



MD&A

1st quarter 2019

■ 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.

Back to November 2012, Banco do Brasil S.A. (BB) announced its intention to create BB Seguridade, a fully owned subsidiary responsible for consolidating, under a single holding company, all activities related to insurance, private pension plans, premium bonds, and others. In the same document, BB disclosed its intention to promote an IPO of the holding company BB Seguridade at the Brazilian stock exchange.

The bookbuilding of the aforementioned public offering was concluded on April 25th, 2013 and the price was set at R\$17.00 per share. The shares began to be traded on April 29th, 2013. In the offering, the controlling shareholder (Banco do Brasil) sold 675 million shares, in a transaction that involved approximately R\$11.5 billion, with 500 million shares sold in the base offering, 100 million in the hot issue, and 75 million in the greenshoe. The announcement of the offering closing was published on May 17th, 2013.

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

All the analyses in this report are based on IFRS Financial Statements, but are occasionally supplemented by managerial data, besides other information calculated based on accounting principles determined by the Superintendência de Seguros Privados – SUSEP (the regulator of the insurance industry in Brazil).

■ 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.

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.

1Q19 Earnings Conference Call

May 07th, 2019

Portuguese

Time: 10:00 AM (Brasilia time)

09:00 AM (EDT)

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10:30 AM (EDT)

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■ RESTRUCTURING OF THE PARTNERSHIP WITH MAPFRE

On November 30th 2018, it was concluded the restructuring of the joint-venture between BB Seguros Participações S.A. (“BB Seguros”), a wholly owned subsidiary of BB Seguridade, and MAPFRE Group, represented by MAPFRE Brasil Participações S.A. (“MAPFRE”). Within the scope of the restructuring the following corporate reorganization acts were settled:

- (i) divestment of MAPFRE Vida S.A. (“MAPFRE Vida”) by BB MAPFRE SH1 Participações S.A. (“BB MAPFRE SH1”) through the segregation of the equity corresponding to the investment in MAPFRE Vida which was incorporated by MAPFRE BB SH2 Participações S.A. (“MAPFRE BB SH2”);
- (ii) divestment of Aliança do Brasil Seguros S.A. (“ABS”) by MAPFRE BB SH2 through the segregation of the equity corresponding to the investment in ABS which was incorporated by BB MAPFRE SH1; and
- (iii) divestment of MAPFRE BB SH2 by BB Seguros, priced at R\$2.4 billion, which was sold to MAPFRE. After the price adjustment by dividends and interest on capital distributed as well as by capital reductions carried out by the insurance companies involved on the reorganization, BB Seguros got paid R\$2.3 billion by MAPFRE.

As a result of the restructuring of the joint-venture, BB MAPFRE SH1 started to use the brand Brasilseg in its communications with the market and to operate home insurance and commercial lines insurances, as well as a portfolio of large risks in run-off, after the incorporation of ABS. The new portfolio was added to the previous one which is comprised of term life, credit life, mortgage life, rural and DPVAT, underwritten by Companhia de Seguros Aliança do Brasil (“AB”). The new operation is now focused exclusively on the bancassurance channel, and eventually can sell its products through the affinity channel, meaning that independent brokers will no longer distribute products developed by the insurance companies within Brasilseg.

Also within the restructuring, BB Corretora de Seguros e Administradora de Bens S.A. (“BB Corretora”), the distribution arm of BB Seguridade, entered into a commercial agreement to intermediate the selling of auto and large risks insurance products underwritten by MAPFRE standalone in the bancassurance channel of Banco do Brasil. The agreement provides exclusivity to MAPFRE’s products, conditioned to the fulfillment of minimum standards of service and customer satisfaction by them.

The figures below summarize the corporate and business structures of Brasilseg and MAPFRE BB SH2, which in this report will now be referred to as MAPFRE, after the restructuring:

Figure 1 – New structure of BB Seguros and MAPFRE joint-venture,

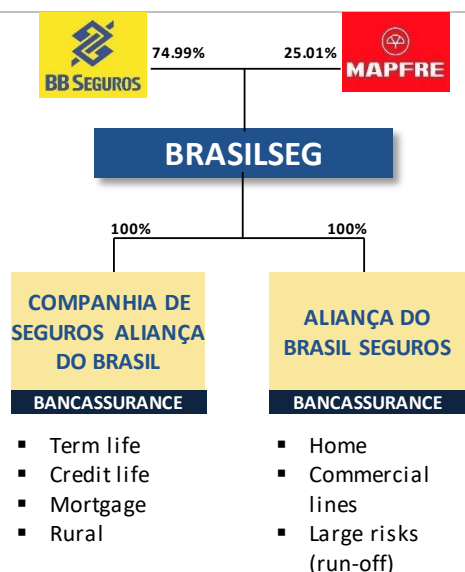
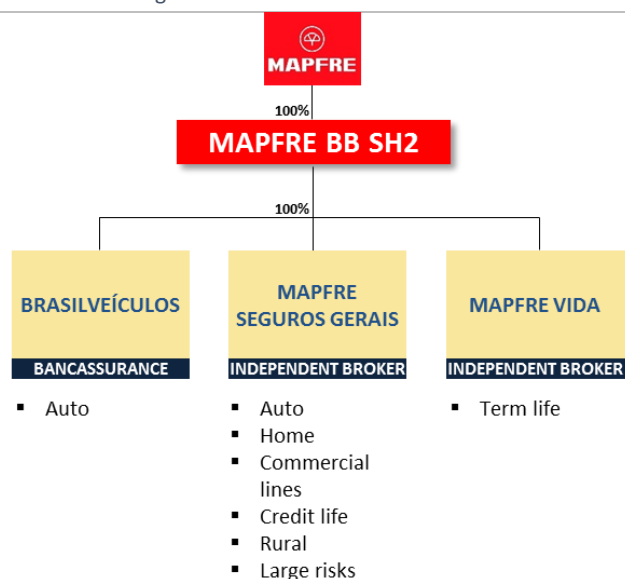


Figure 2 – New MAPFRE BB SH2 incorporated by MAPFRE after the restructuring



Due to the aforementioned movements, the figures for Brasileg presented in this report for the 1Q19 are not directly comparable with the ones reported in the 1Q18 and the 4Q18, considering that, in the period between January and November of 2018, the equity stake in MAPFRE Vida was under Brasileg structure, and it was transferred to MAPFRE as of December 2018, at the same moment that Brasileg incorporated the equity stake in ABS.

Therefore, in order to enable a comparative analysis between the quarters, this report provides Brasileg's proforma statements, which simulate the effects of the restructuring for the period between 1Q17 and 4Q18.

1. SUMMARY

Table 1 – Key figures

	Unit	Quarterly Flow				1Q 19
		1Q 18	2Q 18	3Q 18	4Q 18	
Earnings Summary						
Underwriting and accumulation businesses	R\$ thousand	514,185	559,259	546,542	291,910	588,208
Distribution businesses	R\$ thousand	391,370	334,712	341,853	544,569	415,623
Other	R\$ thousand	1,833	15,995	3,167	3,350	9,927
Net income	R\$ thousand	886,499	1,062,388	873,779	716,888	1,013,758
Adjusted net income	R\$ thousand	907,389	909,966	891,562	839,829	1,013,758
Adjusted ROAE ¹	%	40.4	39.7	38.1	41.4	58.9
Performance by company						
Brasilseg						
Loss ratio	%	29.2	32.7	32.9	31.7	35.8
Commission ratio	%	32.4	27.9	27.4	44.1	34.9
G&A ratio	%	12.6	11.9	14.7	18.7	14.3
Combined ratio	%	73.9	72.3	74.8	94.4	84.7
Expanded combined ratio	%	70.4	68.1	70.4	87.0	75.9
Adjusted ROAE	%	49.7	52.0	52.3	30.1	57.9
Solvency ratio	%	165.9	189.4	170.2	166.7	157.8
Brasilprev						
Technical reserves	R\$ million	241,069	242,537	248,019	256,766	262,783
Management fee	%	1.10	1.09	1.08	1.08	1.07
Adjusted ROAE	%	39.1	42.9	35.6	24.7	52.3
Solvency ratio	%	198.5	197.9	196.7	168.4	173.4
Brasilcap						
Premium bonds reserves	R\$ million	9,742	9,508	9,382	9,043	8,842
Net interest margin	p.p.	5.2	0.6	3.5	3.9	3.3
Adjusted ROAE	%	53.4	(0.7)	30.0	40.1	32.8
Solvency ratio	%	170.3	196.6	207.9	186.8	191.6
BB Corretora						
EBIT margin	%	81.7	77.2	77.5	82.7	79.7
Net margin	%	56.1	53.6	53.5	56.9	54.5

¹BB Seguridade's adjusted ROAE was calculated by dividing the adjusted net income by the average equity of the period. For the periods when there were no dividends distribution, the shareholders equity is adjusted by deducting the amount of dividends to be distributed considering the 80% payout until 3Q18 and 85% payout from 4Q18 on (without interest accrual).

■ ADJUSTED NET INCOME

Table 2 – Earnings Analysis | Adjusted income statement

R \$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Equity income	899,789	815,421	1,002,039	11.4	22.9
Underwriting and accumulation businesses	514,185	291,910	588,208	14.4	101.5
Brasilseg	247,922	125,746	226,211	(8.8)	79.9
MAPFRE BB SH2	(5,632)	(55,010)	-	-	-
Brasilprev	197,732	132,387	286,534	44.9	116.4
IRB Brasil-RE	38,516	60,436	49,443	28.4	(18.2)
Brasilcap	32,386	24,901	21,411	(33.9)	(14.0)
Brasildental	3,261	3,450	4,609	41.3	33.6
Distribution businesses	391,370	544,569	415,623	6.2	(23.7)
Other	(5,766)	(21,058)	(1,792)	(68.9)	(91.5)
G&A expenses	(6,203)	(5,959)	(3,373)	(45.6)	(43.4)
Personnel expenses	(3,020)	(2,505)	(2,481)	(17.8)	(10)
Administrative expenses	(1,300)	(1,414)	(956)	(26.5)	(32.4)
Tax expenses	(1,851)	(2,023)	(1,730)	(6.5)	(14.5)
Other operating income (expenses)	(33)	(17)	1,794	-	-
Net investment income	17,790	43,108	20,431	14.8	(52.6)
Financial income	39,812	43,275	33,828	(15.0)	(21.8)
Financial expenses	(22,021)	(167)	(13,397)	(39.2)	7,913.4
Earnings before taxes and profit sharing	911,376	852,570	1,019,098	11.8	19.5
Taxes	(3,987)	(12,741)	(5,340)	33.9	(58.1)
Adjusted net income	907,389	839,829	1,013,758	11.7	20.7

■ EXTRAORDINARY EVENTS

Table 3 – Earnings Analysis | Adjusted net income

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Adjusted net income	907,389	839,829	1,013,758	11.7	20.7
Extraordinary events	(20,889)	(122,942)	-	-	-
MAPFRE: MAPFRE Seguros Gerais - provisions for pending judicial claims adjustment	(20,889)	-	-	-	-
Brasilseg: adjustment of legal claims to be paid provisioning	-	(5,348)	-	-	-
Brasilseg: adjustment of the pending balance of banking services fees	-	(15,577)	-	-	-
Brasilseg: adjustment of reinsurance assets balance	-	13,335	-	-	-
Brasilseg: reversal of receivables related to the subsidies of the crop insurance	-	(6,768)	-	-	-
MAPFRE: adjustment of salvage assets calculation criteria	-	(4,755)	-	-	-
MAPFRE: adjustment of salvage assets balance	-	(19,098)	-	-	-
MAPFRE: adjustment of the criteria of legal claims to be paid provisioning	-	(28,966)	-	-	-
MAPFRE: adjustment of pending commissions balance	-	(16,290)	-	-	-
MAPFRE: reclassification of intangible assets	-	(14,035)	-	-	-
BB Seguros: results of restructuring the partnership with MAPFRE	-	(25,438)	-	-	-
Net income	886,499	716,888	1,013,758	14.4	41.4

MAPFRE | MAPFRE Seguros Gerais - adjustment of provisions for pending judicial claims:

throughout the 1Q18, the accounting database of provisions for pending judicial claims was reviewed, and there was identified the need to strengthen those provisions at MAPFRE Seguros Gerais S.A.. The need for additional provisioning was estimated at R\$108.0 million, which after the deduction of R\$32.0 million in provisions for claims incurred but not enough reported (IBNER) and fiscal effects have generated a negative impact of R\$20.9 million on BB Seguridade's net income.

Brasilseg | adjustment of the provision for legal claims to be settled (PSLJ):

there were identified differences between the amount of claims paid and their respective expenses with provision for legal claims to be settled, related to the period from 2013 to 2015. The settlement of the differences negatively impacted the net income of BB MAPFRE SH1, in the amount of R\$7.1 million, and the net income of BB Seguridade, amounting to R\$5.3 million.

Brasilseg | adjustment of the pending balance of banking service fees:

after an accounting reconciliation of the expenses related to fees charged by Banco do Brasil to provide banking services for Companhia de Seguros Aliança do Brasil S.A., it was identified an amount of payments made during 2013-2015 without a counterpart of this expense in the P&L. Such expenses were recorded in December 2018, negatively impacting the net income of BB MAPFRE SH1 in the amount of R\$20.8 million, and the net income of BB Seguridade in the amount of R\$15.6 million.

Brasilseg | adjustment of the balance of reinsurance assets:

in December 2018, credits related to reinsurance assets were recorded related to the bonus paid by the reinsurer to reimburse policyholders of crop insurance for the non-occurrence of claims during the term of the policies, within 2011-2016. Such event positively impacted the net income of BB MAPFRE SH1 in the amount of R\$17.8 million, and the net income of BB Seguridade in the amount of R\$13.3 million.

Brasilseg | write-down of receivables related to the subsidies of the crop insurance: after an accounting reconciliation, there were identified receivables related to the Rural Insurance Subsidy Program within 2013-2015, pending since the migration of the IT platform to SAP (Enterprise Resource Planning System – ERP) but which had already been paid. Hence, in December 2018, these assets were written-down, resulting on a negative impact of R\$9.0 million in the net income of BB MAPFRE SH1 and of R\$6.8 million in the net income of BB Seguridade.

MAPFRE | adjustment of salvage assets calculation criteria: it was made an adjustment in the triangle methodology used to estimate salvage assets, which is a reducer of the liability, due to the change in salvage expectations. Instead of estimating the value of the salvage using final claims, the company began to use estimated claims, resulting on an expense which negatively affected the net income of MAPFRE BB SH2 in the amount of R\$9.5 million and the net income of BB Seguridade in the amount of R\$4.8 million.

MAPFRE | adjustment of the activation of salvage assets: after the reconciliation of the accounting databases, there was identified an inconsistency between the operating records of sold and effectively received salvages and the balance of those assets in the accounting systems. As a result of this movement, the net income of MAPFRE BB SH2 was negatively affected by the amount of R\$69.4 million, with an impact on BB Seguridade's net income of R\$19.1 million.

MAPFRE | – adjustment of the criteria of the provision for legal claims to be settled: in October 2018 the provisioning criteria changed, based on the analysis of the behavior of the legal claims settled over the last 12 months, which increased the balance of provisions for legal claims to be settled and negatively impacted the net income of MAPFRE BB SH2 in the amount of R\$60.5 million and the net income of BB Seguridade in the amount of R\$29.0 million.

MAPFRE | adjustment of the balance of pending commissions: adjustment made after the equalization of the operating and the accounting databases for outstanding balance of commissions pending. This adjustment occurred in October 2018, with a negative effect in the net income of MAPFRE BB SH2 amounting to R\$32.6 million, which negatively affected the net income of BB Seguridade in the amount of R\$16.3 million.

MAPFRE | reclassification of intangible assets: in October 2018, the work of reclassification of intangible assets related to information technology and location was completed. This adjustment presented a negative effect of R\$28.1 million in the net income of MAPFRE BB SH2, which is equivalent to a negative impact of R\$14.0 million in BB Seguridade's net income.

BB Seguros | results of restructuring the partnership with MAPFRE: the restructuring of the partnership between BB Seguros and MAPFRE, whose conclusion was disclosed to the market on November 30th, 2018, resulted in a negative effect of R\$25.4 million in BB Seguridade's 4Q18 net income, led by tax effects and the expenses with the financial advisors of the operation.

■ ADJUSTED NET INCOME

Figure 3 – Adjusted net income and ROAE

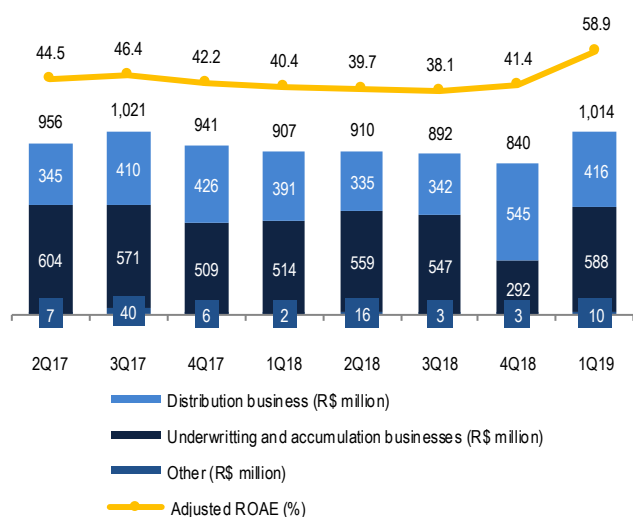
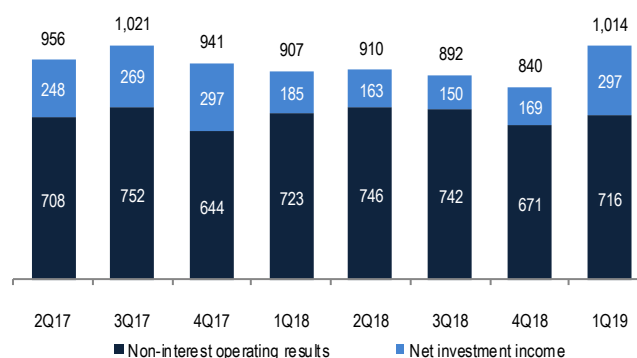
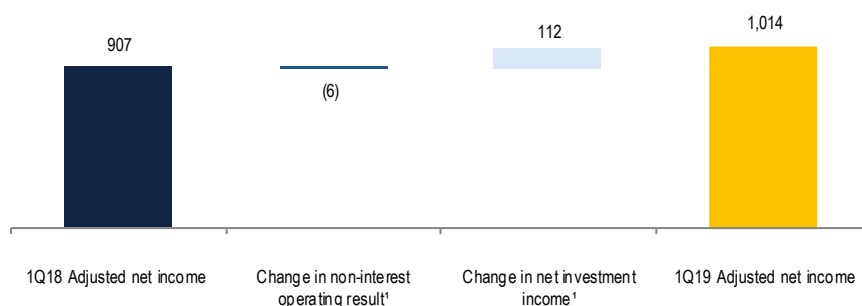


Figure 4 – Adjusted net income | Earnings breakdown¹ (R\$ million)



¹Calculated based on the sum of the non-interest operating result and net investment income of all BB Seguridade's controlled and affiliate Companies, net of income taxes, considering the effective tax rate of each Company for the period under analysis.

Figure 5 – Net income | Quarterly evolution breakdown (R\$ million)



¹Calculated based on total non-interest operating result and net investment income of all BB Seguridade's controlled and affiliate Companies, net of income taxes, considering the effective tax rate of each Company for the period under analysis.

In the 1Q19, the adjusted net income increased 11.7% YoY, reaching R\$1.0 billion, the highest historical number for a first quarter. The performance was driven by the combined net investment income of all companies within the conglomerate, up 60.8% YoY, as a result of:

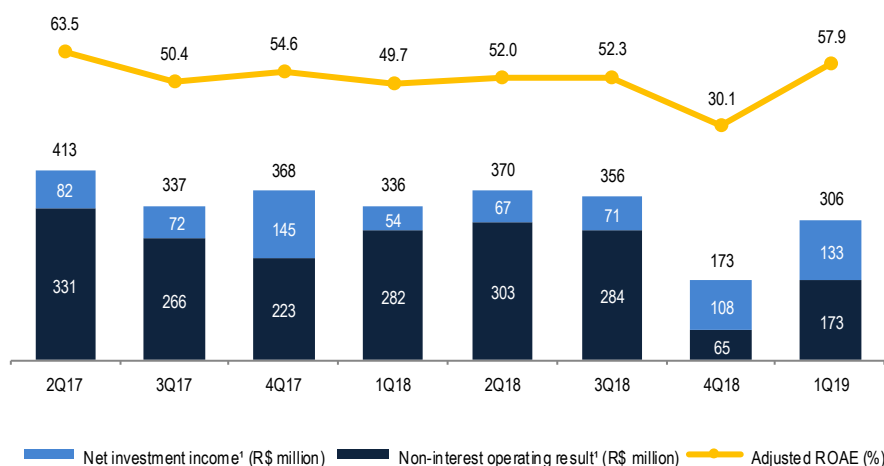
- (i) the time mismatch of interest accrual on assets and liabilities of the defined benefit plans at Brasilprev, which in the 1Q19 helped financial expenses due to IGP-M deflation accumulated from December 2018 to February 2019, while financial revenues were favored by the inflation posted by IGP-M and IPCA indexes from January to March 2019;
- (ii) the gains realized with the disposal of government securities classified as available for sale at Brasilseg along with the regularization of transitory accounts of judicial deposits, which helped financial revenues, and the revision of the lawsuits database and the provision for judicial claims to be settled, which benefited financial expenses; and
- (iii) the gains with the foreign currency hedge on overseas operations at IRB-Brasil RE.

On the other hand, the combined non-interest operating result decreased 0.8% YoY, mostly explained by the claims related to the El Niño effect which affected the loss ratio at Brasilseg.

It is worth noting that, in the 1Q19, the results of Brasilseg, Brasilprev, Brasilcap and IRB-Brasil RE were benefited by the reduction of the CSLL tax rate, from 20.0% to 15.0%, in force since January 2019, which helped the equity income line in the BB Seguridade's P&L.

In the 1Q19, BB Seguridade's annualized return on average equity reached 58.9%, up 18.5 p.p. YoY.

Figure 6 – Brasileg | Adjusted net income and ROAE



¹Net of income taxes considering the Company’s effective tax rate for the period under analysis.

The adjusted net income of Brasileg dropped 8.9% YoY, dragged by the non-interest operating result, which was down 38.6%, partially offset by the net investment income, up 147.0%.

The decline in the non-interest operating result is explained mainly by:

- (iv) the 6.5 p.p. increase in the loss ratio, concentrated in rural (+18.9 p.p.) due mostly to climate events related to “El Niño”, and at a lesser extent in credit life (+4.3 p.p.), driven by higher frequency of reported claims;
- (v) the higher commission ratio, up 2.5 p.p., as a result of the higher commission charged on the products incorporated to Brasileg’s portfolio after the restructuring of the partnership with MAPFRE (home and commercial lines) versus the portfolio transferred to MAPFRE (group life), along with the accounting of the performance fee amounting to R\$72.7 million, as a result of BB Corretora overcoming the sales targets of credit life and credit life for farmers in the 1Q19; and
- (vi) the 1.7 p.p. deterioration in the G&A ratio, driven by the regularization of transitory accounts of judicial deposits and blocks, and higher expenses with the contribution to the Rural Insurance Stability Fund (“FESR”).

On the other hand, the strong performance of the net investment income was explained by the realized gains on the disposal of government securities classified as available for sale, amounting to R\$43.5 million, in addition to the positive impacts on financial revenues (interest accrual on judicial deposits) and on financial expenses (interest accrual on provisions for judicial claims to be settled).

Premiums written rose by 8.9% YoY, propelled by credit life (+81.9%) and mortgage life (+10.1%), while the term life segment was negatively affected by the restructuring of the partnership with MAPFRE. On a proforma basis, premiums written grew 15.4%, with term life up 9.0%, driven by the improvement of the commercial performance in the bancassurance channel.

Brasileg’s annualized return on average equity reached 57.9%, up 8.2 p.p. YoY.

Figure 7 – Brasileg | Key figures

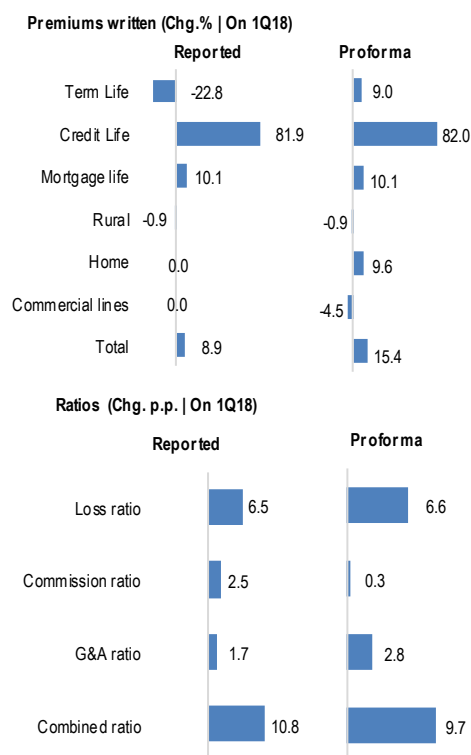
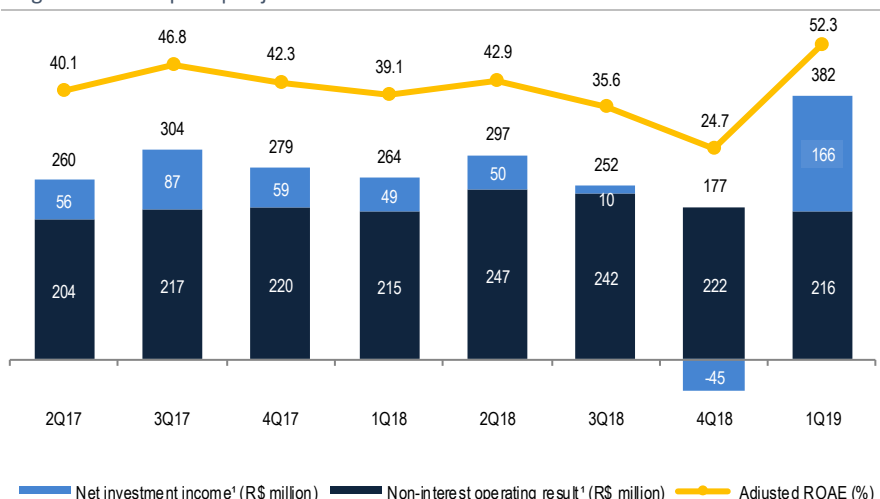


Figure 8 – Brasilprev | Adjusted net income and ROAE



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

In the 1Q19, Brasilprev's net income grew 44.9% YoY, driven by the net investment income, up 220.1%, as a consequence of the expansion in the net interest margin between the assets and liabilities of the defined benefit plans.

Adjusted interest revenues rose 24.6% in the quarter, justified mostly by the inflation posted by the IPCA and IGP-M indexes which remunerate the most part of securities classified as held to maturity. In addition to that, interest expenses fell 41.6%, as a consequence of the accumulated deflation of the IGP-M, the main index that the defined benefit liabilities are pegged to, in the period from December 2018 to February 2019, since the inflation used to calculate the cost of the liabilities has a one-month lag on average.

On the other hand, the non-interest operating result decreased 5.2% in the 1Q19, impacted by the exemption of the load fees charged on PGBL and VGBL plans since September 2018, along with higher G&A expenses, given the increase on expenses with marketing and IT.

Total contributions grew 6.2% to R\$8.1 billion and helped reserves to reach R\$263 billion, up 9.0% YoY.

The annualized return on average equity of Brasilprev reached 52.3% in the 1Q19, up 13.2 p.p. YoY.

Figure 9 – Brasilprev | Key figures

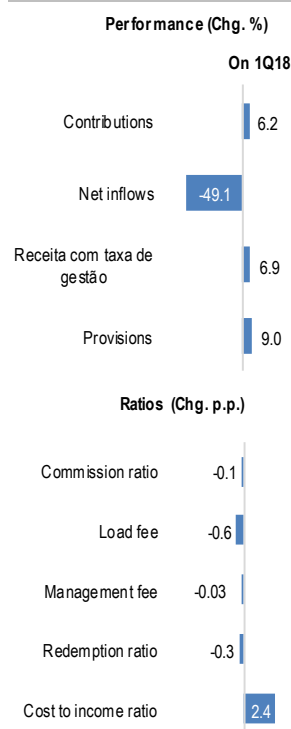
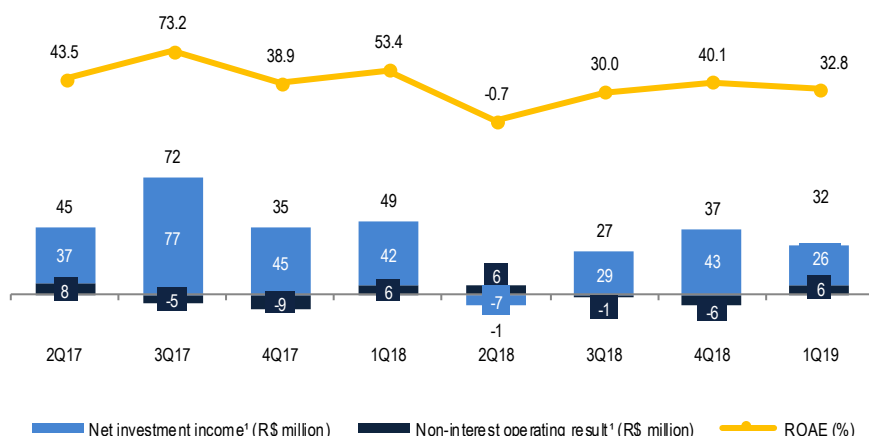


Figure 10 – Brasilcap | Net income and ROAE



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

In the 1Q19, Brasilcap’s net income dropped 33.9% YoY, largely explained by the 50.3% retraction in the net investment income, along with the 19.4% decline in the non-interest operating result.

