

Felipe Peres:

Hello, and good afternoon. Thank you for attending our webcast to present the results of 2Q24.

This event is being recorded and simultaneously translated into English. To listen to the audio in English, just click on the interpretation button.

We are going to start our event with a presentation by our CEO, André Haiu, and our CFO, Rafael Sperendio, who will talk about the results and performance of 2Q24.

The slides in Portuguese and English are available on our investor relations website at www.bbseguridaderi.com.br.

After the presentation, we are going to have a Q&A session, during which analysts and investors may ask questions. I am going to come back at the end of the presentation to give you additional orientation.

Now, I would like to give the floor to André to start his presentation.

André Haiu:

Thank you. Good afternoon, Felipe and Rafael.

First of all, I would like to thank everyone who is watching us. I am going to start the presentation by greeting our customers, shareholders, and everyone who is watching us.

It is a great satisfaction for me to announce that the net income of the first semester of 2024 has kept its growing trajectory year-on-year despite the scenario of volatility, which reinforces the resilience of our business model.

Accounting net income has reached R\$4.2 billion in the first six months of the year, an 11.8% growth as compared to the same period of the year before. Now, the adjusted managerial profit that does not consider IFRS 17 and all extraordinary events of the half year grew 3.1%, totaling R\$3.7 billion.

This performance comes from the growth of the operation, which is still in the high digits, performing in the upper part of our guidance as expected.

In our insurance operations, we had a high of 5% in premiums written, getting to R\$8 billion, of which the main highlight is credit life, which grew 21%. The loss ratio of 27% remains a positive surprise, with a reduction of 1.9 percentage points year-on-year.

In our pension businesses, the reserve balance has exceeded R\$410 billion, up by 12% in 12 months, with a net inflow of R\$5.3 billion. I would like to emphasize that this number was more than twice higher than the number that we had in the first half of last year.

In our savings/premium bonds business, we had a 3% growth, reaching R\$3.2 billion in the half year, and total reserves grew 5%, reaching the balance of R\$11.2 billion at the end of June 2024.

Lastly, as a result of the good commercial performance in a half year, BB Corretora's brokerage revenues totaled R\$2.7 billion, up 12% as compared to last year.

And here, I would like to highlight the strength of the team of employees of the BB Seguros' Group. I would like to thank everyone in this Group.

My dear friends, our strategy, which is based on the Company's purpose of providing confidence for people today and ever, is still being executed as expected. In the first six months of the year, we had significant deliveries.

We have invested R\$258 million in IT infrastructure, cybersecurity, and developing digital journeys and solutions. This investment, combined with our strategy execution, has made it possible for us to reach interesting marks in our portfolio. I am going to mention a few.

Now we have the insurance and the rural pledge for livestock and fruit and vegetable crops. Together, these products have generated more than R\$257 million in premiums written in the first half of the year.

In life insurance, we have improved our collection process. Aligned to our digital positioning, in May, we made available a solution that makes it possible to pay overdue installments through Pix sent by Whatsapp. In very few days, more than 1,000 policies that were overdue were updated with this solution, which helped in the reduction of 11.6% of the churn of this product in 12 months.

In pension, we made available the utilization of pension as collateral for credit operations. In the first half of the year, more than R\$300 million was retained, initially made available for structured credit facilities.

Complementing the work in our main distribution channel, Banco do Brasil, we still seek opportunities to expand our business model in addition to managing our current partnerships.

Here, there are some important numbers to highlight. In the first half of the year, we have reached the amount of R\$75 million in premiums written for insurance for major risks and transportation in partnership with our partner brokerage houses, a growth of 71% as compared to the first half of 2023.

We have added 24 new partners, considering major machinery and agricultural inputs dealers and brokers chain for distributing pensions.

In insurance premiums, through partners, we have reached R\$797 million, which, despite the 10% drop that was very much impacted by a lower volume of crop insurance, has presented a contribution that is 23% greater to the net income of BB Seguridade, which demonstrates our commitment with strategy at the same time as preserving profitability.

Everything that I have presented so far has a final objective: offering the best customer experience to our customers so that people can rest assured now and forever. Observing the evolving customer satisfaction indicators demonstrates that we are on the right track with our corporate structure.

The NPS of our customer base is consolidated in a quality zone, evolving 6.4 points in the last two years. The number of complaints is falling continuously. The number of complaints in 12 months until June 2024 was 12.3% smaller than the one that we had between July 2022 and June 2023.

In addition to that, the level of protection of our customer base continues to evolve. The number of super protective customers, which are the customers that have more than four or more products in our portfolio, has grown 6% between December 2023 and June 2024. The NPS for customer service, according to the assessment of these customers, improved by 1.6 points.

As everybody knows, in the first half of the year, unfortunately, we had a catastrophe in the south of the country, especially in the states of Rio Grande do Sul and Santa Catarina. At that time of major difficulty, we tried to reinforce our proximity with our customers, so let us see what we did:

We have delayed the cancellation of policies due to overdue installments that matured in May. We sought proactive contact with customers in affected regions, with 89% of our attempts being successful. We have made available an exclusive call center to receive calls from our customers who have had an emergency, in addition to expanding the care that we provided to them.

