BB SEGUROS

1Q20

Earnings Conference Call

May 04th, 2020

BBSE3 NOVO MERCADO BM&FBOVESPA | IBOVESPA | IBRX 50 | IBRX 100 | ITAG | IDIV | IGSEST | BBSEY OTCPink ADR - Level I

Covid-19 | Action Plan

BB SEGUROS

01
Taking care of employees

Providing reassurance to employees

- ✓ 100% of employees in Home Office;
- ✓ Weekly virtual meetings with the entire company

02
Supporting clients and society

Serving and supporting our customers in their needs

- ✓ Payment of indemnities in case of claims related to Covid-19;
- ✓ +Q strategy: psychological care and activities aimed at children;
- ✓ Donation of R$40 million by BB Corretora

03
Business sustainability

Measures that support the business

- ✓ Prioritizing products more adherent and less impacted by the pandemic;
- ✓ Measures for retaining customers, especially in pension plans segment.

04
Preparing for the after crisis

Action plan

- ✓ Acceleration of projects with potential to capture market opportunities;
- ✓ Enriching the action plan with recent data

Main Figures

1Q20

Net income	R$883 million ↓12.9% 1Q20 vs 1Q19	Operating result 94.5%	Net investment income 5.5%

Brasilseg

Premiums written	R$2.2 billion ↑15.9% 1Q20 vs 1Q19	Combined ratio 79.6% ↓4.5 p.p. 1Q20 vs 1Q19

Brasilprev

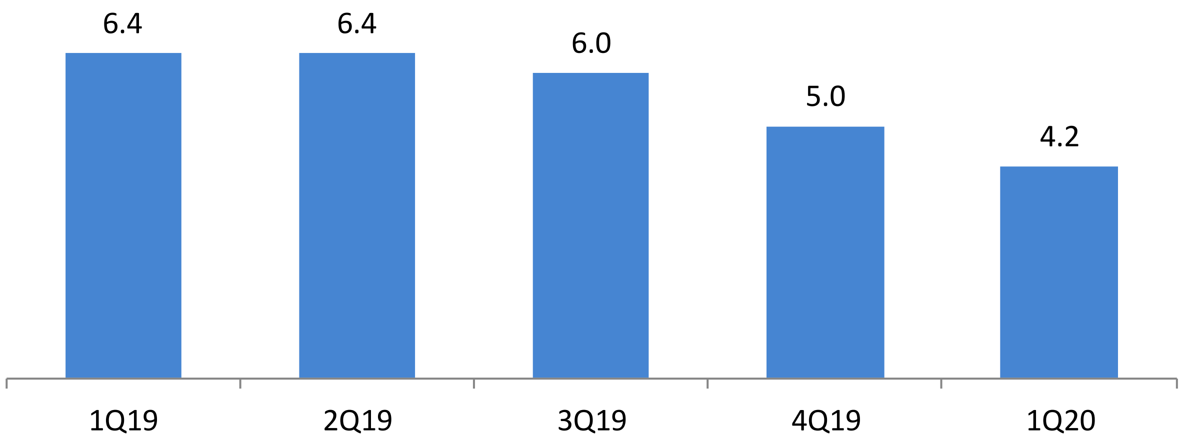
Contributions	R$10.1 billion ↑25.0% 1Q20 vs 1Q19	Redemption ratio 9.4% ↑2.4 p.p. 1Q20 vs 1Q19

BB Corretora

Brokerage revenues	R$883 million ↑15.8% 1Q20 vs 1Q19	Net margin 54.2% ↓0.4 p.p. 1Q20 vs 1Q19

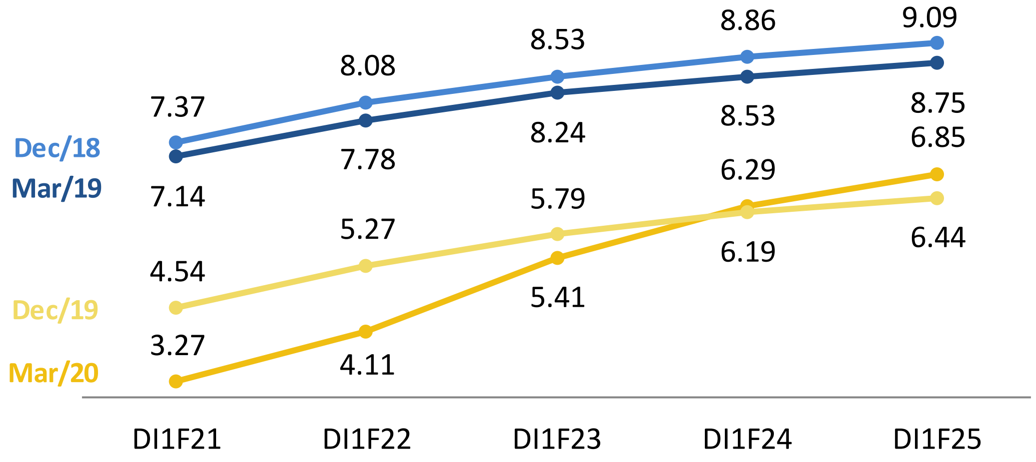
Net Investment Income

ANNUALIZED AVERAGE SELIC RATE (%)



Source: BACEN

FORWARD YIELD CURVE (%)



