>	<b>(350,444)</b>	<b>(382,758)</b>	<b>9.2</b>
Personnel	(41,712)	(42,566)	(45,302)	8.6	6.4	(151,088)	(169,753)	12.4
Outsourcing	(33,880)	(25,995)	(37,089)	9.5	42.7	(99,936)	(112,922)	13.0
Location and operation	(15,470)	(15,511)	(15,595)	0.8	0.5	(60,557)	(62,394)	3.0
Marketing	(15,827)	(6,172)	(18,614)	17.6	201.6	(29,164)	(32,406)	11.1
Other	(7,331)	(697)	(3,281)	(55.2)	370.7	(9,699)	(5,283)	(45.5)
<b>Other operating income (expenses)</b>	<b>(15,477)</b>	<b>(14,101)</b>	<b>(4,637)</b>	<b>(70.0)</b>	<b>(67.1)</b>	<b>(73,602)</b>	<b>(56,150)</b>	<b>(23.7)</b>
Expenses on sales incentive	(3,024)	(3,174)	(3,730)	23.3	17.5	(22,838)	(25,050)	9.7
Charging expenses	(4,627)	(5,625)	(6,136)	32.6	9.1	(17,811)	(21,288)	19.5
Contingencies	(1,908)	(1,388)	(548)	(71.3)	(60.5)	(5,967)	(3,648)	(38.9)
Provision for losses on receivables	(2,783)	(3,921)	8,312	-	-	(11,880)	(2,289)	(80.7)
Other operating income (expenses)	(3,135)	7	(2,535)	(19.1)	-	(15,106)	(3,875)	(74.3)
<b>Tax expenses</b>	<b>(62,786)</b>	<b>(66,682)</b>	<b>(62,777)</b>	<b>(0.0)</b>	<b>(5.9)</b>	<b>(234,043)</b>	<b>(253,730)</b>	<b>8.4</b>
Federal and municipal taxes	(16,342)	(17,099)	(16,505)	1.0	(3.5)	(64,159)	(66,697)	4.0
COFINS	(39,045)	(41,268)	(38,121)	(2.4)	(7.6)	(141,382)	(155,308)	9.8
PIS/PASEP	(6,344)	(6,706)	(6,194)	(2.4)	(7.6)	(22,974)	(25,237)	9.9
Inspection fee	(1,295)	(1,295)	(1,296)	0.1	0.1	(4,546)	(5,181)	14.0
Other tax expenses	240	(314)	(661)	-	110.2	(982)	(1,307)	33.1
<b>General and administrative expenses</b>	<b>(192,483)</b>	<b>(171,725)</b>	<b>(187,295)</b>	<b>(2.7)</b>	<b>9.1</b>	<b>(658,089)</b>	<b>(692,639)</b>	<b>5.3</b>

Table 46 – Brasilprev | Cost to income ratio

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Revenues - [ a ]</b>	<b>850,065</b>	<b>891,289</b>	<b>854,102</b>	<b>0.5</b>	<b>(4.2)</b>	<b>3,341,780</b>	<b>3,449,249</b>	<b>3.2</b>
Net revenue from pension and insurance	5,382	5,254	5,191	(3.5)	(1.2)	23,253	20,804	(10.5)
Management fee	800,159	836,248	808,330	1.0	(3.3)	3,146,438	3,244,613	3.1
Earned premiums	44,524	49,788	40,581	(8.9)	(18.5)	172,088	183,833	6.8
<b>Expenses - [ b ]</b>	<b>338,043</b>	<b>361,581</b>	<b>402,068</b>	<b>18.9</b>	<b>11.2</b>	<b>1,407,125</b>	<b>1,508,776</b>	<b>7.2</b>
Changes in other technical reserves	(6,307)	4,065	5,861	-	44.2	43	11,038	25,435.9
Expenses with benefits, redemptions and claims	25,039	7,508	33,553	34.0	346.9	115,277	108,516	(5.9)
Acquisition costs	126,828	178,283	175,360	38.3	(1.6)	633,716	696,584	9.9
Administrative expenses	114,220	90,941	119,881	5.0	31.8	350,443	382,757	9.2
Tax expenses	62,787	66,682	62,777	(0.0)	(5.9)	234,043	253,731	8.4
Other operating income (expenses)	15,477	14,101	4,637	(70.0)	(67.1)	73,602	56,150	(23.7)
<b>Cost to income ratio (%) - [ b / a ]</b>	<b>39.8</b>	<b>40.6</b>	<b>47.1</b>	<b>7.3 p.p.</b>	<b>6.5 p.p.</b>	<b>42.1</b>	<b>43.7</b>	<b>1.6 p.p.</b>

## ■ NET INVESTMENT INCOME

Figure S1 – Brasilprev | Net investment income (R\$ million)

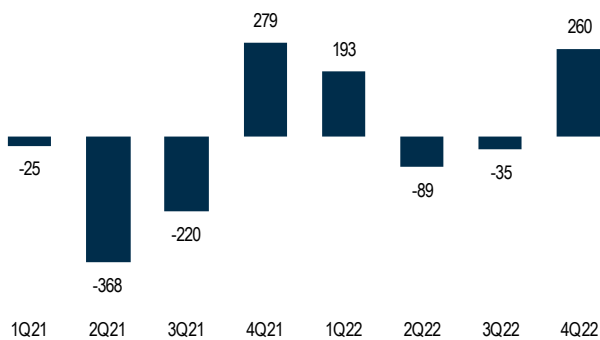
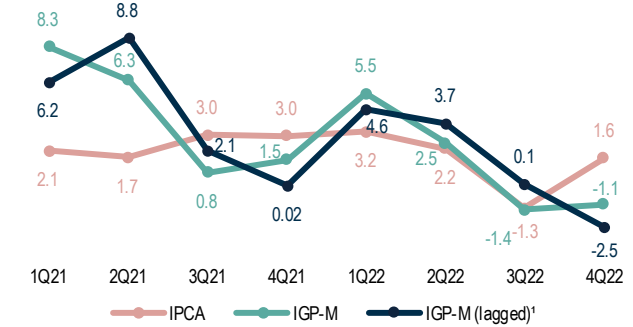


Figure S2 – Brasilprev | Inflation rates (%)



Source: IBGE and 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 47 – Brasilprev | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Adjusted interest revenues</b>	<b>604,492</b>	<b>255,058</b>	<b>172,479</b>	<b>(71.5)</b>	<b>(32.4)</b>	<b>2,879,346</b>	<b>2,376,139</b>	<b>(17.5)</b>
Revenues with mark to market financial investments	(37,297)	140,003	(101,761)	172.8	-	(184,976)	184,851	-
Revenues with held to maturity financial investments	641,789	115,055	274,241	(57.3)	138.4	3,064,322	2,191,288	(28.5)
<b>Adjusted interest expenses</b>	<b>(325,103)</b>	<b>(289,894)</b>	<b>87,797</b>	<b>-</b>	<b>-</b>	<b>(3,213,256)</b>	<b>(2,046,554)</b>	<b>(36.3)</b>
Interest accrual on technical reserves	(312,014)	(268,378)	108,835	-	-	(3,188,931)	(1,968,502)	(38.3)
Interest accrual on debentures	(13,089)	(21,516)	(21,039)	60.7	(2.2)	(24,325)	(78,052)	220.9
<b>Net investment income</b>	<b>279,388</b>	<b>(34,835)</b>	<b>260,276</b>	<b>(6.8)</b>	<b>-</b>	<b>(333,910)</b>	<b>329,585</b>	<b>-</b>

## QUARTERLY ANALYSIS

In 4Q22, the net investment income fell 6.8% compared to the same period in 2021. The performance is largely attributed to the 71.5% drop in interest revenues, mainly explained by the 9.9 p.p. reduction in the average yield on held to maturity securities, reflecting both the IPCA deceleration (4Q22: +1.6% | 4Q21: +3.0%) and the IGP-M deflation (4Q22: -1.1% | 4Q21: +1.5%). In the quarter there was also a higher negative MtM impact (4Q22: -R\$165.2 million | 4Q21: -R\$124.9 million), with the bigger magnitude of the upward shifting of the forward yield curve, which led to 5.0 p.p. worsening in the average yield of market-to-market financial investments.

Financial expenses recorded positive balance of R\$87.8 million in the quarter, compared to an expense of R\$325.1 million in 4Q21, due to IGP-M deflation, the main rate pegged to the bearing liabilities related to technical provisions of traditional plans. Considering the one-month lag of the interest accrual on bearing liabilities pegged to IGP-M, the accumulated rate between September and November 2022 was negative by 2.46%, while in the same period in 2021 the IGP-M was +0.02%.

## YEAR-TO-DATE ANALYSIS

In 2022, the net investment income was positive by R\$329.6 million, versus R\$333.9 million loss in 2021.

Interest revenues reduced 17.5%, with 7.8 p.p. drop in the average yield of held to maturity securities, due to the deceleration observed in both the IPCA (2022: +5.8% | 2021: +10.1%) and in the IGP-M (2022: +5.5% | 2021: +17.8%). On the other hand, the expansion of the average balance of earning assets, allied with the spike in the Selic rate and the lower impact of the upward shift in the forward yield curve partially offset this effect.

Financial expenses decreased 36.3%, with the average yield of bearing liabilities down 8.3 p.p., reflecting the lower IGP-M accumulated between December 2021 and November 2022 (+5.9%) compared to the period from December 2020 to November 2021 (+17.9%), considering the one-month lag in the interest accrual of liabilities. On the other hand, the increase in the average balance of liabilities partially offset this effect.