In the most critical period of that calamity, we received more than 5,000 calls, and we spent approximately R\$225 million in claims expenses. Even though robust, this number presents, through our reinsurance strategy, a smaller net impact on our results.

It is important to remember that the effects of this event are still felt by the population that is now trying to rebuild the affected cities. That is why it is very important for everyone to keep helping in any way possible.

Before ending my presentation, I would like to highlight that the results that we have reached are the result of our effort and focus on our customers, employees, and shareholders, and they are based on the solid pillars of our strategy, which I would like to highlight:

Continued improvement in customer experience, seeking to make our customers our fans, and to win them wherever they are, by modernizing our portfolio in a sustainable and innovative way. This is translated into a pursuit for better and better results in a way that is light and efficient. All of this is making a difference.

I would like to thank you for the opportunity, and now I will give the floor to Rafael, our CFO, who is going to give you details about the numbers for the first half of the year and 2Q24, and then we move to the Q&A.

Rafael Sperendio:

Thank you, André. Good afternoon.

On this slide, we have the details of the numbers. This is evidence of how the SUSEP's circular letter 678 impacted us. It has been in effect since January, but in 2Q24, we had a few impacts that were slightly more relevant and had an impact on our bottom line, and part of these effects were booked as extraordinary events.

To recap, let us talk about SUSEP 678 and the changes it has imposed. It addresses many different points, but I am going to be more specific in terms of the impact on Brasilprev. This document has included the possibility of benefits being granted in terms of writing them down when the clients are in the accumulation phase and not in the receiving phase.

Now, based on the circular letter, it is possible to write off provisions for customers to survive in addition to the defined period of validity for the plan, which has made it possible for us to close some benefit plans that were overdue and were past the maturity date, and a decision was postponed, increasing the liability balance for a long time.

Therefore, if we are to summarize, this has had a twofold impact: one aspect is more accounting and another is more economic. Regarding the economic aspects, just as I said, we

wrote off the provisions of the plans that matured, and this led to a reduction in minimum capital requirement of about R\$234 million, and this has been quite positive.

However, the accounting aspect of the SUSEP 678 Letter has brought a change in the way we report the deficit for these plans. According to the previous standard, once it was calculated and there was a deficit in the provision, we had the prerogative of using more guarantee assets to offset. If they were sufficient to offset, we did not need to book the liability, which we call provision for complementary coverage. This is what we used to do until December.

According to the 678 Letter, we started to have to book and write this deficit in our financials. So, at the time of transition, there was a deficit of R\$650 million in January, and it was immediately booked so that we complied with a new standard.

All this had some impact on our bottom line. It turned out that this did not attract much attention, but after that, we equalized assets and liabilities in reclassifying the portfolio until maturity, and then we brought this plus value to the balance. In other words, we booked R\$650 million and something around R\$2 billion that became part of the net equity of Brasilprev.

In April, we started to implement it, and between January and March, we carried out a complete survey of customers with expired defined benefit plans, and then we started asking customers what option they would like to have: to redeem or convert to income.

When we went towards the second impact that I mentioned, which is the positive economic impact, we had a significant reduction of around R\$1.3 billion in provisions, being something like R\$300 million converted in income, and more or less R\$1 billion was either redeemed or converted into a PGBL kind of plan but now with a defined contribution.

However, when we did the liability adequacy test, these plans had a surplus due to the current context. There were few moments in the recent past when this happened: the flow that was projected along time and ETTJ was above the liability, thereby generating a surplus. And then, when we stop and this flow comes to the present time, it no longer exists because the clients need to make a decision and can no longer postpone the decision, so this surplus no longer exists.

When the surplus ceased to exist, it had the impact of creating a complementary coverage provision of around R\$217 million. This is the share that we understand is one-off and extraordinary, so we close the period for comparison purposes because this is a one-off event due to something external, which is the implementation of the new standard by SUSEP, and because it addresses all the inventory of mature plans.

From now on, we are not expecting any other extraordinary events because all the inventory has been dealt with, and from now on, we will address the adjustment either due to survival, conversion in income, or whatever. Therefore, we are not expecting any impact as big as this one in the future.

So, as you can see, the R\$217 million in Brasilprev is presented in the slide. In the MD&A, there are details of the new standard impacts. Attached to the presentation, we have a table with everything that we did and all the movements, and we can answer any questions you may have.

The R\$217 million has led to an adjustment of R\$129 million in Brasilprev, and if we bring it to BB Seguridade, it has had an impact of R\$97 million. So we went from R\$1.8 billion to R\$1.9 billion in the recurring base, growing 1.6% as compared to last year.

On the next page, you can see the results on an adjusted basis, showing an income of R\$1.9 billion with a 1.6% growth in 2Q24 on a year-on-year comparison. In the first half of the year, we delivered R\$3.7 billion, a growth of 3.1% as compared to the first half of last year.

