

Felipe Peres:

Good morning. Welcome to our virtual meeting to present the results of 2025.

This event is being recorded and has simultaneous interpretation into English. To listen to the audio in English, press the interpretation button at the lower right-hand side of the screen. This event is going to be divided in two parts. On the first part, our CEO Delano Valentim and our CFO Rafael Sperendio, are presenting the main deliveries of the quarter.

The presentation, both in Portuguese and in English can be downloaded from our investor relations website at www.bbseguridaderi.com.br. On the second part of the event, there will be a questions and answer session, when analysts and investors will be allowed to ask any questions, they may need. I will come back after the presentation to tell you how to ask questions.

Now I will give the floor to Delano who's going to talk about the main highlights of the quarter. Delano, floor is yours please.

Delano Valentim:

Thank you, Felipe. Good morning.

First of all, I would like to thank everyone connected attending our virtual meeting to present our performance in 2025.

Starting the presentation, the highlight is that in 2025 we reached a recurring managerial net income of 9.1 billion BRL, the highest in our history. A very robust result with an 11% growth in the year. Our operating result, which represented almost 80% of this profit, grew 2.1% year on year with a loss ratio reaching the lowest level ever in our historical series.

We also had a relevant contribution from our investment income which grew more than 61% after tax. All this robustness in our result combined to the high capacity to generate cash allowed us to approve 8.7 billion BRL in dividend payout in the year and the increase of 5.4% in the amount paid to our shareholders, an amount equivalent to practically 4.5 BRL per share for the business year of 2025.

Bottom line numbers were spectacular despite the regulatory changes and the volatility throughout 2025. In the year we implemented significant improvements in our portfolio and opened new fronts that raised the level of opportunity for future growth. As we start a new credit cycle.

We have enabled credit life insurance for some credit lines for micro and small businesses which were previously ineligible. And we also enabled the sale of products for the private payroll loan. Together these two initiatives have generated more than half a billion BRL in prizes.

We also started to operate with credit life insurance in BB's credit letter portfolio. In a short time, we had about 11,000 proposals which account for 88 million BRL in premium estimated during the effectiveness of these policies. More important than the initial business volume is the initiative to build an insurance product in an industry that has shown very consistent growth in recent years. And in the attempt to increase the resilience of our business and contribute to the financial health of our clients, we reached 2.3 billion BRL in pension reserves given as credit collateral. This is a very important instrument which allows if any customer,

if they have any financial needs that are temporary, they do not need to give up their long-term reserves but rather offer them as a guarantee to get much better credit conditions to face any momentary need.

The improvement in customer experience is at the heart of our strategy, and I am showing here to use some indicators showing that we are on the right track. NPS has grown almost 4 points in the period, and complaints went down by 20% as the churn that went down by 5%.

In 2026 we'll keep the objective of improving experience and being present for our customers according to their convenience and need to expand, retain and increasingly monetize Banco do Brasil's customer base. We have a roadmap of new products and journey improvements that carry significant revenue potential over time, just as we did last year. We are designing more integrated management among the group's businesses to be more efficient in everything we do and to have a single view of our customers and the way we relate to each other.

During the year, we hope to present what's new and we are sure that by implementing everything we want to do, we have the potential to further increase our capacity to create value.

I end my speech here and give the floor to Rafael who's going to give more details about the results and our projections for 2026. Thank you so much.

Rafael Sperendio:

Thank you, Delano. Good morning, everyone.

Now starting here, giving you more details about our numbers in Q4 in 2025. So, in 4Q we had a net income of 2.3, a 5% growth in comparison to Q4 2024. In the years Delano said the growth was 11% with an income that was not bigger because of the time mismatch in the update of assets and liabilities.

And in December IGP-M had a deflation of 0.01% and then this ended up having an impact on assets and liabilities is always updated a month later. So, it was updated with a positive IGP-M of 0.25. That's why we have 61 million here at the end of the year. And as you know, as the curve stabilizes, this result will be reverted and will be zero.

So, operational performance was very good. I'm going to give you more details on the next slide. But the main driver for growth in the quarter, year on year to date numbers was the investment income. In the net investment income grew in Q4 more than 80% year on year and 61% in whole year numbers consolidated with a share between 20 to 25% of our income.

So, this is a little bit of detail of the net income. The main components are a growth of 1 billion BRL operational added a growth, very much driven by retained earned premiums, especially because of credit life.

Same thing with a brokerage loss ratio. Another positive point that we've been monitoring along the quarters. We see the loss ratio always with a positive performance, no different in Q4, contributed with 95 to the operational. Management added 38 and this is the main driver for growth for the management. And part of this growth is offset by the increase in expenses. Then investment income, broken down by its main drivers, it added 789 million BRL. Most of that growth came from the volume and rate exchange, especially SELIC.

