



MD&A
1st quarter 2020

■ PRESENTATION

The Management Discussion and Analysis – MD&A presents the economic and financial status of BB Seguridade Participações S.A. (BB Seguridade). Directed to financial analysts, shareholders and investors, this quarterly report provides an analysis of economic and financial indicators of BB Seguridade, stocks' performance and other aspects considered relevant for the assessment of the company's achievements.

The consolidated financial statements were prepared in compliance with the International Financial Reporting Standards – IFRS.

All the analyses in this report are based on IFRS Financial Statements, but are occasionally supplemented by managerial data, besides other information calculated based on accounting principles determined by the Superintendência de Seguros Privados – SUSEP (the regulator of the insurance industry in Brazil).

■ ON-LINE ACCESS

This MD&A is available at BB Seguridade's IR website, where additional information about the Company is also available such as: corporate structure, corporate governance, historical data, among other important information for shareholders and investors. The company's website can be accessed through www.bbseguridaderi.com.br.

This report makes references and statements about expectations, expected synergies, growth estimates, earnings forecasts and future strategies regarding BB Seguridade. Such statements are based on current expectations, estimates and projections of the Management about future events and financial trends that may affect the businesses that the company is involved in.

These forward looking statements are not guarantee of future performance and involve risks and uncertainties that could overextend the control of the management, and thus can result in balances and values different from those anticipated and discussed in this report. The expectations and projections depend on market conditions (technological changes, competitive constraints on products, prices, etc.), on the country's macroeconomic performance (interest and exchange rates, political and economic changes, inflation, changes in tax rules, etc.) and on international markets.

Future expectations based on this report should consider the risks and uncertainties that involve BB Seguridade's businesses. BB Seguridade has no responsibility to update any estimate contained either in this report or in previously published reports.

Tables and charts in this report show, in addition to the accounting balances, financial and managerial figures. The relative variation rates are calculated before the rounding procedure in R\$ million. The rounding method used follows the rules established by Resolution 886/66 of IBGE's Foundation: if the decimal number is equal or greater than 0.5, it increases by one unit, if the decimal number is less than 0.5, there is no increase.

1Q20 Earnings Conference Call

May 4th, 2020

Portuguese

Time: 01:00 PM (Brasilia time)

12:00 PM (EST)

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1. SUMMARY

Table 1 – Key figures

		Quarterly Flow				
	Unit	1Q 19	2Q 19	3Q 19	4Q 19	1Q 20
Earnings Summary						
Underwriting and accumulation businesses	R\$ thousand	588,208	584,621	567,167	565,983	393,845
Distribution businesses	R\$ thousand	415,623	465,182	489,099	542,695	478,132
Other	R\$ thousand	9,927	28,590	24,923	24,248	10,744
Net income	R\$ thousand	1,013,758	1,078,393	3,401,650	1,164,980	882,721
Adjusted net income	R\$ thousand	1,013,758	1,078,393	1,081,189	1,132,926	882,721
Performance by company						
Brasilseg						
Loss ratio ¹	%	37.2	27.1	28.6	23.8	29.7
Comission ratio ¹	%	32.3	30.6	31.0	37.8	35.0
G&A ratio ¹	%	14.9	12.8	13.5	14.9	14.8
Combined ratio ¹	%	84.1	70.3	73.0	76.4	79.6
Expanded combined ratio ¹	%	75.1	69.3	70.2	73.9	76.0
Adjusted ROAA	%	8.8	10.9	10.8	9.0	8.9
Solvency ratio	%	157.8	142.3	147.1	126.3	117.4
Brasilprev						
Technical reserves	R\$ million	262,783	272,660	282,253	289,811	286,494
Management fee ²	%	104	102	0.99	0.99	100
Adjusted ROAA	%	9.4	6.7	7.7	9.2	3.9
Solvency ratio	%	173.4	163.7	166.9	157.5	165.8
Brasilcap						
Premium bonds reserves	R\$ million	8,842	8,806	8,547	8,342	7,863
Net interest margin	p.p.	3.3	3.5	3.6	3.5	2.2
Adjusted ROAA	%	12	0.9	1.1	0.7	15
Solvency ratio	%	191.6	200.2	205.8	196.1	183.0
BB Corretora						
EBIT margin	%	79.7	80.9	80.6	80.0	80.9
Net margin	%	54.5	55.3	55.1	55.1	54.2

1. Due to the reallocation in 2Q19 of reinsurance commission revenues from the “Premiums ceded to reinsurance” line to the “Retained acquisition costs” line, the indicator series of indicators has been revised since 1Q17.

2. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for the 2019 periods.

■ ADJUSTED NET INCOME

Table 2 – Earnings Analysis | Adjusted income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Equity income	1,002,039	1,102,724	868,229	(13.4)	(21.3)
Underwriting and accumulation businesses	588,208	565,983	393,845	(33.0)	(30.4)
Brasilseg	226,211	249,855	242,768	7.3	(2.8)
Brasilprev	286,534	300,078	121,198	(57.7)	(59.6)
IRB Brasil-RE	49,443	-	-	-	-
Brasilcap	21,411	11,898	25,247	17.9	112.2
Brasildental	4,609	4,152	4,632	0.5	11.6
Distribution businesses	415,623	542,695	478,132	15.0	(11.9)
Other	(1,792)	(5,954)	(3,748)	109.2	(37.0)
G&A expenses	(3,373)	(6,155)	(6,814)	102.0	10.7
Personnel expenses	(2,481)	(2,708)	(2,772)	11.7	2.3
Administrative expenses	(956)	(920)	(1,191)	24.6	29.5
Tax expenses	(1,730)	(2,435)	(2,693)	55.6	10.6
Other operating income (expenses)	1,794	(92)	(158)	-	72.0
Net investment income	20,431	52,016	28,831	41.1	(44.6)
Financial income	33,828	52,068	53,720	58.8	3.2
Financial expenses	(13,397)	(52)	(24,890)	85.8	47,446.4
Earnings before taxes and profit sharing	1,019,098	1,148,584	890,247	(12.6)	(22.5)
Taxes	(5,340)	(15,658)	(7,526)	40.9	(51.9)
Adjusted net income	1,013,758	1,132,926	882,721	(12.9)	(22.1)

■ EXTRAORDINARY EVENTS

Table 3 – Earnings Analysis | Adjusted net income

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Adjusted net income	1,013,758	1,132,926	882,721	(12.9)	(22.1)
Extraordinary events	-	32,054	-	-	-
Brasilseg: reversal of provisions for unearned premiums	-	12,375	-	-	-
Brasilprev: reversal of provisions for related expenses	-	19,679	-	-	-
Net income	1,013,758	1,164,980	882,721	(12.9)	(24.2)

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

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

■ ADJUSTED NET INCOME

Figure 1 – Adjusted net income

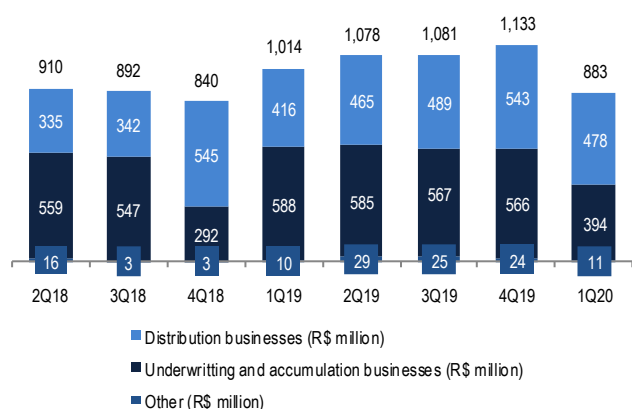
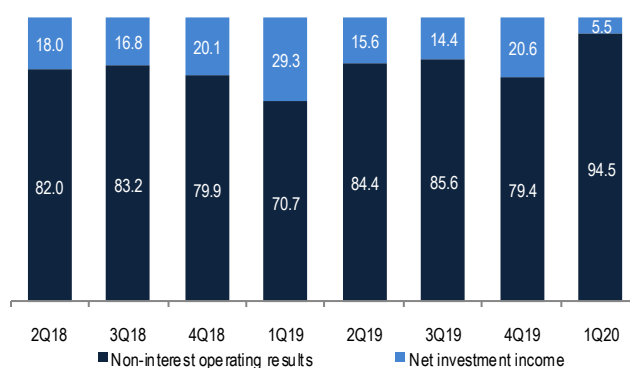


Figure 2 – Adjusted net income | Non-interest operating results vs net investment income¹ (%)



1. Calculated based on the sum of the non-interest operating result and net investment income of all BB Seguridade's controlled and affiliated Companies, net of income taxes, considering the effective tax rate of each Company for the period under analysis.

In the 1Q20, the net income fell 12.9% YoY, to R\$882.7 million. The loss on Brasilprev net investment income, driven by the time mismatch of the interest accrual period of the assets and liabilities related to the defined benefit pension plans, and the divestment from IRB Brasil RE, which had contributed with R\$49.4 million to the equity income in the 1Q19, were the main reasons for the earnings drop.

On the other hand, the increase in pension plans inflows, +25.0% YoY, and the growth in premiums written, +15.9% YoY, propelled by rural and credit life, drove the brokerage revenues up. These effects, in addition to the lower loss ratio and the increase in earned premiums at Brasilseg, reduced the negative impact on net income.

It is worth noting that the majority of the 1Q20 earnings was built by the commercial performance posted until the second week of March. However, right after the decree of the Covid-19 pandemic, sales tumbled, mainly in term life insurance, pension plans and premiums bonds, which impacted the commissions at BB Corretora. Additionally, in pensions, redemptions spiked, with clients seeking to reallocate their assets to investments with higher liquidity and lower volatility in the shorter term.

ACTION PLAN TO FIGHT COVID-19

Considering this new scenario, seeking to ensure business continuity and the safety of its employees and contribute to the well-being of its customers and society, the Company declared an Action Plan to fight Covid-19, focusing on the following pillars:

- 1) taking care of employees;
- 2) supporting clients and society;
- 3) business sustainability; and
- 4) preparing for the after crisis.

1) Taking care of employees

To take care of its team and support the society and the authorities in refraining the virus dissemination, remote work was adopted for all BB Seguridade employees, in addition to measures such as the cancellation or postponement of international and national trips, the suspension of training and face-to-face corporate events and encouraging the adoption of teleconferencing and video conferencing solutions to hold internal and external meetings.

2) Supporting clients and society

Our customers continue to be served and supported in their needs. Insurance, in the current scenario, presents itself as a great ally to bring the serenity and safety expected by those who already use our products and services, in addition to the ones who will want to buy them after this adverse situation. In this sense, BB Seguridade and its investee Brasilseg decided to pay, exceptionally, all indemnities for life, credit life and mortgage life insurance of claims related to Covid-19, even if the general conditions of the contracts exclude the coverage of pandemic.

We have also expanded the limits of service in digital channels and remain focused on completing self-service journeys. We also started to offer benefits and useful services for our customers to go through the social isolation.

In the social field, given that the pandemic has already affected the domestic socioeconomic situation and, always thinking about protecting and caring people, BB Seguridade approved the donation of up to R\$40 million by BB Corretora, via the Banco do Brasil Foundation, to the provision of food and cleaning and hygiene products for people who are at risk or socially vulnerable in all regions of the country.

3) Business sustainability

In this way, the company has been monitoring and adapting itself to the impacts and evaluating the scenarios that have affected or may come to affect its operations, with daily assessment of the situation, updating of preventive measures and risk minimization actions, and coordination of the execution of action plans in the Continuity Coordinator Group.

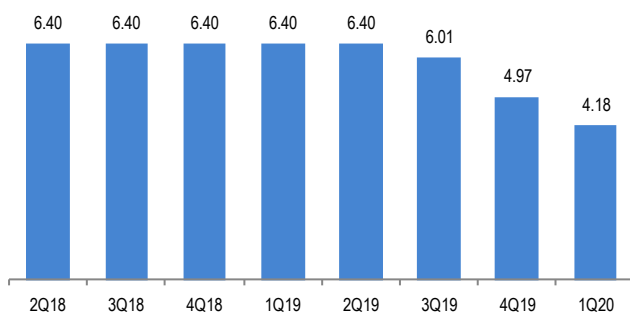
We believe that the high qualification of employees and the adequate levels of capital and liquidity of the Company and its investees give the conditions for BB Seguridade to overcome this challenge in the best possible way. Up to now there are no material impacts to the continuity and sustainability of operations.

4) Preparing for the after crisis

Taking the measures to sustain our current business, while keeping our eyes on the new normal, completes the Company's initiatives to face the effects of Covid-19. Hence, we prioritize revenue generation with businesses that are more adherent and less impacted by the situation, ensuring that strategic technology deployments do not slow down the pace, in addition to accelerating projects with high potential to capture market opportunities.

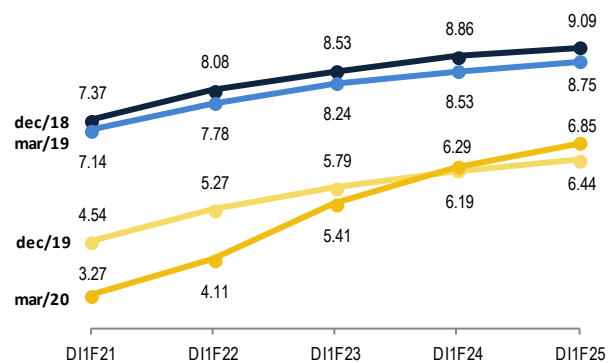
CONSOLIDATED INVESTMENT INCOME

Figure 3 – Earning Analysis | Average Selic rate (%)



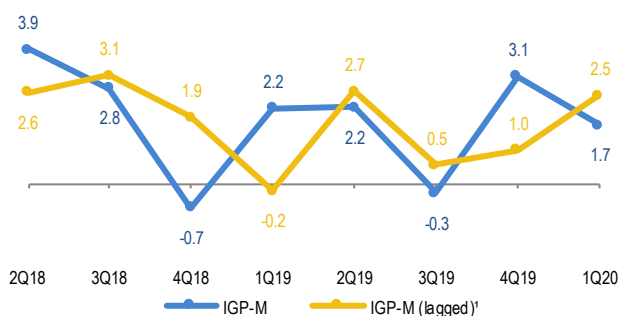
Source: Banco Central do Brasil.

Figure 4 – Earning Analysis | Forward yield curve (%)



Source: ValorPro.

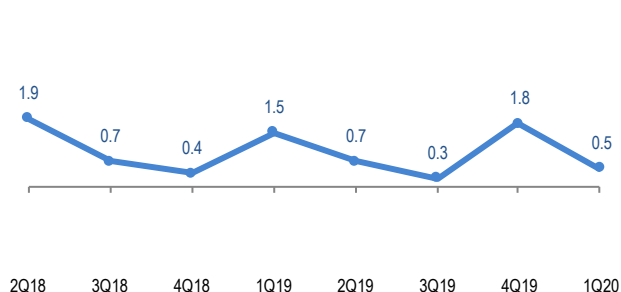
Figure 5 – Earning Analysis | Inflation rate – IGP-M (%)



Source: Banco Central do Brasil.

1. Considering the IGP-M with a one-month lag, which is the average accrual index of the liabilities related to defined benefit plans at Brasilprev.

Figure 6 – Earning Analysis | Inflation rate – IPCA (%)

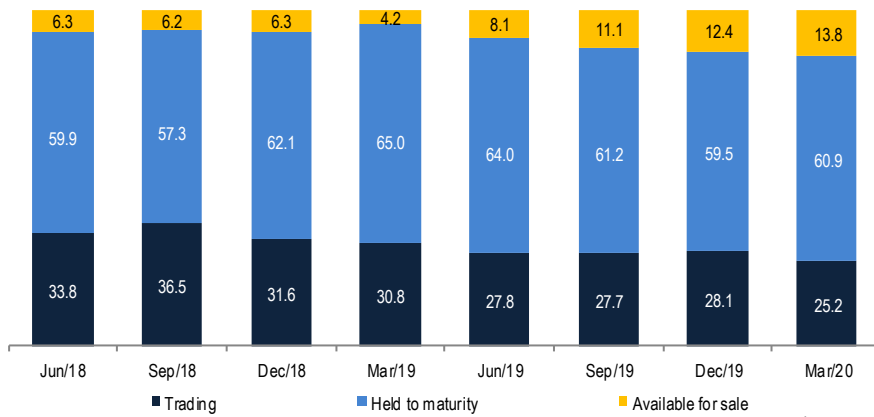


Source: Banco Central do Brasil.

In the 1Q20, the combined financial results of BB Seguridade and its controlled and affiliated companies fell 83.6% YoY, accounting for 5.5% of the net income. This drop in financial results can be mainly explained:

- (i) by the net financial loss reported by Brasilprev, which resulted from the average one-month lag in the interest accrual of the liabilities related to defined benefit pension plans when compared to the assets accrual period. As most of these plans are pegged to the IGP-M inflation rate, the spike in inflation observed in December 2019 (driven by the increase in the prices of raw materials, meat and coffee beans) resulted in an increase in the cost of liabilities in the 1Q20. On the assets side, which are mostly pegged to IGP-M and IPCA, interest accrues based on the current inflation rates, as a result, yields were much lower, as illustrated on Figures 5 and 6 above. Additionally, Brasilprev incurred on mark to market losses on long-term fixed-income securities. It is worth remembering that, in the 1Q19 it happened the opposite, a slightly deflation helping the cost of liabilities and higher yields accruing on assets;
- (ii) by the decrease in Brasilseg's financial result, dragged by the lower Selic rate and smaller gains arising from the disposal of government bonds classified as available for sale. Additionally, it is worth mentioning that in the 1Q19 financial results were helped by interest accruals on judicial deposits, arising from the regularization of transitory accounts, and by financial expenses with accruals on claims to be settled, after the conclusion of the revision of the database of lawsuits provisioned; and
- (iii) by the disposal of IRB Brasil RE shares in July 2019, considering that company had contributed with R\$22.8 million to the combined financial results in the 1Q19.

Figure 7 – Earning Analysis | Financial investments breakdown¹ (%)



1. Considering the financial investments of Brasilseg, MAPFRE (former MAPFRE BB SH2), Brasilprev (ex-P/VGBL) and Brasilcap weighted by BB Seguridade's economic stakes in each company. In Brasilseg and MAPFRE, the information of 2018 refer to data as reported, without "pro-forma" data.

Figure 8 – Earning Analysis | Breakdown of financial investments by index¹

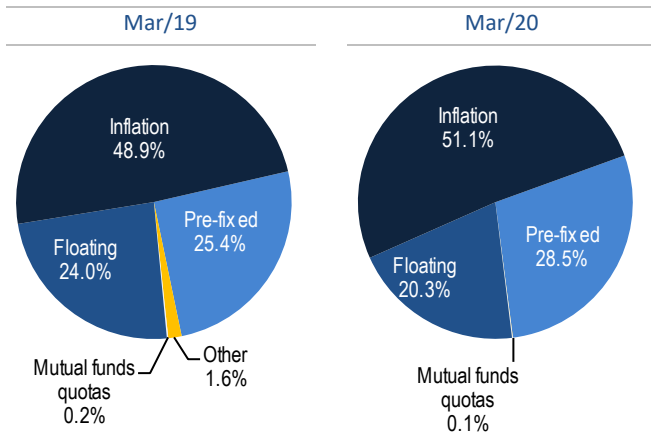
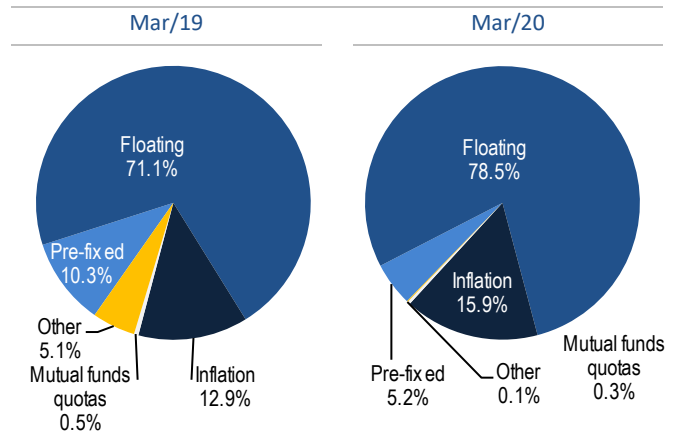


Figure 9 – Earning Analysis | Trading portfolio by index¹

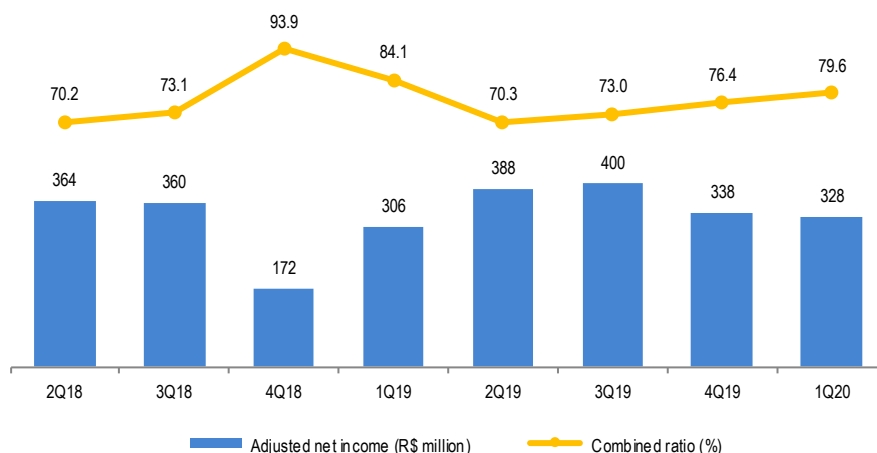


1. Considering the financial investments of Brasilseg, MAPFRE (former-MAPFRE BB SH2), Brasilprev (ex-P/VGBL) and Brasilcap, weighted by BB Seguridade's economic stakes in each company.

Table 4 – Earning Analysis | Combined financial investments¹

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Trading	6,477,766	6,284,894	5,250,912	(18.9)	(16.5)
Pre-fixed	668,260	319,126	271,929	(59.3)	(14.8)
Floating	4,608,627	4,644,533	4,121,083	(10.6)	(11.3)
Inflation	836,931	955,552	835,158	(0.2)	(12.6)
Mutual funds quotas	34,083	29,575	17,464	(48.8)	(40.9)
Other	329,865	336,108	5,278	(98.4)	(98.4)
Available for sale	892,392	2,776,225	2,880,378	222.8	3.8
Pre-fixed	395,079	2,557,803	2,747,913	595.5	7.4
Floating	431,877	180,414	97,568	(77.4)	(45.9)
Inflation	65,436	38,009	34,897	(46.7)	(8.2)
Held to maturity	13,669,770	13,288,296	12,680,626	(7.2)	(4.6)
Pre-fixed	4,274,309	3,585,023	2,913,248	(31.8)	(18.7)
Inflation	9,395,461	9,703,273	9,767,377	4.0	0.7
Total	21,039,929	22,349,415	20,811,917	(1.1)	(6.9)

1. Considering the financial investments of Brasilseg, MAPFRE (former MAPFRE BB SH2), Brasilprev (ex-P/VGBL) and Brasilcap, weighted by BB Seguridade's economic stakes in each company.

Figure 10 – Brasilseg | Adjusted net income and Combined ratio¹


1. Simulation of the structure after the reorganization for the 2018 periods.

In the quarter, the **net income** from the Insurance operation grew 7.3% YoY, boosted by the increase in earned premiums, +10.8% YoY, along with the decline in the loss ratio, mainly in the rural segment.

Premiums written increased 15.9% YoY, supported by rural insurance, helped by the early release of working capital loans by Banco do Brasil to finance the crop cycle 2020/2021, and by credit life, propelled by the growth in payroll loans origination and lower cancellations.

In the 1Q20, there was an impressive improvement in **loss ratio**, as a result of the lower frequency of reported claims compared to the 1Q19, with the spotlight on rural (-7.9 p.p.), on credit life (-7.8 p.p.) and on term life (-6.1 p.p.).

The **commission ratio** increased 2.7 p.p. YoY, mainly explained by the recognition of R\$128.2 million as performance bonus owed to BB Corretora for outperforming the sales targets in term life and in credit life, along with the increase in commissions on new sales of rural lien insurance. It is worth noting that, in the 1Q19 the performance bonus was tied to the performance of credit life and credit life for farmers and generated an additional expense of R\$72.7 million in that period.

The **net investment income** fell 55.7% YoY. The lower Selic rate, the smaller gains on operations with available for sale securities, the fall in interest income on judicial deposits and the R\$23.3 million financial expenses with interest accrual on pending claims, while in the 1Q19 there was a reversal of R\$13.7 million, were the biggest drag on financial results.

For further details on the Insurance segment performance, please refer to the **page 32** of this report.

