BB SEGUROS

3Q20

Earnings Conference Call

November 3rd, 2020

BBSE3 NOVO MERCADO BM&FBOVESPA | IBOVESPA | IBRX 50 | IBRX 100 | ITAG | IDIV | IG SEST | BBSEY OTC Pink ADR - Level I

BUSINESS RESILIENCE PROVEN IN THE CRISIS

ADJUSTED NET INCOME INCREASING AGAIN IN THE 3Q20

+1.4% YoY and +11.6% QoQ, in line with the initial budget, despite the difficulties generated by the pandemic and the negative impact of net investment income.

OPERATING RESULT ACCELERATING GROWTH

Increase of 7.9% YoY and 7.6% year-to-date, in line with the guidance released before the pandemic.

ROBUST COMMERCIAL PERFORMANCE

Insurance premiums and premium bonds collections growing more than 20% vs. 3Q19. Pension plans contributions returning to pre pandemic level (+76% QoQ).

NET INVESTMENT INCOME CLOSE TO THE BOTTOM

Net investment income accounted for 9% of net income, very close to the historical lows.

STRATEGY MAINTAINED WITH EXECUTION IN PROGRESS

- New products launched in 2020, with revised journeys and benefits.
- Revenues from digital channels improving (+18% YoY and +55% QoQ), totaling 167 thousand transactions.

Main figures

3Q20

Adjusted net income
R$1.1 billion ↑1.4%

Brasilseg
Premiums written: R$2.9 billion ↑20.4%
Combined ratio: 78.8% ↑5.8 p.p.

Brasilprev
Contributions: R$12.0 billion ↓3.0%
Redemption ratio: 7.8% ↓1.0 p.p.

BB Corretora
Brokerage revenues: R$999 million ↑12.5%
Net margin: 54.7% ↓0.4 p.p.

9M20

Adjusted net income
R$3.0 billion ↓6.7%

Dividend Yield[1]
13.9%

Brasilseg
Premiums written: R$7.6 billion ↑12.6%
Combined ratio: 78.5% ↑2.8 p.p.

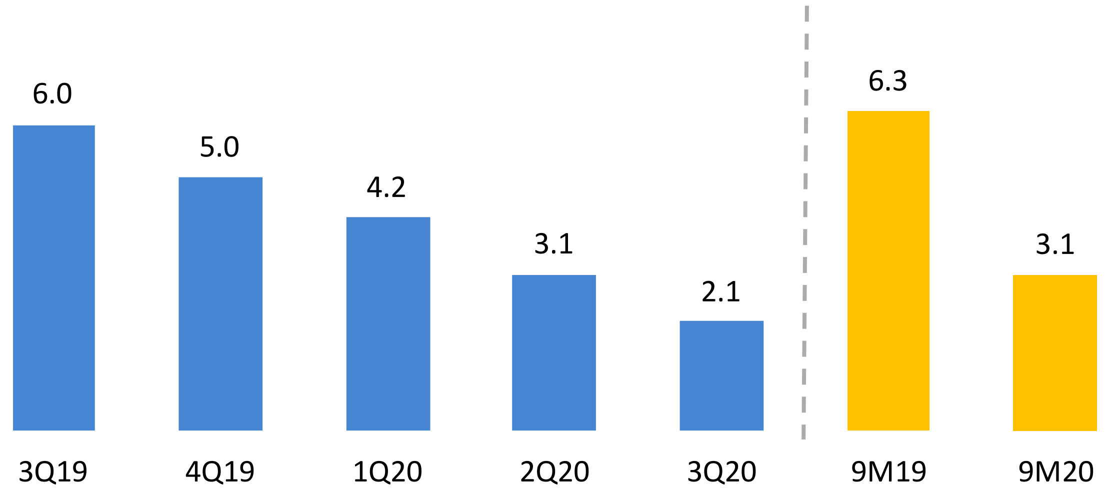
Brasilprev
Contributions: R$28.9 billion ↓7.3%
Redemption ratio: 7.9% ↑0.9 p.p.
P/VGBL Reserves: R$286 billion ↑5.1%

BB Corretora
Brokerage revenues: R$2.7 billion ↑9.0%
Net margin: 54.5% ↓0.5 p.p.

1 – Annualized dvidend yield calculated considering the dividends reported in the last 12 months divided by the average price in the same period.

