

# 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 1Q24 equity income contains information related to December 2023, January 2024 and February 2024, immaterially impacting the comparison with 1Q23 earnings, which includes information relating to January and February 2023.

Table 1 – Income statement of the holding

R\$ thousand	Quarterly Flow			Chg. %	
	1Q23	4Q23	1Q24	On 1Q23	On 4Q23
<b>Equity income</b>	<b>1,763,693</b>	<b>2,054,059</b>	<b>1,836,816</b>	<b>4.1</b>	<b>(10.6)</b>
Underwriting and accumulation businesses	1,052,575	1,256,833	1,038,669	(1.3)	(17.4)
Brasilseg	678,617	828,098	758,591	11.8	(8.4)
Brasilprev	328,738	377,423	229,425	(30.2)	(39.2)
Brasilcap	41,855	46,282	47,225	12.8	2.0
Brasildental	3,365	5,030	3,428	1.9	(31.8)
Distribution businesses	707,711	783,060	793,262	12.1	1.3
Other	3,407	14,166	4,886	43.4	(65.5)
<b>G&amp;A expenses</b>	<b>(8,944)</b>	<b>(5,293)</b>	<b>(7,427)</b>	<b>(17.0)</b>	<b>40.3</b>
<b>Net investment income</b>	<b>5,791</b>	<b>9,931</b>	<b>16,602</b>	<b>186.7</b>	<b>67.2</b>
<b>Earnings before taxes and profit sharing</b>	<b>1,760,541</b>	<b>2,058,697</b>	<b>1,845,991</b>	<b>4.9</b>	<b>(10.3)</b>
Taxes	0	(3,729)	(2,367)	-	(36.5)
<b>Net income</b>	<b>1,760,542</b>	<b>2,054,967</b>	<b>1,843,624</b>	<b>4.7</b>	<b>(10.3)</b>

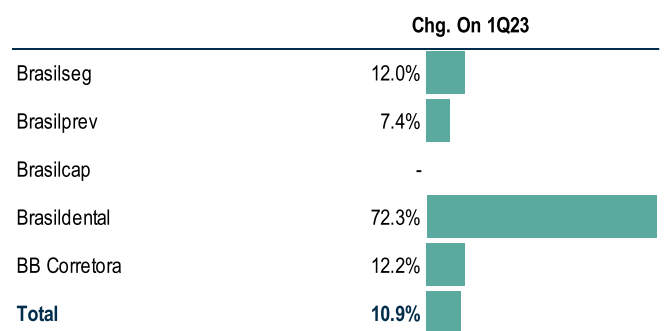
In **1Q24**, BB Seguridade's **net income** grew 4.7% YoY, to R\$1.8 billion. The main factors that led to the increase of R\$83.1 million were:

- **BB Corretora (+R\$85.6 million):** with the growth in brokerage revenues and an increase in net investment income, due to the reduction in expenses with interest accrual on dividends payable and an expansion of more than R\$1.1 billion in the average balance of financial investments that more than offset the impact of the lower Selic rate on financial revenues;
- **Brasilseg (+R\$80.0 million):** driven mainly by the evolution of retained earned premiums and the 2.8 p.p. reduction in loss ratio; and
- **Brasilcap (+R\$5.4 million):** due to the growth in net investment income, with increase in the average balance of investments and improvement of the financial margin, which is explained by the reduction in the cost of liabilities.

On the other hand, Brasilprev's contribution to the result was R\$99.3 million lower as compared to the 1Q23, due to the drop in the net investment income caused both by the temporal mismatch in inflation accrual on assets and liabilities of traditional plans, and the negative mark-to-market result explained by the steepening in the forward yield curve.

