Financial Statements

BB Seguridade Participações S.A.

2019

BB SEGUROS

INDEX

MANAGEMENT COMMENTS ON PERFORMANCE

Dear shareholders, employees and business partners of BB Seguridade.

We submit for your appreciation the Annual Management Report of BB Seguridade Participações S.A. (“BB Seguridade” or “Company”) for the 2019 fiscal year in compliance with the Brazilian Corporate Law, the Brazilian Securities and Exchange Commission (“CVM”), and with the Company’s Bylaws.

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS).

It is worth noting that this report presents financial information of the affiliate companies of BB Seguridade that, when compared to those disclosed by the investees, may present different balances. Such differences may result from the accounting standard used, eventual intangible amortization and elimination of intra-group transactions. Therefore, the net income assigned to the affiliates reflects the result obtained by BB Seguridade for each business segment, according to the Notes to the Financial Statements on investment in associates.

1 - BUSINESS MODEL

BB Seguridade is a holding company which invests in the insurance, pension plans, premium bonds, reinsurance and dental insurance business segments through private partnerships held by it´s subsidiary BB Seguros Participações S.A. (“BB Seguros”). Additionally, the Company also acts in the distribution of these products in the bancassurance channel, through it´s own broker, namely BB Corretora de Seguros e Administradora de Bens S.A. (“BB Corretora”).

In the insurance segment, the Company operates through a 20-year term joint venture with the Spanish group MAPFRE, which started in 2011. In November 2018, it was concluded the restructuring of the partnership and the operation is now concentrated on the insurance companies Brasilseg Companhia de Seguros S.A. and Aliança do Brasil Seguros S.A. (together, “Brasilseg”), focused on life, rural, mortgage life, home and comercial segments distributed in the bancassurance channel, as well as DPVAT insurance.

In the pension plans segment, BB Seguridade operates, in partnership with Principal Financial Group, through Brasilprev Seguros e Previdência S.A. (“Brasilprev”). The jointly operation started in 1999, and it was renewed in 2009 for a 23-year term. Brasilprev sells mainly private pension solutions, notably PGBL and VGBL pension plan products.

In the premium bonds segment, BB Seguridade operates through Brasilcap Capitalização S.A. (“Brasilcap”) in an association with Icatu Hartford and Aliança da Bahia.

In the dental care business segment, BB Seguridade holds a partnership with Odontoprev through a joint venture named Brasildental Operadora de Planos Odontológicos S.A. (“Brasildental”). The joint venture started in 2014 and will last for 20 years.

In the distribution business of insurance, pension plans, premium bonds and dental care plans, BB Seguridade operates through its wholly-owned subsidiary BB Corretora, which is responsible for selling the products of the other BB Seguridade’s investees in the banking channel of Banco do Brasil. In digital channels that are not related to Banco do Brasil, BB Corretora acts through Ciclic Corretora de Seguros S,A, (“Ciclic”), distributing both products from BB Seguridade investees and others insurers, in a partnership with Principal Financial Group, which started in 2018 and expires in 2032.

2 - ECONOMIC SCENARIO AND INSURANCE MARKET

Economic Scenario

Brazil

The GDP in the third quarter indicates that the domestic has accelerated as of the second half of the year. This performance reinforced the perception that some adverse events that affected the domestic environment in the first quarter, such as the rupture of the dam in Brumadinho, and the uncertainties around the progress of the pension reform, were left behind. In fact, the approval of changes in social security rules reduced the risks associated to the fiscal sustainability of the country, and paved the way for discussions of administrative and tax reform.

The evolution of the credit market, specially in the free resources segment, with renewed breath thanks to the new cycle of cuts in the interest rate (Selic), and the release of FGTS withdrawals, were key drivers to the acceleration of domestic consumption. In addition, the increase in the level of financial agents confidence led the return of private investments throughout the year, notably after the improvement in expectations regarding the progress of the structural reforms. Mainly since the second half of 2019, we could observe a gradual improvement in the real state market and in the extractive industry.

In this context, despite of the still high unemployment rate, and the high number of workers acting in informal sectors of the economy, the most up to date numbers of the labor market shows better dynamics. This fact has contributed to a gradual reduction in the unemployment rate.

In the nominal side of the economy, the all-time low Selic rate (4.5% pa) was helped by the benign behavior of inflation rates, with IPCA remaining below the mid-point of the Monetary Policy Committee target range for 2019 (4.25%) during the major part of the year. Even with the eventual increase in the prices of animal proteins and with the significant depreciation of local currency in the second half of the year, the IPCA rate ended 2019 at 4.3%.

Global

The uncertainties associated to the trade war between U.S. and China had significant impacts on the international economic environment, mainly on world trade, which showed a significant slowdown this year. This conflict was perhaps the most important factor behind the decelaration in global growth pace in 2019. Despite this environment, the U.S. Dollar appreciated against most currencies, especially the emerging markets such as Brazil.

In this context, the deflationary threat in major developed economies has intensified, trigging the reaction of the central banks, notably Federal Reserve and European Central Bank, which began a movement of easing their monetary policies.

Insurance Market

In recent years, even facing the worst recession of the country’s history, the Brazilian insurance market sustained its growth path. In 2018, after the recession, the sector posted a contraction of only 1.6% in total revenues[1] in terms of premiums written, pension plans contributions and premium bonds collections, according to data provided by the Brazilian Insurance Market Regulator (SUSEP).

In 2019, the industry showed a strong recovery, posting a double-digit growth (+11.1%) in total revenues despite the slower than expected pace in economic activity acceleration as compared to the beginning of the year.

The perspective of a stronger economy in 2020, along with the maintenance of interest rates at historically low levels, inflation within the range defined by the Monetary Policy Committee, and gradual reduction in the unemployment rate should allow the sector to keep growing, also helped by the still low penetration of insurance products in the country compared to other nations.

[1] The market data does not include the revenues related to the health insurance, dental plans and reinsurance.

3 - FINANCIAL PERFORMANCE

As a holding company, BB Seguridade's net income is comprised of the equity income arising from its investees, along with the holding standalone operating and financial income and expenses.

The table below presents BB Seguridade´s income statement for 2019 and 2018:

Table 1 – Financial Performance | Income Statement – Parent View

	Fiscal Year 2019	Fiscal Year 2018	Chg.% on 2018
Equity income	**6,569,590**	**3,472,955**	**89.2**
Brasilseg Companhia de Seguros S,A,	1,072,991	1,127,344	(4.8)
MAPFRE BB SH2 Participações S,A,	-	(216,627)	-
Brasilprev Seguros e Previdência S,A,	1,064,501	741,845	43.5
Brasilcap Capitalização S,A,	67,265	75,071	(14.4)
IRB-Brasil Resseguros S,A,	118,791	188,268	(36.9)
Brasildental Operadora de Planos Odontológicos S,A,	14,485	12,241	18.3
BB Corretora de Seguros e Administradora de Bens S,A,	1,912,599	1,612,504	18.6
Other	2,318,959	(67,691)	-
Other Income and Expenses	**(8,930)**	**(11,856)**	**(24.7)**
Personnel expenses	(10,812)	(11,615)	(6.9)
Administrative expenses	(2,567)	(4,419)	(41.9)
Tax expenses	(9,236)	(8,200)	12.6
Other operating income/(expenses)	13,685	12,378	10.6
Net investment income	**143,472**	**113,161**	**26.8**
Investment income	173,832	150,380	15.6
Investment expenses	(30,360)	(37,219)	(18.4)
Earnings before taxes	**6,704,132**	**3,574,260**	**87.6**
Taxes	(45,351)	(34,707)	30.7
Net income	**6,658,781**	**3,539,553**	**88.1**

In 2019, the net income of BB Seguridade reached R$6.7 billion, up 88.1% YoY, boosted by the increase in equity income, which was positively impacted by:

(i) the "Other" line, which comprises the revenues and expenses from BB Seguros holding company, excluded the equity income. It is worth noting that in 2019 this line was affected by the disposal of IRB Brasil RE's equity stake held by BB Seguros, within the restricted secondary public offering, which result on a net gain of R$2.3 billion, which is better explained in Equity Stakes section of this Annual Management Report and in Notes 2 and 9 of the Financial Statements. On the other hand, this line was negatively impacted in 2018 by the R$25.4 million loss related to the partnership restructuring with MAPFRE;

(ii) the higher equity income arising from BB Corretora, mostly explained by the 19.1% increase in brokerage revenues and by the 0.2 p.p. improvement in net margin; and

(iii) the increase in equity income from Brasilprev, supported by the net investment income growth, as a result of the favorable dynamics of the inflation ratios pegged to the earnings assets and bearing liabilities related to the defined benefit plans.

The G&A expenses dropped 13.0%, justified by: (i) positive balance in "other operating income (expenses)", due to the reversal of provisions for the acquisition of stocks to pay the deferred installments of the variable compensation programs of the board of executive officers from previous fiscal years expired in 2019; (ii) 32.2% decrease in administrative expenses explained by lower expenses with specialized technical services, related to a higher allocation of these costs to BB Seguros and BB Corretora; and (iii) 8.3% drop in personnel expenses, due to the revision of the cost sharing methodology, which resulted in a higher allocation of expenses to BB Corretora.

In the consolidated expenses, the administrative expenses grew 10.6%, driven by higher expenses with sponsorship and donations, while personnel expenses increased 4.5% in 2019.

Investments

Pursuant to the article 243 of Law 6,404/76, the following table presents the equity investments in BB Seguridade's affiliates and subsidiaries, as well as the changes occurred throughout the year:

Table 2 – Financial Performance | Shareholding Positions

		Shareholding (%)	Investment Balance		Equity Income
	Activity	**Dec/19**	**Dec19**	**Dec/18**	**FY2019**
Shareholding positions					
BB Seguros	**Holding**	**100.00%**	**5,431,395**	**5,820,326**	**4,656,991**
Brasilseg	Insurance	74.99%	2,028,605	2,174,718	1,072,991
Brasilprev	Pension Plans	74.99%	2,440,155	2,133,724	1,064,501
Brasilcap	Premium Bonds	66.66%	431,932	364,804	67,265
IRB Brasil RE	Reinsurance	-	-	623,603	118,791
Brasildental	Dental Care	74.99%	12,880	10,395	14,485
BB Corretora	Broker	100.00%	46,908	46,908	1,912,599
Ciclic	Broker	74.99%	4,798	19,072	(14,274)

Changes in the investment in IRB Brasil RE

In July 10th, 2019, it was approved a restricted secondary public offering of IRB Brasil RE ("Restricted Offering") aiming the disposal of the totality of shares held by BB Seguros. After the procedure of bookbuilding, the share price was set at R$88.00.

Due to the divestiment in IRB Brasil RE, BB Seguros received the total amount of R$4.2 billion, which produced a net capital gain of R$2.3 billion, considering the write-off of the investment and net of taxes.

Investees performance

Brasilseg

In the insurance segment, operated by Brasilseg, the net income contracted 4.9%. It is worth mentioning that in 2018, the results were positively affected by the reversal of provisions amouting to R$309.1 million, in order to comply with a new rule on Liability Adequacy Test (SUSEP Rule 517, which was modified by SUSEP Rule 543). Setting apart this effect, the net income from this segment would have increased roughly 19.2%, justified by the loss ratio improvement, partially offset by a lower net investment income.

In 2019, premiums written amounted to R$9.0 billion, 10.0% up. The performance was supported by the growth in credit life (+44.1%), rural (+11.5%) and mortgage life (+6.8%).

It is worth noting that the comparison basis was affected by the corporate restructuring concluded in November 2018. To allow a better comparison of the financial results of Brasilseg, considering its new corporate and business structures, please refer to the simulation of the corporate reorganization effects avaiable at Management Discussion and Analysis report (MD&A), which can be accessed at BB Seguridade's IR website (www.bbseguridaderi.com.br/en/financial-information/results-center).

Brasilprev

In pension plans segment, operated by Brasilprev, the net income grew 43.5% in 2019, reaching R$1.4 billion. The performance was supported by rhe 455.8% increase in the net investment income, boosted by the favorable dynamics of the inflation rates pegged to the assets and liabilities of defined benefit pension plans. The non-interest operating result remained virtually stable, with management fee 8.4% higher, partially offset by the deterioration of 0.6 p.p. in cost to income ratio, impacted by the decrease in load fee.

The pension plans contributions amounted to R$42.0 billion in 2019, up 21.5% YoY. Pension reserves grew 12.9% to R$289.8 billion as of 2019, ensuring the leadership to BB Seguridade, with 30.3% market share, according to SUSEP data as of December 2019.

Brasilcap

The net income of premium bonds segment, operated by Brasilcap, dropped 10.4% in 2019, explained by the increase of 34.1% in acquisition costs and lower results with lottery, effects which were partially offset by the 4.7% growth in net investment income and a lower effetive tax rate.

The premium bonds collection rose 16.7% in 2019, reaching R$5.4 billion, supported by the improvement in the average collection from unique payment bonds. The premium bonds provision amounted to R$8.3 billion as of December 2019.

Brasildental

In dental care segment, operated by Brasildental, gross operating revenues amounted to R$120.0 million in 2019, growth of 4.6%. The EBITDA margin was up 2.0 p.p., reaching 25.1%, allowing a net income 18.3% higher. The number of beneficiaries reached 540 thousand in 2019, a drop of 3.5%.

BB Corretora

BB Corretora recorded a net income of R$1.9 billion in 2019, an increase of 18.6%. The performance is explained by the growth of 19.1% in brokerage revenues, by the 0.2 p.p. improvement in net margin, as well as the net investment income 4.9% higher.

The increase in brokerage revenues was affected by the R$446.5 million of performance bonus for outperforming the sales targets of credit life and credit life for farmers, while in the 2018 the performance bonus amounted to R$276.1 million, related to the period between April and December, as agreed with MAPFRE during the renegotiation of the partnership.

4 - STOCK MARKET PERFORMANCE

BB Seguridade`s stocks are traded in B3 under the ticker BBSE3 and ended 2019 priced at R$37.70. Based on the closing price of the year, BB Seguridades´s market cap reached R$75.4 billion, ranking the Company as the 13rd largest listed in Brazil by the market cap criteria.

In 2019, the average daily trading volume of the Company´s shares was R$118.3 million, representing 0.8% of the average daily volume traded in B3.

BB Seguridade's shares comprise the following stock exchange indexes: Ibovespa, IBrX 50, IBrX 100, IBrA, BM&FBOVESPA Financials (IFNC), High Standards of Corporate Governance Index (IGC), Corporative Govermamce Index Trade (IGCT), High Standards of Corporate Governance Index – Novo Mercado (IGC-NM), High Standards of Tag Along Index (ITAG), Dividends Índex BM&FBovespa (IDIV), MidLarge Cap Index (MLCX), Valor BM&FBovespa Índex (IVBX 2), MSCI Brazil ìndex, Bloomberg Gender-Equality Index and FTSE4Good Índex.

Since March 2014, BB Seguridade maintains a sponsored Level I American Depositary Receipt (ADR) program. The ADRs are issued having the Company's common shares as collateral, in the proportion of 1 ADR : 1 BB Seguridade common share, and are traded Over-the-Counter (OTC) in the US market. In August 1st, 2019 the depositary bank for the ADR program was changed, from Deutsche Bank to Citibank. At the end of 2019, the program registered more than 19 million ADRs outstanding, quoted at US$9.85 per receipt.

The following table presents the main performance ratios for BB Seguridade's shares in the last two years:

Tabela 3 – Stocks performance

	Unit	2019	2018
Earnings per share	R$	2.17	1.77
Equity per share	R$	2.62	3.42
Closing price	R$	37.70	27.59
Market capitalization	R$ billion	75.40	55.18
Quantity of trade carried out[1]	-	4,077,898	3,112,452
Average daily volume traded	R$ millions	118.33	94.89
Share on B3 average volume	%	0.78	0.87

(1) Refers to standard piece

Shareholders remuneration

The high capacity of cash generation and the maintenance of adequate levels of solvency by its affiliates allowed BB Seguridade to set a payout ratio of 83.6% of the net income, distributed as dividends in 2019, which amounted to R$5.6 billion, equivalent to R$2.80 per share.

Additionally, in order to maintain a lean structure and the commitment to adopt an efficient capital management, seeking to maximize the value generation to the shareholder, BB Seguridade approved at its Extraordinary Shareholder Meeting, held on October 30th, 2019, a capital reduction amounting to R$2.7 billion, without cancellation of shares, as it was considered excessive. Accordingly, in accordance with the Notice to Shareholder disclosed on December 31st, 2019, BB Seguridade will pay, on April 30th, 2020, roughly R$1.35 per share to the shareholders who hold a share position on January 9th, 2020 (end of the day).

Adding the capital reduction to the dividend referring to the net income of the year, BB Seguridade will have distributed in 2019 the amount of R$4.13 per share, as opposed to R$2.81 per share in 2018.

Share Buyback Program

On October 31th, 2019, it was closed the fourth buyback program of BB Seguridade's shares that was approved by the Board of Directors on November 1st, 2018. During this period, the Company didn't perform any buyback.

Due to the buyback programs from previous years, BB Seguridade ended the fiscal year with a balance of 3,398,833 treasury shares. As approved by the Extraordinary Shareholders Meeting, held on October 30th, 2019, the treasury shares may be used specifically in employee reward program and variable compensation for Executive Officers, capped to 3,359,550 shares, with the Board of Directors being responsible for defining the best way and time to the disposal of these shares.

5 - CORPORATE GOVERNANCE

BB Seguridade's commitment with transparency in the relationship with the capital market, mainly with it´s minority shareholders, is ratified by the listing, since the IPO, to Novo Mercado of B3, the segment with the highest corporate governance standards in the Brazilian market.

In 2019, BB Seguridade maintained the certification of the State-Owned Enterprise Governance Program ("Programa Destaque em Governança de Estatais") and the highest score possible in the Corporate Governance Index of the Ministry of Planning, Development and Management ("IG SEST"). Still in 2019, the Company revised it Bylaws, adapting it to the Novo Mercado of B3.

BB Seguridade's corporate governance structure, which privileges shared decision making, observed the levels of approvals provided by the Law or by the Bylaws, is composed of:

- the Shareholders Meeting;
- the Board of Directors, composed of seven members, including one appointed by the minority shareholders and a minimal composition made of 25% independent members;
- the Board of Executive Officers, composed by four Executive Officers, including the Chief Executive Officer and the Investor Relations Officer; and
- the permanent Fiscal Council, consisting of three members and three alternate members.

Additionally, to complete the corporate governance structure, there are three advisory committees established by the Bylaws, as follows:

- the Related Party Transactions Committee, composed of three members, including one independent member, appointed by the minority shareholders, with veto power;
- the Audit Committee, comprised of up to five sitting members, one appointed by the minority shareholder's member of the Board of Directors and the other members appointed by the remaining Board of Directors members, being, necessarily, composed by a majority of independent members; and
- the Eligibility Committee, composed of three sitting members, including one independent member from the Audit Committee.

6 - LONG TERM STRATEGY

The long-term strategy seeks to ensure the company´s sustainability by preparing it to face different prospective scenarios. The company´s strategy is reviewed annually or at any time due to facts that cause relevant changes in scenarios.

BB Seguridade's long term strategy model comprises the following elements:

- the Prospectives Scenarios, which comprise the archetypes that translate the vectors of uncertainty inherent to BB Seguridade's market segment;
- the model for detecting and filtering signals and emerging issues for the insurance business;
- the Strategic Assessment by Scenario, which is the analysis of BB Seguridade's strategic positioning due to its current strenghts and weaknesses;
- the Mission: "Protect assets, achievements and projects";
- the Vision: "We transform people's lives through the best protection ecosystem. We are a lean company that generates sustainable value";
- the Values, behaviors and the mindset that guide our actions; and
- the Strategic Objectives, which promotes strategic alignment and define how and when we will overcome the challenges; optimize the understanding, the focus and the execution of BB Seguridade´s strategy; and present metrics – KPIs, which measure the results achieved and the performance of the Company to exceed the objectives.

The construction of BB Seguridade's strategy begins with the analysis of the external and internal environments, representing the diagnostic stage, through which the opportunities, threats, strengths and weaknesses that affect the Company in the fulfillment of its mission are identified.

After the diagnosis phase, the strategic priorities of the cycle are listed. For current cycle, BB Seguridade has the following strategic priorities:

- be lean and efficient, with a lean structure and simple proccesses, with high value generation;
- turn customers into fans, generating enchantment with the products, services, journeys and relationship;
- combine online and off-line to always sell more, adding new channels, offers and distribution models;
- connect and accelerate the digital, with optmization and digital transformation as competitive atributes; and
- to experiment without fear to hit, turning the future, the new and the unkown into allies for our strategy.

Upon reaching the strategic objectives of the cycle, BB Seguridade expect to obtain as results: an eficiente capital and organizational structure; maintaining focus on the customer, with an expanded value proposition and relevant relationship; a significant improvement in the distributor's journey, with the strenghening of both traditional and digital channels; an information technology structure enabled to provide fast solutions, both for reaction and for anticipating competitor's movements; and expansion of operations in the entrepreneurship and innovation ecosystem.

After the diagnostic and prioritization phase, the strategic planning process seeks to engage the employees of BB Seguridade and its investees to develop solutions that may become initiatives for the full or partial achievement of the stated strategic objectives. The adopted methodology presented positive results because involves the employees of all the companies in the discussions and actions since the beginning of the process.

In order to keep the Company up to date and engaged with the strategy, there is a periodic schedule of internal communication to report the status of strategical objectives and projects.

For the 2020-2024 cycle, the following strategic movements were carried out:

- maintenance of archetypes of prospective scenarios;
- inclusion in the strategic planning review the agenda of the signal detection and filtering model and analysis of emerging issues that may influence the opportunities, threats of business environment in each scenario and the strengths and weaknesses for all companies;
- full alignment of BB Seguridade's strategic objectives with Banco do Brasil's Strategic Guidelines Plan and with the investee's Strategic Maps;
- modeling, certification and continuous measurement of BB Seguridade's processes;

- update of the Variable Remuneration of Executive Officers in order to represent the company's focus on what was defined by the strategy; and
- definition of the portfolio of projects, in order to boost the delivery of value to stakeholders and accelerate the achievement of objectives, as well as create bases for the next waves of planning.

7 - RISK MANAGEMENT AND COMPLIANCE

In addition to statutory governance, supervisor and control bodies, such as the Audit Committee and the Fiscal Council, BB Seguridade has a technical area segregated from business functions, the Superintendence of Risks and Controls, which is responsible for developing and standardizing methodologies of risk management, internal controls and compliance, as well as guide the adoption of best practices related to the subject and promote the culture of risk management, internal controls and compliance in the Company.

The Superintendence of Risks and Controls is part of the Executive Superintendence of Corporate Management, Risks and Controls in the organizational structure in force in 2019, directly linked to the CEO, ensuring the Independence from others technical áreas.

In 2019, the Board of Directors approved the BB Seguridade's Risk Appetite Statement review, in which the guidelines that help to determine, quantify and communicate how the Company is willing to take risks are formalized and established, in order to assure the vision of management with the business, and its alignment with the objectives. The review was based on the integration of business, strategy and risks.

The Risk Management, Internal Controls and Compliance Policy and the Policy for Preventing and Combating Money Laundering and Financing for Terrorism and Corruption were reviewed, as well as the Integrity Program. These documents, considering the current stage of maturity of the themes, have a three-year term.

The Risk Management, Internal Controls and Compliance Model was reviewed and approved by the Executive Board, which brings a vision more aligned with the company's strategy, seeking to identify events that can negatively impact the achievement of the strategic objectives, in addition to assessing risks identified in a prospective view considering probable future scenarios.

The compliance and internal control systems have also been monitored through the Internal Controls and Compliance panels, quarterly reported to the statutory bodies of governance, inspection and control, including relevant information not only by Superintendence of Risks and Controls, but also by Internal and External Audit and external inspection bodies.

In addition, internal training event was held in order to reinforce the commitment to transparency and development of ethical and responsible conduct of employees, in compliance with laws, regulations, standards and guidelines applicable to the Company's business, as well as internal communications related to risks, internal controls and compliance, using language and graphic contente that provides the understanding and feeling of belonging at all Company levels.