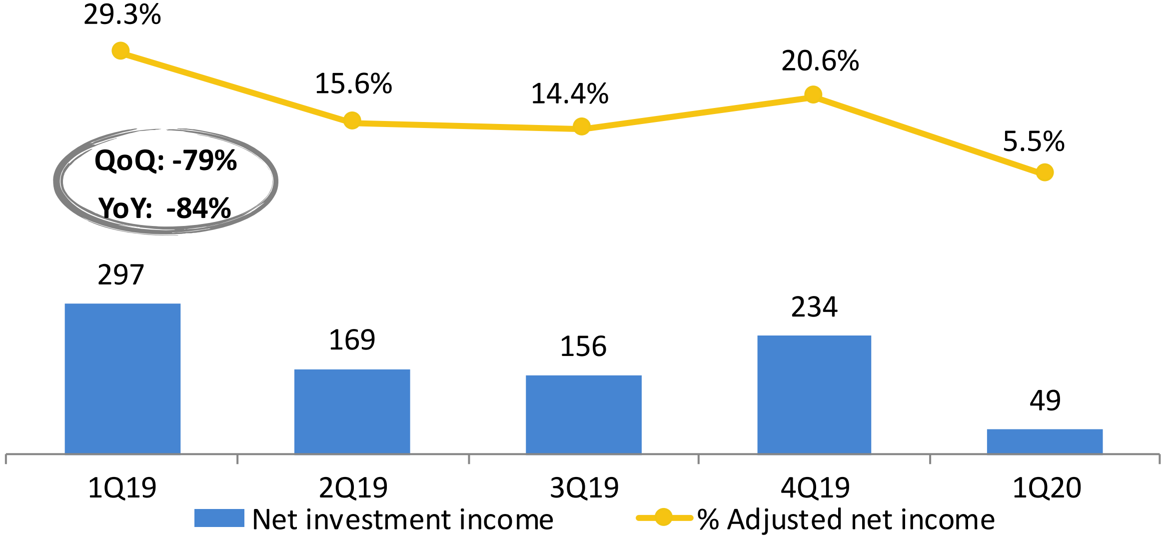
Source: ValorPro

INFLATION RATES (%)

	1Q19	1Q20	Chg. (p.p.)
Current ratio			
IPCA	1.5	0.5	(1.0)
IGP-M	2.2	1.7	(0.5)
Lagged ratio[1]			
IGP-M	(0.2)	2.5	2.7

1 – Considers the IGP-M with one-month lag

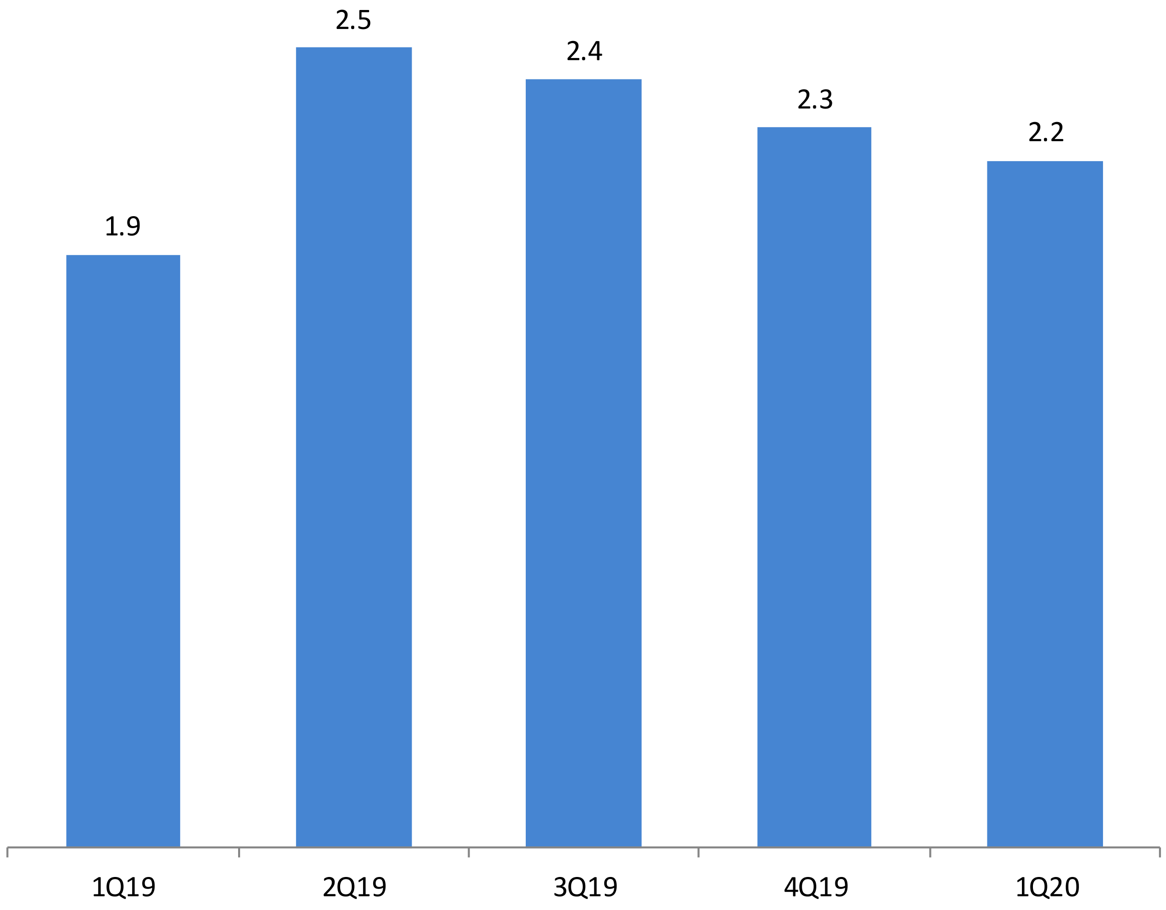
NET INVESTMENT INCOME (R$ MM)



