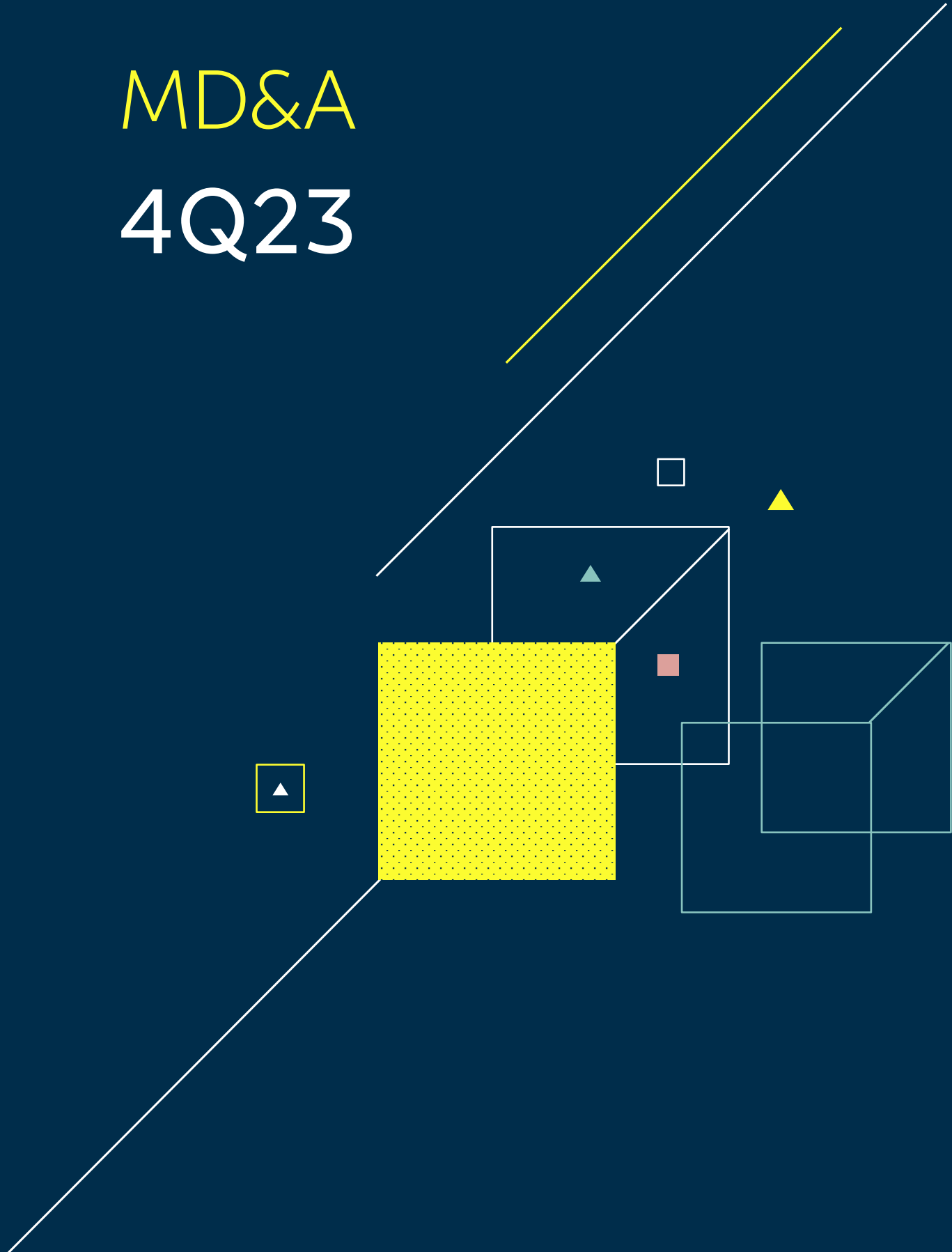


# MD&A

## 4Q23



## ■ PRESENTATION

The Management Discussion and Analysis – MD&A presents the economic and financial status of BB Seguridade Participações S.A. (BB Seguridade). Directed to financial analysts, shareholders and investors, this quarterly report provides an analysis of economic and financial indicators of BB Seguridade, stocks' performance and other aspects considered relevant for the assessment of the company's achievements.

The consolidated financial statements were prepared in compliance with the International Financial Reporting Standards – IFRS.

On the other hand, the analysis provided on this report are based on the accounting standards adopted by insurance regulators in Brazil – Susep and ANS –, except when otherwise mentioned.

## ■ ON-LINE ACCESS

This MD&A is available at BB Seguridade's IR website, where additional information about the Company is also available such as: corporate structure, corporate governance, historical data, among other important information for shareholders and investors. The company's website can be accessed through [www.bbseguridaderi.com.br](http://www.bbseguridaderi.com.br).

This report makes references and statements about expectations, expected synergies, growth estimates, earnings forecasts and future strategies regarding BB Seguridade. Such statements are based on current expectations, estimates and projections of the Management about future events and financial trends that may affect the businesses that the company is involved in.

These forward looking statements are not guarantee of future performance and involve risks and uncertainties that could overextend the control of the management, and thus can result in balances and values different from those anticipated and discussed in this report. The expectations and projections depend on market conditions (technological changes, competitive constraints on products, prices, etc.), on the country's macroeconomic performance (interest and exchange rates, political and economic changes, inflation, changes in tax rules, etc.) and on international markets.

Future expectations based on this report should consider the risks and uncertainties that involve BB Seguridade's businesses. BB Seguridade has no responsibility to update any estimate contained either in this report or in previously published reports.

Tables and charts in this report show, in addition to the accounting balances, financial and managerial figures. The relative variation rates are calculated before the rounding procedure in R\$ million. The rounding method used follows the rules established by Resolution 886/66 of IBGE's Foundation: if the decimal number is equal or greater than 0.5, it increases by one unit, if the decimal number is less than 0.5, there is no increase.

## 4Q23 Earnings Conference Call

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February 5<sup>th</sup>, 2024

Portuguese with simultaneous translation into English

Time: 11:00 AM (Brasilia time)  
09:00 AM (EST)

Livestream via ZOOM platform

To register for the event and receive the connection information, access [Zoom id](#) or the investor relations website [www.bbseguridaderi.com.br/en](http://www.bbseguridaderi.com.br/en)

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# 1. SUMMARY

## ■ NET INCOME ANALYSIS

The Brazilian Securities and Exchange Commission – CVM Rule No. 42/2021 made it mandatory for Brazilian Public-held companies the adoption of the principles of IFRS 17 standards for the recognition, measurement, presentation, and disclosure of insurance contracts as of January 1, 2023. Thus, since the 1Q23, the audited financial statements of BB Seguridade follows the new accounting standards of IFRS 17, particularly regarding the recognition of the equity investment balance and results arising from Brasilseg, Brasilprev and Brasil dental that operate insurance contracts within the new accounting standards.

On the other hand, the Brazilian insurance regulators, namely Superintendência de Seguros Privados – Susep and National Supplementary Health Insurance Agency – ANS, have not adopted the IFRS 17 for their sectors and, therefore, the insurance and health insurance companies shall comply with the former standard (IFRS 4), both for recognition, measurement, presentation, and disclosure of financial information, as well as for provisions, liquidity and capital management, including the regulatory capital, that weigh the shareholders' remuneration policies.

For the reason set forth herein, except when otherwise mentioned, the analysis on this report are based on managerial information prepared according to IFRS 4, which are not audited at the holding level. For information purposes, Chapter 6 of this document presents the audited financial statements in accordance with IFRS 17 of the holding co., Brasilseg and Brasilprev so that the stakeholders can get used to the new reporting models. This information does not rule out the need of reading the explanatory notes to the audited financial statements to understand the accounting practices and impacts on the transition and on the recognition of insurance contracts' income.

Finally, it should be noted that, due to operational issues, as of January 2023, the accounting recognition of the investment in Brasil dental will be carried out with a delay of one month. Thus, 4Q23 contains information related to September, October and November, immaterially impacting the comparison with 4Q22 earnings.

Table 1 – Income statement of the holding

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Equity income</b>	<b>1,807,767</b>	<b>2,038,548</b>	<b>2,054,059</b>	<b>13.6</b>	<b>0.8</b>	<b>6,042,790</b>	<b>7,692,039</b>	<b>27.3</b>
Underwriting and accumulation businesses	1,108,438	1,235,335	1,256,833	13.4	1.7	3,364,439	4,653,274	38.3
Brasilseg	636,034	786,181	828,098	30.2	5.3	2,081,552	3,017,131	44.9
Brasilprev	425,461	396,048	377,423	(11.3)	(4.7)	1,116,786	1,439,405	28.9
Brasilcap	41,959	48,667	46,282	10.3	(4.9)	145,199	179,163	23.4
Brasilidental	4,985	4,439	5,030	0.9	13.3	20,902	17,575	(15.9)
Distribution businesses	771,759	790,833	783,060	1.5	(1.0)	2,729,478	2,988,399	9.5
Other	(72,430)	12,380	14,166	-	14.4	(51,128)	50,366	-
<b>G&amp;A expenses</b>	<b>(5,568)</b>	<b>(5,943)</b>	<b>(5,293)</b>	<b>(4.9)</b>	<b>(10.9)</b>	<b>(23,001)</b>	<b>(25,771)</b>	<b>12.0</b>
<b>Net investment income</b>	<b>3,939</b>	<b>31,850</b>	<b>9,931</b>	<b>152.1</b>	<b>(68.8)</b>	<b>25,833</b>	<b>58,691</b>	<b>127.2</b>
<b>Earnings before taxes and profit sharing</b>	<b>1,806,138</b>	<b>2,064,454</b>	<b>2,058,697</b>	<b>14.0</b>	<b>(0.3)</b>	<b>6,045,622</b>	<b>7,724,958</b>	<b>27.8</b>
Taxes	451	(7,659)	(3,729)	-	(51.3)	(1,050)	(11,621)	-
<b>Net income</b>	<b>1,806,590</b>	<b>2,056,795</b>	<b>2,054,967</b>	<b>13.7</b>	<b>(0.1)</b>	<b>6,044,571</b>	<b>7,713,337</b>	<b>27.6</b>

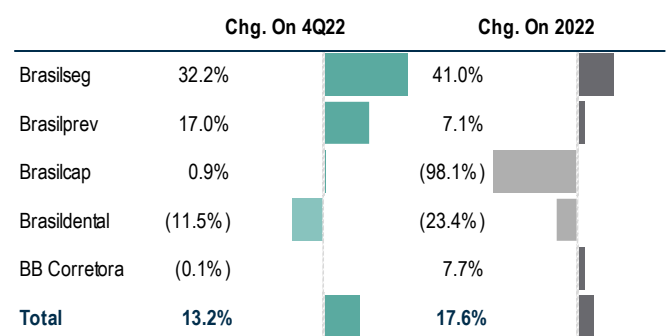
In **4Q23**, BB Seguridade's **net income** totaled R\$2.1 billion (+13.7% YoY). The main highlights that led to the increase of R\$248.4 million were:

- **Brasilseg (+R\$192.1 million)**: with an increase in earned premiums, a reduction in loss and commission ratios and an improvement in net investment income;
- **Others (+R\$86.6 million)**: due to lower tax expenses and provision for price adjustment of Brasilveículos' assets sold to MAPFRE (earn-out);
- **BB Corretora (+R\$11.3 million)**: with growth in brokerage revenues and a raise in net investment income; and
- **Brasilcap (+R\$4.3 million)**: due to the growth in net investment income, with an expansion in the average balance of investments and an improvement in the net interest margin.

On the other hand, the contribution from **Brasilprev** to the net income fell R\$48.0 million as compared to 4Q22, reflecting the increase in the income tax rate (+19.2 p.p.), since the 4Q22 result was favored by the tax benefit resulting from the payment of IoC and the recognition of tax credit related to "Lei do Bem", factors that significantly reduced the tax rate of the 4Q22.

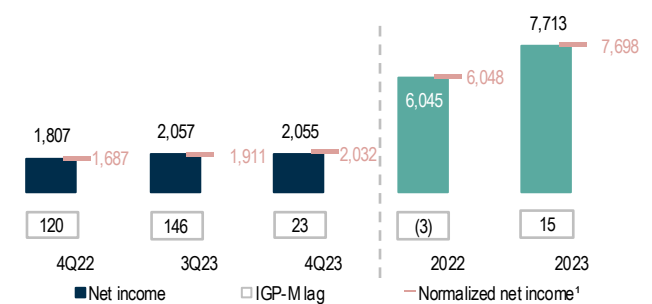
In **2023**, net income grew by R\$1.7 billion (+27.6%), reaching R\$7.7 billion in the year. The main variations were:

- **Brasilseg (+R\$935.6 million)**: with an increase in earned premiums, a reduction in loss ratio and an increase in net investment income;
- **Brasilprev (+R\$322.6 million)**: with strong growth of net investment income, explained by the reduction in the cost of liabilities linked to defined benefit plan reserves and mark-to-market gains of financial assets for trading;
- **BB Corretora (+R\$258.9 million)**: with an increase in brokerage revenues and an expansion in net investment income;
- **Others (+R\$101.5 million)**: due to lower tax expenses and with the provisions for price adjustment of Brasilveículos' assets sold to MAPFRE (earn-out); and

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

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

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

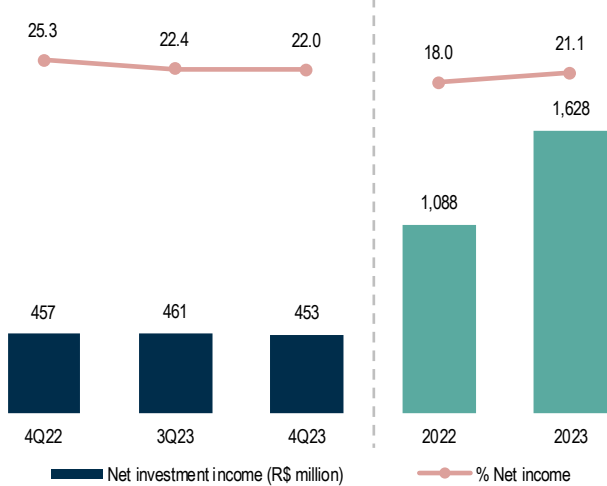


<sup>1</sup>Net income excluding the impacts of the one-month lag in the IGP-M accrual on liabilities.

- **Brasilcap (+R\$34.0 million)**: due to the growth in net investment income, with an expansion in the average balance of investments and an increase in the financial margin.

## NET INVESTMENT INCOME ANALYSIS

Figure 3 – Combined net investment income



In **4Q23**, the combined net investment income of BB Seguridade and its investees reached R\$453.0 million after taxes, 0.8% lower than reported in the same period of 2022. The decrease is largely attributed to the spike of effective income tax rate of Brasilprev, which was favored in 4Q22 by the tax benefit resulting from the payment of IoC and the recognition of tax credit related to “Lei do Bem”. The reduction in the average Selic rate also contributed to the fall in the net investment income, partly offset by mark-to-market gains, which benefited the financial result of Brasilprev, and the expansion of the average balance of the financial assets in the other companies.

**In the year**, the combined net investment income of the group grew 49.7%. The performance is mainly attributed to the deflation of the IGP-M and positive mark-to-market result, which contributed significantly to the improvement of the net investment income of Brasilprev, in addition to the expansion of the average balance of financial assets within the group companies and the rise of the average Selic rate.

Figure 4 – Inflation rate (%)

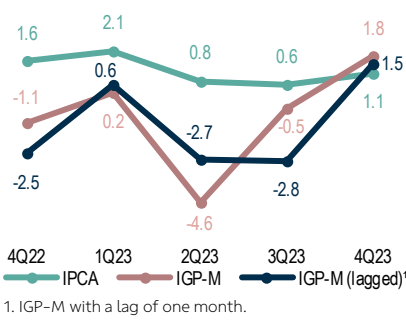


Figure 5 – Average Selic rate (%)

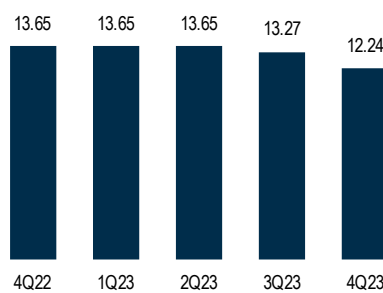


Figure 6 – Forward yield curve (%)

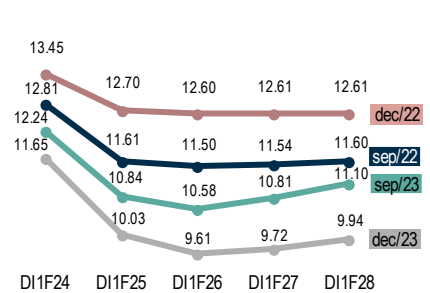


Figure 7 – Financial investments (%)

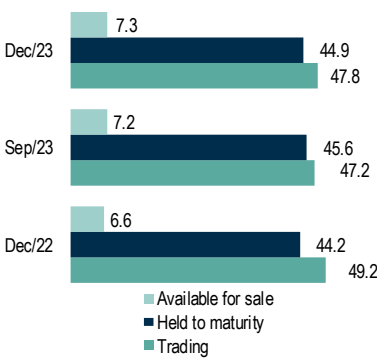


Figure 8 – Financial investments by index (%)

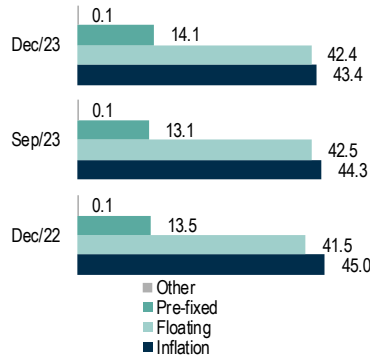
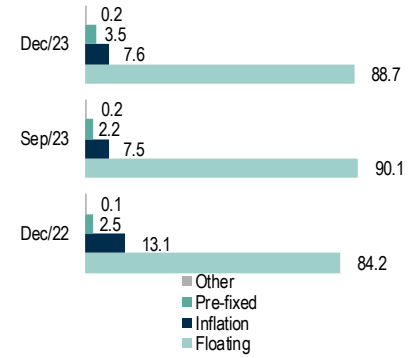


Figure 9 – Trading portfolio by index (%)



## ■ 2023 GUIDANCE

In the year, the Company surpassed the growth ranges disclosed in the Guidance 2023 for the non-interest operating result (ex-holdings), with an increase of 17.6%, and Brasilprev's PGBL and VGBL pension plans reserves, which grew 14.9%. However, the indicator of premiums written of Brasilseg was 1.1 p.p. below the projected range, growing 8.9% in the year, although the retained premiums performed in line with the projection interval, with growth of 12.4%. The deviations are explained by:

**Non-interest operating result (ex-holdings):** the performance was explained by Brasilseg's loss ratio well below the estimates, mainly due to reduction of losses related to climatic events in the Harvest 2022-2023, which led crop insurance claims to reach the lowest level since the IPO.

**Premiums written of Brasilseg:** the lower volume of crop insurance premiums and the negative impact of IGP-M deflation to premiums adjustment for term-life insurance were the main factors explaining the result below the guidance range.

**PGBL and VGBL pension plan reserves of Brasilprev:** outperformed the estimates due to the strong inflow performance and lower redemption and portability outflows, which led to net inflow growing more than five times compared to 2022.

Figure 10 – 2023 estimates

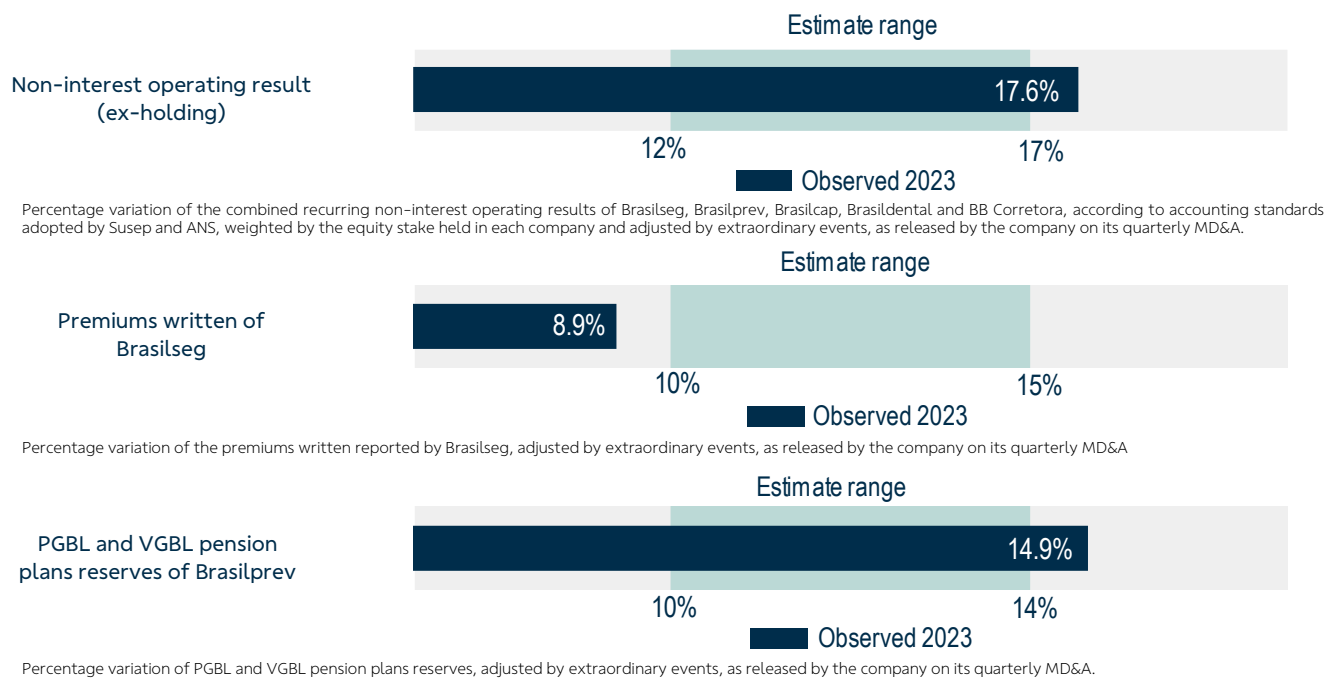


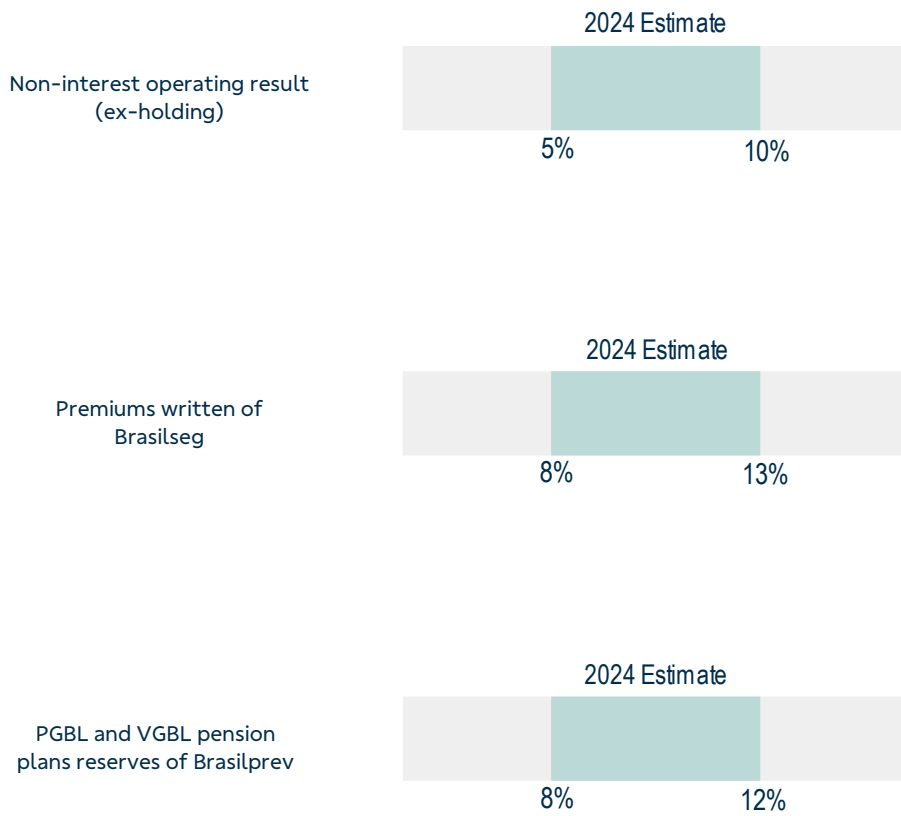
Table 2 – Breakdown of the non-interest operating result by company

R\$ thousand	Annual Flow		Chg. %
	2022	2023	On 2022
<b>Non-interest operating result</b>	<b>7,589,058</b>	<b>8,921,140</b>	<b>17.6</b>
Brasilseg	2,331,928	3,287,786	41.0
Brasilprev	1,455,166	1,558,380	7.1
Brasilcap	11,958	231	(98.1)
Brasidental	28,377	21,747	(23.4)
BB Corretora	3,761,630	4,052,996	7.7

## ■ 2024 GUIDANCE

For 2024, BB Seguridade presents its projections below, maintaining the indicators of the Guidance 2023. It is worth mentioning that the projections are based on unaudited managerial numbers, disclosed by the Company in this report, which does not consider the effects of the adoption of the new accounting standard of IFRS 17 from 2023. Such managerial figure is aligned with the accounting standard adopted by the Superintendence of Private Insurance - SUSEP and the National Agency of Supplementary Health - ANS, which so far have not received the IFRS 17 for the entities supervised by them in the insurance, open pension and health and dental plans sectors, which, therefore, continue to elaborate and disclose their financial statements and calculate their capital requirements without the impact of the new accounting standard.

Figure 11 – 2024 estimates



Percentage variation of the combined recurring non-interest operating results of Brasilseg, Brasilprev, Brasilcap, Brasil dental and BB Corretora, weighted by the equity stake held in each company and adjusted by extraordinary events, as released by the company on its quarterly MD&A, not considering the adoption of IFRS 17.

Percentage variation of the premiums written reported by Brasilseg, adjusted by extraordinary events, as released by the company on its quarterly MD&A, not considering the adoption of IFRS 17.

Percentage variation of PGBL and VGBL pension plans reserves, adjusted by extraordinary events, as released by the company on its quarterly MD&A, not considering the adoption of IFRS 17.



## SUMMARY OF INVESTEE'S PERFORMANCES

### Brasilseg | Insurance (for further details, please refer to the page 24)

Table 3 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
Premiums written	4,122,678	5,432,673	4,072,182	(1.2)	(25.0)	15,768,839	17,166,994	8.9
Changes in technical reserves and premiums ceded	(1,163,588)	(2,184,880)	(753,105)	(35.3)	(65.5)	(4,973,977)	(4,428,097)	(11.0)
<b>Retained earned premiums</b>	<b>2,959,090</b>	<b>3,247,793</b>	<b>3,319,077</b>	<b>12.2</b>	<b>2.2</b>	<b>10,794,861</b>	<b>12,738,898</b>	<b>18.0</b>
Retained claims	(767,191)	(868,424)	(764,775)	(0.3)	(11.9)	(3,328,495)	(3,404,130)	2.3
Retained acquisition costs	(945,848)	(894,853)	(926,968)	(2.0)	3.6	(3,211,541)	(3,519,303)	9.6
G&A	(361,110)	(326,672)	(454,893)	26.0	39.3	(1,145,884)	(1,422,006)	24.1
Other	417	(3,938)	(1,886)	-	(52.1)	711	(9,160)	-
<b>Non-interest operating result</b>	<b>885,357</b>	<b>1,153,906</b>	<b>1,170,555</b>	<b>32.2</b>	<b>1.4</b>	<b>3,109,652</b>	<b>4,384,299</b>	<b>41.0</b>
Net investment income	239,084	262,994	272,329	13.9	3.5	771,198	977,074	26.7
<b>Earnings before taxes and profit sharing</b>	<b>1,124,441</b>	<b>1,416,900</b>	<b>1,442,884</b>	<b>28.3</b>	<b>1.8</b>	<b>3,880,850</b>	<b>5,361,372</b>	<b>38.1</b>
Taxes and profit sharing	(271,375)	(363,383)	(333,470)	22.9	(8.2)	(1,085,441)	(1,317,447)	21.4
<b>Net income</b>	<b>853,066</b>	<b>1,053,517</b>	<b>1,109,414</b>	<b>30.1</b>	<b>5.3</b>	<b>2,795,409</b>	<b>4,043,925</b>	<b>44.7</b>

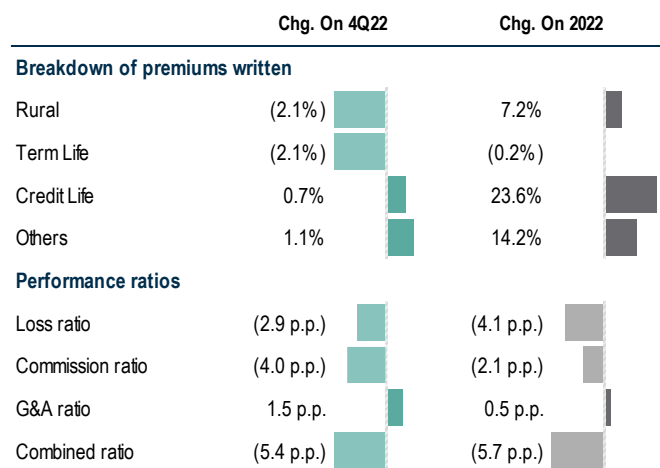
In **4Q23**, the **net income** of the insurance operation was up 30.1% YoY, with the evolution of **retained earned premiums** (+12.2%) and reduction of **loss ratio** (-2.9 p.p.), which led to a 32.2% higher non-interest operating result. The **net investment income** was up 13.9%, justified by the expansion of the average balance of earning assets and the decrease of the average rate on bearing liabilities.

**Premiums written** decreased by 1.2% YoY. The variation is explained by the following retractions: (i) **crop insurance** (-25.5%), due to lower demand and reduced average insured amount; (ii) **rural lien** (-7.9%), given the fall in sales volume; and (iii) **term life** (-2.1%) due to retraction of renewals as compared to the 4Q22. These effects were partially offset by the evolution in sales and average ticket of **credit life for farmer** (+18.6%).

The **general and administrative expenses** ratio rose 1.5 p.p., impacted by the increase of other operating expenses, more concentrated in the endomarketing line, and by higher administrative expenses with location and operation.

In **2023**, **net income** grew 44.7%, a consequence of lower **loss ratio** (-4.1 p.p.), especially crop insurance that registered the lowest level of the last ten years, the increase in **retained earned premiums** (+18.0%), driven mainly by rural (+30.0%) and credit life (+23.2%), and the highest **net investment income** (+26.7%), led by both the expansion of the average balance and the higher average rate of investments, benefited by the spike in the average Selic rate in the year.

Figure 12 – Key performance indicators



## Brasilprev | Pension plans (for further details, see page 45)

Table 4 – Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Total revenue from pension and insurance</b>	<b>12,960,663</b>	<b>16,466,696</b>	<b>13,736,685</b>	<b>6.0</b>	<b>(16.6)</b>	<b>52,816,022</b>	<b>57,271,071</b>	<b>8.4</b>
Provision for benefits to be granted	(12,955,472)	(16,461,979)	(13,732,024)	6.0	(16.6)	(52,795,218)	(57,251,749)	8.4
<b>Net revenue from pension and insurance</b>	<b>5,191</b>	<b>4,717</b>	<b>4,661</b>	<b>(10.2)</b>	<b>(1.2)</b>	<b>20,804</b>	<b>19,322</b>	<b>(7.1)</b>
Management fee	808,330	893,318	864,720	7.0	(3.2)	3,244,613	3,426,592	5.6
Acquisition costs	(175,360)	(186,259)	(187,703)	7.0	0.8	(696,584)	(742,032)	6.5
Retained earned premiums	40,581	43,488	53,199	31.1	22.3	183,833	170,726	(7.1)
G&A	(187,294)	(191,103)	(232,993)	24.4	21.9	(692,639)	(760,341)	9.8
Other	(39,374)	(9,918)	27,239	-	-	(119,547)	(36,148)	(69.8)
<b>Non-interest operating result</b>	<b>452,074</b>	<b>554,243</b>	<b>529,123</b>	<b>17.0</b>	<b>(4.5)</b>	<b>1,940,480</b>	<b>2,078,118</b>	<b>7.1</b>
Net investment income	260,276	296,547	302,489	16.2	2.0	329,585	1,069,026	224.4
<b>Earnings before taxes and profit sharing</b>	<b>712,350</b>	<b>850,790</b>	<b>831,611</b>	<b>16.7</b>	<b>(2.3)</b>	<b>2,270,065</b>	<b>3,147,144</b>	<b>38.6</b>
Taxes and profit sharing	(145,030)	(323,186)	(328,842)	126.7	1.8	(780,918)	(1,240,101)	58.8
<b>Net income</b>	<b>567,319</b>	<b>527,604</b>	<b>502,770</b>	<b>(11.4)</b>	<b>(4.7)</b>	<b>1,489,147</b>	<b>1,907,043</b>	<b>28.1</b>

In the **4Q23**, the **net income** of pension plans segment reduced 11.4% YoY, to R\$502.8 million. The drop is attributed to the spike of the effective income tax rate (+19.2 p.p.), since in 4Q22 it was paid loC (R\$307.2 million) and recognized the tax credit arising from the tax benefit of “Lei do Bem” (R\$12.7 million), which significantly reduced the ratio in that quarter.

