

Felipe Peres:

Good morning. Welcome to our conference call to present the results of the first quarter of 2026.

This event is being recorded and has simultaneous interpretation into English. To listen to the audio in English, press the interpretation button at the lower right-hand side of the screen.

This event is going to be divided in two parts. On the first part, our CEO Delano Valentim and our CFO Rafael Sperendio, are presenting the main deliveries of the quarter. The presentation in Portuguese or English can be downloaded from our investor relations website at the address www.bbseguridaderi.com.br. In the second part of this conference call, we are going to have a questions and answer session when analysts and investors will be allowed to ask questions. I will come back after the presentations to give you the instructions to ask questions.

Now I will give the floor to Delano who's going to talk about the main highlights of the quarter. Delano, floor is yours please.

Delano Valentim:

Thank you, Felipe. Good morning. Good morning, everyone who is here with us. It's a pleasure to be with you today to present the Results of the first quarter of 2026 for BB Seguridade.

First, I would like to thank everybody being here for your attendance, everyone on this live streaming. I would like to thank the investors and especially our customers for the trust that they place in BB Seguridade. This support is fundamental for our work. I would also like to extend my special thanks to all our employees and salesforce of Banco do Brasil.

You are the ones who make the difference in day-to-day business. And once again you rocked. We have had a very challenging beginning of the year. Still, despite the adverse macroeconomic scenario, we were able to stand out on several fronts. This has been only possible thanks to the well-defined strategy and strong discipline in its execution. Work began as early as November last year.

Within this context, I would like especially to highlight our performance in Pensions, a segment in which we have played a leading role in the first three months of the year, accounting for more than 50% of the market's positive net inflow. In premium bonds, we have also had important advances. March was one of the best months in our history, possibly the best since our IPO.

In the insurance vertical, we recorded relevant achievements with emphasis on the homeowners and credit life for farmers products. We are fully aware that the rest of the year will remain challenging. However, we are confident that the solutions we are delivering, which originally had the main objective of adding value to the business, but they have proven to be extremely important also to mitigate some of the effects of the current macroeconomic scenario. I am convinced that we will continue to constantly evolve and deliver consistent results such as the ones we are going to present here today to you.

Our managerial net income reached 2.2 billion BRL, a growth of more than 11% compared to the same period last year. The operating net income net of taxes grew 2.2%, mainly reflecting the growth of revenues with management fees and the improvement of Brasilprev's operational efficiency, the good performance of brokerage revenues and the reduction of the loss ratio in our insurance operations.

In addition, we had a very relevant contribution from the investment income, which grew almost 60% compared to the previous year. In our assessment, these are robust numbers, especially considering the current environment of high uncertainty and volatility, once again reinforcing the resilience of our business model.

Going beyond the bottom line of our financial statements, I would like to highlight some operational indicators. In the insurance segment, total retained premium was 3.6 billion BRL in a period, remaining practically flat compared to last year. This contrasts with a line of written premiums which demonstrated a slow decrease. In view of the current moment of interest cycle, we have adopted measures with the objective of preserving premiums earned by the insurer, among which I would like to highlight the increase of risk retention in agricultural insurance, which went to 25%, and the expansion of the corporate credit portfolio eligible for credit life, an initiative that I have been highlighting since last year and which in the first quarter alone has contributed with \$182 million in written premiums.

In Pensions, reserves reached a balance of 484 billion BRL in March 2026, very close to the mark of half a trillion BRL, with a growth of more than 10% in 12 months. As I have mentioned before, we have had a very solid performance in Banco do Brasil's network in terms of collection of Pensions, which combined with a significant reduction in outflows, led to a net inflow of 3.9 billion BRL. It's worth remembering that in the same period of the previous year, we recorded a net outflow of approximately 1.5 billion BRL. This performance is the result of a commercial strategy designed with Banco do Brasil's network still in November 2025.

Finally, in Premium Bonds, collection grew almost 8%, reaching 1.8 billion BRL. We have achieved leadership in contributions and maintained the leadership in reserves. Also in this segment, we paid out 24 million BRL in prizes in the quarter, a growth of almost 55% compared to the same period last year.

