

Felipe Peres:

Hello, good afternoon. Welcome to our virtual meeting for the presentation of the results for the first quarter of 2025. This event is being recorded and has simultaneous translation into English. To listen to the audio in English, click the interpretation button on the left side below the screen.

As usual, the event will be divided into two parts. In the first part, our CEO, André Haui, and our CFO, Rafael Sperendio, will present the main deliveries of the first three months of the year. The presentation can be downloaded from our investor relations website at www.bbseguridaderi.com.br. In the second part of the event, there will be a Q&A session, when analysts and investors will be able to request additional clarifications.

I will give the guidelines for participating in the Q&A after the presentations. Now, I would like to give the floor to André, who will talk about the main results of the quarter. Andrew, with you.

André Haui:

Good afternoon, my friends. I would like to start by thanking all the people who are following the virtual meeting about our performance in the first quarter of 2025. Our managerial profit, which does not consider IFRS 17 standards, reached a mark of R\$ 2 billion, an increase of 8.3% compared to the same period last year. The performance was supported both by the growth in non-interest operating income, which was 4% higher in the period, and by the 38% expansion in financial income.

Our premiums, retained earnings, the insurer's main revenue metric, totaled R\$3.6 billion, a growth of 7.1% in the first quarter. The loss ratio, which had already ended last year at the lowest historical level, fell 0.3 percentage points, closing the quarter at 26.1%. In our accumulation business, pension reserves expanded 8.2% in 12 months and reached the expressive mark of R\$440 billion. At BB Corretora, brokerage revenues totaled R\$1.4 billion, up 4.1%.

Now, let's talk a little about the main advances we have made, both within our product portfolio and in alternative distribution channels. In this quarter, almost 127 million reais were invested in the development of new products, maturation of digital platforms and business support, ensuring 99% availability of systems and reduction of our time to market. In the first quarter alone, we launched two products that open up important growth

avenues for the company. The first of these was BB Seguros Consórcio Protegido, a lender insurance that provides peace of mind to shareholders of Banco do Brasil's consortium portfolio and settles the letter of credit in the event of the holder's death.

In just over a month, about 4 thousand policies were sold. Together with BB, we are also present in the Worker's Credit program, with the offer of lender insurance in private payroll loans. Since the launch of the product, at the end of March, R\$ 61 million in premiums have been issued. With the adjustments in the conditions of contracting the Rural Producer Life Insurance that we made last year, we achieved a significant growth of 39% in this product.

As part of our channel diversification strategy, we reached the volume of R\$ 419 million in premiums written through commercial partners, equivalent to 10% of the insurer's total. In the structured business segment, where we have a life co-insurance operation and solar panel insurance, we grew 41% compared to the first Q2024. In partnerships with cooperatives and agricultural resellers, the evolution was 67%. In capitalization, we also delivered a good performance, raising around R\$ 90 million via partners, an increase of 38% year over year.

We also had more advances in the distribution business thanks to BB Corretora's centralized management master platform, which plays a fundamental role for our distribution company to come to an increasing prominence. With this platform, we are able to connect sales journeys from different channels and partners and offer flexibility for the creation of campaigns and commercial strategies. An example of recent evolution is the qualification of the sale of bidding bond insurance on the *Licitações-E* portal, the largest in Latin America and which in the last year transacted more than R\$ 50 billion, involving about 1,080 public agencies and 318 thousand suppliers, plus a new channel of high potential and with relevant institutional positioning. We also continued to invest in improving journeys in digital channels, which contributed to the sale of more than 246 thousand products, equivalent to 17% of the total amount sold in the quarter.

I want to highlight that 48% of digital contracts were made by new customers, reinforcing the importance of this channel for our strategy of expanding the base and popularizing protection solutions. Moving on to the next page, we see here that all these improvements have been driven thanks to our relentless pursuit of generating value and serving our current and potential customers well. This is materialized in our consolidated NPS in the

quality zone, advancing 4.6 points compared to March 2024. The number of complaints continues to fall in 12 months, with a reduction of more than 25%.

With this, we were able to build customer loyalty and churn retracted 15% in the period. And the level of protection of our base continues to evolve. The number of overprotected customers are those with 4 or more products grew by 9.7%. The service conveyor belt and the differentiated benefits offered to this audience reflected in a 1.8% higher service NPS and a relational NPS almost 6 points higher than the average of other customers.

Well, I end my speech here and now give the floor to Rafael, who will continue with the details of the result. I'll be back soon for the Q&A session.

Rafael Sperendio:

Thank you, André. Well, gentlemen, starting here with the details of the numbers, we ended the first quarter with a profit of R\$ 2 billion. Here, unlike the way we ended last year, that issue of the temporal mismatch was less relevant for the first quarter, it ends up being more significant. So we bring here again the evidence of our result excluding that effect of temporal mismatch in the updating of assets and liabilities of the benefit plans defined there at Brasilprev.

So, just remembering here, we had an IGPM deflating 0.3 in March against a positive IGPM of 1.1 in February. So, 0.3 deflating, impacting the asset. and the 1.1 positive IGPM impacting our liabilities. So, pure noise, it took 78 million from our result in this first Qo, an order of magnitude very similar to the effect it impacted in the first QoL of 24.

It is not very relevant when we look at the year-on-year variation of profit, but to evaluate profit at its nominal value here, the most correct thing would be to think here in 2.1, segregating this effect, since we already know the IGPM for the month of April, it is positive 0.24, and we will have the liabilities being impacted by the deflation of 0.3, So the situation already normalizes in April, this is already known. The only variable that is still unknown is the IPCA, which today the market consensus is 0.4, so it should be even more beneficial for April's financial result. Here, dealing with the financial result component, we observe here a growth of 38% year over year, representing 16% of our result. It could even be an even more positive effect, we will follow now on the next page in detail.