The **non-interest operating income** grew 17.0%, a consequence of reversals in the provision for claims to be settled (R\$13.8 million) and related expenses (R\$7.8 million), which positively impacted the lines expenses with benefits, redemptions and claims and variation of other technical provisions, respectively. The 7.0% increase in **revenue with management fee** also contributed significantly to the growth of non-interest operating result, driven by the 14.0% expansion of **pension reserves** in the last 12 months. On the other hand, the **annualized average management fee** contracted 0.04 p.p., impacted by the higher flow of investments directed to more conservative products, which led to a lower participation of multimarket funds in total reserves, with 22.0% at the end of December 2023 (-5.3 p.p. on Dec/22 | -1.2 p.p. on Sep/23).

Pension **contributions** grew 6.0% compared to 4Q22, totaling R\$13.7 billion. The evolution of inflows, combined with the improvement of the **redemption** (-1.4 p.p.) and **portability ratios** (-0.6 p.p.), led to a **net inflow** of R\$1.6 billion in the period, an amount more than two times the one recorded in 4Q22.

The **net investment income** grew 16.2% YoY, improvement explained by mark-to-market gains arising from the downward shift of the forward yield curve, expansion of the volume of financial investments and reduction of the average balance of technical provisions related to defined benefit plans.

In the year, **net income** grew 28.1%, driven by the **net investment income** more than three times the observed in 2022. The deflation of the IGP-M, which significantly reduced the cost of liabilities linked to defined benefit plans, was the main factor responsible for the increase in the year, combined with the positive result of mark-to-market and growth in the average balance of financial investments.

Figure 13 – Key performance indicators

	4Q23	Chg. On 4Q22	2023	Chg. On 2022
Net inflows (R\$ billion)	1,605	137.5%	8,911	423.5%
Reserves (R\$ billion)	392	14.0%	-	-
Management fee (%)	0.93	(0.04 p.p.)	0.95	(0.05 p.p.)
Redemption ratio (%)	10.1	(1.4 p.p.)	10.5	(1.1 p.p.)
Portability ratio (%)	1.3	(0.6 p.p.)	1.2	(1.0 p.p.)
Cost to income ratio (%)	42.6	(4.4 p.p.)	42.5	(1.2 p.p.)

**Net inflow** reached R\$8.9 billion, more than five times the amount recorded last year. The performance is attributed to the expansion of **contributions** (+8.4%), reduction of the **redemption ratio** (-1.1 p.p.) and drop in **portability ratio** (-1.0 p.p.).

**Revenues with management fee** rose 5.6% YoY, driven by an increase in the pension reserves balance which more than offset the decrease of 0.05 p.p. in the average management fee, explained by the lower representativeness of the multimarket funds in the total assets under management, as mentioned in the quarterly review.

## Brasilcap | Premium Bonds (for further details, see page 59)

Table 5 - Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Premium bonds collection</b>	<b>1,743,163</b>	<b>1,648,071</b>	<b>1,731,916</b>	<b>(0.6)</b>	<b>5.1</b>	<b>5,949,271</b>	<b>6,447,771</b>	<b>8.4</b>
Changes in provisions for redemption, lottery and bonus	(1,561,977)	(1,496,940)	(1,563,103)	0.1	4.4	(5,327,808)	(5,820,586)	9.2
<b>Revenue with load fee</b>	<b>181,186</b>	<b>151,131</b>	<b>168,812</b>	<b>(6.8)</b>	<b>11.7</b>	<b>621,463</b>	<b>627,185</b>	<b>0.9</b>
Result with lottery	12,913	19,012	22,247	72.3	17.0	28,734	58,795	104.6
Acquisition costs	(169,041)	(141,537)	(162,191)	(4.1)	14.6	(532,865)	(574,492)	7.8
G&A	(30,629)	(28,022)	(34,111)	11.4	21.7	(98,391)	(110,632)	12.4
Other	(45)	49	(370)	-	-	(1,048)	(510)	(51.3)
<b>Non-interest operating result</b>	<b>(5,614)</b>	<b>633</b>	<b>(5,613)</b>	<b>(0.0)</b>	<b>-</b>	<b>17,893</b>	<b>346</b>	<b>(98.1)</b>
Net investment income	87,894	124,462	112,292	27.8	(9.8)	328,015	442,554	34.9
<b>Earnings before taxes and profit sharing</b>	<b>82,279</b>	<b>125,095</b>	<b>106,679</b>	<b>29.7</b>	<b>(14.7)</b>	<b>345,908</b>	<b>442,900</b>	<b>28.0</b>
Taxes and profit sharing	(19,389)	(52,205)	(37,363)	92.7	(28.4)	(128,140)	(174,564)	36.2
<b>Net income</b>	<b>62,889</b>	<b>72,890</b>	<b>69,317</b>	<b>10.2</b>	<b>(4.9)</b>	<b>217,768</b>	<b>268,336</b>	<b>23.2</b>

In **4Q23**, the **net income** of the premium bonds operation was up 10.2% YoY, to R\$69.3 million. The performance is attributed to the growth of the **net investment income** (+27.8%), with expansion of the average balance of earning assets and improvement of the net interest margin (+0.2 p.p.).

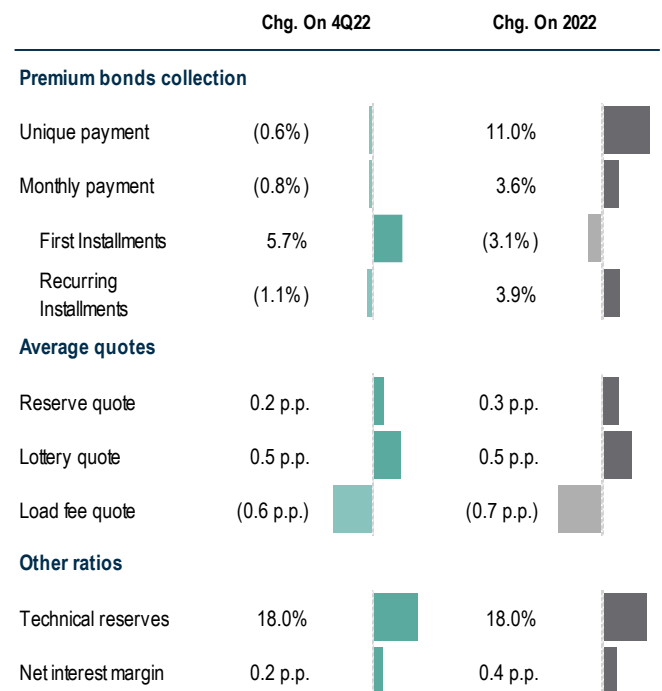
The **premium bonds collection** decreased 0.6%, due to lower volume of bonds sold, an effect that was partially offset by the higher average ticket of the unique payment bonds. **Revenue with load fee** contracted 6.8%, with a reduction of 0.6 p.p. in the average load fee quote, impacted by the greater share of short-term unique payment bonds (24 months) in the total collection, since these products have lower quote compared to long term products (36 and 48 months).

In the year, the **net income** of the premium bonds operation amounted to R\$268.3 million, 23.2% higher than in 2022. The performance was supported by the evolution of the **net investment income** (+34.9%), with expansion of the average balance of financial assets and an increase of 0.4 p.p. in the net interest margin.

The **premium bonds collection** grew 8.4%, driven both by the increase in volume sold and average ticket of unique payment bonds, in addition to the increase in the outstanding monthly payment bonds, which led to a greater volume of collection recurrence in the year.

On the other hand, **revenue with load fee** grew at a slower pace than collection (+0.9%), due to the decrease of 0.7 p.p. in the average load fee quote, which reflects the greater concentration in unique payment bonds with shorter terms, as mentioned in the quarterly review.

Figure 14 – Key performance indicators



## BB Corretora | Brokerage (for further details, see page 76)

Table 6 - Summarized income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Brokerage revenues</b>	<b>1,282,883</b>	<b>1,295,340</b>	<b>1,305,914</b>	<b>1.8</b>	<b>0.8</b>	<b>4,613,434</b>	<b>5,001,686</b>	<b>8.4</b>
G&A	(239,597)	(238,211)	(264,718)	10.5	11.1	(851,131)	(952,008)	11.9
Equity income	146	1,302	929	-	(28.7)	(673)	3,318	-
<b>Earnings before interest and taxes</b>	<b>1,043,432</b>	<b>1,058,432</b>	<b>1,042,125</b>	<b>(0.1)</b>	<b>(1.5)</b>	<b>3,761,630</b>	<b>4,052,996</b>	<b>7.7</b>
Net investment income	115,999	130,435	123,720	6.7	(5.1)	365,294	443,858	21.5
<b>Earnings before taxes</b>	<b>1,159,431</b>	<b>1,188,867</b>	<b>1,165,845</b>	<b>0.6</b>	<b>(1.9)</b>	<b>4,126,924</b>	<b>4,496,854</b>	<b>9.0</b>
Taxes	(387,672)	(398,034)	(382,785)	(1.3)	(3.8)	(1,397,446)	(1,508,455)	7.9
<b>Net income</b>	<b>771,759</b>	<b>790,833</b>	<b>783,060</b>	<b>1.5</b>	<b>(1.0)</b>	<b>2,729,478</b>	<b>2,988,399</b>	<b>9.5</b>

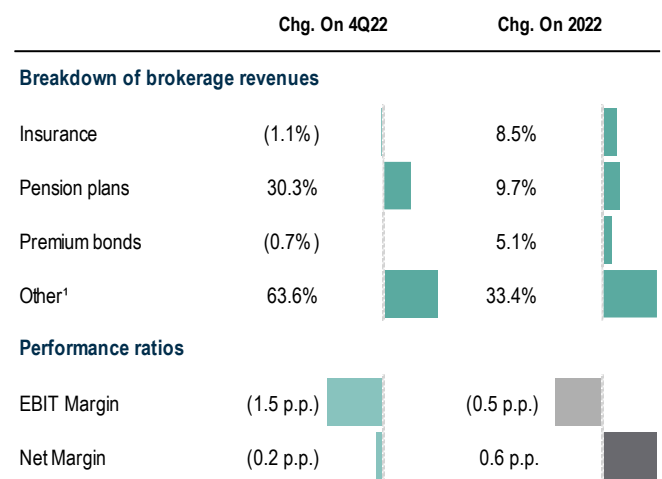
In **4Q23**, BB Corretora's **net income** increased 1.5% compared to 4Q22, a variation that is explained by the 6.7% spike in the net investment income, resulting from an increase in the average balance of investments, and 0.6 p.p. retraction in the effective income tax rate, explained by the increase in the volume of donations with tax incentives.

**Brokerage revenues** grew 1.8% YoY, driven by 30.3% increase in commissions arising from the pension plan segment, since 4Q22 was negatively impacted by a R\$28.2 million boost in the provision for commission devolution to Brasilprev, resulting from short-term redemptions. The brokerage revenues of the insurance segment shrank 1.1%, impacted by the renegotiation of the agreement with MAPFRE that extinguished the performance bonus, which registered revenue of R\$107.9 million in 4Q22, and established a higher commission percentage for term life and credit life segments, whose accrual in the P&L follows the dynamics of deferral for the term of the insurance policies, leading the 32.1% rise in the balance of unearned commission.

**EBIT margin** declined 1.5 p.p., with higher tax incentivized sponsorship and donation expenses, registered in other operating income and expenses, as well as higher other administrative expenses, due to the increase in expenses with commercial incentives campaigns, promotions to sales and maintenance of systems. The change in revenue recognition resulting from the renegotiation of the agreement with MAPFRE, as explained in the previous paragraph, was another factor that contributed to the compression of the margin.

**Year-to-date**, net income was up 9.5% YoY due to increased brokerage revenues (+8.4%), a consequence of the evolution of commercial performance in the main business lines, and the rise in net investment income (+21.5%), explained by the expansion of the average balance of financial investments.

Figure 15 – Key performance indicators



1. Include dental plans and other revenues.

## ■ OTHER INFORMATION

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

	Unit	Quarterly Flow			Annual Flow	
		4Q22	3Q23	4Q23	2022	2023
<b>Life<sup>2</sup></b>						
Premiums written	R\$ thousand	965,492	943,848	945,366	3,671,803	3,664,203
Market-share	%	12.6	11.6	11.3	12.5	11.6
Ranking		1º	2º	2º	1º	1º
<b>Credit life</b>						
Premiums written	R\$ thousand	887,506	940,532	894,017	2,732,379	3,377,707
Market-share	%	20.9	21.3	19.2	16.3	19.5
Ranking		1º	1º	1º	1º	1º
<b>Mortgage life</b>						
Premiums written	R\$ thousand	75,872	79,898	81,589	297,279	317,557
Market-share	%	5.2	4.9	4.8	5.2	4.9
Ranking		5º	6º	6º	6º	6º
<b>Rural</b>						
Premiums written	R\$ thousand	1,919,101	3,163,335	1,878,515	8,096,065	8,676,339
Market-share	%	67.5	65.6	64.9	60.1	61.7
Ranking		1º	1º	1º	1º	1º
<b>Home</b>						
Premiums written	R\$ thousand	93,499	109,762	95,078	376,268	392,936
Market-share	%	7.0	7.1	5.7	7.5	6.8
Ranking		6º	6º	7º	5º	6º
<b>Commercial lines</b>						
Premiums written	R\$ thousand	178,840	190,298	173,336	583,480	719,686
Market-share	%	5.4	5.3	4.9	4.8	5.3
Ranking		5º	5º	6º	6º	5º
<b>Pension Plans</b>						
Technical reserves	R\$ thousand	343,826,496	379,019,363	392,001,746	-	-
Market-share	%	28.4	28.4	28.3	-	-
Ranking		1º	1º	1º	-	-
<b>Contributions</b>						
	R\$ thousand	12,960,663	16,466,696	13,736,685	52,816,022	57,271,071
Market-share	%	34.0	35.1	31.8	34.4	34.7
Ranking		1º	1º	1º	1º	1º
<b>Premium Bonds</b>						
Reserves	R\$ thousand	9,608,352	11,091,503	11,335,717	-	-
Market-share	%	25.8	28.3	28.5	-	-
Ranking		1º	1º	1º	-	-
Collections	R\$ thousand	1,743,163	1,648,071	1,731,916	5,949,271	6,447,771
Market-share	%	23.7	21.5	20.4	21.0	21.1
Ranking		1º	2º	2º	2º	2º

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

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

Table 8 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	1	1,325,000,000	66.3%
Treasury Stocks	1	23,133,332	1.2%
Free Float	460,129	651,866,668	32.6%
Foreign investors	945	424,225,744	21.2%
Companies	3,327	65,076,964	3.3%
Individuals	455,857	162,563,960	8.1%
<b>Total</b>	<b>460,131</b>	<b>2,000,000,000</b>	<b>100.0%</b>

Table 9 – Stocks | Performance

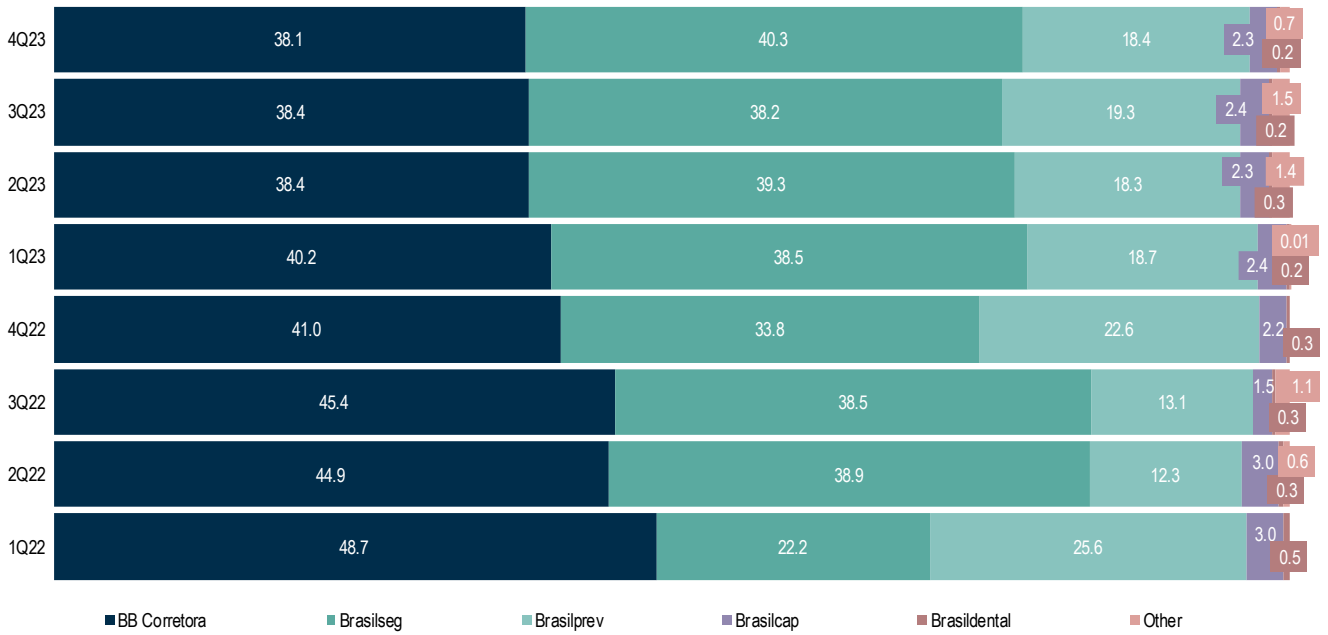
	Unit	Quarterly Flow				
		4Q22	1Q23	2Q23	3Q23	4Q23
<b>Stock's performance</b>						
Earnings per share	R\$	0.90	0.88	0.92	1.03	1.03
Dividends per share	R\$	-	1.84	-	1.61	-
Equity per share	R\$	3.80	4.69	4.03	4.96	4.56
Closing price	R\$	33.71	32.51	30.77	31.21	33.65
Annualized dividend yield <sup>1</sup>	%	7.16	9.89	10.12	11.92	10.22
Market capitalization	R\$ million	67,420	65,020	61,540	62,420	67,300
<b>Ratios</b>						
P/E (12 month trailing)	x	11.15	9.81	8.72	8.36	8.73
P/BV	x	8.88	6.93	7.63	6.30	7.39
<b>Business data</b>						
Number of trades carried out		1,474,019	1,296,891	1,242,152	920,454	967,094
Average daily volume traded	R\$ million	212	203	203	154	162
Average daily volume traded - B3	R\$ million	26,927	20,956	22,584	19,741	19,585
Share on B3's average volume	%	0.79	0.97	0.90	0.78	0.82

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

## 2. EARNINGS ANALYSIS

### ■ EARNINGS BREAKDOWN

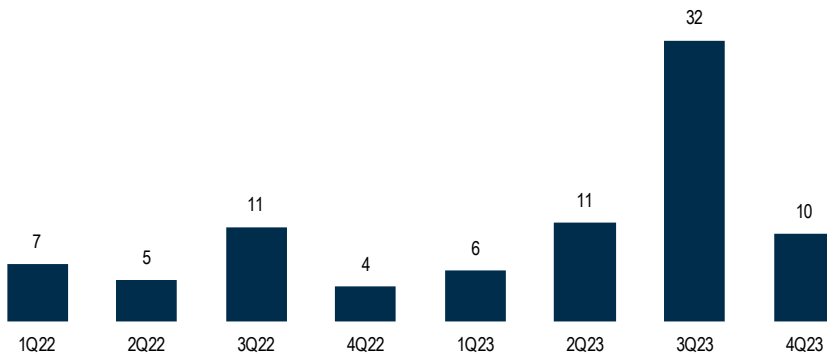
Figure 16 – Earnings Analysis | Breakdown<sup>1</sup> (%)



1. Does not consider the individual results from BB Seguridade and BB Seguros holdings and, when negative, the affiliates.

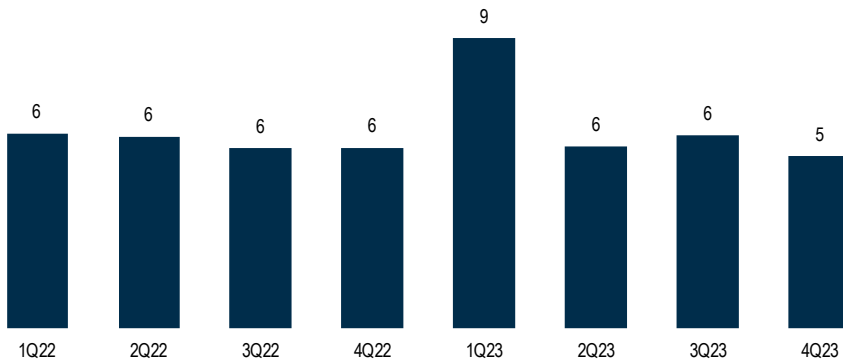
### ■ NET INVESTMENT INCOME OF THE HOLDING COMPANY

Figure 17 – Earnings Analysis | Net investment income (R\$ million)



## ■ GENERAL AND ADMINISTRATIVE EXPENSES OF THE HOLDING COMPANY

Figure 18 – Earnings Analysis | General and Administrative expenses (R\$ million)



### QUARTERLY ANALYSIS

In **4Q23**, the holding's general and administrative expenses contracted R\$275 thousand (-4.9%) as compared to 4Q22. The decrease is mainly attributed to the reduction in personnel expenses (-23.6%), after a review of the cost-sharing percentages between the holdings and BB Corretora. This reduction was partially offset by:

- increase in the other operating income and expenses, due to higher provisions for civil lawsuits that had the classification changed to "probable" loss;
- growth of administrative expenses, especially other administrative, with impact of brokerage costs and fees generated in the execution of the share buyback program launched in August/2023, in addition to higher expenses with specialized technical services; and
- higher tax expenses, because of the increase in the holding's financial revenues, considering the expansion of the average balance of financial investments.

The consolidated expenses of the holdings and BB Corretora were R\$6.1 million lower than the volume recorded in the 4Q22 (-6.9%), mostly explained by:

- lower tax expenses, since in the 4Q22 was registered a greater volume of PIS and COFINS on IoC received; and
- the end of the provisioning, in BB Seguros, of the earn-out expenses related to the disinvestment from Brasilveículos, which was sold to MAPFRE, for not reaching the sales targets in auto insurance in the bancassurance channel, after the review of the agreement in December/2022. In 4Q22 this expense totaled R\$5.6 million.

On the other hand, part of these effects was offset by the increase in administrative expenses, mainly explained by the greater volume of donations and sponsorships with tax incentives at BB Corretora, growth of expenses with sales and promotions and public relations, in addition to higher personnel expenses, with impact from the collective bargaining agreement and expansion of the headcount.

### YEAR-TO-DATE ANALYSIS

In **2023**, the holding's general and administrative expenses grew by R\$2.8 million (+12.0%) compared to 2022, a move largely explained by:

- higher tax expenses on financial revenues in line with the increase in the taxable income; and
- higher administrative expenses, mainly due to: the increase in the annual fee charged by the stock exchange for the company's shares listing; the brokerage costs and fees generated within the execution of the company's share buyback program; and higher expenses with specialized technical services and working travels.

The consolidated expenses of the holdings and BB Corretora reduced R\$5.3 million (-2.3%) in 2023, mainly due to the end of provisioning, in BB Seguros, of earn-out expenses as mentioned in the quarterly review, expenditure that negatively impacted 2022 by R\$25.2 million. In addition, tax expenses were R\$13.9 million lower in 2023, with a reduction in the volume of PIS and COFINS on IoC received.



On the other hand, the aforementioned effects were partly offset by higher administrative and personnel expenses, for the same reasons mentioned in the quarterly analysis.

Table 10 – Earnings Analysis | General and administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Administrative expenses</b>	<b>(1,204)</b>	<b>(1,173)</b>	<b>(1,388)</b>	<b>15.3</b>	<b>18.3</b>	<b>(5,105)</b>	<b>(5,397)</b>	<b>5.7</b>
Specialized technical services	(141)	(209)	(204)	44.5	(2.3)	(659)	(899)	36.5
Location and operation	(297)	(243)	(225)	(24.4)	(7.6)	(1,199)	(1,063)	(11.3)
Communication	(13)	(13)	(17)	30.9	29.1	(572)	(61)	(89.4)
Other administrative expenses	(753)	(708)	(943)	25.2	33.1	(2,675)	(3,374)	26.1
<b>Personnel expenses</b>	<b>(3,923)</b>	<b>(2,985)</b>	<b>(2,999)</b>	<b>(23.6)</b>	<b>0.4</b>	<b>(14,650)</b>	<b>(12,831)</b>	<b>(12.4)</b>
Compensation	(2,073)	(1,578)	(1,576)	(24.0)	(0.1)	(7,647)	(6,763)	(11.6)
Welfare benefits	(1,084)	(879)	(871)	(19.7)	(0.9)	(4,156)	(3,844)	(7.5)
Other compensation	(346)	(239)	(204)	(41.0)	(14.6)	(1,444)	(980)	(32.1)
Benefits	(420)	(290)	(348)	(17.2)	20.0	(1,404)	(1,244)	(11.4)
<b>Tax expenses</b>	<b>(298)</b>	<b>(1,614)</b>	<b>(478)</b>	<b>60.3</b>	<b>(70.4)</b>	<b>(2,914)</b>	<b>(6,798)</b>	<b>133.3</b>
COFINS	(237)	(1,370)	(408)	72.0	(70.2)	(2,359)	(5,723)	142.6
PIS/Pasep	(45)	(233)	(66)	49.2	(71.5)	(415)	(952)	129.4
IOF	(16)	(10)	(1)	(95.1)	(92.0)	(45)	(14)	(69.3)
Other	(0)	(2)	(3)	-	34.3	(94)	(108)	15.4
<b>Other operating income (expenses)</b>	<b>(142)</b>	<b>(170)</b>	<b>(428)</b>	<b>201.5</b>	<b>152.3</b>	<b>(332)</b>	<b>(746)</b>	<b>124.9</b>
<b>G&amp;A expenses</b>	<b>(5,568)</b>	<b>(5,943)</b>	<b>(5,293)</b>	<b>(4.9)</b>	<b>(10.9)</b>	<b>(23,001)</b>	<b>(25,771)</b>	<b>12.0</b>

### 3. BALANCE SHEET ANALYSIS

Table 11 – Balance Sheet Analysis | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Assets</b>	<b>11,282,424</b>	<b>9,949,026</b>	<b>11,582,538</b>	<b>2.7</b>	<b>16.4</b>
Cash and cash equivalents	59,003	386,940	645,070	-	66.7
Financial assets marked to market	18,064	18,841	21,020	16.4	11.6
Investments	7,416,770	9,415,430	8,424,523	13.6	(10.5)
Current tax assets	91,308	112,485	112,418	23.1	(0.1)
Deferred tax assets	28	91	222	-	144.0
Dividends receivable	3,683,356	-	2,362,126	(35.9)	-
Other assets	9,874	11,592	13,575	37.5	17.1
Intangible	4,021	3,647	3,585	(10.9)	(1.7)
<b>Liabilities</b>	<b>3,686,323</b>	<b>37,425</b>	<b>2,470,139</b>	<b>(33.0)</b>	<b>-</b>
Provision for fiscal, civil and tax contingencies	81	268	653	-	143.7
Statutory obligation	3,674,027	287	2,455,309	(33.2)	-
Current tax liabilities	31	1,125	689	-	(38.8)
Other liabilities	12,184	35,745	13,488	10.7	(62.3)
<b>Shareholders' equity</b>	<b>7,596,101</b>	<b>9,911,601</b>	<b>9,112,399</b>	<b>20.0</b>	<b>(8.1)</b>
Capital	6,269,692	6,269,692	6,269,692	(0.0)	-
Reserves	1,553,800	1,554,034	3,578,317	130.3	130.3
Treasury shares	(80,344)	(261,432)	(704,030)	-	169.3
Other accumulated comprehensive income	(147,047)	(99,057)	(31,579)	(78.5)	(68.1)
Retained earnings	-	2,448,364	-	-	-

## ■ INVESTMENTS

Table 12 – Balance Sheet Analysis | Direct investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Dec/23	Dec/22	Sep/23	Dec/23
<b>Insurance, Pension Plans and Premium Bonds</b>						
BB Seguros Participações	Holding	(1)	100.0	7,410,432	8,618,644	8,666,154
<b>Insurance Brokerage</b>						
BB Corretora de Seguros e Adm. de Bens	Insurance Broker	(1)	100.0	6,338	796,785	5,872

Note: (1) Controlled companies, fully consolidated.

Table 13 – Balance Sheet Analysis | BB Seguros Participações' investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Dec/23	Dec/22	Sep/23	Dec/23
<b>Insurance</b>						
<b>Brasilseg</b>	Holding	(1)	74.99	2,436,345	2,836,234	2,977,446
Brasilseg Companhia de Seguros	Insurance					
Aliança do Brasil Seguros	Insurance					
<b>Pension Plans</b>						
<b>Brasilprev</b>	Insurance/ Pension Plans	(1)	74.99	4,512,886	4,607,992	5,011,011
<b>Health</b>						
<b>Brasidental</b>	Health	(1)	74.99	21,483	15,248	12,672
<b>Premium Bonds</b>						
<b>Brasilcap</b>	Premium Bonds	(1)	66.77	544,590	567,480	622,336

Note: (1) Affiliated companies, booked by the equity method.

Table 14 – Balance Sheet Analysis | BB Corretora's investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Dec/23	Dec/22	Sep/23	Dec/23
<b>Insurance brokerage</b>						
<b>Ciclic</b>	Digital Broker	(1)	74.99	1,506	3,510	4,359

Note: (1) Affiliated company, booked by the equity method.

## ■ SHAREHOLDER'S EQUITY

Table 15 – Balance Sheet Analysis | Statement of changes in equity

R\$ thousand	Capital	Capital Reserve	Legal and statutory reserve	Treasury stock	Retained earnings (losses)	Accumulated other comprehensive income	Total
<b>Balance on December 31, 2021</b>	<b>3,396,767</b>	<b>1,508</b>	<b>4,122,925</b>	<b>(81,320)</b>	<b>-</b>	<b>(158,464)</b>	<b>7,281,416</b>
Paid-in capital increase with earnings reserve	2,872,925	-	(2,872,925)	-	-	-	-
Transactions with stock payments	-	63	-	976	-	-	1,039
Other comprehensive income	-	-	-	-	-	11,417	11,417
Dividends lapsed	-	-	-	-	79	-	79
Net income for the period	-	-	-	-	6,044,571	-	6,044,571
Allocation							
- Capital reserve	-	-	302,229	-	(302,229)	-	-
- Dividends payed	-	-	-	-	(2,068,697)	-	(2,068,697)
- Dividends proposed	-	-	-	-	(3,673,724)	-	(3,673,724)
<b>Balance on December 31, 2022</b>	<b>6,269,692</b>	<b>1,571</b>	<b>1,552,229</b>	<b>(80,344)</b>	<b>-</b>	<b>(147,047)</b>	<b>7,596,101</b>
<b>Changes in the Period</b>	<b>2,872,925</b>	<b>63</b>	<b>(2,570,696)</b>	<b>976</b>	<b>-</b>	<b>11,417</b>	<b>314,685</b>
<b>Balance on December 31, 2022</b>	<b>6,269,692</b>	<b>1,571</b>	<b>1,552,229</b>	<b>(80,344)</b>	<b>-</b>	<b>(147,047)</b>	<b>7,596,101</b>
Shares buyback	-	-	-	(624,282)	-	-	(624,282)
Transactions with stock payments	-	234	-	596	-	-	830
Other comprehensive income	-	-	(23,169)	-	-	115,467	92,298
Dividends lapsed	-	-	-	-	72	-	72
Net income for the period	-	-	-	-	7,712,453	-	7,712,453
Allocation							
- Capital reserve	-	-	2,047,452	-	(2,047,452)	-	-
- Dividends payed	-	-	-	-	(3,210,050)	-	(3,210,050)
- Dividends proposed	-	-	-	-	(2,455,023)	-	(2,455,023)
<b>Balance on December 31, 2023</b>	<b>6,269,692</b>	<b>1,805</b>	<b>3,576,512</b>	<b>(704,030)</b>	<b>-</b>	<b>(31,580)</b>	<b>9,112,399</b>
<b>Changes in the Period</b>	<b>-</b>	<b>234</b>	<b>2,024,283</b>	<b>(623,686)</b>	<b>-</b>	<b>115,467</b>	<b>1,516,298</b>

## 4. UNDERWRITING AND ACCUMULATION

### ■ BRASILSEG

BB Seguridade offers life, mortgage life, rural, home and commercial lines insurance through its affiliate company Brasilseg, a company established under a 20-year term partnership with MAPFRE, which started in 2011 and was restructured in 2018. BB Seguridade holds, through BB Seguros, a 74.99% economic stake in Brasilseg, composed of 100% of the preferred shares and 49.99% of the common shares. The segments in which Brasilseg operates is dominated by the Brazilian banks, what reflects the strong association of this kind of products with the bancassurance channel.