With this I end my presentation and give the floor to Rafael who's going to give you details, more details about the results of each one of our business lines. Thank you very much.

Rafael Sperendio:

Thank you, Delano. Good morning, everyone. So, I'm going to start on page number four. As Delano said in his presentation, the net income of 2.2 with 11% growth year on year, quite significant contribution of that investment income.

Now, ever since we are listed, this is the third cycle of decreasing interest rates that we are going through. And as far as we know, this cycle of cuts is likely to be slightly more gradual and slower in terms of interest rates, which is positive for the company's bottom line.

And when we have more time to react, on the other hand, it's a slightly more difficult environment, commercially speaking, especially in lines that depend slightly more on credit origination, especially in terms of credit life and rural insurance. Very good result. Positive in the investment income. Slightly more than 180 million contributed almost 23% to the net income.

Now breaking down the result for the two main components. As I said, 224 million BRL growth in the net income with a significant contribution from the investment income considering rates and excluding mark to market, 75. Here there is an effect of SELIC and the cost of liability in addition to the update of deferred numbers at Brasilprev considering IGP-M deflation.

So, there's a time mismatch. Remember that the benefits are updated by inflation rates and liabilities with a lag of one month, I'm not going to place so much emphasis. 108 million and this ends up being zero. So, this is a time mismatch. It's one month of lag because there was a negative. It was negative in the first quarter last year, a positive first quarter this year. But it tends to be flat in the long-term.

And here also it's slightly less negative this quarter. But the main highlight is the SELIC and the volume and rate charge ex-mark to market. So, the operating. The change in the operating result was 37 million BRL plus especially because of credit life and rural insurance. Those were the main drivers for the lower loss ratio with 59 million in the bottom line.

So, 25 million here for the growth of the net income was the growth revenues from management fee at Brasilprev, because of an exceptional performance that we had in terms of net inflow. And this contributed to the growth in brokerage revenues, adding 11 million after taxes into our bottom line.

Now going into operation by operation, broken down with more details. Insurance, 2% drop year on year. Very much influenced by the products that are more credit dependent and a better performance of them that are not dependent on credit origination. Especially home insurance, Corporate, with a growth of 22% in home insurance and corporate going 4.5%. Life is the only product that is not related to credit origination which ended up having a negative performance -4.9%. But this is the portfolio we are working on to fully revitalize this line.

In terms of retained premiums. It's kind of flat year on year. Very much influenced by the breaking down of written premiums. Smaller contribution from crop insurance. It's only 25% of the risk for us considering the measures that we use to try and attenuate the downwards effect. And especially here because of increasing risk retention in crop insurance that is now is 25%. If we consider the composition of the portfolio. So, credit life, Delano mentioned in his presentation expansion of the addressable portfolio. We ended up having a good performance in the corporate segment which kind of attenuated the drop. And we see some difficulties in a segment of individuals with this composition.

Retained earned premiums we grew year on year and in the buildup of the result we see a slight worsening of 20bps in the combined ratio. And this worsening is because of commissions ratio, explained by two factors. Number one and the main one is related to what I said before. The dynamics and especially crop insurance. So, with more risk retention has led us to have a slower volume of revenue of premiums for Reinsurance. Here, when we talk about crop insurance. And this line in Reinsurance is a reducer of acquisition expenses. And this was the main driver explaining this higher commission ratio.

The second but slightly less important is the composition with a higher share of crop insurance with lower commissions. So, if we look at the composition of written premiums leading to slightly commissions which fully offsets the drop in loss ratio. And what we have here is an increase in G&A ratio affected by more expenses in software. So, here the investment income with a year on year up by 1% and then the managerial net income with 1 percent compared to last year.

Now moving to Pension. This is an operation that was the main highlight in this first quarter. As I said in the beginning, with contributions growing 9% getting to 15 billion BRL, very good quality. So, net inflow was 3.9 billion with net outflows of 1.5 that we had in the first quarter last year. Significant drop in the rate of redemptions which has been an important factor that led us to a 10% growth in our Pension reserves.

