1. SUMMARY

NET INCOME ANALYSIS

The Brazilian Securities and Exchange Commission - CVM Rule No. 42/2021 made it mandatory for Brazilian Public-held companies the adoption of the principles of IFRS 17 standards for the recognition, measurement, presentation, and disclosure of insurance contracts as of January 1, 2023. Thus, since the 1Q23, the audited financial statements of BB Seguridade follows the new accounting standards of IFRS 17, particularly regarding the recognition of the equity investment balance and results arising from Brasilseg, Brasilprev and Brasildental that operate insurance contracts within the new accounting standards.

On the other hand, the Brazilian insurance regulators, namely Superintendência de Seguros Privados – Susep and National Supplementary Health Insurance Agency – ANS, have not adopted the IFRS 17 for their sectors and, therefore, the insurance and health insurance companies shall comply with the former standard (IFRS 4), both for recognition, measurement, presentation, and disclosure of financial information, as well as for provisions, liquidity and capital management, including the regulatory capital, that weigh the shareholders' remuneration policies.

For the reason set forth herein, except when otherwise mentioned, the analysis on this report are based on managerial information prepared according to IFRS 4, which are not audited at the holding level. For information purposes, Chapter 6 of this document presents the audited financial statements in accordance with IFRS 17 of the holding co., Brasilseg and Brasilprev so that the stakeholders can get used to the new reporting models. This information does not rule out the need of reading the explanatory notes to the audited financial statements to understand the accounting practices and impacts on the transition and on the recognition of insurance contracts' income.

Finally, it should be noted that, due to operational issues, as of January 2023, the accounting recognition of the investment in Brasildental will be carried out with a delay of one month. Thus, the equity income for the second quarter of 2023 and 2024 contains information related to March, April and May.

SUSEP RULE 678/2022

On January 2nd, 2024, the Rule No. 678/2022 from the Brazilian Insurance Regulator – SUSEP (Susep Rule 678) came into force, introducing changes to the Susep Rule No. 648/2021 (Susep Rule 648), which provides for technical provisions, liability adequacy testing (LAT), capital requirements for risks, among other topics.

Although the new rule did not have a relevant impact from the perspective of cash flow for the shareholder, within the scope of the BB Seguridade conglomerate, its application brought significant changes to the way in which contracts that present actuarial deficits are evidenced in the Financial Statements of the impacted companies.

The main changes provided in the Susep Rule 678 were:

a) Triggers for the write-off of the Mathematical Provision for Benefits to be Granted (PMBAC) – inclusion of §2 to Article 10 of Super Rule 648, providing for the triggers that supervised entities must observe for the write-off of the PMBAC, including the survival of the insured or participant to the contracted accumulation period, in the case of defined benefit pension plans.

b) Adoption of Accounting Standards No. 48 [IFRS 9] – Financial Instruments (CPC 48) – inclusion of the Subparagraph in Article 136, adopting the rules of CPC 48.

c) Impossibility of offsetting the goodwill of assets held to maturity with insufficiencies calculated in the Liability Adequacy Test (LAT) – repeal of §2 of Article 43 of Susep Rule 648, which provided for the possibility of supervised companies offsetting any insufficiencies determined when performing the TAP with the goodwill of the assets guaranteeing technical provisions classified as "held to maturity". It is important to note that the goodwill of these assets is still considered in Adjusted Net Equity for solvency compliance.

d) Exclusion of the mandatory offset between surplus and deficits of contracts groups for LAT purpose – amendment of §5 of Article 43 of Susep Rule 648, making the decision to offset deficit with surplus between groups of contracts discretionary, as provided in the entity's accounting policy.

e) Possibility of recognizing the effects of changes in the Yield Curve on Supplementary Coverage Provision (PCC) in Other Comprehensive Income (OCI) – inclusion of subsection XIV-C, providing, in Article 125-C, that the counterpart of changes in the PCC due to variations in the Yield Curve used to discount future cash flows when running the LAT may be in the income statement or in OCI, according to the entity's accounting policy.

Impacts on BB Seguridade

Among the investees of BB Seguridade, Brasilseg and Brasilprev are impacted by the Susep Rule 678, as will be detailed below.

From a risk management perspective, for Brasilprev, the application of the new rule for defined benefit plans resulted in a reduction in the Minimum Required Capital (CMR) for this group of contracts.

Brasilseg

The main regulatory change came from the amendment of §5 of Article 43, making the decision to offset or not a deficit with a surplus in partial results by groups of contracts discretionary for LAT and creation of a PCC, since it is provided in the insurer's accounting policy.

For Brasilseg group, the decision was to adopt different models for the two insurers, with the aim of covering the particularities of the portfolios. Below is a breakdown by company:

a) Brasilseg Companhia de Seguros

The insurer holds three life insurance portfolios that are in run-off. These products are considered onerous from an actuarial standpoint, due to contractual provisions and/or court decisions regarding aspects such as price changes and non-renewal by the insurer, which add long-term characteristics to the policies.

Until Susep Rule 678 came into effect, the insurer offset the deficits calculated in the LAT for these portfolios with the surpluses generated by other groups of contracts.

Considering the optionality established by Susep Rule 678, the company chose to approve an accounting policy providing that there will be no offsetting between the groups of contracts. It is worth noting that, according to clarifications obtained by the National Confederation of Insurance, Private Pension and Life, Supplementary Health and Capitalization Companies (CNseg) from SUSEP, the effects of Susep Rule 678 should be evidenced on the June/2024 base date for companies that perform the semiannual LAT calculation (December and June) and that chose to group the contracts.

Thus, Brasilseg, based on the June/2024 LAT, constituted a PCC in the amount of R$130.7 million. Since this was the initial adoption of the new rule, as already provided for in Article 4 of Susep Rule 678, the constitution of the PCC was accounted for in Accumulated Profits and Losses (LPA) in Equity. The actuarial deficits or surpluses determined in the LATs going forward will impact the income statement of the year, and any effects of changes in the Yield Curve level will affect OCI, considering the accounting policy approved by the company in compliance with the regulations.

b) Aliança do Brasil Seguros (ABS)

In ABS, all policies are short-term and have no restrictions to adjust contractual conditions. Therefore, the accounting policy approved by the company allows the offsetting of results between the groups of contracts managed.

In the June/2024 LAT, it was not necessary to establish a PCC. For the next LATs, if there is a need to constitute PCC, the registration will impact the result and those related to changes in Yield Curve will be registered on OCI.