So, the time mismatch we lost 75 compared to the year before, and mark to market in 2025 we had a positive mark of 18 million, whereas in 2025 it marked negative by 188. So, a very strong growth, almost 800 million BRL growth in our investment income.

So, now business by business. First with insurance businesses, premiums written 3.8 million, a drop of 11% year on year, 9% in the whole year numbers. And this is very much sensitive, and we've been monitoring along the year because of the performance, especially because of the lines related to credit performance, which is natural because of 15% SELIC, which leads to additional difficulty for the placement of product. The product takes up part of the margin at a very high rate. So, there is less room for placement, especially for credit life insurance.

When we look at retained premiums, 9% drop year on year, 4% in the whole year. So, this is much smaller than the drop of written premiums. Especially because of retained premiums. We minimize the effect of crop insurance. So, it was 23 to 25 of the premiums retained. And so, in retained premiums, there's a less effect than in total premiums written. And as this is clear, when we see line by line, this is very clear that the lines that depend the most on credit end up having a drop that is greater than the lines that do not depend on credit origination. The main highlight here is home insurance that grew. And life, very much in line with the 1% deflation in IGP-M.

Now about the Performance ratio. So, here you can see a slight worsening in the combined ratio because for a good reason, most of it coming from higher commissions because of the change in mix loss ratio.

If we look at it year on year there's a slight increase, but it was too low in Q4 last year.

So, expenses and G&A are going up also, because of a one-off effect. So, a write off of real estate.

We adjusted the calculation methodology, and this had an impact in Q4 in year-to-date numbers, you can see a more stable performance. So, only 30 basis points worse in the combines because of commissions as in Q4 in year on year. And here it reflects positively in BB Brokerage.

So, loss ratio with a very positive performance going from 23.7 to 22.5. And even though crop insurance increased in other business lines we had very positive performance, especially in life insurance. Expenses almost stable comparing 2025 to 2024.

Net investment income, our positions are very much focused on post fixed. And SELIC has a direct impact in the growth in an investment income of 28% year on year, 40% in year-to-date numbers. Now when we look at increase in earned premiums and investment income, driving the recurring income 2% year on year, 10% in the whole year.

Now pension operations 10% year on year, 24% in the whole year because of IOF in investments that started to be levied after next year. And now this limit is going to go up to 600 BRL.

Something that was unexpected. We needed to adapt in the way we work with our customers' funds depending on the cash flow. And in the end, this was very sensitive in terms of net inflow. And you can see here, even though there was a significant drop, the redemption ratio if we see in the Q4 year on year it was negative 6% negative as compared to 1% negative last year. So, this was not sufficient to offset.

So, in years redemption ratio went 50 basis points at a very low level. Same thing here. Because contributions dropped 24% in the end, net inflow was negative by 15B against 7B positive last year with a similar redemption ratio reserves grew 9% over 12 months. And this explains the entire growth in management fee of 5% year on year 5 basis points or 0.05 percentage points drop in the average management fee because of mix. And we've been following this over the last two years. With this level of interest rates, customers prefer to allocate most of their portfolio in fixed income and this decreases the average management fee. Same thing in year-to-date numbers, 2% growth in revenue and 0.05 percentage points in reduction in the average rate.

Brasilprev is a company that has had a performance in terms of expenses that is very good, very well-behaved. So, there is a better efficiency rate year on year. Almost one point in year-to-date numbers. And added to what I said in the beginning of the presentation, deflation of IGP-M in the year as a whole had a very positive impact in the reduction of financial expenses affecting our liabilities. And the better efficiency and better investment income come from a drop in financial expense with a net income growing 39% year on year, 23% for the whole year.

Now in Brasilcap our premium bonds we have had 20% down year on year and then 1% for the whole year. Reserves grew 3% in 12 months.

The lottery prizes paid, a growth of 24% year on year. Comparing the quarters a 20% accumulated for the whole year and the net investment income here the main highlight is that the company is essentially operating depending on the financial margin.

So, the considerable increase here 120 basis points in a spread. 43% growth in the financial net investment income year on year, 11% for the whole year with 20 basis increase in the spread for the year. It was not bigger just because in the beginning of the year we started 2025, with most of the operation was hedged because of liquidity and capital and this had a negative adjustment. And this affected the financial net investment income of 2025. And this was limited to Q1. And we recovered over the year in which we grew 11%. And net investment income is directly reflected in our net income. 42% growth year-on-year and 13% growth for the whole year. With 318 million BRL in net income. A record in Brasilcap history.