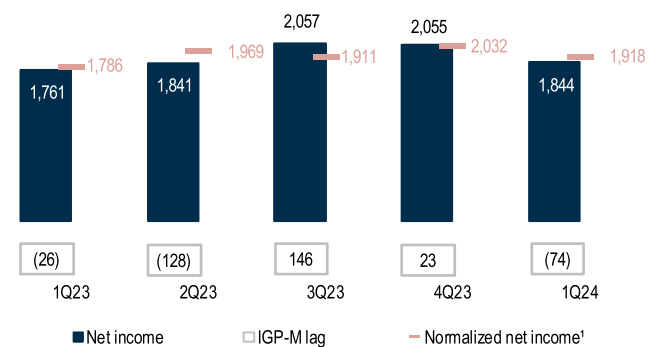
BB Seguridade's normalized net income, which sets apart the impact of temporal mismatch in inflation rates, grew 7.4% compared to 1Q23.

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



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

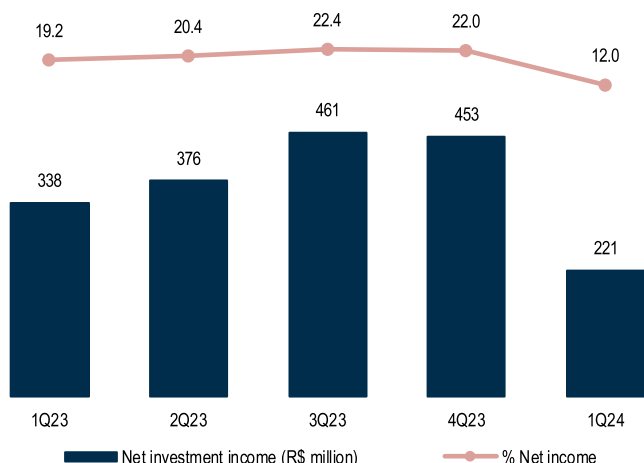
Figure 2 – Normalized net income (R\$ million)



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

## NET INVESTMENT INCOME ANALYSIS

Figure 3 – Combined net investment income



In **1Q24**, the combined net investment income of BB Seguridade and its investees reached R\$220.9 million, net of taxes, an amount 34.7% lower than that reported in the same period of 2023. The drop is largely explained by the negative variation in Brasilprev's net investment income, explained by: (i) contraction in inflation rates pegged to the major part of the assets guaranteeing defined benefit plans in the current period (IPCA 1Q24: +1.4% vs. 1Q23: +2.1% | IGP-M 1Q24: -0.9% vs. 1Q23: +0.2%), while the 1-month lagged IGP-M, which adjusted most of the liabilities of these plans, did not decline with the same magnitude (IGP-M 1Q24 lagged: +0.3% | IGP-M 1Q23 lagged: +0.6%); and (ii) negative mark-to-market result due to the steepening in the forward yield curve. The reduction in the average Selic rate compared to 1Q23 was another factor that drove the retraction in the net investment income, being partially offset by the 9.5% expansion in the combined average balance of floating rate investments of all companies in the group.

Figure 4 – Inflation rate (%)

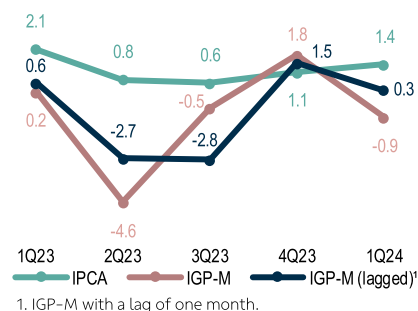


Figure 5 – Average Selic rate (%)

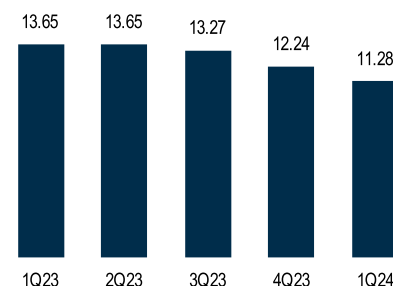


Figure 6 – Forward yield curve (%)