Table 48 – Brasilprev | Quarterly figures – Volume and rate analysis

R\$ thousand	4Q22/4Q21		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	9,334	(73,798)	(64,465)
Held to maturity financial investments	27,862	(395,410)	(367,548)
<b>Total¹</b>	<b>10,255</b>	<b>(442,268)</b>	<b>(432,012)</b>
<b>Interest bearing liabilities</b>			
Technical reserves	581	420,269	420,850
Debentures	(19)	(7,931)	(7,950)
<b>Total</b>	<b>457</b>	<b>412,443</b>	<b>412,900</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 49 – Brasilprev | Quarterly figures – Earning assets – average balance and interest rates¹

R\$ million	4Q21			4Q22		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to market financial investments	5,772	(37)	(2.6)	5,287	(102)	(7.6)
Held to maturity financial investments	17,040	642	15.9	18,968	274	6.0
<b>Total</b>	<b>22,812</b>	<b>604</b>	<b>11.0</b>	<b>24,254</b>	<b>172</b>	<b>2.9</b>

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

Table 50 – Brasilprev | Quarterly figures – Interest bearing liabilities – average balance and interest rates¹

R\$ million	4Q21			4Q22		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves	18,685	(312)	6.5	18,785	109	(2.4)
Debentures	548	(13)	9.2	548	(21)	14.7
<b>Total</b>	<b>19,232</b>	<b>(325)</b>	<b>6.6</b>	<b>19,333</b>	<b>88</b>	<b>(1.9)</b>

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

Table 51 – Brasilprev | Year-to-date figures – Volume and rate analysis

R\$ thousand	2022/2021		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	9,636	360,190	369,827
Held to maturity financial investments	337,116	(1,210,150)	(873,034)
<b>Total<sup>1</sup></b>	<b>312,572</b>	<b>(815,779)</b>	<b>(503,207)</b>
<b>Interest bearing liabilities</b>			
Technical reserves	(184,827)	1,405,256	1,220,429
Debentures	(53,727)	-	(53,727)
<b>Total</b>	<b>(216,462)</b>	<b>1,383,164</b>	<b>1,166,702</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 52 – Brasilprev | Year-to-date figures – Earning assets – average balance and interest rates<sup>1</sup>

R\$ million	2021			2022		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to market financial investments	4,881	(185)	(3.8)	5,150	185	3.6
Held to maturity financial investments	15,520	3,064	19.8	18,342	2,191	12.0
<b>Total</b>	<b>20,402</b>	<b>2,879</b>	<b>14.2</b>	<b>23,492</b>	<b>2,376</b>	<b>10.2</b>

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

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

R\$ million	2021			2022		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves	16,494	(3,189)	19.4	18,203	(1,969)	10.9
Debentures	548	(24)	4.5	548	(78)	14.3
<b>Total</b>	<b>16,768</b>	<b>(3,213)</b>	<b>19.2</b>	<b>18,751</b>	<b>(2,047)</b>	<b>11.0</b>

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



Table 54 – Brasilprev | Financial investments portfolio breakdown (except PGBL and VGBL funds)

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Held to maturity securities</b>	<b>17,663,507</b>	<b>18,914,657</b>	<b>19,020,371</b>	<b>7.7</b>	<b>0.6</b>
Pre-fixed	50,822	49,685	50,935	0.2	2.5
Inflation	17,612,685	18,864,972	18,969,436	7.7	0.6
<b>Mark to market securities</b>	<b>5,088,024</b>	<b>5,361,898</b>	<b>5,211,787</b>	<b>2.4</b>	<b>(2.8)</b>
Pre-fixed	214,435	254,779	316,365	47.5	24.2
Floating	1,410,297	1,775,106	1,616,257	14.6	(8.9)
Inflation	3,463,292	3,332,013	3,279,165	(5.3)	(1.6)
<b>Total</b>	<b>22,751,531</b>	<b>24,276,555</b>	<b>24,232,158</b>	<b>6.5</b>	<b>(0.2)</b>

Figure 53 – Brasilprev | Financial investments breakdown by index - except PGBL and VGBL funds (%)

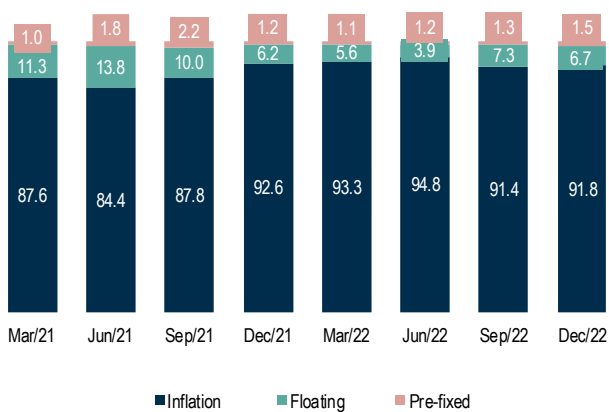
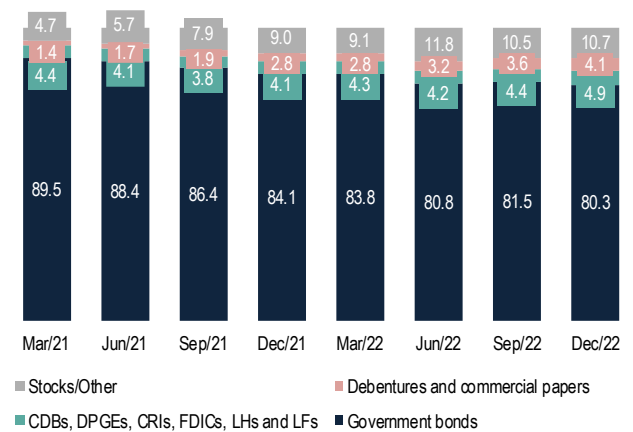


Figure 54 – Brasilprev | Assets allocation (%)



## ■ BALANCE SHEET ANALYSIS

Table 55 – Brasilprev | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Assets</b>	<b>320,585,453</b>	<b>343,555,973</b>	<b>351,467,366</b>	<b>9.6</b>	<b>2.3</b>
Cash and cash equivalents	601,280	316,439	278,271	(53.7)	(12.1)
Financial assets	317,557,199	340,962,706	348,967,777	9.9	2.3
Receivables from insurance and reinsurance operations	2,393	3,288	1,970	(17.7)	(40.1)
Securities and credits receivable	792,519	553,280	513,767	(35.2)	(7.1)
Prepaid expenses	3,305	7,370	10,994	232.7	49.2
Deferred costs	1,353,005	1,433,595	1,412,099	4.4	(1.5)
Credits from private pension transactions	698	173	186	(73.4)	7.1
Other	42,930	38,808	37,365	(13.0)	(3.7)
Investments	75	75	75	-	-
Fixed assets	19,264	14,919	13,655	(29.1)	(8.5)
Intangible	212,784	225,319	231,208	8.7	2.6
<b>Liabilities</b>	<b>314,752,015</b>	<b>337,767,978</b>	<b>345,419,341</b>	<b>9.7</b>	<b>2.3</b>
Accounts payable	879,595	692,514	924,546	5.1	33.5
Debentures	547,849	548,214	548,336	0.1	0.0
Obligations with insurance and reinsurance operations	6,511	2,291	9,535	46.4	316.1
Debts from private pension transactions	5,962	5,085	9,964	67.1	95.9
Third party deposits	27,453	192,092	36,219	31.9	(81.1)
Technical reserves - insurance	259,842,126	280,686,078	287,775,084	10.7	2.5
Technical reserves - private pension	53,375,004	55,575,256	56,051,412	5.0	0.9
Other liabilities	67,515	66,446	64,246	(4.8)	(3.3)
<b>Shareholders' equity</b>	<b>5,833,438</b>	<b>5,787,995</b>	<b>6,048,025</b>	<b>3.7</b>	<b>4.5</b>

## ■ SOLVENCY

Table 56 – Brasilprev | Solvency<sup>1</sup>

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Adjusted shareholder's equity (a)</b>	<b>5,311,370</b>	<b>5,878,990</b>	<b>5,579,105</b>	<b>5.0</b>	<b>(5.1)</b>
<b>Minimum capital requirement (b)</b>	<b>2,855,853</b>	<b>3,036,309</b>	<b>2,962,484</b>	<b>3.7</b>	<b>(2.4)</b>
Additional capital for underwriting risk	1,767,818	1,923,549	1,887,096	6.7	(1.9)
Additional capital for credit risk	98,354	121,389	112,576	14.5	(7.3)
Additional capital for market risk	1,456,064	1,481,511	1,419,955	(2.5)	(4.2)
Additional capital for operating risk	250,574	269,009	275,061	9.8	2.2
Correlation risk reduction	(716,957)	(759,149)	(732,204)	2.1	(3.5)
<b>Capital adequacy (a) - (b)</b>	<b>2,455,516</b>	<b>2,842,681</b>	<b>2,616,621</b>	<b>6.6</b>	<b>(8.0)</b>
<b>Solvency ratio (a) / (b) - %</b>	<b>186.0</b>	<b>193.6</b>	<b>188.3</b>	<b>2.3 p.p.</b>	<b>-5.3 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 57 – Brasilcap | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Premium bonds collection</b>	<b>1,118,935</b>	<b>1,615,265</b>	<b>1,743,163</b>	<b>55.8</b>	<b>7.9</b>	<b>4,309,790</b>	<b>5,949,271</b>	<b>38.0</b>
Changes in provisions for redemption	(981,811)	(1,427,497)	(1,538,514)	56.7	7.8	(3,727,522)	(5,251,395)	40.9
Changes in provisions for lottery and bonus	(20,061)	(19,798)	(23,463)	17.0	18.5	(78,535)	(76,412)	(2.7)
<b>Revenue with load fee</b>	<b>117,063</b>	<b>167,970</b>	<b>181,186</b>	<b>54.8</b>	<b>7.9</b>	<b>503,733</b>	<b>621,463</b>	<b>23.4</b>
Changes in other technical reserves	927	(974)	8	(99.1)	-	1,202	(734)	-
Result with lottery	4,818	2,326	12,913	168.0	455.1	18,196	28,734	57.9
Acquisition costs	(102,564)	(139,662)	(169,041)	64.8	21.0	(397,396)	(532,865)	34.1
Administrative expenses	(24,351)	(29,572)	(36,067)	48.1	22.0	(88,450)	(117,450)	32.8
Tax expenses	(7,606)	(10,746)	(11,183)	47.0	4.1	(29,339)	(39,364)	34.2
Other operating income (expenses)	14,284	14,236	16,621	16.4	16.8	44,442	58,422	31.5
Equity income	(0)	-	(53)	13,763.1	-	(2)	(314)	14,918.1
<b>Non-interest operating result</b>	<b>2,570</b>	<b>3,580</b>	<b>(5,614)</b>	<b>-</b>	<b>-</b>	<b>52,386</b>	<b>17,893</b>	<b>(65.8)</b>
<b>Net investment income</b>	<b>(215,228)</b>	<b>62,600</b>	<b>87,893</b>	<b>-</b>	<b>40.4</b>	<b>(37,828)</b>	<b>328,014</b>	<b>-</b>
Financial income	278,820	297,276	255,859	(8.2)	(13.9)	1,081,179	1,175,194	8.7
Financial expenses	(494,048)	(234,676)	(167,966)	(66.0)	(28.4)	(1,119,007)	(847,180)	(24.3)
<b>Earnings before taxes and profit sharing</b>	<b>(212,658)</b>	<b>66,179</b>	<b>82,279</b>	<b>-</b>	<b>24.3</b>	<b>14,557</b>	<b>345,907</b>	<b>2,276.2</b>
Taxes	88,515	(26,078)	(17,111)	-	(34.4)	(5,124)	(122,157)	2,283.9
Profit sharing	(1,500)	(2,593)	(2,279)	51.9	(12.1)	(5,921)	(5,983)	1.1
<b>Net income</b>	<b>(125,643)</b>	<b>37,508</b>	<b>62,889</b>	<b>-</b>	<b>67.7</b>	<b>3,512</b>	<b>217,767</b>	<b>6,099.9</b>