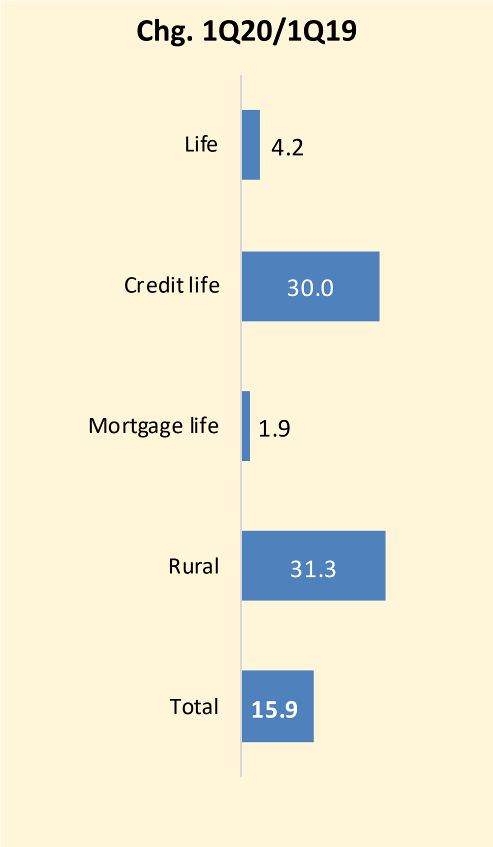
Brasilseg

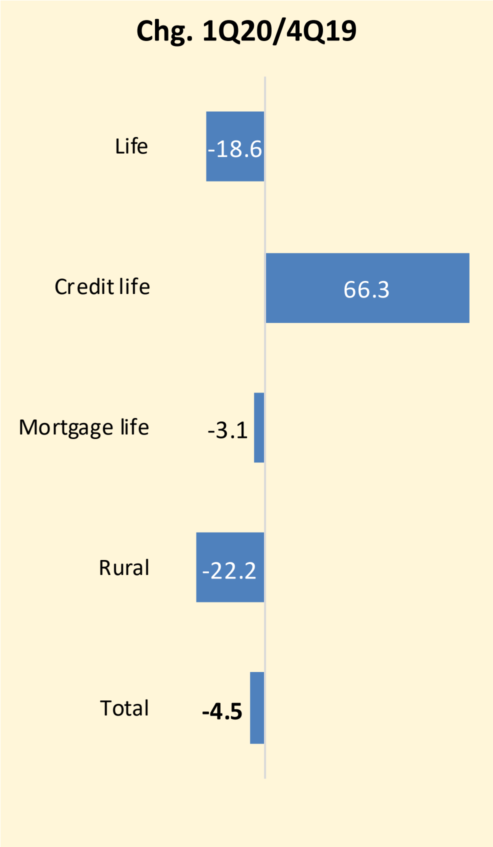
PREMIUMS WRITTEN (R$ BN)

QoQ: -5%
YoY: +16%



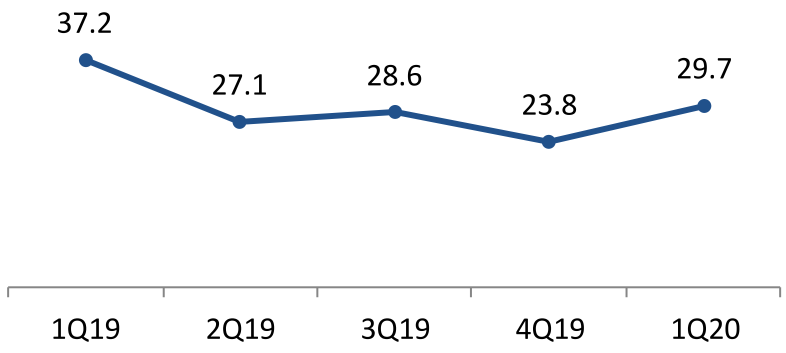
PREMIUMS WRITTEN (%)



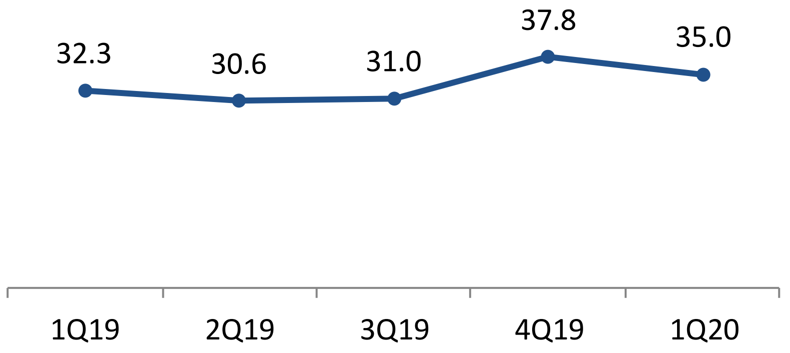


Brasilseg

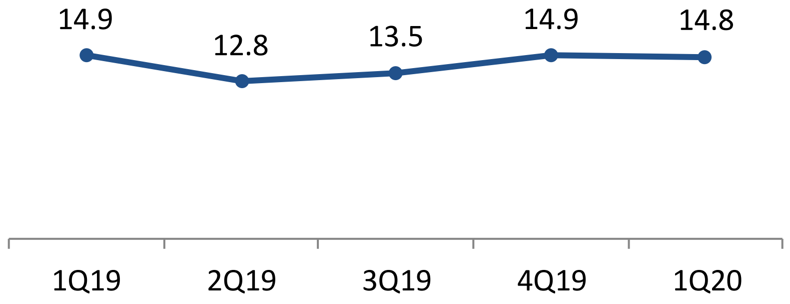
LOSS RATIO[1] (%)



