Felipe Peres:

Hello, good morning. Welcome to our virtual conference call to present the results of 4Q24. This conference call is being recorded, and you are now listening to the simultaneous interpretation into English. To listen to the audio in English, press the interpretation button at the lower right hand side of your screen.

This conference call is going to have two parts. In the first part, our CEO André Haui and our CFO Rafael Sperendio will share with you the results of 2024. Then we are going to have a questions and answer session, when analysts and investors will be able to ask questions.

Our slide deck is available at our investor relations website, at ¨www. bbseguridaderi.com.br¨. Now I am going to give the floor to Andre, who is going to start the presentation, and I will come after their presentations to moderate the Q&A session. Andre, please, the floor is yours.

André Haui:

Thank you, Felipe. Thank you, dear friends. First of all, I would like to thank everyone who joined us in our virtual conference call. It is a great enthusiasm and satisfaction for me to announce that our net income grew 9.5% in 2024, reaching the record of R$8.7 billion.

Managerial profit, according to SUSEP, is R$8.2 billion, an increase of 5.7% compared to 2023. A very solid result supported by the 11.9% growth in non-interest operating income net of taxes, which more than offset the drop in investment income. We continue with a very robust payout policy for our shareholders in 2024. R$7.1 billion were allocated to the payment of dividends in addition to R$1.2 billion used to share buybacks.

In other words, between dividends and buybacks, more than R$8.3 billion were allocated to our shareholders in a payout of more than 95%. We have R$17.5 billion in written premiums growing strongly in the most profitable lines. In credit life, the increase of 7.9%. According to data from SUSEP, until November, written premiums were more than 70% higher than the second place in the ranking.

In rural lines, despite the challenging year, we managed to expand our market share to 63.6%, an increase of 21.2% in farmer's credit life insurance and 28.1% in ruralian insurance. Our loss ratio closed the year at the lowest historical level of 23.7%, a result of a very robust, underwriting and risk mitigation policy, which is the result of our reinsurance strategy.

In our accumulation businesses, pension reserves expanded 9.4% in 12 months, reaching R$428.9 billion. Collection of premium bonds grew at 4.2%, totalling R$6.7 billion in 2024. In our distribution business, the 10% growth in brokerage revenues was insured both by the commercial performance, including the sale of products that are not underwritten by our investors, and also by the recurrence and booking of revenues related to sales completed in previous years, especially in credit life insurance.

In 2024, we continued to execute our strategy to evolve the use of technology and data to generate businesses and to improve the service to our customers. R$138 million were invested by all of the Group's Companies, in IT infrastructure, cybersecurity ,development of new products and digital solutions.

This investment has helped us to make important developments in our portfolio. In rural insurance lines we are expanding our operations beyond traditional products, such as crop insurance, to be able to take advantage of all the opportunities of every business.

We have launched livestock lean at the beginning of last year and we have already issued a R$511 million premium. And now revenues grew 84%, almost R$650 million in insurance premiums aimed at the livestock market, which represents an important share of BB's rural credit lines.

As I mentioned in the previous slide, Farmers' credit life insurance had a significant growth of 21.2%. This increase was made possible by the conditions we implemented in the product, with an expansion of the amount insured and the age of our customers. In a strategy that aims to look at the customer throughout their life cycle, we sold more than 85,000 personal protection insurance policies, which was launched in 2024.

This product is life insurance with simplified coverages and more affordable prices. An important product to universalize access to insurance, creating long term opportunities as customers develop their financial education and start to purchase more sophisticated products.

In pension, we launched a product that allows us to offer the accrued balance in reserves as a collateral for credit operation. Important solutions that we developed at home to provide liquidity to our customers to prevent them from accessing long term services in the event of any momentary needs.

In 2024 alone, more than R$800 million were given as collateral for credit operations. We also continue to advance in our distribution businesses. In 2024 BB brokerage routes traded more than R$18.7 billion in insurance premiums. So it is important to work as a brokerage, with the sales of more than R$967 million for auto insurance premiums and $153 million in large risks and transportation, with a focus on the BB's wholesale segment.

In these refunds, we do not take part in the underwriting. To diversify our strategy, we issued more than R$2.1 billion premiums via partner channels, accounting for 12% of the total. In rural alone, it was R$1.3 billion contributing with R$233 million to the result, a growth of 17%.