As Andrei said, this income came from operations, and you can see all the financial components of the results on the next page, but the only reason why this growth was not bigger is because of the financial impact that you can see on the right-hand side of the slide that suffered because of marking to market and interest rates, especially between April and May and June.

This has impacted Brasilprev's investment income in addition to the inflation of the IGP-M itself, which last year we were reporting as deflation of this index and which also increased the cost of the liability. And the investment income, which accounted for almost 20% last year, now accounts for only 15% in the first half of this year.

On the next page, you can see the details of the main components of variation. Regarding premium earned, the main driver for growth is especially credit life insurance and what we have been seeing along the year, especially in rural insurance and also in the rural pledge that we have.

Brokerage revenue follows the same trend, boosted by periodic payment products, which have a higher remuneration, especially in the first installments of Brasilcap, and a higher compensation for pension plans. Therefore, brokerage revenue is quite significant.

Management fees at Brasilprev are in line with an increase in assets under management. The loss ratio is also important for the operational results. Despite all the impacts that we had because of the south of Brazil, as André mentioned, we see the overall numbers for the loss ratio were better than the first half of last year, especially in life and also in rural pledge and rural life.

And then part of this growth is taken up by revenue by the broker house and the insurance company, in addition to the growth of administrative fees, but overall the operational result has grown by R\$260 million, 8.8% up as compared to the first half of last year.

However, part of this growth is taken up by investment income. As I said in the previous page, the first component is a R\$23 million reduction, which is basically the variation in the Selic rate year-on-year. We offset almost all of this by volume.

The time mismatch had a positive impact. Last year, the IGP-M curve was downwards, and that caused a heavier time mismatch. In the first half of this year, the time mismatch was almost neutral. The difference between the first half of last year and this one is that we have added R\$150 million.

However, the main problem here for the final numbers was the marking to market. We had it down by R\$150 million in the first half of this year as compared to a gain of R\$129 million last year. Last year, the curve was closing, and this heavily affected the investment income. This year we saw it opening., and that is why you are seeing this impact. So, of the R\$260 million, it took R\$147 million less than it would have grown.

On the next page, you can see our insurance operations. Here, we have some specific impacts in Brasilseg in terms of premiums written. First, we had an insurance plan that was part of the car loan and was a product that had a profitability rate that was below our attractiveness rate. Then, we decided to stop selling this product to review it. And then, once we relaunch it, we are going to remodel this product with appropriate profitability.

Another impact was the write-off in some coinsurance operations in life and also for credit life. This did not impact the financial settlement of the contracts, and everything took place 100% accurately. The issue was that the accounting record was not appropriate for the

settlement of the operations. Therefore, we wrote it off, which is slightly more than R\$90 million. If we add the two effects in 2Q24, if we compare year-on-year, there is a growth of more or less 5%.

In the first half, written premiums have grown 5%, from R\$7.7 billion to R\$8 billion. The main highlight in the first half of the year was credit life, which has been good since last year, with very good performance this year too, growing 21%. And we did not even segregate the coinsurance impact, and it would be even more. So, it is a very good performance.

As part of rural insurance, it has also provided significant growth of 4.2%, with the rural pledge and rural life growing quite a lot. The only observation in rural insurance is that we have the crop insurance segment. Considering the Plano Safra, in relation to last year, the performance is more modest in crop insurance this year compared to last year, even though we saw that Banco do Brasil increased its share in the amount of funds. Therefore, we are expecting to see a positive second half of the year in this segment.

Commercial insurance has dropped 33% in the first half of the year and this is totally related because we are no longer marketing our operations and our insurance for credit letters.

Life here is flat because of coinsurance, and, other than that, it would have grown year-on-year. In terms of quality, so to speak, in this portfolio, we can see that in 2Q24 year-on-year, there is a slight worsening of the combined ratio, which is especially related to the growth of commissions.

Crop insurance has the lowest commission of all modalities in our portfolio, while credit life has the highest commission. So, as crop insurance is underperforming as a whole and it has lower commissions because of mix and the loading in credit life, it affects average commission fees, which is why there is an increase in commission fees and a worse combined rate year over year.

If we look at the accumulated numbers, we notice it is better, and the positive highlight is the loss ratio that is lower than last year, which more than offset the increase in commissioning because of the product mix, as I mentioned before.

In terms of expenses, it went up a little bit if we see it year-on-year and year-to-date, but this is because of a change in classification of some intangibles from CapEx to OpEx, so this has increased the basis for administrative expenses, and that is why it has gone up 30 basis points in accumulated numbers.

Investment income has dropped year-on-year, both in 2Q24 and in accumulated numbers, and this is because of the drop in the Selic rate. We offset a significant portion of that with volume, but not everything.

And lastly, considering the overall context of the operation, net income has grown 3% in 2Q24 year-on-year, 7% growth in a year-to-date because of higher earned premiums and the drop in claims rate, being partially consumed by the investment income but also delivering a high-digit growth if we look at year-on-year numbers.

