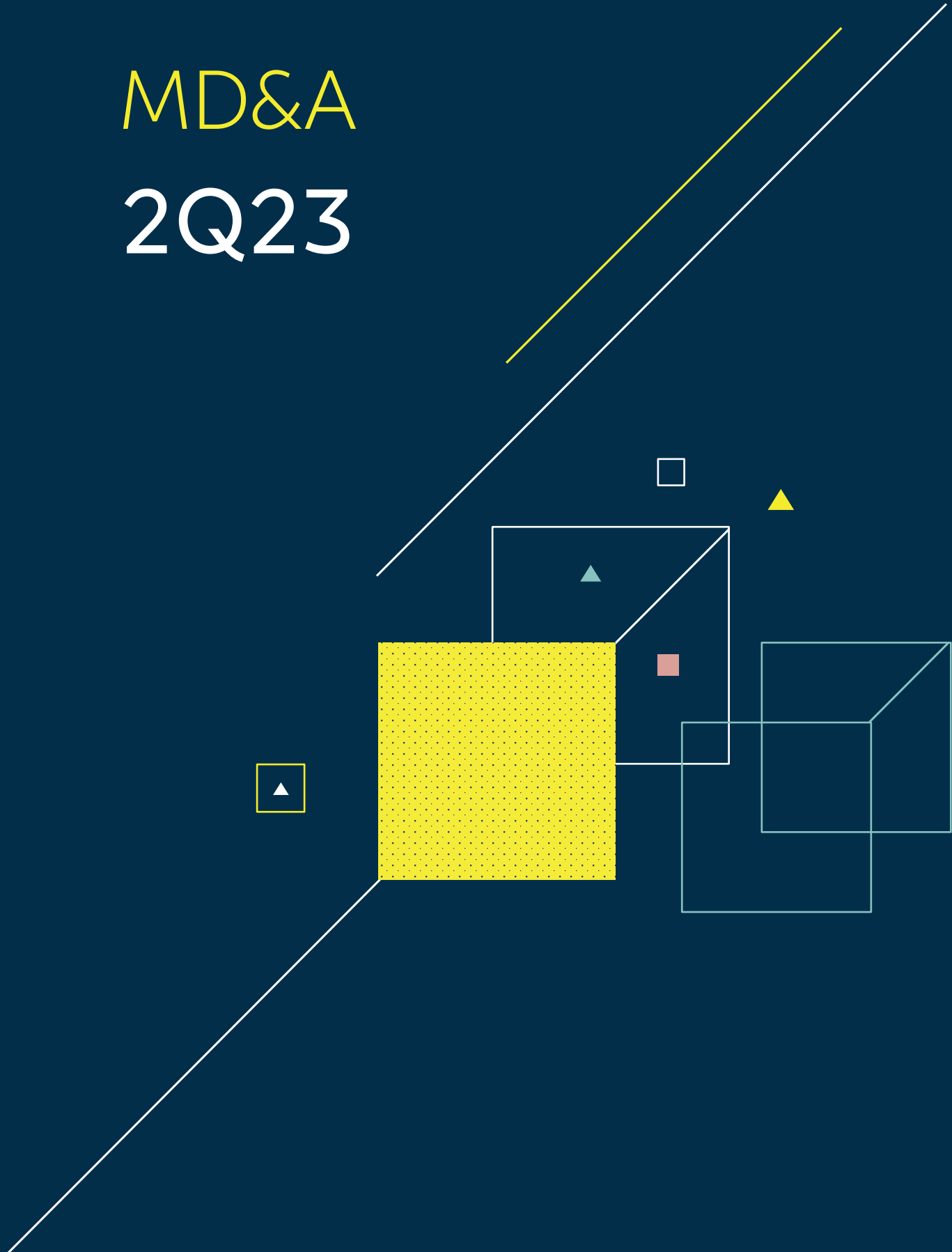


MD&A 2Q23



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 Brasil dental 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 Brasil dental will be carried out with a delay of one month. Thus, 2Q23 contains information related to March, April and May, immaterially impacting the comparison with 2Q22 earnings.