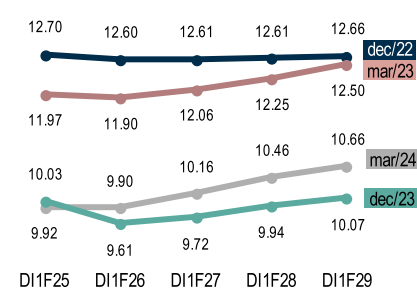


Figure 7 – Financial investments (%)

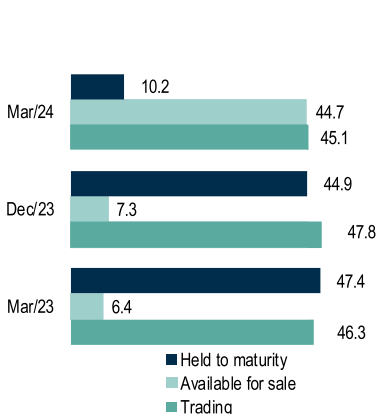


Figure 8 – Financial investments by index (%)

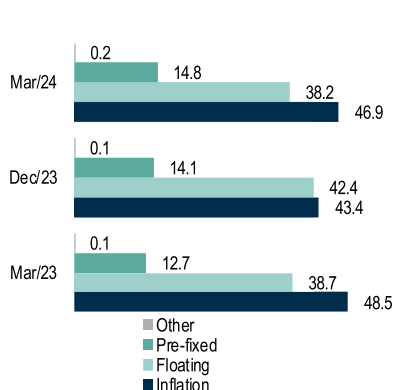
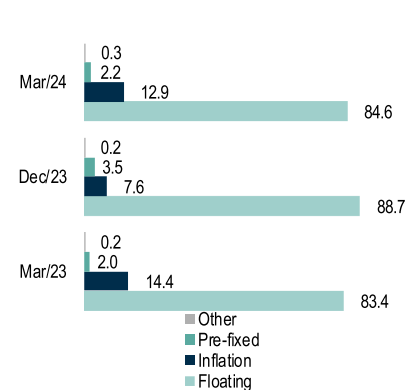


Figure 9 – Trading portfolio by index (%)



## ■ 2024 GUIDANCE

Regarding the 2024 Guidance indicators, all of them outperformed in 1Q24.

For the variation in non-interest operating result (ex-holdings), the beat was motivated by the lower loss ratio than expected for rural insurance. In premiums written by Brasilseg and in Brasilprev's PGBL and VGBL pension reserves, the outperformance was already expected in the beginning of the year, with gradual convergence towards the Guidance ranges throughout the year.