So, of the 152 million growth in results, we have here a growth coming basically from the financial result. Operating income contributed 64 million. When we look at the components of the variation in operating income, we see that the main driver of growth was the evolution of premiums earned in the insurance operation, as a result of the sales we made in the past. 140 million came from prize winning.

This is also reflected there in brokerage revenue, which added R\$ 32 million. Here, revenue on the one hand ends up being an expense on the other, the increase in revenue of R\$ 32 million at the brokerage, a part of which was offset by the increase in acquisition cost there at Brasilseg. Another variable with a positive impact was the reduction in claims, R\$ 6 million in addition to operating income and R\$ 13 million in revenue growth with management fees. which comes here basically from the growth of the balance of reserves.

So this was the composition of the operating result, partially offset here at the end by a reduction of R\$ 95 million, which is basically derived from the increase in operating expenses, current expenses in general. When we evaluate the financial, growing 88 million here year over year, 31 million came by volume and rate here, CDI and CDI, average, growing in relation to the same period last year. Here too, we have an expense component, especially there at Brasilcap, at Brasilprev, which ended up offsetting part of this growth, the financial expense. When we talk about temporal mismatch here it was R\$ 4 million more negative, let's call it that, than in the first rail last year.

And finally, the market marking here, which I wanted to go into a little more detail, it ended up being negative R\$ 10 million against negative R\$ 71 million in the first rail last year, so a gain here of R\$ 61 million. Something that we had already been reinforcing for the market, which should have a more positive mark-to-market impact, it already appears now in the first quarter, which I mentioned earlier, that it could be even better, is that a good part of our exposure that it is pre-on, it is in bonds linked to inflation and the real curve, Essentially in the first quarter, it ended up opening in some maturities, so we have not yet captured all the positive movement of closing the term structure in the first quarter, it is happening now in the second quarter. Not to mention the issue of the mismatch itself and the inflation rates, which now the market consciousness already predicts an IPCA above IGPM, should be another positive factor for the financial result, so that growth that I mentioned around 38%, Today, based on the available information, the trend is for it to accelerate throughout the year. Moving on to the insurance operation here

on the next page, we see the written premium falling 6%, strongly influenced here by products that have direct linkage, credit origination, especially agricultural insurance, which falls 40%.

A part is compensated by the rural, which ended up growing first triangle against year and the rural ended up being left aside. the credit life insurance price, another affected line, with a reduction of 22%. Here we even brought a different perspective, which is the perspective of the retained premium. So, although the premium issued it falls to 6%, the retained premium it falls at a slower speed and if we segregate, and you will remember that last year We greatly reinforced the discontinuity of the product breach of warranty and this is a recurring process that we do in all companies in the group.

The product that is not delivering profitability within the required level, that adequately remunerates our cost of capital, we discontinue without any problem, the search is always profitability, it always comes first, then revenue. So the insurance breach of guarantee ended up contributing 124 million in the first QUARTER of 24, it was discontinued in the second QUARTER. So here the fairest approach, let's call it that, for comparison of results, for what we should see throughout the year, the premium issued without the breach of guarantee. In the retained approach, we also bring up the issue by segregating that portion that is ceded to the reinsurance, which is a proxi that would be the construction of a premium earned for future years.

Segregating the insurance breach of guarantee and segregating all the portion that is ceded for reinsurance, especially in the agricultural sector, which has a very strong component of premium exception, the retained premium would have grown 2% year over year. When we look at the quality of the operation, we observe here an increase in the combined ratio, but it comes from the increase in commissioning. Here, basically related to the mix, the agricultural product, which is the product with the lowest commission, losing share in the premium mix and other products with a commissioning index there at the average or above, end up gaining share, so the average commission goes up. Main loss ratio falls year on year, here life is the main highlight of reduction.

We had an increase there that was already expected and widely reported to the market in agricultural insurance due to the lint effect. We had an impact there in Mato Grosso do Sul, Paraná and, finally, in Rio Grande do Sul. So, this impact on agricultural insurance ended up slightly increasing the loss ratio in the rural segment, but it ended up being compensated

both by mix and in the life segment. Unlike last year, we remember the disaster that happened in Rio Grande do Sul, it was concentrated there in the second quarter, At first there is no indication that this can be repeated and most of it when we look at the second crop of corn and soybeans have already been harvested.

Soybeans in the order of 80% have already been harvested, corn in the order of 60% has already been harvested. So, we have no indication that we can have a loss ratio of the second quarter at the same level as it was last year. So, we should observe an improvement in this index throughout the 2025 fiscal year. Climate forecast today indicates a predominance of neutrality until the beginning of next year.

So, nothing, no hint of concern. On the contrary, we should continue to observe an improvement in the index throughout the year. Expenditure index there at the same level as last year. Financial growing 40%, here is a portfolio very concentrated in fixed tax, directly benefited here by the increase in the Selic rate.

Finally, profit grows 9%. So, we have a combination of a premium earned growing from the NGO of 8%, a slight worsening of the combined ratio, but for a good reason, which is commissioning. Medium going up here, will reflect there at BB Corretora. But with the financial growing 40% and then, finally, the profit grows at a stronger pace than the revenue due to the improvement in the financial result.