Last but not least, we evolved in our performance in digital channels. In 2024, 180 thousand new clients were added to our customer base, and more than 915 thousand sales were conducted. We raised more than R$900 million pension plans and reached 26% in PM premium bond sales carried out remotely through digital channels.

The economic performance that I have spoken to you is related to one of the most important pillars in our strategy, which is the customer at the center of our work. Our NPS remains consolidated within the quality zone and has evolved 4.7 points last year. The number of complaints has been dropping continuously, and in 2024 it was 15.2% lower than it was in 2023.

The evolution of satisfaction levels is reflected in the permanence of customers evidenced by 17% reduction in churn in 12 months. And the level of protection of our customer base continues to evolve. The number of super protected customers, which have more than 4 products, has grown 12.6%. So the differentiated benefits and service has reflected in an NPS at 11.9 points higher in 2024. And now our relationship NPS is almost 12 points higher than that of our customers.

Now I end my speech and give the floor to Rafael, who is going to continue, giving you our financial details. I will be back for our Q&A session. Thank you very much.

Rafael Sperendio:

Thank you, André. Now going to the details of our numbers for the year and the 4Q24. Our approach is always according to SUSEP's accounting standards, which is the basis for our booking and our financials. So, R$2.8 billion, 2.2% in 4Q24, growing 6% in both comparison basis. A very solid result, especially if we consider all the challenges with the investment income, not just the reduction of the Selic rate, the increase of the cost of liabilities in Brazil (9:35) with the defined benefit that is pegged to the IGPM.

And then we had a deflation of 3% in IGPM in 2023. In 2024 a high of 6%. And this had a direct impact also related to the interest rate that caused a negative effect. That is why the investment income dropped 13% year on year in Q424 and dropped 17% in the whole year numbers. This is one of the smallest shares in our historical series.

Now, with a little bit more detail, and breaking down our adjusted net income, the profit has grown to R$440 million. Related to the growth in operation, R$723 million. Especially due to Brazil's Seg. And not just because of the growth in sales during the business year but also because of the booking of sales that were conducted in previous business years with a reflex and brokerage, revenues, and also offset by higher commission rates or commission fees and then reduction of the Crop insurance that helped to the overall composition of brokerage revenues.

We had a reduction in loss ratio in 2024 in all lines. There was a reduction in the loss ratio. Credit life has contributed a lot for the better results of the operation. In terms of the net investment income, we had an operational growth, and then investment income takes R$184 million as compared to 2023. R$57 million growth coming, especially because of higher volume.

And then we were able to offset the reduction in the Selic rate with higher volumes. But then, on the other hand, the market to market took out R$184 million of our bottom line in 2024. And in 2023 that number was positive by R$149 million.

Now, going a little bit about the details per operation. First, Brazil's Seg, in terms of premiums written. There was a growth of 6% in 4Q24 coming especially from an acceleration of the growth of rural lines, growing 23% year on year in Q424 and a 2.2% growth of premiums for the whole year. Rural growth of 4.1% and half of the premiums written this 4.1%.

Rural lean and also for individuals, and small and middle sized businesses. It dropped 40% because of the end of the product that we had for the credit letters and then we decided to discontinue it in 1Q24.

When we look at the quality of the operation, there is an overall improvement of the combined ratio coming, especially because of the drop in loss ratio, as I mentioned before. All the lines are getting better, except for credit life. Credit life has a few one offs in 2024, especially the reporting of claims that there was a backlog. And then we reviewed the basis and we reported in the 1st and 2nd quarters of 2024 and technical reserves surplus. Apart from that it would have been flat.

Here in pink, you are seeing the increase in commission fees. So this is related to our brokerage business, as I said before. Credit Life pays higher commissions and a crop pays less. So one goes down, the other one goes, but in the end it goes up.

SGNA is almost flat. Net investment income dropped 2% in 4Q24, an 8% drop in the whole year, especially because of the drop in the Selic rate, which we could partially offset with volume but not completely.

Last, our net income grew 10% year on year. 10% in the whole year. Better combined ratio as I showed before, more than offsetting the results. Now, going to our pension. Business had a 3% growth in collections in 2024, getting to R$59 million. So in 4Q24 there was a 4% reduction year on year.