The following items show a brief description of the main products offered by Brasilseg:

- a) **Term life insurance** is a product focused on individuals which assures financial protection to the beneficiaries, chosen by the policyholder, in case of death (natural or accidental), or permanent disability of the insured. If a claim occurs, the insurance company pays the amount agreed in the insurance policy to the beneficiary. Differently from the products sold in other countries, the life insurance sold by Brasilseg is a term life insurance without accumulation. If the customer fails to make the monthly payments, the coverage is suspended without any amount being reverted to the policyholder.
- b) **Credit life insurance** is a life insurance policy intended to pay off a borrower's loan in case of death of the insured. This type of product is designed to protect both the lender and the insured dependents, preventing them to inherit this liability via property succession process. This product is already quite widespread in Brazil and it is expected to grow with the expansion of the loan portfolio. The main beneficiary of this type of product is the lender.
- c) **Mortgage life insurance** is an insurance policy related to mortgage. In case of death or disability of the insured, the insurance policy guarantees the pre-payment of loan balance. A mortgage life insurance also protects against physical damage to the insured property. The premium is calculated on a monthly basis and varies according to the outstanding loan balance and the borrower's age.
- d) **Rural insurance** encompasses a group of three main products: (i) the crop insurance, which protects the farmers from weather hazards and from the loss of revenue in cases of falling prices of the crop; (ii) the rural lien insurance, which protects the asset given as collateral for a rural loan; and (iii) the credit life for farmers insurance, which is an insurance designed for farmers intended to pay off the rural loan in case the insured dies.
- e) **Home insurance** encompasses a set of coverages intended for the protection of individual homes against damages caused by fire, lightning and explosion, and may also include additional coverages against theft, electric damage, physical damage to the property, windstorm, hail rain, among others. This product can also include assistances and benefits according to the plan hired.
- f) **Corporate/Commercial lines** consist of products designed to protect the assets of companies against damage to the building and its contents, such as machinery, furniture, utensils, goods and raw materials, excluding large risks.

## ■ PENSION PLANS

BB Seguridade operates in the private pension plans segment through its affiliate Brasilprev in partnership with the American company Principal Financial Group (PFG). Brasilprev was established in 1993 as a partnership between Banco do Brasil and a group of insurance companies. After going through a series of corporate restructuring, within 1999–2000, PFG, through its subsidiary in Brazil, Principal Financial Group do Brasil, acquired an economic stake in the company and established a partnership with Banco do Brasil. In 2010, Banco do Brasil, through BB Seguros, and PFG renewed their partnership, extending it for 23 years more. As a result of this new agreement, BB Seguros increased its stake in Brasilprev from 49.99% to 74.99%. Pension plans are growing in popularity in Brazil, due to increasing life expectancy, level of financial education, tax benefits and the pension reform held in 2019.

Brasilprev has two main sources of revenue: the management fee on assets under management and the premiums paid to cover risks.

The following topics provide a brief description of the products offered by Brasilprev:

- a) **Free Benefit Generator Plan (PGBL)** is recommended for people who fill their income tax statement in the complete form, as the contributions are tax deductible up to the limit of 12% of the annual gross taxable income. In this modality, in case of redemption or benefit received, income taxes are calculated on the amount redeemed or income received.

In Brazil, there are two alternatives for an individual to present the tax statements, the simple form or the complete form. In the complete form, a Brazilian citizen can inform not only the income but also deductible expenses, such as expenses with healthcare, education, investments in PGBL, and other. In addition, the participant may choose to be taxed either in the progressive tax system or in the regressive tax system when buying a pension plan.

In the progressive tax system, the annuity is taxed when money is received according to the “Tabela Progressiva Mensal” (Monthly Progressive Table) made available by the Brazilian Internal Revenue Service. The tax brackets can vary from zero to 27.5% according to the annual wages with adjustment in the income tax declaration. Redemptions are taxed at 15% in anticipation regardless the amount redeemed, with adjustment in the income tax statement according to the Monthly Progressive Table.

In the regressive tax system, in the event of redemption or annuity received, tax is withheld and is definitive, with no possibility of adjustment in the annual tax statement. The rates are determined by the length of stay of each inflow in the plan, starting at 35%, with gradual reduction every two years, reaching a level of 10% after 10 years.

- b) **Free Benefit Generator Life Plan (VGBL)** is recommended for those who fill their income tax statement in the simplified form or is exempt, since the contributions are not tax deductible. As in PGBL, the customer can choose either the progressive or the regressive tax system. In VGBL, in case of redemption or annuity received, income tax will be charged on interest earned only. The main advantage of the VGBL is its simplicity of the process related to the inheritance transmission, being suitable for customers who wish to make a succession planning. In this product, the customer can determine who will be the beneficiaries after his death and, unlike other assets, funds invested in VGBL are not part of the inventory, which is a process with legal costs and attorney's fees that can consume from 6% to 20% of the wealth received by the heirs.
- c) **Traditional Plan** guarantees a fixed interest of 6% plus inflation (IGP-M) or Taxa Referencial (TR) per year. These plans are no longer sold.

## ■ PREMIUM BONDS

BB Seguridade offers premium bonds through its affiliate company Brasilcap, in a partnership with Icatu and Aliança da Bahia. Premium bonds are very peculiar to the Brazilian market, but there are also quite similar products in United Kingdom and in other countries.

Premium bonds are mainly sold through the bancassurance channel and it is an alternative way to accumulate reserves, with term and interest rate previously determined, entitling the bondholder to participate in lotteries. Premiums are distributed through periodic draws, being most frequent the usage of a combination of numbers in pre-determined series, based on the Brazilian Official Lottery.

Depending on the type of premium bond and the payment method chosen, the load fee and lottery quotas can exceed 10% of the amount collected. The amount intended to cover lottery, administrative expenses, and operational and acquisition costs is covered by these quotas.

In case of early redemption, the bondholder must obey a grace period (12 months in most products). Beyond the grace period, penalties will be applied if the bondholder decides for early redemption, which will decrease as the bond approaches to maturity.

## ■ DENTAL INSURANCE

BB Seguridade offers dental insurance through its affiliate company Brasildental. The Company was established in 2014, by a 20-year term partnership with Odontoprev. In this partnership BB Seguridade holds a 74.99% economic stake, being 49.99% of the common shares.

Brasildental's dental insurance plans are sold under the BB Dental brand, with exclusivity of the bancassurance channel of Banco do Brasil, to individuals and companies, and counts on a wide network of specialized clinics and professionals all over the country.

The following sections show a deeper analysis of the controlled and affiliate companies of BB Seguridade including income statement, balance sheet and performance ratios.

It is worth mentioning that these information are influenced by the investor company accounting entries, e.g., changes in goodwill. Therefore, the statements are not necessarily reconcilable with those published by the Companies.

## 4.1 BRASILSEG

### ■ EARNINGS ANALYSIS

The table below presents a managerial income statement considering the reallocation of the reinsurance result to the other lines that comprise the income statement. This reallocation enables the analysis of the performance indicators net of reinsurance coverage.

Table 16 – Brasilseg | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Premiums written</b>	<b>4,122,678</b>	<b>5,432,673</b>	<b>4,072,182</b>	<b>(1.2)</b>	<b>(25.0)</b>	<b>15,768,839</b>	<b>17,166,994</b>	<b>8.9</b>
Premiums ceded to reinsurance	(520,570)	(1,182,647)	(403,315)	(22.5)	(65.9)	(3,104,669)	(2,938,209)	(5.4)
<b>Retained premiums</b>	<b>3,602,108</b>	<b>4,250,025</b>	<b>3,668,867</b>	<b>1.9</b>	<b>(13.7)</b>	<b>12,664,169</b>	<b>14,228,786</b>	<b>12.4</b>
Changes in technical reserves - premiums	(643,018)	(1,002,233)	(349,790)	(45.6)	(65.1)	(1,869,308)	(1,489,888)	(20.3)
<b>Retained earned premiums</b>	<b>2,959,090</b>	<b>3,247,793</b>	<b>3,319,077</b>	<b>12.2</b>	<b>2.2</b>	<b>10,794,861</b>	<b>12,738,898</b>	<b>18.0</b>
Retained claims	(767,191)	(868,424)	(764,775)	(0.3)	(11.9)	(3,328,495)	(3,404,130)	2.3
Retained acquisition costs	(945,848)	(894,853)	(926,968)	(2.0)	3.6	(3,211,541)	(3,519,303)	9.6
<b>Underwriting result</b>	<b>1,246,051</b>	<b>1,484,516</b>	<b>1,627,334</b>	<b>30.6</b>	<b>9.6</b>	<b>4,254,825</b>	<b>5,815,464</b>	<b>36.7</b>
Administrative expenses	(189,236)	(165,628)	(256,020)	35.3	54.6	(611,431)	(753,566)	23.2
Tax expenses	(121,685)	(128,671)	(141,144)	16.0	9.7	(404,676)	(505,387)	24.9
Other operating income (expenses)	(50,189)	(32,373)	(57,729)	15.0	78.3	(129,777)	(163,053)	25.6
Equity income	-	(3,916)	(1,864)	-	(52.4)	51	(9,174)	-
Gains or losses on non-current assets	417	(22)	(23)	-	4.3	660	15	(97.8)
<b>Non-interest operating result</b>	<b>885,357</b>	<b>1,153,906</b>	<b>1,170,555</b>	<b>32.2</b>	<b>1.4</b>	<b>3,109,652</b>	<b>4,384,299</b>	<b>41.0</b>
<b>Net investment income</b>	<b>239,084</b>	<b>262,994</b>	<b>272,329</b>	<b>13.9</b>	<b>3.5</b>	<b>771,198</b>	<b>977,074</b>	<b>26.7</b>
Financial income	298,309	305,963	299,165	0.3	(2.2)	988,874	1,199,049	21.3
Financial expenses	(59,224)	(42,969)	(26,836)	(54.7)	(37.5)	(217,676)	(221,976)	2.0
<b>Earnings before taxes and profit sharing</b>	<b>1,124,441</b>	<b>1,416,900</b>	<b>1,442,884</b>	<b>28.3</b>	<b>1.8</b>	<b>3,880,850</b>	<b>5,361,372</b>	<b>38.1</b>
Taxes	(260,529)	(355,464)	(325,874)	25.1	(8.3)	(1,054,739)	(1,285,784)	21.9
Profit sharing	(10,846)	(7,919)	(7,597)	(30.0)	(4.1)	(30,702)	(31,663)	3.1
<b>Net income</b>	<b>853,066</b>	<b>1,053,517</b>	<b>1,109,414</b>	<b>30.1</b>	<b>5.3</b>	<b>2,795,409</b>	<b>4,043,925</b>	<b>44.7</b>

**Retained premiums** = Premiums written + premiums ceded to reinsurance

**Changes in technical reserves – premiums** = Changes in technical provisions + changes in technical provisions on reinsured operations

**Retained claims** = Incurred claims – recovery of indemnity claims – recovery of claims expenses – changes in provisions for claims IBNR – salvages and reimbursed assets – changes in provision for claims IBNER provisions for claims to be settled – changes of expenses related to IBNR – changes in estimates for salvages and reimbursed assets – provisions for claims to be settled

**Retained acquisition costs** = acquisition costs – commission return + revenue with reinsurance commissions



## NET INCOME

Figure 19 – Brasilseg | Net income (R\$ million)

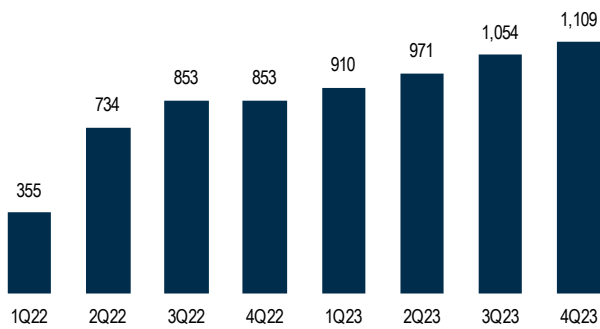
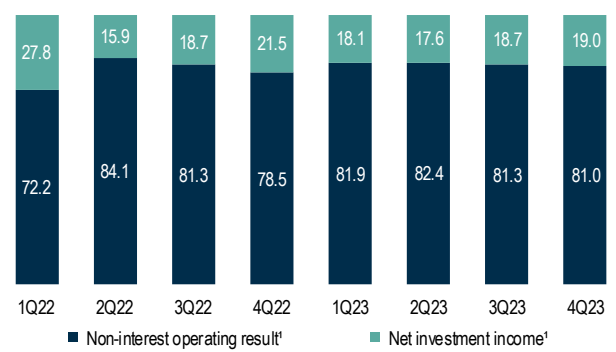


Figure 20 – Brasilseg | Net income breakdown (%)



1. Net of taxes considering the Company's effective tax rate.

Table 17 – Brasilseg | Managerial performance ratios<sup>1</sup>

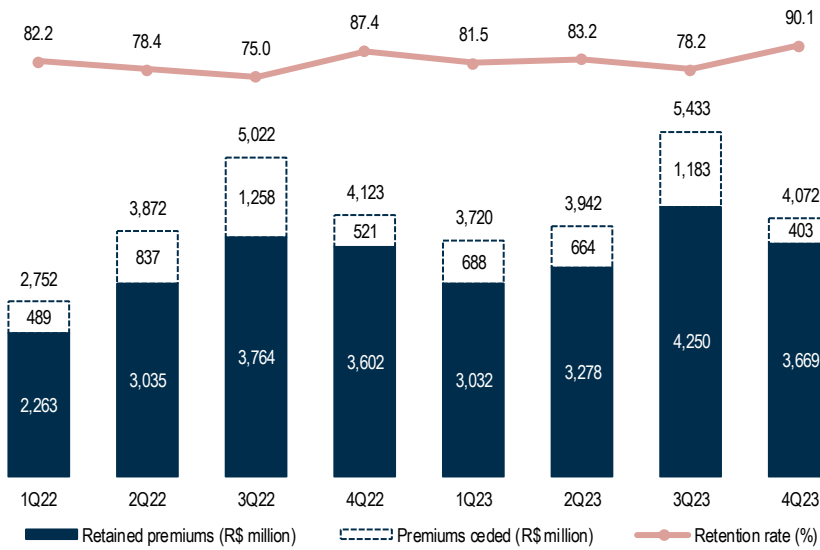
%	Quarterly Flow		Chg. (p.p.)		Annual Flow		Chg. (p.p.)	
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Performance ratios</b>								
Loss ratio	25.9	26.7	23.0	(2.9)	(3.7)	30.8	26.7	(4.1)
Commission ratio	32.0	27.6	27.9	(4.0)	0.4	29.8	27.6	(2.1)
G&A ratio	12.2	10.1	13.7	1.5	3.6	10.6	11.2	0.5
Combined ratio	70.1	64.3	64.7	(5.4)	0.3	71.2	65.5	(5.7)
<b>Other ratios</b>								
Expanded combined ratio	64.9	59.5	59.8	(5.1)	0.2	66.5	60.8	(5.6)
Income tax rate	23.2	25.1	22.6	(0.6)	(2.5)	27.2	24.0	(3.2)

1. Performance ratios calculated based on the managerial income statement, considering the reinsurance effects.

■ NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUMS WRITTEN

Figure 21 – Brasilseg | Premiums written



QUARTERLY ANALYSIS

In 4Q23, premiums written fell 1.2% compared to 4Q22, impacted by rural insurance (-2.1%), mainly by the retraction of 25.5% in crop insurance, due to lower demand and reduced average insured amount. The premiums written from rural lien insurance also decreased (-7.9%), given the lower sales volume in the period. These effects were partially offset by the evolution of 18.6% of the premium written of credit life for famer, resulting from higher average ticket and increase in volume sold, with the expansion of the addressable market.

Premiums written from term life insurance reduced by 2.1% YoY, due to the decline in renewals, partially offset by the increase in new sales volume.

On the other hand, the following lines grew: credit life (+0.7%), mortgage life (+7.5%) and home (+1.7%).

YEAR-TO-DATE ANALYSIS

In 2023, premiums written were up 8.9%, with evolution in virtually all business segments. The highlights were the credit life, which grew 23.6% in the year due to increased penetration in credit origination, resulting from expansion of the addressable market and reduction of cancellation, and the rural (+7.2%), with growth in credit life for farmers (+23.1%) and in rural lien (+10.3%), due to the expansion of average insured amount. Commercial lines insurances (+23.3%), mortgage life (+6.8%) and home (+4.4%) also had premiums written growth in 2023.

The only exception was term life insurance, with a small decrease of 0.2%, largely explained by the deflation recorded in the IGP-M, which reduced premiums written in the annual adjustment, effect that was partially offset by reduction of cancellation and growth of new sales.

Table 18 – Brasilseg | Breakdown of premiums written

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
Life	965,492	943,848	945,366	(2.1)	0.2	3,671,803	3,664,203	(0.2)
Credit Life	887,506	940,532	894,017	0.7	(4.9)	2,732,379	3,377,707	23.6
Mortgage Life	75,872	79,898	81,589	7.5	2.1	297,279	317,557	6.8
Rural	1,919,101	3,163,335	1,878,515	(2.1)	(40.6)	8,096,065	8,676,339	7.2
Crop	614,642	1,437,532	457,641	(25.5)	(68.2)	3,722,548	3,473,895	(6.7)
Rural lien	515,344	535,962	474,701	(7.9)	(11.4)	1,739,594	1,918,044	10.3
Credit life for farmers	749,353	1,145,163	888,761	18.6	(22.4)	2,523,135	3,106,139	23.1
Others	39,763	44,678	57,413	44.4	28.5	110,787	178,261	60.9
Home	93,499	109,762	95,078	1.7	(13.4)	376,268	392,936	4.4
Commercial lines	178,840	190,298	173,336	(3.1)	(8.9)	583,480	719,686	23.3
Large risks	1,914	4,673	3,559	85.9	(23.9)	9,510	16,429	72.8
Other	453	326	721	59.3	121.1	2,056	2,137	4.0
<b>Total</b>	<b>4,122,678</b>	<b>5,432,673</b>	<b>4,072,182</b>	<b>(1.2)</b>	<b>(25.0)</b>	<b>15,768,839</b>	<b>17,166,994</b>	<b>8.9</b>

Table 19 – Brasilseg | Breakdown of retained premiums

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
Life	964,620	943,340	943,057	(2.2)	(0.0)	3,664,531	3,662,342	(0.1)
Credit Life	887,187	939,609	893,279	0.7	(4.9)	2,727,743	3,375,366	23.7
Mortgage Life	75,517	80,303	79,844	5.7	(0.6)	294,066	316,220	7.5
Rural	1,400,195	1,986,721	1,480,994	5.8	(25.5)	5,015,952	5,756,405	14.8
Crop	120,432	284,306	86,489	(28.2)	(69.6)	721,799	644,415	(10.7)
Rural lien	515,184	535,178	474,435	(7.9)	(11.4)	1,729,436	1,914,686	10.7
Credit life for farmers	749,164	1,146,397	890,520	18.9	(22.3)	2,516,859	3,106,873	23.4
Others	15,415	20,839	29,550	91.7	41.8	47,857	90,432	89.0
Home	93,499	109,779	94,712	1.3	(13.7)	374,613	392,585	4.8
Commercial lines	178,736	185,317	172,701	(3.4)	(6.8)	578,365	710,361	22.8
Large risks	1,902	4,631	3,559	87.1	(23.1)	6,844	13,369	95.4
Other	453	326	721	59.3	121.1	2,056	2,137	4.0
<b>Total</b>	<b>3,602,108</b>	<b>4,250,025</b>	<b>3,668,867</b>	<b>1.9</b>	<b>(13.7)</b>	<b>12,664,169</b>	<b>14,228,786</b>	<b>12.4</b>

Figure 22 – Brasilseg | Breakdown of premiums written (%)

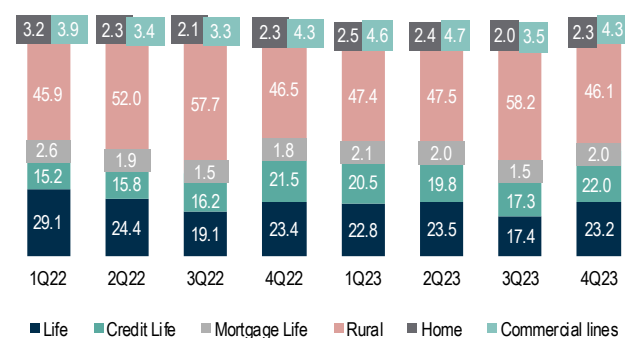
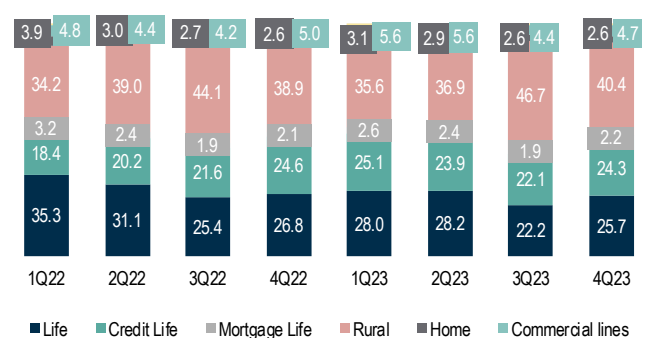


Figure 23 – Brasilseg | Breakdown of retained premiums (%)



## CHANGES IN TECHNICAL RESERVES – PREMIUMS

Table 20 – Brasilseg | Changes in technical reserves – premiums

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
Provision for unearned premiums	(428,303)	(1,413,069)	(3,648)	(99.1)	(99.7)	(2,477,104)	(1,299,222)	(47.6)
Provision for technical surplus	(1,547)	(856)	(11,679)	-	-	(5,200)	(14,978)	188.0
Complementary provisions of contributions	(6,432)	(1,494)	(7,545)	17.3	404.9	(9,610)	(16,245)	69.1
<b>Change in technical reserves - premiums</b>	<b>(436,283)</b>	<b>(1,415,419)</b>	<b>(22,872)</b>	<b>(94.8)</b>	<b>(98.4)</b>	<b>(2,491,914)</b>	<b>(1,330,445)</b>	<b>(46.6)</b>

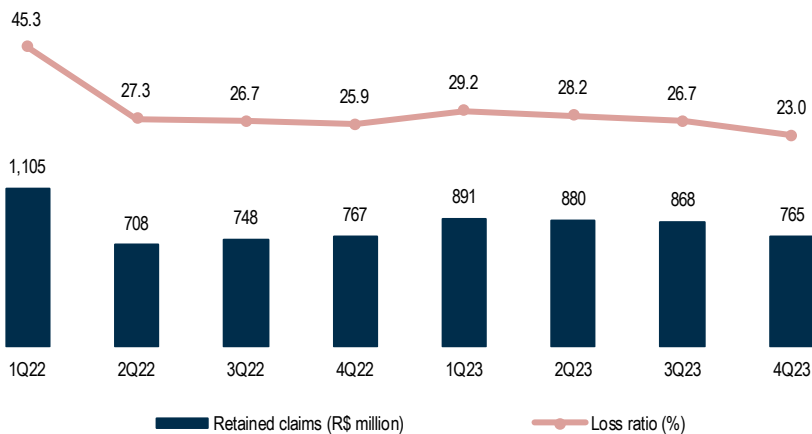
## RETAINED EARNED PREMIUMS

Table 21 – Brasilseg | Breakdown of retained earned premiums

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
Life	909,002	917,720	910,442	0.2	(0.8)	3,558,535	3,632,486	2.1
Credit Life	531,996	631,901	644,192	21.1	1.9	1,955,619	2,408,930	23.2
Mortgage Life	75,491	79,297	79,406	5.2	0.1	294,619	312,672	6.1
Rural	1,196,464	1,372,583	1,430,185	19.5	4.2	4,147,900	5,392,249	30.0
Crop	168,851	163,254	159,468	(5.6)	(2.3)	582,407	692,962	19.0
Rural lien	419,253	491,428	485,409	15.8	(1.2)	1,427,286	1,902,690	33.3
Credit life for farmers	596,980	699,906	763,884	28.0	9.1	2,101,309	2,727,800	29.8
Others	11,380	17,994	21,423	88.3	19.1	36,897	68,796	86.5
Home	89,858	92,754	94,679	5.4	2.1	330,476	361,210	9.3
Commercial lines	154,450	150,938	156,684	1.4	3.8	501,349	621,098	23.9
Large risks	1,335	2,252	2,734	104.7	21.4	4,250	8,074	90.0
Other	493	348	756	53.2	117.0	2,113	2,179	3.1
<b>Total</b>	<b>2,959,090</b>	<b>3,247,793</b>	<b>3,319,077</b>	<b>12.2</b>	<b>2.2</b>	<b>10,794,861</b>	<b>12,738,898</b>	<b>18.0</b>

## RETAINED CLAIMS

Figure 24 – Brasilseg | Retained claims



## QUARTERLY ANALYSIS

In **4Q23**, the **loss ratio** reduced by 2.9 p.p. compared to 4Q22, reaching 23.0%, as consequence of:

- decline in credit life (-12.9 p.p.), due to lower frequency of claims;
- improvement in credit life for farmers (-7.3 p.p.), explained by (i) evolution of the retained earned premium (+28.0%); (ii) reinsurance recovery (R\$9.7 million) related to a policy with stop loss coverage; and (iii) lower frequency of claims;
- contraction in rural lien (-3.6 p.p.), explained by the reversal of provision for claims to be settled (R\$52.5 million) that had the indemnity payment refused, more than compensating the increase in frequency and severity of claims from grain stock losses, windstorm in the southern and midwest regions, and lightning strike in Mato Grosso; and
- reduction in mortgage life (-1.5 p.p.), due to the lower frequency of claims.

On the other hand, the aforementioned effects were partially offset by:

- worsening of crop insurance (+20.9 p.p), given the greater volume of claims arising from drought in Mato Grosso, Mato Grosso do Sul and Goiás and excessive rainfall in Rio Grande do Sul and Paraná; and
- deterioration in home (+21.2 p.p.) and commercial lines (+4.3 p.p.), a consequence of the greater severity resulting from gale and rainfall in the southern and southeastern regions.

## YEAR-TO-DATE ANALYSIS

In **2023**, the **loss ratio** fell 4.1 p.p., with the improvement concentrated in crop (-75.0 p.p.), which reached the lowest level (34.1%) since the IPO of BB Seguridade.

On the other hand, home insurance registered a 10.9 p.p. increase in loss ratio, due to the volume of home assistance above the expectation in 1H23 and a greater severity in the 4Q23 for the same reasons mentioned in the quarterly review, which also explains loss ratio variation in commercial lines (+8.9 p.p.). It is worth mentioning that commercial lines were also impacted in the 2Q23 by the greater severity resulting from fire in corporate insurance, and high volume of claims in the insurance for breach of warranty.