While the decrease in the net investment income is explained mainly by the 2.2 p.p contraction in the net interest margin, the lower non-interest operating result is attributed to the higher acquisition costs and G&A expenses, the last explained by increased costs with IT and labor contingencies, as well as to the reduction in lottery results, effects that more than offset the 12.9% increase on revenues with load fees.

In the 1Q19, collections with premium bonds grew 6.2% YoY, boosted by the 16.8% increase on sales volume along with a higher average collection.

Figure 11 – Brasilcap | Key figures

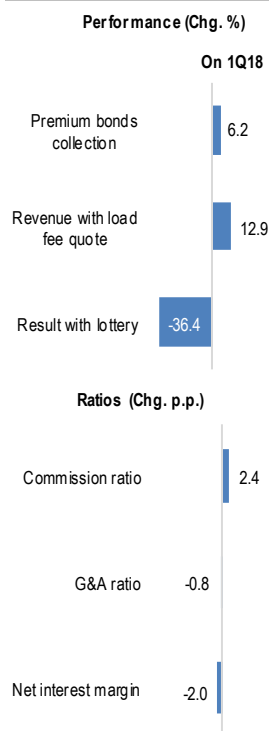
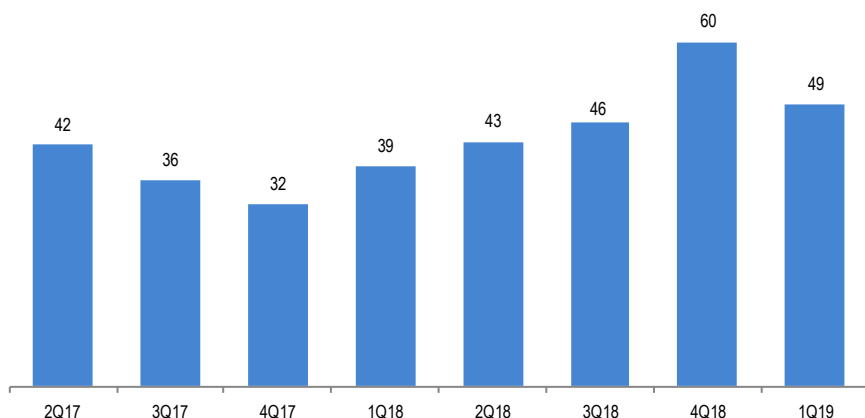


Figure 12 – IRB Brasil-RE | Equity income (R\$ million)



In the 1Q19, the equity income from IRB-Brasil RE rose 28.4% YoY. The performance was driven by the increase in earned premiums that led the growth in underwriting results, along with higher financial results.

IMPORTANT:

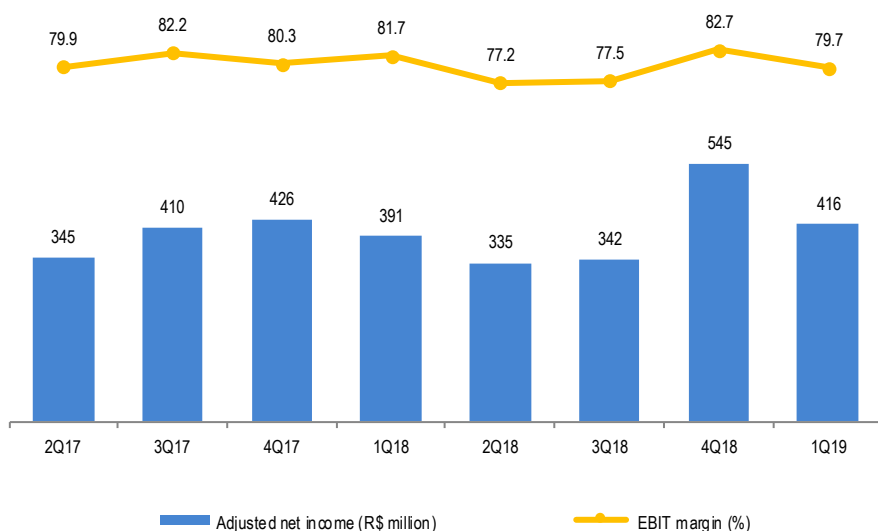
Financial data regarding the equity income arising from the Reinsurance segment comes from BB Seguridade’s stake in IRB Brasil RE and may be influenced by the investor company (BB Seguros) accounting entries, e.g., changes in goodwill. Therefore, the figures presented in this section are not necessarily reconcilable with those published by the invested company.

Since July, 31 2017, IRB Brasil RE common shares have been traded under the ticker “IRBR3” in the “Novo Mercado” segment of the Brazilian stock exchange (B3). Therefore, from the 2Q17 on, financial data regarding the reinsurance segment were removed from BB Seguridade’s MD&A.

Additional information regarding the reinsurance segment and IRB Brasil RE performance are available at the company’s investor relations website: ri.irbbrasilre.com.

BB Corretora | Brokerage

Figure 13 – BB Corretora | Adjusted net income and EBIT margin

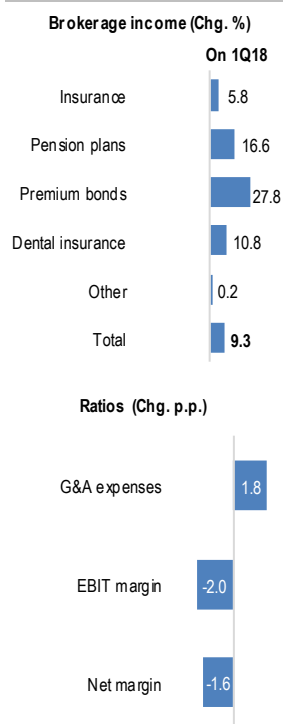


In the 1Q19, BB Corretora’s net income grew 6.2% YoY. The performance is explained by the 9.3% increase in brokerage revenues, partially offset by the 2.0 p.p. decline in the EBIT margin, due to the increased sales volume.

It is worth mentioning that, in the 1Q19, R\$72.7 million were recorded in brokerage revenues as a performance fee received for overcoming the sales targets of credit life and credit life for farmers, as agreed with MAPFRE within the scope of the joint-venture restructuring.

Setting apart the aforementioned effect, as well as the additional brokerage revenues booked in the 1Q18 amounting to roughly R\$81.0 million, which refers to the higher commission paid on some term life insurance products, in force from the 3Q17 to the 1Q18, the brokerage revenues would have increased 11.9%, driven by the improvement in the commercial performance across all segments (insurance, pension plans and premium bonds).

Figure 14 – BB Corretora | Key figures



■ 2019 GUIDANCE

The table below presents the estimates monitoring for the 2019 Guidance.

Table 4 – Estimates 2019

Indicators	Observed	2019 Estimates
Change of the adjusted net income of BB Seguridade	11.7%	5.0% to 10.0%
Change of the premiums written pro forma of Brasilseg (ex-DPVAT)	17.5%	7.0% to 12.0%
Change of the AuM of PGBL and VGBL pension plans of Brasilprev	9.0%	7.0% to 10.0%

In the 1Q19, the growth of the premiums written pro forma of Brasilseg (ex-DPVAT) and the increase in the adjusted net income of BB Seguridade overcame the estimates of the 2019 Guidance. The reasons are as follows:

- Change of the adjusted net income of BB Seguridade:** the adjusted net income increased 11.7% YoY, outperforming the guided range from +5.0% to +10.0% for this indicator. The deviation was driven by a better than expected combined net investment income, justified by: (i) the accumulated deflation of the IGP-M, the main driver of the cost of liabilities related to defined benefit plans at Brasilprev, in the period from December 2018 to February 2019 (timeframe used for the interest accrual during the 1Q19); (ii) realized gains on the disposal of government securities classified as available for sale in Brasilseg, which amounted to R\$43.5 million; and (iii) the downward move of the yield curve and the increase in the market value of private securities after risk revaluation, which positively impacted the mark-to-market results of securities classified for trading in Brasilcap; and
- Change of the premiums written pro forma of Brasilseg (ex-DPVAT):** in the 1Q19, premiums written grew 17.5% YoY, overcoming the estimates provided in the guidance (+7.0% to +12.0%), helped by the better than expected commercial performance of credit life, which increased 82.0%.

Assuming the aforementioned effects that positively impacted the net investment income are not expected to repeat again throughout the year, along with the uncertainty on the pace of the economic activity recovery which would help to keep the growth of premiums written pro forma of Brasilseg above the estimates, the Company decided to maintain the 2019 Guidance and monitor the evolution over the next months.

■ OTHER INFORMATION

Table 5 – Market share and ranking

	Unit	Quarterly Flow				1Q 19
		1Q 18	2Q 18	3Q 18	4Q 18	
Life¹						
Premiums written	R\$ thousand	800,338	896,923	886,851	851,750	618,097
Market-share	%	15.6%	16.1%	15.8%	15.5%	10.0%
Ranking		1º	1º	1º	1º	3º
Credit life						
Premiums written	R\$ thousand	277,689	347,669	391,119	448,499	504,996
Market-share	%	15.1%	15.9%	17.9%	18.7%	15.5%
Ranking		3º	3º	2º	1º	3º
Mortgage life						
Premiums written	R\$ thousand	64,571	64,459	69,865	70,912	71,104
Market-share	%	6.6%	6.6%	7.1%	10.0%	7.0%
Ranking		4º	4º	4º	4º	4º
Rural						
Premiums written	R\$ thousand	517,558	823,401	786,012	753,109	513,037
Market-share	%	70.2%	74.0%	67.7%	77.4%	56.5%
Ranking		1º	1º	1º	1º	1º
Home						
Premiums written	R\$ thousand	79,777	99,051	92,255	79,073	56,685
Market-share	%	11.1%	13.2%	11.8%	10.3%	7.3%
Ranking		4º	3º	3º	4º	5º
Commercial lines						
Premiums written	R\$ thousand	72,941	75,823	79,726	73,788	69,651
Market-share	%	4.5%	4.1%	4.2%	3.5%	3.7%
Ranking		7º	9º	8º	11º	10º
Pension Plans						
Technical reserves	R\$ thousand	241,068,882	242,536,527	248,019,373	256,765,877	262,782,911
Market-share	%	30.6%	30.5%	30.4%	30.4%	30.3%
Ranking		1º	1º	1º	1º	1º
Contributions	R\$ thousand	7,631,889	7,880,281	8,536,350	10,510,239	8,103,360
Market-share	%	29.2%	29.4%	32.8%	32.7%	31.0%
Ranking		1º	1º	1º	1º	1º
Premium Bonds						
Reserves	R\$ thousand	9,742,431	9,508,140	9,382,463	9,043,319	8,842,223
Market-share	%	33.3%	32.5%	32.0%	30.7%	29.8%
Ranking		1º	1º	1º	1º	1º
Collections	R\$ thousand	1,151,234	1,150,042	1,125,598	1,183,011	1,222,376
Market-share	%	22.8%	21.7%	21.4%	21.7%	22.3%
Ranking		2º	2º	2º	2º	2º

¹Market share excluding total life insurance
Source: Susep

Table 6 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	1	1,325,000,000	66.25%
Treasury Stocks	1	3,398,833	0.17%
Free Float	65,519	671,601,167	33.58%
Foreign	921	571,129,039	28.56%
Companies	2,653	53,642,361	2.68%
Individuals	61,945	46,829,767	2.34%
Total	65,521	2,000,000,000	100.00%

Table 7 – Stocks | Performance

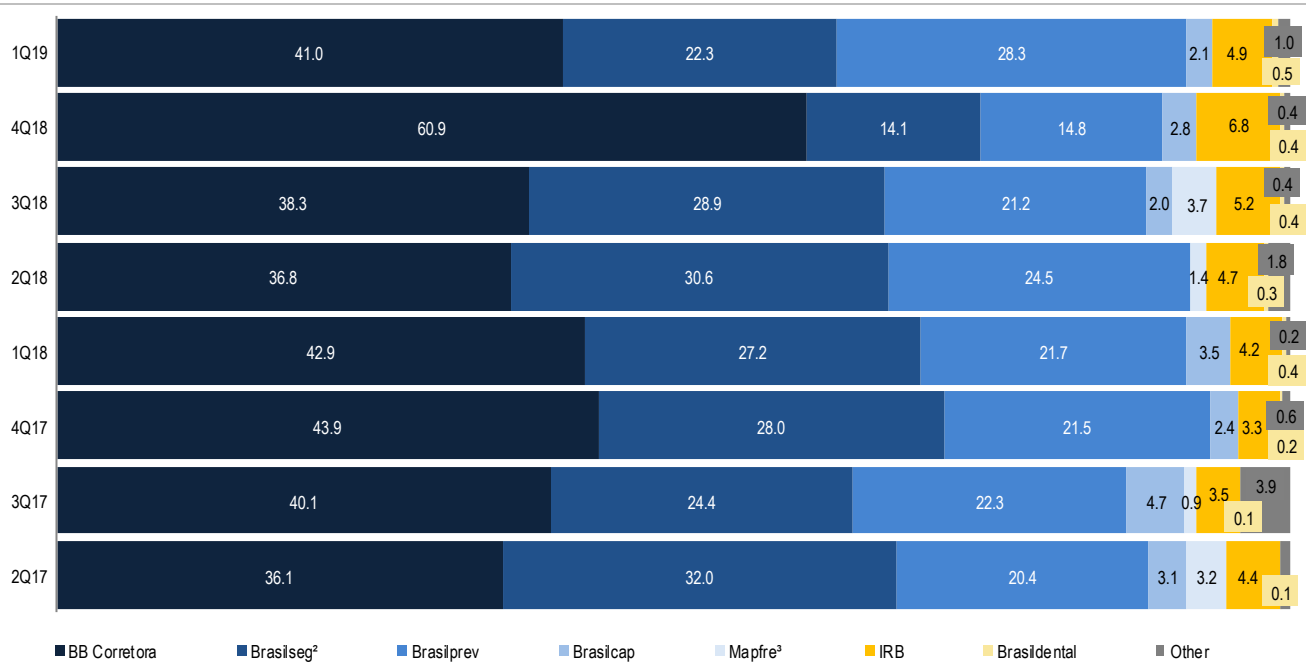
	Unit	Quarterly Flow				1Q 19
		1Q 18	2Q 18	3Q 18	4Q 18	
Stock's performance						
Earnings per share	R\$	0.45	0.45	0.45	0.42	0.51
Dividends per share	R\$	0.95	-	0.78	-	2.03
Equity per share	R\$	4.90	4.63	5.07	3.42	3.90
Closing price	R\$	29.27	24.46	24.10	27.59	26.52
Annualized dividend yield ¹	%	5.90	6.50	6.55	6.16	10.06
Market capitalization	R\$ million	58,540	48,920	48,200	55,180	53,040
Ratios						
P/E (12 month trailing)	x	15.30	12.94	13.21	15.55	14.51
P/BV	x	5.98	5.28	4.76	8.08	6.81
Business data						
Number of trades carried out		684,362	745,046	677,899	1,005,145	1,242,053
Average daily volume traded	R\$ million	97	85	78	122	142
Average daily volume traded - B3	R\$ million	10,153	11,104	9,048	13,720	14,627
Share on B3's average volume	%	0.96	0.76	0.86	0.89	0.97

¹Dividend 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 15 – Earnings Analysis | Breakdown¹ (%)



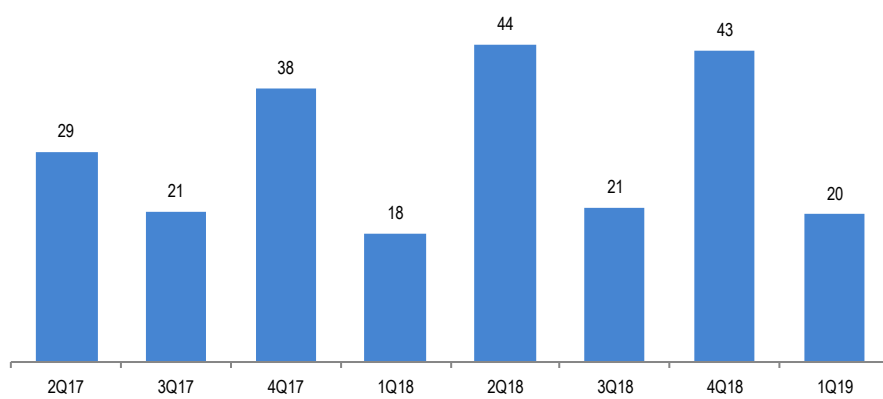
¹ Does not consider the individual results from BB Seguridade and BB Seguros holdings and the affiliates, when negative.

² New commercial name adopted by BB MAPFRE SH1 after the restructuring of the partnership with MAPFRE.

³ New name adopted to refer to MAPFRE BB SH2, not accounted in BB Seguridade's results since December 2018.

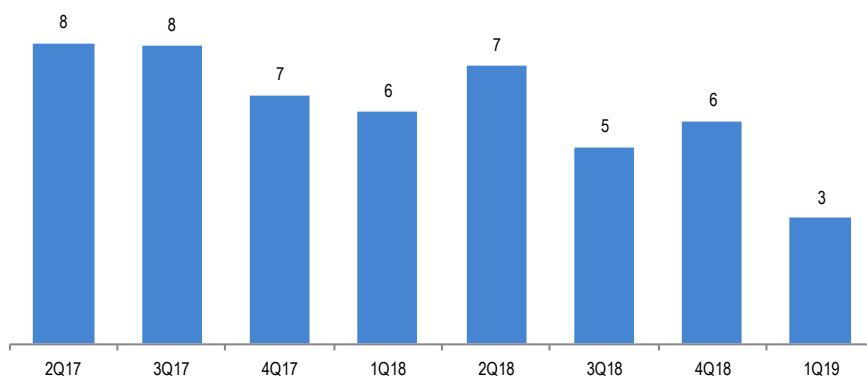
■ NET INVESTMENT INCOME OF THE HOLDING COMPANY

Figure 16 – Earnings Analysis | Net investment income (R\$ million)



■ GENERAL AND ADMINISTRATIVE EXPENSES OF THE HOLDING COMPANY

Figure 17 – Earnings Analysis | General and administrative expenses (R\$ million)



In the 1Q19, the G&A expenses at the holding level decreased 45.6% YoY, justified by:

- (i) the 17.8% reduction in personnel expenses;
- (ii) the 26.5% retraction in administrative expenses; and
- (iii) the positive impact in “Other operating income (expenses)” arising from the reversal of the provision for the acquisition of stocks to pay the deferred installments of the variable compensation programs for the board of executive officers from 2014 and 2015 fiscal years, considering that those programs were finished.

Both reductions on personnel and admin expenses were given to the last revision of the cost-sharing methodology. In the case of the personnel expenses, most part of it went to BB Corretora, while the major part of the reduction in administrative expenses is justified by the higher allocation for BB Seguros holding.

The consolidated expenses of BB Seguridade holding, BB Seguros holding and BB Corretora grew 15.7% justified by:

- (i) the growth of 14.5% in tax expenses, due to the ISS tax collection on the additional brokerage revenue recorded in the 4Q18, and the increase in the taxable income for PIS/PASEP and COFINS aligned with the growth in brokerage revenues, both effects at BB Corretora;
- (ii) the recognition of expenses amounting to R\$1.9 million at BB Seguros, due to the adjustment of the price paid by MAPFRE for Brasilveículos within the scope of the partnership restructuring, considering that the targets for auto insurance sales in the bancassurance channel were not achieved in the 1Q19, according to the earn in / earn out clauses of the agreements; and
- (iii) higher expenses with sponsorship and donations with tax benefits at BB Corretora.

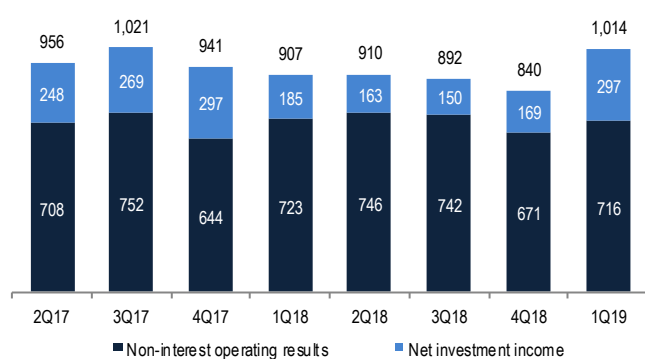
On the other hand, personnel expenses of the entire group fell 2.7% YoY.

Table 8 – Earnings Analysis | General and administrative expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Administrative expenses	(1,300)	(1,414)	(956)	(26.5)	(32.4)
Specialized technical services	(130)	(155)	(62)	(52.2)	(59.8)
Location and operation	(211)	(217)	(225)	7.0	3.7
Communication	(159)	(22)	(31)	(80.6)	41.7
Other administrative expenses	(800)	(1,020)	(637)	(20.3)	(37.5)
Personnel expenses	(3,020)	(2,505)	(2,481)	(17.8)	(1.0)
Compensation	(1,580)	(1,286)	(1,377)	(12.8)	7.1
Welfare benefits	(829)	(667)	(693)	(16.4)	3.8
Other compensation	(335)	(292)	(220)	(34.3)	(24.6)
Benefits	(276)	(260)	(191)	(30.8)	(26.7)
Tax expenses	(1,851)	(2,023)	(1,730)	(6.5)	(14.5)
COFINS	(1,582)	(1,718)	(1,479)	(6.5)	(13.9)
PIS/Pasep	(256)	(279)	(247)	(3.5)	(11.2)
IOF	-	(1)	(0)	-	(100.0)
Other	(13)	(26)	(3)	(73.7)	(86.4)
Other operating income (expenses)	(33)	(17)	1,794	-	-
G&A expenses	(6,203)	(5,959)	(3,373)	(45.6)	(43.4)

EARNINGS SOURCES

Figure 18 – Earnings Analysis | Non-interest operating results vs net investment income (R\$ million)¹



¹Net of taxes considering the companies effective tax rate.

Figure 19 – Earnings Analysis | Non-interest operating results vs net investment income (%)¹

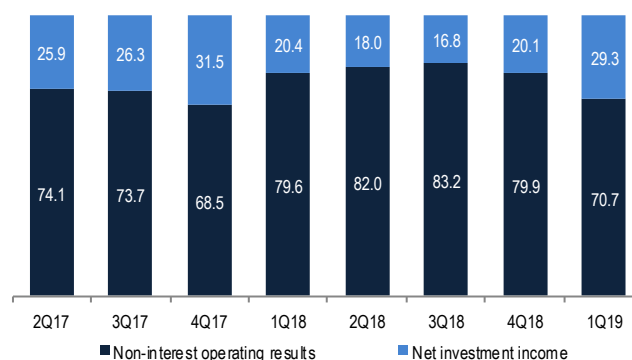


Table 9 – Earnings Analysis | Non-interest operating results vs net investment income¹

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Non-interest operating results	722,507	670,769	716,469	(0.8)	6.8
Brasilseg ²	207,507	45,023	126,400	(39.1)	130.7
MAPFRE ³	(39,648)	(86,873)	-	-	-
Brasilprev	161,243	166,336	162,247	0.6	(2.5)
Brasilcap	4,057	(4,030)	4,043	(0.3)	-
IRB	23,884	49,454	26,658	11.6	(46.1)
Brasildental	3,209	3,366	4,597	43.3	36.5
Holdings and BB Corretora	362,255	497,493	392,524	8.4	(21.1)
Net investment income	184,881	169,060	297,289	60.8	75.8
Brasilseg ²	40,415	80,724	99,811	147.0	23.6
MAPFRE ³	34,016	31,861	-	-	-
Brasilprev	36,489	(33,950)	124,287	240.6	-
Brasilcap	28,329	28,931	17,368	(38.7)	(40.0)
IRB	14,632	10,982	22,785	55.7	107.5
Brasildental	52	84	12	(75.9)	(85.2)
Holdings and BB Corretora	30,949	50,427	33,026	6.7	(34.5)
Adjusted net income	907,389	839,829	1,013,758	11.7	20.7

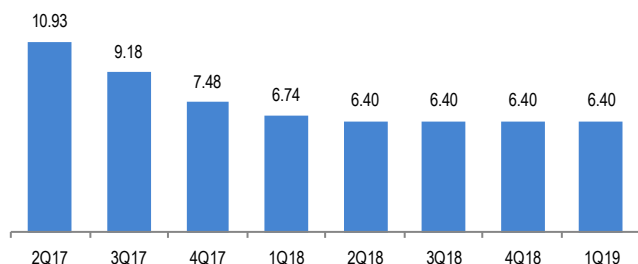
¹ Net of taxes considering the companies effective tax rate.

² New commercial name adopted by BB MAPFRE SH1 after the restructuring of the partnership with MAPFRE.

³ New name adopted to refer to MAPFRE BB SH2, not accounted in BB Seguridade's results since December 2018.

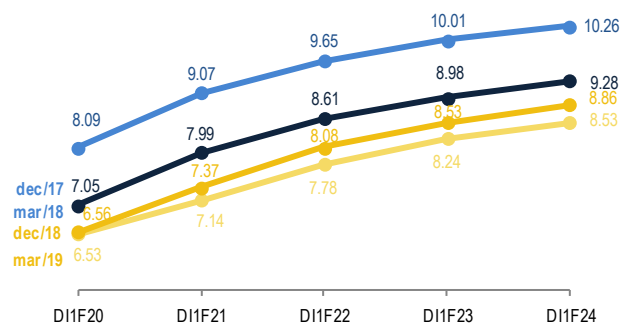
NET INVESTMENT INCOME

Figure 20 – Earnings Analysis | Average Selic rate (%)



Source: Brazilian Central Bank

Figure 21 – Earnings Analysis | Forward yield curve (%)

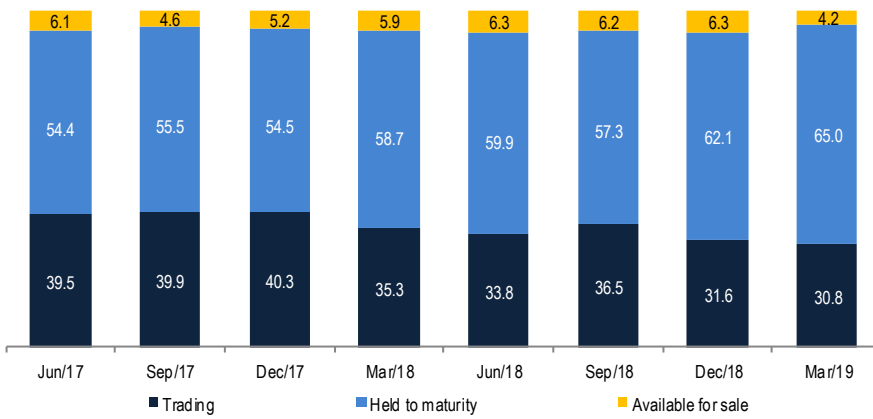


Source: ValorPro

The combined net investment income of BB Seguridade and its controlled and affiliated companies increased 60.8% YoY. Such performance is mainly explained by:

- (i) the reduction in the yield on interest bearing liabilities related to the traditional pension plans (defined benefit), due to the deflation of the IGP-M inflation rate, the main index that remunerates these liabilities, from December 2018 to February 2019, along with the inflation posted by the IPCA and IGP-M in the 1Q19, inflation rates which remunerate the great part of Brasilprev's assets classified as held to maturity;
- (ii) the realized gains on the disposal of government securities classified as available for sale amounting to R\$43.5 million at Brasilseg, along with a positive impact on financial revenues arising from interest accrual on judicial deposits, due to the regularization of transitional accounts of judicial deposits, and also on financial expenses, as a result of the reversal of interest accrual on provisions for judicial claims to be settled, due to the review of the lawsuits database and the balance of provisions; and
- (iii) the growth in net investment income of IRB-Brasil RE, driven by gains with the hedge of foreign exchange related to the operations abroad.

Figure 22 – Earnings Analysis | Financial investments breakdown¹ (%)



¹Considering the financial investments of Brasilseg (ex-BB MAPFRE SH1), MAPFRE (ex-MAPFRE BB SH2), Brasilprev (ex-P/VGBL) and Brasilcap weighted by BB Seguridade’s economic stakes in each company. In Brasilseg and MAPFRE, the information of 2019 refer to data as reported, without “pro-forma” data.

Figure 23 – Earnings Analysis | Breakdown of financial investments by index¹

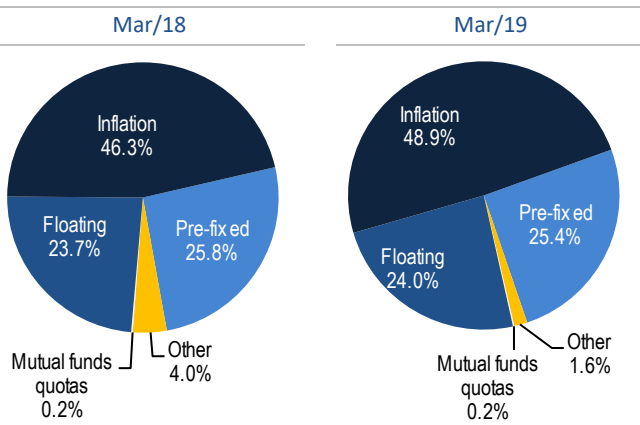
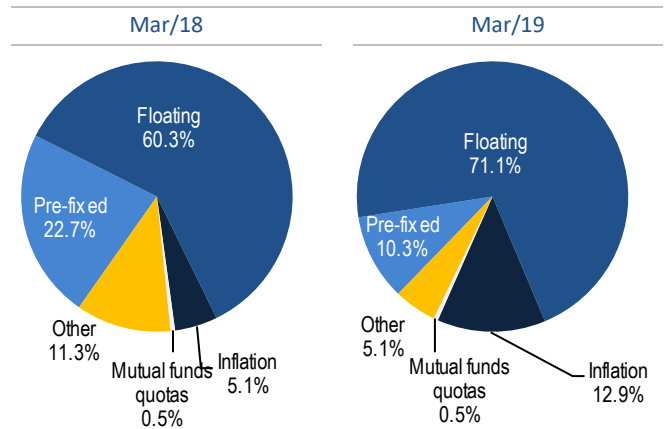


Figure 24 – Earnings Analysis | Trading portfolio by index¹



¹Considering the financial investments of Brasilseg (ex-BB MAPFRE SH1), MAPFRE (ex-MAPFRE BB SH2), Brasilprev (ex-P/VGBL) and Brasilcap, weighted by BB Seguridade’s economic stakes in each company. In case of Brasilseg and MAPFRE, the information of 2018 refer to data as reported, without “pro-forma” data.