In terms of net inflow, we can see flat redemptions. R$7 million in net inflow in 2024. There is a growth of our reserves of 9%, so the concept and total. And then reserves of PGBL and VGBL in line with our management fees that grew 10% year on year in 4Q24, and also considering the whole year for 2024. Even though we observed a drop in management fees because of the mix. You can see, here in the lower left hand side, the reduction of multi-market funds in the total AUM as a consequence of reduction in the average rate because of risk aversion and more concentrated fixed income.

There is a reduction in the management fee. But because of the increase of more business days in 2024 this was offset and revenues grew, which is very much in line with our growth in P&D reserves.

The efficiency of the operation improved in 4Q24 and also for the whole year. But the increase in revenues, management fees, and the more efficient operations were not enough to offset the drop in investment income because of IGPM. There was a deflation 2023 and inflation 2024 in 4Q24, so the impact was quite significant. We had a reduction of 72% in net investment income, and this explains the drop in the net income, dropping 27% quarter on quarter and 15% year if you compare the two years.

Premium bonds collection grew 4% quarter on quarter, a drop of 3% in our reserves because of a shortened term. There was a reduction in the last 12 months. Lotteries paid, so we paid 19% draws into 4Q24 and 63% in the year, almost flat. Net investment income was almost flat. A reduction of the Selic rate so partly offset by the reduction in a TR.

For the year, financials went up by 5% despite the 20 basis points drop in the financial margin because of the balance in financial, in investment. And then net income grew 1% year on year, 5% for the whole year. For the whole year it grew very much in line with the growth of the net investment income in 4Q24. It grew even though investment income dropped because of expenses, and this has been the main challenge in this operation, and we are trying to make it more efficient, and this is our challenge for the midterm.

Now, going to our brokerage business that grew 8% year on year. 10% for the whole year, especially because of the insurance operation. Not just, as I said initially, because of sales of the current business year, but also because of the booking of sales that were conducted in the last three years with the brokerage fees being booked in 2024, when the year was R$6 billion. So a quite relevant number of commissions that will be for the next year.

Net margin is better, 1.1% year on year because of the mix. And also higher investment income because of volume and for the whole year the margins almost flat or an increase of 30 basis points. That is why the result is up a little bit higher than the growth in revenue.

Now we are going to talk about our 2024 guidance. Non-interest operating result, our range was 5 to 10. We delivered a 10.7. So exceed our guidance because of a lower loss ratio than we initially expected.This is an extremely good result because if we think of the need to have additional reserves and coverage we had not planned that, it was not planned.

But despite this provisioning that had not been included in the projection, we could exceed the range of the guidance. And in 2025, because of the most financial feature of this kind of coverage, it reflects the update. Rate plus inflation. So in 2025 we are likely to reclassify this expense to investment expenses. Therefore the constitution of additional reserves would have been 12%.

Written premiums of Brazil Seg is in the upper half, which was from 0% to 3%. Pension plans, reserves, our ranges from8 to 12, and we have 10, almost.

Now for 2025, the guidance here. The only highlight is that in non-interest operating results we reclassified, so the additional expenses for the provision of coverage is financial expense in Brazil Prev, this is a difference. The range is from 3 to 8% of the operations for 2025. Written premiums to a growth of from 2 to 7% and reserves of pension plans with a range from 12% to 16%. This is what we expect for 2025.

Now I end my presentation. I am going to join André and Felipe for our questions and answer session. Thank you.

Jitendra Singh, HSBC:

Thank you for taking my questions and congratulations on the results. I have two very quick questions. First, maybe on the premium growth. When we look towards 2025 in terms of written premium, how do you expect growth in 2025 across different product lines, given the higher rate scenario in Brazil and some economic slowdown? If you could just provide some numbers by product lines, that would be very helpful.

And second, I just want to understand dynamics about cross written premium and net earned premium. Net and premium have remained stable throughout 2024 while gross premiums were volatile. How these two lines could evolve in coming quarters going forward or for 2025? Thank you.

Rafael Sperendio:

The question is related to the guidance of written premiums and what are our expectations for the different business lines. And also and the second question is the dynamics between retained and earned premiums. So I am going to start the second question first.

