

Management Report

BB Seguridade Participações S.A.
2020



Dear shareholders, employees and business partners of BB Seguridade.

We submit for your appreciation the Annual Management Report of BB Seguridade Participações S.A. ("BB Seguridade" or "Company") for the 2020 fiscal year in compliance with the Brazilian Corporate Law, the Brazilian Securities and Exchange Commission ("CVM"), and with the Company's Bylaws.

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS).

It is worth noting that this report presents financial information of the affiliate companies of BB Seguridade that, when compared to those disclosed by the investees, may present different balances. Such differences may result from the accounting standard used, eventual intangible amortization and elimination of intra-group transactions. Therefore, the net income assigned to the affiliates reflects the result obtained by BB Seguridade for each business segment, according to the Notes to the Financial Statements on investment in associates.

In 2020, with the uncertainties generated by the decree of the Covid-19 pandemic, seeking to ensure business continuity and the safety of employees and contribute to the well-being of costumers and society, BB Seguridade declared an Action Plan to fight Covid-19, focusing on the following pillars:

- i. taking care of employees;
- ii. supporting clients and society;
- iii. business sustainability; and
- iv. preparing for the after crisis.

Throughout the Management Report, we will address the actions taken, based on the Action Plan and the Company's strategies.

1 - BUSINESS MODEL

BB Seguridade is a holding company which invests in the insurance, pension plans, premium bonds and dental insurance business segments through private partnerships held by it's subsidiary BB Seguros Participações S.A. ("BB Seguros"). Additionally, the Company also acts in the distribution of these products in the bancassurance channel, through it's own broker, namely BB Corretora de Seguros e Administradora de Bens S.A. ("BB Corretora").

In the insurance segment, the Company operates through a 20-year term joint venture with the Spanish group MAPFRE, which started in 2011. In November 2018, it was concluded the restructuring of the partnership and the operation is now concentrated on the insurance companies Brasilseg Companhia de Seguros S.A. and Aliança do Brasil Seguros S.A. (together, "Brasilseg"), focused on life, rural, mortgage life, home and comercial segments distributed in the bancassurance channel.

In the pension plans segment, BB Seguridade operates, in partnership with Principal Financial Group, through Brasilprev Seguros e Previdência S.A. ("Brasilprev"). The jointly operation started in 1999, and it was renewed in 2009 for a 23-year term. Brasilprev sells mainly private pension solutions, notably PGBL and VGBL pension plan products.

In the premium bonds segment, BB Seguridade operates through Brasilcap Capitalização S.A. ("Brasilcap") in an association with Icatu Hartford and Aliança da Bahia.

In the dental care business segment, BB Seguridade holds a partnership with Odontoprev through a joint venture named Brasildental Operadora de Planos Odontológicos S.A. ("Brasildental"). The joint venture started in 2014 and will last for 20 years.

In the distribution business of insurance, pension plans, premium bonds and dental care plans, BB Seguridade operates through its wholly-owned subsidiary BB Corretora, which is responsible for selling the products of the other BB Seguridade's investees in the banking channel of Banco do Brasil. In digital channels that are not related to Banco do Brasil, BB Corretora acts through Ciclic Corretora de Seguros S.A. ("Ciclic"), distributing products from both BB Seguridade investees and others insurers, in a partnership with Principal Financial Group, which started in 2018 and expires in 2032.

2 - ECONOMIC SCENARIO AND INSURANCE MARKET

Economic Scenario

Brazil

After the domestic economy retraction in the first half of 2020, the significant GDP growth in the third quarter confirmed the prospect of a resumption of activity in the second half. The flexibilization of social distance measures and the incentives sponsored by both the government and the Central Bank, which expanded credit and preserved jobs and family income contributed to this recovery in a faster pace than initially estimated.

As a consequence of the pandemic and the economic crisis, in 2020 we lived together with a less dynamic labor market, which reached minimum levels of employed people and records of discouraged people. However, with the resumption of the economic activity, there was a movement of people returning to the labor market, but at a slower pace, which contributed to keep unemployment rates in a high level.

The public accounts were directly impacted by the measures adopted to deal with the crisis. Tax rules have been relaxed to allow expansion of spending. The primary deficit and gross debt in 2020 reached the higher levels. On the other hand, amid the stronger resumption of activity than initially expected and the lower tax deferral, a more adverse impact on government revenues was avoided.

Supply shock, mainly associated with food prices, boosted inflation in 2020. This movement was partially mitigated by maintaining service inflation at still comfortable levels, in a dynamic that responded mainly to the sustained high idleness in the economy. In this context, the IPCA ended the year just above the mid point of 2020 target. With the assessment that fiscal and inflationary risks are still manageable, coupled with the need to stimulate economic activity, Copom maintained the Selic rate at the lower historical level. Mainly driven by the lower interest rate differential and fiscal uncertainties, the exchange rate ended 2020 at a higher level, but far from the maximum observed during the year.

Global

As in Brazil, the international economic environment was also impacted by the uncertainties associated to the coronavirus pandemic. The global economy has shown first signs of recovery over the second half, despite the intensification of the pandemic in some regions in the last weeks of the year.

Besides the concerns about a second wave of coronavirus infections, the trade war between China and USA remained in the spotlight throughout 2020. However, the result of the American presidential elections and the agreement that will prevent the United Kingdom's disorganized exit from the European Union (Brexit) led to the removal of relevant risks. In addition, the favorable news about the efficacy/availability of vaccines, contributed to improving the mood of investors in the last months of 2020.

Insurance Market

The insurance industry recorded a strong recovery in 2019, with an increase of 11.1% in total volume of premiums written, pension plans contributions and premium bonds collection, according to data provided by Brazilian Insurance Regulator (SUSEP). For 2020 it was expected the same growth trend, however, the decree of Covid-19 pandemic, with social isolation measures adopted by the end of March, brought a series of impacts for the insurance industry and the economy, with economic data, as GDP, unemployment rate, inflation, among others, affected by the sanitary crisis.

In that context, the insurance market demonstrated its resilience again, ending 2020 with a slight retraction of 0.9%¹ in total volume of premiums written, pension plan contributions and premium bonds collection. While premiums written maintained the upward trend (+3.9%), pension plans were impacted by the higher volatility scenario in the economy and total contributions decreased 4.7%. On the operating side, although an increase in claims has occurred due to infections by Covid-19, on the other hand, social isolation measures reflected in a reduction of indemnities for other coverages.

¹ Source: SUSEP – Data as of 11M20

3 - FINANCIAL PERFORMANCE

As a holding company, BB Seguridade's net income consists basically of the equity income arising from its investees, along with the holding standalone operating and financial income and expenses.