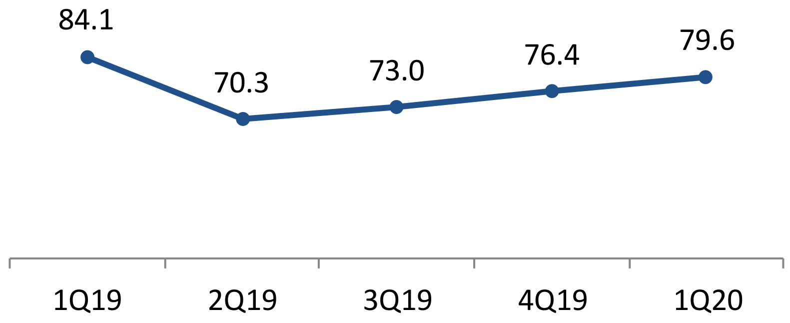
COMMISSION RATIO[1] (%)



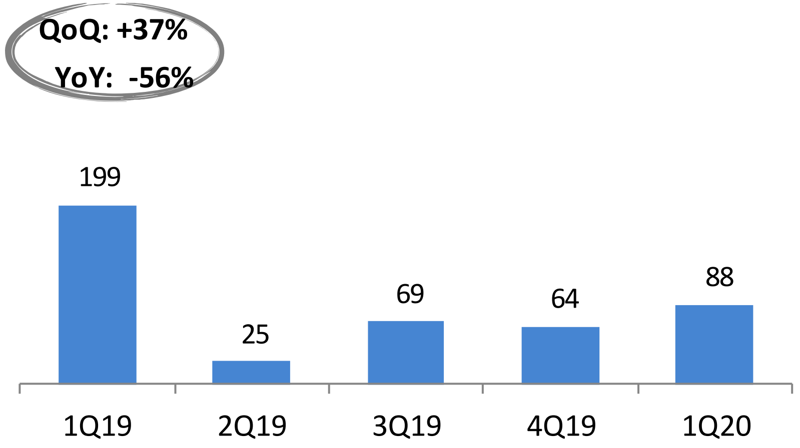
G&A RATIO [1] (%)



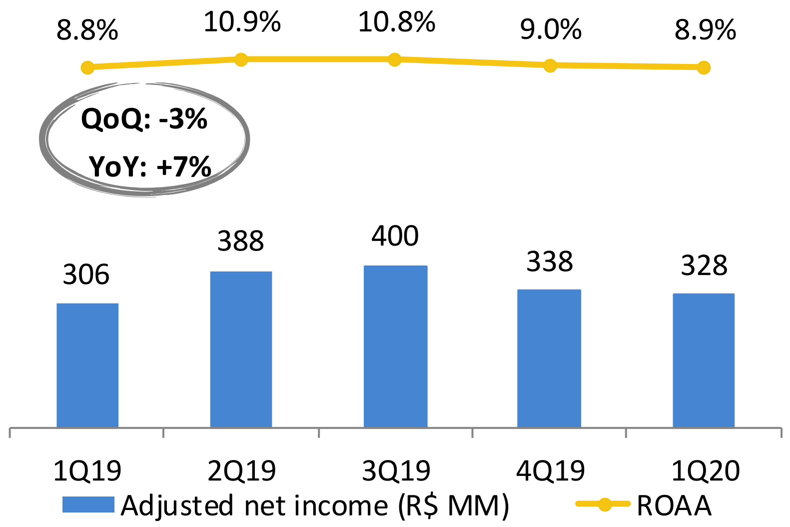
COMBINED RATIO[1] (%)



NET INVESTMENT INCOME (R$ MM)



AJUSTED NET INCOME (R$ MM)