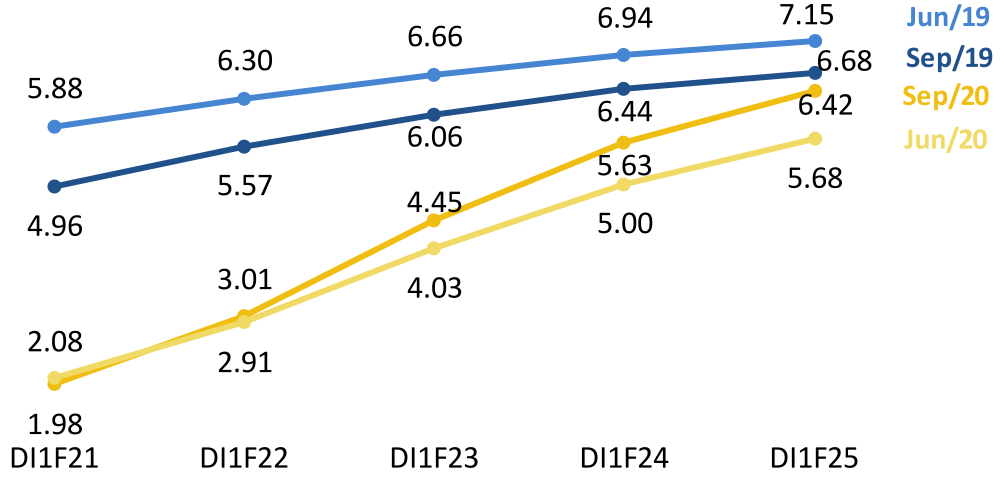
Net Investment Income

Annualized Average Selic Rate (%)



Source: BACEN

Forward Yield Curve (%)



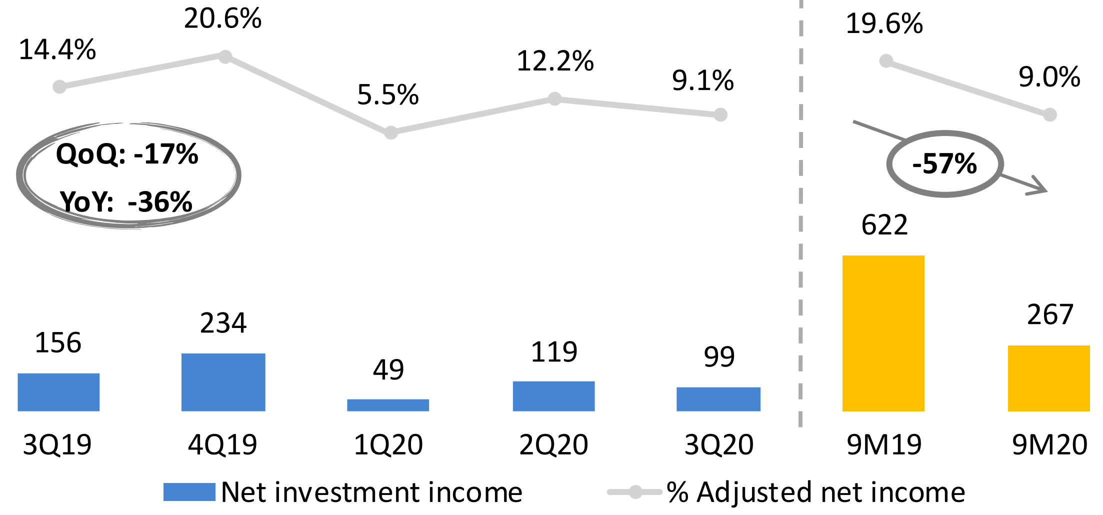
Source: ValorPro

Inflation Rates (%)

	3Q19	3Q20	Chg. (p.p.)	9M19	9M20	Chg. (p.p.)
Current ratio						
IPCA	0.3	1.2	1.0	2.5	2.0	(0.5)
IGP-M	(0.3)	9.6	9.9	4.1	14.4	10.3
Lagged ratio[1]						
IGP-M	0.5	6.7	6.1	3.0	11.9	8.9

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

Net Investment Income (R$ mm)