8 - COMMERCIAL, PRODUCTS AND CUSTOMERS

In 2019, the focus was on understanding our customers and preparing for business expansion. Eleven Customer Councils were held in order to hear directly from the customer perceptions about their experience with products and services, through which 48 perceptions were identifed and implemented 10 projects. Five surveys were also carried out, in which 9,750 customers were heard and 25,000 transactions were evaluated. As a result of the improvements implemented, the NPS (Net Promoter Score) improved by 19 p.p. in the home claims and 17 p.p. in assistance. In the scope of customer complaints, there was a 42% drop in assistance and 4.4% in total complaints.

This year, the Company's role in delivering a better customer experience was reinforced, especially through the expansion of digital journeys. New service solutions were avaiable via BB's mobile phone and internet applicaion, such as contracting pension plans, a friendly viewing of the extract from these plans and the avaiability of digital policies on BB Seguros website.

In the first half, reinforcing the importance of agrobusiness, rural insurance started to be offered in BB's mobile app, with stages of simulation and hiring 100% digital. In a addition, new cultures were made avaiable for hiring in crop insurance and the expansion of coverage in rural lien insurace.

In August, it was launched the "Kit BB Seguros", which brought an innovative combined offer of three products: term life, home and dental care insurance, with a lower price and a single monthly charge, focusing on expanding the cliente base.

In October, BB Seguros launched the new pension plan portoflio for Private segment, with the objective of qualifying the offer through a broader and more competitive portfolio.

In view of the commitment to offer adherent products to all customers, it became possible to hire the “BB Credito Protegido” for SME in BB’s credit lines “Giro FCO”, receivables, “FAT Turismo” and corporate.

In the commercial sphere, BB’s sales force incentive strategy was strengthened through awards linked directly to the sales of insurace, pension plans, premium bonds and dental plas. With the participations of BB’s employees, the program has already become a milestone, as a driver of recognition and sales incentive.

In addition, there were promotional iniciatives such as “Black Friday BB Seguros” and “Comprou Ganhou” of Junior pension plan, which rewarded with personalized books. And with all these iniciatives, 2019 was marked by the expansion of BB Seguros digital presence in both media and social networks and, of course, the brand and market positioning also in tradicial medias such as TV, radio, prints, among others.

9 - HUMAN CAPITAL

BB Seguridade´s staff is mainly composed of employees ceded by Banco do Brasil. In December 31st, 2019, the Company had 161 employees, headquartered in Brasilia and Sao Paulo, 15 trainees and 31 outsourced people.

BB Seguridade believes that its human capital is the main asset of the Company. With this mindset, in 2017 it was established the Human Capital department, which has a strategic purpose for human resources area and not only transactional functions, reformulating its processes. Since then, some processes has been redesigned and structured, such as: recruitment and selection, performance management, training and development, retention and succession and organizational climate management, with the main purpose of attracting, retaining and developing BB Seguridade´s talents, disseminating and strengthening the organizational culture and acting as strategic partner of the business, seeking a sustainable performance in all areas of the Company;

In 2019, the Company continued consolidating the recruitment and selection model, prioritizing the talents inside the Company and recruiting Banco do Brasil´s candidates only when not identified internally employees with the necessary skills to the position. This process, besides valuing the Company´s employees, aims to manage the knowledge, to reduce the learning curve and the costs to organize external recruitment process. The talents are identified through the performance management cycle, which comprises performance evaluation by multiple sources (self-assessment, managers, peers, clients and leads) and a colective assessment through Career and Development Commissions, which use tool called “9-Box Matrix”, in which the observed performance and the potential of each employee are placed on two cartesian axes (X and Y), with each axis divided between low, medium and high levels, to define in which level each employee can be classified.

Among internal, external and mixed processes, 27 vacancies were filed, with an average of 144.3 candidates per vacancy (in external processes). Among them, 5 vacancies were filled by internal selection processes, in addition to 7 directs appointments in ascension – these the later, for promptly meeting the defined professional profiles and the other prerequisites required for the respective vacancies.

BB Seguridade, on its policies, actions and culture, appreciates the maintenance of staff diversity. The following table summarizes the composition of BB Seguridade employees:

Tabela 4 – Human Capital – Composition

	Annual Composition		
	2019	2018	2017
Number of Employees			
Employees	161	151	162
Outsourced	31	32	37
Trainess	15	8	6
Board members	14	14	21
TOTAL	**221**	**205**	**226**
Gender			
Female	34%	33%	34%
Male	66%	67%	66%
Employees education			
Graduate degrees	67%	77%	62%
Undergraduate degrees	29%	20%	29%
High School	3%	3%	8%
Other	0%	0%	1%
Age Range			
Under 30 years	17%	8%	18%
Within 30 and 50 years	75%	88%	76%
Above the 50 years	8%	4%	6%

(1) Employees and statutory

(2) The percentages related to gender, employees education and age range were calculated based on the total number of employees (employees, outsourced, trainees and board members).

Besides of generating inputs for the movements in the Company, the performance management cycle provides subsidies for training, development, recognition, retention and succession actions. From the performance management cycle, are formulated the Corporate Development Plan (“PDC”), which adresses the corporate strategic skills development needs of the company, and the Individual Development Plan (“PDI”), which seeks to meet the specific development needs of each employee.

Reinforcing the importance that BB Seguridade gives to the development of employees, R$980,000 approximately, were invested in training and postgraduate schorlarships and languages (which represents 1.89% of the personnel expenses budget). For postgraduate programs, employees may also use authorized absences, with the purpose of finishing the final course project.

The investment in the development of leaders and teams is oriented to the improvament of key-skills to the Company (technical or behavior skills), aligned with our values (Innovation, Simplicity, Customer Respect, Owner Feeling and Reliability), ensuring the continuity, quality and sustainability of our business. Thus, in 2019 BB Seguridade held the Leadership Development Program (“PDL”), with iniciatives aimed at developing potential sucessors for key positions in the Company, with the participation of the entire management and senior executives (CEO, Directors and Executive Superintendents).

BB Seguridade guarantees similar benefits as those granted to Banco do Brasil´s employees, with emphasis on supplementary pension plans, health plans and variable compensation based on Company´s profits and results. In addition to these benefits, in 2019 the Board of Directors approved the Result Reward Program (“PPR”), an award linked to the result and individual performance of the elegible participants who will stand out in terms of achieving individual goals and differentiated contribution to the company’s results. The Program aims to strengthen the partnership between the employee and BB Seguridade, recognition of the participants in the construction of results and alignment with the Company’s strategy.

The following table presentes the investments made during the year:

Table 5 –Human Capital - Investiment

	Annual Flow		
	2019	2018	2017
Investment in People	**51,720,207**	**51,405,233**	**49,837,494**
Payroll[1]	49,217,560	49,254,533	49,676,740
Supplementary pension	367,171	473,403	448,806
Health insurance	1,157,756	1,048,898	1,052,961
Training (Scholarships and Courses)	977,720	628,400	658,987

(1) Salaries, benefits and social security

BB Seguridade has performed organizational climate and satisfaction surveys at least once a year, to diagnose what may be improved and to address them through actions related to people management practices.

In the first half of 2019, we participated in the Climate and Organizational Engagement Survey applied by Banco do Brasil, which showed that 88.04% of employees are satisfied with their work at BB Seguridade, with an engagement rate of 72.83% (grade where the work shows interest, diversity, personal satisfaction and pride in belonging to the company).

In addition to these surveys, since the beginning of 2019, the Climate Pulse has been made available on a monthly basis, which consists of a questiono f the e-NPS (Employee Net Promoter Score) and an additional question related to various topics, which aims to identify, in the short term, the possible factors of eventual employee satisfaction and/or dissatisfaction.

Based on the survey of employees' perception through these instruments, the Company has been taking actions to increase the employees engagement and the organizational climate.

In 2019, the turnover of the company, considering the employees who return to Banco do Brasil, was of 10.8%, which represents an increase of 5.9% when compared to 2018 and of 43.9% over 2017.

10 -SOCIAL AND ENVIRONMENTAL RESPONSABILITY

BB Seguridade is committed to align its ESG initiatives (environmental, social and governance) with the best market practices. In addition, it also follows the guidelines adopted by its controlling shareholder, Banco do Brasil, provided in the Code of Ethics and Social and Environmental Responsibility Policy of the controller.

The insurance activity has an important sustainability bias as it promotes the risk management through protection solutions. In this context, insurance business can be considered as one of the protagonists agents in pursuit of sustainable development for current and futures generations, stimulating society's awareness of the need to maintain the sustainability of the environment in which it operates.

In addition, another important factor to BB Seguridade is the responsible management of its businesses. One of the guidelines is the fact that it has representatives in the most diverse governance bodies available in its investees, influencing and encouraging the economically viable initiatives, aligned with good market practices, in order to support culture, social actions and wellness.

In the investee companies, the main actions related to the topic were:

Brasilseg

- **ISO 14001:2015:** Brasilseg have been certified by ISO 14001:2015 of environmental management system at headquarter. Employees and service providers were involved and trained within the requirements of the environmental management system, with the Environmental Guidelines, environmental aspects and impacts on internal processes, legal requirements and adequate waste disposal.

- **Global Compact:** Brasilseg has become a signatory to the Global Compact, initiative to engange companies and organizations in the adoption of ten universal principles, derived from the "Declaração Universal de Direitos Humanos" (Universal Statement of Human Rights), the "Declaração da Organização Internacional do Trabalho sobre Princípios e Direitos Fundamentais no Trabalho" (International Labor Organization Statement on Fundamental Principles and Rights at Work), the "Declaração do Rio sobre Meio Ambiente e Desenvolvimento e da Convenção das Nações Unidas Contra a Corrupção" (Rio Statement on Environment and Development and the United Nations Convention against Corruption). Organizations that become part of the Global Compact commit themselves to follow these principles in their day-to-day operations.

- **Principles for Sustainability in Insurance (PSI):** the company adhere to UNEP FI's Principle for Sustainability in Insurance, aware that the PSI was created to guide sustainable practices among companies in the insurance industry. The Company is aligned with these principles for believing in its importance to the industry development.

- **Encouraged projects**: in 2019, more than 30 projects were carried out through the "Lei de Incentivo a Cultura" (Culture Incentive Law), the "Lei de Incentivo ao Esporte" (Sport Incentive Law), the "Fundo para a Infância e a Adolescência" (Fund for Childhood and Youth), the "Fundo do Idoso" (Elderly Law Fund), the "Programa Nacional de Apoio à Atenção Oncológica – PRONON" (National Program of Assistance to Care) and the "Programa Nacional de Apoio à Atenção à Saúde da Pessoa com Deficiência – PRONAS (National Program to Support the Heath Care of Persons with Disabilities).

Brasilprev

- **Principles for Responsible Investment (PRI):** Brasilprev integrates and subscribes voluntary commitments and agreements with institutions and organizations with which it shares principles and values in order to play its role as transforming agent in society. Among them are the Principles for Responsible Investment (PRI), since 2017.
- **Creation of ESG Fund :** in February 2019, Brasilprev lauched the “Brasilprev TOP ASG” fund, with initial allocation in ESG ETF’s (Index Fund) abroad and with the perspective of expanding to related assets in Brazil in 2020. As of December 2019, the fund accumulated R$10.9 million of equity and 113.3% return of CDI.
- **Encouraged projects:** in 2019, more than 14 social projects were carried out focused on education and training, in addition to helping several hospitals in the country that used the “Fundo para a Infância e Adolescência” (Fund for Childhood and Youth), the “Lei do Idoso” (Elderly Law) and the “Programa Nacional de Apoio à Atenção à Saúde da Pessoa com Deficiência – PRONAS (National Program to Support the Heath Care of Persons with Disabilities).

More informations related to the topic are avaiable at the company’s website (https://www1.brasilprev.com.br/quem-somos.html).

Brasilcap

- **Principles for Sustainability in Insurance (PSI)**: the only premium bonds company in Brazil which is signatory of the Principles for Sustainability in Insurance (PSI). The performance of the company in relation to the principles of PSI was disclosed in a report made available on the website www.brasilcap.com.br
- **Encouraged projects:** in 2019, 20 socio-environmental and cultural support projects were carried out, including transfer to the AACD (Association for Assistance to Disabled Children) of reveues from a product with a social bias. Such projects used the “Lei de Incentivo ao Esporte” (Sport Incentive Law), the “Fundo para a Infância e a Adolescência” (Fund for Childhood and Youth), the “Fundo do Idoso” (Elderly Law Fund), the “Programa Nacional de Apoio à Atenção Oncológica – PRONON (National Program of Assistance to Care) and the “Programa Nacional de Apoio à Atenção à Saúde da Pessoa com Deficiência – PRONAS” (National Program to Support the Heath Care of Persons with Disabilities).

More informations related to the topic are avaiable at the company’s website (https://www.brasilcap.com.br/brasilcap/brasilcap/responsabilidade-socioambiental/responsabilidade-socioambiental.html),

11 - MAJOR AWARDS AND ACKNOWLEDGMENTS

In 2019, BB Seguidade was ranked sixth in the 19th Corporate Broadcast Award, in partnership with Economatica, which awarded companies with the best performance in a set of indicators and corporate governance practices in 2018.

BB Corretora, through BB Seguros brand, was classified in the first place in “Participating Sport” category of the 7th edition of “Empresário Amigo do Esporte” award, promoted by the Special Sport Secretariat linked to the Ministry of Citizenship.

Below, the main awards and recognitions received by the companies that are part of the BB Seguridade Group:

Brasilseg

- **Sustainability Exame Guide**: the company was elected as one of the most sustainable companies in Brazil, according to Sustainability Exame Guide. The methodology used by EXAME assesses companies in the Economic, Environmental, Social and Climate Change Dimensions;

Brasilprev

- **“Finanças Mais” Ranking:** the newspaper “O Estado de São Paulo” listed Brasilprev as third place in the pension segment in the first edition of the “Finanças Mais” ranking. The initiative analyzed the financial statement data published by the companies;
- **Brazil Innovation Yearbook**: Brasilprev was listed as the fourth most innovative company in the Insurance and Health Plans segment in the Innovation Brazil Yearbook, carried out by Valor Econômico in partnership with Strategy& consulting company;

- **The 150 best companies to work**: for the seventh year, Brasilprev was elected by employees as one of the best companies to work for. The information was published in the magazine “Você S/A”, special edition "The 150 Best Companies to Work" of Abril Group; and

- **Pension Guide – Valor/FGV:** Brasilprev was recognized as the best asset manager and leader in 5 categories (better asset manager in 3 and 7 yerars; best fixed income and funds with a target date manager; and best insurer) in the special edition of Pension Guide Valor/FGV. The study is conducted by Valor Econômico in partnership with the Getúlio Vargas Foundation (FGV).

Brasilcap

- **Citizen Company Certificate: r**ecognized for the nineth consecutive year, the title, given by the Regional Accounting Council of Rio de Janeiro (CRCRJ), is in the 17th edition and recognizes the good practices of social and environmental responsibility adopted by the Company

- **Human Being Award:** Brasilcap was among the first three winners of the “Human Being 2019”, of the Brazilian Association of Human Resources (ABRH-RJ), by Formacap initiative, a strategy for engaging employees on the knowledge trail, through gamification.

12 - LEGAL INFORMATION

By the end of 2019, BB Seguridade did not account financial debts on its financial statements. The source of funding was constituted mainly by equity, in addition to possible cyclical sources of financing.

The investments of its subsidiaries and affiliate companies will follow its regular flow of execution, according to their individual plans structured by each company.

In compliance to CVM Instruction nr 381/03, BB Seguridade informs that throughout 2019, it used the independent audit services of Deloitte Touche Tohmatsu Auditores Independentes (“Deloitte”), through the contract signed by its parent, Banco do Brasil S.A.

Additionally, BB Seguridade and its subsidiaries inform that Deloitte did not render services that could affect its independence in relation to the audit work in 2019, ratified by the Independence Letter presented to BB Seguridade.

In the non-audit services hiring process, BB Seguridade adopts procedures based on the applicable law and the internationally accepted principles that preserve the auditor's independence. These principles are: (i) the auditor should not audit its own work, and (ii) the auditor should not act managerially nor promote the interests of his client.

The following table presents a list of services provided by Deloitte to BB Seguridade’s subsidiaries, affiliates and controlling shareholder that were in force during 2019:

Hiring Company	Contract dates		Service	Fee (R$)
	Start	End		
BB Seguridade Participações S.A.	02/24/2019	12/31/2019	Audit services for collection, examination and provision of data and information through Communication Channel, for the internal and external public of BB Seguridade Participações S.A., and its wholly owned subsidiaries BB Seguros Participações S.A. and BB Corretora de Seguros e Administradora de Bens S.A.	33,333,43
Banco do Brasil S.A.	03/22/2019	03/22/2020	Audit services on the financial statements of Banco do Brasil Conglomerate, prepared in accordance with IFRS and accounting practices adopted in Brazil	2,909,884,15
Banco do Brasil S.A.	09/27/2019	01/27/2020	Independent audit services for issuing a Comfort Letter in the secondary public offering of BB shares by the Investment Fund of the Service Time Guarantee Fund (FI-FGTS)	1,061,224,49
Brasilcap Capitalização S.A.	04/01/2019	04/30/2021	Audit service of the 2019 and 2020 Financial Statements	753,000,00
Brasilcap Capitalização S.A.	11/04/2019	04/30/2020	Independent actuarial audito f 2019 Financial Statements	68,804,66
Brasilseg Companhia de Seguros Aliança do Brasil Seguros S/A	10/14/2019	10/14/2020	Independent actuarial audit process, with the priority of issuing reports and opinions of the independente actuarial auditor	275,500,00

BB Seguridade, its shareholders, management and members of the Fiscal Council are commited to resolve any disputes or controversies related to the Novo Mercado Listing Regulation through the Market Arbitration Chamber of B3, according to the arbitration clause in BB Seguridade's Bylaws, Article 56.

Acknowledgment

We thank the dedication and commitment of our employees and collaborators, the distribution network of Banco do Brasil, brokers, other partners, as well as the trust of our shareholders, customers and society.

Brasília, 2020

The Board

STATEMENT OF INCOME

R$ thousand (except earnings per share)

		Parent		Consolidated	
	Note	2019	2018	2019	2018
OPERATING INCOME		**6,569,590**	**3,472,955**	**5,389,990**	**4,513,719**
Equity income	[09]	6,569,590	3,472,955	2,323,759	1,927,132
Net commissions income	[25]	--	--	3,066,231	2,586,587
COST OF SERVICES PROVIDED	[23]	--	--	(185,706)	(185,089)
GROSS PROFIT		**6,569,590**	**3,472,955**	**5,204,284**	**4,328,630**
OTHER INCOME AND EXPENSES		**(8,930)**	**(11,856)**	**3,396,651**	**85,763**
Personnel expenses	[21]	(10,812)	(11,615)	(58,438)	(55,921)
Administratives and sales expenses	[22]	(2,567)	(4,419)	(41,339)	(37,382)
Tax expenses	[12.c]	(9,236)	(8,200)	(24,625)	(24,359)
Other	[24]	13,685	12,378	3,521,053	203,425
INCOME BEFORE FINANCIAL REVENUE AND EXPENSES		**6,560,660**	**3,461,099**	**8,600,935**	**4,414,393**
FINANCIAL RESULT		**143,472**	**113,161**	**312,869**	**236,510**
Financial revenue	[20]	173,832	150,380	343,522	274,057
Financial expenses	[20]	(30,360)	(37,219)	(30,653)	(37,547)
INCOME BEFORE TAXES AND EQUITIES		**6,704,132**	**3,574,260**	**8,913,804**	**4,650,903**
INCOME TAX AND SOCIAL CONTRIBUTION	[12.a]	(45,351)	(34,707)	(2,255,023)	(1,111,350)
NET INCOME		**6,658,781**	**3,539,553**	**6,658,781**	**3,539,553**
EARNINGS PER SHARE	[19.c]				
Number of shares		2.000.000.000	2.000.000.000	2.000.000.000	2.000.000.000
Weighted average number of shares - basic and diluted		1.996.600.247	1.996.597.417	1.996.600.247	1.996.597.417
Basic and diluted earnings per share (R$)		3,34	1,77	3,34	1,77

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

R$ thousand

		Parent		Consolidated	
	Note	2019	2018	2019	2018
NET INCOME		**6,658,781**	**3,539,553**	**6,658,781**	**3,539,553**
Share of comprehensive income/(loss) of associates and joint ventures	**[19.e]**	**28,219**	**3,526**	**28,219**	**3,526**
Gains/(losses) on financial assets available for		75,405	12,680	75,405	12,680
Other comprehensive income		(28,373)	(6,348)	(28,373)	(6,348)
Tax effect		(18,813)	(2,806)	(18,813)	(2,806)
TOTAL COMPREHENSIVE INCOME		**6,687,000**	**3,543,079**	**6,687,000**	**3,543,079**

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

R$ thousand

		Parent		Consolidated	
	Note	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
CURRENT ASSETS		**6,257,083**	**5,001,290**	**8,738,259**	**6,895,239**
Cash and cash equivalents	[07]	4,231,195	4,428,956	7,381,292	6,056,247
Financial assets measured at amortized cost	[08]	--	--	286,301	--
Dividends/interest on equity receivable	[11]	1,961,491	515,602	--	9,971
Current tax assets	[12]	55,532	51,401	71,889	68,364
Commissions receivable	[13]	--	--	996,720	760,615
Other assets	[14]	8,865	5,331	2,057	42
NON-CURRENT ASSETS		**5,491,635**	**5,891,640**	**6,188,288**	**6,731,451**
Financial assets at fair value through profit or loss	[08]	3,413	1,208	460,147	435,975
Financial assets measured at amortised cost	[08]	--	--	238,305	493,531
Investments in associates	[09]	5,478,303	5,867,234	4,918,370	5,326,316
Intangible	[10]	5,901	5,620	5,901	5,620
Deferred tax assets	[12]	3,974	17,578	18,054	29,897
Commissions receivable	[13]	--	--	343,595	246,324
Other assets	[14]	44	--	203,916	193,788
TOTAL ASSETS		**11,748,718**	**10,892,930**	**14,926,547**	**13,626,690**
CURRENT LIABILITIES		**6,499,861**	**4,062,545**	**8,215,728**	**5,568,262**
Statutory obligation	[15]	6,490,643	4,052,523	6,490,643	4,052,523
Contingent liabilities	[16]	--	--	11,248	19,064
Current tax liabilities	[12]	980	1,220	656,137	589,403
Unearned commissions	[17]	--	--	993,057	858,846
Other liabilities	[18]	8,238	8,802	64,643	48,426
NON-CURRENT LIABILITIES		**103**	**--**	**1,462,065**	**1,228,043**
Contingent liabilities	[16]	103	--	6,546	--
Current tax liabilities	[12]	--	--	228,564	230,452
Unearned commissions	[17]	--	--	1,226,955	997,591
TOTAL LIABILITIES		**6,499,964**	**4,062,545**	**9,677,793**	**6,796,305**
EQUITY	**[19]**	**5,248,754**	**6,830,385**	**5,248,754**	**6,830,385**
Capital		3,396,767	5,646,767	3,396,767	5,646,767
Capital reserves		1,117	1,262	1,117	1,262
Income reserves		1,905,725	1,265,575	1,905,725	1,265,575
Treasury shares		(83,306)	(83,451)	(83,306)	(83,451)
Other accumulated comprehensive income		28,451	232	28,451	232
TOTAL EQUITY		**5,248,754**	**6,830,385**	**5,248,754**	**6,830,385**
TOTAL LIABILITIES AND EQUITY		**11,748,718**	**10,892,930**	**14,926,547**	**13,626,690**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