Brasilprev

The main effects of the change in the rule arises from technical provisions related to defined benefit (traditional) pension plans, which have not been marketed by the company for over 20 years, but for which the company must still comply with the obligations set forth in the respective contracts.

The LAT of the Mathematical Provision for Granted Benefits (PMBC), which is calculated jointly for the portfolios of traditional plans and defined contribution plans (PGBL and VGBL), showed a deficiency in December/2023, generated mainly by the discrepancy in the actuarial table that Brasilprev must use to calculate the current value of traditional plans annuity. Under the previous rule, this deficiency was offset by the goodwill of the held to maturity guarantee assets.

Therefore, when Susep Rule 678 came into effect in January/2024, a PCC was registered in the amount of R$650.9 million, entirely related to the PMBC deficiency determined in December/2023. Since this was the initial adoption of the new standard, the creation of the PCC was recorded in Accumulated Profits and Losses, in Equity.

It is worth noting that the recording of this liability did not increase the company's capital requirements, since the surplus value of the collateral assets held to maturity continued to be computed in Adjusted Equity for regulatory capital sufficiency purposes. However, as authorized by Susep Rule 678, Brasilprev's accounting policy provided that future volatility in the Yield Curve for LAT purpose will have their effects recorded in OCI. In order to equalize the accounting treatment of assets and liabilities and to increase liquidity (necessary due to the application of the new standard for the write-off of the PMBAC, as detailed below), Brasilprev proceeded with the reclassification of the assets from held to maturity to available for sale in January/2024. Thus, the changes in the Yield Curve, both in liabilities and assets of traditional plans, began to impact Equity. With the reclassification, the goodwill of the assets was incorporated into Equity, resulting in a positive impact of R$2.1 billion before taxes (position in December/2023), more than offsetting the recording of the PCC of R$650.9 million.

In March/2024, when the quarterly LAT was carried out, Brasilprev created a PCC in the amount of R$26.0 million, related to the update of the LAT database of participants and respective flows in the annuity phase (PMBC), to consider movements such as addition and exclusion (death) of participants, among other variables.

Regarding the Mathematical Provision for Benefits to be Granted (PMBAC) of traditional plans, in the LAT dated as of December/2023, the last one carried out before the entry into force of Susep Rule 678, a surplus was recorded, benefiting from the high level of the Yield Curve at that time. This surplus was propelled by the premise adopted until then that a relevant portion of the participants did not decide after the end of the plan's accumulation period, increasing the duration of provisions in accumulation phase. This extension of the surplus flow contributed to offsetting the deficit projected due to assumptions of conversion of accumulated reserves into annuity benefits. Is it worth mentioning that in the LAT dated as of March/2024, the surplus was reduced and became a defict of R$61 million, with the respective constitution of PCC impacting OCI.

In April/2024, in compliance with the requirement to write off the PMBAC balance of defined benefit plans that reach the end of the contracted deferral (accumulation) period, as provided for in item a), subsection I, §2 of Article 10 of Susep Rule 648 (as amended by Susep Rule 678), Brasilprev started the execution of its plan to deal with the stock of expired plans: those in which customers had reached the age defined in the contract for granting the benefit, but had not made a decision regarding the modality of benefit.

After exhausting attempts to contact participants offering the possibilities of receiving the balance in a single installment, migrating to a defined contribution pension plan (PGBL) or converting it into annuity benefit, and with these customers remaining silent, Brasilprev broke those contracts and paid the amounts to the holders in a lump sum. This movement led to a reduction of R$994.9 million in the total balance of reserves of the traditional plan, generating a reduction of R$233.9 million in the regulatory capital requirement throughout 2Q24.

Also throughout the second quarter, Brasilprev conducted studies on the need to update the actuarial assumptions of the LAT, considering the experience of customer behavior. As a result, it was necessary to change the assumptions on the June/2024 LAT, since:

(i) it is now possible to assume that 100% of clients will decide at the end of the plan's accumulation period. This change in assumption eliminated the PMBAC surplus, since the lack of decision-making by a portion of the participants generated a surplus that covered the deficit projected by the estimated granting of income benefits for the portion in accumulation. The end of the surplus led to the creation of a PCC of R$216.7 million; and

(ii) the company observed an increase in the percentage of customers who converted the accumulated resources into annuity. The adjustment of this assumption resulted in the creation of a PCC of R$58.4 million.

In the LAT of PMBAC for PGBL and VGBL plans currently sold, the new rule did not impact, and there was not the need of PCC constitution.

Table 1 – Changes in PCC on Brasilprev

R$ thousand	1Q24	2Q24	1H24
Initial balance	**650,854**	**743,563**	**650,854**
Result (Income statement)	26,025	324,539	350,564
Provisions for Granted Benefits - Update of data base	26,025	49,475	75,500
Provisions for Benefits to be Granted - Change of actuarial assumption of decision making	-	216,661	216,661
Provisions for Benefits to be Granted - Change of actuarial assumption of conversion into annuity benefit	-	58,403	58,403
Other comprehensive income	66,684	(528,826)	(462,142)
Final balance	**743,563**	**539,276**	**539,276**

Figure 1 – Brasilprev | Detailing accounting impacts related to Susep Rule 678

R$ million	**12/31/2023**	**01/01/2024**	**03/31/2024**	**06/30/2024**
Provisions				
PMBAC balance - Traditional	**10,485**	**-**	**10,124**	**9,192** [4.1]
LAT deficit (surplus)	(116)	-	61 [3.2]	56 [5.2] [5.3]
PMBC balance - Traditional and P/VGBL	**6,544**	**-**	**6,752**	**7,047**
LAT deficit (surplus)	651 [1]	-	682 [3.1] [3.2]	483 [5.1] [5.3]
Goodwill of assets classified as held to maturity	**2,131** [1]	**-**	**-**	**-**

PCC impacts				
Income statement			**1Q24**	**2Q24**
PCC				
PMBC - Data base update	-	-	(26) [3.1]	(49) [5.1]
PMBAC - Change of actuarial assumption of decision making	-	-	-	(217) [5.2]
PMBAC - Change of actuarial assumption of annuity decision	-	-	-	(58) [5.2]