Table 1 – Income statement of the holding

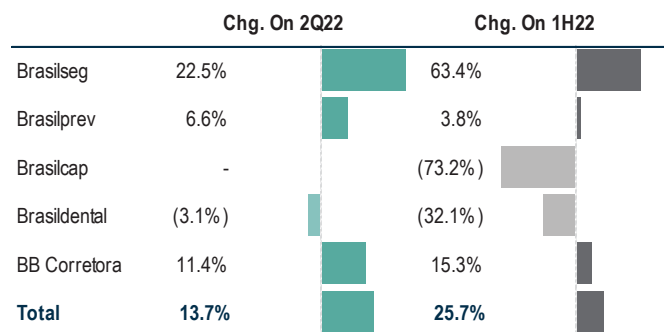
R\$ thousand	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
	2Q22	1Q23	2Q23	On 2Q22	On 1Q23	1H22	1H23	On 1H22
Equity income	1,407,388	1,763,691	1,835,739	30.4	4.1	2,586,472	3,599,430	39.2
Underwriting and accumulation businesses	766,748	1,052,573	1,108,531	44.6	5.3	1,372,870	2,161,103	57.4
Brasilseg	546,845	678,617	724,236	32.4	6.7	809,397	1,402,853	73.3
Brasilprev	172,298	328,738	337,195	95.7	2.6	474,207	665,934	40.4
Brasilcap	42,783	41,855	42,358	(1.0)	1.2	78,239	84,213	7.6
Brasildental	4,822	3,363	4,741	(1.7)	41.0	11,027	8,104	(26.5)
Distribution businesses	631,810	707,711	706,795	11.9	(0.1)	1,207,114	1,414,506	17.2
Other	8,830	3,407	20,413	131.2	499.1	6,488	23,820	267.1
G&A expenses	(5,900)	(8,944)	(5,592)	(5.2)	(37.5)	(11,891)	(14,535)	22.2
Net investment income	4,698	5,791	11,119	136.7	92.0	11,221	16,911	50.7
Earnings before taxes and profit sharing	1,406,185	1,760,539	1,841,267	30.9	4.6	2,585,802	3,601,805	39.3
Taxes	186	0	(233)	-	-	-	(233)	-
Net income	1,406,371	1,760,540	1,841,034	30.9	4.6	2,585,802	3,601,573	39.3

In 2Q23, BB Seguridade's net income grew 30.9% YoY, to R\$1.8 billion. The variation of R\$434.7 million is explained by:

- **Brasilseg (+R\$177.4 million):** propelled by the evolution of retained earned premiums and the rise of net investment income, effects partially offset by the higher loss ratio in the period;
- **Brasilprev (+R\$164.9 million):** sustained by the improvement of net investment income, due to the lower cost on bearing liabilities, which are composed by defined benefit plans' reserves, and to positive MtM result; and
- **BB Corretora (+R\$75.0 million):** led by the growth of brokerage revenues and, in a lesser extent, by the increase of net investment income.

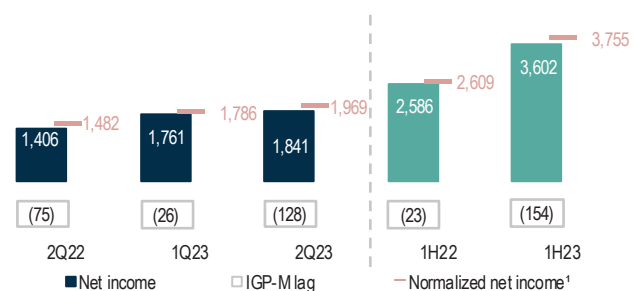
Year-to-date the net income was up R\$1.0 billion (+39.3%), to R\$3.6 billion. The highlights were:

- **Brasilseg (+R\$593.5 million):** boosted by the evolution of retained earned premiums, better loss ratio and net investment income growth;
- **BB Corretora (+R\$207.4 million):** with the increase in brokerage revenues and the hike of net investment income;
- **Brasilprev (+R\$191.7 million):** sustained by the higher net investment income, due to both the lower cost on bearing liabilities and the positive MtM results; and
- **Brasilcap (+R\$6.0 million):** driven by the growth of net investment income, which is justified by the higher average balance and, in a lesser extent, the increase in the yield of interest earning assets.

Figure 1 – Non-interest operating results¹

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

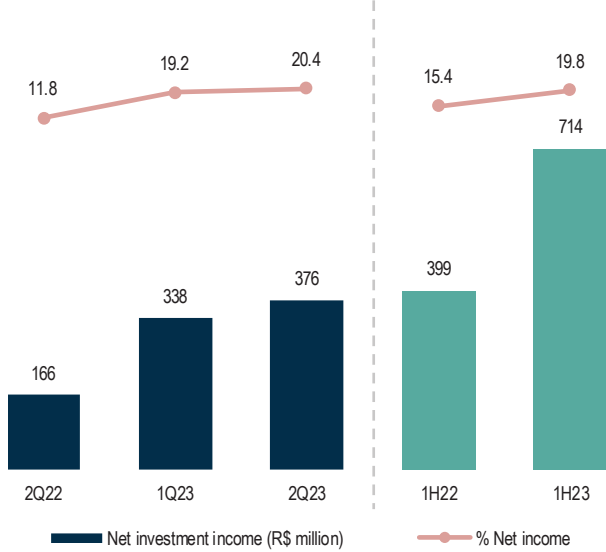
Figure 2 – Normalized net income (R\$ million)



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

NET INVESTMENT INCOME ANALYSIS

Figure 3 – Consolidated net investment income



In **2Q23**, the consolidated net investment income of BB Seguridade and its investees reached R\$376.1 million, up 125.9% YoY. The main factors explaining the expansion of consolidated net investment income were the IGP-M deflation which led the reduction of the liabilities' cost related to defined benefit plans' reserves, the downward shift of the forward yield curve, the higher Selic rate and the evolution in the average balance of earning assets.