Brasilseg

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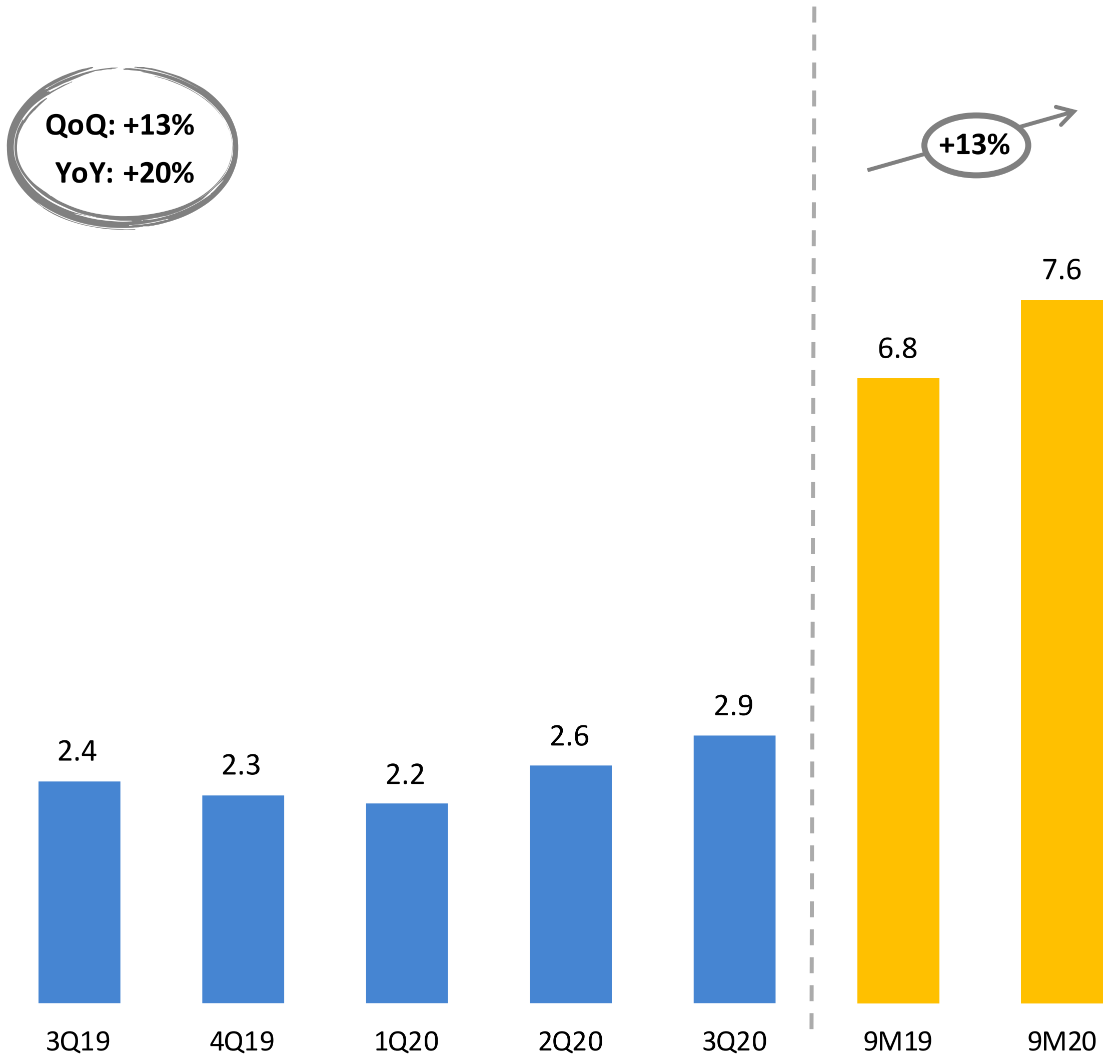
Premiums Written (R$ bn)



Premiums Written by Segment

Chg.	On 3Q19	On 9M19
Life	7.7%	4.5%
Credit life	24.7%	12.3%
Mortgage life	(0.0%)	1.6%
Rural	27.9%	23.9%
Home	18.1%	3.7%
Commercial lines	63.5%	12.8%