Table 22 – Brasilseg | Breakdown of retained claims

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Incurred claims</b>	<b>(902,636)</b>	<b>(908,707)</b>	<b>(1,052,930)</b>	<b>16.7</b>	<b>15.9</b>	<b>(5,896,313)</b>	<b>(4,444,630)</b>	<b>(24.6)</b>
Expenses with claims	(862,099)	(882,910)	(1,056,896)	22.6	19.7	(5,725,375)	(4,214,835)	(26.4)
Changes in provisions for claims IBNR and IBNER	(8,811)	7,936	36,831	-	364.1	(77,019)	(101,917)	32.3
Recovery of claims - Coinsurance and reinsurance	137,340	41,408	287,917	109.6	-	2,577,116	1,044,562	(59.5)
Salvage and Reimbursements	10,741	10,612	15,240	41.9	43.6	46,155	52,947	14.7
Assistance services	(44,064)	(45,786)	(46,864)	6.4	2.4	(149,878)	(184,640)	23.2
Other	(298)	315	(1,003)	236.5	-	507	(246)	-
<b>Retained claims</b>	<b>(767,191)</b>	<b>(868,424)</b>	<b>(764,775)</b>	<b>(0.3)</b>	<b>(11.9)</b>	<b>(3,328,495)</b>	<b>(3,404,130)</b>	<b>2.3</b>

Figure 25 – Life Insurance | Loss ratio (%)

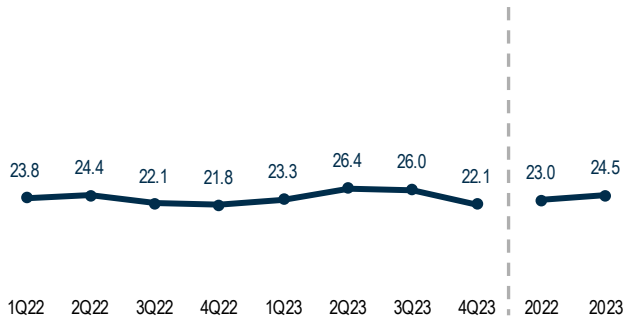


Figure 26 – Credit life insurance | Loss ratio (%)

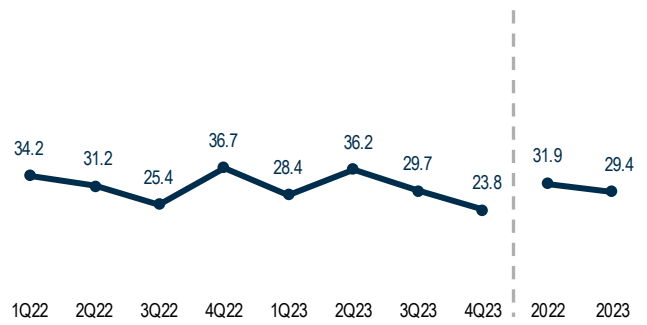


Figure 27 – Mortgage life | Loss ratio (%)

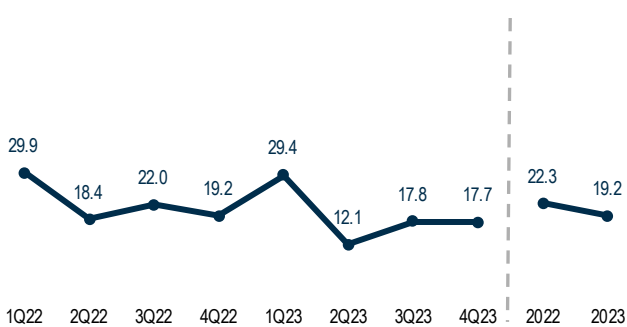


Figure 28 – Home insurance | Loss ratio (%)

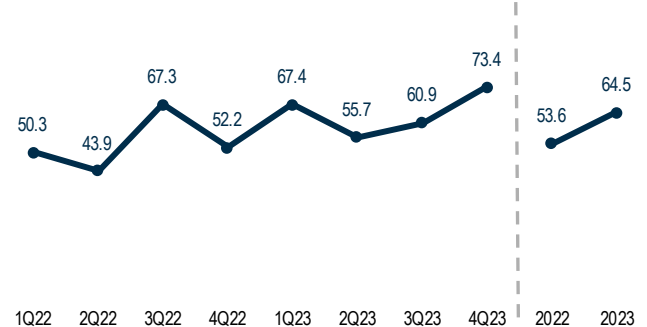


Figure 29 – Commercial lines insurance | Loss ratio (%)

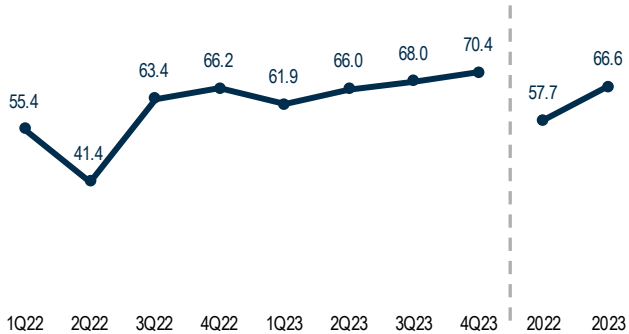


Figure 30 – Rural | Loss ratio (%)

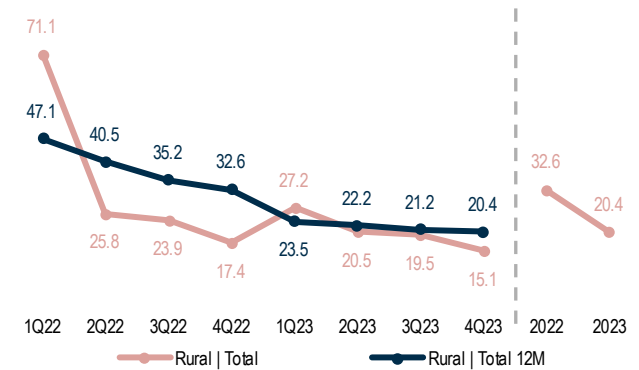


Figure 31 – Crop insurance | Loss ratio (%)

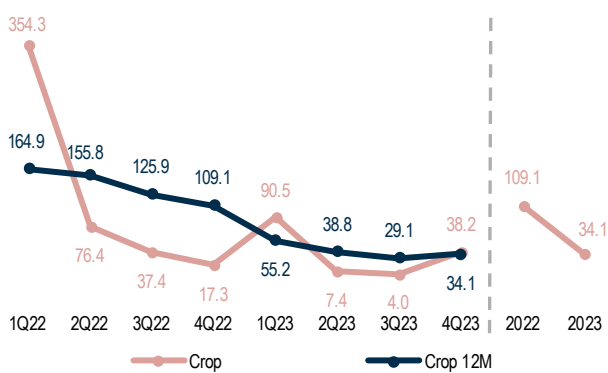
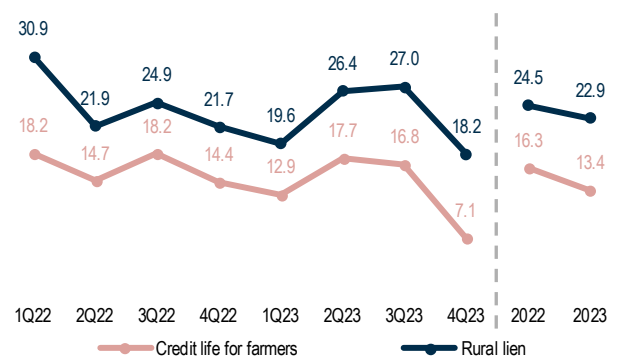


Figure 32 – Credit life for farmers and rural lien insurance | Loss ratio (%)





## RETAINED ACQUISITION COSTS

Figure 33 – Brasilseg | Retained acquisition costs

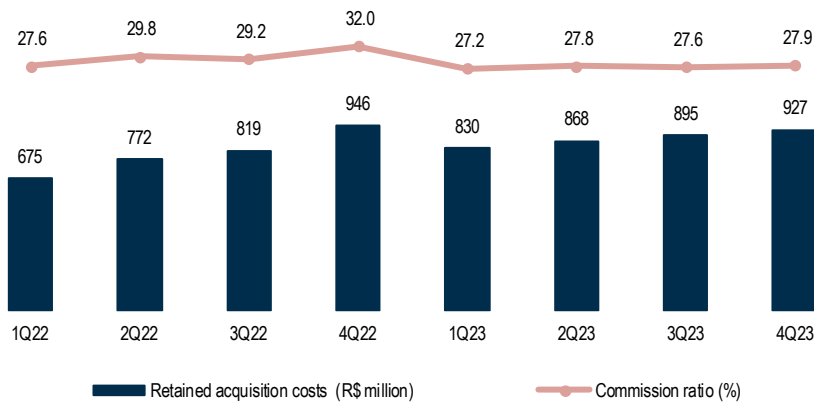
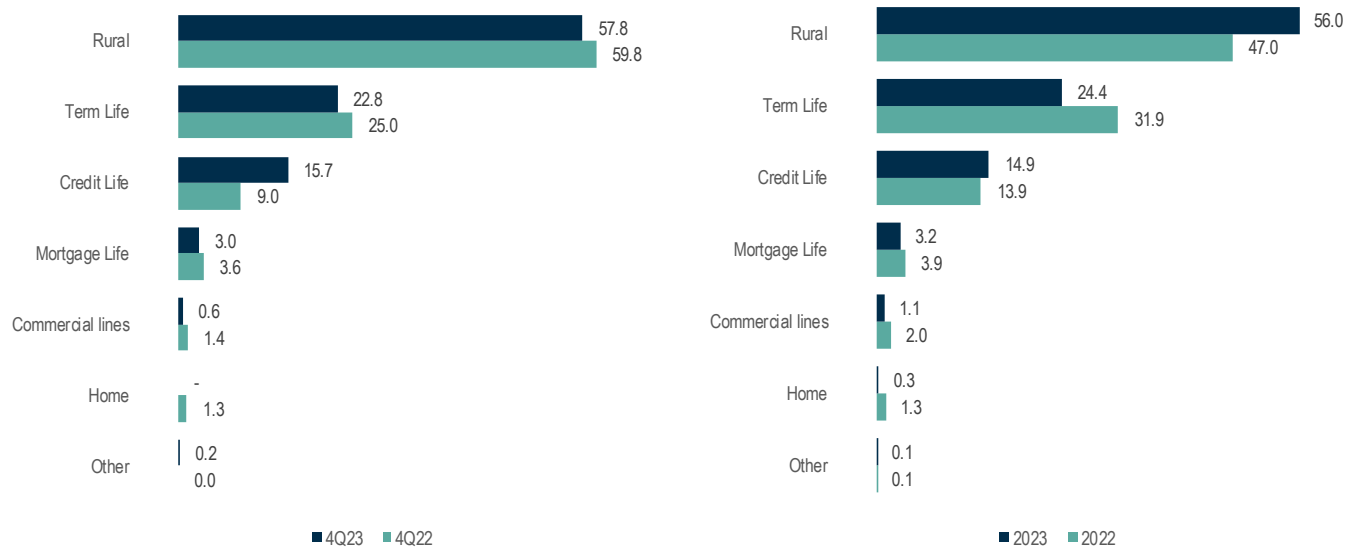


Table 23 – Brasilseg | Retained acquisition costs

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Acquisition costs</b>	<b>(1,086,128)</b>	<b>(1,043,085)</b>	<b>(1,064,526)</b>	<b>(2.0)</b>	<b>2.1</b>	<b>(3,733,547)</b>	<b>(4,100,703)</b>	<b>9.8</b>
Commission charged on premiums written	(1,126,069)	(1,425,388)	(1,189,200)	5.6	(16.6)	(4,008,424)	(4,741,020)	18.3
Revenue with reinsurance commission	140,280	148,233	137,559	(1.9)	(7.2)	522,006	581,399	11.4
Commissions recovered - Coinsurance	2,673	4,344	3,845	43.8	(11.5)	16,350	18,270	11.7
Change in deferred acquisition costs	220,258	529,657	276,821	25.7	(47.7)	677,968	1,310,948	93.4
Other acquisition costs	(182,990)	(151,699)	(155,992)	(14.8)	2.8	(419,440)	(688,900)	64.2
<b>Retained acquisition costs</b>	<b>(945,848)</b>	<b>(894,853)</b>	<b>(926,968)</b>	<b>(2.0)</b>	<b>3.6</b>	<b>(3,211,541)</b>	<b>(3,519,303)</b>	<b>9.6</b>

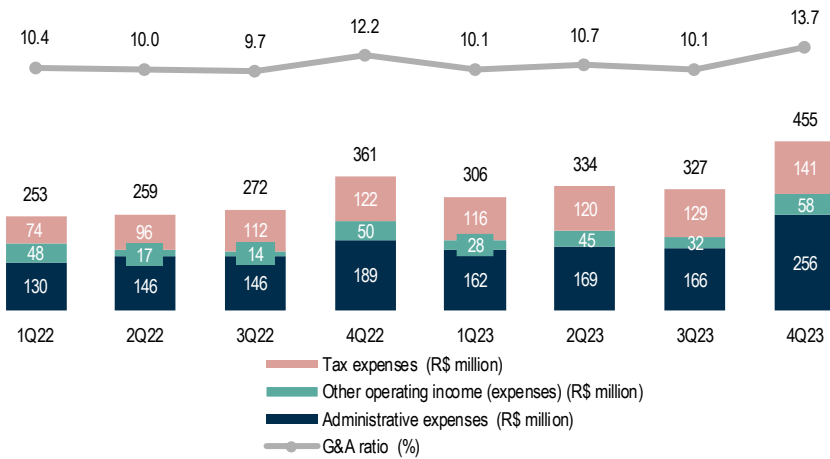
## UNDERWRITING RESULT

Figure 34 – Brasilseg | Breakdown of underwriting result by segment (%)



GENERAL & ADMINISTRATIVE EXPENSES

Figure 35 – Brasilseg | G&A expenses



QUARTERLY ANALYSIS

In 4Q23, the **G&A ratio** was up 1.5 p.p. YoY.

**Administrative expenses** expanded 35.3%, mainly due to higher expenses with: (i) location and operation (+136.8%), with the reduction of intangible referring to systems to adapt to their useful life; (ii) outsourcing expenses (+20.9%), explained by the higher spending on cloud services monitoring and consulting infrastructure, software license infrastructure and enterprise systems deployment; (iii) other administrative expenses (+59.9%), due to the greater volume of donations and sponsorships with tax incentives; and (iv) personnel expenses (+12.5%), given the expansion of the headcount.

**Other operating income and expenses** recorded a negative balance 15.0% higher than in 4Q22, especially by the increase in endomarketing line, driven by higher costs with sales force campaigns and incentives. These effects were partially offset: (i) by the decline in expenses with marketing, which are registered in other operating income and expenses, considering that a greater volume of expenses with branding and product marketing were allocated in 4Q22; and, to a lesser extent, (ii) for lower expenses recorded in the impairment line.

The **tax expenses** increased 16.0%, due to the higher taxable income in 4Q23, with the evolution of retained earned premiums and lower claims.

YEAR-TO-DATE ANALYSIS

In 2023, the **G&A ratio** increased 0.5 p.p. on 2022.

**Administrative expenses** grew 23.2%, driven by: (i) personnel expenses (+18.5%), considering the headcount expansion and the collective bargaining agreement of the category, the increase in provisions for labor lawsuits and the price adjustment of agreements with health care operators; (ii) outsourcing expenses (+17.8%) and location and operation (+42.2%), for the same reasons mentioned in the quarterly review; and (iii) other administrative expenses (+47.5%), due to the higher volume of incentivized donations and sponsorships.

**Other operating income and expenses** recorded a negative balance 25.6% higher than in 2022, mainly impacted by the increase in endomarketing expenses (+121.5%), as explained in the quarterly analysis, partially offset by lower contribution to the Rural Insurance Stability Fund (FESR).

**Tax expenses** were up 24.9% YoY, considering the increase in taxable income.

Table 24 – Brasileseg | General &amp; Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Administrative expenses</b>	<b>(189,236)</b>	<b>(165,628)</b>	<b>(256,020)</b>	<b>35.3</b>	<b>54.6</b>	<b>(611,431)</b>	<b>(753,566)</b>	<b>23.2</b>
Personnel	(73,429)	(79,101)	(82,632)	12.5	4.5	(271,103)	(321,380)	18.5
Outsourcing	(69,070)	(55,589)	(83,518)	20.9	50.2	(216,091)	(254,482)	17.8
Location and operation	(22,601)	(25,714)	(53,523)	136.8	108.1	(90,283)	(128,354)	42.2
Institutional advertisement and publicity	(3,754)	(3,651)	(3,684)	(1.9)	0.9	(9,288)	(13,004)	40.0
Publications	(8)	(27)	(84)	-	213.3	(405)	(566)	39.7
Other administrative expenses	(20,373)	(1,545)	(32,579)	59.9	-	(24,261)	(35,779)	47.5
<b>Other operating income (expenses)</b>	<b>(50,189)</b>	<b>(32,373)</b>	<b>(57,729)</b>	<b>15.0</b>	<b>78.3</b>	<b>(129,777)</b>	<b>(163,053)</b>	<b>25.6</b>
FESR contributions	1,547	-	-	-	-	(25,999)	(12,473)	(52.0)
Charging expenses	(1,138)	(1,123)	(1,365)	20.0	21.5	(4,079)	(4,950)	21.4
Civil contingencies	(3,857)	(4,617)	(1,447)	(62.5)	(68.7)	(12,600)	(14,634)	16.1
Expenses with events	(1,154)	(1,536)	(546)	(52.7)	(64.5)	(4,203)	(2,843)	(32.3)
Endomarketing	(9,526)	(14,134)	(39,278)	312.3	177.9	(37,954)	(84,072)	121.5
Impairment	(7,461)	(1,017)	(2,959)	(60.3)	190.9	686	(11,254)	-
Other operating income (expenses)	(28,600)	(9,945)	(12,134)	(57.6)	22.0	(45,628)	(32,826)	(28.1)
<b>Tax expenses</b>	<b>(121,685)</b>	<b>(128,671)</b>	<b>(141,144)</b>	<b>16.0</b>	<b>9.7</b>	<b>(404,676)</b>	<b>(505,387)</b>	<b>24.9</b>
COFINS	(101,470)	(107,337)	(118,396)	16.7	10.3	(335,784)	(422,414)	25.8
PIS	(16,846)	(17,670)	(19,638)	16.6	11.1	(55,353)	(69,667)	25.9
Inspection fee	(2,248)	(2,248)	(2,248)	-	0.0	(8,991)	(8,991)	-
Other tax expenses	(1,122)	(1,416)	(862)	(23.1)	(39.1)	(4,548)	(4,314)	(5.1)
<b>G&amp;A</b>	<b>(361,110)</b>	<b>(326,672)</b>	<b>(454,893)</b>	<b>26.0</b>	<b>39.3</b>	<b>(1,145,884)</b>	<b>(1,422,006)</b>	<b>24.1</b>

## ■ NET INVESTMENT INCOME

Figure 36 – Brasilseg | Net investment income (R\$ million)

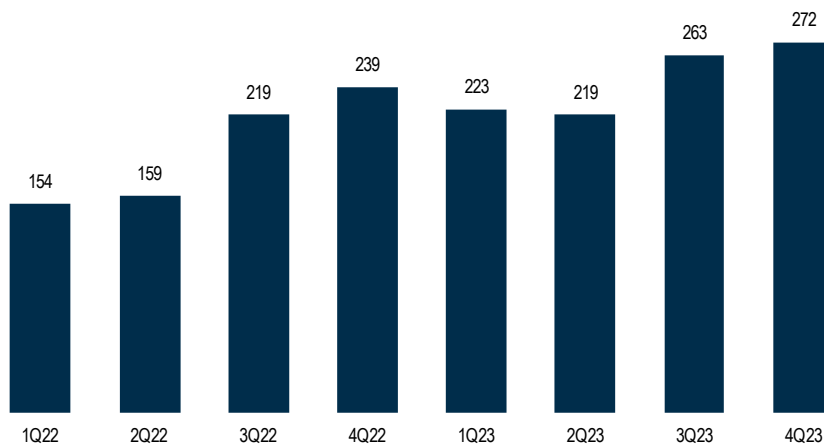


Table 25 – Brasilseg | Financial income and expenses<sup>1</sup>

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Adjusted interest revenues</b>	<b>284,149</b>	<b>300,140</b>	<b>296,001</b>	<b>4.2</b>	<b>(1.4)</b>	<b>971,124</b>	<b>1,162,255</b>	<b>19.7</b>
Revenues with mark to market financial investments	264,676	283,617	291,388	10.1	2.7	852,532	1,103,763	29.5
Revenues with held to maturity financial investments	3,934	-	-	-	-	71,398	64	(99.9)
Judicial deposits	8,328	9,640	7,707	(7.5)	(20.1)	27,096	33,569	23.9
Receivables from insurance and reinsurance operations	7,210	6,883	(3,094)	-	-	20,098	24,859	23.7
<b>Adjusted interest expenses</b>	<b>(33,891)</b>	<b>(25,140)</b>	<b>(9,070)</b>	<b>(73.2)</b>	<b>(63.9)</b>	<b>(146,218)</b>	<b>(130,496)</b>	<b>(10.8)</b>
Pending claims - Administrative	777	483	4	(99.4)	(99.1)	1,924	212	(89.0)
Pending claims - Judicial	(23,075)	(10,943)	(884)	(96.2)	(91.9)	(109,672)	(78,635)	(28.3)
Judicial provisions	(9,478)	(13,226)	(5,837)	(38.4)	(55.9)	(33,114)	(45,604)	37.7
Obligations with insurance and reinsurance operations	(2,115)	(1,455)	(2,353)	11.3	61.8	(5,357)	(6,469)	20.8
<b>Net interest income</b>	<b>250,257</b>	<b>275,000</b>	<b>286,931</b>	<b>14.7</b>	<b>4.3</b>	<b>824,905</b>	<b>1,031,759</b>	<b>25.1</b>

1. Managerial view.

### QUARTERLY ANALYSIS

In **4Q23**, the **net interest income** grew 14.7% as compared to 4Q22.

**Adjusted interest revenues** expanded by R\$11.9 million, driven by the highest average balance of financial investments, partially offset by: (i) the retraction of the average rate remunerating such assets, following the reduction of the average Selic rate; and (ii) the lower expense with monetary adjustment of judicial reinsurance assets, registered in receivables from insurance and reinsurance operations, due to the reduction of the INPC (+0.33% 4Q23 vs +0.54% 4Q22). Additionally, in the quarter, there was a reversal of R\$6.2 million in monetary adjustment of judicial reinsurance assets due to the assessment of a lawsuit in which the maintenance of the provision is no longer necessary.

**Adjusted interest expenses** reduced R\$24.8 million, with the improvement driven by:

- lower average rate that adjusts the balance of judicial claims to be settled, considering the retraction of the INPC. In addition, the expense with the monetary adjustment of this provision was positively impacted by the reversal of R\$8.1 million, resulting from the reassessment of the lawsuits that concluded the provision was no longer necessary, being

the same event that impacted the interest revenues with monetary adjustment of judicial reinsurance assets; and

- decrease in the average interest rate adjusting the balances of judicial provisions, due to the decline of the average Selic rate.

#### YEAR-TO-DATE ANALYSIS

The **net interest income** increased by R\$206.9 million in 2023.

**Adjusted interest revenues** grew by R\$191.1 million. The expansion of the average balance contributed with R\$112.0 million, while the increase in the average interest rate, driven by the increase in the average Selic rate, added other R\$79.1 million.

**Adjusted interest expenses** decreased by R\$15.7 million, justified mainly by the reduction of expenses with monetary adjustment of judicial claims to be settled, as detailed in the review of the 4Q23. This effect was partially offset by the evolution of the average rate on judicial provisions, dynamics aligned with the spike of the average Selic rate.

Table 26 – Brasilseg | Quarterly figures – Volume and rate analysis

R\$ thousand	4Q23/4Q22		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to Market financial investments	43,736	(17,025)	26,712
Held to maturity financial investments	(3,934)	-	(3,934)
Judicial deposits	225	(847)	(622)
Receivables from insurance and reinsurance operations	1,927	(12,231)	(10,304)
<b>Total<sup>1</sup></b>	<b>28,746</b>	<b>(16,894)</b>	<b>11,852</b>
<b>Interest bearing liabilities</b>			
Pending claims - Administrative	(1)	(772)	(772)
Pending claims - Judicial	(68)	22,259	22,191
Judicial provisions	(436)	4,077	3,641
Obligations with insurance and reinsurance operations	(718)	480	(238)
<b>Total<sup>1</sup></b>	<b>(36)</b>	<b>24,857</b>	<b>24,821</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 27 – Brasilseg | Quarterly figures – Earning assets – average balance and interest rates

R\$ million	4Q22			4Q23		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to Market financial investments	8,848	265	12.7	10,411	291	12.1
Held to maturity financial investments	155	4	10.7	-	-	-
Judicial deposits	817	8	4.2	842	8	3.8
Receivables from insurance and reinsurance operations	764	7	3.9	471	(3)	(2.7)
<b>Total</b>	<b>10,586</b>	<b>284</b>	<b>11.4</b>	<b>11,724</b>	<b>296</b>	<b>10.8</b>

Table 28 – Brasilseg | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R\$ million	4Q22			4Q23		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Pending claims - Administrative	1,634	1	(0.2)	1,398	0	(0.0)
Pending claims - Judicial	840	(23)	10.7	910	(1)	0.4
Judicial provisions	705	(9)	5.4	762	(6)	3.1
Obligations with insurance and reinsurance operations	277	(2)	3.1	399	(2)	2.4
<b>Total</b>	<b>3,456</b>	<b>(34)</b>	<b>3.9</b>	<b>3,470</b>	<b>(9)</b>	<b>1.1</b>

Table 29 – Brasilseg | Year-to-date figures – Volume and rate analysis

R\$ thousand	2023/2022		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to Market financial investments	184,942	66,290	251,232
Held to maturity financial investments	(364)	(70,969)	(71,334)
Judicial deposits	405	6,068	6,473
Receivables from insurance and reinsurance operations	(5,241)	10,002	4,761
<b>Total<sup>1</sup></b>	<b>111,991</b>	<b>79,141</b>	<b>191,132</b>
<b>Interest bearing liabilities</b>			
Pending claims - Administrative	(24)	(1,688)	(1,712)
Pending claims - Judicial	(5,606)	36,643	31,037
Judicial provisions	(2,300)	(10,190)	(12,490)
Obligations with insurance and reinsurance operations	(2,245)	1,133	(1,112)
<b>Total<sup>1</sup></b>	<b>(2,806)</b>	<b>18,528</b>	<b>15,722</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 30 – Brasilseg | Year-to-date figures – Earning assets – average balance and interest rates

R\$ million	2022			2023		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to Market financial investments	8,059	853	10.6	9,682	1,104	11.5
Held to maturity financial investments	524	71	13.7	79	0	0.1
Judicial deposits	822	27	3.3	832	34	4.1
Receivables from insurance and reinsurance operations	654	20	3.1	540	25	4.7
<b>Total</b>	<b>10,060</b>	<b>971</b>	<b>9.7</b>	<b>11,132</b>	<b>1,162</b>	<b>10.6</b>

Table 31 – Brasilseg | Year-to-date figures – Interest bearing liabilities – average balance and interest rates

R\$ million	2022			2023		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Pending claims - Administrative	1,539	2	(0.1)	1,382	0	(0.0)
Pending claims - Judicial	812	(110)	13.6	875	(79)	9.1
Judicial provisions	699	(33)	4.8	737	(46)	6.3
Obligations with insurance and reinsurance operations	246	(5)	2.2	377	(6)	1.7
<b>Total</b>	<b>3,297</b>	<b>(146)</b>	<b>4.5</b>	<b>3,370</b>	<b>(130)</b>	<b>3.9</b>



Table 32 – Brasilseg | Financial investment portfolio

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Trading</b>	<b>7,337,727</b>	<b>9,162,106</b>	<b>8,954,499</b>	<b>22.0</b>	<b>(2.3)</b>
Pre-fixed	83,522	383,998	747,581	-	94.7
Floating	7,241,941	8,745,189	8,172,375	12.8	(6.6)
Other	12,265	32,919	34,543	181.7	4.9
<b>Available for sale</b>	<b>1,635,034</b>	<b>1,269,462</b>	<b>1,436,152</b>	<b>(12.2)</b>	<b>13.1</b>
Pre-fixed	1,214,008	846,958	876,113	(27.8)	3.4
Floating	16,263	-	-	-	-
Inflation	404,762	422,504	560,039	38.4	32.6
<b>Held to maturity securities</b>	<b>157,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Pre-fixed	157,257	-	-	-	-
<b>Total</b>	<b>9,130,018</b>	<b>10,431,568</b>	<b>10,390,651</b>	<b>13.8</b>	<b>(0.4)</b>

Figure 37 – Brasilseg | Breakdown of financial investments by index (%)

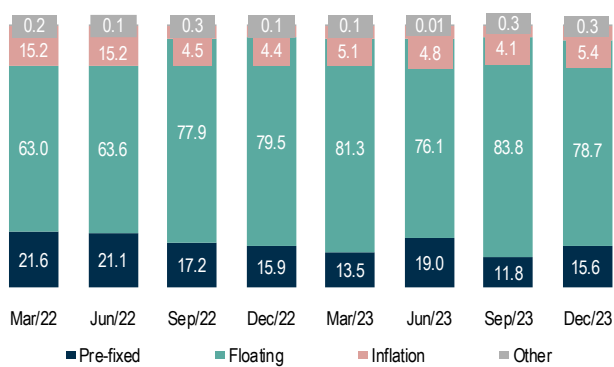
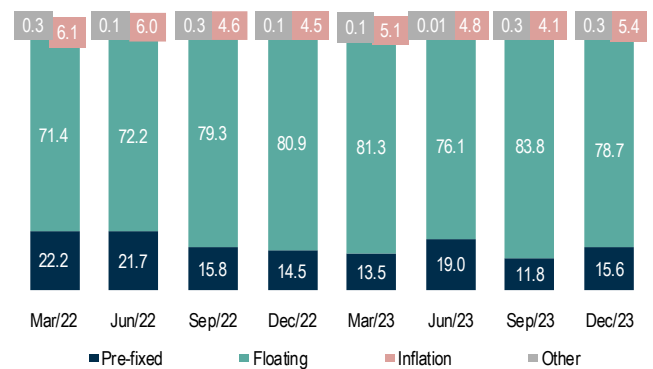


Figure 38 – Brasilseg | Breakdown of mark to market financial investments by index (%)



## ■ BALANCE SHEET ANALYSIS

Table 33 – Brasilseg | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Assets</b>	<b>22,619,911</b>	<b>25,468,139</b>	<b>25,533,140</b>	<b>12.9</b>	<b>0.3</b>
Cash	11,216	5,438	5,717	(49.0)	5.1
Financial assets	9,130,018	10,431,568	10,390,651	13.8	(0.4)
Receivables from insurance and reinsurance operations	5,187,358	5,520,294	5,532,092	6.6	0.2
Reinsurance and retrocession - technical reserves	2,100,861	2,149,878	1,952,025	(7.1)	(9.2)
Securities and credits receivable	1,281,958	1,317,931	1,331,502	3.9	1.0
Other	275,288	275,730	269,056	(2.3)	(2.4)
Prepaid expenses	17,384	20,435	10,687	(38.5)	(47.7)
Deferred costs	3,870,388	4,904,516	5,181,336	33.9	5.6
Investments	308,561	349,481	347,293	12.6	(0.6)
Fixed assets	44,798	45,186	45,794	2.2	1.3
Intangible	392,081	447,682	466,987	19.1	4.3
<b>Liabilities</b>	<b>20,089,449</b>	<b>22,370,770</b>	<b>22,242,032</b>	<b>10.7</b>	<b>(0.6)</b>
Accounts payable	792,678	886,524	1,080,854	36.4	21.9
Obligations with insurance and reinsurance operations	2,785,575	3,372,835	3,032,213	8.9	(10.1)
Technical reserves - insurance	15,420,742	16,973,560	16,973,008	10.1	(0.0)
Third party deposits	20,599	23,441	29,958	45.4	27.8
Other liabilities	1,069,855	1,114,409	1,125,999	5.2	1.0
<b>Shareholders' equity</b>	<b>2,530,462</b>	<b>3,097,369</b>	<b>3,291,107</b>	<b>30.1</b>	<b>6.3</b>

Table 34 – Brasilseg | Receivables from insurance and reinsurance operations

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
Receivable premiums	4,743,045	5,109,241	5,172,544	9.1	1.2
Operations with insurance companies	38,119	45,462	62,075	62.8	36.5
Premiums	7,264	3,090	10,662	46.8	245.0
Claims paid	5,740	9,667	10,617	85.0	9.8
Other receivables	25,115	32,704	40,796	62.4	24.7
Operations with reinsurance companies	268,280	168,871	178,475	(33.5)	5.7
Claims paid	268,280	168,871	177,143	(34.0)	4.9
Other receivables	1	0	1,333	-	-
Other operating receivables	252,076	327,504	257,442	2.1	(21.4)
Impairment	(114,161)	(130,784)	(138,445)	21.3	5.9
<b>Receivables from insurance and reinsurance operations</b>	<b>5,187,358</b>	<b>5,520,294</b>	<b>5,532,092</b>	<b>6.6</b>	<b>0.2</b>

Table 35 – Brasilseg | Reinsurance and retrocession – technical reserves

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
Deferred premiums - PPNG	1,268,841	1,393,915	1,125,051	(11.3)	(19.3)
Deferred premiums - RVNE	39,812	48,655	52,584	32.1	8.1
IBNR claims	163,168	208,243	201,335	23.4	(3.3)
Pending claims	608,337	478,742	560,872	(7.8)	17.2
Provision for related expenses	20,704	20,324	12,184	(41.2)	(40.0)
<b>Reinsurance and retrocession - technical reserves</b>	<b>2,100,861</b>	<b>2,149,878</b>	<b>1,952,025</b>	<b>(7.1)</b>	<b>(9.2)</b>

Table 36 – Brasilseg | Securities and credit receivable

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
Securities and credits receivable	35,629	27,042	53,161	49.2	96.6
Other tax and social security receivables	114,095	130,578	128,586	12.7	(1.5)
Receivable tax and social security - tax loss	287	279	281	(2.2)	0.8
Receivable tax and social security - temporary adjustments	295,356	284,193	286,245	(3.1)	0.7
Tax and judicial deposits	821,766	842,082	842,000	2.5	(0.0)
Other receivables	19,959	38,892	26,362	32.1	(32.2)
Impairment	(5,134)	(5,134)	(5,134)	-	-
<b>Securities and credits receivable</b>	<b>1,281,958</b>	<b>1,317,931</b>	<b>1,331,502</b>	<b>3.9</b>	<b>1.0</b>

Table 37 – Brasilseg | Accounts payable

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
Payable liabilities	172,482	172,942	200,038	16.0	15.7
Deferred taxes	92	76	56	(38.9)	(26.5)
Social securities and taxes payable	59,158	64,885	63,710	7.7	(1.8)
Labor charges	19,342	32,823	22,689	17.3	(30.9)
Taxes and contributions	519,427	596,859	761,450	46.6	27.6
Other accounts payable	22,177	18,940	32,911	48.4	73.8
<b>Accounts payable</b>	<b>792,678</b>	<b>886,524</b>	<b>1,080,854</b>	<b>36.4</b>	<b>21.9</b>

Table 38 – Brasilseg | Obligations with insurance and reinsurance operations

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
Premiums to return	103,868	27,742	28,878	(72.2)	4.1
Operations with insurance companies	9,274	20,647	15,255	64.5	(26.1)
Operations with reinsurance companies	780,042	1,195,547	668,248	(14.3)	(44.1)
Insurance and reinsurance brokers	1,710,914	1,961,553	2,035,588	19.0	3.8
Other operating obligations	181,476	167,346	284,243	56.6	69.9
<b>Obligations with insurance and reinsurance operations</b>	<b>2,785,575</b>	<b>3,372,835</b>	<b>3,032,213</b>	<b>8.9</b>	<b>(10.1)</b>