In the **1H23**, the combined net investment income of all companies was 79.2% higher as compared to the 1H22, for the same reasons mentioned in the quarterly analysis.

Figure 4 – Inflation rate (%)

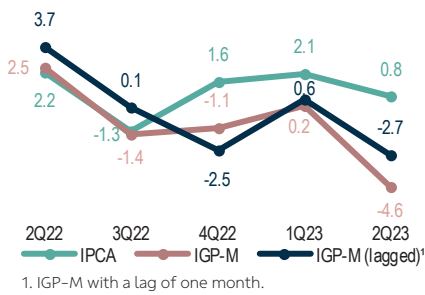


Figure 5 – Average Selic rate (%)

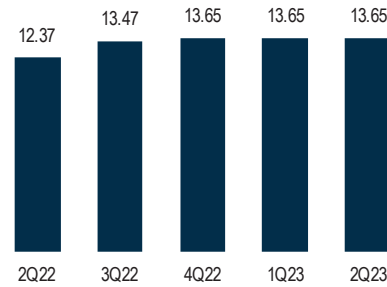


Figure 6 – Forward yield curve (%)

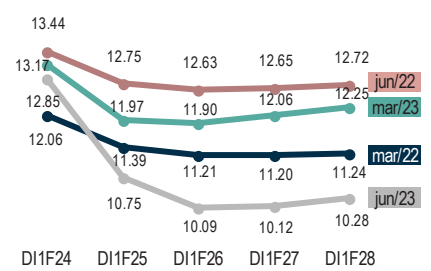


Figure 7 – Financial investments (%)

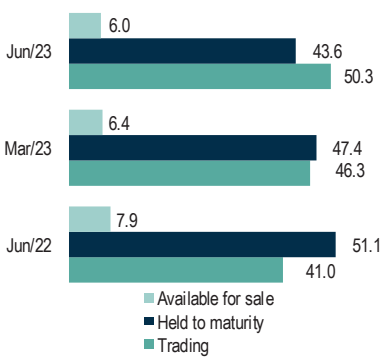


Figure 8 – Financial investments by index (%)

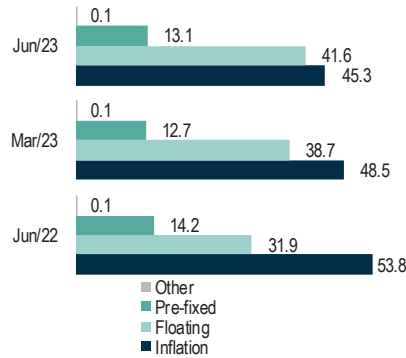
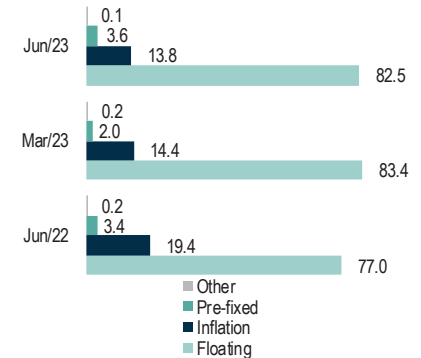


Figure 9 – Trading portfolio by index (%)



■ 2023 GUIDANCE

In the **1H23**, the non-interest operating result (ex-holding) grew 25.7% YoY and outperformed the annual growth estimate of the guidance. The premiums written by Brasilseg marginally surpassed the Guidance range also, expanding 15.7% YoY. The PGBL and VGBL pension plan reserves increased 13.3%, positioned within the projections range. The main reasons for the deviations compared to the guidance were:

Non-interest operating result (ex-holding): the expected behavior for the indicator already predicted an overrun of the Guidance in 1H23 and the convergence for the range of estimates in subsequent quarters, due to the high concentration of retained claims from crop insurance at the beginning of last year.

Premiums written of Brasilseg: the overcoming of the range was already expected, with convergence of the growth rate for the range of estimates over the following quarters, depending on the sales dynamics themselves.

Finally, it should be noted that all comparisons are being made based on the accounting standards adopted by Susep (private insurance market regulator) and ANS (private health insurance market regulator), that do not take into account the effects of the new accounting standard of IFRS 17, in force from January/2023.

