

# 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 Brasilidental 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 Brasilidental will be carried out with a delay of one month. Thus, the equity income for the third quarter of 2023 and 2024 contains information related to June, July and August.

## ■ SUSEP RULE 678/2022

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

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

The main changes provided in the Susep Rule 678 were:

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

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

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

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

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

### Impacts on BB Seguridade

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

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

### Brasilseg

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

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

### a) Brasilseg Companhia de Seguros

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

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

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

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

### b) Aliança do Brasil Seguros (ABS)

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

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

### Brasilprev

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

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

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

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

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

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

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

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

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

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

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

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

Table 1 – Changes in PCC at Brasilprev

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

Figure 1 – Brasilprev | Accounting map of PCC

R\$ million	12/31/2023	01/01/2024	03/31/2024	06/30/2024
<b>Provisions</b>				
<b>PMBAC balance - Traditional</b>	10,485	-	10,124	9,192
LAT deficit (surplus)	(116)	-	61	56
<b>PMBAC balance - Traditional and P/VGBL</b>	6,544	-	6,752	7,047
LAT deficit (surplus)	651	-	682	483
<b>Goodwill of assets classified as held to maturity</b>	2,131	-	-	-
<b>PCC impacts</b>				
<b>Income statement</b>			<b>1Q24</b>	<b>2Q24</b>
<b>PCC</b>				
PMBC - Data base update	-	-	(26)	(49)
PMBAC - Change of actuarial assumption of decision making	-	-	-	(217)
PMBAC - Change of actuarial assumption of annuity decision	-	-	-	(58)
<b>Equity and PCC balance</b>				
	<b>12/31/2023</b>	<b>01/01/2024</b>	<b>03/31/2024</b>	<b>06/30/2024</b>
<b>Equity</b>	6,700	7,588	7,197	7,174
Capital + Profit reserves	5,297	5,297	5,017	6,424
Other comprehensive income				
Goodwill of assets (AfS Investments + Impairment)	(8)	2,123	1,495	567
PCC	-	-	(67)	462
PMBC	-	-	(61)	219
PMBAC	-	-	(5)	243
Income Tax (IR+CSLL)	3	(849)	(571)	(412)
Retained Earnings	1,407	1,017	1,322	132
Retained Earnings before PCC	-	1,407	1,728	733
PCC	-	(651)	(677)	(1,001)
PCC tax effects	-	260	271	401
<b>PCC balance</b>	-	651	744	539
PMBC	-	-	61	56
PMBAC	-	651	682	483
<b>Regulatory capital</b>				
	<b>12/31/2023</b>	<b>01/01/2024</b>	<b>03/31/2024</b>	<b>06/30/2024</b>
Adjusted equity	6,668	-	6,176	6,224
Minimum capital required	3,246	-	3,243	2,913
<b>Solvency</b>	<b>205%</b>	<b>-</b>	<b>190%</b>	<b>214%</b>

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

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

2.1 Reclassification of the assets from HTM to AfS category

2.2 PCC registered in Accumulated Profits and Losses at transition

**3** LAT update 1Q24

3.1 Referring to the update of database accounted at income statement

3.2 Referring to the change of Yield Curve accounted at OCI

**4** Reserves write off for plan termination

4.1 Expired plans write off

4.2 Capital reduction

**5** LAT update 2Q24

5.1 Referring to the update of database accounted at income statement

5.2 Referring to the update of assumptions accounted at income statement

5.3 Referring to the change of Yield Curve accounted at OCI

## ■ EXTRAORDINARY EVENT

Among the impacts on the results in 9M24, the portion of the constitution of a Supplementary Coverage Provision resulting from the assumption that 100% of customers will make a decision when they reach the end of the accumulation period in traditional plans, in the amount of R\$216.7 million, was classified as an extraordinary event, since it results from an external factor (change in regulation) that required customers to make a decision, affecting the entire stock of plans with expired deferral periods. In this sense, the following adjustments were made for the purpose of calculating net income on a recurring basis, both for Brasilprev and BB Seguridade, based on the adjustment of the equity income for the period:

Table 2 – Adjustments on Brasilprev (Susep Gaap)

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q23	2Q24	3Q24	On 3Q23	On 2Q24	9M23	9M24	On 9M23
<b>Net income</b>	<b>527,604</b>	<b>217,473</b>	<b>595,623</b>	<b>12.9</b>	<b>173.9</b>	<b>1,404,273</b>	<b>1,118,522</b>	<b>(20.3)</b>
Net adjustment	-	129,468	-	-	-	-	129,468	-
Constitution of PCC - Changes in other technical reserves	-	216,662	-	-	-	-	216,662	-
Constitution of PCC - tax expenses (PIS/COFINS)	-	(883)	-	-	-	-	(883)	-
Constitution of PCC - tax expenses (IR/CSLL)	-	(86,312)	-	-	-	-	(86,312)	-
<b>Adjusted net income</b>	<b>527,604</b>	<b>346,941</b>	<b>595,623</b>	<b>12.9</b>	<b>71.7</b>	<b>1,404,273</b>	<b>1,247,990</b>	<b>(11.1)</b>

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

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q23	2Q24	3Q24	On 3Q23	On 2Q24	9M23	9M24	On 9M23
<b>Net income</b>	<b>2,056,795</b>	<b>1,773,762</b>	<b>2,265,220</b>	<b>10.1</b>	<b>27.7</b>	<b>5,658,370</b>	<b>5,882,606</b>	<b>4.0</b>
Net adjustment	-	97,094	-	-	-	-	97,094	-
Equity income at Brasilprev (74.995%)	-	97,094	-	-	-	-	97,094	-
<b>Adjusted net income</b>	<b>2,056,795</b>	<b>1,870,856</b>	<b>2,265,220</b>	<b>10.1</b>	<b>21.1</b>	<b>5,658,370</b>	<b>5,979,700</b>	<b>5.7</b>