Equity and PCC balance	**12/31/2023**	**01/01/2024**	**03/31/2024**	**06/30/2024**
Equity	**6,700**	**7,588**	**7,197**	**7,174**
Capital + Profit reserves	5,297	5,297	5,017	6,424
Other comprehensive income				
Goodwill of assets (AfS Investments + Impairment)	(8)	2,123 [2.1]	1,495	567
PCC	-	-	(67)	462
PMBAC	-	-	(61) [3.2]	219 [5.3]
PMBC	-	-	(5) [3.2]	243 [5.3]
Income Tax (IR+CSLL)	3	(849)	(571)	(412)
Retained Earnings	1,407	1,017	1,322	132
Retained Earnings before PCC	-	1,407	1,728	733
PCC	-	(651) [2.2]	(677)	(1,001)
PCC tax effects		260	271	401
PCC balance	**-**	**651**	**744**	**539**
PMBAC	-	-	61 [3.1]	56 [5.2] [5.3]
PMBC	-	651 [2.2]	682 [3.1] [3.2]	483 [5.1] [5.3]

Regulatory capital	**12/31/2023**	**01/01/2024**	**03/31/2024**	**06/30/2024**
Adjusted equity	6,668	-	6,176	6,224
Minimum capital required	3,246	-	3,243	2,913 [4.2]
Solvency	**205%**	**-**	**190%**	**214%**

1 Rule in place until Dec-23, LAT insufficiencies was offset by the goodwill of the held to maturity assets

2 New rule transition, requiring that LAT insufficiency to be registered in liabilities

2.1 Reclassification of the assets from HtM to AfS category

2.2 PCC registered in Accumulated Profits and Losses at transition

3 LAT update 1Q24

3.1 Referring to the update of database accounted at income statement

3.2 Referring to the change of Yield Curve accounted at OCI

4 Reserves write off for plan termination

4.1 Expired plans write off

4.2 Capital reduction

5 LAT update 2Q24

5.1 Referring to the update of database accounted at income statement

5.2 Referring to the update of assumptions accounted at income statement

5.3 Referring to the change of Yield Curve accounted at OCI

■ EXTRAORDINARY EVENT

Among the impacts on the results in 1H24, the portion of the constitution of a Supplementary Coverage Provision resulting from the assumption that 100% of customers will make a decision when they reach the end of the accumulation period in traditional plans, in the amount of R$216.7 million, was classified as an extraordinary event, since it results from an external factor (change in regulation) that required customers to make a decision, affecting the entire stock of plans with expired deferral periods. In this sense, the following adjustments were made for the purpose of calculating net income on a recurring basis, both for Brasilprev and BB Seguridade, based on the adjustment of the equity income for the period:

Table 2 – Adjustments on Brasilprev (Susep Gaap)

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q23**	**1Q24**	**2Q24**	**On 2Q23**	**On 1Q24**	**1H23**	**1H24**	**On 1H23**
Net income	**438,323**	**305,426**	**217,473**	**(50.4)**	**(28.8)**	**876,669**	**522,899**	**(40.4)**
Net adjustment	-	-	129,468	-	-	-	129,468	-
Constitution of PCC - Changes in other technical reserves	-	-	216,662	-	-	-	216,662	-
Constitution of PCC - tax expenses (PIS/COFINS)	-	-	(883)	-	-	-	(883)	-
Constitution of PCC - tax expenses (IR/CSLL)	-	-	(86,312)	-	-	-	(86,312)	-
Adjusted net income	**438,323**	**305,426**	**346,941**	**(20.8)**	**13.6**	**876,669**	**652,367**	**(25.6)**

Table 3 – Adjustments on BB Seguridade (Managerial net income)

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q23**	**1Q24**	**2Q24**	**On 2Q23**	**On 1Q24**	**1H23**	**1H24**	**On 1H23**
Net income	**1,841,034**	**1,843,624**	**1,773,762**	**(3.7)**	**(3.8)**	**3,601,575**	**3,617,386**	**0.4**
Net adjustment	-	-	97,094	-	-	-	97,094	-
Equity income at Brasilprev (74.995%)	-	-	97,094	-	-	-	97,094	-
Adjusted net income	**1,841,034**	**1,843,624**	**1,870,856**	**1.6**	**1.5**	**3,601,575**	**3,714,480**	**3.1**

Table 4 – Adjusted income statement of the holding

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	2Q23	1Q24	2Q24	On 2Q23	On 1Q24	1H23	1H24	On 1H23
Equity income	**1,835,739**	**1,836,816**	**1,866,416**	**1.7**	**1.6**	**3,599,432**	**3,703,232**	**2.9**
Underwritting and accumulation businesses	1,108,531	1,038,669	1,060,563	(4.3)	2.1	2,161,105	2,099,232	(2.9)
Brasilseg	724,236	758,591	747,989	3.3	(1.4)	1,402,853	1,506,579	7.4
Brasilprev	337,195	229,425	260,560	(22.7)	13.6	665,934	489,985	(26.4)
Brasilcap	42,358	47,225	46,991	10.9	(0.5)	84,213	94,216	11.9
Brasildental	4,741	3,428	5,024	6.0	46.5	8,106	8,452	4.3
Distribution businesses	706,795	793,262	794,475	12.4	0.2	1,414,506	1,587,737	12.2
Other	20,413	4,886	11,378	(44.3)	132.9	23,820	16,264	(31.7)
G&A expenses	**(5,592)**	**(7,427)**	**(5,515)**	**(1.4)**	**(25.7)**	**(14,535)**	**(12,942)**	**(11.0)**
Net investment income	**11,119**	**16,602**	**12,207**	**9.8**	**(26.5)**	**16,911**	**28,809**	**70.4**
Earnings before taxes and profit sharing	**1,841,267**	**1,845,991**	**1,873,108**	**1.7**	**1.5**	**3,601,807**	**3,719,099**	**3.3**
Taxes	(233)	(2,367)	(2,252)	-	(4.9)	(233)	(4,618)	-
Adjusted net income	**1,841,034**	**1,843,624**	**1,870,856**	**1.6**	**1.5**	**3,601,575**	**3,714,480**	**3.1**

In **2Q24**, **adjusted net income**, setting apart the extraordinary event related to the implementation of Susep Rule 678/2022 (see page 4 for details), was R$1.9 billion (+1.6% YoY). The main factors that led to the R$29.8 million increase in the result were:

- **BB Corretora (+R$87.7 million):** due to the growth in brokerage revenues, with emphasis on those arising from Brasilseg and Brasilprev, improvement in the EBIT margin and, to a lesser extent, an increase in the net investment income due to the expansion of the average balance of financial investments.
- **Brasilseg (+R$23.8 million):** explained by the rise of retained earned premiums and improvement of loss ratio.
- **Brasilcap (+R$4.6 million):** led by the reduction of the effective income tax ratio driven by a favorable decision to the company in a tax lawsuit, and the growth of net investment income by the expansion of the average balance of interest earning assets.

