

Felipe Peres:

Hello, good morning. Welcome to our virtual meeting to present the results of the third quarter of 2025.

This event is being recorded and has simultaneous translation into English. To listen to the audio in English, please press the interpretation button at the lower right hand side of your Zoom screen. This event will be divided in two parts. In the first part, our CEO Delano Valentim and our CFO Rafael Sperendio represent the main delivery of the quarter.

The presentation, either in Portuguese or English can be downloaded from our investor relations website at the address www.bbseguridaderi.com.br in the second part of the event, there will be a Q&A session when analysts and investors will be allowed to ask questions. I will return after the presentation to give you instructions if you want to ask a question.

Now I would like to give the floor to Delano who is going to introduce himself as the new CEO of BB Seguridade and will share with you the main highlights of the quarter. Delano, the floor is yours.

Delano Valentim:

Thank you so much, Felipe.

It's a great satisfaction to have you here for another BB Seguridade results presentation where we will share the progress of our third quarter and the paths we are taking towards the future.

This is Delano Valentin, CEO of BB Seguridade and it's a great pleasure to be here with you. Before we dive into the numbers, I would like to share with you some impressions that I have had over these two months I've been leading the company.

I found an extremely solid, profitable company with strong cash generation that consolidates itself a strategic pillar in the generation of value for Banco do Brasil conglomerate. This is the result of the work of highly qualified technical teams and exceptional salesforce and above all, the trust that our customers place in us every day.

The insurance business, not only at Banco do Brasil, but also at other large Brazilian banks has proven to be resilient and essential for the balance of consolidated results, especially at times of greater volatility in economic cycles.

Based on my experience of more than 40 years in BB conglomerate, including sometime in Argentina, in the United States, I see that the insurance market in Brazil still has enormous growth potential. To illustrate, in agriculture insurance, for example, we have in Brazil a very small portion of the planted area protected by insurance, compared to the American market.

In accumulation, life insurance is not yet widespread and in the pension market, a large portion of the Brazilian population does not have a private pension plan or has one that is incompatible with income they want to have in the future. Given this, my intention is to continue what has already been working well, but with focus on improvements so we are going to do that based on three fundamental pillars.

Number one focus on the customer with a review of portfolios and journeys seeking to improve the experience increase the perception of value and strength and loyalty.

Number two innovation and digital transformation, integrating business journeys, creating new lines and expanding our presence in strategic and profitable segments. And number three operational efficiency, making the most of the synergies between our investees and between them and our brokerage operation, seeking sustainable gains and I am and I see that my team is also very motivated with the challenge that lies ahead. I reiterate here my commitment to continue seeking alternatives to keep the company's capacity to generate economic value.

Now moving to our quarterly numbers, I will focus on the managerial results which does not include the effects of IFRS 17. We ended the third quarter historical milestone, the highest recurring net income ever recorded by BB Seguridade totaling 2.6 billion BRL, an increase of 13.1% over the same period of the previous year.

Year-to-date until September we reached 6.8 billion BRL in recurring profit, a growth of almost 14%. This performance was mainly driven by the investment income which after taxes grew about 55% year on year in the third quarter, the same rate observed in year-to-date numbers.

Operating income net of taxes also follows a positive trajectory, 2.4% year on year growth and 5.7% in year-to-date numbers. In the quarter we highlight the control of expenses in insurance and pension in addition to the growth in our brokerage business.

Year to date the main highlight is the loss ratio which remained at a very good level in all lines showing the quality of the risk contracted. I also highlight two relevant initiatives that we started this year. Number one Credit life insurance for new credit lines for small and middle-sized businesses available as of July.

In about three months this initiative has already generated 294 million in prices. Credit line for private Payroll Loan workers Credit launched at the end of March has already generated more than 160 million BRL accumulated in premiums. These are new portfolios which help compensate for our monetary gaps and still have great potential for penetration, generating important opportunities for expansion as the credit cycle reverses.

In line with what I mentioned at the beginning about customer focus, we already have very positive indicators. Our NPS grew by 5.1 points, complaints fell 24% even though they already represent a small portion of the operations, and we saw a 7% reduction in churn, reinforcing greater loyalty of our customers. These results reflect consistent work of our teams and the trust of our customers. We remain committed to generating sustainable value and building a future even more promising for BB Seguridade.

Now I would like to give the floor to Rafael Sperendio, our CFO, to share the financial details of the quarter and I will be back afterwards for our questions and answer session.

Thank you very much.