Figure 10 – 2023 estimates

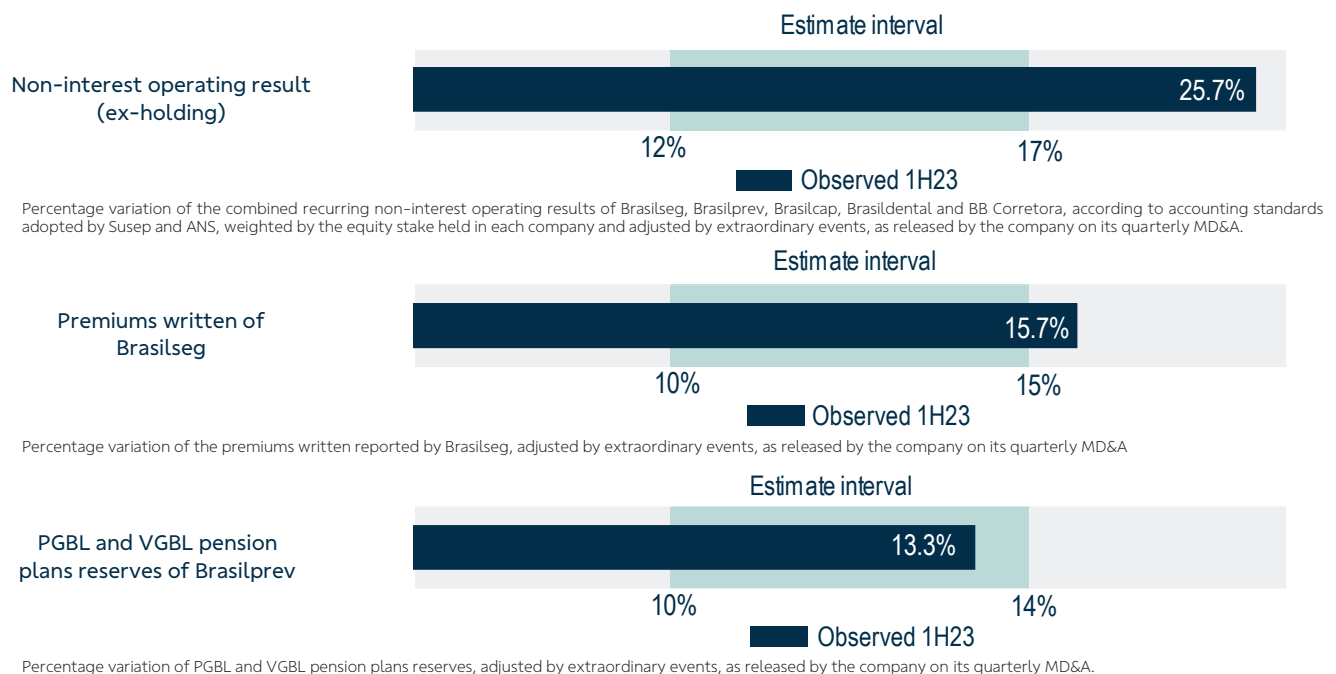


Table 2 – Breakdown of the managerial non-interest operating result by company

R\$ thousand	Half-Yearly Flow		Chg. %
	1H22	1H23	On 1H22
Non-interest operating result	3,385,487	4,256,798	25.7
Brasilseg	945,165	1,544,672	63.4
Brasilprev	718,927	745,965	3.8
Brasilcap	13,285	3,556	(73.2)
Brasildental	14,984	10,167	(32.1)
BB Corretora	1,693,127	1,952,438	15.3

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. %		Half-Yearly Flow		Chg. %
	2Q22	1Q23	2Q23	On 2Q22	On 1Q23	1H22	1H23	On 1H22
Premiums written	3,872,143	3,719,856	3,942,284	1.8	6.0	6,623,906	7,662,140	15.7
Changes in technical reserves and premiums ceded	(1,281,233)	(674,300)	(815,812)	(36.3)	21.0	(1,590,859)	(1,490,112)	(6.3)
Retained earned premiums	2,590,910	3,045,556	3,126,472	20.7	2.7	5,033,047	6,172,028	22.6
Retained claims	(708,420)	(890,817)	(880,113)	24.2	(1.2)	(1,813,681)	(1,770,931)	(2.4)
Retained acquisition costs	(771,691)	(829,865)	(867,619)	12.4	4.5	(1,446,813)	(1,697,483)	17.3
G&A	(259,500)	(306,378)	(334,063)	28.7	9.0	(512,466)	(640,442)	25.0
Other	374	(1,840)	(1,496)	-	(18.7)	300	(3,335)	-
Non-interest operating result	851,674	1,016,656	1,043,181	22.5	2.6	1,260,388	2,059,837	63.4
Net investment income	159,426	223,005	218,746	37.2	(1.9)	313,232	441,751	41.0
Earnings before taxes and profit sharing	1,011,100	1,239,661	1,261,927	24.8	1.8	1,573,620	2,501,588	59.0
Taxes and profit sharing	(276,967)	(329,582)	(291,012)	5.1	(11.7)	(484,461)	(620,594)	28.1
Net income	734,133	910,079	970,915	32.3	6.7	1,089,159	1,880,994	72.7