Now, on page 10, we will talk about pension. Here, we have the collection growing at 2% year-on-year and 8% year-to-date. The redemptions are going on a positive downward trend in both year-on-year and year-to-date numbers. We had a redemption of R\$300 million in 2Q24, but we had a net inflow of R\$5 billion in the year, more than doubling as compared to the first half of last year. For this reason, active reserves reached R\$410 billion, which is 12% of growth in 12 months.

Revenue from management fees grew 13% year-on-year and almost 10% in year-to-date numbers because of the higher volume of assets under management. Regarding the average rate, we had a drop of four basis points, in line with the last year trend of reduction

in the share of multimarket in a total of assets under management, and that is why we had a decrease in the average rate.

In terms of the adjusted net income, it has dropped 21% year-on-year and 26% down in the year-to-date numbers. This was impacted by the provision for complementation coverage, which generated this impact.

Regarding investment income, as I said, the mark-to-market and the IGP-M inflation ended up having an impact on our investment income, taking up some of the bottom line of Brasilprev in the first half of the year.

Now, we will talk about our premium bonds. The collection decreased 9% and grew 3% year-to-date. In terms of reserves, it went up 5% year-on-year, and drafts paid went down 20% in year-to-date numbers and 15% year-on-year because of the reduction of the terms of the bonds.

With respect to investment income, in 2Q24, it went up by 5% as compared to 2Q23, despite the five basis points contraction in the financial margin, but the volume and the growth in reserves, as I mentioned before, ended up more than offsetting this reduction in margin.

In terms of year-to-date numbers, we have a financial facility line coming from the cost of liabilities as a result of the lower reference rate, which caused this 18% expansion of the investment income, which was the growth driver of the 12% growth year-to-date and 11% year-on-year.

BB brokerage grew 12% year-on-year and also in year-to-date numbers. As I said, this is a very good performance because of pension and premium bonds. The net margin is better by 30 basis points, also because of sales. Finally, net income grew at the same speed as revenue, 12% on both comparison basis.

Now, to wrap up our presentation, you can see our guidance for the year. Here, we have the adjusted non-interest operating result staying in the upper middle of the range. Premiums written are below the range according to the first half of the year: 5% in an interval of 8-13, which was impacted by the write-off of our coinsurance operations.

In the year-to-date numbers, this took 2.5% of growth out, and, other than these events, the half point of deviation would be related to this change in crop insurance that, this year, is going to be concentrated more on the second half of the year. We are keeping the range. We do not see any indication that would lead us to review this range of growth.

Lastly, pension reserves grew 13% above our guidance range, which is from 8 to 12%.

So, overall, our results are positive. There were some events along the first half of the year that kind of affected the comparison basis, but, as I said, especially everything involving the provisions for complementary coverage was related to accounting practices. It had an economic impact, which is not so clear when we look at the bottom line, but it is very clear if you see, in the table we show the solvency of the Company, the significant reduction of R\$234 million capital for subscription, which is very positive.

In terms of accounting aspects, the added value still compensates for this deficit that we had. This has not changed because the added value still offsets it. However, now we need to show evidence of that, and this is something for you to observe from now on: how this is translated in our financial sheet. So, variations in the interest rate curve and the variation according to current assumptions are translated in the income statement.

Therefore, we will always need to deal with all of these components, like the impact on the equity and the impact on the income statement, to continue to understand what we used to do before the new regulation was implemented. So, as I said, there are no major impacts in the cash flow, but much to the contrary, this is likely to increase the flow this year.

Now I end my part, and we can move on to the Q&A session.

Guilherme Grespan, J.P. Morgan:

Good afternoon, Felipe, Sperendio, and André. Thank you for the presentation.

I have two questions to ask. The first is directed to André. It has been a while that you are on the seat of CEO. I did not ask this in 1Q24, but now you are seeing what BB Seguridade is today and where you want to go in the next year and a half in terms of time. My question is more related to the "x-ray", in other words, the analysis you have been doing. Could you list to us which are your priorities for the other year and a half?

And more specifically, I would like you to talk about the contract. This is something that the market pays close attention to, and when we look at previous administrations, there is a very clear message that the main focus of Ulisses was to diversify, and contracts were second in priority. So I would like to hear from you. What do you see for the next year and a half as a priority in your management? And how do you fit the Banco do Brasil contract into this list?

My second question is more related to numbers, and maybe Sperendio can help. You did a lot of buybacks in 2Q24, which, according to my math, are 27 million shares. The plan is for 64 million, and I think that you are at 59 million already, so I have two questions regarding that. Can you confirm to us, Sperendio, if it is easy for you to cancel the shares in treasury and to have another buyback plan before the end of the current plan?

And the second question is about the executive officers' compensation plan. If I am not mistaken, you have 40% in long-term shares and 10% in shares at site. Is there a lock-up in the 10% at sight? Is the 40% in long-term a 5-year linear? How are you managing it?

Thank you.

André Haui:

Good afternoon, Guilherme. Thank you very much for the question.