Figure 10 – 2024 estimates

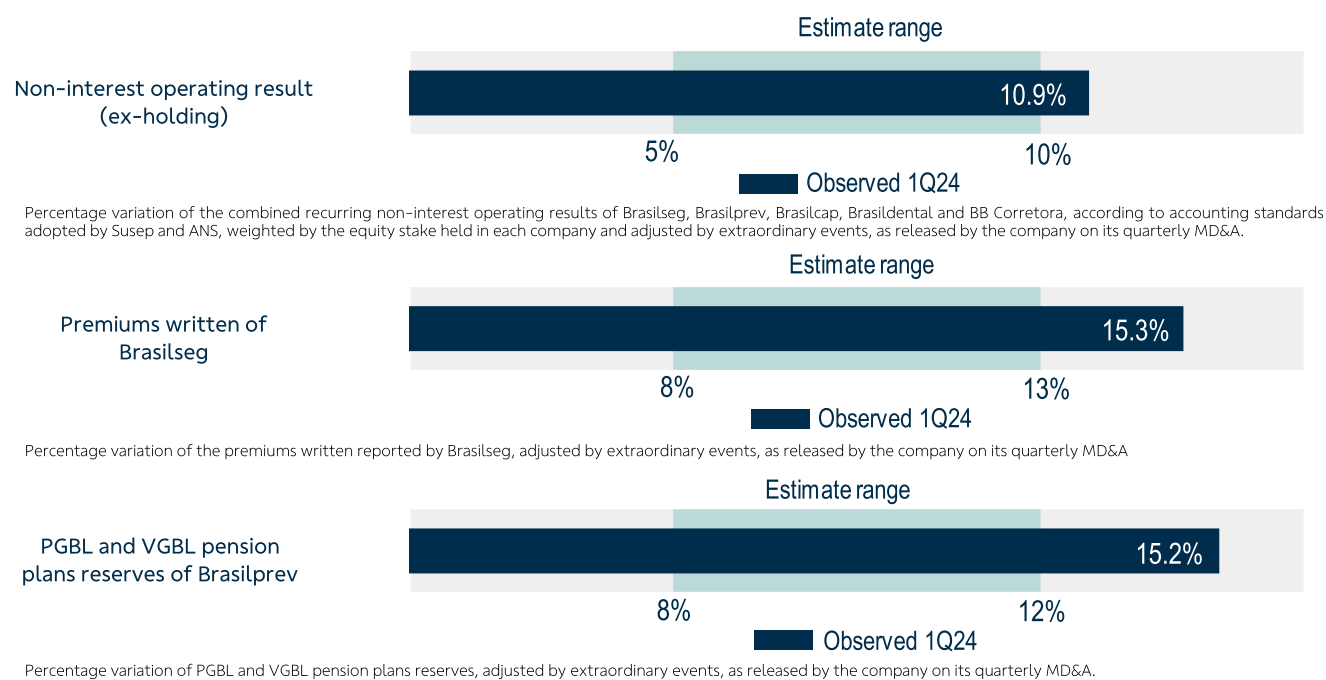


Table 2 – Breakdown of the non-interest operating result by company

R\$ thousand	Quarterly Flow		Chg. %
	1Q23	1Q24	On 1Q23
<b>Non-interest operating result</b>	<b>2,128,340</b>	<b>2,360,015</b>	<b>10.9</b>
Brasilseg	762,390	853,769	12.0
Brasilprev	366,259	393,404	7.4
Brasilcap	6,858	(3,694)	-
Brasildental	3,904	6,725	72.3
BB Corretora	988,928	1,109,812	12.2

## SUMMARY OF INVESTEE'S PERFORMANCES

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

Table 3 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q23	4Q23	1Q24	On 1Q23	On 4Q23
<b>Premiums written</b>	<b>3,719,856</b>	<b>4,072,182</b>	<b>4,289,882</b>	<b>15.3</b>	<b>5.3</b>
Changes in technical reserves and premiums ceded	(674,300)	(753,105)	(952,094)	41.2	26.4
<b>Retained earned premiums</b>	<b>3,045,556</b>	<b>3,319,077</b>	<b>3,337,788</b>	<b>9.6</b>	<b>0.6</b>
Retained claims	(890,817)	(764,775)	(881,842)	(1.0)	15.3
Retained acquisition costs	(829,865)	(926,968)	(962,958)	16.0	3.9
G&A	(306,378)	(454,893)	(351,358)	14.7	(22.8)
Other	(1,840)	(1,886)	(3,119)	69.5	65.3
<b>Non-interest operating result</b>	<b>1,016,656</b>	<b>1,170,555</b>	<b>1,138,510</b>	<b>12.0</b>	<b>(2.7)</b>
Net investment income	223,005	272,329	202,195	(9.3)	(25.8)
<b>Earnings before taxes and profit sharing</b>	<b>1,239,661</b>	<b>1,442,884</b>	<b>1,340,705</b>	<b>8.2</b>	<b>(7.1)</b>
Taxes and profit sharing	(329,582)	(333,470)	(323,721)	(1.8)	(2.9)
<b>Net income</b>	<b>910,079</b>	<b>1,109,414</b>	<b>1,016,983</b>	<b>11.7</b>	<b>(8.3)</b>

In **1Q24**, the **net income** of the insurance operation grew 11.7% compared to 1Q23, driven by the evolution of retained earned premiums (+9.6%) and the reduction in loss ratio (-2.8 p.p.), which led to the growth of 12.0% of non-interest operating result. These effects were partially offset by the lower net investment income, mainly due to the decline in the average Selic rate.

