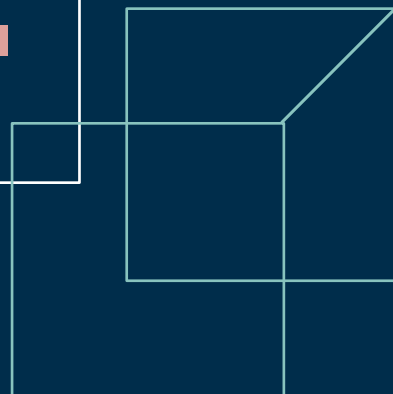
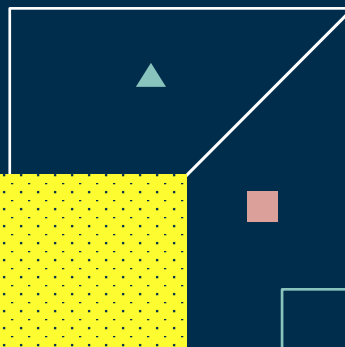
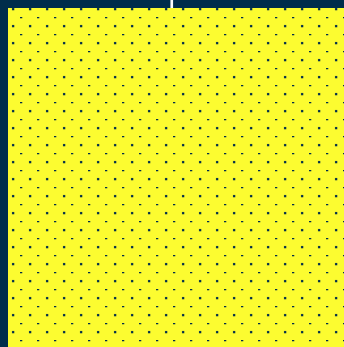


MD&A

3rd quarter 2021



■ PRESENTATION

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

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

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

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

■ ON - LINE ACCESS

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

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.

3Q21 Earnings Conference Call

November 8th, 2021

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_UwATRiTRpQqx6lE36sZwg or the investor relations website www.bbseguridaderi.com.br/en

Contacts

Investor Relations

☎ +55 (11) 4297-0730

✉ ri@bbseg.com.br

IR Website: www.bbseguridaderi.com.br/en

Rua Alexandre Dumas, 1671 – Térreo – Ala B
Chácara Santo Antônio – São Paulo – SP
CEP: 04717-903

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1. SUMMARY

■ ADJUSTED NET INCOME ANALYSIS

Table 1 – Income statement of the holding

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Equity income	1,094,029	754,070	974,497	(10.9)	29.2	2,941,307	2,699,916	(8.2)
Underwriting and accumulation businesses	555,533	235,438	404,481	(27.2)	71.8	1,473,183	1,114,204	(24.4)
Brasilseg	258,346	178,468	242,185	(6.3)	35.7	779,726	665,732	(14.6)
Brasilprev	265,045	38,631	119,072	(55.1)	208.2	595,899	349,577	(41.3)
Brasilcap	28,715	14,217	39,633	38.0	178.8	84,155	86,094	2.3
Brasildental	3,427	4,122	3,591	4.8	(12.9)	13,403	12,801	(4.5)
Distribution businesses	546,594	523,629	579,169	6.0	10.6	1,480,436	1,609,169	8.7
Other	(8,097)	(4,997)	(9,153)	13.0	83.2	(12,313)	(23,456)	90.5
G&A expenses	(4,022)	(4,582)	(4,161)	3.5	(9.2)	(15,019)	(13,017)	(13.3)
Net investment income	6,987	4,015	6,256	(10.5)	55.8	44,194	22,785	(48.4)
Earnings before taxes and profit sharing	1,096,995	753,503	976,593	(11.0)	29.6	2,970,482	2,709,685	(8.8)
Taxes	(976)	199	(772)	(21.0)	-	(9,929)	(3,100)	(68.8)
Adjusted net income	1,096,018	753,702	975,822	(11.0)	29.5	2,960,552	2,706,585	(8.6)

In the **3Q21**, the adjusted net income of BB Seguridade reached R\$975.8 million. On normalized basis, setting apart the effect of the temporal mismatch in the adjustment of assets and liabilities pegged to IGP-M in Brasilprev, which have null effect to the result in the long run, the net income grew 7.1% YoY. In addition, the quarter was negatively impacted in R\$30.5 million by the increase in 5 p.p. of the income tax rate (CSLL), which is valid for insurance and premium bonds companies, according to the Law 14,183 dated July 14, 2021, which is in force until the end of the year. If it was not for this effect, the normalized result of the 3Q21 would grow 10.2% YoY.

Not considering the normalization, the adjusted net income dropped R\$120.2 million over the 3Q20, explained by:

- **Brasilprev (-R\$146.0 million):** due to negative mark-to-market result with the steepening of the nominal and real yield curve and the temporal mismatch in the adjustment of assets and liabilities of the traditional plans (defined benefit) pegged to IGP-M inflation rate. Brasilprev's result was also impacted by the higher effective tax rate, which amounted to R\$10.8 million, due to the temporary increase of CSLL rate; and
- **Brasilseg (-R\$16.2 million):** impacted by the higher loss ratio of life related and rural insurances, and by the increase in CSLL rate, which reduced Brasilseg's result in R\$16.5 million.

On the other hand, the distribution segment, notably **BB Corretora**, sustained the growth dynamic **(+R\$32.6 million)**, with higher brokerage revenues supported by the solid commercial performance of insurances and pension plans, and with the improvement of the net investment income. The equity income arising from **Brasilcap** increased **R\$10.9 million**, boosted by the positive result of hedge in the pre-fixed investment portfolio, partially offset by the negative impact of CSLL rate increase, which amounted to R\$3.3 million.

In the **9M21**, the adjusted net income fell **R\$254.0 million**. **BB Corretora** was the positive highlight, growing **R\$128.7 million**, given the higher brokerage revenues of the main business lines. On the other hand, the results of the other segments contracted, as follows:

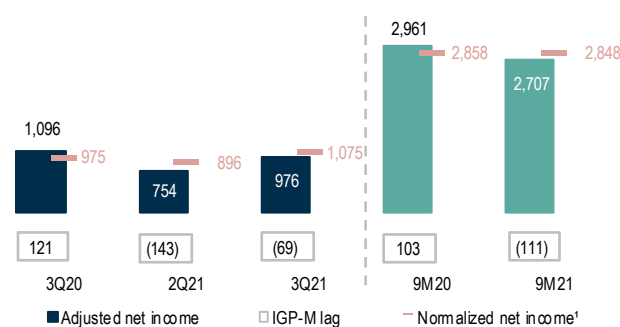
- **Brasilprev (-R\$246.3 million):** impacted by the spike of the IGP-M in the 1H21, which led the raise of the average yield on bearing liabilities related to the traditional plans, and by negative mark-to-market result, more than offsetting the strong operational result growth on the 9M21;

Figure 1 – Non-interest operating results¹

	Chg. On 3Q20	Chg. On 9M20
Brasilseg	(8.4%)	(19.6%)
Brasilprev	7.5%	10.9%
Brasilcap	43.8%	87.6%
Brasildental	2.6%	(3.8%)
BB Corretora	2.6%	7.6%
Total	1.7%	2.6%

¹Non-interest operating results before taxes, weighted by the equity stake

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

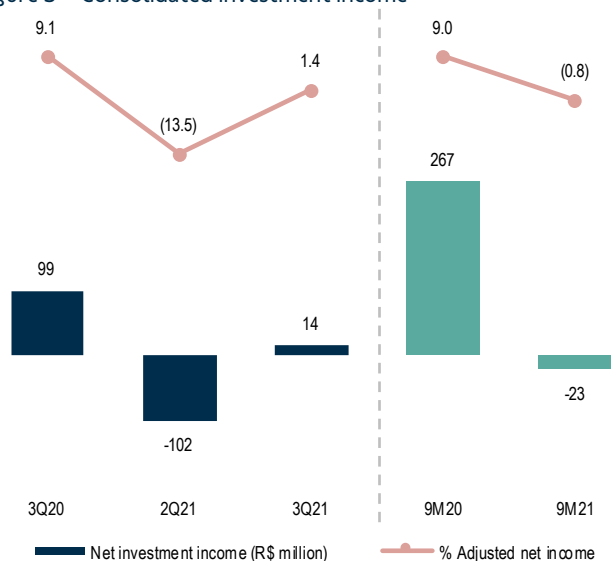


¹Adjusted net income excluding the impact of the one-month lag in the IGP-M accrual on liabilities and the temporary increase in the income tax rate (CSLL), from 15% to 20%, in the investee companies as of July 2021, which had an impact of R\$30.5 million.

- **Brasilseg (-R\$114.0 million):** mainly due to loss ratio deterioration, especially in life related insurances, driven by the increase in the number of deaths related to Covid-19, and the higher CSLL tax rate, partially offset by the growth of net investment income; and
- **Result of the holding (-R\$12.8 million):** given the reduction of the average balance of financial investments, partially offset by lower general and administrative expenses.

■ NET INVESTMENT INCOME ANALYSIS

Figure 3 – Consolidated investment income



In the **3Q21**, the consolidated net investment income of BB Seguridade and its investees was down 85.9% YoY, mainly impacted by the negative mark-to-market effects related to the steepening in both the nominal and real yield curves and by the temporal mismatch of IGP-M accrual on assets and liabilities of the defined benefit pension plans in Brasilprev. While the earning assets were mainly adjusted by IGP-M (+0.8%) and IPCA (+3.0%) accumulated between July and September, the bearing liabilities were mostly accrued by IGP-M accumulated between June and August (+2.1%). The negative impacts were partially offset by the higher Selic and inflation rates indexing the held to maturity and for trading securities, and by the positive result of hedge in pre-fixed income portfolio of Brasilcap.

In the **9M21**, the consolidated net investment income of the group was R\$22.9 million negative, against a positive balance of R\$267.3 million in the 9M20, driven by the spike of the IGP-M in the 1H21, which impacted the accrual of defined benefit plan's assets and liabilities, as well as the negative mark-to-market result mentioned in the quarterly analysis.

Figure 4 – Inflation rate (%)

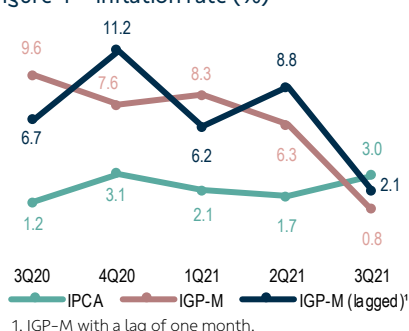


Figure 5 – Average Selic rate (%)

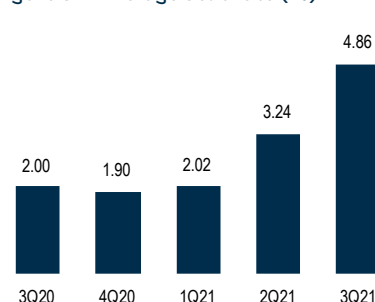


Figure 6 – Forward yield curve (%)

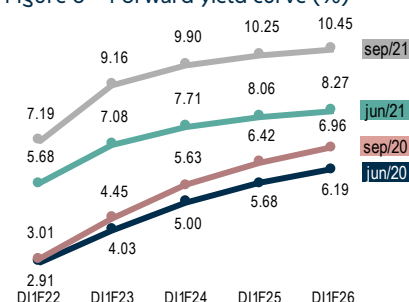


Figure 7 – Financial investments (%)

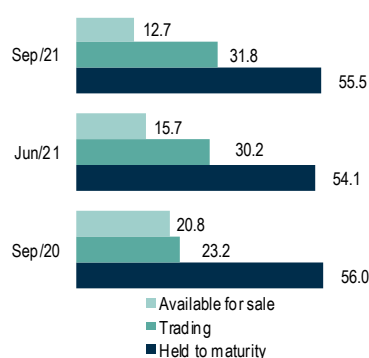


Figure 8 – Financial investments by index (%)

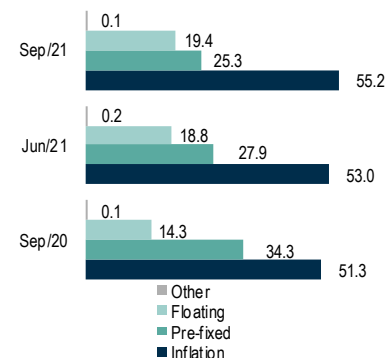
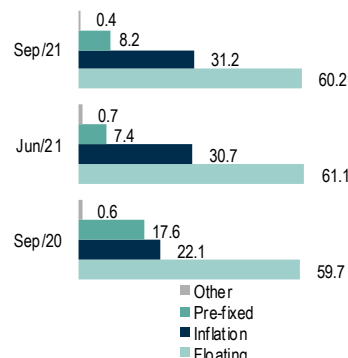


Figure 9 – Trading portfolio by index (%)



■ EXTRAORDINARY EVENTS

Table 2 – Extraordinary events

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Adjusted net income	1,096,018	753,702	975,822	(11.0)	29.5	2,960,552	2,706,585	(8.6)
Extraordinary events	(1,384)	-	-	-	-	(26,400)	-	-
BB Corretora: donation to fight Covid-19	(1,384)	-	-	-	-	(26,400)	-	-
Net income	1,094,634	753,702	975,822	(10.9)	29.5	2,934,152	2,706,585	(7.8)

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

■ 2021 GUIDANCE

In the 9M21, the non-interest operating result (ex-holding) expanded 2.6% YoY, within the estimates of 2021 Guidance.

On the other hand, the premiums written of Brasilseg improved 16.9%, overperforming the range of 10% to 15%, while the PBGL and VBGL pension plans reserves of Brasilprev grew 3.3%, positioning it below the range of 4% to 7%. The deviations from the estimates are explained by:

- **Premiums written of Brasilseg:** performance above expectations in rural insurance and life insurance segments; and
- **PGBL and VBGL pension plans reserves of Brasilprev:** the volume of redemptions above expectations, with the main reasons identified: the death of the pension plan holder as a result of Covid-19, with the consequent release of the reserve balance for the nominated beneficiaries; the need of customers to accessing financial resources to subsidize the payment of current expenses, reflecting the economic crisis generated by the pandemic that affected the household income levels; and the migration of pension reserves to real estate purchases in the main cities.

Considering the 9M21 results and the projections for the year end, the Company decided to revise its projections for the last quarter, sustaining the estimates for “Non-interest operating result (ex-holding)” and “Premiums written of Brasilseg”, and reviewing the Guidance for “PGBL and VBGL pension plans reserves”, as shown below:

Figure 10 – 2021 estimates

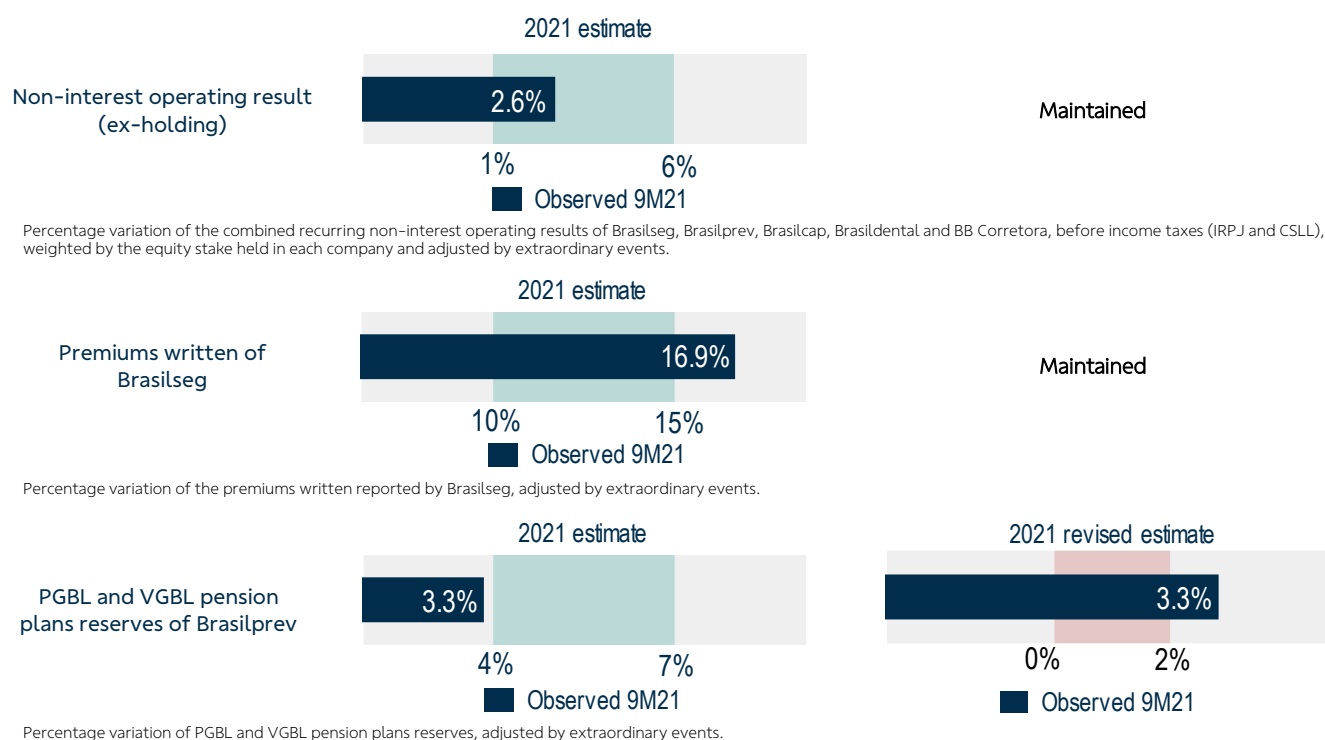


Table 3 – Breakdown of the non-interest operating result by company

R\$ thousand	9 Months Flow		Chg. %
	9M20	9M21	On 9M20
Non-interest operating result	4,133,433	4,239,902	2.6
Brasilseg	922,427	742,057	(19.6)
Brasilprev	962,072	1,066,795	10.9
Brasilcap	17,699	33,210	87.6
Brasil dental	20,959	20,172	(3.8)
BB Corretora	2,210,277	2,377,669	7.6

SUMMARY OF INVESTEE'S PERFORMANCES

Brasileg | Insurance (for further details, please refer to the page 26)

Table 4 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Premiums written	2,905,044	3,149,789	3,468,282	19.4	10.1	7,640,082	8,933,761	16.9
Changes in technical reserves and premiums ceded	(900,737)	(955,447)	(1,161,814)	29.0	21.6	(1,933,062)	(2,410,546)	24.7
Retained earned premiums	2,004,307	2,194,342	2,306,468	15.1	5.1	5,707,020	6,523,215	14.3
Retained claims	(648,346)	(1,121,070)	(953,221)	47.0	(15.0)	(1,780,332)	(2,838,898)	59.5
Retained acquisition costs	(693,971)	(672,470)	(734,999)	5.9	9.3	(1,958,135)	(2,028,260)	3.6
G&A	(236,205)	(178,268)	(228,784)	(3.1)	28.3	(739,680)	(668,465)	(9.6)
Other	496	602	817	64.8	35.7	1,194	1,949	63.2
Non-interest operating result	426,279	223,136	390,280	(8.4)	74.9	1,230,067	989,541	(19.6)
Net investment income	38,969	67,459	85,190	118.6	26.3	204,086	218,151	6.9
Earnings before taxes and profit sharing	465,248	290,595	475,470	2.2	63.6	1,434,154	1,207,692	(15.8)
Taxes and profit sharing	(116,163)	(47,554)	(147,465)	26.9	210.1	(380,641)	(304,781)	(19.9)
Net income	349,086	243,041	328,006	(6.0)	35.0	1,053,513	902,912	(14.3)

In the **3Q21**, the **net income** of the insurance business retracted 6.0% YoY, mainly by the increase of the loss ratio (+9.0 p.p.) and by the higher effective tax rate (+6.1 p.p.), this second effect led by the temporary increase of income tax rate (CSLL). Setting apart the R\$21.9 million impact of the CSLL rise, the net income would grow 0.2%. These effects were partially offset by the 118.6% growth of the **net investment income**, due to the increase in the average balance of financial investments. Compared to the 2Q21, the net income grew 35.0% consequence of the strong fall of the loss ratio driven by the reduction of Covid-19 deaths.

Premiums written increased 19.4% YoY, driven by: (i) **rural insurance** (+45.2%), with an increase in all business lines, due to the increase in agricultural inputs costs, with the consequent evolution of the credit to fund the cycle 2021/2022; (ii) **life insurance** (+19.2%), supported by both the growth in new sales and the increase in renewal premiums; and (iii) **home insurance** (+18.6%), led by the increase in sales and average ticket.

In 3Q21, the deterioration of the **loss ratio** YoY was led by the higher frequency of claims reported in products with death coverage, still reflecting the worsening of the pandemic, in addition to the higher volume of claims in crop insurance reported especially in July, due to production losses caused by frost and drought. On the other hand, it is worth mentioning the sharp decline of the loss ratio QoQ (-9.8 p.p.), as a result of the month-on-month reduction in the number of claims related to Covid-19.

The **commission ratio** decreased 2.8 p.p. YoY due to lower expenses with the performance bonus in credit life, and the **G&A** ratio improved by 1.9 p.p., explained mostly by the lower volume of provision for the Rural Insurance Stability Fund (FESR).

Figure 11 – Key performance indicators

	Chg. On 3Q20	Chg. On 9M20
Breakdown of premiums written		
Rural	45.2%	36.6%
Term Life	19.2%	19.4%
Credit Life	(18.7%)	(15.3%)
Others	6.2%	16.2%
Performance ratios		
Loss ratio	9.0 p.p.	12.3 p.p.
Commission ratio	(2.8 p.p.)	(3.2 p.p.)
G&A ratio	(1.9 p.p.)	(2.7 p.p.)
Combined ratio	4.4 p.p.	6.4 p.p.

In the **9M21**, net income decreased 14.3% YoY, due to higher loss ratio (+12.3 p.p.), and the increase of CSLL rate, which was partially offset by the 6.9% increase in the net investment income.

Premiums written increased by 16.9%, an improvement led by rural insurance (+36.6%), life insurance (+19.4%) and home insurance (+21.4%).

Among the operational ratios, the increase in losses and the reduction in commissions are explained by the same factors mentioned in the quarterly analysis, while the improvement in the G&A ratio is related to the reversal of provision for payments to the Rural Insurance Stability Fund (R\$43.9 million), which was carried out in 2Q21.

Table 5 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Total revenue from pension and insurance	11,951,968	11,143,812	11,761,460	(1.6)	5.5	28,865,480	33,674,292	16.7
Provision for benefits to be granted	(11,945,739)	(11,138,561)	(11,756,366)	(1.6)	5.5	(28,848,945)	(33,656,421)	16.7
Net revenue from pension and insurance	6,229	5,251	5,094	(18.2)	(3.0)	16,535	17,871	8.1
Management fee	758,861	770,737	827,835	9.1	7.4	2,160,104	2,346,280	8.6
Acquisition costs	(166,247)	(168,222)	(172,344)	3.7	2.5	(493,996)	(506,888)	2.6
Retained earned premiums	41,643	42,837	43,482	4.4	1.5	127,028	127,564	0.4
G&A	(150,781)	(161,817)	(157,008)	4.1	(3.0)	(463,840)	(465,605)	0.4
Other	(13,528)	(32,221)	(35,176)	160.0	9.2	(62,898)	(96,639)	53.6
Non-interest operating result	476,177	456,564	511,882	7.5	12.1	1,282,934	1,422,583	10.9
Net investment income	83,378	(368,123)	(220,033)	-	(40.2)	18,985	(613,298)	-
Earnings before taxes and profit sharing	559,555	88,442	291,849	(47.8)	230.0	1,301,919	809,285	(37.8)
Taxes and profit sharing	(211,840)	(36,930)	(133,075)	(37.2)	260.3	(510,310)	(343,150)	(32.8)
Net income	347,716	51,511	158,774	(54.3)	208.2	791,609	466,134	(41.1)

In **3Q21**, the **net income** of pension plans operation was 54.3% lower than in the same period in 2020, due to the negative **net investment income** of R\$220.0 million, against a positive balance of R\$83.4 million in 3Q20. In the 3Q21, the net investment income was impacted by the negative mark-to-market result, due to the steepening in the long-term yield curve, and by the temporal mismatch in the accrual of earning assets and bearing liabilities indexed by the IGP-M (traditional plans).

On the other hand, the company sustained the improvement of the **non-interest operating result** (7.5%), boosted by the 9.1% increase in revenue with management fees. The **pension plans reserve** expanded 4.4% in 12 months, reaching R\$310.8 billion, while the annualized **average management fee** reached 1.03%, with an increase of 0.04 p.p. YoY (+0.02 p.p. vs. 2Q21), justified by the success of the strategy to reallocate assets under management of the PGBL and VGBL plans to **multimarket funds**. In 12 months, the participation of these funds in the mix grew 19.1 p.p. to 28.5% by the end of September 2021.

Pension plans contributions in the quarter was down 1.6% YoY. It is worth mentioning that, in 2020, the third quarter represented a period of strong recovery in contributions after the initial phase of the Covid-19 pandemic. In 2021, the inflows have been growing gradually every quarter, with the 3Q21 increasing 5.5% QoQ.

The **redemption ratio** was up 3.6 p.p. YoY (+1.4 p.p. QoQ), with the use of pension funds to pay monthly expenses, consequence of the economic impacts generated by the worsening of the pandemic, and the real estate purchases in large cities explaining roughly two thirds of the identified redemption reasons. These factors, combined with the higher volume of redemptions paid to the second beneficiary due to the death of the holder by Covid-19, explains the negative **net inflow** of R\$1.2 billion in the quarter, against a positive balance of R\$3.8 billion recorded in 3Q20.