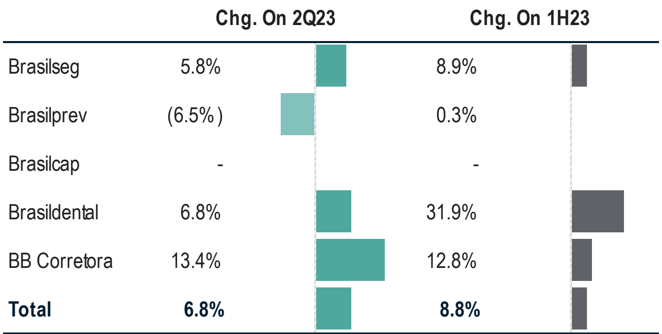
On the other hand, the income arising from Brasilprev fell R$76.6 million, impacted by the drop of net investment income, explained by the increase in the cost of liabilities related to defined benefit plans and the negative mark to market result explained by the steepening yield curve. The constitution of PCC as explained in page 4 also contributed to the decrease of Brasilprev's result.

Year-to-date, the **adjusted net income** was up R$112.9 million, to R$3.7 billion (+3.1% on 1H23). The highlights were:

- **BB Corretora (+R$173.2 million):** with the growth of brokerage revenues, EBIT margin improvement and net investment income increase;
- **Brasilseg (+R$103.7 million):** mainly driven by the loss ratio improvement and the evolution of retained earned premiums; and
- **Brasilcap (+R$10.0 million):** boosted by the growth of net investment income, with expansion in the average balance of interest earning assets and higher net interest margin, in addition to the reduction in the effective income tax ratio, as mentioned in the quarterly analysis.

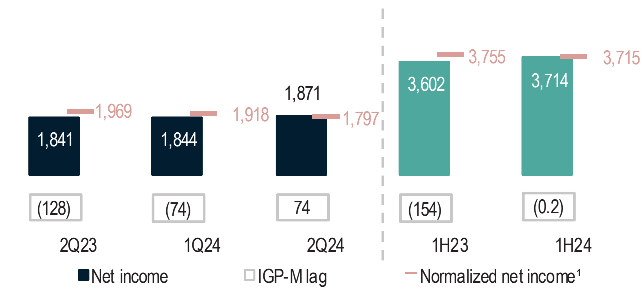
On the other hand, **Brasilprev's** contribution to the result decreased R$175.9 million, impacted by the constitution of PCC and the drop in the net investment income, explained by both the higher cost on bearing liabilities and the negative MtM result.

Figure 2 – Non-interest operating results[1]



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

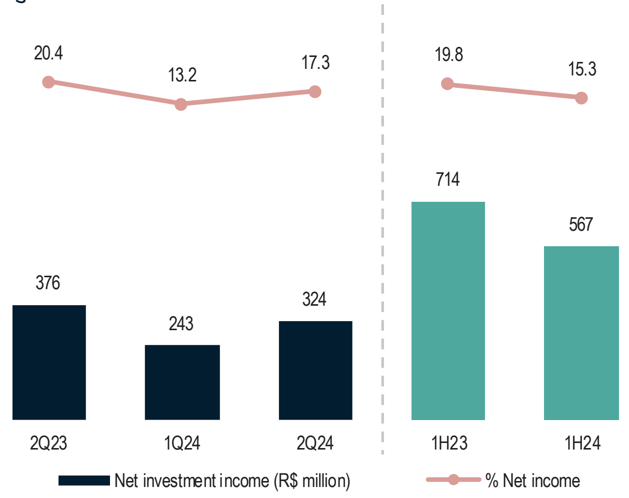
Figure 3 – Normalized net income (R$ million)



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

NET INVESTMENT INCOME ANALYSIS

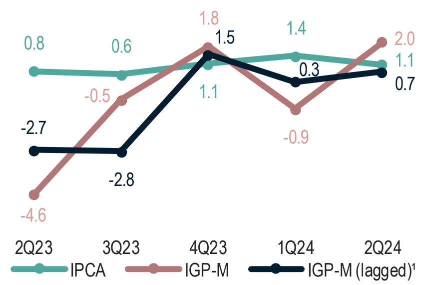
Figure 4 – Combined net investment income



In **2Q24**, the combined net investment income of BB Seguridade and its investees reached R$323.5 million, net of taxes, an amount 14.0% lower than reported in the same period of 2023. The drop is largely explained by Brasilprev's net investment income, impacted by the 8.5 p.p. increase in the average yield on interest bearing liabilities of defined benefited plans and by the negative mark-to-market result, due to the steepening in the forward yield curve, while the 2Q23 reported a positive MtM result. The reduction in the average Selic rate compared to the 2Q23 was another factor that drove the contraction in the combined net investment income, being partially offset by the 8.2% expansion in the combined average balance of financial investments of all companies in the group.

In **1H24**, the combined net investment income of all companies was 20.6% lower as compared to 1H23, amounting to R$566.8 million, impacted by the same reasons mentioned in the quarterly analysis.

Figure 5 – Inflation rate (%)



1. IGP-M with a lag of one month.

Figure 6 – Average Selic rate (%)

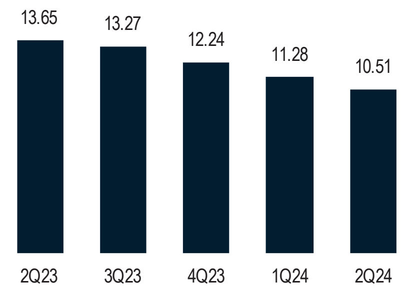


Figure 7 – Forward yield curve (%)

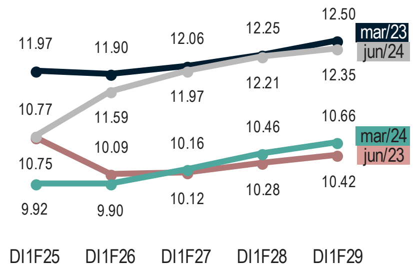


Figure 8 – Financial investments (%)

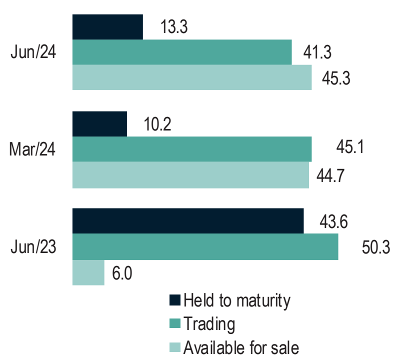


Figure 9 – Financial investments by index (%)