R$ thousand

		Parent		Consolidated	
	Note	2019	2018	2019	2018
Cash flow from operating activities					
Net profit		**6,658,781**	**3,539,553**	**6,658,781**	**3,539,553**
Adjustment to net profit:					
Equity income	[9.a]	(6,569,590)	(3,472,955)	(2,323,759)	(1,927,132)
Gain on disposal of investments	[24]	--	--	(3,519,736)	(205,853)
Net increase in dividends and interest on shareholders' equity		20,831	29,282	27,398	34,889
Other adjustments		763	604	(611)	873
Adjustment to net profit		**110,785**	**96,484**	**842,073**	**1,442,330**
Changes in balance sheet items:					
Financial assets at fair value through profit or loss		(2,205)	(640)	(24,172)	(23,671)
Current tax assets and deferred tax assets		9,473	10,790	8,318	74,990
Commissions receivable		--	--	(333,376)	(272,449)
Other assets		(3,533)	433	(12,099)	(2,553)
Unearned commissions		--	--	363,575	199,964
Current tax liabilities and deferred tax liabilities		(240)	2,313	64,848	41,754
Other liabilities		(564)	(758)	16,217	10,058
Cash provided by operating activities		**113,716**	**108,622**	**925,384**	**1,470,423**
Cash flow from investment activities					
Dividends received	[9.b]	5,549,643	5,376,958	2,044,221	1,776,968
Interest on equity received		--	--	65,856	107,917
Financial assets measured at amortised cost		--	--	(31,075)	(19,166)
Acquisition of investments - Ciclic		--	--	--	(20,248)
Capital reduction - Mapfre BB SH2 Participações S.A.		--	--	--	308,209
Acquisition of intangible assets	[10]	(929)	(679)	(929)	(679)
Disposal of investment – IRB		--	--	4,181,779	--
Disposal of investment - Mapfre BB SH2 Participações S.A.		--	--	--	2,274,189
Acquisition Asset	[14]	(52)	--	(52)	--
Cash provided by investment activities		**5,548,662**	**5,376,279**	**6,259,800**	**4,427,190**
Cash flow from financing activities					
Dividends paid		(5,860,139)	(3,485,559)	(5,860,139)	(3,485,559)
Acquisition of Treasury shares		--	(562)	--	(562)
Disposals of Treasury shares		--	576	--	576
Cash flow provided by financing activities		**(5,860,139)**	**(3,485,545)**	**(5,860,139)**	**(3,485,545)**
Net change in cash and cash equivalents	[7]	**(197,761)**	**1,999,356**	**1,325,045**	**2,412,068**
Opening balance		4,428,956	2,429,600	6,056,247	3,644,179
Closing balance		4,231,195	4,428,956	7,381,292	6,056,247
Increase (decrease) in cash and cash equivalents		**(197,761)**	**1,999,356**	**1,325,045**	**2,412,068**
Complementary information on operations					
Income tax paid		--	--	1,477,038	653,234
Social contribution paid		8,803	4,069	582,303	270,707
Total tax paid		**8,803**	**4,069**	**2,059,341**	**923,941**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

R$ thousand

Event	Note	Capital	Capital Reserves	Profit Reserves		Treasury Shares	Retained Earnings/ Accumulated Losses	Other Accumulated Comprehensive Income	Total
				Legal Reserve	Statutory Reserve				
Balances at Dec 31, 2017		**5,646,767**	**1,277**	**910,048**	**2,427,150**	**(83,478)**	**--**	**(3,294)**	**8,898,470**
Share-based payment transactions		--	(15)	--	--	27	--	--	12
Other accumulated comprehensive income	[19.e]	--	--	--	--	--	--	3,526	3,526
Interim dividends		--	--	--	(2,700,000)	--	--	--	(2,700,000)
Expired dividends	[19.d]	--	--	--	--	--	42	--	42
Net income for the year	**[19.c]**	**--**	**--**	**--**	**--**	**--**	**3,539,553**	**--**	**3,539,553**
Destinations - Profit Reserves	[19.b]	--	--	176,978	451,399	--	(628,377)	--	--
- Proposed dividends 1st half 2018	[19.d]	--	--	--	--	--	(1,559,140)	--	1,559,140
- Proposed dividends 2nd half 2018	[19.d]	--	--	--	--	--	(1,352,078)	--	(1,352,078)
Balances at Dec 31, 2018		**5,646,767**	**1,262**	**1,087,026**	**178,549**	**(83,451)**	**--**	**232**	**6,830,385**
Changes in the Period		**--**	**(15)**	**176,978**	**(2,248,601)**	**27**	**--**	**3,526**	**(2,068,085)**
Balances at Dec 31, 2018		**5,646,767**	**1,262**	**1,087,026**	**178,549**	**(83,451)**	**--**	**232**	**6,830,385**
Capital reduction	[19.a]	(2,700,000)	--	--	--	--	--	--	(2,700,000)
Capitalization of Legal Reserve	[19.a]	450,000	--	(450,000)	--	--	--	--	--
Share-based payment transactions		--	(145)	--	--	145	--	--	--
Other accumulated comprehensive income	[19.e]	--	--	--	--	--	--	28,219	28,219
Expired dividends	[19.d]	--	--	--	--	--	24	--	24
Net income for the year	**[19.c]**	**--**	**--**	**--**	**--**	**--**	**6,658,781**	**--**	**6,658,781**
Destinations - Profit Reserves	[19.b]	--	--	42,328	1,047,822	--	(1,090,150)	--	--
- Proposed dividends 1st half 2019	[19.d]	--	--	--	--	--	(1,778,339)	--	(1,778,339)
- Proposed dividends 2nd half 2019	[19.d]	--	--	--	--	--	(3,790,316)	--	(3,790,316)
Balances at Dec 31, 2019		**3,396,767**	**1,117**	**679,354**	**1,226,371**	**(83,306)**	**--**	**28,451**	**5,248,754**
Changes in the Period		**(2,250,000)**	**(145)**	**(407,672)**	**1,047,822**	**145**	**--**	**28,219**	**(1,581,631)**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF VALUE ADDED

R$ thousand

	Note	Parent		Consolidated	
		2019	2018	2019	2018
Income		**13,954**	**12,520**	**7,015,459**	**3,135,972**
Commissions income	[25]	--	--	3,474,987	2,917,620
Other income	[24]	13,954	12,520	3,540,472	218,352
Input Acquired from Third Parties		**(2,836)**	**(4,561)**	**(246,464)**	**(237,398)**
Administrative expenses diverse	[22]	(2,567)	(4,419)	(41,339)	(37,382)
Cost of services provided	[23]	--	--	(185,706)	(185,089)
Other expenses	[24]	(269)	(142)	(19,419)	(14,927)
Gross Added Value		**11,118**	**7,959**	**6,768,995**	**2,898,574**
Net Added Value Generated by the Entity		**11,118**	**7,959**	**6,768,995**	**2,898,574**
Added Value Received Through Transfer		**6,743,422**	**3,623,335**	**2,667,281**	**2,201,189**
Equity in the earnings of associates	[9.a]	6,569,590	3,472,955	2,323,759	1,927,132
Financial income	[20]	173,832	150,380	343,522	274,057
Total Added Value to Distribute		**6,754,540**	**3,631,294**	**9,436,276**	**5,099,763**
Distribution of Added Value		**6,754,540**	**3,631,294**	**9,436,276**	**5,099,763**
Personnel	[21]	10,812	11,615	58,438	55,921
Taxes, fees and contributions		54,587	42,907	2,688,404	1,466,742
Financial expenses	[20]	30,360	37,219	30,653	37,547
Dividends	[19.d]	5,568,631	2,911,176	5,568,631	2,911,176
Retained earnings in the period	[19.d]	1,090,150	628,377	1,090,150	628,377

The accompanying notes are an integral part of these financial statements

1 – OPERATIONS

BB Seguridade Participações S.A. (“BB Seguridade” or “Company”) was incorporated as a subsidiary of Banco do Brasil S.A. on December 20, 2012, in accordance with Brazilian law. The purpose of the Group is to participate in insurance companies, capitalization, open private pension funds and health insurance companies, as well as other companies whose corporate purpose is to broker and facilitate business involving personal, health, property and vehicle insurance, offer capitalization plans, private pension plans and asset management.

BB Seguridade, enrolled with the CNPJ (Brazilian equivalent of IRS Registry of Legal Entities) 17.344.597/0001-94, is headquartered in Setor de Autarquias Norte, Quadra 05, Lot B, 3rd Floor, Banco do Brasil Building, Asa Norte, Brasilia, Distrito Federal, Brazil. It is a publicly traded corporation and its shares are traded in the Novo Mercado segment of B3 SA (Brasil, Bolsa, Balcão), under the code "BBSE3" and its ADRs (American Depositary Receipts) in the USA over-the-counter market, under the code "BBSEY".

The operations of Group BB Seguridade (“Grupo”) are conducted through the wholly owned subsidiaries BB Corretora de Seguros and Administradora de Bens SA (“BB Corretora”) and BB Seguros Participações SA (“BB Seguros”), which are under control BB Seguridade's common corporate and administrative structure.

2 – ACQUISITIONS, DISPOSALS AND CORPORATE RESTRUCTURINGS

a) Total Disposal of Shares – IRB-Brasil Resseguros S.A.

On July 10, 2019, after decision from the Company’s Board of Directors, BB Seguros Participações S.A. Executive Board approved the launch of a restricted secondary public offering of shares (“Restricted Offering”) to dispose of all 47,520,213 IRB-Brasil RE common shares held by BB Seguros, in line with BB Seguridade strategy of focusing on the most profitable segments for the Company and with high synergy in distribution through the banking channel. At the same Restricted Offering, were also put up for sale 36,458,237 common shares held by the Federal Government, represented by the *Banco Nacional de Desenvolvimento Econômico e Social*, as asset manager of the *Fundo Nacional de Desestatização* (FND). On July 12, 2019, Susep granted the authorization for IRB to change from a defined control block model to a model without a controller - in other words, to a model of a true corporation.

On July 18, 2019, the bookbuilding procedure was concluded and the price per share was set at R$ 88.00. On July 23, 2019, the offer was effectively settled with the delivery of the shares to the respective investors and the concomitant receipt by BB Seguros of the amount of R$ 4,181 million for the sale of the shares. After the sale, BB Seguros no longer stake in IRB Brasil-RE.

Considering the write-off of the investment, the total sale of the shares produced a gain of R$ 3.5 billion. After deducting the amount of taxes levied on the capital gain from the sale, which represented R$ 1.2 billion, the distribution costs and other effects, the transaction provided a gain of R$ 2.3 billion to BB Seguros.

b) Partnership Restructuring of Group Segurador MAPFRE

Pursuant to Material Fact released on June 26, 2018 and Information to the Market on November 30th, BB Seguros Participações S.A. (“BB Seguros”) and Banco do Brasil S.A., signed of a Partnership Restructuring Agreement (“Agreement”) with MAPFRE S.A., MAPFRE Internacional S.A. and MAPFRE Brasil Participações S.A. (“MAPFRE Brasil”), which comprises the following corporate acts:

(i) Partial spin-off of BB MAPFRE SH1 ("SH1") through the segregation of the equity corresponding to the investment in MAPFRE Vida S.A. to be then incorporated by MAPFRE BB SH2 ("SH2").

(ii) Partial spin-off of SH2 through the segregation of the equity corresponding to the investment in Aliança do Brasil Seguros S.A. (“ABS”) to be then incorporated by SH1. After the incorporation, ABS should refrain from renewing and selling large risks insurance policies, remaining only with the run-off portfolio (no renewals/ hirings).

(iii) On November 30th, 2018, immediately after the corporate reorganization described in the items (i) and (ii) aforementioned, BB Seguros sold to MAPFRE Brasil the totality of its investment in SH2 for R$ 2.4 billion, which was reduced by dividends and interest on capital distributed as well as by the capital reductions carried out by the insurance companies involved on the reorganization. After these deductions, BB Seguros received from MAPFRE, on that date, the amount of R$ 2.3 billion.

The deal resulted, after the deductions of expenses related to the financial advisors and tax effects, in a capital release amounting to R$ 2.1 billion to be distributed to shareholders.

The deal also resulted in a negative impact on BB Seguridade’s 4Q18 earnings amounting to roughly R$ 25 million due to tax effects and the expenses with the financial advisors.

The valuation, at book value, of the assets spun off by BB MAPFRE SH1 and MAPFRE BB SH2 was supported by a report issued by a specialized company and signed by three experts registered in the CRC, pursuant to Article 8th of the Brazilian

Corporate Law. Such report, contracted by BB MAPFRE SH1 and MAPFRE BB SH2, was used to show movements defined in articles 229 (split) and 227 (incorporation) of the same Law. Finally, as determined by article 224, the report based the conditions presented in the Protocol of Justification of the Cisions, having been approved, as required by article 225 of the Brazilian Corporation Law, at general meetings of SHs that deliberated the effective spin-off movements.

In the new partnership model, the payment of additional compensation is provided by the Company of Insurance Aliança do Brasil SA ("Aliança do Brasil") to BB Corretora for the sale of portfolio insurance Lender and Rural Producer Life in the distribution channels of Banco do Brasil, in compliance with the provisions of the 2nd Amendment to the Operational Agreement for the Insurance Segment and its annexes ("Operational Agreement" or "Agreement") of which Aliança do Brasil and BB Corretora have been signatories since 11.30.2018.

If the volume of sales at the end of each year exceeds the minimum parameter established in the Agreement, the Brazilian Alliance shall pay an additional remuneration to BB Corretora. The calculation will be carried out at the end of each year, starting on the base date of 12.31.2018.

In addition, there is a price adjustment mechanism for the assets of Brasilveículos sold to MAPFRE, with calculation, monthly provisioning and annual payments, based on the achievement of goals in the sales of auto insurance. The mechanism provides for the possibility of earn in or earn out, that is, payment from MAPFRE Brasil to BB Seguros or from BB Seguros to MAPFRE Brasil.

c) Ciclic Corretora de Seguros S.A.

BB Corretora, BB Seguridade´s wholly-owned subsidiary, and PFG do Brasil 2 Participações Ltda. ("PFG2"), a subsidiary of PFG do Brasil Ltda. ("PFG"), after the approval of regulatory and supervisory authorities, celebrated in September 10th, 2018, the Shareholders Agreement with term until October 27th, 2032, for joint action focused initially on the distribution of private pension products in the digital channel, through Ciclic Corretora de Seguros S.A. (Ciclic).

After the signing of the Shareholders Agreement, the capital of Ciclic was increased by R$ 26,997,600.00 (twenty-six million, nine hundred and ninety-seven thousand and six hundred reais) through the issuance of 13,498,300 new common shares ("ON shares") and 13,499,300 new preferred shares ("PN shares"), with an investment by BB Corretora amounting to R$20,247,600.00 (twenty million, two hundred and forty-seven thousand and six hundred reais) to buy 6,748,300 ON shares and 13,499,300 PN shares.

Considering the increase of capital and the acquisition of shares by BB Corretora, the Ciclic's total capital is now composed of 26,998,600 shares distributed as follows:

Shareholder	ON Shares		PN Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
BB Corretora	6,748,300	49.990	13,499,300	100.000	20,247,600	74.995
PFG2	6,751,000	50.010	--	--	6,751,000	25.005
Total	**13,499,300**	**100.000**	**13,499,300**	**100.000**	**26,998,600**	**100.000**

3 – PRESENTATION OF FINANCIAL STATEMENTS

a) Statement of Compliance

The individual financial statements have been prepared in accordance with the accounting guidelines derived from Brazilian corporation law and are presented in compliance with accounting practices adopted in Brazil, including pronouncements issued by the Comitê de Pronunciamentos Contábeis – CPC (Accounting Pronouncements Committee), approved by Conselho Federal de Contabilidade – CFC (Federal Accounting Council).

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

There are no divergences in accounting practices adopted for these individual and consolidated financial statements, given that the conformity between of the accounting standards adopted in Brazil and those issued by the IASB.

All the relevant information specific to the financial statements are evidenced and correspond to those used by Management in its management.

These financial statements were approved and authorized for issue by the Board of Directors on February 07, 2020.

b) Continuity

Management evaluated the capacity of BB Seguridade to continue normally operating and it is convinced that it has the resources to continue its business in the future. In addition, Management is not aware of any material uncertainties that could generate significant doubts about its ability to continue operating. Accordingly, these consolidated and individual financial statements were prepared based on the assumption of operating continuity.

c) Measurement Basis of Assets and Liabilities

These individual and consolidated financial statements have been prepared using historical cost as a measurement basis, except for the following items: (i) financial assets held for trading, and (ii) financial assets at amortized cost.

d) Functional and Presentation Currency

The financial statements are presented in Brazilian Reais (R$), the functional and presentation currency of BB Seguridade. BB Seguridade and subsidiaries did not carry out operations in foreign currency.

e) Consolidation Basis

The consolidated financial statements of the BB Seguridade and subsidiaries are included the consolidation of assets and liabilities from BB Seguridade and its controlled entities, as follows:

Company	Activity	Country of constitution	% Share	
			Dec 31, 2019	Dec 31, 2018
BB Seguros Participações S.A.	Holding	Brazil	100%	100%
BB Corretora de Seguros e Administradora de Bens S.A.	Brokerage	Brazil	100%	100%

The intra-group balances and transactions, such as any unrealized income or expenses on transactions between companies of the consolidated, are eliminated in preparing the consolidated financial statements.

f) Seasonality of Operations

BB Seguridade and its owned subsidiaries consider the nature of their transactions as non-seasonal and non-cyclical, taking into account the activities carried out by the Group. Consequently, no specific disclosures are provided in these notes.

g) Main Judgments and Accouting Estimates

The preparation of the financial statements in accordance with CPCs and IFRS requires that the Management make judgments and estimates affecting the recognized amounts referring to assets, liabilities, income and expenses. Estimates and assumptions adopted are analyzed on a continuous basis, and revisions are carried out and recognized in the period in which the estimate is reevaluated, with prospective effects. The actual results obtained may be different from estimates used herein.

Taking into consideration that there are certain alternatives to accounting treatments, the results that are disclosed could be different, in the event a different treatment had been chosen. Management considers that the choices made are appropriate and that the financial statements fairly present the consolidated financial position of BB Seguridade and the result of its operations in all material aspects.

Significant assets and liabilities subject to these estimates and assumptions encompass items for which an evaluation at fair value is necessary. The most relevant applications of the exercise on estimates judgments and usage occur in: Fair value of Financial Instruments, Impairment of Financial Assets, Impairment of Non-Financial Assets, Income Taxes, Deferred Taxes and Provisions and Contingent Liabilities.

h) Information for Effect of Comparability

Balance Sheet

In assets, relatively to "Commissions receivable", the presentation was adjusted, showing the segregation into "Current assets" and "Non-current assets". The "Current tax assets" and "Current tax liabilities" were adjusted for presentation, providing for their compensation.

The reclassifications presented above have no impact on the results of the reporting periods. Below is a summary of the reclassifications described:

R$ thousand

	Parent Dec 31, 2018		
	Previous disclosure	Reclassification	Current balance
CURRENT ASSETS	**5,005,551**	**(4,261)**	**5,001,290**
Current tax assets	55,662	(4,261)	51,401
CURRENT LIABILITIES	**4,066,806**	**(4,261)**	**4,062,545**
Current tax liabilities	5,481	(4,261)	1,220

R$ thousand

	Consolidated Dec 31, 2018		
	Previous disclosure	Reclassification	Current balance
CURRENT ASSETS	**7,194,996**	**(299,757)**	**6,895,239**
Commissions receivable	1,006,939	(246,324)	760,615
Current tax assets	121,797	(53,433)	68,364
ATIVO NÃO CIRCULANTE	**6,485,127**	**246,324**	**6,731,451**
Commissions receivable	--	246,324	246,324
CURRENT LIABILITIES	**5,621,695**	**(53,433)**	**5,568,262**
Current tax liabilities	642,836	(53,433)	589,403

Statement of income

In order to better present the tax effects on commission income, from the 2nd quarter of 2019 onwards, the taxes (ISS, PIS and Cofins) were segregated, and now are presented the net commissions income, with the corresponding reconciliation in Note 25 - Commissions Income.

Gross revenue remain unchanged and are only presented net of taxes in the Income Statement. The reclassification has no impact on net income for reporting periods and did not require adjustments for comparison with prior periods, but only in the form of presentation, as shown in the table below.

R$ thousand

	Consolidated 2018		
	Previous disclosure	Reclassification	Current balance
Commissions income	2,917,620	(2,917,620)	--
Net commissions income	--	2,586,587	2,586,587
Tax expenses	(355,392)	331,033	(24,359)

There is no impact on the Parent Company's Income Statement.

4 – DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are the specific principles, bases, conventions, rules and practices applied by BB Seguridade in the preparation and presentation of financial statements. BB Seguridade applied accounting policies consistently to all periods presented in these financial statements.

The accounting policies used in the preparation of these financial statements are equivalent to those applied to the annual financial statements for the period ended on December 31, 2018, with the exception of CPC 06 (R2) - Leases (effective as of January 1, 2019).

a) Revenue and Expense Recognition

Income and expenses are recognized on an accrual basis and are reported in the financial statements of the periods to which they refer. Revenues are increases in assets, or decreases in liabilities, that result in increases in shareholders' equity, except for those referring to contributions from holders of rights over equity.

This concept is applied to the main forms of revenue originated from the activities of BB Seguridade and its subsidiary companies, as follows:

a.1) Revenue from investments of corporate interests – Income from the equity accounting method for evaluation of the investments in corporate interests are incorporated according to the investment interest of BB Seguridade in the results originated from the companies in which it was invested, according to CPC 18 (R2) – Investment in Controlled Companies and Affiliated and Joint Ventures.

a.2) Commission Revenue – The income originated from commissions are incorporated when its amount and the related costs and process of conclusion of the operation can be measured in reliable manner and when its related economic benefits are likely to be made, according to CPC 47 – Client Agreement Revenue.

In order to assess its revenue, BB Seguridade uses a five-stage model concept to determine when to incorporate a type of revenue: i) identification of the agreement; ii) identification of the performance obligations; iii) evaluation of the price of the operation; iv) measurement of the operation price and v) revenue assessment

The commission revenue are incorporated when the Company meets (or as the Company meets) its performance obligation when transferring goods and services (in other words, assets) agreed with the client. The commission income comes from the segments of people insurance, basic lines, vehicles, pension plans, capitalization and health insurance. These revenues are recognized over time (products with definite validity), where the performance obligation is diluted linearlu over the lifetime of the product / insurance, or at a specific time (monthly products), where the performance obligation occurs monthly , according to the characteristics of the products.

In cases of return of premium to the insured, the broker returns to the insurer the commission received in proportion to the amount returned or not received by the insurer in function of the remaining period of the policy.

For insurance whose expiry is not objectively defined (monthly insurance), the monthly payment of the payments is decisive for the continuity of the policies, and, in general, there are no refund of commissions.

a.3) Financial income and expenses – Income and expenses from financial instruments originated from assets and liabilities that generate and pay interest are incorporated, as well as the amounts related to the fair value adjustment, in the revenue for that fiscal year on the accrual basis, using the effective interest rate method, according to CPC 48 - Financial Instruments.

In the case of instruments measured at fair value through profit or loss (in accordance with item c.3 below), the fair value is determined as described in item c.4.

b) Cash and cash equivalents

Cash and cash equivalents are represented by cash equivalents in local currency, short-term fund investments, investments of sales and purchase agreements with high net value and insignificant risk of change in value, with a maturity of 90 days or less.

c) Financial instruments

The financial instruments are classified according to the business model and the contractual characteristics of the cash flows of the instruments according to CPC 48 - Financial Instruments .

Financial assets and liabilities are initially incorporated on the trade date, i.e., the date on which the Group becomes a party to the provisions of the instrument. The classification of the financial assets and liabilities is determined on the date of initial recognition.

Financial instruments are initially measured at fair value plus the transaction cost, except when financial assets and liabilities are recorded at fair value through profit or loss.

Financial assets and liabilities can be classified into one of the categories: i) financial instrument measured at fair value through profit or loss, ii) financial instrument measured at amortized cost and; iii) financial instrument measured at fair value through other comprehensive income.

The main financial instruments of the BB Seguridade and its subsidiaries are securities mainly held by Banco do Brasil (short- and long-term investment funds, financial bills and sales and purchase agreements). In the reporting exercise, BB Seguridade did not use derivative financial instruments.

The BB Seguridade, through BB Seguros,holds interests in insurance companies, for which CPC 48 is not applied. When there is a divergence in accounting practice in investments in equity investments, it is necessary to adjust the accounting practices for standardization. However, the CPC Technical Pronouncements Review no. 12/2017 allowed, subject to an exemption for insurers, that the entity apply the CPC without need for standardization in relation to the affiliated companies (until January 1, 2022).

c.1) Amortized Cost - These are financial assets held by BB Seguridade (i) for the purpose of receiving their agreed cash flow rather than for sale with profit or loss and (ii) whose terms of the agreement generates cash flows at specified dates exclusively for primary payments and interest payments on the primary amount outstanding.