Rafael Sperendio:

Thank you, Delano.

Now starting the details of the numbers of the third quarter. So here we have 2.6 billion in Q3 2025 with a 13% growth year on year.

The operation has grown 2.4% after taxes. But the main highlight in Q3 is the net investment income with a 55% growth year on year accounting for 28% of our bottom line. One of the main factors I would like to highlight, the volume rate especially because of the SELIC and reduction of the liabilities in BrasilPrev because of IGPM inflation.

On next slide you can see the details of our recurring managerial net income. So, we had, 288 million came from operating result change.

If we break down the operating income the main driver here is the growth of 445 million in retained earned premiums at BrasilSeg in contrast with a carryover of unearned premium revenue from sales done in the past especially in credit life.

We have another highlight quite significant that BrasilSeg that has been repeating itself, is a reduction in loss ratio here in all the main lines of business showing year on year numbers. And lastly part of that was partially offset by higher expenses of 292 million.

in terms of the net investment income 550 million, this is how much we added, 530 million BRL. Additionally, as I said before Q3 year on year some of the justifications are repeated in year-to-date numbers. Here you can see 426 came because of volume and rate basically Selic and the time mismatch in terms of updates of the IGPM in terms of the liabilities in Brasilprev take out 21 million BRL and 125 million came from a mark to market 8 million positive this year in contrast to 117 million negatives in the first nine months of 2024.

Now going into details on the slide number six about our operations . This is insurance operations. Premiums written dropped 15% year on year in Q3 and then the variation accelerated in terms of premiums in year-to-date numbers for seven, especially because of our performance in rural insurance.

If you see the lines that are significant in building our revenues, you can see that credit life and life were better in the third quarter year and year than we were seeing in year-to-date numbers. However, the performance of rural insurance, especially agricultural sub segment, was slightly worse than what we saw in the first half of the year. And this is evident when we see earned premiums or retained premiums. So retained premiums dropped well below the drop in terms of written premiums. 8% year on year and 3% drop in year-to-date numbers.

Now if we look at the quality of that performance here in Q3 year on year there is an increase in the combined ratio especially because of higher commission ratios and then a reduction in share of agricultural insurance in the premiums. Agricultural has the lowest commission and then average commission goes up year-on-year.

We had higher margins in the loss ratio here, and this is an effect considering the comparison basis. And agricultural insurance had a significant reduction in the provision of insurance to settle.

And here especially considering the loss ratio. If we look at the third quarter year to date numbers, all rates are behaving very well. And in commissions here has a positive effect on the brokerage business. Loss ratio dropped in all business lines. And GNA (general administrative) ratio also dropped a little bit.

Net recurring net income dropped. And here the explanation for year to date. You can see net income growing 7% year on year and also a growth in the net investment income in the year-to-date numbers, 13% growth.

Same explanation combined with the loss ratio. Now going to pension business, year on year dropping 19% in terms of contributions very much affected by the IOF in allocations above 300,000 BRL. So, we had 4B negative and 9 being the year-to-date numbers. Redemptions increased year on year 20 basis points. And here in year-to-date numbers it's low.

So, reserves growing 9% year on year in 12 months. A direct reflex of revenues with management fees. And here the balance it's growing less than the balance because we are concentrating on lower risk products. Therefore, a smaller management fee.

Looking at year to date numbers because of fewer business days in terms of financial income, which has not been too favorable for Brazilprev, especially because of reduction of IGPM year on year. And this has been the main driver for the growth of our income 19% year-on-year and 19% in year-to-date numbers too.

On the next page here we have premium bonds. BrasilCap, a very good performance. Collections grew 5% year on year, 9% in the first nine months. Reserves grew 6% year on year. And then we paid lottery prizes which grew 42% year-on-year high of 18% in the first nine months. Net invest income very robust, 45% growth year on year in terms of volume and rates especially because of SELIC rate and increase in the net income of 130 basis points year to date. Same thing too.

And then the investment income is the main driver for growth. So, BrasilCap so this is the net investment income percentage of 31% year on year and 4% in year to date numbers.

Now going to our brokerage businesses. 4% growth in brokerage revenues year on year, 5% in year-to-date numbers and this is the result. Here you can see the breakdown of the brokerage revenues. So, 77% coming from insurance was in 24 and now and there was growth in the first nine months growing to 81.1%. Also, in higher an increase in premium bonds net margin has grown 3% year on year 2% percentage points in the first nine months of the year because of volume and selling rate. And for this reason, net income grew at a pace that above the of revenue. 9% year on year and 9% in year-to-date numbers.