On the next page, talking about our pension operation, the collection was 13 billion in this first quarter, it fell 20% year on year, here you will always remember, the first quarter, the pension was the strongest quarter in the history of Brasilprev so it is very difficult to beat that first quarter, it concentrated a series of events, let's call it that, extraordinary, we had there the change in the rule of exclusive funds, we also had the change in the lack of financial instruments with tax benefits, exempt, LCAs, LCIs, this ended up bringing a lot of flow to the Social Security, but it was a very punctual movement at the beginning of the year, then the situation has normalized. So, when we look at this number of 13, we still don't have public data available per quarter closed, but we look at the cumulative of January and February, which is what the regulator has already made available, we captured a third of the market, which is a good performance, from the point of view of capturing gross flow. When we look at net inflow, we had a net redemption, a net outflow of funds of 1.5 billion due to the increase in the redemption rate, which rose from 8.6 to 11.6. And

here it is very related, when we do a survey there with customers, they rescued customers who chose to answer this survey, most of them ended up justifying it there for the purchase of real estate or to supplement income.

So this has been the main reason for the evasion of resources from our base. Finally, the reserve is growing here at 8%, the management fee, the revenue it grows 3, it grows at a slower pace than what we observe there in the growth of reservations due to the reduction in the average rate, which is directly related to the risk version, which remains in the market, so customers... they still continue to direct the flow to the most conservative instruments and, consequently, have a lower average rate. This is something that we have observed throughout 2025, so far.

And, finally, the result grows 17%. So, revenue from management fees grows 3%, but the financial result ends up being much better than it was last year. due to a mark-to-market effect, which was 7 million positive here, but last year it ended up being another 100 million negative. So, this combination here ends up boosting profit to a growth of 17% compared to the first quarter of 24.

Moving on to the capitalization operation, we have the collection practically stable year after year, the reserve fell a little, 2%. We distributed 16 million raffle prizes here, 20% more than in the same period last year. And we observe here a compression of financial margin, which led the financial result to a drop of 42% here, along with basically the negative adjustment of a hedge position that we made in the pre-portfolio. As the term structure was closing, but it ended up that we took a negative adjustment of around 50 million. The net impact in this first quarter, and there, together with the increase in the reference rate, which is a result of the increase in the Selic rate itself, we saw this with image compression, a drop in the financial result, which ended up pulling profit down, a 24% reduction in the result in the first one, which is another line that should show a good improvement in this number throughout the second quarter, since the nominal curve continued to close and we no longer have the position locked in a derivative, a residual position.

Next page, please. We have here the broker's result. So, 4% growth in revenue year over year. Net margin improves by 1.7 percentage points.

That is why profit grows at a pace above revenue, 7%. The net margin improves basically

due to the financial result. It is a company that carries practically the entire portfolio of assets in fixed taxes, whether in repo or LFTs. And to close the presentation, we have here our presentation of accounts regarding our guidance.

So, the operating result in interest rates was close to the center of the guidance, in the range of 3% to 8%. The written premium ended up retracting 6%. We predicted a growth of 2% to 7%. There, the main reason, the products linked to credit.

We have already observed a good reaction from credit life insurance throughout April, mainly because of the products that André mentioned in his speech, they are products that entered at the end of March, so we ended up not seeing this result. appearing there, whether the lender in the consortium or, especially, the one that will bring more short-term results, which is the lender in the private payroll. So we already observe this reaction and there is a variable that is still extremely important, which is still unknown, which is the size of the crop plan, the size of the subsidy for agricultural insurance. that we should become aware of throughout the second quarter, still understand whether or not it is feasible to maintain this growth interval throughout the year.

For the pension reserve we were also below, 8.7 when the forecast was a range of 12.16. Remembering here, the range from 12 to 16 is for the closed year, so staying below this range is something that we already predicted in the first quarter, this is what the rate itself would be, that the average rate, it should accelerate throughout the year. The rate itself, it is below this range, it is accumulating 11% in the last 12 months. It is a measure that the average rate accelerates, which is the expectation, especially in the second and third quarters, we must observe, this is our expectation, that the result realized here of growth in reserves is converging to the proposed range.

So here, for now, everything is on schedule. Well, these were the main highlights I wanted to bring in the result of the period and we returned in a few minutes to the Q&A session. Thank you very much.

Felipe Peres:

We are back, we will now start our question and answer session. If you wish to submit a question in writing, simply click on the Q&A button at the bottom of the screen. We will try to answer all questions sent live. If this is not possible, due to the time of the event, we will send the response to the e-mail registered at the time of registration.

We will also allow some analysts to ask their questions via audio. To join the queue of those who want to ask, just click on the Raise Hand button and release the microphone when authorized. Questions can be asked in Portuguese or English. We will always answer in Portuguese.

Now, let's start now with the question from Kaio Prato, from UBS BB. Kaio, good afternoon, please. You can continue. Kaio, we don't listen to you.

Kaio Prato – UBS BB:

Boa tarde, Felipe, André, Sperendio. I have two here by my side. The first is in relation to Prev's financial result.

Could you give a little more detail in relation to the normal impacts of time adjustment, mark-to-market and index? But mainly, I noticed that you reclassified the PCC adjustments in the financial result. I think it had an impact of around 35 million less in this quarter. But on the other hand, it also helps a little the operational.

I just wanted to better understand this reclassification you made and if there were also adjustments in the base of the first quarter of 24. Because this here also affects a little the growth of your operation. Then I'll come back with the second one.