Table 4 – Adjusted income statement of the holding

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q23	2Q24	3Q24	On 3Q23	On 2Q24	9M23	9M24	On 9M23
<b>Equity income</b>	<b>2,038,548</b>	<b>1,866,416</b>	<b>2,261,189</b>	<b>10.9</b>	<b>21.2</b>	<b>5,637,980</b>	<b>5,964,421</b>	<b>5.8</b>
Underwriting and accumulation businesses	1,235,335	1,060,563	1,383,370	12.0	30.4	3,396,440	3,482,602	2.5
Brasilseg	786,181	747,989	885,883	12.7	18.4	2,189,033	2,392,462	9.3
Brasilprev	396,048	260,560	447,059	12.9	71.6	1,061,982	937,044	(11.8)
Brasilcap	48,667	46,991	46,545	(4.4)	(0.9)	132,880	140,762	5.9
Brasil dental	4,439	5,024	3,882	(12.5)	(22.7)	12,545	12,334	(1.7)
Distribution businesses	790,833	794,475	862,832	9.1	8.6	2,205,339	2,450,569	11.1
Other	12,380	11,378	14,987	21.1	31.7	36,200	31,251	(13.7)
<b>G&amp;A expenses</b>	<b>(5,943)</b>	<b>(5,515)</b>	<b>(4,616)</b>	<b>(22.3)</b>	<b>(16.3)</b>	<b>(20,478)</b>	<b>(17,558)</b>	<b>(14.3)</b>
<b>Net investment income</b>	<b>31,850</b>	<b>12,207</b>	<b>10,697</b>	<b>(66.4)</b>	<b>(12.4)</b>	<b>48,760</b>	<b>39,506</b>	<b>(19.0)</b>
<b>Earnings before taxes and profit sharing</b>	<b>2,064,454</b>	<b>1,873,108</b>	<b>2,267,271</b>	<b>9.8</b>	<b>21.0</b>	<b>5,666,262</b>	<b>5,986,370</b>	<b>5.6</b>
Taxes	(7,659)	(2,252)	(2,051)	(73.2)	(8.9)	(7,892)	(6,669)	(15.5)
<b>Adjusted net income</b>	<b>2,056,795</b>	<b>1,870,856</b>	<b>2,265,220</b>	<b>10.1</b>	<b>21.1</b>	<b>5,658,370</b>	<b>5,979,700</b>	<b>5.7</b>

In **3Q24**, BB Seguridade's net income totaled R\$2.3 billion (+10.1% YoY). The main factors that led to the R\$208.4 million increase compared to the amount reported in 3Q23 were:

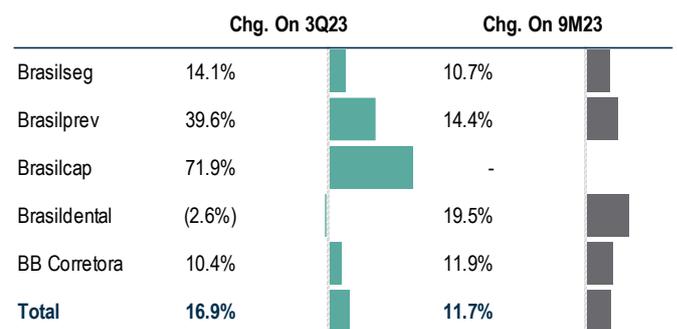
- **Brasilseg (+R\$99.7 million):** explained by the drop in retained claims and the 7.1% increase in retained earned premiums;
- **BB Corretora (+R\$72.0 million):** propelled by brokerage revenues growth, mostly in insurance segment, the improvement of EBIT margin and, in a lesser extent, the increase of net investment income; and
- **Brasilprev (+R\$51.0 million):** due to the rise in revenues with management fee as well as the reversal of supplementary coverage provision (refer to pages 53 and 54 for further information).

On the other hand, the result from **Brasilcap** was R\$2.1 million lower as compared to 3Q23, explained by the decrease of net investment income.

**Year-to-date**, the **adjusted net income** amounted to R\$6.0 billion (+5,7% YoY), growing R\$321.3 million due to:

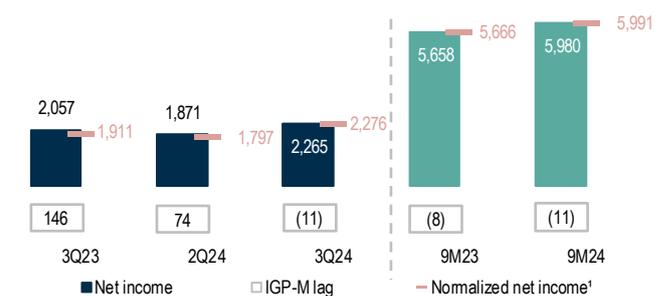
- **BB Corretora (+R\$245.2 million):** with the expansion of brokerage revenues, improvement of EBIT margin and rise in net investment income;
- **Brasilseg (+R\$203.4 million):** driven mostly by the reduction of loss ratio and the increase of retained earned premium; and
- **Brasilcap (+R\$7.9 million):** led by the growth of net investment income, helped by the rise of average investment balance, and the lower effective income tax rate, which is justified by a favorable decision in a legal claim regarding CSLL and the tax benefits of "Lei do Bem" (a law that offers tax incentives for investments in IT innovation).

The result from **Brasilprev** reduced R\$124.9 million, explained by the decrease of net investment income led by the higher cost of liabilities and the negative mark-to-market result in investments for trading.