This is the growth of the net income. And to end the presentation, this is our guidance for 2025. Non-interest operating Result ex-holding, the range was between 1 and 4. We delivered 5.9 in year-to-date numbers until September and this growth will converge back to the range in Q4.

Written premiums of BrasilSeg, we expected a drop of 4% up to 1% in the first nine months. There's a drop of 7.9%, especially as I said during the presentation, this performance of rural insurance affected this and is falling short from our expectations. But we are doing our best in all other lines where we can control better the situation to bring this year-on-year variation at least to the floor of our guidance. PGBL and VGBL Pension Plans Reserves of BrasilPrev So we delivered 9% in the period of nine months ended in September. These are the main highlights.

And now we'll be together with Delano and Felipe for our Q&A session.

Felipe Peres:

Hello. Now we are going to start our questions and answer session. If you want to ask a question in writing, please click on the Q&A button at the bottom of your zoom screen.

We will try to answer all questions sent to us live. If this is not possible because we do not have enough time, we will answer them right afterwards by email.

We will also allow some analysts to ask their questions by audio. You just need to click on the raise hand button. Please ask all your questions either in Portuguese or in English. And we will always answer the questions in Portuguese.

Our next question. Our first question, actually, comes from Tiago Binsfeld from Goldman Sachs. Tiago, please can you open your microphone and ask your question.

Tiago Binsfeld- Goldman Sachs:

Good morning, Delano, Rafael and Felipe. Thank you very much for taking my question.

My question is about BrasilPrev. So, you assess the performance in terms of collections this quarter. So, it's like the above redemptions. It's not different from the first half of the year. So, before the text which to what seems to be a greater deviation was in portability. Are there any surprises in this breakdown or is this what you expected, considering the impact of IOF? And also, the action plan of the company to handle that, how do you see the main actions to mitigate this slightly more challenging scenario?

Delano Valentim:

Tiago, thank you for your question.

Well, in fact after the IOF changes there has been impact in withdrawals. But almost 2/3 of withdrawals seek private credit risk in the competition. Even though we have many funds in our portfolio, self-managed portfolios, open multi management funds, we are not willing to take too much private risk. We are being very cautious in choosing, also because considering we have high interest rates and also thinking of working in a very selective and careful way in order not to jeopardize the reserves of our customers.

We are right now working not just in terms of changing the strategy to protect our bases. SUSEP Info from August suggest we are market leaders. We have very strong origination, but we might focus slightly more on permanent allocations than on rather than on periodical allocations, which is what was had been going on until then.

We have also been working to protect our bases and slightly more seeking funds that are with the competition. We are also working to create new products. There's a new product that we have already launched, an initial allocation of 100 BRL, slightly more democratic to protect the base and to assure that we remain market leaders.

Rafael Sperendio:

Well, Tiago mentioned something very important.

So, seasonally the third quarter should be stronger. But in the end it was not because of the IOF. And as Delano has just said so there is some difficulty to adapt to this new environment, especially the customers that are self-employed and they have some cash flow concentration. In some periods there will be a limitation in investing their capitals in pension plans. And we need to focus recurrence especially in PGBL and periodical monthly investments to try and work around this difficulty that we are having now in terms of raising new funds with the IOF being levied.

Tiago Binsfeld- Goldman Sachs:

Thank you. Rafael. Delano, just one question. When you look at the Q4, and also considering the guidance which is around 9%.

Rafael Sperendio:

Well, Tiago, what we are seeing that there was a peak between July and August and we see the portabilities really growing and gaining speed today we are having great difficulty to find issuances with a spread that is adjusted to risk that are interesting to allocate funds. So, in fact we are not seeing high portability and with even a slowdown as compared to what we saw in the third quarter.

Tiago Binsfeld- Goldman Sachs:

Thank you, Rafael.

Felipe Peres:

Thank you, Thiago. The next question comes from Eduardo Nishio from Genial Investments. Good morning. You can open your microphone and ask your question.

Eduardo Nishio - Genial Investimentos:

Thank you for the opportunity. Thank you very much. Delano.

I have two questions. Number one, we are going to see a lower Selic scenario, but your top line is slightly suffering the pressures in terms of collection both in insurance and pension. I think that the IOF really got in the way. In addition to IOF, which are the measures that you are trying to implement to make these numbers positive in your opinion. 2026 with everything that is going on and we are expecting both in insurance and in pension.