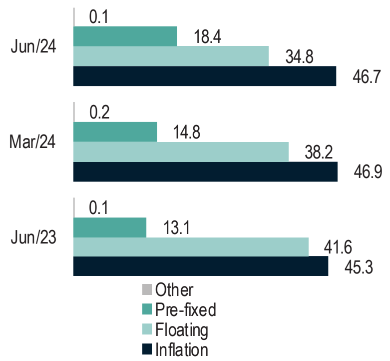
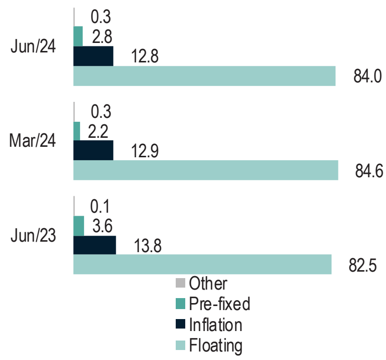


Figure 10 – Trading portfolio by index (%)



■ 2024 GUIDANCE

In the 1H24, the non-interest operating result grew 8.8%, within the projections range. Regarding the premiums written by Brasilseg, the 5.0% increase compared to the first semester of 2023 was below the guidance range. On the other hand, Brasilprev's PGBL and VGBL pension plans reserves registered a growth of 13.0% and surpassed the estimated range. The deviations are explained as follows:

Premiums written of Brasilseg – the growth bellow the range of 8.0% to 13.0% is mainly explained by a lower-than-expected commercial performance in crop insurance, in addition to the termination of a breach of warranty insurance contract within the scope of the portfolio management process, considering the low profitability of the product.

PGBL and VGBL pension plans reserves of Brasilprev – the outperformance was already expected, with gradual convergence towards the Guidance ranges throughout the year.

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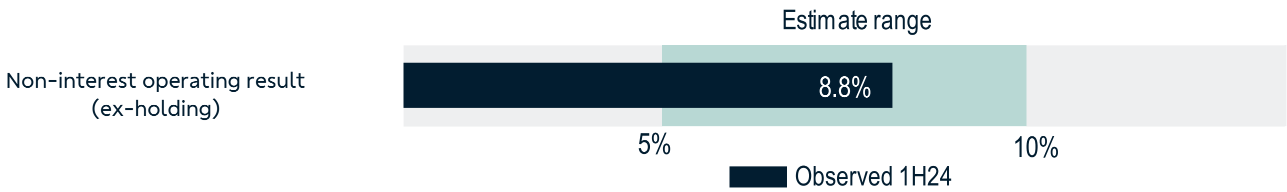
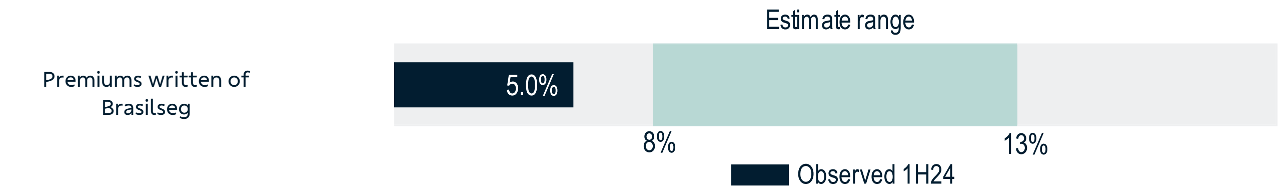
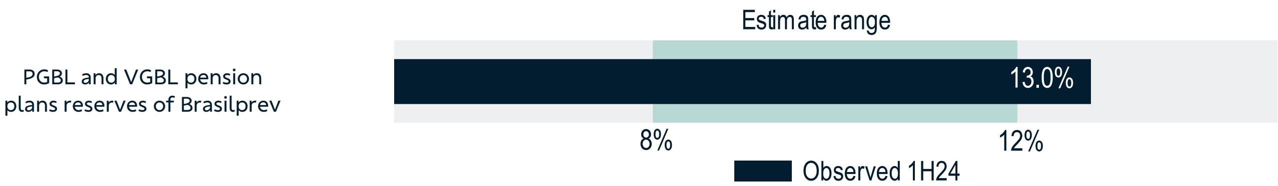
Figure 11 – 2024 estimates



Percentage variation of the combined recurring non-interest operating results of Brasilseg, Brasilprev, Brasilcap, Brasildental and BB Corretora, according to accounting standards adopted by Susep and ANS, weighted by the equity stake held in each company and adjusted by extraordinary events, as released by the company on its quarterly MD&A.



Percentage variation of the premiums written reported by Brasilseg, adjusted by extraordinary events, as released by the company on its quarterly MD&A



Percentage variation of PGBL and VGBL pension plans reserves, adjusted by extraordinary events, as released by the company on its quarterly MD&A.

Table 5 – Breakdown of the non-interest operating result by company

	Half-Yearly Flow		Chg. %
R$ thousand	**1H23**	**1H24**	**On 1H23**
Non-interest operating result	**4,256,795**	**4,632,217**	**8.8**
Brasilseg	1,544,672	1,681,588	8.9
Brasilprev	745,965	748,260	0.3
Brasilcap	3,556	(13,224)	-
Brasildental	10,165	13,410	31.9
BB Corretora	1,952,437	2,202,183	12.8

SUMMARY OF INVESTEES PERFORMANCES

Brasilseg | Insurance (for further details, please refer to the page **27**)

Table 6 – Summarized income statement

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q23**	**1Q24**	**2Q24**	**On 2Q23**	**On 1Q24**	**1H23**	**1H24**	**On 1H23**
Premiums written	**3,942,284**	**4,289,882**	**3,751,581**	**(4.8)**	**(12.5)**	**7,662,140**	**8,041,463**	**5.0**
Changes in technical reserves and premiums ceded	(815,812)	(952,094)	(396,759)	(51.4)	(58.3)	(1,490,112)	(1,348,854)	(9.5)
Retained earned premiums	**3,126,472**	**3,337,788**	**3,354,821**	**7.3**	**0.5**	**6,172,028**	**6,692,609**	**8.4**
Retained claims	(880,113)	(881,842)	(913,174)	3.8	3.6	(1,770,931)	(1,795,016)	1.4
Retained acquisition costs	(867,619)	(962,958)	(962,684)	11.0	(0.0)	(1,697,483)	(1,925,642)	13.4
G&A	(334,063)	(351,358)	(366,774)	9.8	4.4	(640,442)	(718,132)	12.1
Other	(1,496)	(3,119)	(8,283)	453.9	165.6	(3,335)	(11,402)	241.8
Non-interest operating result	**1,043,181**	**1,138,510**	**1,103,906**	**5.8**	**(3.0)**	**2,059,837**	**2,242,416**	**8.9**
Net investment income	218,746	202,195	214,501	(1.9)	6.1	441,751	416,695	(5.7)
Earnings before taxes and profit sharing	**1,261,927**	**1,340,705**	**1,318,407**	**4.5**	**(1.7)**	**2,501,588**	**2,659,112**	**6.3**
Taxes and profit sharing	(291,012)	(323,721)	(315,561)	8.4	(2.5)	(620,594)	(639,283)	3.0
Net income	**970,915**	**1,016,983**	**1,002,846**	**3.3**	**(1.4)**	**1,880,994**	**2,019,829**	**7.4**