In distribution, BB Brokerage company, 4% year on year. Very much affected by the slowdown in pension and premium bonds reduction. So, brokerage revenues grew 3% for the whole year with a carryover of deferrals of commissions that were deferred. And this ended up generating 3% growth in the whole year. Because of Insurance net margin increased 2.5 percentage points year on year. 2.6 for the whole year. This is directly influenced by the investment income influenced by the average interest rate. Because we have the SELIC and the growth in volume. This ended up creating a quite positive impact on our bottom line. Even though revenues dropped 4% in net income, it was stable year on year and grew 7% for the whole year. This is the net income.

Now about the guidance for 2025 in pension plan reserves of Brasilprev, we are within the guidance and in operating result, also, also within the range, 2.8. We would have been within the previous range that we used to have before we reviewed it. So, the previous floor was 3%.

And beyond the line that is below is premiums written by Brasilseg, the range was a negative of 4% to the growth of 1%. We ended the year with a drop of 8.8%, which was very much affected by the performance of the lines that are more dependent on credit.

For 2026, these are our expectations. So, in terms of PGBL and VGBL pension plan reserves, we expect a growth of between 8% and 11%. Non-interest operating result, we are expecting a decrease between 7% and 3%. And very much influenced by the influence that we have of written premiums, which will range between a drop of 3 to a growth of 2%.

This may be the indicator where we have the most uncertainty associated to it during the year. So, we have quite positive expectation in terms of premiums. But it's still too early because most of the expectation in growth comes from the lines that depend on credit. And for this to come true, we need to observe a reduction, as expected in the risk related to the interest rate curve.

So, we want to adopt a more cautious approach at the beginning of the year. And as we see the year and we have more information during 2026, we might calibrate this range better So, that it will better reflect the reality.

So, with this I end the presentation. And now I would like to join Delano and Felipe for the questions and answer session.

Felipe Peres:

Hello, we're back to our Q&A session. If you want to ask a question in writing, please click on the Q&A icon at the bottom of your zoom screen.

We are also going to allow analysts to ask some questions in audio and just click on the raise hand button and join the line. Once you are authorized, you just open your microphone and ask your question.

We will try to answer all the questions that are sent in writing here live. However, if due to time constraints, and the time that we have available for our meeting, we cannot answer all the questions, we are going to send you the answers to these questions by email right after our meeting.

Now, starting with the questions asked to us, the first question comes from Tiago Binsfeld from Goldman Sachs. Tiago, good morning. You may open your microphone and ask your question.

Tiago Binsfeld- Goldman Sachs:

Hello, good morning, Felipe, Rafael and Delano. Thank you very much for taking my question.

The first one is about the guidance. So, I want to hear more about the guidance for premiums that is slightly conservative. Can you tell us why it is more conservative considering that your different businesses, products, credit life, life, the crop. So, where is growth going to come from and where are the main risks related to your expectations?

And the second question, I know that you don't give guidance for the investment income but if you could tell us a little bit about your expectations for 2026, what is the average SELIC? Remember how sensitive you are to SELIC and also to put the bottom line of 2025 with comparable basis discounting the time mismatch and everything. Thank you very much.

Rafael Sperendio:

Hello Tiago, thank you for your question.

So, I'm going to start by answering the first one in the order as to the premiums guidance. Let's recap. About 70% of our premiums today are related to credit origination. So, when we assess the budget that has been defined with the bank in the end of 2025, we define the growth mission in those lines that is quite relevant, a quite significant growth. But most of this is supported by a reduction in interest rates considering the future, considering a reduction in your premiums considering the five or ten years thus leading to more credit. So,

especially if we consider individuals there is more room in penetration in the modality that is related to credit origination.

So, there is less room, that you are in credit and this is outside the operation and this ends up creating more cancellations. So, we have more premiums to have a net premium compared to what we used to have. In the building in the composition of total premiums, the credit life is within the installment, and this leads to a higher recurrence and more stability in the writing of premiums.

So, we have something similar that we expect a recovery of crop insurance. Considering everything that we did all negotiations I think that you must have been seeing what's going on. And we have better expectations for the growth of crop insurance. On the other hand, the lien and rural lines because this is a line with high interest rates that also, considering that products and we have these two specific ones we expect a drop compared to the two years if we compare year on year.

So, we are very optimistic with credit life, and everything related to agricultural crop insurance, rural lien and in life we have an expectation that reflects something more in line with inflation and mortgage and business we expect to be above the range. So, this is more or less our ambition for 2026.

But as we're still very much in the beginning of the year, it's still too early for us to try and guess what is going to happen with the interest rate curve. So, we are being more cautious in the beginning of January. And as we have more information and we see reduction in volatility with more stability in the curve after the reduction and how this is going to be reflected in credit performance, we can calibrate the range of the guidance.