Figure 11 – Brasilseg | Key figures

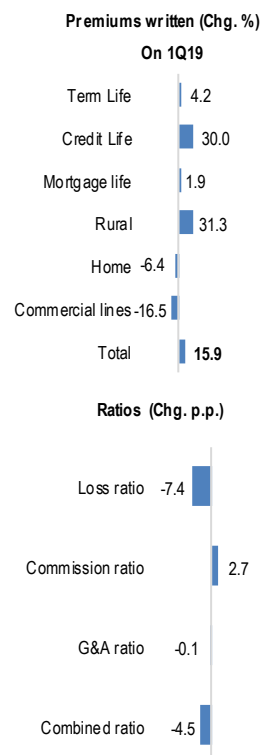
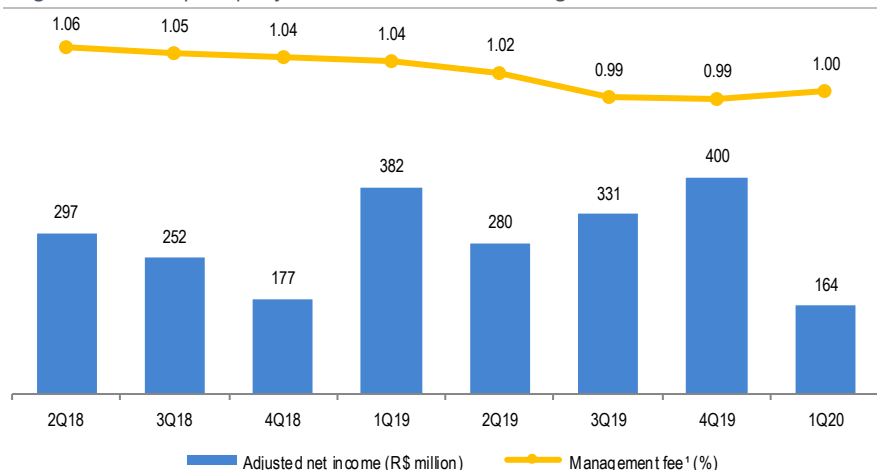


Figure 12 – Brasilprev | Adjusted net income and Management fee



1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for 2018 and 2019 periods.

In 1Q20, Pension Plan's **net income** decreased 57.1% compared to the same period last year, driven by the R\$112.8 million negative print on **financial results** vs. a positive balance of R\$274.6 million in the 1Q19. Such dynamics is explained by the time mismatch of the interest accrual period of the assets and liabilities related to the defined benefit pension plans, since the cost of liabilities is lagged by one month on average, along with mark-to-market losses on long-term fixed-income securities.

Pension plan contributions grew 25.0% YoY, helped by the 14.9% expansion in the number of outstanding active plans and the increase in the average ticket of contributions.

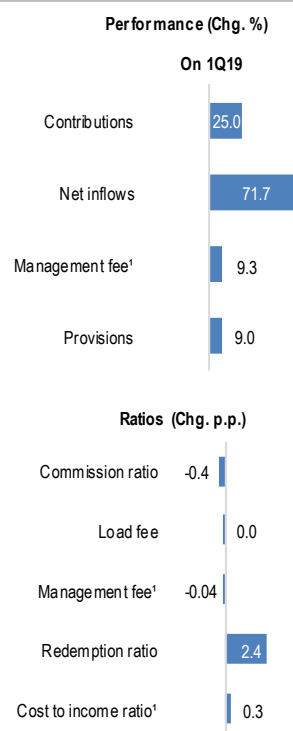
The **redemption ratio** posted a deterioration of 2.4 p.p. compared to the 1Q19, explained by the spike in redemptions from the 3rd week of March onwards, given the risk aversion generated by the market volatility and by the uncertainty about the economic impacts after the Covid-19 pandemic outbreak, which led clients to migrate its pension reserves to instruments with higher liquidity and lower market risk in the shorter term.

Despite of the deceleration in inflows and the increase in redemptions by the end of March, the **net inflows** grew 71.7% YoY and the balance of **pension plans reserves** expanded 9.0% in 12-months.

In the 1Q20, the **revenues with management fees** grew 9.3% YoY and the **average management fee** contracted by 0.04 p.p. Compared to the 4Q19, the average management fee posted an increase of 0.01 p.p.

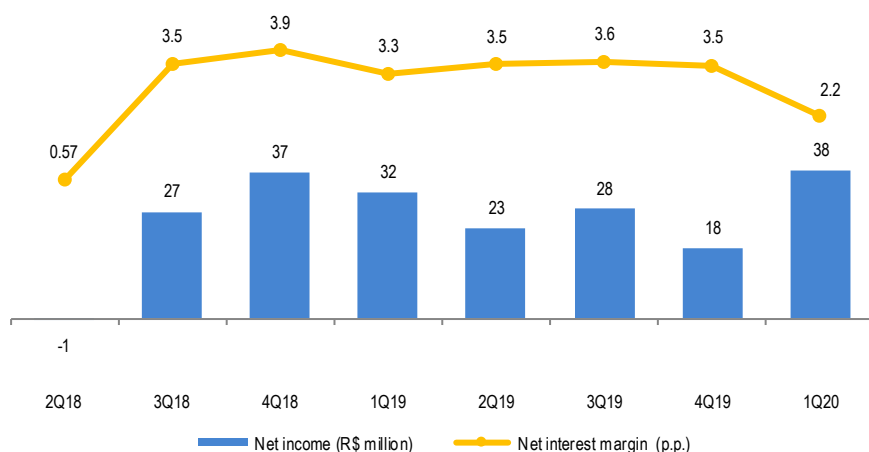
For further details on the Pension performance, please refer to the **page 52** of this report.

Figure 13 – Brasilprev | Key figures



1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for the 2019 periods.

Figure 14 – Brasilcap | Net income and Net interest margin



In the 1Q20, the **net income** of the Premium Bonds operation grew 17.9% YoY, helped by lower admin expenses and by the increase in financial results.

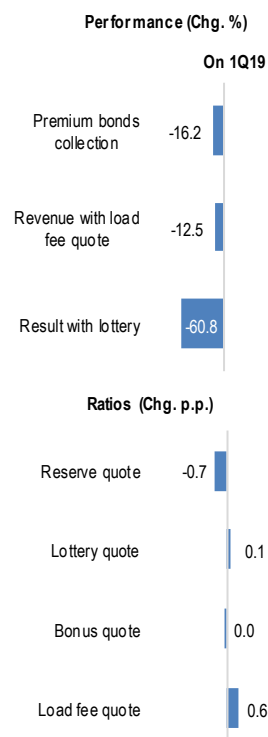
Premium bond collection fell 16.2% compared to the same period a year ago, with lower sales of both monthly and single payment bonds.

The **revenue with load fee** contracted at a slower pace (-12.5% YoY), given the increase of 0.6 p.p. in the average load fee quote, since longer term bonds, such as the 24 and 36-month products, have been gaining share on sales and they present load fee quotes twice as high the quotes of shorter term products.

The **financial result** grew 6.8% YoY, driven by the reduction on expenses with asset management fees. On the other hand, the **net investment income** fell 34.7% YoY, explained by the reduction in the Selic rate, lower mark-to-market gains and the contraction in the average balance of financial assets.

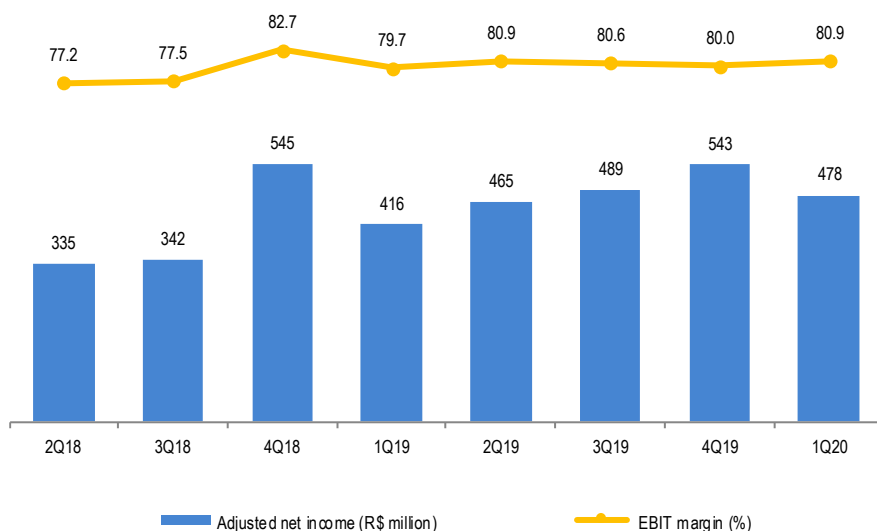
For further details on the Premium Bonds performance please refer to the **page 64** of this report.

Figure 15 – Brasilcap | Key figures



BB Corretora | Brokerage

Figure 16 – BB Corretora | Adjusted net income and EBIT margin



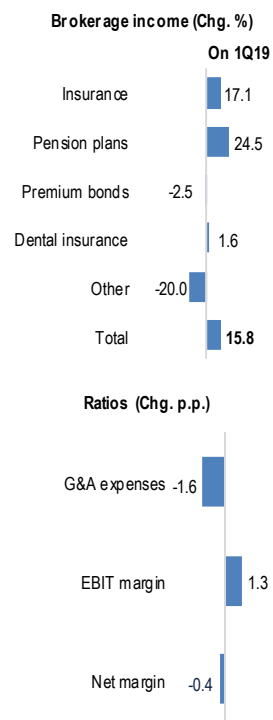
In the 1Q20, BB Corretora's **net income** rose 15.0% YoY, driven by **brokerage revenues**, which rose 15.8% YoY, and by a better EBIT margin, up by 1.3 p.p.

The increase in brokerage revenues came from a very robust commercial performance in credit life, in rural insurance and in pension plans before the Covid-19 pandemic outbreak, along with higher revenues with the performance bonus for outperforming the sales target of term life and credit life.

In the 1Q20, BB Corretora's **financial results** dropped 41.2% YoY, due to the lower Selic rate.

For further details on the Brokerage performance please refer to the **page 81** of this report.

Figure 17 – BB Corretora | Key figures



■ 2020 GUIDANCE

The table below presents 2019 Guidance monitor.

Table 5 – Estimates 2020

Indicators	Observed	2020 Estimates
Adjusted non-interest operating result (ex-holdings)	19.6%	+7.0% to +13.0%
Premiums written of Brasilseg (ex-DPVAT)	17.3%	+5.0% to +10.0%
PGBL and VGBL pension plans reserves of Brasilprev	9.1%	+10.0% to +13.0%

Table 6 – Breakdown of non-interest operating results

R\$ thousand	Quarterly Flow		Chg. %
	1Q 19	1Q 20	On 1Q 19
Non-interest operating results	1,093,746	1,308,274	19.6
Brasilseg	198,108	280,981	41.8
Brasilprev	273,269	293,754	7.5
Brasilcap	8,070	12,054	49.4
Brasildental	7,031	7,201	2.4
BB Corretora	607,268	714,284	17.6

In the 1Q20, the three indicators of the Guidance 2020 were missed, as explained below:

- (i) **Adjusted non-interest operating result (ex-holdings):** the non-interest operating result grew 19.6% YoY, outperforming the guided range of 7.0% to 13.0% growth. The higher than expected increase in earned premiums along with a lower loss ratio at Brasilseg, in addition to the expansion of BB Corretora's EBIT margin were the main drivers of this outperformance;
- (ii) **Premiums written of Brasilseg (ex-DPVAT):** premiums written rose 17.3% YoY and overcame the guided range of 5.0% to 10.0% growth. Such outperformance was driven by the rural insurance, as a consequence of the early release of working capital loans by Banco do Brasil to finance the crop cycle 2020/2021, and by the better than expected performance in credit life, justified by the increase in sales and a lower cancellation ratio; and
- (iii) **Pension plans reserves – PGBL and VGBL of Brasilprev:** the growth of 9.1% in PGBL and VGBL reserves underperformed the guided range of 10.0% to 13.0% growth. The deviation is explained by the spike in redemptions and negative returns in the investment funds where pension plans reserves are invested, because of the market volatility caused by the Covid-19 pandemic.

Despite a strong result in the 1Q20, the uncertain and volatile scenario drawn by the Covid-19 pandemic led to a material change on the assumptions that backed all these initial estimates.

In that sense, the Company decided to withdraw its Guidance for 2020, and it will resume the disclosure of its projections as soon as there is a reduction on the level of uncertainty regarding the impacts of the pandemic to the economy and its effects on the Company's businesses, what will enable it to better estimate the results for the year.

■ OTHER INFORMATION

Table 7 – Market share and ranking¹

	Unit	Quarterly Flow				1Q 20
		1Q 19	2 Q 19	3 Q 19	4 Q 19	
Life²						
Premiums written	R\$ thousand	618,097	709,641	734,553	791,205	644,037
Market-share	%	11.6%	12.7%	13.6%	13.6%	11.9%
Ranking		1º	1º	1º	1º	1º
Credit life						
Premiums written	R\$ thousand	504,996	660,659	550,517	394,836	656,438
Market-share	%	15.5%	18.3%	16.0%	11.6%	16.3%
Ranking		3º	1º	2º	4º	1º
Mortgage life						
Premiums written	R\$ thousand	71,104	70,024	72,233	74,772	72,470
Market-share	%	7.0%	6.7%	7.2%	7.0%	6.5%
Ranking		4º	4º	4º	4º	5º
Rural						
Premiums written	R\$ thousand	513,037	927,574	904,398	865,910	673,792
Market-share	%	56.5%	63.7%	62.1%	64.8%	58.6%
Ranking		1º	1º	1º	1º	1º
Home						
Premiums written	R\$ thousand	56,685	60,713	65,419	55,885	53,037
Market-share	%	6.5%	6.9%	7.1%	6.0%	5.6%
Ranking		5º	5º	5º	5º	5º
Commercial lines						
Premiums written	R\$ thousand	69,651	71,286	73,959	68,610	58,140
Market-share	%	3.7%	3.3%	3.5%	3.2%	2.7%
Ranking		10º	11º	11º	11º	13º
Pension Plans						
Technical reserves	R\$ thousand	262,782,911	272,659,601	282,253,346	289,811,314	286,494,397
Market-share	%	30.3%	30.4%	30.5%	30.3%	30.5%
Ranking		1º	1º	1º	1º	1º
Contributions	R\$ thousand	8,103,360	10,713,784	12,324,010	10,831,552	10,130,016
Market-share	%	31.0%	36.4%	36.2%	29.8%	35.3%
Ranking		1º	1º	1º	1º	1º
Premium Bonds						
Reserves	R\$ thousand	8,842,223	8,806,299	8,546,568	8,342,007	7,863,074
Market-share	%	29.8%	29.1%	28.0%	27.1%	26.0%
Ranking		1º	1º	2º	2º	2º
Collections	R\$ thousand	1,222,376	1,365,910	1,221,432	1,571,370	1,023,778
Market-share	%	22.3%	22.6%	20.5%	24.3%	18.7%
Ranking		2º	2º	2º	2º	2º

1. Source: Susep - data base February/2020.

2. Market share considering only premiums written for risk coverage, excluding premiums for accumulation components (total life insurance).

Table 8 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	1	1,325,000,000	66.25%
Treasury Stocks	1	3,376,583	0.17%
Free Float	125,096	671,623,417	33.58%
Foreign	976	555,055,668	27.75%
Companies	2,576	69,333,483	3.47%
Individuals	121,544	47,234,266	2.36%
Total	125,098	2,000,000,000	100.00%

Table 9 – Stocks | Performance

Table 3 – Stocks Performance						
		Quarterly Flow				
	Unit	1Q 19	2 Q 19	3 Q 19	4 Q 19	1Q 20
Stock's performance						
Earnings per share	R\$	0.51	0.54	0.54	0.57	0.44
Dividends per share	R\$	2.03	-	0.89	-	3.25
Equity per share	R\$	3.90	3.56	5.29	2.62	3.05
Closing price	R\$	26.52	32.38	35.03	37.70	24.85
Annualized dividend yield¹	%	10.06	9.88	9.86	8.93	16.10
Market capitalization	R\$ million	53,040	64,760	70,060	75,400	49,700
Ratios						
P/E (12 month trailing)	x	14.51	16.94	17.46	17.51	11.90
P/BV	x	6.81	9.10	6.63	14.37	8.15
Business data²						
Number of trades carried out		1,242,053	1,111,465	986,908	737,472	674,163
Average daily volume traded	R\$ million	142	120	111	101	154
Average daily volume traded - B3	R\$ million	14,627	13,426	15,144	17,477	24,584
Share on B3's average volume	%	0.97	0.89	0.73	0.58	0.63

1. Dividend yield calculated considering the dividends reported in the last 12 months divided by the average stock price in the same period.

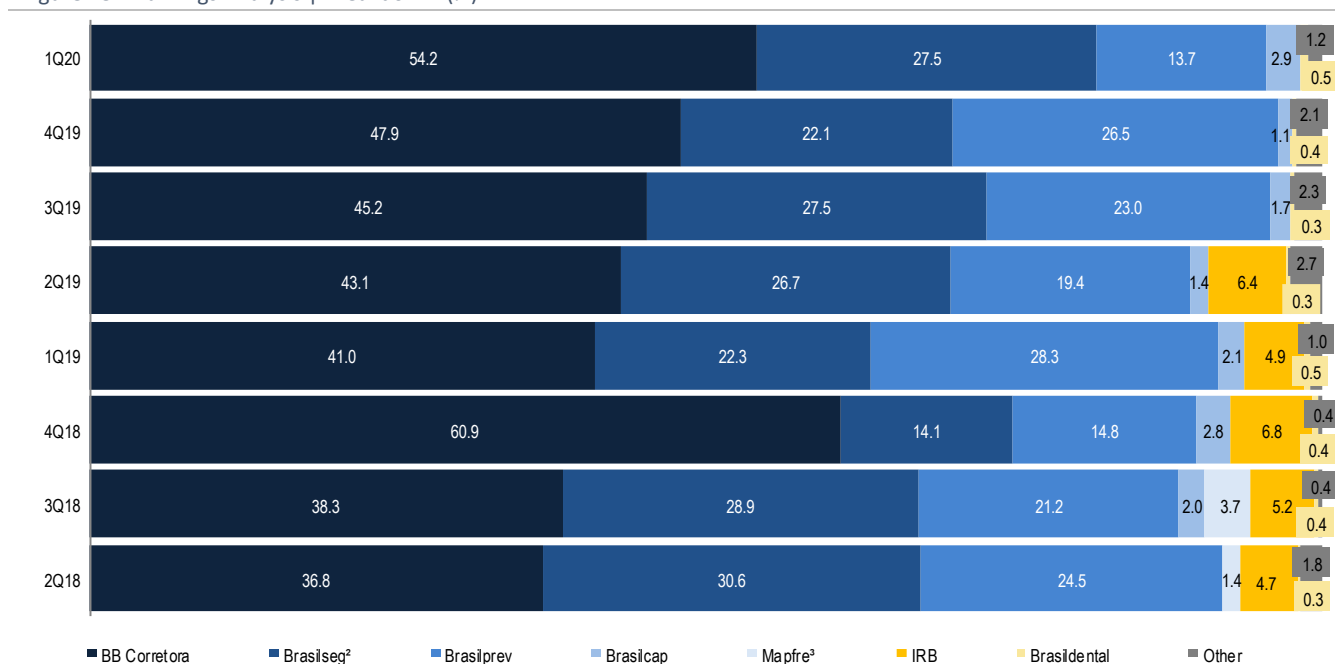
2. Data from Monthly Negotiation Report released by B3 until February/2020. March/2020 figures were not updated.

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2. EARNINGS ANALYSIS

■ EARNINGS BREAKDOWN

Figure 18 – Earnings Analysis | Breakdown¹ (%)



1. Does not consider the individual results from BB Seguridade and BB Seguros holdings and, when negative, the affiliates.
2. New name adopted to BB MAPFRE SH1 after the restructuring of the partnership with MAPFRE.
3. New name adopted to MAPFRE BB SH2, not accounted in BB Seguridade's results since December 2018.

■ NET INVESTMENT INCOME OF THE HOLDING COMPANY

Figure 19 – Earnings Analysis | Net investment income (R\$ million)

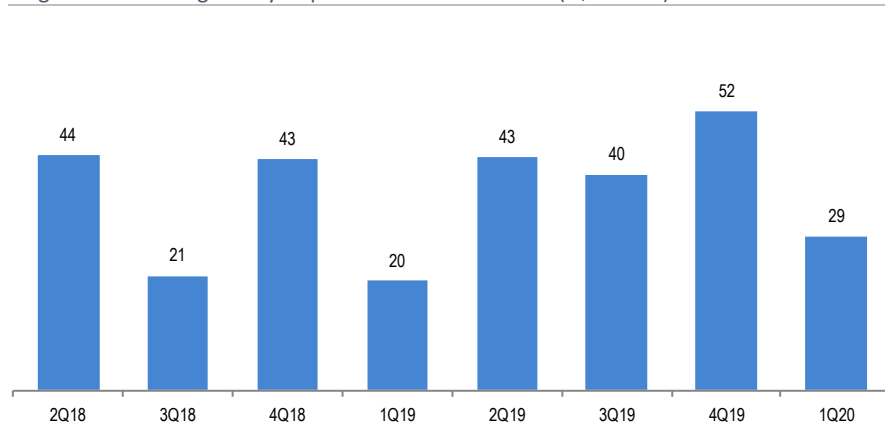
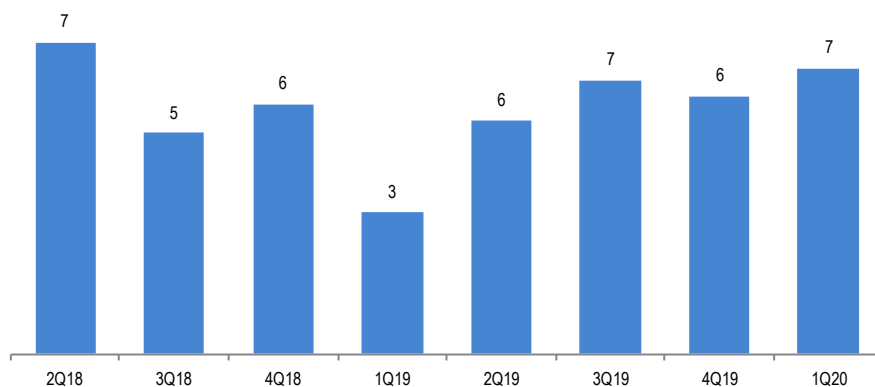


Figure 20 – Earnings Analysis | General and Administrative expenses (R\$ million)



In the 1Q20, G&A expenses at the holding level increased 102.0% YoY. It is worth noting that, in the 1Q19 these expenses were benefited by the reversal of provisions amounting to R\$1.8 million for the acquisition of stocks to pay the deferred installments of the variable compensation programs for the board of executive officers from 2014 and 2015 fiscal years, since those programs expired in the 1Q19.

Setting apart the aforementioned effect from the 1Q19 number, the G&A at the holding level would have grown 30.9% YoY, explained by:

- (i) the increase in tax expenses on financial income, given the retention in financial investments of the proceeds from the disposal of IRB Brasil RE's shares;
- (ii) the growth in personnel expenses, driven by the addition of fourteen people to the headcount, focused on data analytics and IT areas which support the long-term strategy of the company; and
- (iii) the increase in expenses with data processing, recorded in the other administrative expenses line.

The consolidated expenses of the holdings and BB Corretora rose 25.3% YoY, driven mainly by the increase in personnel expenses, as previously mentioned, and by higher expenses with the adjustment of the price paid by MAPFRE for Brasilveículos, within the scope of the partnership restructuring, considering that the targets for auto insurance sales in the bancassurance channel were not achieved, according to the earn in / earn out clauses of the agreements.

Table 10 – Earnings Analysis | General and administrative expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Administrative expenses	(956)	(920)	(1,191)	24.6	29.5
Specialized technical services	(62)	(47)	(60)	(3.8)	26.8
Location and operation	(225)	(263)	(245)	8.6	(7.0)
Communication	(31)	(25)	(50)	63.3	105.4
Other administrative expenses	(637)	(585)	(836)	31.2	42.9
Personnel expenses	(2,481)	(2,708)	(2,772)	11.7	2.3
Compensation	(1,377)	(1,472)	(1,418)	3.0	(3.7)
Welfare benefits	(693)	(710)	(812)	17.3	14.5
Other compensation	(220)	(228)	(291)	32.3	27.6
Benefits	(191)	(297)	(248)	29.7	(16.7)
Tax expenses	(1,730)	(2,435)	(2,693)	55.6	10.6
COFINS	(1,479)	(2,068)	(2,281)	54.2	10.3
PIS/Pasep	(247)	(335)	(387)	56.5	15.4
IOF	(0)	(4)	(2)	919,975.0	(47.0)
Other	(3)	(28)	(22)	544.7	(19.1)
Other operating income (expenses)	1,794	(92)	(158)	-	72.0
G&A expenses	(3,373)	(6,155)	(6,814)	102.0	10.7

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3. BALANCE SHEET ANALYSIS

Table 11 – Balance Sheet Analysis | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Assets	7,802,942	11,748,718	8,811,298	12.9	(25.0)
Cash and cash equivalents	1,585,968	4,231,195	2,402,707	51.5	(43.2)
Financial assets marked to market	2,037	3,413	3,582	75.8	4.9
Investments	6,117,185	5,478,303	6,311,452	3.2	15.2
Current tax assets	71,700	55,532	74,487	3.9	34.1
Deferred tax assets	15,974	3,974	1,716	(89.3)	(56.8)
Dividends receivable	-	1,961,491	-	-	-
Other assets	4,614	8,909	11,628	152.0	30.5
Intangible	5,464	5,901	5,726	4.8	(3.0)
Liabilities	10,887	6,499,964	2,714,903	24,837.1	(58.2)
Provision for fiscal, civil and tax contingencies	-	103	230	-	123.2
Dividends payable	345	6,490,643	2,700,475	782,646.5	(58.4)
Current tax liabilities	4,550	980	6,576	44.5	571.0
Other liabilities	5,992	8,238	7,622	27.2	(7.5)
Shareholders' equity	7,792,055	5,248,754	6,096,395	(21.8)	16.1

■ INVESTMENTS

Table 12 – Balance Sheet Analysis | Direct investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Mar/20	Mar/19	Dec/19	Mar/20
Insurance, Pension Plans and Premium Bonds						
BB Seguros Participações	Holding	(1)	100.0	5,654,654	5,431,395	5,786,412
Insurance Brokerage						
BB Corretora de Seguros e Adm. de Bens	Insurance Broker	(1)	100.0	462,531	46,908	525,040

Note: (1) Controlled companies, fully consolidated.