**Premiums written** increased by 15.3% YoY, highlighting: (i) credit life (+35.2%), due to the higher volume of credit origination and reduction in cancellations; (ii) rural lien (+54.1%), driven by the new lien insurance for cattle, which was launched at the beginning of the year; and (iii) credit life for farmers (+28.0%), a consequence of growth in the average ticket and increase in volumes sold.

The **G&A ratio** rose 0.5 p.p. as compared to the same period in 2023, with the increase in general and administrative expenses (+14.7%), mainly in the lines of impairment provision, internal marketing and third-party services.

Figure 11 – Key performance indicators

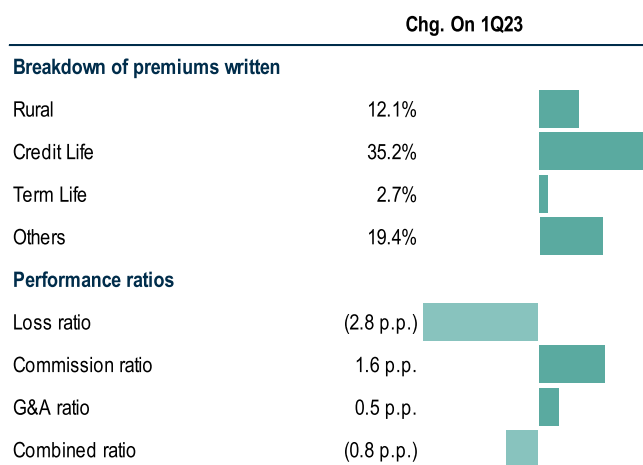


Table 4 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q23	4Q23	1Q24	On 1Q23	On 4Q23
<b>Total revenue from pension and insurance</b>	<b>14,789,147</b>	<b>13,736,685</b>	<b>16,778,322</b>	<b>13.5</b>	<b>22.1</b>
Provision for benefits to be granted	(14,784,086)	(13,732,024)	(16,774,089)	13.5	22.2
<b>Net revenue from pension and insurance</b>	<b>5,061</b>	<b>4,661</b>	<b>4,234</b>	<b>(16.3)</b>	<b>(9.2)</b>
Management fee	838,542	864,720	890,449	6.2	3.0
Acquisition costs	(183,099)	(187,703)	(189,086)	3.3	0.7
Retained earned premiums	19,799	53,199	57,355	189.7	7.8
G&A	(158,332)	(232,993)	(207,418)	31.0	(11.0)
Other	(33,560)	27,239	(30,926)	(7.8)	-
<b>Non-interest operating result</b>	<b>488,410</b>	<b>529,123</b>	<b>524,608</b>	<b>7.4</b>	<b>(0.9)</b>
Net investment income	246,591	302,489	(5,049)	-	-
<b>Earnings before taxes and profit sharing</b>	<b>735,002</b>	<b>831,611</b>	<b>519,560</b>	<b>(29.3)</b>	<b>(37.5)</b>
Taxes and profit sharing	(296,656)	(328,842)	(214,134)	(27.8)	(34.9)
<b>Net income</b>	<b>438,346</b>	<b>502,770</b>	<b>305,426</b>	<b>(30.3)</b>	<b>(39.3)</b>

In **1Q24**, **net income** from the pension operation contracted 30.3% as compared to the same period in 2023, to R\$305.4 million, a performance attributed to the **net investment income** that registered a negative balance of R\$5.0 million in the quarter, compared to positive R\$246.6 million in 1Q23. Among the factors that affected the financial result, the main ones were: (i) temporal mismatch in inflation rates pegged to assets and liabilities of defined benefit plans; and (ii) negative mark-to-market result due to the steepening in the forward yield curve.