Rafael Sperendio:

Thanks for the question, man, I'm going to start answering here by the reclassification that we did, it basically brought a lot of noise there for the operating result and in essence, a good part of that expense, almost all of it, let's call it that, It refers to the inflation update plus interest in the supplementary coverage provision. So, it made sense to leave only that portion passing within the operating result. We chose to do this reclassification from this year for financial expenses and the base, yes, was reviewed. So, the first quarter of 2024 is on the same reclassified basis as the first quarter of 2025.

Regarding the other impacts on financial results, a little of what I mentioned in the presentation, we have not yet appropriated all the improvement that we have observed over the four months, let's call it that, because we already have known data, of the curve

closing movement, which a good part of our pre-position, especially at Brasilprev, almost all of it is in bonds that are linked to inflation. And the curve in the first quarter, the real curve, unlike the nominal curve, it even opened at some vertices, so we had a negative marking at some vertices, it was a tie compensated by the small exposure we have in nominal rate and by the longer vertices that closed at the margin a little, so this ended up not fully benefiting the first quarter yet, in addition to the IGPM effect itself as I mentioned. In March, we had a deflation of 0.3% and in liabilities a positive inflation of 1%. So this ended up hurting the end of the quarter a lot.

April this is already reversed. So this is not a problem. I won't even pay so much attention because this is noise. The month of April itself will already show this reversal.

But the expectation is that there will be a much more positive second quarter in the financial result, mainly in terms of revenue, than we had in the first quarter of this year.

Kaio Prato - UBS BB:

It's great, waiting to be clear. And the second is a little in relation to the Guidance, in the premium part of Brasilseg, which you also commented a little bit. I think it was expected, the beginning was already a little weaker, but I wanted to know Can you share a little more about which lines you imagine will have a greater recovery from now on. I think André and Sperendio have already commented a little about the consortium and private payroll product at credit life insurance.

Do you have any idea of the size of the contribution that can come from these two products? Especially payroll, can you share how your experience in the product has been and if you expect that this penetration can increase versus what you have already done, please. Thank you.

Rafael Sperendio:

I'm going to bring a little more data about awards, then André will have the desire to complement it. In what I mentioned there in that dynamic, and you yourself reinforced here, Kaio, a first quarter when we look at the year-on-year comparison. harder. If you remember, in the first quarter of last year, we had a completely opposite environment from what we are experiencing today.

Back in the first Q24, we had lower rates and an expectation of downward rates throughout the year. This year we have an inverse scenario, we have a higher rate and an expectation of rates rising in the first Qo. Now, in the second Qo, we have already seen this projection already heading to a slightly lower level. But the environment is completely different.

When we look at this environment of lower rates, an expectation of a downward trend, it is the most favorable environment possible for the issuance of lender insurance premiums. No, by chance, the first quarter of 2024 was a record for premium written in historical lender insurance, we have never issued a volume of that size. We have the strongest basis for comparison now that we are facing this first quarter of 25. Now, forgetting a little about the year-over-year comparison and trying to look at the performance of the first skin in isolation, what do we observe?

Individuals, ok, we had the expected reduction, due to the increase in rates, it's normal, there is less room for Lender insurance in the customer's installment ended, this ends up reducing penetration a little, as expected, but the segment that we suffered the most ended up being the corporate segment. We have the product there that is linked to the guaranteed account and it is mainly focused on micro and small companies, a portion of the medium-sized company, so here the drop was much more significant, so much so that the PJ lender, it represented around 20% of the premium issued as a lender and started to represent 8% in this first quarter. So, half of the drop you observed there of the 21% here in the year contrary to the lender's edition, half of it comes from the corporate segment. Moving on to the second quarter, what do we observe?

I mentioned at the beginning of the presentation that the new products, whether the consortium or the lender in the private payroll, they only entered at the end of March. So we have not yet seen a relevant result coming from these products. But especially the lender in private payroll, we brought it up in the presentation, we issued almost 70 million already in the accumulated until April. Obviously the penetration is lower than in the public, yes, which is a product still in its early stages and just remembering that the opening of sales of this product in agencies, it only started last week, so now we should see this emission accelerating a little more.

The penetration today is around half of the penetration that we observe in the other lines of lenders, in individuals. So this is a product that we are counting on a lot for the short

term. The consortium is more long-term, because we only take ownership of the premium, a very similar dynamic that we have in housing insurance, the monthly premium. So here we have to wait to form the portfolio, it is a product that is performing very well, but it should bring results more in the medium term, the average term today of the lines that we are managing to cross-sell with the lender in the consortium, around 44 months.

So this takes a little longer, but it should be an extremely important product in the composition of recurrence and profitability in the medium and long term.

André Havi:

Well, can I make an addition? In addition to the point raised by the private payroll, we look at the fact that the market today has disbursements of around 8 billion upwards. Banco do Brasil disbursed a quarter of that, 2 billion, in a period of less than a month. And with the expectation that this product will reach 25 million workers by the end of the year, and so far it has reached 1.5, we understand that the prospective volume of premiums can grow considerably more.

So we bet on this, not only on this to be able to close these gaps, we understand that we will have a resumption of the credit life insurance in the other lines. rural insurance. We have seen the behavior of Ouro Vida, a rural producer, since the end of last year, in the last quarter and in this quarter, with a very significant reach. We are also betting on the strength of the Bank's Branch, on the induction of these lines, on the recovery.

So, we have the first IRT Usually in line, if we look at the behavior of the previous train, but with the strength of these new products, and as Rafael put it, the consortium product, as we promised, we delivered, it comes to cover the gap, but it is a product that we believe will be there providing a more long-term result, and we believe we will go to credit life insurance with more strength in the coming quarters.