Figure 12 – Key performance indicators

	3Q21	Chg. On 3Q20	9M21	Chg. On 9M20
Net inflows (R\$ billion)	(1,207)	-	(237)	-
Reserves (R\$ billion)	311	4.4%	-	-
Management fee (%)	1.03	0.04 p.p.	1.02	0.03 p.p.
Redemption ratio (%)	11.3	3.6 p.p.	10.2	2.3 p.p.
Portability ratio (%)	2.6	1.1 p.p.	2.0	0.9 p.p.
Cost to income ratio (%)	41.6	0.6 p.p.	42.9	(1.4 p.p.)

Year-to-date the net income decreased 41.1%, explained by the negative net investment income of R\$613.3 million, against a positive balance of R\$19.0 million in 9M20. The movement is largely justified by the spike of the IGP-M in the 1H21 and the consequent impact on the accrual of bearing liabilities related to defined benefit plans, combined with the steepening in the long-term yield curve, which negatively impacted the mark to market results of prefixed income securities.

In **net inflows**, the higher volume of redemptions and benefit payments, as mentioned in the quarterly analysis, more than offset the 16.7% increase in the volume of pension plans contributions and led to a negative net inflow of R\$237 million in 9M21.

Revenues with management fee maintained the growth dynamic (+8.6% vs. 9M20), with an average management fee 0.03 p.p. higher than that reported in 9M20, reflecting the expansion in the assets allocated to multimarket funds and the increase in the participation of these funds in the mix of assets under management.

Table 6 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Premium bonds collection	1,456,335	954,875	1,132,812	(22.2)	18.6	3,524,931	3,190,855	(9.5)
Changes in provisions for redemption, lottery and bonus	(1,273,140)	(845,315)	(1,002,581)	(21.3)	18.6	(3,094,259)	(2,804,184)	(9.4)
Revenue with load fee	183,195	109,560	130,230	(28.9)	18.9	430,672	386,671	(10.2)
Result with lottery	648	4,437	5,158	696.3	16.3	5,066	13,377	164.0
Acquisition costs	(146,283)	(83,162)	(99,494)	(32.0)	19.6	(347,225)	(294,832)	(15.1)
G&A	(24,179)	(15,736)	(20,789)	(14.0)	32.1	(66,019)	(55,674)	(15.7)
Other	(934)	(2,732)	2,789	-	-	4,055	272	(93.3)
Non-interest operating result	12,446	12,367	17,895	43.8	44.7	26,548	49,813	87.6
Net investment income	60,681	24,235	90,803	49.6	274.7	187,053	177,400	(5.2)
Earnings before taxes and profit sharing	73,128	36,602	108,698	48.6	197.0	213,602	227,213	6.4
Taxes and profit sharing	(30,049)	(15,273)	(49,241)	63.9	222.4	(87,356)	(98,059)	12.3
Net income	43,078	21,329	59,457	38.0	178.8	126,245	129,154	2.3

In **3Q21**, the **net income** of premium bonds business increased 38.0% YoY, mainly due to the 49.6% growth in net investment income, explained by the positive result in hedge operations of the prefixed income portfolio. The evolution of the net investment income was partially dragged by the higher effective tax rate, resulting from the temporary increase in income tax rate (CSLL), which reduced in R\$4.9 million the net income. Setting this effect apart, the net income would improve 49.4%.

Premium bonds collection retracted by 22.2% compared to 3Q20, which is explained by the drop in the sales volume of unique payment bonds. This movement is explained by the greater focus given to monthly payment products, which grew 3.5% sales volume, but has lower average ticket. Compared to 2Q21, collections grew by 18.6%, with the number of new bonds sold up a 30.7% justified by commercial campaigns carried out in BB network (Customer and Brazil Weeks).

In the quarter, the **average load fee** contracted by 1.1 p.p., with an increase of the recurring installments of monthly payment bonds participation in collection mix, considering that this type of collection presents lower fees as compared to the first installments of monthly bonds and single payment bonds.

In **9M21**, the net income from the premium bonds business grew 2.3% YoY, mainly due to the reductions of 4.4 p.p. in the commission ratio and 0.9 p.p. in the G&A ratio.

The **premium bonds collection** contracted 9.5% compared to the first nine months of 2020, with a drop in new sales of unique payment bonds, partially offset by the increase in the average ticket and the 34.6% growth in sales of monthly payment bonds.

The **revenue with load fee** contracted 10.2%, slightly above the observed retraction in collections due to the 0.1 p.p. fall in the average load fee. The reduction of the average load fee is explained by the higher concentration of collections in the recurring installments of monthly payment bond, as explained in the quarterly analysis.

The **net investment income** retracted 5.2%, impacted by the negative result with mark-to-market in prefixed income securities, driven by the steepening in the yield curve.

Figure 13 – Key performance indicators

	Chg. On 3Q20	Chg. On 9M 20
Premium bonds collection		
Unique payment	(35.5%)	(14.8%)
Monthly payment	8.6%	(13%)
First Installments	(0.0%)	(9.9%)
Recurring Installments	9.1%	(0.8%)
Average quotes		
Reserve quote	12 p.p.	0.1p.p.
Lottery quote	(0.08 p.p.)	(0.04 p.p.)
Bonus quote	(0.00 p.p.)	(0.01p.p.)
Load fee quote	(11p.p.)	(0.1p.p.)
Other ratios		
Technical reserves	(2.3%)	(2.3%)
Net interest margin	15 p.p.	0.0 p.p.

Table 7 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Brokerage revenues	999,055	957,772	1,028,276	2.9	7.4	2,716,145	2,914,161	7.3
G&A	(177,050)	(179,556)	(184,488)	4.2	2.7	(493,111)	(526,832)	6.8
Equity income	(3,323)	(2,327)	(3,572)	7.5	53.5	(12,758)	(9,661)	(24.3)
Earnings before interest and taxes	818,682	775,889	840,217	2.6	8.3	2,210,276	2,377,669	7.6
Net investment income	11,314	18,680	33,300	194.3	78.3	39,074	59,574	52.5
Earnings before taxes	829,995	794,569	873,517	5.2	9.9	2,249,350	2,437,243	8.4
Taxes	(283,401)	(270,940)	(294,348)	3.9	8.6	(768,914)	(828,074)	7.7
Adjusted net income	546,594	523,629	579,169	6.0	10.6	1,480,436	1,609,169	8.7

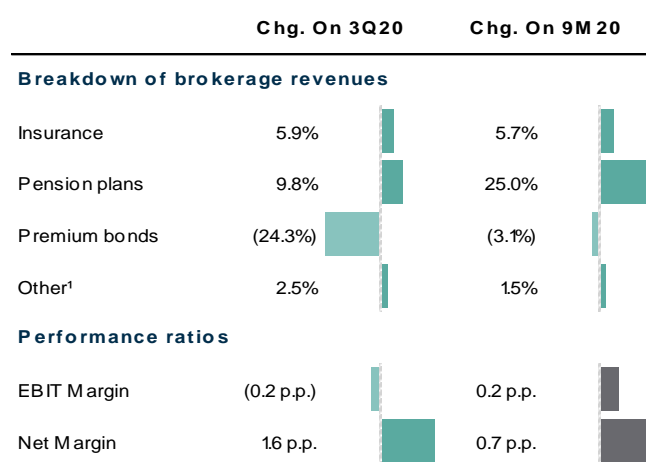
In the **3Q21**, BB Corretora's **adjusted net income** grew 6.0% YoY, boosted by 2.9% increase in brokerage revenues and the 194.3% growth in the net investment income.

The improvement in **brokerage revenues** was supported by the solid commercial performance in rural, term life and home insurances, and a higher concentration of pension plans contributions in products with higher brokerage.

The **net investment income** was helped by the increase in both the average Selic rate and the average balance of earning assets as compared to the same period of 2020.

Year-to-date, there was an 8.7% increase in adjusted net income, explained by the 7.3% growth in brokerage revenues, boosted by insurance and by pension plans sales, which expanded 16.7% the contributions in the period with higher concentration in products that have higher commission.

Figure 14 – Key performance indicators



1. Include dental plans and other revenues.

■ OTHER INFORMATION

Table 8 – Market share and ranking¹

		Quarterly Flow			9 Months Flow	
		Unit	3Q 20	2Q 21	3Q 21	9M 20
Life²						
Premiums written	R\$ thousand	791,275	893,431	943,189	2,155,997	1,631,468
Market-share	%	13.3%	14.1%	14.5%	12.8%	13.7%
Ranking		1º	1º	1º	1º	1º
Credit life						
Premiums written	R\$ thousand	686,222	603,898	557,682	1,927,355	1,074,622
Market-share	%	16.4%	14.9%	13.1%	18.0%	13.6%
Ranking		2º	3º	3º	1º	4º
Mortgage life						
Premiums written	R\$ thousand	72,232	71,380	72,533	216,806	142,589
Market-share	%	6.3%	5.7%	5.7%	6.5%	5.8%
Ranking		5º	5º	5º	5º	5º
Rural						
Premiums written	R\$ thousand	1,157,033	1,418,342	1,680,058	2,905,522	2,289,967
Market-share	%	52.4%	60.5%	49.0%	56.0%	53.3%
Ranking		1º	1º	1º	1º	1º
Home						
Premiums written	R\$ thousand	77,261	70,534	91,604	189,513	138,523
Market-share	%	7.3%	7.1%	8.1%	6.8%	7.2%
Ranking		5º	5º	5º	5º	5º
Commercial lines						
Premiums written	R\$ thousand	120,892	89,692	121,734	242,452	184,901
Market-share	%	5.0%	3.3%	4.2%	3.7%	3.6%
Ranking		6º	11º	7º	9º	8º
Pension Plans						
Technical reserves	R\$ thousand	297,605,456	312,198,311	310,772,277	-	-
Market-share	%	30.0%	29.7%	29.5%	-	-
Ranking		1º	1º	1º	-	-
Contributions	R\$ thousand	11,951,968	11,143,812	11,761,460	28,865,480	21,912,832
Market-share	%	32.8%	33.5%	34.5%	32.8%	33.6%
Ranking		1º	1º	1º	1º	1º
Premium Bonds						
Reserves	R\$ thousand	8,173,699	7,934,237	7,983,483	-	-
Market-share	%	25.5%	24.3%	24.0%	-	-
Ranking		2º	2º	2º	-	-
Collections	R\$ thousand	1,456,335	954,875	1,132,812	3,524,931	2,058,043
Market-share	%	23.0%	16.6%	16.2%	20.7%	17.4%
Ranking		1º	2º	2º	2º	2º

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

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

Table 9 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	1	1,325,000,000	66.3%
Treasury Stocks	1	3,313,471	0.2%
Free Float	402,889	671,686,529	33.6%
Foreign investors	754	422,384,973	21.1%
Companies	3,367	64,579,566	3.2%
Individuals	398,768	184,721,990	9.2%
Total	402,891	2,000,000,000	100.0%

Table 10 – Stocks | Performance

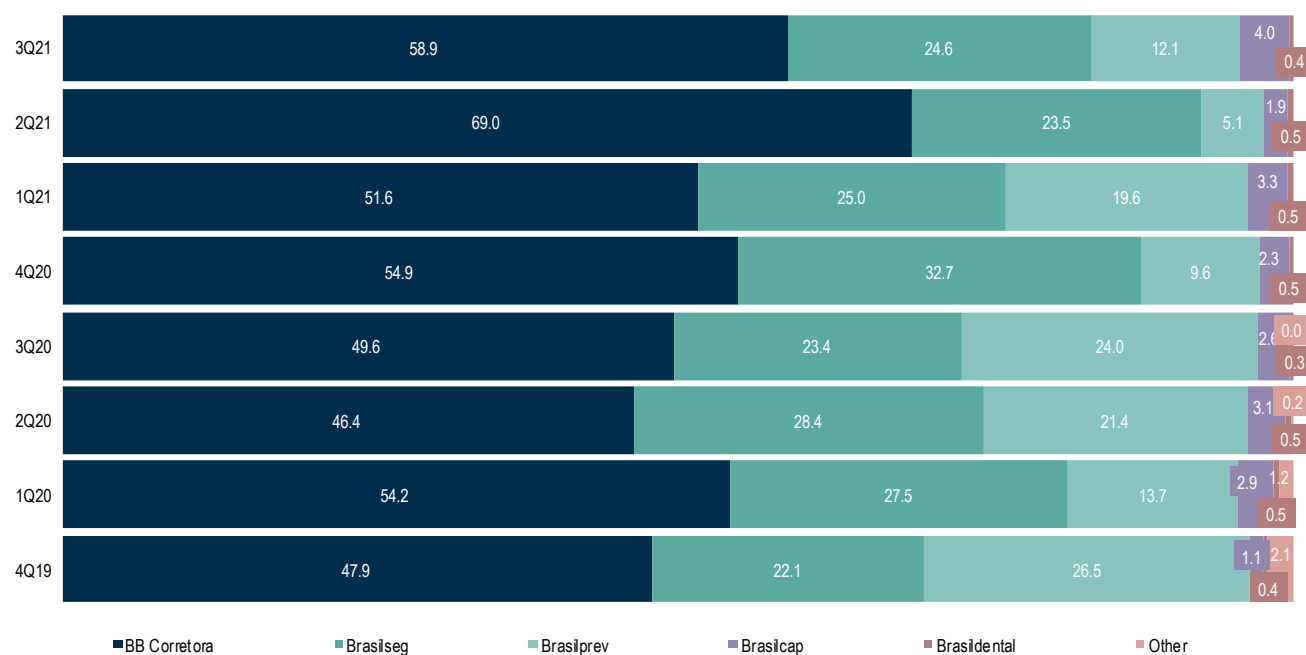
		Quarterly Flow				
	Unit	3 Q20	4 Q20	1 Q21	2 Q21	3 Q21
Stock's performance						
Earnings per share	R\$	0.55	0.46	0.49	0.38	0.49
Dividends per share	R\$	0.87	-	0.47	-	0.52
Equity per share	R\$	3.18	3.19	3.58	3.45	3.89
Closing price	R\$	24.27	29.63	24.25	23.10	19.95
Annualized dividend yield ¹	%	13.89	12.24	5.49	5.36	4.50
Market capitalization	R\$ million	48,540	59,260	48,500	46,200	39,900
Ratios						
P/E (12 month trailing)	x	11.86	15.28	12.21	12.34	11.01
P/BV	x	7.64	9.27	6.77	6.70	5.13
Business data						
Number of trades carried out		1,288,604	1,176,303	1,311,009	1,316,264	1,302,397
Average daily volume traded	R\$ million	118	122	159	145	136
Average daily volume traded - B3	R\$ million	26,898	26,201	32,008	28,742	26,761
Share on B3's average volume	%	0.44	0.47	0.50	0.50	0.51

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

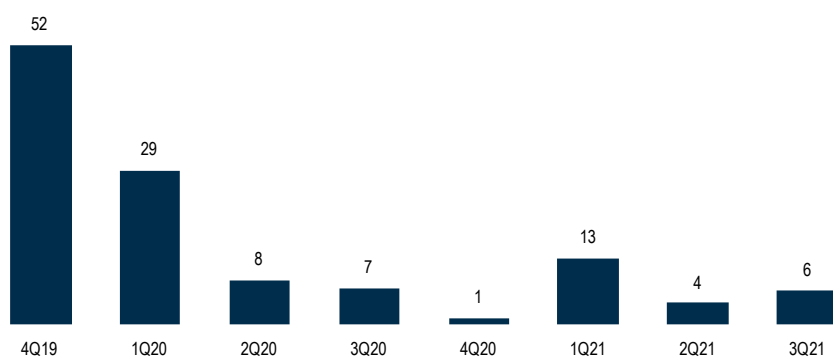
Figure 15 – Earnings Analysis | Breakdown¹ (%)



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

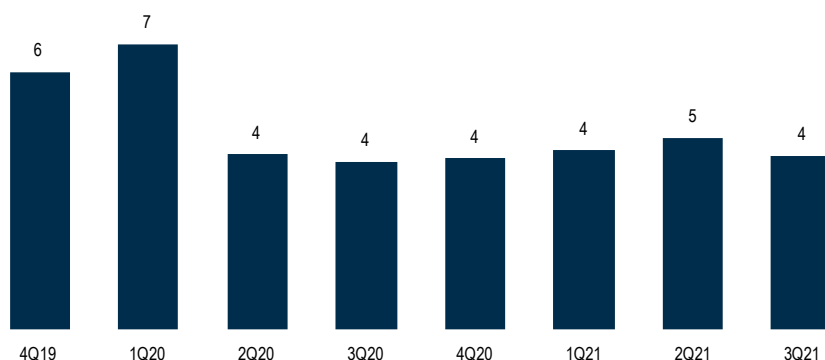
■ NET INVESTMENT INCOME OF THE HOLDING COMPANY

Figure 16 – Earnings Analysis | Net investment income (R\$ million)



■ GENERAL AND ADMINISTRATIVE EXPENSES OF THE HOLDING COMPANY

Figure 17 – Earnings Analysis | General and Administrative expenses (R\$ million)



QUARTERLY ANALYSIS

In the 3Q21, G&A expenses at the holding level grew 3.5% YoY, mainly due to higher personnel expenses, mostly explained by the collective bargaining agreement that adjusted salaries in September.

Additionally, administrative expenses were 12.7% higher, boosted by the increase in other administrative expenses, with higher costs of bookkeeping services, given the increase in shareholder's base, besides the growth of the expenses with data processing and publications.

On the other hand, tax expenses contracted 12.8%, while the line of other operating income and expenses retracted 85.7%, helped by the recovery of charges and expenses in the quarter and lower depreciation expenses.

The consolidated expenses of the holding companies and BB Corretora improved 2.0% YoY, mainly explained by:

- higher tax expenses, consequence of the increase of the PIS and Cofins expenses, due to the higher volume of financial incomes in BB Corretora; and
- increase of administrative expenses, mostly explained by higher expenses related to lawsuits decisions and documents publications.

On the other hand, in the consolidated view, personnel expenses decreased, mainly due to lower expenses with training and fees.

YEAR-TO-DATE ANALYSIS

In the 9M21, the holding's G&A were down 13.3% YoY, explained by lower PIS and Cofins expenses charged on financial income, due to the contraction in the average balance of financial investments as compared to September 2020 (-87.9%).

Administrative expenses grew 12.7, with the increase concentrated mainly in expenses with communication, justified by higher costs with the publication of 2020 financial statements in the newspaper (legal publications).

The consolidated expenses decreased 11.5% year-to-date, largely explained by:

- the decrease in administrative expenses, mainly explained by the reduction in expenses with sales incentives and business trips;
- the lower PIS and Cofins tax expenses charged on financial income, due to the reduction in the taxable base, resulting from the lower volume of financial investments at the holdings;
- the lower personnel expenses, due to the reduction in the number of employees; and
- the decrease in other operating income and expenses, due to the reversal of provisions for civil lawsuits.

Table 11 – Earnings Analysis | General and administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Administrative expenses	(685)	(1,404)	(772)	12.7	(45.0)	(2,742)	(2,991)	9.1
Specialized technical services	(70)	(72)	(96)	36.3	33.6	(251)	(296)	17.7
Location and operation	(225)	(199)	(241)	7.0	21.0	(694)	(682)	(1.7)
Communication	(30)	(282)	(9)	(68.5)	(96.7)	(105)	(310)	194.2
Other administrative expenses	(360)	(851)	(427)	18.5	(49.9)	(1,692)	(1,704)	0.7
Personnel expenses	(2,792)	(2,887)	(2,947)	5.5	2.1	(8,439)	(8,611)	2.0
Compensation	(1,434)	(1,512)	(1,524)	6.3	0.8	(4,381)	(4,436)	1.2
Welfare benefits	(748)	(776)	(814)	8.8	4.8	(2,316)	(2,344)	1.2
Other compensation	(350)	(347)	(357)	2.1	2.7	(953)	(1,077)	13.0
Benefits	(258)	(247)	(252)	(2.4)	1.9	(780)	(748)	(4.1)
Other	(3)	(4)	-	-	-	(8)	(6)	(27.1)
Tax expenses	(497)	(240)	(433)	(12.8)	80.3	(3,586)	(1,526)	(57.4)
COFINS	(375)	(187)	(334)	(10.8)	79.1	(2,992)	(1,218)	(59.3)
PIS/Pasep	(73)	(33)	(62)	(14.0)	86.5	(515)	(220)	(57.2)
IOF	(19)	(2)	(19)	0.4	1,013.4	(23)	(23)	(1.0)
Other	(30)	(18)	(17)	(43.1)	(6.3)	(56)	(66)	16.5
Other operating income (expenses)	(47)	(51)	(8)	(82.5)	(83.9)	(252)	112	-
G&A expenses	(4,022)	(4,582)	(4,161)	3.5	(9.2)	(15,019)	(13,017)	(13.3)

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3. BALANCE SHEET ANALYSIS

Table 12 – Balance Sheet Analysis | Balance sheet

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Assets	6,364,810	7,945,395	7,790,928	22.4	(1.9)
Cash and cash equivalents	212,262	317,452	331,037	56.0	4.3
Financial assets marked to market	3,882	12,539	10,396	167.8	(17.1)
Investments	6,049,885	6,482,590	7,366,147	21.8	13.6
Current tax assets	84,358	85,397	69,850	(17.2)	(18.2)
Deferred tax assets	1,020	603	331	(67.6)	(45.1)
Dividends receivable	-	1,030,000	-	-	-
Other assets	8,046	11,552	8,001	(0.6)	(30.7)
Intangible	5,357	5,264	5,166	(3.6)	(1.9)
Liabilities	7,472	1,048,395	9,048	21.1	(99.1)
Provision for fiscal, civil and tax contingencies	230	28	72	(68.7)	157.5
Statutory obligation	496	1,040,491	443	(10.7)	(100.0)
Current tax liabilities	125	28	144	15.0	407.8
Other liabilities	6,620	7,848	8,389	26.7	6.9
Shareholders' equity	6,357,339	6,896,999	7,781,880	22.4	12.8
Capital	3,396,767	3,396,767	3,396,767	0.0	-
Reserves	1,907,313	3,062,464	3,062,463	60.6	(0.0)
Treasury shares	(82,588)	(81,320)	(81,320)	(1.5)	-
Other accumulated comprehensive income	(50,763)	(171,676)	(262,616)	417.3	53.0
Retained earnings	1,186,610	690,764	1,666,585	40.4	141.3

■ INVESTMENTS

Table 13 – Balance Sheet Analysis | Direct investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Sep/21	Sep/20	Jun/21	Sep/21
Insurance, Pension Plans and Premium Bonds						
BB Seguros Participações	Holding	(1)	100.0	5,457,768	6,435,682	6,740,070
Insurance Brokerage						
BB Corretora de Seguros e Adm. de Bens	Insurance Broker	(1)	100.0	592,117	46,908	626,077

Note: (1) Controlled companies, fully consolidated.

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

			Total ownership (%)	Investment balance		
R\$ thousand	Activity	Accounting treatment	Sep/21	Sep/20	Jun/21	Sep/21
Insurance						
Brasilseg	Holding	(1)	74.99	1,989,182	2,205,174	2,290,763
Brasilseg Companhia de Seguros	Insurance					
Aliança do Brasil Seguros	Insurance					
Pension Plans						
Brasilprev	Insurance/ Pension Plans	(1)	74.99	2,411,458	4,018,378	4,136,985
Health						
Brasildental	Health	(1)	74.99	14,283	11,215	11,806
Premium Bonds						
Brasilcap	Premium Bonds	(1)	66.67	412,658	393,152	362,049

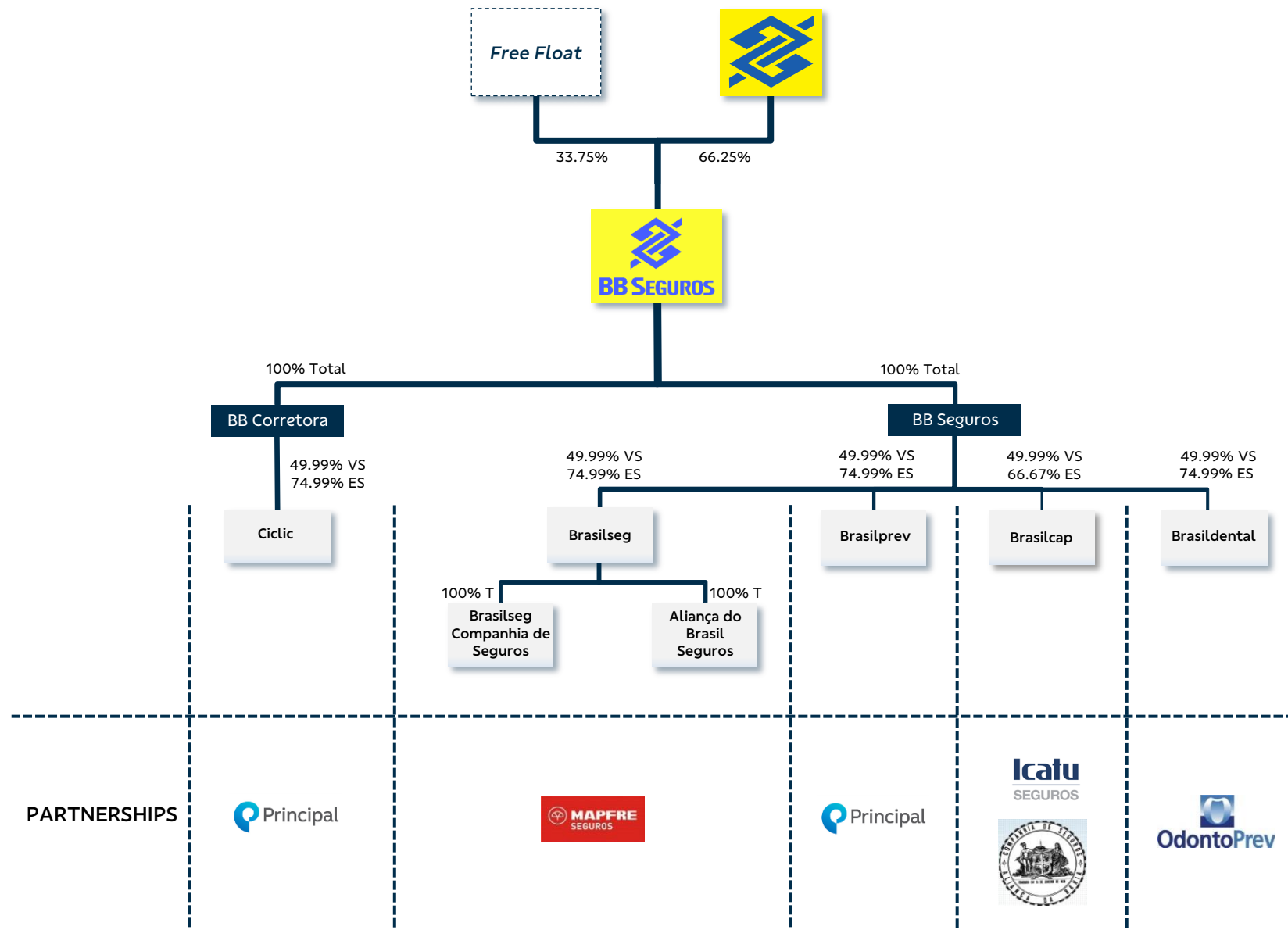
Note: (1) Affiliated companies, booked by the equity method.