Table 13 – Balance Sheet Analysis | BB Seguros Participações' investments

			Total ownership (%)	Investment balance		
R\$ thousand	Activity	Accounting treatment	Mar/20	Mar/19	Dec/19	Mar/20
Insurance						
Brasilseg	Holding	(1)	74.99	2,096,483	2,028,605	1,961,719
Brasilseg Companhia de Seguros						
Aliança do Brasil Seguros						
Pension Plans						
Brasilprev	Insurance/ Pension	(1)	74.99	2,202,677	2,440,155	2,375,118
Health						
Brasil dental	Health	(1)	74.99	15,004	12,880	17,512
Premium Bonds						
Brasilcap	Premium Bonds	(1)	66.67	378,613	431,932	412,030

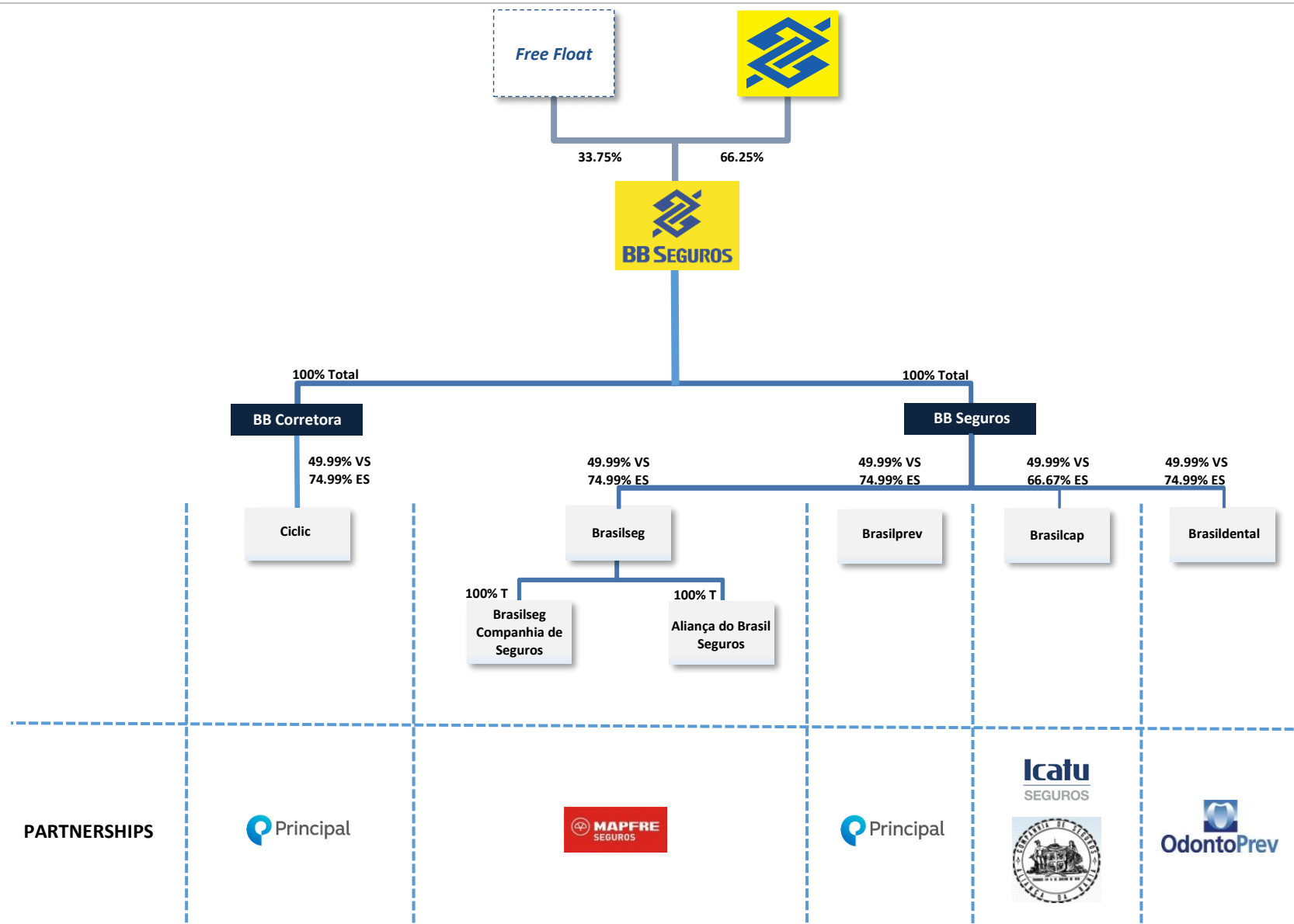
Note: (1) Affiliated companies, booked by the equity method.

Table 14 – Balance Sheet Analysis | BB Corretora's investments

R\$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Mar/20	Mar/19	Dec/19	Mar/20
Insurance brokerage						
Ciclic	Digital Broker	(1)	74.99	17,537	4,798	12,461

Note: (1) Affiliated company, booked by the equity method.

Figure 21 – Balance Sheet Analysis | Ownership structure



Note: VS = Voting Stake; ES = Economic Stake; T = Total

■ SHAREHOLDER'S EQUITY

Table 15 – Balance Sheet Analysis | Statement of changes in equity

R\$ thousand	Capital	Capital Reserve	Legal and statutory reserve	Treasury stock	Retained earnings (losses)	Accumulated other comprehensive income	Total
Balance on December 31, 2018	5,646,767	1,262	1,265,575	(83,451)	-	232	6,830,385
Transactions with stock payments	-	(145)	-	145	-	-	-
Other comprehensive income	-	-	-	-	-	(52,088)	(52,088)
Net income for the period	-	-	-	-	1,013,758	-	1,013,758
Balance on March 31, 2019	5,646,767	1,117	1,265,575	(83,306)	1,013,758	(51,856)	7,792,055
Changes in the Period	-	(145)	-	145	1,013,758	(52,088)	961,670
Balance on December 31, 2019	3,396,767	1,117	1,905,725	(83,306)	-	28,451	5,248,754
Transactions with stock payments	-	(654)	-	654	-	-	-
Other comprehensive income	-	-	-	-	-	(35,080)	(35,080)
Net income for the period	-	-	-	-	882,721	-	882,721
Balance on March 31, 2020	3,396,767	463	1,905,725	(82,652)	882,721	(6,629)	6,096,395
Changes in the Period	-	(654)	-	654	882,721	(35,080)	847,641

4. UNDERWRITING AND ACCUMULATION

■ BRASILSEG

BB Seguridade offers life, mortgage life, rural, home and commercial lines insurance through its affiliate company Brasilseg, a company established under a 20-year term partnership with MAPFRE, which started in 2011 and was restructured in 2018. BB Seguridade holds, through BB Seguros, a 74.99% economic stake in Brasilseg, composed of 100% of the preferred shares and 49.99% of the common shares. The segments in which Brasilseg operates is dominated by the Brazilian banks, what reflects the strong association of this kind of products with the bancassurance channel.

The following items show a brief description of the main products offered by Brasilseg:

- a. **Life insurance** is a product focused on individuals which assures financial protection to the beneficiaries, chosen by the policyholder, in case of death (natural or accidental), or permanent disability of the insured. If a claim occurs, the insurance company pays the amount agreed in the insurance policy to the beneficiary. Differently from the products sold in other countries, the life insurance sold by Brasilseg is a term life insurance without accumulation. If the customer fails to make the monthly payments, the coverage is suspended without any amount being reverted to the policyholder.
- b. **Credit life insurance** is a life insurance policy intended to pay off a borrower's loan in case of death of the insured. This type of product is designed to protect both the lender and the insured dependents, preventing them to inherit this liability via property succession process. This product is already quite widespread in Brazil and it is expected to grow with the expansion of the loan portfolio. The main beneficiary of this type of product is the lender.
- c. **Mortgage life insurance** is an insurance policy related to mortgage. In case of death or disability of the insured, the insurance policy guarantees the pre-payment of loan balance. A mortgage life insurance also protects against physical damage to the insured property. The premium is calculated on a monthly basis and varies according to the outstanding loan balance and the borrower's age.
- d. **Rural insurance** encompasses a group of three main products: (i) the crop insurance, which protects the farmers from weather hazards and from the loss of revenue in cases of falling prices of the crop; (ii) the rural lien insurance, which protects the asset given as collateral for a rural loan; and (iii) the credit life for farmers insurance, which is an insurance designed for farmers intended to pay off the rural loan in case the insured dies.
- e. **Home insurance** encompasses a set of coverages intended for the protection of individual homes against damages caused by fire, lightning and explosion, and may also include additional coverages against theft, electric damage, physical damage to the property, windstorm, hail rain, among others.
- f. **Corporate / Commercial lines** consist of products designed to protect the assets of companies against damage to the building and its contents, such as machinery, furniture, utensils, goods and raw materials, excluding large risks.
- g. **DPVAT** is a mandatory insurance in Brazil that covers personal injury caused by vehicles to passengers, drivers or pedestrians. DPVAT offers coverage for three natures of damage: death, permanent disability, and reimbursement for medical and hospital expenses. DPVAT is funded by vehicles owners through annual payments. Out of the amount collected, 45% is transferred to the Ministry of Health (SUS), to fund the hospital care of victims of traffic accidents across the country, and 5% are transferred to the Ministry of Cities, for exclusive use in programs directed to the prevention of traffic accidents. The remaining 50% are directed to the payment of claims.

■ PENSION PLANS

BB Seguridade operates in the private pension plans segment through its affiliate Brasilprev in partnership with the American company Principal Financial Group (PFG). Brasilprev was established in 1993 as a partnership between Banco do Brasil and a group of insurance companies. After going through a series of corporate restructuring, within 1999-2000, PFG, through its subsidiary in Brazil, Principal Financial Group do Brasil, acquired an economic stake in the company and established a partnership with Banco do Brasil. In 2010, Banco do Brasil, through BB Seguros, and PFG renewed their partnership, extending it for 23 years more. As a result of this new agreement, BB Seguros increased its stake in Brasilprev from 49.99% to 74.99%. Pension plans are growing in popularity in Brazil, due to increasing life expectancy, level of financial education and tax benefits.

Brasilprev has two main sources of revenue: the management fee on assets under management and the premiums paid to cover risks.

The following topics provide a brief description of the products offered by Brasilprev:

- a. **Free Benefit Generator Plan (PGBL)** is recommended for people who fill their income tax statement in the complete form, as the contributions are tax deductible up to the limit of 12% of the annual gross taxable income. In this modality, in case of redemption or benefit received, income taxes are calculated on the amount redeemed or income received.

In Brazil, there are two alternatives for an individual to present the tax statements, the simple form or the complete form. In the complete form, a Brazilian citizen can inform not only the income but also deductible expenses, such as expenses with healthcare, education, investments in PGBL, and other. In addition, the participant may choose to be taxed either in the progressive tax system or in the regressive tax system when buying a pension plan.

- (i) In the progressive tax system, the annuity is taxed when money is received according to the “Tabela Progressiva Mensal” (Monthly Progressive Table) made available by the Brazilian Internal Revenue Service. The tax brackets can vary from zero to 27.5% according to the annual wages with adjustment in the income tax declaration. Redemptions are taxed at 15% in anticipation regardless the amount redeemed, with adjustment in the income tax statement according to the Monthly Progressive Table.
- (ii) In the regressive tax system, in the event of redemption or annuity received, tax is withheld and is definitive, with no possibility of adjustment in the annual tax statement. The rates are determined by the length of stay of each inflow in the plan, starting at 35%, with gradual reduction every two years, reaching a level of 10% after 10 years.

- b. **Free Benefit Generator Life Plan (VGBL)** is recommended for those who fill their income tax statement in the simplified form or is exempt, since the contributions are not tax deductible. As in PGBL, the customer can choose either the progressive or the regressive tax system. In VGBL, in case of redemption or annuity received, income tax will be charged on interest earned only. The main advantage of the VGBL is its simplicity of the process related to the inheritance transmission, being suitable for customers who wish to make a succession planning. In this product, the customer can determine who will be the beneficiaries after his death and, unlike other assets, funds invested in VGBL are not part of the inventory, which is a process with legal costs and attorney's fees that can consume from 6% to 20% of the wealth received by the heirs.
- c. **Traditional Plan** guarantees a fixed interest of 6% plus inflation (IGP-M) or Taxa Referencial (TR) per year. These plans are no longer sold.

■ PREMIUM BONDS

BB Seguridade offers premium bonds through its affiliate company Brasilcap, in a partnership with Icatu and Aliança da Bahia. Premium bonds are very peculiar to the Brazilian market, but there are also quite similar products in United Kingdom and in other countries.

Premium bonds are mainly sold through the bancassurance channel and it is an alternative way to accumulate reserves, with term and interest rate previously determined, entitling the bondholder to participate in lotteries. Premiums are distributed through periodic draws, being most frequent the usage of a combination of numbers in pre-determined series, based on the Brazilian Official Lottery.

Depending on the type of premium bond and the payment method chosen, the load fee and lottery quotas can exceed 10% of the amount collected. The amount intended to cover lottery, administrative expenses, and operational and acquisition costs is covered by these quotas.

In case of early redemption, the bondholder must obey a grace period (12 months in most products). Beyond the grace period, penalties will be applied if the bondholder decides for early redemption, which will decrease as the bond approaches to maturity.

■ DENTAL INSURANCE

BB Seguridade offers dental insurance through its affiliate company Brasildental. The Company was established in 2014, by a 20-year term partnership with Odontoprev. In this partnership BB Seguridade holds a 74.99% economic stake, being 49.99% of the common shares.

Brasildental's dental insurance plans are sold under the BB Dental brand, with exclusivity of the bancassurance channel of Banco do Brasil, to individuals and companies, and counts on a wide network of specialized clinics and professionals all over the country.

The following sections show a deeper analysis of the controlled and affiliate companies of BB Seguridade including income statement, balance sheet and performance ratios.

It is worth mentioning that these information are influenced by the investor company accounting entries, e.g., changes in goodwill. Therefore, the statements are not necessarily reconcilable with those published by the Companies.

4.1 BRASILSEG

■ EARNINGS ANALYSIS

To provide a better analysis, the following table shows a managerial view built considering the reallocation of the result with reinsurance to the other accounts that compose the Income Statement. This reallocation allows the analysis of the performance ratios already considering the reinsurance effects. Since the 2Q19, the adjustments that previously used to comprise the lines related to premiums, changes in technical reserves and claims, became to consider the acquisition costs as well. To allow the comparative analysis with previous quarters, the historical data was revised from 1Q17 on. The data provided on this section for 2018 are a proforma simulation of financials assuming that the current structure of Brasilseg, which is in force since the reorganization of the partnership with MAPFRE in November 2018, was in force since January 2018.

Table 16 – Brasilseg | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Premiums written	1,862,934	2,260,961	2,158,415	15.9	(4.5)
Premiums ceded to reinsurance	(157,884)	(258,222)	(244,843)	55.1	(5.2)
Retained premiums	1,705,050	2,002,739	1,913,572	12.2	(4.5)
Changes in technical reserves - premiums	(48,086)	(132,752)	(77,680)	61.5	(41.5)
Retained earned premiums	1,656,964	1,869,987	1,835,892	10.8	(1.8)
Retained claims	(616,181)	(445,529)	(546,081)	(11.4)	22.6
Retained acquisition costs	(535,636)	(706,118)	(642,771)	20.0	(9.0)
Revenue of policies issuance	6,100	2,031	-	-	-
Underwriting result	511,246	720,371	647,040	26.6	(10.2)
Administrative expenses	(98,172)	(126,206)	(109,514)	11.6	(13.2)
Tax expenses	(55,379)	(72,820)	(88,546)	59.9	21.6
Other operating income (expenses)	(93,509)	(79,908)	(74,492)	(20.3)	(6.8)
Equity income	-	564	494	-	(12.3)
Gains or losses on non-current assets	(6)	(5,687)	(291)	4,913.4	(94.9)
Non-interest operating result	264,180	436,313	374,691	41.8	(14.1)
Net investment income	198,776	64,100	88,131	(55.7)	37.5
Financial income	185,048	112,581	111,469	(39.8)	(10)
Financial expenses	13,728	(48,482)	(23,338)	-	(51.9)
Earnings before taxes and profit sharing	462,956	500,413	462,822	(0.0)	(7.5)
Taxes	(152,963)	(156,469)	(132,706)	(13.2)	(15.2)
Profit sharing	(3,883)	(6,303)	(1,803)	(53.6)	(71.4)
Adjusted net income	306,111	337,641	328,314	7.3	(2.8)

Retained premiums = Premiums written + premiums ceded to reinsurance

Changes in technical reserves – premiums = Changes in technical provisions + changes in technical provisions on reinsured operations

Retained claims = Incurred claims - recovery of indemnity claims - recovery of claims expenses - changes in provisions for claims IBNR - salvages and reimbursed assets - changes in provision for claims IBNER provisions for claims to be settled - changes of expenses related to IBNR - changes in estimates for salvages and reimbursed assets - provisions for claims to be settled

Retained acquisition costs = acquisition costs – commission return + revenue with reinsurance commissions

Table 17 – Brasilseg | Adjusted net income

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Adjusted net income	306,111	337,641	328,314	7.3	(2.8)
One-off events	-	16,502	-	-	-
Reversal of provisions for unearned premiums	-	44,490	-	-	-
Reversal of provisions for unearned premiums - Acquisiton cost reversal	-	(14,918)	-	-	-
Reversal of provisions for unearned premiums - PIS/COFINS	-	(2,069)	-	-	-
Reversal of provisions for unearned premiums - Taxes	-	(11,001)	-	-	-
Net income	306,111	354,143	328,314	7.3	(7.3)

ADJUSTED NET INCOME

Figure 22 – Brasilseg | Adjusted net income and ROAA

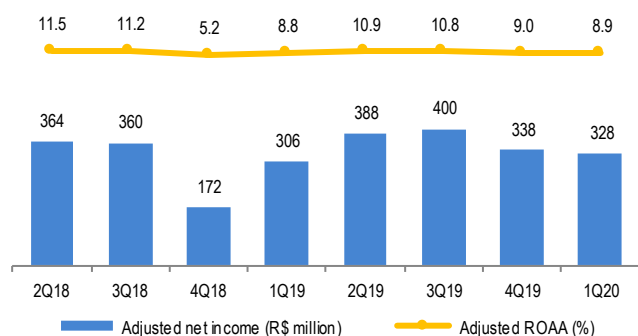
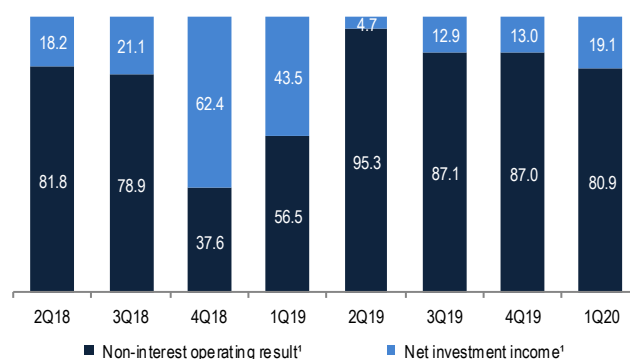


Figure 23 – Brasilseg | Adjusted net income breakdown (%)



1. Net of taxes considering the Company's effective tax rate.

Table 18 – Brasilseg | Managerial performance ratios¹

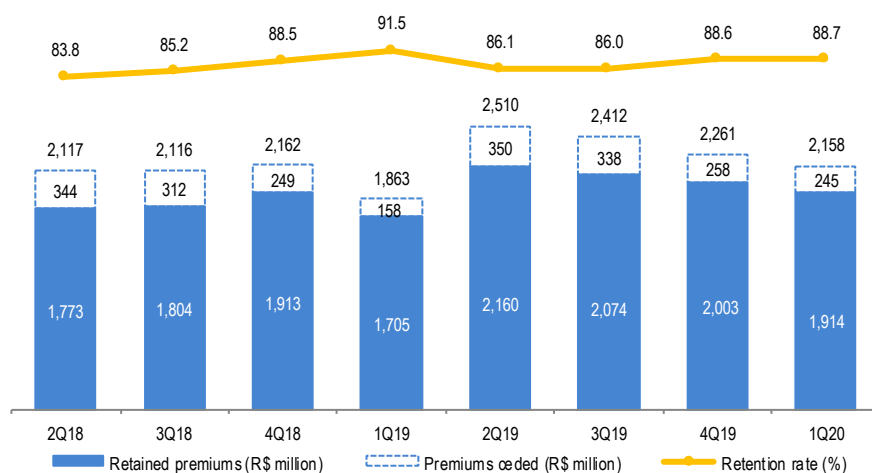
%	Quarterly Flow			Chg. (p.p.)	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Performance ratios					
Loss ratio	37.2	23.8	29.7	(7.4)	5.9
Commission ratio	32.3	37.8	35.0	2.7	(2.7)
G&A ratio	14.9	14.9	14.8	(0.1)	(0.1)
Combined ratio	84.1	76.4	79.6	(4.5)	3.2
Other ratios					
Expanded combined ratio	75.1	73.9	76.0	0.9	2.1
Income tax rate	33.0	31.3	28.7	(4.4)	(2.6)
Adjusted ROAA	8.8	9.0	8.9	0.1	(0.1)

1. Performance ratios calculated based on the managerial income statement, considering the reinsurance effects.

■ NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUMS WRITTEN

Figure 24 – Brasilseg | Premiums written



In the 1Q20, premiums written increased 15.9% YoY, supported by rural, led by crop insurance and credit life for farmers, and by credit life.

In the crop insurance, the premiums written were boosted by the early release of working capital loans by Banco do Brasil for the 2020/2021 crop cycle, while in the 1Q19 there were some uncertainty about the resources available for the 2019/2020 crop cycle. In credit life, the performance is explained by both the increase in payroll loans origination and the lower cancellation rate.

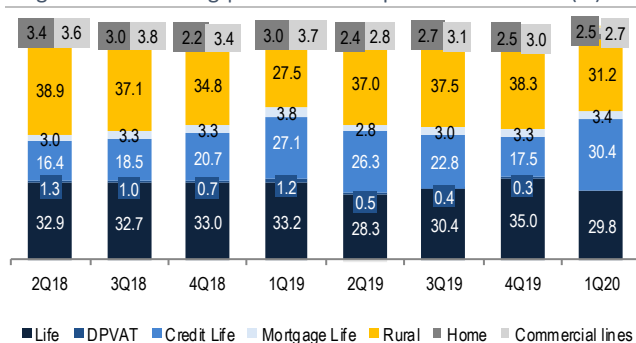
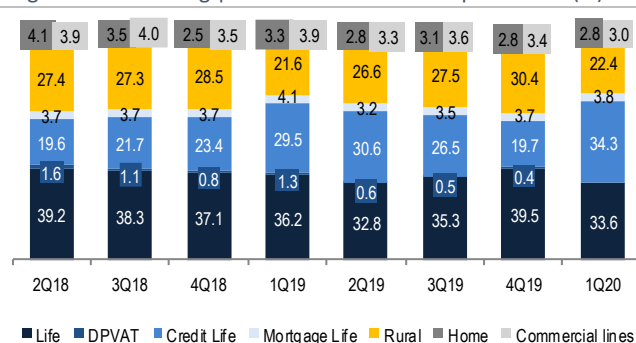
It is worth noting that, as of 1Q20, the insurance regulator (Susep) determined that the insurance companies should recognize the underwriting result of DPVAT as equity income, proportionally to the percentage of the equity participation in Seguradora Líder. As a result, the premiums written from DPVAT are no longer included in Brasilseg's total premiums written, distorting the comparison with the 1Q19. Setting apart DPVAT premiums from the first quarter of 2019, premiums written would have grown 17.3% YoY.