## NET INCOME

Figure 55 – Brasilcap | Net income (R\$ million)

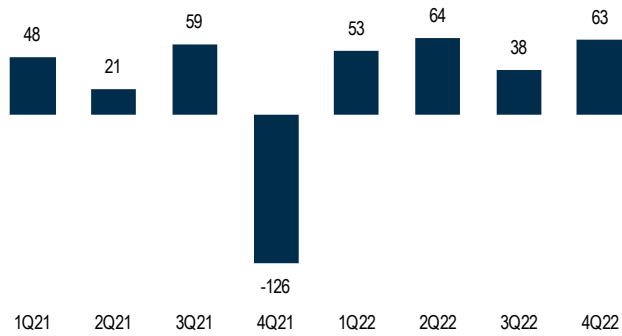
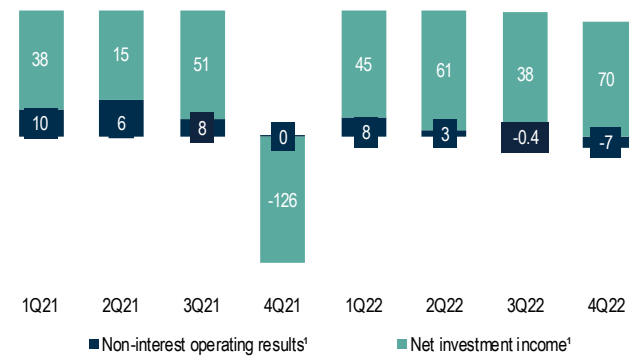


Figure 56 – Brasilcap | Net income breakdown (R\$ million)



1. Net of taxes considering the effective tax rate.

Table 58 – Brasilcap | Performance ratios

%	Quarterly Flow		Chg. (p.p.)		Annual Flow		Chg. (p.p.)	
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Average quotes</b>								
Reserve quote	87.7	88.4	88.3	0.5	(0.1)	86.5	88.3	1.8
Lottery quote	1.8	1.2	1.3	(0.4)	0.1	1.8	1.3	(0.5)
Bonus quote	0.01	0.00	0.00	(0.01)	(0.00)	0.02	0.00	(0.01)
Load fee quote	10.5	10.4	10.4	(0.1)	(0.0)	11.7	10.4	(1.2)
<b>Financial</b>								
Net interest margin (p.p.)	(9.1)	2.7	3.6	12.7	1.0	(0.4)	3.1	3.5
<b>Other</b>								
Premium bonds margin	1.9	1.9	(2.7)	(4.6)	(4.6)	9.0	2.6	(6.4)
Income tax rate	41.6	39.4	20.8	(20.8)	(18.6)	35.2	35.3	0.1

## ■ NON-INTEREST OPERATING RESULT ANALYSIS

### PREMIUM BONDS COLLECTION

Figure 57 – Brasilcap | Collection (R\$ million)

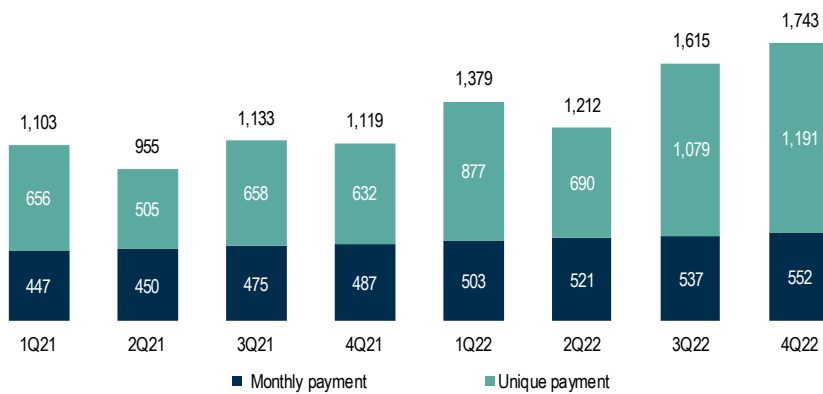


Figure 58 – Brasilcap | Collections by product (%)

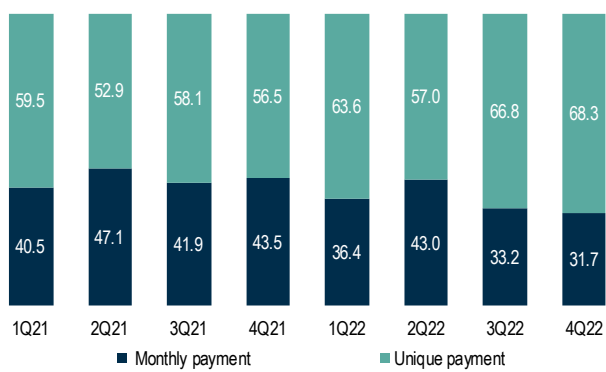
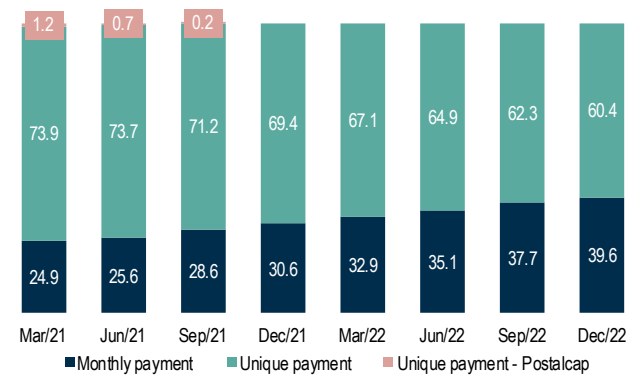


Figure 59 – Brasilcap | Bonds outstanding by product (%)



## REVENUE WITH LOAD FEE

Figure 60 – Brasilcap | Revenue with load fee quote and average load fee quote

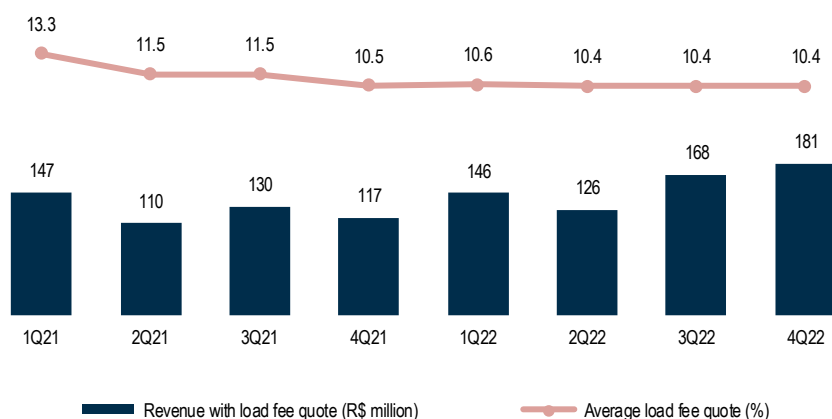


Figure 61 – Brasilcap | Changes in provisions for redemption and average reserve quote

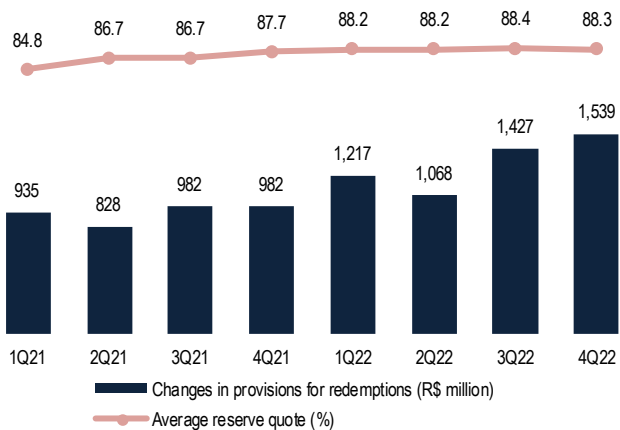


Figure 62 – Brasilcap | Changes in provisions for lottery and bonus and average lottery and bonus quotes

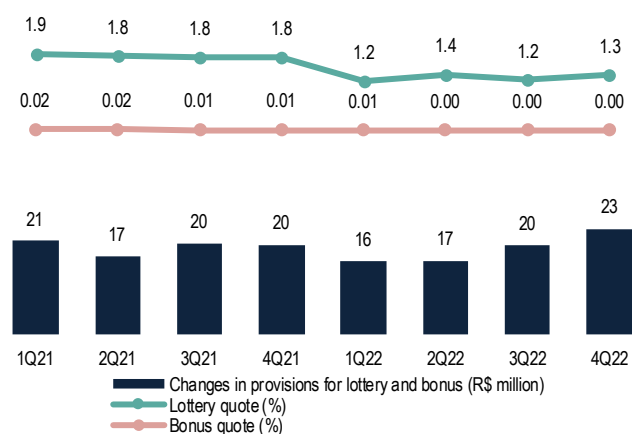


Table 59 – Brasilcap | Changes in premium bonds provision

R\$ thousand	Balance		Chg. %		
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Premium bonds provision</b>					
<b>Initial balance</b>	<b>7,280,816</b>	<b>7,617,772</b>	<b>8,151,289</b>	<b>12.0</b>	<b>7.0</b>
Constitution	983,686	1,452,312	1,548,483	57.4	6.6
Cancellations	(2,867)	(26,038)	(11,372)	296.6	(56.3)
Transfers	(1,190,687)	(1,039,350)	(943,123)	(20.8)	(9.3)
Interest accrual	101,215	146,593	157,878	56.0	7.7
<b>Final balance</b>	<b>7,172,163</b>	<b>8,151,289</b>	<b>8,903,154</b>	<b>24.1</b>	<b>9.2</b>