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

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Sep/21	Sep/20	Jun/21	Sep/21
Insurance brokerage						
Ciclic	Digital Broker	(1)	74.99	4,790	8,394	4,822

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

Figure 18 – Balance Sheet Analysis | Ownership structure



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

■ SHAREHOLDER'S EQUITY

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

R\$ thousand	Capital	Capital Reserve	Legal and statutory reserve	Treasury stock	Retained earnings (losses)	other comprehensive income	Total
Balance on December 31, 2019	3,396,767	1,117	1,905,725	(83,306)	-	28,451	5,248,754
Transactions with stock payments	-	471	-	718	-	-	1,189
Other comprehensive income	-	-	-	-	-	(79,214)	(79,214)
Dividends lapsed	-	-	-	-	23	-	23
Net income for the period	-	-	-	-	2,934,152	-	2,934,152
Intermediary dividends paid	-	-	-	-	(1,747,565)	-	(1,747,565)
Balance on September 30, 2020	3,396,767	1,588	1,905,725	(82,588)	1,186,610	(50,763)	6,357,339
Changes in the Period	-	471	-	718	1,186,610	(79,214)	1,108,585
Balance on December 31, 2020	3,396,767	1,588	3,060,956	(82,588)	-	12,882	6,389,605
Transactions with stock payments	-	(80)	-	1,268	-	-	1,188
Other comprehensive income	-	-	-	-	-	(275,498)	(275,498)
Dividends lapsed	-	-	-	-	24	-	24
Net income for the period	-	-	-	-	2,706,585	-	2,706,585
Intermediary dividends to be paid	-	-	-	-	(1,040,024)	-	(1,040,024)
Balance on September 30, 2021	3,396,767	1,508	3,060,956	(81,320)	1,666,585	(262,616)	7,781,880
Changes in the Period	-	(80)	-	1,268	1,666,585	(275,498)	1,392,275

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

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

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

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

4.1 BRASILSEG

■ EARNINGS ANALYSIS

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

Table 17 – Brasilseg | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Premiums written	2,905,044	3,149,789	3,468,282	19.4	10.1	7,640,082	8,933,761	16.9
Premiums ceded to reinsurance	(395,280)	(529,945)	(657,140)	66.2	24.0	(1,048,871)	(1,498,455)	42.9
Retained premiums	2,509,764	2,619,843	2,811,142	12.0	7.3	6,591,212	7,435,306	12.8
Changes in technical reserves - premiums	(505,457)	(425,502)	(504,674)	(0.2)	18.6	(884,191)	(912,091)	3.2
Retained earned premiums	2,004,307	2,194,342	2,306,468	15.1	5.1	5,707,020	6,523,215	14.3
Retained claims	(648,346)	(1,121,070)	(953,221)	47.0	(15.0)	(1,780,332)	(2,838,898)	59.5
Retained acquisition costs	(693,971)	(672,470)	(734,999)	5.9	9.3	(1,958,135)	(2,028,260)	3.6
Underwriting result	661,989	400,801	618,248	(6.6)	54.3	1,968,553	1,656,057	(15.9)
Administrative expenses	(110,040)	(112,328)	(118,035)	7.3	5.1	(330,301)	(343,261)	3.9
Tax expenses	(69,646)	(62,187)	(75,627)	8.6	21.6	(229,526)	(206,619)	(10.0)
Other operating income (expenses)	(56,519)	(3,753)	(35,122)	(37.9)	835.9	(179,853)	(118,585)	(34.1)
Equity income	515	532	604	17.4	13.6	1,504	1,666	10.8
Gains or losses on non-current assets	(19)	70	212	-	203.4	(310)	282	-
Non-interest operating result	426,279	223,136	390,280	(8.4)	74.9	1,230,067	989,541	(19.6)
Net investment income	38,969	67,459	85,190	118.6	26.3	204,086	218,151	6.9
Financial income	85,302	83,195	97,330	14.1	17.0	280,173	269,096	(4.0)
Financial expenses	(46,333)	(15,736)	(12,139)	(73.8)	(22.9)	(76,087)	(50,945)	(33.0)
Earnings before taxes and profit sharing	465,248	290,595	475,470	2.2	63.6	1,434,154	1,207,692	(15.8)
Taxes	(109,590)	(41,162)	(141,211)	28.9	243.1	(365,870)	(292,950)	(19.9)
Profit sharing	(6,573)	(6,392)	(6,253)	(4.9)	(2.2)	(14,771)	(11,831)	(19.9)
Net income	349,086	243,041	328,006	(6.0)	35.0	1,053,513	902,912	(14.3)

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 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

ADJUSTED NET INCOME

Figure 19 – Brasilseg | Adjusted net income and ROAA

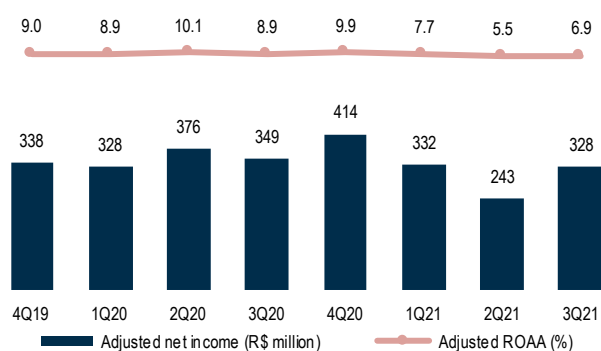
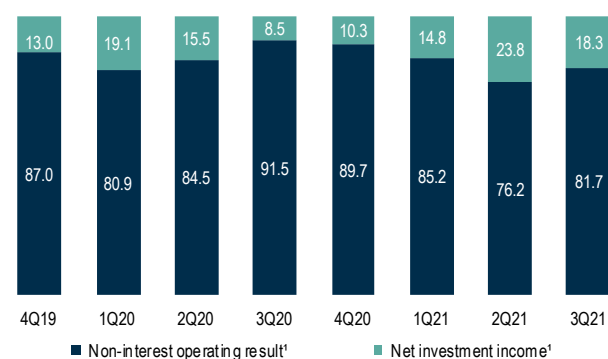


Figure 20 – Brasilseg | Adjusted net income breakdown (%)



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

Table 18 – Brasilseg | Managerial performance ratios¹

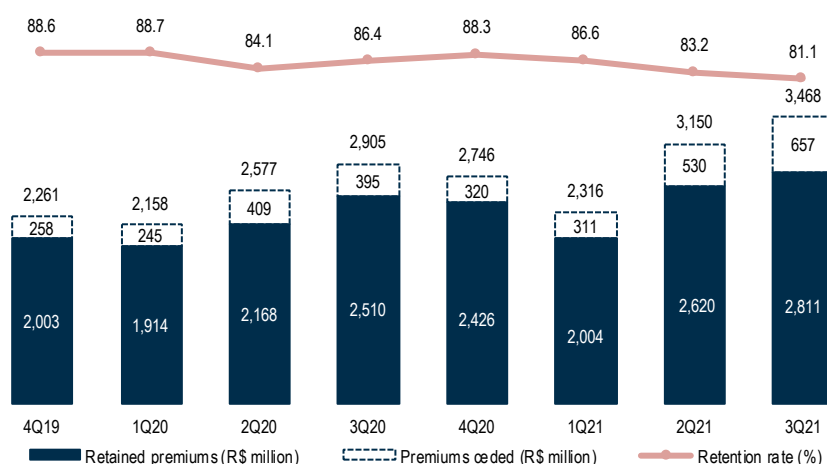
%	Quarterly Flow		Chg. (p.p.)		9 Months Flow		Chg. (p.p.)	
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Performance ratios								
Loss ratio	32.3	51.1	41.3	9.0	(9.8)	31.2	43.5	12.3
Commission ratio	34.6	30.6	31.9	(2.8)	1.2	34.3	31.1	(3.2)
G&A ratio	11.8	8.1	9.9	(1.9)	1.8	13.0	10.2	(2.7)
Combined ratio	78.8	89.9	83.1	4.4	(6.7)	78.5	84.9	6.4
Other ratios								
Expanded combined ratio	77.3	87.2	80.2	2.9	(7.0)	75.8	82.1	6.4
Income tax rate	23.6	14.2	29.7	6.1	15.5	25.5	24.3	(1.3)
ROAA	8.9	5.5	6.9	(1.9)	1.4	9.0	6.5	(2.5)

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

The commercial performance of the insurance segment remained strong in the 3Q21, and the **premiums written** grew 19.4% YoY (+10.1% QoQ).

The **rural insurance** is the highlight, accelerating the growth pace to 45.2% YoY, which in 2Q21 had already been robust (+32.0% vs. 2Q20). In general, the three main segments were positively impacted by the increase in the agricultural input costs, reflecting in higher volume of working capital loan to finance the crop cycle 2021/2022. Compared to 3Q20, the premiums written of the **crop insurance** grew 59.8%, **rural lien insurance** increased 37.9%, and **credit life insurance for farmers** was up 30.5%.

Term life insurance also sustained strong expansion YoY (+19.2%), consequence of the increase in new sales, besides the improvement in premiums arising from policy renewal, due to the spike in the inflation rates that adjust the insured capital and, consequently, the insurance premium.

Home insurance also contributed to the increase in premiums written (+18.6 YoY | +29.9% QoQ), with sales boosted by the new product.

On the other hand, **credit life** retracted 18.7% YoY, still impacted by the reduction in the average insured capital in the new portfolio, which overshadowed the growth of sales on both YoY and QoQ basis.

YEAR-TO-DATE ANALYSIS

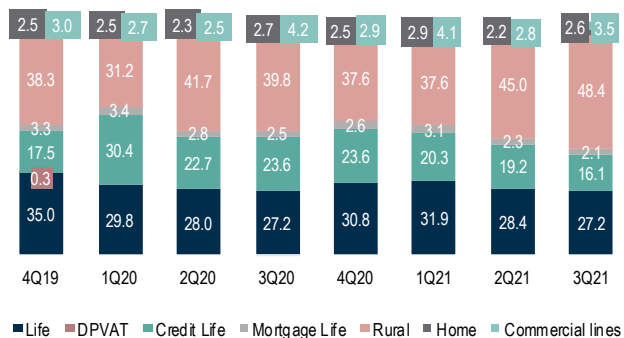
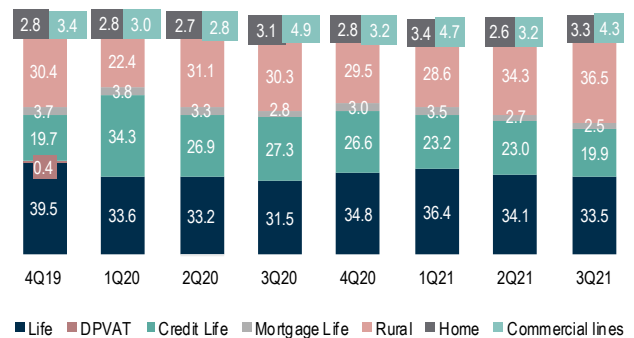
In the **9M21**, the **premiums written** grew 16.9% compared to 9M20, explained by rural insurance (+36.6%), term life insurance (+19.4%), home insurance (21.4%) and commercial lines (+26.5%) performances, partially offset by the retraction of the credit life insurance (-15.3%).

Table 19 – Brasilseg | Breakdown of premiums written

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	
Life	791,275	893,431	943,189	19.2	5.6	2,155,997	2,574,657	19.4
Credit Life	686,222	603,898	557,682	(18.7)	(7.7)	1,927,355	1,632,304	(15.3)
Mortgage Life	72,232	71,380	72,533	0.4	1.6	216,806	215,122	(0.8)
Rural	1,157,033	1,418,342	1,680,058	45.2	18.5	2,905,522	3,970,025	36.6
Crop	500,773	613,311	800,480	59.8	30.5	1,261,968	1,769,829	40.2
Rural lien	258,202	336,552	356,074	37.9	5.8	658,819	885,504	34.4
Credit life for farmers	388,501	454,031	507,029	30.5	11.7	967,613	1,269,329	31.2
Others	9,557	14,448	16,475	72.4	14.0	17,122	45,364	164.9
Home	77,261	70,534	91,604	18.6	29.9	189,513	230,126	21.4
Commercial lines	120,892	89,692	121,734	0.7	35.7	242,452	306,635	26.5
Large risks	(434)	1,733	953	-	(45.0)	935	3,227	245.0
Other	563	778	529	(6.1)	(32.0)	1,503	1,665	10.7
Total	2,905,044	3,149,789	3,468,282	19.4	10.1	7,640,082	8,933,761	16.9

Table 20 – Brasilseg | Breakdown of retained premiums

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	
Life	790,716	893,179	941,500	19.1	5.4	2,152,088	2,564,932	19.2
Credit Life	685,774	602,196	558,452	(18.6)	(7.3)	1,925,252	1,626,089	(15.5)
Mortgage Life	70,836	70,913	70,519	(0.4)	(0.6)	214,906	212,469	(1.1)
Rural	761,097	898,425	1,025,813	34.8	14.2	1,865,149	2,497,786	33.9
Crop	105,820	109,563	158,381	49.7	44.6	229,222	338,714	47.8
Rural lien	262,713	331,165	353,027	34.4	6.6	660,794	876,991	32.7
Credit life for farmers	388,287	452,453	506,666	30.5	12.0	966,077	1,262,078	30.6
Others	4,276	5,244	7,739	81.0	47.6	9,056	20,002	120.9
Home	76,618	69,082	91,591	19.5	32.6	188,021	228,681	21.6
Commercial lines	121,822	84,907	121,781	(0.0)	43.4	240,713	301,872	25.4
Large risks	2,338	364	957	(59.1)	163.1	3,580	1,813	(49.4)
Other	563	778	529	(6.1)	(32.0)	1,503	1,665	10.8
Total	2,509,764	2,619,843	2,811,142	12.0	7.3	6,591,212	7,435,306	12.8

Figure 22 – Brasilseg | Breakdown of premiums written¹ (%)Figure 23 – Brasilseg | Breakdown of retained premiums¹ (%)

1. As of 1Q20, premiums written from DPVAT are no longer included in Brasilseg's total premiums written.

CHANGES IN TECHNICAL RESERVES – PREMIUMS

Table 21 – Brasilseg | Changes in technical reserves – premiums

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Provision for unearned premiums	(609,880)	(579,532)	(761,425)	24.8	31.4	(1,035,734)	(1,231,976)	18.9
Provision for technical surplus	(294)	(296)	(614)	108.7	107.6	(1,892)	(2,219)	17.3
Complementary provisions of contributions	-	(9,855)	-	-	-	(2,961)	(9,855)	232.9
Change in technical reserves - premiums	(610,174)	(589,682)	(762,040)	24.9	29.2	(1,040,587)	(1,244,050)	19.6

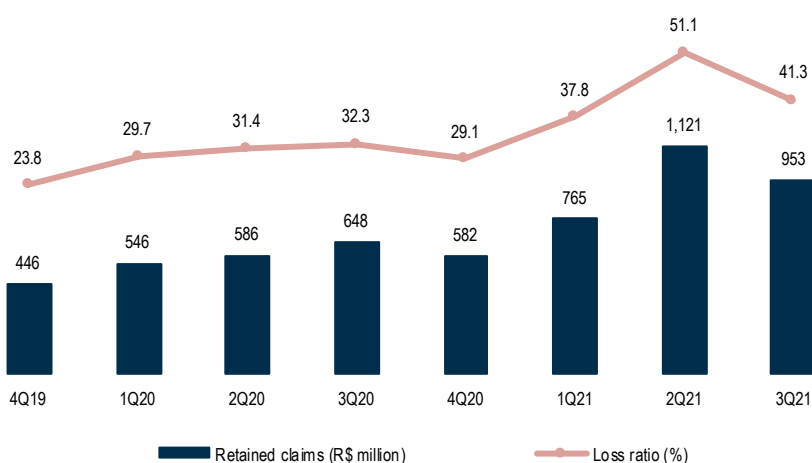
RETAINED EARNED PREMIUMS

Table 22 – Brasilseg | Breakdown of retained earned premiums

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Life	735,603	835,098	842,397	14.5	0.9	2,204,723	2,420,911	9.8
Credit Life	414,296	429,374	437,905	5.7	2.0	1,173,878	1,273,561	8.5
Mortgage Life	72,090	70,230	71,505	(0.8)	1.8	216,293	212,500	(1.8)
Rural	608,644	707,441	780,795	28.3	10.4	1,692,189	2,127,503	25.7
Crop	71,092	81,590	93,013	30.8	14.0	182,761	260,362	42.5
Rural lien	224,322	246,995	275,591	22.9	11.6	625,534	740,908	18.4
Credit life for farmers	309,631	373,749	405,590	31.0	8.5	873,862	1,110,324	27.1
Others	3,599	5,107	6,601	83.4	29.3	10,031	15,909	58.6
Home	59,053	66,245	70,597	19.5	6.6	172,883	200,842	16.2
Commercial lines	111,863	84,665	102,109	(8.7)	20.6	241,799	284,521	17.7
Large risks	2,175	513	616	(71.7)	20.0	3,722	1,687	(54.7)
Other	583	774	543	(7.0)	(29.9)	1,533	1,691	10.3
Total	2,004,307	2,194,342	2,306,468	15.1	5.1	5,707,020	6,523,215	14.3

RETAINED CLAIMS

Figure 24 – Brasilseg | Retained claims



QUARTERLY ANALYSIS

In the **3Q21**, the **loss ratio** increased 9.0 p.p. YoY, still impacted by the pandemic. It was registered in the quarter R\$82.0 million in claims marked as Covid-19 after the conclusion of the regulation process (dated as of: 10/25/2021). This number was 16.3% higher than the 3Q20 (R\$70.5 million).

The loss ratio of the period was also impacted by the increase in claims reported for crop insurance, given the high volume concentrated in July, which is related to the losses in intermediary corn crop mostly in Paraná and Mato Grosso do Sul due to the drought and frost, this last climate event also hitting more severely the coffee culture in Minas Gerais region.

It is worth mentioning the robust reduction of 9.8 p.p. QoQ in the loss ratio, result of the lower number of claims related to Covid-19 for the products with death coverage (term life, credit life, home and credit life for farmers insurances), reflecting the evolution in the vaccination schedule across the country.

The loss ratio of the **home insurance** retracted 7.6 p.p. YoY, considering that the 3Q20 was impacted by climate effects (Ciclone Bomba) in the south of Brazil.

YEAR-TO-DATE ANALYSIS

In the **9M21**, the loss ratio increased 12.3 p.p YoY, impacted by the pandemic, which reached its death peak in 2Q21. The claims related to Covid-19 totaled R\$675.9 million (dated as of: 10/25/2021) and was more than 4 times higher as compared to 9M20 (R\$156.9 million). Discounting the Covid-19 claims, the loss ratio would be 10.4 p.p. lower than the number reported in the 9M21, increasing 4.9 p.p. YoY.

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

Table 23 – Brasilseg | Breakdown of retained claims

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Incurred claims	(723,860)	(1,393,235)	(1,400,943)	93.5	0.6	(2,579,331)	(3,796,133)	47.2
Expenses with claims	(677,782)	(1,467,695)	(1,346,484)	98.7	(8.3)	(2,458,583)	(3,734,868)	51.9
Changes in provisions for claims IBNR and IBNER	(32,786)	55,983	(14,198)	(56.7)	-	(91,056)	(26,468)	(70.9)
Recovery of claims - Coinsurance and reinsurance	76,335	297,617	419,590	449.7	41.0	801,119	958,383	19.6
Salvage and Reimbursements	8,353	16,156	8,354	0.0	(48.3)	20,807	34,424	65.4
Assistance services	(22,113)	(23,464)	(22,341)	1.0	(4.8)	(53,483)	(71,910)	34.5
Other	(354)	333	1,858	-	457.7	864	1,540	78.2
Retained claims	(648,346)	(1,121,070)	(953,221)	47.0	(15.0)	(1,780,332)	(2,838,898)	59.5

Figure 25 – Life Insurance | Loss ratio (%)

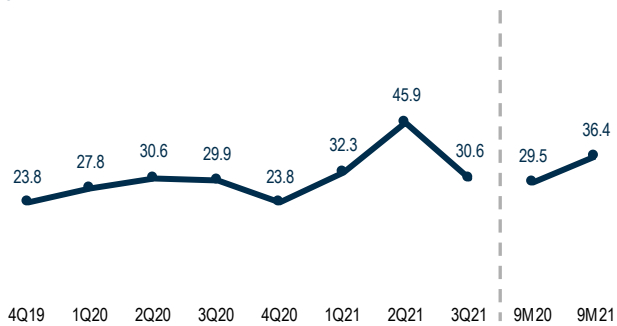


Figure 26 – Credit life insurance | Loss ratio (%)

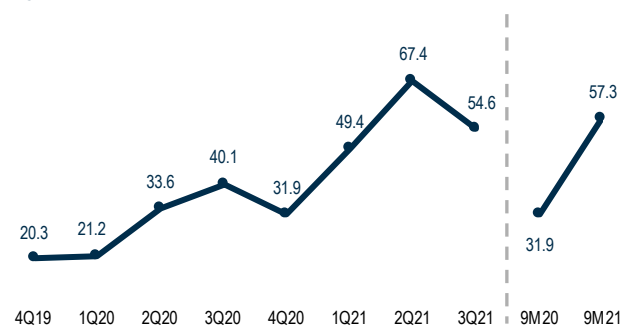


Figure 27 – Mortgage life | Loss ratio (%)

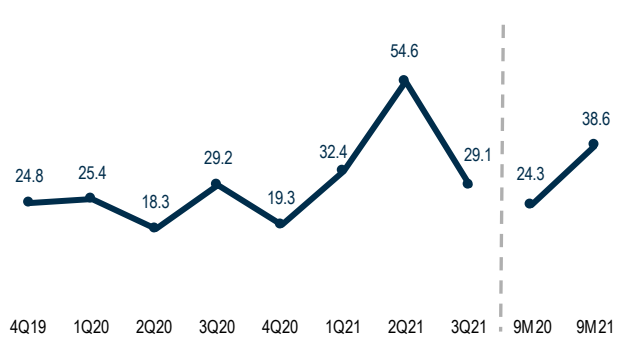


Figure 28 – Home insurance | Loss ratio (%)

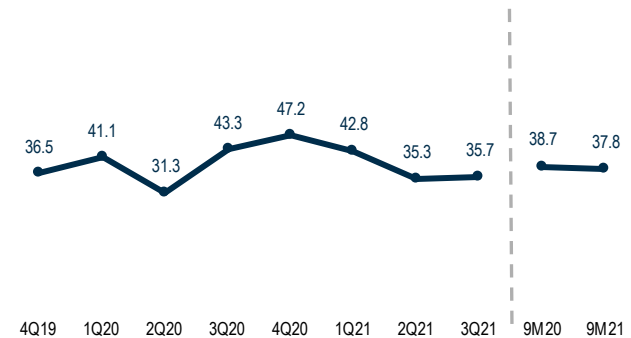


Figure 29 – Commercial lines insurance | Loss ratio (%)

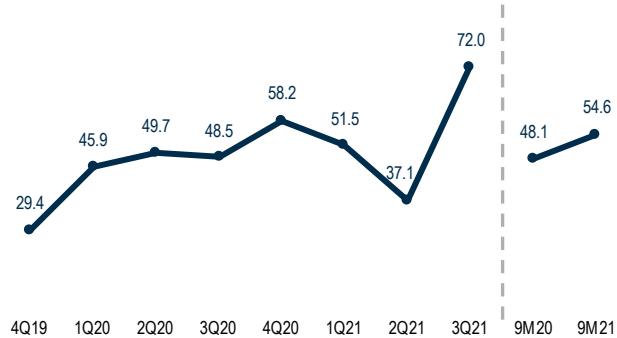


Figure 30 – Rural | Loss ratio (%)