Table 10 – Earnings Analysis | Combined financial investments¹

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Trading	8,174,043	6,758,160	6,477,766	(20.8)	(4.1)
Pre-fixed	1,856,654	1,696,250	668,260	(64.0)	(60.6)
Floating	4,930,929	4,164,972	4,608,627	(6.5)	10.7
Inflation	416,052	549,475	836,931	1012	52.3
Mutual funds quotas	44,920	34,717	34,083	(24.1)	(18)
Other	925,488	312,745	329,865	(64.4)	5.5
Available for sale	1,372,513	1,341,006	892,392	(35.0)	(33.5)
Pre-fixed	298,106	390,233	395,079	32.5	1.2
Floating	557,988	425,335	431,877	(22.6)	1.5
Inflation	511,405	525,438	65,436	(87.2)	(87.5)
Other	5,014	-	-	-	-
Held to maturity	13,585,138	13,284,633	13,669,770	0.6	2.9
Pre-fixed	3,809,198	3,967,560	4,274,309	12.2	7.7
Inflation	9,775,940	9,317,073	9,395,461	(3.9)	0.8
Total	23,131,694	21,383,799	21,039,929	(9.0)	(1.6)

¹Considering the financial investments of Brasilseg (ex-BB MAPFRE SH1), MAPFRE (ex-MAPFRE BB SH2), Brasilprev (ex-P/VGBL) and Brasilcap, weighted by BB Seguridade's economic stakes in each company. In case of Brasilseg and MAPFRE, the information of 2018 refer to data as reported, without "pro-forma" data.

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3. BALANCE SHEET ANALYSIS

Table 11 – Balance Sheet Analysis | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Assets	9,807,543	10,897,191	7,802,942	(20.4)	(28.4)
Cash and cash equivalents	1,583,161	4,428,956	1,585,968	0.2	(64.2)
Financial assets marked to market	572	1,208	2,037	256.1	68.6
Investments	8,124,260	5,867,234	6,117,185	(24.7)	4.3
Current tax assets	63,080	55,662	71,700	13.7	28.8
Deferred tax assets	26,799	17,578	15,974	(40.4)	(9.1)
Dividends receivable	-	515,602	-	-	-
Other assets	3,915	5,331	4,614	17.9	(13.4)
Intangible	5,756	5,620	5,464	(5.1)	(2.8)
Liabilities	12,132	4,066,806	10,887	(10.3)	(99.7)
Dividends payable	769	4,052,523	345	(55.1)	-
Current tax liabilities	3,572	5,481	4,550	27.4	(17.0)
Other liabilities	7,791	8,802	5,992	(23.1)	(31.9)
Shareholders' equity	9,795,411	6,830,385	7,792,055	(20.5)	14.1

■ INVESTMENTS

Table 12 – Balance Sheet Analysis | Direct investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Mar/19	Mar/18	Dec/18	Mar/19
Insurance, Pension Plans and Premium Bonds						
BB Seguros Participações	<i> Holding </i>	(1)	100.0	7,685,816	5,820,326	5,654,654
Insurance Brokerage						
BB Corretora de Seguros e Adm. de Bens	<i> Insurance Broker </i>	(1)	100.0	438,444	46,908	462,531

Note: (1) Controlled companies, fully consolidated

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

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Mar/19	Mar/18	Dec/18	Mar/19
Insurance						
Brasilseg	 Holding	(1)	74.99	2,649,768	2,174,718	2,096,483
Companhia de Seguros Aliança do Brasil	Insurance					
Aliança do Brasil Seguros	Insurance					
Pension Plans						
Brasilprev	Insurance/ Pension	(1)	74.99	2,025,707	2,133,724	2,202,677
Health						
Brasildental	Health	(1)	74.99	13,139	10,395	15,004
Premium Bonds						
Brasilcap	Premium Bonds	(1)	66.67	354,364	364,804	378,613
Reinsurance						
IRB Brasil-RE	Reinsurance	(1)	15.23	508,537	623,603	567,729

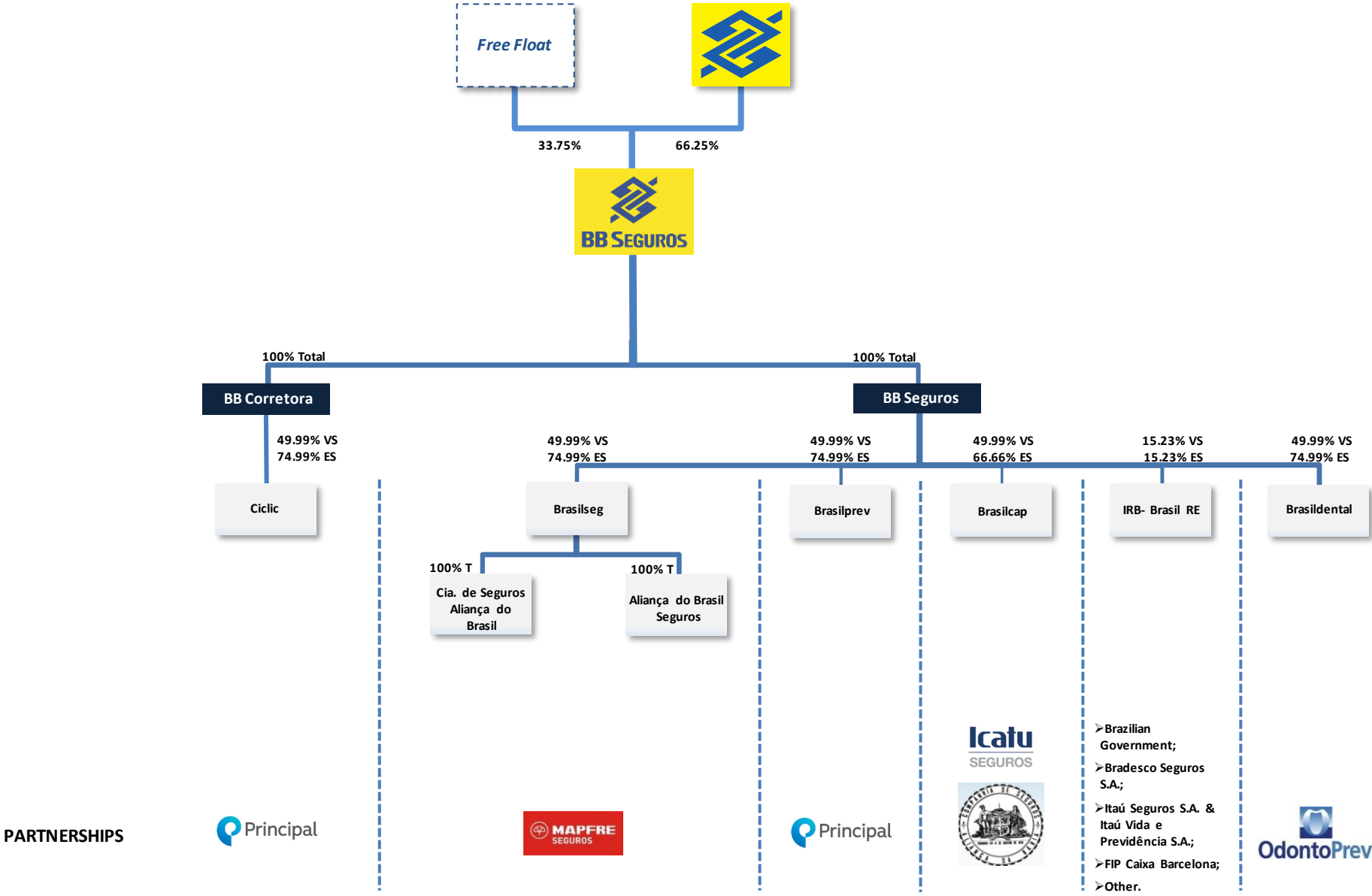
Note: (1) Affiliated companies, booked by the equity method.

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

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Mar/19	Mar/18	Dec/18	Mar/19
Insurance brokerage						
Ciclic	Digital Broker	(1)	74.99	-	19,072	17,537

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

Figure 25 – Balance Sheet Analysis | Ownership structure



Note: VS = Voting Stake; ES = Economic Stake; T = Total

■ 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
Balance on December 31, 2017	5,646,767	1,277	3,337,198	(83,478)	-	(3,294)	8,898,470
Transactions with stock payments	-	98	-	(98)	-	-	-
Other comprehensive income	-	-	-	-	-	10,442	10,442
Net income for the period	-	-	-	-	886,499	-	886,499
Balance on March 31, 2018	5,646,767	1,375	3,337,198	(83,576)	886,499	7,148	9,795,411
Changes in the Period	-	98	-	(98)	886,499	10,442	896,941
Balance on December 31, 2018	5,646,767	1,262	1,265,575	(83,451)	-	232	6,830,385
Transactions with stock payments	-	(145)	-	145	-	-	-
Other comprehensive income	-	-	-	-	-	(52,088)	(52,088)
Net income for the period	-	-	-	-	1,013,758	-	1,013,758
Balance on March 31, 2019	5,646,767	1,117	1,265,575	(83,306)	1,013,758	(51,856)	7,792,055
Changes in the Period	-	(145)	-	145	1,013,758	(52,088)	961,670

4. UNDERWRITING AND ACCUMULATION

■ BRASILSEG

BB Seguridade offers life, mortgage life and rural insurance through its affiliate company BB MAPFRE SH1, a company established under a 20-year term partnership with MAPFRE, which started in 2011 and was restructured in 2018, with Brasilseg as the new branding name defined for BB MAPFRE SH1. 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. **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. 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 intended to pay off a mortgage in case of death or disability of the insured. The insurance policy gives the guarantee that his family will keep the property and the bank will receive the full payment of the mortgage outstanding debt. 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 rural producer credit life 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 resulting from vehicle impact, windstorm, hail rain, among others.
- 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.
- g. **DPVAT** is a mandatory insurance in Brazil that covers personal injury caused by vehicles to passengers, drivers or pedestrians. DPVAT offers coverage for three natures of damage: death, permanent disability, and reimbursement for medical and hospital expenses. DPVAT is funded by vehicles owners through annual payments. Out of the amount collected, 45% is transferred to the Ministry of Health (SUS), to fund the hospital care of victims of traffic accidents across the country, and 5% are transferred to the Ministry of Cities, for exclusive use in programs directed to the prevention of traffic accidents. The remaining 50% are directed to the payment of claims.

■ 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, BB Seguros and PFG renewed their partnership, extending it for 23 years more. As a result of this new agreement, Banco do Brasil 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 and tax benefits.

Brasilprev has three main sources of revenue: the load fee, which can be charged on contributions and redemptions, 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.

- (i) 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.
- (ii) 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.

■ REINSURANCE

The reinsurance industry in Brazil has been growing substantially since the market became opened in April 2008. With the approval of the Complementary Law 126/2007, the state monopoly over reinsurance, held through IRB-Brasil Resseguros S.A. ("IRB") ceased to exist.

In some cases, due to contract or regulation, reinsurance becomes mandatory, and according to SUSEP data, the main risks covered today are P&C, financial, rural and transportation.

In 2013, BB Seguridade, through its subsidiary BB Seguros Participações acquired a stake in IRB, entering the Brazilian reinsurance market. After that, IRB went through a process of privatization and capital increase. At the end of this process, BB Seguros became the holder of 20.51% of IRB's total economics, and became part of its control block, together with the Brazilian Federal Government, Bradesco Auto Re, Itaú Seguros, Itaú Vida e Previdência and Fundo de Investimentos em Participações Caixa Barcelona.

On December 29th, 2014, it was approved by the Extraordinary General Meeting, the amendment of IRB's Bylaws to change the number of stocks from 1,035,663 to 1,040,000, in order to include 4,337 treasury stocks. Therefore, BB Seguro's stake in IRB changed from 20.51% to 20.43%.

As a result of the IRB's initial public offering, 16,206,387 shares held by BB Seguros were sold at the price of R\$27.24 per share, which generated a net gain of R\$171.2 million. After the offering closing, BB Seguros, which is a BB Seguridade subsidiary, became to hold 47,520,213 shares of IRB, equivalent to 15.2% of its capital stock.

■ DENTAL INSURANCE

BB Seguridade offers dental insurance through its affiliate company Brasidental. 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.

Brasidental'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

To provide a better analysis, the following table shows a managerial view built considering the reallocation of the result with reinsurance to the other accounts that compose the Income Statement. This reallocation allows the analysis of the performance ratios already considering the reinsurance effects.

It is important to notice that the bases for 1Q18 and 1Q19 are not comparable due to the conclusion of the reorganization of the partnership with MAPFRE on November 30, 2018, whose movements are detailed in the Summary section of this report. Proforma information will be presented throughout this section to allow the comparative analysis of quarters.

Table 16 – Brasilseg | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q18	4Q18	1Q19	On 1Q18	On 4Q18
Premiums written	1,710,243	2,195,397	1,862,934	8.9	(15.1)
Premiums ceded to reinsurance	(162,643)	(173,788)	(122,218)	(24.9)	(29.7)
Retained premiums	1,547,600	2,021,609	1,740,716	12.5	(13.9)
Changes in technical reserves - premiums	104,430	(272,748)	(18,194)	-	(93.3)
Retained earned premiums	1,652,030	1,748,861	1,722,522	4.3	(1.5)
Retained claims	(483,027)	(554,756)	(616,181)	27.6	11.1
Acquisition costs	(534,538)	(770,914)	(601,194)	12.5	(22.0)
Revenue of policies issuance	5,830	2,015	6,100	4.6	202.8
Underwriting result	640,295	425,205	511,246	(20.2)	20.2
Administrative expenses	(95,474)	(146,713)	(98,172)	2.8	(33.1)
Tax expenses	(57,046)	(65,034)	(55,379)	(2.9)	(14.8)
Other operating income (expenses)	(55,932)	(114,758)	(93,509)	67.2	(18.5)
Equity income	5	2	-	-	-
Gains or losses on non-current assets	(20)	(3,419)	(6)	(71.2)	(99.8)
Non-interest operating result	431,827	95,284	264,180	(38.8)	177.3
Net investment income	82,264	148,127	198,776	141.6	34.2
Financial income	132,539	123,098	185,048	39.6	50.3
Financial expenses	(50,275)	25,029	13,728	-	(45.2)
Earnings before taxes and profit sharing	514,093	243,411	462,956	(9.9)	90.2
Taxes	(177,291)	(66,519)	(152,963)	(13.7)	130.0
Profit sharing	(930)	(4,256)	(3,883)	317.7	(8.8)
Adjusted net income	335,872	172,636	306,111	(8.9)	77.3

Retained premiums = Premiums written + premiums ceded to reinsurance

Changes in technical provisions = 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

Table 17 – Brasilseg | Adjusted net income

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Adjusted net income	335,872	172,636	306,111	(8.9)	77.3
One-off events	-	(19,147)	-	-	-
IBNER - Adjusted Provision for Judicial Claims to be Settled	-	(12,390)	-	-	-
IBNER - Taxes	-	5,258	-	-	-
Acquisition expenses - Agency fees	-	(37,767)	-	-	-
Acquisition expenses - Agency fees - Taxes	-	16,995	-	-	-
Rural bonus of reinsurance provisions	-	23,312	-	-	-
Rural bonus of reinsurance provisions - Taxes	-	(4,446)	-	-	-
Rural bonus of reinsurance provisions - PIS/COFINS	-	(1,084)	-	-	-
Subvention of acquisition expenses	-	(11,282)	-	-	-
Subvention of acquisition expenses - Taxes	-	2,256	-	-	-
Net income	335,872	153,489	306,111	(8.9)	99.4

Table 18 – Brasilseg | Proforma managerial income statement¹

R\$ thousand	Quarterly Flow			Chg. %	
	1Q18	4Q18	1Q19	On 1Q18	On 4Q18
Premiums written	1,614,275	2,162,189	1,862,934	15.4	(13.8)
Premiums ceded to reinsurance	(178,995)	(194,342)	(122,218)	(317)	(37.1)
Retained premiums	1,435,280	1,967,847	1,740,717	21.3	(11.5)
Changes in technical reserves - premiums	139,308	(267,924)	(18,195)	-	(93.2)
Retained earned premiums	1,574,587	1,699,923	1,722,522	9.4	1.3
Retained claims	(459,685)	(519,695)	(616,181)	34.0	18.6
Acquisition costs	(544,393)	(769,581)	(601,194)	10.4	(219)
Revenue of policies issuance	5,721	1,972	6,100	6.6	209.3
Underwriting result	576,230	412,619	511,246	(11.3)	23.9
Administrative expenses	(91,715)	(141,772)	(98,172)	7.0	(30.8)
Tax expenses	(56,532)	(64,857)	(55,379)	(2.0)	(14.6)
Other operating income (expenses)	(34,291)	(107,146)	(93,509)	172.7	(12.7)
Equity income	5	-	-	-	-
Gains or losses on non-current assets	(1)	(3,866)	(6)	391.3	(99.8)
Non-interest operating result	393,695	94,978	264,181	(32.9)	178.2
Net investment income	86,617	147,782	198,776	129.5	34.5
Financial income	127,880	121,424	185,048	44.7	52.4
Financial expenses	(41,263)	26,358	13,728	-	(47.9)
Earnings before taxes and profit sharing	480,312	242,760	462,956	(3.6)	90.7
Taxes	(172,368)	(66,058)	(152,963)	(113)	1316
Profit sharing	(953)	(4,277)	(3,883)	307.5	(9.2)
Adjusted net income	306,991	172,424	306,111	(0.3)	77.5

¹Simulation of the structure after the reorganization for the 1Q18 and 4Q18.

ADJUSTED NET INCOME

Figure 26 – Brasilseg | Adjusted net income and ROAE

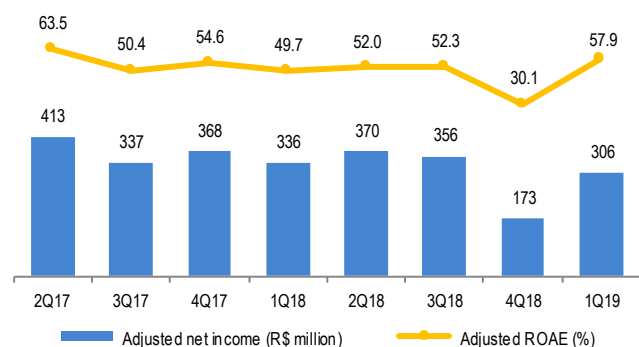
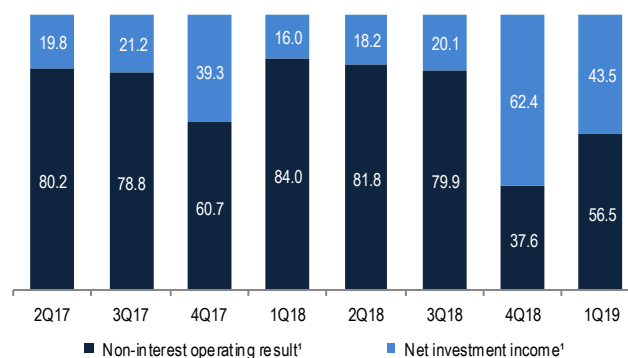


Figure 27 – Brasilseg | Adjusted net income breakdown (%)



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

Table 19 – Brasilseg | Managerial performance ratios¹

%	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Performance ratios					
Loss ratio	29.2	31.7	35.8	6.5	4.1
Commission ratio	32.4	44.1	34.9	2.5	(9.2)
G&A ratio	12.6	18.7	14.3	1.7	(4.3)
Combined ratio	73.9	94.4	84.7	10.8	(9.7)
Other ratios					
Expanded combined ratio	70.4	87.0	75.9	5.5	(11.1)
Income tax rate	34.5	27.3	33.0	(14)	5.7
Adjusted ROAE	49.7	30.1	57.9	8.3	27.8

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

Table 20 – Brasilseg | Proforma managerial performance ratios¹

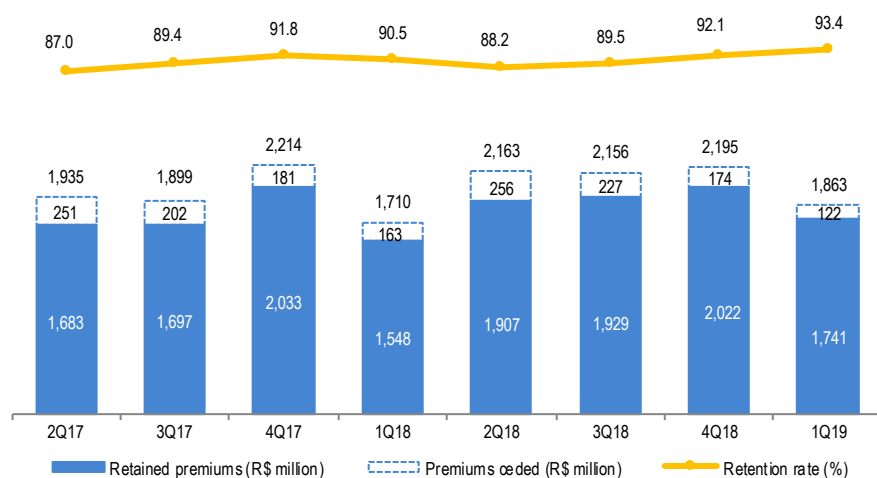
%	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Performance ratios					
Loss ratio	29.2	30.6	35.8	6.6	5.2
Commission ratio	34.6	45.3	34.9	0.3	(10.4)
G&A ratio	11.6	18.5	14.3	2.8	(4.1)
Combined ratio	75.0	94.2	84.7	9.7	(9.5)
Other ratios					
Expanded combined ratio	71.1	86.7	75.9	4.8	(10.7)
Income tax rate	35.9	27.2	33.0	(2.8)	5.8
Adjusted ROAE	42.0	28.5	57.9	15.9	29.5

¹Simulation of the structure after the reorganization for the 1Q18 and 4T18.

■ NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUMS WRITTEN

Figure 28 – Brasilseg | Premiums written



In the 1Q19, premiums written increased 8.9% YoY, propelled by the growth in credit life (+81.9%) and mortgage life (+10.1%).

It is worth mentioning that despite of having generated a positive impact in terms of profitability, the reorganization of the partnership with MAPFRE resulted in lower volume of premiums written, since the balance of home insurance, commercial lines and large risk (run-off) coming with the incorporation of Aliança do Brasil Seguros is smaller than the balance of term life premiums transferred to Grupo MAPFRE after the divestment of MAPFRE Vida. As a result, term life insurance premiums written fell 22.8% compared to 1Q18.

Considering the proforma data for Brasilseg, premiums written would have grown 15.4% YoY, with term life increasing 9.0%, explained by the improvement of the commercial performance in the bancassurance channel.

Figure 29 – Brasilseg | Premiums written proforma

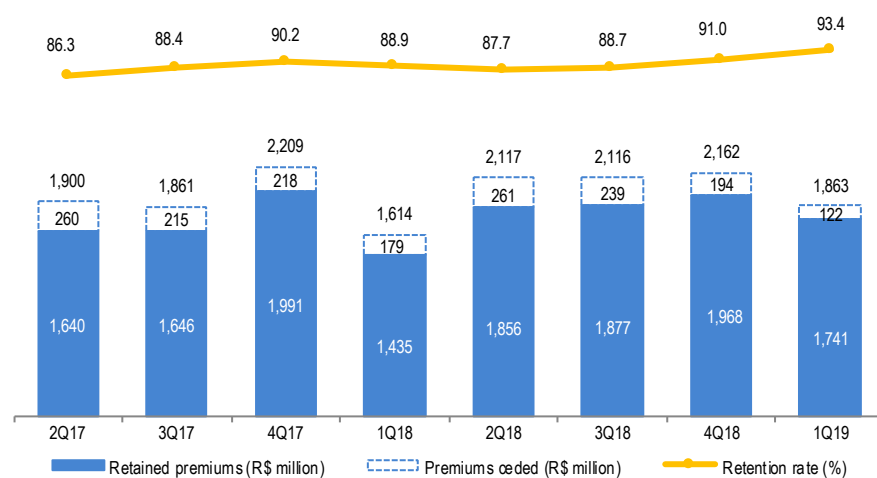


Table 21 – Brasilseg | Breakdown of premiums written

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Life	800,338	851,750	618,097	(22.8)	(27.4)
Credit Life	277,689	448,499	504,996	81.9	12.6
Mortgage Life	64,571	70,912	71,104	10.1	0.3
Rural	517,558	753,109	513,037	(0.9)	(31.9)
Home	-	17,320	56,685	-	227.3
Commercial lines	-	23,025	69,651	-	202.5
Large risks	-	14,219	6,788	-	(52.3)
DPVAT	49,162	16,319	22,187	(54.9)	36.0
Other	925	243	390	(57.9)	60.5
Total	1,710,243	2,195,397	1,862,934	8.9	(15.1)

Figure 30 – Brasilseg | Breakdown of premiums written (%)

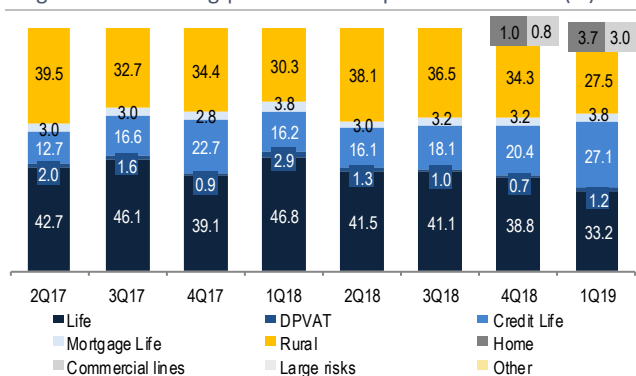
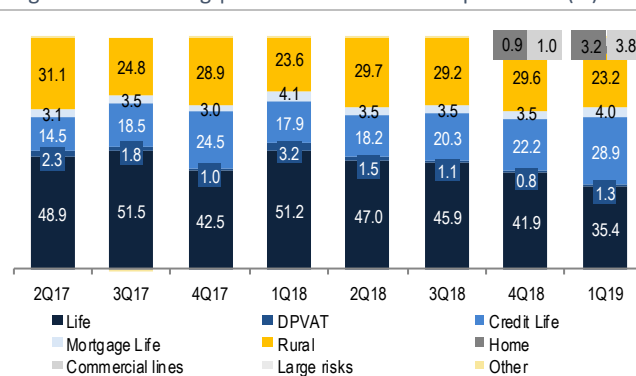


Figure 31 – Brasilseg | Breakdown of retained premiums (%)



¹ Consolidated premiums written/retained from the Large Risks, Home, Commercial Lines and Corporate business segments in 4Q18.