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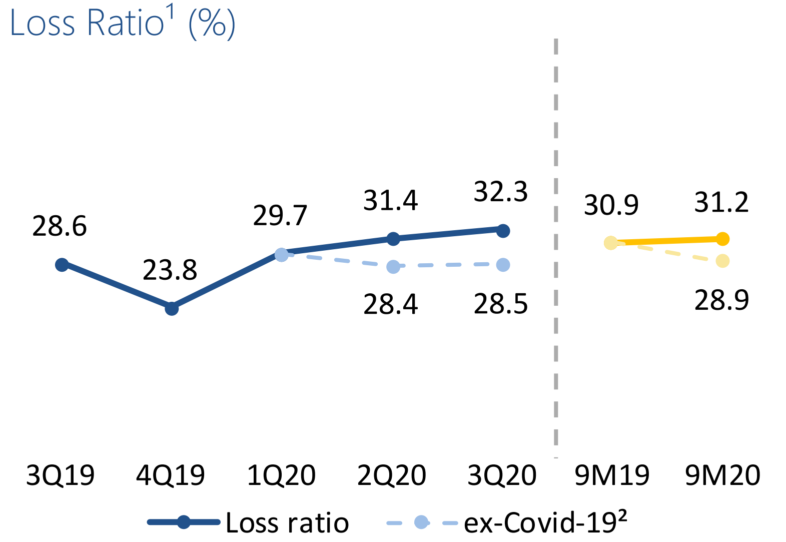
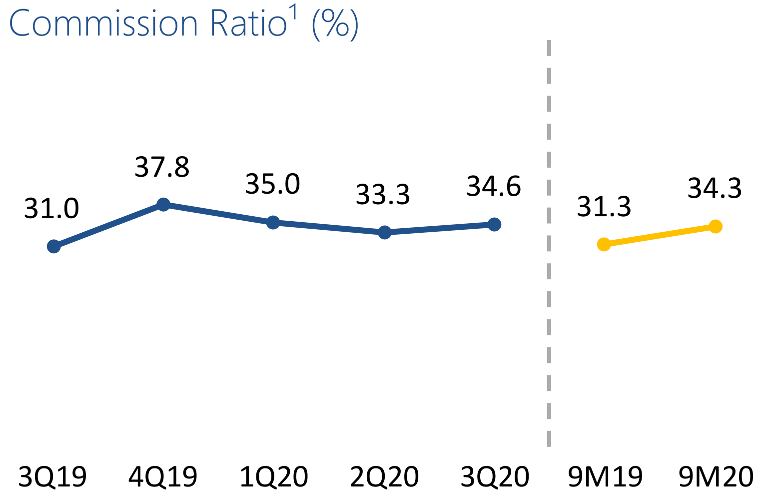
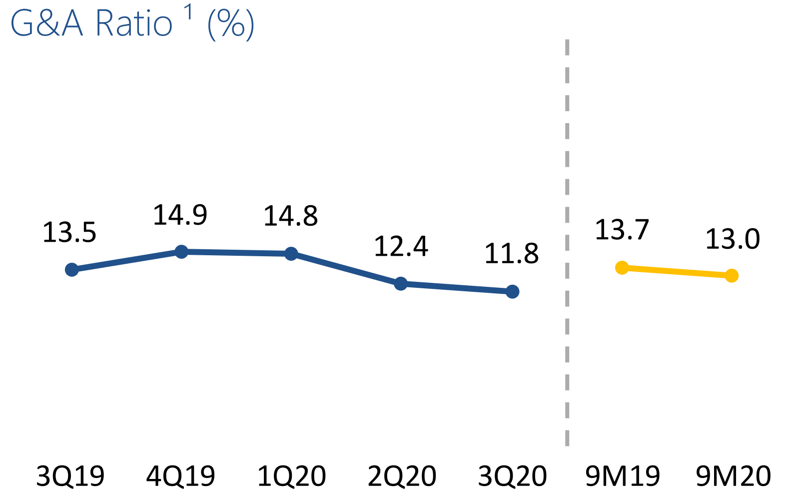
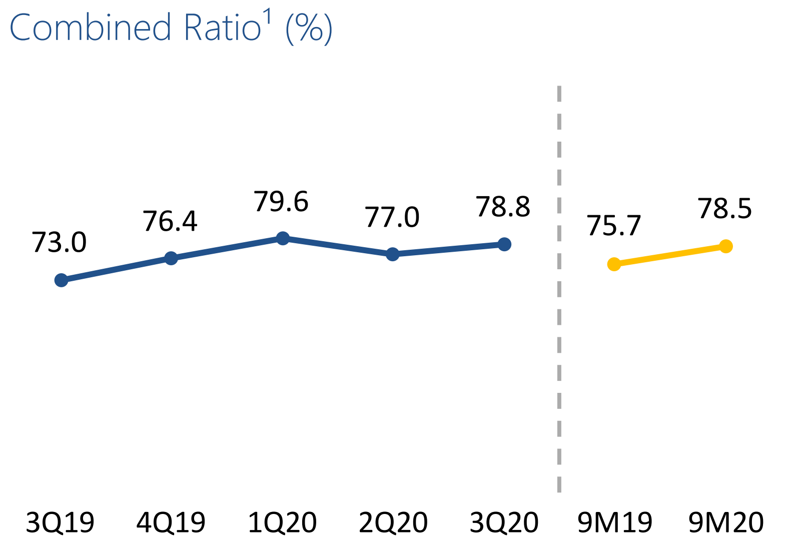
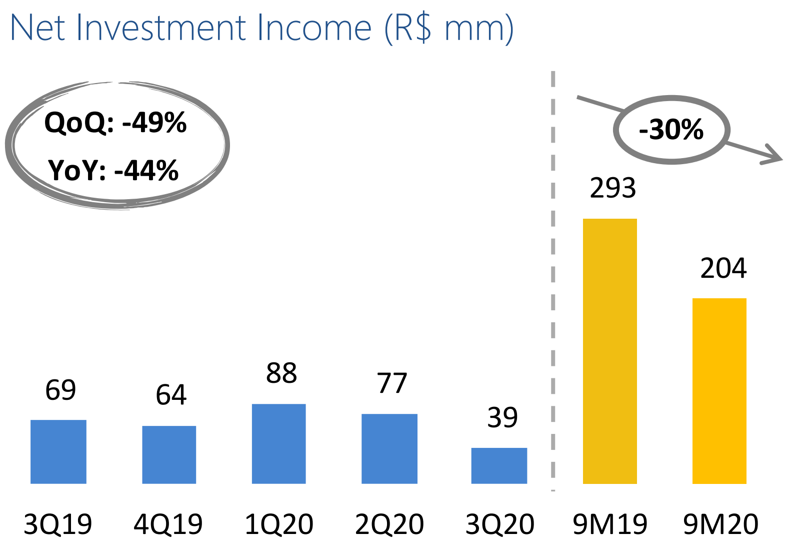