If could you share with us the prospects for 2026 regarding these two topics. Also, there is a follow up for the previous question. The portability rate has almost doubled to 3.5% and has IOF really increased the aggressiveness by third parties in BB SEG considering that IOF is not charged on a transferability and if we get at the same levels. Well, the question has been kind of answered. But is there a possibility of being slightly more aggressive in terms of portability of third parties?

Rafael Sperendio:

Thank you very much Nishio for your question.

I'm going to answer your second question first. So, it's difficult to tell how much of this is because of IOF, even though the transferability is related to players that are essentially focusing on transferability. So, this didn't change with the IOF. Now, whether there was more aggressiveness because of IOF we don't know. It's difficult for us to tell and to quantify. But as I said in October, we see a slowdown and this is a driver for transferability, and this is nominal and it is the return and our base.

As Delano said and as I said before and as I reinforced, our assets are essentially more concentrated in public bonds which in terms of risk are safer than the private per nature. But as the market is more net, this has slightly more volatility in the return that we are reporting to our end customers. And then many times they don't really like it, then they want to choose private credit because there is less liquidity even though the risk is higher than it is with public credit.

So, this is the context we are experiencing. And this is what favored higher transferability in the third quarter as the volatility goes down. And this is what we are seeing now in October, rates closing. This is an additional component for the improvement of this competitive environment. We see transferability going down. So today with information we have in October and November, we are not seeing the same level of transferability that we saw in the third quarter.

As to your first question in this context, so IOF being charged. So, they will be after 600,000 BRL per year. This was not expected, and we are still adapting to the new scenario. We are not going to go back to the inflow levels that we used to have until last year.

This is going to be gradual work, as Delano said, of change and increase in the composition of the inflows with whatever frequency, whether it's monthly, quarterly. But this is long term work. Now we need to expand our basis having more recurrence. And some customers do not mind paying the IOF. And others, depending on their properties, 5% of IOF really affects the collection and we will need to work with a higher frequency of investments. And this is along the year, this is gradual and takes a while for us to go back to the same level of gross inflows in terms of insurance. So, what do we expect in 2026?

Even though it looks like our business is anti-cyclic because of the behavior of net income. But this is not the essence. It's relatively cyclic, differently from other companies in the financial industry. But it depends on credit. So, what we are seeing this year with a high interest rate was a reduction in origination in rural with the unique features and credit life, that are having more difficulty both in the origination of new credit and so that the credit life insurance is in there for 2026. I'm going to use the assumptions based on interest rate curves. We are expecting rates to go down as compared to 2025. And this will provide a better environment for credit origination which somehow helps to go back to more appropriate levels of for us to write premium first in credit life and then rural.

So today for 2026 we are working in a process of discussion in terms of our budget, a growth in almost all business lines. And the growth is still at one high digit. Especially thinking in terms of reduction of interest rates in 2026.

Eduardo Nishio- Genial Investimentos:

Thank you so much. Congratulations on your performance.

Just a follow up as to the prospects for 2026. So, this means that in theory you're going to have growth in 2026 at least in top-line interest rates. What is the level of interest rates you're working with for 2026 and the numbers that we see average SELIC will be practically the same as 2025. What is your opinion about that? Do you agree with that, or can we count on investment income more or less at the same level?

Of course you have volume to help, but an average SELIC similar, should we expect the same levels of investment income?

Rafael Sperendio:

Well, in order to avoid projections, I'm going to use the implicit curve. So, interest rate curves, 1 point reduction in average SELIC. So, our sensitivity to SELIC in the bottom line is the same. So, one SELIC point up or down, it means 100 million impact up or down. So, if this is what happens in 2026, so a reduction in the curve, which is difficult for us to compensate in any other way.

It's important to emphasize that another component that has favored our investment income along 2025, which is the gap between IGPM and IPCA, the market projections indicate that there will be a slight deflation for the IGPM and IPCA above 4. This has also contributed positively on our investment income, something that we cannot count on for 2026. So, today is very difficult for us to work on prospects of stability or growth of the investment income of 2026. We are thinking in terms of a reduction.

Eduardo Nishio- Genial Investimentos:

Thank you so much for your answers.

Felipe Peres:

Thank you. Nishio. Our next question comes from Gustavo Schroden from City. Gustavo, please, you may ask your question.

Gustavo Schroden- Citi:

Good morning, Delano, Sperendio and Felipe. Thank you very much for the opportunity.