The table below presents BB Seguridade's income statement for 2020 and 2019:

Table 1 – Financial Performance | Income Statement – Parent View

	Fiscal Year 2020	Fiscal Year 2019	Chg.% on 2019
Equity income	3,833,384	6,569,590	(41.6)
Brasilseg Companhia de Seguros S.A.,	1,086,543	1,072,991	1.3
Brasilprev Seguros e Previdência S.A.,	686,379	1,064,501	(35.5)
Brasilcap Capitalização S.A.,	105,780	67,265	57.3
IRB-Brasil Resseguros S.A.,	-	118,791	-
Brasil dental Operadora de Planos Odontológicos S.A.,	17,702	14,485	22.2
BB Corretora de Seguros e Administradora de Bens S.A.,	1,969,105	1,912,599	3.0
Other	(32,125)	2,318,958	-
Other Income and Expenses	(10,882)	(8,930)	21.9
Personnel expenses	(11,602)	(10,812)	7.3
Administrative expenses	(3,096)	(2,567)	20.6
Tax expenses	(3,645)	(9,236)	(60.5)
Other operating income/(expenses)	7,461	13,685	(45.5)
Net investment income	37,295	143,472	(74.0)
Investment income	62,764	173,832	(63.9)
Investment expenses	(25,469)	(30,360)	(16.1)
Earnings before taxes	3,859,797	6,704,132	(42.4)
Taxes	(9,026)	(45,351)	(80.1)
Net income	3,850,771	6,658,781	(42.2)

In 2020, the net income of BB Seguridade reached R\$3,850.8 million, down 42.2% YoY. The net income in both years was impacted by the following extraordinary events:

2020

BB Corretora – donation against Covid-19: in order to help the society with the responses to the impact of the pandemic, the Board of Directors approved a donation capped at R\$40 million by BB Corretora to Banco do Brasil Foundation (FBB), with the exclusive purpose of acquiring food and hygiene, cleaning and personal protection supply necessary for the social aid to the most affected people. Until June 2020, FBB demanded from BB Corretora the disbursement of R\$37.9 million, and the balance of R\$2.1 million was disbursed in July and August. Total impact to the net income was of R\$26.4 million.

2019

BB Seguros – secondary public offering of IRB Brasil-RE: full disposal of the equity stake held by BB Seguros, which resulted on a net gain of R\$2.3 billion, booked in the line “Other” within equity income in the adjusted income statement.

Brasilseg – reversal of provisions for unearned premiums: in November 2019, the balance of provisions for unearned premiums was normalized, since the flow of policy endorsements of credit life insurance created some excess provisions. This process resulted in a reversal of R\$121.1 million, of which R\$44.5 million was set apart as an extraordinary event, since it was related to previous years. The R\$44.5 million reversed positively affected the net income of Brasilseg and BB Seguridade by R\$16.5 million and R\$12.4 million, respectively.

Brasilprev – reversal of provisions for related expenses: in November 2019, the assumptions underlying the calculation of the provision for related expenses were revised, in order to incorporate the result of the actuarial research on the variable that refers to the percentage of customers who decide to convert their pension plan reserve into annuities. This revision resulted on a positive impact of R\$26.2 million in Brasilprev's net income, which is equivalent to a R\$19.7 million positive impact for BB Seguridade.

Table 2 – Extraordinary Events

	Controller		Var. %
	2020	2019	
Adjusted net income	3,877,171	4,306,266	(10.0)
Extraordinary events	(26,400)	2,352,515	-
BB Seguros: divestment from IRB Brasil RE	-	2,320,461	-
Brasilseg: reversal of provisions for unearned premiums	-	12,375	-
Brasilprev: reversal of provisions for related expenses	-	19,679	-
BB Corretora: donation against Covid-19	(26,400)	-	-
Net income	3,850,771	6,658,781	(42.2)

Setting apart the extraordinary events aforementioned, which affected the equity income line, the adjusted net income fell 10.0% YoY, to R\$3,877.2 million. The reduction of R\$429.1 million in the adjusted net income on a recurring basis is explained by:

- **Brasilprev (-R\$358.4 million):** due to the net investment loss in the year, which was led by the differential of inflation rates accrued on the assets (IPCA and IGP-M compounded from January to December 2020) and liabilities (IGP-M with a lagging of one month on average) of the defined benefit plan;
- **Equity income of IRB Brasil RE (-R\$118.8 million):** disposal of shares concluded in July 2019; and
- **Net investment income at the holding level (-R\$73.6 million):** impacted by the lower volume of financial investments, explained by the return of capital to shareholders and the the distribution of the proceeds that rose from the disposal of IRB Brasil's shares, and by the lower Selic rate.

On the other hand, the negative effects were partially offset by the growth of BB Corretora's equity income (+R\$82.9 million), explained by higher brokerage revenues and better EBIT margin, and by the increase of equity income from Brasilcap (+R\$38.5 million) and from Brasilseg (+R\$25.9 million). The performance of each investee company will be better explained below.

The other income and expenses grew 21.9% YoY. It is worth noting that in 2019 this line was impacted by the recognition of a higher amount of revenues arising from the ADR Level 1 program, recorded in other operating revenues, due to the receivment of values when the agreement with the former depositary bank (Deutsche Bank) expired, in April 2019, and by the reversal of R\$1.8 million in personal expenses, related to the provision constituted for the buyback of shares of deferred installments of the variable remuneration program of executive officers from 2014 and 2015, which expired in the 1Q19. The tax expenses (PIS and Cofins) decreased 60.5% mainly because of the retraction of the investment income, due to the lower Selic rate and the decrease in the average balance of financial investments.

Investments

Pursuant to the article 243 of Law 6,404/76, the following table presents the equity investments in BB Seguridade's affiliates and subsidiaries, as well as the changes occurred throughout the year:

Table 3 – Financial Performance | Shareholding Positions

		Shareholding stake (%)	Investment Balance		Equity Income
	Activity	Dec/20	Dec/20	Dec/19	FY2020
Shareholding positions					
BB Seguros	Holding	100.00%	5,924,821	5,431,395	1,864,279
Brasilseg	Insurance	74.99%	2,245,714	2,028,605	1,086,543
Brasilprev	Pension Plans	74.99%	3,338,239	2,440,155	686,379
Brasilcap	Premium Bonds	66.66%	470,327	431,932	105,780
Brasil dental	Dental Care	74.99%	15,582	12,880	17,702
BB Corretora	Broker	100.00%	46,908	46,908	1,969,105
Ciclic	Broker	74.99%	14,483	4,798	(15,914)

Changes in the investment in Brasilprev

In December 30th, 2020, it was approved a capital increase for Brasilprev in the amount of R\$1.2 billion, which is explained by the rise in the IGP-M inflation rate mainly in the second half of 2020, which, besides to the flattening long-term yield curve of this index, resulted in an increase in the liabilities of Brasilprev's traditional plans pegged to IGP-M, without a proportional appreciation of granting assets. This combination of factors led to an increase in the minimum capital required, in the portions of underwriting and market risks, and directly impacted the adequacy of liabilities, promoting a reduction in the adjusted shareholders' equity, especially in the portion of "Adjustments associated with economic variations".