## ■ SOLVENCY

Table 39 – Brasilseg | Solvency

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Brasilseg Companhia de Seguros</b>					
<b>Adjusted shareholders' equity (a)</b>	<b>2,159,377</b>	<b>2,362,565</b>	<b>2,490,944</b>	<b>15.4</b>	<b>5.4</b>
<b>Minimum capital required (b)</b>	<b>1,575,644</b>	<b>1,730,483</b>	<b>1,755,441</b>	<b>11.4</b>	<b>1.4</b>
Additional capital for underwriting risk	1,401,830	1,540,022	1,562,315	11.4	1.4
Additional capital for credit risk	184,412	198,519	205,433	11.4	3.5
Additional capital for market risk	53,899	48,459	49,715	(7.8)	2.6
Additional capital for operating risk	57,980	68,775	67,130	15.8	(2.4)
Benefit of correlation between risks	(122,477)	(125,292)	(129,152)	5.4	3.1
<b>Capital adequacy (a) - (b)</b>	<b>583,733</b>	<b>632,082</b>	<b>735,502</b>	<b>26.0</b>	<b>16.4</b>
<b>Solvency ratio (a) / (b) - %</b>	<b>137.0</b>	<b>136.5</b>	<b>141.9</b>	<b>4.9 p.p.</b>	<b>5.4 p.p.</b>
<b>Aliança do Brasil Seguros</b>					
<b>Adjusted shareholders' equity (a)</b>	<b>284,851</b>	<b>333,010</b>	<b>342,943</b>	<b>20.4</b>	<b>3.0</b>
<b>Minimum capital required (b)</b>	<b>163,455</b>	<b>195,774</b>	<b>204,932</b>	<b>25.4</b>	<b>4.7</b>
Additional capital for underwriting risk	147,921	178,897	188,490	27.4	5.4
Additional capital for credit risk	10,796	11,852	11,773	9.0	(0.7)
Additional capital for market risk	9,323	8,677	8,677	(6.9)	-
Additional capital for operating risk	7,183	8,243	7,878	9.7	(4.4)
Benefit of correlation between risks	(11,768)	(11,895)	(11,886)	1.0	(0.1)
<b>Capital adequacy (a) - (b)</b>	<b>121,396</b>	<b>137,236</b>	<b>138,012</b>	<b>13.7</b>	<b>0.6</b>
<b>Solvency ratio (a) / (b) - %</b>	<b>174.3</b>	<b>170.1</b>	<b>167.3</b>	<b>-6.9 p.p.</b>	<b>-2.8 p.p.</b>
<b>Total Brasilseg</b>					
<b>Adjusted shareholders' equity (a)</b>	<b>2,444,228</b>	<b>2,695,575</b>	<b>2,833,887</b>	<b>15.9</b>	<b>5.1</b>
<b>Minimum capital required (b)</b>	<b>1,739,099</b>	<b>1,926,256</b>	<b>1,960,373</b>	<b>12.7</b>	<b>1.8</b>
Additional capital for underwriting risk	1,549,752	1,718,918	1,750,805	13.0	1.9
Additional capital for credit risk	195,208	210,370	217,206	11.3	3.2
Additional capital for market risk	63,221	57,136	58,392	(7.6)	2.2
Additional capital for operating risk	65,163	77,019	75,008	15.1	(2.6)
Benefit of correlation between risks	(134,245)	(137,187)	(141,038)	5.1	2.8
<b>Capital adequacy (a) - (b)</b>	<b>705,129</b>	<b>769,318</b>	<b>873,514</b>	<b>23.9</b>	<b>13.5</b>
<b>Solvency ratio (a) / (b) - %</b>	<b>140.5</b>	<b>139.9</b>	<b>144.6</b>	<b>4.0 p.p.</b>	<b>4.6 p.p.</b>

## 4.2 BRASILPREV

### ■ EARNINGS ANALYSIS

Table 40 – Brasilprev | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Total revenue from pension and insurance</b>	<b>12,960,663</b>	<b>16,466,696</b>	<b>13,736,685</b>	<b>6.0</b>	<b>(16.6)</b>	<b>52,816,022</b>	<b>57,271,071</b>	<b>8.4</b>
Provision for benefits to be granted	(12,955,472)	(16,461,979)	(13,732,024)	6.0	(16.6)	(52,795,218)	(57,251,749)	8.4
<b>Net revenue from pension and insurance</b>	<b>5,191</b>	<b>4,717</b>	<b>4,661</b>	<b>(10.2)</b>	<b>(1.2)</b>	<b>20,804</b>	<b>19,322</b>	<b>(7.1)</b>
Management fee	808,330	893,318	864,720	7.0	(3.2)	3,244,613	3,426,592	5.6
Changes in other technical reserves	(5,861)	(2,602)	10,172	-	-	(11,038)	1,053	-
Expenses with benefits, redemptions and claims	(33,553)	(7,317)	17,066	-	-	(108,516)	(37,218)	(65.7)
Acquisition costs	(175,360)	(186,259)	(187,703)	7.0	0.8	(696,584)	(742,032)	6.5
Retained earned premiums	40,581	43,488	53,199	31.1	22.3	183,833	170,726	(7.1)
Administrative expenses	(119,881)	(103,582)	(122,456)	2.1	18.2	(382,757)	(430,194)	12.4
Tax expenses	(62,777)	(71,595)	(76,325)	21.6	6.6	(253,731)	(283,339)	11.7
Other operating income (expenses)	(4,637)	(15,926)	(34,212)	-	114.8	(56,150)	(46,808)	(16.6)
Gains or losses on non-current assets	39	0	1	(97.5)	-	7	17	141.6
<b>Non-interest operating result</b>	<b>452,074</b>	<b>554,243</b>	<b>529,123</b>	<b>17.0</b>	<b>(4.5)</b>	<b>1,940,480</b>	<b>2,078,118</b>	<b>7.1</b>
<b>Net investment income</b>	<b>260,276</b>	<b>296,547</b>	<b>302,489</b>	<b>16.2</b>	<b>2.0</b>	<b>329,585</b>	<b>1,069,026</b>	<b>224.4</b>
Financial income	7,618,809	8,688,028	12,172,633	59.8	40.1	30,229,939	41,785,162	38.2
Financial expenses	(7,358,532)	(8,391,481)	(11,870,144)	61.3	41.5	(29,900,354)	(40,716,136)	36.2
<b>Earnings before taxes and profit sharing</b>	<b>712,350</b>	<b>850,790</b>	<b>831,611</b>	<b>16.7</b>	<b>(2.3)</b>	<b>2,270,065</b>	<b>3,147,144</b>	<b>38.6</b>
Taxes	(140,017)	(318,701)	(323,125)	130.8	1.4	(763,227)	(1,224,369)	60.4
Profit sharing	(5,014)	(4,485)	(5,717)	14.0	27.5	(17,691)	(15,732)	(11.1)
<b>Net income</b>	<b>567,319</b>	<b>527,604</b>	<b>502,770</b>	<b>(11.4)</b>	<b>(4.7)</b>	<b>1,489,147</b>	<b>1,907,043</b>	<b>28.1</b>

## NET INCOME

Figure 39 – Brasilprev | Net income (R\$ million)

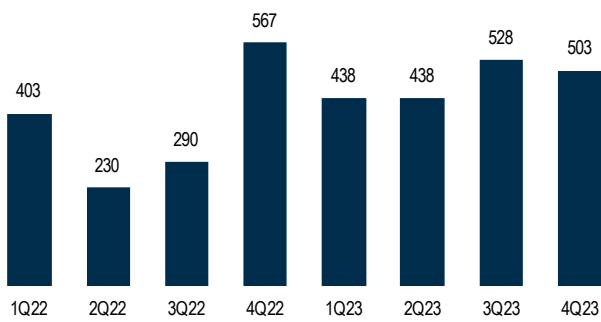
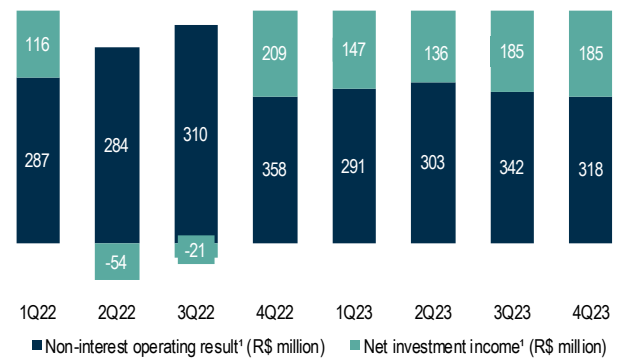


Figure 40 – Brasilprev | Net income breakdown



1. Net of taxes considering the effective tax rate

Table 41 – Brasilprev | Performance ratios

%	Quarterly Flow			Chg. (p.p.)		Annual Flow		Chg. (p.p.)
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
Commission ratio	1.4	1.1	1.4	0.0	0.2	1.3	1.3	(0.0)
Management fee	0.97	0.95	0.93	(0.04)	(0.01)	0.99	0.95	(0.05)
Redemption ratio	11.5	9.5	10.1	(1.4)	0.6	11.6	10.5	(1.1)
Portability ratio	1.9	1.0	1.3	(0.6)	0.3	2.2	1.2	(1.0)
Cost to income ratio	47.1	41.1	42.6	(4.4)	1.5	43.7	42.5	(1.2)
Income tax rate	19.7	37.5	38.9	19.2	1.4	33.6	38.9	5.3

■ RESULT WITH PENSION PLANS AND INSURANCE ANALYSIS

CONTRIBUTIONS

Figure 41 – Brasilprev | Contributions (R\$ million)

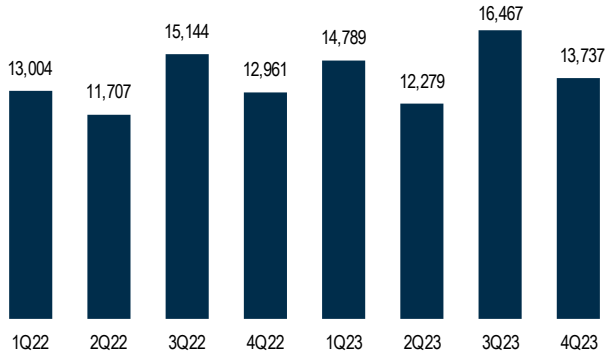
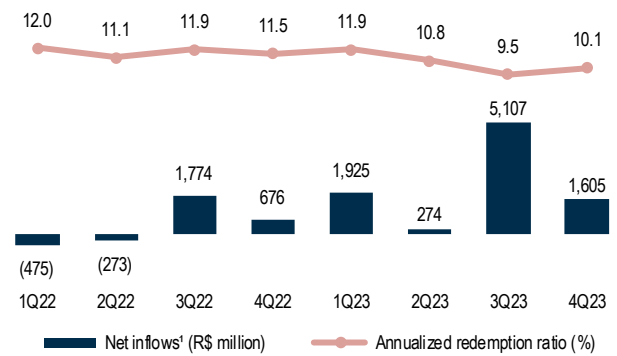


Figure 42 – Brasilprev | Net inflows and redemption ratio



1. Source: Quantum Axis

Figure 43 – Brasilprev | Contributions breakdown (%)

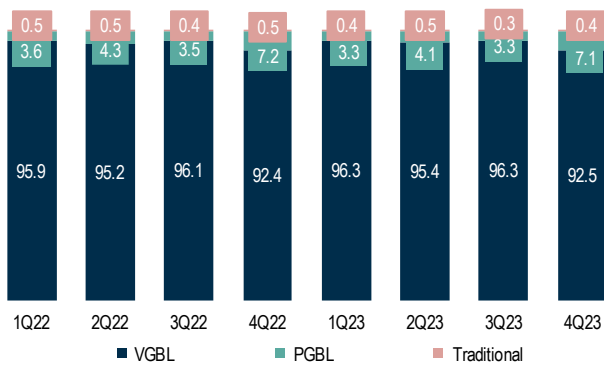
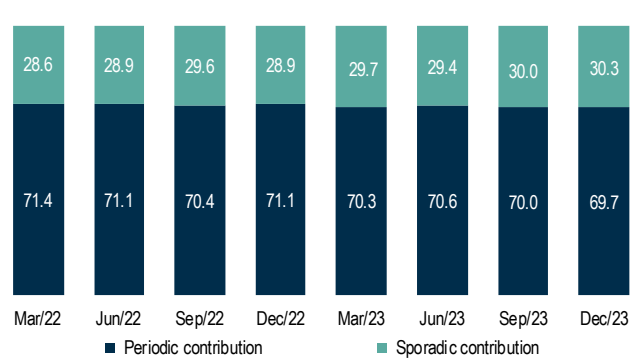


Figure 44 – Brasilprev | Pension plans outstanding (%)



## TECHNICAL RESERVES

Figure 45 – Brasilprev | Technical reserves (R\$ billion)

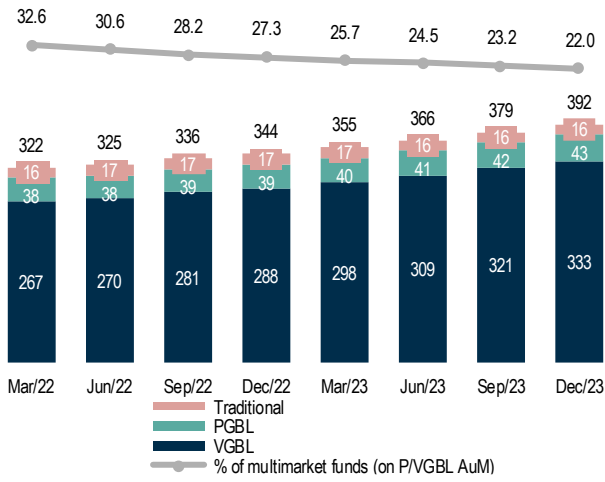


Figure 46 – Brasilprev | Technical reserves (%)

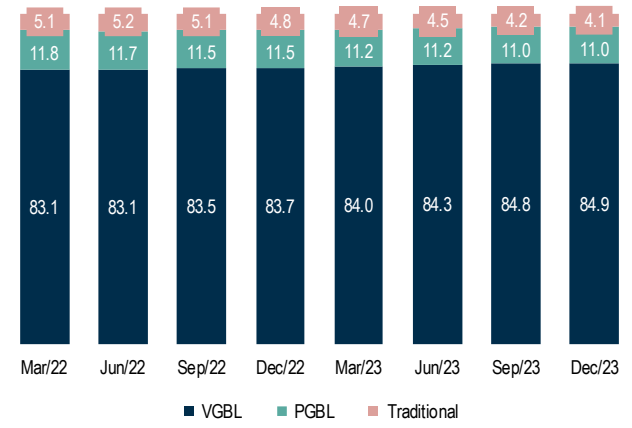


Figure 47 – Brasilprev | Plans (thousand)

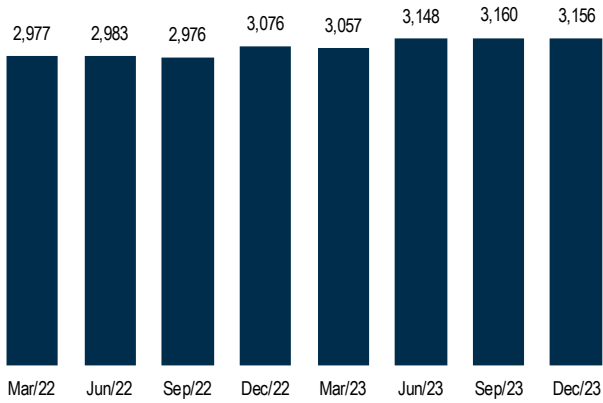


Figure 48 – Brasilprev | CPFs (thousand)

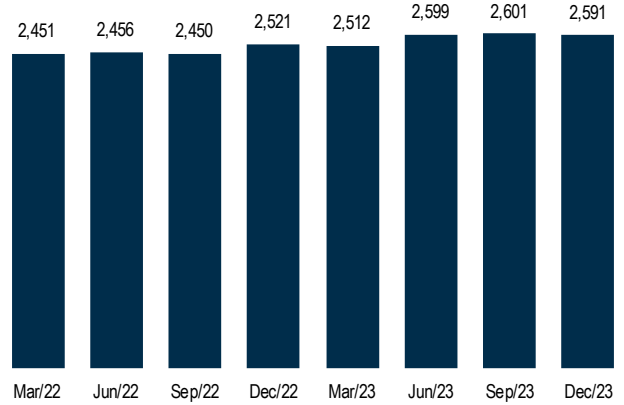




Table 42 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans

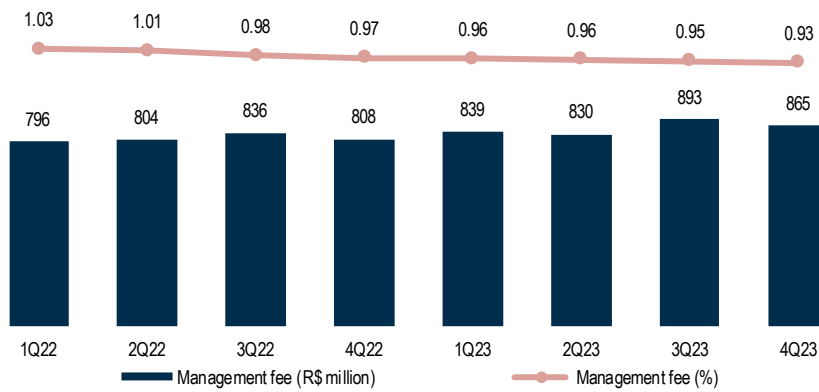
R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Benefits to be granted</b>					
<b>Initial balance</b>	<b>328,687,147</b>	<b>358,130,743</b>	<b>371,098,866</b>	<b>12.9</b>	<b>3.6</b>
Constitution	1,119,006	5,279,916	1,729,006	54.5	(67.3)
Reversal	(780,270)	(583,484)	(421,775)	(45.9)	(27.7)
Restatement	7,351,013	8,271,691	11,683,579	58.9	41.2
<b>Final balance</b>	<b>336,376,897</b>	<b>371,098,866</b>	<b>384,089,676</b>	<b>14.2</b>	<b>3.5</b>
<b>Benefits granted</b>					
<b>Initial balance</b>	<b>6,001,803</b>	<b>6,202,884</b>	<b>6,298,371</b>	<b>4.9</b>	<b>1.5</b>
Constitution	54,598	56,567	68,812	26.0	21.6
Reversal	(24,634)	(9,265)	(28,180)	14.4	204.2
Restatement	(12,890)	48,185	205,025	-	325.5
<b>Final balance</b>	<b>6,018,876</b>	<b>6,298,371</b>	<b>6,544,028</b>	<b>8.7</b>	<b>3.9</b>
<b>Other provisions</b>					
<b>Initial balance</b>	<b>1,572,384</b>	<b>1,496,644</b>	<b>1,622,127</b>	<b>3.2</b>	<b>8.4</b>
Constitution	534,183	1,711,613	1,199,075	124.5	(29.9)
Reversal	(708,880)	(1,622,709)	(1,506,608)	112.5	(7.2)
Restatement	33,036	36,578	53,449	61.8	46.1
<b>Final balance</b>	<b>1,430,724</b>	<b>1,622,127</b>	<b>1,368,042</b>	<b>(4.4)</b>	<b>(15.7)</b>
<b>Total Provisions</b>	<b>343,826,496</b>	<b>379,019,364</b>	<b>392,001,746</b>	<b>14.0</b>	<b>3.4</b>

Table 43 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans by product

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>P VGBL Reserves</b>					
<b>Initial balance</b>	<b>319,214,719</b>	<b>349,430,759</b>	<b>363,032,565</b>	<b>13.7</b>	<b>3.9</b>
Constitution	1,348,543	6,377,215	2,191,217	62.5	(65.6)
Reversal	(859,529)	(1,186,905)	(715,705)	(16.7)	(39.7)
Restatement	7,466,770	8,411,497	11,419,357	52.9	35.8
<b>Final balance</b>	<b>327,170,502</b>	<b>363,032,565</b>	<b>375,927,434</b>	<b>14.9</b>	<b>3.6</b>
<b>Traditional Reserves</b>					
<b>Initial balance</b>	<b>17,046,615</b>	<b>16,399,512</b>	<b>15,986,798</b>	<b>(6.2)</b>	<b>(2.5)</b>
Constitution	359,243	670,882	805,676	124.3	20.1
Reversal	(654,254)	(1,028,553)	(1,240,857)	89.7	20.6
Restatement	(95,611)	(55,043)	522,695	-	-
<b>Final balance</b>	<b>16,655,994</b>	<b>15,986,798</b>	<b>16,074,312</b>	<b>(3.5)</b>	<b>0.5</b>
<b>Total Provisions</b>	<b>343,826,496</b>	<b>379,019,364</b>	<b>392,001,746</b>	<b>14.0</b>	<b>3.4</b>

## MANAGEMENT FEE

Figure 49 – Brasilprev | Management fee

Table 44 – Brasilprev | Management fee breakdown<sup>1,2</sup>

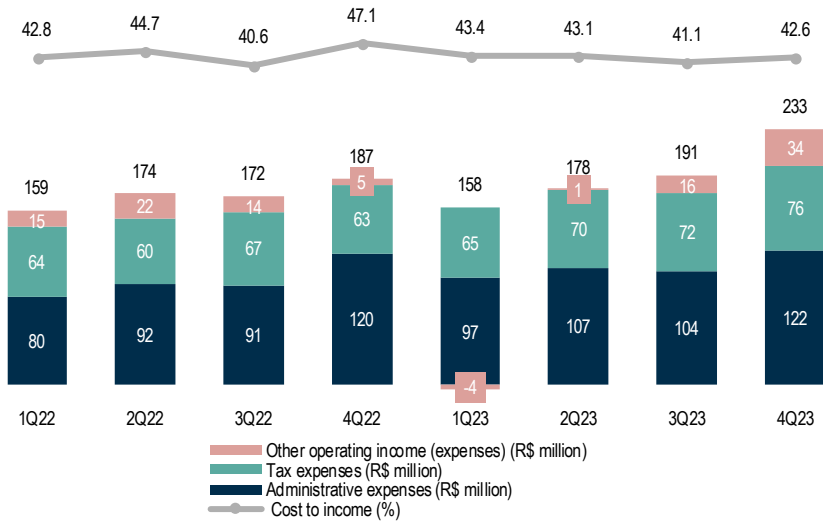
R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
Management fee	808,330	893,318	864,720	7.0	(3.2)	3,244,613	3,426,592	5.6
Average volume of reserves	340,191,627	373,106,575	384,684,550	13.1	3.1	327,896,935	366,774,425	11.9
Working days	62	64	61	-1 w.d.	-3 w.d.	251	249	-2 w.d.
<b>Annualized average management fee (%)</b>	<b>0.97</b>	<b>0.95</b>	<b>0.93</b>	<b>(0.04) p.p.</b>	<b>(0.01) p.p.</b>	<b>0.99</b>	<b>0.95</b>	<b>(0.05) p.p.</b>

1. Management fee annualized considering the total of 252 working days.

2. Working days calculated based on the holidays table provided by ANBIMA.

GENERAL & ADMINISTRATIVE EXPENSES

Figure 50 – Brasilprev | G&A expenses and cost to income ratio



QUARTERLY ANALYSIS

In **4Q23**, **general and administrative expenses** grew 24.4% over the same period of 2022, while the cost to income ratio improved 4.4 p.p. The better efficiency ratio is due to the reversal of provisions for claims to be settled, after the revision of pending claims that identified provisions for claims refused or prescribed, and related expenses, after a review of the assumptions.

**Administrative expenses** were up 2.1%, mostly explained by: (i) higher personnel expenses, due to the collective bargaining agreement, health insurance price adjustment and a greater volume of layoff in the period; and (ii) increased expenses with location and operation, mostly with working travels and software amortization. The growth in these lines were partially offset by lower expenses with outsourcing, since 4Q22 concentrated a greater volume of spending on technology and projects, while in 2023 these expenses were distributed throughout the year.

**Other operating income and expenses** presented a negative balance of R\$34.2 million, compared to a negative balance of R\$4.6 million in 4Q22. This increase is mainly explained by:

- higher sales incentive expenses, with impact of the provisioning of the amounts related to sales force campaigns in 2H23, in addition to higher spending on endomarketing. It is worth to note that the spending with sales force compensation of the 2H22 was registered in the 1H23, impacting the comparison;
- lower reversal of provision for losses in receivables related to plans with contributions to risk component. The reversals refer to the decline of policies past due to more than 90 days, with negative counterpart in the line of earned premiums; and
- increase in expenses in the line of other income and operating expenses, due to the constitution of provision for benefit granted (R\$18.5 million) for plans with participant survival beyond the initial expectation at the time of conversion into annuity.

**Tax expenses** rose 21.6%, a consequence of the increase in the taxable income in the quarter.

YEAR-TO-DATE ANALYSIS

In **2023**, **general and administrative expenses** grew by 9.8%. The cost to income ratio improved 1.2 p.p., largely justified by the reversals of provisions for claims to be settled and for related expenses, as mentioned in the 4Q23 analysis, and the increase in revenues with management fee.

**Administrative expenses** increased by 12.4%, mainly explained by higher personnel and location and operation expenses, for the same reasons mentioned in the quarterly analysis, in addition to higher marketing expenses, due to the increase of incentivized sponsorships.

On the other hand, the **other operating income and expenses** reduced the negative balance by 16.6%, movement explained by the reversal of provision for losses on receivables (R\$59.3 million) due to the cancelling of policies overdue to more than 90 days, with negative offset in earned premiums. This effect was partially offset by the increase in sales incentives expenses and other operating income and expenses, as reviewed in the 4Q23 analysis, in addition to the higher volume of provision for civil lawsuits.

**Tax expenses** rose 11.7%, due to the increase in the taxable income.

Table 45 – Brasilprev | G&A expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Administrative expenses</b>	<b>(119,881)</b>	<b>(103,582)</b>	<b>(122,456)</b>	<b>2.1</b>	<b>18.2</b>	<b>(382,757)</b>	<b>(430,194)</b>	<b>12.4</b>
Personnel	(45,302)	(47,282)	(49,783)	9.9	5.3	(169,753)	(189,914)	11.9
Outsourcing	(37,089)	(28,376)	(31,800)	(14.3)	12.1	(112,922)	(114,898)	1.7
Location and operation	(15,595)	(19,911)	(19,665)	26.1	(1.2)	(62,394)	(78,162)	25.3
Marketing	(18,614)	(7,561)	(17,780)	(4.5)	135.2	(32,406)	(40,455)	24.8
Other	(3,281)	(452)	(3,428)	4.5	-	(5,282)	(6,765)	28.1
<b>Other operating income (expenses)</b>	<b>(4,637)</b>	<b>(15,926)</b>	<b>(34,212)</b>	<b>-</b>	<b>114.8</b>	<b>(56,150)</b>	<b>(46,808)</b>	<b>(16.6)</b>
Expenses on sales incentive	(3,730)	(4,540)	(19,252)	416.1	324.1	(25,050)	(42,395)	69.2
Charging expenses	(6,136)	(5,839)	(7,426)	21.0	27.2	(21,288)	(24,360)	14.4
Contingencies	(548)	388	(1,401)	155.7	-	(3,648)	(8,272)	126.8
Provision for losses on receivables	8,312	7,655	2,095	(74.8)	(72.6)	(2,289)	35,854	-
Other operating income (expenses)	(2,535)	(13,590)	(8,228)	224.6	(39.5)	(3,875)	(7,635)	97.0
<b>Tax expenses</b>	<b>(62,777)</b>	<b>(71,595)</b>	<b>(76,325)</b>	<b>21.6</b>	<b>6.6</b>	<b>(253,730)</b>	<b>(283,339)</b>	<b>11.7</b>
Federal and municipal taxes	(16,505)	(18,336)	(17,641)	6.9	(3.8)	(66,697)	(70,464)	5.6
COFINS	(38,121)	(44,610)	(47,540)	24.7	6.6	(155,308)	(176,151)	13.4
PIS/PASEP	(6,194)	(7,249)	(7,725)	24.7	6.6	(25,237)	(28,624)	13.4
Inspection fee	(1,296)	(1,296)	(1,295)	(0.1)	(0.1)	(5,181)	(5,181)	-
Other tax expenses	(661)	(104)	(2,124)	221.3	-	(1,307)	(2,919)	123.3
<b>General and administrative expenses</b>	<b>(187,295)</b>	<b>(191,103)</b>	<b>(232,993)</b>	<b>24.4</b>	<b>21.9</b>	<b>(692,638)</b>	<b>(760,341)</b>	<b>9.8</b>

Table 46 – Brasilprev | Cost to income ratio

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Revenues - [ a ]</b>	<b>854,102</b>	<b>941,524</b>	<b>922,580</b>	<b>8.0</b>	<b>(2.0)</b>	<b>3,449,249</b>	<b>3,616,640</b>	<b>4.9</b>
Net revenue from pension and insurance	5,191	4,717	4,661	(10.2)	(1.2)	20,804	19,322	(7.1)
Management fee	808,330	893,318	864,720	7.0	(3.2)	3,244,613	3,426,592	5.6
Earned premiums	40,581	43,488	53,199	31.1	22.3	183,833	170,726	(7.1)
<b>Expenses - [ b ]</b>	<b>402,068</b>	<b>387,281</b>	<b>393,458</b>	<b>(2.1)</b>	<b>1.6</b>	<b>1,508,776</b>	<b>1,538,538</b>	<b>2.0</b>
Changes in other technical reserves	5,861	2,602	(10,172)	-	-	11,038	(1,053)	-
Expenses with benefits, redemptions and claims	33,553	7,317	(17,066)	-	-	108,516	37,218	(65.7)
Acquisition costs	175,360	186,259	187,703	7.0	0.8	696,584	742,032	6.5
Administrative expenses	119,881	103,582	122,456	2.1	18.2	382,757	430,194	12.4
Tax expenses	62,777	71,595	76,325	21.6	6.6	253,731	283,339	11.7
Other operating income (expenses)	4,637	15,926	34,212	-	114.8	56,150	46,808	(16.6)
<b>Cost to income ratio (%) - [ b / a ]</b>	<b>47.1</b>	<b>41.1</b>	<b>42.6</b>	<b>(4.4) p.p.</b>	<b>1.5 p.p.</b>	<b>43.7</b>	<b>42.5</b>	<b>(1.2) p.p.</b>

## ■ NET INVESTMENT INCOME

Figure S1 – Brasilprev | Net investment income (R\$ million)

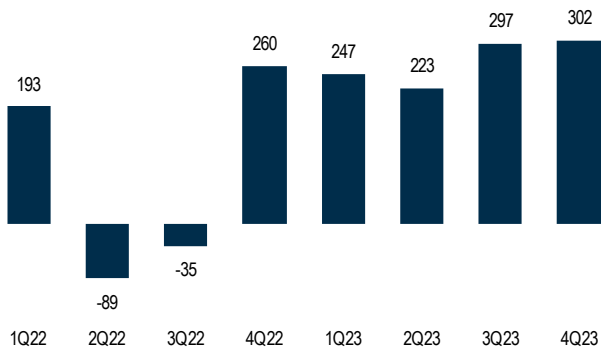
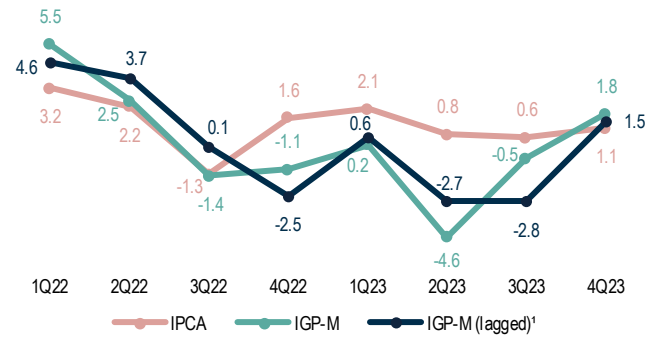


Figure S2 – Brasilprev | Inflation rates (%)



Source: IBGE and FGV.

1. Considering the IGP-M with a lag of one month, which is the average to accrual the interest bearing liabilities of Brasilprev's defined benefit plans.

Table 47 – Brasilprev | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Adjusted interest revenues</b>	<b>172,479</b>	<b>295,055</b>	<b>785,894</b>	<b>355.6</b>	<b>166.4</b>	<b>2,376,138</b>	<b>1,959,258</b>	<b>(17.5)</b>
Revenues with mark to market financial investments	(101,761)	(40)	220,046	-	-	184,851	493,212	166.8
Revenues with held to maturity financial investments	274,241	295,095	565,848	106.3	91.8	2,191,288	1,466,046	(33.1)
<b>Adjusted interest expenses</b>	<b>87,797</b>	<b>1,492</b>	<b>(483,405)</b>	<b>-</b>	<b>-</b>	<b>(2,046,554)</b>	<b>(890,232)</b>	<b>(56.5)</b>
Interest accrual on technical reserves	108,835	22,379	(464,410)	-	-	(1,968,502)	(808,608)	(58.9)
Interest accrual on debentures	(21,039)	(20,887)	(18,995)	(9.7)	(9.1)	(78,052)	(81,624)	4.6
<b>Net investment income</b>	<b>260,276</b>	<b>296,547</b>	<b>302,489</b>	<b>16.2</b>	<b>2.0</b>	<b>329,585</b>	<b>1,069,026</b>	<b>224.4</b>

### QUARTERLY ANALYSIS

In **4Q23**, the **net investment income** grew 16.2% YoY. The increase is attributed to the rise of **adjusted interest revenues**, with the positive impact of mark-to-market gains of investments for trading. The spike of the average rate on financial assets held to maturity also contributed to interest revenue growth, driven by the higher IGP-M (4Q23: +1.8% | 4Q22: -1.1%), partially offset by the reduction in IPCA (4Q23: +1.1% | 4Q22: +1.6%).

**Adjusted interest expenses** ended the quarter totaling R\$483.4 million, compared to a positive balance of R\$87.8 million in 4Q22. The performance is justified by the spike of the IGP-M accumulated from September to November 2023 (+1.5%), compared to deflation recorded in the same period of 2022 (-2.5%).