Figure 2 – Non-interest operating results<sup>1</sup>

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

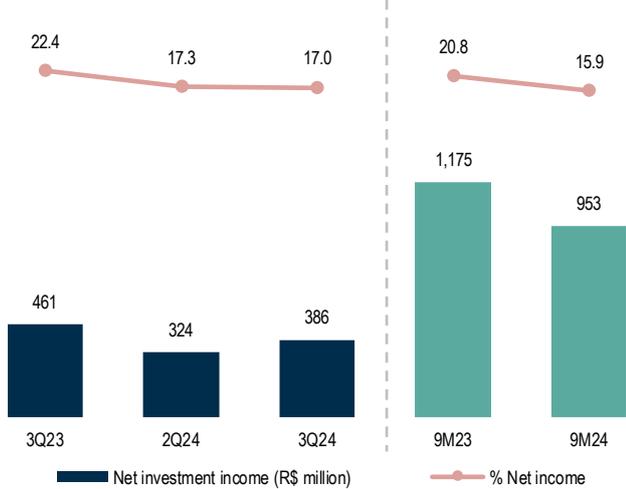
Figure 3 – Normalized net income (R\$ million)



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

## NET INVESTMENT INCOME ANALYSIS

Figure 4 – Combined net investment income



In **3Q24**, the combined net investment income of BB Seguridade and its investees reached R\$385.7 million, after taxes, 16.2% lower than reported in the same period of 2023. The decrease is largely attributed to the rise in financial expenses at Brasilprev, due to the increase in the cost of liabilities of traditional plans, considering the inflation with a 1-month lag accumulated in 3Q24 (+1.7%) vs. deflation recorded in 3Q23 (-2.8%). Additionally, the reduction in the average Selic rate also contributed to the drop in the net investment income, impacting all companies in the conglomerate. On the other hand, the 6.0% expansion in the average balance of combined financial investments of all companies in the group partially offset these effects.

**Year to date**, the combined net investment income of BB Seguridade and its investees, after taxes, decreased by 18.9%. Besides the factors mentioned in the quarterly analysis, there was a negative mark to market result of Brasilprev's securities for trading (-R\$280.7 million) in the 9M24, while in the same period last year the result was R\$221.2 million positive.

Figure 5 – Inflation rate (%)

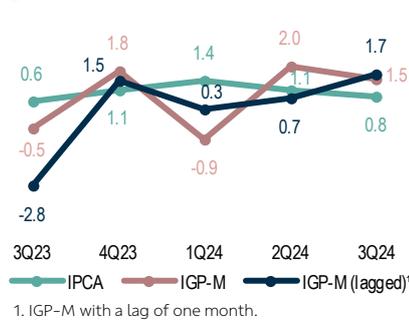


Figure 6 – Average Selic rate (%)

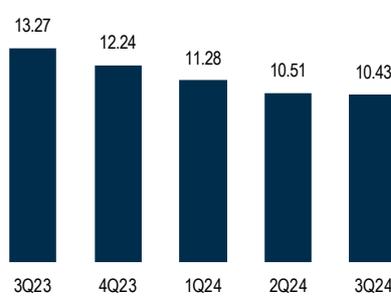


Figure 7 – Forward yield curve (%)

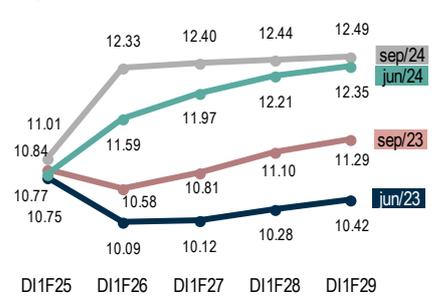


Figure 8 – Financial investments (%)

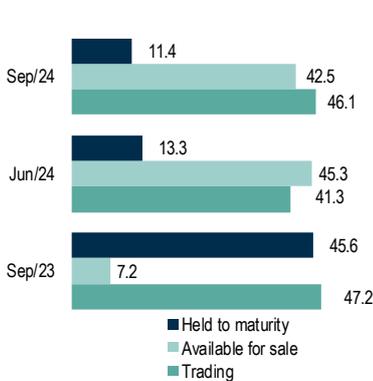


Figure 9 – Financial investments by index (%)

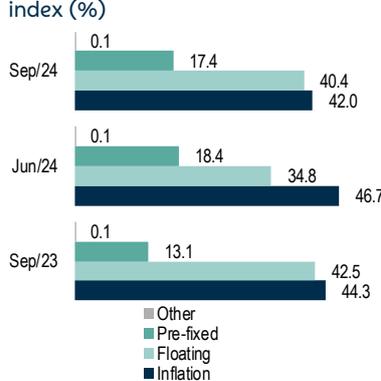
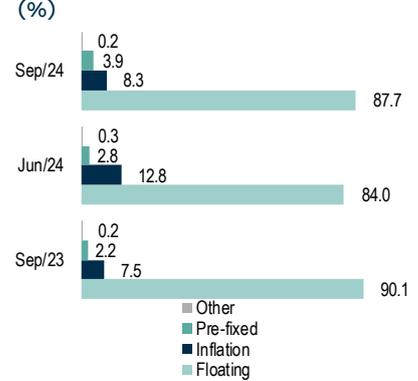


Figure 10 – Trading portfolio by index (%)



■ 2024 GUIDANCE

In 9M24, **non-interest operating result** grew 11.7% compared to the first nine months of 2023, outperforming the guidance range, and **PGBL and VGBL pension plan reserves of Brasilprev** expanded 12.1% in the last 12 months, slightly above the projection. On the other hand, in **premiums written of Brasilseg**, the growth of 1.0% in the first nine months of the year missed the guidance. The deviations observed are explained as follows:

**Non-interest operating result (ex-holdings)** – the beat is justified by a lower-than-expected loss ratio, mainly in rural insurance.