Considering the maintenance of the 74.995% shareholding stake, the amount subscribed and paid by BB Seguros was of R\$899.9 million.

Investees performances

Brasilseg

In the insurance segment, operated by Brasilseg, the adjusted net income increased 2.4%, explained by the 10.1% growth of retained earned premiums and the lower effective tax rate.

The premiums written were up 14.8%, boosted by the good performance of the main business lines: rural insurance (+22.7%), with the increase in the federal subsidies to the insurance premium and by measures adopted by the company to expand the addressable market (non-financed areas and Pronaf beneficiaries); credit life (+22.0%), due to the volume of credit origination for both SME and individuals and the improvement in cancellation levels; and term life (+5.2%), with the new portfolio launched in May 2020 and by the interest in this type of product due to the Covid-19 pandemic.

The loss ratio deteriorated 1.7 p.p., with the higher frequency and severity of claims in products that covers the risk of death, which is related to the pandemic. Setting apart the claims related to Covid-19, the ratio would improve 0.6 p.p. in 2020. The commission ratio was up 0.7 p.p., justified by the higher volume of expenses with the bonus for the outperformance of sales target in term life and credit life, and by lower revenues with reinsurance commission, considering that in 2019 the company recognized R\$104.9 million derived from reinsurance agreements with step-up commissions, related to rural.

The net investment income retracted 26.7%, mainly explained by the drop in average Selic rate, partially offset by lower financial expenses.

Brasilprev

In pension plans segment, operated by Brasilprev, the net income adjusted by the extraordinary events fell 34.5%, explained by the net investment loss which amounted to R\$278.6 million, impacted by the time mismatch in the interest accrual period of assets (mostly pegged to the current IGP-M and IPCA rates) and liabilities (mostly pegged to the IGP-M with a lag of one month) related to traditional plans, combined with the increase of the IGP-M when compared to the IPCA throughout 2020, since the assets linked to the IPCA have been increasing their share in the total granting assets.

On the inflow side, the contraction of 2.4% in contributions for pension plans, as well as the 1.2 p.p. increase in redemption ratio, both movements resulting from the adversities imposed by the pandemic, especially during the first half of 2020, contributed to the 26.1% reduction in net inflow.

The revenues with management fee were up 5.6%, propelled by the expansion in average balance of reserves, while the average management fee contracted 0.02 p.p., in a slower pace as compared to the previous years and reflecting the increase of AuM allocation to high aggregated value funds for the client.

Brasilcap

The net income of premium bonds segment, operated by Brasilcap, grew 57.4% YoY, explained by the growth of revenue with load fee and lower commission ratio, retraction of G&A expenses and increase of 24.0% in the net investment income, which is explained by the reduction of expenses with the administration of financial assets.

On the other hand, the premium bonds collections fell 11.2%, mainly explained by the drop of unique payment bonds sales and the reduction of average monthly payment bonds collection, due to the crisis generated by the pandemic that affected mainly the 2Q20, and the decrease in the average collection of monthly payment bonds.

Despite of the retraction in collections, the revenue with load fee grew 0.6%, with the 1.5 p.p. increase of the average fee, justified by the higher participation of longer maturities bonds, such as 36, 48 and 60 months, with a load fee higher than the 12 and 24 month bonds, which had greater participation in the mix of sales, in addition to the higher concentration of sales in monthly payment bonds, which have a higher load fee quote in the first installments than in the other monthly installments and higher than quotes of unique payment bonds.

Brasildental

In dental care segment, operated by Brasildental, the net income grew 22.2% in 2020, propelled by the improvement of EBITDA margin to 33.1% (+8.0 p.p.), mainly explained by the better loss ratio. The gross operating revenues amounted to R\$116.1 million in 2020, down 3.3% YoY.

BB Corretora

In 2020, BB Corretora's adjusted net income was up 4.3%, explained by the evolution of brokerage revenues (+5.8%) and by the improvement in the EBIT margin (+0.8 p.p.). These effects were partially offset by the 51.5% retraction in net investment income, explained by the lower Selic rate.

The growth of brokerage revenues in the year resulted from the good commercial in rural, credit life and term life insurances, as well as the growth of performance bonus for outperforming the sales targets for credit life and term life insurances.

4 - STOCK MARKET PERFORMANCE

BB Seguridade's stocks are traded in B3 under the ticker BBSE3 and ended 2020 priced at R\$29.63. Based on the closing price of the year, BB Seguridade's market cap reached R\$59.3 billion, ranking the Company as the 18th largest listed in Brazil by the market cap criteria.

In 2020, the average daily trading volume of the Company's shares was R\$135.2 million.

BB Seguridade's shares comprise the following stock exchange indexes: Ibovespa, IBrX 50, IBrX 100, IBrA, BM&FBOVESPA Financials (IFNC), High Standards of Corporate Governance Index (IGC), Corporate Governance Index Trade (IGCT), High Standards of Corporate Governance Index – Novo Mercado (IGC-NM), High Standards of Tag Along Index (ITAG), Dividends Index BM&FBovespa (IDIV), MidLarge Cap Index (MLCX), Valor BM&FBovespa Index (IVBX 2), MSCI Brazil Index, Bloomberg Gender-Equality Index and FTSE4Good Index.

Since March 2014, BB Seguridade maintains a sponsored Level I American Depositary Receipt (ADR) program. The ADRs are currently issued by Citibank, backed by the Company's common shares, in the proportion of 1 ADR : 1 BB Seguridade common share, and are traded Over-the-Counter (OTC) in the US market. By the end of 2020, the program registered more than 17 million ADRs outstanding, quoted at US\$5.70 per receipt.

The following table presents the main performance ratios for BB Seguridade's shares in the last two years:

Tabela 4 – Stocks performance

	Unity	FY2020	FY2019
Earnings per share	R\$	1.94	2.17
Equity per share	R\$	3.19	2.62
Closing price	R\$	29.63	37.70
Market capitalization	R\$ billion	59.26	75.40
Quantity of trade carried out ¹	-	5,249,372	4,077,898
Average daily volume traded	R\$ million	135.19	115.87
Share on B3 average volume	%	0.52	0.78

(1) Refers to standard piece

Shareholders remuneration

The high capacity of cash generation allowed BB Seguridade to set a payout ratio of 70.0% on the net income, distributed as dividends in 2020, which amounted to R\$2.7 billion, equivalent to R\$1.35 per share. In 2019, the dividend related to the net income for the year was R\$2.80 per share.

Share Buyback Program

In 2020, there was no share buyback program. As approved by the Extraordinary Shareholders Meeting, held on October 30th, 2019, the treasury shares related to buyback programs of previous year may be used specifically in employee reward program and variable compensation for Executive Officers, capped to 3,359,550 shares, with the Board of Directors being responsible for defining the best way and time to the disposal of these shares.

Thus, in 2020, 22,503 shares were transferred to the performance bonus program (PPR), designed to recognize the individual performance of employees who exceeded their targets in 2019.