So, revenues from management fees grew 6% year on year because of the reduction in average management fee which is related to this movement of concentration of allocation in lower risk products that covers a lower management fee. And that's why we're seeing this dilution on the average management fee that is built and then lower operational efficiency, a 2-point drop, and then added to a substantial growth in the net investment income of 270 million coming especially from what I said of deflation of the IGP-M with a lag of one month added to the high in IPCA almost one point above the first quarter last year. So, you see the growth in revenues and net investment income driving the 51% growth in our managerial net income in the first quarter of year on year.

Now in our premium bonds, there is an 8% growth year on our year in collections, a 4% growth in our premium bond reserves in 12 months. This is a result of the longer times for the bonds. So, more lottery prizes paid. We paid 24 million BRL in the first quarter, 55% growth year on year.

A considerable improvement in the net investment income. Almost twice as big than the net investment income in the first quarter last year with 2.1 points. And it's worth remembering an important factor here. So, from 2024 to 2025 we transitioned with pre locked exposure because of volatility in the macroeconomic scenario around in late 2024. And this curve closed very fast in January. And you're going to remember we had a negative adjustment of hedge that impacted on the net investment income of Q1 2025. So, this was a one-off effect and then it normalized in the second quarter. But this kind of explains most of this quite significant growth in the net investment income year on year, which was the main driver here for the growth in the net income. So, 81 million with a 51% year on year growth.

Finally, our brokerage businesses with a growth of 1% year on year. And as I said because of collections in Pension plans. And so, it went from 9.6% to 11.4% in the first quarter last year to first quarter this year, and net margin was 61.7%. This is a quite significant contribution to the investment income because of the integrality of BB Corretora financial income are allocated in post fixed instruments and that's why the net income had the growth that was higher than the revenue, 3% up year on year because of this better net income margin and better investment income.

Lastly our guidance so considering the three indicators that we have we performed within expected in terms of PGBL and VGBL Pension plans reserves of Brasilprev and so it was 8 to 11 and we closed at the top. In terms of written premiums for Brasilseg we are within the range a drop of 3 to +2 and we ended with a drop of actual numbers of 2.3% in the first quarter non-interest operating result. So, we expect a drop between 7 and 3% and we ended the first quarter with a growth of 1.3%.

Very good performance. But for now considering all the uncertainty that still remains, especially related to climate so we are going to have a predominance of El Niño in the second half of the year and this may affect winter crops and the loss ratio in terms of home insurance and corporate insurance and 2025 is the weakest comparison basis that we have even though we exceeded. So, we should be very cautious and there's nothing that will lead us to review this range and so we'd rather wait and see what happens during the year to see whether there is an indication that will lead us to review this range. Even though the likelihood today is to keep it we are likely to remain on the top portion of this range.

So, this is my presentation and I'm going to join Delano for the questions and answers session.

Felipe Peres:

We are back for our questions and answers session and if you want to submit a question in writing, please click on the Q&A button at the bottom of your zoom screen and we'll try and answer all questions here in our live stream and if we cannot, we are going to respond to you by e-mail after the end of our virtual meeting. If you want to ask a question live, please just click on the raise hand button and we're going to allow you to ask questions. As a reminder, you can ask the questions either in Portuguese or English, but we're always going to answer in Portuguese with a simultaneous interpretation into English.

Our first question comes from Antônio Ruetete, from the Bank of America. Good morning, Antonio. You can open your microphone and ask your question.

Antônio Ruetete- Bank of America:

Good morning, everyone. Thank you very much for your time. And I have two questions.

One about rural insurance and the investment income. In terms of rural insurance, as Sperendio said in the guidance that you don't think it's cautious to review the guidance for operating result.

So, I would like to understand that a little bit better. How do you see the risk until the middle of the year, especially for rural considering El Niño? And how do you see this as a whole? And how did you see it thinking of the resumption of the growth in premiums in terms of rural insurance? So, it's just a comment on that. And the second question is related to investment income. We have no guidance for investment income, but which are the prevailing trends after the first quarter for the rest of the year? I would love to hear that.

Rafael Sperendio:

Antonio, now beginning with the first question and your question about rural insurance. So today, according to the most up to date predictions, is related to the expectation of having El Niño in the second half and this might affect the winter crop.