**Premiums written of Brasilseg** – year to date September, although retained premiums showed growth in line with the guidance range, the premiums written grew just 1.0%, below the estimated range. The deviation is explained by the discontinuation of the consortium product, which had been showing profitability below the required level, and by the more challenging business environment for crop insurance, resulting from both the instable climate, which caused changes in the planting schedule, and the international economic scenario. It is worth noting that, as previously mentioned, from the perspective of retained premiums, the lower-than-expected performance in the crop insurance is less relevant, since a large part of the premiums written is ceded for reinsurance. In this context, the good performance of premiums written in the segments with greater risk retention, especially credit life insurance (+16.4%), rural lien (+25.8%) and credit life for farmers (+14.9%) has contributed to offset a large part of this deviation on a perspective of results.

**PGBL and VGBL pension reserves of Brasilprev** – projections already indicated a small beat of the guidance range, with convergence by the end of the year.

Considering the most recent operational expectations, the company decided to review the premiums written guidance, as shown in the table below:

Figura 11 – 2024 estimates

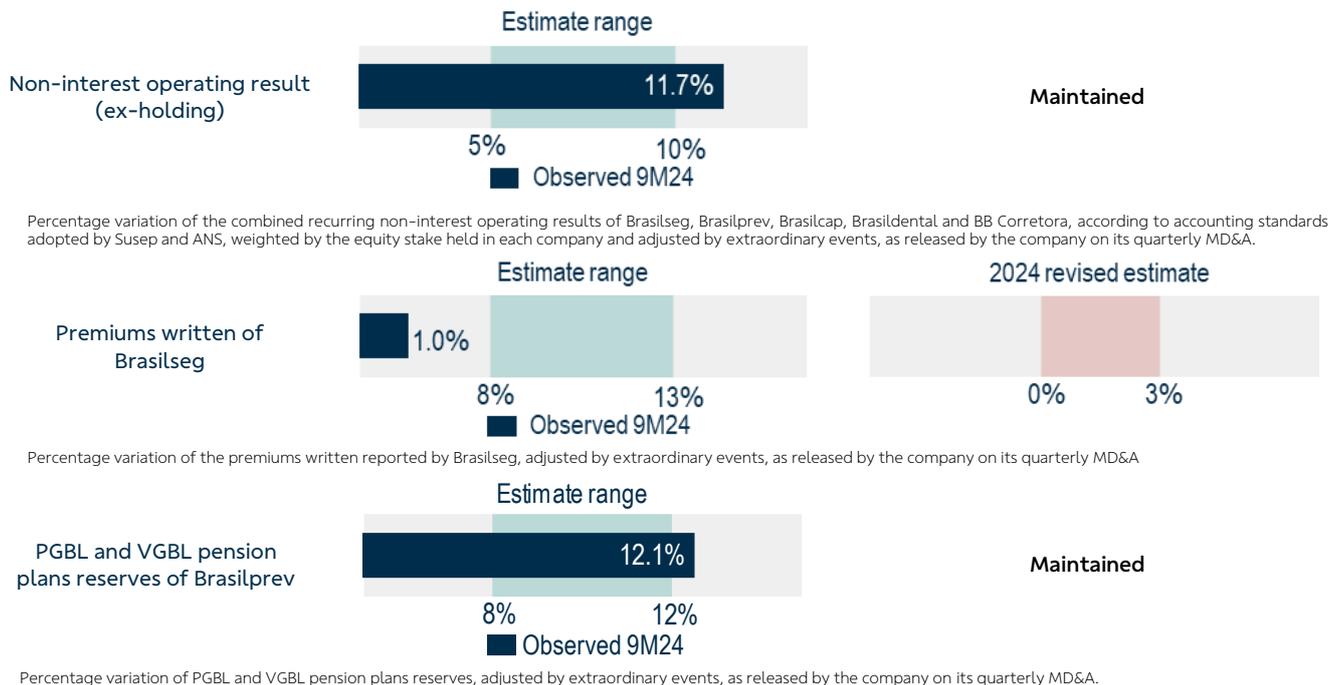


Table 5 – Breakdown of the non-interest operating result by company

R\$ thousand	9 Months Flow		Chg. %
	9M23	9M24	On 9M23
<b>Non-interest operating result</b>	<b>6,602,267</b>	<b>7,374,111</b>	<b>11.7</b>
Brasilseg	2,409,986	2,668,890	10.7
Brasilprev	1,161,592	1,328,576	14.4
Brasilcap	3,979	(12,498)	-
Brasildental	15,839	18,933	19.5
BB Corretora	3,010,870	3,370,209	11.9