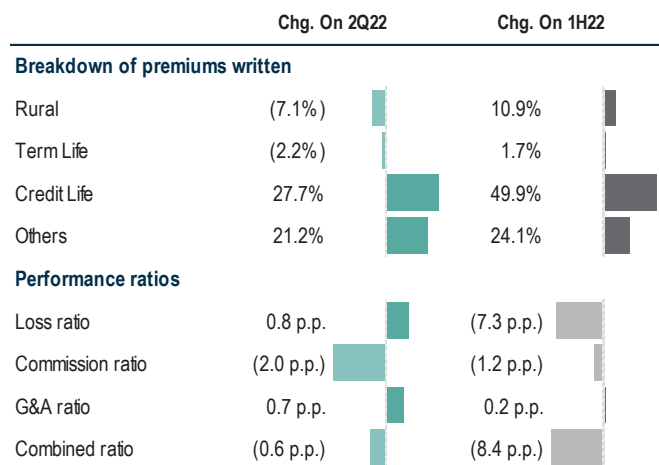
In **2Q23**, the insurance business's **net income** grew 32.3% YoY, propelled by higher **retained earned premiums** (+20.7%) and the spike of net investment income (+37.2%), with the increase of Selic rate and the expansion of average balance of earning assets, partially offset by the higher **loss ratio** (+0.8 p.p.).

The **premiums written** were up 1.8%, driven by the good commercial performance of credit life insurance, which expanded 27.7% in the period, with higher penetration on credit and reduction of the churn.

The **G&A ratio** was up 0.7 p.p. YoY, impacted by higher third-party services expenses related to IT and accounting consulting, as well as the increase of personnel expenses, due to headcount expansion and the collective bargaining agreement.

Year-to-date the **net income** grew 72.7%, mainly explained by **loss ratio** improvement (-7.3 p.p.), and the rise of **retained earned premiums** (+22.6%) and **net investment income** (+41.0%).

Figure 11 – Key performance indicators



Brasilprev | Pension plans (for further details, see page 43)

Table 4 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
	2Q22	1Q23	2Q23	On 2Q22	On 1Q23	1H22	1H23	On 1H22
Total revenue from pension and insurance	11,707,041	14,789,147	12,278,542	4.9	(17.0)	24,710,889	27,067,689	9.5
Provision for benefits to be granted	(11,701,851)	(14,784,086)	(12,273,659)	4.9	(17.0)	(24,700,529)	(27,057,746)	9.5
Net revenue from pension and insurance	5,190	5,061	4,883	(5.9)	(3.5)	10,359	9,944	(4.0)
Management fee	803,861	838,542	830,012	3.3	(1.0)	1,600,035	1,668,553	4.3
Acquisition costs	(173,236)	(183,099)	(184,971)	6.8	1.0	(342,941)	(368,071)	7.3
Retained earned premiums	48,956	19,799	54,240	10.8	174.0	93,464	74,039	(20.8)
G&A	(174,286)	(158,332)	(177,913)	2.1	12.4	(333,620)	(336,245)	0.8
Other	(35,638)	(33,560)	(19,909)	(44.1)	(40.7)	(68,600)	(53,469)	(22.1)
Non-interest operating result	474,847	488,410	506,342	6.6	3.7	958,697	994,752	3.8
Net investment income	(89,056)	246,591	223,399	-	(9.4)	104,144	469,991	351.3
Earnings before taxes and profit sharing	385,792	735,002	729,741	89.2	(0.7)	1,062,841	1,464,743	37.8
Taxes and profit sharing	(156,046)	(296,656)	(291,418)	86.8	(1.8)	(430,523)	(588,074)	36.6
Net income	229,746	438,346	438,323	90.8	(0.0)	632,318	876,669	38.6

In **2Q23**, the **net income** of the pension plan segment was 90.8% higher than the 2Q22, reaching R\$438.3 million, boosted by the growth of **net investment income**. The financial performance is mostly explained by the lower cost of bearing liabilities, which is mainly composed of defined benefit plans reserves, as consequence of IGP-M deflation in the period, as well as mark to market gains rising from the downward shift of forward yield curve.