Kaio Prato - UBS BB:

It's great. Thank you very much, André.

Felipe Peres:

Thanks for the question, Kaio. The next question is from Daniel Vaz, from Banco Safra. Daniel, can you release the microphone and ask your question, please.

Daniel Vaz - Safra:

Thank you, Felipe. Good afternoon, André. Good afternoon, Sperendio. I wanted to ask a question, perhaps a follow-up on this second question of Kaio, about the CLT payroll product.

At the time of Pronamp, I remember that Caixa was sensitive that the premiums written on credit were around 2 to 3%. Doing an account here of how you issued 61 million, but then you have 2 billion of contracts there at BB, we could reach something close to 3 to 4. And with the push of agencies being able to distribute, as Sperendio mentioned, you can even increase that number. Did you get to sensitize how much this ratio of the premium issued for hiring could be?

Does it make sense to work with something close to 5% for us to try to estimate the size of the industry's profit pool or addressed market? Thank you.

Rafael Sperendio:

Thanks for the question, Daniel. I would say that today the Bies would be more for a reduction of this average rate that you brought. The issue is difficult for us to project, because the rate depends a lot on the term of the operation. So, the operations that are coming out now, we got this rate close to the order of magnitude you mentioned.

Now from now on, even more so that we will have an opening for the agencies, this should bring a much greater volume of credit, this will end, the term will end up influencing a lot and it is an unknown, a variable that today we do not have control for us to be able to estimate. So if the deadline in the agencies, we get a longer effective term, Eventually this rate may go up a little, but not much, but a little. But if it is smaller, it may retract a little. So it's basically a function of deadline.

Daniel Vaz - Safra:

Of course, it helps us a lot. Thank you, Sperendio.

Felipe Peres:

Thank you, Daniel. The next question is from Tiago Binsfeld, from Goldman Sachs. Good afternoon, Tiago. Can you follow, please.

Tiago Binsfeld - Goldman Sachs:

Hi, good afternoon, André, Rafael, Felipe. Thanks for taking my question. I wanted to understand a little better the net funding line in this quarter, as you said, right, negative at 1.5b, more specifically looking at redemptions. For about three quarters we have seen the redemption rate above 11%, So, you have already commented a little on the reasons, but I wanted to understand if you think it is likely that there will be a normalization in the second quarter and if there is already any sign of this in the month of April. Thank you.

Rafael Sperendio:

Thanks for the question, Tiago.

The redemptions there I mentioned during the presentation, we observe there in a pool of customers, a sample there, we manage to capture customers who choose to answer the survey, and something like 50% there is being justified as either buying a property or buying or supplementing income. This is probably more in the higher income segment, more real estate purchase, more medium income there, high average, let's call it that, justifying income supplementation. So buying real estate is something that in the context of higher inflation, Usually, corporate of reais ends up being something natural, something that happens normally. So, it is difficult to expect a reversal of this short-term movement.

Another movement that we have observed, now it is not, we do not clearly see customers mentioning this, here is another inference. We have felt, from the middle of last year until now, when greater volatility in the market began, greater competition, we see internally the migration to lower risk assets or funds, which is diluting our average management fee, but most likely this is our inference, we must also be having competition with exempt instruments. So in the search, the Brazilian he is extremely risk-averse. Last year, we observed a very strong opening of the structure in terms of interest rates, which impacted the profitability of our funds, especially those that have exposure to inflation, which is natural, we always seek to maximize the return for our client in the long term.

Naturally, we carry a greater exposure to inflation and we had been carrying this precisely because real rates are at an extremely attractive level, today at the time of 7% real rate, historically the real rate has never gone much beyond this level, since the real plan until now, so there is a very attractive return perspective, But the average client doesn't have the patience, let's call it that, to withstand this volatility, to withstand the volatility of the

fixed income instrument. So, that impact that we saw in the fourth quarter of the opening of the term structure, it ended up being reflected in the customer's perception. When he observes the profitability depths of the funds already in January and February, this somehow also ends up triggering some eventuality of the need for redemption or reduction of the appetite to allocate more resources. When we look at the dynamics of this year, it is just to complement, then an instrument, for those who are extremely risk-averse, an exempt instrument that pays a percentage of 95%, 92% of the CDI without tax and without volatility, ends up being extremely attractive.

So for the client who has liquidity, he doesn't bother, he prefers to get out of volatility, allocates the resource in an LCA, in an LCI, waits for the 9-month grace period without any kind of problem. So, this possibly also impacted, although we don't have concrete, statistical evidence that this happened, but we can infer that this movement happened in the first months of the year. From now on, in line with what you questioned me, this movement tends to reduce. I mentioned April the actual structure has already closed.

So there was an anticipation of this movement of closing the curve in the structure to have a nominal interest rate in the first quarter and the real curve it closed in the second. It is starting to close now, in the second quarter, closed in April, closed in May. And this should directly reflect on the profitability of the funds and allow us to retain or attract a new flow. So the second quarter, if we assume that the curve should remain stable or continue this closing movement, should be the beginning of a slightly more beneficial funding scenario.

This is what we expect, but it is still too early to say, because there are several variables that can influence this and some that are totally out of our control, especially depending on the international scenario.

André Haui:

In addition to the explanation of the technical character, Mr. Maria, to a greater effort from the commercial area so that we can both retain and seek new resources. I think this direction is given, we believe that for this next quarter we will gain a greater boost, both in this technical look of management, our market condition, but in fact with a greater boost from the commercial area so that we can create more volume.

Tiago Binsfeld - Goldman Sachs:

It was clear. Thank you André and Rafael.