5 - CORPORATE GOVERNANCE

BB Seguridade's commitment with transparency in the relationship with the capital market, mainly with its minority shareholders, is ratified by the listing, since the IPO, to Novo Mercado of B3, segment with the highest corporate governance standards in the Brazilian market.

In 2020, the need of preventive measures against Covid-19 brought challenges and accelerated processes for improving the corporate governance. In BB Seguridade, it was adopted the system of videoconferences through virtual platforms for governance bodies, which guaranteed the security and greater flexibility, with the entire process being digital.

The Company maintained the certification of the State-Owned Enterprise Governance Program ("Programa Destaque em Governança de Estatais"), despite the information of the discontinuity of the Program in 2021 by B3. Although in 2020 the Corporate Governance Index – IG SEST was not updated, there was no change in governance practices that could affect the compliance with the best practices defined by SEST, which led BB Seguridade to reach the highest score in 2019.

Regarding the improvements in the corporate governance structure, highlights to the approval of structure sharing of BB Seguridade's Fiscal Council with its subsidiaries, BB Seguros and BB Corretora, through the adoption of single Fiscal Council regime. This measure, implemented in October, seeks efficiency gains and greater synergy in supervisory activities.

It is worth mentioning the ongoing reviewing process of the technical advisory committees to the Executive Board, seeking to focus on topics that are strategic for the Company and improving decision making. In 2020, there it was also improved the work process and the role of the three Board of Directors statutory advisory committees – Related Party Transactions Committee, Audit Committee and Eligibility Committee, with improvements established in the Bylaws and internal regulations.

6 - LONG TERM STRATEGY

The long-term strategy seeks to ensure the Company's sustainability, balancing short, medium and long term efforts, preparing it to face different prospective scenarios. The strategy is reviewed, collaboratively, annually or at any time due to facts that cause relevant changes in the scenarios and increases the anticipation and strategic response of the organization to face changes.

BB Seguridade's long term strategy model comprises the following elements:

- the prospective scenarios, which comprise the archetypes that translate the vectors of uncertainty inherent to BB Seguridade's business model;
- the model for detecting and filtering signals and emerging issues for the insurance business;
- the strategic assessment by scenario, which is the analysis of BB Seguridade's strategic positioning due to its current strengths and weaknesses;
- the mission: "Protecting goods, achievements and projects";
- the vision: "We transform people's lives through the best protection ecosystem. We are a lean company that generates sustainable value";
- the values, a set of behaviors and the mindset that guide our actions; and
- the strategic objectives, which promotes strategic alignment and define how and when the challenges will be overcome; optimize the understanding, the focus and the execution of BB Seguridade's strategy; and present

metrics, indicators and key results, which measure the results achieved and the performance of the Company faced the objectives.

BB Seguridade's strategy begins with the analysis of the external and internal environments, representing the diagnostic stage, through which the prospective scenarios are reassessed and strengths, weaknesses, opportunities and threats that affect the Company in the fulfillment of its mission are identified.

After the diagnosis phase, the strategic priorities of the cycle are listed. For current cycle, BB Seguridade maintained the strategic priorities of 2020:

- to be light and efficient, with a lean structure and simple processes, with high value generation;
- to turn customers into fans, with products, services, journeys and relationship that fascinate;
- to combine online and offline to always sell more, transforming BB Corretora into an eficiente and intelligent sales machine;
- to connect and accelerate the digital, with optimization and digital transformation as attributes to growth and experience; and
- to try without being afraid, in order to hit the bull's eye, turning the future, the new and the unknown into allies for our strategy.

With these strategic objectives, BB Seguridade expects to achieve as results: an efficient capital and organizational structure; maintaining focus on the customer, with an expanded value proposition, relevant relationship and structured monitoring of satisfaction rates in all business line; a significant improvement in the distributor's journey, strengthening and increasing business intelligence in both the traditional and digital channels; an IT structure enabled to provide fast solutions for both the reaction and anticipation of competitor's movements, beyond technological qualification to explore alternative channels; and expansion of operations in the entrepreneurship and innovation ecosystem.

After the diagnostic and prioritization phase, the strategic planning process seeks to engage the employees of BB Seguridade and its investees to develop solutions that may become initiatives for the full or partial achievement of the stated strategic objectives. The methodology presented positive results by engaging the employees of all companies in the discussions and actions since the beginning of the process.

In order to keep the Company up to date and engaged with the strategy, there is a periodic schedule of internal communication to report the status of strategic objectives and projects.

For the 2021-2025 cycle, the following strategic movements were carried out:

- updating the archetypes of prospective scenarios, re-balancing internal and external aspects for BB Seguridade in the model;
- inclusion of the signal detection and filtering model and analysis of emerging issues that may influence the opportunities, threats of business environment in each scenario in the strategic planning review agenda;
- full alignment of BB Seguridade's strategic objectives with Banco do Brasil's Strategic Guidelines Plan and with the investee's Strategic Maps, including the convergence of the strategic induction method in the conglomerate;
- modeling, certification and continuous measurement of BB Seguridade's processes and increased focus on results-oriented management for the entire Company;
- establishment of priority training and development pillars for all employees, focused on service design, strategic marketing, behavioral science, user experience (UX), business modeling, data science, among others;
- approval of the innovation thesis and the corporate venture institutional program, which expands BB Seguridade's participation in the innovation ecosystem by investing up to R\$45 million in startups via investment funds;
- approach to university chairs for the development of academic studies of related topics and/or tangents to the market in which BB Seguridade operates;
- update of the Variable Remuneration of Executive Officers in order to represent the focus defined in the strategy and the business plan; and
- definition of the projects for 2021, with an emphasis on customer relationship and technological skills to access new channels of BB Corretora, in order to leverage the delivery of value to stakeholders and accelerate the achievement of objectives, as well as create the basis for the next waves of planning, in addition to proposing an agenda for the development of BB Seguridade's sustainability practices related to environmental, social and governance (ESG) aspects.

7 - RISK MANAGEMENT AND COMPLIANCE

In addition to statutory governance, supervisor and control bodies, such as the Audit Committee and the Fiscal Council, BB Seguridade has a technical area segregated from business activities, the Superintendence of Risks and Controls ("SURIC"), and is part of the Executive Superintendence of Corporate Management, Risks and Controls, directly linked to the Company's CEO, which ensures its Independence from others technical areas.

SURIC is responsible for developing and standardizing methodologies of risk management, internal controls and compliance, as well as guiding the adoption of best practices related to the subject. The guidelines approved by the Board of Directors, which guide the risk management, internal controls and compliance are in the Risk Appetite Statement, Risk Management, Internal Controls and Compliance Policy and in the Preventing and Combating Money Laundering, Terrorism Financing and Corruption Policy.

The Risk Management, Internal Controls and Compliance Policy approved by the Executive Board is aligned with the Company's strategy and considers the corporate scenarios in the identification, analysis and treatment of events that can negatively impact the achievement of the strategic objectives.