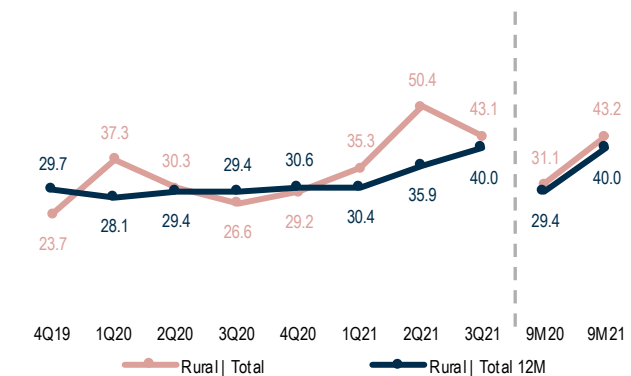


Figure 31 – Crop insurance | Loss ratio (%)

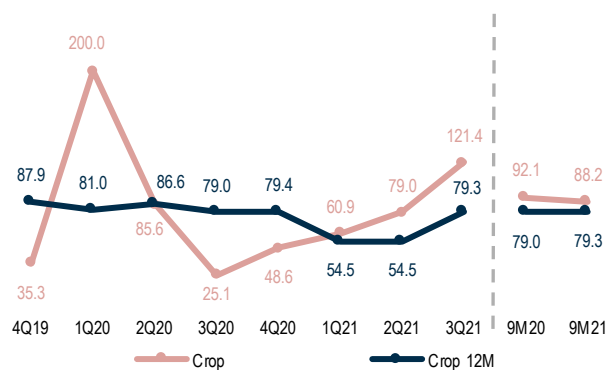
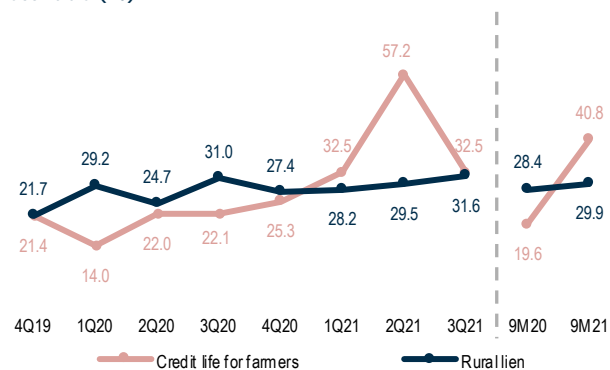


Figure 32 – Credit life for farmers and rural lien insurance | Loss ratio (%)



RETAINED ACQUISITION COSTS

Figure 33 – Brasilseg | Retained acquisition costs

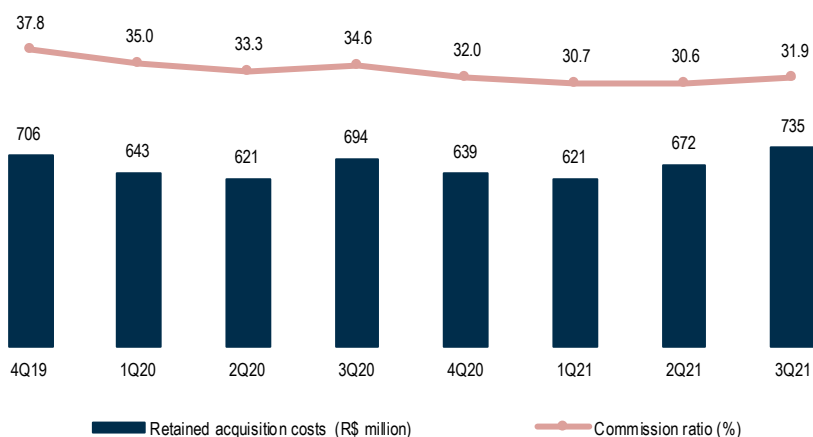
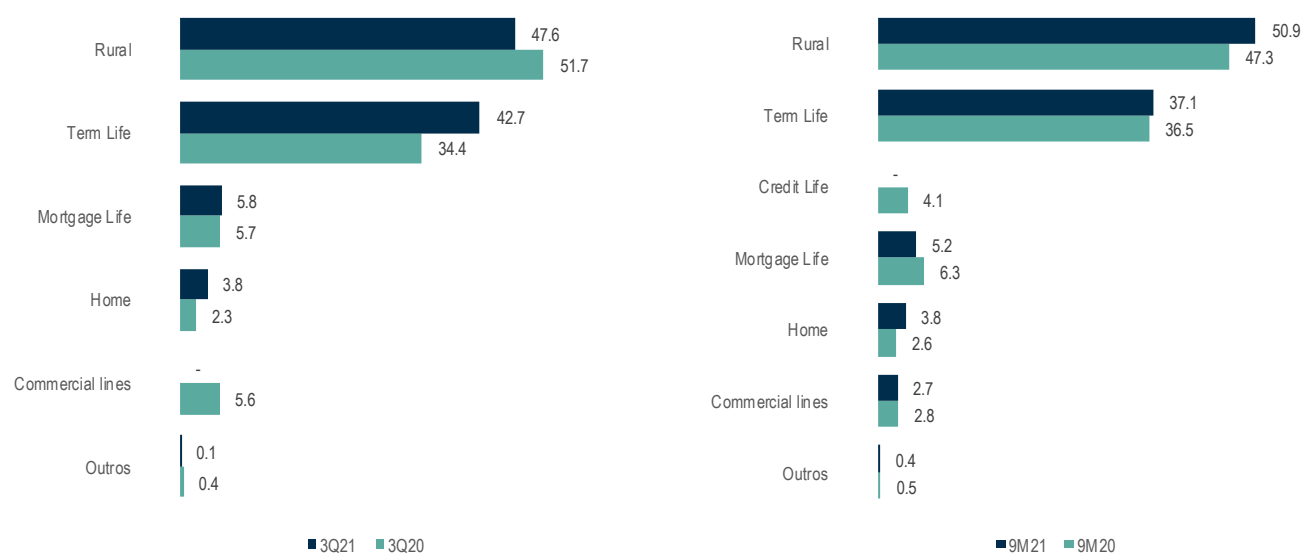


Table 24 – Brasilseg | Retained acquisition costs

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Acquisition costs	(768,351)	(796,931)	(835,307)	8.7	4.8	(2,207,938)	(2,354,025)	6.6
Commission charged on premiums written	(778,532)	(831,507)	(892,805)	14.7	7.4	(2,049,826)	(2,352,846)	14.8
Revenue with reinsurance commission	74,380	124,461	100,308	34.9	(19.4)	249,802	325,764	30.4
Commissions recovered - Coinsurance	996	3,083	4,986	400.6	61.7	990	12,769	1,189.6
Change in deferred acquisition costs	184,904	152,592	182,061	(1.5)	19.3	349,279	335,899	(3.8)
Other acquisition costs	(175,719)	(121,099)	(129,549)	(26.3)	7.0	(508,380)	(349,847)	(31.2)
Retained acquisition costs	(693,971)	(672,470)	(734,999)	5.9	9.3	(1,958,135)	(2,028,260)	3.6

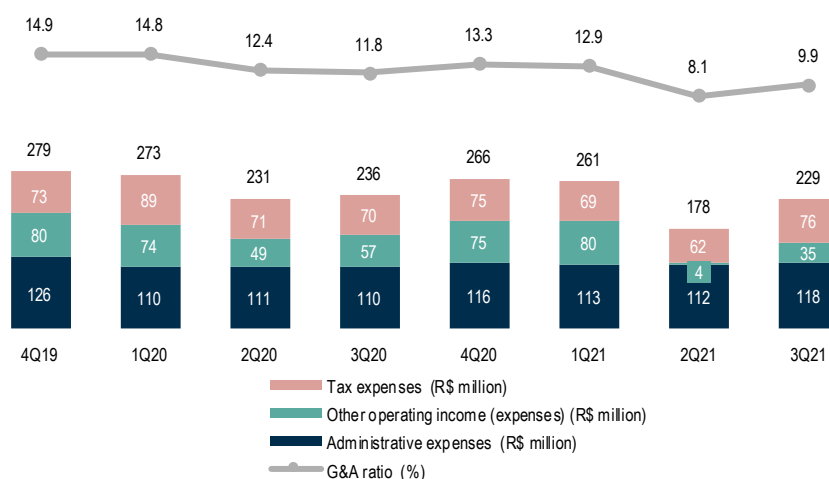
UNDERWRITING RESULT

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



GENERAL & ADMINISTRATIVE EXPENSES

Figure 35 – Brasilseg | G&A expenses



QUARTERLY ANALYSIS

In **3Q21**, the **G&A ratio** retracted 1.9 p.p. YoY, explained by both the reduction of expenses (-3.1%) and the 15.1% growth in retained earned premiums, which is the indicator calculation denominator.

Other operating income (expenses) decreased 37.9% YoY. This improvement is largely explained by lower expenses with the constitution of provision for payment to the Rural Insurance Stability Fund (FESR), considering that since the 2Q21 the calculation of the provision considers the balance of the Provision for Claims to be Settled (PSL) of the previous month instead of the claims effectively paid. Taking into account this new dynamic, and considering that in June, July and August there was an increase in the PSL for crop insurance, due to the increase in reported claims, the FESR calculation basis for the quarter was reduced in relation to the 3Q20.

On the other hand, **administrative expenses** were up 7.3% compared to 3Q20, mainly due to the increase in expenses with outsourcing, resulting from higher costs with IT infrastructure and data center maintenance within the scope of Brasilseg's digital transformation process.

Tax expenses, on the other hand, increased by 8.6%, following the evolution of the taxable base.

YEAR-TO-DATE ANALYSIS

In **9M21**, the **G&A ratio** improved by 2.7 p.p. compared to 9M20, as a result of the drop in general and administrative expenses (-9.6%) and the evolution of retained earned premiums (+14.3%).

Other operating income (expenses) decreased by 34.1%. The retraction is mainly explained by the reversal of R\$43.9 million in the provision for FESR in 2Q21, in addition to the lower volume of constitution in 3Q21, both movements resulting from the change in the provision calculation criteria mentioned in the quarterly analysis.

Administrative expenses grew 3.9%, movement concentrated in expenses with outsourcing (+17.9%), related to investments in IT infrastructure, data protection compliance and data analytics projects, software licenses and data center maintenance. This increase was partially offset by lower expenses with location and operation, reflecting the reduction in travel and transportation expenses during the pandemic period, and with publicity and advertising.

Tax expenses, on the other hand, dropped by 10.0%, influenced by the higher volume of claims with death coverage, which reduced the PIS and Cofins calculation basis. Additionally, in 2020 this line was positively impacted by the reversal of R\$20 million in tax credits related to PIS/COFINS of the DPVAT segment, after changes determined by SUSEP (Superintendence of Private Insurance) in the form of recognition of the segment's results, affecting the comparables.

Table 25 – Brasilseg | General & Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Administrative expenses	(110,040)	(112,328)	(118,035)	7.3	5.1	(330,301)	(343,261)	3.9
Personnel	(52,131)	(52,849)	(52,503)	0.7	(0.7)	(159,544)	(159,757)	0.1
Outsourcing	(33,789)	(38,728)	(43,099)	27.6	11.3	(99,871)	(117,763)	17.9
Location and operation	(20,147)	(18,985)	(20,497)	1.7	8.0	(62,056)	(60,164)	(3.0)
Institutional advertisement and publicity	(2,565)	(1,073)	(1,396)	(45.6)	30.1	(5,145)	(2,942)	(42.8)
Publications	(143)	(136)	(9)	(93.7)	(93.4)	(578)	(604)	4.5
Other administrative expenses	(1,266)	(557)	(532)	(58.0)	(4.5)	(3,107)	(2,031)	(34.6)
Other operating income (expenses)	(56,519)	(3,753)	(35,122)	(37.9)	835.9	(179,853)	(118,585)	(34.1)
FESR contributions	(49,508)	4,495	(17,450)	(64.8)	-	(130,965)	(61,795)	(52.8)
Charging expenses	(1,084)	(1,154)	(1,041)	(4.0)	(9.8)	(2,570)	(3,279)	27.6
Civil contingencies	(2,400)	(3,431)	(4,683)	95.1	36.5	(9,194)	(11,907)	29.5
Expenses with events	163	(175)	(236)	-	34.9	(1,048)	(468)	(55.4)
Endomarketing	(9,869)	(7,802)	(10,152)	2.9	30.1	(28,421)	(28,107)	(1.1)
Impairment	11,010	4,732	5,165	(53.1)	9.2	(2,365)	(3,435)	45.3
Other operating income (expenses)	(4,831)	(418)	(6,725)	39.2	1,510.0	(5,290)	(9,594)	81.4
Tax expenses	(69,646)	(62,187)	(75,627)	8.6	21.6	(229,526)	(206,619)	(10.0)
COFINS	(57,049)	(50,890)	(62,484)	9.5	22.8	(189,321)	(169,932)	(10.2)
PIS	(9,317)	(8,367)	(10,297)	10.5	23.1	(30,914)	(27,940)	(9.6)
Inspection fee	(1,881)	(1,881)	(1,881)	0.0	0.0	(5,643)	(5,643)	0.0
Other tax expenses	(1,398)	(1,048)	(965)	(31.0)	(7.9)	(3,648)	(3,103)	(14.9)
G&A	(236,205)	(178,268)	(228,784)	(3.1)	28.3	(739,680)	(668,465)	(9.6)

■ NET INVESTMENT INCOME

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

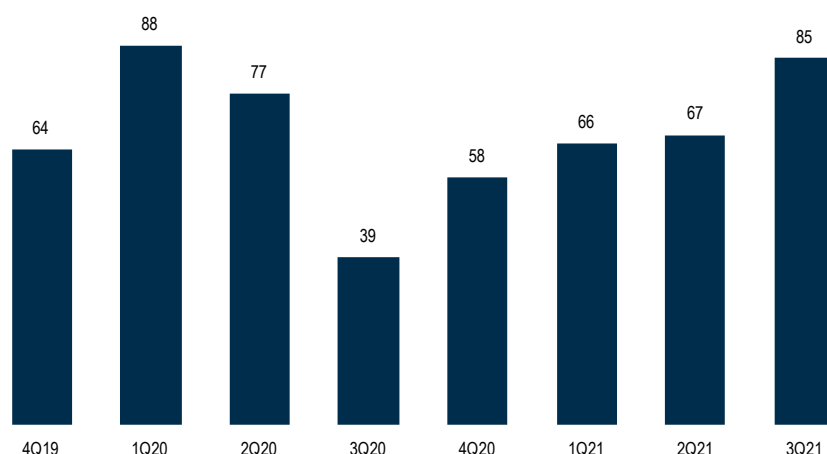


Table 26 – Brasilseg | Financial income and expenses¹

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Adjusted interest revenues	85,481	83,745	96,701	13.1	15.5	275,909	268,423	(2.7)
Revenues with mark to market financial investments	55,939	53,244	65,998	18.0	24.0	200,373	173,942	(13.2)
Revenues with held to maturity financial investments	20,802	25,232	25,298	21.6	0.3	53,200	78,999	48.5
Judicial deposits	4,341	2,005	341	(92.1)	(83.0)	7,662	4,469	(41.7)
Receivables from insurance and reinsurance operations	4,400	3,264	5,064	15.1	55.1	14,674	11,013	(25.0)
Adjusted interest expenses	(29,262)	(4,857)	1,200	-	-	(29,422)	(15,204)	(48.3)
Pending claims	(26,040)	(1,994)	5,616	-	-	(22,340)	(4,872)	(78.2)
Judicial provisions	(1,475)	(2,219)	(4,798)	225.2	116.2	(5,016)	(10,189)	103.1
Obligations with insurance and reinsurance operations	(1,746)	(644)	382	-	-	(2,067)	(143)	(93.1)
Net interest income	56,220	78,888	97,901	74.1	24.1	246,487	253,219	2.7

1. Managerial view.

QUARTERLY ANALYSIS

In 3Q21, the net interest income increased by 74.1% YoY.

Adjusted interest revenues grew 13.1%, benefiting from higher income from securities available for trading, due to the higher average balance of the portfolio and the increase in the average Selic rate, effects that were partially overshadowed by a negative result of R\$34.2 million in the disposal of prefixed income securities in the available-for-sale portfolio. Additionally, there was an increase in income from securities held to maturity, reflecting the rise in inflation rates that raised the average yield of assets in this category.

Adjusted interest expenses, on the other hand, had a positive balance of R\$1.2 million in the quarter, mainly due to the reversal of the provision for judicial claims to be settled (PSLJ), as a result of the closing of some lawsuits with amounts below the initially provisioned and adjustments in the balance of provisions after the revision of the process base. Additionally, in the quarter, there was a reversal of R\$1.4 million in the line of debts with insurance and reinsurance operations due to the reallocation of expenses related to property leasing to administrative expenses.

On the other hand, higher financial expenses with legal provisions were recorded, largely explained by the adjustment of tax lawsuits indexed by Selic rate, which was higher in 3Q21.

YEAR-TO-DATE ANALYSIS

Year-to-date, the financial interest result grew 2.7%, driven by the reduction in interest expenses.

The interest expenses fell by 48.3%, explained by the retraction of 78.2% in claims to be settled line, for the same reason mentioned in the quarterly analysis. This reduction was partially offset by lower expenses with provisions for lawsuits, also explained in the quarterly analysis, besides the following impacts in the 2Q21 that affected the comparison:

- reversal of provision (R\$9.1 million), registered in claims to be settled, related to interest accrual on PSLJ, as consequence of the closing of lawsuits won by the insurer or payments with lower amounts as compared to the initial provision; and
- reversal of banking fees in the 2Q20, amounting to R\$2.9 million, registered in debt with insurance and reinsurance operations.

On the other hand, the interest revenues dropped 2.7%, due to the recognition of losses in prefixed income assets available for sale, partially offset by the expansion of the average balance and higher inflation indexes that positively impacted the average yield.

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

R\$ thousand	3Q21/3Q20		
	Average volume	Average rate	Net change
Earning assets			
Mark to Market financial investments	13,151	(3,091)	10,060
Held to maturity financial investments	(307)	4,803	4,496
Judicial deposits	(5)	(3,995)	(4,000)
Receivables from insurance and reinsurance operations	2,259	(1,595)	664
Total¹	17,214	(5,995)	11,219
Interest bearing liabilities			
Pending claims	1,455	30,201	31,656
Judicial provisions	(68)	(3,254)	(3,323)
Obligations with insurance and reinsurance operations	210	1,918	2,128
Total¹	271	30,191	30,461

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

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

R\$ million	3Q20			3Q21		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to Market financial investments	5,363	56	4.1	6,697	66	3.9
Held to maturity financial investments	864	21	9.7	853	25	12.0
Judicial deposits	845	4	2.0	832	0	0.2
Receivables from insurance and reinsurance operations	374	4	4.6	675	5	2.9
Total	7,445	85	4.5	9,058	97	4.2

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

R\$ million	3Q20			3Q21		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Pending claims	2,072	(26)	4.8	2,796	6	(0.8)
Judicial provisions	672	(1)	0.8	682	(5)	2.7
Obligations with insurance and reinsurance operations	70	(2)	9.4	155	0	(1.0)
Total	2,814	(29)	4.0	3,634	1	(0.1)

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

R\$ thousand	9M21/9M20		
	Average volume	Average rate	Net change
Earning assets			
Mark to Market financial investments	19,634	(46,065)	(26,431)
Held to maturity financial investments	(2,121)	27,920	25,799
Judicial deposits	(100)	(3,093)	(3,193)
Receivables from insurance and reinsurance operations	6,109	(9,770)	(3,661)
Total¹	30,490	(37,977)	(7,487)
Interest bearing liabilities			
Pending claims	(1,065)	18,533	17,468
Judicial provisions	(64)	(5,109)	(5,173)
Obligations with insurance and reinsurance operations	(70)	1,994	1,924
Total¹	(2,855)	17,073	14,218

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

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

R\$ million	9M20			9M21		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to Market financial investments	5,961	200	4.5	6,719	174	3.5
Held to maturity financial investments	863	53	8.4	840	79	12.8
Judicial deposits	853	8	1.2	834	4	0.7
Receivables from insurance and reinsurance operations	238	15	8.3	535	11	2.8
Total	7,914	276	4.7	8,929	268	4.1

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

R\$ million	9M20			9M21		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Pending claims	1,889	(22)	1.6	2,417	(5)	0.3
Judicial provisions	675	(5)	1.0	680	(10)	2.0
Obligations with insurance and reinsurance operations	82	(2)	3.4	160	(0)	0.1
Total	2,646	(29)	1.5	3,258	(15)	0.6

Table 33 – Brasilseg | Financial investment portfolio

R\$ thousand	Balance		Chg. %		
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Trading	2,715,004	3,625,079	4,852,945	78.7	33.9
Pre-fixed	270,447	131,322	109,879	(59.4)	(16.3)
Floating	2,445,351	3,440,904	4,676,527	91.2	35.9
Inflation	-	22,868	46,278	-	102.4
Other	(793)	29,985	20,260	-	(32.4)
Available for sale	2,933,159	2,758,051	2,158,696	(26.4)	(21.7)
Pre-fixed	2,801,501	2,624,037	2,053,868	(26.7)	(21.7)
Floating	131,658	134,015	104,828	(20.4)	(21.8)
Held to maturity securities	793,108	850,941	855,974	7.9	0.6
Pre-fixed	151,325	155,568	152,238	0.6	(2.1)
Inflation	641,783	695,373	703,736	9.7	1.2
Total	6,441,271	7,234,072	7,867,614	22.1	8.8

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

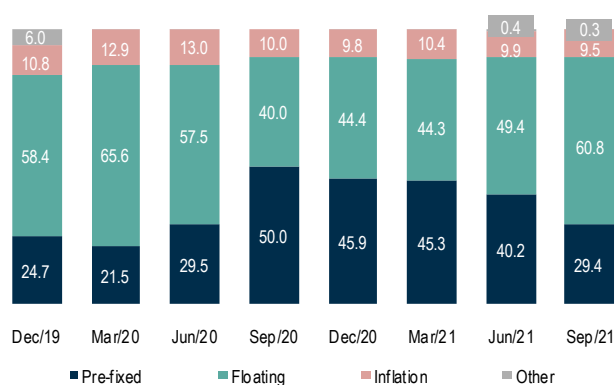
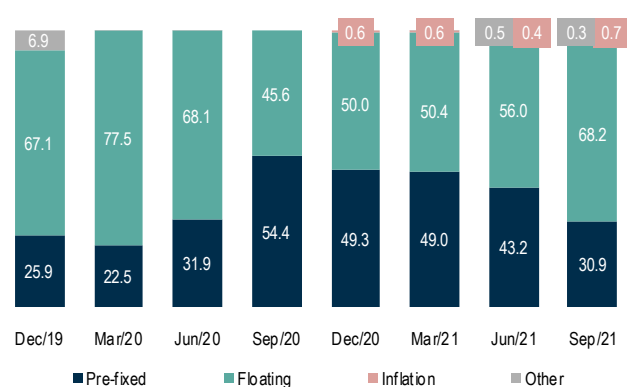


Figure 38 – Brasilseg | Breakdown of mark to market financial investments by index (%)



■ BALANCE SHEET ANALYSIS

Table 34 – Brasilseg | Balance sheet¹

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Assets	16,174,722	18,102,163	19,695,820	21.8	8.8
Cash	10,751	6,044	2,810	(73.9)	(53.5)
Financial assets	6,441,271	7,234,072	7,867,614	22.1	8.8
Receivables from insurance and reinsurance operations	4,322,178	4,547,073	4,788,770	10.8	5.3
Reinsurance and retrocession - technical reserves	923,243	1,302,113	1,704,157	84.6	30.9
Securities and credits receivable	1,159,586	1,238,884	1,406,601	21.3	13.5
Other	178	254,933	249,867	140,099.6	(2.0)
Prepaid expenses	7,596	12,067	16,778	120.9	39.0
Deferred costs	2,597,953	2,904,260	3,086,321	18.8	6.3
Investments	301,513	366,423	324,088	7.5	(11.6)
Fixed assets	259,630	45,610	45,615	(82.4)	0.0
Intangible	150,823	190,685	203,199	34.7	6.6
Liabilities	14,291,924	15,851,746	17,368,554	21.5	9.6
Accounts payable	501,685	149,381	493,546	(1.6)	230.4
Obligations with insurance and reinsurance operations	2,478,060	2,412,781	2,678,825	8.1	11.0
Technical reserves - insurance	10,635,121	12,288,494	13,188,838	24.0	7.3
Third party deposits	4,732	9,757	4,270	(9.8)	(56.2)
Other liabilities	672,325	991,334	1,003,075	49.2	1.2
Shareholders' equity	1,882,798	2,250,417	2,327,266	23.6	3.4