In terms of retained premium, it grew more strongly, especially because of the dynamics of risk mitigation that we adopt in our insurance Company, Brazil Seg. Crop insurance is a profitable product, but it has a certain volatility associated to it over the years. To reduce the volatility in our financials we adopt a very conservative policy of reinsurance, where we retain something like 24% of the premiums and then the difference goes to a panel of reinsurance, and then we capture the commissions.

For the other business lines, as there is not so much volatility or loss ratio associated, we do not grant premiums to reinsurance, but we have stop loss clause. This is in a nutshell,the strategy that we adopt for risk mitigation of our insurance portfolio.

In 2024 we had a very challenging year for agribusiness. Our crop insurance, especially in the costing modality, is the one that dropped the most year on year. But it is more sensitive to premiums written. When we move to retain premium, only 24% is retained by the Company. The sensitivity to retained premiums is higher.

The lines where we retain more, that have grown more along 2024 with a highlight, with credit life. Also in the agricultural or rural line, we have the farmers' credit life insurance and ruralline, and then life and ruralline have grown by 2 digits. That is why retained premiums grew more. then written premiums, because it is less sensitive to the performance of agricultural or crop insurance.

Now, talking about 2025 as part of our growth, of 2% to 7% growth. I would say that this year if we compare it to the business year of 2024, this year is something that I will call less predictable for the lines that are more dependent on credit. The sensitivity of this range will be very much concentrated, especially in credit life and rural insurance. If it is better than expected, we get to the top. If it is smaller than expected we are going to move towards the floor of the guidance.

For the other lines – life, residential and corporate – they are under penetrated lines in our customer base. These are lines that we are going to try and drive them to grow to the top or above the range of the guidance. But those are lines that have a smaller share of our portfolio as a whole.

Now, credit life, we have a few important drivers. So there is everything that we have been talking a lot about. There is a new product, so we have the payroll loan. And then we have a new product in March that will help.

But we still have an environment, thinking of interest rate that is not so favorable as we used to have in the beginning of last year, when we were expecting rates to go down with a much more favorable environment for credit life. And rural insurance has its own unique dynamics.

For 2025, differently from 2024, we are more optimistic for lines that are not really related to credit, but a little bit more uncertainty in the lines whose performance is more related to credit origination by Banco do Brasil. Thank you for your question.

Tiago Binsfeld, Goldman Sachs:

Good morning. I have a question about the investment income to understand your expectations for 2025. Now I am looking at page 7 of your presentation. There was a drop in 2024 of R$280 million. Of course there are lots of uncertainties in the year that lies ahead. Things you cannot control, such as mark to market and time mismatch.

But what do you think of the share investment income to the profit, thinking of the next month, in the operational performance may add R$550 million, which is in our operational guidance. Maybe the investment income would have something related to that. Could you give us some color about the numbers to help us think about that?

Rafael Sperendio:

Thank you for the question, Tiago. Well, the investment income, you were right about the field of the points that impacted 2024 that we think are not going to be as relevant in 2025. So breaking down all the components, I am going to focus on the portfolio related to P&L. And this between, operational and financial, I am going to focus on the share that is in our financials.

Number one. Last year, as you said correctly, and this is in our presentation, we had a net loss of R$184 million because of marking to market. A relevant share took place at the end of last year because of the opening of the interest rate curve, especially because the portfolio that we have in Brazil Prev as an asset to back up our liabilities here that related to operations. Most of it is banked to the inflation with long and midterm.

Of the R$184 million that we have here because of the Companies after Income tax, there is an asymmetry today, I would say. The likelihood for 2025 is higher in terms of positive marking or not having any marking than what happened last year.

In the conservative scenario, we are no longer going to have markings to market negative. The curve will be flat as compared to December, which is not true because it has already closed from December until now, so we already have positive marking in 1Q25. Just here we would have R$184 million additional in the investment income.

In the post fixed share, on the other hand, it is quite simple math. It did not change. The assumption that we have (32:21) basis of Selic is equivalent to R$100 million profit. So, it depends on your Selic assumptions. If we think of the Selic and then we think of the curve, we would have something like 5 points of increase in the average Selic. So 4 points of increase in the average Selic, equivalent to R$400 million, roughly.