In **2Q24**, the insurance business's net income grew 3.3% YoY, propelled by the higher retained earned premiums (+7.3%) and the decrease in the loss ratio (-0.9 p.p.). This performance was partially offset by the 1.1 p.p. increase in the effective income tax rate, due to the use of tax incentives related to the "Lei do Bem" in 2Q23, which did not occur in 2Q24.

Premiums written dropped 4.8% YoY, impacted by: (i) commercial lines (-88.8%), with the discontinuation of the breach warranty insurance product, which had low profitability; (ii) crop (-28.4%), due to the postponement of the release of credit to finance the crop compared to last year; and (iii) term life (-4.0%), driven by the write-off of coinsurance contracts that reduced premiums by R$43.6 million in the quarter. This effect also negatively impacted the premiums written of credit life insurance (-R$48.5 million), which was more than offset by the commercial performance, leading the premiums expansion for this product (+6.7% YoY).

The **G&A ratio** increased by 0.2 p.p. compared to 2Q23, as a result of higher general and administrative expenses (+9.8%), mainly due to spending on third-party services and location and operation, partially offset by lower expenses in the line of contributions to the Rural Insurance Stability Fund.

Year-to-date, **net income** grew by 7.4%, driven by the reduction in **loss ratio** (-1.9 p.p.) and growth in **retained earned premiums** (+8.4%), offsetting the decline of **net investment income** (-5.7%), negatively impacted by the drop in the average Selic rate.

Premiums written grew 5.0% compared to the 1H23, a movement mainly explained by: (i) credit life insurance, which expanded 20.8% due to the increase in the volume of credit originated and the reduction in cancellations; and (ii) rural insurance, which increased 4.2%, due to the good performance in the credit life for farmer (+22.5%) and rural lien (+27.7%) segments. Term-life premiums decreased 0.8%, impacted by the 12-month accumulated deflation of the IGP-M, which had been affecting renewals until May. The segment classified as other was affected by the discontinuation of the breach of warranty product, which had low profitability.

Figure 12 – Key performance indicators

	Chg. On 2Q23	Chg. On 1H23
Breakdown of premiums written		
Rural	(3.2%)	4.2%
Term Life	(4.0%)	(0.8%)
Credit Life	6.7%	20.8%
Others	(40.3%)	(11.2%)
Performance ratios		
Loss ratio	(0.9 p.p.)	(1.9 p.p.)
Commission ratio	0.9 p.p.	1.3 p.p.
G&A ratio	0.2 p.p.	0.4 p.p.
Combined ratio	0.3 p.p.	(0.2 p.p.)

Brasilprev | Pension plans (for further details, see page **47**)

Table 7 - Summarized income statement

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q23**	**1Q24**	**2Q24**	**On 2Q23**	**On 1Q24**	**1H23**	**1H24**	**On 1H23**
Total revenue from pension and insurance	**12,278,542**	**16,778,322**	**12,466,242**	**1.5**	**(25.7)**	**27,067,689**	**29,244,564**	**8.0**
Provision for benefits to be granted	(12,273,659)	(16,774,089)	(12,461,979)	1.5	(25.7)	(27,057,746)	(29,236,067)	8.1
Net revenue from pension and insurance	**4,883**	**4,234**	**4,263**	**(12.7)**	**0.7**	**9,944**	**8,497**	**(14.6)**
Management fee	830,012	890,449	938,533	13.1	5.4	1,668,553	1,828,983	9.6
Acquisition costs	(184,971)	(189,086)	(196,034)	6.0	3.7	(368,071)	(385,120)	4.6
Retained earned premiums	54,240	57,355	57,786	6.5	0.8	74,039	115,142	55.5
G&A	(177,913)	(207,418)	(219,034)	23.1	5.6	(336,245)	(426,452)	26.8
Other	(19,909)	(30,926)	(112,310)	464.1	263.2	(53,469)	(143,236)	167.9
Non-interest operating result	**506,342**	**524,608**	**473,204**	**(6.5)**	**(9.8)**	**994,752**	**997,813**	**0.3**
Net investment income	223,399	(5,049)	108,885	(51.3)	-	469,991	103,836	(77.9)
Earnings before taxes and profit sharing	**729,741**	**519,560**	**582,090**	**(20.2)**	**12.0**	**1,464,743**	**1,101,649**	**(24.8)**
Taxes and profit sharing	(291,418)	(214,134)	(235,149)	(19.3)	9.8	(588,074)	(449,283)	(23.6)
Adjusted net income	**438,323**	**305,426**	**346,941**	**(20.8)**	**13.6**	**876,669**	**652,367**	**(25.6)**

In **2Q24**, **adjusted net income** from the pension plan operation, excluding the extraordinary event related to the entry into force of Susep Rule 678 (see page 4 for details), was 20.8% lower than that reported in the same period of 2023, reaching R$346.9 million. The reduction in the **net investment income** was the main detractor of profit, driven by the increase in the cost of liabilities, mainly influenced by the inflation of the IGP-M in 2Q24 vs. deflation in 2Q23, and by the negative mark-to-market in investments, resulting from the steeping of the yield curve, while in 2Q23 the mark-to-market was positive.

Non-interest operating result fell 6.5% YoY, a performance mainly attributed to the creation of provision for supplementary coverage PCC (R$107.9 million), as explained on page 4. **Revenues from management fees** increased 13.1%, driven by the expansion of **pension reserves** in the last 12 months. The average annualized management fee fell 0.03 p.p., reflecting the greater flow of investments directed to more conservative products, which led to a reduction in the share of multimarket funds in total reserves, with 19.9% of the balance in Jun/24 (-4.6 p.p. vs. Jun/23 | -1.5 p.p. vs. Mar/24). However, it is worth highlighting the stability in the average fee quarter-on-quarter, staying at 0.92% level.