### YEAR-TO-DATE ANALYSIS

**In the year**, the **net investment income** totaled R\$1.1 billion, more than three times the amount reported in 2022. The performance is explained by the sharp decrease of 6.2 p.p. in the average rate of defined benefit plan liabilities, reflecting the deflation of 3.5% of the accumulated IGP-M from December 2022 to November 2023, while between December 2021 and November 2022 the IGP-M accumulated inflation of 5.9%.

Interest revenue reduced 17.5%, due to the contraction of the average rate on financial assets held until maturity, caused by the deflation of IGP-M (2023: -3.2% | 2022: +5.5%) and the lower IPCA (2023: +4.6% | 2022: +5.8%). On the other hand, part of this reduction was offset by the positive mark-to-market result in investments for trading.

Table 48 – Brasilprev | Quarterly figures – Volume and rate analysis

R\$ thousand	4Q23/4Q22		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	(18,766)	340,573	321,807
Held to maturity financial investments	23,588	268,019	291,607
<b>Total<sup>1</sup></b>	<b>13,053</b>	<b>600,362</b>	<b>613,414</b>
<b>Interest bearing liabilities</b>			
Technical reserves	14,159	(587,404)	(573,245)
Debentures	(17)	2,060	2,043
<b>Total</b>	<b>14,295</b>	<b>(585,496)</b>	<b>(571,202)</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 49 – Brasilprev | Quarterly figures – Earning assets – average balance and interest rates<sup>1</sup>

R\$ million	4Q22			4Q23		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to market financial investments	5,287	(102)	(7.6)	4,871	220	20.0
Held to maturity financial investments	18,968	274	6.0	19,793	566	12.3
<b>Total</b>	<b>24,254</b>	<b>172</b>	<b>2.9</b>	<b>24,664</b>	<b>786</b>	<b>13.8</b>

1. Guaranteeing assets and free assets of Traditional plans and guaranteeing assets of the P/VGBL plans in the granting stage.

Table 50 – Brasilprev | Quarterly figures – Interest bearing liabilities – average balance and interest rates<sup>1</sup>

R\$ million	4Q22			4Q23		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves	18,785	109	(2.4)	18,229	(464)	10.1
Debentures	548	(21)	14.7	549	(19)	13.5
<b>Total</b>	<b>19,333</b>	<b>88</b>	<b>(1.9)</b>	<b>18,778</b>	<b>(483)</b>	<b>10.2</b>

1. Technical reserves of Traditional and P/VGBL plans in the granting stage.

Table 51 – Brasilprev | Year-to-date figures – Volume and rate analysis

R\$ thousand	2023/2022		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	(4,481)	312,842	308,361
Held to maturity financial investments	88,289	(813,531)	(725,241)
<b>Total<sup>1</sup></b>	<b>89,844</b>	<b>(506,725)</b>	<b>(416,880)</b>
<b>Interest bearing liabilities</b>			
Technical reserves	(11,865)	1,171,760	1,159,894
Debentures	(3,573)	-	(3,573)
<b>Total</b>	<b>(12,709)</b>	<b>1,169,031</b>	<b>1,156,322</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 52 – Brasilprev | Year-to-date figures – Earning assets – average balance and interest rates<sup>1</sup>

R\$ million	2022			2023		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earning assets</b>						
Mark to market financial investments	5,150	185	3.6	5,104	493	9.8
Held to maturity financial investments	18,342	2,191	12.0	19,517	1,466	7.6
<b>Total</b>	<b>23,492</b>	<b>2,376</b>	<b>10.2</b>	<b>24,621</b>	<b>1,959</b>	<b>8.1</b>

1. Guaranteeing assets and free assets of Traditional plans and guaranteeing assets of the P/VGBL plans in the granting stage.

Table 53 – Brasilprev | Year-to-date figures – Interest bearing liabilities – average balance and interest rates<sup>1</sup>

R\$ million	2022			2023		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves	18,203	(1,969)	10.9	18,474	(809)	4.4
Debentures	548	(78)	14.3	549	(82)	15.0
<b>Total</b>	<b>18,751</b>	<b>(2,047)</b>	<b>11.0</b>	<b>19,023</b>	<b>(890)</b>	<b>4.7</b>

1. Technical reserves of Traditional and P/VGBL plans in the granting stage.



Table 54 – Brasilprev | Financial investments portfolio breakdown (except PGBL and VGBL funds)

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Held to maturity securities</b>	<b>19,020,371</b>	<b>19,570,886</b>	<b>20,014,282</b>	<b>5.2</b>	<b>2.3</b>
Pre-fixed	50,935	49,787	51,019	0.2	2.5
Inflation	18,969,436	19,521,099	19,963,263	5.2	2.3
<b>Mark to market securities</b>	<b>5,211,787</b>	<b>4,747,521</b>	<b>4,995,295</b>	<b>(4.2)</b>	<b>5.2</b>
Pre-fixed	316,365	154,458	170,901	(46.0)	10.6
Floating	1,616,257	1,814,257	1,835,998	13.6	1.2
Inflation	3,279,165	2,778,806	2,988,396	(8.9)	7.5
<b>Total</b>	<b>24,232,158</b>	<b>24,318,407</b>	<b>25,009,577</b>	<b>3.2</b>	<b>2.8</b>

Figure 53 – Brasilprev | Financial investments breakdown by index - except PGBL and VGBL funds (%)

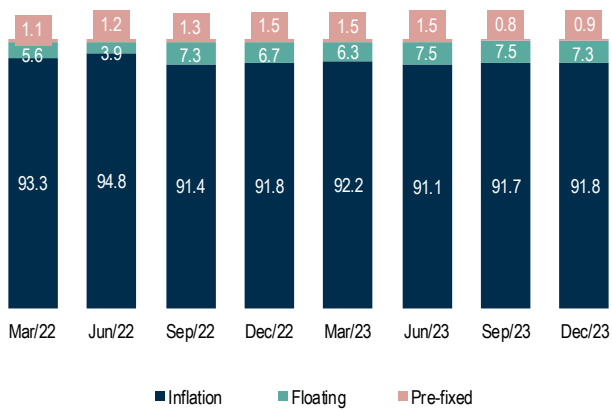
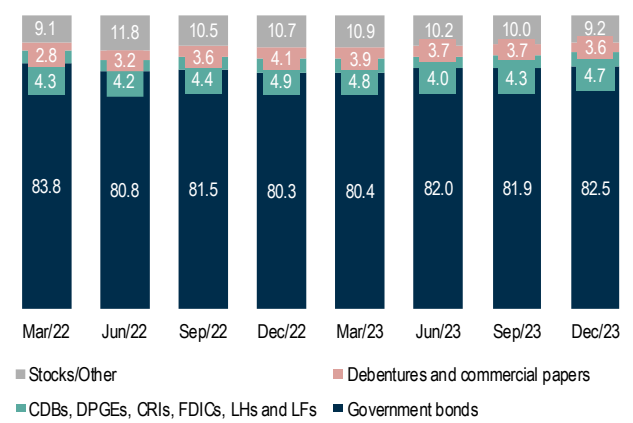


Figure 54 – Brasilprev | Assets allocation (%)



## ■ BALANCE SHEET ANALYSIS

Table 55 – Brasilprev | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Assets</b>	<b>351,467,366</b>	<b>387,068,180</b>	<b>400,505,764</b>	<b>14.0</b>	<b>3.5</b>
Cash and cash equivalents	278,271	139,061	146,459	(47.4)	5.3
Financial assets	348,967,777	384,736,865	398,056,721	14.1	3.5
Receivables from insurance and reinsurance operations	1,970	9,248	7,589	285.2	(17.9)
Securities and credits receivable	513,767	405,249	509,570	(0.8)	25.7
Prepaid expenses	10,994	8,661	6,584	(40.1)	(24.0)
Deferred costs	1,412,099	1,494,424	1,500,366	6.3	0.4
Credits from private pension transactions	186	256	2,573	-	-
Other	37,365	34,687	33,272	(11.0)	(4.1)
Investments	75	75	75	-	-
Fixed assets	13,655	10,478	11,045	(19.1)	5.4
Intangible	231,208	229,175	231,509	0.1	1.0
<b>Liabilities</b>	<b>345,419,341</b>	<b>380,905,137</b>	<b>393,805,820</b>	<b>14.0</b>	<b>3.4</b>
Accounts payable	924,546	1,013,679	1,130,116	22.2	11.5
Debentures	548,336	548,701	548,823	0.1	0.0
Obligations with insurance and reinsurance operations	9,535	10,311	10,521	10.3	2.0
Debts from private pension transactions	9,964	1,485	3,398	(65.9)	128.9
Third party deposits	36,219	250,718	50,166	38.5	(80.0)
Technical reserves - insurance	287,775,084	321,470,025	332,808,217	15.6	3.5
Technical reserves - private pension	56,051,412	57,549,339	59,193,529	5.6	2.9
Other liabilities	64,246	60,880	61,049	(5.0)	0.3
<b>Shareholders' equity</b>	<b>6,048,025</b>	<b>6,163,042</b>	<b>6,699,945</b>	<b>10.8</b>	<b>8.7</b>

## ■ SOLVENCY

Table 56 – Brasilprev | Solvency<sup>1</sup>

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Adjusted shareholder's equity (a)</b>	<b>5,579,105</b>	<b>6,308,229</b>	<b>6,667,607</b>	<b>19.5</b>	<b>5.7</b>
<b>Minimum capital requirement (b)</b>	<b>2,962,484</b>	<b>3,164,367</b>	<b>3,246,171</b>	<b>9.6</b>	<b>2.6</b>
Additional capital for underwriting risk	1,887,096	2,165,645	2,189,176	16.0	1.1
Additional capital for credit risk	112,576	124,778	123,995	10.1	(0.6)
Additional capital for market risk	1,419,955	1,308,419	1,385,141	(2.5)	5.9
Additional capital for operating risk	275,061	303,215	313,601	14.0	3.4
Correlation risk reduction	(732,204)	(737,690)	(765,743)	4.6	3.8
<b>Capital adequacy (a) - (b)</b>	<b>2,616,621</b>	<b>3,143,862</b>	<b>3,421,437</b>	<b>30.8</b>	<b>8.8</b>
<b>Solvency ratio (a) / (b) - %</b>	<b>188.3</b>	<b>199.4</b>	<b>205.4</b>	<b>17.1 p.p.</b>	<b>6.0 p.p.</b>

1. Information based on the accounting principles adopted by SUSEP.

## 4.3 BRASILCAP

### ■ EARNINGS ANALYSIS

The table below shows a managerial view built from the reallocation of expenses relates to the formation of Lottery and bonus provisions. This reallocation aims to isolate and present the revenue with load fee, which is the source used to cover general & administrative expenses and acquisition costs.

Table 57 – Brasilcap | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Premium bonds collection</b>	<b>1,743,163</b>	<b>1,648,071</b>	<b>1,731,916</b>	<b>(0.6)</b>	<b>5.1</b>	<b>5,949,271</b>	<b>6,447,771</b>	<b>8.4</b>
Changes in provisions for redemption	(1,538,514)	(1,469,439)	(1,531,783)	(0.4)	4.2	(5,251,395)	(5,707,700)	8.7
Changes in provisions for lottery and bonus	(23,463)	(27,500)	(31,321)	33.5	13.9	(76,412)	(112,886)	47.7
<b>Revenue with load fee</b>	<b>181,186</b>	<b>151,131</b>	<b>168,812</b>	<b>(6.8)</b>	<b>11.7</b>	<b>621,463</b>	<b>627,185</b>	<b>0.9</b>
Changes in other technical reserves	8	55	(370)	-	-	(734)	(503)	(31.5)
Result with lottery	12,913	19,012	22,247	72.3	17.0	28,734	58,795	104.6
Acquisition costs	(169,041)	(141,537)	(162,191)	(4.1)	14.6	(532,865)	(574,492)	7.8
Administrative expenses	(36,067)	(33,733)	(44,174)	22.5	31.0	(117,450)	(137,871)	17.4
Tax expenses	(11,183)	(10,123)	(11,404)	2.0	12.7	(39,364)	(40,953)	4.0
Other operating income (expenses)	16,621	15,834	21,466	29.1	35.6	58,422	68,192	16.7
Equity income	(53)	(6)	(1)	(99.1)	(91.2)	(314)	(8)	(97.6)
<b>Non-interest operating result</b>	<b>(5,614)</b>	<b>633</b>	<b>(5,613)</b>	<b>(0.0)</b>	<b>-</b>	<b>17,893</b>	<b>346</b>	<b>(98.1)</b>
<b>Net investment income</b>	<b>87,894</b>	<b>124,462</b>	<b>112,292</b>	<b>27.8</b>	<b>(9.8)</b>	<b>328,015</b>	<b>442,554</b>	<b>34.9</b>
Financial income	255,859	322,440	299,083	16.9	(7.2)	1,175,194	1,219,287	3.8
Financial expenses	(167,965)	(197,978)	(186,791)	11.2	(5.7)	(847,179)	(776,733)	(8.3)
<b>Earnings before taxes and profit sharing</b>	<b>82,279</b>	<b>125,095</b>	<b>106,679</b>	<b>29.7</b>	<b>(14.7)</b>	<b>345,908</b>	<b>442,900</b>	<b>28.0</b>
Taxes	(17,111)	(49,351)	(35,007)	104.6	(29.1)	(122,157)	(166,164)	36.0
Profit sharing	(2,279)	(2,853)	(2,356)	3.4	(17.4)	(5,983)	(8,400)	40.4
<b>Net income</b>	<b>62,889</b>	<b>72,890</b>	<b>69,317</b>	<b>10.2</b>	<b>(4.9)</b>	<b>217,768</b>	<b>268,336</b>	<b>23.2</b>

## NET INCOME

Figure 55 – Brasilcap | Net income (R\$ million)

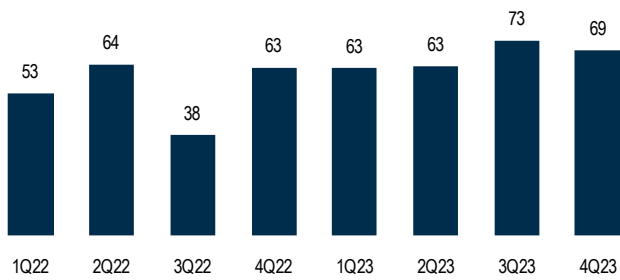
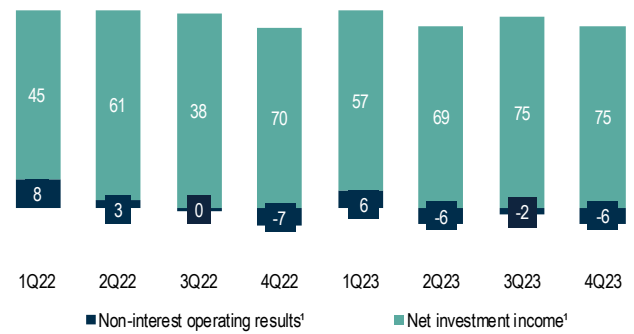


Figure 56 – Brasilcap | Net income breakdown (R\$ million)



1. Net of taxes considering the effective tax rate.

Table 58 – Brasilcap | Performance ratios

%	Quarterly Flow			Chg. (p.p.)		Annual Flow		Chg. (p.p.)
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Average quotes</b>								
Reserve quote	88.3	89.2	88.4	0.2	(0.7)	88.3	88.5	0.3
Lottery quote	1.3	1.7	1.8	0.5	0.1	1.3	1.8	0.5
Load fee quote	10.4	9.2	9.7	(0.6)	0.6	10.4	9.7	(0.7)
<b>Financial</b>								
Net interest margin (p.p.)	3.6	4.3	3.9	0.2	(0.4)	3.1	3.5	0.4
<b>Other</b>								
Premium bonds margin	(2.7)	0.4	(2.8)	(0.1)	(3.2)	2.6	0.05	(2.5)
Income tax rate	20.8	39.5	32.8	12.0	(6.6)	35.3	37.5	2.2

■ NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUM BONDS COLLECTION

Figure 57 – Brasilcap | Collection (R\$ million)

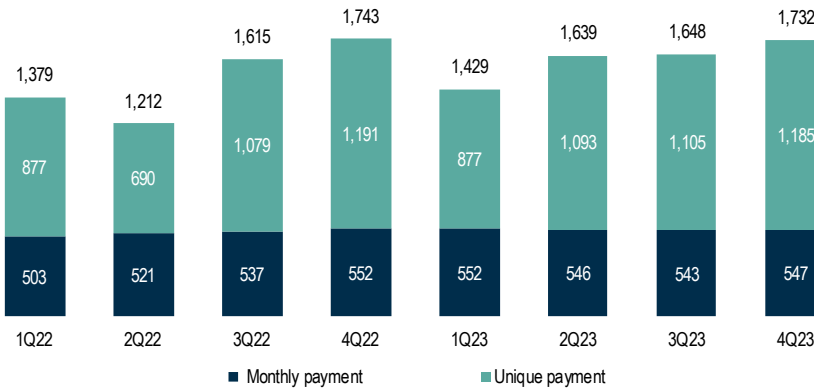


Figure 58 – Brasilcap | Collections by product (%)

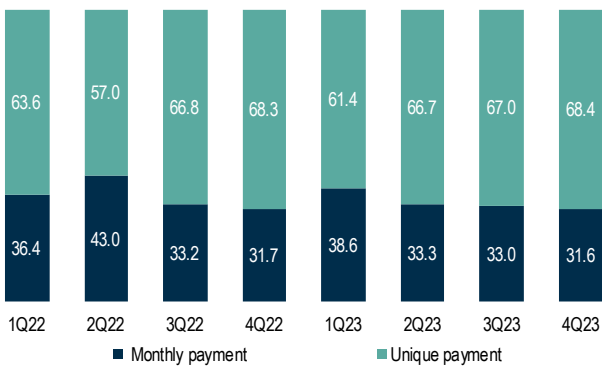
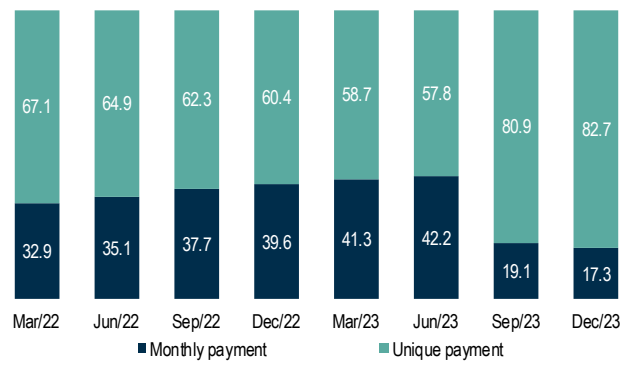


Figure 59 – Brasilcap | Bonds outstanding by product (%)



REVENUE WITH LOAD FEE

Figure 60 – Brasilcap | Revenue with load fee quote and average load fee quote

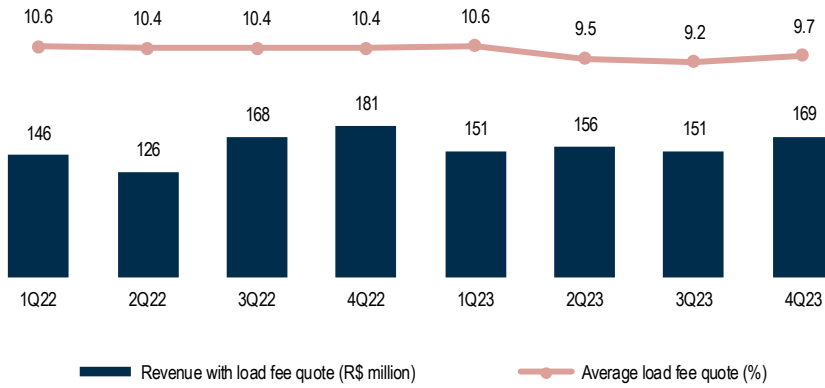


Figure 61 – Brasilcap | Changes in provisions for redemption and average reserve quote

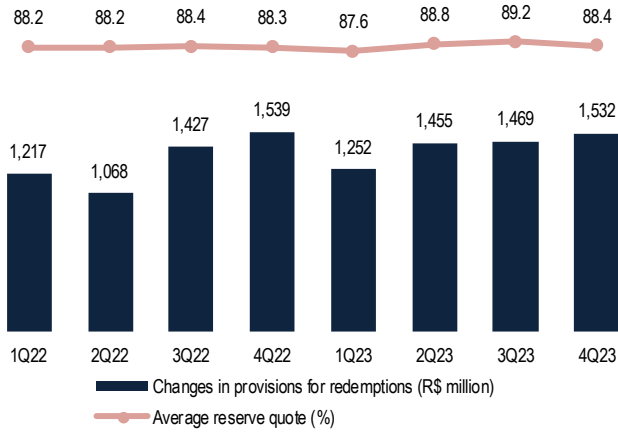


Figure 62 – Brasilcap | Changes in provisions for lottery and bonus and average lottery and bonus quotes

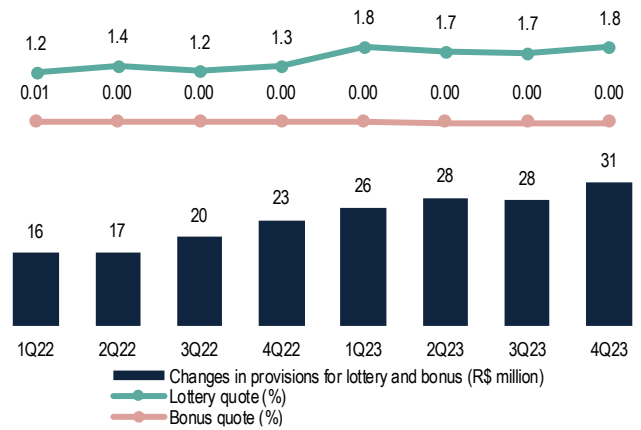


Table 59 – Brasilcap | Changes in premium bonds provision

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Premium bonds provision</b>					
<b>Initial balance</b>	<b>8,151,289</b>	<b>9,955,329</b>	<b>10,355,002</b>	<b>27.0</b>	<b>4.0</b>
Constitution	1,548,483	1,493,228	1,563,198	1.0	4.7
Cancellations	(11,372)	(25,786)	(33,348)	193.2	29.3
Transfers	(943,123)	(1,257,178)	(1,450,743)	53.8	15.4
Interest accrual	157,878	189,409	175,883	11.4	(7.1)
<b>Final balance</b>	<b>8,903,154</b>	<b>10,355,002</b>	<b>10,609,992</b>	<b>19.2</b>	<b>2.5</b>

Table 60 – Brasilcap | Changes in provisions for redemption<sup>1</sup>

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Provision for redemption</b>					
<b>Initial balance</b>	<b>627,037</b>	<b>610,985</b>	<b>638,075</b>	<b>1.8</b>	<b>4.4</b>
Constitution	1,399	1,998	1,932	38.2	(3.3)
Transfers	937,448	1,248,242	1,440,233	53.6	15.4
Payments	(955,108)	(1,219,452)	(1,438,244)	50.6	17.9
Interest accrual	3,415	3,270	1,728	(49.4)	(47.1)
Premium bonds penalty	6	3	3	(49.9)	8.3
Premium bonds expiration	(9,406)	(6,970)	(10,780)	14.6	54.7
<b>Final balance</b>	<b>604,790</b>	<b>638,075</b>	<b>632,947</b>	<b>4.7</b>	<b>(0.8)</b>

<sup>1</sup> Provision's flow does not pass through income statement

Table 61 – Brasilcap | Changes in provision for lottery to be held

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Provision for lottery to be held</b>					
<b>Initial balance</b>	<b>88,828</b>	<b>87,868</b>	<b>85,606</b>	<b>(3.6)</b>	<b>(2.6)</b>
Constitution	23,512	27,641	36,969	57.2	33.7
Reversal	(27,848)	(30,598)	(38,571)	38.5	26.1
Cancellations	(119)	(141)	(5,649)	-	-
Interest accrual	1,596	837	676	(57.6)	(19.2)
<b>Final balance</b>	<b>85,969</b>	<b>85,606</b>	<b>79,030</b>	<b>(8.1)</b>	<b>(7.7)</b>

Table 62 – Brasilcap | Changes in provision for draws to be paid

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Provision for draws to be paid</b>					
<b>Initial balance</b>	<b>7,781</b>	<b>9,526</b>	<b>9,597</b>	<b>23.3</b>	<b>0.7</b>
Constitution	14,936	11,228	16,325	9.3	45.4
Payments	(13,208)	(11,204)	(14,984)	13.4	33.7
Interest accrual	47	63	23	(51.1)	(63.5)
Premium bonds expiration	(2)	(16)	(45)	-	192.1
<b>Final balance</b>	<b>9,554</b>	<b>9,597</b>	<b>10,916</b>	<b>14.3</b>	<b>13.7</b>

## RESULT WITH LOTTERY

Figure 63 – Brasilcap | Result with lottery (R\$ million)

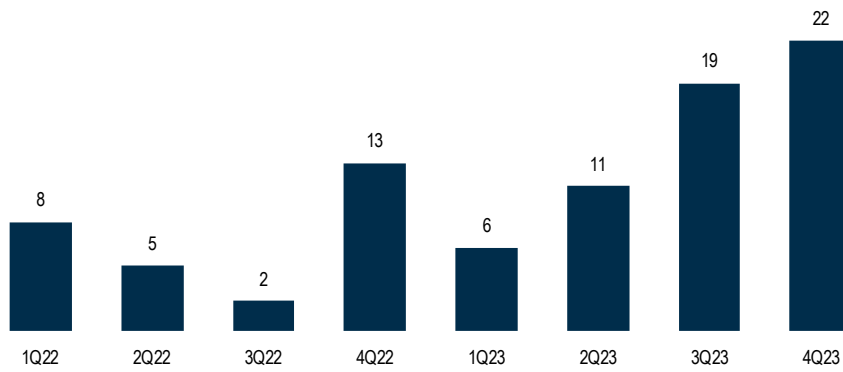


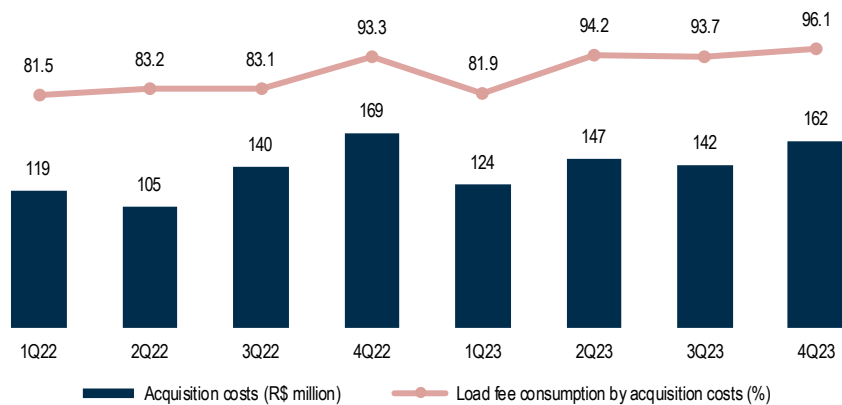
Table 63 – Brasilcap | Result with lottery

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Result with lottery</b>	<b>12,913</b>	<b>19,012</b>	<b>22,247</b>	<b>72.3</b>	<b>17.0</b>	<b>28,734</b>	<b>58,795</b>	<b>104.6</b>
Lottery provision reversal	27,848	30,598	38,572	38.5	26.1	85,517	123,307	44.2
Lottery expenses	(14,935)	(11,586)	(16,325)	9.3	40.9	(56,783)	(64,511)	13.6



## ACQUISITION COSTS

Figure 64 – Brasilcap | Acquisition costs



## QUARTERLY ANALYSIS

In **4Q23**, the **acquisition cost** fell 4.1% YoY. The performance is explained by the reduction of sales costs, due to lower spending with sales incentives in the bancassurance channel. The brokerage expenses were up 1.7%, the opposite direction registered in collection (-0.6%). This dynamic is explained by the increase in average commission, resulting from greater participation of monthly payment bonds in the mix, which show higher commission on new sales, in addition to the mix of unique payment bonds concentrated in products with higher commission percentages. Commercial expenses increased by 2.8 p.p. the consumption of revenue with load fee in the period, reaching 96.1%.

## YEAR-TO-DATE ANALYSIS

In **2023**, the **acquisition cost** increased 7.8%, while the collection grew 8.4%. The brokerage expenses were up 6.9%, at a slower pace compared to the collection growth. This movement is explained by the lower average commission in the bancassurance channel, due to the higher concentration of collections in unique payment bonds, which pays lower commissions percentages as compared to new monthly payments bonds sold.

On the other hand, the sales cost grew 14.4%, considering the increase of marketing and sales incentives in the bancassurance channel.

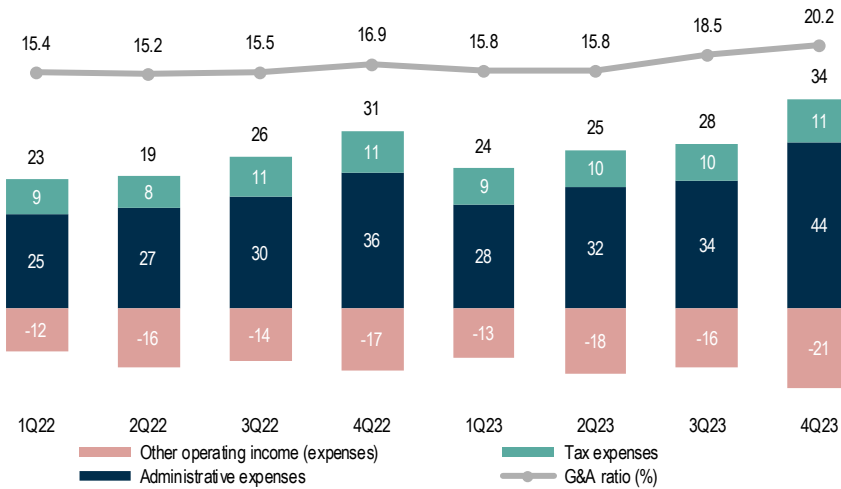
The rise in acquisition costs explains the spike of 5.9 p.p. in the load fee consumption ratio.

Table 64 – Brasilcap | Changes in Acquisition Costs

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Acquisition costs</b>	<b>169,041</b>	<b>141,537</b>	<b>162,191</b>	<b>(4.1)</b>	<b>14.6</b>	<b>532,865</b>	<b>574,492</b>	<b>7.8</b>
Brokerage	136,939	123,592	139,271	1.7	12.7	464,638	496,467	6.9
Sales cost	32,101	17,945	22,920	(28.6)	27.7	68,227	78,025	14.4

GENERAL & ADMINISTRATIVE EXPENSES

Figure 65 – Brasilcap | G&A expenses (R\$ million)



QUARTERLY ANALYSIS

In **4Q23**, **general and administrative** expenses rose 11.4% over the same period of 2022. The G&A ratio increased by 3.3 p.p., influenced both by the rise in expenses and the decrease in revenues with load fee.

**Administrative expenses** increased by 22.5%, largely explained by:

- marketing expenses rise, due to higher volume of sponsorship of cultural projects in the period, in addition to spendings on advertisement;
- growth in “others”, related to the incentivized donations higher than observed in 4Q22; and
- higher expenses with service providers, resulting from the adjustment of prices and new hires in technology and consulting services.

The **other income and operating expenses** posted a positive balance 29.1% higher YoY, due to increased revenues with early redemption and prescription of premium bonds.

**Tax expenses** grew 2.0%, in line with the evolution of the taxable income.

YEAR-TO-DATE ANALYSIS

In **2023**, **general and administrative expenses** were up 12.4% YoY, and G&A ratio deteriorated 1.8 p.p.

**Administrative expenses** grew 17.4%, impacted by greater expenses with: (i) personnel, due to organizational restructuring and creation of the risk committee to adapt to CNSP Resolution 416, in addition to the impact of collective bargaining agreement and increase of health plan price; (ii) marketing, service providers and incentivized donations, which also impacted the review of the quarterly result.

The positive balance of **other operating income and expenses** was 16.7% higher than observed in 2022, largely due to higher revenues from early redemption. **Tax expenses** rose 4.0%, following the increase in the taxable income.