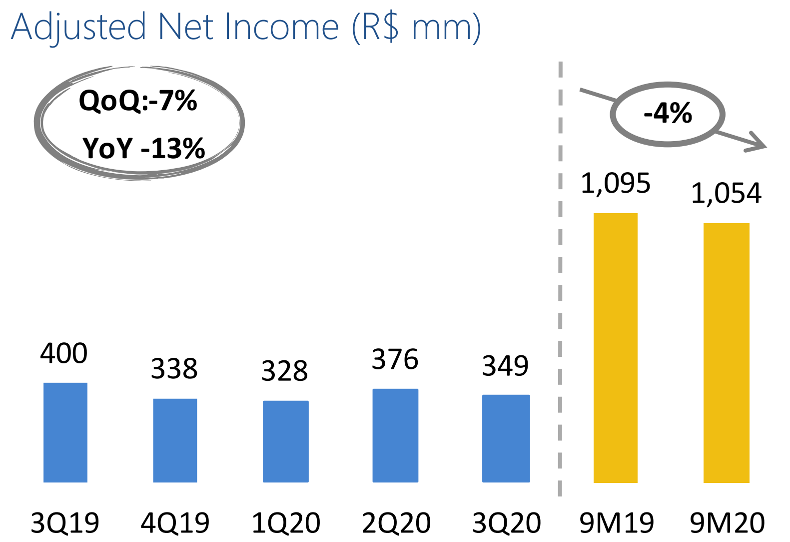




2. The loss ratio is revised in case of identification of occurrences related to Covid-19 of previous periods.







1. Adjusted ratios, considering the reinsurance effects.

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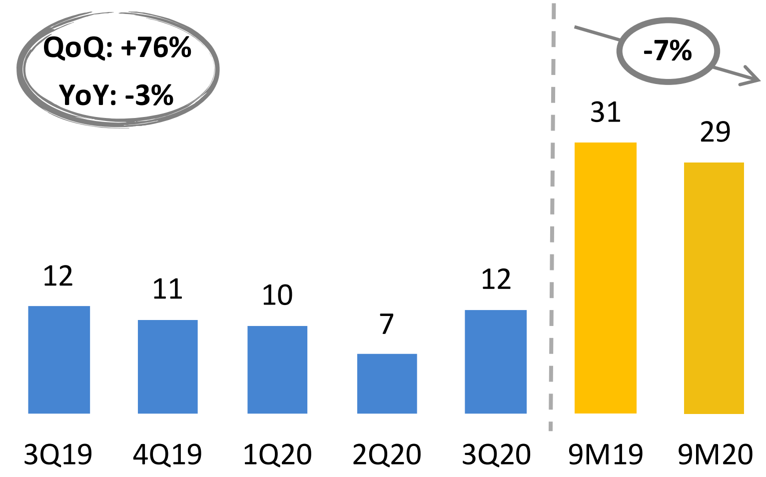
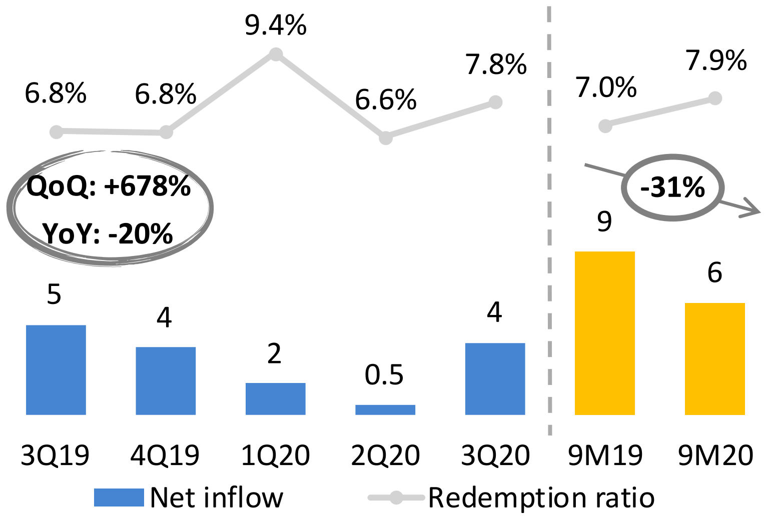
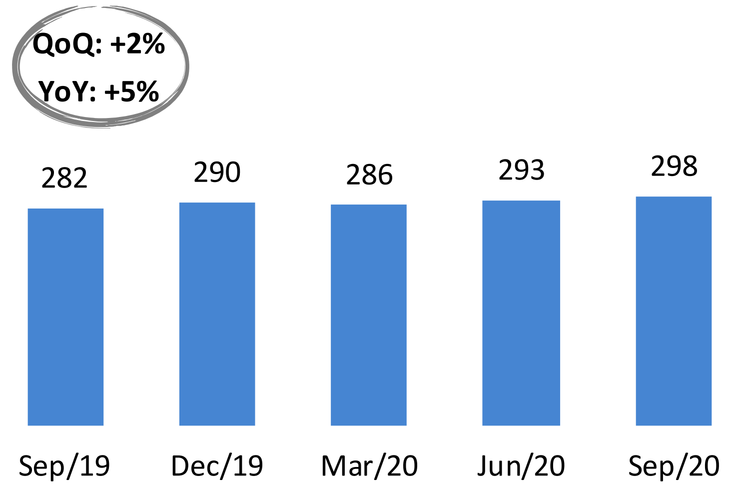
Contributions (R$ bn)