So, in a nutshell, this is what we have to say about premiums, many moving parts to try to get to a range that is kind of ideal for us to project the results for 2026. But this is not an easy task. It's not volatile. There will be elections in the second half of the year, So, naturally there are volatilities. This happens every year. So, we want to have a more cautious approach at the beginning of the year and then adjust it during the year.

In terms of investment income, we worked on the assumptions for our budget. So, in terms of average SELIC we are expecting a reduction of 1.1 percentage point during the year, which is very close to what the curve is pricing. Sensitivity is still the same as we have been having for quite a while as it's been indicated to the market. One point up or down has an impact of 100 million in net income. So, it's quite straightforward that in terms of inflation here there is an important component to give you details.

So, considering the breakdown of assets and liabilities and how this affects the investment income of the company. And considering Brasilprev IGP-M today. So, for every point above the year before, we have an impact of 12 million less in terms of bottom line for BB Seguridade. IPCA, for every point up in IPCA about 30 million. For IGP-M also, looking at the Focus without much signs. So, we think IGP-M is going to go up and IPCA is going to go down. So, both in fact so for each point that IGP-M is above the year before, 12 million down and IPCA for every point it's below the year before, 30 million down.

So, this would be overall our sensitivity. So, to compose. So, two points that I would like to highlight for you in the presentation we indicated we had 80 million positives in marking to market and then it's up to you to project what you think is going to be the marking to market in 2026.

We always assume zero because we are very conservative for the budget and as a reminder, another point that I highlighted we had 61 million in terms of time mismatch. So, usually, we work with a budget. We assume the reversal of that time mismatch, whether it's up or down, considering the current business year. Because if you've been following the company along the years, this number is likely to go down to zero. It's usually a time or temporal mismatch. It trends to zero. So, these are the variables that we consider in the protection of our investment income.

Tiago Binsfeld- Goldman Sachs:

Thank you, Rafael, for your answers. If you allow me to ask a follow up question, if you review your guidance, how would you make the decision along the year? Because I think that some seasonality in crop insurance in the second half is stronger. Are you going to make that decision more towards the end of the year? But maybe if credit life starts stronger, you might have an earlier decision. What do you think in terms of distributing the growth of your guidance along the year?

Rafael Sperendio:

Tiago, today I would tell you that we are more sensitive to any kind of revision of the guidance and the performance that we are going to see in credit life and more for crop insurance. Crop is undoubtedly an important business, but most of the risk is related to reinsurance. Today about 3/4 of the risk is assigned to reinsurance. So, there is some volatility in the first line but in the bottom line it's not so sensitive as credit life. So, today I would like to tell you that we are monitoring much more closely the credit life than the crop insurance.

Tiago Binsfeld- Goldman Sachs:

Thank you, Rafael.

Felipe Peres:

Thank you very much, Tiago, for your question. We have another question, the next one from Maria Luisa Guedes from Safra. Maria Luisa, please can you open your microphone and ask your question.

Maria Luisa Guedes- Safra:

Good morning, everyone. Good morning, Delano. Thank you very much for taking my question.

I would like to talk more about the guidance and there are some points of uncertainty, but to think about the likelihood of extreme accounts. So, there is a premium that is more uncertain. But what about the loss ratio that goes into your estimates? So, is there any component in terms of being conservative for the loss ratio and how conservative you would be for each scenario? So, on the low end and high land, how are you thinking about the loss ratio? In a more optimistic scenario with operational going down 3%, are you expecting a flat loss ratio? So, what do you expect considering the current level?

Rafael Sperendio:

Hi Maria Luisa, thank you for your question.

So, talking about loss ratio, there is a component of uncertainty that is quite relevant. It's still too early for us to try and guess the impact of the weather, the climate. So, considering operational results, we are expecting a worse loss ratio as compared to 2025.

So, when we look at the beginning of the year and the numbers that we have so far. Has this worsening become material in terms of frequency and severity? Not really. So, both frequency and severity for now are below what we saw in January.

So, and you mentioned in terms of premiums written in calculation the loss ratio. So, there is a determinant in terms of earned premiums. Even though the loss ratio is lower in 2025, we still have uncertainty of how earned premiums are going to behave this year. So, if it's according to expected loss ratio might be flat or even a reduction as compared to 2025 along 26, which would create an upside for the operational guidance. But for now, it's still too early. We prefer to have a slightly more cautious approach in the beginning of the year. And the climate is a variable that is very difficult for us to guess or to forecast.