Felipe Peres:

Tiago, the next question is from Antonio Ruetter, from Bank of America. Antonio, you can release the microphone and ask the question.

Antonio Ruetter - Bank of America:

Hello, everyone. Good afternoon. Thank you so much for your time. I would like to focus here on awards.

It was the part that surprised us the most here. I think it will be an important theme for us to explore. You commented, Rafael, that you already expected it to run below the Guidance in this first quarter, given even in terms of seasonality, but what I wanted to understand is this, it came below, it ran below the Guidance I think it was already expected, but it has been disappointing since the Guidance was, since you gave Guidance in the last quarter, expanding the question a little more, even in what terms of the Guidance, thinking about operating results and premiums, how this performance came, even considering seasonality, and what you should see from now on to consider an eventual revision of these guidelines, especially thinking here about the operating and premium growth. Thank you very much.

Rafael Sperandio:

Question is even a good opportunity to make it a little clearer, maybe it didn't make me understand well, when I said that a performance below guidance was already expected in this first quarter, I was referring to the growth of PIV reserves at Brasilprev, precisely because of the implicit interest rate there in the return projection. The award issued, we didn't expect to be out of the Guinness Book of Records in the first quarter, no. This ended up being a little below our estimate for the first track of the year, especially in the agricultural product and a part also in the credit life insurance product. Although it grew compared to the fourth quarter, we observed a stronger drop compared to the first quarter than we anticipated.

The lender line in particular, it was already expected a year-on-year reduction, but the total premium title we expected year-on-year growth and then a portion of this lower-than-expected performance came from agricultural, another smaller portion from lender

insurance, especially in the corporate segment. I think that, making this clear, I ended up answering both parts of your question. It's great.

Antonio Ruetze - Bank of America:

Thank you, Rafael. If I can do a second one here, it would be the payout issue. You had already commented in the past, the payout between 85 and 90, only if you support this soft guidance.

Rafael Sperendio:

Okay. By the way, I ended up forgetting, you ended up asking what would be expected from variables that could bring this range to the guidance. Of course, an extremely relevant portion, it must have come from the Crop Plan itself and from the amount that we will have available for the subvention of agricultural insurance and this has a direct influence on the issuance of agricultural insurance premiums. And on the lender's side, especially the performance in private payroll.

We have observed a good evolution, the April number was quite satisfactory, but now we need to wait a little longer to see if the trend continues. throughout the second quarter, to give a little more comfort of what our projected performance would be for the year. For now we still understand that the interval is attainable, it is not easy, it is challenging, but for now it is attainable, which is why we thought it was too premature to do any kind of review now in the first quarter. Around payout, we have historically been practicing between 80% and 90%.

Today, based on the information we have available, the trend is that we should be more in the upper part of this historical range, given that we do not have any relevant need for capital retention. And the operation is not yet growing at the speed we initially anticipated. So, if this is confirmed, everything indicates that we should practice something there at the top of this historical range. Although this definition should still run further throughout the year.

Antonio Ruetze - Bank of America:

Very great, Rafael. Thank you very much.

Rafael Sperendio:

Thank you, Antonio.

Felipe Peres:

Thank you, Antonio. Next question from Pedro Leduc, from Itaú BBA. Good afternoon, Pedro. Can you follow, please. Thank you all for the call and take the question.

Pedro Leduc - Itaú BBA:

I would like to go back a little bit on the issue of the rural premium. We have seen for some time now the producer life and the pledge itself compensating for this weaker dynamic in agriculture. And here are two parts of the question. Could you give us an idea of how penetrated the life insurance producer is already within the product itself?

And in the agricultural, if you think about it. Maybe, I don't know if there is any adjustment. If it is done, maybe this environment of lower claims, they call lower prices, that's what we are seeing. Is there any other way for him to grow back? Thank you.

Rafael Sperendio:

Thanks for the question, Pedro. In terms of opportunity within Credit life insurance for farmers, of an order of magnitude, the penetration today is still, something like half or two thirds of the penetration we have, is not mixed. So there is still plenty of room to grow penetration. And always remembering, the deadline is much shorter, we are dealing here with operations of one year, two years at most.

For you to understand the dynamics well, I will try to translate it very simply, without going into too much detail here, but within the rural segment we have three products. The agricultural is directly linked to the costing. Even before that, the basic lines that we have there of credit in the rural segment, we have costing, investment and marketing. So Greco only goes to the cost.

The investment, the investment lines, they have the opportunity for pledge and for the life of rural producers. And the commercialization one, there it also enters with the life of rural producers. So with the life of rural producers, I can get into the costing, I can get into the investment, I can get into the commercialization. The agricultural only in the costing and the pledge investment in a small portion of the commercialization.

So it ends up being the most versatile product. Let's call it that we have within the portfolio. to try to make compensations when we see that some line or another is performing below expectations. It is the only one within the segment that you can link the three main lines of rural credit.

So that's the main reason. Regarding the expectation for agriculture from now on, let's call it that after the pandemic, maybe it is the sector that is going through this rebalancing, it is the last sector that is going through a rebalancing of supply and demand. We saw soybean and corn prices rising to levels never seen before in 2021 and 2022. And these prices have now normalized at a level, let's call it that, which we saw before the pandemic, it is not a level, I can call it a low level, but it is a more normalized level.

So, that's why the award ends up being very close to what we observed before back in the pandemic. Obviously, now the rural producer has to restructure his balance sheet to make this new scenario of input prices and commodity prices ahead now. So, producers who leveraged themselves a little more, now it has gone to an extreme, they have to go back now to a middle ground. And that takes a little bit of time.