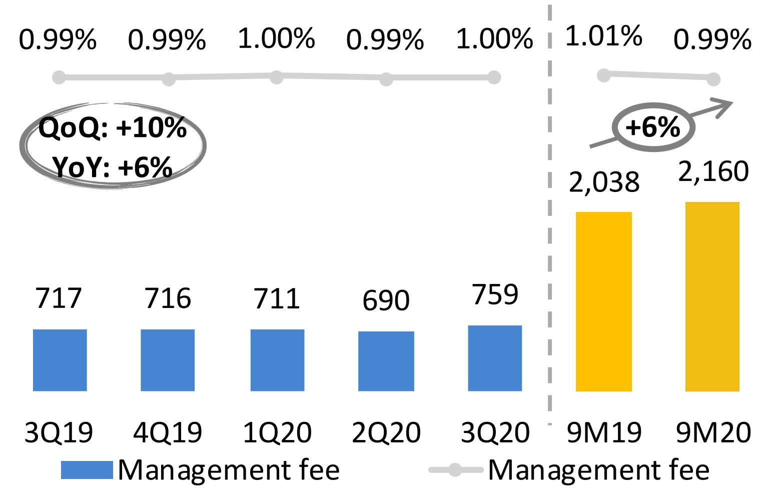
Net Inflow (R$ bn)



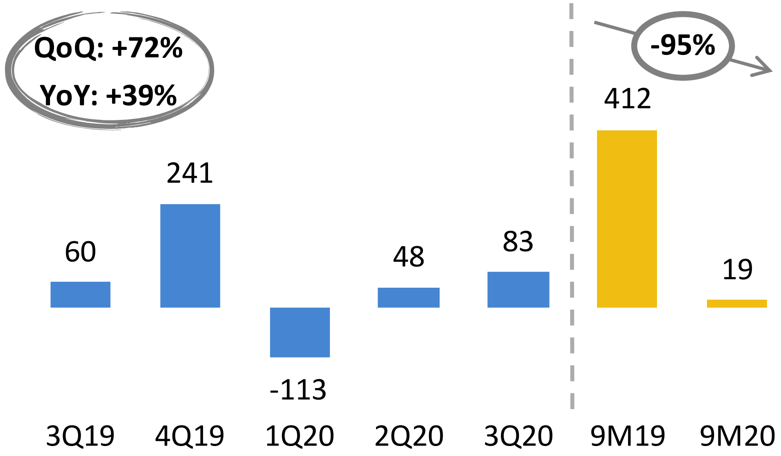
Reserves (R$ bn)



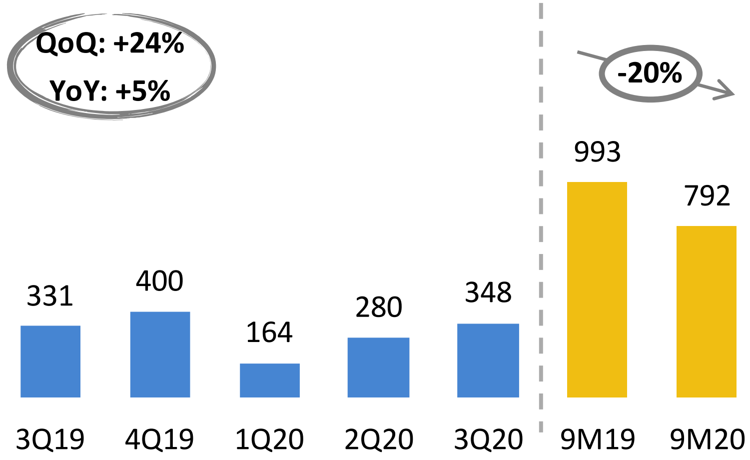
Management Fee[1]



Net Investment Income (R$ mm)