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

Table 35 – Brasilseg | Receivables from insurance and reinsurance operations

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Receivable premiums	4,180,754	4,353,855	4,502,087	7.7	3.4
Operations with insurance companies	2,226	15,547	8,170	267.0	(47.5)
Premiums	167	537	506	204.2	(5.8)
Claims paid	1,167	11,234	2,838	143.2	(74.7)
Other receivables	892	3,776	4,826	440.8	27.8
Operations with reinsurance companies	133,246	126,787	216,658	62.6	70.9
Claims paid	133,242	126,692	215,890	62.0	70.4
Other receivables	4	94	768	20,593.7	715.3
Other operating receivables	57,209	122,975	118,269	106.7	(3.8)
Impairment	(51,257)	(72,091)	(56,415)	10.1	(21.7)
Receivables from insurance and reinsurance operations	4,322,178	4,547,073	4,788,770	10.8	5.3

Table 36 – Brasilseg | Reinsurance and retrocession – technical reserves

R\$ thousand	Balance		Chg. %		
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Deferred premiums - PPNG	522,670	570,848	768,996	47.1	34.7
Deferred premiums - RVNE	23,935	25,336	28,596	19.5	12.9
IBNR claims	78,026	99,238	97,125	24.5	(2.1)
Pending claims	291,991	596,036	797,949	173.3	33.9
Provision for related expenses	6,620	10,655	11,491	73.6	7.9
Reinsurance and retrocession - technical reserves	923,243	1,302,113	1,704,157	84.6	30.9

Table 37 – Brasilseg | Securities and credit receivable

R\$ thousand	Balance		Chg. %		
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Securities and credits receivable	10,553	6,344	120,647	1,043.3	1,801.9
Other tax and social security receivables	135,429	206,860	236,242	74.4	14.2
Receivable tax and social security - tax loss	14	369	284	1,905.4	(23.1)
Receivable tax and social security - temporary adjustments	148,270	178,342	214,398	44.6	20.2
Tax and judicial deposits	846,732	837,657	826,146	(2.4)	(1.4)
Other receivables	23,723	14,447	14,017	(40.9)	(3.0)
Impairment	(5,134)	(5,134)	(5,134)	-	-
Securities and credits receivable	1,159,586	1,238,884	1,406,601	21.3	13.5

Table 38 – Brasilseg | Accounts payable

R\$ thousand	Balance		Chg. %		
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Payable liabilities	108,777	74,558	318,015	192.4	326.5
Deferred taxes	(0)	(0)	6	-	-
Social securities and taxes payable	38,166	37,498	39,730	4.1	6.0
Labor charges	22,623	21,171	23,589	4.3	11.4
Taxes and contributions	56,261	6,488	91,448	62.5	1,309.4
Other accounts payable	275,858	9,665	20,758	(92.5)	114.8
Accounts payable	501,685	149,381	493,546	(1.6)	230.4

Table 39 – Brasilseg | Obligations with insurance and reinsurance operations

R\$ thousand	Balance		Chg. %		
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Premiums to return	31,148	26,466	124,541	299.8	370.6
Operations with insurance companies	1,765	6,678	4,705	166.6	(29.6)
Operations with reinsurance companies	521,464	619,202	541,079	3.8	(12.6)
Insurance and reinsurance brokers	389,736	136,022	221,510	(43.2)	62.8
Other operating obligations	1,533,948	1,624,413	1,786,991	16.5	10.0
Obligations with insurance and reinsurance operations	2,478,060	2,412,781	2,678,825	8.1	11.0

■ SOLVENCY

Table 40 – Brasilseg | Solvency¹

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Brasilseg Companhia de Seguros					
Adjusted shareholders' equity (a)	1,293,978	1,455,947	1,567,588	21.1	7.7
Minimum capital required (b)	1,176,443	1,309,441	1,354,658	15.1	3.5
Additional capital for underwriting risk	1,057,591	1,175,020	1,206,465	14.1	2.7
Additional capital for credit risk	123,242	158,467	177,533	44.1	12.0
Additional capital for operating risk	30,816	34,603	37,212	20.8	7.5
Additional capital for market risk	73,004	46,581	46,581	(36.2)	(0.0)
Benefit of correlation between risks	(108,211)	(105,229)	(113,132)	4.5	7.5
Capital adequacy (a) - (b)	117,535	146,505	212,930	81.2	45.3
Solvency ratio (a) / (b) - %	110.0	111.2	115.7	5.7 p.p.	4.5 p.p.
Aliança do Brasil Seguros					
Adjusted shareholders' equity (a)	179,111	215,686	208,373	16.3	(3.4)
Minimum capital required (b)	91,389	110,474	118,091	29.2	6.9
Additional capital for underwriting risk	80,804	97,905	106,456	31.7	8.7
Additional capital for credit risk	10,624	11,880	10,581	(0.4)	(10.9)
Additional capital for market risk	3,017	2,247	2,247	(25.5)	(0.0)
Additional capital for operating risk	3,938	5,507	5,362	36.2	(2.6)
Benefit of correlation between risks	(6,994)	(7,065)	(6,555)	(6.3)	(7.2)
Capital adequacy (a) - (b)	87,722	105,213	90,283	2.9	(14.2)
Solvency ratio (a) / (b) - %	196.0	195.2	176.5	-19.5 p.p.	-18.8 p.p.
Total Brasilseg					
Adjusted shareholders' equity (a)	1,473,089	1,671,633	1,775,962	20.6	6.2
Minimum capital required (b)	1,267,832	1,419,915	1,472,749	16.2	3.7
Additional capital for underwriting risk	1,138,396	1,272,925	1,312,920	15.3	3.1
Additional capital for credit risk	133,866	170,347	188,114	40.5	10.4
Additional capital for operating risk	34,754	40,110	42,574	22.5	6.1
Additional capital for market risk	76,021	48,828	48,828	(35.8)	(0.0)
Benefit of correlation between risks	(115,205)	(112,294)	(119,687)	3.9	6.6
Capital adequacy (a) - (b)	205,257	251,718	303,213	47.7	20.5
Solvency ratio (a) / (b) - %	116.2	117.7	120.6	4.4 p.p.	2.9 p.p.

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

4.2 BRASILPREV

■ EARNINGS ANALYSIS

Table 41 – Brasilprev | Income statement¹

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Total revenue from pension and insurance	11,951,968	11,143,812	11,761,460	(1.6)	5.5	28,865,480	33,674,292	16.7
Provision for benefits to be granted	(11,945,739)	(11,138,561)	(11,756,366)	(1.6)	5.5	(28,848,945)	(33,656,421)	16.7
Net revenue from pension and insurance	6,229	5,251	5,094	(18.2)	(3.0)	16,535	17,871	8.1
Management fee	758,861	770,737	827,835	9.1	7.4	2,160,104	2,346,280	8.6
Changes in other technical reserves	1,594	(3,439)	(848)	-	(75.3)	(12,379)	(6,351)	(48.7)
Expenses with benefits, redemptions and claims	(15,122)	(28,686)	(34,373)	127.3	19.8	(50,520)	(90,238)	78.6
Acquisition costs	(166,247)	(168,222)	(172,344)	3.7	2.5	(493,996)	(506,888)	2.6
Retained earned premiums	41,643	42,837	43,482	4.4	1.5	127,028	127,564	0.4
Administrative expenses	(84,626)	(85,299)	(78,883)	(6.8)	(7.5)	(257,236)	(236,223)	(8.2)
Tax expenses	(56,140)	(56,690)	(59,258)	5.6	4.5	(160,881)	(171,257)	6.4
Other operating income (expenses)	(10,014)	(19,829)	(18,868)	88.4	(4.8)	(45,723)	(58,125)	27.1
Gains or losses on non-current assets	-	(96)	46	-	-	-	(50)	-
Non-interest operating result	476,177	456,564	511,882	7.5	12.1	1,282,934	1,422,583	10.9
Net investment income	83,378	(368,123)	(220,033)	-	(40.2)	18,985	(613,298)	-
Financial income	1,136,290	4,211,768	(693,530)	-	-	2,309,246	1,910,955	(17.2)
Financial expenses	(1,052,912)	(4,579,891)	473,496	-	-	(2,290,261)	(2,524,253)	10.2
Earnings before taxes and profit sharing	559,555	88,442	291,849	(47.8)	230.0	1,301,919	809,285	(37.8)
Taxes	(212,126)	(33,306)	(129,679)	(38.9)	289.4	(503,078)	(333,787)	(33.7)
Profit sharing	286	(3,625)	(3,396)	-	(6.3)	(7,231)	(9,364)	29.5
Net income	347,716	51,511	158,774	(54.3)	208.2	791,609	466,134	(41.1)

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

ADJUSTED NET INCOME

Figure 39 – Brasilprev | Adjusted net income and ROAA

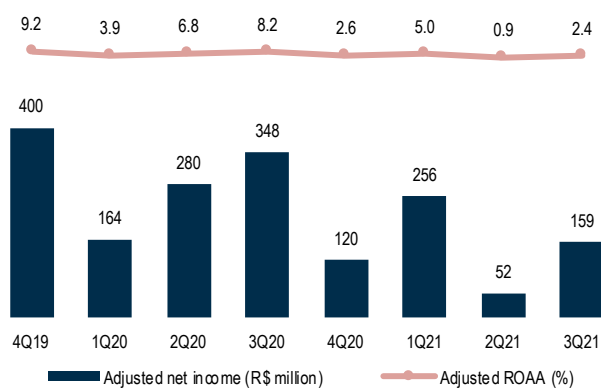
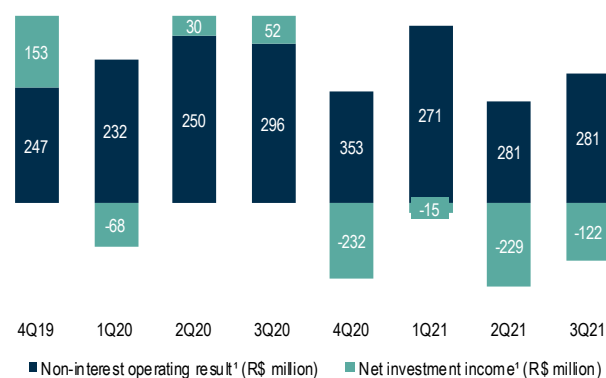


Figure 40 – Brasilprev | Adjusted net income breakdown



1. Net of taxes considering the effective tax rate

Table 42 – Brasilprev | Performance ratios

%	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Commission ratio	1.4	1.5	1.5	0.1	(0.0)	1.7	1.5	(0.2)
Load fee	0.1	0.0	0.0	(0.0)	(0.0)	0.1	0.1	(0.0)
Management fee	1.00	1.02	1.03	0.04	0.02	0.99	1.02	0.03
Redemption ratio	7.8	10.0	11.3	3.6	1.4	7.9	10.2	2.3
Portability ratio	1.5	2.0	2.6	1.1	0.6	1.1	2.0	0.9
Cost to income ratio	41.0	44.2	41.6	0.6	(2.6)	44.3	42.9	(1.4)
Income tax rate	37.9	37.7	44.4	6.5	6.8	38.6	41.2	2.6
ROAA	8.2	0.9	2.4	(5.8)	1.5	6.0	2.7	(3.4)

■ RESULT WITH PENSION PLANS AND INSURANCE ANALYSIS

CONTRIBUTIONS

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

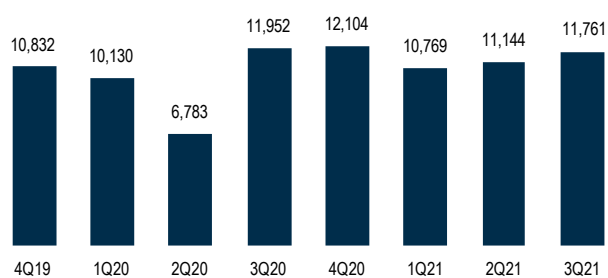
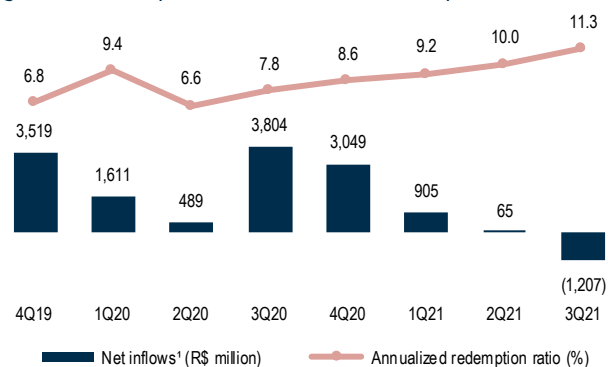


Figure 42 – Brasilprev | Net inflows and redemption ratio



1. Source: Quantum Axis

Figure 43 – Brasilprev | Contributions breakdown (%)

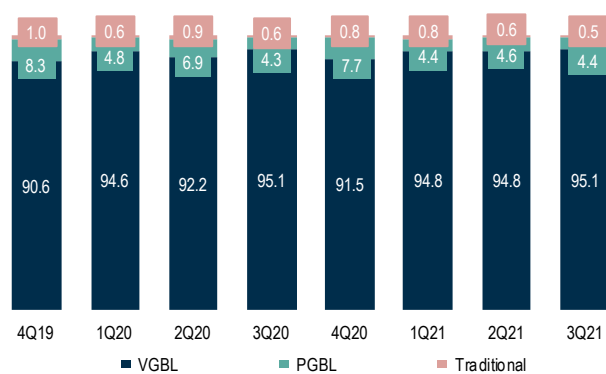
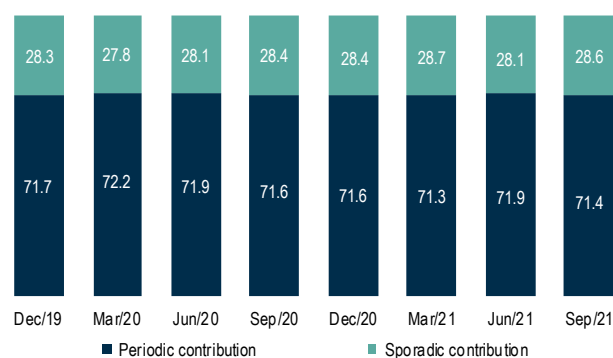


Figure 44 – Brasilprev | Pension plans outstanding (%)



TECHNICAL RESERVES

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

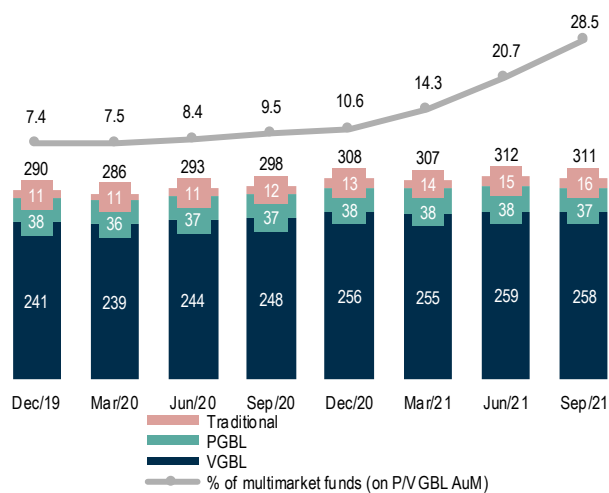


Figure 46 – Brasilprev | Technical reserves (%)

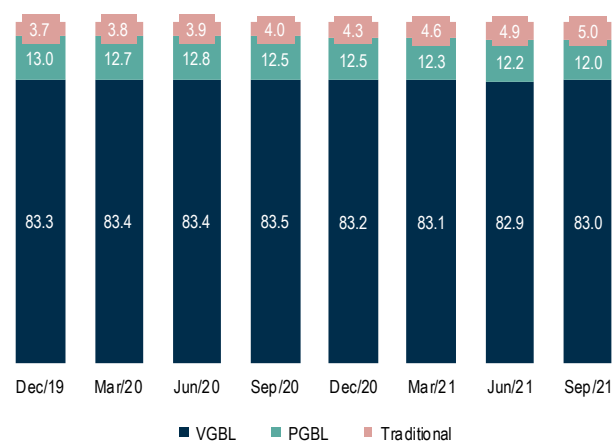


Figure 47 – Brasilprev | Active plans (thousand)

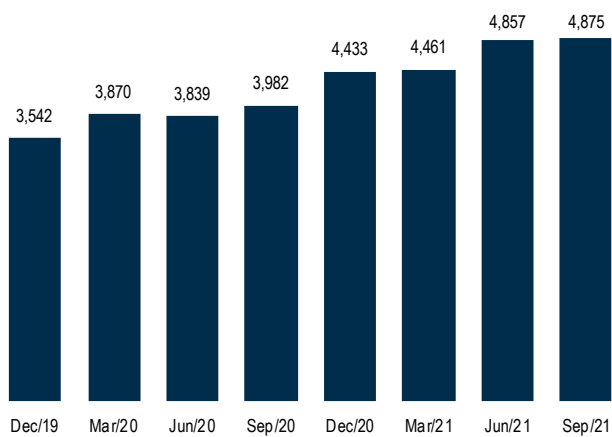


Figure 48 – Brasilprev | CPFs (thousand)

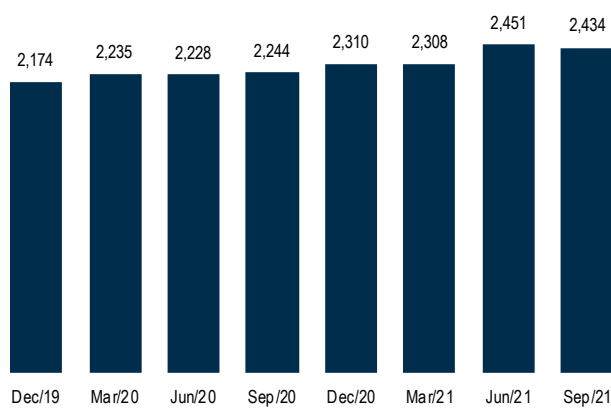


Table 43 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans

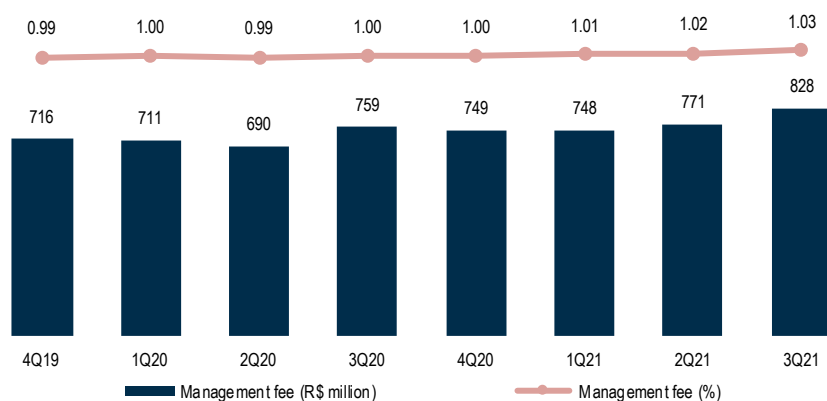
R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Benefits to be granted					
Initial balance	288,020,126	301,398,114	305,495,198	6.1	1.4
Constitution	3,930,248	1,370,531	1,028,064	(73.8)	(25.0)
Reversal	(272,479)	(1,445,418)	(2,383,529)	774.8	64.9
Restatement	813,577	4,171,970	(678,050)	-	-
Final balance	292,491,472	305,495,198	303,461,683	3.8	(0.7)
Benefits granted					
Initial balance	3,599,877	4,520,137	4,966,955	38.0	9.9
Constitution	194,459	105,965	70,377	(63.8)	(33.6)
Reversal	(184,044)	(3,497)	(4,837)	(97.4)	38.3
Restatement	220,728	344,351	161,425	(26.9)	(53.1)
Final balance	3,831,021	4,966,955	5,193,921	35.6	4.6
Other provisions					
Initial balance	1,128,910	1,353,568	1,736,158	53.8	28.3
Constitution	219,523	617,061	725,495	230.5	17.6
Reversal	(99,544)	(309,124)	(392,971)	294.8	27.1
Restatement	34,075	74,652	47,992	40.8	(35.7)
Final balance	1,282,963	1,736,158	2,116,673	65.0	21.9
Total Provisions	297,605,456	312,198,311	310,772,277	4.4	(0.5)

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

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
P VGBL Reserves					
Initial balance	281,477,683	293,163,783	296,899,280	5.5	1.3
Constitution	4,240,522	1,912,771	1,665,409	(60.7)	(12.9)
Reversal	(345,778)	(1,446,398)	(2,467,429)	613.6	70.6
Restatement	248,039	3,269,123	(997,083)	-	-
Final balance	285,620,466	296,899,280	295,100,177	3.3	(0.6)
Traditional Reserves					
Initial balance	11,271,227	14,108,036	15,299,031	35.7	8.4
Constitution	103,708	180,786	158,530	52.9	(12.3)
Reversal	(210,289)	(311,642)	(313,909)	49.3	0.7
Restatement	820,344	1,321,851	528,449	(35.6)	(60.0)
Final balance	11,984,990	15,299,031	15,672,100	30.8	2.4
Total Provisions	297,605,456	312,198,311	310,772,277	4.4	(0.5)

MANAGEMENT FEE

Figure 49 – Brasilprev | Management fee¹



1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for the 2019 periods.

Table 45 – Brasilprev | Management fee breakdown^{1,2}

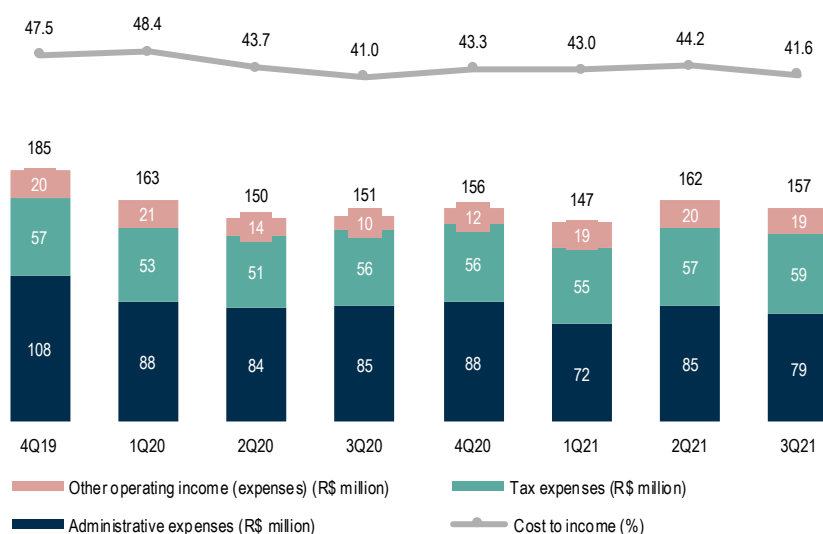
R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Management fee	758,861	770,737	827,835	9.1	7.4	2,160,104	2,346,280	8.6
Average volume of reserves	296,670,082	309,535,734	311,810,244	5.1	0.7	292,713,781	309,765,629	5.8
Working days	65	62	65	0 w.d.	3 w.d.	188	188	0 w.d.
Annualized average management fee (%)	1.00	1.02	1.03	0.04 p.p.	0.02 p.p.	0.99	1.02	0.03 p.p.

1. Management fee annualized considering the total of 252 working days.

2. Working days calculated based on the holidays table provided by ANBIMA.

GENERAL & ADMINISTRATIVE EXPENSES

Figure 50 – Brasilprev | G&A expenses and cost to income ratio¹



1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for the 2019 periods.

QUARTERLY ANALYSIS

In the 3Q21, G&A expenses grew 4.1% YoY, with cost to income ratio up 0.6 p.p.

The **other operating income and expenses** were up 88.4% YoY, mainly impacted by the higher constitution of provisions for operating losses and by the increase of the provision for contingencies, since in the 3Q20 this line presented positive balance, due to the reversal of provision for civil and labor lawsuits after the closing of some cases.

On the other hand, **administrative expenses** retracted 6.8%, explained both by the lower volume of outsourcing expenses, due to the reduction in costs related to the administration of assets that guarantee the defined benefit plan reserves, and the decrease of personnel expenses, since in the 3Q20 this line was raised by the recognition of welfare benefits related to the 2Q20.

Tax expenses grew 5.6% due to the increase in taxable income.

YEAR-TO-DATE ANALYSIS

In the 9M21, G&A expenses were up 0.4%, while the cost to income ratio improved 1.4 p.p.

The **other operating income expenses** grew 27.1%, mostly due to the provisions for losses mentioned in the quarterly analysis, and the increase in charge expenses, due to the expansion in the quantity of periodic plans sold, and provisions for loan losses related to pension plans with risk coverage that are not having contribution.

The **administrative expenses** dropped 8.2%, mainly justified by the reduction in outsourcing expenses, with lower costs related to administration of assets that guarantee the defined benefit plans reserves, and lower volume of expenses with projects and suppliers, and by the decrease in marketing expenses, due to the reduction in costs with incentivized sponsorship along the 9M21.

Tax expenses grew 6.4% due to the increase in taxable income.