I have two questions to ask. One still in the dynamics of the premiums. So, what do you expect? What can you share with us about the ratio between written premiums and earned premiums? So, in terms of written premiums, we have a slightly more negative dynamic. And how should they think of the carryover in terms of earned premiums? So, if you could share with us in terms of premiums written and premiums earned in 2025.

And a more specific question for Delano, could you share with us something slightly more strategic since you took over the company, which are the main topics that you're going to address, your challenges, the expected legacy for you to deliver now that you're leading the company? Thank you so much.

Delano Valentim:

Thank you so much, Gustavo, for your question.

As I said, just now, my main focus is going to be on seeking synergy between the invested companies so that we effectively have a customer centered vision, so that we can review our journeys, focusing on improving satisfaction, increasing our customer base and making that customer base more profitable.

And we are going to focus on operational efficiency. We'll seek to reduce expenses, and we are going to bring that in a positive way also to offset any possible impact in our investment income with interest rates dropping next year. So, the idea is for us to continue focusing on innovation, improving our portfolio, improving how we meet the needs of our customers and the services that we provide to them, going to new business lines, combining business journeys between the different companies and favoring the economic growth of our company. I believe that the legacy that I hope to leave is a company that will not just be stronger economically but also acknowledged as the best insurance company in Brazil.

Rafael Sperendio:

Well, Schroden, based on your initial question about premiums written in premiums earned, so we're still expecting to increase earned premiums with a low growth year on year.

As I said before in the previous answer, in terms of what we expect in terms of resuming growth, especially for credit life, but that's credit life has a long cycle. This is not going to be translated in premiums earned and this is going to be a result that's going to be carried over more to 2027 than to 2026.

For 2026 we still have a residue, so to speak, of past terms to accrue in the result. And this creates growth, but it's a low year on year growth that we are expecting for next year.

Gustavo Schroden- Citi:

Thank you very much for your answer.

Felipe Peres:

Thank you, Gustavo. Next question comes from Marcelo Mizrahi of Bradesco BI. Good morning, Marcelo. You can open your microphone and ask your question.

Marcelo Mizrahi- Bradesco BI:

Hello. Good morning, everyone. Thank you for the opportunity. Delano, good luck with the challenge.

My question is about the credit life for farmers. So, it's been very successful. So, could this product have an impact on this slightly more difficult scenario in rural insurance?

Could it remain resilient, keeping the same levels in the future? How should we think about the credit life for farmers looking into the future? And also about loss ratio. The loss ratio also considering credit life for farmers, it got my attention.

What it has in terms of the usual life insurance, how should we think about the loss ratio for this product? It's been going down over the last three, four years. Or what should we think in terms of Loss ratio for credit life for farmers looking into the future.

Rafael Sperendio:

Thank you very much for your question.

I'm going to start with loss ratio. So, speaking about the loss ratio, in terms of the lower loss ratio, also because it is a shorter product than traditional life insurance and with a lower average age, so it has a lower loss ratio. So, it carried over year on year. It explains partly and we kept the maximum age for maximum capital protected where we saw that there was room for an increase in risk taking.

And then we had a high level despite the slowdown in agricultural insurance. So what we see for that in the future, I do not believe that it's going to be so closely related because farmers have an awareness of protection that is higher than urban citizens because of their experience of risk that they have in the day-to-day in a farm.

And considering their experience that they have, even though this is a smaller public, the experience they had during the COVID-19, from the more than 1 billion paid in damages during the COVID-19, more than half of that was to farmers. And this helps reinforce the culture of protection that they have now. In fact, when we look at this growth rate year on year it slows down because this adjustment between amount insured and age.

So, we started having a comparison basis that's slightly stronger and the fourth quarter is not going to be so different. The space to penetrate is not as big as it used to be as it is in rural insurance.

Marcelo Mizrahi- Bradesco BI:

Now I have a question about the loss ratio of rural insurance, as a whole.

So, there was some reversal in August, which is different from last year's with a slightly bigger loss ratio. So, the cost gets the attention. So, should we expect the loss ratio to go up in future quarters?

Rafael Sperendio:

Well, statistically that makes sense. In the last three years there are three cycles in a SELIC on that were very favorable when we look at countrywide exposure to risk. Now today in the more up to date projections, we are seeing an intensification of La Nina phenomenon in the fourth quarter. And this is likely to have some impact in the loss ratio for the summer harvest that is going to be collected early next year. But when we look at this sequence from the second quarter onwards for 2026, then there's a predominance of it being flat, which is favorable.