Table 22 – Brasilseg | Proforma breakdown of premiums written

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Life	566,859	713,014	618,097	9.0	(13.3)
Credit Life	277,440	448,322	504,996	82.0	12.6
Mortgage Life	64,571	70,912	71,104	10.1	0.3
Rural	517,558	753,109	513,037	(0.9)	(31.9)
Home	51,721	47,031	56,685	9.6	20.5
Commercial lines	72,941	73,788	69,651	(4.5)	(5.6)
Large risks	14,775	39,783	6,788	(54.1)	(82.9)
DPVAT	48,249	15,986	22,187	(54.0)	38.8
Other	162	243	390	141.4	60.6
Total	1,614,275	2,162,189	1,862,934	15.4	(13.8)

CHANGES IN TECHNICAL RESERVES - PREMIUMS

Table 23 – Brasilseg | Changes in technical reserves – premiums

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Provision for unearned premiums	167,055	(240,972)	87,921	(47.4)	-
Provision for benefits to be granted (except VGBL and VRGP)	-	(7,262)	(1,274)	-	(82.5)
Provision for administrative expenses - DPVAT	(2,741)	618	(4,719)	72.2	-
Provision for technical surplus	(1,469)	3,479	(164)	(88.8)	-
Complementary provisions of contributions	(28,907)	(6,750)	-	-	-
Other provisions (except VGBL and VRGP)	-	-	-	-	-
Change in technical reserves - premiums	133,938	(250,887)	81,764	(39.0)	-

RETAINED EARNED PREMIUMS

Table 24 – Brasilseg | Breakdown of retained earned premiums

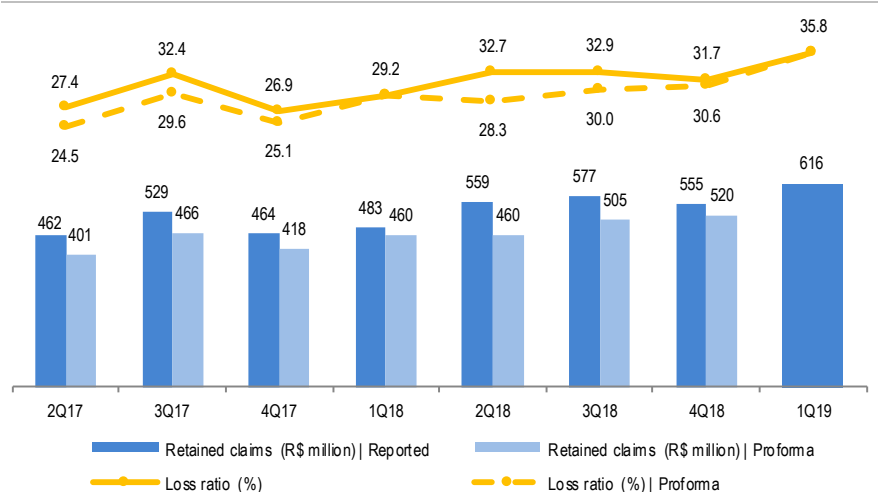
R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Life	782,520	768,817	663,149	(15.3)	(13.7)
Credit Life	298,515	300,026	303,028	15	10
Mortgage Life	62,915	67,328	72,560	15.3	7.8
Rural	460,729	548,320	527,800	14.6	(3.7)
Home	-	19,972	56,271	-	1818
Commercial lines	-	23,819	76,819	-	222.5
Large risks	-	3,446	5,023	-	45.7
DPVAT	46,421	16,937	17,467	(62.4)	3.1
Other	929	196	404	(56.5)	105.8
Total	1,652,030	1,748,861	1,722,522	4.3	(1.5)

Table 25 – Brasilseg | Proforma breakdown of retained earned premiums

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Life	584,028	627,287	663,149	13.5	5.7
Credit Life	297,691	299,559	303,028	1.8	1.2
Mortgage Life	62,915	67,328	72,560	15.3	7.8
Rural	460,729	548,320	527,800	14.6	(3.7)
Home	45,188	58,028	56,271	24.5	(3.0)
Commercial lines	73,000	74,370	76,819	5.2	3.3
Large risks	5,313	8,255	5,023	(5.5)	(39.2)
DPVAT	45,559	16,580	17,467	(61.7)	5.4
Other	165	196	404	144.3	105.8
Total	1,574,587	1,699,923	1,722,522	9.4	1.3

RETAINED CLAIMS

Figure 32 – Brasilseg | Retained claims



In the 1Q19, the reported loss ratio rose 6.5 p.p. compared to the 1Q18, driven by:

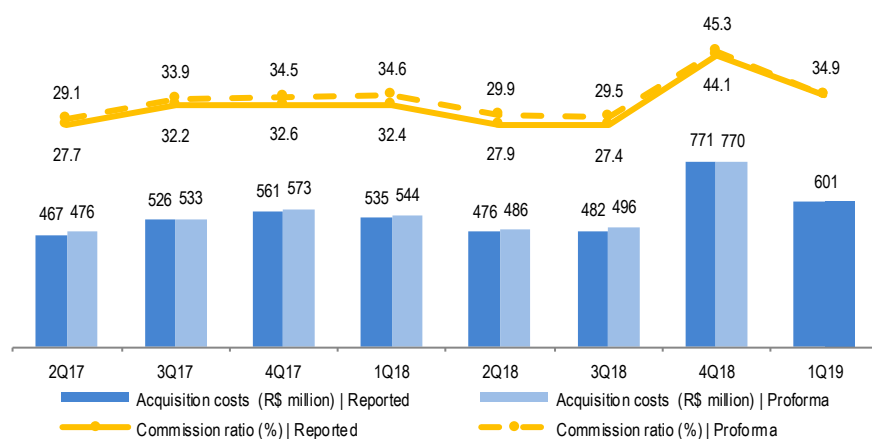
- (i) the higher volume of crop insurance reported claims, explained by climate events which broadly impacted all regions of the country, as a result of the El Niño effect, along with higher frequency of rural lien reported claims, explained by damages on machinery. It is worth noting that by the end of the quarter the number of reported claims had already been reduced, and part of the provisions for claims to be settled built from the reports made in January and February started to be reversed, since the effective losses were lower;
- (ii) the higher frequency of credit life, term life and home insurance reported claims; and
- (iii) the expenses with provision for judicial claims to be settled amounting to roughly R\$15.6 million, due to an action plan to regularize the outstanding number of lawsuits.

Table 26 – Brasilseg | Breakdown of retained claims

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Incurred claims	(655,173)	(794,014)	(1,306,117)	99.4	64.5
Expenses with claims	(680,162)	(784,858)	(1,281,104)	88.4	63.2
Changes in provisions for claims IBNR and IBNER	(13,264)	(16,880)	(16,952)	27.8	0.4
Recovery of claims - Coinsurance and reinsurance	217,688	255,605	691,163	217.5	170.4
Salvage and Reimbursements	496	4,443	4,822	871.9	8.5
Assistance services	(8,377)	(12,830)	(14,226)	69.8	10.9
Other	593	(235)	116	(80.4)	-
Retained claims	(483,027)	(554,756)	(616,181)	27.6	11.1

ACQUISITION COSTS

Figure 33 – Brasilseg | Acquisition costs



In the 1Q19, the commission ratio increased 2.5 p.p. YoY, as a result of:

- the new mix of products after the reorganization of the partnership with MAPFRE, when Brasilseg added home insurance, commercial lines and large risks (run-off) portfolios sold through the bancassurance channel, and transferred to MAPFRE the term life portfolio sold in the independent broker channel, considering that the absorbed portfolios pay higher commissions compared to those that were transferred;
- the performance fee amounting to R\$72.7 million to be paid to BB Corretora for overcoming the commercial targets of credit life and credit life for farmers, as negotiated in the reorganization of the partnership with MAPFRE; and
- the expenses amounting to R\$17.2 million due to the regularization of the balance in transitory accounts of commissions related to rural and credit life segments, as a result of an action plan initiated in 2018 to reconcile the accounting and financial bases of commissions paid.

It is worth noting that from the 3Q17 to the 1Q18, there was an increase in commissions of some life insurance products, which led to an additional commission expense of roughly R\$81.0 million in the first quarter of last year.

Table 27 – Brasilseg | Acquisition costs

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Commission charged on premiums written	(45,1096)	(56,1875)	(52,1993)	15.7	(7.1)
Agency commission	(1,940)	(10,335)	-	-	-
Commissions recovered - Coinsurance	4,918	2,811	1	(100.0)	(100.0)
Change in deferred acquisition costs	(41,263)	122,430	41,094	-	(66.4)
Other acquisition costs	(45,159)	(360,563)	(120,296)	166.4	(66.6)
Acquisition costs	(534,538)	(807,532)	(601,194)	12.5	(25.6)

UNDERWRITING RESULT

Table 28 – Brasilseg | Underwriting result

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Life	192,092	201,448	196,709	2.4	(2.4)
Credit Life	130,000	(16,001)	56,401	(56.6)	-
Mortgage Life	40,529	44,940	46,815	15.5	4.2
Rural	265,203	170,668	179,450	(32.3)	5.1
Home	-	5,225	9,497	-	818
Commercial lines	-	12,068	11,846	-	(18)
Large risks	-	1,368	2,905	-	112.3
DPVAT	6,005	3,522	1,435	(76.1)	(59.3)
Other	636	(49)	87	(86.2)	-
Underwriting margin breakdown	634,465	423,191	505,146	(20.4)	19.4
Revenue of policies issuance	5,830	2,015	6,100	4.6	202.8
Underwriting margin	640,295	425,205	511,246	(20.2)	20.2

Table 29 – Brasilseg | Underwriting result breakdown

%	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Life	30.3	47.6	38.9	8.7	(8.7)
Credit Life	20.5	(3.8)	11.2	(9.3)	14.9
Mortgage Life	6.4	10.6	9.3	2.9	(14)
Rural	41.8	40.3	35.5	(6.3)	(4.8)
Home	-	12	19	19	0.6
Commercial lines	-	2.9	2.3	2.3	(0.5)
Large risks	-	0.3	0.6	0.6	0.3
DPVAT	0.9	0.8	0.3	(0.7)	(0.5)
Other	0.1	(0.0)	0.0	(0.1)	0.0

Table 30 – Brasilseg | Proforma underwriting result

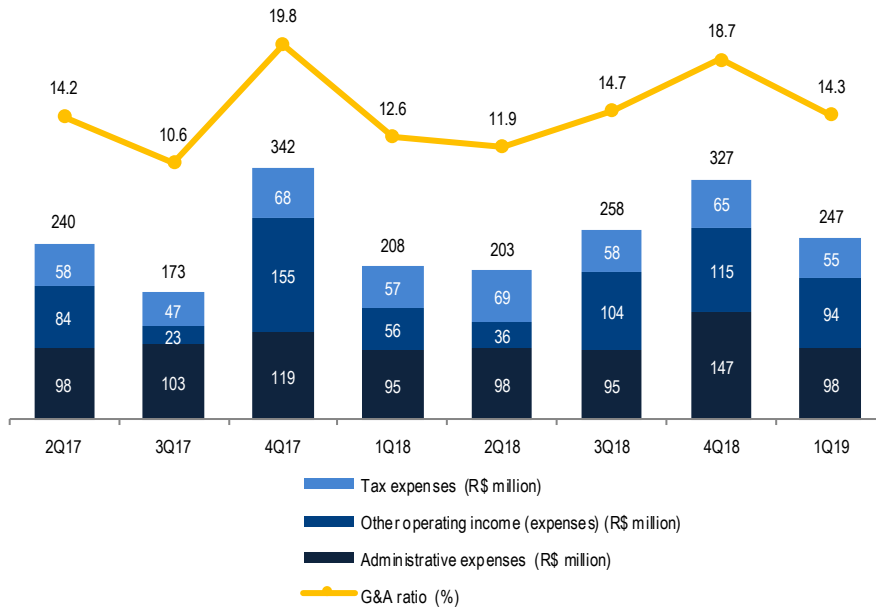
R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Life	128,381	169,797	196,709	53.2	15.8
Credit Life	129,748	(16,421)	56,401	(56.5)	-
Mortgage Life	40,529	44,940	46,815	15.5	4.2
Rural	265,203	170,668	179,450	(32.3)	5.1
Home	11,007	12,962	9,497	(13.7)	(26.7)
Commercial lines	13,795	26,631	11,846	(14.1)	(55.5)
Large risks	(24,063)	(1,320)	2,905	-	-
DPVAT	5,894	3,438	1,435	(75.7)	(58.3)
Other	15	(49)	87	493.1	-
Underwriting margin breakdown	570,509	410,647	505,146	(11.5)	23.0
Revenue of policies issuance	5,721	1,972	6,100	6.6	209.3
Underwriting margin	576,230	412,619	511,246	(11.3)	23.9

Table 31 – Brasilseg | Proforma underwriting result breakdown

%	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Life	22.5	41.3	38.9	16.4	(2.4)
Credit Life	22.7	(4.0)	11.2	(11.6)	15.2
Mortgage Life	7.1	10.9	9.3	2.2	(1.7)
Rural	46.5	41.6	35.5	(11.0)	(6.0)
Home	1.9	3.2	1.9	(0.0)	(1.3)
Commercial lines	2.4	6.5	2.3	(0.1)	(4.1)
Large risks	(4.2)	(0.3)	0.6	4.8	0.9
DPVAT	1.0	0.8	0.3	(0.7)	(0.6)
Other	0.0	(0.0)	0.0	0.0	0.0

GENERAL & ADMINISTRATIVE EXPENSES

Figure 34 – Brasilseg | G&A expenses



In the 1Q19, the G&A ratio rose 1.7 p.p. YoY, due to the increase in other operating expenses, mainly explained:

- (i) by higher expenses with contributions to the rural insurance stability fund (“FESR”), since the basis for calculating the contribution to the fund takes into account the rural insurance claims effectively paid, which remained at a low level in the 1Q19 despite of the high volume of expenses with provisions for claims to be settled due to the increase in the number of reported claims;
- (ii) by expenses recorded as other operating income (expenses) amounting to R\$13.5 million, related to the regularization of transitory accounts for judicial deposits and judicial blocks; and
- (iii) by higher expenses with civil contingencies, given the revision of the probability of losses in the court.

The G&A ratio was also impacted by higher personnel expenses, due to the change in headcount within the scope of the operational deployment of the partnership restructuring with MAPFRE.

Table 32 – Brasilseg | General & Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Administrative expenses	(95,474)	(146,713)	(98,172)	2.8	(33.1)
Personnel	(43,381)	(60,657)	(47,169)	8.7	(22.2)
Outsourcing	(24,422)	(30,503)	(22,981)	(5.9)	(24.7)
Location and operation	(21,475)	(23,940)	(22,325)	4.0	(6.7)
Institutional advertisement and publicity	(2,161)	(9,310)	(1,326)	(38.6)	(85.8)
Publications	(471)	(47)	(490)	4.0	949.8
Other administrative expenses	(652)	(17,764)	(690)	5.8	(96.1)
DPVAT administrative expenses	(2,912)	(4,493)	(3,191)	9.6	(29.0)
Other operating income (expenses)	(55,932)	(114,758)	(93,509)	67.2	(18.5)
FESR contributions	(41,019)	(43,194)	(59,205)	44.3	37.1
Charging expenses	(6,688)	(4,193)	(3,496)	(47.7)	(16.6)
Civil contingencies	(1,424)	(10,900)	(6,123)	329.9	(43.8)
Expenses with events	(647)	(8,464)	(502)	(22.5)	(94.1)
Endomarketing	(7,048)	(4,310)	(9,000)	27.7	108.8
Impairment	5,812	(9,532)	4,835	(16.8)	-
Other operating income (expenses)	(4,918)	(34,166)	(20,018)	307.0	(414)
Tax expenses	(57,046)	(65,035)	(55,379)	(2.9)	(14.8)
COFINS	(47,175)	(53,462)	(45,528)	(3.5)	(14.8)
PIS	(7,728)	(9,336)	(7,296)	(5.6)	(219)
Inspection fee	(1,403)	(1,563)	(1,881)	34.1	20.4
Other tax expenses	(740)	(675)	(675)	(8.8)	0.0
G&A	(208,452)	(326,506)	(247,061)	18.5	(24.3)

Life Insurance

Table 33 – Life Insurance | Key figures

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Premiums written	800,338	851,750	618,097	(22.8)	(27.4)
Premiums ceded to reinsurance	(8,145)	(5,626)	(1,652)	(79.7)	(70.6)
Retained premiums	792,193	846,125	616,445	(22.2)	(27.1)
Changes in technical reserves - premiums	(9,673)	(77,308)	46,703	-	-
Earned premiums	782,520	768,817	663,149	(15.3)	(13.7)
Retained claims	(259,804)	(307,909)	(224,673)	(13.5)	(27.0)
Acquisition costs	(330,624)	(259,461)	(241,766)	(26.9)	(6.8)
Underwriting margin	192,092	201,448	196,709	2.4	(2.4)

Table 34 – Life Insurance | Performance ratios

(%)	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Loss ratio	33.2	40.0	33.9	0.7	(6.2)
Commission ratio	42.3	33.7	36.5	(5.8)	2.7
Underwriting margin	24.5	26.2	29.7	5.1	3.5

Table 35 – Life Insurance | Proforma key figures

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Premiums written	566,859	713,014	618,097	9.0	(13.3)
Premiums ceded to reinsurance	(6,137)	(2,747)	(1,652)	(73.1)	(39.9)
Retained premiums	560,722	710,268	616,445	9.9	(13.2)
Changes in technical reserves - premiums	23,306	(82,980)	46,703	100.4	-
Earned premiums	584,028	627,287	663,149	13.5	5.7
Retained claims	(161,911)	(230,723)	(224,673)	38.8	(2.6)
Acquisition costs	(293,737)	(226,767)	(241,766)	(17.7)	6.6
Underwriting margin	128,381	169,797	196,709	53.2	15.8

Table 36 – Life Insurance | Proforma performance ratios

(%)	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Loss ratio	27.7	36.8	33.9	6.2	(2.9)
Commission ratio	50.3	36.2	36.5	(13.8)	0.3
Underwriting margin	22.0	27.1	29.7	7.7	2.6

In the 1Q19, term life premiums written dropped 22.8% YoY, due to the divestment of MAPFRE Vida by the end of November 2018, as part of the reorganization of the partnership.

The underwriting margin improved 5.1 p.p. YoY and reached 29.7% in the quarter, driven by the lower commission ratio, due to the end of the temporary increase in commissions paid on some life insurance products distributed in the bancassurance channel, which was in force from the 3Q17 to the 1Q18.

Considering the proforma data, which simulates the partnership reorganization effects for the 2018 full fiscal year, the term life premiums written (bancassurance channel) would have grown 9.0% YoY.

On the other hand, the loss ratio would have increased 6.2 p.p. in the proforma figure, justified mostly by the higher frequency of reported claims and, at a lesser extent, by higher expenses with provisions for judicial claims to be settled.

Figure 35 – Life Insurance | Premiums written (R\$ million)

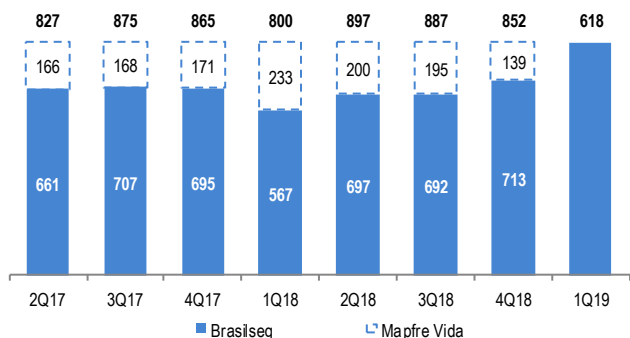


Figure 36 – Life Insurance | Underwriting margin

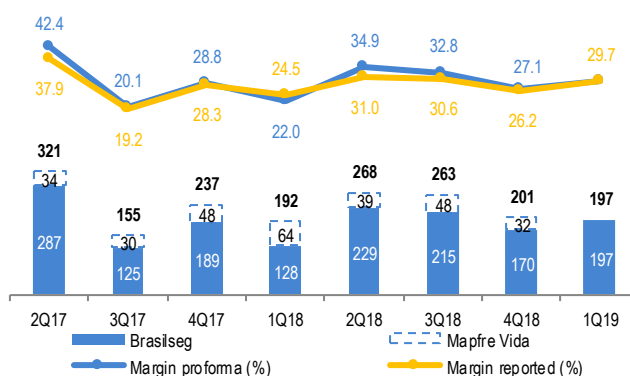


Figure 37 – Life Insurance | Loss ratio (%)

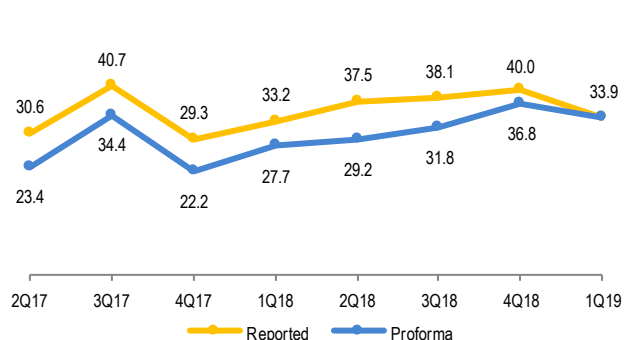
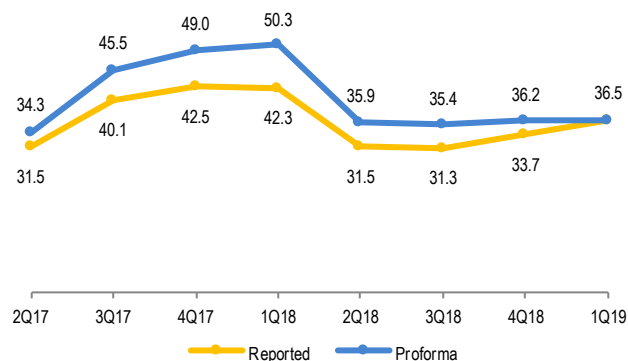


Figure 38 – Life Insurance | Commission ratio (%)



Credit Life Insurance

Table 37 – Credit Life Insurance | Key figures

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Premiums written	277,689	448,499	504,996	81.9	12.6
Premiums ceded to reinsurance	5	(680)	(1,635)	-	140.6
Retained premiums	277,694	447,819	503,361	81.3	12.4
Changes in technical reserves - premiums	20,822	(147,793)	(200,332)	-	35.5
Earned premiums	298,515	300,026	303,028	1.5	1.0
Retained claims	(73,685)	(83,674)	(87,876)	19.3	5.0
Acquisition costs	(94,830)	(232,352)	(158,751)	67.4	(31.7)
Underwriting margin	130,000	(16,001)	56,401	(56.6)	-

Table 38 – Credit Life Insurance | Performance ratios

(%)	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Loss ratio	24.7	27.9	29.0	4.3	1.1
Commission ratio	31.8	77.4	52.4	20.6	(25.1)
Underwriting margin	43.5	(5.3)	18.6	(24.9)	23.9

Credit life premiums written increased 81.9% YoY, and reached the highest historical volume for a first quarter. This dynamics is explained by the solid commercial performance, mainly on products sold to individuals.

The underwriting margin dropped 24.9 p.p. YoY, dragged mainly by the higher commission ratio, which was up 20.6 p.p., due to the recognition of the performance fee amounting to R\$65.3 million to be paid to BB Corretora for overcoming the commercial targets in the 1Q19, as agreed in the reorganization of the partnership with MAPFRE. In addition, the increase of 4.3 p.p. in the loss ratio also impacted the underwriting margin, due to a higher frequency of reported claims and, at a lesser extent, to the increase in expenses with provisions for judicial claims to be settled.

Figure 39 – Credit Life Insurance | Premiums written (R\$ million)

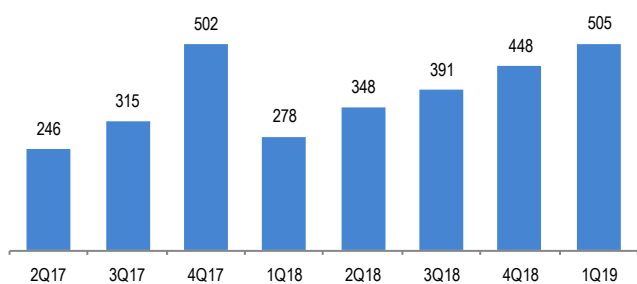


Figure 40 – Credit Life Insurance | Underwriting margin

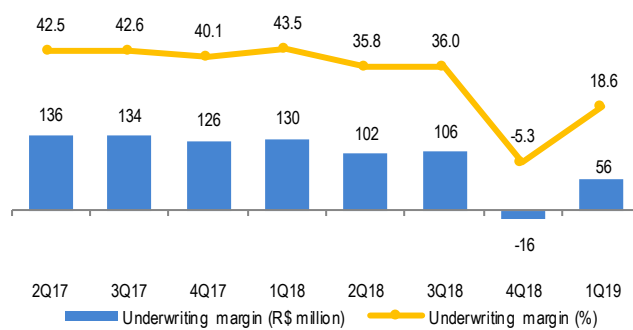


Figure 41 – Credit Life Insurance | Loss ratio (%)

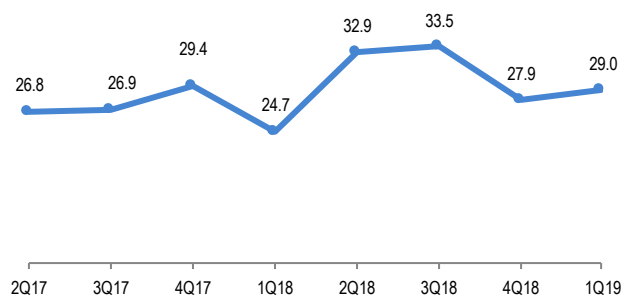


Figure 42 – Credit Life Insurance | Commission ratio (%)

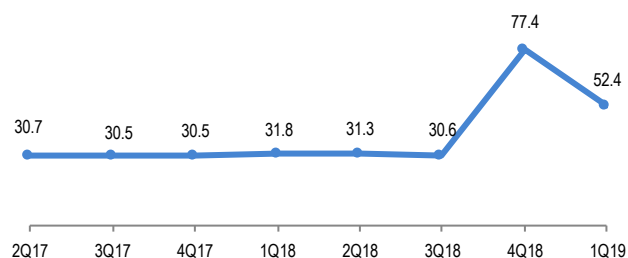


Table 39 – Rural Insurance | Key figures

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4 Q 18	1Q 19	On 1Q 18	On 4 Q 18
Premiums written	517,558	753,109	513,037	(0.9)	(31.9)
Premiums ceded to reinsurance	(152,726)	(155,133)	(109,570)	(28.3)	(29.4)
Retained premiums	364,831	597,976	403,467	10.6	(32.5)
Changes in technical reserves - premiums	95,898	(49,656)	124,333	29.7	-
Earned premiums	460,729	548,320	527,800	14.6	(3.7)
Retained claims	(96,442)	(127,350)	(210,062)	117.8	64.9
Acquisition costs	(99,084)	(250,301)	(138,289)	39.6	(44.8)
Underwriting margin	265,203	170,668	179,450	(32.3)	5.1

Table 40 – Rural Insurance | Performance ratios

(%)	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4 Q 18	1Q 19	On 1Q 18	On 4 Q 18
Loss ratio	20.9	23.2	39.8	18.9	16.6
Commission ratio	21.5	45.6	26.2	4.7	(19.4)
Underwriting margin	57.6	31.1	34.0	(23.6)	2.9

In the 1Q19, rural premiums written fell 0.9% YoY, impacted by the reduction in credit life for farmers (-10.6%) and crop insurance (-1.2%), partially offset by the increase in rural lien (+11.8%). The decrease in sales of the rural portfolio was related to the lack of definitions during the 1Q19 of the financial resources to be made available for the 2019/2020 crop cycle.

The underwriting margin worsened 23.6 p.p. YoY, explained by the deterioration of the loss ratio and the commission ratio, explained:

- (i) by a higher volume of claims in the crop insurance, caused by the drought which affected the soy and corn crops in the South, Mid-west, São Paulo, Tocantins and Bahia states, and in the rural lien, affected by damages on machinery at the end of the summer harvest. It should be noted that in March the loss ratio improved materially due to the reduction in the number of reported claims, as well as positive adjustments in the provisions for claims to be settled after the assessment of the effective losses;
- (ii) by the additional commissions to be paid to BB Corretora amounting to R\$7.4 million, for overcoming the sales target of credit life for farmers in the bancassurance channel; and
- (iii) by the regularization of commissions transitory accounts as a result of an action plan initiated in 2018 to reconcile the accounting and financial bases of commissions payments, which negatively impacted acquisition costs in the amount of R\$11.4 million.

Figure 43 – Rural Insurance | Premiums written (R\$ million)

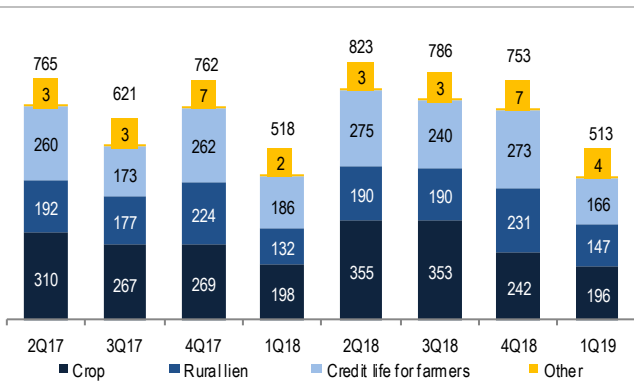


Figure 44 – Rural Insurance | Breakdown of premiums written (%)

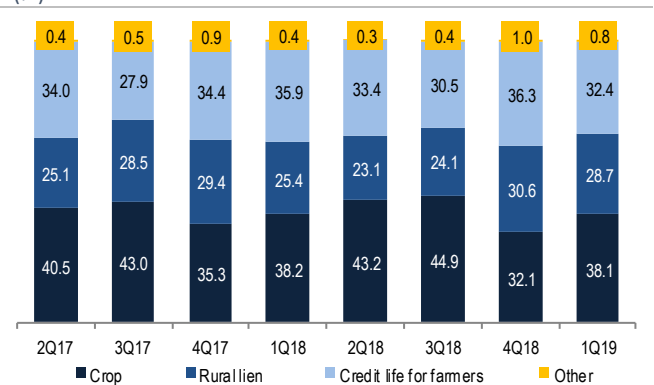


Figure 45 – Rural Insurance | Underwriting margin

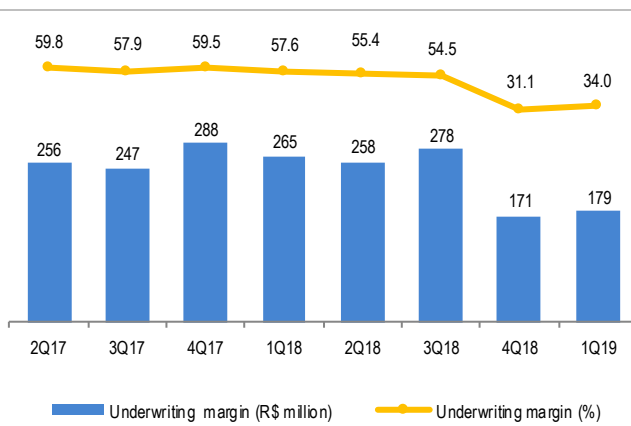


Figure 46 – Rural Insurance | Underwriting margin by product (%)

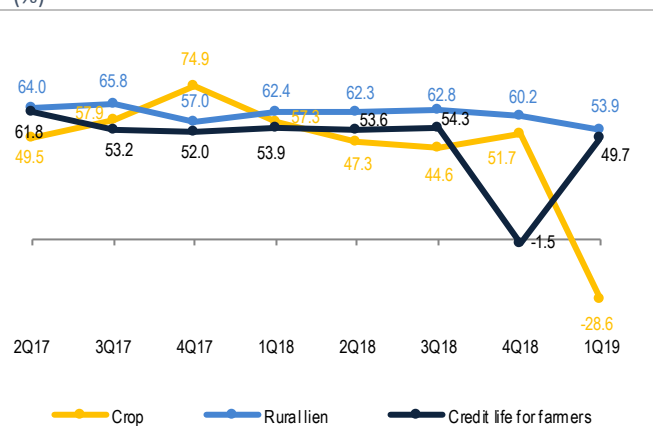


Figure 47 – Rural Insurance | Loss ratio (%)

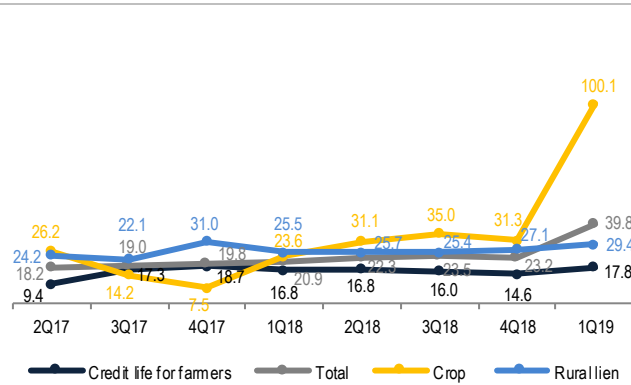
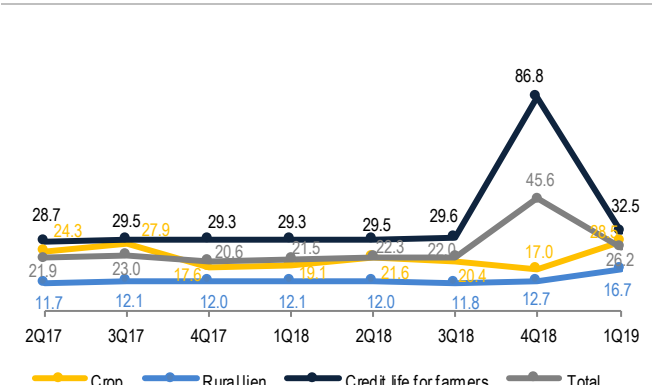


Figure 48 – Rural Insurance | Commission ratio (%)



Mortgage Life Insurance

Table 41 - Mortgage Life Insurance | Key figures

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4 Q 18	1Q 19	On 1Q 18	On 4 Q 18
Premiums written	64,571	70,912	71,104	10.1	0.3
Premiums ceded to reinsurance	(1,776)	151	(857)	(51.7)	-
Retained premiums	62,794	71,063	70,246	11.9	(1.1)
Changes in technical reserves - premiums	121	(3,736)	2,314	1818.1	-
Earned premiums	62,915	67,328	72,560	15.3	7.8
Retained claims	(13,225)	(11,431)	(13,440)	16	17.6
Acquisition costs	(9,162)	(10,956)	(12,306)	34.3	12.3
Underwriting margin	40,529	44,940	46,815	15.5	4.2

Table 42 – Mortgage Life Insurance | Performance ratios

(%)	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4 Q 18	1Q 19	On 1Q 18	On 4 Q 18
Loss ratio	21.0	17.0	18.5	(2.5)	1.5
Commission ratio	14.6	16.3	17.0	2.4	0.7
Underwriting margin	64.4	66.7	64.5	0.1	(2.2)

In the 1Q19, mortgage life premiums written amounted to R\$71.1 million, growing 10.1% YoY.