But it depends on your assumptions. Using what is implicit in the interest rate curve, it is an increase of almost four points. R$400 million (33:00). Assuming that there is no negative marking to the market we would have something like R$584 (million) in the investment income of additional results in 2025.

Kaio Prato, UBS BB:

Good morning. Thank you very much for the opportunity. I have 2 questions to ask. The first one is also related to the guidance, but this is more operational. Could you give us more color in terms of the increase of the bottom line per business line and what is the expected loss ratio for rural insurance? And you had a very positive performance in 2024, and then I will ask you a second question.

Rafael Sperendio:

Thank you for the question. Well, the assumptions are in the operational result. The two most relevant are in the guidance. So the growth in reserves at Brazil Prep. What is missing there to close is the issue of loss ratio, which is your question.

In 2025 what happens is we close the historical low of loss ratio in crop and rural insurance. So it is difficult to assume, as I said, in the answer to the first question. Because crop insurance has considerable volatility, so when we look at the context, the current context in terms of climate projection, and of course this changes rather frequently.

But today, for the business year of 2025 in the Q1, there will be a predominance of La Nina. And then it will be mitigated in Q2, and then we are going to have a predominance of neutrality after Q2 towards the end of the year, which is a very favorable scenario.

In this La Nina scenario, we already have the February numbers and we monitor this every day. What we need to see is a lower frequency of notices as compared to last year, but faster. Especially in Mato Grosso Do Sul and Rio Grande do Sul. Once again. This is higher than the historical low that took place last year, if I compare 2023.

And then things change. Well, the dynamics change because of what we are seeing this year, an increase in January and a downwards trend in February. In 2023, we saw it going up in January, February and March.

So what can we say and we are still very much in the beginning of the year to know the trends, but in principle, it looks like the loss ratio will be between what we saw in 2024 and what we saw in 2023. We are not worried about it. This is normal. But we cannot assume that it will remain at the historical low for two years in a row.

This is more or less our prospects for loss ratio for crop insurance for the other lines. We are working with the improvement for home insurance, which is not very relevant. And for the most relevant, we are seeing an improvement in credit life. And there were some one offs, as I said, for credit life. Especially in 2025 there were some one off events that we hope will not happen again in 2025. These would be the main highlights for the other modalities. We are not expecting any significant variation in the loss ratio in 2025.

Kaio Prato:

Very good, thank you. The second question is about investment income. Just a quick follow up on Tiago's question. Now looking into pension after the resolution that impacted your redemptions along 2024, just remind us of the mismatch between IGPM and IPCA rates. Now, as compared to how it was in the beginning of the year, I think you reduced this mismatch a lot.

Rafael Sperendio:

Well, this is true. The mismatch has gone down in terms of the indexes. Today is something like 90% matched. So, this reduced a lot. Before the resolution it was something like 75%.

Antônio Ruette, Bank of America:

Good morning everyone. Thank you so much for your time and congratulations on the results. I have 2 questions. I think it is clear that the growth in premiums depends very much on credit origination for next year, and this is incorporated in the guidance. Just taking a step further, it is penetration capacity in originated credit. Could you explore the main lines that would be rural and credit life. How the penetration in originated credit has evolved and what are the main drivers for 2025?

And a follow up on something you have touched on. It is about the private paycheck and backed loans. So what is the ratio between insurance and the paycheck backed loans?

Rafael Sperendio:

Now, giving you a little bit more detail about penetration. For the small and micro businesses we have working capital penetration still very low. So I am going to talk about credit life first and then rural.

For individuals we already have quite a high penetration. It has gone down slightly as compared to last year, which is normal in an environment of rising interest rates. Credit life in this context has a more difficult penetration. It has gone down but not a lot, it is just a little bit. But this is a more mature portfolio in terms of penetration, and this is a product that has been available in our portfolio for slightly more than 10 years. So a much more mature portfolio. For small businesses, we have some more room to improve penetration.

In rural, we can look at it through different metrics. The penetration of insurance in Brazil, as a whole, is very low. My memory may be betraying me, but it has gone all the way to 15% about two years ago, but penetration has gone down to 10% of the planted area in Brazil, and is protected by crop insurance. So very low level if we compare it to more developed economies.

Using the US as a reference penetration, is like 80% of the planted area, which is much more relevant than we have here in Brazil. And not just talking about grain. But we migrate to livestock, which has an extremely relevant share in our credit lines, and we explore it very little.