So, it is natural for the loss ratio to go up, especially for the crop insurance. But for that now we don't think this is going to be so significant as in terms of having a material impact in the bottom line. But there will be a higher level if we compare year on year.

Marcelo Mizrahi- Bradesco BI:

Ok. Thank you.

Felipe Peres:

Thank you, Mizrahi. Our next question comes from Maria Luisa Guedes from Safra. Maria Luisa, please, may you ask your question. You can open the microphone.

Maria Luisa Guedes- Safra:

Good morning. Felipe, Delano and Sperendio. Good morning, everyone.

Now still on rural insurance, there are two things that I would like to explore. Number one, still, what Sperendio just said about loss ratio, but now talking about retention, we see the retention rate going up by a few percentage points. I think that with slightly more favorable loss ratio environment. So, how do you see the retention thinking in future crops when the loss ratio might get slightly worse?

And number two, I would like to understand, considering the bank negotiation program that was launched a while ago, was there any window of opportunity to embark rural insurance and is there any upside related to that in the second quarter? Or there were no opportunities and the next premiums issued are in terms of being related to the next crop.

Rafael Sperendio:

Thank you for your question.

Firstly, the second question as to the renegotiation. Yes, there is an opportunity, but we prefer to work as if it weren't there. We prefer to be slightly more conservative. Also because of the uncertainties related to the environment as to see something completely new. We prefer to have a slightly more conservative environment and we are not seeing any upside. And also in terms of the guidance and the best efforts to try and have a variation rate closer to the floor of the guidance. But it is concentrated on other lines that do not depend so much on the rural segments, especially credit life.

As to the question involving life insurance, what was your question about retention, especially for rural insurance? I remember now. Sorry.

Maria Luisa Guedes- Safra:

As to retention, well, we.

Rafael Sperendio:

So, we grant 2 reinsurance risk, especially for the crop insurance.

About three years ago, more or less, we conducted a quite deep assessment of the underwriting model, the quality of our portfolio. And we put that against a historical perspective to understand that yes, we could retain more risk in our portfolio. So, we did not just that, but we also worked on a very significant process internally to maximize the operations that we were for which we were getting reinsurance. But all the work ended up leading us to the conclusion of increasing retention, but in a conservative way. This was gradual along the last three years. And the intention in year three, 2026, we want to increase our retention slightly more. So, increasing the retention on that risk in 2026.

Maria Luisa Guedes- Safra:

Thank you.

Felipe Peres:

Our next question comes from Guilherme Grespan from JP Morgan. Good morning, Grespan. You can open your microphone and ask your question, please.

Guilherme Grespan- JP Morgan:

Good morning. Felipe, Delano and Sperendio. Thank you very much for taking my question.

So, I have two questions about rural insurance. It's about the lien insurance. There's an increase in average ticket. Is it related to pricing? Could you give us more details on magnitude? And my second question is about products. I think that there was a gap that is easy to close at Pronampe.

I would like to explore with you the rural. So, we are seeing significant changes in the industry in terms of losing loans against other types of products.

Just as a reminder. So, does your insurance today include other products other than banking loans? And how do you compare? Could you just remind us about the different ways of funding for farmers?

Rafael Sperendio:

So, answering your second question first. Grespan. Thank you.

Today we are working essentially in terms of costing for bank loans. So, we are working with CPR in partnership with, with our investments in a platform, a joint investment that we have with Banco do Brasil. And then we do expect that to expand the scope of operation after 2026. And so, we are advanced not just in terms of crop insurance for CPR, but it includes the entire rural portfolio materialized in CPR. So, life insurance, credit life for farmers and lien and crop insurance. So, it's about the lien. So, there was a higher average ticket.

Yes. And this is a recurring process that we do so especially updating machinery, equipment prices that were updated. But this was the main driver for the performance of lien insurance.

So, there is something related here to livestock, lien, something that we are exploring more intensively is kind of new. I think it's two years old. And it has also contributed more significantly for the growth in lien insurance.

Guilherme Grespan- JP Morgan:

Thank you.

Felipe Peres:

Thank you, Grespan. Now our next question comes from Pedro Leduc from Itaú BBA. Leduc, good morning. You can open your microphone and ask your question.

Pedro Leduc - Itaú BBA:

Thank you everyone for the call. Good morning.

And so, the first question is about the credit line for private payroll loan.

And the second question is about other lines that are becoming more important in Agro credit. And there are players other than BB. So, how are, how are you going in terms of trying to find new channels for your products? And so, it didn't use to be so relevant in the past. Any updates, anything that we can see for the future? Thank you so much.