Table 19 – Brasilseg | Breakdown of premiums written

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Life	618,097	791,205	644,037	4.2	(18.6)
Credit Life	504,996	394,836	656,438	30.0	66.3
Mortgage Life	71,104	74,772	72,470	1.9	(3.1)
Rural	513,037	865,910	673,792	31.3	(22.2)
Crop	195,593	308,371	277,662	42.0	(10.0)
Rural lien	147,231	229,993	159,898	8.6	(30.5)
Credit life for farmers	166,024	316,634	235,508	41.9	(25.6)
Others	4,188	10,912	723	(82.7)	(93.4)
Home	56,685	55,885	53,037	(6.4)	(5.1)
Commercial lines	69,651	68,610	58,140	(16.5)	(15.3)
Large risks	6,788	1,814	63	(99.1)	(96.5)
DPVAT	22,186	7,429	-	-	-
Other	390	499	438	12.4	(12.3)
Total	1,862,934	2,260,961	2,158,415	15.9	(4.5)

Table 20 – Brasilseg | Breakdown of retained premiums

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Life	616,445	791,087	642,309	4.2	(18.8)
Credit Life	503,361	394,876	655,851	30.3	66.1
Mortgage Life	70,216	74,899	72,327	3.0	(3.4)
Rural	368,492	608,568	429,268	16.5	(29.5)
Crop	55,815	52,028	33,929	(39.2)	(34.8)
Rural lien	145,812	231,405	159,575	9.4	(31.0)
Credit life for farmers	163,450	316,670	235,331	44.0	(25.7)
Others	3,414	8,466	433	(87.3)	(94.9)
Home	55,957	55,851	52,858	(5.5)	(5.4)
Commercial lines	66,927	68,658	58,123	(13.2)	(15.3)
Large risks	1,077	872	2,397	122.7	174.9
DPVAT	22,186	7,429	-	-	-
Other	390	499	438	12.4	(12.3)
Total	1,705,050	2,002,739	1,913,572	12.2	(4.5)

Figure 25 – Brasilseg | Breakdown of premiums written¹ (%)Figure 26 – Brasilseg | Breakdown of retained premiums¹ (%)

1. As of 1Q20, premiums written from DPVAT are no longer included in Brasilseg's total premiums written.

CHANGES IN TECHNICAL RESERVES - PREMIUMS

Table 21 – Brasilseg | Changes in technical reserves – premiums

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Provision for unearned premiums	87,921	(121,404)	(19,799)	-	(83.7)
Provision for benefits to be granted (except VGBL and VRGP)	(1,274)	(281)	(164)	(87.1)	(415)
Provision for administrative expenses - DPVAT	(4,719)	2,506	-	-	-
Provision for technical surplus	(164)	(1,142)	(946)	476.7	(17.2)
Complementary provisions of contributions	-	547	-	-	-
Change in technical reserves - premiums	81,764	(119,773)	(20,909)	-	(82.5)

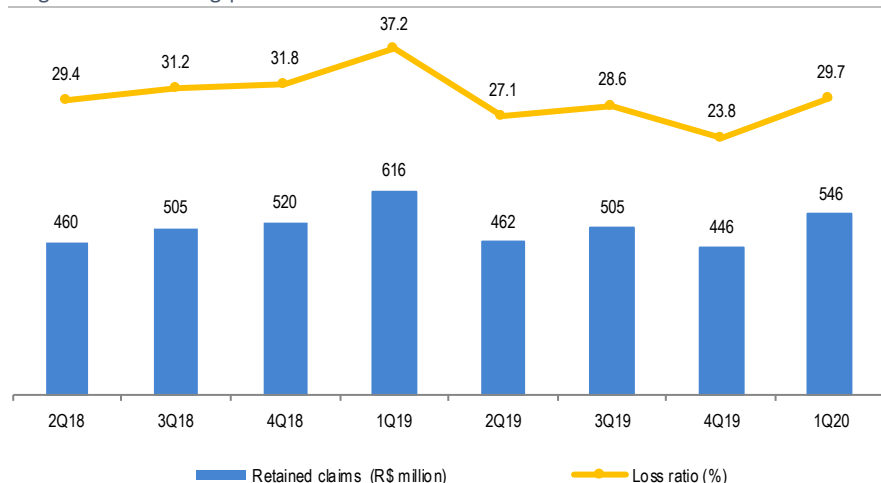
RETAINED EARNED PREMIUMS

Table 22 – Brasilseg | Breakdown of retained earned premiums

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Life	663,149	701,109	738,548	11.4	5.3
Credit Life	303,028	442,070	378,126	24.8	(14.5)
Mortgage Life	72,536	74,305	72,672	0.2	(2.2)
Rural	464,237	516,413	519,355	11.9	0.6
Crop	53,999	55,130	47,981	(11.1)	(13.0)
Rural lien	176,348	197,026	194,148	10.1	(1.5)
Credit life for farmers	230,880	259,751	274,675	19.0	5.7
Others	3,011	4,507	2,551	(15.3)	(43.4)
Home	56,270	57,927	57,586	2.3	(0.6)
Commercial lines	75,630	66,302	66,506	(12.1)	0.3
Large risks	4,243	1,432	2,656	(37.4)	85.5
DPVAT	17,467	9,935	-	-	-
Other	404	493	443	9.7	(10.1)
Total	1,656,964	1,869,987	1,835,892	10.8	(1.8)

RETAINED CLAIMS

Figure 27 – Brasilseg | Retained claims



In the 1Q20, the loss ratio fell by 7.4 p.p. YoY, with a material improvement across the main segments, as explained below:

- (i) **term life (-6.1 p.p.):** despite the lower frequency of claims as compared to the 1Q19, the reduction in the loss ratio was largely driven by the reversal of provisions for unearned premiums, amounting to R\$41.1 million, in order to regularize the balance related to monthly products that were being provisioned as multiannual policies. These effects more than offset the increase of R\$22.3 million in provisions for claims incurred but not enough reported (IBNER), as a result of the quarterly tests in the database of provisions for judicial claims to be settled and in the lawsuits database. It is worth noting that the loss ratio in the 1Q19 was negatively impacted by the increase in provisions for judicial claims to be settled amounting to R\$15.6 million to regularize the lawsuits database;
- (ii) **credit life (-7.8 p.p.):** the lower frequency of claims, the reduction in expenses with provisions for judicial claims to be settled, and the 24.8% increase in earned premiums, drove the loss ratio down;
- (iii) **rural (-7.9 p.p.):** even with the drought in the South region in the 1Q20, the loss ratio decreased sharply compared to the 1Q19, since the first three months last year were materially impacted by losses across the board, as a result of the adverse climate conditions caused by the El Niño. Additionally, in the 1Q19 there were some increase in claims reported in rural lien insurance related to damages to machinery at the end of the summer crop; and
- (iv) **home (-8,1 p.p.):** explained by the lower frequency of claims reported as compared to the 1Q19, when rain and gales affected the Southeast and the South regions.

On the opposite direction, the loss ratio of mortgage life deteriorated by 6.9 p.p. YoY, given the rise in the frequency of reported claims, along with strengthening IBNER provisions, which amounted to R\$3.0 million, as a result of the quarterly revision of these database.

Figure 28 – Life Insurance | Loss ratio (%)

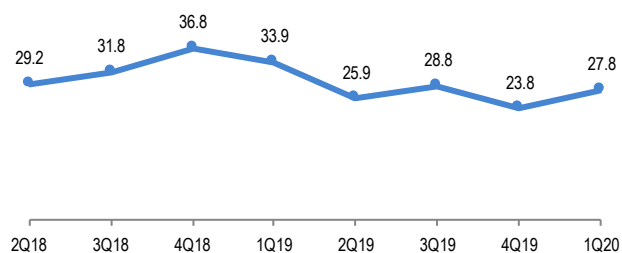


Figure 29 – Credit life insurance | Loss ratio (%)

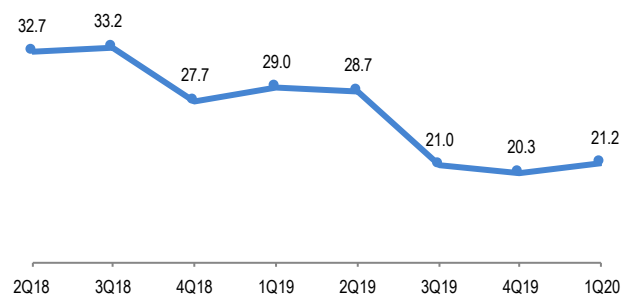


Figure 30 – Mortgage life | Loss ratio (%)

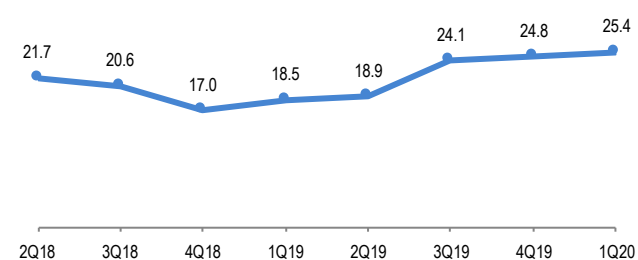


Figure 31 – Home insurance | Loss ratio (%)

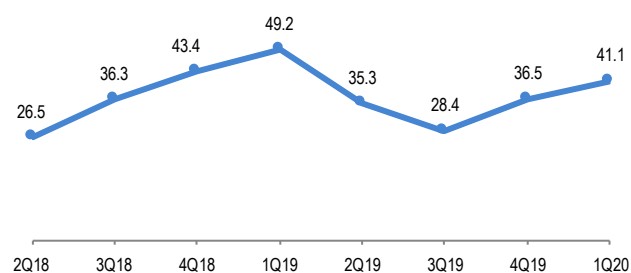


Figure 32 – Commercial lines insurance | Loss ratio (%)

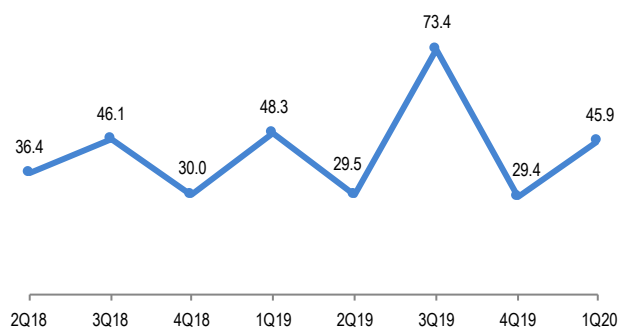


Figure 33 – Rural | Loss ratio (%)

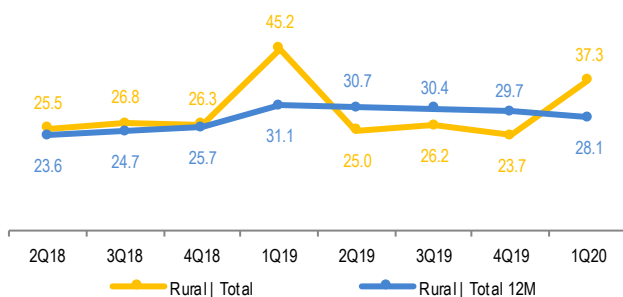


Figure 34 – Crop insurance | Loss ratio (%)

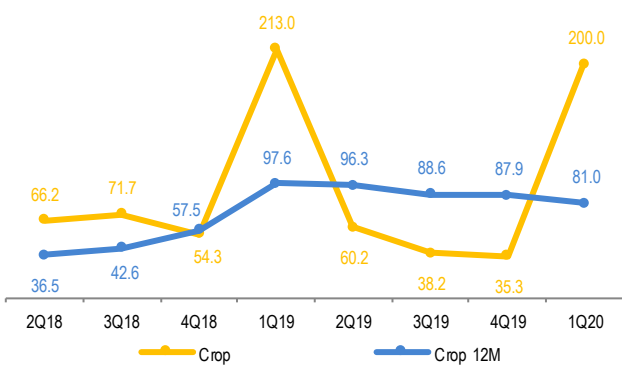


Figure 35 – Credit life for farmers and rural lien insurance | Loss ratio (%)

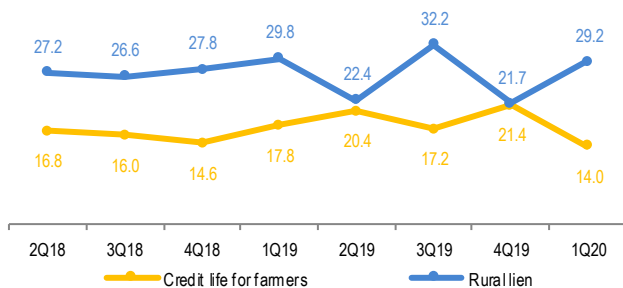


Table 23 – Brasilseg | Breakdown of retained claims

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Incurred claims	(1,306,117)	(551,078)	(1,080,425)	(17.3)	96.1
Expenses with claims	(1,281,104)	(561,793)	(1,035,665)	(19.2)	84.3
Changes in provisions for claims IBNR and IBNER	(16,952)	8,706	(35,559)	109.8	-
Recovery of claims - Coinsurance and reinsurance	691,163	106,083	534,894	(22.6)	404.2
Salvage and Reimbursements	4,822	17,533	5,856	215	(66.6)
Assistance services	(14,226)	(15,640)	(15,594)	9.6	(0.3)
Other	116	(418)	(15)	-	(96.4)
Retained claims	(616,181)	(445,529)	(546,081)	(11.4)	22.6

RETAINED ACQUISITION COSTS

Figure 36 – Brasilseg | Retained acquisition costs

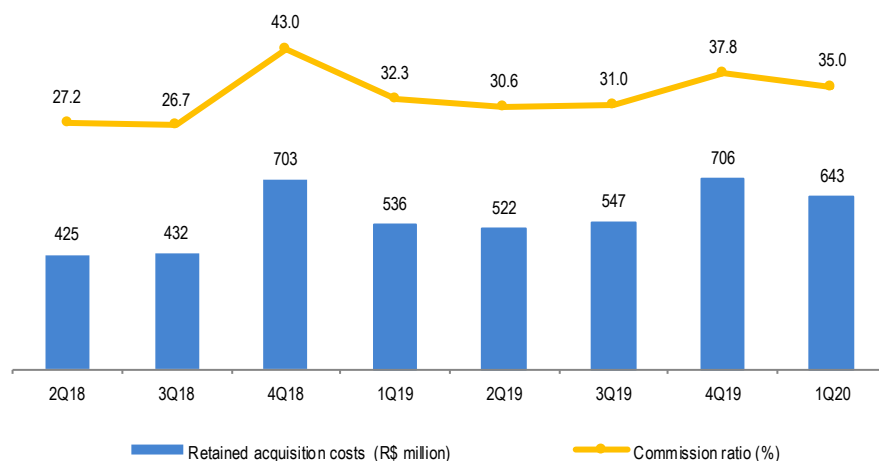
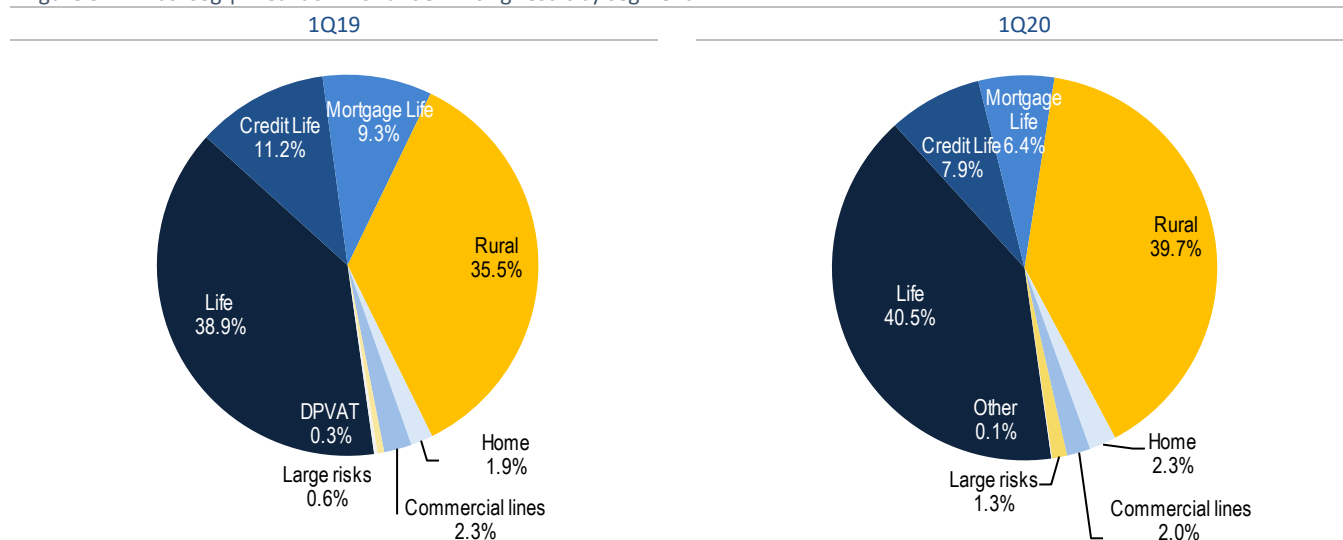


Table 24 – Brasilseg | Retained acquisition costs

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Acquisition costs	(601,194)	(772,975)	(718,415)	19.5	(7.1)
Commission charged on premiums written	(521,993)	(591,576)	(595,013)	14.0	0.6
Revenue with reinsurance commission	65,558	66,856	75,644	15.4	13.1
Commissions recovered - Coinsurance	1	0	-	-	-
Change in deferred acquisition costs	41,094	34,566	47,536	15.7	37.5
Other acquisition costs	(120,296)	(215,965)	(170,939)	42.1	(20.8)
Retained acquisition costs	(535,636)	(706,118)	(642,771)	20.0	(9.0)

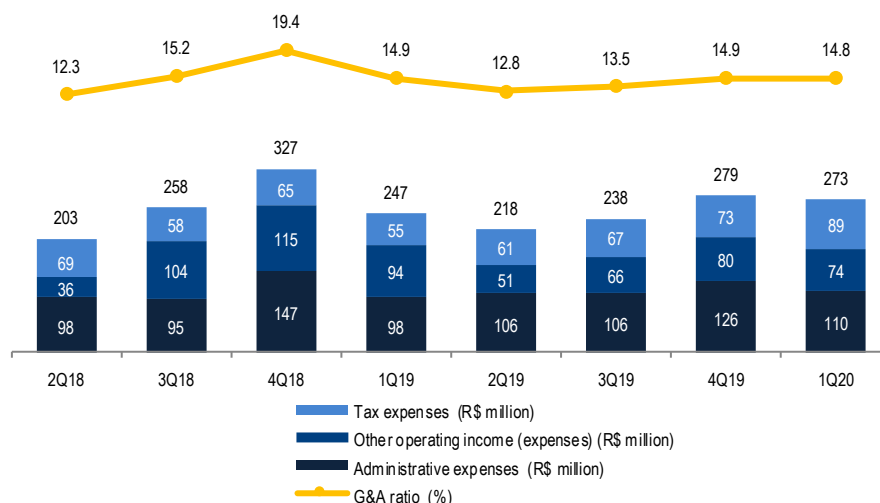
UNDERWRITING RESULT

Figure 37 – Brasilseg | Breakdown of underwriting result by segment



GENERAL & ADMINISTRATIVE EXPENSES

Figure 38 – Brasilseg | G&A expenses¹



In the 1Q20, the G&A ratio remained virtually flat YoY. Highlights among the main changes:

- (i) higher tax expenses, as a result of the reversal of tax credits amounting to R\$20.0 million related to PIS/COFINS calculated on provisions for claims to be settled and IBNR from DPVAT insurance, after the change in the accounting methodology for DPVAT, as mentioned in the section “Premiums Written”; and
- (ii) growth in admin expenses, concentrated in personnel expenses, due to the increase in headcount, and in outsourcing expenses, as a result of higher expenses with service maintenance and with software licenses.

Those effects were partially offset by the retraction in other operating income and expenses, highlighting:

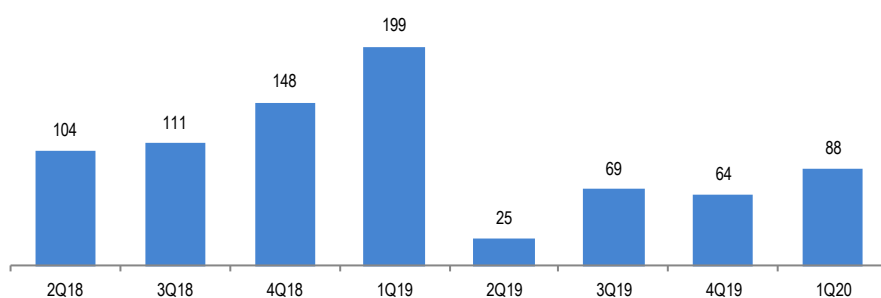
- (i) the positive result in other operating income and expenses line, which was negatively impacted in the 1Q19 due to expenses of R\$13.5 million registered to regularize the transitory accounts of judicial deposits;
- (ii) the lower contribution to the Fund for Rural Insurance Stability (FESR), considering that the calculation of these contributions takes into consideration the rural claims effectively paid, which stayed in a low level in the 1Q19 despite the increase in provisions for claims to be settled in that quarter; and
- (iii) the lower expenses with DPVAT charges, considering the changes in the accounting methodology of this segment in the 1Q20.

Table 25 – Brasilseg | General & Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Administrative expenses	(98,172)	(126,206)	(109,514)	11.6	(13.2)
Personnel	(47,169)	(53,127)	(55,216)	17.1	3.9
Outsourcing	(22,981)	(26,793)	(29,603)	28.8	10.5
Location and operation	(22,325)	(22,510)	(21,865)	(2.1)	(2.9)
Institutional advertisement and publicity	(1,326)	(4,767)	(491)	(63.0)	(89.7)
Publications	(490)	(79)	(434)	(113)	450.8
Other administrative expenses	(690)	(15,332)	(1,904)	175.8	(87.6)
DPVAT administrative expenses	(3,191)	(3,598)	-	-	-
Other operating income (expenses)	(93,509)	(79,908)	(74,492)	(20.3)	(6.8)
FESR contributions	(59,205)	(57,253)	(50,048)	(15.5)	(12.6)
Charging expenses	(3,496)	(3,149)	(444)	(87.3)	(85.9)
Civil contingencies	(6,123)	(5,898)	(4,126)	(32.6)	(30.1)
Expenses with events	(502)	(2,770)	(596)	18.7	(78.5)
Endomarketing	(9,000)	(12,156)	(8,655)	(3.8)	(28.8)
Impairment	4,837	5,232	(12,318)	-	-
Other operating income (expenses)	(20,019)	(3,913)	1,695	-	-
Tax expenses	(55,379)	(72,820)	(88,546)	59.9	21.6
COFINS	(45,528)	(60,150)	(73,582)	61.6	22.3
PIS	(7,296)	(10,146)	(12,004)	64.5	18.3
Inspection fee	(1,881)	(1,881)	(1,881)	(0.0)	(0.0)
Other tax expenses	(675)	(643)	(1,079)	59.8	67.8
G&A	(247,061)	(278,934)	(272,552)	10.3	(2.3)

■ NET INVESTMENT INCOME

Figure 39 – Brasilseg | Net investment income (R\$ million)¹



1. 2018 quarters do not consider proforma data.

Table 26 – Brasilseg | Financial income and expenses¹

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Adjusted interest revenues	184,744	114,008	107,834	(41.6)	(5.4)
Revenues with mark to market financial investments	129,224	82,565	76,951	(40.5)	(6.8)
Revenues with held to maturity financial investments	24,277	22,622	22,820	(6.0)	0.9
Judicial deposits	27,554	4,961	2,129	(92.3)	(57.1)
Receivables from insurance and reinsurance operations	3,689	3,860	5,935	60.9	53.8
Adjusted interest expenses	22,929	(37,255)	(11,354)	-	(69.5)
Pending claims	35,066	(24,842)	(6,926)	-	(72.1)
Judicial provisions	(3,606)	(4,598)	(2,066)	(42.7)	(55.1)
Obligations with insurance and reinsurance operations	(8,531)	(7,815)	(2,361)	(72.3)	(69.8)
Net interest income	207,672	76,753	96,481	(53.5)	25.7

1. Managerial view.

In the 1Q20, the net investment income decreased 53.5% YoY.

Adjusted interest revenues fell 41.6%, explained by:

- (i) the lower Selic rate, which impacted the return on floating securities classified for trading;
- (ii) the lower gains with the disposal of government bonds available for sale, which amounted to R\$16.9 million in the 1Q20 while in the 1Q19 it amounted to R\$43.5 million; and
- (iii) the lower interest revenues on judicial deposits, which were positively impacted in the 1Q19, in an amount of R\$19.5 million to regularize the pending balance in transitory accounts.

Adjusted interest expenses amounted to R\$11.4 million in the 1Q20, while in the 1Q19 it posted a positive print of R\$22.9 million. In the 1Q19 the expenses were positively impacted by the reversal of interest accrual on provisions for judicial claims to be settled, amounting to R\$62.7 million, as consequence of a revision in the lawsuits database which detected provisions for lawsuits already finished.