Maria Luisa Guedes- Safra:

Perfect just for us to try and understand in terms of the follow up. So, the scenario was flat would lead to an upside for each line of the guidance or whatever. But it makes sense to think of a worsening of 200 basis points which would be a gradual convergence towards the historical average.

Rafael Sperendio:

Well, there is an upside for the guidance of operating result. But just stressing this is not related to loss ratio and claims. But there is also, variation in earned premiums. Today the main variable that we are seeing is that severity and frequency are below expected. But. But we still need more time to see at which level this is going to stabilize and which level of earned premiums we are going to demonstrate along the year.

Maria Luisa Guedes- Safra:

Thank you so much.

Felipe Peres:

Next question comes from Arnon Shirazi from Citi. Good morning. Please open your microphone and ask your question.

Arnon Shirazi- Citi:

Hello, good morning. Thank you very much for taking my question.

My question is also about the guidance. It's very clear about the growth in premiums in 2026. And now as you answered Maria's question about the loss ratio, we are still seeing in your operating results a drop of -7 to -3 expected for 2026.

I would like to understand where does this drop come from. I know that the premiums written this year are going to affect future years more. So, to understand whether this drop is coming from top line considering originations in 2025 and understand the loss ratio plays an important role as you said, what else leads to this expected decrease in operating result?

Rafael Sperendio:

Well, Arnon, thank you for your question. As to the negative variation as you put very well during your question. Yes, there is a significant component in the operating result performance that comes from the negative variation that we showed to you during the presentation. The 8%, almost 9% drop in written premiums. So, there's a smaller carryover to 2026 affecting the insurance company, but also, the brokerage company because of the generation of revenues from commissions. There is also a quite significant component in terms of commissions to be booked or unearned commissions. And so, this end up taking up a little bit of this buffer of unearned premiums and these unearned commissions. And so, now we are more dependent considering the current business year. So, there is a variability. We don't go into much detail because there are endless possibilities.

But in origination this is more concentrated in credit life. There is less bottom line in the current business cycle, So, contributing less to the operating results in 2026 and more bottom line for the future. If credit life is below expected, we have a higher share of life, corporate and all the rural products. We can have more bottom line in 2026 and that's for 2027. So, when we see the breakdown of written premiums and this affects the operating result, this is added to the loss ratio and as I said in the previous answer, So, we have a higher loss ratio, we predicted the operational results, higher loss ratio, especially in the rural segment and in other business lines, this also ends up affecting the operational result. So, 2025 leads to the negative range.

So, these are the main variables. So, higher loss ratio and then in earned premiums. So, what we are carrying over from 2025 and how we work in the breakdown of the issuance of the writing of premiums for 2026, whether I focus on present value or future value.

Arnon Shirazi- Citi:

Thank you very much. This is very clear. Thank you.

Felipe Peres:

Thank you. Arnon. Our next question comes from Kaio da Prato from UBS BB. Kaio, please open your microphone and ask your question.

Kaio Prato- UBS BB:

Good morning, everyone. Thank you, Sperendio and Delano.

Also, this is related to the guidance as Sperendio just talked about the effects of Brasilseg with an effect in the brokerage. What about the effects coming from Brasilprev too? We saw that there was a relevant drop in contributions along 2025 because of the IOF, but it's not the full year yet.

So, which are the effects that this might impose in your brokerage revenues? Thinking about 2026, what is the scenario that we are contemplating in the guidance in terms of job for 2026 and how you see the future scenario?

Is there any kind of campaign we saw some players used offering IOF cashback to try and mitigate the effect. So, could you tell us a little bit about the company's strategy and how this is going along the year, if you can see any kind of recovery and the expectations for the full year. Thank you.

Rafael Sperendio:

Well, Kaio, thank you for your question. In terms of assumptions underlying the growth in reserves. So, we are expecting growth in collections and for the floor, we assume a drop in 2025. 2025 was a very stressful year.

The IOF is something that we were not prepared for. It was a surprise during 2025. And then we had to review the way we capture pension funds, and we had to review it together with the different sales areas of the bank we reviewed and it was a quite in-depth revision of what we had and resigned an inflow strategy for 2026. Now we know that we have IOF being levied in contributions to allocation above 600,000 BRL.

So, we know that in 26 in terms of collection should be a better year than we had in 2025. So, I think that this is the more overall vision and we are also, working with a better rate of redemptions.

We saw that happening at the end of 2025. We have better rate of portability, and we work with this along the Q4 and the same thing that we saw in the beginning of 2026. So, today our mindset for pension is more optimistic than in 2025. That was a year of great volatility, lots of uncertainty and we had to reinvent ourselves along the year. And now in 2026 we are better prepared.