I am going to ask Rafael to start, and I would like to talk about the contract and the strategy. So we are going to do it backwards. You ask three questions, not two, right?

Rafael Sperendio:

Thank you for your question.

As to the buyback plan, in fact, we are very close to the completion of our plan.

Regarding the cancellation, everything can be very simple. It is just a decision by the board of directors. However, it is never so simple because our controller is a bank, so if we cancel those shares, this would increase Banco do Brasil's share in BB Seguridade, and, before that happens, we need to have an authorization by the Central Bank of Brazil. Therefore, this is a point for observation before we decide to cancel the shares.

As to executive officers' compensation, it is more or less as you said. Half is received in cash and half in shares, with the first share at sight with no lock-up. The remaining shares are distributed in a non-linear way, being heavier in the beginning. It used to be linear until last year, and it has changed this year. In short, it is slightly heavier on the first installment, then it goes down over a period of five years.

André Hai:

Once again, thank you so much.

I would like to first talk about the contract. Since I arrived at BB Seguridade, and I think it will be six months now, this has been addressed by our investors and shareholders whenever I travel and whenever I talk. Number one, yes, there is an intention on both ends to look at the contract. We understand that BB Seguros is a Company of Banco do Brasil and will continue existing this way. This is the main point.

The bank has all the intention to improve the relationship so that we can be more present in all cities through Banco de Brasil and, of course, continue the strategy of having new customers and new partnerships.

In terms of the contract, once again, we have the intention to discuss its perennity. Even though we come from Banco do Brasil and are here working, of course, the Company will keep doing its job, but the way we are going to work once contracts mature and in terms of the investments, this is something different.

I think that the easiest thing here is to sit down with the bank, look at our future to work on our perennial future and continuity. This is being mentioned by both Tarciana and Marco Geovanne, who is the CFO of the bank, and me too. This is within the scope.

A priority in our management is to provide all predictability and confidence to all our investors and shareholders, and this is the basis and the foundation of this term in office. In answering your first question, we do not know what exactly is the management time, but of course, we expect to build something and leave a legacy.

I think the main legacy here is to keep our strategy in execution, the active pillars in terms of modernization of our portfolio, always looking at what is the best and the most modern, both in the physical stores and also digitally, always seeking innovation, always seeking to invest in data analysis.

I would say that customers see in this current management a major focus on new businesses. We are looking for new business lines, new partnerships, and new business segments where we do not yet operate implementing this on the Company and, in this manner, getting to new numbers.

I hope that looking at customers and improving everything that we do and after sales, looking at our shareholders, contracts, results, and efficiency, and looking internally with our employees and teams so that everyone is fiercely going after result and performance, I think that we are going to get to the results expected. Therefore, overall, it is about seeking new businesses, modernizing the current portfolio, new products, and new ecosystems.

I think that this issue of the ecosystem is very important, so I am going to mention one ecosystem that we are going to go into, which is the Banco do Brasil's credit letter

ecosystem. There are a lot of good results coming from this ecosystem, as for example, credit life insurance.

When we look at other ecosystems, such as the governmental and vehicle ecosystems, we notice that we still have a lot to grow. I think these are the paths that we have to go towards, but always paying attention and being very careful so that we can provide good deliveries.

Antonio Ruetter, Bank of America:

Hello. Thank you for the opportunity to ask my question.

I have two questions. The first is about the guidance. Could you give us more details? When we look at the numbers delivered in the first half of the year, what is the idea? How are those numbers going to go into the guidance range in the second half of the year? What are you going to do to get that?

My second question is about credit letters. Could you give us some indication and details? How big is the opportunity that you are seeing with Banco do Brasil today?

Thank you.

Rafael Sperendio:

Antonio, thank you for your question.

As to the guidance, I imagine that you are talking about premiums, which is the only one that we are below expected. As I said, there are two unexpected factors that had an impact in the first half of the year. If it were not for those two factors, we would have been on the lower part of the range. We did not expect that Plano Safra would be released so much later than it was last year, so this kind of displaced the contracting of insurance to the second half of the year.

I mentioned 2.5 points because of a product that we are no longer marketing and the impact of coinsurance, so this would be another half point. Additionally, it is worth emphasizing that, even though we are below the range because of these effects, these effects, in the share, are either negative or residually positive.

The coinsurance impact took up a little bit more than R\$90 million of premiums from the bottom line, and its share was R\$7 million, which is almost nothing. The breach of guarantee product is a product that, also in terms of return on the allocated capital, was destroying value. This is an option that we made to favor profitability at the expense of billing.

So, if we take out these effects that create some noise but are affecting our bottom line, what we expect for the second half of the year is basically related to very positive expectations. As I mentioned during the presentation, the share of Banco do Brasil and the total controlled funds have increased substantially as compared to last year. This will contribute to the increase of crop insurance premiums over 3Q24. We have been observing this, and it has helped a lot already. Therefore, this has been one of the reasons why we decided not to review the guidance.