So, when we are cautious that we say it's too premature to change the guidance for operating results, the main uncertainty is related to a loss ratio. But we are not going to look just to crop insurance. So, Brasilseg is much less sensitive to crop insurance compared to what it used to be two, three years ago.

But when we talk about El Niño, it's important to consider the effect it may have. Just remembering it in a very simplified way, El Niño, usually we see a higher incidence of rainfall compared to the average in the center south of the country, of the country in the center north, more drought, so we are less sensitive to El Niño than to La Nina. Now when we look at the portfolio as a whole, we need to consider the effect of more rainfall and its effect on home insurance, mortgage insurance, corporate insurance, compared to what we had two years ago in Rio Grande do Sul. So, when we look at the prospects, the increase in likelihood related to intensity. So now we need to observe along the year, what happens along the year to understand the actual impact of a more severe El Niño in our bottom line, to see if what we delivered in the first quarter, year and year, in terms of operational result, whether it's truly sustainable until the end of the business year. For the time being, this is not clear yet.

As to your second question, in terms of investment income, considering the results of Q4, we have a few sensitivities with the main variables of inflation, IGP-M, IPCA and interest rate. So, ever since, lots has changed. And if we observe, I'm not going to make any economic forecasts considering the Focus report published yesterday, considering the SELIC rate that is implied today in the structure of interest rates. So, according to what we see today, we are going to have another two cuts of 25 bps along the year. So, what we see is more positive in fact that what we saw for the SELIC and a more negative impact on the side of inflation. And when we consider these three drivers, they kind of offset each other.

So, according to what we see, it's likely that we're going to have a neutral impact, considering the most up to date projections for the investment income in 2026, a more beneficial scenario than what we were designing considering the information that we had available in February.

Antônio Ruetten- Bank of America:

Thank you.

Felipe Peres:

Thank you, Antônio. Our next question comes from Marcelo Mizrahi from Bradesco BI.

Marcelo Mizrahi- Bradesco BBI:

About the operational dynamics? It got my attention. The thing about Pension, I think that there is some uncertainty in terms of the prospects for the year. I would like you to explain how do you justify such a strong performance in the beginning of the year in terms of inflows, also admin rates?

Delano Valentim:

Thank you very much, Marcelo. I'm going to start and Rafael is going to complement. For Pension, last year we had a bottom line that fell short from what we would like to have in terms of outflows. We had significant outflow, we suffered in the third quarter. And we started designing our commercial strategy last year together with the bank and Brasilprev. We understood what the best commercial strategy would be. And we had a quite significant success. And for the rest of the year we should remain cautious, but performance not just in absolute numbers, but also considering the scope and the new customers that we have and the new allocations, this makes us confident. But for the rest of the year, we are kind of cautious because our outflow rate was well below what we were forecasting. And this combined with record allocations that we have had, there was a significant and relevant share of the market, more than 50% of net inflow.

So, we are happy with the actions that we implemented. We are steady on implementation of our strategy, our commercial efforts with the results that have a quite positive effect of the salesforce of Banco do Brasil. We were aware of that strength, but we had quite a pleasant surprise when we saw that what we designed and what we expected was even better. So, for the rest of the year we remain cautious so that in future quarters we can continue delivering quite positive results

As to the fee, and Rafael can get into more detail. It was better in the first quarter, and we hope that for the rest of the year it will remain flat. And there are many studies going on to see how the Performance of our funds has been performing and this is very good. But we want to remain at the same levels for the rest of the year.

Rafael Sperendio:

There is the economic scenario. So, with a more gradual and slower. So, it favors us having less volatility. So, there are the incentivized bonds that are less appealing, so to speak. And the internal movement that we have implemented of reduction. We have taken out risk from the funds, and this helps reduce the volatility in terms of return. So, considering we have a low exposure to credit risk and what we have seen in terms of our exposure to default was minimal or none in some cases.

And combined with everything with a very low share. So, the possibility of return has contributed to a lower outflow and a better inflow volume. And combining everything. There is an issue of a more favorable overall environment.

Marcelo Mizrahi- Bradesco BBI:

Just in conclusion, has there been any change in your commercial practices? Any special promotions in terms of cashback or some way of paying off customers of taking out the impact of the tax for inflows and the concern. The first quarter was very significant and will remain relevant. Thank you so much.