We had a livestock product we have been testing. Of course we do not master it as much as we master grains. But we have been testing it since 2018 and 2019, and now it has become slightly more relevant, in 2024. And we are going to continue expanding in 2025 since it is a very healthy portfolio with very good loss ratios and we are confident to escalate it.

And also, our livestock lean that was relevant in 2024 for the composition of premium. Yes, there is an opportunity in the segment of grains, but the whole agriculture industry is going through a rebalancing of supply and demand, both on the side of price. So the price of inputs and commodities, and after this period of adjustment we have a more optimistic stand for 2025.

Once this happens we will be able to increase penetration again, as we saw happening two years ago. And in livestock, which is very much under explored and is very important for Banco do Brasil, and it has been increasing over the years. But this is where lies the greatest opportunity if we look in the mid and long term.

Daniel Vaz, Banco Safra:

Good morning, everyone. I would like to revisit what Rafael said in terms of risk retention in cropping insurance. This might unlock some gain in terms of premiums written to retained premiums. Have you been discussing this? In terms of your risk policy. Any evolution in terms of renegotiation of the contract with the Bank of Brazil? So can any new developments, anything happened in the meantime that you could share with us?

André Haui:

I am going to answer the two questions. In terms of reinsurance, obviously this is assessed at the level of the Company, Brazil Seg, that has the contracts. And this is done year on year. Looking at the loss ratio and risk appetite, we changed the level by 2% points, but we are going to take a look at that year on year. We think there is room for more players in our panel.

There is a risk appetite of local and international reinsurance companies, and of course it depends very much on how much commissions are. That is, the commissions that are available. So yes, we are looking at that in the Company, as board members and as part of the Company's financial committee. So we look at the scenario every year. This year we are going to review that again and decide whether it makes sense.

As to the contracts, as BB Seguridades, the Company belongs to Banco do Brasil, we are going to continue existing. This is not a taboo. We are still talking to the bank. We think this is the time for us to sit down and design. Nothing has arrived yet because we still have a long time for the contracts with our partners in investees.

At the right time we are going to sit down and talk, but obviously we are examining, reviewing it, we understand it, and we want to extract as much value as possible and the bank to be rewarded by what they are using. Thank you very much.

Guilherme Grespan, J.P. Morgan:

Thank you so much for the presentation. I have two questions, one about new products. I still have one question and follow up to Antonio's question. He asked about the private paycheck loan so your credit life for the private or public paycheck loans. And if the penetration is the same. Also for the consortium that you are going to relaunch the credit letters and so you had some difficulty in terms of profitability of the product over the last few years.

I imagine that insurance is more about distribution, less about pricing. There is a pool if you fit the product in a distribution of the consortiums, the credit letters of Bank of Brazil would be a very good pool for you to capture. So what are you changing in the product and how do you think about the revamping that you are thinking for 2025?

So, buyback. There was a zero, which got my attention, and you finalized with 87%. So what is your buyback mindset? I thought that you were going to favor more buyback in the margin, but the zero buyback in the quarter caught my attention.

André Haui:

I think I can answer about buyback. Rafael is going to start by the last one and then I will talk about the credit letters.

Rafael Sperendio:

Well, let us do a buyback operation, Grespan. We have R$1.2 billion. It is a relevant volume. The program was almost fully executed, and there are a few limitations in its execution. For example, the cash available today in Seguridade has a reduced PL. And the distribution capacity is the beginning of the quarters.

We have executed as much as possible the cash available and the buyback program has an impact in the capital of Banco do Brasil and we need to take that into account. We ended it. If there is a definition in terms of the allocation of this in a treasury and this is in a short time span.

André Haui:

So, a product that used to be offered to BB Consortium, it was a corporate product. It was an insurance for the portfolio. So we stopped this insurance (50:11 FALHA DE ÁUDIO) direct insurance for the customer that is taking up the concession, that is buying it. And so there is a credit life built there, and we see very good opportunities there.

As to the penetration of the payroll loan insurance, we need to see that number better, considering public and private. But its penetration in credit life as a whole is 20 to 25% of our potential audience. There is a lot of room to grow. This is a new product. It is a new credit modality, so we think we have a lot of space to explore there.