## ■ SUMMARY OF INVESTEEES PERFORMANCES

### Brasilseg | Insurance (for further details, please refer to the page 28)

Table 6 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q23	2Q24	3Q24	On 3Q23	On 2Q24	9M23	9M24	On 9M23
<b>Premiums written</b>	<b>5,432,673</b>	<b>3,751,581</b>	<b>5,181,371</b>	<b>(4.6)</b>	<b>38.1</b>	<b>13,094,813</b>	<b>13,222,834</b>	<b>1.0</b>
Changes in technical reserves and premiums ceded	(2,184,880)	(396,759)	(1,701,777)	(22.1)	328.9	(3,674,992)	(3,050,631)	(17.0)
<b>Retained earned premiums</b>	<b>3,247,793</b>	<b>3,354,821</b>	<b>3,479,594</b>	<b>7.1</b>	<b>3.7</b>	<b>9,419,821</b>	<b>10,172,203</b>	<b>8.0</b>
Retained claims	(868,424)	(913,174)	(749,290)	(13.7)	(17.9)	(2,639,355)	(2,544,306)	(3.6)
Retained acquisition costs	(894,853)	(962,684)	(1,039,295)	16.1	8.0	(2,592,336)	(2,964,938)	14.4
G&A	(326,672)	(366,774)	(372,076)	13.9	1.4	(967,113)	(1,090,208)	12.7
Other	(3,938)	(8,283)	(2,355)	(40.2)	(71.6)	(7,273)	(13,756)	89.1
<b>Non-interest operating result</b>	<b>1,153,906</b>	<b>1,103,906</b>	<b>1,316,579</b>	<b>14.1</b>	<b>19.3</b>	<b>3,213,743</b>	<b>3,558,995</b>	<b>10.7</b>
Net investment income	262,994	214,501	215,022	(18.2)	0.2	704,745	631,717	(10.4)
<b>Earnings before taxes and profit sharing</b>	<b>1,416,900</b>	<b>1,318,407</b>	<b>1,531,600</b>	<b>8.1</b>	<b>16.2</b>	<b>3,918,488</b>	<b>4,190,712</b>	<b>6.9</b>
Taxes and profit sharing	(363,383)	(315,561)	(344,871)	(5.1)	9.3	(983,977)	(984,153)	0.0
<b>Net income</b>	<b>1,053,517</b>	<b>1,002,846</b>	<b>1,186,730</b>	<b>12.6</b>	<b>18.3</b>	<b>2,934,511</b>	<b>3,206,559</b>	<b>9.3</b>

In **3Q24**, the **net income** from the insurance operation expanded 12.6% compared to 3Q23, with a drop in the loss ratio (-5.2 p.p.), mainly in rural insurance. On the other hand, the net investment income fell 18.2%, impacted by the reduction in the Selic rate, an effect partially offset by the expansion in the average balance of investments.

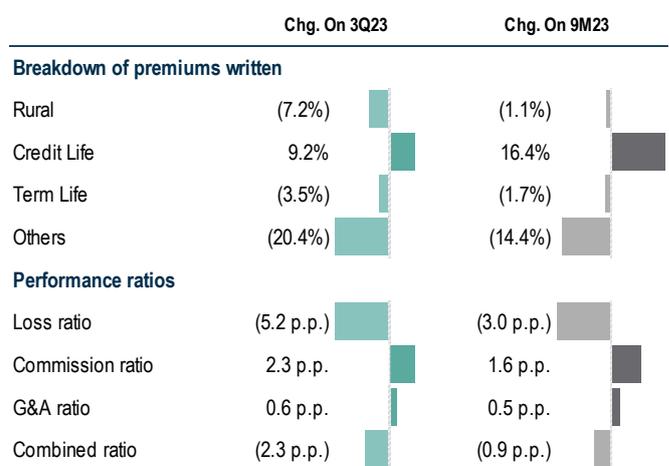
**Premiums written** fell 4.6% compared to 3Q23, although retained premiums grew 3.3%. The difference is due to the performance of crop insurance, where premium written fell 32.0% YoY, but with low impact to the result, considering that most part of the premiums are ceded for reinsurance.

The **general and administrative expenses ratio** was up 0.6 p.p. YoY, because of the increase in general and administrative expenses (+13.9%), largely due to higher spending on third-party services and impairment.

**Year to date**, the **net income** grew by 9.3%, driven by the reduction in the **loss ratio** (-3.0 p.p.) offsetting the decline in the **net investment income** (-10.4%), which was negatively impacted by the the reduction of average Selic rate.

**Premiums written** grew by 1.0%, while retained premiums expanded 7.6% in the period, highlighting credit life, rural lien and credit life for farmers.

Figure 12 – Key performance indicators



## Brasilprev | Pension plans (for further details, see page 48)

Table 7 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q23	2Q24	3Q24	On 3Q23	On 2Q24	9M23	9M24	On 9M23
<b>Total revenue from pension and insurance</b>	<b>16,466,696</b>	<b>12,466,242</b>	<b>16,394,142</b>	<b>(0.4)</b>	<b>31.5</b>	<b>43,534,386</b>	<b>45,638,706</b>	<b>4.8</b>
Provision for benefits to be granted	(16,461,979)	(12,461,979)	(16,390,004)	(0.4)	31.5	(43,519,725)	(45,626,071)	4.8
<b>Net revenue from pension and insurance</b>	<b>4,717</b>	<b>4,263</b>	<b>4,138</b>	<b>(12.3)</b>	<b>(2.9)</b>	<b>14,661</b>	<b>12,635</b>	<b>(13.8)</b>
Management fee	893,318	938,533	994,745	11.4	6.0	2,561,871	2,823,728	10.2
Acquisition costs	(186,259)	(196,034)	(200,301)	7.5	2.2	(554,330)	(585,421)	5.6
Retained earned premiums	43,488	57,786	56,895	30.8	(1.5)	117,528	172,037	46.4
G&A	(191,103)	(219,034)	(239,963)	25.6	9.6	(527,348)	(666,416)	26.4
Other	(9,918)	(112,310)	158,345	-	-	(63,387)	15,108	-
<b>Non-interest operating result</b>	<b>554,243</b>	<b>473,204</b>	<b>773,859</b>	<b>39.6</b>	<b>63.5</b>	<b>1,548,995</b>	<b>1,771,671</b>	<b>14.4</b>
Net investment income	296,547	108,885	215,637	(27.3)	98.0	766,538	319,474	(58.3)
<b>Earnings before taxes and profit sharing</b>	<b>850,790</b>	<b>582,090</b>	<b>989,496</b>	<b>16.3</b>	<b>70.0</b>	<b>2,315,533</b>	<b>2,091,145</b>	<b>(9.7)</b>
Taxes and profit sharing	(323,186)	(235,149)	(393,873)	21.9	67.5	(911,259)	(843,155)	(7.5)
<b>Adjusted net income</b>	<b>527,604</b>	<b>346,941</b>	<b>595,623</b>	<b>12.9</b>	<b>71.7</b>	<b>1,404,273</b>	<b>1,247,990</b>	<b>(11.1)</b>