Table 46 – Brasilprev | G&A expenses

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Administrative expenses	(84,626)	(85,299)	(78,883)	(6.8)	(7.5)	(257,236)	(236,224)	(8.2)
Personnel	(39,122)	(36,926)	(36,337)	(7.1)	(1.6)	(106,028)	(109,376)	3.2
Outsourcing	(26,733)	(24,982)	(22,753)	(14.9)	(8.9)	(81,749)	(66,056)	(19.2)
Location and operation	(14,652)	(15,426)	(15,158)	3.5	(1.7)	(43,901)	(45,087)	2.7
Marketing	(3,228)	(7,650)	(3,266)	1.2	(57.3)	(20,526)	(13,337)	(35.0)
Other	(891)	(315)	(1,369)	53.6	334.4	(5,032)	(2,368)	(52.9)
Other operating income (expenses)	(10,014)	(19,829)	(18,868)	88.4	(4.8)	(45,723)	(58,125)	27.1
Expenses on sales incentive	(3,146)	(5,924)	(3,455)	9.8	(41.7)	(19,369)	(19,814)	2.3
Charging expenses	(4,020)	(4,326)	(4,670)	16.2	8.0	(12,045)	(13,184)	9.5
Contingencies	1,532	(1,859)	(1,125)	-	(39.5)	(1,395)	(4,059)	191.0
Provision for losses on receivables	(2,727)	(2,551)	(2,460)	(9.8)	(3.6)	(8,050)	(9,097)	13.0
Other operating income (expenses)	(1,653)	(5,169)	(7,158)	333.0	38.5	(4,864)	(11,971)	146.1
Tax expenses	(56,140)	(56,690)	(59,258)	5.6	4.5	(160,881)	(171,257)	6.4
Federal and municipal taxes	(15,450)	(15,839)	(16,732)	8.3	5.6	(44,195)	(47,817)	8.2
COFINS	(34,010)	(34,237)	(35,111)	3.2	2.6	(97,408)	(102,337)	5.1
PIS/PASEP	(5,527)	(5,563)	(5,706)	3.2	2.6	(15,829)	(16,630)	5.1
Inspection fee	(1,084)	(1,085)	(1,083)	(0.1)	(0.2)	(3,252)	(3,251)	(0.0)
Other tax expenses	(69)	34	(626)	807.2	-	(197)	(1,222)	520.9
General and administrative expenses	(150,780)	(161,818)	(157,009)	4.1	(3.0)	(463,839)	(465,606)	0.4

Table 47 – Brasilprev | Cost to income ratio¹

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Revenues - [a]	806,733	818,824	876,410	8.6	7.0	2,303,667	2,491,715	8.2
Net revenue from pension and insurance	6,229	5,251	5,094	(18.2)	(3.0)	16,535	17,871	8.1
Management fee	758,861	770,737	827,835	9.1	7.4	2,160,104	2,346,280	8.6
Earned premiums	41,643	42,837	43,482	4.4	1.5	127,028	127,564	0.4
Expenses - [b]	330,556	362,164	364,574	10.3	0.7	1,020,734	1,069,082	4.7
Changes in other technical reserves	(1,594)	3,439	848	-	(75.3)	12,379	6,351	(48.7)
Expenses with benefits, redemptions and claims	15,122	28,686	34,373	127.3	19.8	50,520	90,238	78.6
Acquisition costs	166,247	168,222	172,344	3.7	2.5	493,996	506,888	2.6
Administrative expenses	84,626	85,299	78,883	(6.8)	(7.5)	257,236	236,223	(8.2)
Tax expenses	56,140	56,690	59,258	5.6	4.5	160,881	171,257	6.4
Other operating income (expenses)	10,014	19,829	18,868	88.4	(4.8)	45,723	58,125	27.1
Cost to income ratio (%) - [b / a]	41.0	44.2	41.6	0.6 p.p.	(2.6) p.p.	44.3	42.9	(1.4) p.p.

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

■ NET INVESTMENT INCOME

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

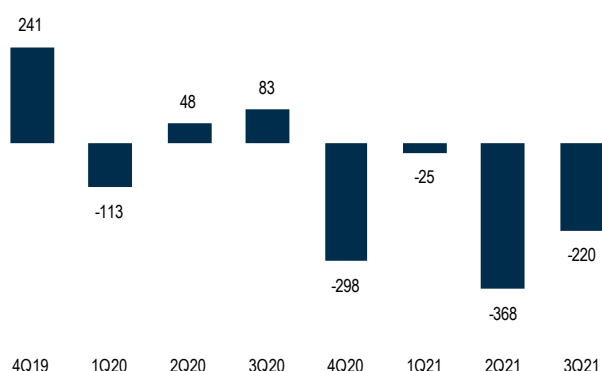
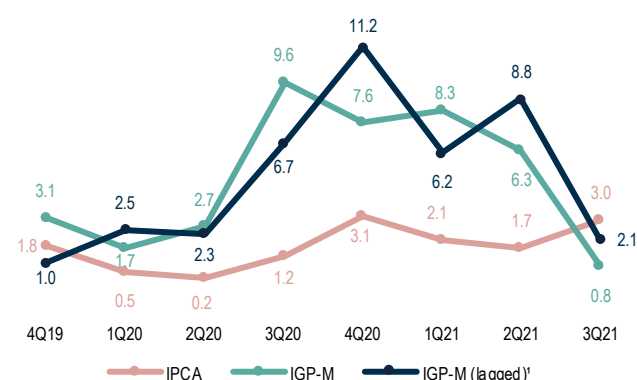


Figure S2 – Brasilprev | Inflation rates (%)



Source: IBGE e FGV.

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

Table 48 – Brasilprev | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Adjusted interest revenues	915,098	987,754	346,738	(62.1)	(64.9)	1,642,568	2,274,854	38.5
Revenues with mark to market financial investments	(11,123)	131,926	(190,408)	1,611.8	-	(47,973)	(147,679)	207.8
Revenues with held to maturity financial investments	926,221	855,828	537,146	(42.0)	(37.2)	1,690,541	2,422,533	43.3
Adjusted interest expenses	(831,719)	(1,355,877)	(566,771)	(31.9)	(58.2)	(1,623,582)	(2,888,152)	77.9
Interest accrual on technical reserves	(831,719)	(1,354,408)	(557,005)	(33.0)	(58.9)	(1,623,582)	(2,876,916)	77.2
Interest accrual on debentures	-	(1,470)	(9,766)	-	564.5	-	(11,236)	-
Net investment income	83,378	(368,123)	(220,033)	-	(40.2)	18,985	(613,298)	-

QUARTERLY ANALYSIS

In the 3Q21, the net investment income was R\$220.0 million negative, compared to the positive balance of R\$83.4 million in the 3Q20.

The adjusted interest revenues were down 62.1%, mostly due to the contraction of 18.7 p.p. in the average yield of held to maturity securities, since the IGP-M, which adjusts part of these assets, grew at a slower pace than the observed in the 3Q20 (+0.8% vs. +9.6%). The quarter was also impacted by mark to market losses in prefixed income securities due to the steepening in the real yield curve.

The adjusted interest expenses fell 31.9% YoY, because of the retraction in the average yield on interest bearing liabilities (-11.9 p.p.) related to the technical reserves of defined benefit plans. Considering the one-month lag of the interest accrual on bearing liabilities pegged to IGP-M, the change of this index in the period that ranges from June 2021 to August 2021 (+2.1%) was lower than the accumulated index in the same period of 2020 (+6.7%).

YEAR-TO-DATE ANALYSIS

In the 9M21, net investment income was R\$613.3 million negative, compared to the positive balance of R\$19.0 million in the 9M20.

The adjusted interest revenues grew 38.5%, mainly due to the increase in the average yield on earning assets held to maturity, with higher inflation indexes (IGP-M and IPCA), which adjust most part of the assets related to the defined benefit plans.

On the other hand, the adjusted interest expenses were up 77.9%, with an increase of 5.1 p.p. in the average yield on interest bearing liabilities related to the technical reserves of traditional plans, due to the raise of IGP-M in the period that ranges from December to August 2021 (+17.9%), when compared to the same period of 2020 (+11.9%), considering the one-month lag of the interest accrual on these liabilities.

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

R\$ thousand	3Q21/3Q20		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	(105,110)	(74,175)	(179,285)
Held to maturity financial investments	119,270	(508,344)	(389,075)
Total¹	110,842	(679,202)	(568,360)
Interest bearing liabilities			
Technical reserves	(186,194)	460,909	274,715
Debentures	(9,766)	-	(9,766)
Total	(199,672)	464,620	264,948

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

Table 50 – Brasilprev | Quarterly figures – Earning assets – average balance and interest rates¹

R\$ million	3Q20			3Q21		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to market financial investments	2,972	(11)	(1.4)	6,634	(190)	(10.7)
Held to maturity financial investments	12,283	926	32.6	15,789	537	13.8
Total	15,255	915	25.3	22,424	347	6.1

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

Table 51 – Brasilprev | Quarterly figures – Interest bearing liabilities – average balance and interest rates¹

R\$ million	3Q20			3Q21		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves	13,122	(832)	22.4	19,710	(557)	10.5
Debentures	-	-	-	548	(10)	6.7
Total	13,122	(832)	22.4	20,259	(567)	10.4

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

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

R\$ thousand	9M21/9M20		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	(64,726)	(34,980)	(99,706)
Held to maturity financial investments	449,452	282,541	731,992
Total¹	578,435	53,851	632,286
Interest bearing liabilities			
Technical reserves	(739,875)	(513,459)	(1,253,334)
Debentures	(11,236)	-	(11,236)
Total	(776,169)	(488,401)	(1,264,570)

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

Table 53 – Brasilprev | Year-to-date figures – Earning assets – average balance and interest rates¹

R\$ million	9M20			9M21		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to market financial investments	3,126	(48)	(2.1)	5,565	(148)	(3.5)
Held to maturity financial investments	12,133	1,691	19.1	14,897	2,423	22.4
Total	15,259	1,643	14.7	20,462	2,275	15.2

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

Table 54 – Brasilprev | Year-to-date figures – Interest bearing liabilities – average balance and interest rates¹

R\$ million	9M20			9M21		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves	12,862	(1,624)	16.5	17,315	(2,877)	21.6
Debentures	-	-	-	548	(11)	2.7
Total	12,862	(1,624)	16.5	17,589	(2,888)	21.4

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

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

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Held to maturity securities	12,554,804	15,161,198	16,417,427	30.8	8.3
Pre-fix ed	81,655	26,448	49,555	(39.3)	87.4
Inflation	12,473,149	15,134,750	16,367,872	31.2	8.1
Mark to market securities	3,136,066	6,813,030	6,455,480	105.8	(5.2)
Pre-fix ed	448,994	369,662	455,069	1.4	23.1
Floating	1,144,306	3,035,755	2,288,093	100.0	(24.6)
Inflation	1,542,766	3,407,613	3,712,318	140.6	8.9
Total	15,690,870	21,974,228	22,872,907	45.8	4.1

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

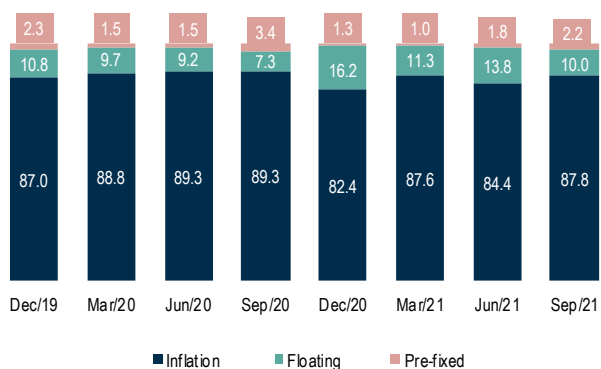
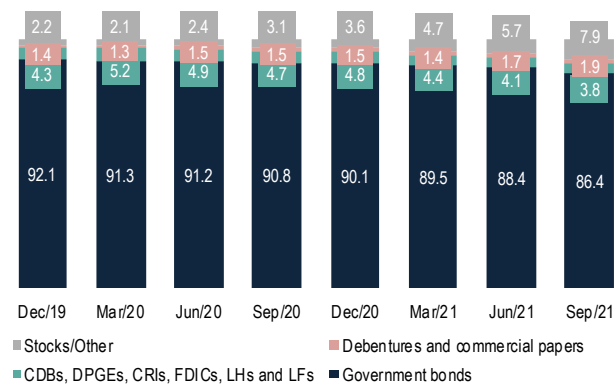


Figure 54 – Brasilprev | Assets allocation (%)



■ BALANCE SHEET ANALYSIS

Table 56 – Brasilprev | Balance sheet

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Assets	301,523,002	318,919,391	317,550,703	5.3	(0.4)
Cash and cash equivalents	62,081	3,292,958	1,839,506	2,863.1	(44.1)
Financial assets	299,757,461	313,708,504	313,592,034	4.6	(0.0)
Receivables from insurance and reinsurance operations	3,553	2,669	2,883	(18.9)	8.0
Securities and credits receivable	211,012	288,683	456,186	116.2	58.0
Prepaid expenses	3,601	7,110	6,109	69.7	(14.1)
Deferred costs	1,249,578	1,338,961	1,377,860	10.3	2.9
Credits from private pension transactions	-	1,546	1,873	-	21.2
Other	-	45,656	44,284	-	(3.0)
Investments	75	75	75	-	-
Fixed assets	27,121	22,756	20,688	(23.7)	(9.1)
Intangible	208,521	210,472	209,204	0.3	(0.6)
Liabilities	298,280,043	313,533,982	312,007,141	4.6	(0.5)
Accounts payable	493,148	514,945	508,892	3.2	(1.2)
Debentures	-	549,035	547,727	-	(0.2)
Obligations with insurance and reinsurance operations	9,448	7,783	7,895	(16.4)	1.4
Debts from private pension transactions	1,167	3,671	3,792	225.0	3.3
Third party deposits	151,556	192,320	99,805	(34.1)	(48.1)
Technical reserves - insurance	248,424,977	258,908,082	257,807,588	3.8	(0.4)
Technical reserves - private pension	49,180,479	53,290,229	52,964,689	7.7	(0.6)
Other liabilities	19,269	67,918	66,753	246.4	(1.7)
Shareholders' equity	3,242,959	5,385,409	5,543,562	70.9	2.9

■ SOLVENCY

Table 57 – Brasilprev | Solvency¹

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Adjusted shareholder's equity (a)	3,534,496	4,739,996	4,948,791	40.0	4.4
Minimum capital requirement (b)	2,521,552	3,407,997	3,419,612	35.6	0.3
Additional capital for underwriting risk	1,362,766	1,742,118	1,761,550	29.3	1.1
Additional capital for credit risk	61,445	101,441	98,005	59.5	(3.4)
Additional capital for market risk	1,486,867	2,178,219	2,178,219	46.5	-
Additional capital for operating risk	238,084	249,759	248,618	4.4	(0.5)
Correlation risk reduction	(627,611)	(863,541)	(866,780)	38.1	0.4
Capital adequacy (a) - (b)	1,012,945	1,331,999	1,529,179	51.0	14.8
Solvency ratio (a) / (b) - %	140.2	139.1	144.7	4.5 p.p.	5.6 p.p.

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

4.3 BRASILCAP

■ EARNINGS ANALYSIS

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

Table 58 – Brasilcap | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Premium bonds collection	1,456,335	954,875	1,132,812	(22.2)	18.6	3,524,931	3,190,855	(9.5)
Changes in provisions for redemption	(1,245,953)	(827,857)	(982,371)	(21.2)	18.7	(3,028,130)	(2,745,711)	(9.3)
Changes in provisions for lottery and bonus	(27,187)	(17,458)	(20,210)	(25.7)	15.8	(66,130)	(58,474)	(11.6)
Revenue with load fee	183,195	109,560	130,230	(28.9)	18.9	430,672	386,671	(10.2)
Changes in other technical reserves	(929)	(2,732)	2,788	-	-	4,059	275	(93.2)
Result with lottery	648	4,437	5,158	696.3	16.3	5,066	13,377	164.0
Acquisition costs	(146,283)	(83,162)	(99,494)	(32.0)	19.6	(347,225)	(294,832)	(15.1)
Administrative expenses	(21,260)	(21,946)	(22,172)	4.3	1.0	(62,000)	(64,098)	3.4
Tax expenses	(9,708)	(5,640)	(7,928)	(18.3)	40.6	(24,014)	(21,734)	(9.5)
Other operating income (expenses)	6,789	11,849	9,312	37.1	(21.4)	19,995	30,158	50.8
Equity income	(5)	0	0	-	170.3	(5)	(1)	(72.6)
Non-interest operating result	12,446	12,367	17,895	43.8	44.7	26,548	49,813	87.6
Net investment income	60,681	24,235	90,803	49.6	274.7	187,053	177,400	(5.2)
Financial income	176,627	272,852	261,683	48.2	(4.1)	546,981	802,359	46.7
Financial expenses	(115,946)	(248,617)	(170,880)	47.4	(31.3)	(359,928)	(624,959)	73.6
Earnings before taxes and profit sharing	73,128	36,602	108,698	48.6	197.0	213,601	227,213	6.4
Taxes	(28,628)	(13,875)	(47,642)	66.4	243.4	(83,135)	(93,639)	12.6
Profit sharing	(1,421)	(1,398)	(1,599)	12.5	14.4	(4,221)	(4,420)	4.7
Net income	43,078	21,329	59,457	38.0	178.8	126,245	129,154	2.3

NET INCOME

Figure 55 – Brasilcap | Net income and ROAA

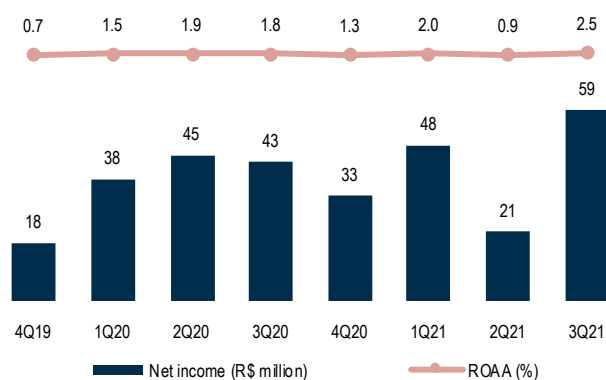
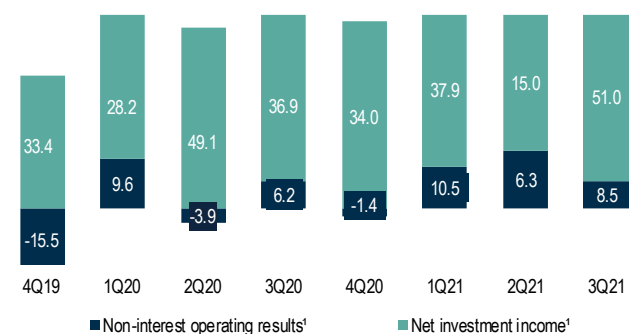


Figure 56 – Brasilcap | Net income breakdown (R\$ million)



1. Net of taxes considering the effective tax rate.

Table 59 – Brasilcap | Performance ratios

%	Quarterly Flow		Chg. (p.p.)		9 Months Flow		Chg. (p.p.)	
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Average quotes								
Reserve quote	85.6	86.7	86.7	1.2	0.0	85.9	86.0	0.1
Lottery quote	1.8	1.8	1.8	(0.1)	(0.0)	1.9	1.8	(0.0)
Bonus quote	0.02	0.02	0.01	(0.00)	(0.01)	0.03	0.02	(0.01)
Load fee quote	12.6	11.5	11.5	(1.1)	0.0	12.2	12.1	(0.1)
Load fee consumption								
Commission ratio	79.9	75.9	76.4	(3.5)	0.5	80.6	76.2	(4.4)
G&A ratio	13.2	14.4	16.0	2.8	1.6	15.3	14.4	(0.9)
Financial								
Net interest margin (p.p.)	2.7	1.3	4.3	1.5	2.9	2.7	2.7	0.0
Other								
Premium bonds margin	5.9	9.7	11.9	6.0	2.2	5.3	11.2	5.8
Income tax rate	39.1	37.9	43.8	4.7	5.9	38.9	41.2	2.3
ROAA	1.8	0.9	2.5	0.7	1.6	1.7	1.8	0.1

■ NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUM BONDS COLLECTION

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

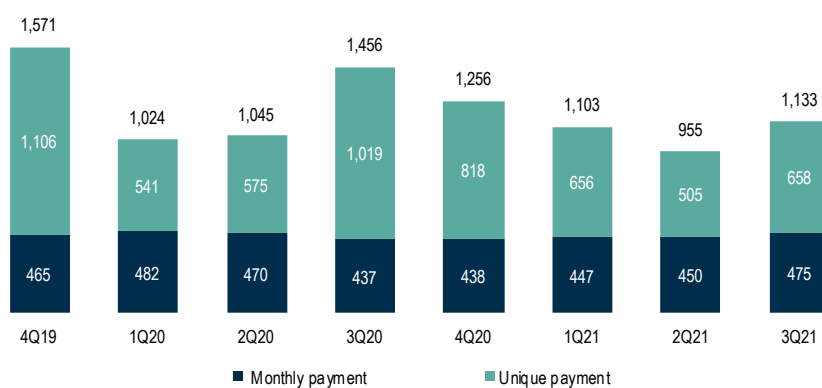


Figure 58 – Brasilcap | Collections by product (%)

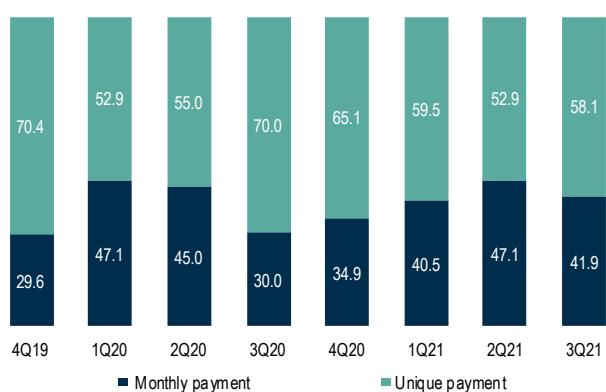
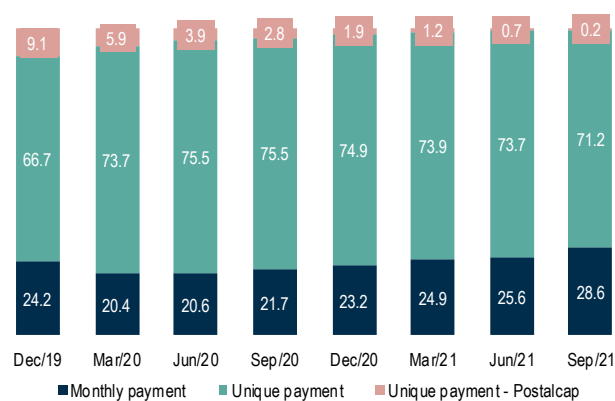


Figure 59 – Brasilcap | Bonds outstanding by product (%)



REVENUE WITH LOAD FEE

Figure 60 – Brasilcap | Changes in revenue with load fee quote and average load fee quote

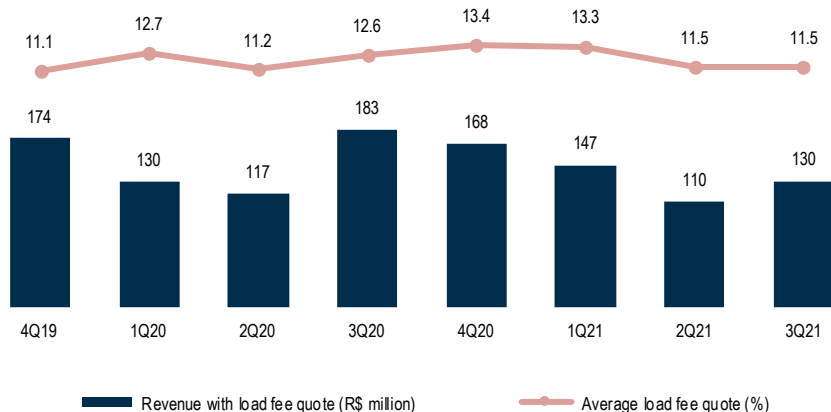


Figure 61 – Brasilcap | Changes in provisions for redemption and average reserve quote

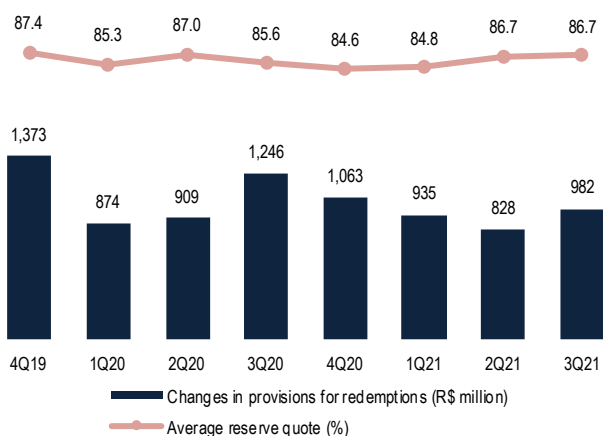


Figure 62 – Brasilcap | Changes in provisions for lottery and bonus and average lottery and bonus quotes

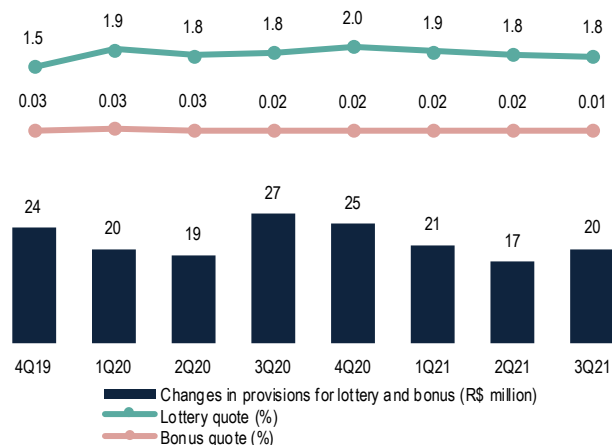


Table 60 – Brasilcap | Changes in premium bonds provision

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Premium bonds provision					
Initial balance	7,189,938	7,329,017	7,233,322	0.6	(1.3)
Constitution	1,250,006	829,496	983,970	(21.3)	18.6
Cancellations	(4,254)	(2,266)	(2,236)	(47.4)	(1.3)
Transfers	(1,057,772)	(1,022,889)	(1,033,558)	(2.3)	1.0
Interest accrual	104,727	99,964	99,317	(5.2)	(0.6)
Final balance	7,482,645	7,233,322	7,280,816	(2.7)	0.7