So I would say that as producers review their balance sheet structure there, we begin to have a little more opportunity to grow agricultural insurance again. In terms of today's commodity prices, if we look at Brazil I would not say that we have any evidence of price up, on the contrary, I mentioned during the presentation, the second harvest is almost 60% harvested, soybeans 80% harvested and production, productivity is better than last harvest, Production should be higher in total. than the harvest went through, especially in these two crops. So in terms of supply, there is no supply restriction that could lead to a price increase.

We have to observe what happens in other markets that produce these commodities, but in principle I still don't see any evidence in the short term that the price can rise, which would be a variable of greater sensitivity for the agricultural insurance premium.

Pedro Leduc - Itaú BBA:

Very clear, I hope. Thank you.

Rafael Sperendio:

Thank you, Pedro.

Felipe Peres:

The next question is from Guilherme Grespan, from J.P. Morgan. Grespan, can you open the microphone and ask the question, please?

Guilherme Grespan – J.P. Morgan:

Hi all. Good afternoon. Thanks for the call and for opening up to the questions. Two on my side.

The first is in relation to Pronamp. I understand that you don't take out Pronamp insurance. I wanted to understand if you reevaluate this position, I think that several of your competitors have been making products for a few years, I think we discuss private payroll loans a lot here, but Pronamp is a Profit Pool perhaps of equal size and more easy to be approached. And my second question is only in relation to Social Security, we discussed a lot, Sperendio talked about the part of competition with exempt people and some other movements in the industry, But when I look here, even trying to take out what is the industry effect, what is the BB Seguridade effect, despite the fact that you are maintaining an impressive market share in the contribution, showing the strength of the agency close to a third, I have noticed that the technical reserve has fallen a lot, the market share.

If you go back 4, 5 years ago, it was almost 31%, nowadays it is already at 27, 27.5%. I just wanted to know the pension diagnosis, because the reserve is growing 9%, but the management fee is growing 3%. Even if we see a Selic here close to 10%, 12% in the medium term, do you think that the revenue growth of this vertical should be close to low single digit? Thank you.

Rafael Sperendio:

Thanks for the question, Grespan. Well, about credit life insurance, it's correct, we don't do it in Pronamp and we are evaluating what could be done from within the possible to tie the product to these subsidized lines as well. It is something that we should advance throughout the second quarter. Regarding social security, my dynamic is correct.

And mainly because of the return component there, we compare our return against the industry on average. This is mainly justified by a greater concentration of the industry in private bonds, unlike Brasilprev, which ended up benefiting more and has less volatility than Brasilprev's funds, which end up choosing to have a greater concentration in market risk in government bonds with a longer duration. While the industry has a larger share of private bonds that have less volatility because it has less liquidity as well. So that's the main point.

This ends up directly reflecting on the return and the return of the industry ends up being a little higher than ours. And that's why we end up losing share in reservations. So that's the main reason. The second reason, with less influence, is the redemption index itself, which ends up The portability index we have the second lowest in the industry, but our redemption is above the market average today, it is above the average, so this ends up harming a little, but I would say that the main variable that influences the variation of the reserve balance, which is directly related to the dynamics you mentioned, we lost a little bit of share, it is the implicit rate of return due to this composition.

Guilherme Grespan – J.P. Morgan:

Of course, different, just a follow-up, so if you had our role here as an analyst, the technical reserve projection I think is a little more easy, you should more or less follow the Selic there. And then assuming that the Selic is about 12, 13% at the long average end, do you think that the growth of the management fee for you in the medium term is closer to 5% or closer to the Selic?

Rafael Sperendio:

The average rate should continue to fall at this pace around one BIP between 1 and 2, depending on the context, per quarter. So I don't believe that the management fee will grow Selic, no. On the contrary, it should grow less. Quantifying this now is difficult, but it will certainly grow less than the average Selic.

Guilherme Grespan – J.P. Morgan:

Okay, super clear. Thank you, guys.

Felipe Peres:

Thank you, Guilherme. Next question from Marcelo Mizrahi, from Bradesco BBI. Mizrahi, boa tarde. You can open the microphone, ask your question.

Marcelo Mizrahi - Bradesco BBI:

Hello, everyone. Thank you for the opportunity. I think most of the questions have already been. I just wanted to get two points.

The first, on the issue of the lender as well. So, if the biggest reason for the fall of the

lender came from the effect of the legal entity, So, even with a hiring of a legal entity, it is difficult to think of a relevant recovery of the hiring of a legal entity and as you have demonstrated, the effect of the private payroll loan is not so relevant, it is not that great to change the dynamics. In the third quarter of last year, the level of loan premium issuance was quite strong. So I think the basis of comparison from here on out is a little better in the second quarter, but then it gets worse going forward.

Even so, do you believe that it is possible to return to growth in the issuance of lender insurance in the coming quarters? That's one question. And the other would be about the issue of capital allocation, the distribution of dividends. I was going to ask if this year would also have an impact on the buyback or if this year would be more in the dividend.

And then I wanted you, perhaps, Rafa, to remind us of the rules there. need to be able to repurchase.

Rafael Sperendio:

Well, Mizrahi, thank you for the question. Let's start with the latter, in terms of dividend and buyback. We have already reached the legal deadline for the program, it was ended in February, in the middle of the first quarter. For now, we have no indication that it can lead us to open a new buyback program this year.