Short-term financial instruments are recognized as financial assets measured at amortized cost. Changes in these assets are recognized in income for the period in financial income or expense, depending on the result obtained.

c.2) Fair value through other comprehensive income - VJORA - These are financial assets held by BB Seguridade (i) both for the receipt of its cash flow by agreement and for disposal with realization of profits or losses and (ii) the agreement terms of which generates cash flows at specified dates exclusively for primary payments and interest payments on the primary amount outstanding

BB Seguridade currently does not have financial assets classified in this category.

c.3) Fair value through profit or loss (VJR) - Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are classified in this category.

The funds and repurchase agreements are recognized as financial assets at fair value through profit or loss.

c.4) Determination of fair value - Fair value is the price that would be received for the sale of an asset or would be paid by the transfer of a liability in a non-forced transaction between market participants at the measurement date.

The fair value of financial instruments traded in active markets on the balance sheet date is based on the quoted market price or the over-the-counter price (selling price for long positions or purchase price for long positions), without any deduction of transaction cost.

In situations where there is no market price for a particular financial instrument, its fair value is estimated on the basis of valuation methods commonly used in the financial markets that are appropriate to the specific characteristics of the instrument and capture the various risks to which it is exposed . The valuation methods include: the discounted cash flow method, comparison to similar financial instruments for which there is a market with observable prices, option pricing model, credit models and other known valuation models.

The internal pricing models may involve some level of estimation and judgment by the Administration whose intensity will depend, among other factors, on the complexity of the financial instrument.

c.5) Financial liabilities - An instrument is classified as a financial liability when there is a contractual obligation that its settlement is made through the delivery of money or other financial asset, regardless of its legal form. Financial liabilities include short-term and long-term debt that are initially measured at fair value, which is the amount received net of costs incurred in the transaction and subsequently at amortized cost.

d) Write-off of Financial Assets and Financial Liabilities

d.1) Financial assets - A financial asset is written off when: (i) the contractual rights related to the respective cash flows expire; (ii) transfers most of the risks and benefits associated with the asset to third parties; or (iii) when control over the asset is transferred, even having withheld part of the risks and benefits associated with its detention.

The rights and obligations retained in the transfer are incorporated separately as assets and as liabilities, when appropriate. If the control over the asset is retained, the Group continues to incorporate it in the extent of its continuing involvement, which is determined by the extent to which it remains exposed to changes in the value of the transferred asset.

d.2) Financial liabilities - A financial liability is written off when its obligation is eliminated, canceled or prescribed. If an existing financial liability is replaced by another of the same creditor in substantially different terms, or the terms of the existing liability are substantially modified, such modification is treated as a write-off of the original liability and recognition of a new liability, and the difference between the accounting values is recognized in profit or loss.

e) Reduction in the recoverable value of financial assets - Impairment

For impairment of financial assets (impairment), CPC 48 - Financial Instruments, considers the expected credit losses, which are a weighted estimate of the probability of credit losses (that is, the present value of all cash deficits) over the expected life of the financial instrument.

The cash deficit is the difference between the cash flows due to the entity under the contract and the cash flows that the entity expects to receive. As the expected credit losses consider the value and timing of the payments, the credit loss occurs even if the entity expects to be paid in full, but after the due date stipulated by the contract.

For the impairment of commissions receivable, the simplified approach allowed by CPC 48 was used for commercial receivables in which the recognition of expected credit losses follows the model for the entire life of the instrument.

Annually is assessed at BB Seguridade if there is any objective evidence of impairment of its financial assets, according to CPC 48 - Financial Instruments.

f) Change of Corporate Interest in Subsidiaries

Changes in corporate interest in a subsidiary that do not result in loss of control are accounted for as equity transactions (ie, transactions with owners in the capacity of owners). Consequently, no premium is recognized as a result of such transactions.

In such circumstances, the carrying amounts of the interests of the parent and subsidiary companies will be adjusted to reflect changes in their relative interests in the subsidiary company. Any difference between the value by which the interests of subsidiary companies are adjusted and the fair value of the consideration paid or received will be recognized directly in equity and attributed to the owners of the parent company.

g) Loss of Control

In accordance with CPC 36 (IFRS 10), in the event of loss of control of a subsidiary company, BB Seguridade no longer recognizes, at the date control is lost: (i) assets, including premiuns, and liabilities of the subsidiary company at its book value; and (ii) the carrying amount of any interests of subsidiries in the former subsidiary, including any components of other comprehensive income attributed to it.

In addition, BB Seguridade recognizes at the date of loss of control: (i) the fair value of the consideration received, if any, originated from the transaction, event or circumstances that resulted in the loss of control; (ii) the distribution of shares of the subsidiary to the owners, if the transaction that resulted in the loss of control involves a distribution of shares; (iii) any investment retained in the former subsidiary at its fair value; and (iv) any resulting difference as a gain or loss in profit or loss attributable to the parent.

h) Goodwill and Other Intangible Assets

The goodwill generated on the acquisition of investments of corporate interests is accounted considering the fair value of the identifiable assets and the assumed liabilities of the acquiring company on the acquisition date and, in accordance with the applicable standards, is not amortized. However, it is tested, at least annually, for impairment purposes. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets are incorporated separately from goodwill when they are separable or arise from contractual rights or other legal rights, their fair value can be measured reliably and it is probable that the expected future economic benefits will be transferred to BB Seguridade. The cost of intangible assets acquired in a business combination is its fair value at the acquisition date. The intangible assets acquired independently are initially measured at cost.

The useful life of intangible assets is considered to be definite or indefinite. Intangible assets with defined useful lives are amortized over the course of their economic life. They are initially registered at cost, less accumulated amortization and impairment losses. Intangible assets with indefinite useful lives are recorded at cost less any impairment losses.

The costs incurred related to the acquisition, production and development of software are capitalized and registered as intangible assets. Expenses from the research phase are registered as expenses.

Intangible assets with definite useful lives are amortized on a straight-line basis over the estimated useful life. The amortization method and period of an intangible asset with a definite useful life are reviewed at least annually. Changes in the expected useful life or proportion of expected use of the future benefits incorporated in the asset are recognized through changes in the amortization period or method, when appropriate, and treated as changes in accounting estimates.

The amortization expense of intangible assets with definite useful life and impairment losses are recognized in the statement of income in the line “Other” in the Statement of Income.

i) Decrease in the recoverable value of non-financial assets - Impairment

Annually, it is evaluated, based on internal and external sources of information, if there is any indication that a non-financial asset may be with recoverability problems. If there is such indication, the asset's recoverable amount is estimated. The recoverable value of the asset is the higher of its fair value less costs to sell it or its value in use.

Whether there was any indication of loss in the recoverable amount the impairment test of intangible assets with indefinite useful life is annually performed, including premium acquired in a business combination, or an intangible asset not yet available for use. This test can be performed at any time during an annual period, provided it is performed at the same time each year.

In the event that the recoverable value of the asset is lower than its carrying amount, the carrying amount of the asset is reduced to its recoverable value by an impairment loss, the consideration of which is incorporated in the income statement for that year, in other expenses / operating revenues.

Annually, it is assessed whether there is any indication that a loss by reduction to recoverable value incorporated in prior periods for an asset other than premium for expected future profitability, it might no longer exist or may have decreased. If there is such indication, the asset's recoverable amount is estimated. The reversal of a loss for impairment of an asset will be registered immediately in the income statement for the period, as a rectifier of the balance of Other (expenses) / operating income.

j) Investments in Corporate Interests

Under the equity method, the investment is initially measured at cost and subsequently adjusted by the investor's recognition of changes in the net assets of the invested company. In addition, the portion of the investor's income in the results generated by the invested company must be included in the profit and losses of the investor's period, according to CPC 18 (R2) - Investment in Affiliate, Subsidiary and Joint Venture.

In situations where the investees use different accounting practices in events and transactions of the same nature in similar circumstances, the necessary adjustments are made to adjust the financial statements of the investees to the accounting practices adopted by the investor.

k) Provisions, Contingent Liabilities and Legal Obligations

The incorporation, measurement and disclosure of contingent liabilities and legal obligations are carried out in accordance with the criteria defined in CPC 25 - Provisions, Contingent Liabilities and Contingent Assets.

Provisions related to legal and / or administrative proceedings are recognized in the financial statements when, based on the analysis of legal advisors and management, the risk of loss of a legal or administrative action is considered probable, with a probable outflow of funds for the settlement of obligations and when the amounts involved are measurable with sufficient certainty, being quantified when the court summons / notification and reviewed monthly on an individual basis, thus considering the processes related to causes considered unusual or whose value is considered relevant under the analysis of advisors considering the intended compensation amount.Contingent liabilities classified as possible losses are not recognized in the accounting statements, and they should only be disclosed in the explanatory notes, and those classified as remote do not require provision or disclosure.

Contingent liabilities classified as possible losses are not recognized in the accounts, and should only be disclosed in the explanatory notes, and those classified as remote do not require provision and disclosure.

Tax legal obligations are derived from tax obligations under the law, irrespective of the probability of success of lawsuits in progress and their amounts are fully recognized in the financial statements.

l) Taxes

Taxes are calculated based on the rates shown in the table below:

Taxes	Tax Rate
Income Tax (IRPJ) (1)	25%
Social Contribution on Net Income (CSLL)	9%
Contribution to PIS (Social Integration Program) / Pasep (Investment Program for Civil Servants)	1.65%
Contribution for the financing of Social Security (COFINS)	7.60%
Contribution to PIS / Pasep(2)	0.65%
Contribution for the financing of Social Security (COFINS)(2)	4%
Municipal services tax- ISS	Up to 5%

(1) Includes basic rate (15%) and additional (10%)
(2) Interest rate on financial investments.

The deferred tax assets and deferred tax liabilities are constituted by the application of the current tax rates on their respective bases. For constitution, maintenance and write-off of deferred tax assets, the criteria established by CPC 32 - Taxes on Profit are observed, and are supported by a realization capacity study.

m) Segment Disclosure

CPC 22 - Information by Segment (IFRS 8) requires the disclosure of financial information of the entity's operating segments based on the internal disclosures that are used by Management to allocate resources and to evaluate its financial and economic performance

n) Interest on Shareholder's Capital and Dividends

Brazilian companies may assign a nominal interest expense, deductible for tax purposes, on their own capital. The amount of interest on shareholders 'equity is considered as a dividend and, when applicable, presented in these consolidated financial statements as a direct reduction in stockholders' equity.

Under the current dividends policy, BB Seguridade distributes to shareholders as mandatory dividend a portion corresponding to at least 25% of adjusted net income with the deductions and increases provided for in Art. 202 of Law 6,404 / 76, which are recognized as a liability and deducted from shareholders' equity when allocating the result of the period.

In the reported period there was no payment of Interest on Shareholder's Capital

o) Earning per share

The earnings per share disclosure is made in accordance with the criteria defined in CPC 41 - Earning per Share. The basic and diluted earning per share of BB Seguridade was calculated by dividing net income attributable to shareholders by the weighted average number of total common shares, excluding treasury shares. BB Seguridade has no option, subscription bonus or its equivalents that give its holder the right to acquire shares. Thus, basic and diluted earnings per share are the same.

p) Leasing operations

The recognition, measurement and disclosure of leases are carried out in accordance with the criteria defined in CPC 06 (R2) - Leasing Operations, effective as of January 1, 2019.

BB Seguridade and its subsidiaries do not have leasing operations, but they have investiments in insurance companies, for which the SUSEP has not yet approved the adoption of the new standard. When there is a divergence in the accounting practice adopted by the investor in relation to the investee companies, adjustment procedures are necessary for standardization purposes. Considering the current leasing operations of the investees, the necessary adjustments were made in the investments to standardize the practices.

In 2019, adjustments were made to BB Seguridade Consolidated to standardize the accounting practice adopted by the investee BB Mapfre Participações S.A. (Brasilseg) of divergence in the amount of R$ 23.2 million. There was not any impact in 2018 due to the methodology applied by the Company in adopting the new accounting standard.

q) Improvements to IFRS and Recently Issued Pronouncements

Improvements to IFRS are amendments issued by the IASB and comprise changes in recognition, measurement and disclosure rules related to various IFRS. We present a summary of some amendments as well as the interpretations and pronouncements recently issued by the IASB and CPC, which will come into effect after this period:

IFRS 17 - Insurance Contracts - In May 2017, the IASB issued a new standard aimed at the insurance market with the aim of standardizing globally the accounting of insurance contracts.

IFRS 17 replaces IFRS 4, which was brought as an intermediary standard in 2004. IFRS 4 provided the waiver of companies to continue accounting for insurance contracts using national accounting standards, resulting in different approaches. The new standard requires all insurance contracts to be accounted for consistently, benefiting both investors and insurance companies.

The IFRS becomes effective on January 1, 2022, with anticipated application permitted.

To this date, the CPC has not issued an equivalent standard.

The possible impacts resulting from its adoption in the group companies will be evaluated and concluded by the date of entry into force of the standard.

Conceptual Framework for Financial Reporting - (Review 2) - In March 2018, the IASB issued the review of the Conceptual Framework for Financial Reporting (Conceptual Framework For Financial). In November 2019, the Accounting Pronouncements Committee also approved the issuance of this review. The changes took effect from January 1, 2020.

The purpose of the Conceptual Framework is to assist in the development of accounting standards so that they are based on consistent concepts, to assist those responsible for preparing the financial statements for the development and choices of their accounting policies, in addition to assisting all parties to understand and interpret the Pronouncements.

We emphasize that the Conceptual Framework is not a pronouncement per se. The content of this review does not override any pronouncement or requirement in the pronouncement.

The new Conceptual Framework brought some concepts up to date, such as the definitions of assets and liabilities, but it is not expected to have significant impacts on the financial statements resulting from the implementation of this standard.

5 – RISK MANAGEMENT

The risk management at BB Seguridade follows the guidelines established in its Risk Management, Internal Control and Compliance Policy, approved by the Board of Directors and disclosed to the market through the investors relations website.

The Company understands that its risk exposure originates from its interests, and therefore the Policy contemplates two risk management dimensions: risk management (risks arising from the operations of BB Seguridade and its subsidiaries) and risk governance (risks arising from associates/joint ventures).

By means of its Risk Appetite Statement, approved by the Board of Directors, the Company defines the maximum levels of risks that it accepts to incur in the fulfillment of its objectives.

The risk management process at BB Seguridade is based on the steps of setting the context, identifying, analyzing, evaluating, treating, monitoring, and communicating and consulting the risks. This process is internally documented in the Group's Risk Management, Internal Controls and Compliance Model.

BB Seguridade Group has a technical area dedicated to risk management, internal controls and compliance, segregated from the business areas and Internal Audit. The area is responsible for providing the basis and support to the performance of the risk management process, which contemplates BB Seguridade and its subsidiaries, as well as the achievement of risk governance concerning the other entities in which it holds interests.

a) Risk management at BB Seguridade and its subsidiaries

The risk management framework adopted by BB Seguridade, as defined in its Risk Management, Internal Control and Compliance Policy, is structured based on a three-line of defense model: in the first line, the process managers (risk owners) are responsible for implementing preventive and corrective actions that mitigate the weaknesses identified in the processes and control deficiencies; in the second line, the Superintendence of Risk and Controls assists and monitors the risk owner in managing risks and internal controls in order to adjust them to the Group's risk appetite; and in the third line, the Internal Audit works independently, by providing to governance bodies assessments on the risk management and internal control effectiveness.

The risk management mechanisms and tools also include, among others: segregation of duties; joint decisions; Information Security Policy, Preventing and Combating Money Laundering, Terrorist Financing and Corruption Policy, Code of Ethics and Conduct and an Integrity Program in line with Law 12,846/2013 (Anti-Corruption Law) and Decree 8,420/2015 (documents disclosed internally and also to the market, available at the investors relations website); internal risk management, internal controls and compliance regulations, in addition to internal communication program on risk management, internal controls and compliance, continuously promoting the adaptation of the entire Group to these subjects.

The Executive Board is supported by the Finance and Investment Committee, which advises on issues concerning the management and control of the risks arising from the investments in the Group's and its subsidiaries' financial asset.

The governance structure of BB Seguridade also includes the Audit Committee, a statutory body advising the Board of Directors, which is responsible for evaluating and monitoring the Group's risk exposures.

Information related to risk management are periodically reported to the Executive Board, to the Audit Committee and to the Board of Directors and are also reported to the Supervisory Council.

a.1) Risks associated with investments in financial assets

In addition to the Risk Management Policy, the Group has a Financial Investment Policy, approved by the Board of Directors and applicable to its subsidiaries, that sets out the criteria relating to the nature, term and acceptable risks of the financial investments. The current policy allows the investment of funds only in fixed-income securities and, in case of corporate bonds, the counterparty must have a minimum rating of "investment grade", issued by at least one of the following risk rating agencies: Moody's, Standard & Poor's and Fitch Ratings. Also concentration limits are defined by counterparty and rating. Operations with assets that result in foreign currency risk, variable income or leverage risk are prohibited, as well as the trading of derivative instruments, except through fixed-income mutual funds.

The investments in financial assets of BB Seguridade and its subsidiaries, classified as cash equivalents, are concentrated on repurchase agreements backed by Federal Government Bonds and Corporate Bonds, with Banco do Brasil as the seller (note 7). Other investments in financial assets classified as financial instruments are invested in fixed-income long-term mutual fund and financial bills (note 8)

a.2) Market Risk

Market risk is defined as the possibility of negative impacts resulting from fluctuation in the market values of positions in financial instruments held by the Group. At BB Seguridade and its subsidiaries, the exposure to this risk arises from the investment portfolio in financial assets.

The market risk is managed based in the Financial Investment Policy, that defines which assets may comprise the portfolio and the VaR (Value at Risk) limit, calculated for 21 business days, with the portfolio volatility estimated using the exponentially weighted moving average (EWMA) and 95% confidence level. The indicator is monitored by the Finance and Investment Committee and by the Executive Board.

Market risk exposure in investments in financial assets

R$ thousand

	Impact on the portfolio							
	Parent				Consolidated			
	Dec 31, 2019	%	Dec 31, 2018	%	Dec 31, 2019	%	Dec 31, 2018	%
Value at Risk (VaR)	0	0.00	0	0.00	26	0.00	19	0.00

Sensitivity analysis on market risk factors

On December 31, 2019, the only derivative instrument held by BB Seguridade and its subsidiaries was One-day Interbank Deposit Futures and DI x IPCA Spread Futures via fixed-income mutual funds. BB Seguridade's and its subsidiaries' exposure to market risk factors was due to its financial assets, which almost fully (99,93% of the total amount) comprise financial instruments yielding variable interest pegged to the DI or Selic rate. Based on the studies conducted, there is no relevant exposure to market risk factors.

a.3) Credit Risk

The credit risk is defined by the Group as the possibility of negative impacts associated to the non-fulfillment, by a borrower or a counterparty, of its corresponding financial obligations according to negotiated terms, and/or to the devaluation of receivables due to a drop in the borrower's or counterparty's risk rating. At BB Seguridade and its subsidiaries, the exposure to this risk arises from the investment portfolio in financial assets, which is composed of Bonds issued by private counterparties.

Due to the nature of the Group's operation, there is no relevant credit risk arising from the payment of brokerage fee for products sold by BB Corretora, because these amounts are received by Banco do Brasil and passed on directly to BB Corretora.

Credit risk exposure in investments in financial assets

R$ thousand

Financial assets(1)	Parent				Consolidated			
	Dec 31, 2019	%	Dec 31, 2018	%	Dec 31, 2019	%	Dec 31, 2018	%
Federal Government Bonds(2)	4,231,193	100.00	4,428,956	100.00	7,662,234	91.62	6,197,662	88.73
Corporate bonds(3)	2	0,00	--	--	700,401	8.38	786,889	11.27
Other(4)	--	--	--	--	(6)	(0.00)	(5)	(0.00)
Total	**4,231,195**	**100.00**	**4,428,956**	**100.00**	**8,362,629**	**100.00**	**6,984,546**	**100.00**

(1) Does not include the amount invested at Brasil Aceleradora de Startups fund. Total amount in the fund is R$ 3,413 thousand on Dec 31, 2019 (R$ 1,208 thousand on Dec 31, 2018).

(2) Includes repurchase agreements backed by Federal Government Bonds.

(3) Corporate Bonds in Parent's portfolio are concentrated in Financial Bills with AA+ credit rating.

(4) Includes cash, cash equivalents, amounts payable and receivable from mutual funds

R$ thousand

Corporate Bonds– Rating(1)	Consolidated											
	Dec 31, 2019						Dec 31, 2018					
	Debentures	Financial bills	Repurchase Agreements(2)	FIDC	Other(3)	Total	Debentures	Financial bills	Repurchase Agreements(2)	FIDC	Other(3)	Total
AAA	27,767	17,294	--	--	1,616	**46,677**	10,236	14,425	--	--	--	**24,661**
AA+ / AA / AA-	18,684	623,120	--	--	3,795	**645,599**	9,721	573,785	164,083	--	2,748	**750,337**
A+ / A / A-	1,055	--	--	--	--	**1,055**	1,682	--	--	--	--	**1,682**
BBB+ / BBB / BBB-	347	--	--	--	--	**347**	548	--	--	--	--	**548**
BB+ / BB / BB-	96	--	--	--	--	**96**	2,385	--	--	--	--	**2,385**
B+ / B / B-	--	--	--	--	--	**--**	202	--	--	--	--	**202**
CCC+ / CCC / CCC-	--	--	--	--	--	**--**	4	--	--	--	117	**121**
CC / C / D(4)	276	--	--	--	--	**276**	294	--	--	--	--	**294**
No Rating	1,635	1,258	--	3,458	--	**6,351**	1,427	--	--	3,913	1,319	**6,659**
Total	**49,860**	**641,672**	**--**	**3,458**	**5,411**	**700,401**	**26,499**	**588,210**	**164,083**	**3,913**	**4,184**	**786,889**

(1) Standard & Poor's was used as the basis for conversion of ratings from other agencies, all presented as national scale ratings.

(2) Considers investment in repurchase agreements backed by corporate bonds (leasing companies' debentures) and the rating considered is that of the bank which has the repurchase commitment.

(3) Includes Guaranteed Time-Deposit assets (DPGE), mortgage bills, time-deposits (CDB) and Commercial Papers.

(4) Does not include part of the amount invested in debentures issued by Oi Sa, present in mutual funds, because this amount is provisioned by the fund due to the court-ordered reorganization of this company. The amount of this provision is R$402 thousand on December 31, 2019 (R$429 thousand on Dec 31, 2018).

a.4) Liquidity Risk and capital management

The liquidity risk is defined by the Group as the possibility of negative impacts due to lack of resources to pay financial commitments at maturity.

BB Seguridade and its subsidiaries maintain assets with a high degree of conversion in cash to cover liabilities and other expected allocations to short term. The parameters used are defined in the Financial Investment Policy, Capital Management Policy and the Capital Plan.

The Capital Plan, prepared for a minimum three-year horizon, presents the projected financial flows from the operational activity, such as compensation from commissions, equity interests, expenses inherent to the Group's activities and those resulting from strategic movements, such as allocation of funds to equity interests, strategic investments, divestitures and disposals and considers the maintenance of a liquidity margin in order to keep the financial balance in case of unpredictable events.

The Company and its subsidiaries' main liabilities refer to administrative costs, payment of taxes and dividends.

The main assets and liabilities that generate liquidity risk are present below.

R$ thousand

		Parent			
Liquidity Risk		**Dec 31, 2019**		**Dec 31, 2018**	
	Note	**Up to 1 year**	**More than 1 year**	**Up to 1 year**	**More than 1 year**
ASSETS					
Cash and cash equivalents	[07]	4,231,195	--	4,428,956	--
Financial assets measured at amortised cost	[08]	--	--	--	--
Financial assets at fair value through profit or loss	[08]	--	3,413	--	1,208
Commissions receivable	[13]	--	--	--	--
LIABILITIES					
Dividends payable	[15]	6,490,643	--	4,052,523	--
Current tax liabilities	[12]	980	--	1,220	--
Unearned commissions	[17]	--	--	--	--
Other liabilities	[18]	8,238	--	8,802	--

R$ thousand

		Consolidated			
Liquidity Risk		**Dec 31, 2019**		**Dec 31, 2018**	
	Note	**Up to 1 year**	**More than 1 year**	**Up to 1 year**	**More than 1 year**
ASSETS					
Cash and cash equivalents	[07]	7,381,292	--	6,056,247	--
Financial assets measured at amortised cost	[08]	286,301	238,305	--	493,531
Financial assets at fair value through profit or loss	[08]	--	460,147	--	435,975
Commissions receivable	[13]	1,340,315	--	1,006,939	--
LIABILITIES					
Dividends payable	[15]	6,490,643	--	4,052,523	--
Current tax liabilities	[12]	656,871	--	590,387	--
Unearned commissions	[17]	993,057	1,226,955	858,846	997,591
Other liabilities	[18]	64,643	--	48,426	--

b) Risk Governance applied to Affiliated Companies

The associates/joint ventures have own risk management framework. The results of the work performed by these frameworks provide inputs to the achievement of continuous assessment and monitoring performed by BB Seguridade which seeks, through governance, the adoption of best risk management practices by the associates/joint ventures.