Table 27 – Brasilseg | Quarterly figures - Volume and rate analysis

R\$ thousand	1Q 20/1Q 19		
	Average volume	Average rate	Net change
Earning assets			
Mark to Market financial investments	4,196	(56,469)	(52,273)
Held to maturity financial investments	(2,122)	664	(1,457)
Judicial deposits	(103)	(25,322)	(25,425)
Receivables from insurance and reinsurance operations	(2,923)	5,170	2,247
Total¹	(439)	(76,470)	(76,909)
Interest bearing liabilities			
Pending claims	457	(42,449)	(41,992)
Judicial provisions	(23)	1,563	1,540
Obligations with insurance and reinsurance operations	(566)	6,737	6,170
Total¹	423	(34,705)	(34,282)

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 28 – Brasilseg | Quarterly figures - Earning assets - average balance and interest rates

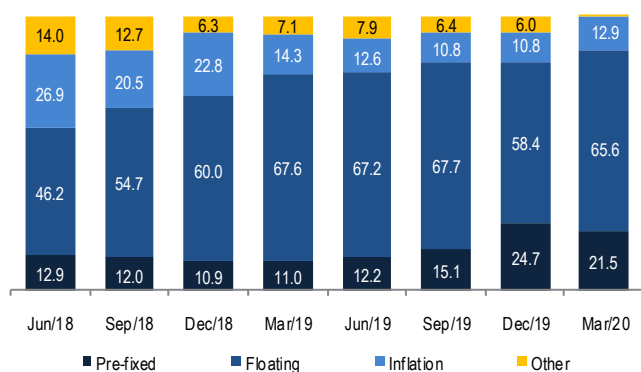
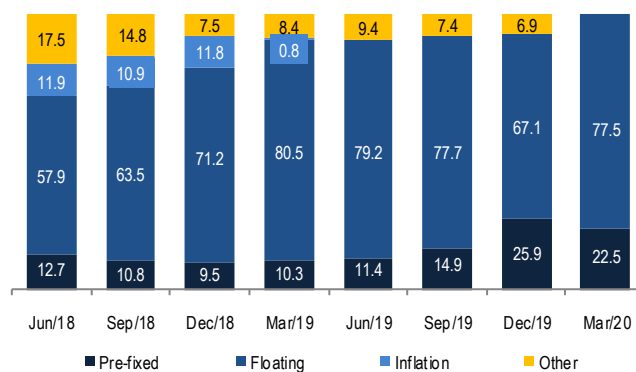
R\$ million	1Q 19			1Q 20		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to Market financial investments	5,373	129	10.3	5,683	77	5.6
Held to maturity financial investments	1015	24	10.3	928	23	10.4
Judicial deposits	894	28	13.4	853	2	1.0
Receivables from insurance and reinsurance operations	650	4	2.4	435	6	5.7
Total	7,932	185	10.0	7,900	108	5.7

Table 29 – Brasilseg | Quarterly figures - Interest bearing liabilities - average balance and interest rates

R\$ million	1Q 19			1Q 20		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Pending claims	2,203	35	(6.7)	2,067	(7)	14
Judicial provisions	667	(4)	2.2	675	(2)	12
Obligations with insurance and reinsurance operations	73	(9)	40.3	96	(2)	9.7
Total	2,944	23	(3.3)	2,838	(11)	1.6

Table 30 – Brasilseg | Financial investment portfolio

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Trading	4,064,169	4,415,312	3,826,858	(5.8)	(13.3)
Pre-fixed	8,498	9,309	9,577	12.7	2.9
Floating	3,616,739	3,970,599	3,816,195	5.5	(3.9)
Other	438,932	435,404	1,087	(99.8)	(99.8)
Available for sale	1,142,023	1,857,545	1,266,169	10.9	(31.8)
Pre-fixed	526,843	1,616,961	1,136,061	115.6	(29.7)
Floating	575,913	240,584	130,108	(77.4)	(45.9)
Inflation	39,268	-	-	-	-
Held to maturity securities	996,728	931,916	924,963	(7.2)	(0.7)
Pre-fixed	149,929	154,428	150,879	0.6	(2.3)
Inflation	846,800	777,488	774,084	(8.6)	(0.4)
Total	6,202,921	7,204,774	6,017,990	(3.0)	(16.5)

Figure 40 – Brasilseg | Breakdown of financial investments by index (%)¹Figure 41 – Brasilseg | Breakdown of mark to market financial investments by index (%)¹

1. 2018 quarters do not consider proforma data.

■ BALANCE SHEET ANALYSIS

Table 31 – Brasilseg | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Assets	13,999,797	14,945,804	14,595,302	4.3	(2.3)
Cash	40,548	14,931	19,276	(52.5)	29.1
Financial assets	6,202,921	7,204,774	6,017,990	(3.0)	(16.5)
Receivables from insurance and reinsurance operations	2,501,200	2,806,886	3,250,592	30.0	15.8
Reinsurance and retrocession - technical reserves	1,353,156	741,772	1,157,080	(14.5)	56.0
Securities and credits receivable	1,198,850	1,162,138	1,125,598	(6.1)	(3.1)
Other	1,554	713	229	(85.3)	(67.9)
Prepaid expenses	15,465	8,623	18,451	19.3	114.0
Deferred costs	1,924,395	2,248,674	2,296,248	19.3	2.1
Investments	366,193	366,273	304,964	(16.7)	(16.7)
Fixed assets	261,537	259,015	271,099	3.7	4.7
Intangible	133,978	132,005	133,775	(0.2)	13
Liabilities	11,936,113	12,959,265	12,754,990	6.9	(1.6)
Accounts payable	454,036	613,367	432,615	(4.7)	(29.5)
Obligations with insurance and reinsurance operations	1,322,152	1,920,824	1,727,848	30.7	(10.0)
Technical reserves - insurance	9,463,836	9,739,102	9,911,725	4.7	18
Third party deposits	26,282	7,303	11,225	(57.3)	53.7
Other liabilities	669,806	678,668	671,576	0.3	(10)
Shareholders' equity	2,063,684	1,986,539	1,840,312	(10.8)	(7.4)

Table 32 – Brasilseg | Receivables from insurance and reinsurance operations

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Receivable premiums	2,416,187	2,693,530	3,173,019	31.3	17.8
Operations with insurance companies	22,747	1,947	1,430	(93.7)	(26.5)
Premiums	6,412	69	69	(98.9)	(0.9)
Claims paid	13,636	1,593	870	(93.6)	(45.4)
Other receivables	2,699	285	492	(81.8)	72.5
Operations with reinsurance companies	98,055	100,723	72,467	(26.1)	(28.1)
Claims paid	64,834	100,079	71,652	10.5	(28.4)
Other receivables	33,221	644	815	(97.5)	26.7
Other operating receivables	55,817	66,592	69,609	24.7	4.5
Impairment	(91,606)	(55,906)	(65,933)	(28.0)	17.9
Receivables from insurance and reinsurance operations	2,501,200	2,806,886	3,250,592	30.0	15.8

Table 33 – Brasilseg | Reinsurance and retrocession – technical reserves

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Deferred premiums - PPNG	309,301	413,464	371,302	20.0	(10.2)
Deferred premiums - RVNE	28,652	23,383	22,895	(20.1)	(2.1)
IBNR claims	66,113	72,872	71,597	8.3	(1.7)
Pending claims	943,316	225,821	686,008	(27.3)	203.8
Provision for related expenses	5,774	6,231	5,279	(8.6)	(15.3)
Reinsurance and retrocession - technical reserves	1,353,156	741,772	1,157,080	(14.5)	56.0

Table 34 – Brasilseg | Securities and credit receivable

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Securities and credits receivable	18,245	10,342	8,029	(56.0)	(22.4)
Other tax and social security receivables	132,068	126,639	112,276	(15.0)	(11.3)
Receivable tax and social security - tax loss	-	14	14	-	-
Receivable tax and social security - temporary adjustments	152,164	148,444	148,904	(2.1)	0.3
Tax and judicial deposits	882,417	859,358	846,834	(4.0)	(1.5)
Other receivables	19,189	22,473	14,675	(23.5)	(34.7)
Impairment	(5,232)	(5,134)	(5,134)	(1.9)	-
Securities and credits receivable	1,198,850	1,162,138	1,125,598	(6.1)	(3.1)

Table 35 – Brasilseg | Accounts payable

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Payable liabilities	68,830	106,406	67,589	(1.8)	(36.5)
Deferred taxes	4,521	10,623	278	(93.9)	(97.4)
Social securities and taxes payable	26,713	26,920	28,547	6.9	6.0
Labor charges	13,977	13,401	15,665	12.1	16.9
Taxes and contributions	73,803	186,455	37,218	(49.6)	(80.0)
Other accounts payable	266,192	269,562	283,319	6.4	5.1
Accounts payable	454,036	613,367	432,615	(4.7)	(29.5)

Table 36 – Brasilseg | Obligations with insurance and reinsurance operations

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Premiums to return	24,826	40,577	27,989	12.7	(31.0)
Operations with insurance companies	5,418	4,813	1,573	(71.0)	(67.3)
Operations with reinsurance companies	236,617	335,582	246,034	4.0	(26.7)
Insurance and reinsurance brokers	51,503	446,457	135,011	162.1	(69.8)
Other operating obligations	1,003,789	1,093,395	1,317,240	31.2	20.5
Obligations with insurance and reinsurance operations	1,322,152	1,920,824	1,727,848	30.7	(10.0)

Table 37 – Brasilseg | Solvency¹

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Brasilseg Companhia de Seguros					
Adjusted shareholders' equity (a)	1,421,026	1,346,779	1,262,028	(11.2)	(6.3)
Minimum capital required (b)	951,135	1,115,100	1,130,405	18.8	1.4
Additional capital for underwriting risk	843,719	1,006,539	1,015,239	20.3	0.9
Additional capital for credit risk	118,311	104,637	110,181	(6.9)	5.3
Additional capital for operating risk	28,523	27,953	28,604	0.3	2.3
Additional capital for market risk	48,243	82,301	90,687	88.0	10.2
Benefit of correlation between risks	(87,661)	(106,330)	(114,307)	30.4	7.5
Capital adequacy (a) - (b)	469,892	231,678	131,623	(72.0)	(43.2)
Solvency ratio (a) / (b) - %	149.4	120.8	111.6	-37.8 p.p.	-9.1 p.p.
Aliança do Brasil Seguros					
Adjusted shareholders' equity (a)	232,165	182,774	171,667	(26.1)	(6.1)
Minimum capital required (b)	96,578	95,611	90,642	(6.1)	(5.2)
Additional capital for underwriting risk	82,344	81,206	79,584	(3.4)	(2.0)
Additional capital for credit risk	16,124	11,791	10,873	(32.6)	(7.8)
Additional capital for market risk	3,094	12,166	4,696	51.8	(61.4)
Additional capital for operating risk	4,220	3,934	3,742	(11.3)	(4.9)
Benefit of correlation between risks	(9,203)	(13,486)	(8,253)	(10.3)	(38.8)
Capital adequacy (a) - (b)	135,587	87,163	81,025	(40.2)	(7.0)
Solvency ratio (a) / (b) - %	240.4	191.2	189.4	-51.0 p.p.	-1.8 p.p.
Total Brasilseg					
Adjusted shareholders' equity (a)	1,653,191	1,529,553	1,433,695	(13.3)	(6.3)
Minimum capital required (b)	1,047,712	1,210,712	1,221,047	16.5	0.9
Additional capital for underwriting risk	926,062	1,087,745	1,094,823	18.2	0.7
Additional capital for credit risk	134,434	116,428	121,054	(10.0)	4.0
Additional capital for operating risk	32,742	31,887	32,346	(12)	14
Additional capital for market risk	51,337	94,468	95,383	85.8	10
Benefit of correlation between risks	(96,864)	(119,816)	(122,559)	26.5	2.3
Capital adequacy (a) - (b)	605,478	318,841	212,648	(64.9)	(33.3)
Solvency ratio (a) / (b) - %	157.8	126.3	117.4	-40.4 p.p.	-8.9 p.p.

1. Information based on the accounting principles of SUSEP (SUSEP GAAP).

4.2 BRASILPREV

■ EARNINGS ANALYSIS

Table 38 – Brasilprev | Income statement¹

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Total revenue from pension and insurance	8,103,360	10,831,552	10,130,016	25.0	(6.5)
Provision for benefits to be granted	(8,098,145)	(10,825,217)	(10,124,791)	25.0	(6.5)
Net revenue from pension and insurance	5,215	6,334	5,225	0.2	(17.5)
Management fee	650,606	716,019	711,337	9.3	(0.7)
Changes in other technical reserves	(22,173)	(13,165)	(46,909)	111.6	256.3
Expenses with benefits, redemptions and claims	1,429	7,308	12,073	744.7	65.2
Acquisition costs	(166,205)	(173,509)	(170,128)	2.4	(1.9)
Earned premiums	46,185	44,790	43,145	(6.6)	(3.7)
Administrative expenses	(83,708)	(107,507)	(88,463)	5.7	(17.7)
Tax expenses	(49,849)	(56,750)	(53,318)	7.0	(6.0)
Other operating income (expenses)	(17,085)	(20,434)	(21,237)	24.3	3.9
Gains or losses on non-current assets	(10)	(8,603)	-	-	-
Non-interest operating result	364,407	394,483	391,725	7.5	(0.7)
Net investment income	274,599	241,032	(112,778)	-	-
Financial income	4,749,433	4,438,524	(4,840,725)	-	-
Financial expenses	(4,474,834)	(4,197,493)	4,727,947	-	-
Earnings before taxes and profit sharing	639,006	635,515	278,947	(56.3)	(56.1)
Taxes	(253,326)	(232,663)	(110,878)	(56.2)	(52.3)
Profit sharing	(3,609)	(2,722)	(3,987)	10.5	46.5
Adjusted net income	382,071	400,130	164,082	(57.1)	(59.0)
One-off events	-	26,243	-	-	-
Reversal of provision for related expenses - PDR	-	44,739	-	-	-
Reversal of provision for related expenses - PDR - IR/CSLL	-	(16,482)	-	-	-
Reversal of provision for related expenses - PDR - PIS/COFINS	-	(2,015)	-	-	-
Net income	382,071	426,372	164,082	(57.1)	(61.5)

1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for the 2019 periods.

ADJUSTED NET INCOME

Figure 42 – Brasilprev | Adjusted net income and ROAA

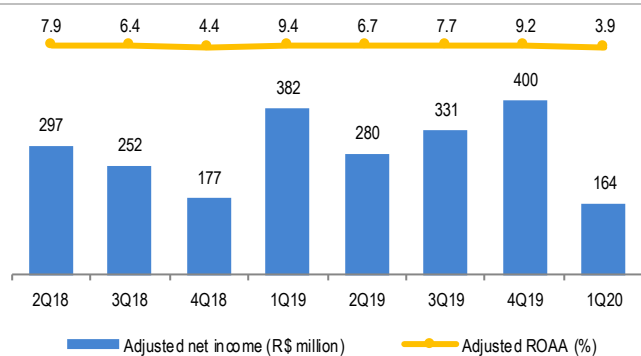
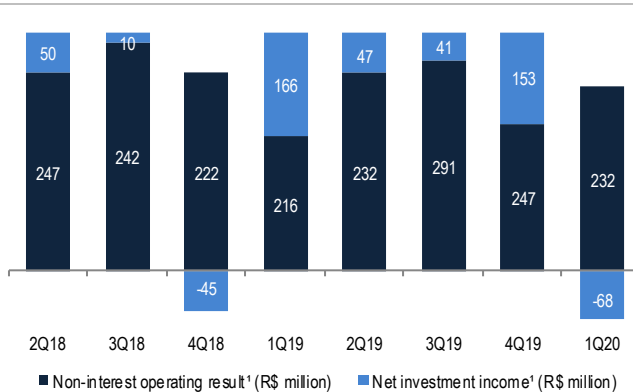


Figure 43 – Brasilprev | Adjusted net income breakdown



1. Net of taxes considering the effective tax rate

Table 39 – Brasilprev | Performance ratios

%	Quarterly Flow			Chg. (p.p.)	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Commission ratio	2.1	1.6	1.7	(0.4)	0.1
Load fee	0.1	0.1	0.1	(0.0)	(0.0)
Management fee¹	1.04	0.99	1.00	(0.04)	0.01
Redemption ratio	7.1	6.8	9.4	2.4	2.7
Cost to income ratio¹	48.1	47.5	48.4	0.3	1.0
Income tax rate	39.6	36.6	39.7	0.1	3.1
Adjusted ROAA	9.4	9.2	3.9	(5.5)	(5.3)

1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for the 2019 periods.

■ RESULT WITH PENSION PLANS AND INSURANCE ANALYSIS

CONTRIBUTIONS

Figure 44 – Brasilprev | Contributions (R\$ million)

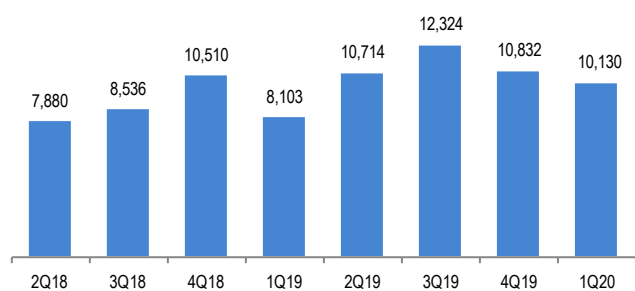
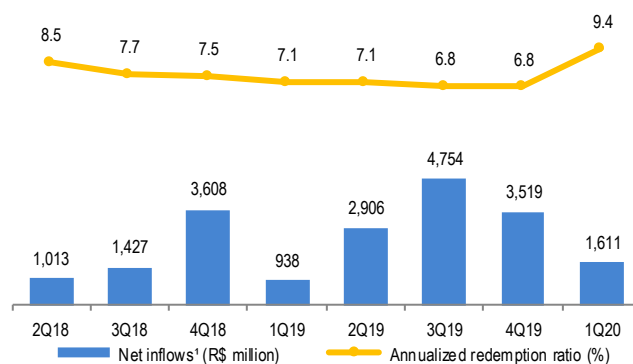


Figure 45 – Brasilprev | Net inflows and redemption ratio



1. Source: Quantum Axis

Figure 46 – Brasilprev | Contributions breakdown (%)

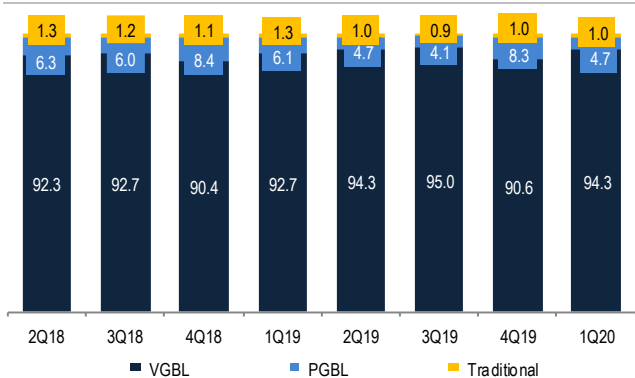
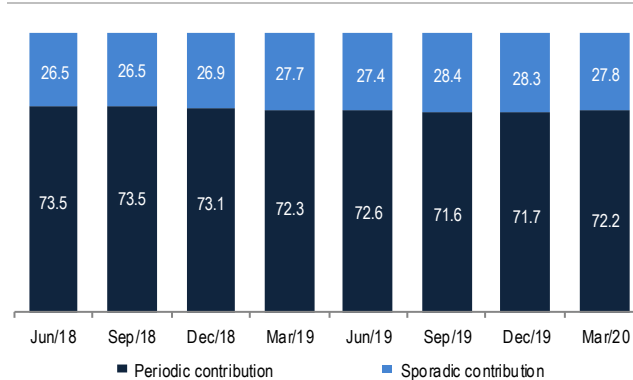


Figure 47 – Brasilprev | Pension plans outstanding (%)



TECHNICAL RESERVES

Figure 48 – Brasilprev | Technical reserves (R\$ billion)

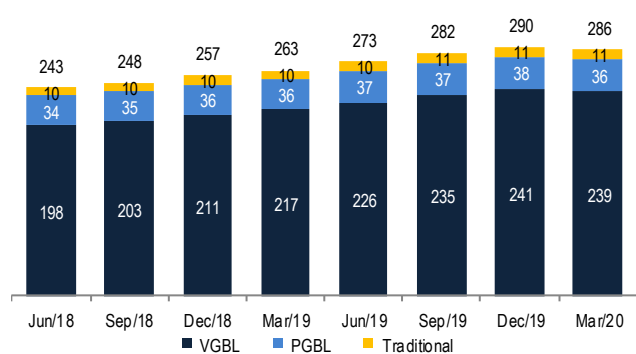


Figure 49 – Brasilprev | Technical reserves (%)

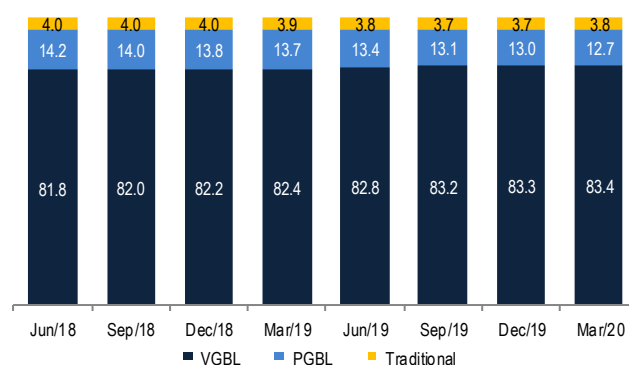


Figure 50 – Brasilprev | Active plans (thousand)

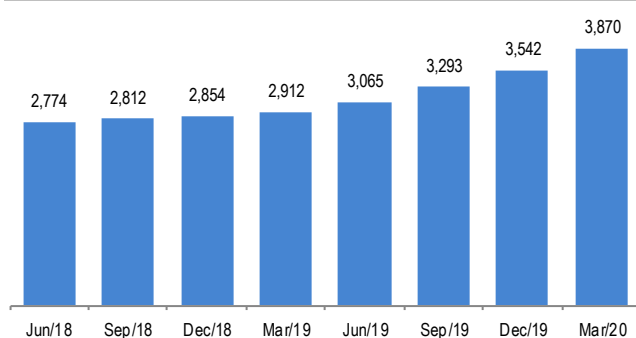


Figure 51 – Brasilprev | CPFs (thousand)

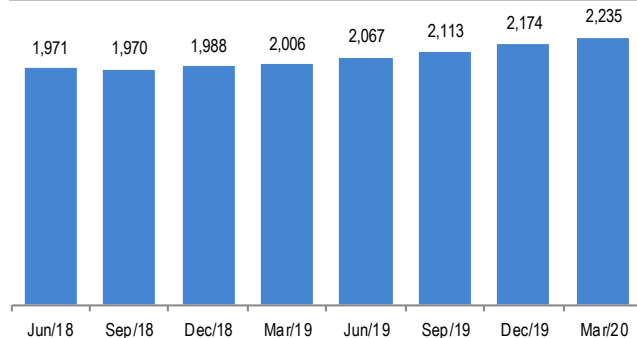


Table 40 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Benefits to be granted					
Initial balance	252,566,303	277,510,493	285,082,366	12.9	2.7
Constitution	1,725,133	3,590,793	2,991,794	73.4	(16.7)
Reversal	(423,280)	(134,960)	(1,462,379)	245.5	983.6
Restatement	4,419,892	4,116,040	(4,861,465)	-	-
Final balance	258,288,049	285,082,366	281,750,316	9.1	(1.2)
Benefits granted					
Initial balance	3,005,109	3,283,458	3,358,637	11.8	2.3
Constitution	275,164	156,229	157,483	(42.8)	0.8
Reversal	(249,465)	(162,352)	(154,324)	(38.1)	(4.9)
Restatement	55,028	81,302	125,883	128.8	54.8
Final balance	3,085,837	3,358,637	3,487,679	13.0	3.8
Other provisions					
Initial balance	1,194,464	1,459,395	1,370,312	14.7	(6.1)
Constitution	441,232	155,490	143,387	(67.5)	(7.8)
Reversal	(235,823)	(257,664)	(276,282)	17.2	7.2
Restatement	9,153	13,091	18,988	107.4	45.0
Final balance	1,409,026	1,370,312	1,256,405	(10.8)	(8.3)
Total Provisions	262,782,912	289,811,314	286,494,400	9.0	(1.1)

Table 41 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans by product

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
P VGBL Reserves					
Initial balance	246,561,464	271,684,564	279,102,953	13.2	2.7
Constitution	2,348,043	3,833,419	3,209,050	36.7	(16.3)
Reversal	(698,546)	(373,067)	(1,688,195)	141.7	352.5
Restatement	4,341,136	3,958,037	(5,118,743)	-	-
Final balance	252,552,097	279,102,953	275,505,065	9.1	(1.3)
Traditional Reserves					
Initial balance	10,204,413	10,568,782	10,708,361	4.9	1.3
Constitution	93,487	69,093	83,613	(10.6)	21.0
Reversal	(210,022)	(181,909)	(204,790)	(2.5)	12.6
Restatement	142,937	252,396	402,148	181.3	59.3
Final balance	10,230,815	10,708,361	10,989,332	7.4	2.6
Total Provisions	262,782,911	289,811,314	286,494,397	9.0	(1.1)

MANAGEMENT FEE

Figure 52 – Brasilprev | Management fee¹



1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for 2018 and 2019 periods.

In the 1Q20 the revenues with management fee started to be reported net of some variable expenses related to the administration fees, which used to be reported as a G&A expense until December 2019, in the outsourcing line. Because of this change, historical data was revised from the 1Q18 onwards.

Considering the new accounting standard, revenues with management fee increased by 9.3% YoY, propelled by the expansion of 11.8% in the average balance of pension reserves, which was partially offset by the 0.04 p.p. reduction on the annualized average management fee.

The average management fee increased 0.01 p.p. QoQ, explained by the work carried out by Brasilprev to offer to its clients the reallocation of their investments, mostly concentrated in fixed income funds, which have been presenting lower returns given the reduction in the Selic rate, to more sophisticated products, that have greater potential return in the long run.