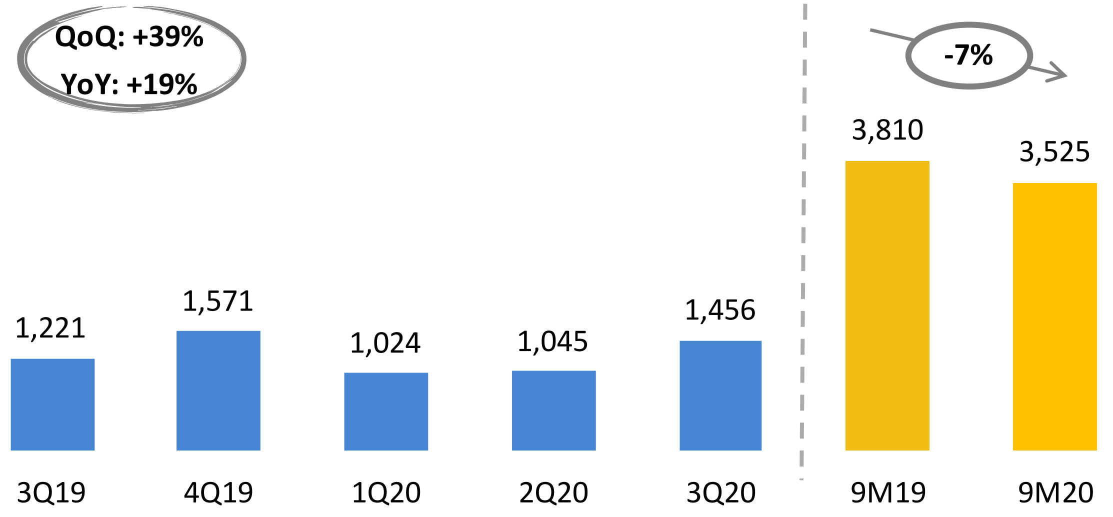
Net Income (R$ mm)



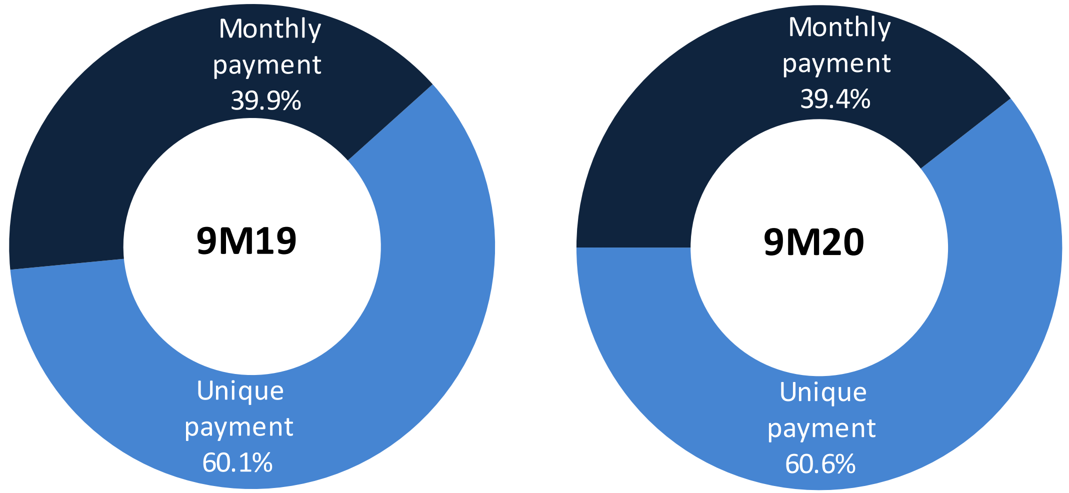
1. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for 2019 periods.

Brasilcap

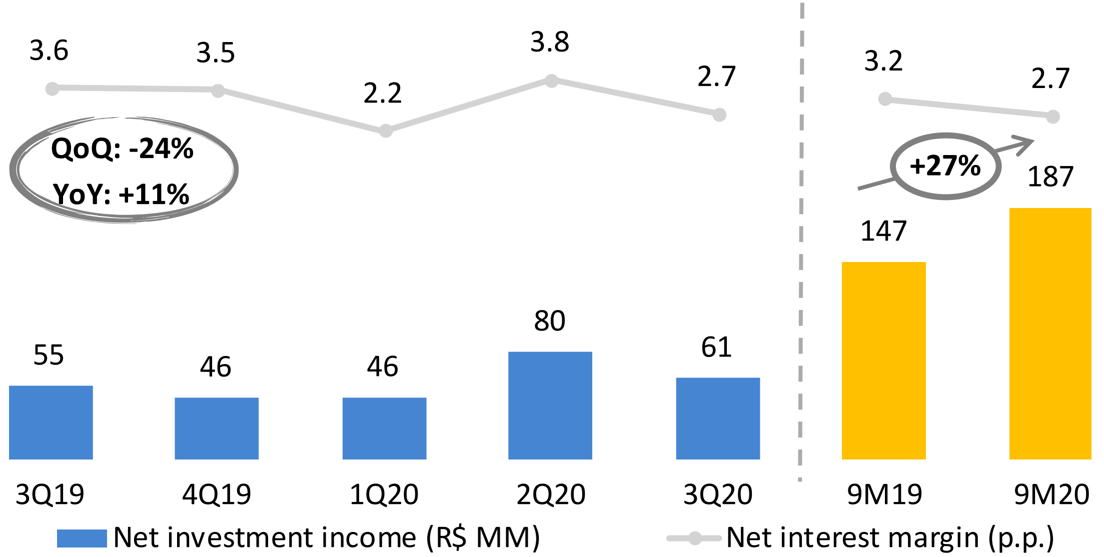
Premium Bonds Collection (R$ mm)