The associates/joint ventures regulated by Susep have risk management framework based on minimum requirements defined by the regulatory body, established at Susep Circular Letter 521/2015.

b.1) Liquidity, solvency and capital management

For the associates/joint ventures regulated by Susep, the main indicator for capital management is the Solvency Capital Requirement (CMR), which represents the total capital a company must maintain, at any time, to operate, and intends to guarantee the risks inherent to their operations, as regulated by CNSP Resolution 321/2015.

CMR is composed of portions relating to underwriting, credit, operational and market risks and the solvency capital requirement adequacy is measured using the Adjusted Net Equity (PLA) of the entity, which must be equal to or above the calculated CMR.

CNSP Resolution 321/2015 also establishes technical provisions calculation models and requires a minimal liquidity above the provisioned amounts.

For Brasildental, the National Agency of Supplementary Health (ANS) sets rules for recognition of technical reserves, Minimum Adjusted Equity (PMA) criteria and Solvency Margin criteria according to Regulatory Resolution 209/2009.

On December 31, 2019, all associates/joint ventures in which BB Seguridade holds interest and that must maintain minimum regulatory capital presented liquidity, capital and solvency adequacy, in accordance with applicable regulation.

6 – SEGMENT INFORMATION

The information by segment has been prepared considering the criteria used by Management to evaluate the performance, in decisions made regarding the allocation of funds for investment and other purposes, considering the regulatory environment and the similarities between goods and services.

BB Seguridade Group's operations are basically divided into two segments: i) insurance, which includes insurance and reinsurance operations (reinsurance until July 23, 2019), pension plans, capitalization and health; and ii) brokerage.

a) Insurance

In this segment, products and services offered are related to life, property and vehicle insurance, property and vehicle insurance, rural, special risks and financial, transport, hulls, and housing people, supplementary pension plans, dental plans and capitalization plans, and reinsurance.

The profit or loss from this segment derives mainly from revenues from insurance and reinsurance premiums, contributions to private pension plans, contributions to dental plans, capitalization bonds and investments in securities, less sales expenses, technical reserves and expenses related to claims.

Profit and loss is recorded under the equity method of the investments in subsidiaries.

b) Brokerage

In this segment, products and services offered are related to brokerage and management, fulfillment, promotion and facilitation of casualty, life and capitalization insurance, pension plans, dental plans and health insurance, It includes the balances of BB Corretora and its investee Ciclic..

c) Financial Information by Reportable Segment

R$ thousand

	2019			
	Insurance	Brokerage	Intersegment transactions	Total
OPERATING INCOME	**8,907,623**	**3,051,957**	**(6,569,590)**	**5,389,990**
Equity income	8,907,623	(14,274)	(6,569,590)	2,323,759
Commissions income	--	3,066,231	--	3,066,231
COST OF SERVICES PROVIDED	**--**	**(185,706)**	**--**	**(185,706)**
GROSS PROFIT	**8,907,623**	**2,866,251**	**(6,569,590)**	**5,204,284**
OTHER INCOME AND EXPENSES	**3,472,554**	**(75,903)**	**--**	**3,396,651**
Personnel expenses	(21,106)	(37,332)	--	(58,438)
Adminstrative expenses	(13,543)	(27,796)	--	(41,339)
Tax expenses	(19,454)	(5,171)	--	(24,625)
Other	3,526,654	(5,601)	--	3,521,053
INCOME BEFORE FINANCIAL REVENUE AND EXPENSES	**12,380,177**	**2,790,348**	**(6,569,590)**	**8,600,935**
FINANCIAL RESULT	211,244	101,625	--	312,869
Financial revenue	242,382	109,932	(8,792)	343,522
Financial expenses	(31,138)	(8,307)	8,792	(30,653)
INCOME BEFORE TAXES AND EQUITIES	**12,591,420**	**2,891,974**	**(6,569,590)**	**8,913,804**
INCOME TAX AND SOCIAL CONTRIBUTION	(1,275,649)	(979,374)	--	(2,255,023)
NET INCOME FOR THE PERIOD	**11,315,772**	**1,912,599**	**(6,569,590)**	**6,658,781**

R$ thousand

	2018			
	Insurance	Brokerage	Intersegment transactions	Total
OPERATING INCOME	**5,401,097**	**2,585,577**	**(3,472,955)**	**4,513,719**
Equity income	5,401,097	(1,010)	(3,472,955)	1,927,132
Commissions income	--	2,586,587	--	2,586,587
COST OF SERVICES PROVIDED	**--**	**(185,089)**	**--**	**(185,089)**
GROSS PROFIT	**5,401,097**	**2,400,488**	**(3,472,955)**	**4,328,630**
OTHER INCOME AND EXPENSES	**148,040**	**(62,277)**	**--**	**85,763**
Personnel expenses	(23,852)	(32,069)	--	(55,921)
Adminstrative expenses	(19,314)	(18,068)	--	(37,382)
Tax expenses	(19,493)	(4,866)	--	(24,359)
Other	210,699	(7,274)	--	203,425
INCOME BEFORE FINANCIAL REVENUE AND EXPENSES	**5,549,137**	**2,338,211**	**(3,472,955)**	**4,414,393**
FINANCIAL RESULT	**139,656**	**96,854**	**--**	**236,510**
Financial revenue	177,732	103,173	(6,848)	274,057
Financial expenses	(38,076)	(6,319)	6,848	(37,547)
INCOME BEFORE TAXES AND EQUITIES	**5,688,793**	**2,435,065**	**(3,472,955)**	**4,650,903**
INCOME TAX AND SOCIAL CONTRIBUTION	(288,789)	(822,561)	--	(1,111,350)
NET INCOME FOR THE PERIOD	**5,400,004**	**1,612,504**	**(3,472,955)**	**3,539,553**

d) Balance sheet by segment

R$ thousand

	Dec, 31.2019			
	Insurance	Brokerage	Intersegment transactions	Total
Current assets	7,983,069	2,753,321	(1,998,131)	8,738,259
Non-current assets	10,408,745	1,257,846	(5,478,303)	6,188,288
Total assets	**18,391,814**	**4,011,167**	**(7,476,434)**	**14,926,547**
Current liabilities	7,482,618	2,731,240	(1,998,130)	8,215,728
Non-current liabilities	229,046	1,233,019	--	1,462,065
Equity	10,680,150	46,908	(5,478,304)	5,248,754
Total liabilities and equity	**18,391,814**	**4,011,167**	**(7,476,434)**	**14,926,547**

R$ thousand

	Dec, 31.2018			
	Insurance	Brokerage	Intersegment transactions	Total
Current assets	5,760,619	1,655,528	(520,908)	6,895,239
Non-current assets	11,202,404	1,396,281	(5,867,234)	6,731,451
Total assets	**16,963,022**	**3,051,809**	**(6,388,141)**	**13,626,690**
Current liabilities	4,081,860	2,007,310	(520,908)	5,568,262
Non-current liabilities	230,452	997,591	--	6,796,305
Equity	12,650,711	46,908	(5,867,234)	6,830,385
Total liabilities and equity	**16,963,022**	**3,051,809**	**(6,388,141)**	**13,626,690**

e) Insurance Segment Subdivision

Insurance Segment results are evaluated considering the following lines of business: (i) Insurance, (ii) Reinsurance (until July 23, 2019), (iii) Private Pension Plans, (iv) Capitalization Plans and (v) Health.

Insurance - The sub segment comprises insurance products offered by SH1 insurers and, until November 2018, also comprised products offered by SH2 insurers. After the restructuring carried out in November 2018, the propety insurance was migrated to SH1.

Insurance – Life, Mortgage Life and Rural - Life, mortgage life and rural comprise the products offered by BB Mapfre SH1 (personal, property and rural insurance), Income arises mainly from insurance premiums revenues and investments in securities, net of selling expenses, technical provisions and claims expenses.

Insurance – Property and Casualty - Property and casualty insurance comprise the products offered by Mapfre BB SH2 until November 2018 (casualty and vehicle insurance), After the restructuring carried out in November 2018, the propety insurance was migrated to BB Mapfre SH1, Income and expenses are recorded by the equity method and arise, mainly, from insurance premiums revenues and investments in securities, net of selling expenses, technical provisions and claims expenses.

Reinsurance - Reinsurance comprises the products offered by IRB Brasil Re (reinsurance operations), until July 23, 2019, Income and expenses are recorded by the equity method and arise, mainly, from reinsurance premiums issued in the country and abroad revenues and investments in securities, net of selling expenses, technical provisions and claims expenses.

Private Pension Plans - Pension plans are offered in plans marketed by Brasilprev, Income arise mainly from administration fees and investments in securities, net of selling expenses, technical provisions and expenses with benefits and redemption.

Capitalization Plans - Brasilcap primarily responsible for offering capitalization plans, Income and expenses are recorded by the equity method and arise, mainly, from insurance premiums issued revenues and investments in securities, net of selling expenses, technical provisions and expenses with redemption and lottery.

Health - Reinsurance comprises the products offered by Brasildental Operadora de Planos Odontológicos, (operation of private dental plans), Income and expenses are recorded by the equity method and arise, mainly, from health dental plans/ retained premiums and investments in securities, net of selling expenses and technical provisions.

f) Combined Statement of Income by Sub Segment

R$ thousand

	Dec, 31.2019				
	Life, Mortgage, Rural and Property	Reinsurance (1)	Private Pension Plans	Capitalization Plans	Health
Insurance income					
Earned premiums	8,131,005	3,095,510	--	--	--
Retained premiums	9,046,331	3,555,183	--	--	--
Change in technical provisions	(915,326)	(459,673)	--	--	--
Income/expenses insurance	14,192	--	--	--	--
Retained claims	(3,113,955)	(2,146,015)	--	--	--
Costs acquisition	(2,688,748)	(76,491)	--	--	--
Result from reinsurance income	**363,927**	**(338,749)**	--	--	--
Reinsurance income	1,103,764	577,927	--	--	--
Reinsurance income	(739,837)	(916,676)	--	--	--
Private pension plans income	--	--	**2,355,139**	--	--
Retained contributions	--	--	41,972,706	--	--
Benefits provision	--	--	(41,949,696)	--	--
Change in technical provisions	--	--	(79,417)	--	--
Income from management fees	--	--	2,844,147	--	--
Benefits and redemption expenses	--	--	(8,224)	--	--
Retained benefits	--	--	62,843	--	--
Risk contributions	--	--	184,860	--	--
Selling expenses	--	--	(672,080)	--	--
Capitalization plans income	--	--	--	**687,607**	--
Net securities capitalization	--	--	--	5,381,088	--
Fundraising with bonds	--	--	--	(4,693,481)	--
Change in provision for redemption	--	--	--	(21,091)	--
Change in technical provisions	--	--	--	(74,993)	--
Raffle results	--	--	--	(508,006)	--
Selling expenses	--	--	--	--	--
Health income	--	--	--	--	**64,955**
Health dental plans income	--	--	--	--	64,955
Other operation income (expenses)	--	--	--	--	--
Other operation income (expenses)	(296,394)	(36,762)	(71,493)	9,844	(11,338)
Administrative expenses	(435,970)	(141,252)	(435,201)	(85,159)	(20,839)
Taxes expenses	(258,026)	(57,865)	(216,304)	(31,525)	(3,507)
Result from interest income	**356,859**	**521,908**	**653,296**	**192,787**	**429**
Interest income	542,538	713,115	20,566,347	933,149	2,023
Interest expenses	(185,679)	(191,207)	(19,913,051)	(740,362)	(1,594)
Equity in earnings	**890**	**35,224**	--	**(22)**	--
Operating results	**2,073,780**	**855,508**	**2,285,437**	**169,442**	**29,700**
Non-current assets results	**(5,743)**	**27**	**(9,073)**	**37**	--
Income before taxes	**2,068,037**	**855,535**	**2,276,364**	**169,479**	**29,700**
Interest taxes	(599,043)	(116,663)	(844,815)	(63,231)	(10,043)
Results participation	**(20,321)**	--	**(12,120)**	**(5,341)**	**(343)**
Net income	**1,448,673**	**738,872**	**1,419,429**	**100,907**	**19,314**
Attributable to Group BB Seguridade	**1,086,360**	**112,536**	**1,064,501**	**67,266**	**14,485**
Other adjustements	(13,369)	6,255	--	--	--
Equity income	1,072,991	118,791	1,064,501	67,266	14,485
Attributable to other stockholders'	362,313	626,336	354,928	33,641	4,829
Total assets	**14,945,804**	--	**295,174,199**	**10,051,037**	**43,827**
Total liabilities	**12,959,265**	--	**291,889,999**	**9,569,213**	**22,373**
Total Equity	**1,986,539**	--	**3,284,200**	**481,823**	**21,454**
Attributable to Group BB Seguridade	1,489,706	--	2,462,986	321,184	16,090
Other adjustements	538,899	--	(22,831)	110,748	(3,210)
Book balance of investment	**2,028,605**	--	**2,440,155**	**431,932**	**12,880**

(1) On July 23, 2019, BB Seguros sold all the shares held in IRB-Brasil Resseguros S.A, as explained in Note 2.

R$ thousand

	Dec, 31.2018					
	Life, Mortgage, Rural and Property	Property and Casualty (1)	Reinsurance	Private Pension Plans	Capitalization Plans	Health
Insurance income						
Earned premiums	**8,233,486**	**7,689,301**	**5,764,638**	**--**	**--**	**--**
Retained premiums	8,224,277	7,768,472	6,035,512	--	--	--
Change in technical provisions	9,209	(79,171)	(270,874)	--	--	--
Income/expenses insurance	13,415	18,887	--	--	--	--
Retained claims	(2,875,738)	(5,186,681)	(2,837,789)	--	--	--
Costs acquisition	(2,299,563)	(1,630,571)	(140,721)	--	--	--
Result from reinsurance income	**(105,198)**	**(280,829)**	**(1,439,540)**	**--**	**--**	**--**
Reinsurance income	687,041	1,282,412	299,888	--	--	--
Reinsurance income	(792,239)	(1,563,241)	(1,739,428)	--	--	--
Private pension plans income						
Retained contributions	--	--	--	34,558,757	--	--
Benefits provision	--	--	--	(34,392,272)	--	--
Change in technical provisions	--	--	--	(45,610)	--	--
Income from management fees	--	--	--	2,623,629	--	--
Benefits and redemption expenses	--	--	--	(17,393)	--	--
Retained benefits	--	--	--	(4,059)	--	--
Risk contributions	--	--	--	188,495	--	--
Selling expenses	--	--	--	(648,428)	--	--
Capitalization plans income						
Net securities capitalization	**--**	**--**	**--**	**--**	**590,024**	**--**
Fundraising with bonds	--	--	--	--	4,609,884	--
Change in provision for redemption	--	--	--	--	(4,019,860)	--
Change in technical provisions	--	--	--	--	(18,288)	--
Raffle results	--	--	--	--	(65,143)	--
Selling expenses	--	--	--	--	(378,906)	--
Health income						
Health dental plans income	--	--	--	--	--	63,236
Other operation income (expenses)						
Other operation income (expenses)	(284,191)	(450,824)	(18,290)	(51,582)	3,317	(14,252)
Administrative expenses	(435,373)	(908,698)	(205,733)	(397,901)	(80,684)	(18,276)
Taxes expenses	(277,582)	(152,159)	(132,416)	(201,044)	(27,268)	(5,449)
Result from interest income	**445,592**	**272,358**	**440,356**	**117,534**	**184,326**	**592**
Interest income	523,721	443,780	1,661,665	14,785,401	911,267	2,122
Interest expenses	(78,129)	(171,422)	(1,221,309)	(14,667,867)	(726,941)	(1,530)
Equity in earnings	**63**	**920**	**114,121**	**--**	**(22)**	**--**
Operating results	**2,414,911**	**(628,296)**	**1,544,626**	**1,730,126**	**207,356**	**25,851**
Non-current assets results	**4,330**	**(1,234)**	**(28)**	**(79)**	**(66)**	**--**
Income before taxes	**2,419,241**	**(629,530)**	**1,544,598**	**1,730,047**	**207,290**	**25,851**
Interest taxes	(881,399)	236,617	(278,857)	(732,055)	(82,104)	(8,822)
Results participation	(13,768)	(30,052)	(23,784)	(8,801)	(5,632)	(707)
Net income	**1,524,074**	**(422,965)**	**1,241,957**	**989,191**	**119,554**	**16,322**
Attributable to Group BB Seguridade	**1,142,903**	**(211,483)**	**189,160**	**741,845**	**79,694**	**12,241**
Other adjustements	(15,558)	(5,144)	(892)	--	(4,623)	--
Equity income	1,127,345	(216,627)	188,268	741,845	75,071	12,241
Attributable to other stockholders'	381,171	(211,482)	1,052,797	247,346	39,860	4,081
Total assets	**13,722,538**	**--**	**15,849,466**	**261,419,298**	**10,586,912**	**41,348**
Total liabilities	**11,534,629**	**--**	**11,755,565**	**258,543,700**	**10,205,791**	**27,488**
Total Equity	**2,163,556**	**--**	**4,093,901**	**2,875,598**	**381,121**	**13,860**
Attributable to Group BB Seguridade	1,622,451	--	623,535	2,156,555	254,056	10,395
Other adjustements	552,267	--	68	(22,831)	110,748	--
Book balance of investment	**2,174,718**	**--**	**623,603**	**2,133,724**	**364,804**	**10,395**

(1) Presents the consolidated balances of Mapfre BB SH2 through November 2018.

7 – CASH AND CASH EQUIVALENTS

R$ thousand

	Parent		Consolidated	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
Cash	--	--	2	--
Short-term fund	377	1,650	10,812	12,584
Repurchase agreements[(1)]	4,230,818	4,427,306	7,370,478	6,043,663
Total	**4,231,195**	**4,428,956**	**7,381,292**	**6,056,247**

(1) Refers to investments in repurchase agréments with Banco do Brasil S.A., backed by federal govermment securities with daily liquidity and insignificante risk of change in fair value.

Financial investments in short-term funds and cash equivalents are classified as financial assets at fair value through profit or loss.

8 – FINANCIAL INSTRUMENTS

a) Financial Assets at Fair Value through Profit or Loss

R$ thousand

	Parent						
	Dec 31, 2018					Dec 31, 2019	
	Cost Value	Market Value/ Book Value	Applications	Redemptions	Yield	Cost Value	Market Value/ Book Value
Long-term fund[(1)]	1,767	1,208	1,924	--	281	3,691	3,413
Total	**1,767**	**1,208**	**1,924**	**--**	**281**	**3,691**	**3,413**

	Consolidated						
	Dec 31, 2018					Dec 31, 2019	
	Cost Value	Market Value/ Book Value	Applications	Redemptions	Yield	Cost Value	Market Value/ Book Value
Long-term fund [(2)]	331,431	435,975	1,924	(1)	22,249	330,476	460,147
Total	**331,431**	**435,975**	**1,924**	**(1)**	**22,249**	**330,476**	**460,147**

(1) Refers to the "Brasil Aceleradora de Startups" fund whose policy provides for investments of at least 90% of its Shareholders'Equity in the acquisition of shares and debentures issued by Startups companies convertible into shares.

(2) Of the total of R$ 460,147 thousand, R$ 456,733 thousand refers to the investment fund "BB Renda Fixa Longo Prazo Corporativo 10 Milhões", whose investment policy provides for investments in investment funds with a portfolio composed, alone or cumulatively, of securities, public or Private, pre-fixed and / or post-fixed, repurchase operations, any and all financial assets and / or operating modalities available in the financial market, according to regulation. The fund must maintain 80% of the portfolio in federal government securities and / or assets with low credit risk related to the domestic interest rate, price indices or both. Strategies that imply foreign currency, variable income or leverage risk are not allowed.

b) Financial Assets Available Held to Amortized Costs

R$ thousand

	Consolidated						
		Dec 31, 2019			Dec 31, 2018		
	Counterparty rating	Cost Value	Book Value	Updated cost	Cost Value	Book Value	Updated cost
Short-Term Financial bills [(1)]	AA-	265,000	286,301	286,428	--	--	--
Long-Term Financial bills [(2)]	AA-	220,400	238,305	238,457	485,400	493,531	494.100
Total		**485,400**	**524,606**	**524,884**	**485,400**	**493,531**	**494.100**

(1) Refers to investments in post-fixed Long-Term Financial bills with varying maturity dates, with the first maturity occurring on Mar 26, 2021.

(2) Refers to investments in post-fixed Short-Term Financial bills with varying maturity dates, with the first maturity occurring on Aug 17, 2020 and the others until Sep 30, 2020.

There is no balance of financial assets available held to maturity securities in the Parent.

c) Fair Value Hierarchy

The Company classifies financial instruments into three levels of subjectivity in determining fair value. The different levels are defined as follows:

• Level 1: Quoted prices in active markets for identical assets or liabilities;

• Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices);

• Level 3: Assumptions for the asset or liability that are not based on observable market data (unobservable inputs). There are no financial instruments classified in level 3 of the investment portfolio.

R$ thousand

	Parent					
	Dec 31, 2019			Dec 31, 2018		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Long-term fund	3,413	--	3,413	1,208	--	1,208
Cash and cash Equivalents	4,231,195	--	4,231,195	4,428,956	--	4,428,956
Total	**4,234,608**	**--**	**4,234,608**	**4,430,164**	**--**	**4,430,164**

	Consolidated					
	Dec 31, 2019			Dec 31, 2018		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Long-term fund	460,147	--	460,147	435,975	--	435,975
Cash and cash Equivalents	7,381,292	--	7,381,292	6,056,247	--	6,056,247
Short-Term Financial bills	--	524,884	524,884	--	494,100	494,100
Total	**7,841,439**	**524,884**	**8,366,323**	**6,492,222**	**494,100**	**6,986,322**

9 – INVESTMENTS IN ASSOCIATES

a) Information about Investment in Associates

R$ thousand

Company	Capital	Stockholders' equity adjusted[1]	Parent						
			Moviments from 2019						Share of Profit
			Carrying amount Dec 31, 2018	Dividends	Equity valuation adjustments	Other events	Share of profit	Carrying amount Dec 31, 2019	2019
BB Seguros Participações S.A	4,210,872	5,431,395	5,820,326	(5,074,141)	28,219	--	4,656,991	5,431,395	4,656,991
BB Corretora de Seguros e Administradora de Bens S.A	36,211	46,908	46,908	(1,912,599)	--	--	1,912,599	46,908	1,912,599
Total Investment in Associates			**5,867,234**	**(6,986,740)**	**28,219**	**--**	**6,569,590**	**5,478,303**	**6,569,590**

R$ thousand

Company	Capital	Stockholders' equity adjusted[1]	Consolidated						
			Moviments from 2019						Share of Profit
			Carrying amount Dec 31, 2018	Dividends	Equity valuation adjustments	Other events	Share of profit	Carrying amount Dec 31, 2019	2019
BB Seguros Participações S.A.									
BB Mapfre Participações S.A.(Brasilseg) [2]	1,469,848	2,047,097	2,174,718	(1,192,483)	(26,621)	--	1,072,991	2,028,605	1,072,991
Brasilprev Seguros e Previdência S.A.	1,402,269	3,284,200	2,133,724	(759,466)	1,396	--	1,064,501	2,440,155	1,064,501
IRB-Brasil Resseguros S.A. [3]	--	--	623,603	(119,970)	18,817	(641,241)	118,791	--	118,791
Brasilcap Capitalização S.A. [4]	231,264	481,823	364,804	(34,764)	34,627	--	67,265	431,932	67,265
Brasildental Operadora de Planos Odontológicos S.A.	9,500	17,174	10,395	(12,000)	--	--	14,485	12,880	14,485
BB Corretora de Seguros e Administradora de Bens S.A.									
Ciclic Corretora de Seguros S.A.	26,999	6,398	19,072	--	--	--	(14,274)	4,798	(14,274)
Total Investment in Associates			**5,326,316**	**(2,118,683)**	**28,219**	**(641,241)**	**2,323,759**	**4,918,370**	**2,323,759**

(1) Stockholders' equity, in 12.31.2019, not adjusted by the percentage of equity interest held by the Group.
(2) This Includes in the value of the investment as of 12.31.2019, intangible assets in the net amount of amortizations of R$ 199,895 thousand (the amortized amount of R$ 13,369 thousand in 2019), goodwill allocated in the amount of R$ 339,004 thousand. arising from the partnership agreement with Mapfre and R$ 45,412 thousand of adjustments for purposes of standardization of divergence of accounting practice adopted by the investee.
(3) On 07.23. 2019 BB to BB Seguros sold all the shares held in IRB-Brasil Resseguros S.A, as per Note 2.a.
(4) Includes the goodwill of the investment on 12.31.2019, the goodwill of R$ 110,749 thousand, on the acquisition of the Sulacap stake in BB Seguros, held on 07.22.2011.