Table 61 – Brasilcap | Changes in provisions for redemption¹

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Provision for redemption					
Initial balance	540,999	566,491	566,226	4.7	(0.0)
Transfers	1,057,200	1,022,686	1,033,541	(2.2)	1.1
Payments	(1,046,390)	(1,016,547)	(1,018,966)	(2.6)	0.2
Interest accrual	(39)	314	286	-	(8.8)
Premium bonds expiration	(2,959)	(6,718)	(5,309)	79.4	(21.0)
Final balance	548,812	566,226	575,778	4.9	1.7

1. Provision's flow does not pass through income statement

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

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Provision for lottery to be held					
Initial balance	86,850	97,427	94,570	8.9	(2.9)
Constitution	26,981	17,303	20,081	(25.6)	16.1
Reversal	(20,016)	(20,663)	(20,415)	2.0	(1.2)
Cancellations	(70)	(34)	(34)	(51.3)	0.1
Interest accrual	426	536	556	30.4	3.6
Final balance	94,171	94,570	94,757	0.6	0.2

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

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Provision for draws to be paid					
Initial balance	14,097	9,969	9,164	(35.0)	(8.1)
Constitution	19,369	16,206	15,257	(21.2)	(5.9)
Payments	(22,646)	(16,999)	(15,785)	(30.3)	(7.1)
Interest accrual	(140)	(9)	(2)	(98.6)	(77.8)
Premium bonds expiration	(6)	(2)	-	-	-
Final balance	10,674	9,164	8,635	(19.1)	(5.8)

RESULT WITH LOTTERY

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

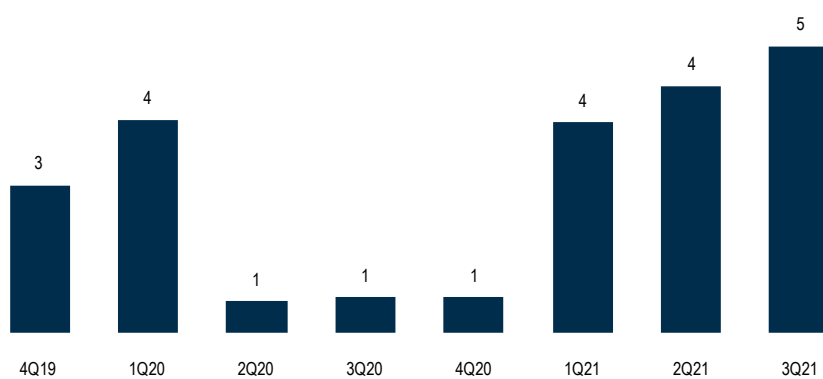
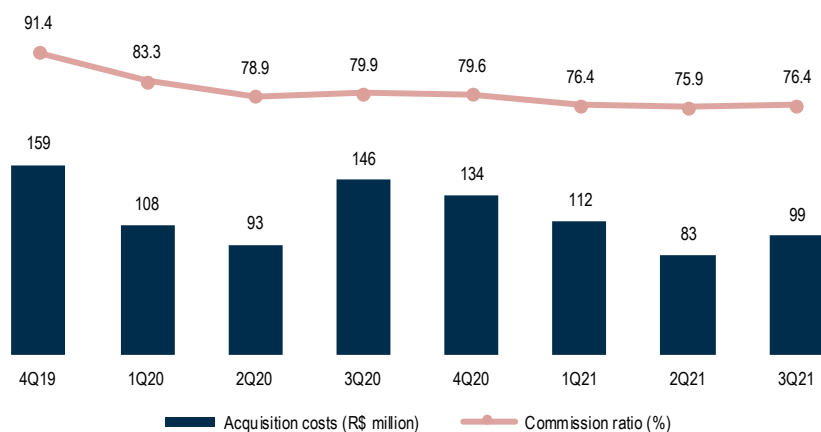


Table 64 – Brasilcap | Result with Lottery

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Result with lottery	648	4,437	5,158	696.3	16.3	5,066	13,377	164.0
Lottery provision reversal	20,016	20,663	20,415	2.0	(1.2)	62,377	61,479	(1.4)
Lottery expenses	(19,369)	(16,226)	(15,257)	(21.2)	(6.0)	(57,310)	(48,102)	(16.1)

ACQUISITION COSTS

Figure 64 – Brasilcap | Acquisition costs



QUARTERLY ANALYSIS

In the 3Q21, acquisition costs were down 32.0% YoY, driven by the decrease in collections, by a mix in the Banco do Brasil's channel more concentrated in the recurrent payments of monthly bonds, which present a lower commission ratio than the unique payment bonds and the first installments of monthly payment bonds, and by the reduction of the participation of other distribution channels which have higher commission. Thereby, the commission ratio reduced 3.5 p.p.

YEAR-TO-DATE ANALYSIS

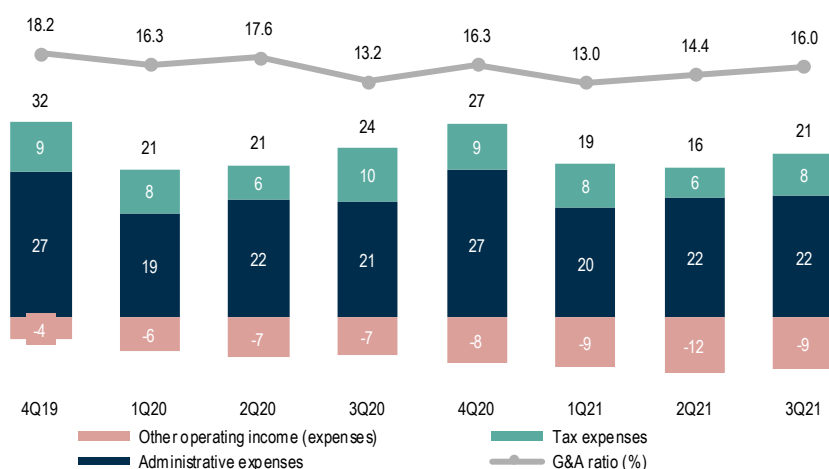
In the 9M21, acquisition costs decreased 15.1% and the commission ratio contracted 4.4 p.p., by the fall in collections and the reduction of the participation of other distribution channels in the mix.

Table 65 – Brasilcap | Changes in Acquisition Costs

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Acquisition costs	146,283	83,162	99,494	(32.0)	19.6	347,225	294,832	(15.1)
Brokerage	133,066	75,549	90,410	(32.1)	19.7	312,334	269,554	(13.7)
Sales cost	13,218	7,613	9,083	(31.3)	19.3	34,891	25,279	(27.5)

GENERAL & ADMINISTRATIVE EXPENSES

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



QUARTERLY ANALYSIS

In the 3Q21, **G&A expenses** decreased 14.0% YoY. Besides that, G&A ratio increased 2.8 p.p., explained by the retraction in the revenue with load fee, which is the denominator for calculating the indicator.

The fall of 37.1% of the **other operating income expenses** was the main reason that explained the reduction of general expenses and is mostly justified by higher revenues with premium bonds prescribed.

On the other hand, **administrative expenses** grew 4.3%, with the main variation registered in outsourcing expenses due to higher volume of expenses with software licenses and technical support. These effects were partially offset by the decrease in institutional advertisement and publicity expenses, location and operation and donations and contributions.

Tax expenses were down 18.3% aligned with the drop of the taxable income.

YEAR-TO-DATE ANALYSIS

In the 9M21, **G&A expenses** reduced 15.7%, with the G&A ratio retracting 0.9 p.p. YoY.

The growth of the revenues with premium bonds prescribed and the increase of the revenues with bonds redeemed within the grace period, both registered in the group of **other operating income expenses**, whose positive balance rose 50.8% compared to the same period in 2020, are the main factors explaining the drop in general expenses.

On the other hand, **administrative expenses** were up 3.4%, concentrated in outsourcing expenses, due to the increase in expenses with IT, software licenses and technical support, partially offset by lower institutional advertisement and publicity expenses and location and operation, as explained in the quarterly analysis.

Tax expenses reduced 9.5%, aligned with the drop of the taxable income.

Table 66 – Brasilcap | General & Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Administrative expenses	(21,260)	(21,946)	(22,172)	4.3	1.0	(62,000)	(64,098)	3.4
Personnel	(12,803)	(13,132)	(12,894)	0.7	(1.8)	(38,173)	(38,265)	0.2
Location and operation	(1,344)	(1,237)	(1,258)	(6.4)	1.7	(4,281)	(3,636)	(15.1)
Outsourcing	(6,369)	(6,602)	(7,578)	19.0	14.8	(16,309)	(20,182)	23.7
Institutional advertisement and publicity	(276)	(230)	(101)	(63.4)	(56.2)	(1,608)	(668)	(58.5)
Leasing	(74)	-	-	-	-	(201)	-	-
Other	(394)	(745)	(341)	(13.6)	(54.3)	(1,428)	(1,348)	(5.6)
Other operating income (expenses)	6,789	11,849	9,312	37.1	(21.4)	19,995	30,158	50.8
Legal provisions	(82)	169	(633)	672.8	-	809	(476)	-
Other operating income (expenses)	3,918	4,983	4,659	18.9	(6.5)	10,728	15,206	41.7
Revenue with premium bonds prescription	2,954	6,697	5,286	79.0	(21.1)	8,457	15,428	82.4
Tax expenses	(9,708)	(5,640)	(7,928)	(18.3)	40.6	(24,014)	(21,734)	(9.5)
COFINS	(7,924)	(5,116)	(6,372)	(19.6)	24.6	(19,291)	(18,075)	(6.3)
PIS/PASEP	(1,288)	14	(1,035)	(19.6)	-	(3,135)	(2,092)	(33.3)
Inspection fee	(471)	(471)	(471)	(0.0)	-	(1,412)	(1,412)	(0.0)
Other tax expenses	(26)	(67)	(50)	92.9	(25.1)	(176)	(155)	(12.2)
G&A Expenses	(24,179)	(15,736)	(20,789)	(14.0)	32.1	(66,018)	(55,674)	(15.7)

■ NET INVESTMENT INCOME

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

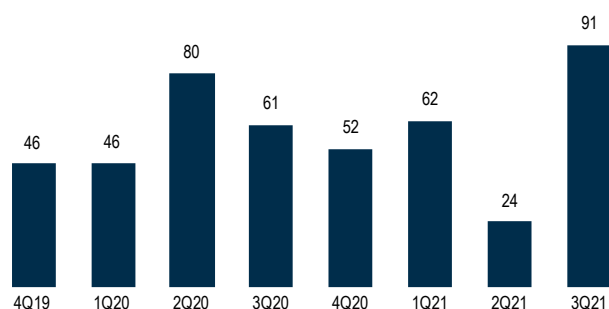


Figure 67 – Brasilcap | Annualized average interest rates and spread

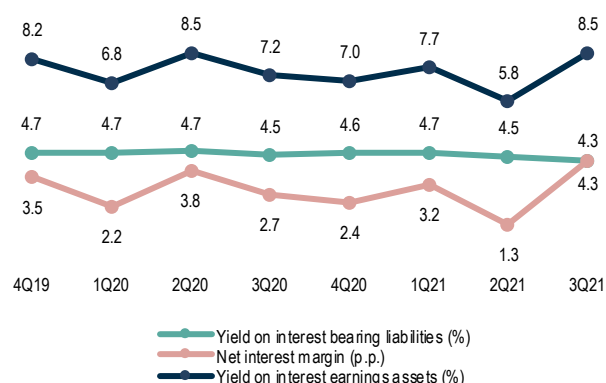


Table 67 – Brasilcap | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Interest revenues	170,974	128,742	195,046	14.1	51.5	515,315	498,939	(3.2)
Revenues with mark to market financial investments	91,577	182,164	171,310	87.1	(6.0)	276,024	519,390	88.2
Expenses with mark to market financial investments	(5,653)	(144,109)	(66,637)	1,078.8	(53.8)	(31,666)	(303,418)	858.2
Revenues with held to maturity financial investments	85,039	88,883	90,344	6.2	1.6	270,913	281,113	3.8
Interest accrual on judicial deposits	11	1,806	29	167.2	(98.4)	45	1,854	4,033.2
Interest expenses	(106,865)	(101,248)	(100,511)	(5.9)	(0.7)	(318,137)	(307,158)	(3.5)
Interest accrual on technical reserves	(105,167)	(100,805)	(100,160)	(4.8)	(0.6)	(315,320)	(306,041)	(2.9)
Other	(1,698)	(443)	(351)	(79.3)	(20.8)	(2,816)	(1,117)	(60.3)
Net interest income	64,109	27,495	94,534	47.5	243.8	197,178	191,781	(2.7)

QUARTERLY ANALYSIS

In the 3Q21, the net interest income grew 47.5% YoY, with increase of 1.5 p.p. in the net interest margin.

Interest revenues increased 14.1% due to the higher average yield on earning assets (+1.3 p.p.). The movement is mostly explained by gains in operations with the hedge of prefixed income bonds classified as available for sale and, in a lesser extent, by the increases in the average Selic rate and in the inflation rates which are indexing securities for trading and held to maturity.

Interest expenses dropped 5.9%, due to the fall in the average yield on technical reserves of the current portfolio.

YEAR-TO-DATE ANALYSIS

In the 9M21, the net interest income reduced 2.7% YoY, with stability of the net interest margin.

Interest revenues retracted 3.2% given the lower average balance of financial investments (-2.5%), as well as mark to market losses in the prefixed income securities, due to the strong steepening in the yield curve.

Interest expenses dropped 3.5% in the period, driven both by the lower balance of financial investments and the reduction in the average yield on technical reserves.

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

R\$ thousand	3Q21/3Q20		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	(15,476)	34,225	18,749
Held to maturity financial investments	5,522	(217)	5,305
Judicial deposits	2	16	18
Total¹	(5,402)	29,473	24,072
Interest bearing liabilities			
Technical reserves - premium bonds	806	4,201	5,006
Other	(21)	1,368	1,347
Total¹	24	6,329	6,354

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

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

R\$ thousand	3Q20			3Q21		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earnings assets						
Mark to market financial investments	4,480,663	85,924	7.6	3,903,529	104,673	10.8
Held to maturity financial investments	3,942,676	85,039	8.6	4,199,327	90,344	8.6
Judicial deposits	980,453	11	0.0	1,047,527	29	0.0
Total	9,403,792	170,974	7.2	9,150,383	195,046	8.5

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

R\$ thousand	3Q20			3Q21		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves - premium bonds	8,022,873	(105,167)	5.0	7,958,860	(100,160)	4.8
Other	995,463	(1,698)	0.7	1,057,299	(351)	0.1
Total	9,018,335	(106,865)	4.5	9,016,159	(100,511)	4.3

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

R\$ thousand	9M21/9M20		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	23,825	(52,210)	(28,386)
Held to maturity financial investments	(49,104)	59,305	10,201
Judicial deposits	(59)	1,868	1,809
Total¹	(13,044)	(3,332)	(16,376)
Interest bearing liabilities			
Technical reserves - premium bonds	5,107	4,172	9,279
Other	31	1,669	1,699
Total¹	5,499	5,479	10,978

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

R\$ thousand	9M20			9M21		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earnings assets						
Mark to market financial investments	3,916,810	244,357	8.5	4,402,461	215,972	6.6
Held to maturity financial investments	4,704,193	270,913	7.8	4,004,668	281,113	9.5
Judicial deposits	1,061,437	45	0.0	1,028,623	1,854	0.2
Total	9,682,441	515,315	7.2	9,435,752	498,939	7.2

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

R\$ thousand	9M20			9M21		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves - premium bonds	8,257,853	(315,320)	5.1	8,122,307	(306,041)	5.0
Other	1,072,798	(2,816)	0.4	1,044,240	(1,117)	0.1
Total	9,330,652	(318,137)	4.5	9,166,547	(307,158)	4.5

Table 74 – Brasilcap | Financial investments portfolio breakdown

R\$ thousand	Balance		Chg. %		
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Trading	1,208,789	691,876	900,471	(25.5)	30.1
Pre-fixed	549,410	352,215	483,440	(12.0)	37.3
Floating	582,541	281,067	341,458	(41.4)	21.5
Inflation	28,549	-	50,739	77.7	-
Equity funds	29,257	30,191	23,133	(20.9)	(23.4)
Other	19,032	28,403	1,702	(91.1)	(94.0)
Available for sale	3,594,302	3,264,454	2,950,257	(17.9)	(9.6)
Pre-fixed	3,594,302	3,262,046	2,947,082	(18.0)	(9.7)
Floating	-	2,408	3,175	-	31.8
Held to maturity securities	3,698,395	4,164,852	4,233,802	14.5	1.7
Pre-fixed	3,079,374	4,114,302	4,181,623	35.8	1.6
Inflation	619,021	50,550	52,179	(91.6)	3.2
Total	8,501,486	8,121,182	8,084,530	(4.9)	(0.5)

Figure 68 – Brasilcap | Asset allocation (%)

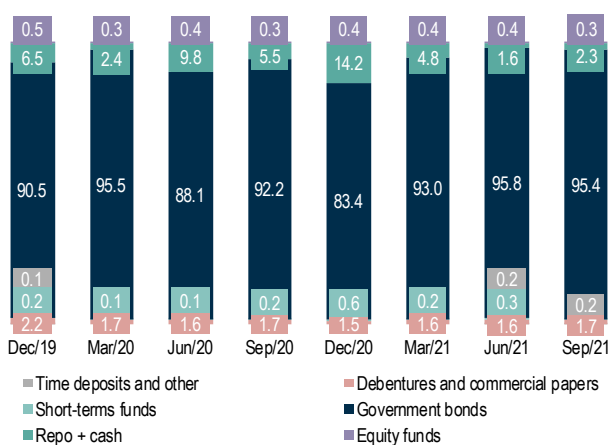
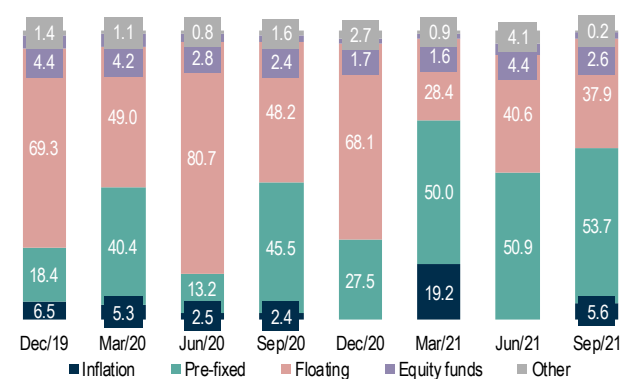


Figure 69 – Brasilcap | Financial investments breakdown by index (%)



■ BALANCE SHEET ANALYSIS

Table 75 – Brasilcap | Balance sheet

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Assets	9,718,100	9,447,320	9,501,019	(2.2)	0.6
Cash and cash equivalents	119	11	10	(92.0)	(13.2)
Financial assets	8,501,444	8,121,182	8,084,530	(4.9)	(0.5)
Securities and credits receivable	1,208,320	1,315,090	1,406,573	16.4	7.0
Prepaid expenses	1,419	2,466	1,955	37.8	(20.7)
Investments	1,124	1,125	1,125	0.0	0.0
Fixed assets	1,801	3,804	3,126	73.6	(17.8)
Intangible	256	77	55	(78.7)	(29.3)
Other assets	3,617	3,564	3,647	0.8	2.3
Liabilities	9,265,190	9,023,556	9,123,915	(1.5)	1.1
Accounts payable	80,021	39,388	67,485	(15.7)	71.3
Premium bonds operations debits	8,074	4,452	5,097	(36.9)	14.5
Technical reserves - premium bonds	8,173,699	7,934,237	7,983,483	(2.3)	0.6
Other liabilities	1,003,396	1,045,480	1,067,851	6.4	2.1
Shareholders' equity	452,910	423,763	377,104	(16.7)	(11.0)

■ SOLVENCY

Table 76 – Brasilcap | Solvency¹

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Adjusted shareholders' equity (a)	556,987	330,865	202,227	(63.7)	(38.9)
Minimum capital required (b)	334,931	244,051	195,209	(41.7)	(20.0)
Additional capital for underwriting risk	37,180	33,162	30,756	(17.3)	(7.3)
Additional capital for credit risk	46,941	37,542	37,038	(21.1)	(1.3)
Additional capital for operating risk	23,316	19,606	16,601	(28.8)	(15.3)
Additional capital for market risk	282,639	198,967	152,554	(46.0)	(23.3)
Benefit of correlation between risks	(55,145)	(45,226)	(41,740)	(24.3)	(7.7)
Capital adequacy (a) - (b)	222,056	86,814	7,018	(96.8)	(91.9)
Solvency ratio (a) / (b) - %	166.3	135.6	103.6	(62.7) p.p.	(32.0) p.p.

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

The reduction in the solvency ratio is mainly explained by the steepening in the yield curve, both in real and nominal rates, reducing 63.7% the adjusted shareholders' equity. With this movement in the yield curve, the economic adjustments of the shareholder's equity, which is related to the goodwill of held to maturity bonds, were negative, as well as the mark to market result of prefixed income bonds in available for sales category, negatively impacting the company shareholders' equity.

4.4 BRASILDENTAL

■ EARNINGS ANALYSIS

Table 77 – Brasildental | Income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Gross operating revenues	28,492	29,809	29,861	4.8	0.2	87,244	89,016	2.0
Taxes on revenues	(1,091)	(1,159)	(1,154)	5.8	(0.4)	(3,644)	(3,566)	(2.1)
Net operating revenues	27,401	28,650	28,707	4.8	0.2	83,599	85,450	2.2
Cost of services	(11,268)	(12,138)	(12,831)	13.9	5.7	(33,235)	(35,996)	8.3
Gross income	16,133	16,512	15,875	(1.6)	(3.9)	50,364	49,454	(1.8)
Acquisition costs	(1,603)	(1,482)	(1,393)	(13.1)	(6.0)	(4,972)	(4,410)	(11.3)
Administratives expenses	(4,433)	(4,695)	(5,190)	17.1	10.5	(14,334)	(14,489)	1.1
Tax expenses	(233)	(157)	(153)	(34.1)	(2.3)	(739)	(463)	(37.4)
Other revenues (expenses)	(2,597)	(1,623)	(1,680)	(35.3)	3.5	(2,370)	(3,193)	34.7
Earnings before interest and taxes	7,268	8,555	7,459	2.6	(12.8)	27,949	26,899	(3.8)
Net investment income	(242)	10	110	-	980.7	(545)	(305)	(44.1)
Financial income	121	299	410	238.5	36.8	570	880	54.2
Financial expenses	(363)	(289)	(300)	(17.5)	3.6	(1,113)	(1,185)	6.4
Earnings before taxes and profit sharing	7,026	8,565	7,569	7.7	(11.6)	27,407	26,595	(3.0)
Taxes	(2,408)	(2,939)	(2,643)	9.7	(10.1)	(9,299)	(9,128)	(1.8)
Profit sharing	(50)	(133)	(136)	170.3	2.2	(238)	(400)	67.8
Net income	4,568	5,493	4,790	4.9	(12.8)	17,870	17,067	(4.5)

Table 78 – Brasildental | Performance ratios

%	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Performance ratios								
Loss ratio	41.1	42.4	44.7	3.6	2.3	39.8	42.1	2.4
Comission ratio	5.9	5.2	4.9	(1.0)	(0.3)	5.9	5.2	(0.8)
G&A ratio	26.5	22.6	24.5	(2.0)	1.9	20.9	21.2	0.4
EBITDA margin	26.5	29.9	26.0	(0.5)	(3.9)	33.5	31.5	(2.0)
ROAA	41.3	48.4	48.4	7.1	0.0	55.0	52.1	(2.9)

Figure 70 – Brasil dental | Clients by segment (thousand)

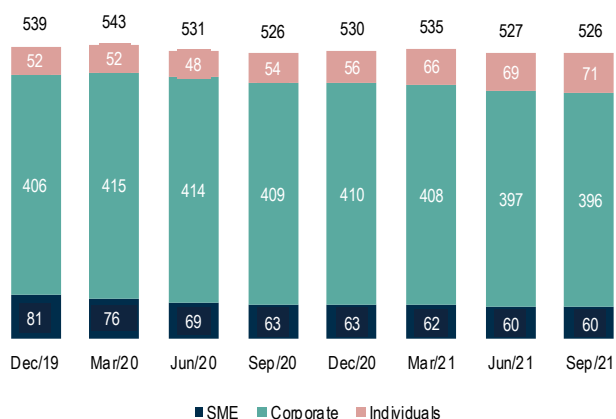


Figure 71 – Brasil dental | Clients by segment (%)

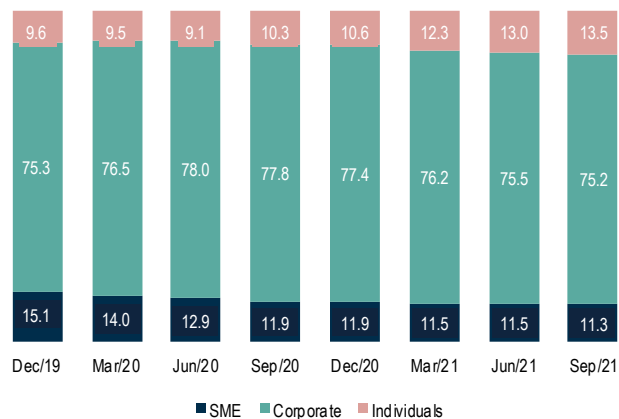


Table 79 – Brasil dental | Client base breakdown

	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Client segments					
Corporate	409,282	397,385	395,513	(3.4)	(0.5)
SME	62,772	60,434	59,625	(5.0)	(1.3)
Individuals	53,981	68,691	71,035	31.6	3.4
Total	526,035	526,510	526,173	0.0	(0.1)

■ BALANCE SHEET ANALYSIS

Table 80 – Brasil dental | Balance sheet

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Assets	42,835	38,929	40,192	(6.2)	3.2
Cash and cash equivalents	1,468	1,475	2,277	55.1	54.4
Financial assets	33,305	29,620	29,971	(10.0)	1.2
Receivables from insurance and reinsurance operations	4,698	5,029	5,006	6.5	(0.5)
Tax assets	1,583	1,823	2,058	30.0	12.9
Other assets	1,781	982	879	(50.6)	(10.4)
Liabilities	23,791	23,977	24,452	2.8	2.0
Technical reserves	16,198	15,885	16,190	(0.0)	1.9
Tax liabilities	2,083	1,913	1,788	(14.2)	(6.5)
Other liabilities	5,510	6,179	6,474	17.5	4.8
Shareholders' equity	19,044	14,952	15,740	(17.4)	5.3

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5. DISTRIBUTION

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

At BB Seguridade the distribution of its affiliates' products – Brasilseg, Brasilprev, Brasilcap and 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 at Banco do Brasil's distribution network.