The compliance and internal control systems monitoring through the Internal Controls and Compliance panels is quarterly reported to the management, including relevant information not only by SURIC, but also by Internal and External Audit and other supervisory bodies.

The maintenance and periodic evaluation of the Integrity Program fosters the ethical organizational culture and reinforces the responsible conduct of employees, in compliance with internal management controls adopted to the mission accomplishment and fulfillment of the Company's purpose.

In 2020, it is worth highlighting the focus on business continuity management and risk associated to information security due to Covid-19 pandemic and the remote work adherence. In addition, regarding to compliance, action were taken in order to comply with the Brazilian General Data Protection Law, CNSP Resolution nº 382 and Susep Circular nº 612, which impacted the insurance industry significantly.

8 - COMMERCIAL, PRODUCTS AND CUSTOMERS

BB Seguros believes that a long term relationship should consist in of dialogue, transparency and complicity, so since 2019 it has been devoting efforts with its investees to stay together with clients throughout its life cycle. The strategy is to use digital channels and expert assistance to maintain a frequent contact that brings from information and guidance on purchased products and services to tips and diversified content.

Thus, in 2020, BB Seguros maintained the connection with its customers, prioritizing care and attention in face of such a challenging moment due to Covid-19 pandemic.

The challenge was to support even with the distance, and to achieve this goal it was offered to more than 350 thousand customers the possibility to use a free online therapy platform or a platform of books and readings. Almost 30 thousand customers enjoyed this comfort and for those who did not feel the need, BB Seguros sent a weekly e-mail with the most varied tips for taking care of the mind, body and family. Among references for physical activities at home, movies, music, games and entertainment for the whole family, there were more than 5 million e-mails opened, with a receptivity above expectations.

Respecting the social distance measures imposed by the pandemic, 4 Customer Councils were held virtually in order to hear directly from the customers perceptions about their experience with products and services, through which 34 perceptions were identified that will help to provide a better experience in 2021. Surveys were also carried out, in which more than 800 thousand customers were heard and another 300 thousand transactions were evaluated.

Aiming to turn customers into fans in mind, the NPS (Net Promoter Score) and satisfaction survey assessment and monitoring was structured in the investees, increasing the recurrence of inquiries to understand the main reasons of promotion and detractor to be able to act with projects and initiatives that improve the customer experience and, consequently, our indicators.

In complaints, the Monthly Quality Forum was created with the participation of BB's customer service and Ombudsmen and BB Seguros' investees in order to expose and deepen the analysis of the main reasons for complaints by product and address the necessary improvements. As a result, the number of complains reduced 38.9% in 2020.

Despite the difficulties of distance measures imposed by the coronavirus pandemic, BB Seguros continued its strategy of revitalizing the portfolio of products, in order to offer the best solutions to protect goods, achievements and projects.

The rural lien insurance was the first product to have its sales journey improved, with the inclusion of online simulation, in addition to a new model of offering and new coverages, consolidating the product as the most complete in the market.

In order to face the lower interest rate scenario, in March, new investment options were made available to pension plans costumers, with the launch of multi-manager funds, in an open platform concept, currently composed by 10 independent asset managers, which reached R\$3.7 billion in assets under management at the end of the year.

Then came the life insurance portfolio, with the launch of a new product in June, with the concept of “Insurance for Life”, which includes benefits and the revision of assistance packages, focusing on customers’s well-being, health and quality of life. Other developments were focused on improvements in the distribution journey, both in Banco do Brasil’s network and in digital channels, as well as creating a relationship rule for delivery of relevant content related to the themes used in the conception of the new product. As a result of the improvements made, since the launch there was an increase of around 10% in the average length of stay, while the average ticket was up roughly 9%. There was also a growth of 3.5 p.p. in the share of digital channels in sales.

In July, it was launched the “BB Seguro Agrícola” for the public of National Program for Strengthening Family Farming – Pronaf, aiming to strengthen even more the relationship with farmers and reinforcing the role of BB Seguros’ as an important agribusiness and its entire production chain supporter. In 4 months, the product reached nearly R\$60 million in premiums.

For auto insurance, the improvement was the launch, in August, of a feature that enables the scheduling of premium quotation through the internet and BB’s mobile app, improving the offering journey to customers.

In order to address a demand in the livestock segment, which is highly representative in agribusiness, in September there was an expansion of the livestock insurance pilot stage, a product that guarantees to the insured the agreed revenue in the insurance policy, even in case of a decrease in the commodity price or lower productivity due to disease or death of cattle. With the extension of the pilot stage, the product started to be distributed in 10 Brazilian states, comprising 3,457 Banco do Brasil branches.

The new credit life insurance namely “Seguro Crédito Protegido” was launched in October with significant improvements, including the automatic payment of indemnities for death and new coverages, such as permanent disability by accident, involuntary unemployment and temporary physical disability by accident. In addition, the offering structure was reviewed, which made it more flexible to apply differentiated commercial rates according to the channel and credit lines. In the first months of operation, the new product reached R\$380 million in premiums and about 186,000 contracts until December 2020, with an average premium increase from R\$434 in 2019 to R\$2,018 in 2020.

Finally, in terms of portfolio management, in December a new improvement was implemented in pension plans investment funds portfolio, with a more competitive management fee for lower value-added funds and new investment strategies, with greater exposure to variable income, increasing the range of options to reallocate customers resources in a scenario of interest rates at historically low levels in Brazil. It was also launched the “Brasilprev Carteira”, which allows costumers, according to their risk profiles, to allocate resources in multimarket funds whose balance of investment strategy floats according to the economic outlook and market opportunities.

In the commercial field, BB’s sales force incentive strategy was expanded through awards directly linked to sales of insurance, pension plans, premium bonds and dental plans, with immediate, monthly and half-yearly incentives. In addition, there were specific campaigns to attract new customers for pension plans, life insurance and rural.

There were commercial initiatives during the year, in particular the “Winner Profile” campaign, related to the sales and contact scheduling for auto insurance “BB Seguro Auto”, as well as “Semana Brasil” (Brazil Week), “Semana Cliente” (Customer Week), and the traditional “Brack Friday”, which contributed to the results achievement and enhancing the loyalty of new customers. In addition, there were advertising campaigns on TV and digital media to publicize the new life insurance, as well as advertisements on TV for pension plans and premium bonds products such as “Brasilprev Fácil”, “Brasilprev Júnior” and “Ourocap 25 anos”.

Reinforcing BB Seguros market positioning, there were initiatives at the beginning of the year in agricultural fairs – Coopavel and Cotrijal and, even after the Covid-19 pandemic decree, the Company continued participating in virtual events. Also in 2020, it was held the 6th edition of BB Seguros Blue and Jazz Festival, an event held online and through drive-in exhibitions.

9 - HUMAN CAPITAL

BB Seguridade’s staff is mainly composed of employees ceded by Banco do Brasil. In December 31st, 2020, the Company had 150 employees and 4 statutory, headquartered in Brasilia and Sao Paulo, 9 trainees and 20 outsourced people.