Table 60 – Brasilcap | Changes in provisions for redemption<sup>1</sup>

R\$ thousand	Balance		Chg. %		
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Provision for redemption</b>					
<b>Initial balance</b>	<b>575,776</b>	<b>609,664</b>	<b>627,037</b>	<b>8.9</b>	<b>2.8</b>
Constitution	985	1,217	1,399	41.9	15.0
Transfers	1,191,527	1,034,825	937,448	(21.3)	(9.4)
Payments	(1,178,478)	(1,014,840)	(955,108)	(19.0)	(5.9)
Interest accrual	454	3,651	3,415	652.9	(6.5)
Premium bonds penalty	3	3	6	126.2	85.9
Premium bonds expiration	(6,965)	(7,483)	(9,406)	35.1	25.7
<b>Final balance</b>	<b>583,301</b>	<b>627,037</b>	<b>604,790</b>	<b>3.7</b>	<b>(3.5)</b>

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

Table 61 – Brasilcap | Changes in provision for lottery to be held

R\$ thousand	Balance		Chg. %		
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Provision for lottery to be held</b>					
<b>Initial balance</b>	<b>94,748</b>	<b>85,928</b>	<b>88,828</b>	<b>(6.2)</b>	<b>3.4</b>
Constitution	19,961	20,244	23,512	17.8	16.1
Reversal	(23,761)	(17,819)	(27,848)	17.2	56.3
Cancellations	(34)	(439)	(119)	255.4	(72.8)
Interest accrual	586	915	1,596	172.4	74.4
<b>Final balance</b>	<b>91,500</b>	<b>88,828</b>	<b>85,969</b>	<b>(6.0)</b>	<b>(3.2)</b>

Table 62 – Brasilcap | Changes in provision for draws to be paid

R\$ thousand	Balance		Chg. %		
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Provision for draws to be paid</b>					
<b>Initial balance</b>	<b>8,640</b>	<b>8,632</b>	<b>7,781</b>	<b>(9.9)</b>	<b>(9.9)</b>
Constitution	18,943	15,492	14,936	(21.2)	(3.6)
Payments	(17,709)	(16,333)	(13,208)	(25.4)	(19.1)
Interest accrual	4	55	47	1,075.0	(14.5)
Premium bonds expiration	(9)	(65)	(2)	(72.3)	(96.2)
<b>Final balance</b>	<b>9,870</b>	<b>7,781</b>	<b>9,554</b>	<b>(3.2)</b>	<b>22.8</b>

## RESULT WITH LOTTERY

Figure 63 – Brasilcap | Result with lottery (R\$ million)

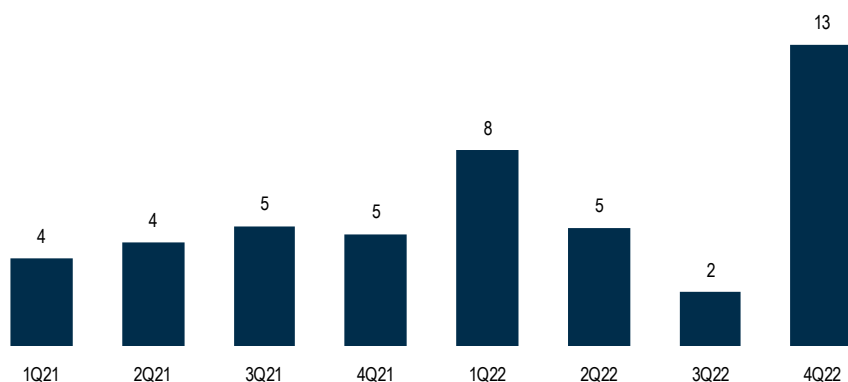


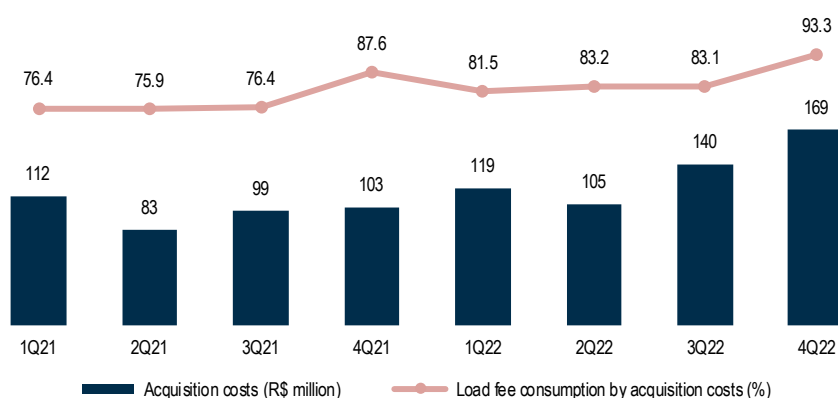
Table 63 – Brasilcap | Result with lottery

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Result with lottery</b>	<b>4,818</b>	<b>2,326</b>	<b>12,913</b>	<b>168.0</b>	<b>455.1</b>	<b>18,196</b>	<b>28,734</b>	<b>57.9</b>
Lottery provision reversal	23,761	17,819	27,848	17.2	56.3	85,240	85,517	0.3
Lottery expenses	(18,943)	(15,492)	(14,935)	(21.2)	(3.6)	(67,045)	(56,783)	(15.3)



## ACQUISITION COSTS

Figure 64 – Brasilcap | Acquisition costs



## QUARTERLY ANALYSIS

In **4Q22**, the acquisition cost grew by 64.8%, driven by the increase in collections (+55.8%). The growth of acquisition cost at a faster pace than collection is due to the higher average commission, with increased participation of monthly bonds in new sales, considering that the first installments of these products present higher commissions. Thus, commercial expenses increased 5.7 p.p. the consumption of the revenues with load fee in the period.

## YEAR-TO-DATE ANALYSIS

In **2022**, the acquisition cost increased 34.1%, impacted by the 38.0% increase in collections. The growth of acquisition cost at a slower pace than collection is explained by the bancassurance flow more concentrated on 12 and 24 month unique payment bonds, which have a lower remuneration paid to BB Corretora than the longer-term products (36 and 48 months).

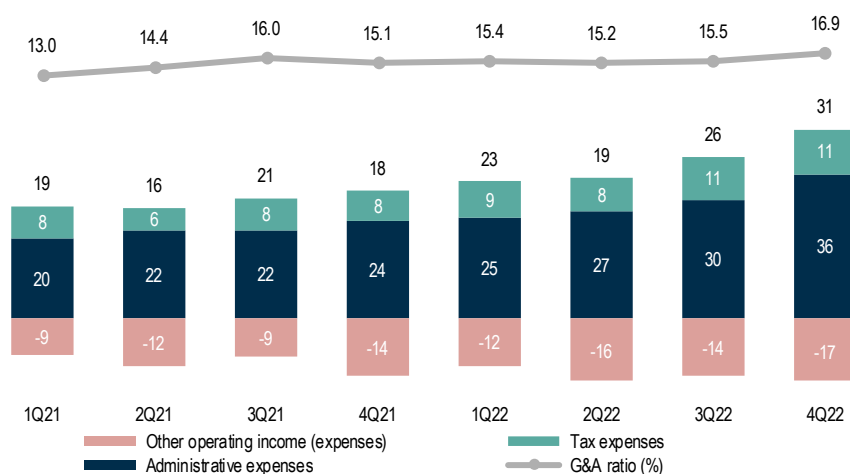
In the year, the commercial expenses increased 6.9 p.p. the consumption of the revenues with load fee, explained by the 1.2 p.p. retraction in the average load quote, resulting from the shortening of the average term of the bonds.

Table 64 – Brasilcap | Changes in Acquisition Costs

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
Acquisition costs	102,564	139,662	169,041	64.8	21.0	397,396	532,865	34.1
Brokerage	81,001	126,458	136,939	69.1	8.3	350,558	464,638	32.5
Sales cost	21,564	13,204	32,101	48.9	143.1	46,838	68,227	45.7

## GENERAL &amp; ADMINISTRATIVE EXPENSES

Figure 65 – Brasilcap | G&amp;A expenses (R\$ million)



## QUARTERLY ANALYSIS

In **4Q22**, **general and administrative** expenses were up 73.3% compared to the same period of 2021, with the G&A ratio 1.8 p.p. higher.

**Administrative expenses** grew by 48.1%, mainly due to:

- 52.6% increase in outsourcing expenses, explained by price adjustment and higher expenses with technology services for strategic innovation and digital transformation projects;
- higher personnel expenses, impacted by the increase in the number of employees after the organizational restructuring process, higher volume of extra hours and expenses related to the adjustment of the employees' health plan;
- increase in advertising and publicity expenses, resulting from sponsorship of cultural projects carried out in the quarter; and
- increase in the line "others", related to donations made in the period, while in 2021 the donations were concentrated in 2Q21.

On the other hand, **other operating income (expenses)** registered a positive balance 16.4% higher than in the same period of 2021, mainly due to higher revenues with premium bonds prescribed.

**Tax expenses** grew by 47.0%, in line with the increase in taxable revenues.

## YEAR-TO-DATE ANALYSIS

In **2022**, **general and administrative expenses** were up 34.1%, with the G&A ratio growing 1.3 p.p.

The performance is mainly driven by higher **administrative expenses**, for the same reasons mentioned in the quarterly analysis, in addition to the higher location and operating expenses.

In **other operating income (expenses)**, the positive balance was 31.5% higher, with the increase of revenues with premium bonds prescribed and bonds redeemed within the grace period.

**Tax expenses** rose 34.2%, due to the increase in taxable revenues. It is worth noting that there was a reversal of provision PIS/Pasep in the 2Q21, after favorable decisions to the company in two lawsuits.