1. Adjusted ratios, considering the reinsurance effects.

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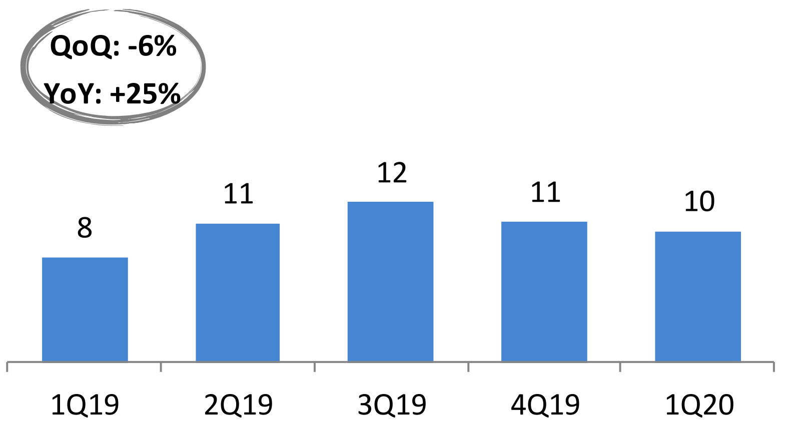
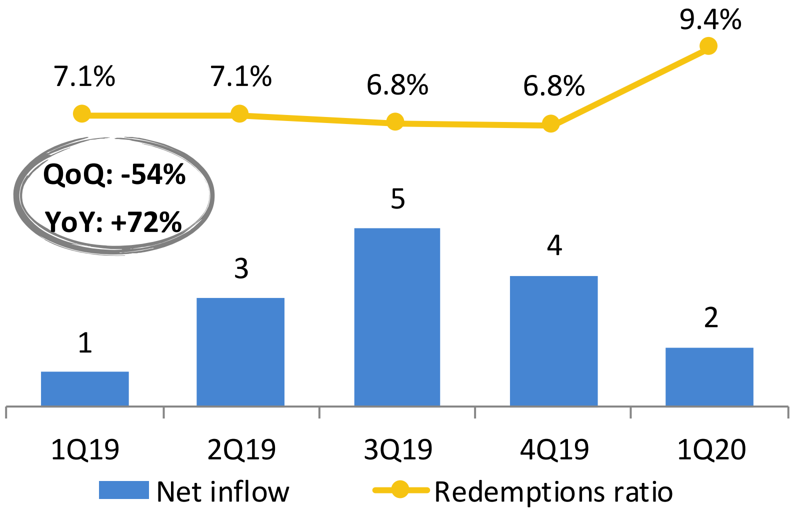
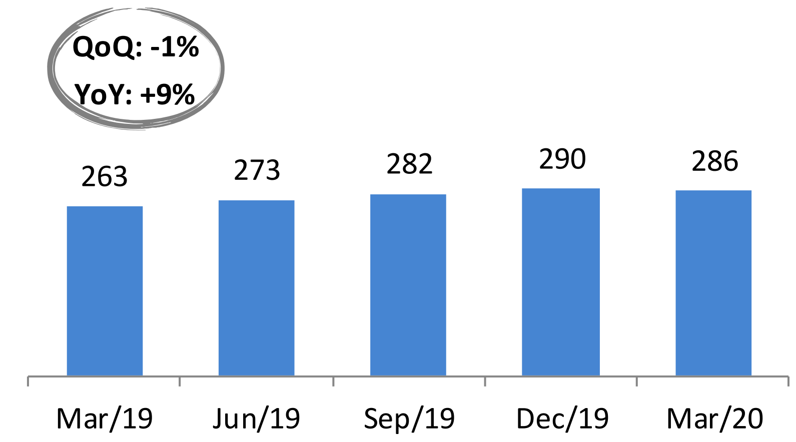
CONTRIBUTIONS (R$ BN)



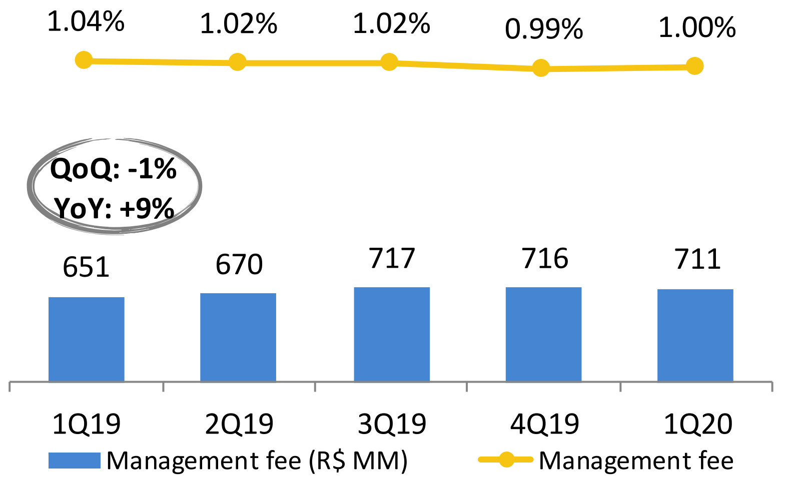
NET INFLOW (R$ BN)



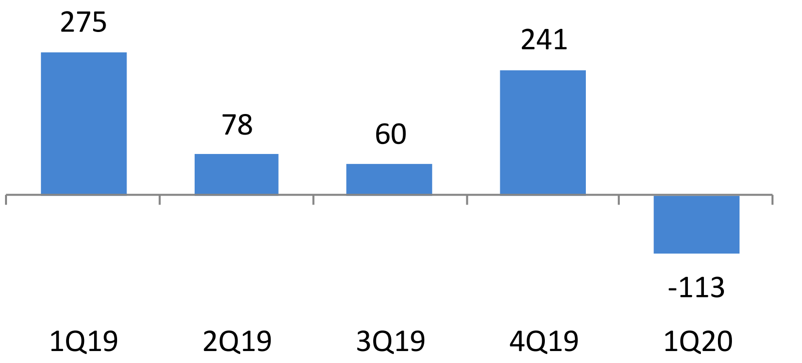
RESERVES (R$ BN)



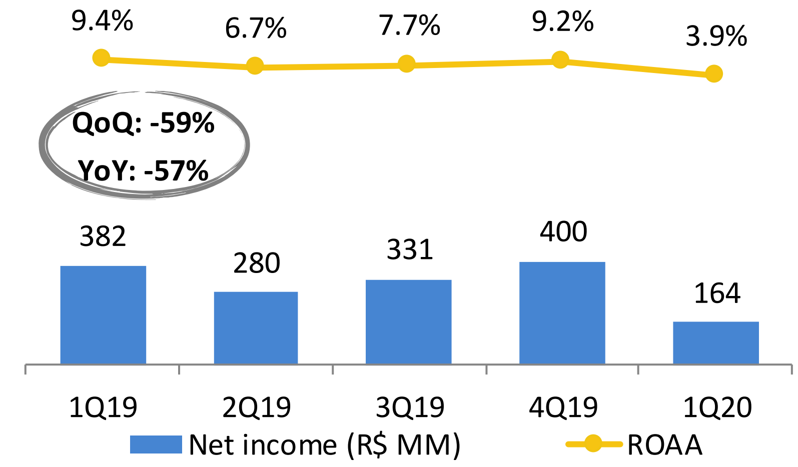
MANAGEMENT FEE[1]