The underwriting margin reached 64.5% in the quarter, remaining stable compared to the same period of 2018.

Figure 49 – Mortgage Life Insurance | Premiums written (R\$ million)

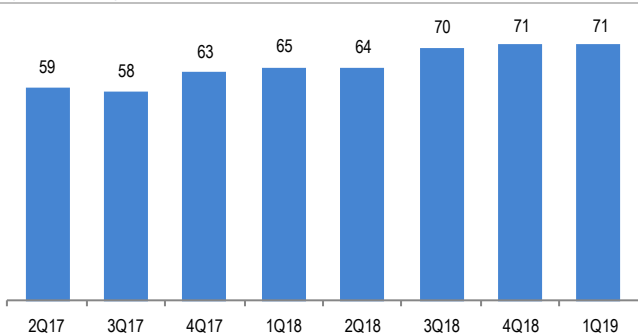


Figure 50 – Mortgage Life Insurance | Underwriting margin

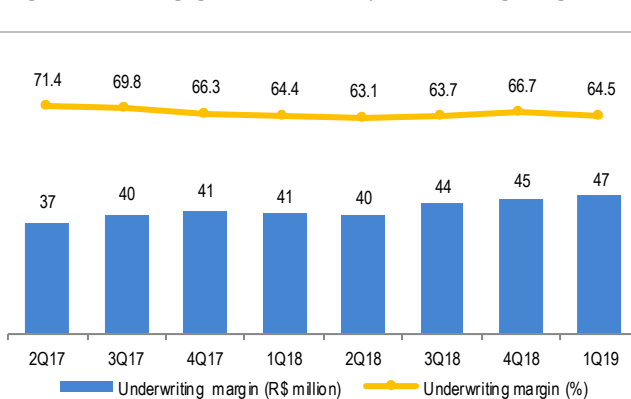


Figure 51 – Mortgage Life Insurance | Loss ratio (%)

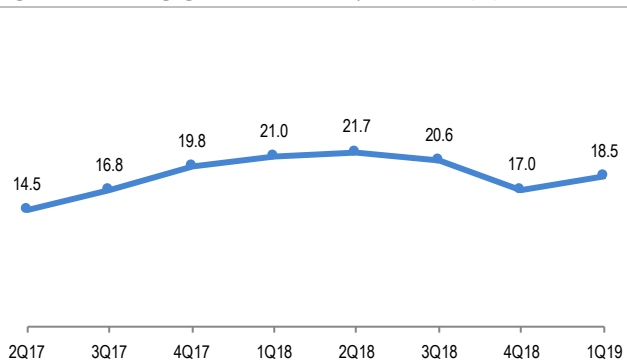
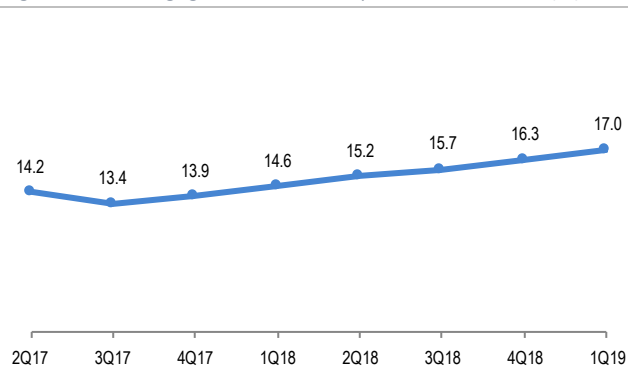


Figure 52 – Mortgage Life Insurance | Commission ratio (%)



Home Insurance

Table 43 - Home Insurance | Key figures¹

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Premiums written	51,721	47,031	56,685	9.6	20.5
Premiums ceded to reinsurance	(3)	(2)	(726)	26,533.9	31,373.6
Retained premiums	51,718	47,028	55,959	8.2	19.0
Changes in technical reserves - premiums	(6,530)	10,999	311	-	(97.2)
Earned premiums	45,188	58,028	56,271	24.5	(3.0)
Retained claims	(18,925)	(25,177)	(27,657)	46.1	9.9
Acquisition costs	(15,256)	(19,889)	(19,116)	25.3	(3.9)
Underwriting margin	11,007	12,962	9,497	(13.7)	(26.7)

¹Proforma 2018 data, since this product started to be recognized by Brasilseg after the reorganization of the partnership with MAPFRE.

Table 44 – Home Insurance | Performance ratios¹

(%)	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Loss ratio	41.9	43.4	49.2	7.3	5.8
Commission ratio	33.8	34.3	34.0	0.2	(0.3)
Underwriting margin	24.4	22.3	16.9	(7.5)	(5.5)

¹Proforma 2018 data, since this product started to be recognized by Brasilseg after the reorganization of the partnership with MAPFRE.

Home insurance premiums written (absorbed by Brasilseg after the reorganization of the partnership with MAPFRE) grew by 9.6% YoY.

The underwriting margin reached 16.9%, down 7.5 p.p. YoY on the deterioration of the loss ratio (+7.3 p.p.), explained by the higher volume of reported claims in the South and Southeast regions due to rains and windstorm.

Figure 53 – Home Insurance | Premiums written (R\$ million)

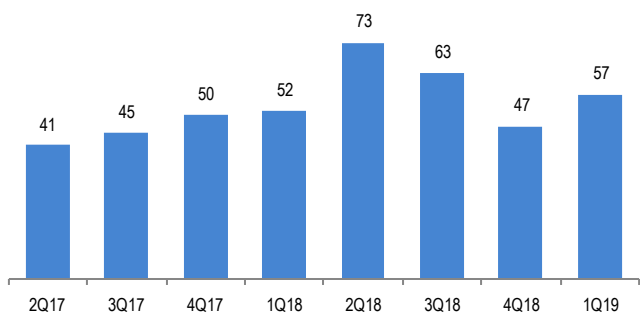


Figure 54 – Home Insurance | Underwriting margin

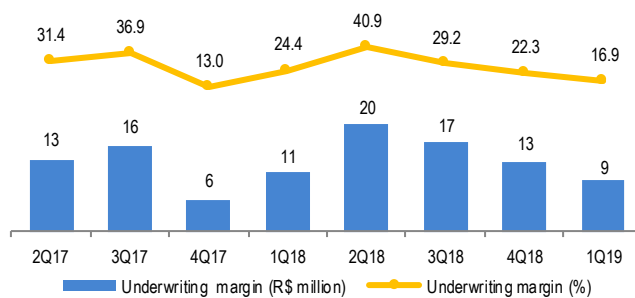


Figure 55 – Home Insurance | Loss ratio (%)

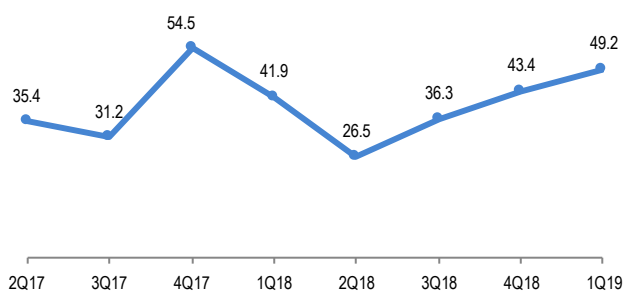
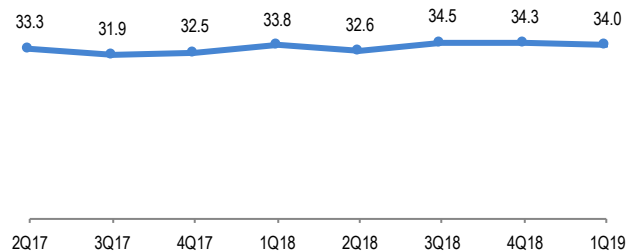


Figure 56 – Home Insurance | Commission ratio (%)



Commercial Lines Insurance

Table 45 - Commercial Lines Insurance | Key figures

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Premiums written	72,941	73,788	69,651	(4.5)	(5.6)
Premiums ceded to reinsurance	(3,806)	(5,172)	(2,672)	(29.8)	(48.3)
Retained premiums	69,136	68,616	66,980	(3.1)	(2.4)
Changes in technical reserves - premiums	3,864	5,755	9,839	154.6	71.0
Earned premiums	73,000	74,370	76,819	5.2	3.3
Retained claims	(30,079)	(21,855)	(36,507)	21.4	67.0
Acquisition costs	(29,126)	(25,885)	(28,466)	(2.3)	10.0
Underwriting margin	13,795	26,631	11,846	(14.1)	(55.5)

Table 46 – Commercial Lines Insurance | Performance ratios

(%)	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Loss ratio	41.2	29.4	47.5	6.3	18.1
Commission ratio	39.9	34.8	37.1	(2.8)	2.3
Underwriting margin	18.9	35.8	15.4	(3.5)	(20.4)

In the 1Q19, commercial lines premiums written amounted to R\$69.7 million, down 4.5% YoY.

The underwriting margin reached 15.4% in the quarter, down 3.5 p.p. YoY, due to the increase in the loss ratio (+6.3 p.p.), partially offset by the lower commission ratio (-2.8 p.p.).

Figure 57 – Commercial Lines Insurance | Premiums written (R\$ million)

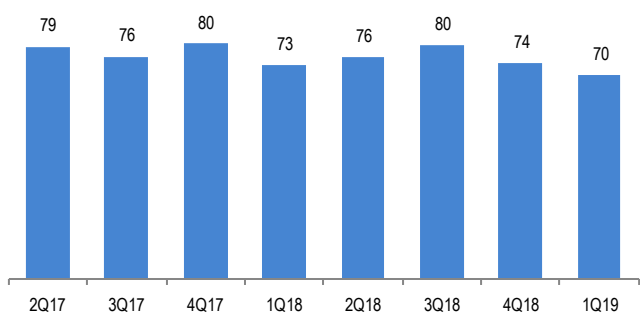


Figure 58 – Commercial Lines Insurance | Underwriting margin

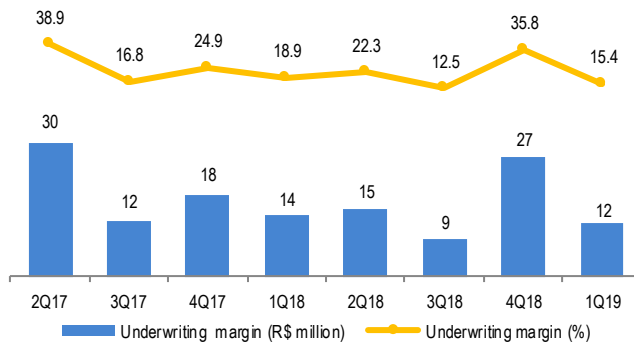


Figure 59 – Commercial Lines Insurance | Loss ratio (%)

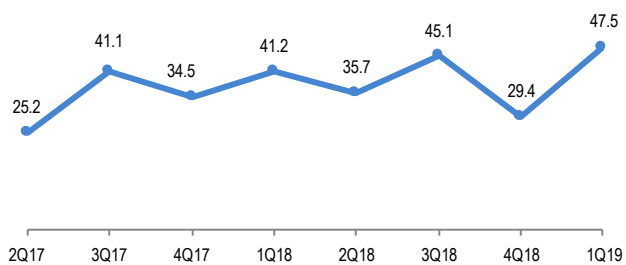
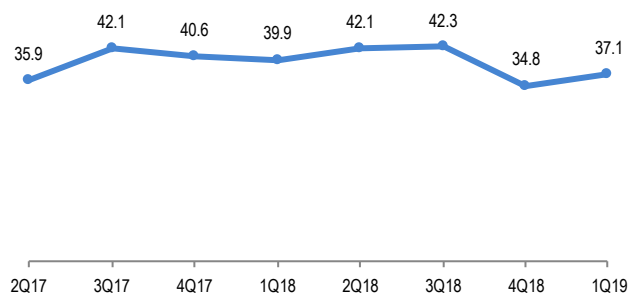


Figure 60 – Commercial Lines Insurance | Commission ratio (%)



DPVAT

Table 47 – DPVAT | Key figures

R\$ thousand	Quarterly Flow			Chg. %	
	1Q18	4Q18	1Q19	On 1Q18	On 4Q18
Premiums written	49,162	16,319	22,187	(54.9)	36.0
Retained premiums	49,162	16,319	22,187	(54.9)	36.0
Changes in technical reserves - premiums	(2,741)	618	(4,719)	72.2	-
Earned premiums	46,421	16,937	17,467	(62.4)	3.1
Retained claims	(39,826)	(13,219)	(16,028)	(59.8)	213
Acquisition costs	(590)	(196)	(4)	(99.2)	(97.7)
Underwriting margin	6,005	3,522	1,435	(76.1)	(59.3)

Table 48 – DPVAT | Performance ratios

(%)	Quarterly Flow			Chg. (p.p.)	
	1Q18	4Q18	1Q19	On 1Q18	On 4Q18
Loss ratio	85.8	78.0	91.8	6.0	13.7
Commission ratio	13	12	0.0	(12)	(11)
Underwriting margin	12.9	20.8	8.2	(4.7)	(12.6)

Other

Table 49 – Other | Key figures

R\$ thousand	Quarterly Flow			Chg. %	
	1Q18	4Q18	1Q19	On 1Q18	On 4Q18
Premiums written	925	243	390	(57.9)	60.6
Premiums ceded to reinsurance	-	-	(0)	-	-
Retained premiums	925	243	390	(57.9)	60.5
Changes in technical reserves - premiums	4	(46)	15	243.3	-
Earned premiums	929	196	404	(56.5)	105.8
Retained claims	(45)	(176)	(230)	413.9	30.6
Acquisition costs	(249)	(69)	(87)	(65.2)	26.2
Underwriting margin	636	(49)	87	(86.2)	-

Table 50 – Other | Performance ratios

(%)	Quarterly Flow			Chg. (p.p.)	
	1Q18	4Q18	1Q19	On 1Q18	On 4Q18
Loss ratio	4.8	89.7	56.9	52.1	(32.8)
Commission ratio	26.8	35.0	21.4	(5.4)	(13.5)
Underwriting margin	68.4	(24.7)	21.6	(46.8)	46.3

■ NET INVESTMENT INCOME

Figure 61 – Brasilseg | Net investment income (R\$ million)

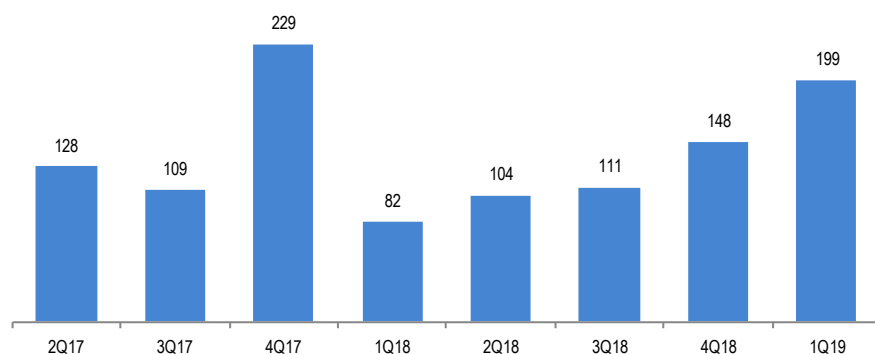


Table 51 – Brasilseg | Financial income and expenses¹

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Adjusted interest revenues	126,960	120,841	184,706	45.5	52.9
Revenues with mark to market financial investments	87,107	91,493	129,186	48.3	41.2
Revenues with held to maturity financial investments	29,734	20,674	24,277	(18.3)	17.4
Judicial deposits	6,666	5,057	27,554	313.3	444.9
Receivables from insurance and reinsurance operations	3,453	3,617	3,689	6.8	2.0
Adjusted interest expenses	(43,961)	33,165	22,946	-	(30.8)
Pending claims	(27,161)	34,921	35,066	-	0.4
Judicial provisions	(5,147)	6,318	(3,606)	(29.9)	-
Obligations with insurance and reinsurance operations	(11,652)	(8,074)	(8,514)	(26.9)	5.4
Net interest income	83,000	154,006	207,652	150.2	34.8

¹Managerial view

In the 1Q19, the net interest income grew 150.2% YoY.

The adjusted interest revenues increased 45.5%, explained:

- (i) by the realized gains amounting to R\$43.5 million on the disposal of government securities classified as available for sale; and
- (ii) by financial revenues with the interest accrual on judicial deposits, which amounted to R\$19.5 million and is related to an outstanding balance in a transitory account that was regularized under an action plan with SUSEP.

Adjusted interest expenses recorded a positive balance of R\$35.0 million in the 1Q19, as compared to a negative balance of R\$27.1 million in the 1Q18, explained by the reversal of interest accrual on provisions for judicial claims to be settled amounting to R\$62.7 million, after a revision of the lawsuits outstanding and finding provisions balance for lawsuits that have already been finalized.

Table 52 – Brasilseg | Quarterly figures - Volume and rate analysis

R\$ thousand	1Q 19/1Q 18		
	Average volume	Average rate	Net change
Earning assets			
Mark to Market financial investments	(2,335)	44,414	42,079
Held to maturity financial investments	(6,895)	1,439	(5,456)
Judicial deposits	(677)	21,565	20,887
Receivables from insurance and reinsurance operations	2,275	(2,040)	235
Total¹	(149)	57,895	57,746
Interest bearing liabilities			
Pending claims	4,989	57,238	62,227
Judicial provisions	301	1,241	1,541
Obligations with insurance and reinsurance operations	1,089	2,050	3,139
Total¹	1,938	64,970	66,907

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 53 – Brasilseg | Quarterly figures - Earning assets - average balance and interest rates

R\$ million	1Q 18			1Q 19		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to Market financial investments	5,470	87	6.7	5,373	129	10.3
Held to maturity financial investments	1,303	30	9.8	1,015	24	10.3
Judicial deposits	916	7	3.0	894	28	13.4
Receivables from insurance and reinsurance operations	249	3	5.9	650	4	2.4
Total	7,939	127	6.8	7,932	185	10.0

Table 54 – Brasilseg | Quarterly figures - Interest bearing liabilities - average balance and interest rates

R\$ million	1Q 18			1Q 19		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Pending claims	1,890	(27)	5.8	2,203	35	(6.7)
Judicial provisions	723	(5)	2.9	667	(4)	2.2
Obligations with insurance and reinsurance operations	82	(12)	46.9	73	(9)	40.2
Total	2,695	(44)	6.6	2,944	23	(3.3)

Table 55 – Brasilseg | Financial investment portfolio

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Trading	3,770,007	3,799,902	4,064,169	7.8	7.0
Pre-fixed	100,936	8,295	8,498	(91.6)	2.5
Floating	2,767,413	3,375,249	3,616,739	30.7	7.2
Other	901,658	416,358	438,932	(51.3)	5.4
Available for sale	1,546,371	1,740,022	1,142,023	(26.1)	(34.4)
Pre-fixed	393,732	520,380	526,843	33.8	12
Floating	516,004	567,189	575,913	11.6	15
Inflation	636,655	652,453	39,268	(93.8)	(94.0)
Other	(20)	-	-	-	-
Held to maturity securities	1,288,284	1,032,785	996,728	(22.6)	(3.5)
Pre-fixed	179,706	185,013	149,929	(16.6)	(19.0)
Inflation	1,108,579	847,772	846,800	(23.6)	(0.1)
Total	6,604,662	6,572,709	6,202,921	(6.1)	(5.6)

Figure 62 – Brasilseg | Breakdown of financial investments by index (%)

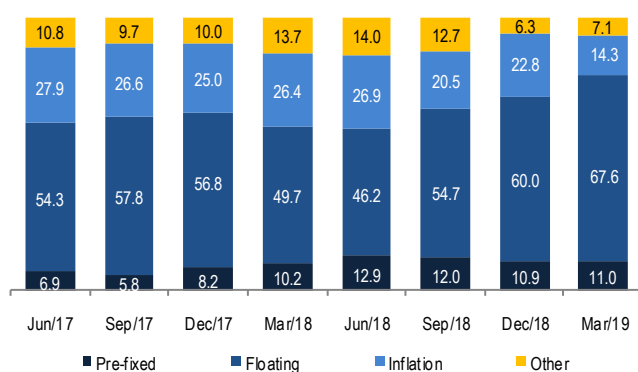
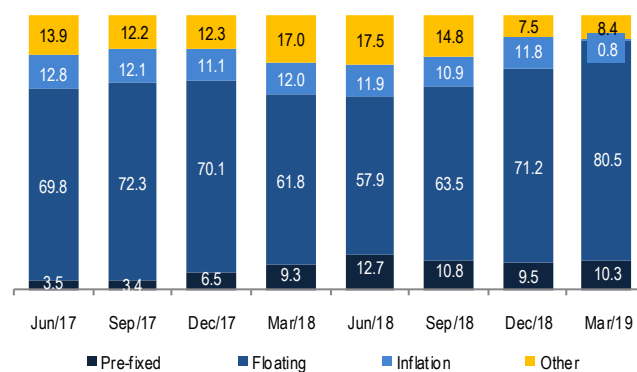


Figure 63 – Brasilseg | Breakdown of mark to market financial investments by index (%)



■ BALANCE SHEET ANALYSIS

Table 56 – Brasilseg | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Assets	13,847,817	13,722,538	13,999,797	1.1	2.0
Cash	7,414	31,374	40,548	446.9	29.2
Financial assets	6,604,662	6,572,709	6,202,921	(6.1)	(5.6)
Receivables from insurance and reinsurance operations	2,804,602	2,606,059	2,501,200	(10.8)	(4.0)
Reinsurance and retrocession - technical reserves	660,282	825,268	1,353,156	104.9	64.0
Securities and credits receivable	1,457,765	1,231,619	1,198,850	(17.8)	(2.7)
Other	423	1,681	1,554	267.1	(7.6)
Prepaid expenses	21,559	9,030	15,465	(28.3)	71.3
Deferred costs	1,589,649	1,883,301	1,924,395	21.1	2.2
Investments	456,271	366,179	366,193	(19.7)	0.0
Fixed assets	79,078	55,579	261,537	230.7	370.6
Intangible	166,112	139,739	133,978	(19.3)	(4.1)
Liabilities	11,172,308	11,558,982	11,936,113	6.8	3.3
Accounts payable	241,485	553,242	454,036	88.0	(17.9)
Obligations with insurance and reinsurance operations	1,550,387	1,573,723	1,322,152	(14.7)	(16.0)
Technical reserves - insurance	8,623,089	8,735,233	9,463,836	9.7	8.3
Third party deposits	33,297	31,653	26,282	(21.1)	(17.0)
Other liabilities	724,050	665,130	669,806	(7.5)	0.7
Shareholders' equity	2,675,509	2,163,556	2,063,684	(22.9)	(4.6)

Table 57 – Brasilseg | Receivables from insurance and reinsurance operations

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Receivable premiums	2,288,015	2,401,601	2,416,187	5.6	0.6
Operations with insurance companies	63,986	38,966	22,747	(64.4)	(416)
Premiums	14,539	23,523	6,412	(55.9)	(72.7)
Claims paid	49,170	15,390	13,636	(72.3)	(114)
Other receivables	276	53	2,699	877.3	5,007.0
Operations with reinsurance companies	406,963	222,382	98,055	(75.9)	(55.9)
Claims paid	182,455	191,259	64,834	(64.5)	(66.1)
Other receivables	224,508	31,122	33,221	(85.2)	6.7
Other operating receivables	175,482	30,982	55,817	(68.2)	80.2
Impairment	(129,844)	(87,871)	(91,606)	(29.4)	4.3
Receivables from insurance and reinsurance operations	2,804,602	2,606,059	2,501,200	(10.8)	(4.0)

Table 58 – Brasilseg | Reinsurance and retrocession – technical reserves

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Deferred premiums - PPNG	323,547	408,425	309,301	(4.4)	(24.3)
Deferred premiums - RVNE	26,142	29,487	28,652	9.6	(2.8)
IBNR claims	40,852	59,897	66,113	61.8	10.4
Pending claims	266,479	321,840	943,316	254.0	193.1
Provision for related expenses	3,263	5,620	5,774	76.9	2.7
Reinsurance and retrocession - technical reserves	660,282	825,268	1,353,156	104.9	64.0

Table 59 – Brasilseg | Securities and credit receivable

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Securities and credits receivable	31,871	24,976	18,245	(42.8)	(27.0)
Other tax and social security receivables	126,485	124,662	132,068	4.4	5.9
Receivable tax and social security - tax loss	143,695	-	-	-	-
Receivable tax and social security - temporary adjustments	214,373	156,052	152,164	(29.0)	(2.5)
Tax and judicial deposits	920,271	906,399	882,417	(4.1)	(2.6)
Other receivables	22,497	24,798	19,189	(14.7)	(22.6)
Impairment	(1,427)	(5,268)	(5,232)	266.5	(0.7)
Securities and credits receivable	1,457,765	1,231,619	1,198,850	(17.8)	(2.7)

Table 60 – Brasilseg | Accounts payable

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Payable liabilities	70,255	96,733	68,830	(2.0)	(28.8)
Deferred taxes	17,131	19,367	4,521	(73.6)	(76.7)
Social securities and taxes payable	14,077	27,839	26,713	89.8	(4.0)
Labor charges	11,489	12,139	13,977	21.7	15.1
Taxes and contributions	110,829	393,637	73,803	(33.4)	(81.3)
Other accounts payable	17,705	3,526	266,192	1,403.5	7,449.0
Accounts payable	241,485	553,242	454,036	88.0	(17.9)

Table 61 – Brasilseg | Obligations with insurance and reinsurance operations

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Premiums to return	18,344	27,552	24,826	35.3	(9.9)
Operations with insurance companies	22,032	5,685	5,418	(75.4)	(4.7)
Operations with reinsurance companies	575,271	354,345	236,617	(58.9)	(33.2)
Insurance and reinsurance brokers	2,398	234,305	51,503	2,047.5	(78.0)
Other operating obligations	932,343	951,836	1,003,789	7.7	5.5
Obligations with insurance and reinsurance operations	1,550,387	1,573,723	1,322,152	(14.7)	(16.0)

■ SOLVENCY

Table 62 – Brasilseg | Solvency¹

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
MAPFRE Vida²					
Adjusted shareholders' equity (a)	265,156	268,197	-	-	-
Minimum capital required (b)	157,553	183,049	-	-	-
Additional capital for underwriting risk	143,433	169,456	-	-	-
Additional capital for credit risk	18,172	17,931	-	-	-
Additional capital for operating risk	2,069	2,245	-	-	-
Additional capital for market risk	7,532	6,155	-	-	-
Benefit of correlation between risks	(13,653)	(12,738)	-	-	-
Capital adequacy (a) - (b)	107,603	85,148	-	-	-
Solvency ratio (a) / (b) - %	168.3	146.5	-	-	-
Cia. de Seguros Aliança do Brasil					
Adjusted shareholders' equity (a)	1,236,837	1,480,747	1,421,026	14.9	(4.0)
Minimum capital required (b)	747,905	898,274	951,135	27.2	5.9
Additional capital for underwriting risk	631,843	797,742	843,719	33.5	5.8
Additional capital for credit risk	118,748	107,884	118,311	(0.4)	9.7
Additional capital for operating risk	26,140	27,612	28,523	9.1	3.3
Additional capital for market risk	72,735	47,851	48,243	(33.7)	0.8
Benefit of correlation between risks	(101,561)	(82,815)	(87,661)	(13.7)	5.9
Capital adequacy (a) - (b)	488,932	582,473	469,892	(3.9)	(19.3)
Solvency ratio (a) / (b) - %	165.4	164.8	149.4	-16.0 p.p.	-15.4 p.p.
Aliança do Brasil Seguros					
Adjusted shareholders' equity (a)	-	214,227	232,165	-	8.4
Minimum capital required (b)	-	96,528	96,578	-	0.1
Additional capital for underwriting risk	-	82,511	82,344	-	(0.2)
Additional capital for credit risk	-	15,850	16,124	-	1.7
Additional capital for market risk	-	3,097	3,094	-	(0.1)
Additional capital for operating risk	-	4,176	4,220	-	1.0
Benefit of correlation between risks	-	(9,106)	(9,203)	-	1.1
Capital adequacy (a) - (b)	-	117,699	135,587	-	15.2
Solvency ratio (a) / (b) - %	-	221.9	240.4	240.4 p.p.	18.5 p.p.
Total Brasilseg					
Adjusted shareholders' equity (a)	1,501,993	1,963,171	1,653,191	10.1	(15.8)
Minimum capital required (b)	905,458	1,177,851	1,047,712	15.7	(11.0)
Additional capital for underwriting risk	775,276	1,049,709	926,062	19.4	(11.8)
Additional capital for credit risk	136,920	141,665	134,434	(1.8)	(5.1)
Additional capital for operating risk	28,209	34,033	32,742	16.1	(3.8)
Additional capital for market risk	80,267	57,103	51,337	(36.0)	(10.1)
Benefit of correlation between risks	(115,214)	(104,659)	(96,864)	(15.9)	(7.4)
Capital adequacy (a) - (b)	596,535	785,320	605,478	1.5	(22.9)
Solvency ratio (a) / (b) - %	165.9	166.7	157.8	-8.1 p.p.	-8.9 p.p.