Table 65 – Brasilcap | General &amp; Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Administrative expenses</b>	<b>(24,351)</b>	<b>(29,572)</b>	<b>(36,067)</b>	<b>48.1</b>	<b>22.0</b>	<b>(88,450)</b>	<b>(117,450)</b>	<b>32.8</b>
Personnel	(13,785)	(16,976)	(18,051)	30.9	6.3	(52,050)	(65,885)	26.6
Location and operation	(1,450)	(1,761)	(1,912)	31.9	8.6	(5,070)	(7,336)	44.7
Outsourcing	(8,595)	(10,127)	(13,118)	52.6	29.5	(28,778)	(39,685)	37.9
Institutional advertisement and publicity	(80)	(435)	(1,558)	1,857.8	258.1	(748)	(2,115)	182.9
Leasing	(33)	(16)	(17)	(48.4)	4.5	(49)	(98)	101.7
Other	(409)	(256)	(1,413)	245.6	450.9	(1,756)	(2,331)	32.7
<b>Other operating income (expenses)</b>	<b>14,284</b>	<b>14,236</b>	<b>16,621</b>	<b>16.4</b>	<b>16.8</b>	<b>44,442</b>	<b>58,422</b>	<b>31.5</b>
Legal provisions	47	(32)	377	698.3	-	(429)	358	-
Other operating income (expenses)	7,297	6,812	6,878	(5.7)	1.0	22,503	25,695	14.2
Revenue with premium bonds prescription	6,940	7,456	9,367	35.0	25.6	22,368	32,369	44.7
<b>Tax expenses</b>	<b>(7,606)</b>	<b>(10,746)</b>	<b>(11,183)</b>	<b>47.0</b>	<b>4.1</b>	<b>(29,340)</b>	<b>(39,364)</b>	<b>34.2</b>
COFINS	(6,015)	(8,692)	(9,067)	50.7	4.3	(24,090)	(31,675)	31.5
PIS/PASEP	(977)	(1,413)	(1,473)	50.7	4.3	(3,069)	(5,147)	67.7
Inspection fee	(562)	(562)	(562)	-	-	(1,974)	(2,249)	13.9
Other tax expenses	(51)	(79)	(80)	57.1	1.4	(206)	(291)	41.7
<b>G&amp;A Expenses</b>	<b>(17,673)</b>	<b>(26,081)</b>	<b>(30,629)</b>	<b>73.3</b>	<b>17.4</b>	<b>(73,347)</b>	<b>(98,391)</b>	<b>34.1</b>

## ■ NET INVESTMENT INCOME

Figure 66 – Brasilcap | Net investment income (R\$ million)

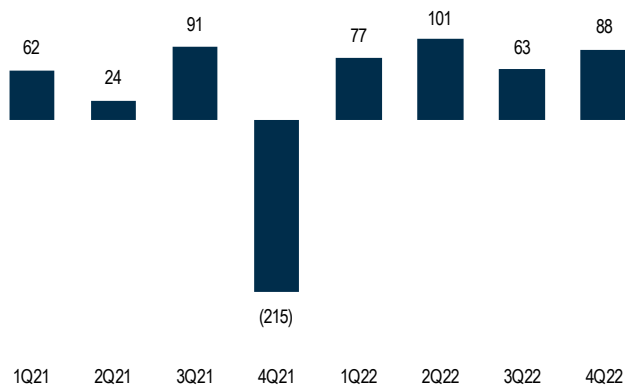


Figure 67 – Brasilcap | Annualized average interest rates and spread

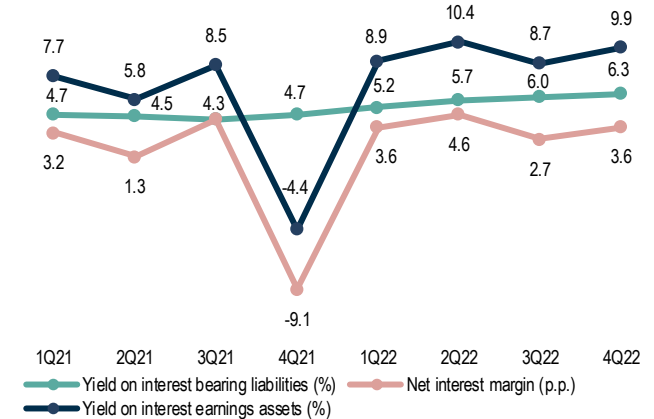


Table 66 – Brasilcap | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	
<b>Interest revenues</b>	<b>(103,936)</b>	<b>220,166</b>	<b>254,614</b>	-	15.6	<b>395,003</b>	<b>915,629</b>	<b>131.8</b>
Revenues with mark to market financial investments	168,276	236,206	180,487	7.3	(23.6)	687,666	910,349	32.4
Expenses with mark to market financial investments	(382,757)	(77,110)	(1,245)	(99.7)	(98.4)	(686,175)	(259,566)	(62.2)
Revenues with held to maturity financial investments	110,363	60,613	74,708	(32.3)	23.3	391,476	263,087	(32.8)
Interest accrual on judicial deposits	182	456	663	264.1	45.4	2,036	1,759	(13.6)
<b>Interest expenses</b>	<b>(108,008)</b>	<b>(155,153)</b>	<b>(164,074)</b>	<b>51.9</b>	<b>5.7</b>	<b>(415,166)</b>	<b>(577,878)</b>	<b>39.2</b>
Interest accrual on technical reserves	(102,282)	(151,218)	(162,966)	59.3	7.8	(408,323)	(558,794)	36.9
Loans	(5,280)	(3,153)	(211)	(96.0)	(93.3)	(5,280)	(16,060)	204.2
Other	(446)	(782)	(897)	101.2	14.8	(1,563)	(3,023)	93.4
<b>Net interest income</b>	<b>(211,944)</b>	<b>65,013</b>	<b>90,540</b>	-	39.3	<b>(20,163)</b>	<b>337,752</b>	-

## QUARTERLY ANALYSIS

In **4Q22**, the **net interest income** was positive by R\$90.5 million, versus a negative result of R\$211.9 million recorded in the same period of 2021.

Interest revenues amounted to R\$254.6 million in 4Q22, benefited from the spike in the average Selic rate and the expansion of the average balance of earning assets, while in 4Q21 it was negative by R\$103.9 million due to losses in the disposal of prefixed income assets available for sale, to reduce market risk exposure and comply with new regulatory capital rules.

Interest expenses grew R\$56.1 million (+51.9%), of which R\$35.5 million was due to the increase of 1.6 p.p. in the cost of liabilities, impacted by the higher reference rate (TR), while the remaining amount resulted from the expansion of the average balance of bearing liabilities.

## YEAR-TO-DATE ANALYSIS

In **2022**, the **net interest income** presented a positive balance of R\$337.8 million, while in 2021 this line was negative by R\$20.2 million, impacted by the disposal of prefixed income assets available for sale mentioned in the quarterly analysis. Also, in 2022 the **interest revenues** were boosted by the spike in the average Selic rate, the expansion of the average balance of earning assets and the positive effect of the hedged position of prefixed portfolio available for sale, which amounted to R\$39.0 million.

**Interest expenses** grew by 39.2%, with an increase of 1.3 p.p. in the cost of liabilities, impacted by the higher reference rate (TR) and by expenses with banking loan to cover temporary liquidity needs, which was prepaid.

Table 67 – Brasilcap | Quarterly figures – Volume and rate analysis

R\$ thousand	4Q22/4Q21		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	72,869	320,854	393,723
Held to maturity financial investments	(25,021)	(10,633)	(35,654)
Judicial deposits	37	444	481
<b>Total¹</b>	<b>37,303</b>	<b>321,247</b>	<b>358,550</b>
<b>Interest bearing liabilities</b>			
Technical reserves - premium bonds	(23,213)	(37,471)	(60,684)
Other	(49)	(402)	(451)
Loans	631	4,439	5,069
<b>Total¹</b>	<b>(20,547)</b>	<b>(35,519)</b>	<b>(56,066)</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 68 – Brasilcap | Quarterly figures – Earning assets – average balance and interest rates

R\$ thousand	4Q21			4Q22		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earnings assets</b>						
Mark to market financial investments	3,820,637	(214,481)	(20.6)	6,437,906	179,242	11.8
Held to maturity financial investments	4,359,195	110,363	10.5	3,265,515	74,708	9.6
Judicial deposits	1,066,592	182	0.1	1,130,220	663	0.2
<b>Total</b>	<b>9,246,424</b>	<b>(103,936)</b>	<b>(4.4)</b>	<b>10,833,641</b>	<b>254,614</b>	<b>9.9</b>

Table 69 – Brasilcap | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R\$ thousand	4Q21			4Q22		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves - premium bonds	7,928,185	(102,282)	5.1	9,245,079	(162,966)	7.0
Other	1,074,742	(446)	0.2	1,136,993	(897)	0.3
Loans	101,213	(5,280)	19.3	25,361	(211)	3.3
<b>Total</b>	<b>9,104,139</b>	<b>(108,008)</b>	<b>4.7</b>	<b>10,407,433</b>	<b>(164,074)</b>	<b>6.3</b>

Table 70 – Brasilcap | Year-to-date figures – Volume and rate analysis

R\$ thousand	2022/2021		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	93,171	556,122	649,293
Held to maturity financial investments	(4,040)	(124,348)	(128,389)
Judicial deposits	100	(377)	(278)
<b>Total<sup>1</sup></b>	<b>65,123</b>	<b>455,504</b>	<b>520,626</b>
<b>Interest bearing liabilities</b>			
Technical reserves - premium bonds	(43,064)	(107,407)	(150,471)
Other	(153)	(1,306)	(1,460)
Loans	-	(10,780)	(10,780)
<b>Total<sup>1</sup></b>	<b>(42,385)</b>	<b>(120,326)</b>	<b>(162,711)</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 71 – Brasilcap | Year-to-date figures – Earning assets – average balance and interest rates

R\$ thousand	2021			2022		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earnings assets</b>						
Mark to market financial investments	4,372,370	1,491	0.0	5,102,944	650,783	12.8
Held to maturity financial investments	4,130,061	391,476	9.5	4,067,597	263,087	6.5
Judicial deposits	1,039,290	2,036	0.2	1,101,785	1,759	0.2
<b>Total</b>	<b>9,541,721</b>	<b>395,003</b>	<b>4.2</b>	<b>10,272,326</b>	<b>915,629</b>	<b>9.0</b>

Table 72 – Brasilcap | Year-to-date figures – Interest bearing liabilities – average balance and interest rates

R\$ thousand	2021			2022		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves - premium bonds	8,067,009	(408,323)	5.1	8,740,619	(558,794)	6.4
Other	1,050,750	(1,563)	0.1	1,106,833	(3,023)	0.3
Loans	101,213	(5,280)	5.2	101,213	(16,060)	15.9
<b>Total</b>	<b>9,218,972</b>	<b>(415,166)</b>	<b>4.5</b>	<b>9,948,665</b>	<b>(577,878)</b>	<b>5.8</b>