The **non-interest operating result** grew 6.6% due to the expansion of management fee revenues (+3.3%), driven by the increase of pension reserves within the last twelve months (+12.4%). On the other hand, the **annualized average management fee** retracted 0.06 p.p., impacted by the investment flow more concentrated in conservative funds, leading the reduction of multimarket fund participation in total AuM to 24.5% by June/2023 (-6.0 p.p. on June/2022 | -1.2 p.p. on March/2023).

The **contributions** to pension plans increased 4.9% YoY, to R\$12.3 billion. The evolution of contributions, combined with improved **portability ratio** (-1.2 p.p.) and **redemption ratio** (-0.3 p.p.), drove the **net inflow** to reach R\$274 million, while in the 2Q22 it was registered net outflow of R\$273 million.

Year-to-date the **net income** grew 38.6%, led by the **net investment income** more than 4x above the 1H22. The performance reflects both the reduction of liabilities cost and the MtM gains registered in the period, for the same reasons mentioned in the quarterly analysis.

The **net inflow** totaled R\$2.2 billion in 1H23, versus R\$748 million outflow in the 1H22. The increase of contributions (+9.5%), the reduction of portability ratio (-1.0 p.p.) and the improvement of redemption ratio (-0.3 p.p. on 2Q22 | -1.1 p.p. on 1Q23) explain the positive figure.

The **revenues with management fee** grew 4.3%, with the annualized average fee reducing 0.04 p.p. due to the lower participation of multimarket funds in the total AuM, as mentioned in the quarterly analysis.

Figure 12 – Key performance indicators

	2Q23	Chg. On 2Q22	1H23	Chg. On 1H22
Net inflows (R\$ billion)	274	-	2,199	-
Reserves (R\$ billion)	366	12.4%	-	-
Management fee (%)	0.96	(0.06 p.p.)	0.96	(0.06 p.p.)
Redemption ratio (%)	10.8	(0.3 p.p.)	11.3	(0.2 p.p.)
Portability ratio (%)	1.1	(1.2 p.p.)	1.3	(1.0 p.p.)
Cost to income ratio (%)	43.1	(1.6 p.p.)	43.2	(0.5 p.p.)

Brasilcap | Premium Bonds (for further details, see page 57)

Table 5 - Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
	2Q22	1Q23	2Q23	On 2Q22	On 1Q23	1H22	1H23	On 1H22
Premium bonds collection	1,211,538	1,429,108	1,638,676	35.3	14.7	2,590,843	3,067,785	18.4
Changes in provisions for redemption, lottery and bonus	(1,085,145)	(1,277,716)	(1,482,827)	36.6	16.1	(2,318,537)	(2,760,543)	19.1
Revenue with load fee	126,393	151,392	155,849	23.3	2.9	272,306	307,241	12.8
Result with lottery	5,099	6,408	11,128	118.2	73.6	13,494	17,536	30.0
Acquisition costs	(105,208)	(124,015)	(146,749)	39.5	18.3	(224,162)	(270,764)	20.8
G&A	(19,149)	(23,882)	(24,617)	28.6	3.1	(41,680)	(48,498)	16.4
Other	1,802	367	(556)	-	-	(30)	(189)	-
Non-interest operating result	8,937	10,272	(4,945)	-	-	19,927	5,326	(73.3)
Net investment income	100,645	95,043	110,756	10.0	16.5	177,522	205,799	15.9
Earnings before taxes and profit sharing	109,582	105,315	105,811	(3.4)	0.5	197,449	211,125	6.9
Taxes and profit sharing	(45,402)	(42,628)	(42,369)	(6.7)	(0.6)	(80,079)	(84,997)	6.1
Net income	64,180	62,687	63,442	(1.2)	1.2	117,370	126,129	7.5

In **2Q23**, the **net income** of premium bonds business fell 1.2% YoY, to R\$63.4 million.