¹ Information based on the accounting principles of SUSEP (SUSEP GAAP).

² Information on MAPFRE Vida refers to October 2018.

4.2 BRASILPREV

■ EARNINGS ANALYSIS

Table 63 – Brasilprev | Income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Total revenue from pension and insurance	7,631,889	10,510,239	8,103,360	6.2	(22.9)
Provision for benefits to be granted	(7,579,999)	(10,503,720)	(8,098,145)	6.8	(22.9)
Net revenue from pension and insurance	51,890	6,519	5,215	(89.9)	(20.0)
Management fee	628,029	665,803	671,348	6.9	0.8
Changes in other technical reserves	(10,438)	(1,578)	(22,173)	112.4	1,305.1
Expenses with benefits, redemptions and claims	(12,556)	(10,025)	1,429	-	-
Acquisition costs	(161,940)	(164,689)	(166,205)	2.6	0.9
Earned premiums	47,398	46,700	46,185	(2.6)	(1.1)
Administrative expenses	(96,225)	(116,728)	(104,449)	8.5	(10.5)
Tax expenses	(48,649)	(50,350)	(49,849)	2.5	(10)
Other operating income (expenses)	(13,212)	(12,995)	(17,085)	29.3	31.5
Gains or losses on non-current assets	(6)	36	(10)	52.5	-
Non-interest operating result	384,291	362,694	364,407	(5.2)	0.5
Net investment income	85,788	(74,135)	274,599	220.1	-
Financial income	4,843,817	5,370,380	4,749,433	(1.9)	(11.6)
Financial expenses	(4,758,028)	(5,444,515)	(4,474,834)	(6.0)	(17.8)
Earnings before taxes and profit sharing	470,079	288,558	639,006	35.9	121.4
Taxes	(203,453)	(112,342)	(253,326)	24.5	125.5
Profit sharing	(2,966)	309	(3,609)	21.7	-
Net income	263,660	176,525	382,071	44.9	116.4

NET INCOME

Figura 64 – Brasilprev | Adjusted net income and ROAE

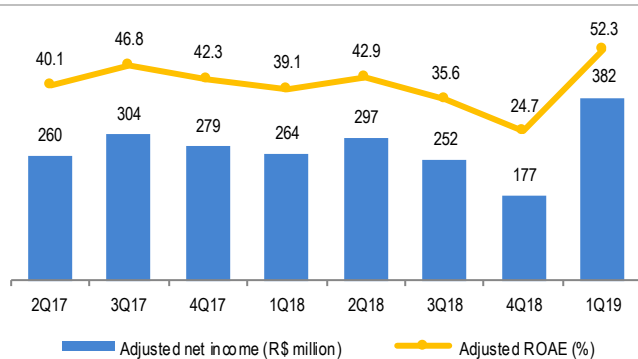
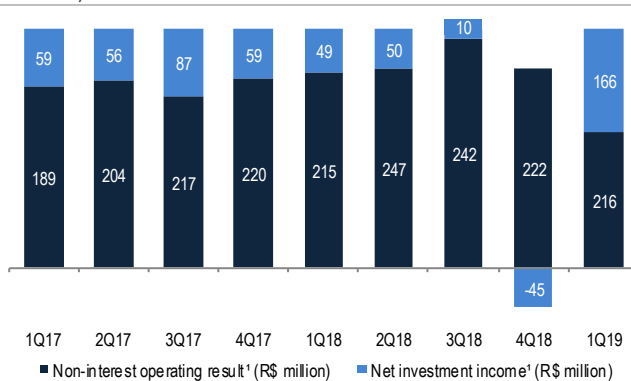


Figura 65 – Brasilprev | Adjusted net income breakdown (R\$ million)



¹ Net of taxes considering the effective tax rate

Tabela 64 – Brasilprev | Performance ratios

%	Quarterly Flow			C hg. (p.p.)	
	1Q 18	4 Q 18	1Q 19	On 1Q 18	On 4 Q 18
Commission ratio	2.1	1.6	2.1	(0.1)	0.5
Load fee	0.7	0.1	0.1	(0.6)	0.0
Management fee	1.10	1.08	1.07	(0.03)	(0.01)
Redemption ratio	7.4	7.5	7.1	(0.3)	(0.4)
Cost to income ratio	47.2	49.6	49.6	2.4	0.0
Income tax rate	43.3	38.9	39.6	(3.6)	0.7
Adjusted ROAE	39.1	24.7	52.3	13.2	27.7

■ RESULT WITH PENSION PLANS AND INSURANCE ANALYSIS

CONTRIBUTIONS

Figure 66 – Brasilprev | Contributions (R\$ million)

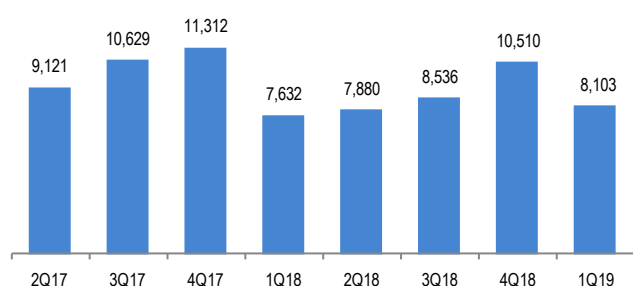
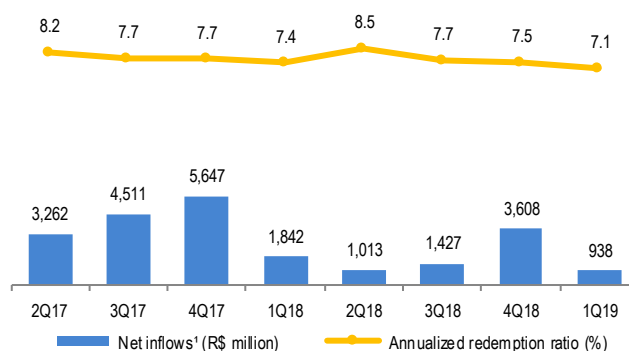


Figure 67 – Brasilprev | Net inflows and redemption ratio



¹Source: Quantum Axis

In the 1Q19, pension contributions grew 6.2% YoY, propelled by higher average sporadic contributions and the improvement in the sales of periodic plans, increasing the outstanding balance of pension plans.

The annualized redemption ratio, which measures the redemption flow as a percentage of the average balance of assets under management, improved 0.3 p.p. YoY, due to the expansion of the average balance at a faster pace than the increase in redemptions, reaching the lowest level of the historical series. On the other hand, the net inflows decreased 49.1% YoY, impacted by redemptions and the portability of reserves.

Figure 68 – Brasilprev | Contributions breakdown (%)

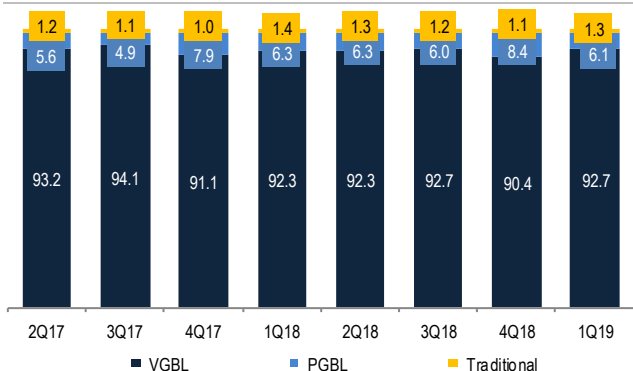
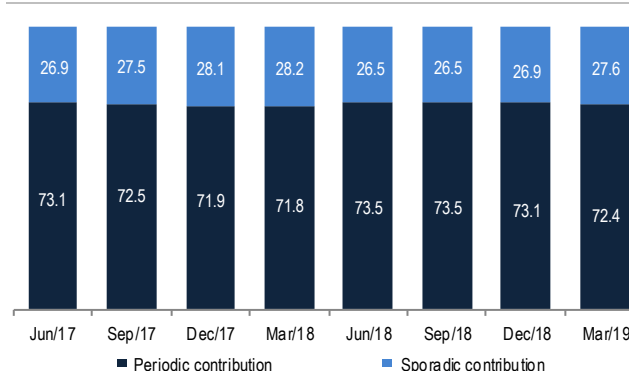


Figure 69 – Brasilprev | Pension plans outstanding (%)



TECHNICAL RESERVES

By the end of March 2019, the volume of technical reserves reached R\$262.8 billion, up 9.0% in 12 months, the same performance of the balance of PGBL and VGBL plans, which reached R\$252.6 billion. The increase of PGBL and VGBL reserves was driven mainly by the interest accrual on these liabilities, amounting to R\$13.2 billion in the last 12 months, related to the return of the investment funds where these reserves are invested.

Figure 70 – Brasilprev | Technical reserves (R\$ billion)

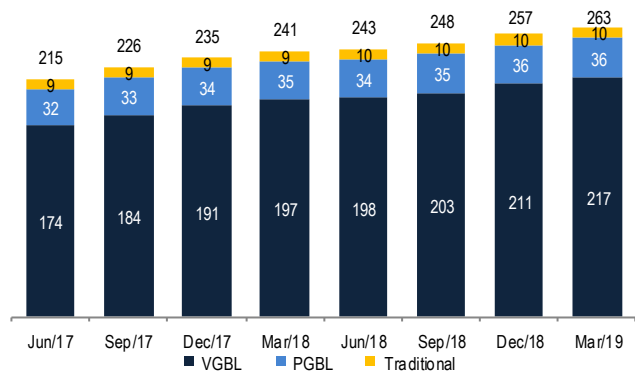


Figure 71 – Brasilprev | Technical reserves (%)

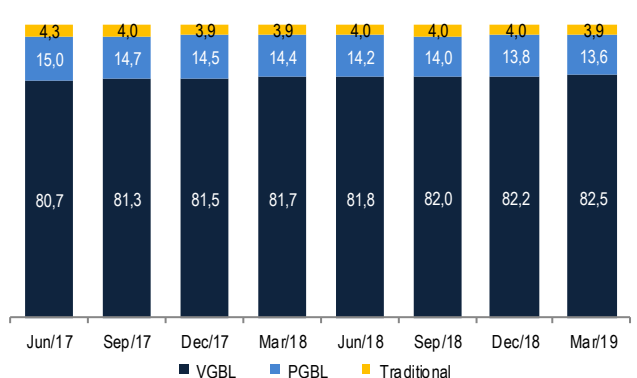


Figure 72 – Brasilprev | Active plans¹ (thousand)

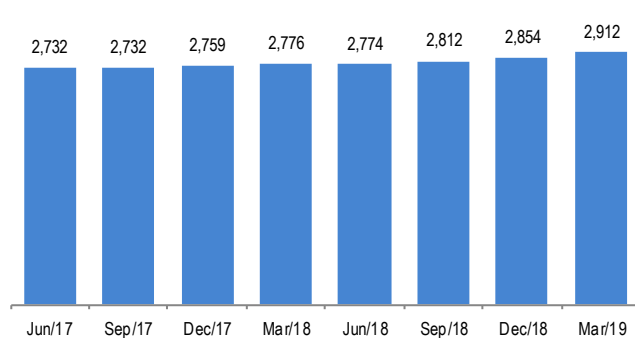
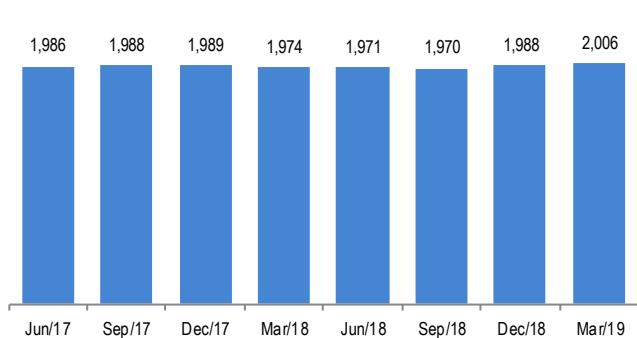


Figure 73 – Brasilprev | CPFs (thousand)



¹In the 4Q17 the database of active plans was revised and pension plans previously considered active but with an outstanding balance close to zero were excluded. Therefore, the 2016 and 2017 historical series were revised to provide better comparables.

Table 65 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Benefits to be granted					
Initial balance	230,761,631	243,693,459	252,566,303	9.4	3.6
Constitution	2,188,740	3,717,073	1,725,133	(21.2)	(53.6)
Reversal	(420,736)	(193,751)	(423,280)	0.6	118.5
Restatement	4,688,079	5,349,522	4,419,892	(5.7)	(17.4)
Final balance	237,217,713	252,566,303	258,288,049	8.9	2.3
Benefits granted					
Initial balance	2,558,368	2,892,016	3,005,109	17.5	3.9
Constitution	163,480	279,158	275,164	68.3	(14)
Reversal	(181,462)	(255,670)	(249,465)	37.5	(2.4)
Restatement	77,999	89,606	55,028	(29.5)	(38.6)
Final balance	2,618,385	3,005,109	3,085,837	17.9	2.7
Other provisions					
Initial balance	1,199,926	1,433,899	1,194,464	(0.5)	(16.7)
Constitution	127,960	121,175	441,232	244.8	264.1
Reversal	(108,899)	(376,473)	(235,823)	116.6	(37.4)
Restatement	13,797	15,864	9,153	(33.7)	(42.3)
Final balance	1,232,784	1,194,464	1,409,026	14.3	18.0
Total Provisions	241,068,882	256,765,877	262,782,912	9.0	2.3

Table 66 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans by product

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
P VGBL Reserves					
Initial balance	225,264,263	238,052,183	246,561,464	9.5	3.6
Constitution	2,406,799	3,993,575	2,348,043	(2.4)	(41.2)
Reversal	(524,320)	(621,146)	(698,546)	33.2	12.5
Restatement	4,518,610	5,136,852	4,341,136	(3.9)	(15.5)
Final balance	231,665,353	246,561,464	252,552,097	9.0	2.4
Traditional Reserves					
Initial balance	9,255,661	9,967,190	10,204,413	10.3	2.4
Constitution	73,548	123,831	93,487	27.1	(24.5)
Reversal	(186,945)	(204,748)	(210,022)	12.3	2.6
Restatement	261,265	318,140	142,937	(45.3)	(55.1)
Final balance	9,403,529	10,204,413	10,230,815	8.8	0.3
Total Provisions	241,068,882	256,765,877	262,782,911	9.0	2.3

MANAGEMENT FEE

Figure 74 – Brasilprev | Management fee



In the 1Q19, the revenues with management fee were up 6.9% YoY. This improvement is justified by the 9.5% expansion in the average volume of reserves, partially offset by the 0.03 p.p. reduction in the annualized management fee, which reached 1.07%.

Table 67 – Brasilprev | Management fee breakdown^{1,2}

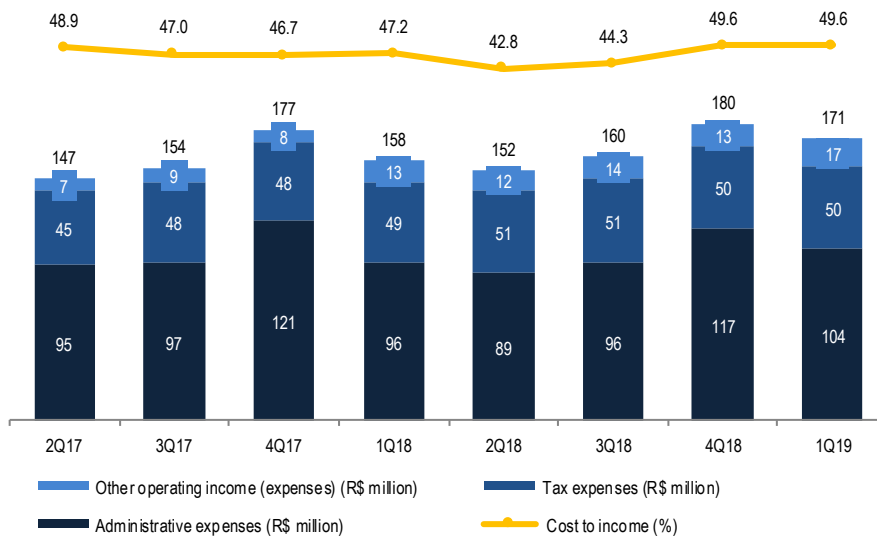
R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Management fee	628,029	665,803	671,348	6.9	0.8
Average volume of reserves	237,486,283	252,540,519	260,043,594	9.5	3.0
Working days	61	62	61	0 w.d.	-1w.d.
Annualized average management fee (%)	1.10	1.08	1.07	(0.03) p.p.	(0.01) p.p.

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

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

GENERAL & ADMINISTRATIVE EXPENSES

Figure 75 – Brasilprev | G&A expenses and cost to income ratio



In the 1Q19, the G&A expenses increased 8.4% YoY, mainly explained by:

- (i) the increase in expenses with sales incentive, due to higher expenses with internal marketing and the digital strategy;
- (ii) the growth of outsourcing expenses, justified mainly by the increase of variable expenses related to the expansion of assets under management, and by the purchase of a marketing tool annual license for communication with customers;
- (iii) the rise of personnel expenses, due to the payment of financial incentive to employees; and
- (iv) the growth of expenses with location and operation, as a result of the development of new systems and the acquisition of new IT hardware and software.

The increase of G&A expenses, along with lower revenues with pension and insurance (driven by the exemption of the load fee charged on PGBL and VGBL plans since September 2018), led the cost-to-income ratio to worsen by 2.4 p.p., to 49.6%.

Table 68 – Brasilprev | G&A expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Administrative expenses	(96,225)	(116,728)	(104,449)	8.5	(10.5)
Personnel	(34,011)	(34,191)	(36,699)	7.9	7.3
Outsourcing	(42,566)	(47,239)	(45,623)	7.2	(3.4)
Location and operation	(12,211)	(13,807)	(14,407)	18.0	4.3
Marketing	(7,147)	(14,877)	(6,845)	(4.2)	(54.0)
Other	(290)	(6,614)	(875)	201.7	(86.8)
Other operating income (expenses)	(13,212)	(12,994)	(17,085)	29.3	31.5
Expenses on sales incentive	(6,336)	(6,580)	(9,865)	55.7	49.9
Charging expenses	(3,688)	(3,735)	(3,724)	1.0	(0.3)
Contingencies	(1,609)	(643)	319	-	-
Provision for loan losses	1	(83)	(713)	-	759.0
Other operating income (expenses)	(1,580)	(1,953)	(3,102)	96.3	58.8
Tax expenses	(48,649)	(50,350)	(49,849)	2.5	(1.0)
Federal and municipal taxes	(12,929)	(13,630)	(13,732)	6.2	0.7
COFINS	(29,662)	(30,347)	(30,545)	3.0	0.7
PIS/PASEP	(4,820)	(4,932)	(4,964)	3.0	0.6
Inspection fee	(992)	(1,083)	(1,084)	9.3	0.1
Other tax expenses	(246)	(358)	476	-	-
General and administrative expenses	(158,086)	(180,072)	(171,383)	8.4	(4.8)

Table 69 – Brasilprev | Cost to income ratio

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Revenues - [a]	727,317	719,022	722,748	(0.6)	0.5
Net revenue from pension and insurance	51,890	6,519	5,215	(89.9)	(20.0)
Management fee	628,029	665,803	671,348	6.9	0.8
Earned premiums	47,398	46,700	46,185	(2.6)	(11)
Expenses - [b]	343,020	356,364	358,331	4.5	0.6
Changes in other technical reserves	10,438	1,578	22,173	112.4	1,305.1
Expenses with benefits, redemptions and claims	12,556	10,025	(1,429)	-	-
Acquisition costs	161,940	164,689	166,205	2.6	0.9
Administrative expenses	96,225	116,728	104,449	8.5	(10.5)
Tax expenses	48,649	50,350	49,849	2.5	(10)
Other operating income (expenses)	13,212	12,995	17,085	29.3	31.5
Cost to income ratio (%) - [b / a]	47.2	49.6	49.6	2.4 p.p.	0.0 p.p.

■ NET INVESTMENT INCOME

Figure 76 – Brasilprev | Net investment income (R\$ million)

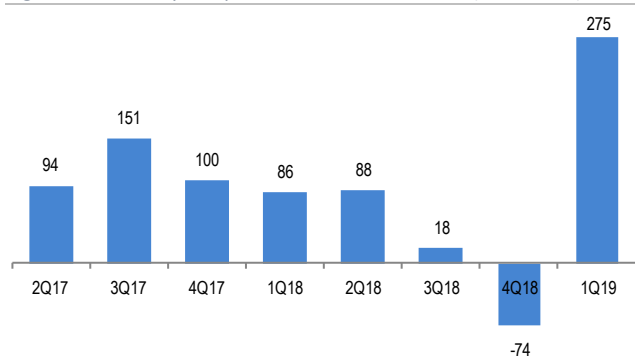


Figure 77 – Brasilprev | Inflation and TR rates (%)

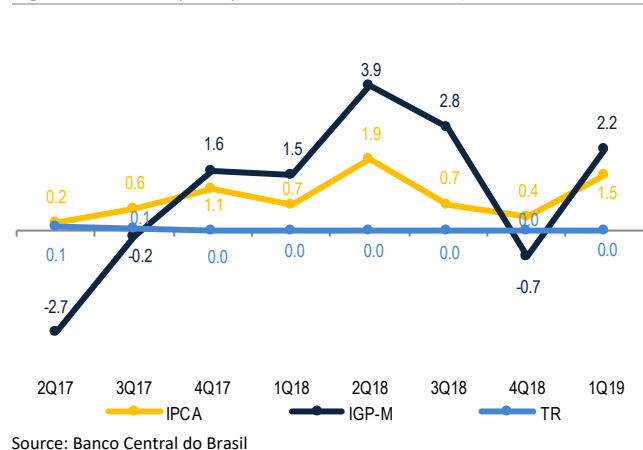


Table 70 – Brasilprev | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Adjusted interest revenues	339,086	247,351	422,621	24.6	70.9
Revenues with mark to market financial investments	16,961	(20,222)	40,545	139.1	-
Revenues with held to maturity financial investments	322,126	267,573	382,076	18.6	42.8
Adjusted interest expenses	(253,298)	(321,487)	(148,023)	(41.6)	(54.0)
Interest accrual on technical reserves	(253,298)	(321,487)	(148,023)	(41.6)	(54.0)
Net investment income	85,788	(74,136)	274,598	220.1	-

In the 1Q19, the net investment income increased 220.1% YoY, due to the 5.9 p.p. expansion in the net interest margin.

In the quarter, the adjusted interest revenues grew 24.6% YoY, due to the higher average volume of interest earning assets along with the 1.5 p.p. increase in the average yield on these assets, which was driven by the inflation posted by the IPCA and IGP-M, which are the indexes that compose the remuneration of great part of securities classified as held to maturity.

The adjusted interest expenses decreased 41.6% YoY, driven by the 4.4 p.p. decline in the average yield on interest bearing liabilities. Such effect was the result of the accumulated deflation posted by the IGP-M index, which is the main index that the defined benefit liabilities are pegged to, in the period from December 2018 to February 2019, since the inflation used to calculate the cost of the liabilities has a one-month lag on average.

Table 71 – Brasilprev | Quarterly figures - Volume and rate analysis

R\$ thousand	1Q 19/1Q 18		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	11,907	11,677	23,585
Held to maturity financial investments	22,552	37,398	59,951
Total¹	43,499	40,036	83,535
Interest bearing liabilities			
Technical reserves	(13,119)	118,394	105,275
Total	(13,119)	118,394	105,275

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 72 – Brasilprev | Quarterly figures - Earning assets - average balance and interest rates¹

R\$ million	1Q 18			1Q 19		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to market financial investments	1,811	17	3.9	2,564	41	6.7
Held to maturity financial investments	10,482	322	13.3	11,140	382	14.9
Total	12,293	339	11.9	13,704	423	13.4

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

Table 73 – Brasilprev | Quarterly figures - Interest bearing liabilities - average balance and interest rates¹

R\$ million	1Q 18			1Q 19		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves	10,541	(253)	9.6	11,566	(148)	5.2
Total	10,541	(253)	9.6	11,566	(148)	5.2

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

Table 74 – Brasilprev | Financial investments portfolio breakdown (except PGBL and VGBL funds)

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Held to maturity securities	10,507,173	11,094,692	11,185,014	6.5	0.8
Pre-fixed	75,798	79,694	79,116	4.4	(0.7)
Inflation	10,431,376	11,014,998	11,105,898	6.5	0.8
Mark to market securities	1,772,968	2,544,634	2,583,051	45.7	1.5
Pre-fixed	269,516	82,749	36,738	(86.4)	(55.6)
Floating	1,053,318	1,800,430	1,473,473	39.9	(18.2)
Inflation	450,134	661,455	1,072,840	138.3	62.2
Total	12,280,141	13,639,326	13,768,065	12.1	0.9

Figure 78 – Brasilprev | Financial investments breakdown by index - except PGBL and VGBL funds (%)

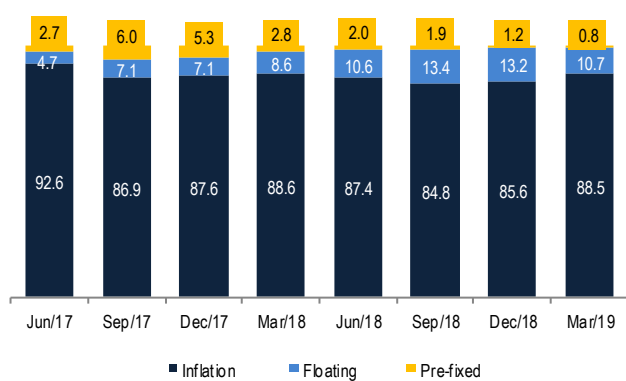
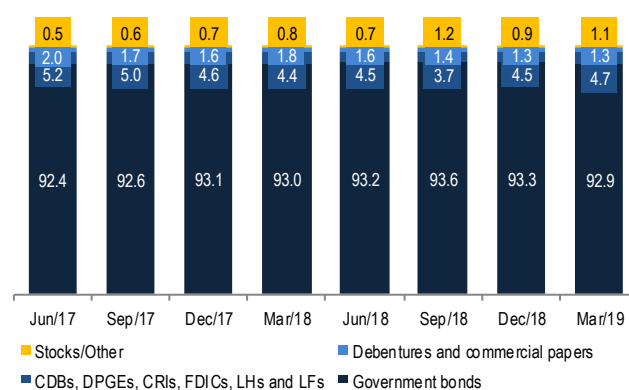


Figure 79 – Brasilprev | Assets allocation (%)



■ BALANCE SHEET ANALYSIS

Table 75 – Brasilprev | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Assets	245,228,068	261,419,298	267,448,435	9.1	2.3
Cash and cash equivalents	4,083	3,174	7,129	74.6	124.6
Financial assets	242,749,595	258,957,024	264,867,408	9.1	2.3
Receivables from insurance and reinsurance operations	2,570	2,756	4,216	64.1	53.0
Securities and credits receivable	943,022	994,479	1,132,457	20.1	13.9
Prepaid expenses	13,827	5,335	5,890	(57.4)	10.4
Deferred costs	1,282,188	1,215,970	1,194,705	(6.8)	(17)
Credits from private pension transactions	2,442	670	-	-	-
Investments	75	75	75	-	-
Fixed assets	29,911	29,723	28,193	(5.7)	(5.1)
Intangible	200,355	210,091	208,362	4.0	(0.8)
Liabilities	242,496,502	258,543,700	264,480,893	9.1	2.3
Accounts payable	364,413	617,507	468,576	28.6	(24.1)
Obligations with insurance and reinsurance operations	7,222	5,146	7,458	3.3	44.9
Debts from private pension transactions	1,180	2,406	1,097	(7.0)	(54.4)
Third party deposits	143,023	115,075	145,142	15	26.1
Technical reserves - insurance	197,045,713	211,011,798	216,795,317	10.0	2.7
Technical reserves - private pension	44,023,168	45,754,078	45,987,594	4.5	0.5
Other liabilities	911,783	1,037,689	1,075,708	18.0	3.7
Shareholders' equity	2,731,566	2,875,598	2,967,542	8.6	3.2

■ SOLVENCY

Table 76 – Brasilprev | Solvency¹

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Adjusted shareholder's equity (a)	3,652,522	3,368,294	3,472,044	(4.9)	3.1
Minimum capital requirement (b)	1,840,192	1,999,649	2,002,886	8.8	0.2
Additional capital for underwriting risk	1,313,955	1,394,709	1,400,224	6.6	0.4
Additional capital for credit risk	141,823	105,974	93,958	(33.7)	(113)
Additional capital for market risk	591,688	745,449	745,449	26.0	-
Additional capital for operating risk	192,855	205,413	210,226	9.0	2.3
Correlation risk reduction	(400,129)	(451,896)	(446,971)	11.7	(1.1)
Capital adequacy (a) - (b)	1,812,330	1,368,645	1,469,158	(18.9)	7.3
Solvency ratio (a) / (b) - %	198.5	168.4	173.4	-25.1 p.p.	4.9 p.p.