Table 73 – Brasilcap | Financial investments portfolio breakdown

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Trading</b>	<b>1,976,339</b>	<b>4,606,027</b>	<b>4,426,026</b>	<b>124.0</b>	<b>(3.9)</b>
Pre-fixed	323,718	248,355	256,315	(20.8)	3.2
Floating	1,584,455	4,251,035	4,094,527	158.4	(3.7)
Inflation	50,078	52,204	52,749	5.3	1.0
Equity funds	15,927	8,999	6,410	(59.8)	(28.8)
Other	2,162	45,433	16,025	641.2	(64.7)
<b>Available for sale</b>	<b>1,814,207</b>	<b>1,854,443</b>	<b>1,892,342</b>	<b>4.3</b>	<b>2.0</b>
Pre-fixed	1,814,207	1,854,443	1,892,342	4.3	2.0
<b>Held to maturity securities</b>	<b>4,484,588</b>	<b>2,880,425</b>	<b>3,747,580</b>	<b>(16.4)</b>	<b>30.1</b>
Pre-fixed	4,432,027	2,641,210	3,508,633	(20.8)	32.8
Floating	-	31,296	32,301	-	3.2
Inflation	52,561	207,919	206,646	293.2	(0.6)
<b>Total</b>	<b>8,275,134</b>	<b>9,340,895</b>	<b>10,065,948</b>	<b>21.6</b>	<b>7.8</b>

Figure 68 – Brasilcap | Asset allocation (%)

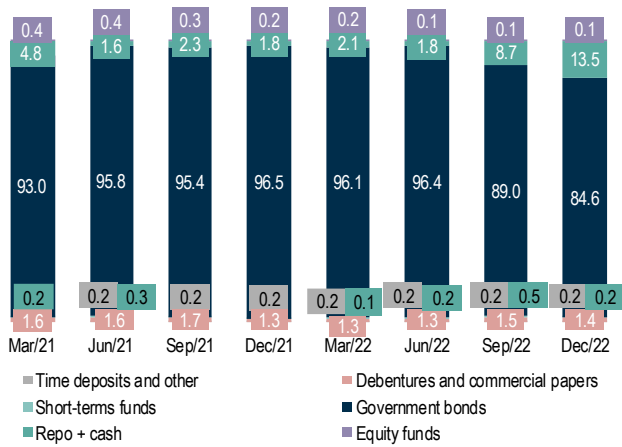
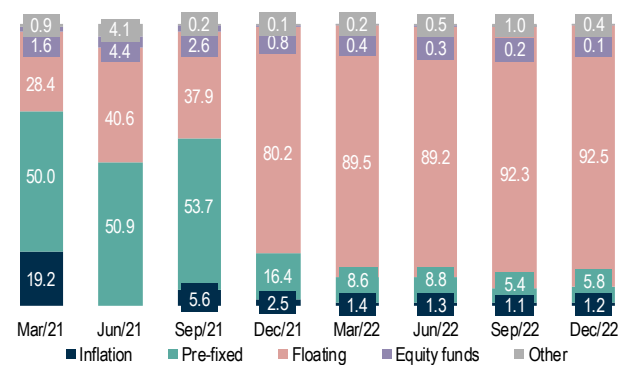


Figure 69 – Brasilcap | Financial investments breakdown by index (%)



## ■ BALANCE SHEET ANALYSIS

Table 74 – Brasilcap | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Assets</b>	<b>9,671,465</b>	<b>10,807,857</b>	<b>11,491,306</b>	<b>18.8</b>	<b>6.3</b>
Cash and cash equivalents	37	40	12	(66.6)	(69.6)
Financial assets	8,275,135	9,340,895	10,065,948	21.6	7.8
Securities and credits receivable	1,368,811	1,437,365	1,398,765	2.2	(2.7)
Prepaid expenses	2,120	1,582	3,447	62.6	118.0
Investments	1,125	1,125	1,125	0.0	0.0
Fixed assets	4,209	17,691	17,830	323.7	0.8
Intangible	41	17	11	(72.0)	(33.4)
Other assets	19,988	9,143	4,167	(79.2)	(54.4)
<b>Liabilities</b>	<b>9,196,500</b>	<b>10,166,899</b>	<b>10,841,526</b>	<b>17.9</b>	<b>6.6</b>
Accounts payable	30,190	73,282	85,623	183.6	16.8
Loans	202,426	50,721	-	-	-
Premium bonds operations debts	1,487	8,920	4,803	223.0	(46.2)
Technical reserves - premium bonds	7,872,886	8,881,806	9,608,352	22.0	8.2
Other liabilities	1,089,511	1,152,170	1,142,749	4.9	(0.8)
<b>Shareholders' equity</b>	<b>474,965</b>	<b>640,957</b>	<b>649,780</b>	<b>36.8</b>	<b>1.4</b>

## ■ SOLVENCY

Table 75 – Brasilcap | Solvency<sup>1</sup>

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Adjusted shareholders' equity (a)</b>	<b>224,937</b>	<b>425,521</b>	<b>443,516</b>	<b>97.2</b>	<b>4.2</b>
<b>Minimum capital required (b)</b>	<b>149,549</b>	<b>197,947</b>	<b>208,062</b>	<b>39.1</b>	<b>5.1</b>
Additional capital for underwriting risk	31,949	36,235	37,312	16.8	3.0
Additional capital for credit risk	33,842	57,289	58,405	72.6	1.9
Additional capital for operating risk	15,292	33,531	42,443	177.5	26.6
Additional capital for market risk	106,223	121,217	121,053	14.0	(0.1)
Benefit of correlation between risks	(37,758)	(50,325)	(51,151)	35.5	1.6
<b>Capital adequacy (a) - (b)</b>	<b>75,389</b>	<b>227,574</b>	<b>235,454</b>	<b>212.3</b>	<b>3.5</b>
<b>Solvency ratio (a) / (b) - %</b>	<b>150.4</b>	<b>215.0</b>	<b>213.2</b>	<b>62.8 p.p.</b>	<b>(1.8) p.p.</b>

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



## 4.4 BRASILDENTAL

### ■ EARNINGS ANALYSIS

Table 76 – BrasilDental | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Gross operating revenues</b>	<b>30,501</b>	<b>30,973</b>	<b>31,049</b>	<b>1.8</b>	<b>0.2</b>	<b>119,517</b>	<b>123,018</b>	<b>2.9</b>
Taxes on revenues	(1,239)	(1,213)	(1,255)	1.3	3.5	(4,806)	(5,001)	4.1
<b>Net operating revenues</b>	<b>29,262</b>	<b>29,760</b>	<b>29,793</b>	<b>1.8</b>	<b>0.1</b>	<b>114,711</b>	<b>118,018</b>	<b>2.9</b>
Cost of services	(12,425)	(13,001)	(13,050)	5.0	0.4	(48,420)	(49,619)	2.5
<b>Gross income</b>	<b>16,837</b>	<b>16,759</b>	<b>16,744</b>	<b>(0.6)</b>	<b>(0.1)</b>	<b>66,291</b>	<b>68,399</b>	<b>3.2</b>
Acquisition costs	(1,571)	(1,416)	(1,739)	10.7	22.8	(5,981)	(5,848)	(2.2)
Administrative expenses	(5,466)	(4,519)	(4,975)	(9.0)	10.1	(19,955)	(22,196)	11.2
Tax expenses	(105)	7	(12)	(88.2)	-	(568)	3,469	-
Other revenues (expenses)	(1,126)	(1,885)	(1,104)	(2.0)	(41.4)	(4,318)	(5,984)	38.6
<b>Earnings before interest and taxes</b>	<b>8,569</b>	<b>8,946</b>	<b>8,914</b>	<b>4.0</b>	<b>(0.4)</b>	<b>35,469</b>	<b>37,841</b>	<b>6.7</b>
<b>Net investment income</b>	<b>296</b>	<b>1,112</b>	<b>1,382</b>	<b>366.4</b>	<b>24.3</b>	<b>(8)</b>	<b>4,725</b>	<b>-</b>
Financial income	618	1,147	1,437	132.6	25.3	1,498	4,526	202.1
Financial expenses	(322)	(35)	(55)	(82.8)	56.6	(1,506)	199	-
<b>Earnings before taxes and profit sharing</b>	<b>8,865</b>	<b>10,058</b>	<b>10,295</b>	<b>16.1</b>	<b>2.4</b>	<b>35,461</b>	<b>42,565</b>	<b>20.0</b>
Taxes	(3,014)	(3,376)	(3,414)	13.3	1.2	(12,142)	(14,423)	18.8
Profit sharing	(141)	(137)	(233)	65.3	70.1	(541)	(272)	(49.8)
<b>Net income</b>	<b>5,710</b>	<b>6,545</b>	<b>6,648</b>	<b>16.4</b>	<b>1.6</b>	<b>22,778</b>	<b>27,870</b>	<b>22.4</b>

Table 77 – BrasilDental | Performance ratios

%	Quarterly Flow			Chg. (p.p.)		Annual Flow		Chg. (p.p.)
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Performance ratios</b>								
Loss ratio	42.5	43.7	43.8	1.3	0.1	42.2	42.0	(0.2)
Comission ratio	5.4	4.8	5.8	0.5	1.1	5.2	5.0	(0.3)
G&A ratio	22.9	21.5	20.4	(2.4)	(1.1)	21.7	20.9	(0.7)
EBITDA margin	29.3	30.1	29.9	0.6	(0.1)	30.9	32.1	1.2

Figure 70 – Brasildental | Clients by segment (thousand)

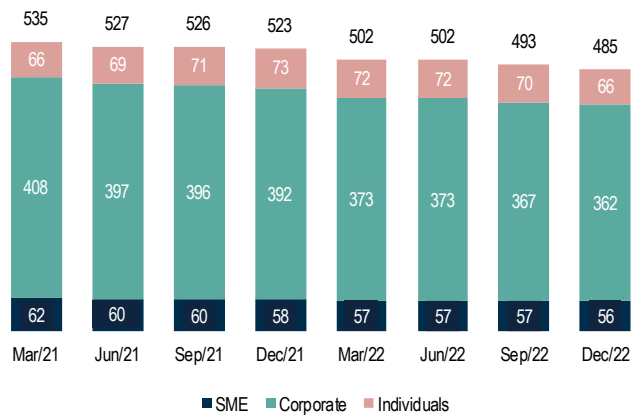


Figure 71 – Brasildental | Clients by segment (%)

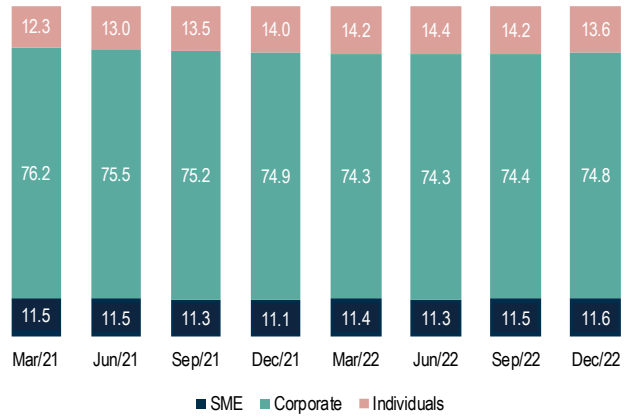


Table 78 – Brasildental | Client base breakdown

	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Client segments</b>					
Corporate	391,717	366,574	362,494	(7.5)	(1.1)
SME	57,951	56,537	56,103	(3.2)	(0.8)
Individuals	73,320	69,888	66,066	(9.9)	(5.5)
<b>Total</b>	<b>522,988</b>	<b>492,999</b>	<b>484,663</b>	<b>(7.3)</b>	<b>(1.7)</b>