Kaio Prato- UBS BB:

Just a follow up in terms of a management fee. Do you see any drops? What can we expect in 2026 and how close are we to a more normal level in terms of considering that there was a shift in pension products? Well, if the scenario that we project becomes true of sustainable reduction in interest rates and then change in the risk structure, this is likely to reduce the risk aversion by customers.

Rafael Sperendio:

So, once the scenario becomes material, we are going to have slightly more opportunities to review the allocation of our customers' funds and to add a little bit more risk, increasing exposure to the stock exchange and to credit.

So, if this comes true, there will be a slowdown in the drop of management fees. But today, with information we currently have available, assuming that this is once again a year of high volatility, this is not a usual, regular year. So, we have the scenario in our minds, but assuming that most of the benefits we are going to book from 27 onwards, considering the volatility and the risk, and we know that especially in fixed income they do not tolerate volatility in return rates. And reviewing this allocation, we are very cautious along this year we are going to book what we have.

Felipe Peres:

Thank you very much, Kaio. Our next question comes from Marcelo Mizrahi from Bradesco BI. Good morning, Marcelo. You can open your microphone and ask your question.

Marcelo Mizrahi- Bradesco BI:

Thank you very much for the opportunity.

I have two questions and we saw many loss ratios that are better in life, crop. I understood that there is a risk that there is an upside in loss ratio. So, there is an inbuilt expectation for a worse performance. Which product has a more recurrent performance? Is it life?

And the other question, if we take numbers, the guidance and we put in our numbers for 2026, there is an indication that there may be a drop in net income in 2027. Does it make sense to you or is it too early to say that? I'd also like to know, are you offering new products and in agro that are new products to penetrate CPR in the base scenario, do you expect a drop in 2027?

Rafael Sperendio:

Well, Mizrahi, thank you for your question.

Talking about loss ratio, as I said in the beginning, we have a more cautious approach, especially for rural insurance. Today we have the impact of La Niña and along the second half the predominance and still to be a predominance of neutrality and maybe migrating to something different.

So, today there is no indication of any worsening in the climate that would lead us to expect a loss ratio that would be much higher than last year.

But we are not just ruling out that it might be marginally higher, maybe at the end of the first half of the year here. But for the time being we prefer to be slightly more cautious in our approach before we say anything. For the other lines, we are not expecting any major variations.

Maybe for life the loss ratio is slightly lower than usual, but it's not too sensitive or we are not worried about anything. All other lines are very well behaved in terms of the behavior along 2026, especially the variable of certainty for rural products, especially in crop insurance.

So, for 2027, which is your second question, it's still too early to say anything. And 2027 performance will depend heavily on the performance of 2026, not just in terms of growth of premiums, but as I said before, in terms of the breakdown of the premiums. So, even though we have growth, we have short term products in 2027 we will need to carefully assess the scenario in terms of the lines and behavior to see how much result I'm going to generate. Whether this growth is very much focused on credit life in 2026, we're going to start 2027 with a much more positive approach. This is going to mean a relevant carryover in commissions to earn in 2027.

So, it's still too early for us to say anything about that. And this is added to the issue of investment income. If indeed there is a reduction in the risk premium, we will see credit lines going up more and maybe a performance that will be slightly more neutral in 27 and stronger in 28. Also, because investment income, as you are well aware. So, there is an almost immediate impact of variations in interest rates states, and we are expecting a more gradual reduction.

If it's stronger, it's going to affect the investment income of 2027. But creating better operational quality results in the future in 28, maybe 29. So, as I said before, there are many moving parts and there is still lots of uncertainty associated with all of them. And that's why it's so difficult for us to Project 2027.

Delano Valentim:

And just complementing in terms of VPR and CPR, we are working intensely on that. CPR accounts for 8% of our expanded rural credit line. So, there is, we are working very much to sell that for all products. Everything planned for 2026, about 1 million increases in written premiums not this year but a long time. And this would be one of the novelties that we want to explore along the year.

Marcelo Mizrahi- Bradesco BI:

Thank you so much for the opportunity.

Felipe Peres:

Thank you, Mizrahi. Our next question from Antônio Ruette from the Bank of America. Thank you. Antônio, you may ask your question.

Antônio Ruette- Bank of America:

Good morning, everyone. Thank you very much for your time and for taking my question.

I'm going to go along if you could talk about the private payroll loan. So, what about the sale? Are you selling either net? How does your platform work inside and outside the bank and continue in terms of other products? So, you mentioned a roadmap for your portfolio during the presentation. If you could give us more details, this would be great.

Delano Valentim:

Thank you so much, Antônio for the question and opportunity.

As I mentioned CPR and VPR talking about the private automatic paycheck deduction loan. We could have a reduction in order to explore in 2026.