Table 42 – Brasilprev | Management fee breakdown^{1,2,3}

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Management fee	650,606	716,019	711,337	9.3	(0.7)
Average volume of reserves	260,043,594	286,256,729	290,669,654	118	15
Working days	61	64	62	1w.d.	-2 w.d.
Annualized average management fee (%)	1.04	0.99	1.00	(0.04) p.p.	0.01 p.p.

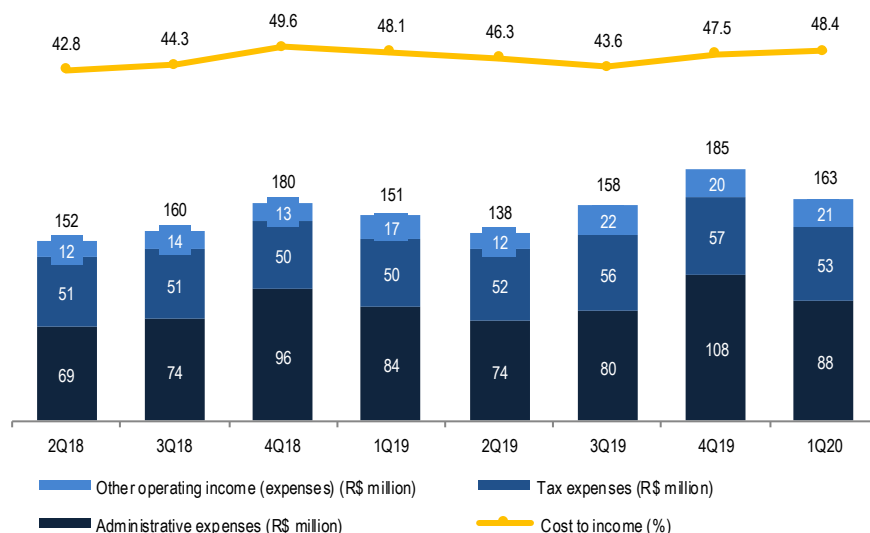
1. Management fee annualized considering the total of 252 working days.

2. Working days calculated based on the holidays table provided by ANBIMA.

3. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for the 2019 periods.

GENERAL & ADMINISTRATIVE EXPENSES

Figure 53 – Brasilprev | G&A expenses and cost to income ratio¹



1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for 2018 and 2019 periods.

In the 1Q20, G&A expenses were up by 8.2% YoY, while the cost to income ratio deteriorated by 0.3 p.p. Such performance, which already comprises the reallocation of administration fees to the management fee line, as mentioned in the section “Management Fee”, is explained by:

- (i) higher expenses with marketing related to sales campaigns which occurred in the quarter; and
- (ii) the increase in other operating expenses, mostly explained by the constitution of provisions for two civil lawsuits with higher volumes and the increase in provisions for receivable losses which refers to plans with contributions for risk coverage.

Table 43 – Brasilprev | G&A expenses¹

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Administrative expenses	(83,708)	(107,508)	(88,463)	5.7	(17.7)
Personnel	(36,699)	(35,179)	(35,793)	(2.5)	1.7
Outsourcing	(24,882)	(35,032)	(25,926)	4.2	(26.0)
Location and operation	(14,407)	(15,467)	(14,418)	0.1	(6.8)
Marketing	(6,845)	(14,720)	(11,755)	71.7	(20.1)
Other	(875)	(7,110)	(571)	(34.7)	(92.0)
Other operating income (expenses)	(17,085)	(20,434)	(21,237)	24.3	3.9
Expenses on sales incentive	(9,865)	(8,277)	(9,886)	0.2	19.4
Charging expenses	(3,724)	(3,985)	(4,002)	7.5	0.4
Contingencies	319	(806)	(2,257)	-	180.0
Provision for loan losses	(713)	(2,747)	(2,446)	243.1	(11.0)
Other operating income (expenses)	(3,102)	(4,619)	(2,646)	(14.7)	(42.7)
Tax expenses	(49,849)	(56,750)	(53,318)	7.0	(6.0)
Federal and municipal taxes	(13,732)	(15,210)	(14,655)	6.7	(3.6)
COFINS	(30,545)	(33,876)	(32,298)	5.7	(4.7)
PIS/PASEP	(4,964)	(5,504)	(5,248)	5.7	(4.7)
Inspection fee	(1,084)	(1,083)	(1,084)	-	0.1
Other tax expenses	476	(1,076)	(33)	-	(96.9)
General and administrative expenses	(150,642)	(184,692)	(163,019)	8.2	(11.7)

1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for the 2019 periods.

Table 44 – Brasilprev | Cost to income ratio¹

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Revenues - [a]	702,006	767,143	759,707	8.2	(1.0)
Net revenue from pension and insurance	5,215	6,334	5,225	0.2	(17.5)
Management fee	650,606	716,019	711,337	9.3	(0.7)
Earned premiums	46,185	44,790	43,145	(6.6)	(3.7)
Expenses - [b]	337,590	364,057	367,982	9.0	1.1
Changes in other technical reserves	22,173	13,165	46,909	111.6	256.3
Expenses with benefits, redemptions and claims	(1429)	(7,308)	(12,073)	744.7	65.2
Acquisition costs	166,205	173,509	170,128	2.4	(19)
Administrative expenses	83,708	107,507	88,463	5.7	(17.7)
Tax expenses	49,849	56,750	53,318	7.0	(6.0)
Other operating income (expenses)	17,085	20,434	21,237	24.3	3.9
Cost to income ratio (%) - [b / a]	48.1	47.5	48.4	0.3 p.p.	1.0 p.p.

1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for the 2019 periods.

■ NET INVESTMENT INCOME

Figure 54 – Brasilprev | Net investment income (R\$ million)

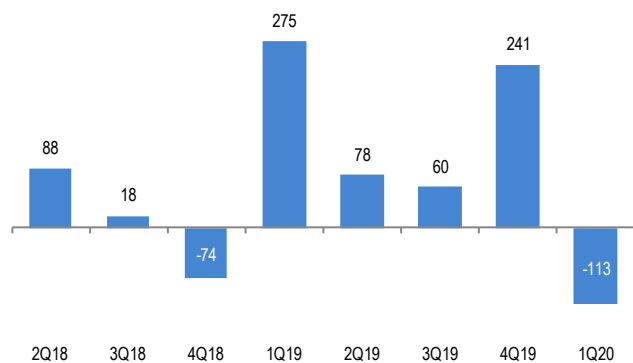
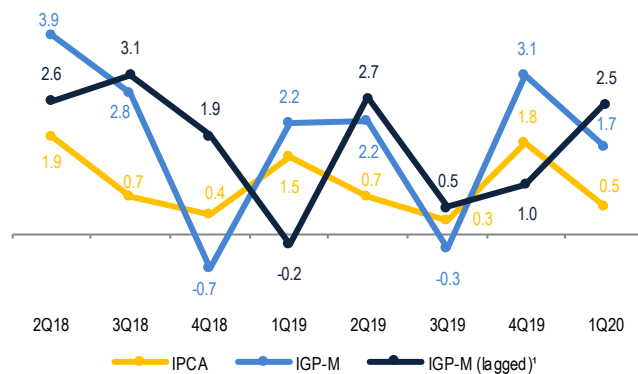


Figure 55 – Brasilprev | Inflation rates (%)



Source: Banco Central do Brasil

1. Considering the IGP-M with a lag of one month, which is the average to accrual the interest bearing liabilities of Brasilprev's defined benefit plans.

Table 45 – Brasilprev | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Adjusted interest revenues	422,622	496,286	320,068	(24.3)	(35.5)
Revenues with mark to market financial investments	40,545	28,471	(69,492)	-	-
Revenues with held to maturity financial investments	382,076	467,815	389,560	2.0	(16.7)
Adjusted interest expenses	(148,023)	(255,255)	(432,846)	192.4	69.6
Interest accrual on technical reserves	(148,023)	(255,255)	(432,846)	192.4	69.6
Net investment income	274,599	241,032	(112,778)	-	-

In the 1Q20, the net investment income posted a loss of R\$112.8 million, compared to a positive balance of R\$274.6 million in the 1Q19.

Adjusted interest revenues decreased 24.3% YoY, impacted by mark-to-market losses on fixed-income securities with higher duration, and, by the lower inflation rates posted by the IPCA and the IGP-M, which are the indexes that compound great part of the securities classified as held to maturity. These effects led to a contraction of 4.2 p.p. in the average yield on financial investments.

Adjusted interest expenses rose 192.4% YoY, as a result of the 8.3 p.p. increase in the average cost of the interest-bearing liabilities related to the technical reserves of the traditional plans (defined benefit). Considering that the interest accrual on interest bearing liabilities pegged to the IGP-M presents an average lag of one month, the acceleration of the index observed in the period that ranges from December 2019 to February 2020 boosted expenses in the 1Q20, while in the 1Q19 the 0.2% deflation cumulated between December 2018 and February 2019 had benefited adjusted interest expenses.

Table 46 – Brasilprev | Quarterly figures - Volume and rate analysis

R\$ thousand	1Q 20/1Q 19		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	(7,888)	(102,149)	(110,037)
Held to maturity financial investments	20,194	(12,711)	7,483
Total¹	20,491	(123,045)	(102,554)
Interest bearing liabilities			
Technical reserves	(27,949)	(256,874)	(284,823)
Total	(27,949)	(256,874)	(284,823)

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 47 – Brasilprev | Quarterly figures - Earning assets - average balance and interest rates¹

R\$ million	1Q 19			1Q 20		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to market financial investments	2,564	41	6.7	2,892	(69)	(9.4)
Held to maturity financial investments	11,140	382	14.9	11,749	390	14.2
Total	13,704	423	13.4	14,641	320	9.2

1. Guaranteeing assets and free assets of Traditional plans and guaranteeing assets of the P/VGBL plans in the granting stage.

Table 48 – Brasilprev | Quarterly figures - Interest bearing liabilities - average balance and interest rates¹

R\$ million	1Q 19			1Q 20		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves	11,566	(148)	5.2	12,364	(433)	13.5
Total	11,566	(148)	5.2	12,364	(433)	13.5

1. Technical reserves of Traditional and P/VGBL plans in the granting stage.

Table 49 – Brasilprev | Financial investments portfolio breakdown (except PGBL and VGBL funds)

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Held to maturity securities	11,185,014	11,711,696	11,786,092	5.4	0.6
Pre-fixed	79,116	83,390	82,943	4.8	(0.5)
Inflation	11,105,898	11,628,306	11,703,149	5.4	0.6
Mark to market securities	2,583,051	3,115,945	2,668,341	3.3	(14.4)
Pre-fixed	36,738	250,722	129,312	252.0	(48.4)
Floating	1,473,473	1,598,825	1,407,990	(4.4)	(119)
Inflation	1,072,840	1,266,398	1,131,040	5.4	(10.7)
Total	13,768,065	14,827,640	14,454,433	5.0	(2.5)

Figure 56 – Brasilprev | Financial investments breakdown by index - except PGBL and VGBL funds (%)

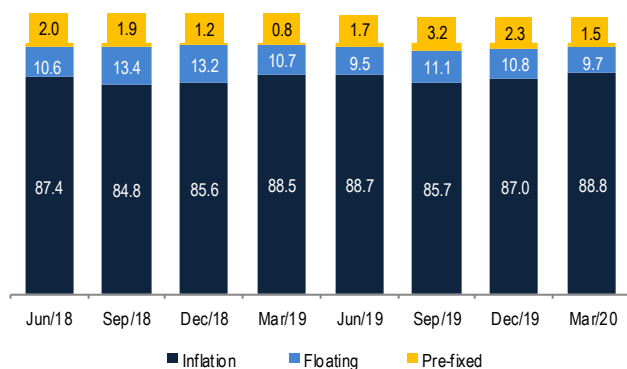
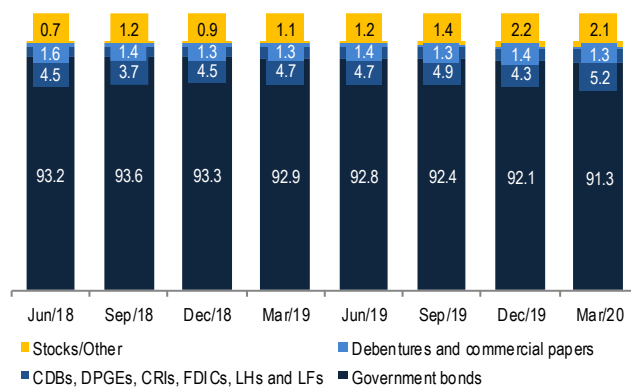


Figure 57 – Brasilprev | Assets allocation (%)



■ BALANCE SHEET ANALYSIS

Table 50 – Brasilprev | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Assets	267,448,435	295,174,199	290,172,085	8.5	(1.7)
Cash and cash equivalents	7,129	3,908	7,042	(12)	80.2
Financial assets	264,867,408	292,454,051	288,405,247	8.9	(14)
Receivables from insurance and reinsurance operations	4,216	4,716	4,955	17.5	5.1
Securities and credits receivable	1,132,457	1,201,254	229,496	(79.7)	(80.9)
Prepaid expenses	5,890	5,031	8,924	51.5	77.4
Deferred costs	1,194,705	1,277,091	1,290,590	8.0	1.1
Credits from private pension transactions	-	98	98	-	-
Investments	75	75	75	-	-
Fixed assets	28,193	25,873	25,677	(8.9)	(0.8)
Intangible	208,362	202,101	199,982	(4.0)	(1.0)
Liabilities	264,480,893	291,889,999	286,972,134	8.5	(1.7)
Accounts payable	468,576	875,264	385,446	(17.7)	(56.0)
Obligations with insurance and reinsurance operations	7,458	10,438	8,900	19.3	(14.7)
Debts from private pension transactions	1,097	3,131	1,271	15.8	(59.4)
Third party deposits	145,142	22,348	60,479	(58.3)	170.6
Technical reserves - insurance	216,795,317	241,476,384	239,014,817	10.2	(1.0)
Technical reserves - private pension	45,987,594	48,334,930	47,479,580	3.2	(1.8)
Other liabilities	1,075,708	1,167,505	21,643	(98.0)	(98.1)
Shareholders' equity	2,967,542	3,284,200	3,199,951	7.8	(2.6)

■ SOLVENCY

Table 51 – Brasilprev | Solvency¹

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Adjusted shareholder's equity (a)	3,472,044	4,003,807	3,907,660	12.5	(2.4)
Minimum capital requirement (b)	2,002,886	2,542,866	2,357,496	17.7	(7.3)
Additional capital for underwriting risk	1,400,224	1,480,985	1,261,237	(9.9)	(14.8)
Additional capital for credit risk	93,958	80,808	62,742	(33.2)	(22.4)
Additional capital for market risk	745,449	1,391,048	1,391,048	86.6	-
Additional capital for operating risk	210,226	231,849	229,196	9.0	(1.1)
Correlation risk reduction	(446,971)	(641,824)	(586,727)	31.3	(8.6)
Capital adequacy (a) - (b)	1,469,158	1,460,941	1,550,164	5.5	6.1
Solvency ratio (a) / (b) - %	173.4	157.5	165.8	-7.6 p.p.	8.3 p.p.

1. Information based on the accounting principles adopted by SUSEP.

4.3 BRASILCAP

■ EARNINGS ANALYSIS

The table below shows a managerial view built from the reallocation of expenses relates to the formation of lottery and bonus provisions. This reallocation aims to isolate and present the revenue with load fee, which is the source used to cover general & administrative expenses and acquisition costs.

Table 52 – Brasilcap | Managerial income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Premium bonds collection	1,222,376	1,571,370	1,023,778	(16.2)	(34.8)
Changes in provisions for redemption	(1,050,961)	(1,372,802)	(873,516)	(16.9)	(36.4)
Changes in provisions for lottery and bonus	(22,706)	(24,333)	(20,067)	(116)	(17.5)
Revenue with load fee	148,709	174,235	130,195	(12.5)	(25.3)
Changes in other technical reserves	(5,495)	(5,592)	13,675	-	-
Result with lottery	9,769	2,668	3,828	(60.8)	43.5
Acquisition costs	(113,036)	(159,178)	(108,390)	(4.1)	(31.9)
Administrative expenses	(20,662)	(26,692)	(19,170)	(7.2)	(28.2)
Tax expenses	(8,096)	(9,027)	(7,970)	(15)	(11.7)
Other operating income (expenses)	922	3,995	5,906	540.6	47.8
Equity income	(8)	5	7	-	32.3
Non-interest operating result	12,104	(19,586)	18,080	49.4	-
Net investment income	43,313	46,024	46,276	6.8	0.5
Financial income	243,992	204,336	181,769	(25.5)	(11.0)
Financial expenses	(200,679)	(158,312)	(135,493)	(32.5)	(14.4)
Earnings before taxes and profit sharing	55,417	26,437	64,357	16.1	143.4
Taxes	(22,087)	(7,262)	(25,095)	13.6	245.6
Profit sharing	(1211)	(1,327)	(1,387)	14.6	4.5
Net income	32,120	17,848	37,875	17.9	112.2

NET INCOME

Figure 58 – Brasilcap | Net income and ROAA

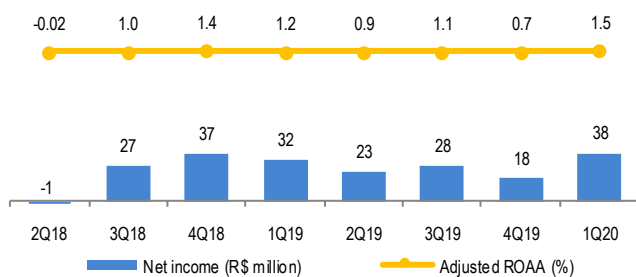
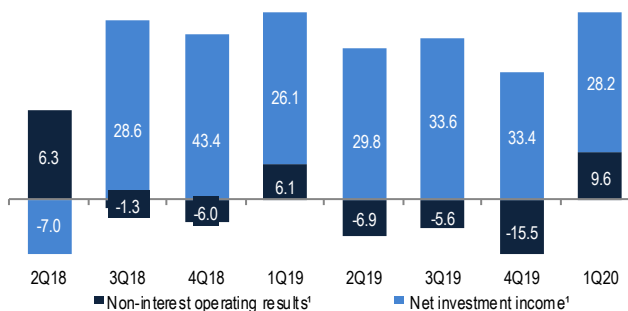


Figure 59 – Brasilcap | Net income breakdown (R\$ million)



1. Net of taxes considering the effective tax rate.

Table 53 – Brasilcap | Performance ratios

%	Quarterly Flow			Chg. (p.p.)	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Average quotes					
Reserve quote	86.0	87.4	85.3	(0.7)	(2.0)
Lottery quote	18	15	19	0.1	0.4
Bonus quote	0.1	0.0	0.0	(0.0)	0.0
Load fee quote	12.2	11.1	12.7	0.6	16
Load fee consumption					
Commission ratio	76.0	914	83.3	7.2	(8.1)
G&A ratio	18.7	18.2	16.3	(2.4)	(19)
Financial					
Net interest margin (p.p.)	3.3	3.5	2.2	(1.1)	(13)
Other					
Premium bonds margin	7.1	(9.9)	12.0	5.0	219
Income tax rate	39.9	27.5	39.0	(0.9)	115
Adjusted ROAA	12	0.7	15	0.3	0.8

■ NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUM BONDS COLLECTION

Figure 60 – Brasilcap | Collection (R\$ million)

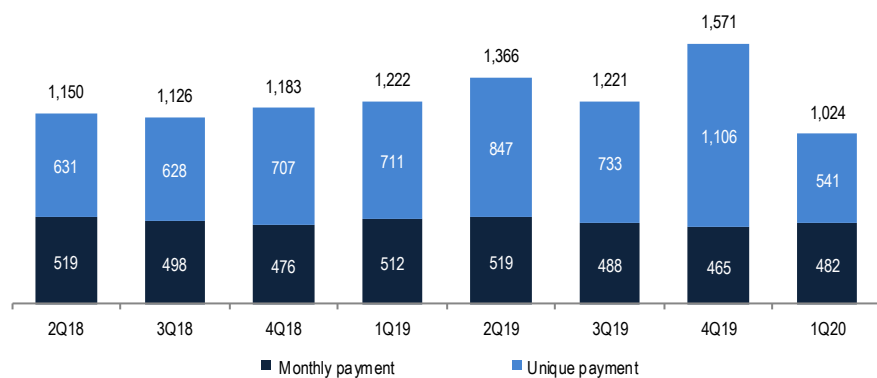


Figure 61 – Brasilcap | Collections by product (%)

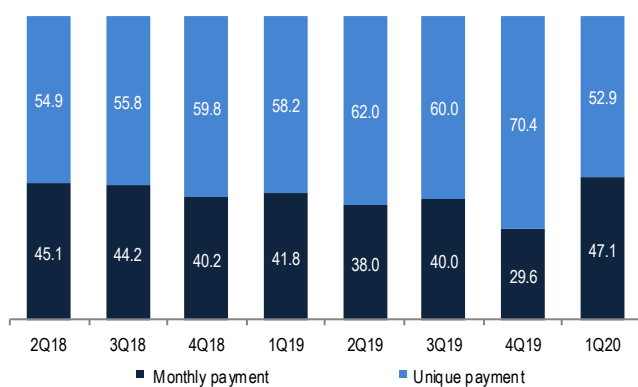
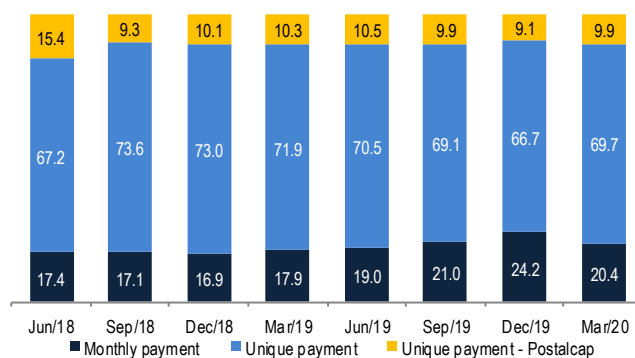


Figure 62 – Brasilcap | Bonds outstanding by product (%)



REVENUE WITH LOAD FEE

Figure 63 – Brasilcap | Changes in revenue with load fee quote and average load fee quote

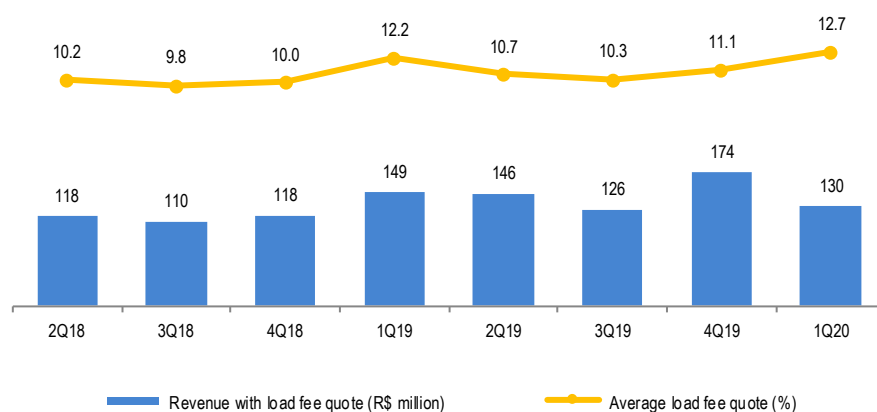


Figure 64 – Brasilcap | Changes in provisions for redemption and average reserve quote

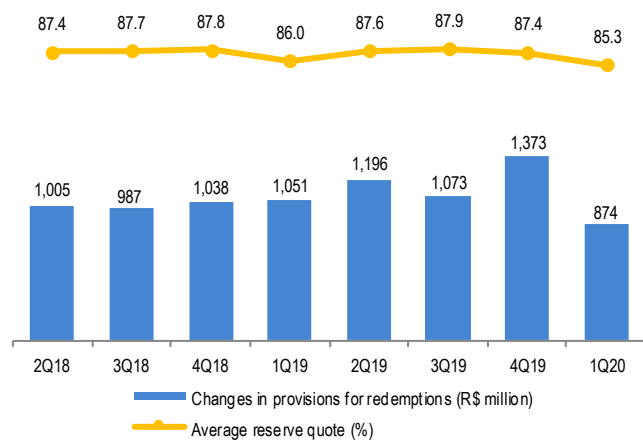


Figure 65 – Brasilcap | Changes in provisions for lottery and bonus and average lottery and bonus quotes

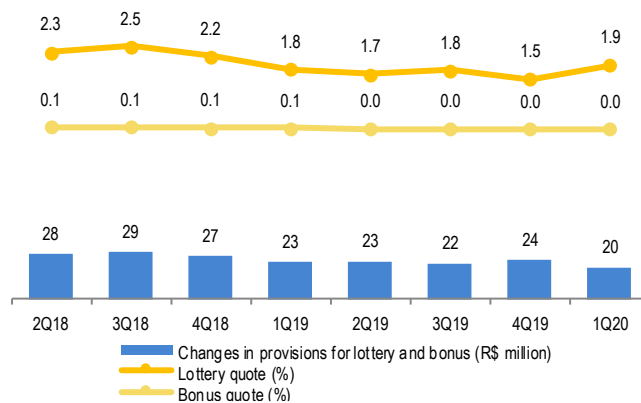


Table 54 – Brasilcap | Changes in premium bonds provision

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Premium bonds provision					
Initial balance	8,397,876	7,891,264	7,667,973	(8.7)	(2.8)
Constitution	1,054,094	1,378,795	876,565	(16.8)	(36.4)
Cancellations	(3,158)	(5,996)	(3,111)	(15)	(48.1)
Transfers	(1,379,462)	(1,710,650)	(1,435,359)	4.1	(16.1)
Interest accrual	119,145	114,560	106,422	(10.7)	(7.1)
Final balance	8,188,495	7,667,973	7,212,489	(11.9)	(5.9)