## ■ BALANCE SHEET ANALYSIS

Table 79 – Brasildental | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Assets</b>	<b>46,834</b>	<b>46,760</b>	<b>50,979</b>	<b>8.8</b>	<b>9.0</b>
Cash and cash equivalents	2,262	2,810	2,639	16.6	(6.1)
Financial assets	36,402	36,364	41,112	12.9	13.1
Receivables from insurance and reinsurance operations	5,031	5,712	5,274	4.8	(7.7)
Tax assets	2,235	1,208	1,103	(50.7)	(8.7)
Other assets	904	666	852	(5.8)	28.0
<b>Liabilities</b>	<b>25,382</b>	<b>22,365</b>	<b>22,335</b>	<b>(12.0)</b>	<b>(0.1)</b>
Technical reserves	16,742	13,326	13,508	(19.3)	1.4
Tax liabilities	2,018	2,035	2,219	9.9	9.0
Other liabilities	6,622	7,004	6,608	(0.2)	(5.7)
<b>Shareholders' equity</b>	<b>21,452</b>	<b>24,395</b>	<b>28,644</b>	<b>33.5</b>	<b>17.4</b>

## 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 Brasil dental – 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 predominantly 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.

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.

## 5.1 BB CORRETORA

### ■ EARNINGS ANALYSIS

Table 80 – BB Corretora | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Brokerage revenues</b>	<b>1,053,999</b>	<b>1,261,814</b>	<b>1,311,112</b>	<b>24.4</b>	<b>3.9</b>	<b>3,968,160</b>	<b>4,671,135</b>	<b>17.7</b>
Administrative expenses	(54,867)	(57,471)	(65,837)	20.0	14.6	(207,924)	(235,197)	13.1
Personnel expenses	(12,792)	(12,928)	(14,685)	14.8	13.6	(43,046)	(50,337)	16.9
Other operating income (expenses)	(87,558)	(13,628)	(42,519)	(51.4)	212.0	(90,536)	(76,280)	(15.7)
Tax expenses	(122,760)	(152,102)	(144,785)	17.9	(4.8)	(463,303)	(547,018)	18.1
Equity income	(2,973)	(615)	146	-	-	(12,633)	(673)	(94.7)
<b>Earnings before interest and taxes</b>	<b>773,050</b>	<b>1,025,071</b>	<b>1,043,432</b>	<b>35.0</b>	<b>1.8</b>	<b>3,150,719</b>	<b>3,761,630</b>	<b>19.4</b>
<b>Net investment income</b>	<b>53,878</b>	<b>111,015</b>	<b>115,999</b>	<b>115.3</b>	<b>4.5</b>	<b>113,452</b>	<b>365,294</b>	<b>222.0</b>
Financial income	54,116	111,067	116,052	114.5	4.5	116,801	381,417	226.6
Financial expenses	(238)	(52)	(53)	(77.7)	1.5	(3,349)	(16,123)	381.5
<b>Earnings before taxes</b>	<b>826,928</b>	<b>1,136,086</b>	<b>1,159,431</b>	<b>40.2</b>	<b>2.1</b>	<b>3,264,171</b>	<b>4,126,924</b>	<b>26.4</b>
Taxes	(274,058)	(385,481)	(387,672)	41.5	0.6	(1,102,132)	(1,397,446)	26.8
<b>Net income</b>	<b>552,870</b>	<b>750,605</b>	<b>771,759</b>	<b>39.6</b>	<b>2.8</b>	<b>2,162,039</b>	<b>2,729,478</b>	<b>26.2</b>

## NET INCOME

Figure 72 – BB Corretora | Net income

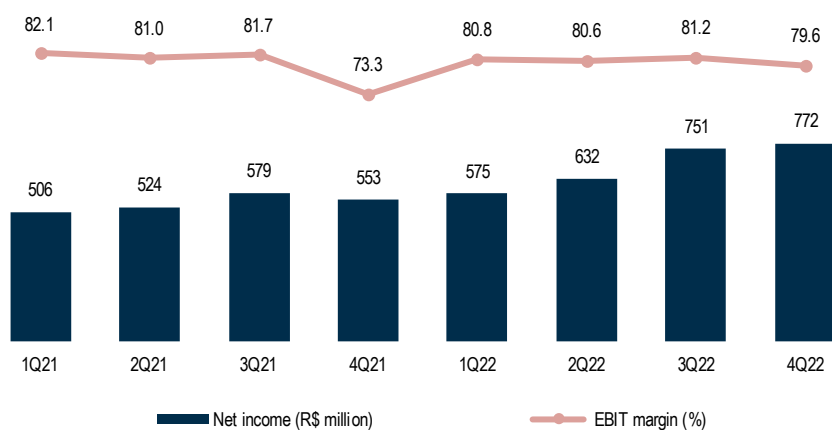
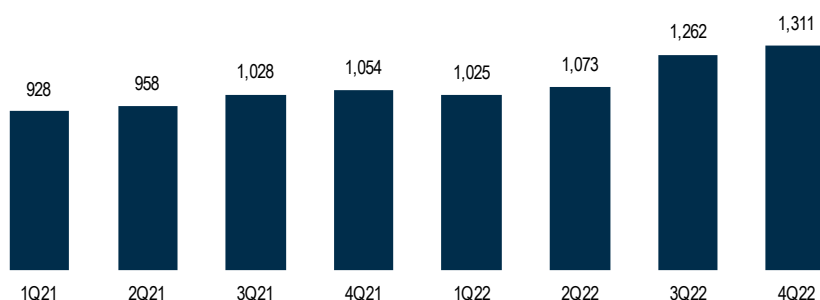


Table 81 – BB Corretora | Managerial performance ratios

%	Quarterly Flow			Chg. (p.p.)		Annual Flow		Chg. (p.p.)
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
G&A expenses	26.4	18.7	20.4	(5.9)	1.7	20.3	19.5	(0.8)
Tax expenses	11.6	12.1	11.0	(0.6)	(1.0)	11.7	11.7	0.0
EBIT margin	73.3	81.2	79.6	6.2	(1.7)	79.4	80.5	1.1
Income tax rate	33.1	33.9	33.4	0.3	(0.5)	33.8	33.9	0.1
Net margin	52.5	59.5	58.9	6.4	(0.6)	54.5	58.4	3.9

## BROKERAGE REVENUES

Figure 73 – BB Corretora | Brokerage revenues (R\$ million)



## QUARTERLY ANALYSIS

In **4Q22**, **brokerage revenues** grew by 24.4% compared to 4Q21, mainly driven by the strong commercial performance of insurance businesses, especially in the rural and credit life segments.

The performance of brokerage revenues was also helped by the growth in premium bonds collections, considering the increase in the average ticket and sales of unique payment bonds, in addition to the higher participation of monthly payment bonds in the sales mix, which raised the average brokerage since such products have a higher commission ratio in the first installments.

On the other hand, brokerage revenues from the pension plan business dropped 4.1%, despite the 8.1% growth in contributions, due to the higher concentration of inflow in sporadic contributions, which presents a lower commission ratio compared to the first installments of periodic plans.

## YEAR-TO-DATE ANALYSIS

In **2022**, **brokerage revenues** grew by 17.7%. The main highlight was the revenues from insurance segment (+18.1%), with a good commercial performance in all business lines, especially rural and credit life. The premium bonds collections were the second largest driver of growth, despite the lower average commission due to the flow in the bancassurance channel more concentrated in short-term (12 and 24-months) unique payment bonds, which present remuneration paid to BB Corretora lower than longer unique payment products (36 and 48 months), explaining the brokerage revenues growing at a slower pace than collection. The pension plan segment also contributed to the growth in brokerage revenues, but with a lower increase compared to the performance of gross inflows, justified by the higher concentration in sporadic plans, as mentioned in the quarterly analysis.

Table 82 – BB Corretora | Brokerage revenues breakdown

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
Insurance	829,913	956,513	1,032,768	24.4	8.0	3,045,694	3,595,657	18.1
Pension plans	143,195	179,036	137,316	(4.1)	(23.3)	572,998	603,519	5.3
Premium bonds	78,550	122,817	137,904	75.6	12.3	340,749	458,363	34.5
Dental insurance	1,322	1,250	1,297	(1.9)	3.7	5,027	5,080	1.1
Other	1,019	2,198	1,827	79.3	(16.9)	3,692	8,516	130.6
<b>Total</b>	<b>1,053,999</b>	<b>1,261,814</b>	<b>1,311,112</b>	<b>24.4</b>	<b>3.9</b>	<b>3,968,160</b>	<b>4,671,135</b>	<b>17.7</b>

Figure 74 – BB Corretora | Brokerage revenues breakdown (%)