Table 65 – Brasilcap | General &amp; Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Administrative expenses</b>	<b>(36,067)</b>	<b>(33,733)</b>	<b>(44,174)</b>	<b>22.5</b>	<b>31.0</b>	<b>(117,450)</b>	<b>(137,871)</b>	<b>17.4</b>
Personnel	(18,051)	(17,913)	(18,599)	3.0	3.8	(65,885)	(72,572)	10.1
Location and operation	(1,912)	(2,042)	(2,464)	28.9	20.6	(7,336)	(8,068)	10.0
Outsourcing	(13,118)	(11,043)	(13,875)	5.8	25.6	(39,685)	(44,531)	12.2
Institutional advertisement and publicity	(1,558)	(2,085)	(5,495)	252.8	163.6	(2,115)	(7,914)	274.2
Leasing	(17)	(10)	(10)	(39.5)	2.9	(98)	(30)	(69.6)
Other	(1,413)	(639)	(3,731)	164.1	483.5	(2,331)	(4,756)	104.0
<b>Other operating income (expenses)</b>	<b>16,621</b>	<b>15,834</b>	<b>21,466</b>	<b>29.1</b>	<b>35.6</b>	<b>58,422</b>	<b>68,192</b>	<b>16.7</b>
Legal provisions	377	(39)	4	(99.1)	-	358	(180)	-
Other operating income (expenses)	6,878	8,932	10,737	56.1	20.2	25,695	35,316	37.4
Revenue with premium bonds prescription	9,367	6,941	10,726	14.5	54.5	32,369	33,056	2.1
<b>Tax expenses</b>	<b>(11,183)</b>	<b>(10,123)</b>	<b>(11,404)</b>	<b>2.0</b>	<b>12.7</b>	<b>(39,364)</b>	<b>(40,953)</b>	<b>4.0</b>
COFINS	(9,067)	(8,164)	(9,225)	1.7	13.0	(31,675)	(32,986)	4.1
PIS/PASEP	(1,473)	(1,327)	(1,499)	1.7	13.0	(5,147)	(5,360)	4.1
Inspection fee	(562)	(562)	(562)	-	-	(2,249)	(2,249)	-
Other tax expenses	(80)	(71)	(117)	47.0	66.1	(291)	(357)	22.5
<b>G&amp;A Expenses</b>	<b>(30,629)</b>	<b>(28,022)</b>	<b>(34,111)</b>	<b>11.4</b>	<b>21.7</b>	<b>(98,391)</b>	<b>(110,632)</b>	<b>12.4</b>

## ■ NET INVESTMENT INCOME

Figure 66 – Brasilcap | Net investment income (R\$ million)

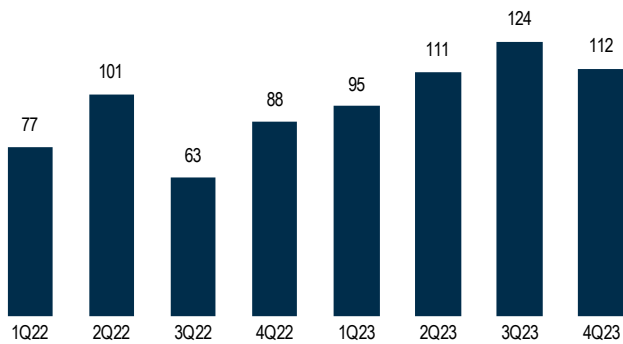


Figure 67 – Brasilcap | Annualized average interest rates and spread

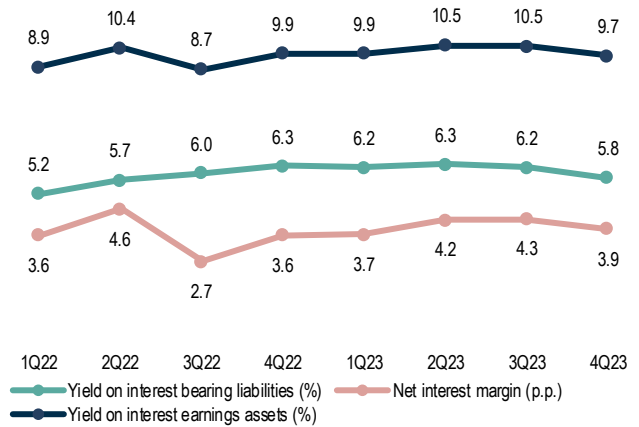


Table 66 – Brasilcap | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Interest revenues</b>	<b>254,614</b>	<b>321,488</b>	<b>294,764</b>	<b>15.8</b>	<b>(8.3)</b>	<b>915,629</b>	<b>1,180,505</b>	<b>28.9</b>
Revenues with mark to market financial investments	180,487	231,022	178,081	(1.3)	(22.9)	910,349	814,627	(10.5)
Expenses with mark to market financial investments	(1,245)	(952)	(4,320)	247.0	353.8	(259,566)	(38,781)	(85.1)
Revenues with held to maturity financial investments	74,708	91,267	119,785	60.3	31.2	263,087	402,136	52.9
Interest accrual on judicial deposits	663	151	1,218	83.6	-	1,759	2,523	43.5
<b>Interest expenses</b>	<b>(164,074)</b>	<b>(194,473)</b>	<b>(179,407)</b>	<b>9.3</b>	<b>(7.7)</b>	<b>(577,878)</b>	<b>(727,205)</b>	<b>25.8</b>
Interest accrual on technical reserves	(162,966)	(193,579)	(178,435)	9.5	(7.8)	(558,794)	(723,600)	29.5
Loans	(211)	-	-	-	-	(16,060)	-	-
Other	(897)	(894)	(973)	8.5	8.8	(3,023)	(3,604)	19.2
<b>Net interest income</b>	<b>90,540</b>	<b>127,015</b>	<b>115,356</b>	<b>27.4</b>	<b>(9.2)</b>	<b>337,752</b>	<b>453,300</b>	<b>34.2</b>

### QUARTERLY ANALYSIS

In **4Q23**, **net interest income** increased 27.4% YoY, with expansion of the average balance of financial assets and improvement of 0.2 p.p. in the net interest margin.

**Interest revenues** improved R\$40.1 million (+15.8%), because of the expansion of the average balance of financial assets, which added R\$49.2 million, an effect that was partially offset by the 0.2 p.p. drop in the average rate of the portfolio, with a negative impact of R\$9.1 million.

**Interest expenses** grew R\$15.3 million (+9.3%), due to the expansion of the average balance of interest-bearing liabilities, with the evolution of the technical premium bonds' reserves. The average rate on premium bonds' reserves reduced 0.6 p.p., impacted by the lower Reference Rate (TR) in the period.

### YEAR-TO-DATE ANALYSIS

In **2023**, the **net interest income** was 34.2% higher than in 2022. **Interest revenues** (+28.9%) benefited from both the expansion of the average balance of interest-earning assets and the rise of the average Selic rate.

On the other hand, **interest expenses** grew 25.8%, with evolution of the average balance of the technical premium bonds' reserves, an effect that was partially offset by the pay-off of the banking loan hired in 2021 to meet the need for regulatory liquidity. The higher

Reference Rate and the gain in relevance of the new portfolio of unique payment bonds (24 months), that has a higher rate adjusting the premium bonds' reserves than the other products in the portfolio, contributed to the increase in the cost of liabilities.

Table 67 – Brasilcap | Quarterly figures - Volume and rate analysis

R\$ thousand	4Q23/4Q22		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	14,717	(20,198)	(5,481)
Held to maturity financial investments	37,670	7,407	45,077
Judicial deposits	78	476	554
<b>Total<sup>1</sup></b>	<b>49,206</b>	<b>(9,056)</b>	<b>40,150</b>
<b>Interest bearing liabilities</b>			
Technical reserves - premium bonds	(31,324)	15,855	(15,468)
Other	(68)	(8)	(76)
Loans	211	-	211
<b>Total<sup>1</sup></b>	<b>(29,271)</b>	<b>13,937</b>	<b>(15,334)</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 68 – Brasilcap | Quarterly figures – Earning assets – average balance and interest rates

R\$ thousand	4Q22			4Q23		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earnings assets</b>						
Mark to market financial investments	6,437,906	179,242	11.8	7,033,647	173,761	10.6
Held to maturity financial investments	3,265,515	74,708	9.6	4,763,560	119,785	10.8
Judicial deposits	1,130,220	663	0.2	1,207,334	1,218	0.4
<b>Total</b>	<b>10,833,641</b>	<b>254,614</b>	<b>9.9</b>	<b>13,004,540</b>	<b>294,764</b>	<b>9.7</b>

Table 69 – Brasilcap | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R\$ thousand	4Q22			4Q23		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves - premium bonds	9,245,079	(162,966)	7.0	11,213,610	(178,435)	6.4
Other	1,136,993	(897)	0.3	1,222,866	(973)	0.3
Loans	25,361	(211)	3.3	-	-	-
<b>Total</b>	<b>10,407,433</b>	<b>(164,074)</b>	<b>6.3</b>	<b>12,436,477</b>	<b>(179,407)</b>	<b>5.8</b>

Table 70 – Brasilcap | Year-to-date figures – Volume and rate analysis

R\$ thousand	2023/2022		
	Average volume	Average rate	Net change
<b>Earning assets</b>			
Mark to market financial investments	181,754	(56,692)	125,062
Held to maturity financial investments	26,506	112,542	139,049
Judicial deposits	152	613	765
<b>Total'</b>	<b>185,803</b>	<b>79,073</b>	<b>264,876</b>
<b>Interest bearing liabilities</b>			
Technical reserves - premium bonds	(119,638)	(45,168)	(164,806)
Other	(236)	(345)	(582)
Loans	16,060	-	16,060
<b>Total'</b>	<b>(106,548)</b>	<b>(42,779)</b>	<b>(149,327)</b>

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 71 – Brasilcap | Year-to-date figures – Earning assets – average balance and interest rates

R\$ thousand	2022			2023		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
<b>Earnings assets</b>						
Mark to market financial investments	5,102,944	650,783	12.8	6,664,120	775,846	11.8
Held to maturity financial investments	4,067,597	263,087	6.5	4,354,626	402,136	9.4
Judicial deposits	1,101,785	1,759	0.2	1,172,377	2,523	0.2
<b>Total</b>	<b>10,272,326</b>	<b>915,629</b>	<b>9.0</b>	<b>12,191,123</b>	<b>1,180,505</b>	<b>9.8</b>

Table 72 – Brasilcap | Year-to-date figures – Interest bearing liabilities – average balance and interest rates

R\$ thousand	2022			2023		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Technical reserves - premium bonds	8,740,619	(558,794)	6.4	10,472,035	(723,600)	7.0
Other	1,106,833	(3,023)	0.3	1,184,515	(3,604)	0.3
Loans	101,213	(16,060)	15.9	-	-	-
<b>Total</b>	<b>9,948,665</b>	<b>(577,878)</b>	<b>5.8</b>	<b>11,656,549</b>	<b>(727,205)</b>	<b>6.3</b>

Table 73 – Brasilcap | Financial investments portfolio breakdown

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Trading</b>	<b>4,426,026</b>	<b>5,637,167</b>	<b>5,418,550</b>	<b>22.4</b>	<b>(3.9)</b>
Floating	4,094,527	5,438,023	5,239,812	28.0	(3.6)
Pre-fixed	256,315	-	-	-	-
Inflation	52,749	169,556	173,308	228.6	2.2
Equity funds	6,410	4,707	4,517	(29.5)	(4.0)
Other	16,025	24,880	913	(94.3)	(96.3)
<b>Available for sale</b>	<b>1,892,342</b>	<b>1,490,557</b>	<b>1,537,958</b>	<b>(18.7)</b>	<b>3.2</b>
Pre-fixed	1,892,342	1,490,557	1,537,958	(18.7)	3.2
<b>Held to maturity securities</b>	<b>3,747,580</b>	<b>4,495,145</b>	<b>5,015,036</b>	<b>33.8</b>	<b>11.6</b>
Pre-fixed	3,508,633	4,495,145	5,015,036	42.9	11.6
Floating	32,301	-	-	-	-
Inflation	206,646	-	-	-	-
<b>Total</b>	<b>10,065,948</b>	<b>11,622,869</b>	<b>11,971,544</b>	<b>18.9</b>	<b>3.0</b>

Figure 68 – Brasilcap | Asset allocation (%)

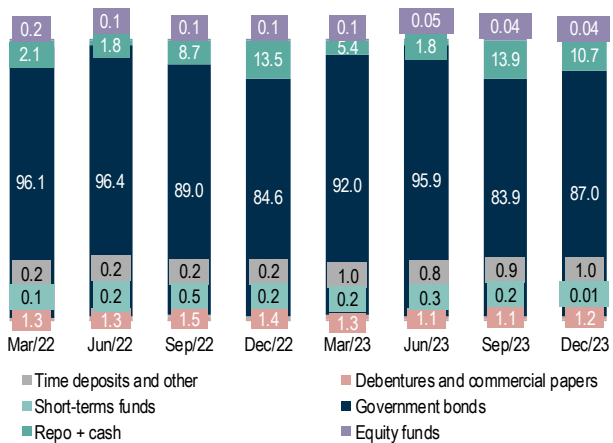
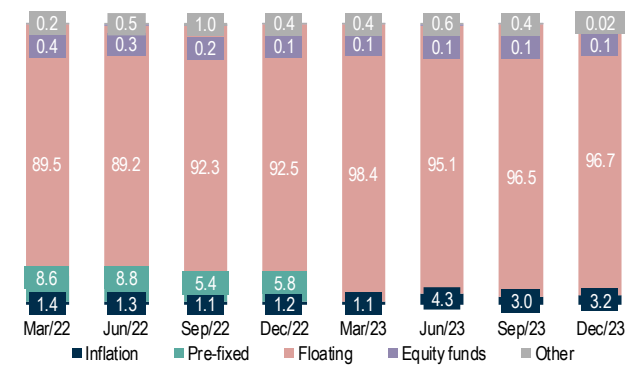


Figure 69 – Brasilcap | Financial investments breakdown by index (%)



## ■ BALANCE SHEET ANALYSIS

Table 74 – Brasilcap | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Assets</b>	<b>11,491,306</b>	<b>13,117,711</b>	<b>13,486,118</b>	<b>17.4</b>	<b>2.8</b>
Cash and cash equivalents	12	23	34	174.1	44.9
Financial assets	10,065,948	11,622,869	11,971,544	18.9	3.0
Securities and credits receivable	1,398,765	1,468,242	1,485,596	6.2	1.2
Prepaid expenses	3,447	3,310	5,999	74.0	81.2
Investments	1,125	1,126	1,126	0.0	-
Fixed assets	17,830	16,572	16,879	(5.3)	1.9
Intangible	11	90	134	-	48.7
Other assets	4,167	5,480	4,805	15.3	(12.3)
<b>Liabilities</b>	<b>10,841,526</b>	<b>12,433,648</b>	<b>12,719,897</b>	<b>17.3</b>	<b>2.3</b>
Accounts payable	85,623	114,579	131,984	54.1	15.2
Premium bonds operations debts	4,803	7,872	6,095	26.9	(22.6)
Technical reserves - premium bonds	9,608,352	11,091,503	11,335,717	18.0	2.2
Other liabilities	1,142,749	1,219,694	1,246,101	9.0	2.2
<b>Shareholders' equity</b>	<b>649,780</b>	<b>684,063</b>	<b>766,221</b>	<b>17.9</b>	<b>12.0</b>

## ■ SOLVENCY

Table 75 – Brasilcap | Solvency<sup>1</sup>

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Adjusted shareholders' equity (a)</b>	<b>443,516</b>	<b>523,796</b>	<b>644,064</b>	<b>45.2</b>	<b>23.0</b>
<b>Minimum capital required (b)</b>	<b>208,062</b>	<b>211,032</b>	<b>210,063</b>	<b>1.0</b>	<b>(0.5)</b>
Additional capital for underwriting risk	37,312	40,353	41,774	12.0	3.5
Additional capital for credit risk	58,405	68,968	63,009	7.9	(8.6)
Additional capital for operating risk	42,443	37,983	33,115	(22.0)	(12.8)
Additional capital for market risk	121,053	119,384	127,588	5.4	6.9
Benefit of correlation between risks	(51,151)	(55,656)	(55,423)	8.4	(0.4)
<b>Capital adequacy (a) - (b)</b>	<b>235,454</b>	<b>312,764</b>	<b>434,001</b>	<b>84.3</b>	<b>38.8</b>
<b>Solvency ratio (a) / (b) - %</b>	<b>213.2</b>	<b>248.2</b>	<b>306.6</b>	<b>93.4 p.p.</b>	<b>58.4 p.p.</b>

1. Information based on the accounting principles adopted by SUSEP.



## 4.4 BRASILDENTAL

### ■ EARNINGS ANALYSIS

Due to operational issues, as of January 2023, the accounting recognition of the investment in Brasildental will be carried out with a delay of one month. Thus, 4Q23 contains information related to September, October and November, impacting the comparison with 4Q22 earnings.

Table 76 – Brasildental | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Gross operating revenues</b>	<b>31,049</b>	<b>31,564</b>	<b>30,069</b>	<b>(3.2)</b>	<b>(4.7)</b>	<b>123,018</b>	<b>111,958</b>	<b>(9.0)</b>
Taxes on revenues	(1,255)	(1,116)	(1,121)	(10.7)	0.5	(5,001)	(4,166)	(16.7)
<b>Net operating revenues</b>	<b>29,793</b>	<b>30,448</b>	<b>28,948</b>	<b>(2.8)</b>	<b>(4.9)</b>	<b>118,018</b>	<b>107,792</b>	<b>(8.7)</b>
Cost of services	(13,050)	(14,871)	(15,123)	15.9	1.7	(49,619)	(53,593)	8.0
<b>Gross income</b>	<b>16,744</b>	<b>15,577</b>	<b>13,825</b>	<b>(17.4)</b>	<b>(11.2)</b>	<b>68,399</b>	<b>54,199</b>	<b>(20.8)</b>
Acquisition costs	(1,739)	21	(1,172)	(32.6)	-	(5,848)	(4,665)	(20.2)
Administratives expenses	(4,975)	(6,662)	(5,173)	4.0	(22.4)	(22,196)	(19,768)	(10.9)
Tax expenses	(12)	(29)	(7)	(42.9)	(75.8)	3,469	(72)	-
Other revenues (expenses)	(1,104)	(1,346)	411	-	-	(5,984)	(694)	(88.4)
<b>Earnings before interest and taxes</b>	<b>8,914</b>	<b>7,560</b>	<b>7,884</b>	<b>(11.5)</b>	<b>4.3</b>	<b>37,841</b>	<b>29,000</b>	<b>(23.4)</b>
<b>Net investment income</b>	<b>1,382</b>	<b>1,823</b>	<b>890</b>	<b>(35.6)</b>	<b>(51.2)</b>	<b>4,725</b>	<b>4,832</b>	<b>2.3</b>
Financial income	1,437	1,839	1,067	(25.7)	(42.0)	4,526	5,128	13.3
Financial expenses	(55)	(15)	(178)	221.5	-	199	(296)	-
<b>Earnings before taxes and profit sharing</b>	<b>10,295</b>	<b>9,384</b>	<b>8,774</b>	<b>(14.8)</b>	<b>(6.5)</b>	<b>42,565</b>	<b>33,831</b>	<b>(20.5)</b>
Taxes	(3,414)	(3,029)	(2,858)	(16.3)	(5.6)	(14,423)	(10,722)	(25.7)
Profit sharing	(233)	(436)	(348)	49.4	(20.2)	(272)	(858)	215.7
<b>Net income</b>	<b>6,648</b>	<b>5,919</b>	<b>5,568</b>	<b>(16.2)</b>	<b>(5.9)</b>	<b>27,870</b>	<b>22,251</b>	<b>(20.2)</b>

Table 77 – Brasildental | Performance ratios

%	Quarterly Flow			Chg. (p.p.)		Annual Flow		Chg. (p.p.)
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Performance ratios</b>								
Loss ratio	43.8	48.8	52.2	8.4	3.4	42.0	49.7	7.7
Comission ratio	5.8	0.1	4.0	(1.8)	4.0	5.0	4.3	(0.6)
G&A ratio	20.4	26.4	16.5	(4.0)	(9.9)	20.9	19.0	(1.9)
EBITDA margin	29.9	24.8	27.2	(2.7)	2.4	32.1	26.9	(5.2)

Figure 70 – Brasildental | Clients by segment (thousand)

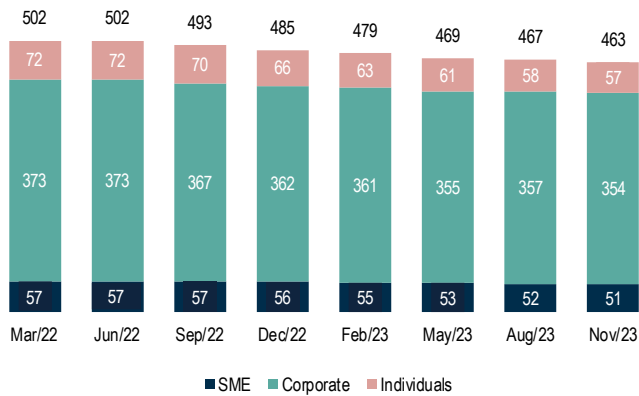


Figure 71 – Brasildental | Clients by segment (%)

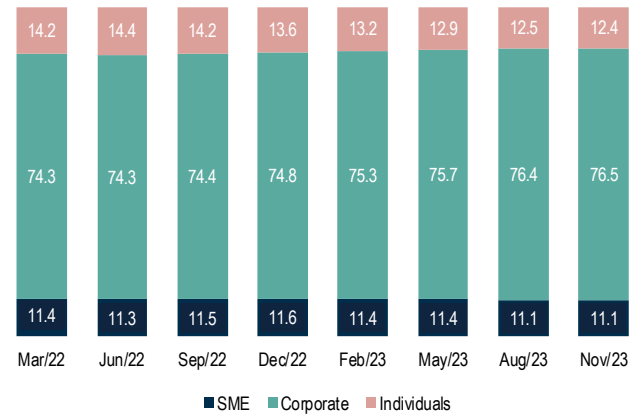


Table 78 – Brasildental | Client base breakdown

	Balance			Chg. %	
	Dec/22	Aug/23	Nov/23	On Dec/22	On Aug/23
<b>Client segments</b>					
Corporate	362,494	356,856	354,024	(2.3)	(0.8)
SME	56,103	51,793	51,347	(8.5)	(0.9)
Individuals	66,066	58,400	57,433	(13.1)	(1.7)
<b>Total</b>	<b>484,663</b>	<b>467,049</b>	<b>462,804</b>	<b>(4.5)</b>	<b>(0.9)</b>

## ■ BALANCE SHEET ANALYSIS

Table 79 – Brasildental | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/22	Aug/23	Nov/23	On Dec/22	On Aug/23
<b>Assets</b>	<b>50,979</b>	<b>46,573</b>	<b>42,131</b>	<b>(17.4)</b>	<b>(9.5)</b>
Cash and cash equivalents	2,639	1,640	1,703	(35.5)	3.8
Financial assets	41,112	35,515	31,030	(24.5)	(12.6)
Receivables from insurance and reinsurance operations	5,274	5,910	4,108	(22.1)	(30.5)
Tax assets	1,103	1,816	1,913	73.5	5.3
Other assets	852	1,691	3,378	296.4	99.7
<b>Liabilities</b>	<b>22,335</b>	<b>22,242</b>	<b>20,236</b>	<b>(9.4)</b>	<b>(9.0)</b>
Technical reserves	13,508	13,012	10,959	(18.9)	(15.8)
Tax liabilities	2,219	1,735	1,251	(43.6)	(27.9)
Other liabilities	6,608	7,495	8,026	21.5	7.1
<b>Shareholders' equity</b>	<b>28,644</b>	<b>24,331</b>	<b>21,895</b>	<b>(23.6)</b>	<b>(10.0)</b>

## 5. DISTRIBUTION

The insurance intermediation in Brazil is not required by law, but the brokerage payment is mandatory for all insurance contracts, regardless the involvement of a broker. According to the law 6,317 as of 1975, in case no broker is involved, the amount supposed to be paid as brokerage shall be directed to the Fund for Developing the Insurance Culture, managed by the Foundation National Insurance School – FUNENSEG.

At BB Seguridade the distribution of its affiliates' products – Brasilseg, Brasilprev, Brasilcap and Brasil dental – takes place through a fully owned broker named BB Corretora de Seguros e Administradora de Bens S.A. ("BB Corretora"), which intermediates the sales of insurance, pension plans, premium bonds and dental care plans predominantly at Banco do Brasil's distribution network.

BB Corretora is remunerated by the affiliates through the payment of commission per sale, and as a result of the usage of Banco do Brasil's distribution network, including the workforce, IT solutions and facilities, it reimburses the costs incurred by the Bank during the selling and maintenance of insurance, pension plans, premium bonds and dental care products. This reimbursement done by BB Corretora to Banco do Brasil is governed by an agreement, which will be in force until 2033.

Also, BB Corretora sells auto and large risk insurance products which are underwritten by MAPFRE Insurance Company, the partner of BB Seguridade in Brasilseg. This relation is established in a commercial agreement signed by BB Corretora within the partnership reorganization, which provides exclusivity for MAPFRE to access the distribution channel.

The brokerage business in the bancassurance channel is not a complex business model, as it does not incur in the underwriting risk and has low capital needs. In addition to these factors, it is worth mentioning the footprint and the strong franchise of Banco do Brasil, which provides competitive advantages to BB Seguridade.

Additionally, seeking to expand the scope of its digital strategy and to explore new alternatives to offer products to the public that is currently unattended by Banco do Brasil, on September 10<sup>th</sup> 2018, BB Corretora started to hold equity interest in Cíclic Corretora de Seguros S.A., in a joint venture with PFG do Brasil 2 Participações, (a Principal Financial Group subsidiary), aiming to distribute insurance, pension plans and premium bonds through digital channels.

## 5.1 BB CORRETORA

### ■ EARNINGS ANALYSIS

Table 80 – BB Corretora | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Brokerage revenues</b>	<b>1,282,883</b>	<b>1,295,340</b>	<b>1,305,914</b>	<b>1.8</b>	<b>0.8</b>	<b>4,613,434</b>	<b>5,001,686</b>	<b>8.4</b>
Administrative expenses	(65,837)	(55,861)	(66,146)	0.5	18.4	(235,197)	(241,852)	2.8
Personnel expenses	(14,685)	(15,880)	(17,752)	20.9	11.8	(50,337)	(63,751)	26.6
Other operating income (expenses)	(14,290)	(10,854)	(23,972)	67.8	120.9	(18,580)	(46,924)	152.6
Tax expenses	(144,785)	(155,615)	(156,847)	8.3	0.8	(547,018)	(599,481)	9.6
Equity income	146	1,302	929	-	(28.7)	(673)	3,318	-
<b>Earnings before interest and taxes</b>	<b>1,043,432</b>	<b>1,058,432</b>	<b>1,042,125</b>	<b>(0.1)</b>	<b>(1.5)</b>	<b>3,761,630</b>	<b>4,052,996</b>	<b>7.7</b>
<b>Net investment income</b>	<b>115,999</b>	<b>130,435</b>	<b>123,720</b>	<b>6.7</b>	<b>(5.1)</b>	<b>365,294</b>	<b>443,858</b>	<b>21.5</b>
Financial income	116,052	130,937	124,550	7.3	(4.9)	381,417	477,365	25.2
Financial expenses	(53)	(502)	(830)	-	65.4	(16,123)	(33,507)	107.8
<b>Earnings before taxes</b>	<b>1,159,431</b>	<b>1,188,867</b>	<b>1,165,845</b>	<b>0.6</b>	<b>(1.9)</b>	<b>4,126,924</b>	<b>4,496,854</b>	<b>9.0</b>
Taxes	(387,672)	(398,034)	(382,785)	(1.3)	(3.8)	(1,397,446)	(1,508,455)	7.9
<b>Adjusted net income</b>	<b>771,759</b>	<b>790,833</b>	<b>783,060</b>	<b>1.5</b>	<b>(1.0)</b>	<b>2,729,478</b>	<b>2,988,399</b>	<b>9.5</b>

## NET INCOME

Figure 72 – BB Corretora | Net income

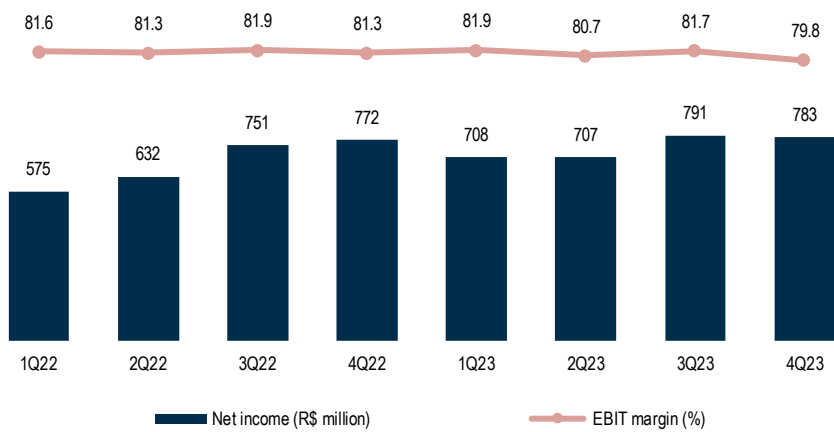
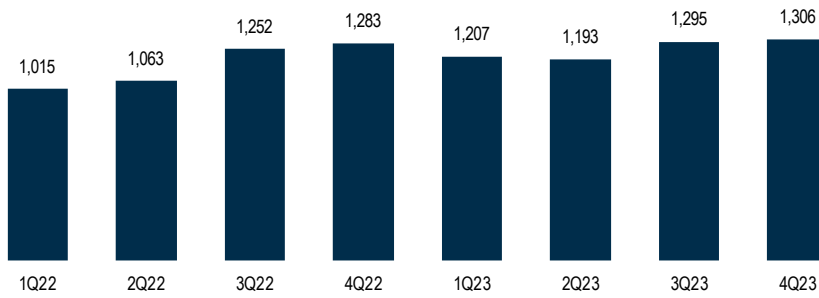


Table 81 – BB Corretora | Managerial performance ratios

%	Quarterly Flow		Chg. (p.p.)		Annual Flow		Chg. (p.p.)	
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
G&A expenses	18.7	18.4	20.3	1.6	1.9	18.4	19.0	0.6
Tax expenses	11.3	12.0	12.0	0.7	(0.0)	11.9	12.0	0.1
EBIT margin	81.3	81.7	79.8	(1.5)	(1.9)	81.5	81.0	(0.5)
Income tax rate	33.4	33.5	32.8	(0.6)	(0.6)	33.9	33.5	(0.3)
Net margin	60.2	61.1	60.0	(0.2)	(1.1)	59.2	59.7	0.6

## BROKERAGE REVENUES

Figure 73 – BB Corretora | Brokerage revenues (R\$ million)



### QUARTERLY ANALYSIS

In **4Q23**, **brokerage revenues** increased 1.8% YoY, driven by revenues arising from pension plans segments (+30.3%). It is worth noting that, in 4Q22, the revenues from Brasilprev were negatively impacted by the constitution of provision for commissions return, resulting from short-term redemptions, in the amount of R\$28.2 million. From the deployment of IT improvements, in 2023, the return of commissions was carried out automatically within the month itself, ceasing the need for provisioning. Adjusting the 4Q22 to exclude the provisioning effect, the revenue with pension brokerage would grow 3.5% YoY, below the 6.0% growth of pension inflow in Brasilprev, due to the mix more concentrated in sporadic contributions, which pays lower commissions when compared to the first contributions of periodic plans.

The brokerage revenues from insurance segment fell 1.1%. In 4Q22, an amount of R\$107.9 million was recognized as performance bonus linked to the surpassing of the life and credit life insurance sales targets, which was registered monthly throughout the year and paid by Brasilseg at the beginning of the following year. This mechanism was replaced, from January/2023, by higher fixed percentages of commissioning in these two business lines, with deferral dynamics of brokerage revenue according to the duration of the covered risks. The change in the mechanism, although it did not generate a significant change in cash flow, leads to slower accounting recognition in revenues, a fact reflected in the increase of 32.1% in the balance of unearned commissions, which reached R\$4.7 billion at the end of December/2023.

Brokerage revenues from premium bonds segment decreased 0.7% YoY, aligned with the 0.6% drop registered in premium bonds contributions.

### YEAR-TO-DATE ANALYSIS

In **2023**, **brokerage revenues** grew by 8.4%, propelled by the good commercial performance of all segments. The brokerage revenues from insurance were up 8.5%, highlighting credit life and rural insurances, while brokerage from pension rose 9.7% and revenues from premium bonds increased 5.1%.