In **3Q24**, the **net income** from pension plan segment reached R\$595.6 million, 12.9% higher than reported in the same period of 2023. The growth was concentrated in the **non-interest operating result** (+39.6%), more than offsetting the 27.3% drop in the **net investment income**, since the financial expenses in 3Q23 benefited from the deflation of the IGP-M, while in 3Q24 the variation of the index was positive.

Regarding the operating result, the performance was driven by the 11.4% increase in **revenues from management fees**, resulting from the 11.5% expansion of **pension plan reserves** in the last 12 months, in addition to the reversal of R\$163.6 million in the supplementary coverage provision – PCC (more details on pages 53 and 54). The average annualized management fee fell by 0.03 p.p., as a result of the greater flow of investments directed towards more conservative products, which led to a contraction in the share of multimarket funds to 18.9% of the total balance of reserves at the end of September 2024 (-4.3 p.p. on September 2023 | -1.0 p.p. on June 2024).

**Pension contributions** totaled R\$16.4 billion (-0.4% compared to 3Q23). **Redemption** and **portability rates** increased by 1.7 p.p. and 0.8 p.p., respectively, leading to a **net inflow** of R\$2.6 billion in 3Q24.

**Year to date, adjusted net income** fell 11.1%, impacted by the 58.3% reduction in the **net investment income**, due to: (i) an increase in the cost of liabilities, with accumulated inflation between December 2023 and August 2024 (+2.8%) compared to accumulated deflation between December 2022 and August 2023 (-4.9%); and (ii) a negative mark-to-market result of financial assets for trading in 9M24, due to the steepening yield curve, while in the same period of 2023 the yield curve flattened and generated mark to market gains.

Figure 13 – Key performance indicators

	3Q24	Chg. On 3Q23	9M24	Chg. On 9M23
inflows (R\$ million)	2,578	(49.5%)	7,897	8.1%
Reserves (R\$ billion)	423	11.5%	-	-
Management fee (%)	0.91	(0.03 p.p.)	0.92	(0.03 p.p.)
Redemption ratio (%)	11.2	1.7 p.p.	10.0	(0.7 p.p.)
Portability ratio (%)	1.8	0.8 p.p.	1.4	0.2 p.p.
Cost to income ratio (%)	26.7	(14.4 p.p.)	41.1	(1.4 p.p.)

**Net inflows** totaled R\$7.9 billion in the 9M24, up 8.1% YoY, helped by the increase in contributions (+4.8%) and the reduction in redemption ratio (-0.7 p.p.).

**Revenues with management fee** grew 10.2% driven by the expansion of reserves, which more than offset the 0.03 p.p. reduction in the annualized average fee, led by the lower participation of multimarket funds in total, as detailed in the 3Q24 analysis.

## Brasilcap | Premium Bonds (for further details, see page 65)

Table 8 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q23	2Q24	3Q24	On 3Q23	On 2Q24	9M23	9M24	On 9M23
<b>Premium bonds collection</b>	<b>1,648,071</b>	<b>1,490,198</b>	<b>1,753,447</b>	<b>6.4</b>	<b>17.7</b>	<b>4,715,855</b>	<b>4,907,454</b>	<b>4.1</b>
Changes in provisions for redemption, lottery and bonus	(1,496,940)	(1,359,015)	(1,602,806)	7.1	17.9	(4,257,483)	(4,462,760)	4.8
<b>Revenue with load fee</b>	<b>151,131</b>	<b>131,183</b>	<b>150,641</b>	<b>(0.3)</b>	<b>14.8</b>	<b>458,373</b>	<b>444,693</b>	<b>(3.0)</b>
Result with lottery	19,012	14,114	20,494	7.8	45.2	36,548	51,609	41.2
Acquisition costs	(141,537)	(133,655)	(150,179)	6.1	12.4	(412,301)	(443,201)	7.5
G&A	(28,022)	(25,038)	(19,860)	(29.1)	(20.7)	(76,521)	(70,922)	(7.3)
Other	49	(879)	(8)	-	(99.1)	(139)	(898)	-
<b>Non-interest operating result</b>	<b>633</b>	<b>(14,274)</b>	<b>1,088</b>	<b>71.9</b>	<b>-</b>	<b>5,960</b>	<b>(18,718)</b>	<b>-</b>
Net investment income	124,462	116,361	114,979	(7.6)	(1.2)	330,261	357,653	8.3
<b>Earnings before taxes and profit sharing</b>	<b>125,095</b>	<b>102,087</b>	<b>116,067</b>	<b>(7.2)</b>	<b>13.7</b>	<b>336,221</b>	<b>338,935</b>	<b>0.8</b>
Taxes and profit sharing	(52,205)	(31,708)	(46,353)	(11.2)	46.2	(137,202)	(128,111)	(6.6)
<b>Net income</b>	<b>72,890</b>	<b>70,379</b>	<b>69,714</b>	<b>(4.4)</b>	<b>(0.9)</b>	<b>199,019</b>	<b>210,824</b>	<b>5.9</b>