**Non-interest operating result** grew 7.4% YoY, largely due to the 6.2% increase in revenue with management fees, driven by the 14.5% expansion of pension reserves in the last 12 months. On the other hand, the average annualized management fee fell by 0.04 p.p., impacted by the greater flow of investments directed towards more conservative products, which led to a reduction in the share of multimarket funds in total reserves, reaching 21.4% at the end of March 2024 (-4.3 p.p. YoY | -0.6 p.p. QoQ).

**Pension contributions** grew 13.5% YoY, totaling R\$16.8 billion, the highest quarterly volume in the historical series. The redemption ratio reached 8.6%, the lowest level since 4Q20 (-3.2 p.p. YoY | -1.4 p.p. QoQ). The evolution of contributions, combined with the improvement in the redemption ratio, in addition to lower portability in the period (-0.5 p.p. YoY | -0.3 p.p. QoQ), resulted in a net inflow of R\$5.6 billion, an amount almost three times higher than that recorded in 1Q23.

Figure 12 – Key performance indicators

	1Q24	Chg. On 1Q23
Net inflows (R\$ million)	5,574	189.5%
Reserves (R\$ billion)	406	14.5%
Management fee (%)	0.92	(0.04 p.p.)
Redemption ratio (%)	8.6	(3.2 p.p.)
Portability ratio (%)	0.9	(0.5 p.p.)
Cost to income ratio (%)	44.9	1.5 p.p.

Table 5 - Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q23	4Q23	1Q24	On 1Q23	On 4Q23
<b>Premium bonds collection</b>	<b>1,429,108</b>	<b>1,731,916</b>	<b>1,663,808</b>	<b>16.4</b>	<b>(3.9)</b>
Changes in provisions for redemption, lottery and bonus	(1,277,716)	(1,563,103)	(1,500,939)	17.5	(4.0)
<b>Revenue with load fee</b>	<b>151,392</b>	<b>168,812</b>	<b>162,870</b>	<b>7.6</b>	<b>(3.5)</b>
Result with lottery	6,408	22,247	17,001	165.3	(23.6)
Acquisition costs	(124,015)	(162,191)	(159,367)	28.5	(1.7)
G&A	(23,882)	(34,111)	(26,024)	9.0	(23.7)
Other	367	(370)	(12)	-	(96.7)
<b>Non-interest operating result</b>	<b>10,272</b>	<b>(5,613)</b>	<b>(5,532)</b>	<b>-</b>	<b>(1.4)</b>
Net investment income	95,043	112,292	126,312	32.9	12.5
<b>Earnings before taxes and profit sharing</b>	<b>105,315</b>	<b>106,679</b>	<b>120,780</b>	<b>14.7</b>	<b>13.2</b>
Taxes and profit sharing	(42,628)	(37,363)	(50,050)	17.4	34.0
<b>Net income</b>	<b>62,687</b>	<b>69,317</b>	<b>70,730</b>	<b>12.8</b>	<b>2.0</b>

In **1Q24**, **net income** from premium bonds operation was 12.8% higher than that recorded in the same period in 2023, reaching R\$70.7 million. The performance is attributed to the growth in **net investment income** (+32.9%), with an expansion in the average balance of interest earning assets and an increase in the financial spread, resulting from the reduction in the cost of liabilities.

**Premium bonds collection** increased by 16.4%, a movement attributed to the higher average ticket. **Revenue with load fee** did not keep the same pace of collection and grew 7.6%, with the average load fee quote falling 0.8 p.p. This dynamic is due to the greater share of short-term unique payment bonds (12 and 24 months) in collection mix, since these products have a lower quota compared to longer-term products (36 and 48 months).