Pension contributions grew 1.5% in the comparison, totaling R$12.5 billion, while redemptions grew 7.1% although the **redemption rate** fell 0.7 p.p. Thus, **net outflow** totaled R$255 million, compared to a positive balance of R$274 million achieved in 2Q23.

Year-to-date, **adjusted net income** fell by 25.6%, influenced by the 77.9% decline in the **net investment income**. The main factors that led to the decline include: (i) an increase in the cost of liabilities, impacted by the IGP-M inflation between Dec/23 and May/24 (+1.0%) vs. accumulated deflation between Dec/22 and May/23 (-2.1%); and (ii) the negative mark-to-market on financial assets recorded in 2Q24.

Figure 13 – Key performance indicators

	2Q24	Chg. On 2Q23	1H24	Chg. On 1H23
Net inflows (R$ million)	(255)	-	5.319	141,9%
Reserves (R$ billion)	410	12,2%	-	-
Management fee (%)	0,92	(0,03 p.p.)	0,92	(0,04 p.p.)
Redemption ratio (%)	10,1	(0,7 p.p.)	9,4	(1,9 p.p.)
Portability ratio (%)	1,4	0,3 p.p.	1,2	(0,1 p.p.)
Cost to income ratio (%)	52,7	9,7 p.p.	48,9	5,7 p.p.

Net inflows totaled R$5.3 billion in 1H24, more than twice as high as in the same period in 2023, driven by the increase in contributions (+8.0%) and the improvement in redemption (-1.9 p.p.) and portability (-0.1 p.p.) ratios.

Revenue from management fees grew by 9.6%, although the average fee fell by 0.04 p.p., due to the lower representation of multimarket funds in total reserves.

Brasilcap | Premium Bonds (for further details, see page **61**)

Table 8 - Summarized income statement

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q23**	**1Q24**	**2Q24**	**On 2Q23**	**On 1Q24**	**1H23**	**1H24**	**On 1H23**
Premium bonds collection	**1.638.676**	**1.663.808**	**1.490.198**	**(9,1)**	**(10,4)**	**3.067.785**	**3.154.007**	**2,8**
Changes in provisions for redemption, lottery and bonus	(1.482.827)	(1.500.939)	(1.359.015)	(8,3)	(9,5)	(2.760.543)	(2.859.954)	3,6
Revenue with load fee	**155.849**	**162.869**	**131.183**	**(15,8)**	**(19,5)**	**307.241**	**294.053**	**(4,3)**
Result with lottery	11.128	17.002	14.114	26,8	(17,0)	17.536	31.116	77,4
Acquisition costs	(146.749)	(159.367)	(133.655)	(8,9)	(16,1)	(270.764)	(293.022)	8,2
G&A	(24.617)	(26.024)	(25.038)	1,7	(3,8)	(48.498)	(51.062)	5,3
Other	(556)	(11)	(879)	58,0	-	(189)	(890)	371,9
Non-interest operating result	**(4.945)**	**(5.531)**	**(14.274)**	**188,7**	**158,1**	**5.327**	**(19.805)**	**-**
Net investment income	110.756	126.312	116.361	5,1	(7,9)	205.799	242.673	17,9
Earnings before taxes and profit sharing	**105.811**	**120.781**	**102.087**	**(3,5)**	**(15,5)**	**211.126**	**222.868**	**5,6**
Taxes and profit sharing	(42.369)	(50.050)	(31.708)	(25,2)	(36,6)	(84.997)	(81.758)	(3,8)
Net income	**63.442**	**70.731**	**70.379**	**10,9**	**(0,5)**	**126.129**	**141.110**	**11,9**

In **2Q24**, **net income** from the premium bonds operation was 10.9% higher than that reported in the same period of 2023, reaching R$70.4 million. This performance is largely attributed to the drop in the income tax rate in the quarter (-9.4 p.p.), resulting from a favorable decision in a tax lawsuit related to CSLL, with a positive impact of R$11.3 million in the expenses.

The **net investmen income** grew 5.1%, supported by the expansion of the average balance of financial assets, an effect that was partially offset by the 0.3 p.p. contraction in the financial margin.

The **premium bonds collection** fell by 9.1%, mainly reflecting the lower number of bonds sold, while **revenue from load fee** decreased at a faster pace (-15.8%), with the average load fee quote falling by 0.7 p.p. This dynamic is due to the greater share of bonds with shorter terms (12 and 24 months) in the total collection, products that have a lowe load fee compared to longer products (36 and 48 months), which had a greater representation in the flow in 2Q23.

In **1H24**, the **net income** from the premium bonds operation grew by 11.9% compared to the same period in 2023, a performance driven by the increase in the **net investment income** (+17.9%), with an expansion in the average balance of interest earning assets and an improvement of 0.2 p.p. in the net interest margin. The lower effective tax rate also contributed to the increase in profit, due to the same factor mentioned in the analysis of the quarter.

Collection from premium bonds grew by 2.8%, a movement attributed to the higher average ticket of the bonds. On the other hand, **revenue from the load fee** moved in the opposite direction, contracting by 4.3% (with a 0.7 p.p. drop in the average quote) due to the greater concentration of unique payment products with shorter terms, as explained in the analysis of the quarter.

Figure 14 – Key performance indicators

	Chg. On 2Q23	Chg. On 1H23
Premium bonds collection		
Unique payment	(15.0%)	3.2%
Monthly payment	2.9%	2.2%
First Installments	4.6%	28.6%
Recurring Installments	2.8%	1.1%
Average quotes		
Reserve quote	1.1 p.p.	1.0 p.p.
Lottery quote	(0.4 p.p.)	(0.3 p.p.)
Load fee quote	(0.7 p.p.)	(0.7 p.p.)
Other ratios		
Technical reserves	4.7%	4.7%
Net interest margin	(0.3 p.p.)	0.2 p.p.