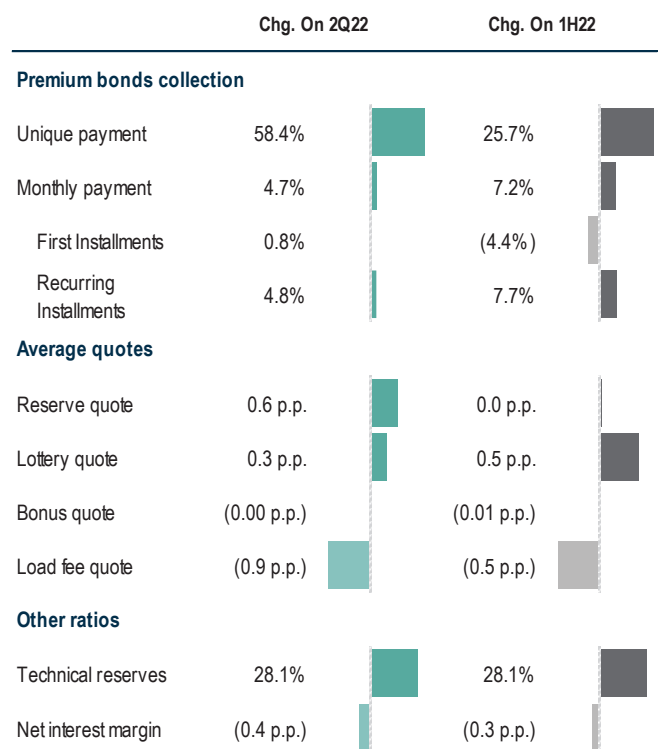
The **net investment income** grew 10.0% in the period, led by the expansion of the average balance of earning assets, an effect that was partially offset by the retraction of 0.4 p.p. in the spread. It is worth to mention that the 2Q22 net investment income was helped by the positive impact arising from the hedged portfolio of fixed income securities available for sale, which amounted to R\$34.6 million.

The **premium bonds collections** were up 35.3% YoY, due to the sales volume concentrated mainly in unique payment bonds. The **revenues with load fee** grew at a slower pace as compared to collections (+23.3%), explained by the 0.9 p.p. retraction of the average load fee quote, as a consequence of a mix more concentrated in short-term unique payment bonds (12 and 24 months) collections, that have lower quotes as compared to long-term products, which represented a higher portion of the mix in the 2Q22.

Year-to-date the net income totaled R\$126.1 million, up 7.5% on 1H22. The performance was driven by the higher **net investment income** (+15.9%), which is a result of the expansion in average balance of earning assets.

The **collection** grew 18.4% led by higher volumes of unique payment bonds sold, and the expansion of outstanding monthly bonds balance that generated higher amount of recurrent collections as compared to 1H22. On the other hand, the **revenues with load fee** grew at a slower pace (+12.8%), reflecting the 0.5 p.p. retraction in average load fee quote, explained by the higher participation of short-term unique payment bonds, as mentioned in the quarterly analysis.

Figure 13 – Key performance indicators



BB Corretora | Brokerage (for further details, see page 74)

Table 6 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
	2Q22	1Q23	2Q23	On 2Q22	On 1Q23	1H22	1H23	On 1H22
Brokerage revenues	1,063,358	1,207,177	1,193,255	12.2	(1.2)	2,078,561	2,400,431	15.5
G&A	(199,111)	(218,286)	(230,794)	15.9	5.7	(385,230)	(449,082)	16.6
Equity income	635	39	1,050	65.4	-	(204)	1,088	-
Earnings before interest and taxes	864,881	988,929	963,511	11.4	(2.6)	1,693,127	1,952,438	15.3
Net investment income	92,084	83,337	106,366	15.5	27.6	138,280	189,703	37.2
Earnings before taxes	956,965	1,072,266	1,069,877	11.8	(0.2)	1,831,407	2,142,141	17.0
Taxes	(325,155)	(364,555)	(363,082)	11.7	(0.4)	(624,293)	(727,635)	16.6
Net income	631,810	707,711	706,795	11.9	(0.1)	1,207,114	1,414,506	17.2

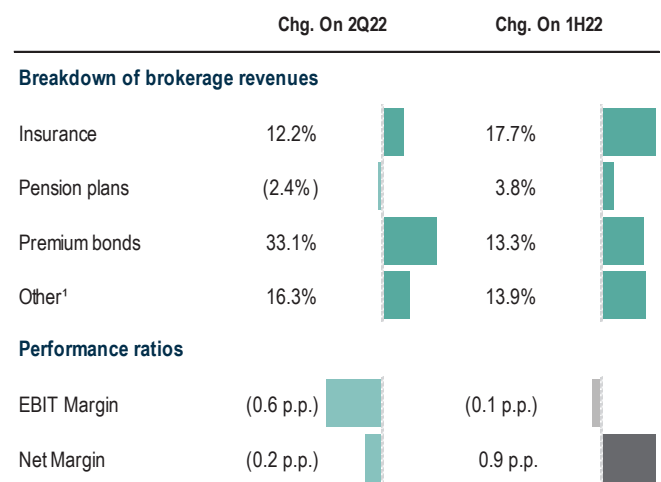
In **2Q23**, BB Corretora's **net income** was up 11.9% YoY.

The **brokerage revenues** grew 12.2%, with good commercial performance and the accrual of deferred commissions of insurance, mainly rural and credit life segments. The brokerage revenues arising from premium bonds grew 33.1% due to the expansion of sales volume. On the other hand, revenues related to pension plans fell 2.4% despite the evolution of contributions. The dynamics is justified by the higher concentration in sporadic contributions, which present lower commission ratio as compared to the first contributions of periodic plans.