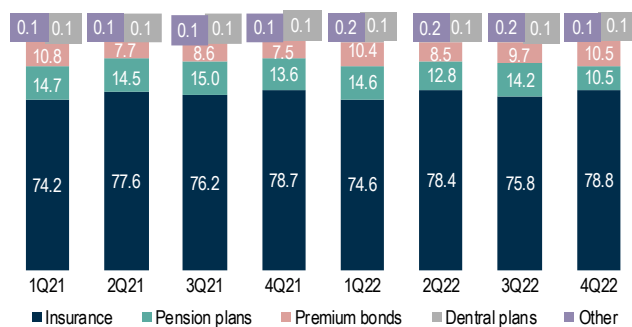
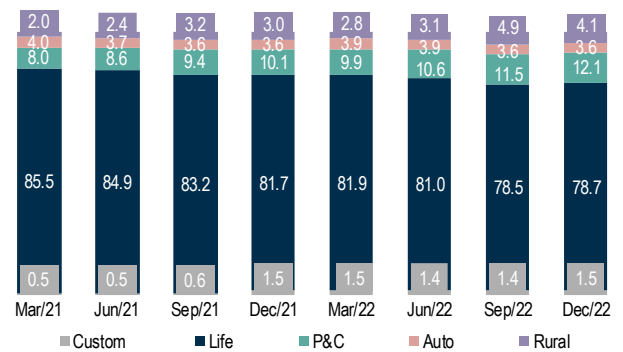
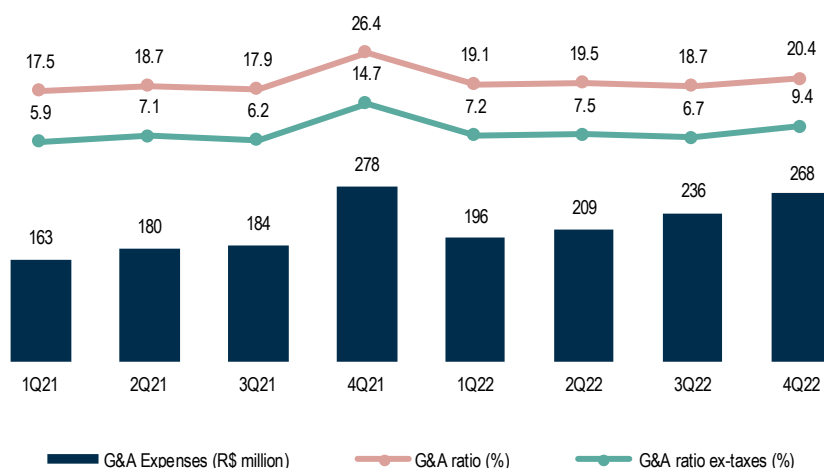


Figure 75 – BB Corretora | Unearned commissions breakdown (%)



## GENERAL AND ADMINISTRATIVE EXPENSES

Figure 76 – BB Corretora | G&amp;A expenses



## QUARTERLY ANALYSIS

In **4Q22**, the **G&A ratio** dropped 5.9 p.p. YoY. Part of this drop is explained by the lower volume of provision for commissions return to Brasilprev related to short-term redemptions, which amounted to R\$68.3 million in 4Q21, while in 4Q22 the amount provisioned was of R\$28.2 million, accounted in other operating income (expenses). It is worth mentioning the reversal of this provision in 4Q22, totaling R\$108.0 million, as a counterpart to the financial settlement of the amounts returned to Brasilprev, after the implementation of system improvements that will allow the commissions return to be made within the month of redemption. As a result, in the coming quarters, brokerage revenues from pension plans segment will be reported net of returns, without the need of new provisions.

Excluding the impacts of provisions in both periods, the G&A ratio for 4Q22 would decline by 1.6 p.p. YoY, benefiting from the decrease of 36.1% in expenses with sponsorships and donations and the 15.9% drop in operational support expenses, due to lower costs with the use of BB's structure, which reduced BB Corretora's expenses related to the cost sharing with other areas of the bank. The higher concentration of sales in products with a lower unit reimbursement value also contributed to the improvement in G&A ratio compared to 4Q21, leading expenses with administrative costs of products to grow at a slower pace than brokerage revenues.

On the other hand, the effects mentioned above were partially offset by:

- higher expenses with sales promotions and commission for the banking correspondents, both recorded in the other administrative expenses line;
- expansion of IT expenses, due to higher spending on system development and maintainance, driven by both increased hours worked and salary adjustments; and
- increase in personnel expenses, largely due to the higher number of employees, after filling vacant positions and strengthening the structures of strategic areas, such as technology, new channels, businesses and innovation, in addition to the collective bargaining agreement in September.

Tax expenses rose by 17.9%, due to the increase in the taxable income with brokerage and financial revenues.

## YEAR-TO-DATE ANALYSIS

In 2022, the **G&A ratio** decreased 0.8 p.p., impacted by a lower volume of provision for the return of commissions to Brasilprev (2022: R\$57.7 million | 2021: R\$73.2 million). In addition, the G&A ratio was positively impacted by the lower volume of sponsorships and tax incentivized donations and operating support expenses, partially offset by higher costs with sales promotions and commission for the banking correspondents, personnel and IT expenses.



Table 83 – BB Corretora | General &amp; Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q21	3Q22	4Q22	On 4Q21	On 3Q22	2021	2022	On 2021
<b>Administrative expenses</b>	<b>(54,867)</b>	<b>(57,471)</b>	<b>(65,837)</b>	<b>20.0</b>	<b>14.6</b>	<b>(207,924)</b>	<b>(235,197)</b>	<b>13.1</b>
Administrative cost of products	(32,804)	(33,591)	(35,561)	8.4	5.9	(117,985)	(134,580)	14.1
Operational support	(14,303)	(12,454)	(12,029)	(15.9)	(3.4)	(60,556)	(50,411)	(16.8)
Information technology	(3,195)	(5,180)	(5,256)	64.5	1.5	(15,289)	(20,879)	36.6
Other	(4,565)	(6,246)	(12,991)	184.6	108.0	(14,094)	(29,327)	108.1
<b>Tax expenses</b>	<b>(122,760)</b>	<b>(152,102)</b>	<b>(144,785)</b>	<b>17.9</b>	<b>(4.8)</b>	<b>(463,303)</b>	<b>(547,018)</b>	<b>18.1</b>
PIS/PASEP	(17,489)	(21,512)	(20,161)	15.3	(6.3)	(65,952)	(77,246)	17.1
COFINS	(81,102)	(100,201)	(94,031)	15.9	(6.2)	(304,953)	(359,650)	17.9
ISS	(24,169)	(30,389)	(30,593)	26.6	0.7	(92,397)	(110,121)	19.2
<b>Personnel expenses</b>	<b>(12,792)</b>	<b>(12,928)</b>	<b>(14,685)</b>	<b>14.8</b>	<b>13.6</b>	<b>(43,046)</b>	<b>(50,337)</b>	<b>16.9</b>
<b>Other operating income (expenses)</b>	<b>(87,558)</b>	<b>(13,628)</b>	<b>(42,519)</b>	<b>(51.4)</b>	<b>212.0</b>	<b>(90,536)</b>	<b>(76,280)</b>	<b>(15.7)</b>
<b>G&amp;A Expenses</b>	<b>(277,976)</b>	<b>(236,128)</b>	<b>(267,826)</b>	<b>(3.7)</b>	<b>13.4</b>	<b>(804,808)</b>	<b>(908,832)</b>	<b>12.9</b>

## NET INVESTMENT INCOME

Figure 77 – BB Corretora | Net investment income (R\$ million)

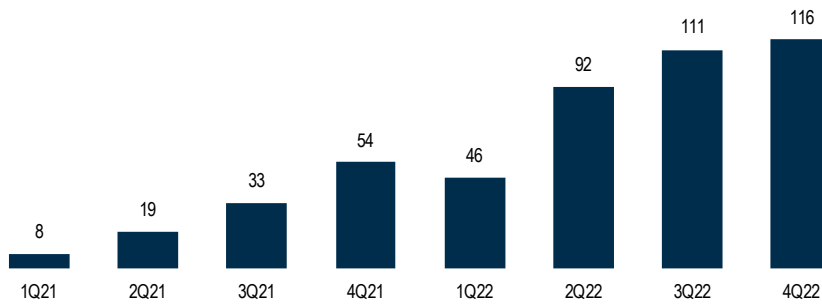


Table 84 – BB Corretora | Quarterly figures – Earning assets average balance and interest rates

R\$ thousand	4Q21			4Q22		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
<b>Earning assets</b>						
Cash and financial instruments	2,698,437	50,230	7.7	3,366,260	112,574	14.3
Other assets	211,981	3,887	7.5	220,123	3,478	-
Current tax assets	1,571	-	-	1,363	-	-
<b>Total</b>	<b>2,911,989</b>	<b>54,117</b>	<b>7.6</b>	<b>3,587,745</b>	<b>116,052</b>	<b>13.8</b>

Table 85 – BB Corretora | Quarterly figures – Interest bearing liabilities average balance and interest rates

R\$ thousand	4Q21			4Q22		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Dividends payable	566,019	-	-	761,182	-	-
Other liabilities	499	(43)	29.7	499	(46)	32.3
<b>Total</b>	<b>566,519</b>	<b>(43)</b>	<b>0.0</b>	<b>761,681</b>	<b>(46)</b>	<b>0.0</b>

Table 86 – BB Corretora | Year-to-date figures – Earning assets average balance and interest rates

R\$ thousand	2021			2022		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
<b>Earning assets</b>						
Cash and financial instruments	2,700,807	107,599	4.0	3,357,219	361,246	10.8
Other assets	210,308	8,829	4.2	217,930	8,871	4.1
Current tax assets	9,403	373	4.0	1,373	11,300	831.1
<b>Total</b>	<b>2,920,518</b>	<b>116,801</b>	<b>4.0</b>	<b>3,576,523</b>	<b>381,416</b>	<b>10.7</b>

Table 87 – BB Corretora | Year-to-date figures – Interest bearing liabilities average balance and interest rates

R\$ thousand	2021			2022		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Dividends payable	1,096,158	-	-	1,327,201	(1,167)	0.1
Other liabilities	499	(219)	-	499	976	(235.4)
<b>Total</b>	<b>1,096,658</b>	<b>(219)</b>	<b>0.3</b>	<b>1,327,700</b>	<b>(191)</b>	<b>1.2</b>

## ■ BALANCE SHEET ANALYSIS

Table 88 – BB Corretora | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/21	Sep/22	Dec/22	On Dec/21	On Sep/22
<b>Assets</b>	<b>5,058,914</b>	<b>4,971,902</b>	<b>6,057,605</b>	<b>19.7</b>	<b>21.8</b>
Cash and cash equivalents	3,070,107	3,088,215	4,000,735	30.3	29.5
Equity investments	1,850	1,722	1,506	(18.6)	(12.6)
Current tax assets	48,049	46,258	10,178	(78.8)	(78.0)
Commission receivable	1,724,593	1,616,173	1,823,246	5.7	12.8
Other assets	214,315	219,533	221,940	3.6	1.1
<b>Liabilities</b>	<b>5,052,905</b>	<b>4,214,597</b>	<b>6,051,267</b>	<b>19.8</b>	<b>43.6</b>
Dividends payable	1,132,039	-	1,522,364	34.5	-
Provision	14,507	14,290	12,879	(11.2)	(9.9)
Current tax liabilities	747,110	689,165	893,651	19.6	29.7
Unearned commissions	2,967,027	3,343,817	3,548,020	19.6	6.1
Other liabilities	192,222	167,324	74,353	(61.3)	(55.6)
<b>Shareholders' equity</b>	<b>6,009</b>	<b>757,305</b>	<b>6,338</b>	<b>5.5</b>	<b>(99.2)</b>

## 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 excluding 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.