¹Information 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 related 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 77 – Brasilcap | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Premium bonds collection	1,151,234	1,183,011	1,222,376	6.2	3.3
Changes in provisions for redemption	(990,064)	(1,038,273)	(1,050,961)	6.2	12
Changes in provisions for lottery and bonus	(29,441)	(26,688)	(22,706)	(22.9)	(14.9)
Revenue with load fee	131,729	118,050	148,709	12.9	26.0
Changes in other technical reserves	(9,280)	(6,569)	(5,495)	(40.8)	(16.4)
Result with lottery	15,369	9,482	9,769	(36.4)	3.0
Acquisition costs	(97,004)	(98,059)	(113,036)	16.5	15.3
Administrative expenses	(19,343)	(22,470)	(20,662)	6.8	(8.0)
Tax expenses	(7,409)	(6,581)	(8,096)	9.3	23.0
Other operating income (expenses)	979	766	922	(5.8)	20.4
Equity income	(26)	(37)	(8)	(69.9)	(78.9)
Non-interest operating result	15,015	(5,419)	12,104	(19.4)	-
Net investment income	87,062	55,986	43,313	(50.3)	(22.6)
Financial income	273,561	226,324	243,992	(10.8)	7.8
Financial expenses	(186,499)	(170,338)	(200,679)	7.6	17.8
Earnings before taxes and profit sharing	102,077	50,567	55,417	(45.7)	9.6
Taxes	(52,256)	(11,371)	(22,087)	(57.7)	94.2
Profit sharing	(1,237)	(1,842)	(1,211)	(2.1)	(34.3)
Net income	48,584	37,354	32,120	(33.9)	(14.0)

NET INCOME

Figure 80 – Brasilcap | Net income and ROAE

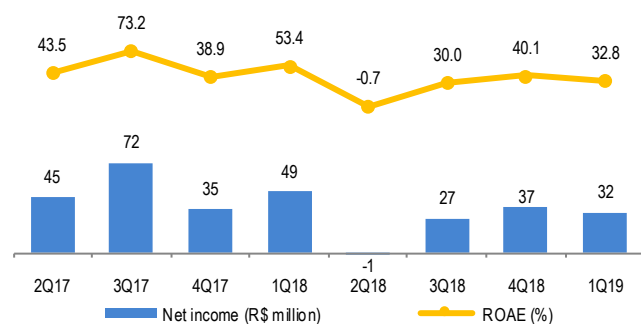


Figure 81 – Brasilcap | Net income composition (R\$ million)

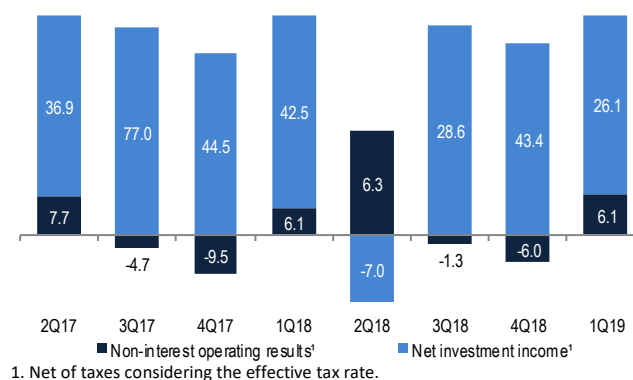


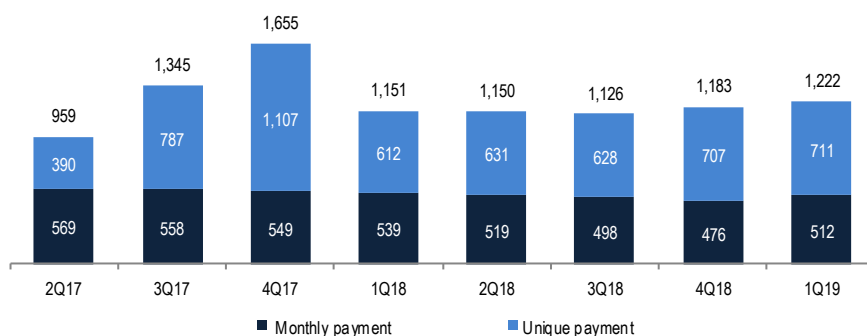
Table 78 – Brasilcap | Performance ratios

%	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Average quotes					
Reserve quote	86.0	87.8	86.0	(0.0)	(18)
Lottery quote	2.5	2.2	1.8	(0.7)	(0.4)
Bonus quote	0.1	0.1	0.1	(0.0)	(0.0)
Load fee quote	114	10.0	12.2	0.7	2.2
Load fee consumption					
Commission ratio	73.6	83.1	76.0	2.4	(7.1)
G&A ratio	19.6	24.0	18.7	(0.8)	(5.2)
Financial					
Net interest margin (p.p.)	5.2	3.9	3.3	(2.0)	(0.6)
Other					
Premium bonds margin	9.3	(3.7)	7.1	(2.3)	10.8
Income tax rate	512	22.5	39.9	(113)	17.4
ROAE	53.4	40.1	32.8	(20.6)	(7.2)

■ NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUM BONDS COLLECTION

Figure 82 – Brasilcap | Collection (R\$ million)



In the 1Q19, the premium bonds collection grew 6.2% YoY, helped by the 16.8% increase in premium bonds sales, both in the unique payment and monthly payment bonds, along with higher average collection of unique payment bonds.

Figure 83 – Brasilcap | Collections by product (%)

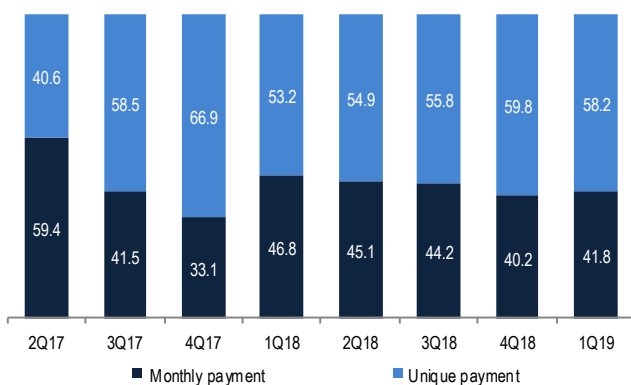
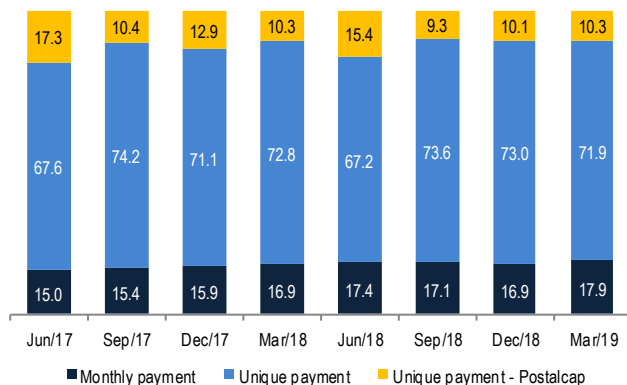
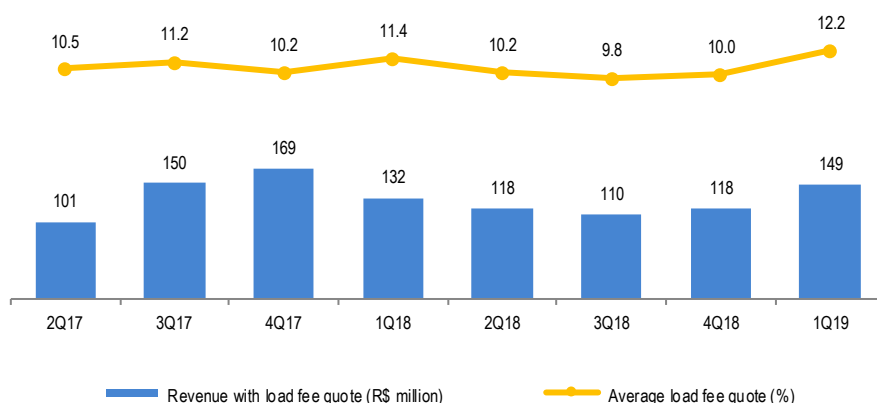


Figure 84 – Brasilcap | Bonds outstanding by product (%)



REVENUE WITH LOAD FEE

Figure 85 – Brasilcap | Changes in revenue with load fee quote and average load fee quote



The revenue with load fee increased 12.9% YoY, explained by higher collection in addition to the increase of 0.7 p.p. in the average load fee quote, explained by:

- (i) the better commercial performance of monthly payment bonds, considering the Company’s strategy in the beginning of the year to incentivize the sale of these products, which contribute to the sustainability and predictability of the results. Thus, the first installments of monthly payment bonds, which have higher load fee quotes if compared to the recurring installments of these bonds or to the unique payment bonds, gained share in the mix of total collection in the quarter; and
- (ii) the reduction in the frequency and volume of lottery prizes in the current portfolio, which have lower lottery quote than the former portfolio, leading to higher load fee quote for bonds with the same term.

Figure 86 – Brasilcap | Changes in provisions for redemption and average reserve quote

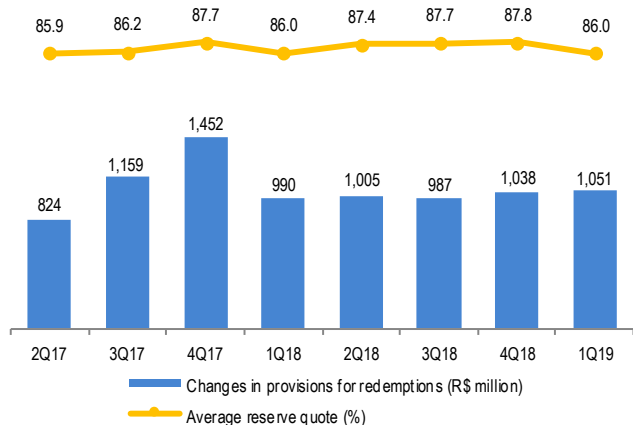


Figure 87 – Brasilcap | Changes in provisions for lottery and bonus and average lottery and bonus quotes

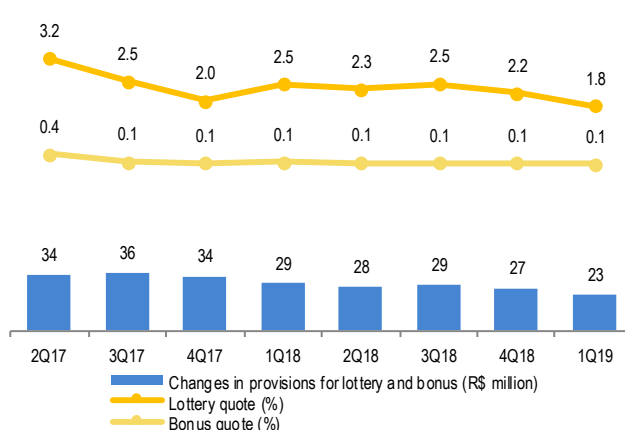


Table 79 – Brasilcap | Changes in premium bonds provision

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Premium bonds provision					
Initial balance	9,251,636	8,726,728	8,397,876	(9.2)	(3.8)
Constitution	992,683	1,041,973	1,054,094	6.2	12
Cancellations	(2,665)	(3,731)	(3,158)	18.5	(15.3)
Transfers	(1310,499)	(1,493,315)	(1,379,462)	5.3	(7.6)
Interest accrual	133,127	126,221	119,145	(10.5)	(5.6)
Final balance	9,064,282	8,397,876	8,188,495	(9.7)	(2.5)

Table 80 – Brasilcap | Changes in provisions for redemption¹

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Provision for redemption					
Initial balance	443,986	460,161	458,219	3.2	(0.4)
Transfers	1,320,123	1,500,782	1,386,958	5.1	(7.6)
Payments	(1,322,182)	(1,501,537)	(1,363,050)	3.1	(9.2)
Interest accrual	(114)	168	86	-	(48.8)
Premium bonds expiration	(1,169)	(1,355)	(1,488)	27.3	9.8
Final balance	440,644	458,219	480,726	9.1	4.9

¹ Provision's flow does not pass through income statement

Table 81 – Brasilcap | Changes in provision for lottery to be held

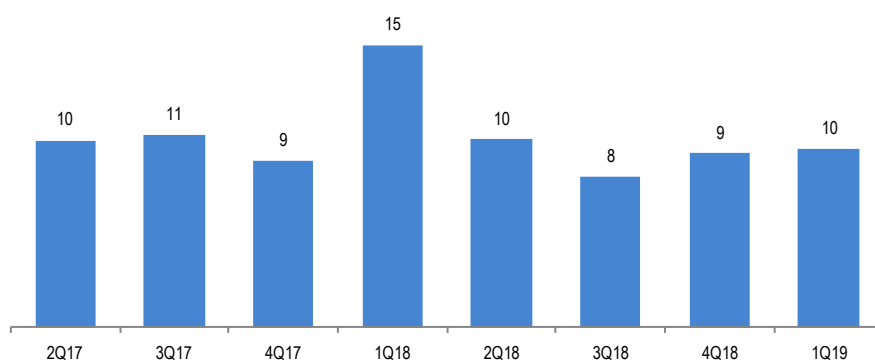
R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Provision for lottery to be held					
Initial balance	166,097	123,820	113,743	(31.5)	(8.1)
Constitution	28,280	25,913	22,068	(22.0)	(14.8)
Reversal	(46,392)	(37,179)	(33,313)	(28.2)	(10.4)
Cancellations	(55)	(54)	(56)	18	2.9
Interest accrual	2,078	1,243	1,043	(49.8)	(16.1)
Final balance	150,008	113,743	103,484	(31.0)	(9.0)

Table 82 – Brasilcap | Changes in provision for draws to be paid

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Provision for draws to be paid					
Initial balance	15,373	11,576	13,266	(13.7)	14.6
Constitution	31,023	27,693	23,416	(24.5)	(15.4)
Payments	(34,904)	(26,001)	(26,152)	(25.1)	0.6
Interest accrual	7	4	1	(88.5)	(80.7)
Premium bonds expiration	-	(6)	-	-	-
Final balance	11,499	13,266	10,530	(8.4)	(20.6)

RESULT WITH LOTTERY

Figure 88 – Brasilcap | Result with lottery (R\$ million)



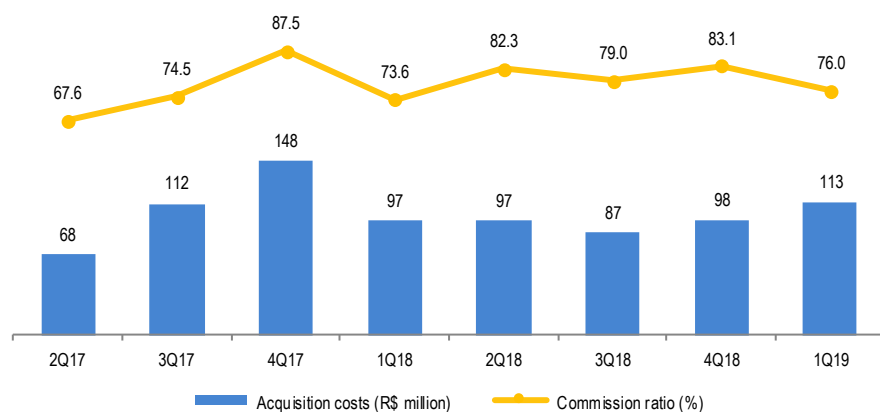
In the 1Q19, the result with lottery decreased 36.4% YoY. The performance is justified by the 28.2% reduction of lottery provision reversals, partially offset by the 24.1% contraction in lottery expenses, both movements related to the lower frequency and volume of lottery prizes featured in the current portfolio.

Table 83 – Brasilcap | Result with lottery

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Result with lottery	15,369	9,482	9,769	(36.4)	3.0
Lottery provision reversal	46,392	37,179	33,313	(28.2)	(10.4)
Lottery expenses	(31,023)	(27,697)	(23,544)	(24.1)	(15.0)

ACQUISITION COSTS

Figure 89 – Brasilcap | Acquisition costs



In the 1Q19, acquisition costs were up 16.5% YoY, driven by the growth in brokerage expenses (+22.4%). The increase in brokerage expenses was the outcome of a higher collection, along with the 2.4 p.p. increase in the commission ratio compared to the 1Q18. The higher commission ratio is explained by:

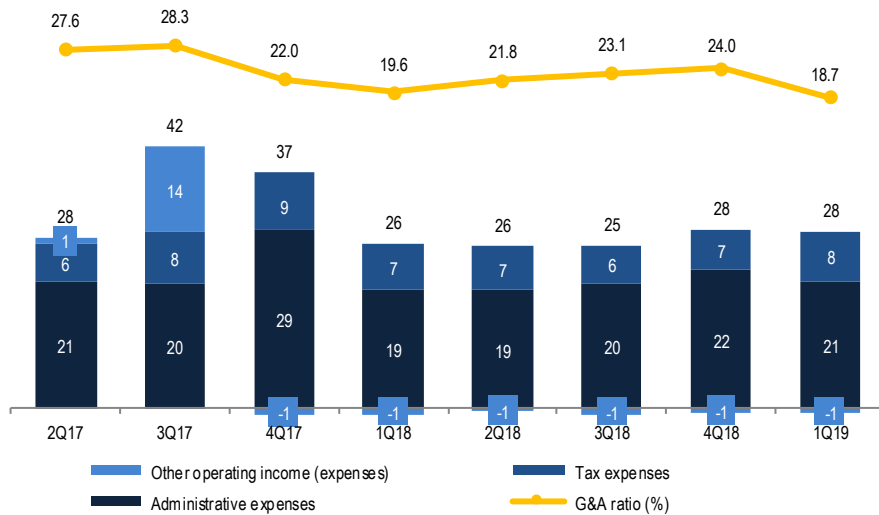
- (i) the higher concentration of the first installments of monthly payment bonds in the total collection, which have higher commission ratio when compared to recurring installments of monthly payment bonds and unique payment bonds; and
- (ii) the higher share of collection arising from the most recently launched products in the total collection, since these bonds pay higher commissions than the previous portfolios.

Table 84 – Brasilcap | Changes in Acquisition Costs

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Acquisition costs	97,004	98,058	113,032	16.5	15.3
Brokerage	82,493	79,066	100,943	22.4	27.7
Sales cost	14,511	18,992	12,089	(16.7)	(36.3)

GENERAL & ADMINISTRATIVE EXPENSES

Figure 90 – Brasilcap | G&A expenses (R\$ million)



In the 1Q19, G&A expenses increased 8.0% YoY, driven mainly by:

- (i) personnel expenses, up 11.4% due to the worsening in the expectation of losses in labor lawsuits, which led to the R\$1.2 million increase in provisions, in addition to labor terminations in the period;
- (ii) the 43.0% increase in outsourcing expenses, related to IT services which were hired in April 2018; and
- (iii) the 9.3% growth in tax expenses, concentrated in COFINS and PIS/PASEP taxes, led by higher taxable net revenues with premium bonds, which is mainly composed by revenues with load fee.

Table 85 – Brasilcap | General & Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Administrative expenses	(19,343)	(22,470)	(20,662)	6.8	(8.0)
Personnel	(12,367)	(11,266)	(13,778)	11.4	22.3
Location and operation	(1,952)	(1,700)	(1,935)	(0.8)	13.9
Outsourcing	(2,991)	(6,057)	(4,277)	43.0	(29.4)
Institutional advertisement and publicity	(534)	(1,724)	(339)	(36.4)	(80.3)
Leasing	(672)	(76)	(76)	(88.7)	-
Other	(827)	(1,648)	(256)	(69.0)	(84.4)
Other operating income (expenses)	979	765	924	(5.6)	20.7
Printing and mailing	(160)	(327)	(488)	205.3	49.4
Legal provisions	(6)	(231)	(113)	1,786.5	(51.0)
Other operating income (expenses)	(5)	(5)	42	-	-
Revenue with premium bonds prescription	1,150	1,329	1,484	29.1	11.7
Tax expenses	(7,409)	(6,582)	(8,096)	9.3	23.0
COFINS	(5,886)	(5,201)	(6,490)	10.3	24.8
PIS/PASEP	(957)	(845)	(1,055)	10.2	24.8
Inspection fee	(471)	(471)	(471)	(0.1)	-
Other tax expenses	(95)	(65)	(81)	(15.1)	23.5
G&A Expenses	(25,773)	(28,287)	(27,834)	8.0	(1.6)

■ NET INVESTMENT INCOME

Figure 91 – Brasilcap | Net investment income (R\$ million)

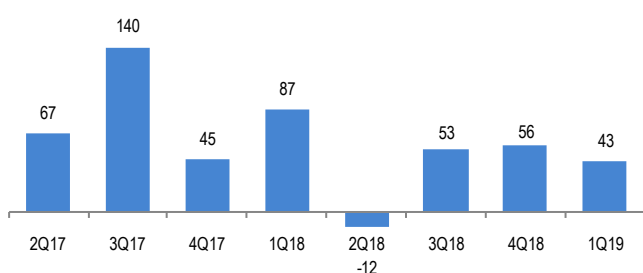


Figure 92 – Brasilcap | Annualized average interest rates and spread

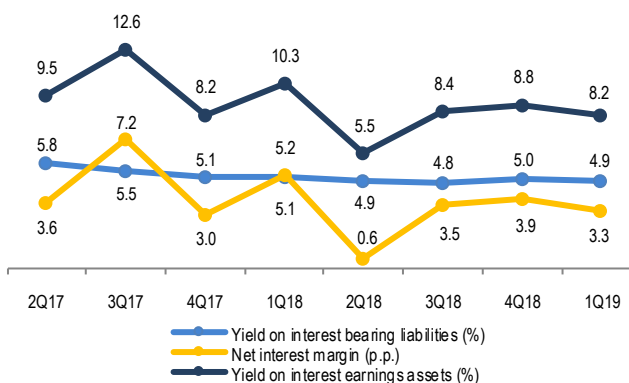


Table 86 – Brasilcap | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Interest revenues	268,498	221,808	197,027	(26.6)	(11.2)
Revenues with mark to market financial investments	140,804	87,633	107,629	(23.6)	22.8
Expenses with mark to market financial investments	(5,062)	(4,516)	(46,966)	827.8	940.0
Revenues with held to maturity financial investments	131,561	138,117	135,835	3.2	(17)
Interest accrual on judicial deposits	1,195	574	529	(55.7)	(7.8)
Interest expenses	(137,129)	(128,303)	(121,025)	(11.7)	(5.7)
Interest accrual on technical reserves	(135,898)	(127,739)	(120,366)	(114)	(5.8)
Other	(1,231)	(564)	(659)	(46.5)	16.8
Net interest income	131,369	93,505	76,002	(42.1)	(18.7)

In the 1Q19, the net interest income decreased 42.1% YoY and the net interest margin fell 2.2 p.p..

Interest revenues dropped by 26.6%, explained mainly by the 2.2 p.p. contraction in the average yield on interest earning assets and, at a lesser extent, by the 7.7% reduction in the average balance of financial investments. The lower average yield can be explained by the smaller magnitude of the downward move of the forward yield curve when compared to the 1Q18, which resulted on lower mark-to-market gains on pre-fixed securities classified as trading, in addition to the lower reinvestment rates of pre-fixed securities acquired between the 2Q18 and the 1Q19 classified as held to maturity.

Interest expenses fell 11.7% YoY, as consequence of the 9.2% reduction in the average technical reserves balance, along with the 0.1 p.p. contraction in the average yield on these liabilities, justified by lower pre-fixed rate in the most recent portfolios.

Table 87 – Brasilcap | Quarterly figures - Volume and rate analysis

R\$ thousand	1Q 19/ 1Q 18		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	(40,950)	(34,129)	(75,079)
Held to maturity financial investments	17,507	(13,234)	4,274
Judicial deposits	51	(717)	(666)
Total¹	(16,438)	(55,033)	(71,471)
Interest bearing liabilities			
Technical reserves - premium bonds	12,175	3,357	15,532
Other ²	(53)	625	572
Total¹	9,856	6,248	16,104

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.

² Includes: (i) interest expenses related to interest accrual of the payment made to Icatu Cap for the transfer of its rights to market premium bonds products in the branches formerly owned by Banco Nossa Caixa starting in May 2014 and (ii) interest accrual of legal provisions.

Table 88 – Brasilcap | Quarterly figures – Earning assets – average balance and interest rates

R\$ thousand	1Q 18			1Q 19		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earnings assets						
Mark to market financial investments	4,479,132	135,742	13.1	2,674,036	60,663	9.7
Held to maturity financial investments	5,700,005	131,561	9.9	6,543,363	135,835	8.9
Judicial deposits	968,421	1,195	0.5	1,071,718	529	0.2
Total	11,147,557	268,498	10.3	10,289,117	197,027	8.2

Table 89 – Brasilcap | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R\$ thousand	1Q 18			1Q 19		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves - premium bonds	9,847,316	(135,898)	5.6	8,942,771	(120,366)	5.4
Other ¹	1,006,865	(1,231)	0.5	1,094,059	(659)	0.2
Total	10,854,180	(137,129)	5.1	10,036,830	(121,025)	4.9

¹ Includes: (i) interest expenses related to interest accrual of the payment made to Icatu Cap for the transfer of its rights to market premium bonds products in the branches formerly owned by Banco Nossa Caixa starting in May 2014 and (ii) interest accrual of legal provisions.

Table 90 – Brasilcap | Financial investments portfolio breakdown

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Mark to market securities	3,775,536	3,054,681	2,293,392	(39.3)	(24.9)
Pre-fixed	2,360,432	2,441,842	951,458	(59.7)	(61.0)
Floating	1,178,846	425,575	1,187,155	0.7	179.0
Inflation	168,472	134,414	102,591	(39.1)	(23.7)
Equity funds	67,377	52,073	51,122	(24.1)	(18)
Other	409	777	1,065	160.7	37.1
Held to maturity securities	6,237,526	6,285,043	6,801,683	9.0	8.2
Pre-fixed	5,223,825	5,653,301	6,153,515	17.8	8.8
Inflation	1,013,701	631,742	648,167	(36.1)	2.6
Total	10,013,062	9,339,724	9,095,074	(9.2)	(2.6)

Figure 93 – Brasilcap | Asset allocation (%)

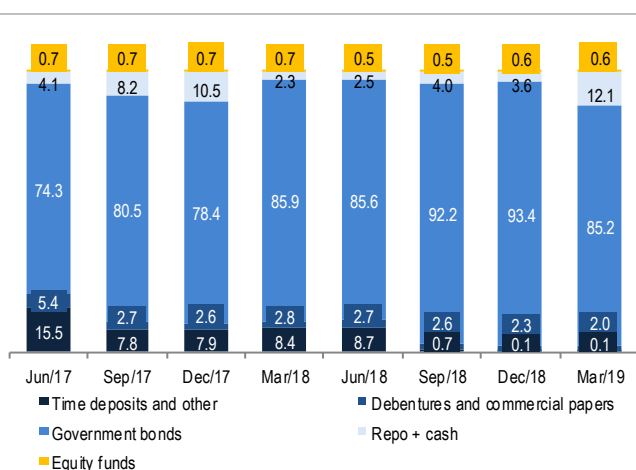
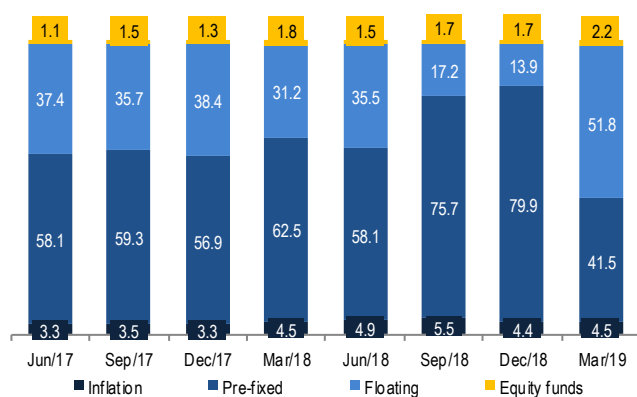


Figure 94 – Brasilcap | Financial investments breakdown by index (%)



■ BALANCE SHEET ANALYSIS

Table 91 – Brasilcap | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Assets	11,202,283	10,586,912	10,399,538	(7.2)	(1.8)
Cash and cash equivalents	13	55	55	319.6	(0.5)
Financial assets	10,013,062	9,339,724	9,095,074	(9.2)	(2.6)
Securities and credits receivable	1,179,193	1,237,851	1,294,741	9.8	4.6
Prepaid expenses	1,795	1,391	1,918	6.9	37.9
Investments	1,179	1,162	1,156	(1.9)	(0.5)
Fixed assets	2,860	2,319	2,182	(23.7)	(5.9)
Intangible	1,840	1,105	958	(47.9)	(13.3)
Other assets	2,341	3,306	3,454	47.5	4.5
Liabilities	10,836,823	10,205,791	9,997,701	(7.7)	(2.0)
Accounts payable	67,805	75,695	42,621	(37.1)	(43.7)
Premium bonds operations debits	4,434	4,342	7,173	61.8	65.2
Technical reserves - premium bonds	9,742,431	9,043,319	8,842,223	(9.2)	(2.2)
Other liabilities	1,022,153	1,082,435	1,105,683	8.2	2.1
Shareholders' equity	365,460	381,120	401,837	10.0	5.4

■ SOLVENCY

Table 92 – Brasilcap | Solvency¹

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Adjusted shareholders' equity (a)	514,015	442,199	461,785	(10.2)	4.4
Minimum capital required (b)	301,809	236,756	240,971	(20.2)	1.8
Additional capital for underwriting risk	36,448	34,580	35,126	(3.6)	1.6
Additional capital for credit risk	97,084	52,728	61,463	(36.7)	16.6
Additional capital for operating risk	29,891	23,464	22,582	(24.5)	(3.8)
Additional capital for market risk	213,115	178,599	178,599	(16.2)	0.0
Benefit of correlation between risks	(74,730)	(52,615)	(56,800)	(24.0)	8.0
Capital adequacy (a) - (b)	212,205	205,443	220,814	4.1	7.5
Solvency ratio (a) / (b) - %	170.3	186.8	191.6	21.3 p.p.	4.9 p.p.