Always reminding you that we had 5% of growth here. Another point to reinforce is that the contribution on the bottom line may look smaller than it would be. Retained premiums have grown almost 11%, which are premiums that really contribute to the bottom line. So it is important to look at that indicator rather than just premiums written.

André Haui:

I would like to comment on that answer. Talking about the guidance, as to the Plano Safra, I think that the drivers are the incentives and the strength of Banco do Brasil, which, obviously, are together for all products. We have bigger motivations for a better bottom line, so we are going to go after that.

As to credit letters, in terms of the main lines, we have the credit life and vehicle insurance. Even though it is an estimate, we believe in a range of gross premiums of something between R\$500 million and R700 million by beginning with the credit life while advancing in vehicle and house insurance. This is a good estimation due to our strength and the growth of Banco do Brasil business. So we believe that we have our products, and with many of them, we are able to attain the results.

Tiago Binsfeld, Goldman Sachs:

Good afternoon, everyone.

I have two questions to ask. The first one is about loss ratio. As to the events in Rio Grande do Sul, is everything in 2Q24 or is there any residual impact in 3Q24? Could you give us some more color on the assumption for loss ratio that is in your guidance? What is the degree of confidence that you have in terms of that expectation?

My second question is a follow-up as to the product that was discontinued. When are you expecting to launch a new product? Would that be an immediate contribution to the top-line? I think you mentioned R\$100 million of contribution last year. If you just launched this new product, could you rebuild this contribution in your top-line?

Rafael Sperendio:

I am going to start answering. As to the loss ratio in Rio Grande do Sul, whenever there is a catastrophe, in the case of our insurance Company, we are always more concentrated in crop insurance. We are always very conservative, with an initial estimation in terms of provisions both in PSL and IBNR, so whenever we calculate the effective losses, we have a higher likelihood of reviewing it down rather than adding something.

Therefore, in principle, today, there is no indication that we might need to increase the provisions for claims to cover the catastrophe in addition to what we have already booked in our balance sheet. Of the R\$225 million, almost 80% of those claims were concentrated in crop insurance and rural pledge. So, initially, this R\$225 million has added about three points to our loss ratio, but after the recovery of the protection clauses, the final impact is one percentage point in the loss ratio, which is not really material.

In terms of the outlook for the second half of the year, there is no reason for changes. Usually, in the second half of the year, the profile of our business is not too volatile in terms of loss ratio. The peak of the loss ratio is usually in the first quarter, sometimes a little bit in the second quarter, but most of it is usually in the first quarter. So we do not think there will be any changes in the loss ratio as compared to the standards that we have been seeing in the first half of the year, and this is what we have in terms of operational guidance.

In terms of calendar, the technical area is remodeling the product. It is an old product, old-fashioned, and it was not appropriately reflecting the evolutions in a credit letter market, so we decided to stop marketing it to implement new functionalities to relaunch it between the end of 3Q24 and the beginning of 4Q24.

Gustavo Schroden, Bradesco BBI:

Good afternoon, everyone. Thank you for the time. Thank you for the webcast. It is nice to talk to you again.

I have two questions to ask. Number one is about brokerage results. In our understanding, you had quite strong results. If we look at the breakdown, the brokerage even gained some share. I was reading your release, and you mentioned the booking of deferred revenues for insurance and, in pension, there is a mix with a higher percentage of commissions in the first installments as compared to sporadic products.

Considering the mix that you have and also the insurance growth base, should we expect the same kind of performance in the second half or some changes with these first two points? This is my first question.

The second question is more directed to André. As to the contract, you mentioned that there are 24 partners and almost R\$800 million in premium being brought. So what is the target? Do you have any plan that has been outlined of how much would come from external partners? Could you share that with us?

Thank you.

Rafael Sperendio:

Thank you very much for the question.

As for the brokerage house, in fact, in the first half of the year, we carried a little bit more incentives for periodical payment products, which are quarterly or monthly, in other words, recurring products as we call them. And these products, whether pension or premium bonds, have associated brokerage fees slightly higher, and this leads to an increase of the brokerage in the bottom line.

We did this in the first half in order to carry over more recurrences along the year. In the second half, we have less incentive to do that. We are going to rebalance the incentives once again, so we are likely to have a higher contribution, as it historically happens when the

products are more sporadic. Therefore, we are not going to have what happened in the first half of the year again.

In terms of the breakdown of our bottom line, we expect that insurance and pension coming from our subscription branch will increase share. Pension was quite impacted by the interest rate curve, and this had an impact in the first half of the year, but we are not expecting it to repeat to open the curve in the second half.

The investment income is going to recover some of the losses, just as in the insurance Company we are expecting more premiums coming from the crop insurance, and this is going to increase the share of these two companies in the overall result. In short, this is the dynamic that we are expecting.

André Haui:

Good afternoon, and thank you for your question.

As to the mix of sales through the bank and outside the bank, I do not have a number to tell you, but I will tell you how it is. When we got to the Company, we saw the major concentration and strength of cooperatives that is helping us to sell insurance, especially credit life and rural insurance, and this is bringing us quite significant results.