R$ thousand

Company	Capital	Stockholders' equity adjusted(1)	Parent						
				Moviments from 2018					Share of Profit
			Carrying amount Dec 31, 2017	Dividends	Equity valuation adjustments	Other events	Share of profit	Carrying amount Dec 31, 2018	2018
BB Seguros Participações S.A	4,210,872	5,820,326	7,887,845	(3,931,662)	3,692	--	1,860,451	5,820,326	1,860,451
BB Corretora de Seguros e Administradora de Bens S.A	36,211	46,908	47,074	(1,612,504)	(166)	--	1,612,504	46,908	1,612,504
Total Investment in Associates			**7,934,919**	**(5,544,166)**	**3,526**	**--**	**3,472,955**	**5,867,234**	3,472,955

R$ thousand

Company	Capital	Stockholders' equity adjusted(1)	Consolidated						
				Moviments from 2018					Share of Profit
			Carrying amount Dec 31, 2017	Dividends	Equity valuation adjustments	Other events(6)	Share of profit	Carrying amount Dec 31, 2018	2018
BB Seguros Participações S.A.									
BB Mapfre Participações S.A.(Brasilseg) (2)	1,422,264	2,187,910	2,697,271	(1,060,816)	9,025	(598,106)	1,127,344	2,174,718	1,127,344
Mapfre BB SH2 Participações S.A. (3)	1,968,380	2,901,531	2,050,969	(55,110)	(793)	(1,778,439)	(216,627)	--	(216,627)
Brasilprev Seguros e Previdência S.A.	1,402,269	2,875,598	1,974,632	(583,603)	850	--	741,845	2,133,724	741,845
IRB-Brasil Resseguros S.A. (4)	1,953,080	4,093,900	545,855	(105,130)	(5,390)	--	188,268	623,603	188,268
Brasilcap Capitalização S.A. (5)	231,264	381,120	352,293	(62,560)	--	--	75,071	364,804	75,071
Brasildental Operadora de Planos Odontológicos S.A	9,500	13,860	12,341	(14,187)	--	--	12,241	10,395	12,241
BB Corretora de Seguros e Administradora de Bens S.A.									
Ciclic Corretora de Seguros S.A.	26,999	25,431	--	--	(166)	20,248	(1,010)	19,072	(1,010)
Total Investment in Associates			**7,633,361**	**(1,881,406)**	**3,526**	**(2,356,297)**	**1,927,132**	**5,326,316**	**1,927,132**

(1) Stockholders' equity, in 12.31.2018, not adjusted by the percentage of equity interest held by the Group.
(2) This Includes in the value of the investment as of 12.31.2018 intangible assets in the net amount of amortizations of R$ 213,264 thousand (the amortized amount of R$ 15,538 thousand in 2018), goodwill allocated in the amount of R$ 339,004 thousand. arising from the partnership agreement with Mapfre and R$ 18,263 thousand of adjustments for purposes of standardization of divergence of accounting practice adopted by the investee..
(3) On November 30,2018, BB Seguros sold all the shares held in Mapfre BB SH2 Participações S.A. to Mapfre Brasil Participações S.A. as per Note 2.b.
(4) This includes in the value of the investment at 12.31.2018 intangible assets in the net amount of amortizations of R$ 5,680 thousand.
(5) Includes the goodwill of the investment on 12.31.2018 the goodwill of R$ 110,749 thousand, on the acquisition of the Sulacap stake in BB Seguros, held on july 22, 2011.
(6) The amounts recognized in "Other Events" refer to the reduction of capital in BB Mapfre SH1 Participações S.A. and the capital contribution referring to the equity interest in Ciclic Corretora de Seguros S.A.

b) Information

Dividends/Interest on equity capital receivable and interest on equity received from investments in Parent were R$ 5,549,643 thousand (R$ 5,376,958 thousand of 12.31.2018) and in consolidated R$ 2,110,077 thousand (R$ 1,884,885 thousand as of 12.31.2018).

On December 31, 2019, the shares of the investments mentioned above are not regularly traded on stock exchanges. Any of investments mentioned above presented significant restrictions to transfer resources in dividends by cash or to repay loans or advances.

The investees are valued using the equity method and there is no indication of operating discontinuity.

Investments in shareholdings in the companies BB Seguros Participações S.A. and BB Corretora de Seguros e Gestão de Bens S.A are evaluated as investments in subsidiaries.

The investments in equity interests in the companies BB Mapfre Participações S.A (Brasilseg), Brasilprev Seguros e Previdência S.A, Brasilcap Capitalização S.A, Brasildental Operadora de Planos Odontológicos S.A and Ciclic Corretora de Seguros S.A. are evaluated as investments associates and joint ventures.

c) Description of the Operational Context of Equity Investments, by Business Segment

Segment/Line of business	Description	% of total share	
		December 31,2019	
		Total	Common
Security segment			
BB Seguros Participações S.A.	Holding company of insurance, capitalization companies, open private pension entities and companies that operate health care plans.	100.00	100.00
Insurance - Life, housing, rural and property			
BB Mapfre Participações S.A. (Brasilseg)	Acting as a holding company for the other companies which deal with life. real state and agricultural insurance.	74.99	49.99
Brasilseg Companhia de Seguros S.A.	Acting in the personal risk segment. rural and housing insurance.	74.99	49.99
Aliança do Brasil Seguros S.A.	Acting in the life insurance segment in general.	74.99	49.99
Capitalization			
Brasilcap Capitalização S.A.	Deals with capitalization plans and other products and services that capitalization companies are allowed to provide.	66.66	49.99
Private Pension Plans			
Brasilprev Seguros e Previdência S.A.	Deals with life insurance with survivor coverage and with private retirement and benefit plans.	74.99	49.99
Health Segment			
Brasildental Operadora de Planos Odontológicos S.A.	Selling plans of odontological assistance.	74.99	49.99
Brokerage Segment			
BB Corretora de Seguros e Adm. de Bens S.A.	Brokerage of health. life and non-life insurance. capitalization plans. private retirement plans and asset management.	100.00	100.00
Ciclic Corretora de Seguros S.A.	Brokerage of private pension products, travel insurance and residential assistance in the digital channel.	74.99	49.99

On July 23, 1919 BB Seguros sold all the shares held in IRB-Brasil Resseguros S.A, as per Note 2.a.

d) Summarised Income Information of Investments in Accordance with International Financial Report Standards

d.1) BB Mapfre Participações (Brasilseg)

R$ thousand

2019	Aliança do Brasil Seguros	Brasilseg Companhia de Seguros S.A.	BB Mapfre (Brasilseg)(1)
Income	**8,490,065**	**556,266**	**9,046,331**
Interest income	125,105	14,933	140,038
Interest expense	(66,303)	(12,572)	(78,875)
Depreciation and amortization	(41,302)	(7,136)	(48,438)
Income tax and social contribution	(567,532)	(37,149)	(599,043)
Net income for the period	**1,399,765**	**57,388**	**1,448,673**
Other comprehensive income	(7,742)	12	(333,335)
Comprehensive income in the period	**1,392,023**	**57,400**	**1,115,338**
Net income attributable to BB Seguridade	**1,049,684**	**43,035**	**1,086,360**
Adjustments of the business combination	--	--	(13,369)
Equity income	**1,049,684**	**43,035**	**1,072,991**

(1) It presents the consolidated balances of BB Mapfre Participações.

R$ thousand

2018	Mapfre Vida S.A.	Aliança do Brasil Seguros	Brasilseg Companhia de Seguros S.A.	BB Mapfre (Brasilseg)(1)
Income	**795,832**	**55,107**	**7,373,338**	**8,224,277**
Interest income	16,284	1,556	111,336	189,176
Interest expense	(10,555)	(434)	(58,646)	(69,635)
Depreciation and amortization	(7,543)	(683)	(44,765)	(52,991)
Income tax and social contribution	(39,937)	(6,020)	(810,722)	(881,399)
Net income for the period	**44,859**	**8,219**	**1,506,571**	**1,524,074**
Other comprehensive income	--	(6)	12,642	24,669
Comprehensive income in the period	**44,859**	**8,213**	**1,519,213**	**1,548,743**
Net income attributable to BB Seguridade	**33,640**	**6,163**	**1,129,778**	**1,142,903**
Adjustments of the business combination	--	--	--	(15,558)
Equity income	**33,640**	**6,163**	**1,129,778**	**1,127,345**

(1) It presents the consolidated balances of BB Mapfre SH1.

d.2) Mapfre BB SH2 (Mapfre Participações)

R$ thousand

2018	Aliança do Brasil Seguros	Brasilveículos	Mapfre Seguros Gerais	Mapfre Assistência	Mapfre BB SH2 (Mapfre Participações)(1)
Income	**580,975**	**1,294,432**	**5,893,065**	**--**	**7,768,472**
Interest income	15,597	13,979	82,624	25	147,725
Interest expense	(7,077)	(16,100)	(194)	--	(23,371)
Depreciation and amortization	(10,276)	(17,278)	(56,617)	--	(84,171)
Income tax and social contribution	(24,808)	(12,300)	285,802	(71)	236,617
Net income for the period	**36,543**	**26,674**	**(474,052)**	**203**	**(422,965)**
Other comprehensive income	--	--	--	--	--
Comprehensive income in the period	**36,543**	**26,674**	**(474,052)**	**203**	**(422,965)**
Net income attributable to BB Seguridade	**18,272**	**13,337**	**(237,026)**	**102**	**(211,483)**
Adjustments of the business combination	--	--	--	--	(5,144)
Equity income	**18,272**	**13,337**	**(237,026)**	**102**	**(216,627)**

(1) It presents the consolidated balances of Mapfre BB SH2 sold in November 2018.

d.3) IRB Brasil Resseguros S.A.

R$ thousand

IRB Brasil Resseguros S.A.	2019	2018
Income	**3,095,510**	**6,035,512**
Interest income	713,115	1,661,665
Interest expense	(191,207)	(1,221,309)
Depreciation and amortization	(20,439)	(49,599)
Income tax and social contribution	(116,663)	(302,643)
Net income for the period	**738,872**	**1,241,956**
Other comprehensive income	(29,911)	(35,790)
Comprehensive income in the period	**708,961**	**1,206,166**
Net income attributable to BB Seguridade	**112,536**	**189,160**
Other adjustments	6,255	(892)
Equity income	**118,791**	**188,268**

(1) On July 23, 2019 BB Seguros sold all the shares held in IRB-Brasil Resseguros S.A, as per Note 2.a.

d.4) Brasilcap Capitalização

R$ thousand

Brasilcap Capitalização	2019	2018
Income	**5,381,088**	**4,609,884**
Interest income	933,149	911,267
Interest expense	(740,362)	(726,941)
Depreciation and amortization	(1,068)	(1,689)
Income tax and social contribution	(63,231)	(82,104)
Net income for the period	**100,907**	**119,554**
Other comprehensive income	51,947	--
Comprehensive income in the period	**152,854**	**119,554**
Net income attributable to BB Seguridade	**67,265**	**79,694**
Other adjustments	--	(4,623)
Equity income	**67,265**	**75,071**

d.5) Brasilprev Seguros e Previdência

R$ thousand

Brasilprev Seguros e Previdência	2019	2018
Income	**5,006,192**	**4,559,527**
Interest income	2,139,273	1,742,678
Interest expense	(356,677)	(172,138)
Depreciation and amortization	(8,075)	(7,235)
Income tax and social contribution	(844,815)	(732,055)
Net income for the period	**1,419,429**	**989,191**
Other comprehensive income	1,861	1,134
Comprehensive income in the period	**1,421,290**	**990,325**
Net income attributable to BB Seguridade	**1,064,501**	**741,845**
Other adjustments	--	--
Equity income	**1,064,501**	**741,845**

d.6) Brasildental Operadora de Planos Odontológicos

R$ thousand

Brasildental Operadora de Planos Odontológicos	2019	2018
Income	**63,542**	**59,961**
Interest income	2,023	1,805
Interest expense	(1,594)	(16)
Depreciation and amortization	(21)	(42)
Income tax and social contribution	(10,043)	(8,822)
Net income for the period	**19,314**	**16,322**
Other comprehensive income	--	--
Comprehensive income in the period	**19,314**	**16,322**
Net income attributable to BB Seguridade	**14,485**	**12,241**
Other adjustments	--	--
Equity income	**14,485**	**12,241**

d.7) BB Corretora de Seguros e Administradora de Bens

R$ thousand

BB Corretora de Seguros e Administradora de Bens	2019	2018
Income	**3,604,656**	**3,028,755**
Interest income	109,933	103,173
Interest expense	(8,308)	(6,319)
Depreciation and amortization	(529)	(496)
Income tax and social contribution	(979,375)	(822,561)
Net income for the period	**2,726,377**	**1,612,504**
Other comprehensive income	(166)	(166)
Comprehensive income in the period	**1,912,599**	**1,612,338**
Net income attributable to BB Seguridade	**--**	**1,612,504**
Other adjustments	--	--
Equity income	**1,912,599**	**1,612,504**

d.8) Ciclic Corretora de Seguros

R$ thousand

Ciclic Corretora de Seguros S.A.	2019	2018
Income	**8,572**	**16,515**
Interest income	1,117	--
Interest expense	(90)	(3)
Depreciation and amortization	(317)	(270)
Income tax and social contribution	--	--
Net income for the period	**(18,846)**	**(1,346)**
Other comprehensive income	--	--
Comprehensive income in the period	**(18,846)**	**(1,346)**
Net income attributable to BB Seguridade	**(14,134)**	**(1,010)**
Other adjustments	(140)	--
Equity income	**(14,274)**	**(1,010)**

e) Summarised Balance Sheet Information of Investments in Accordance with International Financial Report Standards

e.1) BB Mapfre Participações (Brasilseg)

R$ thousand

Dec 31, 2019	Aliança do Brasil Seguros	Brasilseg Companhia de Seguros S.A.	BB Mapfre Participações (Brasilseg)[1]
Current assets	**554,758**	**7,872,919**	**8,518,578**
Cash and cash equivalents	13,338	1,593	14,931
Financial applications	273,528	4,515,917	4,879,572
Other assets	267,892	3,355,409	3,624,075
Non-current assets	**287,128**	**5,569,901**	**6,427,227**
Current liabilities	**490,038**	**7,153,319**	**7,596,912**
Financial liabilities	23,065	369,447	346,067
Technical provisions	406,726	4,915,991	5,322,717
Other liabilities	60,247	1,867,881	1,928,128
Non-current liabilities	**159,433**	**4,890,660**	**5,362,352**
Financial liabilities	4	10,619	267,300
Technical provisions	142,684	4,218,118	4,416,384
Other non-current liabilities	16,745	661,923	678,668
Adjusted net equity	**192,415**	**1,398,841**	**1,986,541**
Attributable to BB Seguridade	**144,292**	**1,048,991**	**1,489,707**
Adjustments of the business combination	--	--	**538,899**
Book balance of investment	--	--	**2,028,606**

(1) It presents the consolidated balances of BB Mapfre Participações.

R$ thousand

Dec 31, 2018	Aliança do Brasil Seguros	Brasilseg Companhia de Seguros S.A.	BB Mapfre Participações (Brasilseg)[1]
Current assets	**657,192**	**6,981,960**	**7,671,417**
Cash and cash equivalents	13,051	18,307	31,373
Financial applications	278,835	3,844,430	4,141,693
Other assets	365,306	3,119,223	3,498,351
Non-current assets	**316,951**	**5,369,040**	**6,051,119**
Current liabilities	**590,712**	**6,510,300**	**7,115,798**
Financial liabilities	33,066	486,022	533,874
Technical provisions	457,164	4,519,384	4,976,548
Other liabilities	100,482	1,504,894	1,605,376
Non-current liabilities	**147,847**	**4,295,336**	**4,443,182**
Financial liabilities	--	19,367	19,367
Technical provisions	131,194	3,627,492	3,758,686
Other non-current liabilities	16,653	648,477	665,129
Adjusted net equity	**235,584**	**1,545,364**	**2,163,556**
Attributable to BB Seguridade	**176,664**	**1,158,868**	**1,622,451**
Adjustments of the business combination	--	--	552,267
Book balance of investment	--	--	**2,174,718**

(1) It presents the consolidated balances of BB Mapfre Participações.

e.2) Mapfre BB SH2 (Mapfre Participações)

According to Note 2, Mapfre BB SH2 was sold in November 2018.

e.3) IRB Brasil Resseguros S.A.

R$ thousand

IRB Brasil Resseguros S.A.	Dec 31, 2019[(1)]	Dec 31, 2018
Current assets	**--**	**10,398,240**
Cash and cash equivalents	--	42,985
Financial applications	--	2,599,015
Other assets	--	7,756,240
Non-current assets	**--**	**5,451,225**
Current liabilities	**--**	**10,845,366**
Financial liabilities	--	1,992,108
Technical provisions	--	8,853,258
Other liabilities	--	--
Non-current liabilities	**--**	**910,198**
Financial liabilities	--	415,870
Technical provisions	--	--
Other non-current liabilities	--	494,328
Adjusted net equity	**--**	**4,093,901**
Attributable to BB Seguridade	**--**	**623,535**
Other adjustments	--	68
Book balance of investment	**--**	**623,603**

(1) On July 23, 2019 BB Seguros sold all the shares held in IRB-Brasil Resseguros S.A, as per Note 2.a..

e.4) Brasilcap Capitalização

R$ thousand

Brasilcap Capitalização	Dec 31, 2019	Dec 31, 2018
Current assets	**5,237,584**	**4,743,778**
Cash and cash equivalents	14	55
Financial applications	5,196,596	4,726,105
Other assets	40,974	17,618
Non-current assets	**4,813,453**	**5,843,134**
Current liabilities	**8,423,711**	**9,123,088**
Financial liabilities	--	--
Technical provisions	8,342,007	9,043,319
Other liabilities	81,704	79,769
Non-current liabilities	**1,145,502**	**1,082,703**
Financial liabilities	--	--
Technical provisions	--	--
Other non-current liabilities	1,145,502	1,082,703
Adjusted net equity	**481,824**	**381,121**
Attributable to BB Seguridade	**321,184**	**254,056**
Other adjustments	110,748	110,748
Book balance of investment	**431,932**	**364,804**

e.5) Brasilprev Seguros e Previdência

R$ thousand

Brasilprev Seguros e Previdência	Dec 31, 2019	Dec 31, 2018
Current assets	**281,444,183**	**248,519,619**
Cash and cash equivalents	3,907	3,174
Financial applications	280,742,356	247,862,332
Other assets	697,920	654,113
Non-current assets	**13,730,016**	**12,899,679**
Current liabilities	**33,335,319**	**32,413,432**
Financial liabilities	676,381	630,452
Technical provisions	32,441,394	31,673,299
Other liabilities	217,544	109,681
Non-current liabilities	**258,554,680**	**226,130,268**
Financial liabilities	-	--
Technical provisions	257,369,919	225,092,578
Other non-current liabilities	1,184,761	1,037,690
Adjusted net equity	**3,284,200**	**2,875,598**
Attributable to BB Seguridade	**2,462,986**	**2,156,555**
Other adjustments	(22,831)	(22,831)
Book balance of investment	**2,440,155**	**2,133,724**

e.6) Brasildental Operadora de Planos Odontológicos

R$ thousand

Brasildental Operadora de Planos Odontológicos	Dec 31, 2019	Dec 31, 2018
Current assets	**42,702**	**40,219**
Cash and cash equivalents	2,238,00	2,136
Financial applications	32,144,00	29,877
Other assets	8,320,00	8,206
Non-current assets	**1,125,00**	**1,129**
Current liabilities	24,263	25,843
Financial liabilities	--	--
Technical provisions	15,827,00	16,124
Other liabilities	8,436,00	9,719
Non-current liabilities	**2,391**	**1,645**
Financial liabilities	--	--
Technical provisions	--	--
Other non-current liabilities	2,391	1,645
Adjusted net equity	**17,173**	**13,860**
Attributable to BB Seguridade	**12,880**	**10,395**
Book balance of investment	**12,880**	**10,395**

e.7) BB Corretora de Seguros e Adm. de Bens

R$ thousand

BB Corretora de Seguros e Adm. de Bens	Dec 31, 2019	Dec 31, 2018
Current assets	**2,753,321**	**1,655,528**
Cash and cash equivalents	1,453,569	877,938
Financial applications	286,301	--
Commissions receivable	996,720	760,615
Other current assets	16,731	16,975
Non-current assets	**1,257,846**	**1,396,281**
Financial applications	695,039	928,298
Commissions receivable	343,595	246,324
Other non-current assets	219,212	221,659
Current liabilities	**2,731,240**	**2,007,310**
Dividends payable	1,031,794	515,602
Unearned commissions	993,057	858,846
Other liabilities	706,389	632,862
Non-current liabilities	**1,233,019**	**997,591**
Unearned commissions	1,226,955	997,591
Other non-current liabilities	6,064	--
Adjusted net equity	**46,908**	**46,908**
Book balance of investment	**46,908**	**46,908**

e.8) Ciclic Corretora de Seguros

R$ thousand

Ciclic Corretora de Seguros S.A.	Dec 31, 2019	Dec 31, 2018
Current assets	**10,507**	**32,833**
Cash and cash equivalents	403	61
Financial applications	5,332	31,308
Other assets	4,772	1,464
Non-current assets	**1,452**	**1,301**
Current liabilities	**5,562**	**8,703**
Financial liabilities	4,954	--
Technical provisions	607	--
Other liabilities	--	8,703
Non-current liabilities	**--**	**--**
Financial liabilities	--	--
Technical provisions	--	--
Other non-current liabilities	--	--
Adjusted net equity	**6,398**	**25,431**
Attributable to BB Seguridade	4,798	19,072
Book balance of investment	**4,798**	**19,072**

10 – INTANGIBLE ASSET

a) ERP - Enterprise Resource Planning

R$ thousand

	Parent and Consolidated					
	Dec 31, 2018	2019		Dec 31,2019		
	Book value	Acquisitions	Amortization	Cost value	Accumulated amortization	Book value
Software – ERP [1]	5,620	929	(648)	7,153	(1,252)	5,901

(1) In January 2018, the amortization of Enterprise Resource Planning (ERP) began, according to CPC 04 (IAS 38) - Intangible Assets in which the amortization period of intangible assets with a defined useful life is 10 years and amortization is calculated at the annual rate of 10% and recognized to the income statement on a straight-line method.

a.1) Estimate for amortization

R$ thousand

	2020	2021	2022	2023	2024	2025	After 2025	Total
Amounts to be amortized	738	738	738	738	738	738	1,473	5,901

11 – DIVIDENDS / INTEREST ON EQUITY CAPITAL RECEIVABLE

R$ thousand

	Parent		Consolidated[2]	
	Dec 31, 2019	Dec 31, 2018[1]	Dec 31, 2019	Dec 31, 2018[2]
Dividends receivable [3]	1,961,491	515,602	--	--
Interest on equity capital receivable	--	--	--	9,971
Total	**1,961,491**	**515,602**	**--**	**9,971**

(1) On Dec 31, 2018, R$ 515,602 thousand refers to dividends receivable from BB Corretora de Seguros e Administradora de Bens S.A.