BB Corretora | Brokerage (for further details, see page **78**)

Table 9 - Summarized income statement

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q23**	**1Q24**	**2Q24**	**On 2Q23**	**On 1Q24**	**1H23**	**1H24**	**On 1H23**
Brokerage revenues	**1.193.255**	**1.346.183**	**1.334.557**	**11,8**	**(0,9)**	**2.400.431**	**2.680.741**	**11,7**
G&A	(230.794)	(237.263)	(245.957)	6,6	3,7	(449.082)	(483.220)	7,6
Equity income	1.050	891	3.771	259,3	323,1	1.088	4.663	328,5
Earnings before interest and taxes	**963.511**	**1.109.812**	**1.092.372**	**13,4**	**(1,6)**	**1.952.438**	**2.202.183**	**12,8**
Net investment income	106.366	91.569	109.503	2,9	19,6	189.703	201.072	6,0
Earnings before taxes	**1.069.877**	**1.201.381**	**1.201.875**	**12,3**	**0,0**	**2.142.141**	**2.403.256**	**12,2**
Taxes	(363.082)	(408.119)	(407.400)	12,2	(0,2)	(727.635)	(815.519)	12,1
Net income	**706.794**	**793.262**	**794.475**	**12,4**	**0,2**	**1.414.506**	**1.587.737**	**12,2**

In **2Q24**, BB Corretora's **net income** grew 12.4% compared to 2Q23, driven by an 11.8% increase in brokerage revenues, a 1.1 p.p. improvement in the EBIT margin and a 2.9% increase in the net investment income.

The main highlights of the increase in **brokerage revenues** were: (i) growth in insurance (+13.5%), mainly due to the recognition of deferred revenues; and (ii) higher commission revenues from the pension segment (+17.7%), mainly due to the greater share of contributions from periodic plans in the mix sold, plans that have a higher percentage of commissions in the first installments when compared to sporadic products. Brokerage revenues from the sale of premium bonds fell 7.6%, in line with the drop observed in the collection of these products in the banking channel. The **EBIT margin** improved largely due to the reduction in product administrative costs and lower operational support expenses, effects partially offset by higher spending on sales incentives and IT expenses.

The expansion in the **net investment income** was mainly supported by the increase of approximately R$1.0 billion in the average balance of cash and financial instruments, offsetting the effect of the reduction in the Selic rate.

In the **year to date**, **net income** grew 12.2%, driven by the increase in brokerage revenues (+11.7%), as a result of the good commercial performance and the recognition of deferred revenues, by the increase in the EBIT margin (+0.8 p.p.) and by the expansion in the net investment income (+6.0%), explained by a higher average balance of investments.

Figure 15 – Key performance indicators

	Chg. On 2Q23	Chg. On 1H23
Breakdown of brokerage revenues		
Insurance	13.5%	10.6%
Pension plans	17.7%	20.1%
Premium bonds	(7.6%)	9.9%
Other[1]	26.4%	34.2%
Performance ratios		
EBIT Margin	1.1 p.p.	0.8 p.p.
Net Margin	0.3 p.p.	0.3 p.p.

1. Include dental plans and other revenues.

■ OTHER INFORMATION

Table 10 – Market share and ranking[1,2]

		Quarterly Flow			Half-Yearly Flow	
	Unit	**2Q23**	**1Q24**	**2Q24**	**1H23**	**1H24**
Life						
Premiums written	R$ thousand	925,059	872,806	887,642	1,774,989	1,760,448
Market-share	%	12.3	10.8	10.7	12.0	10.8
Ranking		1º	2º	2º	1º	2º
Credit life						
Premiums written	R$ thousand	782,090	1,028,790	834,870	1,543,157	1,863,661
Market-share	%	19.3	21.0	15.7	18.6	18.9
Ranking		1º	1º	1º	1º	1º
Mortgage life						
Premiums written	R$ thousand	79,178	79,909	81,931	156,070	161,840
Market-share	%	5.0	4.7	4.7	5.0	4.7
Ranking		6º	6º	6º	6º	6º
Rural						
Premiums written	R$ thousand	1,871,650	1,975,286	1,811,984	3,634,489	3,787,270
Market-share	%	59.1	59.8	61.1	57.7	60.3
Ranking		1º	1º	1º	1º	1º
Home						
Premiums written	R$ thousand	93,802	109,933	106,045	188,096	215,979
Market-share	%	7.0	6.6	6.3	7.1	6.5
Ranking		6º	5º	8º	6º	6º
Commercial lines[3]						
Premiums written	R$ thousand	183,804	218,663	20,597	356,052	239,260
Market-share	%	6.0	6.9	-	6.1	4.0
Ranking		6º	5º	-	5º	8º
Pension Plans						
Technical reserves	R$ thousand	365,830,270	405,904,798	410,300,677	-	-
Market-share	%	28.4	28.3	28.1	-	-
Ranking		1º	1º	1º	-	-
Contributions	R$ thousand	12,278,542	16,778,322	12,466,242	27,067,689	29,244,564
Market-share	%	32.8	36.0	26.9	35.6	32.3
Ranking		1º	1º	1º	1º	1º
Premium Bonds						
Reserves	R$ thousand	10,667,461	11,151,981	11,165,361	-	-
Market-share	%	27.4	28.5	28.1	-	-
Ranking		1º	1º	1º	-	-
Collections	R$ thousand	1,638,676	1,663,808	1,490,198	3,067,785	3,154,007
Market-share	%	22.3	22.5	18.8	21.3	21.0
Ranking		1º	1º	2º	1º	2º

1. Source: Susep – data as of May 2024.
2. Market share considering only premiums written for the business lines in which Brasilseg operates.
3. Market share of commercial lines affected by the termination of contract of breach warranty insurance product in 2Q24.

Table 11 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	**1**	**1,325,000,000**	**66.3%**
Treasury Stocks	**1**	**58,813,981**	**2.9%**
Free Float	**529,574**	**616,186,019**	**30.8%**
Foreign investors	906	369,901,885	18.5%
Companies	3,659	64,025,252	3.2%
Individuals	525,009	182,258,882	9.1%
Total	**529,576**	**2,000,000,000**	**100.0%**

Table 12 – Stocks | Performance

		Quarterly Flow				
	Unit	**2Q23**	**3Q23**	**4Q23**	**1Q24**	**2Q24**
Stock's performance						
Earnings per share	R$	0.92	1.03	1.03	0.92	0.94
Dividends per share	R$	-	1.61	-	1.23	-
Equity per share	R$	4.03	4.96	4.56	5.51	4.52
Closing price	R$	30.77	31.21	33.65	32.52	32.93
Annualized dividend yield[1]	%	10.12	11.92	10.22	8.71	8.90
Market capitalization	R$ million	61,540	62,420	67,300	65,040	65,860
Ratios						
P/E (12 month traling)	x	8.72	8.36	8.73	8.34	8.42
P/BV	x	7.63	6.30	7.39	5.90	7.29
Business data						
Number of trades carried out		1,242,152	920,454	967,094	810,232	867,551
Average daily volume traded	R$ million	203	154	162	162	154
Average daily volume traded - B3	R$ million	22,584	19,741	19,585	21,697	18,836
Share on B3's average volume	%	0.90	0.78	0.82	0.75	0.82

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