We have an expectation that is strong in terms of continuing operating. So, credit is very much related to the interest rate cycle to increase the allocations. But there are other lines as we talk about the roadmap for 2026. There are other lines that we are going to explore for rural insurance that are segments that we haven't yet explored, that are unfunded areas that we are placing in terms of credit life. We have a very major portfolio of foreign trade that we are not exploring today. There are some segments in corporation, as I showed recently in 2025, So, we had Pronampe and other lines that that we were not exploring in 2025 because those audiences were not eligible and we are exploring and there is more novelty to come.

So, there too we've been working not just for higher penetration in segments that today we believe have some room for us to increase our businesses, but we've been working intensely on reviewing our journeys and how we can facilitate not the day to day of the network of Banco do Brasil branches, but also, digitally how we can favor the journey so, that customers can serve themselves, help themselves for what they want. So, as the year goes by and novelty is delivered, we are going to report to you not just what we tried, but also, future expectations for 2026 and also for future years.

Antônio Ruetter- Bank of America:

Thank you.

Felipe Peres:

Thank you, Antônio. Our next questions from Eduardo Nishio from Genial Investimentos. Nishio, please open your microphone and ask your questions.

Eduardo Nishio- Genial Investimentos:

Good morning. Thank you for the opportunity. Good morning. Delano, Sperendio and Felipe,

I have two questions. Number one is the sensitivity to the cycle, especially in terms of credit life insurance. Could you tell us, because this is probably not linear, depending on the percentage points, they do not have same impact in the origination of new insurance. Could you tell us what is the optimal level? From which SELIC level do you expect more growth in premiums?

And the second question regards pension, where you have had growth in Q4 even greater than the rest of the year and also later with a lag. So, what you're implementing 2026, do you have the intention of reaping the fruit in the beginning of the year or is this going to be a journey more towards the end of the year as usual?

Rafael Sperendio:

So, Nishio, thank you very much for your question. As to credit life, I'm going to try and mention a few numbers to you to see if I can answer your question in a satisfactory way. The SELIC is 15%. That has reduced the penetration of the portfolio considerably.

As I said before, in the end a higher rate will reduce the speed of origination and renewal of operations. And this and along with a higher rate, there is less room in credit to incorporate insurance. So, there has been a reduction of 4 to 5 percentage points. Considering the last high cycle of SELIC that increased it to 15%.

So, the expectation is for recovery as the long-term rate goes down. And the bank should incorporate this in the pricing. And once that happens, we are going to have more space for credit life insurance inbuilt in our more sustainable products.

What we are experiencing now is not very different from what happened in the past. The rate goes up, there is a slowdown in origination and penetration and then we have less room for the penetration of credit life insurance for individuals.

Same thing for companies, but in companies we feel it faster because it's a shorter portfolio, especially in terms of working capital. So, there is a reduction in the balance. And we observed a quite significant volume of cancellations of credit life insurance. And in 2026, as Delano said, we were able to somehow offset it by opening new business lines. So, as we address the portfolio, So, we have private paycheck loan, and this affected the slowdown.

But it's very difficult for us to try and guess the exact rate and to say how sensitive it is because there are many variables affecting So, breakdown. Individuals, companies, time, rate. So, those are moving parts. The lower the rate the better. Of course, as we saw with credit life. So, when SELIC was at 1 digit level and if that happens again, we are going to have a strong performance, especially now that our addressable portfolio has increased.

Delano Valentim:

Just complementing Eduardo for pension. Rafael had mentioned before and we worked very intensely the last quarter to design strategies to anticipate 2026. 2026 first started in early December last year with a very strong strategy to occupy the spaces that are limited by the IOF of 600,000 BRL per taxpayer number. And we are having very good response.

We have promotions to attract more customers, and the idea is to diversify the customer portfolio and to work much more on recurrence rather than sporadic allocations. And we are going to have a better performance during 2026.

Eduardo Nishio- Genial Investimentos:

Thank you so much. Do you think that in 2026 the net inflow is going to be positive or closer to zero, reversing the strength of negative net inflow?

Delano Valentim:

So, we are working on that. But it's still too early, Eduardo, for us to be sure that we are going to reach that level. So, we are working intensely on that.

Eduardo Nishio- Genial Investimentos:

Thank you So, much.

Felipe Peres:

Thank you. Nishio. Our next question comes from Carlos Gomez. Hello, Carlos.

Carlos Gomez- Banco HSBC:

Two different questions. The first one is about the pension plan contributions. The reduction was not only for you but for the system as a whole. Do you see any sensitivity on the part of the authorities to review the taxation of these contributions, or for the time being do you not expect any further changes.