NET INVESTMENT INCOME (R$ MM)

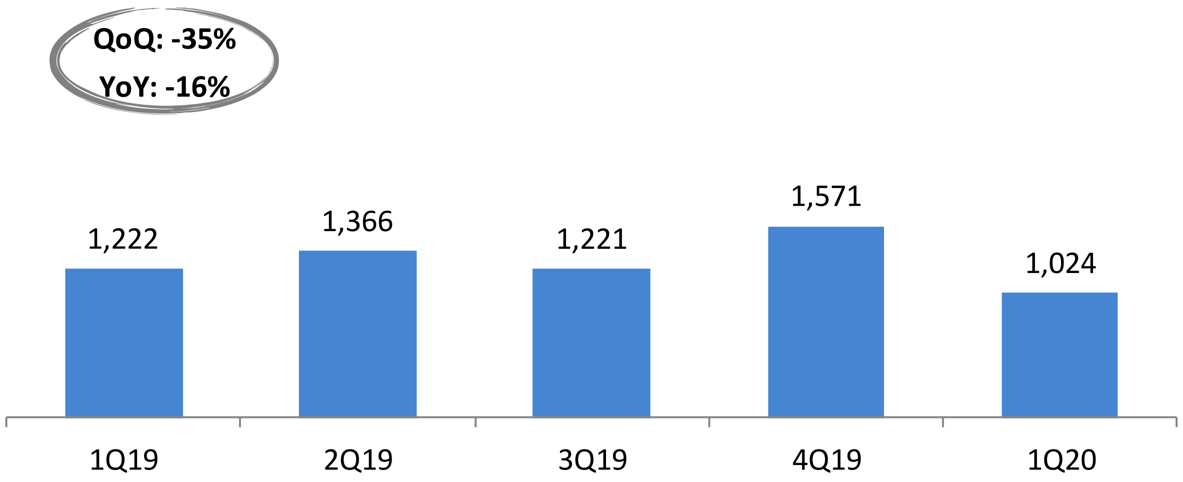


PROFITABILITY

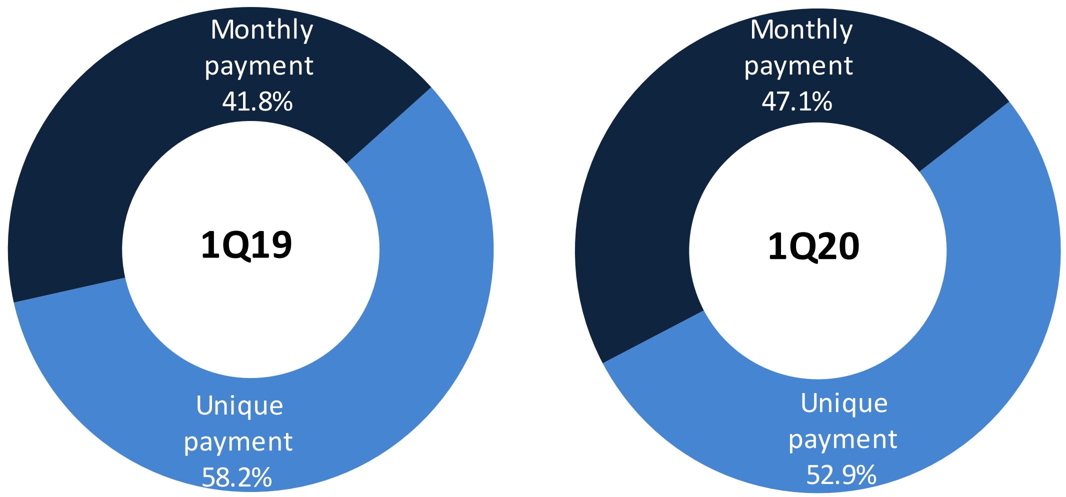


Brasilcap

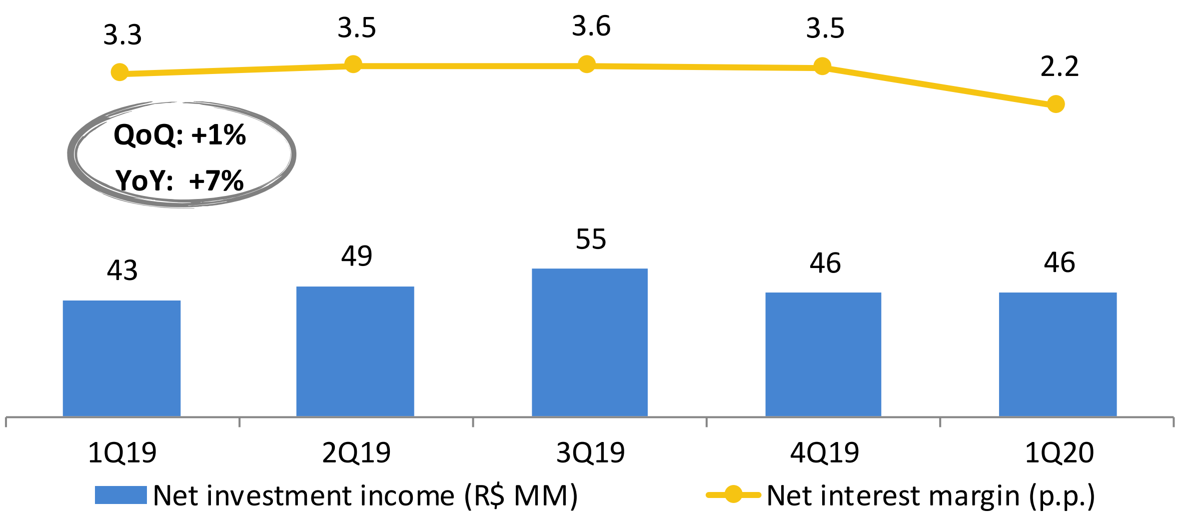
PREMIUM BONDS COLLECTION (R$ MM)