Figure 13 – Key performance indicators

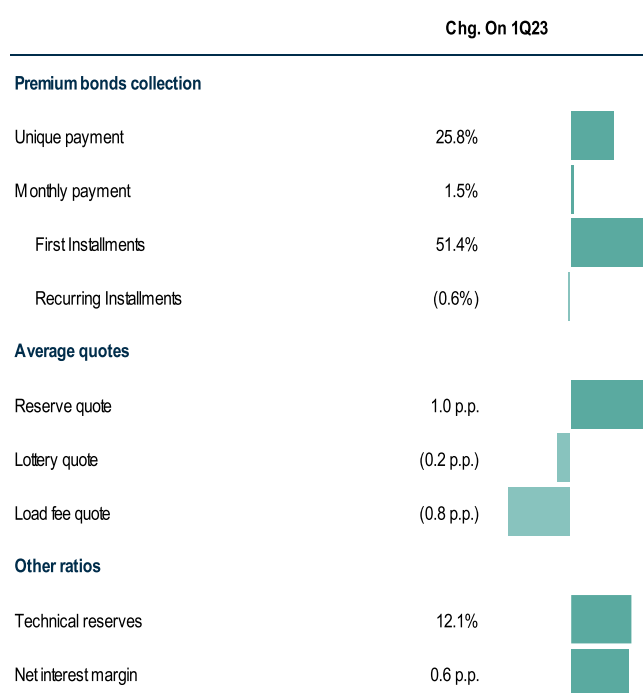


Table 6 - Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q23	4Q23	1Q24	On 1Q23	On 4Q23
<b>Brokerage revenues</b>	<b>1,207,177</b>	<b>1,305,914</b>	<b>1,346,183</b>	<b>11.5</b>	<b>3.1</b>
G&A	(218,286)	(264,718)	(237,263)	8.7	(10.4)
Equity income	38	929	891	-	(4.0)
<b>Earnings before interest and taxes</b>	<b>988,928</b>	<b>1,042,125</b>	<b>1,109,812</b>	<b>12.2</b>	<b>6.5</b>
Net investment income	83,337	123,720	91,569	9.9	(26.0)
<b>Earnings before taxes</b>	<b>1,072,265</b>	<b>1,165,845</b>	<b>1,201,381</b>	<b>12.0</b>	<b>3.0</b>
Taxes	(364,554)	(382,785)	(408,119)	12.0	6.6
<b>Net income</b>	<b>707,711</b>	<b>783,060</b>	<b>793,262</b>	<b>12.1</b>	<b>1.3</b>

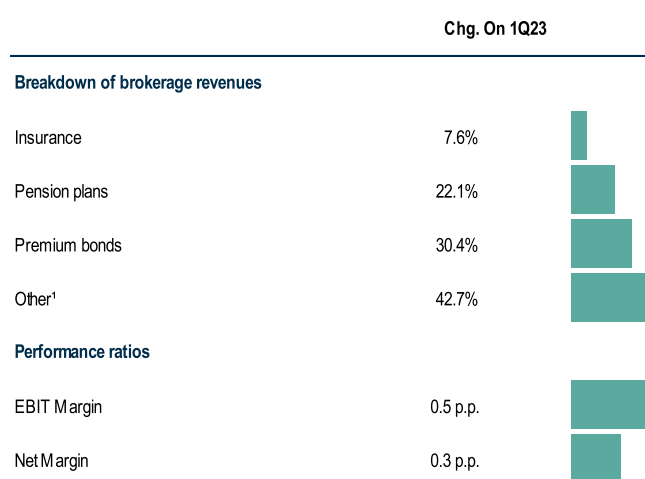
In **1Q24**, BB Corretora's **net income** grew 12.1% YoY, driven by the 11.5% increase in brokerage revenues, an improvement of 0.5 p.p. in the EBIT margin and an increase in the net investment income.

**Brokerage revenues** were driven by the good commercial performance of the period in all business lines, in addition to the appropriation of deferred insurance commissions in the P&L, mainly from credit life insurance. It is worth highlighting the growth of R\$1.4 billion in deferred commissions in the last 12-months, reaching R\$5.1 billion at the end of March 2024, an amount that will be recognized in brokerage revenue over the next few years.

The **EBIT margin** improved due to the reduction in administrative costs of products, resulting from the change in the mix of sales and the reduction in the volume of cancellation and redemption operations, in addition to the drop in operational support expenses.