Guilherme Grespan:

Just a quick follow up. The 5 billion of opportunity in the consortium, is this profit?

André Haui:

This is premium.

Arnon Shirazi, Citi:

Good morning. Thank you for the opportunity to ask the questions. My question is about your basic scenario and guidance. Just to understand your IGPM and Selic assumptions for the year.

Rafael Sperendio:

Arnon, thank you for your question. In terms of assumptions that we used, Selic is in between 14% and 15%. Within that range, of course, we define scenarios and we define likelihood. So we are working with Selic within that range by 2025.

And IGPM and IPCA between 4% and 5.5%. These are the ranges that we stressed to converge both for impacting reserves and impacting our operational result, and the pricing component in terms of written premiums. Thank you very much.

Eduardo Nishio, Genial Investimentos:

Good morning everyone. I have two questions. The first one is about your loss ratio. You had a very strong, good year. What are your prospects of loss ratio? Especially for crop insurance that had a very good performance this year. How did you include your expectations, not just overall, but also agricultural and rural?

And question 2 is regards pension. It was negative in 4Q24 in terms of inflow. How much do you include in terms of net inflow? Do we expect an improvement as compared to 2024?

Rafael Sperendio:

Good morning. Thank you for your question. As to the loss ratio of crops, we are expecting it to be higher than 2024. But, once again, anything that we are worried about because our comparison basis is the lowest level in our historical series. So we are seeing the climate transition now with a predominance of La Nina and with an impact where we have a relevant exposure. In Mato Grosso Do Sul and Rio Grande do Sul we are seeing more severity in claims.

But the impact was very much concentrated in January. But we are not worried about it at first. It is not even close to what we saw in 202. And today, with the numbers that we are observing, it will be something between 2024 and 2023. What happened in those two years. This is what we have been seeing, but it is still too early for us to explore any kind of trend.

These are our expectations and in principle today, according to our climate expectations, until the end of the business year we are expecting something neutral for the next few months. We are not going to have any big surprises along the year except if those projections do not prove to be accurate. But this is what we expect today.

As to the growth in pension reserves, we are working with a range that we have defined. So at the floor, there is an outflow of funds if there is some stress or deterioration of the environment, so we need to contemplate that within the range and along the business year we might review. But today, as we are very much in the beginning of the year, we need to forecast adverse scenarios. We expect outflow of funds, and from the middle to the end we expect net inflow of funds.

But I would say that today, considering the current scenario, there is a little bit less volatility. We are likely to have a more favorable year. Except there is a deterioration, but this is not our assumption today.

Eduardo Nishio:

Great, thank you very much. Just a follow up. As to the loss ratio. Overall, do you see that rate flat or slightly worse in 2024, overall?

Rafael Sperendio:

We talked about crops. So it is likely to increase marginally, because we work with prospects of increase in crop, but on the other hand there is a reduction in credit life and home insurance. So the combination of all of this will lead to a loss ratio that will be marginally higher.

Marcelo Mizrahi, Bradesco BBI:

Hello everyone, good morning. Congratulations on the performance. It is a pleasure to be here. About life insurance, last year's performance was slightly smaller. And when we think about the dynamics, what is getting better and worse, what is your expectation for the products? The products changed in terms of mix and everything, and pricing. How much growth do you expect in terms of the writing of life insurance?

In terms of loss ratio, as a follow on to Nishio's question, you said that we should think that loss ratio is going to have a slight increase year on year. It is difficult once we get numbers and we look at rural insurance at the levels that you mentioned. So the consolidated loss ratio is unlikely to get worse. Do you see any higher numbers in life, maybe, to get to the higher consolidated loss ratio?

And lastly, about pension, the question is: do you think that 2025 can be a year of positive net inflows? Are you doing anything different in a product profile and higher interest rates or not? Do you think this is more seasonality? And this is what we had to say. Thank you.

Rafael Sperendio:

I am going to start addressing the first one and then I have 3 questions. If I forget something, please remind me.

For life, we are working with a more favorable environment in 2025 then in 2024. We have the coinsurance that had a negative impact and for the first half, as a whole, for the life product. Was a difficult 6 months and so this is an old portfolio. So it is still adjusted by the IGPM accounts for 80%. So when IGPM is negative, we do not transfer price adjustments. So the policies that matured along the first half of the year had no price adjustments, only the policies that matured along the six months were adjusted.