¹Information based on the accounting principles adopted by SUSEP.

4.4 BRASILDENTAL

■ EARNINGS ANALYSIS

Table 93 – Brasildental | Income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Gross operating revenues	26,763	30,411	30,394	13.6	(0.1)
Taxes on revenues	(1,458)	(1,414)	(296)	(79.7)	(79.0)
Net operating revenues	25,305	28,997	30,097	18.9	3.8
Cost of services	(11,183)	(13,667)	(13,200)	18.0	(3.4)
Gross income	14,123	15,330	16,898	19.6	10.2
Acquisition costs	(2,336)	(2,349)	(2,030)	(13.1)	(13.6)
Administratives expenses	(4,543)	(4,520)	(4,969)	9.4	9.9
Tax expenses	(230)	(249)	(261)	13.4	4.8
Other revenues (expenses)	(271)	(969)	(261)	(3.7)	(73.1)
Earnings before interest and taxes	6,743	7,243	9,377	39.1	29.5
Net investment income	104	170	25	(76.0)	(85.3)
Financial income	444	578	491	10.5	(15.1)
Financial expenses	(339)	(409)	(466)	37.5	14.0
Earnings before taxes and profit sharing	6,847	7,413	9,402	37.3	26.8
Taxes	(2,330)	(2,549)	(3,188)	36.8	25.0
Profit sharing	(170)	(262)	(68)	(59.9)	(74.0)
Net income	4,348	4,602	6,146	41.4	33.5

Table 94 – Brasildental | Performance ratios

%	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Performance ratios					
Loss ratio	44.2	47.1	43.9	(0.3)	(3.3)
Comission ratio	9.2	8.1	6.7	(2.5)	(14)
G&A ratio	19.9	19.8	18.2	(1.7)	(15)
EBITDA margin	26.7	25.0	31.2	4.5	6.1
ROAE	102.4	103.8	145.2	42.8	41.4

Figure 95 – Brasildental | Clients by segment (thousand)

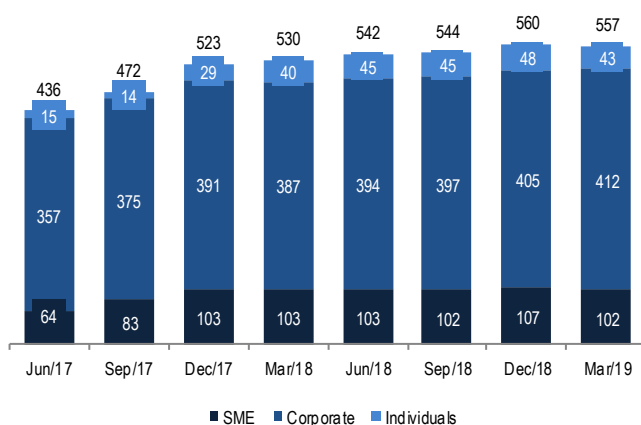


Figure 96 – Brasildental | Clients by segment (%)

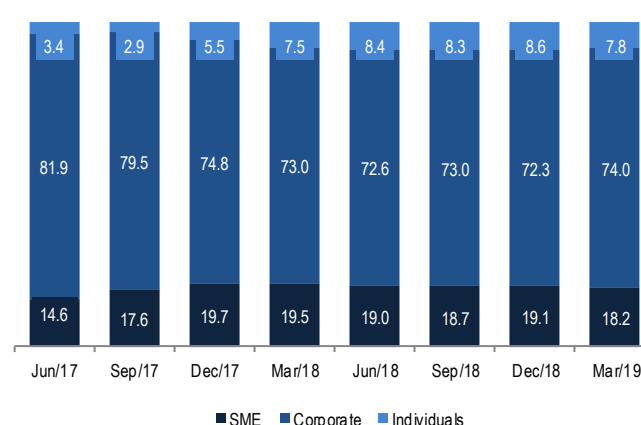


Table 95 – Brasildental | Client base breakdown

Client segments	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Corporate	386,862	404,837	412,138	6.5	18
SME	103,412	106,982	101,626	(1.7)	(5.0)
Individuals	39,634	48,033	43,472	9.7	(9.5)
Total	529,908	559,852	557,236	5.2	(0.5)

■ BALANCE SHEET ANALYSIS

Table 96 – Brasildental | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Assets	43,446	41,348	45,831	5.5	10.8
Cash and cash equivalents	1,672	2,136	2,106	26.0	(14)
Financial assets	33,224	29,877	33,819	18	13.2
Receivables from insurance and reinsurance operations	4,964	6,257	6,474	30.4	3.5
Tax assets	697	1,203	1,696	143.4	41.0
Other assets	2,889	1,875	1,736	(39.9)	(7.4)
Liabilities	25,927	27,488	25,825	(0.4)	(6.0)
Technical reserves	14,357	17,769	16,719	16.5	(5.9)
Tax liabilities	1,985	2,149	2,034	2.4	(5.4)
Other liabilities	9,585	7,571	7,073	(26.2)	(6.6)
Shareholders' equity	17,519	13,860	20,006	14.2	44.3

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 Brasildental – 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 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.

Beside to the Banco do Brasil’s bancassurance channel, Brasilseg can eventually distribute insurance in the affinity channel, which is comprised of BB’s business partners. At the Pension Plans and Premium Bonds segments, products can also be sold, at a smaller extent, by partners, notably the ones maintained by Brasilcap to distribute premium bonds in the Post Office (“Correios”), in the Votorantim branches and in real state agencies which sell the product named Cap Fiador, which are premium bonds offered as collateral for rental contracts.

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 10th 2018, BB Corretora made a capital contribution of R\$20.2 million to Ciclic Corretora de Seguros S.A., in a joint venture with PFG do Brasil 2 Participações, (a Principal Financial Group subsidiary), initially to distribute pension plans. BB Corretora holds 74.99% of the economic stake, by holding 100% preferred shares and 49.99% of the common shares. Ciclic’s earnings are recorded as equity income in BB Corretora’s Income Statement.

Figure 97 – Distribution | Consolidated premiums written, contributions and collection by channel^{1,2} (R\$ million)

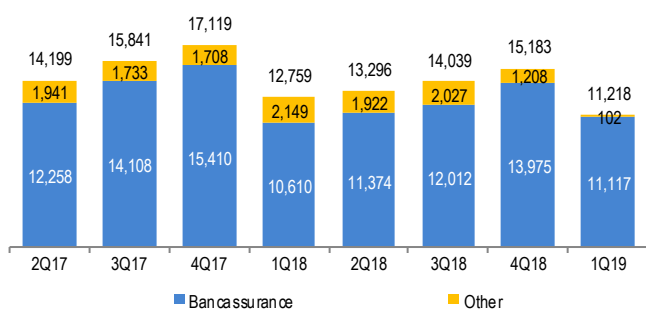
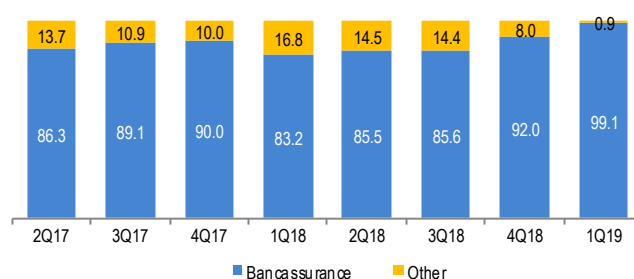


Figure 98 – Distribution | Consolidated premiums written, contributions and collection by channel^{1,2} (%)



¹Insurance premiums written, pension plans contributions, premium bonds collection and dental care revenues.

²After the partnership restructuring with MAPFRE, the distribution of insurance is exclusively through the bancassurance channel.

Figure 99 – Distribution | Insurance premiums written of Brasilseg¹ by channel (R\$ million)

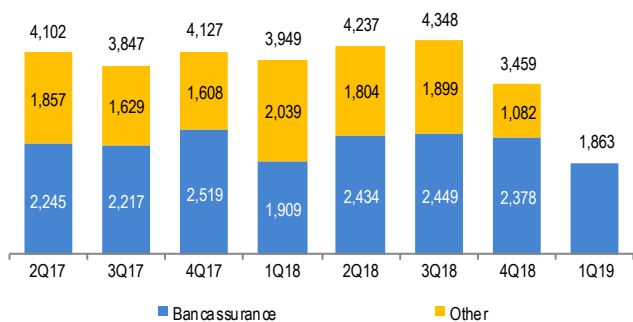
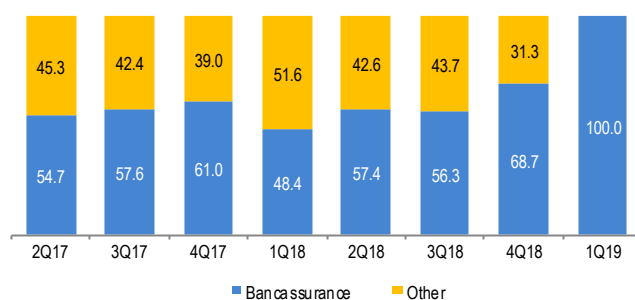


Figure 100 – Distribution | Insurance premiums written of Brasilseg¹ by channel (%)



¹After the partnership restructuring with MAPFRE, the distribution is exclusively through the bancassurance channel.

Figure 101 – Distribution | Brasilprev pension plans contributions by channel (R\$ million)

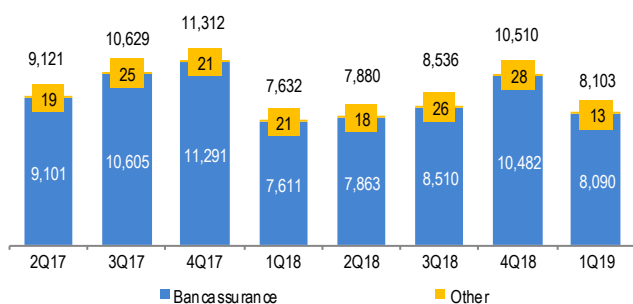


Figure 102 – Distribution | Brasilprev pension plans contributions by channel (%)

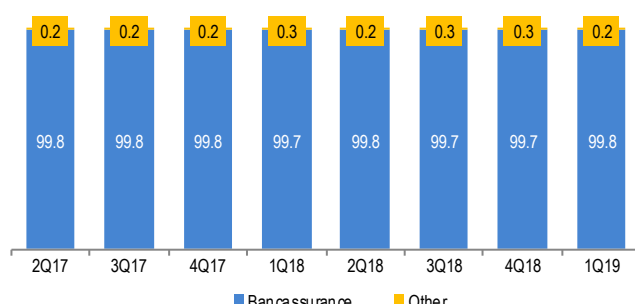


Figure 103 – Distribution | Brasilcap premium bonds collections by channel (R\$ million)

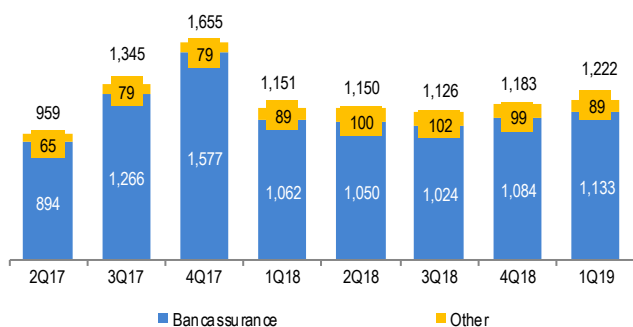


Figure 104 – Distribution | Brasilcap premium bonds collections by channel (%)

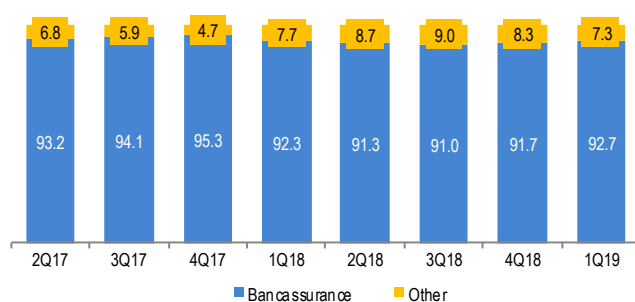


Figure 105 – Distribution | Brasildental dental insurance revenues (R\$ million)

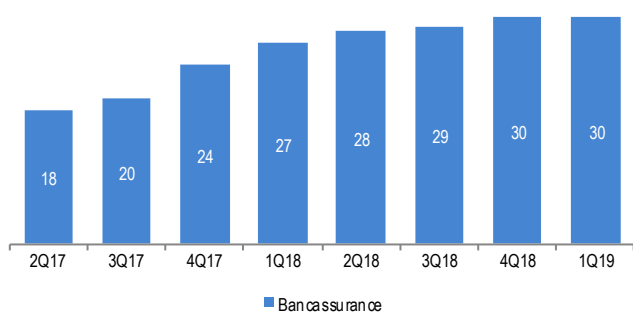


Figure 106 – Distribution | Brasildental dental insurance revenues (%)



5.1 BB CORRETORA

■ EARNINGS ANALYSIS

Table 97 – BB Corretora | Income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Brokerage revenues	697,279	956,399	762,179	9.3	(20.3)
Administrative expenses	(37,456)	(40,735)	(45,480)	21.4	11.6
Personnel expenses	(7,465)	(8,822)	(8,062)	8.0	(8.6)
Other operating income (expenses)	(958)	(9,023)	(4,579)	378.1	(49.3)
Tax expenses	(81,931)	(105,594)	(95,256)	16.3	(9.8)
Equity income	-	(1,000)	(1,534)	-	53.4
Earnings before interest and taxes	569,470	791,225	607,268	6.6	(23.2)
Net investment income	22,205	27,424	21,245	(4.3)	(22.5)
Financial income	26,218	27,487	26,798	2.2	(2.5)
Financial expenses	(4,013)	(64)	(5,553)	38.4	8,612.1
Earnings before taxes	591,675	818,648	628,513	6.2	(23.2)
Taxes	(200,305)	(274,082)	(212,890)	6.3	(22.3)
Net income	391,370	544,566	415,623	6.2	(23.7)

ADJUSTED NET INCOME

Figure 107 – BB Corretora | Adjusted net income

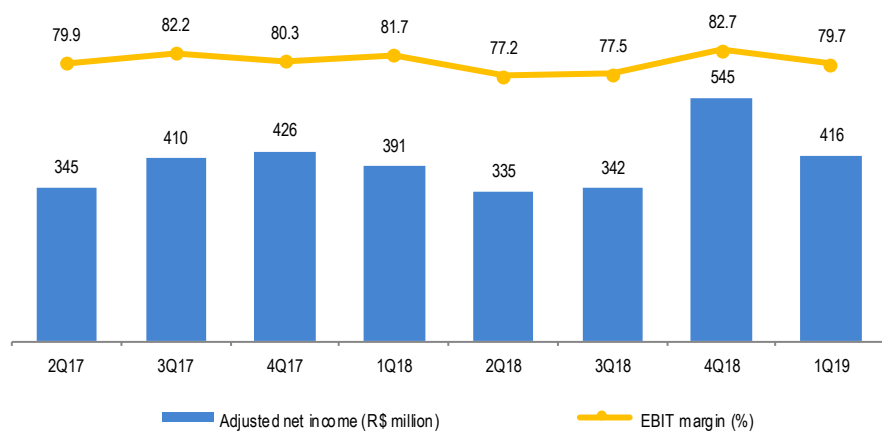
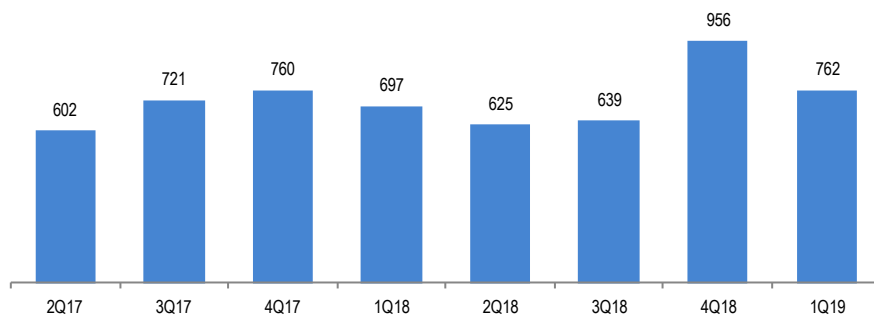


Table 98 – BB Corretora | Managerial performance ratios

%	Quarterly Flow			Chg. (p.p.)	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
G&A expenses	18.3	17.2	20.1	1.8	3.0
Tax expenses	11.8	11.0	12.5	0.8	1.5
EBIT margin	81.7	82.7	79.7	(2.0)	(3.1)
Income tax rate	33.9	33.5	33.9	0.0	0.4
Net margin	56.1	56.9	54.5	(1.6)	(2.4)

BROKERAGE REVENUES

Figure 108 – BB Corretora | Brokerage revenues (R\$ million)



In the 1Q19, brokerage revenues increased by 9.3% YoY. It is worth noting that, in the 1Q18, it was recognized an amount of R\$81.0 million of additional brokerage revenue arising from life insurance, which was in force from the 3Q17 until the 1Q18, and in the 1Q19 an amount of R\$72.7 million was recorded as performance fee for outperforming the sales targets in credit life and credit life for farmers. Setting apart the effects in both periods, the brokerage revenues from BB Corretora would have increased 11.9% YoY, explained mostly by:

- (i) the 8.6% increase in brokerage revenues from the insurance operations, as a result of a solid commercial performance, especially in life, credit life, rural lien and home insurance, in addition to the recognition of deferred brokerage revenues related to sales from previous periods;
- (ii) the 16.6% increase in brokerage revenues arising from pension plans, driven by the higher average contributions to sporadic plans in addition to the increase in sales of periodic plans, which pay higher commissions in the first installments compared to the commissions received from other products; and
- (iii) the brokerage revenues arising from premium bonds, up 27.8% YoY, due to the higher collections in the period, to the improvement in sales of monthly payments bonds, since the first installments of these products have higher commissions when compared to the other types of bonds, and by the increase in the participation of products with higher commissions in the total collection.

Table 99 – BB Corretora | Brokerage revenues breakdown

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Insurance	537,146	768,724	568,126	5.8	(26.1)
Pension plans	90,337	120,998	105,308	16.6	(13.0)
Premium bonds	67,754	64,409	86,582	27.8	34.4
Dental insurance	1,100	1,322	1,219	10.8	(7.8)
Other	942	946	944	0.2	(0.3)
Total	697,279	956,399	762,179	9.3	(20.3)

Figure 109 – BB Corretora | Brokerage revenues breakdown (%)

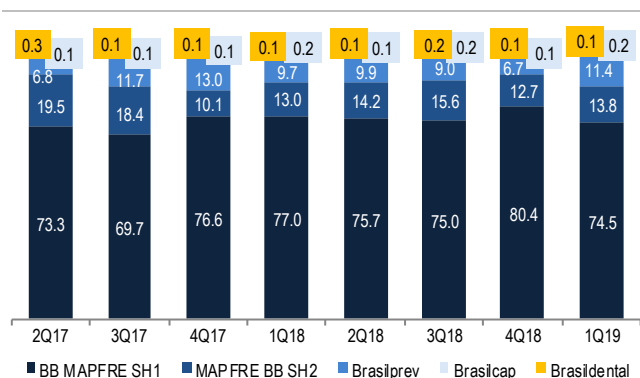
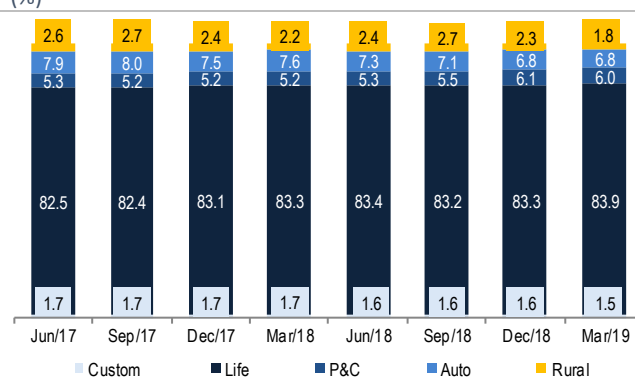
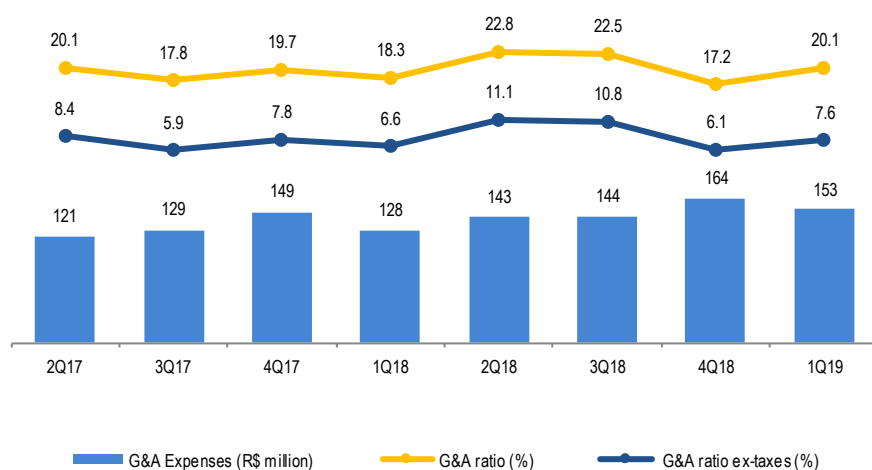


Figure 110 – BB Corretora | Unearned commissions breakdown (%)



GENERAL AND ADMINISTRATIVE EXPENSES

Figure 111 – BB Corretora | G&A expenses



In the 1Q19, G&A expenses grew 20.0% YoY, performance explained by:

- (i) administrative expenses, up 21.4% YoY, concentrated in administrative cost of products, as a consequence of the increase in the number of products sold, which led to higher expenses related to the reimbursement of sales force and IT costs to Banco do Brasil;
- (ii) the 16.3% increase in tax expenses, due to the receipt of the performance fee recorded in the 4Q18 which raised the taxable revenues for ISS tax collection, as well as the evolution of PIS/PASEP and COFINS tax expenses, aligned with the growth in total brokerage revenues;
- (iii) the personnel expenses, up 8.0% YoY, justified by periodic revisions of the cost-sharing methodology between the holding and its subsidiaries BB Corretora and BB Seguros; and
- (iv) the increase in other operating expenses, driven by higher sponsorship and donations with tax benefits, and by higher expenses with provisions for civil contingencies, due to lower reversals and higher constitution.

Table 100 – BB Corretora | General & Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 18	4Q 18	1Q 19	On 1Q 18	On 4Q 18
Administrative expenses	(37,456)	(40,735)	(45,480)	21.4	11.6
Administrative cost of products	(12,497)	(9,371)	(19,633)	57.1	109.5
Operational support	(18,320)	(22,100)	(19,184)	4.7	(13.2)
Information technology	(5,489)	(6,272)	(4,850)	(116)	(22.7)
Other	(1,149)	(2,993)	(1,813)	57.8	(39.4)
Tax expenses	(81,931)	(105,594)	(95,256)	16.3	(9.8)
PIS/PASEP	(11,672)	(15,950)	(12,742)	9.2	(20.1)
COFINS	(54,027)	(73,745)	(58,959)	9.1	(20.0)
ISS	(16,214)	(15,848)	(23,555)	45.3	48.6
IOF	(17)	(0)	(0)	(100.0)	23.1
Personnel expenses	(7,465)	(8,822)	(8,062)	8.0	(8.6)
Other operating income (expenses)	(958)	(9,023)	(4,579)	378.1	(49.3)
G&A Expenses	(127,809)	(164,175)	(153,377)	20.0	(6.6)

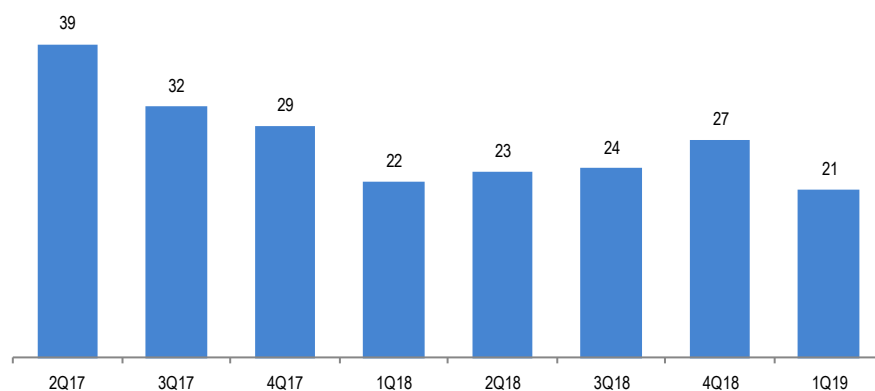
Table 101 – BB Corretora | Banco do Brasil distribution network

	Mar/18		Dec/18		Mar/19	
	Number of branches	Market share (%)	Number of branches	Market share (%)	Number of branches	Market share (%)
Banco do Brasil distribution network	4,747	21.8	4,722	21.9	4,716	21.9
Northeast	1,019	29.1	1,014	29.1	1,008	29.1
North	300	26.8	300	26.7	300	26.6
Midwest	459	26.1	459	26.1	459	26.1
South	940	23.4	934	23.4	934	23.5
Southeast	2,029	17.9	2,015	17.9	2,015	18.0

Source: Brazilian Central Bank

NET INVESTMENT INCOME

Figure 112 – BB Corretora | Net investment income (R\$ million)



In the 1Q19, the net investment income declined 4.3% YoY, justified by the 0.4 p.p. reduction in the average yield on interest earning assets, due to lower average Selic rate, along with the 51.0% increase in the average balance of dividends payable.

Table 102 – BB Corretora | Quarterly figures – Earning assets average balance and interest rates

R\$ thousand	1Q 18			1Q 19		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
Earning assets						
Cash and financial instruments	1,506,711	24,421	6.9	1,654,019	25,025	6.4
Other assets	192,057	1,797	3.9	197,718	1,770	3.8
Current tax assets	17,620	-	-	17,538	3	0.1
Total	1,716,388	26,218	6.5	1,869,275	26,799	6.1

Table 103 – BB Corretora | Quarterly figures – Interest bearing liabilities average balance and interest rates

R\$ thousand	1Q 18			1Q 19		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
Interest bearing liabilities						
Dividends payable	170,774	(3,951)	9.2	257,801	(5,487)	8.5
Other liabilities	2,156	(7)	1.3	478	(7)	6.0
Total	172,929	(3,958)	9.2	258,279	(5,494)	8.6

■ BALANCE SHEET ANALYSIS

Table 104 – Brokerage | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/18	Dec/18	Mar/19	On Mar/18	On Dec/18
Assets	2,343,586	3,079,196	2,630,565	12.2	(14.6)
Cash and cash equivalents	483,126	877,938	559,079	15.7	(36.3)
Securities	900,621	928,299	942,888	4.7	16
Equity investments	-	19,072	17,537	-	(8.0)
Current tax assets	81,787	53,212	95,350	16.6	79.2
Commission receivable	684,760	1,006,939	813,969	18.9	(19.2)
Other assets	193,292	193,737	201,741	4.4	4.1
Liabilities	1,905,142	3,032,288	2,168,034	13.8	(28.5)
Dividends payable	-	515,602	-	-	-
Provision	16,466	17,881	18,645	13.2	4.3
Current tax liabilities	230,090	606,483	243,984	6.0	(59.8)
Unearned commissions	1,626,247	1,856,436	1,862,419	14.5	0.3
Other liabilities	32,339	35,887	42,986	32.9	19.8
Shareholders' equity	438,444	46,908	462,531	5.5	886.0

6. DEFINITIONS

COMMON RATIOS

Quarterly adjusted ROAE annualized = (adjusted net income / average equity) 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 = acquisition costs / earned premiums;

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

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

INSURANCE MANAGERIAL

Earned Premiums = premiums written – premiums written in raw 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;

Commission = acquisition costs – commission return;

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

PENSION PLANS

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

B R O K E R A G E

Adjusted Operational Margin = operational results / brokerage revenues;

Adjusted Net Margin = adjusted net income / brokerage revenues.