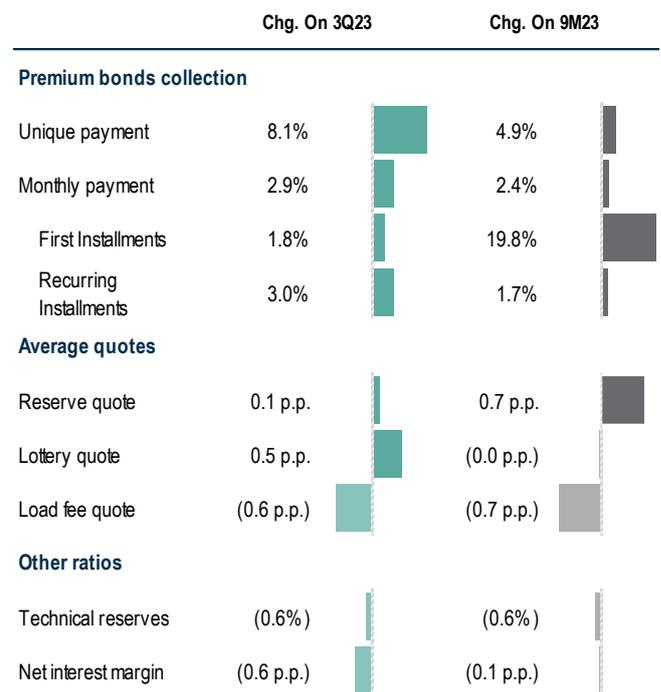
In **3Q24**, the **net income** from premium bonds operation was down 4.4% YoY, to R\$69.7 million. The decline is largely attributed to the 0.6 p.p. contraction in the **interest margin**, explained by the reduction in the average Selic rate, an effect that was partially offset by the lower effective tax rate (-2.1 p.p.), reflecting the recognition of tax credits related to “Lei do Bem” which totaled R\$2.4 million.

**Premium bonds collections** grew 6.4%, a movement explained by the increase in the average ticket in the quarter. On the other hand, **revenue with load fee** fell 0.3%, with the average load fee falling 0.6 p.p. This dynamic is due to the greater share of short-term bonds (12 and 24 months) in the total collection, considering that these products have a lower load fee compared to the longer ones, which had a greater representation in the flow in 3Q23.

**Year to date**, the **net income** grew 5.9%, driven by the increase in the **net investment income** (+8.3%), with an expansion in the average balance of financial investments and reduction in the effective tax rate (-3.7 p.p.), resulting from both the favorable decision in a legal claim related to CSLL, which positively impacted the 2Q24 by R\$11.3 million, and the recognition of tax credits related to “Lei do Bem” in 3Q24.

The **premium bonds collection** increased by 4.1%, performance attributed to the higher average ticket of the bonds. On the other hand, **revenue with load fee** fell by 3.0%, with a reduction of 0.7 p.p. in the average fee, due to the greater concentration of collection in single payment bonds with shorter terms.

Figure 14 – Key performance indicators



## BB Corretora | Brokerage (for further details, see page 82)

Table 9 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q23	2Q24	3Q24	On 3Q23	On 2Q24	9M23	9M24	On 9M23
Brokerage revenues	1,295,340	1,334,557	1,420,639	9.7	6.5	3,695,772	4,101,380	11.0
G&A	(238,211)	(245,957)	(255,215)	7.1	3.8	(687,291)	(738,435)	7.4
Equity income	1,302	3,771	2,601	99.8	(31.0)	2,390	7,264	204.0
<b>Earnings before interest and taxes</b>	<b>1,058,432</b>	<b>1,092,372</b>	<b>1,168,026</b>	<b>10.4</b>	<b>6.9</b>	<b>3,010,870</b>	<b>3,370,209</b>	<b>11.9</b>
Net investment income	130,435	109,503	134,029	2.8	22.4	320,138	335,101	4.7
<b>Earnings before taxes</b>	<b>1,188,867</b>	<b>1,201,875</b>	<b>1,302,055</b>	<b>9.5</b>	<b>8.3</b>	<b>3,331,008</b>	<b>3,705,310</b>	<b>11.2</b>
Taxes	(398,034)	(407,400)	(439,223)	10.3	7.8	(1,125,670)	(1,254,741)	11.5
<b>Net income</b>	<b>790,833</b>	<b>794,475</b>	<b>862,832</b>	<b>9.1</b>	<b>8.6</b>	<b>2,205,339</b>	<b>2,450,569</b>	<b>11.1</b>

In **3Q24**, BB Corretora's **net income** grew 9.1% YoY, driven by the brokerage revenues up 9.7%, the 0.5 p.p. improvement in EBIT margin and the 2.8% increase in net investment income.

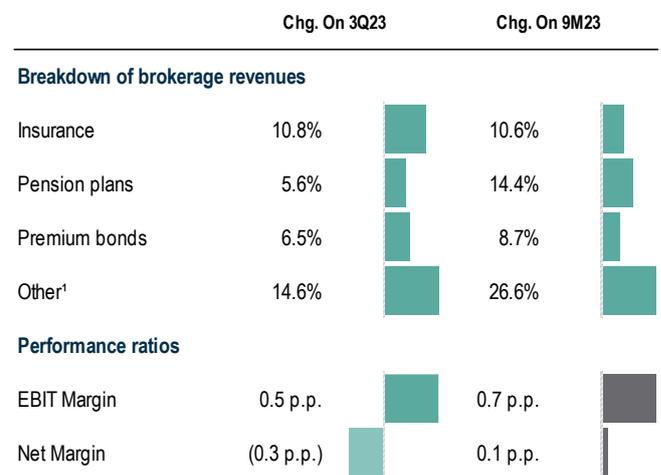
The evolution of **brokerage revenues** is explained by the concentration of premiums written in products that pays higher commission, in addition to the recognition of deferred revenues from the insurance sales. To a lesser extent, the pension segment also contributed to this improvement, with revenues growing 5.6%, due to the increase of collections in periodic contribution plans, which have a higher percentage of commissions in the first installments when compared to sporadic products. Brokerage revenues from premium bonds increased 6.5%, in line with the growth in collections (+6.4%).