BB Seguridade believes that its human capital is the main asset of the Company. With this mindset, the Human Capital department has a strategic purpose for human resources area and not only transactional functions, reformulating its processes. With that purpose in mind, some processes has been redesigned and structured, such as: recruitment and selection, performance management, training and development, retention and succession and organizational climate management, with the main purpose of attracting, retaining and developing BB Seguridade’s talents, disseminating and

strengthening the organizational culture and acting as strategic partner of the business, seeking a sustainable performance in all areas of the Company.

In view of the scenario caused by the Covid-19 pandemic, in 2020 the Company adopted measures in order to keep its employees' safety, such as remote work for all the staff, as well as the suspension of in person training and face-to-face corporate events. In addition, preparing for the after crisis, BB Seguridade prepared a return to the office plan to ensure a safe environment for employees when returning to the office.

Diversity

In order to increase the female representation in the Company and safeguarding the gender equality, in the recruitment and selection processes, in the technical stage (whose tests are blindly corrected), more than the ordinarily established number of candidates can be called, considering the proportion of applicants between men and women and the prerequisites for the position.

It is important to clarify that, at BB Seguridade, there is no distinction of remuneration for those who occupy the same position, respecting the diversity in the definition of the salary policy.

In the corporate education, the Company makes use of the BB's corporate university, where there are courses that deal with the topic, such as the "Female Leadership" course, aiming to disseminate the strategic importance of promoting gender equality in the company.

In 2020, BB Seguridade began structuring a project aiming to promote the strengthening of female leadership, whose stages involve: (i) diagnosis, in order to identify barriers that may prevent the female ascension; (ii) workshop to discuss the diagnosis results and planning female empowerment in the Company; and (iii) courses aimed at disseminating the equality culture, the importance of female leadership and the company's strategy for conducting the theme. However, with the beginning of the pandemic, other projects had to be prioritized, postponing the acceleration of the mentioned steps to 2021.

Regarding race and ethnic equality, in September 2017, Banco do Brasil and the Business Initiative for Equality announced an agreement in which the institution and its affiliates, including BB Seguridade, take the "10 Commitments of Companies with the Promotion of Racial Equality". The letter of commitment foresees initiatives to raise awareness and educate about the respect and promotion of racial diversity in the planning of products, services and customer service and actions to the professional development focused on racial equality in the access to work and income opportunities. In BB Seguridade, on December 31st, 2020, 19% of employees declared themselves brown or black.

Regarding the promotion of equal rights and fair treatment for the LGBTIs public, the following advances were promoted by BB and reach BB Seguridade: (i) the possibility of using the social name in the badge, business card, stamps and e-mail for trans and transvestites person; (ii) use of bathroom according to the employee's gender identify; (iii) simplification of the procedures for inclusion of dependents by homoffective union; and (iv) maternity leave for one of the spouses of children generated by replacement uterus.

The inclusion of people with disabilities in BB Seguridade is also part of a set of actions aimed to promote equal rights and citizenship. In this sense, the physical work environments are adapted and there are guidelines for the reception of employees with disabilities.

In line with all this initiatives, BB Seguridade, on its policies, actions and culture, appreciates the maintenance of staff diversity. The following table summarizes the composition of BB Seguridade employees:

Tabela 5 – Human Capital – Composition

	Annual Composition		
	2020	2019	2018
Number of Employees			
Employees	154	161	151
Outsourced	20	31	32
Trainees	9	15	8
Board members	10	14	14
TOTAL	193	221	205
Gender			
Female	34%	34%	33%
Male	66%	66%	67%
Employees education			
Graduate or specialization degrees	80%	67%	77%
Undergraduate degrees	13%	29%	20%
High School	5%	3%	3%
Other	2%	0%	0%
Age Range			
Under 30 years	4%	17%	8%
Within 30 and 50 years	75%	75%	88%
Above the 50 years	21%	8%	4%

(1) Employees and statutory

(2) The percentages related to gender, employees education and age range were calculated based on the total number of employees (employees, outsourced, trainees and board members).

Recruitment and Selection

Despite the adverse scenario faced in 2020, the Company continued consolidating the recruitment and selection model, prioritizing the talents inside the Company and recruiting Banco do Brasil's candidates only when not identified internally employees with the necessary skills to the position. This process, besides valuing the Company's employees, aims to manage the knowledge, to reduce the learning curve and the costs to organize external recruitment process.

Among internal, external and mixed processes, 9 vacancies were filed in 2020, 7 by external selection processes and 2 direct appointments in ascension – the later for promptly meeting the defined professional profiles and the other prerequisites required for the respective positions.

Training and Development

Reinforcing the importance that BB Seguridade gives to the development of employees, roughly R\$834,000 were invested in training and specialization scholarships and languages (which represents 1.44% of the personnel expenses budget). For graduate degree programs, employees may also use authorized absences, with the purpose of finishing the final course project.

In 2020, the main training courses which were part of the Corporate Development Plans ("PDC") were: (i) Data Workout Program, which aimed to introduce the Data Science to employees and prepare them to work with this important tool; (ii) Behavioral Economics in Practice; (iii) Copywriting; and (iv) UX (User Experience).

The investment in the development of leaders and teams is oriented to the improvement of key-skills to the Company (technical or behavior skills), aligned with our values (Innovation, Simplicity, Customer Respect, Owner Feeling and Reliability), ensuring the continuity, quality and sustainability of business.

Development Management and Feedback

BB Seguridade's management model provides semiannual performance assessments, considering the 360° view (self-assessment, manager, peers, clients and leads) established in stages, which includes the design and alignment of individual performance agreements, which are reviewed quarterly, so that can be adjusted according to the needs of the moment – identification of new obstacles or new opportunities. Such reviews are accompanied by feedback meetings held by immediate manager aiming to identify the strengths, as well as possible points for improvements, in order to enable the professional development of employees and the company together.

The development management cycle ends with meetings of Career and Development Commissions to calibrate the assessments, which use a tool called "9-Box Matrix", in which the observed performance and the potential of each

employee are placed on two cartesian axes (X and Y), with each axis divided between low, medium and high levels, to define in which level each employee can be classified.

Besides of generating inputs for development initiatives in the Company, the development management cycle provides subsidies for training, movements, recognition, retention and succession actions. From the development management cycle, are formulated the PDC, which addresses the corporate strategic skills development needs of the company, and the Individual Development Plan ("PDI"), which seeks to meet the specific development needs of each employee.

Talents and Succession

Since 2019, BB Seguridade has advanced in increasing the maturity of talents and successors identification process.

Talents are identified through the development management cycle, which comprises the performance evaluation through the Career and Development Commissions, as mentioned in the Development Management and Feedback session. The Commission also has as one of its final objectives the identification of potential successors through employees who presented high performance and high potential, which will be prepared to occupy new positions of greater complexity.