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

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

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

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

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

Figure 72 – Distribution | Consolidated premiums written, contributions and collection by channel^{1,2} (R\$ million)

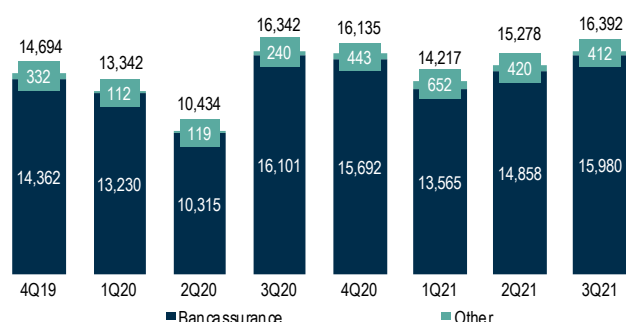
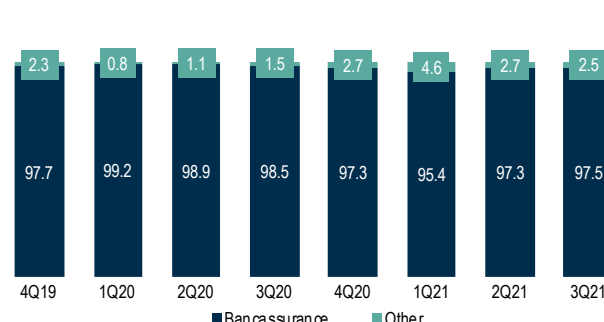


Figure 73 – Distribution | Consolidated premiums written, contributions and collection by channel^{1,2} (%)



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

2. After the partnership restructuring with MAPFRE, the distribution of insurance is exclusively through the bancassurance channel.

Figure 74 – Distribution | Insurance premiums written of Brasilseg¹ by channel (R\$ million)

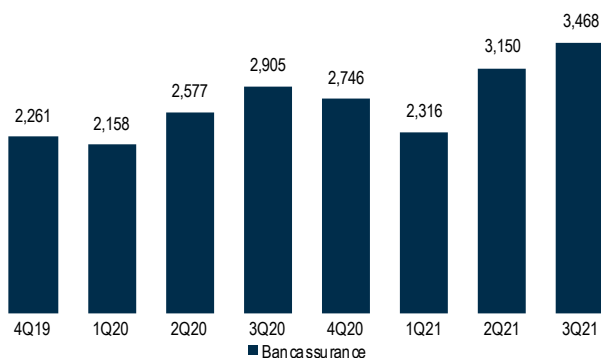
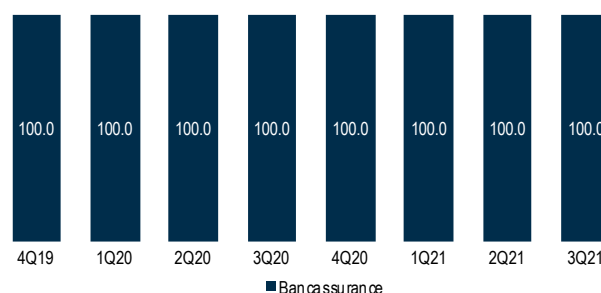


Figure 75 – Distribution | Insurance premiums written of Brasilseg¹ by channel (%)



1. After the partnership restructuring with MAPFRE, the distribution is exclusively through the bancassurance channel.

Figure 76 – Distribution | Brasilprev pension plans contributions by channel (R\$ million)

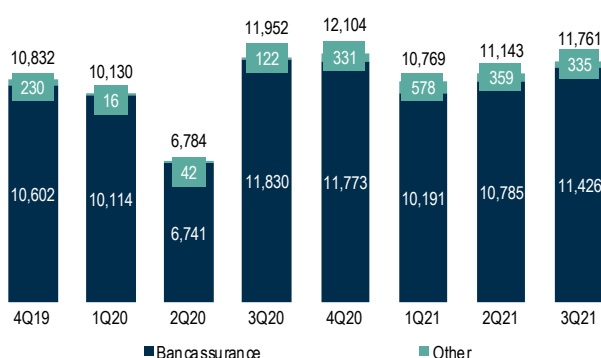


Figure 77 – Distribution | Brasilprev pension plans contributions by channel (%)

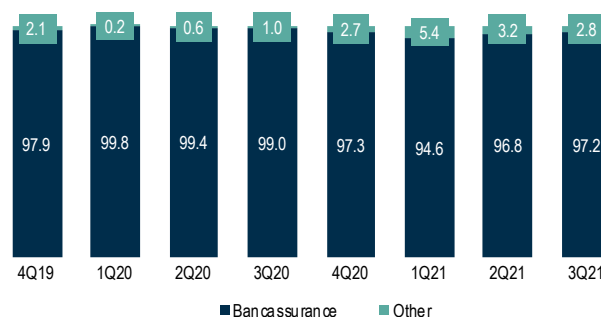


Figure 78 – Distribution | Brasilcap premium bonds collections by channel (R\$ million)

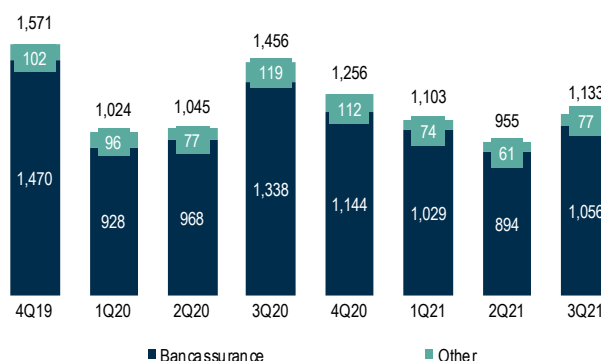


Figure 79 – Distribution | Brasilcap premium bonds collections by channel (%)

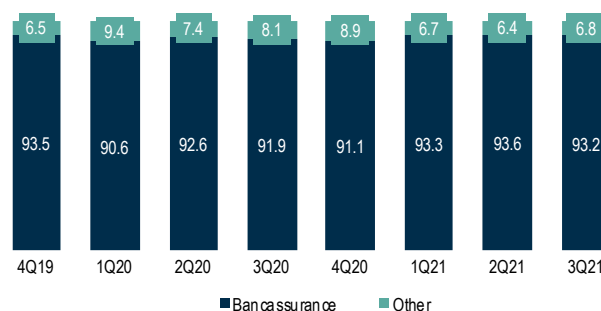


Figure 80 – Distribution | Brasildental dental insurance revenues by channel (R\$ million)

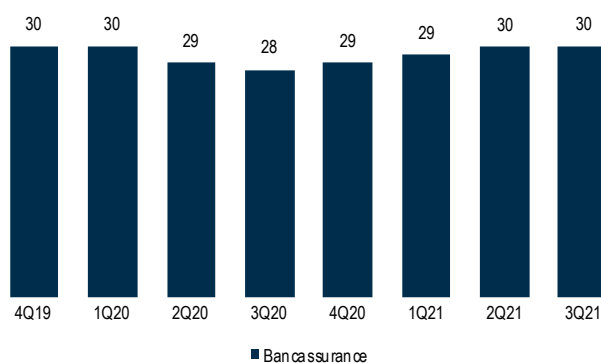
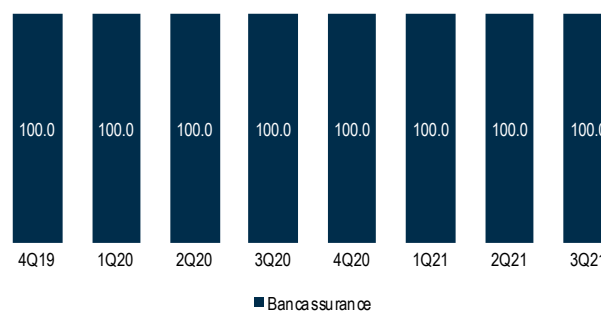


Figure 81 – Distribution | Brasildental dental insurance revenues by channel (%)



5.1 BB CORRETORA

■ EARNINGS ANALYSIS

Table 81 – BB Corretora | Income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Brokerage revenues	999,055	957,772	1,028,276	2.9	7.4	2,716,145	2,914,161	7.3
Administrative expenses	(48,963)	(57,755)	(52,598)	7.4	(8.9)	(140,923)	(153,057)	8.6
Personnel expenses	(10,122)	(10,572)	(10,191)	0.7	(3.6)	(31,000)	(30,254)	(2.4)
Other operating income (expenses)	(1,366)	431	(1,178)	(13.8)	-	(4,813)	(2,978)	(38.1)
Tax expenses	(116,600)	(111,659)	(120,520)	3.4	7.9	(316,375)	(340,543)	7.6
Equity income	(3,323)	(2,327)	(3,572)	7.5	53.5	(12,758)	(9,661)	(24.3)
Earnings before interest and taxes	818,682	775,889	840,217	2.6	8.3	2,210,276	2,377,669	7.6
Net investment income	11,314	18,680	33,300	194.3	78.3	39,074	59,574	52.5
Financial income	11,403	18,733	33,357	192.5	78.1	47,309	62,685	32.5
Financial expenses	(89)	(53)	(57)	(36.7)	6.3	(8,235)	(3,111)	(62.2)
Earnings before taxes	829,995	794,569	873,517	5.2	9.9	2,249,350	2,437,243	8.4
Taxes	(283,401)	(270,940)	(294,348)	3.9	8.6	(768,914)	(828,074)	7.7
Adjusted net income	546,594	523,629	579,169	6.0	10.6	1,480,436	1,609,169	8.7
One-off events	(1,384)	-	-	-	-	(26,400)	-	-
Donation to fight Covid-19	(2,097)	-	-	-	-	(40,000)	-	-
Donation to fight Covid-19 - Taxes	713	-	-	-	-	13,600	-	-
Net income	545,210	523,629	579,169	6.2	10.6	1,454,036	1,609,169	10.7

ADJUSTED NET INCOME

Figure 82 – BB Corretora | Adjusted net income

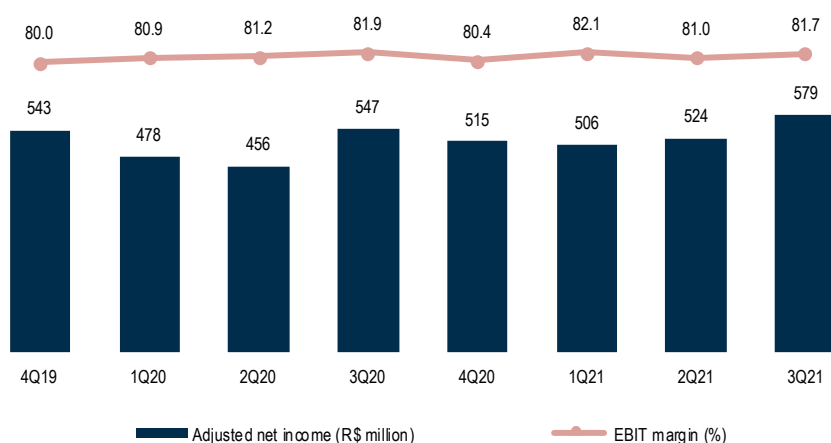
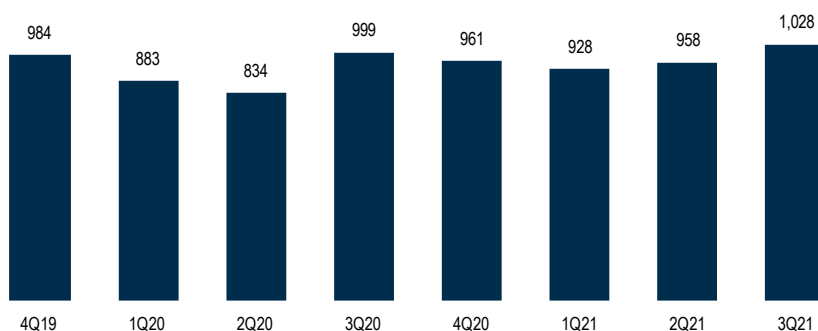


Table 82 – BB Corretora | Managerial performance ratios

%	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
G&A expenses	17.7	18.7	17.9	0.2	(0.8)	18.2	18.1	(0.1)
Tax expenses	11.7	11.7	11.7	0.0	0.1	11.6	11.7	0.0
EBIT margin	81.9	81.0	81.7	(0.2)	0.7	81.4	81.6	0.2
Income tax rate	34.1	34.1	33.7	(0.4)	(0.4)	34.2	34.0	(0.2)
Net margin	54.7	54.7	56.3	1.6	1.7	54.5	55.2	0.7

BROKERAGE REVENUES

Figure 83 – BB Corretora | Brokerage revenues (R\$ million)



QUARTERLY ANALYSIS

In the 3Q21, the brokerage revenues were up 2.9% YoY. The increase in the brokerage is explained by:

- the growth of premiums written in the rural insurance, mostly explained by the increase in the agricultural input costs, and consequently higher volume of working capital loan to finance the crop cycle 2021/2022, positively impacting the three main products: crop insurance, rural lien and credit life for farmers;
- the increase in term life premiums written, with an improvement in sales volume and with higher price adjustment in policies renewal due to the spike of inflation;
- the improvement in the commercial performance of the home insurance, by higher sales volume and average ticket; and
- the increase of contributions to multimarket pension funds, which pays higher brokerage fee than prefixed income funds.

YEAR-TO-DATE ANALYSIS

In the 9M21, the brokerage revenues expanded 7.3%, propelled by the solid performance of premiums written of rural and term life insurances, and by the increase of pension plans contributions.

Table 83 – BB Corretora | Brokerage revenues breakdown

R\$ thousand	Quarterly Flow		Chg. %		9 Months Flow		Chg. %	
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Insurance	739,920	743,106	783,798	5.9	5.5	2,095,675	2,215,780	5.7
Pension plans	140,123	139,224	153,787	9.8	10.5	343,719	429,803	25.0
Premium bonds	116,771	73,404	88,394	(24.3)	20.4	270,465	262,199	(3.1)
Dental insurance	1,308	1,243	1,270	(2.9)	2.1	3,688	3,705	0.5
Other	934	794	1,027	10.0	29.4	2,597	2,674	2.9
Total	999,055	957,772	1,028,276	2.9	7.4	2,716,145	2,914,161	7.3

Figure 84 – BB Corretora | Brokerage revenues breakdown (%)

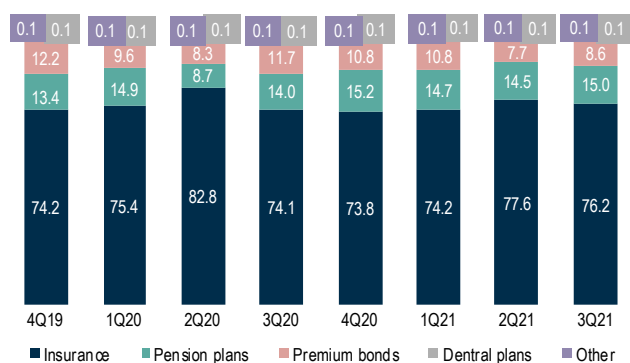
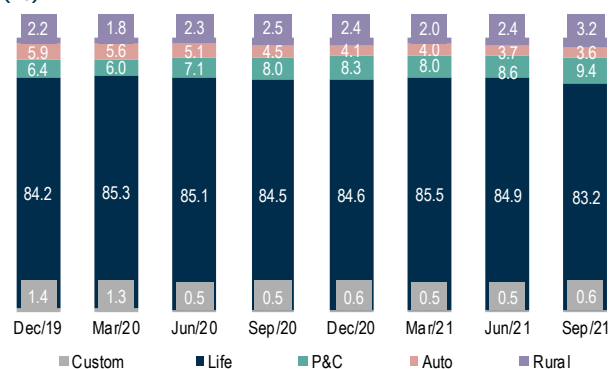
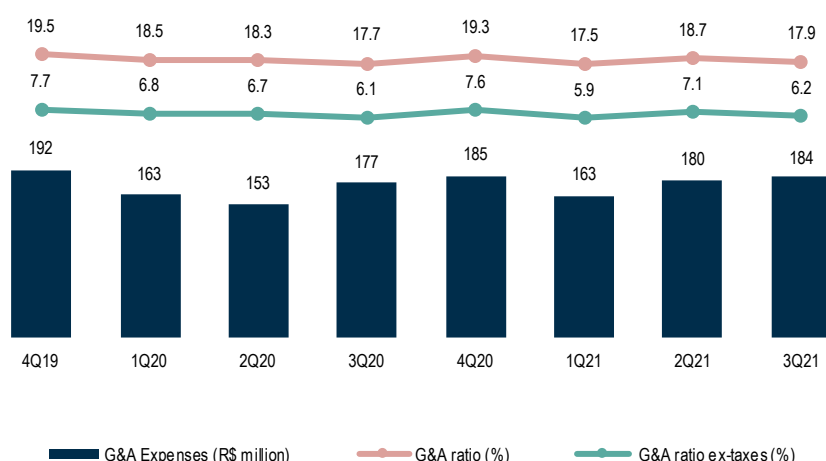


Figure 85 – BB Corretora | Unearned commissions breakdown (%)



GENERAL AND ADMINISTRATIVE EXPENSES

Figure 86 – BB Corretora | G&A expenses



QUARTERLY ANALYSIS

In the 3Q21, G&A ratio increased 0.2 p.p., with G&A expenses up 4.2% YoY. The movement is explained by:

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

These effects were partially offset by the reduction of expenses with operational support and IT, by the lower use of Banco do Brasil's facilities.

YEAR-TO-DATE ANALYSIS

In the 9M21, G&A expenses grew 6.8% compared to 9M20 and was offset by the increase of the brokerage revenues, reducing the G&A ratio by 0.1 p.p.

The increase in general expenses is explained by the growth of the administrative cost of products and the tax expenses, for the same reasons explained in the quarterly analysis, been partially offset by the retractions in the lines of operational support and IT, by the lower use of Banco do Brasil's structure, and by lower expenses with commercial campaigns for sales promotion, registered in other administrative expenses.

Table 84 – BB Corretora | General & Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q20	2Q21	3Q21	On 3Q20	On 2Q21	9M20	9M21	On 9M20
Administrative expenses	(48,963)	(57,755)	(52,598)	7.4	(8.9)	(140,923)	(153,057)	8.6
Administrative cost of products	(22,790)	(32,698)	(29,428)	29.1	(10.0)	(61,880)	(85,181)	37.7
Operational support	(17,715)	(17,314)	(15,801)	(10.8)	(8.7)	(51,155)	(46,253)	(9.6)
Information technology	(5,114)	(4,080)	(3,864)	(24.4)	(5.3)	(14,822)	(12,094)	(18.4)
Other	(3,344)	(3,663)	(3,505)	4.8	(4.3)	(13,066)	(9,529)	(27.1)
Tax expenses	(116,600)	(111,659)	(120,520)	3.4	7.9	(316,375)	(340,543)	7.6
PIS/PASEP	(16,550)	(15,917)	(17,173)	3.8	7.9	(45,097)	(48,463)	7.5
COFINS	(76,343)	(73,503)	(79,434)	4.0	8.1	(208,195)	(223,852)	7.5
ISS	(23,708)	(22,240)	(23,913)	0.9	7.5	(63,083)	(68,228)	8.2
Personnel expenses	(10,122)	(10,572)	(10,191)	0.7	(3.6)	(31,000)	(30,254)	(2.4)
Other operating income (expenses)	(1,366)	431	(1,178)	(13.8)	-	(4,813)	(2,978)	(38.1)
G&A Expenses	(177,050)	(179,556)	(184,488)	4.2	2.7	(493,111)	(526,832)	6.8

NET INVESTMENT INCOME

Figure 87 – BB Corretora | Net investment income (R\$ million)

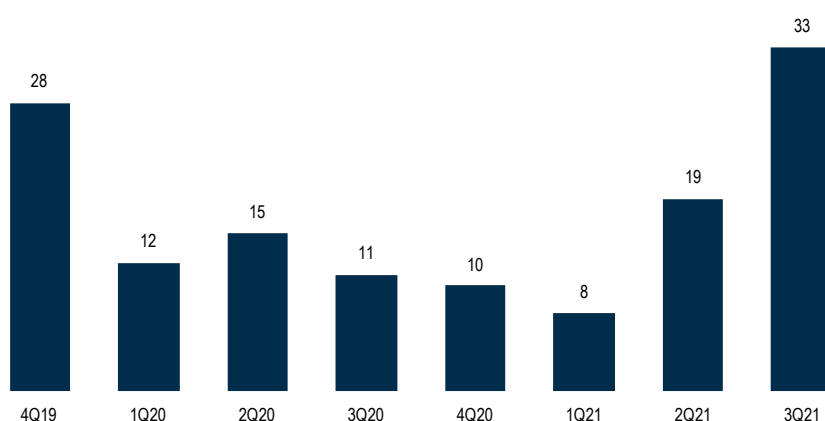


Table 85 – BB Corretora | Quarterly figures – Earning assets average balance and interest rates

R\$ thousand	3Q20			3Q21		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
Earning assets						
Cash and financial instruments	1,913,748	10,838	2.2	2,432,773	30,397	4.9
Other assets	206,103	564	1.1	209,136	2,588	4.9
Current tax assets	17,022	0	0.0	9,258	373	16.5
Total	2,136,873	11,403	2.1	2,651,167	33,357	5.0

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

R\$ thousand	3Q20			3Q21		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
Interest bearing liabilities						
Dividends payable	454,413	-	-	515,000	-	-
Other liabilities	499	-	-	499	-	-
Total	454,913	-	0.1	515,499	-	0.0

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

R\$ thousand	9M20			9M21		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
Earning assets						
Cash and financial instruments	2,107,345	44,780	2.9	2,332,241	57,369	3.3
Other assets	205,033	2,529	1.7	208,207	4,943	3.2
Current tax assets	17,046	0	0.0	9,387	373	5.4
Total	2,329,424	47,309	2.7	2,549,836	62,685	3.3

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

R\$ thousand	9M20			9M21		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
Interest bearing liabilities						
Dividends payable	515,897	(6,770)	1.8	530,139	(2,934)	0.7
Other liabilities	498	(5)	0.6	499	-	-
Total	516,395	(6,775)	2.1	530,638	(2,934)	0.8

■ BALANCE SHEET ANALYSIS

Table 89 – BB Corretora | Balance sheet

R\$ thousand	Balance			Chg. %	
	Sep/20	Jun/21	Sep/21	On Sep/20	On Jun/21
Assets	3,622,660	4,272,221	4,167,516	15.0	(2.5)
Cash and cash equivalents	742,231	2,233,150	2,332,813	214.3	4.5
Securities	1,037,961	305,641	1,040	(99.9)	(99.7)
Equity investments	4,790	8,394	4,822	0.7	(42.6)
Current tax assets	28,318	29,756	33,675	18.9	13.2
Commission receivable	1,601,594	1,485,214	1,583,882	(1.1)	6.6
Other assets	207,766	210,066	211,283	1.7	0.6
Liabilities	3,030,543	4,225,313	3,541,438	16.9	(16.2)
Dividends payable	-	1,030,000	-	-	-
Provision	15,559	14,876	14,211	(8.7)	(4.5)
Current tax liabilities	520,588	390,029	568,585	9.2	45.8
Unearned commissions	2,405,891	2,707,459	2,841,840	18.1	5.0
Other liabilities	88,505	82,950	116,802	32.0	40.8
Shareholders' equity	592,117	46,908	626,077	5.7	1,234.7

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.