(2) On Dec 31, 2018, R$ 9,971 thousand refers to dividends and interest on equity capital receivable from IRB Brasil Re S.A.

(3) On Dec 31, 2019, R$ 1,031,794 thousand refers to dividends receivable from BB Corretora de Seguros e Administradora de Bens S.A and R$ 929,697 refers to dividends receivable from BB Seguros Participações S.A.

12 – TAXES

a) Breakdown of income tax (IR) and social contribution expenses (CSLL)

R$ thousand

	Parent		Consolidated	
	2019	2018	2019	2018
Current values	**(45,385)**	**(34,707)**	**(2,258,705)**	**(1,100,089)**
Domestic income tax and social contribution	(45,385)	(34,707)	(2,258,705)	(1,100,089)
Deferred values	**34**	**--**	**3,682**	**(11,261)**
Deferred tax liabilities	**--**	**--**	**1,887**	**45,737**
Temporary differences	--	--	1,887	45,737
Deferred tax assets	**34**	**--**	**1,795**	**(56,998)**
Temporary differences	34	--	1,795	(56,998)
Total	**(45,351)**	**(34,707)**	**(2,255,023)**	**(1,111,350)**

b) Reconciliation of Income Tax and Social Contribution Expenses

R$ thousand

	Parent		Consolidated	
	2019	2018	2019	2018
Profit before income tax and social contribution	**6,704,132**	**3,574,260**	**8,913,804**	**4,650,903**
a) Total income tax (25%) and CSLL (9%)	(2,279,405)	(1,215,248)	(3,030,693)	(1,581,307)
Effect on the tax calculation:				
b) Nontaxable income - share of profit (loss) of subsidiaries associates and joint ventures (34%)	2,233,661	1,180,805	790,078	655,225
c) Non-deductible expenses, net of nontaxable income (34%)	393	(264)	(14,408)	(185,268)
Income tax and social contribution (a+b+c)	**(45,351)**	**(34,707)**	**(2,255,023)**	**(1,111,350)**

c) Tax Expenses

R$ thousand

	Parent		Consolidated	
	2019	2018	2019	2018
On financial income and other				
Cofins	(7,821)	(6,926)	(20,712)	(20,344)
Pis/Pasep	(1,318)	(1,175)	(3,727)	(3,803)
IOF	(33)	(34)	(55)	(52)
Other	(64)	(65)	(131)	(160)
Total	**(9,236)**	**(8,200)**	**(24,625)**	**(24,359)**

d) Current tax assets

R$ thousand

	Parent		Consolidated	
	2019	2018	2019	2018
Taxes to compensate	45,598	46,389	61,956	63,353
IRRF	13,102	9,273	40,112	58,444
(-) Current taxes deducted/offset	(3,168)	(4,261)	(30,179)	(53,433)
Total[(1)]	**55,532**	**51,401**	**71,889**	**68,364**

(1) Balances of 2019 and 2018 of the controller and consolidated, refer mainly to IRRF from previous years not cleared/deducted. In the 2019 and 2018 period no tax base was determined which supports the offsetting of taxes.

e) Deferred Tax Assets

R$ thousand

	Parent			
	Dec 31, 2019	Addition	Derecognition	Dec 31,2018
Temporary differences				
Tax losses/negative bases	3,940	--	(13,638)	17,578
Liabilities provision	34	34	--	--
Total deferred tax assets	**3,974**	**34**	**(13,638)**	**17,578**
Incone tax	2,948	25	(10,002)	12,925
Social contribution	1,026	9	(3,636)	4,653

R$ thousand

	Consolidated			
	Dec 31, 2019	Addition	Derecognition	Dec 31,2018
Temporary differences				
Tax losses/negative bases	3,940	--	(13,638)	17,578
Liabilities provision	11,061	6,204	(4,409)	9,266
Amortization of goodwill	3,053	--	--	3,053
Total deferred tax assets	**18,054**	**6,204**	**(18,047)**	**29,897**
Income tax	14,107	4,561	(13,244)	22,790
Social contribution	3,947	1,643	(4,803)	7,107

f) Expected Realization

R$ thousand

	Parent		Consolidated	
	Non Value	Present Value	Non Value	Present Value
In 2020	387	375	1,094	1,056
In 2021	349	321	3,849	3,532
In 2022	645	553	3,086	2,652
In 2023	608	486	2,898	2,309
In 2024	635	471	2,195	1,629
After 2024	1,350	889	4,932	3,230
Total	**3,974**	**3,095**	**18,054**	**14,408**

The expected realization of deferred tax assets (tax credits), is supported by a technical study prepared on Dec 31, 2019, and is calculated based on the discounted present value of the average Selic rate (TMS) projected for each reporting period.

During the year of 2019, tax credits were realized in the amount of R$ 13,638 thousand in the parent company and R$ 18,047 thousand in the consolidated.

g) Current tax liabilities

R$ thousand

	Parent		Consolidated	
	2019	2018	2019	2018
Icome tax	2,435	3,278	471,434	434,885
Social contribution	861	1,181	166,017	150,403
COFINS	631	846	27,047	42,630
ISS	--	--	15,894	5,691
PASEP	102	137	5,804	9,180
Other	119	39	120	47
(-) Current taxes deducted/offset	(3,168)	(4,261)	(30,179)	(53,433)
Total [(1)]	**980**	**1,220**	**656,137**	**589,403**

(1) Balances of 2019 and 2018 of the controller refer mainly to the Social Contribution, due to the impossibility of offsetting the tax, according to law 13.670/18.

h) Deferred Tax Liabilities

R$ thousand

	Consolidated	
	2019	2018
Arising from partnership with MAPFRE	223,387	223,387
Arising from amortization of Brasilcap's goodwill	4,647	4,647
Arising from negative goodwil on investment [(1)]	--	1,887
Other temporay differences	530	531
Total	**228,564**	**230,452**

(1) Write-off of deferred tax liability as a result of the total disposal of the interest held in IRB, as described in Note 2a.

There is no balance of deferred tax liabilities in the Controller.

13 – COMMISSIONS RECEIVABLE

R$ thousand

	Consolidated	
	Dec 31, 2019	Dec 31, 2018
Current Assets	**996,720**	**760,615**
Brasilseg (BB Mapfre SH1)[(1)]	921,184	688,413
Mapfre BB SH2	63,873	63,734
Brasilprev	5,114	7,780
Brasilcap	6,549	688
Non-Current Assets	**343,595**	**246,324**
Brasilseg (BB Mapfre SH1)[(1)]	343,595	246,324
Total	**1,340,315**	**1,006,939**

(1) On 12.31.2019, R$ 446 million refers to the additional commission. On 12.31.2018, R$ 276 million refers to the additional commission, according to the restructuring agreement described in Note 2.

There are no amount of comissions receivable in parent.
Comissions Receivables are classified as financial assets at amortized cost, as described in Note 4.

14 – OTHER ASSETS

R$ thousand

	Parent		Consolidated	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
Current Assets	**8,865**	**5,331**	**2,057**	**42**
Receivables from related companies	7,194	5,305	--	--
Other	1,671	26	2,057	42
Non-Current Assets	**44**	**--**	**203,916**	**193,788**
Judicial deposits	--	--	203,872	193,788
Fixed asset (1)	44	--	44	--
Total	**8,909**	**5,331**	**205,973**	**193,830**

(1) Acquisition of computers in the amount of R$ 52 thousand (depreciation of R$ 8 thousand) in Dec 31, 2019.

15 – CORPORATE AND STATUTORY OBLIGATIONS

R$ thousand

	Parent		Consolidated	
	Dec 31, 2019	Dec 31, 2018(3)(4)	Dec 31, 2019	Dec 31, 2018
Dividends payable (1)	3,790,643	4,052,523	3,790,643	4,052,523
Capital reduction payable (2)	2,700,000	--	2,700,000	--
Total	**6,490,643**	**4,052,523**	**6,490,643**	**4,052,523**

(1) On Sep 30, 2019, the amount of R$ 340 thousand refers to unpaid dividends of previous years. (R$ 445 thousand on Dec 31,2018)
(2) Capital reduction approved by the Board of Directors in accordance with Note 19 "a".
(3) On Dec 31, 2018, R$ 445 thousand refer to unpaid dividends from previous periods.
(4) On Dec 5, 2018, the distribution of extraordinary dividends in the amount of R$ 2,700,000 thousand was approved due to the restructuring of the partnership with MAPFRE, paid in January 2019.

16 – PROVISIONS AND CONTINGENT LIABILITIES

Contingent assets

In accordance with CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, no contingent assets were recognized in the individual and consolidated financial statements..

Tax Lawsuits

The Company's tax actions related to BB Corretora arise mainly from assessments by the municipal / district tax authorities (discussing the "payment" of the Tax on Services of Any Nature [ISSQN]); and, of federal demands proposed in the administrative or judicial spheres discussing federal taxes (notably, the non-ratification of compensation of own taxes with other taxes).

In court, after an administrative decision, BB Corretora disputes the non-approval of requests for compensation of IRPJ, CSLL, PIS / Pasep and Cofins made between 1999 and 2003, due to the failure to recognize the negative balances of 1995 and 1997 and the deduction of CSLL amounts from the IRPJ calculation base granted in a writ of mandamus. The possibility of loss of demand is classified as possible, therefore, no provision is recorded.

And, with regard to BB Seguridade and BB Seguros, the referred companies do not have tax actions with significant amounts.

Civil Lawsuits

In civil lawsuits involving BB Seguridade, BB Seguros and BB Corretora, we highlight the claims for various indemnities (material damage, moral damage, etc.), notably resulting from consumer relations involving security products and the like (personal insurance) and equity, open private pension, capitalization and dental plans).

Labor Lawsuits

Labor claims involving BB Seguros and BB Corretora mainly arise from labor claims, with a civil nature (arising from corporate group life insurance, whose original employers did not bear the severance pay); and, third party claims against the investees evaluated by the equity method and BB Seguros (as a shareholder) notably, requiring eventual subsidiary condemnation. On the other hand, BB Seguridade's labor claims involve former employees, discussing rights arising from the 7th and 8th bank overtime hours and the respective effects on other amounts of a salary / severance nature.

a) Provision

In accordance with CPC 25 (IAS 37), BB Seguridade constitutes a provision for tax, civil and labor claims with a "probable" risk of loss.

Provisions for civil, tax and labor lawsuits classified as probable

R$ thousand

	Consolidated	
	2019	**2018**
TAX LAWSUITS		
Initial balance	**939**	**881**
Addition/Update(1)	73	58
Reversal of the provision	--	--
Derecognition of provisions	(12)	--
Closing balance	**1,000**	**939**
CIVIL LAWSUITS		
Initial balance	**18,126**	**17,720**
Addition/Update(2)	8,881	8,478
Reversal of the provision	(6,499)	(5,687)
Derecognition of provisions	(3,817)	(2,386)
Closing balance	**16,691**	**18,125**
LABOR LAWSUITS		
Initial balance	**--**	**193**
Addition/Update(2)	103	2
Reversal of the provision	--	(195)
Derecognition of provisions	--	--
Closing balance	**103**	**--**
Total	**17,794**	**19,064**

(1) On Dec 31, 2019, includes the amount of R$ 56 thousand related to monetary restatement.
(2) On Dec 31, 2019, includes the amount of R$ 922 thousand related to monetary restatement.

They mainly refer to contingencies registered with BB Corretora.

On Dec 31, 2019, the amount of R$ 103 thousand related to labor claims was provisioned at the controller. For the other claims, there are no provision balances in the controller.

Expected outflows of economic benefits

R$ thousand

	Labor tawsuits	Tax lawsuits	Cívil lawsuits	Total
Up to 5 years	103	955	16,638	17,696
More than 5 years and up to 10 years	--	43	53	96
Over 10 years	--	2	0	2
Total	**103**	**1,000**	**16,691**	**17,794**

Given the scenario of uncertainties in the duration of the proceedings, as well as the possibility of changes in the jurisprudence of the courts, the outflow of economic benefits has been estimated based on the best available information..

b) Contingent Liabilities

Tax and civil claims classified as “possible” risk are exempted from constituting a provision in accordance with CPC 25 (IAS 37).

Balances of contingent liabilities classified as possible

R$ thousand

	Parent (1)		Consolidated (2)	
	Dec 31, 2019	**Dec 31, 2018**	**Dec 31, 2019**	**Dec 31, 2018**
Labor lawsuits	--	--	--	95
Tax lawsuits(1)	275	--	215,397	183,571
Civil lawsuits	--	--	2,337	4,287
Total	**275**	**--**	**217,734**	**187,953**

(1) Refers mainly to a tax lawsuit by BB Corretora with the objective of annulling an administrative decision that did not ratify declarations of offsetting negative IRPJ balances with different taxes. There is a guarantee deposit for the mentioned action as shown in item “c” below.

BB Seguridade does not have contingent liabilities of its affiliates shared with other investors of the affiliates nor is it jointly and severally liable for all or part of the liabilities of its affiliates.

c) Deposits in Guarantee of Funds

Guarantee deposits are cash deposits and are made with Banco do Brasil or another official financial institution, as a means of payment or as a means of guaranteeing the payment of convictions, indemnities, agreements and other expenses resulting from legal proceedings. The amounts are presented in the balance sheet under Other Assets.

Balances of escrow deposits formed for provisions and contingent liabilities

R$ thousand

	Parent [1]		Consolidated [2]	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
Labor lawsuits	--	--	20	10
Tax lawsuits[1]	--	--	201,126	189,005
Civil lawsuits	--	--	2,726	4,773
Total	**--**	**--**	**203,872**	**193,788**

(1) Refers mainly to a tax lawsuit aimed at annulling an administrative decision that did not ratify declarations of offsetting negative IRPJ balances with various taxes. The updated amount of the aforementioned judicial deposit is R$ 149,233 thousand (R$ 144,664 thousand on Dec 31. 2018), referring to the investee BB Corretora, being updated using the SELIC rate.

17 – UNEARDED COMMISSIONS

R$ thousand

	Consolidated	
	Dec 31, 2019	Dec 31, 2018
Current Liabilities	**993,057**	**858,846**
Brasilseg (BB Mapfre SH1)	902,215	767,985
Mapfre BB SH2[1]	90,495	90,577
Outras	347	284
Non-Current Liabilities	**1,226,955**	**997,591**
Brasilseg (BB Mapfre SH1)	1,185,165	962,629
Mapfre BB SH2[1]	41,789	34,961
Outras	1	1
Total	**2,220,012**	**1,856,437**

(1) Despite the sale of the stake, SH2 products continue to be sold by BB Corretora.

There are no amount of unearned commissions in parent.

18 – OTHER LIABILITIES

R$ thousand

	Parent		Consolidated	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
Amounts payable to related companies	5,615	4,811	62,008	44,435
Annual variable remuneration program of the Executive Board	2,444	3,281	2,444	3,281
Other	179	710	191	710
Total	**8,238**	**8,802**	**64,643**	**48,426**

19 – EQUITY

a) Capital

The capital of the Group BB Seguridade amounted to R$ 3,396,767 thousand as of Dec 31, 2019 and R$ 5,646,767 of Dec 31, 2018, it is divided into 2,000,000,000 (two billion) shares as of Dec 31, 2019 and Dec 31, 2018. The shareholders' equity amounted R$ 5,248,754 thousand (R$ 6,830,385 thousand as of Dec 31, 2018), corresponding a book value per share of R$ 2,62 per share (R$ 3.42 per share as of Dec 31, 2018).

On September 25, 2019, the Board of Directors of BB Seguridade Participações S.A. approved the submission of a proposal to the Shareholders Meeting to:

i. increase the paid-in capital by R$450 million, without issuing new shares, using part the legal reserve balance, pursuant to the article 193 of Law 6,404; and

ii. immediately thereafter, reduce the paid-in capital by R$2.7 billion, without canceling shares, for considering it excessive, pursuant to the article 173 of Law 6,404.

On October 30, 2019, the Extraordinary General Meeting approved the respective proposals. BB Seguridade's shareholders will receive, as a refund of part of the book value of their shares, an estimated amount of R$1.35 per share. The approved capital reduction became effective 60 (sixty) days after the publication of the minutes of the Extraordinary General Meeting, pursuant to article 174 of Law No. 6,404 / 76, when the Company disclosed the procedures to be adopted to shareholders, the exact amount to be refunded per share, the definition of the start date of trading of the shares issued by the Company ex-refund for January 10, 2020 and the payment date for April 30, 2020.

Management is convinced that the Company has the resources to continue its business in the future. The proposed movement is a result of the Company's commitment to efficient capital management of its capital and does not affect BB Seguridade's ability to continue operating normally.

b) Capital and Profit Reserves

R$ thousand

	Parent and Consolidated	
	Dec 31, 2019	**Dec 31, 2018**
Capital Reserves	**1,117**	**1,262**
Profit Reserves	**1,905,725**	**1,265,575**
Legal Reserve	679,354	1,087,026
Statutory reserve[1]	1,226,371	178,549

(1) Due to the restructuring agreement of Grupo Segurador BB and Mapfre that took place on november 30, 2018 (as described in Note 2), the distribution of extraordinary dividends in the amount of R$ 2.7 billion was approved on December 05, 2018.

The purpose of the Legal Reserve is to ensure the integrity of the capital stock and may only be used to offset losses or increase the capital stock. Of the net income for the period, 5% is invested, before any other allocation, in the constitution of the legal reserve, which will not exceed 20% of the share capital and the balance of the legal reserve plus the amounts of capital reserves that will not exceed 30%. (thirty percent) of the capital stock.

The purpose of the Statutory Reserve is to guarantee operating margin compatible with the development of BB Seguridade's operations, consisting of up to 100% (one hundred percent) of the net income balance, after legal allocations, including dividends, up to a limit of 80%. Eighty percent (%) of the share capital.

The calculation of the result and the respective allocations to Capital and Profit Reserves are made every six months.

c) Earnings per Share

	Parent and Consolidated	
	2019	**2018**
Net income attributable to shareholders of the Bank (R$ thousand)	6,658,781	3,539,553
Weighted average of ordinary and dilutive potencial ordinary shares outstanding	1,996,600,247	1,996,597,417
Earnings per share – basic and diluted (R$)	3.34	1.77

The basic earnings per share is calculated by dividing net income attributable to shareholders of the BB Seguridade by the weighted average number of common shares outstanding in each of the periods presented.

The diluted earnings per share is calculated by dividing net income attributable to shareholders of the BB Seguridade by the weighted average number of common shares outstanding, including the effect of all dilutive potential ordinary shares.

The BB Seguridade has no option, bonus of subscription or its equivalents which provide their holder the right to acquire shares. Thus, the basic and diluted earnings per share are equal.

d) Dividends

	R$ thousand	
	2019	**2018**
1st half net income	**2.092.151**	**1.948.887**
Legal reserve in the period	42.328	97.444
Calculation Basis	**2.049.823**	**1.851.443**
Minimum mandatory dividend	512.456	462.861
Additional dividend	1.265.872	1.096.249
Statutory reserve	271.495	292.333
Balance of net income after allocation	**--**	**--**
Proposed dividends	**1.778.328**	**1.559.110**
Prescribed dividends	(11)	(30)
Dividends paid	1.778.339	1.559.140
2nd half net income	**4.566.630**	**1.590.666**
Legal reserve in the period	--	79.534
Calculation Basis	**4.566.630**	**1.511.132**
Minimum mandatory dividend	1.141.657	377.783
Additional dividend	2.648.646	974.283
Statutory reserve	776.327	159.066
Balance of net income after allocation	**--**	**--**
Proposed dividends	**3.790.303**	**1.352.066**
Prescribed dividends	(13)	(12)
Dividends paid	3.790.316	1.352.078

BB Seguridade follows the Dividend Policy available on the Investor Relations website of BB Seguridade.

The Policy is reviewed annually or, extraordinarily, at any time, and submitted to the Board of Directors of group for approval.

The calculation of the result and the respective allocation to proposed dividends are made every six months. In the first half of 2019 they were paid in August 2019, monetarily adjusted by the Selic rate.

d.1) Dividends per Share

	2nd Half/2019		1st Half/2019		2nd Half/2018		1st Half/2018	
	Amount (R$ thousand)	Amount per share (R$)	Amount (R$ thousand)	Amount per share (R$)	Amount (R$ thousand)	Amount per share (R$)	Amount (R$ thousand)	Amount per share (R$)
Dividends	3,790,316	1.898	1,778,339	0.890	1,352,078	0.677	1,559,140	0.781

e) Other Accumulated Comprehensive Income

The positive balance recorded in Other comprehensive income accumulated in the amount of R$ 28,451 thousand (R$ 232 thousand positive on December 31, 2018), R$ 49.441 thousand positive (R$ 398 positive thousand on December 31, 2018) arises mainly from the appreciation or devaluation resulting from the adjustment to market value, at the net value of tax effects, of securities classified as fair value through other comprehensive results of Brasilprev Seguros e Previdência S.A. BB Mapfre Participações S.A. (Brasilseg) and Brasilcap Capitalização S.A. R$ 20,824 thousand negative (on December 31, 2018 there was no value) of adjustments for the purpose of standardizing divergence in accounting practice adopted by BB Mapfre Participações S.A. invested by BB Seguros and a negative R$ 166 thousand (negative R$ 166 thousand on December 31, 2018) of results of previous periods of Cilic invested by BB Corretora.

Considering that the BB Seguridade does not have any securities classified as fair value through other comprehensive income, the constant values in his statements are a reflection of the existing values in associates and affiliaes in which the BB Seguridade holds participation.

f) Shareholdings (number of shares)

Stockholders	Dec 31, 2019		Dec 31, 2018	
	Shares	% Total	Shares	% Total
Banco do Brasil	1,325,000,000	66.25	1,325,000,000	66.25
Other stockholders	671,601,167	33.58	671,597,083	33.58
Treasury shares	3,398,833	0.17	3,402,917	0.17
Total	**2,000,000,000**	**100**	**2,000,000,000**	**100.00**
Locals	1,427,384,006	71.37	1,423,718,339	71.19
Foreign	572,615,994	28.63	576,281,661	28.81

g) Treasury shares

g.1) Share-Based Payment – Variable Wage Program

The Variable Wage Program Board of BB Seguridade determined that, of the total amount allocated to the payment of variable compensation, 50% will be made in shares of BB Seguridade (BBSE3). From the total paid in shares, 20% will be immediately transferred to the beneficiary ownership and 80% will be deferred for a period of four years.

On November 13, 2014, the Brazilian Securities and Exchange Commission (CVM) authorized BB Seguridade to make annually the private trading of its own shares, in order to fund, through these shares, part of the payment of the variable remuneration compensation of its Executive Board members, without the need to submit, every year, that commission new requests, in the case therefore of permanent authorization.

We present the statement of acquired shares, its distribution and its transfer schedule:

	Total Program Shares	Minimum cost	Averege cost	Maximum cost	Shares Distributed	Shares to Distribute	Estimated Schedule Transfers
2015 Program	21,476	28.50	28.50	28.50	17.183	4,293	March 2020
Total shares to be distributed						**4,293**	
2016 Program	25,703	28.59	28.70	28.99	15.427	5,138	March 2020
						5,138	March 2021
Total shares to be distributed						**10,276**	
2017 Program	19,359	28.92	29.02	29.15	7.749	3,870	March 2020
						3,870	March 2021
						3,870	March 2022
Total shares to be distributed						**11,610**	
2018 Program	16,393	27.78	27.78	27.80	3.289	3,276	March 2020
						3,276	March 2021
						3,276	March 2022
						3,276	March 2023
Total shares to be distributed						**13,104**	March 2020

g.2) Repurchase Program

On October 15, 2015, the Board of Directors approved the Repurchase Program of up to 10,000,000 shares the company itself issued for staying in treasury and subsequent disposal of or cancellation. The period of valid for up to 365 days from that date in accordance with the limit set forth by CVM Instruction 567. This program was in effect until October 14, 2016, and 3,360,000 shares were acquired, amounting to R$ 82,201 thousand, minimum, average and maximum cost per share are respectively R$ 21.09, R$ 24.46 e R$ 27.76.

On October 27, 2016, the Board of Directors approved the second Repurchase Program of up to 10,000,000 shares the company itself issued for staying in treasury and subsequent disposal of or cancellation. The period of valid for up to 365 days from that date of approval. This program was concluded on October 26, 2017 and there was no acquisition of shares by said Program.