And the second, going back to the sensitivity to rates, if I got my numbers correctly, you expect a sensitivity of 2 million for every hundred basis points in IGP-M and 30 million for every hundred basis points in IPCA, but you only expect 30 basis points of decline in IPCA. So the total impact is something like 12 million. Did I understand that correctly? Thank you so much.

Delano Valentim:

This is related to tax. We do not have any expectation in our radar of any changes in the law. We are working with the law that is in effect and anything new we expect to be prepared. But we do not have any long-term expectations in the law that was approved last year.

Rafael Sperendio:

So, Carlos, as to the sensitivity that you asked for, just to make it clear, the impact of IGP-M is 12 million for each basis points that it is above the IGP-M of the previous year.

So, if I'm not mistaken, IGP-M was negative by 1% in 2025. If we look at today, I don't know whether the market in Central bank is expecting IGP-M around 4. So, we can assume 5 points of increase in IGP-M would this is intended sensitivity of 12 million down per each point for IPCA. Our sensitivity today is something like 30 million down for each point that IPCA. So, we should consider that. And today what I'm saying also, and this is public information, what is in the market projections, considering the Focus is a 30 basis points of reduction more or less, that is expected.

Carlos Gomez- Banco HSBC:

So, 9 from IPCA, 60 of IGP-M and total close to 70 million.

Rafael Sperendio:

Yes, more or less. It's reasonable to assume that.

Felipe Peres:

Thank you, Carlos. Our next question is from William from Itaú BBA. Thank you, William, you can ask your questions.

William Barranjard- Itaú BBA:

Thank you very much for the presentation. I would like to go back to what Rafael said in the first question. Rafael said that crop insurance should improve in 2026 according to your guidance. At the same time life and credit life are going to go down slightly. So, first, rapidly what are the drivers lying behind or underlining this expectation?

Something related to price for crop insurance. But should the resumption of crop insurance somehow affect the sale of life insurance or credit life insurance or are they completely independent products?

Rafael Sperendio:

Well, William, thank you for your question. I would say that today in 2026 the expectation is that they are more independent. I'm going to try and summarize without going to too much detail. But when we see the breakdown of the bank's rural credit portfolio for funding of grain, especially we have costing, investment and marketing.

So, for crop insurance the product is much more sold for costing. So, lien expands the array for investment and rural life for farmers, as I said before, is a product that can operate in the three lines costing and marketing.

When we see more difficulty for crop insurance, there are many initiatives that we are taking internally to expand the addressable portfolio to expand the basis for both types of insurance to be bought. So, in the end they helped us attenuate the drop in crop insurance.

So, for 2026 we have a very strong basis for these two lines, especially in rural lien. It depends more on investment and today there is slightly less margin for new lines to create addressable audiences. So, considering the strong basis and the limitation that we have in terms of expanding the addressable portfolio, we are expecting a weaker portfolio than we had in 2025.

For crop, it's the opposite, considering everything that has been going on along 2025 with the portfolios and everything. So, our mindset is slightly more optimistic with a basis that dropped 40% in 2025 for crop insurance. So, we're more optimistic about expecting growth in 2026.

William Barranjard- Itaú BBA:

Thanks. Thank you, Rafael. Thank you everybody.

Felipe Peres:

Thank you, William. So, we have no more questions to be asked in audio in the line we have a few questions that had been asked in writing, but most of them have been answered along the event.

The only one that hasn't been answered is a recurring regarding the payout of dividends. Number one, the level of payout expected for 2026 and whether this is feasible and a dividend payout policy we addressed a few times and the possibility of change for the payments.

Rafael Sperendio:

Well, above 90 is something that is difficult for us to try and predict now. But keeping the average that we have been having in the last few business years, up to 90%, is something that is absolutely feasible, and this is a decision that is going to happen along the business year. More towards the end of the year, but this is possible.

Felipe Peres:

Thank you, Rafael.

Now we end our earnings release meeting. I'm going to give the floor to Delano and Rafael for their closing remarks. But before anything please answer the feedback form that we sent to you at the end of our virtual meeting with the perceptions of the event meeting and our materials. Thank you very much. Delano. Rafael, please.

Delano Valentim:

Well, first of all I would like to thank participation, everyone attending our virtual meeting for earnings release. And so, we have very robust results and very good results for our shareholders.

I would like to thank you for the hard work of all our staff and Banco do Brasil salesforce and especially the trust of our customers to make sure that we will continue working intensely to deliver results that agree with the size of BB Seguridade. Thank you very much and have a nice day.

Rafael Sperendio:

Well, once again I would just like to say that I am available to answer any questions you may still have and have a good day.