Thus, in 2020, BB Seguridade initiated a Program for the Development of Potential Successors for management positions, and the first step – self-knowledge – aimed to provide subsidies for the construction of personalized trails for each of participants, which will be made available over the next year.

Benefits and Awards

BB Seguridade guarantees similar benefits as those granted to Banco do Brasil's employees, with emphasis on supplementary pension plans, health plans and variable compensation based on Company's profits and results. In addition to these benefits, in 2019 the Board of Directors approved the "Applause Program", an award linked to the result and individual performance of the eligible participants who stands out in terms of achieving individual goals and differentiated contribution to the company's results. The award is paid with Company's shares and aims to strengthen the partnership between the employee and BB Seguridade, to recognize the participation of employee in the construction of results and to align with the Company's strategy. In addition, the Executive Officers Variable Compensation Program also provides the payment of 50% of total variable remuneration in shares of the Company.

In 2020, based on the individual performances for 2019, 33 employees (from a total of 142 evaluated) had their performance recognized through the "Applause Program".

The following table presents the investments made during the year:

Table 6 – Human Capital - Investment

	Annual Flow		
	2020	2019 ¹	2018 ¹
Investment in People	58,020,664	53,827,485	52,492,284
Payroll ²	52,129,717	48,959,203	48,233,611
Supplementary pension	2,865,357	2,641,534	2,500,289
Health insurance	2,191,697	1,249,029	1,129,984
Training (Scholarships and Courses)	833,893	977,720	628,400

(1) As of 2020, some of the amounts referring to supplementary pension and health insurance, previously considered as payroll, started to be reported separately. In addition, the payroll line now includes amounts related to food and meal allowances. Thus, for a better comparable basis, 2018 and 2019 data were revised, according to the current parameters.

(2) Salary, benefits and social charges, excluding the amount referring to supplementary pension and health insurance

Organizational Climate

BB Seguridade has performed organizational climate and satisfaction surveys at least once a year, to diagnose what may be improved and to address the main points through actions related to people management practices.

In the second half of 2020, the Company participated of the Climate and Organizational Engagement Survey applied by Banco do Brasil, which showed that 86.17% of employees are satisfied with their work at BB Seguridade, with an engagement rate of 72.34% (grade where the work shows interest, diversity, personal satisfaction and pride in belonging to the company).

In addition to these surveys, in 2020 were made available the Climate Pulse on a quarterly basis, which consists of e-NPS (Employee Net Promoter Score) survey with an additional question related to various topics, which aims to identify, in the short term, the possible factors of eventual employee satisfaction and/or dissatisfaction.

Based on the survey of employees' perception through these instruments, the Company has been taking actions to increase the employees engagement and the organizational climate.

In 2020, the turnover of the company, considering the employees who return to Banco do Brasil or were ceded to one of our investees, was of 5.19%, which represents a decrease of 5.61 p.p. when compared to 2019.

10 - SOCIAL AND ENVIRONMENTAL RESPONSABILITY

BB Seguridade is committed to align its ESG initiatives (environmental, social and governance) with the best market practices. In addition, it also follows the guidelines adopted by its controlling shareholder, Banco do Brasil.

The insurance activity is intrinsically related to environmental and social sustainability by promoting the risk management through solutions to protect assets, achievements and saving incentives, stimulating society's awareness of the need to take care of today to achieve a balanced and healthy tomorrow.

In 2020, the Company innovated its social responsibility approaches in response to the crisis generated by the decree of the global pandemic. Honoring its connection with Brazilian society and its tradition of supporting people and communities at risk throughout the country, BB Seguridade Group opted for a fast and focused action on handling the negative externalities arising from social isolation measures imposed by the virus. Thus, the Company donated R\$40 million to the purchase of food and hygiene materials that are already improving the living conditions of thousands of Brazilians across the country. The application of these resources was coordinated by Banco do Brasil Foundation, which has been in operation since 1985, and has reached more than one million people. In the sense of taking care of employees and sales force, 196 thousand protection masks were donated, reaching 5,000 branches throughout the country.

In order to support customers and society, the Company adopted measures aiming to keep customer protected in the context of a pandemic and financial restriction, with the extension of coverage of death due to Covid-19 and the adoption of "skip installments" for products during the period more impacted by the distance measures, studying each business line and the needs of its customers.

Additionally, in order to minimize the suffering and loneliness resulting from social distance, reading and psychotherapy activities were offered digitally, as well as free technical assistance services related to electronic devices.

Regarding the governance field, BB Seguridade has representatives in the most diverse governance bodies available in its investees, influencing and encouraging the economically viable initiatives, aligned with good market practices, in order to support culture, social actions and wellness.

Additional information on ESG practices can be reached in the Sustainability Report of BB Seguridade, available at <http://www.bbseguridaderi.com.br/en/financial-information/annual-and-sustainability-reports>.

In the investee companies, the main actions related to the topic were:

Brasilseg

- **ISO 14001:2015:** Brasilseg is certified to ISO 14001:2015, which assures international standard of the company's Environmental Management System (SGA). This system is based on the analysis of the significant environmental aspects and impacts, direct and indirect associated with the processes of company's headquarter. Taking care of the environment is a daily practice in the company, which sets goals and challenges in its sustainable management, with an impact on the entire value chain.
- **Global Compact Brazil Network:** in 2019, Brasilseg became a signatory to the Global Compact, aiming to contribute to the construction of a more inclusive and equal global market.
- **Brazilian GHG Protocol Program:** the company measures greenhouse gas emissions from the administrative and Franca headquarters using the GHG Protocol Carbon Management Tool to offset emissions. The process covers all employees and takes into account energy consumption, waste generated, movement of employees to the company and business travels. In 2020, 1,403 tons of CO₂ equivalent were offset through voluntary cancellation of carbono credits under the Clean Development Mechanism.
- **Sustainable Development Objectives (SDG):** Brasilseg operates in line with the SDGs through a set of commitments, programs and targets in areas such as diversity, inclusion, customer relationship and compliance. Additionally, it promotes employee engagement with the cause through educational initiatives within the company.
- **Principles for Sustainable Insurance (PSI):** since 2019, the company is a signatory of the PSI and has been developing actions, projects and investments to serve them.
- **Projects:** in 2020, 22 social and cultural projects were carried out through the "Lei de Incentivo a Cultura" (Culture Incentive Law), the "Lei de Incentivo ao Esporte" (Sport Incentive Law), the "Fundo para a Infância e a Adolescência" (Fund for Childhood and Youth), the "Fundo do Idoso" (Elderly Law Fund), the "Programa Nacional de Apoio à

Atenção Oncológica – PRONON” (National Program of Assistance to Care) and the “Programa Nacional de Apoio à Atenção à Saúde da Pessoa com Deficiência – PRONAS (National Program to Support the Health Care of Persons with Disabilities), with more than 220 thousand people served so far.