Delano Valentim:

Our commercial strategy involves multiple aspects. Since last year we have had a few promotions for transfer in. We continued just like what the market has been doing. We have improved our commercial strategies and together with Brasilprev we are closer. And with all these movements, we were able to get to the result that we have mentioned there are some external factors. As Rafael mentioned, we do not believe there was an advance, but we also believe that occupying the space of the 600,000 BRL not to pay the IOF the tax on financial operations. So, for the rest of the year, I'm not sure it would be our forecast, but want to keep positive results, that's for sure.

To reinforce commercial actions to make sure that for the rest of the year we're not going to have stronger deterioration and to keep the level of reserves and outflows flat, as we are seeing today.

Marcelo Mizrahi- Bradesco BBI:

Thank you.

Felipe Peres:

Thank you, Marcelo. Our next question comes from Ricardo Buchpiguel from BTG Pactual. Good morning, Ricardo. You can open your microphone and ask your question.

Ricardo Buchpiguel – BTG Pactual:

Thank you very much for taking my question. What should we expect from acquisition costs and brokerage revenues at Brasilprev considering gross contributions? Because we have noted the stability in terms of acquisition costs. Whereas contributions have grown a lot and then they've been growing in the brokerage. So, considering that other acquisition costs may be in. Thank you.

Rafael Sperendio:

Just clarifying, it depends a lot on the composition. So, if it's slightly more concentrated on sporadic events, it's about 1.5 in the gross collections. It's more in periodical kinds of products. It will be closer to 2%. And so, what we're seeing in the first quarter is exactly that. So good sporadic contributions and in periodical payments.

Another factor that has helped in the composition and you mention quite robust growth in brokerage revenues. At the BB Corretora there is a reduction in the expansion with a return of commissions in plans that are canceled in less than 12 months. So, redemptions has every reflection with an outflow movement, an overall outflow movement that is a lot less intense than what we saw in the first quarter of last year. And, with products or allocations that were canceled where the brokerage needs to refund commission to Brasilprev. So, on the side of the brokerage we should consider cancellations.

Ricardo Buchpiguel – BTG Pactual:

Thank you so much.

Felipe Peres:

Thank you, Ricardo. Next question is from Daniel Vaz from Safra. Daniel, you may open your microphone and ask your question, please.

Daniel Vaz- Safra:

Thank you very much for taking my question. I would like to look at rural insurance premiums. I think someone else has already asked this question, but what is the push that you have in terms of originations in Banco Do Brazil? So even though the portfolio is virtually stable and so they gave up 35 billion in MP, it's a longer portfolio with some weighting time. So, if you look in terms of origination, so it's more selective, requiring more collaterals and considering the risk framework that they are designing there with discounting the impacts of the war, that will have an impact in the second half of this origination considering a very tighter or narrower margin.

Now, looking at that and considering your insurance business, I would like to understand whether this worsens your scenario for 26, 27 in terms of rural insurance, both in terms of renegotiations, because insurance in this scenario is going to be smaller and in smaller originations, considering all the contacts. Next was expected in your guidance for 2026.

So, my first reaction is more negative, and it would be nice to hear from you. Does this have any effect? Thank you.

Rafael Sperendio:

Daniel, thank you very much for your question. Well, it's not an easy question to answer. There are many variables. When we look at the longer timeline, it's even more difficult to predict the correlation between them. I'm going to try and summarize and to focus more on the short term and to see what we can have in terms of influence. Considering the portfolio that you mentioned.

And obviously it is addressable for Cross Sell of Crop insurance. And Crop insurance covers climate events. So, there is a longer operation. By itself, I cannot Cross Sell crop insurance because the risk that is subscribed is over. So, the harvest has taken place, and the produce has been sold. So, we have the credit life for farmers. So, the bank has been working intensely with the models, as you said, in terms of being more selective in terms of the risk.

This is part of the process of adapting to the new reality. And in itself this is really notable. And there is an impact in terms of the crop insurance. What we have been doing here is to try and find alternatives in other lines in investments. And that we can somehow Cross Sell with other products and portfolio with the farmers insurance. And in terms of climate event in the livestock insurance, which is more sensitive to what you said. So, in the first quarter, as Delano has just said in his presentation in the credit life for farmers, which kind of upset the problem with rural insurance.