Table 82 – BB Corretora | Brokerage revenues breakdown

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
Insurance	1,032,768	990,256	1,021,728	(1.1)	3.2	3,595,657	3,902,949	8.5
Pension plans	109,087	179,202	142,111	30.3	(20.7)	545,819	598,869	9.7
Premium bonds	137,904	120,859	136,967	(0.7)	13.3	458,363	481,737	5.1
Dental plans	1,297	1,189	1,194	(7.9)	0.4	5,080	4,824	(5.0)
Other	1,827	3,834	3,915	114.3	2.1	8,516	13,306	56.3
<b>Total</b>	<b>1,282,883</b>	<b>1,295,340</b>	<b>1,305,914</b>	<b>1.8</b>	<b>0.8</b>	<b>4,613,434</b>	<b>5,001,686</b>	<b>8.4</b>

Figure 74 – BB Corretora | Brokerage revenues breakdown (%)

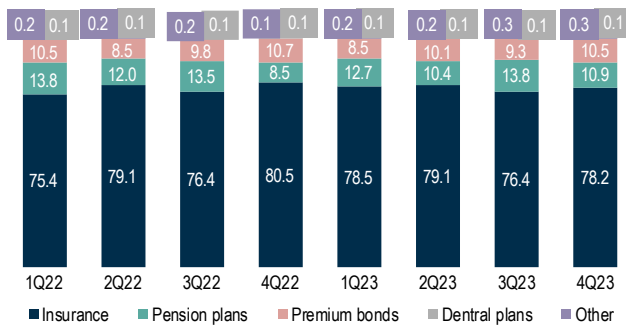
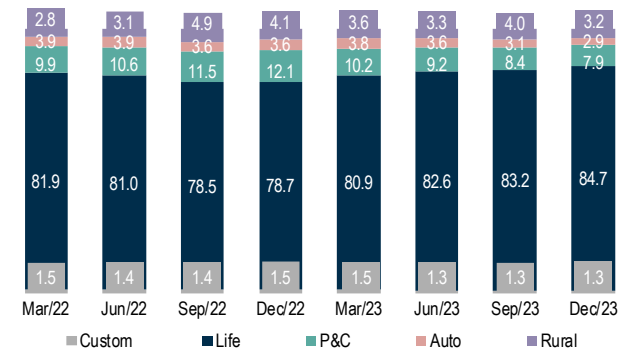
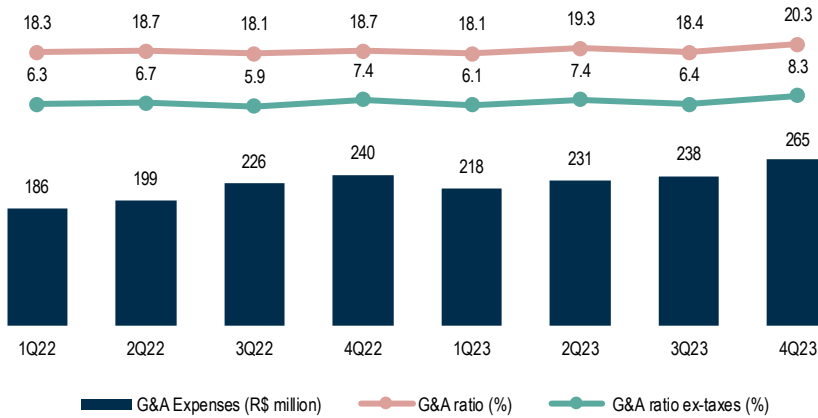


Figure 75 – BB Corretora | Unearned commissions breakdown (%)



GENERAL AND ADMINISTRATIVE EXPENSES

Figure 76 – BB Corretora | G&A expenses



QUARTERLY ANALYSIS

In **4Q23**, the **G&A ratio** deteriorated 1.6 p.p. compared to 4Q22. The worsening is explained by:

- increase in **other administrative expenses** (+67.8%) as a result of higher spending on commercial incentives campaigns and sales promotions, as well as higher system maintenance expenditure;
- growth of tax incentivized sponsorship and donations (+R\$9.1 million), accounted for in **other income and operating expenses**; and
- higher **personnel expenses** (+20.9%), due to the expansion of the headcount and the collective bargaining agreement, as well as the greater allocation to BB Corretora of expenses shared with BB Seguridade and BB Seguros.

These effects were partially offset by the reduction in the **administrative cost of products** (-32.5%), due to the decrease in the volume of products sold, which reduced the reimbursements paid to Banco do Brasil.

YEAR-TO-DATE ANALYSIS

In **2023**, the **G&A ratio** grew by 0.6 p.p., due to:

- increase in the negative balance of **other income and operating expenses**, impacted by the constitution of provisions for civil lawsuits that had the classification changed to "probable" loss, and greater expenses with tax incentivized sponsorships and donations, as mentioned in the quarterly analysis;
- growth of **other administrative expenses** (+R\$23.7 million), justified by the same factors mentioned in the quarterly analysis; and
- higher **personnel expenses** (+R\$13.4 million), mostly for the same effects mentioned in the quarter analysis, as well as by the payment, in 2Q23, of bonuses to employees who outperformed their goals in 2022.

The effects mentioned above were partially offset by lower **administrative cost of products** (-13.3%), due to the lower volume of sales.



Table 83 – BB Corretora | General &amp; Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Personnel expenses</b>	<b>(14,685)</b>	<b>(15,880)</b>	<b>(17,752)</b>	<b>20.9</b>	<b>11.8</b>	<b>(50,337)</b>	<b>(63,751)</b>	<b>26.6</b>
<b>Administrative expenses</b>	<b>(65,837)</b>	<b>(55,861)</b>	<b>(66,146)</b>	<b>0.5</b>	<b>18.4</b>	<b>(235,197)</b>	<b>(241,852)</b>	<b>2.8</b>
Administrative cost of products	(35,561)	(27,181)	(24,008)	(32.5)	(11.7)	(134,580)	(116,633)	(13.3)
Operational support	(12,029)	(12,403)	(12,379)	2.9	(0.2)	(50,411)	(49,692)	(1.4)
Information technology	(5,256)	(6,000)	(5,960)	13.4	(0.7)	(20,879)	(22,466)	7.6
Other	(12,991)	(10,277)	(23,800)	83.2	131.6	(29,327)	(53,060)	80.9
<b>Other operating income (expenses)</b>	<b>(14,290)</b>	<b>(10,854)</b>	<b>(23,972)</b>	<b>67.8</b>	<b>120.9</b>	<b>(18,580)</b>	<b>(46,924)</b>	<b>152.6</b>
<b>Tax expenses</b>	<b>(144,785)</b>	<b>(155,615)</b>	<b>(156,847)</b>	<b>8.3</b>	<b>0.8</b>	<b>(547,018)</b>	<b>(599,481)</b>	<b>9.6</b>
PIS/PASEP	(20,161)	(22,170)	(22,319)	10.7	0.7	(77,246)	(85,462)	10.6
COFINS	(94,031)	(103,434)	(104,057)	10.7	0.6	(359,650)	(398,444)	10.8
ISS	(30,593)	(30,011)	(30,470)	(0.4)	1.5	(110,121)	(115,576)	5.0
<b>G&amp;A Expenses</b>	<b>(239,597)</b>	<b>(238,211)</b>	<b>(264,718)</b>	<b>10.5</b>	<b>11.1</b>	<b>(851,131)</b>	<b>(952,008)</b>	<b>11.9</b>

## NET INVESTMENT INCOME

Figure 77 – BB Corretora | Net investment income (R\$ million)

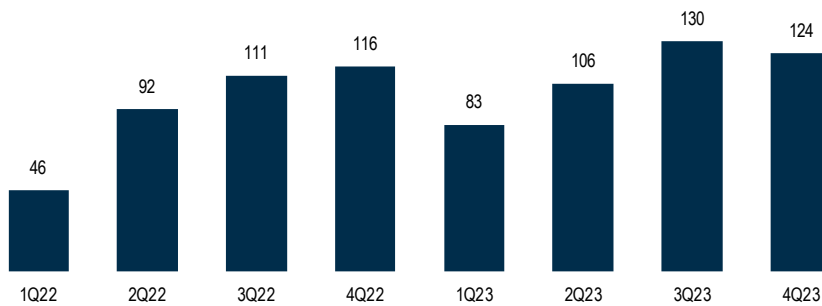


Table 84 – BB Corretora | Quarterly figures – Earning assets average balance and interest rates

R\$ thousand	4Q22			4Q23		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
<b>Earning assets</b>						
Cash and financial instruments	3,366,260	112,574	14.3	4,314,113	121,505	12.2
Other assets	220,123	3,478	6.6	233,199	3,044	5.5
Current tax assets	1,363	-	-	2,450	-	-
<b>Total</b>	<b>3,587,745</b>	<b>116,052</b>	<b>13.8</b>	<b>4,549,763</b>	<b>124,549</b>	<b>11.8</b>

Table 85 – BB Corretora | Quarterly figures – Interest bearing liabilities average balance and interest rates

R\$ thousand	4Q22			4Q23		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Dividends payable	761,182	-	-	786,946	-	-
Other liabilities	499	-	-	499	(712)	97.0
<b>Total</b>	<b>761,681</b>	<b>-</b>	<b>-</b>	<b>787,446</b>	<b>(712)</b>	<b>0.4</b>

Table 86 – BB Corretora | Year-to-date figures – Earning assets average balance and interest rates

R\$ thousand	2022			2023		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
<b>Earning assets</b>						
Cash and financial instruments	3,357,219	361,246	10.8	4,274,724	463,884	11.0
Other assets	217,930	8,871	4.1	228,278	13,481	6.0
Current tax assets	1,373	11,300	-	1,864	-	-
<b>Total</b>	<b>3,576,523</b>	<b>381,416</b>	<b>10.7</b>	<b>4,504,865</b>	<b>477,365</b>	<b>10.7</b>

Table 87 – BB Corretora | Year-to-date figures – Interest bearing liabilities average balance and interest rates

R\$ thousand	2022			2023		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
<b>Interest bearing liabilities</b>						
Dividends payable	1,327,201	(14,748)	1.1	1,548,128	(32,024)	2.1
Other liabilities	499	(1,167)	(33.9)	499	(1,097)	(20.0)
<b>Total</b>	<b>1,327,700</b>	<b>(15,915)</b>	<b>1.2</b>	<b>1,548,628</b>	<b>(33,122)</b>	<b>2.2</b>

## ■ BALANCE SHEET ANALYSIS

Table 88 – BB Corretora | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Assets</b>	<b>6,057,605</b>	<b>6,110,051</b>	<b>7,344,597</b>	<b>21.2</b>	<b>20.2</b>
Cash and cash equivalents	4,000,735	3,730,934	4,908,182	22.7	31.6
Equity investments	1,506	3,510	4,359	189.5	24.2
Current tax assets	10,178	14,567	15,459	51.9	6.1
Commission receivable	1,823,246	2,125,027	2,174,974	19.3	2.4
Other assets	221,940	236,012	241,622	8.9	2.4
<b>Liabilities</b>	<b>6,051,267</b>	<b>5,313,266</b>	<b>7,338,725</b>	<b>21.3</b>	<b>38.1</b>
Dividends payable	1,522,364	-	1,573,893	3.4	-
Provision	12,879	25,811	28,434	120.8	10.2
Current tax liabilities	893,651	712,007	949,072	6.2	33.3
Unearned commissions	3,548,020	4,512,126	4,688,157	32.1	3.9
Other liabilities	74,353	63,322	99,169	33.4	56.6
<b>Shareholders' equity</b>	<b>6,338</b>	<b>796,785</b>	<b>5,872</b>	<b>(7.4)</b>	<b>(99.3)</b>

## 6. INFORMATION IN IFRS 17

### ■ BB SEGURIDADE – IFRS 4 VS IFRS 17

The information below presents a brief summary of the main impacts on the net income of BB Seguridade and investees, referring to the adoption of IFRS 17 as of January 1, 2023, not ruling out the need of reading the explanatory notes to the audited financial statements for more information.

Figure 89 – BB Seguridade | Impacts on the net income due to accounting standards difference (R\$ million)

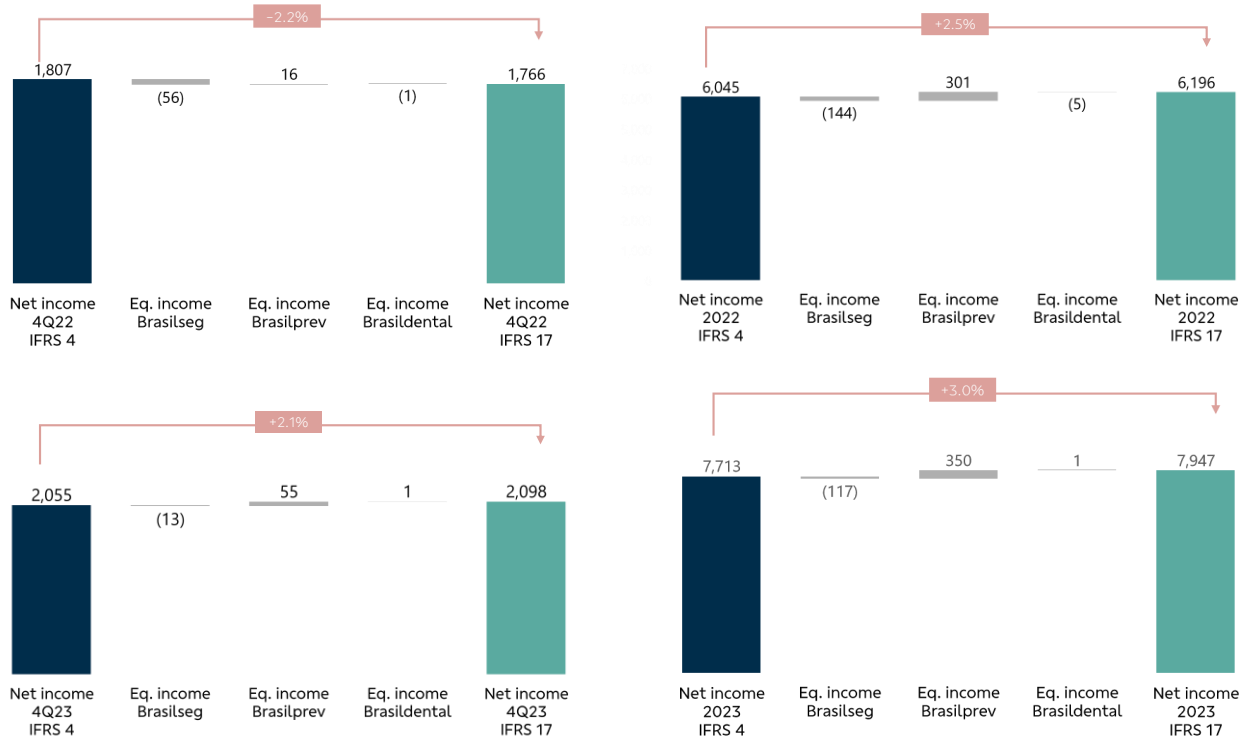


Table 90 – BB Seguridade | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Equity income</b>	<b>1,767,524</b>	<b>2,106,029</b>	<b>2,096,887</b>	<b>18.6</b>	<b>(0.4)</b>	<b>6,194,632</b>	<b>7,925,902</b>	<b>27.9</b>
Underwriting and accumulation businesses	1,068,195	1,302,816	1,299,661	21.7	(0.2)	3,516,282	4,887,139	39.0
Brasilseg	580,313	755,265	815,390	40.5	8.0	1,937,654	2,899,970	49.7
Brasilprev	441,882	494,707	432,225	(2.2)	(12.6)	1,417,563	1,789,794	26.3
Brasilcap	41,959	48,667	46,282	10.3	(4.9)	145,199	179,163	23.4
Brasildental	4,041	4,177	5,764	42.6	38.0	15,865	18,212	14.8
Distribution businesses	771,759	790,833	783,060	1.5	(1.0)	2,729,478	2,988,399	9.5
Other	(72,430)	12,380	14,166	-	14.4	(51,128)	50,366	-
<b>G&amp;A expenses</b>	<b>(5,568)</b>	<b>(5,943)</b>	<b>(5,293)</b>	<b>(4.9)</b>	<b>(10.9)</b>	<b>(23,001)</b>	<b>(25,771)</b>	<b>12.0</b>
<b>Net investment income</b>	<b>3,939</b>	<b>31,850</b>	<b>9,931</b>	<b>152.1</b>	<b>(68.8)</b>	<b>25,833</b>	<b>58,691</b>	<b>127.2</b>
<b>Earnings before taxes and profit sharing</b>	<b>1,765,895</b>	<b>2,131,935</b>	<b>2,101,524</b>	<b>19.0</b>	<b>(1.4)</b>	<b>6,197,464</b>	<b>7,958,824</b>	<b>28.4</b>
Taxes	451	(7,659)	(3,729)	-	(51.3)	(1,050)	(11,621)	-
<b>Net income</b>	<b>1,766,346</b>	<b>2,124,276</b>	<b>2,097,795</b>	<b>18.8</b>	<b>(1.2)</b>	<b>6,196,415</b>	<b>7,947,203</b>	<b>28.3</b>

Table 91 – BB Seguridade | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Assets</b>	<b>11,723,053</b>	<b>10,700,618</b>	<b>12,286,621</b>	<b>4.8</b>	<b>14.8</b>
Cash and cash equivalents	59,003	386,940	645,070	-	66.7
Financial assets marked to market	18,064	18,841	21,020	16.4	11.6
Investments	7,857,399	10,167,022	9,128,605	16.2	(10.2)
Current tax assets	91,308	112,485	112,418	23.1	(0.1)
Deferred tax assets	28	91	222	-	144.0
Dividends receivable	3,683,356	-	2,362,126	(35.9)	-
Other assets	9,874	11,592	13,575	37.5	17.1
Intangible	4,021	3,647	3,585	(10.8)	(1.7)
<b>Liabilities</b>	<b>3,686,323</b>	<b>37,425</b>	<b>2,470,139</b>	<b>(33.0)</b>	<b>-</b>
Provision for fiscal, civil and tax contingencies	81	268	653	-	143.7
Statutory obligation	3,674,027	287	2,455,309	(33.2)	-
Current tax liabilities	31	1,125	689	-	(38.8)
Other liabilities	12,184	35,745	13,488	10.7	(62.3)
<b>Shareholders' equity</b>	<b>8,036,730</b>	<b>10,663,193</b>	<b>9,816,482</b>	<b>22.1</b>	<b>(7.9)</b>
Capital	6,269,692	6,269,692	6,269,692	-	-
Reserves	1,553,800	1,554,034	4,448,641	186.3	186.3
Treasury shares	(80,344)	(261,432)	(704,030)	-	169.3
Other accumulated comprehensive income	(341,992)	(174,105)	(197,821)	(42.2)	13.6
Retained earnings	635,574	3,275,004	-	-	-

## ■ BRASILSEG

Table 92 – Brasilseg | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Insurance contracts results</b>	<b>3,742,685</b>	<b>4,087,583</b>	<b>4,074,989</b>	<b>8.9</b>	<b>(0.3)</b>	<b>13,328,698</b>	<b>15,934,186</b>	<b>19.5</b>
BBA contracts results	666,237	775,352	766,082	15.0	(1.2)	2,311,844	2,835,165	22.6
CSM release	241,865	310,748	308,990	27.8	(0.6)	805,852	1,112,871	38.1
Risk adjustment release	7,566	9,764	5,657	(25.2)	(42.1)	29,352	32,376	10.3
Risk adjustment	-	-	7,721	-	-	-	7,721	-
Expected expenses	416,806	454,840	443,714	6.5	(2.4)	1,476,639	1,682,198	13.9
PPA contracts results	3,076,448	3,312,231	3,308,908	7.6	(0.1)	11,016,853	13,099,020	18.9
<b>Insurance expenses</b>	<b>(2,653,178)</b>	<b>(2,702,030)</b>	<b>(2,513,376)</b>	<b>(5.3)</b>	<b>(7.0)</b>	<b>(9,467,786)</b>	<b>(10,464,073)</b>	<b>10.5</b>
Loss component	3,351	(4,111)	2,995	(10.6)	-	(2,968)	129	-
Realized expenses	(2,656,529)	(2,697,918)	(2,516,371)	(5.3)	(6.7)	(9,464,818)	(10,464,202)	10.6
<b>Insurance margin</b>	<b>1,089,506</b>	<b>1,385,553</b>	<b>1,561,613</b>	<b>43.3</b>	<b>12.7</b>	<b>3,860,912</b>	<b>5,470,113</b>	<b>41.7</b>
<b>Net investment income</b>	<b>172,414</b>	<b>184,826</b>	<b>196,394</b>	<b>13.9</b>	<b>6.3</b>	<b>531,781</b>	<b>680,367</b>	<b>27.9</b>
Financial revenues	258,293	269,267	274,389	6.2	1.9	876,040	1,052,756	20.2
Financial expenses	(85,879)	(84,441)	(77,995)	(9.2)	(7.6)	(344,259)	(372,389)	8.2
<b>Non-attributable expenses</b>	<b>(260,891)</b>	<b>(206,508)</b>	<b>(337,364)</b>	<b>29.3</b>	<b>63.4</b>	<b>(833,130)</b>	<b>(1,022,435)</b>	<b>22.7</b>
<b>Other revenues and expenses</b>	<b>149</b>	<b>(4,198)</b>	<b>(2,213)</b>	<b>-</b>	<b>(47.3)</b>	<b>(268)</b>	<b>(10,375)</b>	<b>-</b>
<b>Earnings before taxes and profit sharing</b>	<b>1,001,179</b>	<b>1,359,673</b>	<b>1,418,430</b>	<b>41.7</b>	<b>4.3</b>	<b>3,559,295</b>	<b>5,117,670</b>	<b>43.8</b>
Taxes	(211,569)	(339,463)	(318,366)	50.5	(6.2)	(924,518)	(1,198,319)	29.6
Profit sharing	(10,846)	(7,919)	(7,597)	(30.0)	(4.1)	(31,256)	(31,664)	1.3
<b>Net income</b>	<b>778,763</b>	<b>1,012,291</b>	<b>1,092,468</b>	<b>40.3</b>	<b>7.9</b>	<b>2,603,522</b>	<b>3,887,688</b>	<b>49.3</b>

Table 93 – Brasilseg | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Assets</b>	<b>13,270,787</b>	<b>14,359,545</b>	<b>14,587,109</b>	<b>9.9</b>	<b>1.6</b>
Cash and equivalent of cash	11,216	5,438	5,717	(49.0)	5.1
Receivables	301,969	387,472	331,737	9.9	(14.4)
Financial investments	9,127,748	10,430,667	10,389,737	13.8	(0.4)
Insurance and reinsurance contracts	1,615,347	1,136,464	1,466,695	(9.2)	29.1
Current tax asset	75,023	88,579	87,884	17.1	(0.8)
Deferred tax assets	221,355	290,609	284,095	28.3	(2.2)
Other	1,114,725	1,138,247	1,121,742	0.6	(1.4)
Intangible and fixed assets	436,879	492,868	512,781	17.4	4.0
Equity investment	366,524	389,201	386,720	5.5	(0.6)
<b>Liabilities</b>	<b>10,527,446</b>	<b>11,198,894</b>	<b>11,228,324</b>	<b>6.7</b>	<b>0.3</b>
Insurance and reinsurance contracts	8,688,203	9,243,523	9,068,361	4.4	(1.9)
Payable accounts	202,435	224,704	244,072	20.6	8.6
Current tax liabilities	537,313	616,182	778,270	44.8	26.3
Deferred tax liabilities	-	76	56	-	(26.5)
Insurance operation debt	18,075	0	-	-	-
Other	1,069,855	1,114,409	1,125,999	5.2	1.0
<b>Equity</b>	<b>2,743,342</b>	<b>3,160,650</b>	<b>3,358,785</b>	<b>22.4</b>	<b>6.3</b>

## ■ BRASILPREV

Table 94 – Brasilprev | Income statement

R\$ thousand	Quarterly Flow			Chg. %		Annual Flow		Chg. %
	4Q22	3Q23	4Q23	On 4Q22	On 3Q23	2022	2023	On 2022
<b>Result with insurance contract</b>	<b>884,946</b>	<b>1,006,726</b>	<b>992,980</b>	<b>12.2</b>	<b>(1.4)</b>	<b>3,480,868</b>	<b>3,849,302</b>	<b>10.6</b>
Result with contracts BBA	130,566	195,433	162,780	24.7	(16.7)	502,341	654,326	30.3
CSM release	31,663	34,562	38,858	22.7	12.4	108,502	138,007	27.2
Risk adjustment release	171	169	175	2.5	3.4	661	682	3.2
Expected expenses	98,732	160,701	123,747	25.3	(23.0)	393,178	515,637	31.1
Result with contracts VFA	754,380	811,293	830,200	10.1	2.3	2,978,527	3,194,976	7.3
CSM release	560,970	594,880	604,183	7.7	1.6	2,253,516	2,347,551	4.2
Expected expenses	193,410	216,413	226,017	16.9	4.4	725,011	847,425	16.9
<b>Insurance expenses</b>	<b>(113,571)</b>	<b>(70,734)</b>	<b>(455,739)</b>	<b>301.3</b>	<b>-</b>	<b>(1,801,319)</b>	<b>(784,917)</b>	<b>(56.4)</b>
Loss component	160,202	260,245	(12,375)	-	-	(684,734)	561,143	-
Realized expenses	(273,773)	(330,980)	(443,364)	61.9	34.0	(1,116,584)	(1,346,060)	20.6
<b>Insurance margin</b>	<b>771,375</b>	<b>935,992</b>	<b>537,241</b>	<b>(30.4)</b>	<b>(42.6)</b>	<b>1,679,550</b>	<b>3,064,385</b>	<b>82.5</b>
<b>Reinsurance margin</b>	<b>161</b>	<b>83</b>	<b>48</b>	<b>(70.0)</b>	<b>(41.6)</b>	<b>(1,165)</b>	<b>663</b>	<b>-</b>
<b>Result with insurance services</b>	<b>771,536</b>	<b>936,075</b>	<b>537,290</b>	<b>(30.4)</b>	<b>(42.6)</b>	<b>1,678,384</b>	<b>3,065,048</b>	<b>82.6</b>
<b>Net investment income</b>	<b>76,204</b>	<b>190,873</b>	<b>395,429</b>	<b>418.9</b>	<b>107.2</b>	<b>1,473,474</b>	<b>935,893</b>	<b>(36.5)</b>
Financial revenues	8,235,216	9,701,316	13,158,894	59.8	35.6	33,600,420	45,665,730	35.9
Financial expenses	(8,159,012)	(9,510,442)	(12,763,464)	56.4	34.2	(32,126,946)	(44,729,837)	39.2
<b>Non-attributable expenses</b>	<b>(32,811)</b>	<b>(18,759)</b>	<b>(21,095)</b>	<b>(35.7)</b>	<b>12.5</b>	<b>(83,323)</b>	<b>(75,121)</b>	<b>(9.8)</b>
<b>Other revenues and expenses</b>	<b>28</b>	<b>0</b>	<b>1</b>	<b>(96.4)</b>	<b>-</b>	<b>29</b>	<b>17</b>	<b>(42.7)</b>
<b>Earnings before taxes and profit sharing</b>	<b>814,957</b>	<b>1,108,189</b>	<b>911,625</b>	<b>11.9</b>	<b>(17.7)</b>	<b>3,068,564</b>	<b>3,925,836</b>	<b>27.9</b>
Taxes	(220,729)	(444,544)	(330,066)	49.5	(25.8)	(1,160,664)	(1,535,846)	32.3
Profit sharing	(5,014)	(4,485)	(5,717)	14.0	27.5	(17,691)	(15,732)	(11.1)
<b>Net income</b>	<b>589,215</b>	<b>659,161</b>	<b>575,842</b>	<b>(2.3)</b>	<b>(12.6)</b>	<b>1,890,209</b>	<b>2,374,258</b>	<b>25.6</b>



Table 95 – Brasilprev | Balance sheet

R\$ thousand	Balance			Chg. %	
	Dec/22	Sep/23	Dec/23	On Dec/22	On Sep/23
<b>Assets</b>	<b>349,783,958</b>	<b>385,426,201</b>	<b>398,936,816</b>	<b>14.1</b>	<b>3.5</b>
Cash and cash equivalents	35,010	62,580	26,246	(25.0)	(58.1)
Financial investments	349,254,273	384,853,708	398,444,141	14.1	3.5
Operating receivables	201,377	226,836	183,943	(8.7)	(18.9)
Prepaid expenses	10,994	8,661	6,584	(40.1)	(24.0)
Other	37,440	34,762	33,347	(10.9)	(4.1)
Fixed assets	13,655	10,478	11,045	(19.1)	5.4
Intangible	231,208	229,175	231,509	0.1	1.0
<b>Liabilities</b>	<b>343,296,643</b>	<b>378,280,484</b>	<b>391,324,390</b>	<b>14.0</b>	<b>3.4</b>
Insurance and reinsurance contracts	341,186,252	375,367,378	388,508,876	13.9	3.5
Discounted cash flow	322,798,406	355,175,360	366,952,318	13.7	3.3
Contractual service margin (CSM)	18,322,818	20,122,109	21,480,699	17.2	6.8
Risk adjustment	65,027	69,909	75,859	16.7	8.5
Accounts payable	1,990,427	1,934,308	2,081,771	4.6	7.6
Obligations with insurance and reinsurance operations	9,535	10,311	10,521	10.3	2.0
Debts from private pension transactions	9,964	1,485	3,398	(65.9)	128.9
Third party deposits	36,219	250,718	50,166	38.5	(80.0)
Deferred tax liabilities	-	655,405	608,609	-	(7.1)
Other	64,246	60,880	61,049	(5.0)	0.3
<b>Equity</b>	<b>6,487,315</b>	<b>7,145,717</b>	<b>7,612,425</b>	<b>17.3</b>	<b>6.5</b>

## 7. DEFINITIONS

### COMMON RATIOS

**Quarterly adjusted ROAA annualized** = (adjusted net income / average total assets) x 4;

**Average volume** = net change – average rate;

**Average rate** = (current period interest / average current period balance) x (average previous period balance) – (previous period interest);

**Net change** = current period interest – previous period interest;

**Assets annualized rate** = interest revenues / average earning assets balance;

**Liabilities annualized rate** = interest expenses / average interest bearing liabilities.

### INSURANCE

**Loss ratio** = claims incurred / earned premiums;

**Commission ratio** = retained acquisition costs / earned premiums;

**Technical margin** = (earned premiums + policies issuance revenue + incurred claims + retained acquisition costs + result with reinsurance) / earned premiums;

**G&A ratio** = (administrative expenses + tax expenses + other operating income (expenses)) / earned premiums;

**Combined ratio** = (policies issuance revenue + incurred claims + retained acquisition costs + result with reinsurance + administrative expenses + tax expenses + other operating income (expenses)) / earned premiums;

**Expanded combined ratio** = (policies issuance revenue + incurred claims + retained acquisition costs + result with reinsurance + administrative expenses + tax expenses + other operating income (expenses)) / (earned premiums + net investment income).

### INSURANCE MANAGERIAL

**Earned premiums** = premiums written – raw premiums ceded to reinsurance – changes in technical reserves – changes in expenses with reinsurance provisions;

**Retained claims** = incurred claims – recovery of indemnity claims – recovery of claims expenses – changes in provisions for claims IBNR – salvages and reimbursed assets – changes in provision for claims IBNER provisions for claims to be settled – changes of expenses related to IBNR – changes in estimates for salvages and reimbursed assets – provisions for claims to be settled;

**Retained acquisition costs** = acquisition costs – commission return + revenue with reinsurance commissions

**Commission** = acquisition costs – commission return;

**G&A expenses** = administrative expenses + tax expenses + other operating income (expenses);

### PENSION PLANS

**Quarterly adjusted ROAA annualized** = (adjusted net income / average total assets ex-P/VGBL) x 4;

**Commission ratio** = acquisition cost / income and premiums contributions

**Cost to income** = (changes in other technical reserves + expenses with benefits, redemptions and claims + acquisition costs + administrative expenses + tax expenses + other operating income (expenses)) / (net revenues with contributions and VGBL premiums + revenues with management fee + earned premiums)

## PREMIUM BONDS

**Commission ratio** = acquisition costs / revenue with load fee quote;

**G&A ratio** = (administrative expenses + tax expenses + other operating income (expenses)) / revenue with load fee quote;

**Reserve quote** = change in provision for redemption / premium bonds collection

**Lottery quote** = expenses with constitution of provisions for lottery / premium bonds collection

**Bonus quote** = expenses with constitution of provisions for bonus / premium bonds collection

**Load fee quote** = revenue with load fee quote / premium bonds collection

**Premium bond margin** = result with premium bonds / net revenue with premium bonds;

**Spread** = average yield on interest earning assets – average yield on interest bearing liabilities

## BROKERAGE

**Adjusted operational margin** = operational results / brokerage revenues;

**Adjusted net margin** = adjusted net income / brokerage revenues.