Committed to the principles of accountability and transparency related to environmental, social and governance practices, Brasilseg started to release, in 2019, its Sustainability Report following the guidelines of the Global Reporting Initiative (GRI), available at the company’s website (<https://www.bbseguos.com.br/seguradora/seguos/quem-somos/sustentabilidade>)

Brasilprev

- **Principles for Responsible Investment (PRI):** Brasilprev integrates and subscribes voluntary commitments and agreements with institutions and organizations with which it shares principles and values in order to play its role as transforming agent in society. Among them are the Principles for Responsible Investment (PRI), since 2017. PRI is recognized for establishing global standards related to responsible investments, encouraging investors to incorporate environmental, social and governance (ESG) aspects in their investment processes.
- **Expansion of ESG Investment Strategies:** in February 2019, Brasilprev launched the “Brasilprev TOP ASG” fund, with allocation in ESG ETF’s (Index Fund) abroad. Until December 2020 the fund had an accumulated equity of R\$54.0 million and return of 61.0% (vs. 8.1% of CDI), since its creation. In December 2020, it was launched a new fund with ESG strategy to private customers which, in addition to ETF’s abroad will also invest in Brazilian stocks that follow good practices of ESG.
- **Declaration on Green Bonds:** Brasilprev is signatory since 2017, together with other investors representing around R\$1.8 trillion in assets under management. The signatories commit to dialogue with entities, governmental or not, to stimulate the development of a robust Brazilian green bond market that truly contributes to addressing climate changes.
- **Carbon Disclosure Project (CDP):** Brasilprev participates in CDP as a signatory investor, having access to its global database with information about companies’ commitment, whether potential or already invested, in relation to carbon emissions and sustainability actions.
- **Projects:** in 2020, 4 social projects were carried out through incentive laws the - “Lei do Idoso” (Elderly Law) and Fumcad, benefiting more than 54,000 children and the elderly.

Informations related to the topic are available at the company’s website (<https://www1.brasilprev.com.br/quem-somos.html>).

Brasilcap

- **Principles for Sustainable Insurance (PSI):** the only premium bonds company in Brazil which is signatory of the Principles for Sustainability in Insurance (PSI), since 2015.
- **Ethos Institute:** Brasilcap is associated to Ethos Institute with the right to participate in forums related to ESG issues and to use Ethos Tool – which enable the management and monitoring of ESG indicators and the company’s sustainability ratio.
- **Actions against Covid-19:** in 2020 the company expanded its role in social responsibility in response to the health crisis triggered by Covid-19, having supported, among others, the initiatives: “Adopt an ICU bed – In the Fight Against the Coronavirus”, with the donation of resources that contributed to the acquisition of respirators, incubators, electric bed for ICU, cardioverter, cardiac monitor, hospital supplies such as PPE’s (masks, aprons and surgical instruments), as well as expenses with doctors, nurses and assistants services.

More informations related to the topic are available at the company’s website (<https://www.brasilcap.com.br/brasilcap/brasilcap/responsabilidade-socioambiental/responsabilidade-socioambiental.html>),

11 - MAJOR AWARDS AND ACKNOWLEDGMENTS

In 2020, BB Seguridade was the winner of the 20th Corporate Broadcast Award, in partnership with Economatica, which awarded companies with the best performance in a set of indicators and corporate governance practices in 2019. The Company was also winner in the “Novo Mercado” category.

Below, the main awards and recognitions received by the companies that are part of the BB Seguridade Group:

Brasilseg

- **Great Place to Work (GPTW):** Brasilseg was recognized in the ranking of Great Place to Work Institute due to its actions on climate, development and employee well-being.

Brasilprev

- **“Isto é Dinheiro”:** chosen the company of the year in the insurance segment in the “As Melhores da Dinheiro 2020” yearbook, and reached the first place in social responsibility management performance.

Brasilcap

- **Citizen Company Certificate:** recognized for the ninth consecutive year, the title, given by the Regional Accounting Council of Rio de Janeiro (CRCRJ), is in the 18th edition and aims to encourage excellence in the quality of accounting and socio-environmental information, published in companies annual reports of all sizes and segments in the country.
- **Modern Consumer Award:** Brasilcap was the winner of the 21st edition of the “Modern Consumer Award for Excellence in Customer Services”, in pension plan and premium bonds segment. The award is an initiative of “Consumidor Moderno” magazine, in partnership with the Standard Intelligence Center (CIP) and OnYou. The analysis process involved three phases, with different approaches, which ensured the evaluation of different aspects of service provided by the company.

12 - LEGAL INFORMATION

By the end of 2020, BB Seguridade did not account financial debts on its financial statements. The source of funding was constituted mainly by equity, in addition to possible cyclical sources of financing.

The investments of its subsidiaries and affiliate companies will follow its regular flow of execution, according to their individual plans structured by each company.

In compliance to CVM Instruction nr 381/03, BB Seguridade informs that throughout 2019, it used the independent audit services of Deloitte Touche Tohmatsu Auditores Independentes (“Deloitte”), through the contract signed by its parent, Banco do Brasil S.A.

Additionally, BB Seguridade and its subsidiaries inform that Deloitte did not render services that could affect its independence in relation to the audit work in 2020, ratified by the Independence Letter presented to BB Seguridade.

In the non-audit services hiring process, BB Seguridade adopts procedures based on the applicable law and the internationally accepted principles that preserve the auditor's independence. These principles are: (i) the auditor should not audit its own work, and (ii) the auditor should not act managerially nor promote the interests of his client.

The following table presents a list of services provided by Deloitte to BB Seguridade’s subsidiaries, affiliates and controlling shareholder that were in force during 2020:

Hiring Company	Contract dates		Service	Fee (R\$)
	Start	End		
Banco do Brasil S.A.	03/22/2019	03/22/2021	Audit services on the financial statements of Banco do Brasil Conglomerate, prepared in accordance with IFRS and accounting practices adopted in Brazil	17,805,810.40
Brasilcap Capitalização S.A.	04/01/2019	04/30/2021	Audit service of the 2019 and 2020 Financial Statements	753,000.00
Brasilprev Seguros e Previdência S.A.	03/01/2020	04/30/2025	Audit services of financial statements and actuarial audit for the semesters ended 06/30/2020 to 12/31/2024	700,000.00
Brasilseg Companhia de Seguros Aliança do Brasil Seguros S/A	10/15/2020	10/14/2021	Independent actuarial audit for 2020 fiscal year	237,500.00

BB Seguridade, its shareholders, management and members of the Fiscal Council are committed to resolve any disputes or controversies related to the Novo Mercado Listing Regulation through the Market Arbitration Chamber of B3, according to the arbitration clause in BB Seguridade's Bylaws, Article 51.

Acknowledgment

We would like to thank the dedication and commitment of our employees and collaborators and the distribution network of Banco do Brasil and other partners, which are fundamental for maintaining quality customer service and the compliance of processes in a year as challenging as 2020, in addition to the trust placed by shareholders, customers and society in general.

Brasilia, 2021

The Board