The **net investment income** expanded by 9.9%, due to the reduction in financial expenses with interest accrual on dividends payable, due to the drop in the average Selic rate, combined with the increase of R\$1.1 billion in the average balance of cash and financial instruments that more than offset the fall in interest rates.

Figure 14 – Key performance indicators



<sup>1</sup> Include dental plans and other revenues.



## ■ OTHER INFORMATION

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

	Unit	Quarterly Flow		
		1Q23	4Q23	1Q24
<b>Life<sup>2</sup></b>				
Premiums written	R\$ thousand	849,930	945,366	872,806
Market-share	%	11.4	11.2	10.3
Ranking		1º	2º	2º
<b>Credit life</b>				
Premiums written	R\$ thousand	761,068	894,017	1,028,790
Market-share	%	18.0	19.7	20.9
Ranking		1º	1º	1º
<b>Mortgage life</b>				
Premiums written	R\$ thousand	76,892	81,589	79,909
Market-share	%	5.0	4.9	4.7
Ranking		6º	6º	6º
<b>Rural</b>				
Premiums written	R\$ thousand	1,762,839	1,878,515	1,975,286
Market-share	%	56.3	65.8	59.9
Ranking		1º	1º	1º
<b>Home</b>				
Premiums written	R\$ thousand	94,293	95,078	109,933
Market-share	%	7.2	5.8	6.3
Ranking		5º	7º	6º
<b>Commercial lines</b>				
Premiums written	R\$ thousand	172,248	173,336	218,663
Market-share	%	5.5	4.7	6.1
Ranking		5º	6º	5º
<b>Pension Plans</b>				
Technical reserves	R\$ thousand	354,591,992	392,001,746	405,904,798
Market-share	%	28.5	28.2	28.3
Ranking		1º	1º	1º
<b>Contributions</b>	R\$ thousand	14,789,147	13,736,685	16,778,322
Market-share	%	38.2	30.8	38.0
Ranking		1º	1º	1º
<b>Premium Bonds</b>				
Reserves	R\$ thousand	9,945,688	11,335,717	11,151,981
Market-share	%	26.2	28.7	28.2
Ranking		1º	1º	1º
Collections	R\$ thousand	1,429,108	1,731,916	1,663,808
Market-share	%	20.1	22.0	19.9
Ranking		2º	1º	2º

1. Source: Susep – data as of February 2024.

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

Table 8 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	1	1,325,000,000	66.3%
Treasury Stocks	1	31,926,181	1.6%
Free Float	523,753	643,073,819	32.2%
Foreign investors	938	398,285,335	19.9%
Companies	3,640	77,640,171	3.9%
Individuals	519,175	167,148,313	8.4%
<b>Total</b>	<b>523,755</b>	<b>2,000,000,000</b>	<b>100.0%</b>

Table 9 – Stocks | Performance

	Unit	Quarterly Flow				
		1Q23	2Q23	3Q23	4Q23	1Q24
<b>Stock's performance</b>						
Earnings per share	R\$	0.88	0.92	1.03	1.03	0.92
Dividends per share	R\$	1.84	-	1.61	-	1.23
Equity per share	R\$	4.69	4.03	4.96	4.56	5.51
Closing price	R\$	32.51	30.77	31.21	33.65	32.52
Annualized dividend yield <sup>1</sup>	%	9.89	10.12	11.92	10.22	8.71
Market capitalization	R\$ million	65,020	61,540	62,420	67,300	65,040
<b>Ratios</b>						
P/E (12 month trailing)	x	9.81	8.72	8.36	8.73	8.34
P/BV	x	6.93	7.63	6.30	7.39	5.90
<b>Business data</b>						
Number of trades carried out		1,296,891	1,242,152	920,454	967,094	810,232
Average daily volume traded	R\$ million	203	203	154	162	162
Average daily volume traded - B3	R\$ million	20,956	22,584	19,741	19,585	21,697
Share on B3's average volume	%	0.97	0.90	0.78	0.82	0.75

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