And then, when we started looking at other segments, we understood that we needed to define partnerships in terms of what we want from our partners. The important question is: Who are the best partners for BB Seguros to operate in those other segments?

We cannot fool ourselves and say that we want 50/50 or 60/40. Banco do Brasil, for example, is in more than 5,000 cities, and this is our strength. We have almost 29 million customers and 80 million registered people. Therefore, I believe this will continue and will always be our driving force.

But if I were to give you the number that I expect, I think that, if we evolve to 10% outside and 90% inside, is a good number. However, we have to look at each kind of product and each kind of Company. For example, Brasilseg has a more relevant share than Brasilprev has. So I believe that Brasilprev, because of the quality and market leadership, should seek growth. Therefore, Brasilseg is already above this line of 10%. On the other hand, Brasilprev is below that, as well as Brasilcap, but it has been growing.

I believe that seeking an average of 10% is good for all of them, but we will always reinforce the idea and be present too. This is also a matter of choice of efficiency. If we decide to be outside with partners, we will need new schemes. There is another issue of preparation for us to offer our products externally, so this is also related to efficiency.

In short, I think that 10% outside and 90% inside is a significant number that is absolutely feasible. And, in the future, 20/80 is where we could get, but I think that Banco do Brasil will always be our main channel.

Kaio da Prato, UBS BB:

Thank you for the opportunity.

I have just one question, and it is about the PCC (Pis, Cofins e CSLL) adjustments in Brasilprev. If I am not mistaken, you had some customer payments from the traditional plan who decided to redeem and also adjustments in PLA and minimum capital requirements. Considering all these effects, would you say that the mismatch of IGP-M and IPCA has gone down or not?

Thank you.

Rafael Sperendio:

Thank you for your question.

As I said before, there was a reduction in the minimum capital requirement due to the write-off of the clients' contracts who had already matured and did not choose that decision. We called these customers and asked them to make up their minds and to make a decision to redeem their plans or sell. All of that was R\$1.3 billion.

Therefore, the reduction of the liability of the customers that had to make a decision ended up relieving the minimum capital requirement for subscription, and, at a lower scale, we had a R\$234 million reduction just because of that. After that, there were other factors, but this is the most important in terms of structure in terms of minimum capital requirement.

Also, we had a reduction, which is lower, in capital requirement for market risk, which is the share that we allocate. When we shorten the liability, we get two additional benefits: a shorter gap in duration because the duration of liability is higher than assets; and the second positive impact is an increase in the matching of indexes.

Today, the index matching is about 88%. We are over-hedged in the short term and a little bit under-hedged in the long term. Therefore, this new rule gave us these benefits: it has shortened the liabilities, decreased the duration gap and increased the coverage for the liability.

William Barranjard, Itaú BBA:

Hello. Good morning, everyone. Thank you for allowing me to ask a question.

I have two questions to ask. First of all, in terms of rural premiums, especially credit life, which is quite strong in 2Q24. This is an expansion that started strong in July 2023 when you changed your target audience. What should I think about this line starting 3Q24? Would they see a strong reduction in growth, or is this 15-17% pace year-on-year is expected to continue?

And my second question is about the loss ratio. You had a significant impact in mortgage insurance and crop insurance, but rural and credit life are better in terms of loss ratio. So are these improvements recurrent? Was there any reverse effect due to the Rio Grande do Sul catastrophe, especially because of residential since it seems that the number of calls has gone down heavily year-on-year? Did that have an impact on calls that were not responded to in Rio Grande do Sul?

Rafael Sperendio:

Thank you for the question.

Let us go top-down in terms of revenue life. Life and lien had a very good performance in the first half of the year. Over the second half, considering the basic comparison, and lien benefited very much in the beginning of the year because we launched a new coverage and to guarantee livestock with credit operations.

When they gave animals as a guarantee, we did not have this kind of coverage, so we had to change the scope, and this had an impact in the first half of the year. It was a sale of R\$250 million in the first half, but this is very much focused on inventory operations. Now, marginal sales are a lot smaller.

When we look at the second half of the year, we expect the mix in the rural segment to change, the crop to grow, and the rural and lien insurance to reduce its share, however, not implying a significant slowdown in the levels we observed in the first half of the year, but the crop insurance is going to go up and the share of the others is going to go down.

Regarding the loss ratio, this is partially related to what you said. As we launched new products, adjusted coverage and age in life and rural, and also made some adjustments to the lien insurance, we brought in many operations that are not yet having claims sent. Therefore, there is a year and a half to two-year maturity curve until we can see the real impact of a billing increase on the loss ratio. For the time being, it is only diluting the loss ratio. Despite what we had in Rio Grande do Sul, this wider basis is contributing to a lower share.

In terms of claims in home insurance, it ends up being quite small. If we look at the world, we had more than 5,000 claims, and all of them were contemplated. We even expanded our array of coverage for the population that was directly affected by the catastrophe. Of course, we have some time to adapt to provide the service, and there were some structural problems. As the waters went down and the flow went back to normal, we could serve all our customers.