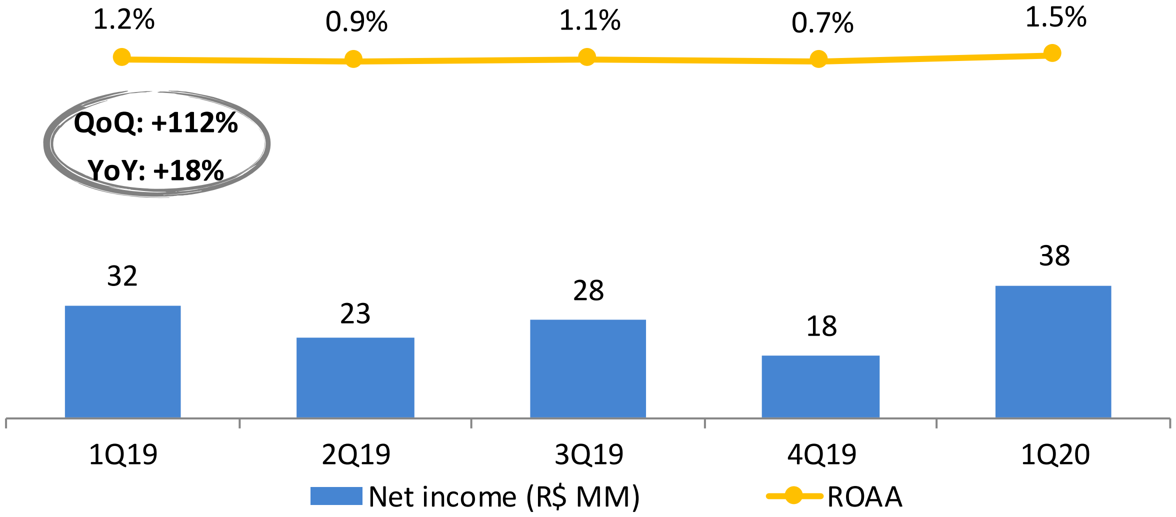
BREAKDOWN OF COLLECTION



NET INVESTMENT INCOME



NET INCOME



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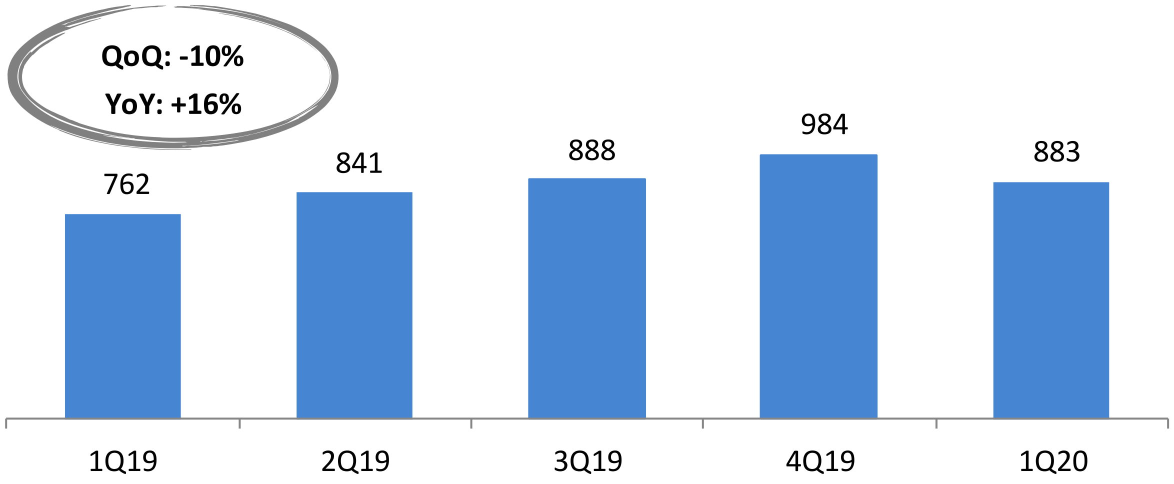
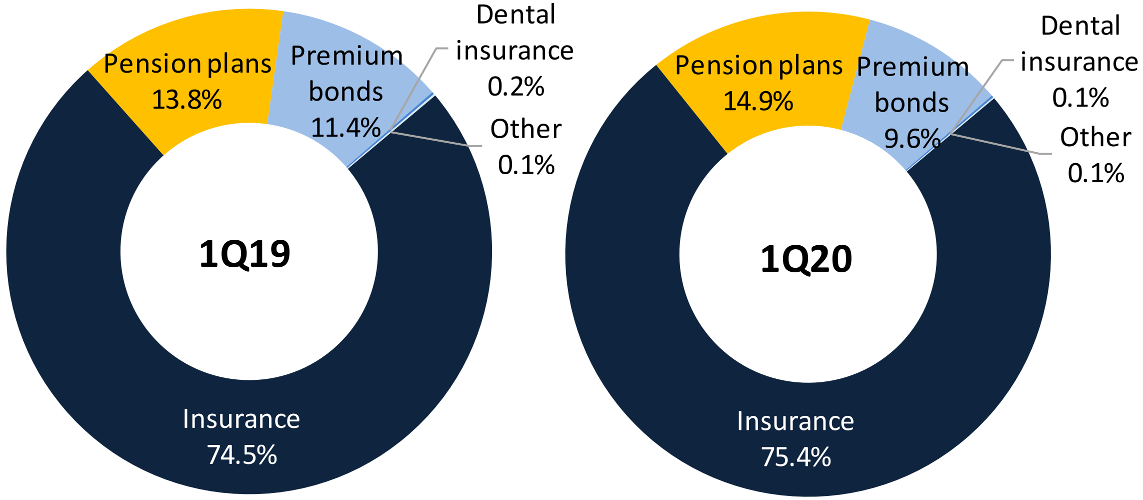
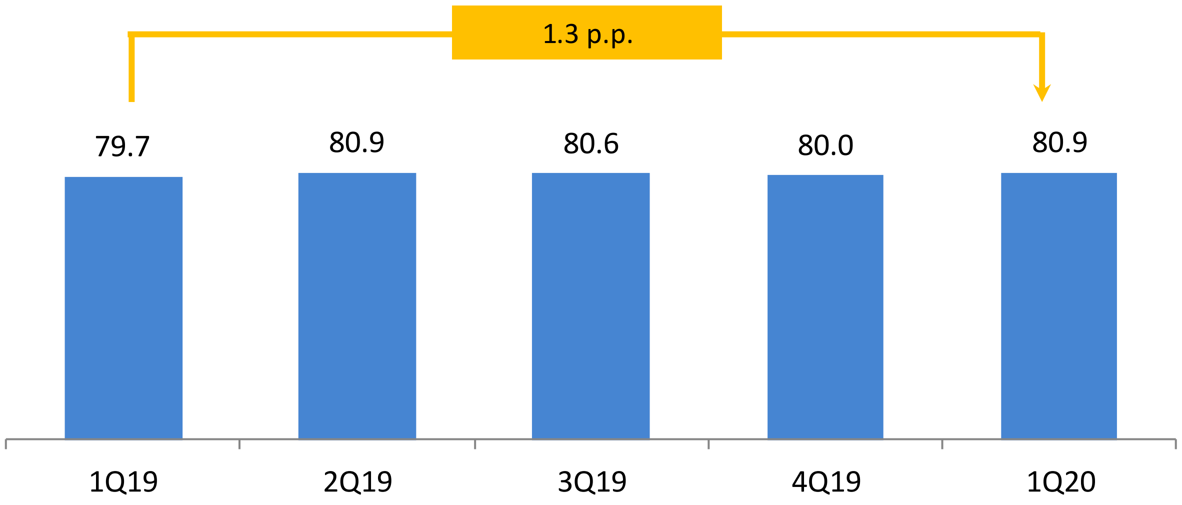
BROKERAGE REVENUES (R$ MM)



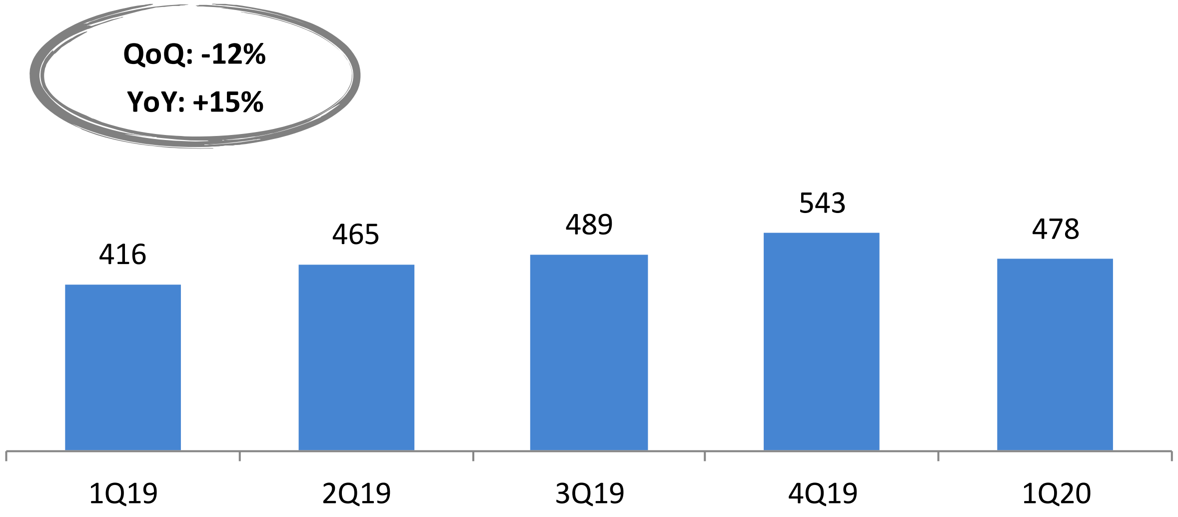
BREAKDOWN OF BROKERAGE INCOME



EBIT MARGIN (%)



NET INCOME (R$ MM)



Guidance 2020

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	Estimated vs Observed	Revised estimates
Adjusted non-interest operating result (ex-holdings)	+7.0% +13.0% 19.6%	Withdrawn
Premiums written of Brasilseg (ex-DPVAT)	+5.0% +10.0% 17.3%	Withdrawn
PGBL and VGBL pension plans reserves of Brasilprev	9.1% +10.0% +13.0%	Withdrawn

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