Table 55 – Brasilcap | Changes in provisions for redemption¹

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Provision for redemption					
Initial balance	458,219	498,242	520,650	13.6	4.5
Transfers	1,386,958	1,716,116	1,437,631	3.7	(16.2)
Payments	(1,363,050)	(1,691,555)	(1,437,880)	5.5	(15.0)
Interest accrual	86	44	128	48.8	187.7
Premium bonds expiration	(1,488)	(2,198)	(2,554)	71.7	16.2
Final balance	480,726	520,650	517,974	7.7	(0.5)

1. Provision's flow does not pass through income statement

Table 56 – Brasilcap | Changes in provision for lottery to be held

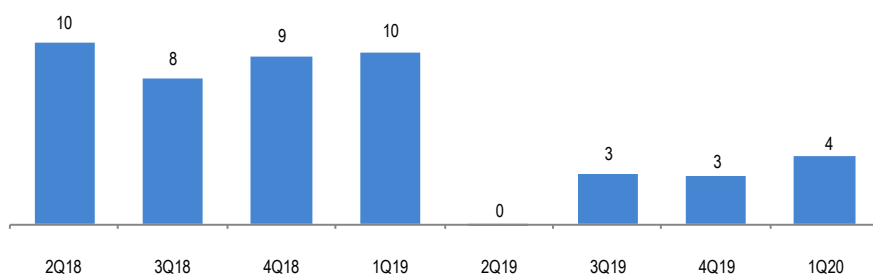
R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Provision for lottery to be held					
Initial balance	113,743	92,118	89,890	(21.0)	(2.4)
Constitution	22,068	23,951	19,786	(10.3)	(17.4)
Reversal	(33,313)	(26,724)	(21,571)	(35.2)	(19.3)
Cancellations	(56)	(71)	(57)	1.8	(19.7)
Interest accrual	1,043	616	521	(50.0)	(15.4)
Final balance	103,484	89,890	88,570	(14.4)	(1.5)

Table 57 – Brasilcap | Changes in provision for draws to be paid

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Provision for draws to be paid					
Initial balance	13,266	9,343	9,647	(27.3)	3.3
Constitution	23,416	22,849	17,725	(24.3)	(22.4)
Payments	(26,152)	(22,278)	(17,846)	(31.8)	(19.9)
Interest accrual	1	15	(11)	-	-
Premium bonds expiration	-	(282)	(9)	-	(96.9)
Final balance	10,530	9,647	9,506	(9.7)	(1.5)

RESULT WITH LOTTERY

Figure 66 – Brasilcap | Result with lottery (R\$ million)



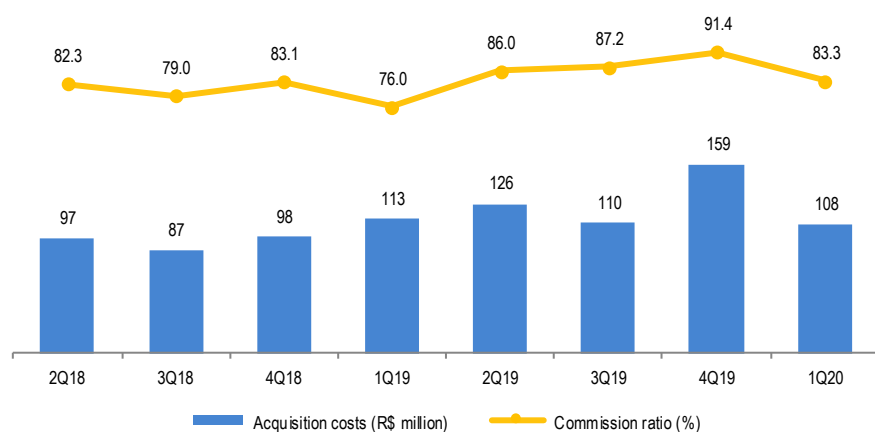
In the 1Q20, the result with lottery decreased 60.8% YoY. The performance is mainly explained by lower reversals of lottery provisions, partially offset by the reduction in lottery expenses. Both movements are related to the both lower frequency and volume of lottery prizes in the current portfolio, which reduces the amount of lottery provisions built up as well as the expenses with lottery prizes.

Table 58 – Brasilcap | Result with lottery

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Result with lottery	9,769	2,668	3,828	(60.8)	43.5
Lottery provision reversal	33,313	26,724	21,571	(35.2)	(19.3)
Lottery expenses	(23,544)	(24,056)	(17,742)	(24.6)	(26.2)

ACQUISITION COSTS

Figure 67 – Brasilcap | Acquisition costs



In the 1Q20, the acquisition costs were down 4.1% YoY, driven by the decrease in collections. On the flip side, the commission ratio rose by 7.2 p.p. YoY, as a result of:

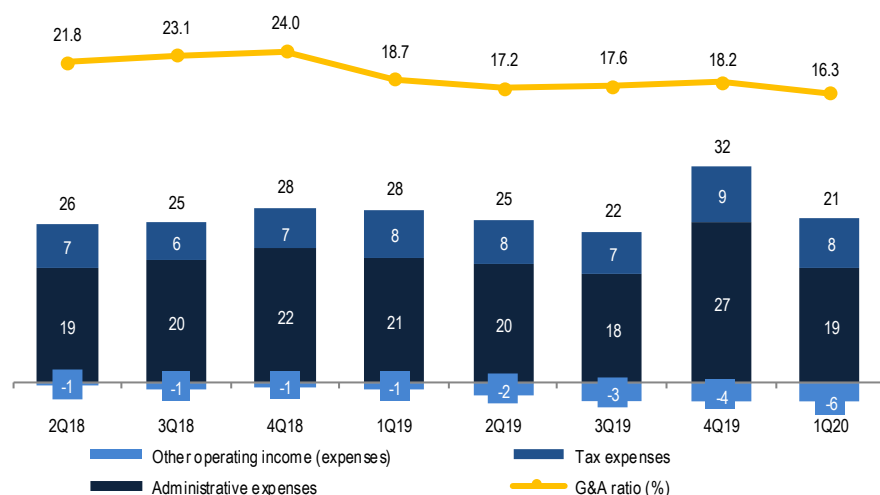
- (i) the increased participation of the most recently launched premium bonds in the overall collections, since higher commissions are charged on these products when compared to the former portfolio; and
- (ii) the increase in the average duration of the unique payment bonds, with a higher concentration on the 24 and 36-months bonds, which pay higher commissions when compared to the 12-months bonds.

Table 59 – Brasilcap | Changes in Acquisition Costs

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Acquisition costs	113,036	159,178	108,390	(4.1)	(31.9)
Brokerage	100,943	136,418	99,718	(12)	(26.9)
Sales cost	12,093	22,760	8,672	(28.3)	(61.9)

GENERAL & ADMINISTRATIVE EXPENSES

Figure 68 – Brasilcap | G&A expenses (R\$ million)



In the 1Q20, G&A expenses decreased 23.7% YoY. The performance is mainly explained by:

- (i) the increase in revenues from bonds redeemed within the grace period, and by the increase in revenue with premium bonds which expired more than five years ago, both registered in other operating income (expenses).
- (ii) lower personnel expenses, since in the 1Q19 there was an increase in provisions for labor lawsuits, amounting to R\$1.2 million, and the concentration of labor terminations; and
- (iii) the decrease in outsourcing expenses, due to lower demand for IT services, and with location and operation.

The aforementioned effects were partially offset by the increase in expenses with institutional advertisement, justified by the hiring of communication agency services for social media campaigns and the creation of a new website and advertisement campaigns.

Table 60 – Brasilcap | General & Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Administrative expenses	(20,662)	(26,692)	(19,170)	(7.2)	(28.2)
Personnel	(13,778)	(12,278)	(12,831)	(6.9)	4.5
Location and operation	(1,935)	(1,735)	(1,558)	(19.5)	(10.2)
Outsourcing	(4,277)	(8,354)	(3,576)	(16.4)	(57.2)
Institutional advertisement and publicity	(339)	(2,755)	(932)	174.7	(66.2)
Leasing	(76)	(99)	(53)	(30.8)	(46.9)
Other	(256)	(1,471)	(219)	(14.5)	(85.1)
Other operating income (expenses)	924	3,995	5,906	539.0	47.8
Printing and mailing	(488)	(200)	(244)	(50.1)	218
Legal provisions	(113)	(707)	54	-	-
Other operating income (expenses)	42	2,417	3,544	8,425.8	46.6
Revenue with premium bonds prescription	1,484	2,485	2,553	72.0	2.7
Tax expenses	(8,096)	(9,027)	(7,970)	(1.5)	(11.7)
COFINS	(6,490)	(7,336)	(6,427)	(10)	(12.4)
PIS/PASEP	(1,055)	(1,192)	(1,044)	(10)	(12.4)
Inspection fee	(471)	(471)	(471)	-	-
Other tax expenses	(81)	(28)	(29)	(64.1)	4.2
G&A Expenses	(27,834)	(31,723)	(21,235)	(23.7)	(33.1)

■ NET INVESTMENT INCOME

Figure 69 – Brasilcap | Net investment income (R\$ million)

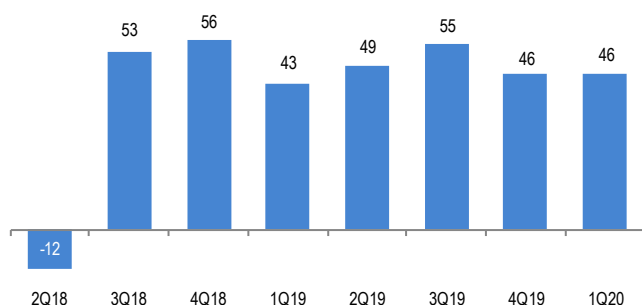


Figure 70 – Brasilcap | Annualized average interest rates and spread

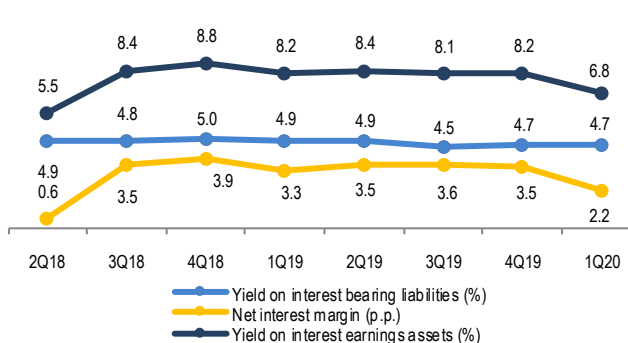


Table 61 – Brasilcap | Financial income and expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Interest revenues	197,027	200,438	157,670	(20.0)	(21.3)
Revenues with mark to market financial investments	107,629	61,925	77,929	(27.6)	25.8
Expenses with mark to market financial investments	(46,966)	(3,898)	(24,099)	(48.7)	518.3
Revenues with held to maturity financial investments	135,835	136,911	103,821	(23.6)	(24.2)
Interest accrual on judicial deposits	529	5,501	19	(96.3)	(99.6)
Interest expenses	(121,025)	(115,913)	(108,005)	(10.8)	(6.8)
Interest accrual on technical reserves	(120,366)	(115,308)	(107,156)	(11.0)	(7.1)
Other	(659)	(606)	(849)	28.8	40.1
Net interest income	76,002	84,525	49,665	(34.7)	(41.2)

In the 1Q20, the net interest income decreased 34.7% YoY while the net interest margin narrowed by 1.1 p.p.

Interest revenues dropped 20.0% YoY, explained by the 6.6% contraction in the average balance of financial investments along with the 1.3 p.p. reduction in the average yield. The lower average yield is justified by:

- (i) the losses in variable income investment funds amounting to roughly R\$14.4 million. It is worth noting that these losses had a neutral impact to the P&L, since the same amount was reversed from the technical provisions of products with variable income bonus;
- (ii) the reduction in the Selic rate, which have been impacting the returns on floating securities; and
- (iii) the lower mark to market gains on securities classified as trading, considering that the inflow is now being directed to the available for sale category.

On the other hand, the decrease in interest revenues was partially offset by the 10.8% decline in interest expenses, given the 9.4% reduction in the average balance of technical reserves and the 0.2 p.p. contraction in the average cost of liabilities.

Table 62 – Brasilcap | Quarterly figures - Volume and rate analysis

R\$ thousand	1Q 20/1Q 19		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	9,519	(16,352)	(6,833)
Held to maturity financial investments	(26,412)	(5,602)	(32,014)
Judicial deposits	1	(511)	(510)
Total¹	(11,133)	(28,224)	(39,357)
Interest bearing liabilities			
Technical reserves - premium bonds	11,112	2,098	13,210
Other	(44)	(146)	(190)
Total¹	9,108	3,912	13,020

1. Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 63 – Brasilcap | Quarterly figures – Earning assets – average balance and interest rates

R\$ thousand	1Q 19			1Q 20		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earnings assets						
Mark to market financial investments	2,674,036	60,663	9.7	3,248,489	53,830	6.9
Held to maturity financial investments	6,543,363	135,835	8.9	5,216,332	103,821	8.3
Judicial deposits	1,071,718	529	0.2	1,145,697	19	0.0
Total	10,289,117	197,027	8.2	9,610,518	157,670	6.8

Table 64 – Brasilcap | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R\$ thousand	1Q 19			1Q 20		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves - premium bonds	8,942,771	(120,366)	5.4	8,102,541	(107,166)	5.3
Other	1,094,059	(659)	0.2	1,153,678	(849)	0.3
Total	10,036,830	(121,025)	4.9	9,256,218	(108,005)	4.7

Table 65 – Brasilcap | Financial investments portfolio breakdown

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Trading	2,293,392	1,012,768	622,559	(72.9)	(38.5)
Pre-fixed	951,458	186,184	251,653	(73.6)	35.2
Floating	1,187,155	701,997	305,185	(74.3)	(56.5)
Inflation	102,591	65,829	32,832	(68.0)	(50.1)
Equity funds	51,122	44,360	26,195	(48.8)	(40.9)
Other	1,065	14,398	6,694	528.5	(53.5)
Available for sale	-	2,017,764	2,843,829	-	40.9
Pre-fixed	-	2,017,764	2,843,829	-	40.9
Held to maturity securities	6,801,683	5,709,992	4,722,673	(30.6)	(17.3)
Pre-fixed	6,153,515	5,109,769	4,106,654	(33.3)	(19.6)
Inflation	648,167	600,223	616,019	(5.0)	2.6
Total	9,095,074	8,740,525	8,189,060	(10.0)	(6.3)

Figure 71 – Brasilcap | Asset allocation (%)

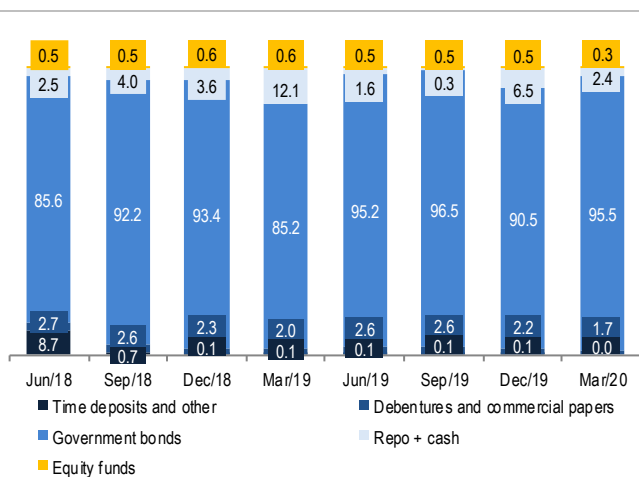
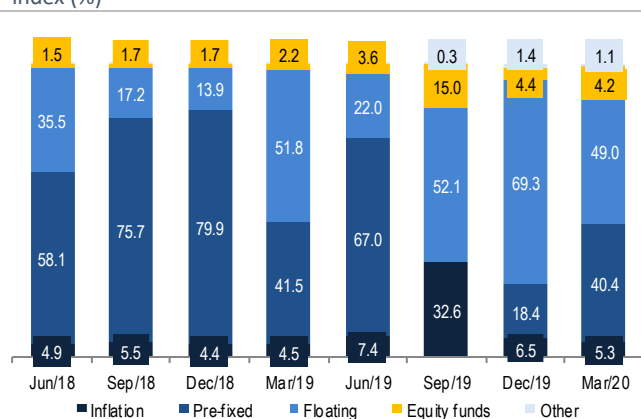


Figure 72 – Brasilcap | Financial investments breakdown by index (%)



■ BALANCE SHEET ANALYSIS

Table 66 – Brasilcap | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Assets	10,399,538	10,051,037	9,527,075	(8.4)	(5.2)
Cash and cash equivalents	55	14	20	(64.0)	42.6
Financial assets	9,095,074	8,740,563	8,189,078	(10.0)	(6.3)
Securities and credits receivable	1,294,741	1,303,412	1,329,146	2.7	2.0
Prepaid expenses	1,918	1,168	2,557	33.3	119.0
Investments	1,156	1,140	1,135	(1.9)	(0.5)
Fixed assets	2,182	1,942	1,851	(15.2)	(4.7)
Intangible	958	547	454	(52.6)	(16.9)
Other assets	3,454	2,250	2,833	(18.0)	25.9
Liabilities	9,997,701	9,569,213	9,075,108	(9.2)	(5.2)
Accounts payable	42,621	71,457	42,613	(0.0)	(40.4)
Premium bonds operations debits	7,173	10,523	4,641	(35.3)	(55.9)
Technical reserves - premium bonds	8,842,223	8,342,007	7,863,074	(11.1)	(5.7)
Other liabilities	1,105,683	1,145,226	1,164,782	5.3	1.7
Shareholders' equity	401,837	481,823	451,967	12.5	(6.2)

■ SOLVENCY

Table 67 – Brasilcap | Solvency¹

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Adjusted shareholders' equity (a)	461,785	598,880	545,733	18.2	(8.9)
Minimum capital required (b)	240,971	305,364	298,239	23.8	(2.3)
Additional capital for underwriting risk	35,126	38,101	40,564	15.5	6.5
Additional capital for credit risk	61,463	52,479	40,991	(33.3)	(21.9)
Additional capital for operating risk	22,582	28,273	25,362	12.3	(10.3)
Additional capital for market risk	178,599	243,977	243,977	36.6	(0.0)
Benefit of correlation between risks	(56,800)	(57,466)	(52,655)	(7.3)	(8.4)
Capital adequacy (a) - (b)	220,814	293,516	247,494	12.1	(15.7)
Solvency ratio (a) / (b) - %	191.6	196.1	183.0	(8.6) p.p.	(13.1) p.p.

1. Information based on the accounting principles adopted by SUSEP.

4.4 BRASILDENTAL

■ EARNINGS ANALYSIS

Table 68 – Brasildental | Income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Gross operating revenues	30,394	29,869	29,853	(1.8)	(0.1)
Taxes on revenues	(296)	(1,209)	(1,245)	320.1	3.0
Net operating revenues	30,097	28,660	28,608	(4.9)	(0.2)
Cost of services	(13,200)	(13,122)	(12,332)	(6.6)	(6.0)
Gross income	16,898	15,538	16,276	(3.7)	4.7
Acquisition costs	(2,030)	(1,967)	(1,819)	(10.4)	(7.5)
Administratives expenses	(4,969)	(5,396)	(5,206)	4.8	(3.5)
Tax expenses	(261)	(220)	(271)	4.0	23.1
Other revenues (expenses)	(261)	436	623	-	43.0
Earnings before interest and taxes	9,377	8,390	9,603	2.4	14.5
Net investment income	25	75	(172)	-	-
Financial income	491	427	161	(67.2)	(62.3)
Financial expenses	(466)	(352)	(333)	(28.6)	(5.6)
Earnings before taxes and profit sharing	9,402	8,466	9,432	0.3	11.4
Taxes	(3,188)	(2,849)	(3,190)	0.1	11.9
Profit sharing	(68)	(81)	(66)	(3.0)	(18.2)
Net income	6,146	5,536	6,176	0.5	11.6

Table 69 – Brasildental | Performance ratios

%	Quarterly Flow			Chg. (p.p.)	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Performance ratios					
Loss ratio	43.9	45.8	43.1	(0.8)	(2.7)
Comission ratio	6.7	6.9	6.4	(0.4)	(0.5)
G&A ratio	18.2	18.1	17.0	(13)	(11)
EBITDA margin	31.2	29.3	33.6	2.4	4.3
ROAA	56.4	49.7	53.8	(2.6)	4.1

Figure 73 – Brásilidental | Clients by segment (thousand)

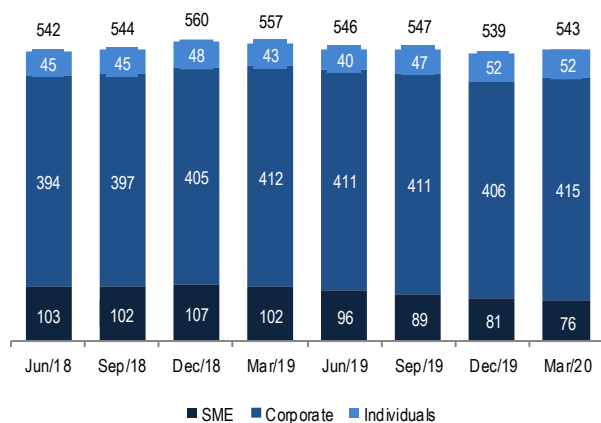


Figure 74 – Brásilidental | Clients by segment (%)

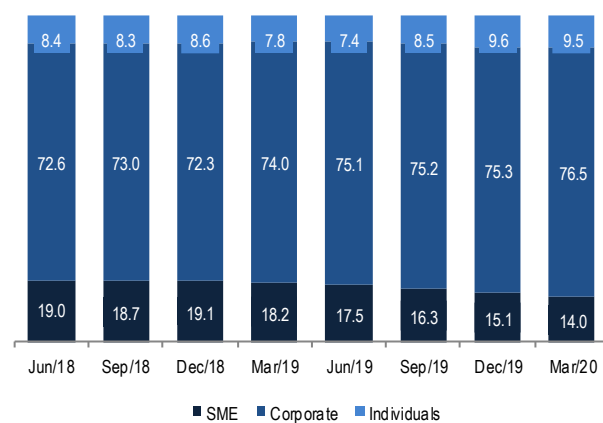


Table 70 – Brásilidental | Client base breakdown

	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Client segments					
Corporate	412,138	405,726	415,447	0.8	2.4
SME	101,626	81,469	76,115	(25.1)	(6.6)
Individuals	43,472	51,789	51,707	18.9	(0.2)
Total	557,236	538,984	543,269	(2.5)	0.8

BALANCE SHEET ANALYSIS

Table 71 – Brásilidental | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Assets	45,831	43,827	48,026	4.8	9.6
Cash and cash equivalents	2,106	2,238	2,307	9.5	3.1
Financial assets	33,819	32,144	36,244	7.2	12.8
Receivables from insurance and reinsurance operations	6,474	5,402	5,836	(9.9)	8.0
Tax assets	1,696	1,795	1,508	(11.1)	(16.0)
Other assets	1,736	2,248	2,132	22.8	(5.2)
Liabilities	25,825	26,654	24,677	(4.4)	(7.4)
Technical reserves	16,719	18,218	15,916	(4.8)	(12.6)
Tax liabilities	2,034	2,338	1,936	(4.8)	(17.2)
Other liabilities	7,073	6,097	6,824	(3.5)	11.9
Shareholders' equity	20,006	17,173	23,349	16.7	36.0

5. DISTRIBUTION

The insurance intermediation in Brazil is not required by law, but the brokerage payment is mandatory for all insurance contracts, regardless the involvement of a broker. According to the law 6,317 as of 1975, in case no broker is involved, the amount supposed to be paid as brokerage shall be directed to the Fund for Developing the Insurance Culture, managed by the Foundation National Insurance School– FUNENSEG.

At BB Seguridade the distribution of its affiliates' products – Brasilseg, Brasilprev, Brasilcap and Brasildental – takes place through a fully owned broker named BB Corretora de Seguros e Administradora de Bens S.A. ("BB Corretora"), which intermediates the sales of insurance, pension plans, premium bonds and dental care plans at Banco do Brasil's distribution network.

BB Corretora is remunerated by the affiliates through the payment of commission per sale, and as a result of the usage of Banco do Brasil's distribution network, including the workforce, IT solutions and facilities, it reimburses the costs incurred by the Bank during the selling and maintenance of insurance, pension plans, premium bonds and dental care products. This reimbursement done by BB Corretora to Banco do Brasil is governed by an agreement, which will be in force until 2033.

Also BB Corretora sells auto and large risk insurance products which are underwritten by MAPFRE Insurance Company, the partner of BB Seguridade in Brasilseg. This relation is established in a commercial agreement signed by BB Corretora within the partnership reorganization, which provides exclusivity for MAPFRE to access the distribution channel.