When we look in the long term, looking into 2027, slightly more difficult to predict. And this is related to what I said in the first question of Antonio in terms of El Niño. So, what is the scenario now we look at the summer crop being harvested, especially with grains, where there is more exposure to soybean and corn, its record and crop for the country as a whole. And we look at the El Niño. When we talk about margins and supplies, we need to look at the main competitors of Brazil, the US And China, Argentina to produce the grains that I have mentioned. That they have good, good yield. And this implies a surplus and lower prices. At the end of the day, this might lead to pressure on margins.

When we look at the longer term to 2027, I mentioned the effect of El Niño and the impact it may have in the winter crop extending to the summer crop. But once again, to understand the impact of margin and how this is going to affect Brazil, the US for this kind of grain. So, for those competitors with a higher impact and more severe, we are going to have a reduction in offer. And this might lead to a positive impact and better margin for farmers and then farmers will have more income to buy other products. So, there are many factors and major volatility for each one of those variables. And it's very difficult for us to project such a long-time span. So, in terms of designing a scenario. So, this might have a negative impact and at first so higher frequencies of El Niño effect set which might become positive. Considering how this Event affects other regions. And here we have the list of the main competitors with more sensitivity to the underwriting of these products.

Daniel Vaz- Safra:

Good. Thank you very much.

Felipe Peres:

Thank you, Daniel. I have a question from Pedro Leduc from Itaú BBA. Please ask your questions.

Pedro Leduc- Itaú BBA:

Thank you very much for the conference call and for taking our questions. So, were you considering any type of reformulation or new format for the product so that it is have so that it has better penetration? Do you have any vision or any comments to share with us? Considering the program that was announced yesterday for the renegotiation of debts? I'm not sure whether it includes credit life. And there will be a considerable effect on the margins for civil servants and for Social Security members.

Delano Valentim:

It's not just for rural. For all our insurance lines this dynamics are reviewing and adapting to the new reality it is present. And so there is an important point that the issue of credit life insurance. So, we are working to make our products more flexible. We are aware of the theme and impact of high interest rates on the margins that customers have. And when the margin needs to be available for them to buy insurance, it's even more difficult. And we've been working on alternatives that will make it possible for our customers and our branch network to include insurance in negotiations to protect credit. And we've been working with credit life insurance. There is some novelty out there in the market that has more flexibility when we do not have marginal flexibility to cover everything. Now we have other coverages that are smaller for the portfolio whenever necessary. And I believe that this will bring a significant return to us considering the situations that we could not place the insurance. And now with the changes and everything becoming more flexible, we found a way to be able to meet the needs of our customers even when the margins do not allow us to cover the entire period of the operation. And we believe that this may bring positive results in the short term for us.

As to the Desenrola program, it's still too early. We're working intensely. We do not have an idea of the impact of this credit renegotiation product or program in our portfolios in general.

Rafael Sperendio:

Considering our individual segment, any measures to reduce leverage and to give them more room when we have a longer time with higher interest rates. This is positive. But this is more positive in the midterm. It doesn't have such a positive impact in the short term. We should see evidence that deleverage is happening and that credit is increasing and offsetting the pressure somehow of having a higher interest rate for a longer period.

The rural segment just complementing as said before, there is a review in the agenda of the government in terms of providing some subvention for the rural segment in terms of protecting agricultural production.

So this should be translated in products and claims Regulation is much cheaper than the regulation that is done today in products with broader coverage. So, we do believe that there is huge potential. It's a very good product and very popular in Brazil. It's been developed for grazing areas here in Brazil and we are trying to adapt it to them, cover grains too. But it's a very promising product and we are seeing it globally. But in Brazil it's still taking its first steps.

Felipe Peres:

Thank you for the question, Pedro. Now there is a question from Guilherme Grespan from JP Morgan. Guilherme, please open your microphone and ask your question.

Guilherme Grespan- J.P. Morgan:

Thank you Felipe. Good morning, Delano and Sperendio.