Daniel Vaz, Banco Safra:

Good afternoon, Felipe, André, and Sperendio.

My question is related to La Niña. As of August, there is a 70% likelihood of this phenomenon happening. In crop insurance, you reinsure 80–83% of the insure. In the first half, the El Niño was not materially significant in terms of your loss ratio for rural insurance. So, with respect to the expectation for La Niña, what are you expecting to see?

And number two is regarding reinsurance. Brazil is in the mapping of catastrophes, which was not so common, and more recently when Rio Grande do Sul and everything that has happened is slightly worse. How is the renewal that reinsurance companies do in July and end of year? How is the pricing renegotiation in terms of Rio Grande do Sul? Any impact in price you can share with us?

Rafael Sperendio:

Hello, Daniel. Thank you for your question.

As to the impact of La Niña, in principle, the effect that we are seeing is not worse than what we expected. What happened is that, when we were designing the budget for 2024, we were already working with La Niña starting to have an impact in the second half, but there was a displacement in terms of time.

It is very difficult to forecast four months in advance, because, considering the calendar year, it is four months later. It is not yet completely clear. We are not very confident in terms of expected impact, but considering what we expected for the agricultural cycle that is starting now, there is no indication that leads us to worsen our loss ratio assumptions.

As for reinsurance, in fact, we had the event in Rio Grande do Sul. In principle, everything related to negotiations with the reinsurance companies had no significant impact for us. I think that this impact is more concentrated in major risks and commercial lines, which are lines that we have no exposure to in subscription. The lines that we have higher exposure to in subscription are the ones in the rural segment.

As you can see, if you look at our numbers, even though we had this event, nothing is materially sufficient to impact the profitability of our portfolio and anything that might lead to a redis discussion of prices with the reinsurance. We have not started our negotiations yet. I think this is going to take place in the future, but, considering our business profile, there is no significant impact that we are going to take to our discussion with reinsurers.

Q&A:

Regarding dividends, what are you expecting in terms of payout of dividends this year and thinking next year? How is this in combination with the buyback program?

Rafael Sperendio:

Overall, the buyback program is close to the end of its execution. In the beginning of the year, we have a composition between return for shareholders coming from dividends and a higher share in the buyback program. In the second half of the year, if we continue with the same trend of execution that had been going on until then, the performance of the second half of the year will have a higher share of dividends in the overall numbers in terms of return for shareholders.

Considering both components, for the year, it will be something close to what we have been practicing since the IPO, which is between 80–90% of payout. So this year, we are closer to the upper-part of this range, always considering a combination between buybacks and dividends.

We look at half-years, so the second half will probably be more cash. Considering our basic scenario, we do not yet have a time range that is sufficient to close the program and have everything to open a new one. We are not expecting it to end in 2024. This is not the basic scenario.

Q&A:

The question is about the investment income and Selic rate. In terms of what was projected at the beginning of the year and at the end of 2023, the market projections for Selic have changed slightly. How does this change impact 2024 and also our growth expectations in terms of investment income and income next year?

Rafael Sperendio:

It is still a little too early to talk about that, but, in 2024, we were working with a slightly sharper decrease of the interest rate in the second half of the year, which is not likely to be confirmed. So, in the second half, we are going to have an interest rate charge slightly higher than we had initially expected, and this has an impact on the pension reserves and the resource management of the companies that comprise our holding.

Now, volatility is difficult for us to tell whether we are going to have an investment income that is going to be higher even if Selic is higher because of this curve volatility, as we have been observing recently.

But, in principle, we are not working with the same size of opening of curves that caused the market-to-market of the first half of the year so that it will not repeat in the second half. So we are going to have better investment income in the second half of the year than it was in the first half of the year.

Obviously, we adjusted our assumptions too. Obviously, this ended up adjusting our premise as well. I mentioned a faster rate of interest rate decline throughout the second half of the year that should not materialize, and this ends up extending a little into next year. In principle, at the beginning of this year and at the end of last year, we were expecting a slightly more significant impact on our investment income. Now, it looks like this is going to be more gradual over time, with a lower impact and less volatility than we had initially expected.

Felipe Peres:

Now, we end our webcast to announce the results of 2Q24.

As always, if you can, please, answer the questionnaire that you are going to see once the call, the webcast is over. We want to hear from you because your opinion is important to us.

Now, I would like to give the floor to André and Rafael for their closing remarks.

Rafael Sperendio:

I would like to thank you for attending our conference call.

I am available along with the Investor Relations team to answer any questions you may still have. We tried to do our best to give all the details about the changes that SUSEP 678 has caused, but we can explain anything that is not yet clear to you.

André Hai:

I would like to thank everybody watching us, especially our customers, shareholders, investors, everyone we share our day-to-day, our colleagues, and all employees.

Obviously, we are going to go strong in executing our strategy, going after strong and sustainable results. Finally, we are available if you want to get in touch with us so that we can answer any questions you may have once again.

Thank you very much, and have a good afternoon.