Inflation in the first half of last year had a negative impact on the issuance of premiums in 2025, which is a scenario that we do not expect to repeat in terms of the writing of premiums in 2025. And this is the natural dynamics that takes place in the Company. When we have a more favorable environment for credit life origination, the network is going to focus as much as possible on credit life, which is a simpler product and approach than pure life.

So when the situation reverses, and if this happens in 2025, there will be an acceleration in the growth of life insurance even stronger than what we are expecting. But I can tell you that within the range of the guidance today, according to our assumptions, we think that it is going to grow from the middle onwards.

As to the loss ratio as a whole, crop is worse, credit life gets better, home insurance gets better. But the improvement in credit life is not enough to offset the increase that we are expecting in rural insurance. That is why the loss ratio is likely to go up a little bit. It is not a relevant increase, but we are talking about the historical floor. With a slight increase in 2025.

And for pension, today, the scenario that we are working with. So we have unemployment at a historical low, the interest rate curve with less volatility. What really influences inflow is the income available, and sometimes customers panic when they see an atypical oscillation in terms of return. So this happened a little bit along 2024, especially towards the end of the year.

So we took out risk from the funds along last year and today we are having a much more conservative management to take out volatility so as not to scare customers, so it will not have the same impact as in 2024. And our expectations looking into the two digit Selic scenario for 2025, less volatility curve and unemployment at a historical low, it favors our basis scenario that is optimistic. We have positive net inflow. But I do not have a specific guidance for the net inflow.

Marcelo Mizrahi:

Can I follow up? As a follow up, average administration fees are slightly lower this quarter, and you say this profile of less risk with the portfolios with less risk. So products with a lower risk, would there be an impact in admin fees in 2025?

Rafael Sperendio:

Yes, there is. And we hope that this trend remains flat. What we saw in the last few years is less than R$1 Billion per Quarter.

Pedro Leduc, Itaú BBA:

I promise to be brief. In terms of premiums written, we have the guidance in 2024 rule, which follows credit origination at BB with credit, with different dynamics between different credit lines. So how do you see the mix, the final combination, within crop insurance and farmers' credit life insurance and rolling, what is the final makeup?

Rafael Sperendio:

Just as a reminder of what happened in 2024, yes, it was a little bit difficult for the agricultural products because of the whole scenario, and we were able to offset the deficit, so to speak, by opening new lines, as I said. We have livestock lean and livestock insurance related to credit collateral. And we increased the insured amounts for the farmer's credit life insurance, so we could work around the difficulties that we had in the agricultural or or rural front.

Compared to the portfolio of the Bank, but the relationship between the products that we have in the portfolio and the Bank credit lines. So costing, we can go in with crop insurance and farmers' credit life insurance depending on the collateral that is given for the lean investment lines, then we can go in with lean and life.

And for commercial lines, life and sometimes lean. So there is a common point between the six lines. So, with farmer's credit life insurance, we can work for the 3. When one of them is difficult, we can always resort to a farmer's credit life insurance. And this is an extremely important and relevant product for farmers, especially during the pandemic.

R$1.3 billion, I can not remember the exact number, were paid during the pandemic, more than half were for farmers that had the farmer's credit life insurance. So this ended up helping a lot of families who depended on the farming business.

For 2025, of course, our comparison basis is more difficult for the growth of rural lean and farmers' credit life insurance. So the dynamic today in the build up of premiums written, we are going to see a slowdown of the growth in lean and the recovery of crop insurance. This is the scenario.

Felipe Peres:

We have no more questions on the line to be asked by audio, and we answered all the questions that had been asked to us in writing. Now we end the conference call for the 4Q24. As a reminder, at the end, we have a satisfaction survey. We kindly request you to answer it and thank you for that. Now I am going to give the floor to André and Rafael for their closing remarks.

Rafael Sperendio:

I would just like to thank you and say that I am available. I and the entire investor relations team to answer any questions that we might not have answered now.

André Haui:

So, first of all, I would like to thank our customers, our investors. And I would like to emphasize the quality of our team, that is very technical and that made possible this performance with exponential growth in this Company. Thank you so much for your trust and hope to see you next quarter. Thank you very much and see you soon.