The improvement of the **EBIT margin** was mainly driven by the reduction in administrative costs of products, due to the sales mix more concentrated on products with a lower average reimbursement cost to Banco do Brasil, and to the reduction in operating support expenses, an effect partially offset by the increase in sales incentives.

The higher **net investment income** is justified by the expansion in the average balance of assets, more than offsetting the reduction in Selic rate.

**Year to date, net income** grew 11.1%, an expansion led by: (i) 11.0% increase in brokerage revenues, for the same reasons impacting the quarter; (ii) an improvement of 0.7 p.p. EBIT margin; and (iii) 4.7% increase in the net investment income, due to the expansion in the average balance of investments.

Figure 15 – Key performance indicators



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

## ■ OTHER INFORMATION

Table 10 – Market share and ranking<sup>1,2</sup>

	Unit	Quarterly Flow			9 Months Flow	
		3Q23	2Q24	3Q24	9M23	9M24
<b>Life</b>						
Premiums written	R\$ thousand	943,848	887,642	911,022	2,718,837	2,671,471
Market-share	%	11.8	10.7	10.7	12.1	10.8
Ranking		2°	2°	2°	1°	2°
<b>Credit life</b>						
Premiums written	R\$ thousand	940,532	834,870	1,026,650	2,483,689	2,890,310
Market-share	%	21.3	16.7	17.6	19.4	18.5
Ranking		1°	1°	1°	1°	1°
<b>Mortgage life</b>						
Premiums written	R\$ thousand	79,898	81,931	84,591	235,968	246,431
Market-share	%	4.9	4.7	4.8	5.0	4.7
Ranking		6°	6°	6°	6°	6°
<b>Rural</b>						
Premiums written	R\$ thousand	3,163,335	1,811,984	2,937,134	6,797,823	6,724,404
Market-share	%	65.7	60.0	64.2	60.7	61.3
Ranking		1°	1°	1°	1°	1°
<b>Home</b>						
Premiums written	R\$ thousand	109,762	106,045	113,534	297,858	329,513
Market-share	%	7.1	6.4	6.5	7.2	6.5
Ranking		6°	7°	8°	6°	6°
<b>Commercial lines<sup>3</sup></b>						
Premiums written	R\$ thousand	190,298	20,597	102,647	546,350	341,907
Market-share	%	5.9	-	-	6.0	3.4
Ranking		5°	-	-	5°	9°
<b>Pension Plans</b>						
Technical reserves	R\$ thousand	379,019,363	410,300,677	422,501,924	-	-
Market-share	%	28.4	27.9	27.9	-	-
Ranking		1°	1°	1°	-	-
<b>Contributions</b>	R\$ thousand	16,466,696	12,466,242	16,394,142	43,534,386	45,638,706
Market-share	%	35.1	26.2	32.9	35.7	31.5
Ranking		1°	1°	1°	1°	1°
<b>Premium Bonds</b>						
Reserves	R\$ thousand	11,091,503	11,165,361	11,024,972	-	-
Market-share	%	28.3	28.0	27.7	-	-
Ranking		1°	1°	1°	-	-
Collections	R\$ thousand	1,648,071	1,490,198	1,753,447	4,715,855	4,907,454
Market-share	%	21.5	19.4	20.7	21.3	20.9
Ranking		2°	2°	2°	1°	2°

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

2. Market share considering only premiums written for the business lines in which Brasilseg operates.

3. Market share of commercial lines affected by the termination of contract for warranty insurance product in 2Q24.

Table 11 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	1	1,325,000,000	66.3%
Treasury Stocks	1	58,813,981	2.9%
<b>Free Float</b>	<b>520,432</b>	<b>616,186,019</b>	<b>30.8%</b>
Foreign investors	914	381,815,507	19.1%
Companies	3,504	62,957,232	3.1%
Individuals	516,014	171,413,280	8.6%
<b>Total</b>	<b>520,434</b>	<b>2,000,000,000</b>	<b>100.0%</b>

Table 12 – Stocks | Performance

	Unit	Quarterly Flow				
		3Q23	4Q23	1Q24	2Q24	3Q24
<b>Stock's performance</b>						
Earnings per share	R\$	1.03	1.03	0.92	0.94	1.13
Dividends per share	R\$	1.61	-	1.23	-	1.35
Equity per share	R\$	4.96	4.56	5.51	4.52	5.68
Closing price	R\$	31.21	33.65	32.52	32.93	35.50
Annualized dividend yield <sup>1</sup>	%	11.92	10.22	8.71	8.90	7.73
Market capitalization	R\$ million	62,420	67,300	65,040	65,860	71,000
<b>Ratios</b>						
P/E (12 month trailing)	x	8.36	8.73	8.34	8.42	8.84
P/BV	x	6.30	7.39	5.90	7.29	6.25
<b>Business data</b>						
Number of trades carried out		920,454	967,094	810,232	867,551	943,966
Average daily volume traded	R\$ million	154	162	162	154	153
Average daily volume traded - B3	R\$ million	19,741	19,585	21,697	18,836	18,235
Share on B3's average volume	%	0.78	0.82	0.75	0.82	0.84

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