The **EBIT margin** backed off 0.6 p.p. YoY, explained by the headcount increase, higher expenses with the recognition of individual performance of employees in 2022 and the constitution of provisions for civil lawsuits.

Year-to-date the **net income** was up 17.2%, with the hike of brokerage revenues (+15.5%), highlighting credit life and rural insurances, as well as premium bonds, and the expansion of net investment income (+37.2%), driven by the spike of Selic rate.

Figure 14 – Key performance indicators



¹. Include dental plans and other revenues.

■ OTHER INFORMATION

Table 7 – Market share and ranking¹

	Unit	Quarterly Flow			Half-Yearly Flow	
		2Q22	1Q23	2Q23	1H22	1H23
Life²						
Premiums written	R\$ thousand	945,579	849,930	925,059	1,745,354	1,774,989
Market-share	%	13.1%	11.4%	11.8%	12.5%	11.6%
Ranking		1°	1°	1°	1°	1°
Credit life						
Premiums written	R\$ thousand	612,495	761,068	782,090	1,029,762	1,543,157
Market-share	%	14.3%	18.0%	18.1%	13.1%	18.0%
Ranking		2°	1°	1°	3°	1°
Mortgage life						
Premiums written	R\$ thousand	74,161	76,892	79,178	146,529	156,070
Market-share	%	5.3%	5.0%	5.0%	5.3%	5.0%
Ranking		6°	6°	6°	6°	6°
Rural						
Premiums written	R\$ thousand	2,014,143	1,762,839	1,871,650	3,277,124	3,634,489
Market-share	%	66.0%	56.3%	59.5%	57.3%	57.5%
Ranking		1°	1°	1°	1°	1°
Home						
Premiums written	R\$ thousand	89,666	94,293	93,802	178,993	188,096
Market-share	%	7.6%	7.2%	6.3%	7.8%	6.8%
Ranking		5°	5°	5°	5°	5°
Commercial lines						
Premiums written	R\$ thousand	131,270	172,248	183,804	239,561	356,052
Market-share	%	4.5%	5.5%	5.7%	4.1%	5.6%
Ranking		6°	5°	5°	8°	5°
Pension Plans						
Technical reserves	R\$ thousand	325,468,504	354,591,992	365,830,270	-	-
Market-share	%	28.7%	28.5%	28.4%	-	-
Ranking		1°	1°	1°	-	-
Contributions						
	R\$ thousand	11,707,041	14,789,147	12,278,542	24,710,889	27,067,689
Market-share	%	31.6%	38.2%	34.4%	33.5%	36.8%
Ranking		1°	1°	1°	1°	1°
Premium Bonds						
Reserves	R\$ thousand	8,330,434	9,945,688	10,667,461	-	-
Market-share	%	24.0%	26.2%	27.0%	-	-
Ranking		2°	1°	1°	-	-
Collections	R\$ thousand	1,211,538	1,429,108	1,638,676	2,590,843	3,067,785
Market-share	%	17.8%	20.1%	21.5%	19.1%	20.7%
Ranking		2°	2°	1°	2°	2°

1. Source: Susep – data as of May/2023.

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

Table 8 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	1	1,325,000,000	66.3%
Treasury Stocks	1	3,249,232	0.2%
Free Float	372,845	671,750,768	33.6%
Foreign investors	988	454,133,999	22.7%
Companies	3,360	79,807,566	4.0%
Individuals	368,497	137,809,203	6.9%
Total	372,847	2,000,000,000	100.0%

Table 9 – Stocks | Performance

	Unit	Quarterly Flow				
		2Q22	3Q22	4Q22	1Q23	2Q23
Stock's performance						
Earnings per share	R\$	0.70	0.83	0.90	0.88	0.92
Dividends per share	R\$	-	1.03	-	1.84	-
Equity per share	R\$	3.89	4.73	3.80	4.69	4.03
Closing price	R\$	25.96	26.57	33.71	32.51	30.77
Annualized dividend yield ¹	%	5.86	8.39	7.16	9.89	10.12
Market capitalization	R\$ million	51,920	53,140	67,420	65,020	61,540
Ratios						
P/E (12 month trailing)	x	10.84	9.72	11.15	9.81	8.72
P/BV	x	6.68	5.62	8.88	6.93	7.63
Business data						
Number of trades carried out		1,010,104	1,137,379	1,474,019	1,296,891	1,242,152
Average daily volume traded	R\$ million	132	153	212	203	203
Average daily volume traded - B3	R\$ million	24,626	22,563	26,927	20,956	22,584
Share on B3's average volume	%	0.54	0.68	0.79	0.97	0.90

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