On October 26, 2017, the Board of Directors approved the third Repurchase Program of up to 10,000,000 shares the company itself issued for staying in treasury and subsequent disposal of or cancellation. The period of valid for up to 365 days from that date of approval. This program was concluded on October 25, 2018 and there was no acquisition of shares by said Program.

On November 1, 2018, the Board of Directors approved the fourth Buyback Program of up to 10,000,000 shares issued by the company to be held in treasury and subsequently sold or canceled. The term of validity is up to 365 days from the date of approval, and there was no acquisition of shares on behalf of the fourth Program until its closure on October 31, 2019. The Company, to date, has not approved a new Repurchase Program.

On December 21, 2018, 450 treasury shares from the 2015 Repurchase Program, were distributed to all active employees of BB Seguridade (disregarding statutory), the awarding title, regardless of the hierarchical level, being that each employee received three common shares.The securities are held in the Banco do Brasil and may only be marketed by the employee after the termination of the relationship maintained with BB Seguridade (end of the assignment resulting from the Availability Agreement signed between Banco do Brasil and BB Seguridade).The transferred shares totaled R$ 12 thousand. For the attribution of its price, it was adopted the criterion of the average price of the week prior to the payment.

g.3) Number of Treasury Shares

Descrição	Parent and Consolidated	
	31.12.2019	**31.12.2018**
Variable Wage Program	39,283	43,367
Repurcharse Program	3,359,550	3,359,550
Total	**3,398,833**	**3,402,917**

The cost value of treasury shares is R$ 83,306 thousand and the exchange price on 12.31.2019 is R$ 128,136 thousand.

20 – FINANCIAL RESULT

R$ thousand

	Parent		Consolidated	
	2019	**2018**	**2019**	**2018**
Financial Income	**173,832**	**150,380**	**343,522**	**274,057**
Yield from financial investments (1)	162,427	140,668	331,711	263,244
Monetary adjustment of judicial deposits	--	--	6,963	6,664
Monetary adjustment of taxes	2,604	2,854	2,611	2,869
Monetary adjustment of dividends and interest on equity capital	8,792	6,848	2,225	1,241
Other	9	10	12	39
Financial Expenses	**(30,360)**	**(37,219)**	**(30,653)**	**(37,547)**
Monetary adjustment of dividends and interest on equity capital	(29,623)	(36,130)	(29,623)	(36,130)
Financial system services	(555)	(517)	(826)	(752)
Loss on financial investments	(173)	(572)	(173)	(572)
Other	(9)	--	(31)	(93)
Financial Result	**143,472**	**113,161**	**312,869**	**236,510**

(1) Increase in income from financial investments due to the amounts received on the disposal of IRB in 3rd Quarter 2019 (note 2).

21 – PERSONNEL EXPENSES

R$ thousand

	Parent		Consolidated	
	2019	**2018**	**2019**	**2018**
Salaries	(5,977)	(6,087)	(33,283)	(31,677)
Social security costs	(2,971)	(3,227)	(16,173)	(15,907)
Fees	(943)	(1,285)	(3,858)	(3,818)
Benefits	(745)	(858)	(4,147)	(3,834)
Training	(175)	(158)	(978)	(685)
Total	**(10,812)**	**(11,615)**	**(58,438)**	**(55,921)**

22 – ADMINISTRATIVE EXPENSES AND SALES

R$ thousand

	Parent		Consolidated	
	2019	2018	2019	2018
Donation and sponsorship expenses	--	(11)	(13,774)	(10,643)
Specialized technical services	(217)	(1,297)	(9,548)	(14,604)
Rent expenses and Condominium fee	(927)	(757)	(4,496)	(3,433)
Data processing	(772)	(1,073)	(3,517)	(3,639)
Sales Promotions	--	--	(3,113)	--
Judicial conviction	--	(9)	(2,970)	(1,273)
Service Travel	(266)	(505)	(1,621)	(1,552)
Others	(384)	(767)	(2,300)	(2,238)
Total	**(2,567)**	**(4,419)**	**(41,339)**	**(37,382)**

23 – COSTS OF SERVICES PROVIDED

R$ thousand

	Consolidated	
	2019	2018
Operational support cost	(75,463)	(83,112)
Administrative cost of products	(83,575)	(76,657)
Cost of data processing	(19,298)	(25,320)
Investment management cost	(7,370)	--
Total	**(185,706)**	**(185,089)**

There are no service costs provided in Parent.

24 – OTHER INCOME AND EXPENSE

R$ thousand

	Parent		Consolidated	
	2019	2018	2019	2018
Capital Gain on Sale of Investment in associated(1)	--	--	3,519,736	205,853
Income of ADR(2)	12,141	12,499	12,141	12,499
Recovery of operational provision(3)	--	--	7,324	--
(Addition)/Reversal of provisions for labor, tax and civil lawsuits	(103)	--	1,271	(270)
Depreciation/amortization expense	(166)	(142)	(887)	(807)
Income/(expense) earn in earn out - Brasilveiculos (4)	--	--	(13,972)	(7,521)
Other (5)	1,813	21	(4,560)	(6,329)
Total	**13,685**	**12,378**	**3,521,053**	**203,425**

(1) In 2019, refers to the sale of all shares of IRB Brasil (Note 2.a); In 2018, refers to the sale of all the shares of Mapfre BB SH2 (Note 2.b).
(2) Refers to the amounts recognized under the ADR (American Depositary Receipt) program.
(3) There was a reversal of the price adjustment value of the assets of the Brasilveiculos, relative to the year of 2018.
(4) Refers to the price adjustment mechanism of the assets of the Brasilveiculos (Note 2.b).
(5) In 2019 and 2018, includes the amount of R$ 6,552 thousand related to the provision for brokerage to be returned to Brasilprev.

25 – COMMISSIONS INCOME

R$ thousand

	Consolidated	
	Dec 31, 2019	Dec 31, 2018
Gross commission income	**3,474,987**	**2,917,620**
Brasilseg (BB Mapfre SH1)[1]	2,407,981	2,097,616
Brasilprev	517,023	399,847
Mapfre BB SH2[2]	163,221	160,017
Brasilcap	377,844	251,431
Outras empresas	8,918	8,709
Deductions from commission income	**(408,756)**	**(331,033)**
PIS	(57,304)	(48,121)
Cofins	(263,944)	(221,646)
ISS	(87,508)	(61,266)
Net commission income	**3,066,231**	**2,586,587**

(1) On 12.31.2019, R$ 446 million refers to the additional commission. On 12.31.2018, R$ 276 million refers to the additional commission, according to the restructuring agreement described in Note 2.

(2) Despite the sale of the stake, SH2 products continue to be sold by BB Corretora.

There are no amount of commissions income in parent.

26 – RELATED PARTY TRANSACTIONS

BB Seguridade and its wholly owned subsidiaries have agreements signed with Banco do Brasil S,A, to apportion and/or reimbursement of expenses direct and indirect costs and resulting from the use of personnel, materials, technological and administrative resources required for maintenance of companies activities and, in particular, product marketing in the banking channel, The agreement aims to capture synergies resulting from the sharing of resources and its terms forecast that the reimbursement follows apportionment criterias according to the effective utilization of resources.

The costs of salaries and other benefits granted to key management personnel of the BB Seguridade (Executive Board, Audit Committee, Board of Directors and Fiscal Council):

R$ thousand

	2019	2018
Short-term benefits	**6,010**	**5,974**
Fees and social charges	4,915	5,160
Executive Board	3,790	3,996
Audit Committee	571	539
Board of Directors	310	359
Fiscal Council	244	267
Variable Remuneration(1)	710	344
Other(2)	385	469
Variable Wage Program(3)	**772**	**790**
Total	**6,782**	**6,763**

(1) Refers to the cash amount of the 2018 directors variable remuneration program and the amount of the advance payment of the 2019 cash installment, both of which were payrolled in March and September, respectively.
(2) Benefits considered: medical care, health assessment, life insurance, removal advantage and supplementary pension plan of the administrators.
(3) Refers to the cost of shares relating to the installments of the share-based payment programs for 2014, 2015, 2016, 2017 and 2018.

According to the variable remuneration policy of BB Seguridade, established in accordance with Law 6,404/1976, Article 152 and Accounting Pronouncements Committee 10 (CPC 10 - Share-based Payment), the part of variable remuneration of the Executive Board is paid in shares.

BB Seguridade does not provide post-employment benefits to its key management personnel, except for those that are part of the staff of Banco do Brasil S.A. (controller).

The Group trades banking transactions with its Controller, Banco do Brasil S.A. such as current account deposits (unpaid), corporate cards, financial applications, service deliveries and warranty in conditions equivalent to those available to other customers.

The Group does not grant loans to its Directors, Fiscal Council members, Board of Directors and Audit Committee.

The schedules below introduce the main transactions involving the companies within the effective utilization of resources:

a) Summary of related party transactions

BB Seguridade – Controller

R$ thousand

	Dec 31, 2019		Dec 31, 2018	
	Controller(1)	Subsidiaries(2)	Controller (1)	Subsidiaries(2)
Assets				
Cash and cash equivalents	4,231,195	--	4,428,956	--
Dividends/interest on equity receivable	--	1,961,491	--	515,602
Receive with related parties	--	7,194	--	5,305
Liabilities				
Dividends payable	4,300,051	--	2,684,797	--
Obligations with related parties	5,615	--	4,811	--

R$ thousand

	2019		2018	
	Controller(1)	Subsidiaries(2)	Controller(1)	Subsidiaries(2)
Income				
Interest earnings of financial instruments	161,972	--	140,668	--
Personnel expenses	(10,812)	--	(11,615)	--
Administrative expenses (4)	(3,132)	--	(1,910)	--
Monetary assets changes	--	8,792	--	6,848
Monetary liabilities changes	(19,625)	--	(23,936)	--

BB Seguridade – Consolidated

R$ thousand

	Dec 31, 2019		Dec 31, 2018	
	Controller(1)	Associates and joint ventures(3)	Controller (1)	Associates and joint ventures(3)
Assets				
Cash and cash equivalents	7,381,292	--	6,056,247	--
Financial assets at fair value through profit or loss	456,534		435,975	--
Dividends/interest on equity receivable	--	--	--	9,971
Commissions to be received	--	1,340,315	--	1,006,939
Liabilities				
Dividends payable	4,300,051	--	2,684,797	--
Obligations with related parties	20,979	41,029	24,175	20,260
Unearned Commissions	--	2,220,012	--	1,856,437

R$ thousand

	2019		2018	
	Controller(1)	Associates and joint ventures(3)	Controller (1)	Associates and joint ventures(3)
Income				
Interest earnings of financial instruments	300,182	--	263,244	--
Income from commission	--	3,307,907	--	2,753,466
Personnel expenses	(58,438)	--	(55,921)	--
Administrative expenses/costs of services provided (4)	(196,709)	--	(194,440)	--
Monetary assets changes	--	2,225	--	1,241
Monetary liabilities changes	(19,625)	--	(23,936)	--

(1) Banco do Brasil S.A.
(2) BB Seguros and BB Corretora.
(3) Related companies BB MAPFRE SH1 Participações S.A. (Brasilseg) and its subsidiaries, MAPFRE BB SH2 Participações S.A. (until 11/30/2018 as per Note 2 and its subsidiaries, Brasilprev Seguros e Previdência S.A. and Brasilcap Capitalização S.A. Brasildental S.A. and IRB-Brasil (until 07/23/2019 as per Note 2.
(4) Refers to expenses as sharing contract customer data, use of staff, distribution network and resource materials technological and administrative, between the Bank, BB Seguridade, BB Corretora and BB Seguros.
(5) Refers to the monetary of dividends received from IRB-Brasil.

b) Compensation Paid to Employees and Directors

On April 15, 2016, an agreement of assignment of employees of Banco do Brasil S.A. to BB Seguridade, for the office of Director levels, Management and other positions of trust was signed. The assignment of employees are given in the form of availability, without charge. The Banco do Brasil S.A. continues to process the payroll of the transferred employees, receiving a monthly repayment of all current costs from BB Seguridade.

c) Remuneration of employees and managers

Monthly wages paid to employees and Directors of the BB Seguridade S.A. (in Reais):

	Dec 31, 2019	Dec 31, 2018
Lowest salary	7,269.24	6,968.88
Highest salary	37,930.12	36,362.88
Average salary	14,979.54	14,556.40
Management		
Director-President	61,564.83	61,564.83
Director	52,177.45	52,177.45
Council members		
Board of Directors	5,906.80	5,906.80
Fiscal Council	5,906.80	5,906.80
Audit Committee - Member	9,868.90	9,868.90

27 - OTHER INFORMATION

In 2019, the study did not identify assets with signs of devaluation. For assets subject to the impairment test, the recoverable amount obtained was higher than the book balance of investments and goodwill, when any, and there is no need to record an impairment loss.

The study was carried out in two stages, in which the first consisted of the survey of signs of loss for the BB Seguros Group's assets, and the result obtained pointed to the absence of signs of losses for the analyzed assets. The second stage consisted of preparing the impairment test for assets related to investments in equity.

For the impairment test, the Discounted Dividend Flow method was used, where the net profit of the investee companies was estimated and a payout index was applied to them. A dividend flow was estimated for the five-year term, plus the residual value in perpetuity. The test also considered alternative scenarios. Bearing in mind that the companies do not have financial indebtedness, the discount rate used was equivalent to the Minimum Attractiveness Rate adopted by the BB Seguros group.

For the 2019 impairment test, goodwill related to R$ 110,749 thousand from the acquisition of all shares owned by Sulacap in Brasilcap and R$ 493,487 thousand related to intangibles and adjustments for standardization purposes was considered in book value. accounting practice adopted by the investee Mapfre Participações SA (Brasilseg) and BB Seguros.

Main assumptions used in the impairment tests:

• Revenues and Costs: a historical basis and expectations for market growth, the segment in which they operate and the performance of each business were used;

• Financial Result: projection of average profitability in line with current levels of remuneration in the financial market;

• Minimum Required Capital: considered the regulatory capital in force on the date of the assessment, as established by the National Private Insurance Council and the National Supplementary Health Agency.

• Income Tax and Social Contribution: considering the rates provided for in the current legislation.

• Perpetuity: the nominal growth rate corresponding to the expectation of long-term future inflation was considered.

• Discount Rate: to determine the discount rate, a methodology was used to calculate the cost of equity, since the investees do not have indebtedness. The rate was calculated using the CAPM (Capital Asset Pricing Model) model, which considers the cost of capital corresponding to the profitability required by shareholders as compensation for the market risk to which they are exposed.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

BB Seguridade Participações S.A.

Individual and Consolidated Financial Statements for the Year Ended December 31, 2019 and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte.

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INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL
AND CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors, Management and Shareholders of
BB Seguridade Participações S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of BB Seguridade Participações S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2019, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of BB Seguridade Participações S.A. as at December 31, 2019, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Commissions income

As disclosed in note 4 to the individual and consolidated financial statements, BB Corretora, wholly-owned subsidiary of the Company, records income derived from commissions in accordance with technical pronouncement CPC 47 - Revenue from Contracts with Customers (equivalent to IFRS 15), considering the following steps: (i) identification of the contract; (ii) identification of performance obligations; (iii) determination of the price of the transaction; (iv) transaction price allocation; and (v) revenue recognition. As a result, commissions income is recognized when (or as and when) BB Corretora satisfies the performance obligation when transferring the service promised to the client.

Due to the relevance of commissions income to the individual and consolidated financial statements, we consider this matter as a significant matter in our audit.

We evaluated the design of the main internal controls related to the process of recognizing commissions income and performed the following main substantive audit procedures for a sample of transactions selected randomly: (i) verification of the existence of the transactions by consulting the legacy systems of Banco do Brasil and the verification of its financial settlement; (ii) reading of the operational agreements between BB Corretora, Banco do Brasil and operating companies, indirectly invested by the Company, to assess whether the commission rates charged for the selected transactions were the rates agreed between the parties; and (iii) verification of the calculation of the appropriation of commissions income in accordance with the concepts of CPC 47 (IFRS 15). Additionally, we performed the circularization of the main operating companies, indirectly invested by the Company, to confirm the commissions income for the year ended December 31, 2019.

Based on the audit procedures performed, we consider the amounts recorded relating to commissions income acceptable in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2019.

Other matters

Audit of the corresponding figures for the prior year

The corresponding figures for the year ended December 31, 2018, presented for comparison purposes, were audited by other independent auditor, who issued unqualified opinion thereon, dated February 7, 2019.

Statements of value added

The individual and consolidated statements of value added ("DVA") for the year ended December 31, 2019, prepared under the responsibility of the Company's Management and disclosed as supplemental information for IFRS purposes, were subject to audit procedures performed together with the audit of the individual and consolidated financial statements of the Company. In forming our opinion, we evaluated whether these individual and consolidated statements of value added are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the independent auditor's report

Company's Management is responsible for the other information. The other information comprises the Management Report.

Deloitte.

Our opinion on the individual and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and with IFRS, issued by IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, when applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

Brasília, February 7, 2020

DELOITTE TOUCHE TOHMATSU Auditores Independentes	Roberto Paulo Kenedi Engagement Partner

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SUMMARY OF THE AUDIT COMMITTEE REPORT – FISCAL YEAR 2019

Introduction

The Audit Committee was installed in BB Seguridade Participações S.A. in 2015. It is a statutory advisory body to the Board of Directors, acting on a permanent basis and independently, with the primary purpose of assessing and stating on the quality and integrity of the financial statements of the Company; the effectiveness of the system of internal controls and Internal Audit; the role of the External Auditor; the Company's risk exposure and the adequacy of related-party transactions. The By-Laws of the Committee, approved by the Board of Directors, is available at the website http://www.bbseguridaderi.com.br/pt/governanca-corporativa/comite-de-auditoria.

As provided at By-Laws of the Committee, upon accession of the subsidiaries to the single Audit Committee, the composition became of until 05 (five) members, being 01 (one) appointed by the minority, 01 (one) independent member of the Board of Directors and the others, 03 (three) appointed by the other members of the Board of Directors.

The Administration is responsible for preparing and ensuring the integrity of the financial statements, managing the risks, define, test and maintaining effective internal control system and ensuring the compliance with the legal and regulatory standards.

The Internal Audit is responsible for periodic works, focusing on the key risks, evaluating, with independence, the actions of management of these risks and the adequacy of the governance and internal controls.

The External Audit is responsible for auditing the financial statements. It also evaluates, based on the work of external auditor, the quality and adequacy of the internal controls system and compliance with legal and regulatory provisions.

Main Activities

From January 01st to December 31st, 2019, the Committee held a total of 86 (eighty-six) meetings, made arrangements and requests for documents and information with the Administration of BB Seguridade, da BB Corretora and BB Seguros, risks and controls manager, and the internal and external auditors. The activities developed, recorded in minutes, covered the set of responsibilities assigned to the entity, and are summarized below.

These meetings addresses, in particular, issues related to financial statements, to internal control systems, accounting, tax and risk management processes, and concerning transactions with related parties. In situations where the need for improvement was identified, it recommended enhancements.

It kept dialogue with internal and external audits, opportunities in which it evaluated its planning and met the results of main studies, its conclusions and recommendations.

It revised the financial statements, prior to disclosure, of BB Seguridade, BB Corretora and BB Seguros, as well as the explanatory notes and the Administration report, and discussed with the external auditors their reports and notes.

Conclusions

Based on the activities developed and bearing in mind the tasks and limitations inherent to the scope of its activities, the Audit Committee considers that:

a) The internal controls of Companies evolved in 2019, and were presented appropriate to the size and complexity of business and permanent object of attention by the Administration;
b) The Internal Audit, performed its functions with independency, objectivity and quality;
c) The quality of the works and information provided by the External Audit are appropriate and support the opinion of the Committee on the integrity of the financial statements. No occurrences that could compromise its independence have been identified;
d) The internal risk management processes have evolved in relation to the previous period; still need improvements, such as tools and information that allow the Company to expand its vision, and capacity for action on the risks and capital management processes, including within affiliate companies;
e) Transactions with related parties of the Company have evaluated and monitored by the Administration and by its own statutory committee, with no significant distortions reported. It is kept a continuous following given the number of transactions, in order to give greater transparency to the processes;

f) Based on the works and interviews carried out throughout the fiscal year, the Audit Committee did not find any indication or evidence that the individual and consolidated financial statements do not represent, fairly, in all material aspects, the equity and financial position of BB Seguridade Participações S. A. and its subsidiares on December 31st, 2019, and the results of its operations for the year ended on that date, in accordance with the standards International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil. For this reason, this Committee recommends the adoption, by the Board of Directors, of the financial statements as elaborated and approved by the Executive Board.

Brasília (DF), February 7th, 2020.

Luiz Claudio Moraes

Arnaldo José Vollet

Artemio Bertholini

Manoel Gimenes Ruy

Roberto Lamb

FISCAL COUNCIL REPORT

BB SEGURIDADE PARTICIPAÇÕES S.A.'S FISCAL COUNCIL, due to its legal and statutory duties, examined today the Company's management report ("Relatório Anual da Administração"), the individual and consolidated Financial Statements, including the Balance Sheet, the Income Statement, Statement of Comprehensive Income, Statement of Changes on Net Equity, Cash Flow Statement and Added Value Statement, as well as the related Explanatory Notes, the report of the external auditors and a proposal of allocation results, all related to the fiscal year ended December 31st, 2018.

Our analysis of the statements above mentioned were further complemented by additional reports and documents and, mainly, by information and explanations provided to the Fiscal Council by the external auditors and the Company's Management.

Therefore, based on the work and clarifications provided by Deloitte Touche Tohmatsu Consultores and in the unqualified opinion included in the report issued by Deloitte on February 7th, 2020, and in the additional clarifications provided by the Management, this Fiscal Council unanimously states that the Financial Statements above mentioned, including the Management Report ("Relatório Anual da Administração"), and the proposal of allocation results are properly presented and concludes in favor to its submission to the Shareholders General Meeting deliberation.

Brasília (DF), February 7th, 2020.

Giorgio Bampi
Member of the Fiscal Council

Luis Felipe Vital Nunes Pereira
Member of the Fiscal Council

Lucinéia Possar
President of the Fiscal Council

Declaration of the Members of the Executive Board about the Financial Statements

In accordance with article 25 of CVM Rule 480, dated December 07, 2009, I declare that I have reviewed the Financial Statements for the period ended in December 31, 2019 of the BB Seguridade Participações S.A. and, based on subsequent discussions, I agree that such statements reflect fairly, in all material respects, the financial position for the period presented.

Brasília (DF), February 07, 2020.

Bernardo de Azevedo Silva Rothe
Chief Executive Officer

Pedro Bramont
Chief Strategy Officer

Reinaldo Kazufumi Yokoyama
Chief Commercial Officer

Werner Romera Suffert
Chief Financial Officer

Statement of the Members of the Executive Board on the Report of the Independent Auditors

In accordance with Article 25 of CVM Rule No. 480, dated 12.07.2009, I declare that based on my knowledge, the planning submitted by the auditors and the subsequent discussions on the audit results, I agree with the opinions expressed in the Deloitte Touche Tohmatsu Independent Auditors' report, dated 02.07.2020, related to the financial statements of BB Seguridade Participações S.A. for the fiscal year ended 12.31.2019 there being no disagreement.

Brasília (DF), February 07, 2020.

Bernardo de Azevedo Silva Rothe
Chief Executive Officer

Pedro Bramont
Chief Strategy Officer

Reinaldo Kazufumi Yokoyama
Chief Commercial Officer

Werner Romera Suffert
Chief Financial Officer

MEMBERS OF THE MANAGEMENT BODIES

DIRECTOR-PRESIDENT

Bernardo de Azevedo Silva Rothe

DIRECTORS

Pedro Bramont

Reinaldo Kazufumi Yokoyama

Werner Romera Suffert

BOARD OF DIRECTORS

Carlos Motta dos Santos (President)

Arnaldo José Vollet

Bernardo de Azevedo Silva Rothe

Bruno Bianco Leal

Bruno Silva Dalcolmo

Isabel da Silva Ramos

FISCAL COUNCIL

Giorgio Bampi

Lucineia Possar

Luis Felipe Vital Nunes Pereira

AUDIT COMMITTEE

Luiz Claudio Moraes

Arnaldo José Vollet

Artemio Bertholini

Manoel Gimenes Ruy

Roberto Lamb

ACCOUNTANT

Pedro Kiefer Braga

CRC-DF 020.786/O-0

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