Rafael Sperendio:

Thank you for your question. Leduc.

As to the credit life for private payroll loan. So, right at the launch it went very well. There was a slowdown in premiums now, but it has provided a significant contribution, something like 168 million in premiums, new premiums. This is equivalent to the monthly production in terms of credit life here in Banco do Brasil. We still have room today when we look at the penetration in credit life and in the credit life for private payroll loans.

So, we will be able to use that opportunity as interest rates go down as expected in future years. So for now it's difficult to attribute that, to attribute great growth in the short term, it's going to be diluted as interest rate goes down as to partnerships in the Agro segment.

So, all the effort that we made in the last three or four years to expand channels and when our focus now is more concentrated on a rural segment where we have a competitive advantage even more than in other segments, we still place great emphasis. We have expanded significantly the number of partners. But the transition today is very diluted in terms of small partners. So, in future years our intention is to focus slightly more on this segment and seek partners that have a higher capacity for the origination of risk. And this would be number two.

And as I said in the previous answer, expanding our niche of operation not just in costing credit, the regular, but also in credits originated from CPR.

Pedro Leduc- Itaú BBA:

Thank you.

Felipe Peres:

Our next question comes from Carlos Gomez from HSBC. Hi Carlos, good morning. You can unmute now and the floor is yours, please.

Carlos Gomez- Banco HSBC:

Hello and thank you for taking my question.

I wonder if you can give us a bit more detail about how the rural insurance is evolving. You mentioned that you have just started with the restructuring program from the government. But how have the last few months been compared to your expectations? And how do you think that we have reached a bottom in terms of credit and insurance origination in the sector? Thank you.

Rafael Sperendio:

Hi Carlos, thanks for your question.

I'm going to answer in Portuguese. So, when we assess the rural segment as a whole, Q4, regardless of renegotiations, it's likely to be a weaker segment. For insurance, we do not concentrate major issuances of crop insurance.

We have a program of renegotiation and we are placing focus on that. But we are not working with estimates for the cross sell of insurance. And so, we have life and then lien. So, today in the rural segment as a whole and everything that we are doing, even though we believe and we expect growth over a very weak basis that is becoming actual in 2025, it's still a period of adjustment, still very far from when we had more premiums being written in 2022, 23, we are not seeing this happening again in the short term.

So, as we see it, especially what's going on the rural segment now is what happened to other industries. After the pandemic there was an imbalance between supply and demand which went through an adjustment. And this is what is going on with the rural segment right now. Moreover, there was also a reduction in subventions which has created an additional difficulty for us to be able to continue growing with crop insurance. As these many factors are rebalanced for the industry as a whole.

We are likely to see crop insurance growing again also because as we said in the beginning of the presentation, the penetration of crop insurance in a planted area. So, it's very low, it's 7% and we saw this number exceeding 10%. But the thing is we will be able to explore this opportunity better once we go through the adjustment which's likely to happen a long time. It's not something that is going to take place in the short term.

Carlos Gomez- Banco HSBC:

And if I may follow up, you mentioned that you're in the middle of the budget process. I mean you are talking about very low growth in premiums. You're talking about a decline in financial income. Is it realistic to expect flat earnings for next year or we should expect a small decline or it is too early for you to tell?

Rafael Sperendio:

Well, overall Carlos, it's very difficult to keep income stable or to grow in 2026 today according to our best estimates, we are seeing very robust performance in 2025, very strong bottom line this year and as most of the market are aware of the numbers in the third quarter will update their projections for the year and then realize what I'm saying now but considering the information that we currently have for 2026 and in terms of a smaller investment income which has an in the direct or immediate impact in terms of the growth in revenue and accounting deferral, this is something that happens over time today the impact of the invest income and slightly higher loss ratio even though it's marginally higher, it's difficult for us to be able to offset with the growth in sales especially because of the accounting deferral. So today, the basic scenario, we are not working with stability or higher profit in 2026.

Carlos Gomez- Banco HSBC:

Thank you.

Felipe Peres:

Now we have one last question in the line coming from Antônio Ruetten from the Bank of America. Antônio, good morning. You can open your microphone and ask your question.

Antônio Ruetten- Bank of America:

Good morning, everyone. Thank you very much for your time.

I would like to steer away from rural insurance and look into other lines and more specifically Credit life. Could you give us more details considering cross-selling, considering individuals and companies. So, there is a negative impact of companies. I would like you to tell us a little bit more about that. How is penetration evolving? And so there is a significant decoupling between credit life. So, could you tell us how penetration is evolving and what you expect in the future?