I have two questions. The first one is just a follow up and just apologize if I am being repetitive. It's about credit life for farmers, a very strong performance. Something that we didn't see before was their impact of the MP is the only addressable insurance for the MP would be life. But most importantly is the performance of the first quarter sustainable into the second quarter? Are the drivers going to remain positive or not?

The second thing about life insurance, most of your portfolio is related to renewals. Not too many new sales and most of the adjustment is tagged to the IGP-M. Is there any renewal for the product along the year? And I want to see whether the higher IGP-M in the second half, which was quite relevant, would it affect written premiums in the second half of the year or not? Thank you.

Rafael Sperendio:

Thank you very much. Grespan, thank you for your question.

I'm going to start with the first one with credit life for farmers. Of course there was a contribution from the renegotiated portfolio. It was not isolated from the rural portfolio. In every negotiated portfolio what we can have today is the credit life for farmers and maybe in the case of rural lien and there might be something that we can do, do some upselling but it's not a significant movement. At the same time there has been the movement to review the commercial incentivizing of the network. As a mechanism of following up the commercial performance and for renewals and this was quite helpful in terms of increasing renewals in the first quarter.

As to the performance from now towards the end of the year, we are expecting a quite positive performance. Not as big as what we saw in the first quarter. Year on year considering the basic comparison basis which is slightly more difficult. But I'm going to summarize these as the main drivers for credit life for farmers. So, there is a renewal of. So, when the 12-month IGP-M is negative we don't do price adjustments. It's zero adjustment with the adjustment of the IGP-M in terms of price adjustment and coverage for the portfolios we just need to be very careful in terms of the size how much they can be IGP-M weigh considering the size and it may lead to cancellations. And as I mentioned in the answer about financial results is there an acceleration of IGP-M and if I'm not mistaken Focus is expecting something like 5% and it's not really a material. It's more positive than negative in terms of price adjustment.

Guilherme Grespan- J.P. Morgan:

Thank you very much, Sperendio.

Felipe Peres:

Now we have a question from Tiago Binsfeld, from Goldman Sachs Tiago. You may ask your question please.

Tiago Binsfeld- Goldman Sachs:

Good morning, everyone. Thank you very much for taking my question. It's quite fast. As part of Credit Life can you talk about SME and Pronampe? How do you see these considering the origination at Banco do Brasil and including the payroll loan.

Rafael Sperendio:

Thank you very much for your question. As to credit life, what we have been observing very good performance and there is a lot of influence of the increase in the addressable portfolio in terms of corporations, in terms of the corporate segment it's accounting in terms of origination and expansion of lines in the context of credit life insurance it's much better than what we have been seeing in a segment of individuals. If we compare year on year in the segment of corporates there was a threefold growth as compared to last year.

So, very good performance in corporate insurance was very positive for the overall performance. So, there's some difficulty of including this product for individuals considering interest rates there is not so much room in the installments to fit into. They can't really afford it.

And so the environment to Cross Sell the credit life insurance in terms of credit origination or renewal of the operations. But for corporations it has been having very good performance favored by the new lines that are addressable. And as we said we can form it while interest rates are at this level. And this is a product adopting a more customized approach in terms of coverage.

We can make it cheaper so that it can be affordable despite the adverse interest rate scenario. And we hope that this is going to be available for the bank's distribution network in the second half of the year and it should escalate in the second half of the year.

Tiago Binsfeld- Goldman Sachs:

Thank you very much.

Felipe Peres:

We have another question from Arnon Shirazi from Citi. Arnon, good morning. You can ask your question, please.

Arnon Shirazi- CITI:

Good morning. Thank you very much for taking my question. Congratulations on your performance for the second half of last year. You decided to improve efficiency. How has this been evolving? What can be done? What are you doing? Thank you.

Delano Valentim:

Arnon, thank you very much for your question. The pursuit for operational efficiency is a constant in our day to day. We are seeing some positive results, and we have just installed a projects office to look after our strategic projects for the year, especially in terms of integration of the operations and we can capture lots of efficiencies. We have been experiencing some positive results, so we have some quite relevant numbers. We have invested in changing customer journeys, reviewing processes and this has also provided quite significant efficiencies.