So, I think the market can assume that 100% of the cash flow would be distributable. should be through dividends and no longer by repurchase in 2025. Regarding the lender. Yes, we still understand that it is feasible to think of growth by basic effect as you well mentioned.

The second and fourth quarters are much weaker bases. So we already observe an important reaction in the month of April. Something that we have to wait a little longer to see if this expectation will materialize or not, is precisely the performance of private payroll loans throughout the second quarter, which is very difficult for us to predict, because it is an extremely new product. So it is difficult for us to extrapolate how much credit the bank will originate, but we performed well even with the restrictions, so it left at the end of March, opened to the branch only at the end of April and even so we issued something like 63 million premiums, with a penetration still less than half of what we have in the public sector.

So there is a space, participant in the origination has a space to improve penetration, especially now that it is available for hiring at the agency. So, I think it is still prudent for us to observe our performance throughout the second quarter to see if this projection is confirmed or not. It would be too premature to anticipate that we could not have growth. It is still totally feasible for credit life insurance price growth to be for the year.

Of course, with low growth, but inevitably it will be better than the performance we had in the one held now against the first quarter of 24.

Marcelo Mizrahi - Bradesco BBI:

Cool, thanks guys.

Rafael Sperendio:

Thank you.

Felipe Peres:

Thank you, Mizrahi. Well, we have time for one more question. Question from Eduardo Nishio, from Genial Investimentos. Nishio, boa tarde. Can you open the microphone and ask your question, please?

Eduardo Nishio - Genial Investimentos:

Good afternoon, thank you for the opportunity. I also have two questions. The first is in relation to your performance this year, in a way, you have the bottom line performance half guaranteed by the financial performance. The high Selic helps you in many ways.

But I wanted to explore a little more the part of prizes, prizes and revenue in general. You are having a little more difficulty to evolve, if you take, for example, awards last year, you didn't evolve much. And this year, you started the year with seasonality already getting in the way a little. I wanted to know if you, if really when the Selic starts to fall, you intend to grow a little stronger again, if you have any agenda of cross selling, of greater penetration, in short, of exploring the base of the BB a little stronger to make this growth come back to the surface.

In a way, we will have to have the top line growing at some point for you to have the bottom line growing in the next few years, you would explore this a little more. And my second question, not wanting to be uncomfortable, but from the point of view of equity is

an important question, if you are in progress with negotiations with BB in relation to the 2033 contracts, if you can anticipate these contracts for now and how would these new contracts be designed? Would it be a little more automatic? If you could wait a little longer for this agenda, because it is an important agenda from the point of view of ECOS. Thank you very much.

André Haui:

Eduardo, thank you for the question, André. I'll start with the second, the same answer as the last time, since he arrived, well talking to the bank, obviously, this is not taboo within the institution, but we still have time to mature for us to move towards the model that will be of the future. So, for now, we are focused on the operation itself and extracting the best result from the partnerships. So, this will be addressed at the right time, you are not worried about this advance now, because it is not a difficult conversation, we are all indoors.

About the first question, yes, BBC Seguridade, the office is inside the bank, it already facilitates conversations with the various areas that make up the bank, the various directorates, especially the commercial directorates and the financial directorates, where we establish the metrics together and try to enter the counter. Obviously, the bank has priorities and these priorities are going hand in hand with the priorities of BB Seguridade, because the bank at the end of the day is the controlling shareholder and the result largely dies there on the bank's balance sheet. So yes, we have there, as you can see the initiatives, we have put it on its feet, put there an initiative that we talked about last year, it's standing, it's running, which is from the consortium. This comes with it, a cross-sell line, but we have tried, we have sought to enter more and more into the wholesale lines, we have grown there too.

Of course, within the general context, the percentage growth is not as great as that of retail, but it has been more robust, so we want to advance in the lines of large risks. We talk, yes, so that we can put together packages and this conversation has been more and more constant. So we trust, we know that the bank... seeks, within this result of the security, a relevant part of the result that the bank presents and this dynamic, it will happen stronger, yes, not only in this next Qo, but from now on.

I think the discussions are always hotter. For the amount we can contribute, for our cost of capital, we have some comparative advantages in relation to the companies in the group,

the banking dynamics itself, which we can contribute more strongly and the bank supports us at this counter, so that we can not only be at the counter, but that we can be in the showcase. At the counter we are already there, but we always try to be in the window so that we can attract the initiatives that we take as a company to improve the profile of financial education, of insurance education within our base. Anyway, we still have a lot to explore within the bank's base, we have 8.5 million total customers distributed in our companies.

We know that we have a potential 4, 5 times greater to be able to achieve it. We have been growing. Bringing news, I think the main thing is the innovation that comes from within the company. So you can expect for sure that we will be closer and closer and as I said in the previous speech, this result of the first rail does not reflect what we are looking for the year, what we projected, so this for us is to be within what we want.

I think the award there surprised a little, but otherwise we hope and are sure that we will achieve the projected results there. If Rafa wants to complement.

Eduardo Nishio - Genial Investimentos:

Thank you.

André Haui:

Thanks, Nishio.

Felipe Peres:

Thank you, Nishio. With that, we end our virtual meeting of the first quarter results here. Thank everyone for their participation and pass the floor to André, to Rafael, so that they can make the final remarks.

Rafael Sperendio:

I thank once again everyone who participated, especially those who asked questions on our earnings call and I remain, both myself and the investor relations team, available for any type of question that still remains. Thank you and a good afternoon to all.

André Haui:

Thank you to our customers, our employees and especially to our shareholders who believe in BB Seguridade and continue to invest in us, investing the company, the results are seeing. Thank you very much and see you soon.