The brokerage business in the bancassurance channel is not a complex business model, as it does not incur in the underwriting risk and has low capital needs. In addition to these factors, it is worth mentioning the footprint and the strong franchise of Banco do Brasil, which provides competitive advantages to BB Seguridade.

Beside to the Banco do Brasil's bancassurance channel, Brasilseg can eventually distribute insurance in the affinity channel, which is comprised of BB's business partners. At the Pension Plans and Premium Bonds segments, products can also be sold, at a smaller extent, by partners, notably the ones maintained by Brasilcap to distribute premium bonds in the Post Office ("Correios"), in the Votorantim branches and in real state agencies which sell the product named Cap Fiador, which are premium bonds offered as collateral for rental contracts.

Additionally, seeking to expand the scope of its digital strategy and to explore new alternatives to offer products to the public that is currently unattended by Banco do Brasil, on September 10th 2018, BB Corretora started to hold equity interest in Ciclic Corretora de Seguros S.A., in a joint venture with PFG do Brasil 2 Participações, (a Principal Financial Group subsidiary), aiming to distribute insurance, pension plans and premium bonds through digital channels.

Figure 75 – Distribution | Consolidated premiums written, contributions and collection by channel^{1,2} (R\$ million)

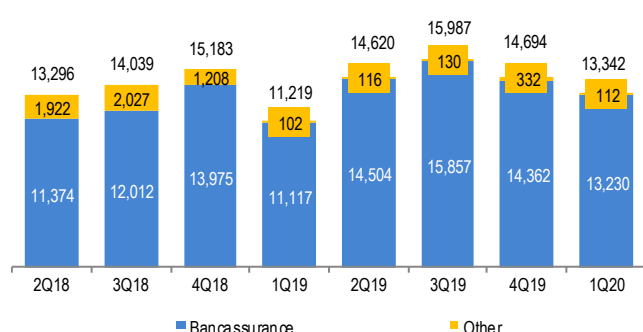
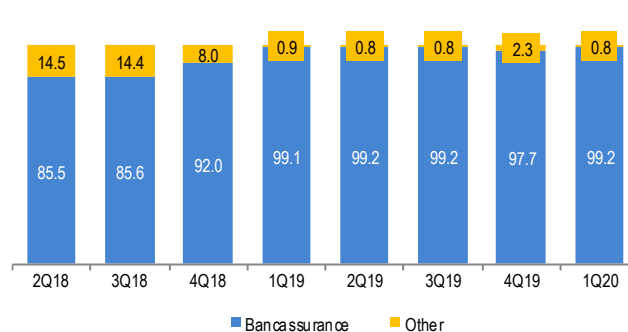


Figure 76 – Distribution | Consolidated premiums written, contributions and collection by channel^{1,2} (%)



1. Insurance premiums written, pension plans contributions, premium bonds collection and dental care revenues.

2. After the partnership restructuring with MAPFRE, the distribution of insurance is exclusively through the bancassurance channel.

Figure 77 – Distribution | Insurance premiums written of Brasilseg¹ by channel (R\$ million)

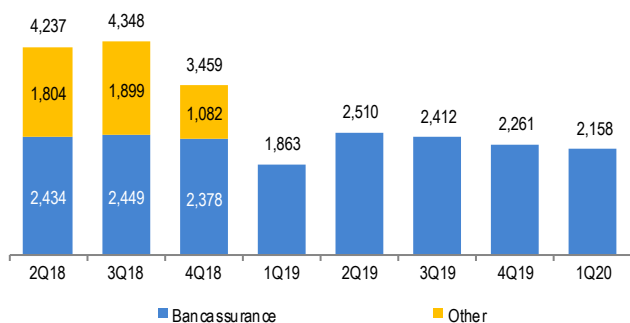
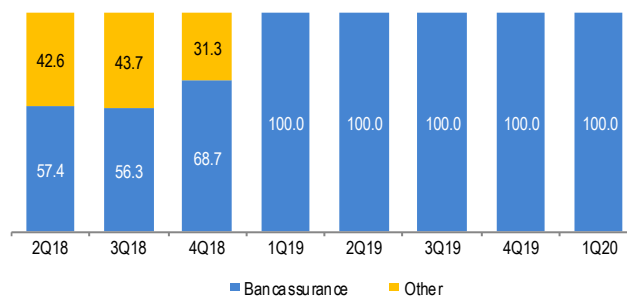


Figure 78 – Distribution | Insurance premiums written of Brasilseg¹ by channel (%)



1. After the partnership restructuring with MAPFRE, the distribution is exclusively through the bancassurance channel.

Figure 79 – Distribution | Brasilprev pension plans contributions by channel (R\$ million)

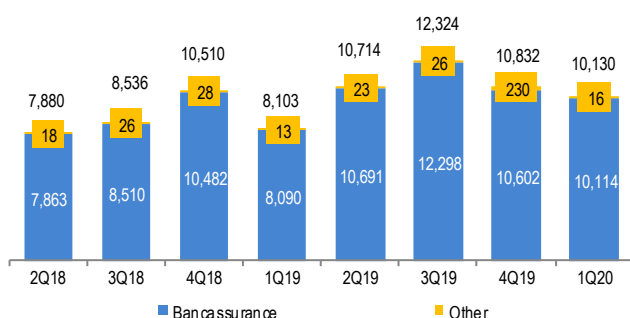


Figure 80 – Distribution | Brasilprev pension plans contributions by channel (%)

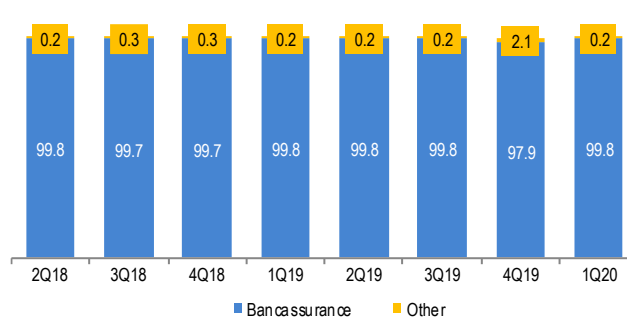


Figure 81 – Distribution | Brasilcap premium bonds collections by channel (R\$ million)

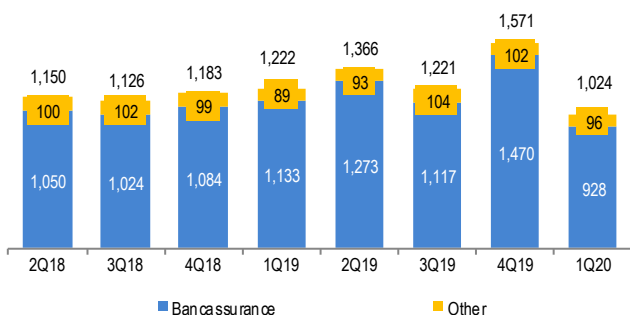


Figure 82 – Distribution | Brasilcap premium bonds collections by channel (%)

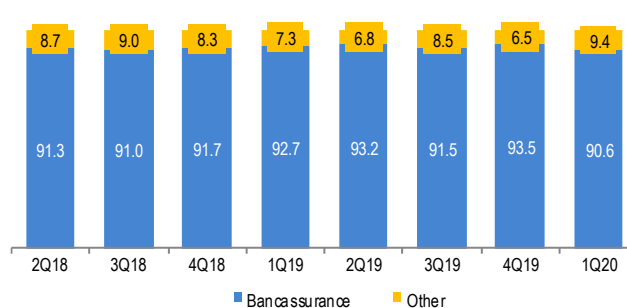


Figure 83 – Distribution | Brasildental dental insurance revenues (R\$ million)

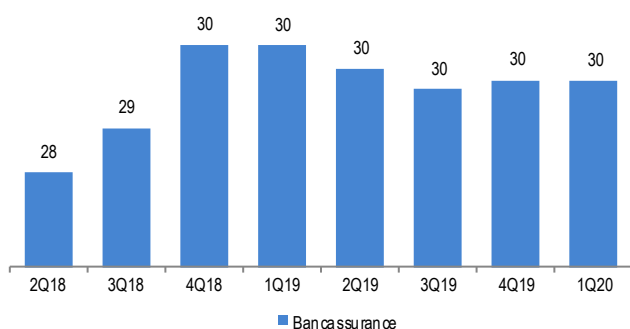
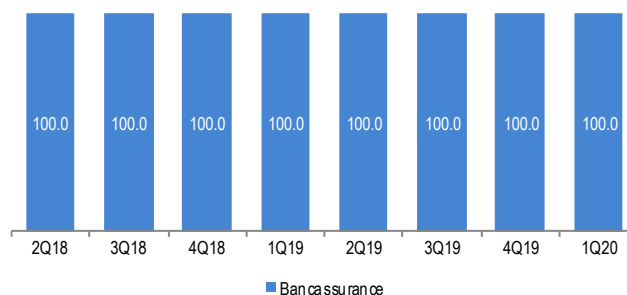


Figure 84 – Distribution | Brasildental dental insurance revenues (%)



5.1 BB CORRETORA

■ EARNINGS ANALYSIS

Table 72 – BB Corretora | Income statement

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Brokerage revenues	762,179	984,183	882,641	15.8	(10.3)
Administrative expenses	(45,480)	(53,790)	(48,401)	6.4	(10.0)
Personnel expenses	(8,062)	(11,419)	(10,056)	24.7	(11.9)
Other operating income (expenses)	(4,579)	(10,791)	(1,834)	(59.9)	(83.0)
Tax expenses	(95,256)	(115,980)	(102,979)	8.1	(11.2)
Equity income	(1,534)	(4,602)	(5,087)	231.5	10.5
Earnings before interest and taxes	607,268	787,602	714,284	17.6	(9.3)
Net investment income	21,245	27,954	12,489	(41.2)	(55.3)
Financial income	26,798	28,022	20,553	(23.3)	(26.7)
Financial expenses	(5,553)	(68)	(8,064)	45.2	11,729.6
Earnings before taxes	628,513	815,556	726,773	15.6	(10.9)
Taxes	(212,890)	(272,860)	(248,641)	16.8	(8.9)
Net income	415,623	542,696	478,132	15.0	(11.9)

ADJUSTED NET INCOME

Figure 85 – BB Corretora | Adjusted net income

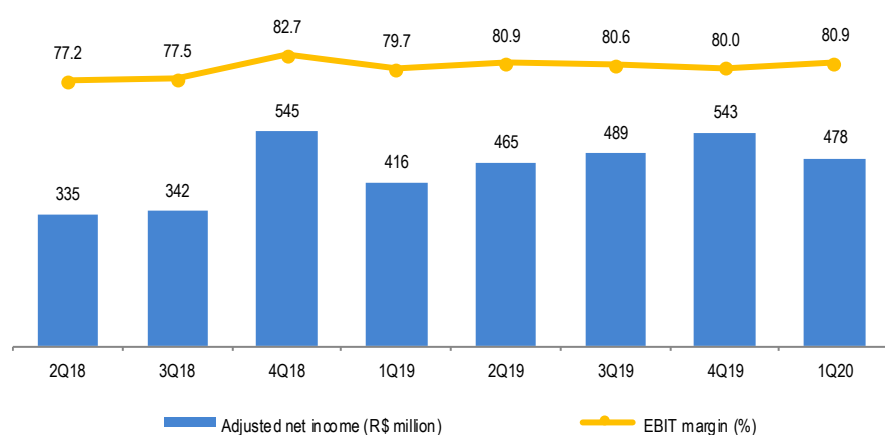
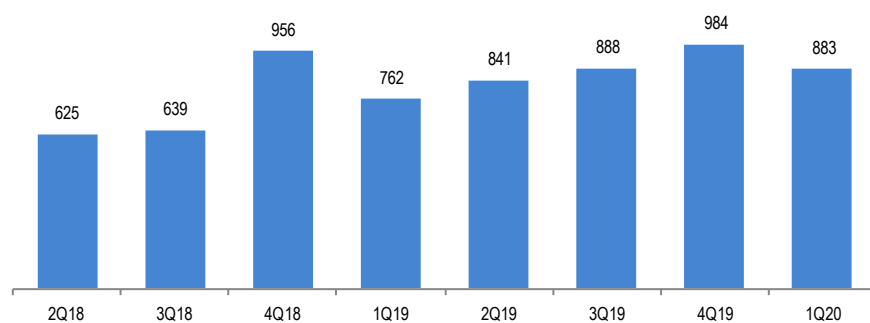


Table 73 – BB Corretora | Managerial performance ratios

%	Quarterly Flow			Chg. (p.p.)	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
G&A expenses	20.1	19.5	18.5	(16)	(10)
Tax expenses	12.5	11.8	11.7	(0.8)	(0.1)
EBIT margin	79.7	80.0	80.9	13	0.9
Income tax rate	33.9	33.5	34.2	0.3	0.8
Net margin	54.5	55.1	54.2	(0.4)	(10)

BROKERAGE REVENUES

Figure 86 – BB Corretora | Brokerage revenues (R\$ million)



In the 1Q20, the brokerage revenues increased by 15.8% YoY, mostly driven by:

- (i) the increase of 17.1% in brokerage revenues from insurance, explained by the solid commercial performance in credit life and rural, and also by the performance bonus, which amounted to R\$125.3 million for overcoming the sales targets of term life and credit life in the 1Q20, which was higher than the performance bonus of R\$72.7 million recorded in the 1Q19; and
- (ii) the 24.5% expansion in brokerage revenues from pension plans, in-line with the growth of Brasilprev's pension plans contribution.

Table 74 – BB Corretora | Brokerage revenues breakdown

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Insurance	568,126	729,928	665,122	17.1	(8.9)
Pension plans	105,308	132,113	131,133	24.5	(0.7)
Premium bonds	86,582	119,659	84,393	(2.5)	(29.5)
Dental insurance	1,219	1,334	1,239	16	(7.1)
Other	944	1,149	755	(20.0)	(34.3)
Total	762,179	984,183	882,641	15.8	(10.3)

Figure 87 – BB Corretora | Brokerage revenues breakdown (%)

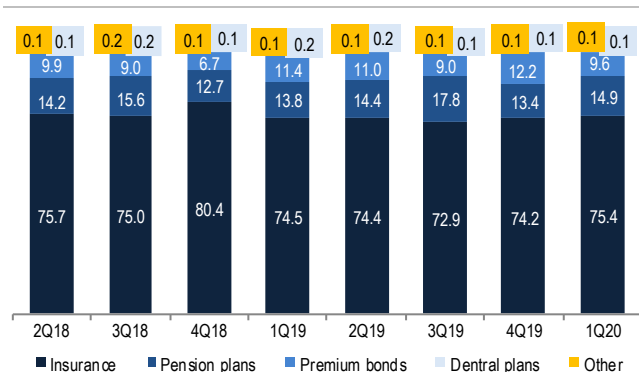
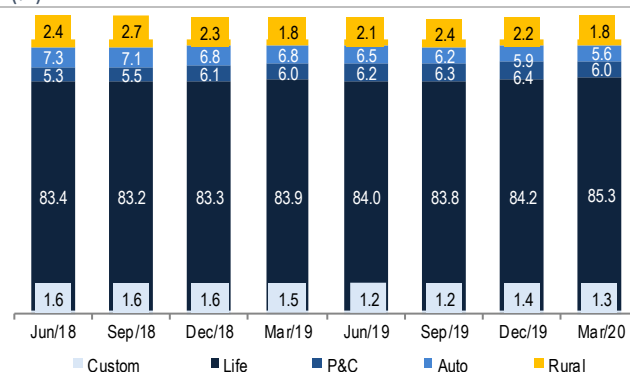
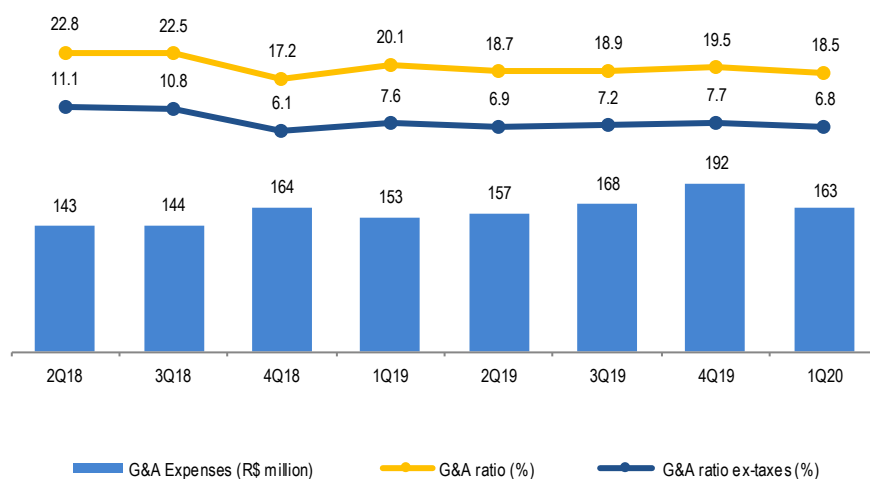


Figure 88 – BB Corretora | Unearned commissions breakdown (%)



GENERAL AND ADMINISTRATIVE EXPENSES

Figure 89 – BB Corretora | G&A expenses



In the 1Q20, G&A expenses grew 6.5% YoY, impacted by:

- (i) higher tax expenses, in line with the increase in brokerage revenues;
- (ii) the growth in administrative cost of products, propelled by the increase in sales volume; and
- (iii) higher personnel expenses, justified by the periodic revisions of the cost-sharing methodology between the holding BB Seguridade and its subsidiaries BB Corretora and BB Seguros, along with an increase in headcount (for further information on consolidated expenses of the holding and its subsidiaries please refer to the Earnings Analysis section).

The aforementioned effects were partially offset by lower expenses with provisions for civil lawsuits and by the reduction in expenses with sponsorship with tax incentives.

Table 75 – BB Corretora | General & Administrative expenses

R\$ thousand	Quarterly Flow			Chg. %	
	1Q 19	4Q 19	1Q 20	On 1Q 19	On 4Q 19
Administrative expenses	(45,480)	(53,790)	(48,401)	6.4	(10.0)
Administrative cost of products	(19,633)	(25,447)	(24,138)	22.9	(5.1)
Operational support	(19,184)	(17,790)	(16,257)	(15.3)	(8.6)
Information technology	(4,850)	(3,948)	(5,065)	4.4	28.3
Other	(1,813)	(6,606)	(2,941)	62.2	(55.5)
Tax expenses	(95,256)	(115,980)	(102,979)	8.1	(11.2)
PIS/PASEP	(12,742)	(16,412)	(14,688)	15.3	(10.5)
COFINS	(58,959)	(75,879)	(67,862)	15.1	(10.6)
ISS	(23,555)	(23,688)	(20,429)	(13.3)	(13.8)
Personnel expenses	(8,062)	(11,419)	(10,056)	24.7	(11.9)
Other operating income (expenses)	(4,579)	(10,791)	(1,834)	(59.9)	(83.0)
G&A Expenses	(153,377)	(191,979)	(163,271)	6.5	(15.0)

NET INVESTMENT INCOME

Figure 90 – BB Corretora | Net investment income (R\$ million)

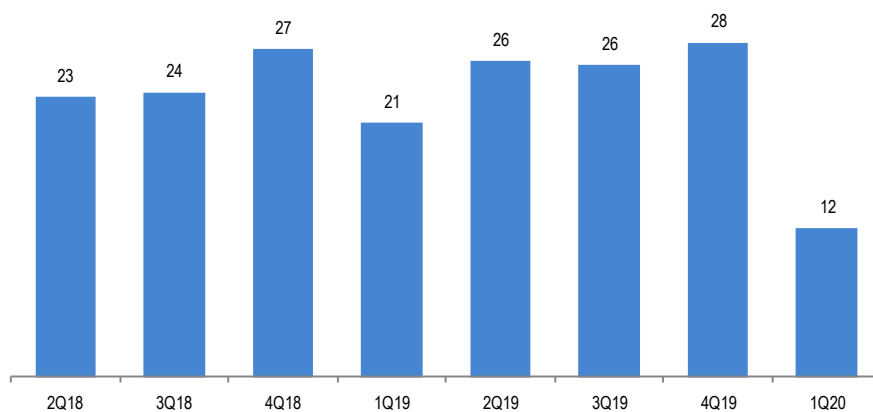


Table 76 – BB Corretora | Quarterly figures – Earning assets average balance and interest rates

R\$ thousand	1Q 19			1Q 20		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
Earning assets						
Cash and financial instruments	1,654,019	25,025	6.4	2,031,606	19,423	3.9
Other assets	197,718	1,770	3.8	204,362	1,131	2.3
Current tax assets	17,538	3	0.1	17,071	-	-
Total	1,869,275	26,799	6.1	2,253,039	20,553	3.8

Table 77 – BB Corretora | Quarterly figures – Interest bearing liabilities average balance and interest rates

R\$ thousand	1Q 19			1Q 20		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
Interest bearing liabilities						
Dividends payable	257,801	(5,487)	8.5	515,897	(6,770)	5.2
Other liabilities	478	(7)	6.0	498	(2)	1.9
Total	258,279	(5,494)	8.6	516,395	(6,773)	6.2

■ BALANCE SHEET ANALYSIS

Table 78 – Brokerage | Balance sheet

R\$ thousand	Balance			Chg. %	
	Mar/19	Dec/19	Mar/20	On Mar/19	On Dec/19
Assets	2,630,565	4,011,167	3,124,242	18.8	(22.1)
Cash and cash equivalents	559,079	1,453,569	439,472	(214)	(69.8)
Securities	942,888	981,339	1,189,234	26.1	212
Equity investments	17,537	4,798	12,461	(28.9)	159.7
Current tax assets	95,350	26,986	104,932	10.0	288.8
Commission receivable	813,969	1,340,315	1,171,402	43.9	(12.6)
Other assets	201,741	204,160	206,740	2.5	13
Liabilities	2,168,034	3,964,259	2,599,202	19.9	(34.4)
Dividends payable	-	1,031,794	-	-	-
Provision	18,645	16,552	16,135	(13.5)	(2.5)
Current tax liabilities	243,984	647,902	284,116	16.4	(56.1)
Unearned commissions	1,862,419	2,220,012	2,250,828	20.9	14
Other liabilities	42,986	47,998	48,124	12.0	0.3
Shareholders' equity	462,531	46,908	525,040	13.5	1,019.3

6. DEFINITIONS

COMMON RATIOS

Quarterly adjusted ROAA annualized = (adjusted net income / average total assets) x 4;

Average volume = net change - average rate;

Average rate = (current period interest / average current period balance) x (average previous period balance) - (previous period interest);

Net change = current period interest - previous period interest;

Assets annualized rate = interest revenues / average earning assets balance;

Liabilities annualized rate = interest expenses / average interest bearing liabilities.

INSURANCE

Loss ratio = claims incurred / earned premiums;

Commission ratio = retained acquisition costs / earned premiums;

Technical margin = (earned premiums + policies issuance revenue + incurred claims + retained acquisition costs + result with reinsurance) / earned premiums;

G&A Ratio = (administrative expenses + tax expenses + other operating income (expenses)) / earned premiums;

Combined ratio = (policies issuance revenue + incurred claims + retained acquisition costs + result with reinsurance + administrative expenses + tax expenses + other operating income (expenses)) / earned premiums;

Expanded combined ratio = (policies issuance revenue + incurred claims + retained acquisition costs + result with reinsurance + administrative expenses + tax expenses + other operating income (expenses)) / (earned premiums + net investment income).

INSURANCE MANAGERIAL

Earned premiums = premiums written – raw premiums ceded to reinsurance – changes in technical reserves – changes in expenses with reinsurance provisions;

Retained claims = incurred claims – recovery of indemnity claims – recovery of claims expenses – changes in provisions for claims IBNR – salvages and reimbursed assets – changes in provision for claims IBNER provisions for claims to be settled – changes of expenses related to IBNR – changes in estimates for salvages and reimbursed assets – provisions for claims to be settled;

Retained acquisition costs = acquisition costs – commission return + revenue with reinsurance commissions;

Commission = acquisition costs – commission return;

G&A expenses = administrative expenses + tax expenses + other operating income (expenses).

PENSION PLANS

Quarterly adjusted ROAA annualized = (adjusted net income / average total assets excluding VGBL) x 4;

Commission ratio = acquisition cost / income and premiums contributions ;

Cost to income = (changes in other technical reserves + expenses with benefits, redemptions and claims + acquisition costs + administrative expenses + tax expenses + other operating income (expenses)) / (net revenues with contributions and VGBL premiums + revenues with management fee + earned premiums).

PREMIUM BONDS

Commission ratio = acquisition costs / revenue with load fee quote;

G&A ratio = (administrative expenses + tax expenses + other operating income (expenses)) / revenue with load fee quote;

Reserve quote = change in provision for redemption / premium bonds collection;

Lottery quote = expenses with constitution of provisions for lottery / premium bonds collection;

Bonus quote = expenses with constitution of provisions for bonus / premium bonds collection;

Load fee quote = revenue with load fee quote / premium bonds collection;

Premium bond margin = result with premium bonds / net revenue with premium bonds;

Spread = average yield on interest earning assets – average yield on interest bearing liabilities.

BROKERAGE

Adjusted operational margin = operational results / brokerage revenues;

Adjusted net margin = adjusted net income / brokerage revenues.