And as I said before, we are accelerating the delivery of solutions, complementing our portfolio. And these changes were planned to add value to the company, but they're very important to cover a few gaps. And I believe that when we go through a new cycle of reducing interest rates and the credit cycle is good again, these solutions and changes that we are implementing and trying to make more efficient are going to be very important to leverage our results.

So far we are happy with everything that we've been doing for operational efficiency. We still have a lot to do, there's lots of efficiencies to capture, but so far, we are very happy with what we have achieved.

Rafael Sperendio:

This is very much in line with what you have mentioned in terms of mapping redundancies and what we see in the companies of the conglomerate so we can have more synergies and the activities that we can somehow work together combining the companies of the group and, and we've been assessing this and there is a significant potential for a gain, but it's not for the short term, it's more for the midterm.

Arnon Shirazi- CITI:

Thank you.

Felipe Peres:

Thank you, Arnon. Now we have a question from Kaio da Prato from UBS BB. Kaio, please ask your question.

Kaio Prato- UBS BB:

Good morning, everyone. Thank you very much for taking my question is a very quick follow up about credit life. Can you explain a little bit Sperendio's answer about penetration of credit life in the payroll loan and for workers credit? There has been a recent change with the limitation of the total effective cost of those operations.

So, do you understand this has some impact on the possible addressable market? But if you could, what is the level of growth that you imagine and that the company can deliver? Considering all the changes that we've been discussing along the call, like the new payroll rule, the new credit negotiation program of the Federal government.

Rafael Sperendio:

Well, trying to summarize everything when we look at the scenario. So, any measure to reduce leverage and to give more room for credit is positive. The thing is that this impact is not in the short term. We are going to see the benefits in the company's bottom line in the medium term or in two, three years.

Overall, as I said shortly ago, there is an environment with a cycle of cuts in interest rates that is very beneficial for the bottom line. But there is an undeniable impact on the operational aspect. Considering the scenario that we used to have. When we published the guidance earlier this year, the overall expectation of guidance and even the interest rate curve was a cut of one point.

But as I said before and when we look at the rates and the structure and you see the cut in two cuts of 0.25 even though the SELIC will end the year at 13 with two other cuts of 25, which would provide stability in the average SELIC rates as compared to actual rates of 2025.

And rates at that level are very, very restrictive. And it impacts credit regeneration, especially for individuals. And as I said before, we've been feeling there when you break down corporates and individuals will feel more in individuals than with companies. So, with the addressable lines there is less room for corporations to expand the portfolio.

We've been working internally and this is related to what you asked. We are trying to find alternative ways for the product to become cheaper so that it can fit into the credit installment, which is the most effective way for us to place this product out on the market. Now, considering everything that has been going on, even for standard products, we are not seeing a relevant impact on credit life. So, it's very cheap compared to the cap that has been imposed. So, we are not expecting to see any impact. So, overall, and trying to summarize is, and I'm not sure I forgot something, but if I did, please remind me. But this is the context that we see for credit life and this has been one of the main factors that change from when published the guidance in February and ever since May.

Kaio Prato- UBS BB:

It's very clear. Thank you very much.

Felipe Peres:

Well, I think that we have no more questions on the line and in this manner, we are ending our virtual meeting for the first quarter of 2026. Delano, do you have any closing remarks?

Delano Valentim:

Thank you very much, Felipe. First of all, I would like to thank you for your attendance, everyone watching us live, especially the trust of our investors and customers. And as I said before, the year remains challenging. Rafael has mentioned a few specific topics in terms of what still means a warning sign for the rest of the year, but with discipline in implementing our strategy, we will be able to produce good results. Considering the expectations that we have launched at the beginning of the year, I believe that these solutions and the changes and processes and improvements in terms of defining parameters for the products, new lines for corporate insurance, I think that all of this will bring, for the rest of the year, stronger results. But we need to work with caution, to be very careful and work to deliver the results that our company deserves, that our investors expect. Thank you very much for attendance. Our special thanks to our employees.

Thank you very much. You rocked again with very robust results. Thank you very much, Felipe and Rafael. So, we'll see each other again next quarter. Thank you.