Rafael Sperendio:

Thank you so much, Antonio. Thank you for your question.

Well, we assess the behavior of the credit life portfolio just as we are considering the credit cycle 10 years later. It's not too different from what we saw in 2015 considering the perspective of BB Seguridade.

So, the breakdown between individuals and companies. So, for what we consider eligible today for individuals this is a portfolio with a risk that is very much under control. It's very resilient. So, what we have been feeling in terms of individuals, this is more an issue of interest rates and impact of the higher rate and maybe the insurance, whether it fits into what customers think is appropriate for their payment capacity. But this is not something that has any significant impact. And also the credit life for individuals is low, I can't really remember. It's about 2%. It's quite low.

Now in terms of companies, especially where we have exposure in terms of micro, small and middle sized companies, this is where we feel the raise in interest rates and when we look at year on year numbers so the net issuance for individuals is about 80 million and so this is a level that is well below what we had been having. This number was not negative just because of the increase of new lines as Delano said. So we are operating with PRONAMPE in all these lines have brought in a new public, a new audience that made it possible for us to bring corporate credit life to the positive side.

So, as we saw 10 years ago in terms of credit, this is more concentrated in small and middle sized businesses. This is where this is slightly more difficult as interest rates drop. This is a segment that reacts quite fast and it will contribute to a healthier level of premium origination.

Antônio Ruetten- Bank of America:

But in the case of small and mid sized businesses. So, is it like it is for individuals? It's the rate and the higher interest rate and then the price of the installments cannot be included.

Rafael Sperandio:

Yes, but this is a more sensitive audience. So, this is very much focused on civil servants and the INSS, the public and the Social Security of Brazil. So, this is less affected than companies, but the origin is the same. It's just a matter of sensitivity.

Antônio Ruetten- Bank of America:

Well, nice. If I could follow up, I think Schroder asked you about what you can do in the company's strategic agenda and you talked about an efficiency agenda. Is there something more specific that today you think you could do?

Rafael Sperandio:

There's lots of opportunities in terms of productivity and operational efficiency as a whole. We have lots of redundancies and this is something that we will not be able to completely eliminate, considering all the portfolio with different partners in different businesses. But yes, there is room for improvement, and we have the intention to place great emphasis on that in 2026, which is a variable that's slightly more under our control.

Antônio Ruetten- Bank of America:

This is clear. Thank you so much.

Felipe Peres:

Thank you. We are going to go to some questions that came in writing from Q&A.

So, there are many questions. Many of them have already been answered live. We just have a few ones. I think that one that we must answer and for you to start on the right foot is the renewal of the contract with Banco do Brasil and all the discussion of contracts, which is something recurring.

Delano Valentim:

Thank you, Felipe.

Yeah, it was funny that no one had asked the question. We have no exposure, nothing on the table about contract renegotiation. This is going to happen at the right time. It would be impossible for me to tell a time for that to happen. We are not expecting this to happen in the very short term. So soon as we find the most appropriate time with Banco do Brasil, we are going to announce that. But for now there is nothing on that area.

Felipe Peres:

Thank you, Delano.

Another question that is also recurring about dividends. So, the schedule for the payout of dividends and more specifically, if it is possible for us to have extraordinary payout of dividends based on profit reserve?

Rafael Sperendio:

So as to the payout of dividends, so we have a quite robust cash, not just at the level of holding at BB Seguridade, but also at the brokerage firm which might allow us to have a payout over the profit of the second half higher than what we had for the profit of the first quarter. But in principle, the basic scenario, we are not expecting to pay extraordinary payout of dividends. There should be a good balance between our brokerage business and the holding and BB Seguros and BB Seguridade so that there is no tax loss in the companies. So, today, essentially our expectation is to have a higher payout in the second half of the year, but we wouldn't work with earlier or advanced payment of extraordinary dividends.

Felipe Peres:

Thank you, Rafael. So, in this manner we finalize our questions. We would like to thank everyone for your participation and I'm going to give the floor to Delano and Rafael for their closing remarks.

Rafael Sperendio:

So, I would just like to thank you once again for your participation and for being here with us. And all questions that may not have been answered. So, thank you all so much.

Delano Valentim:

I would like to thank everyone for your participation. Thank you very much for being here with us. And I would like to thank the BB Seguridade team, all the investees, and also Banco do Brasil and everyone contributed for our excellent performance. Thank you all very much and have an excellent day!