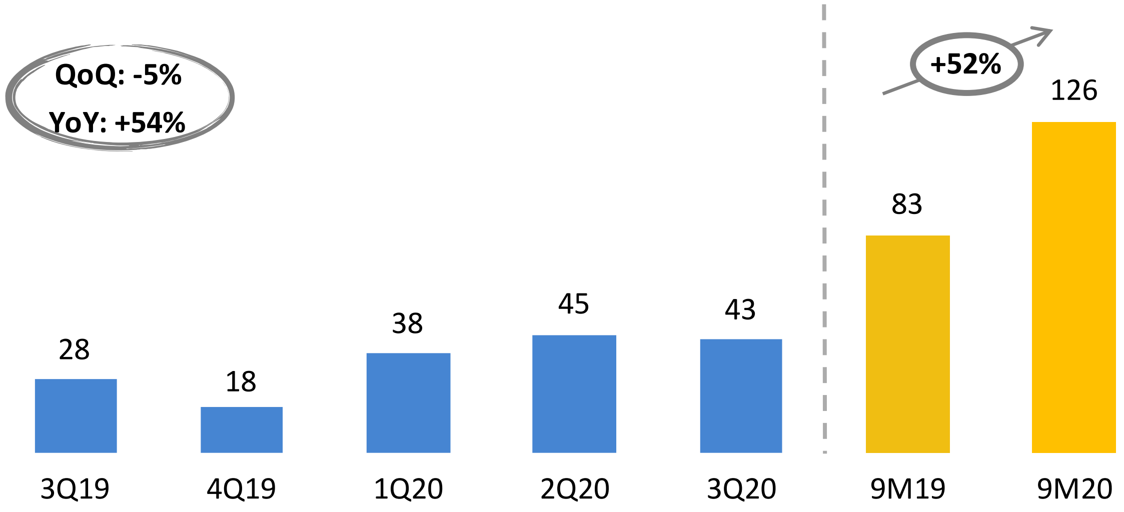
Breakdown of Collection



Net Investment Income



Net Income (R$ mm)



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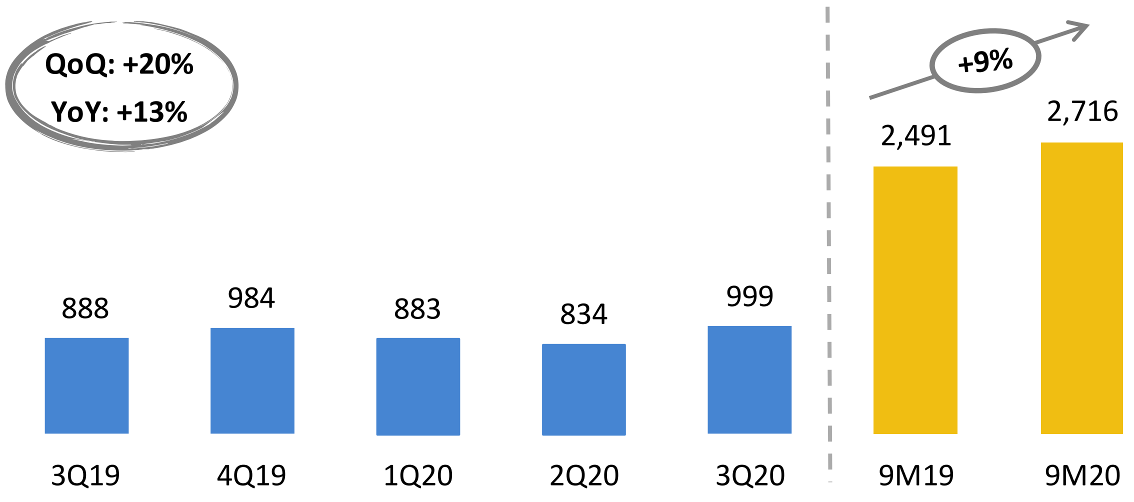
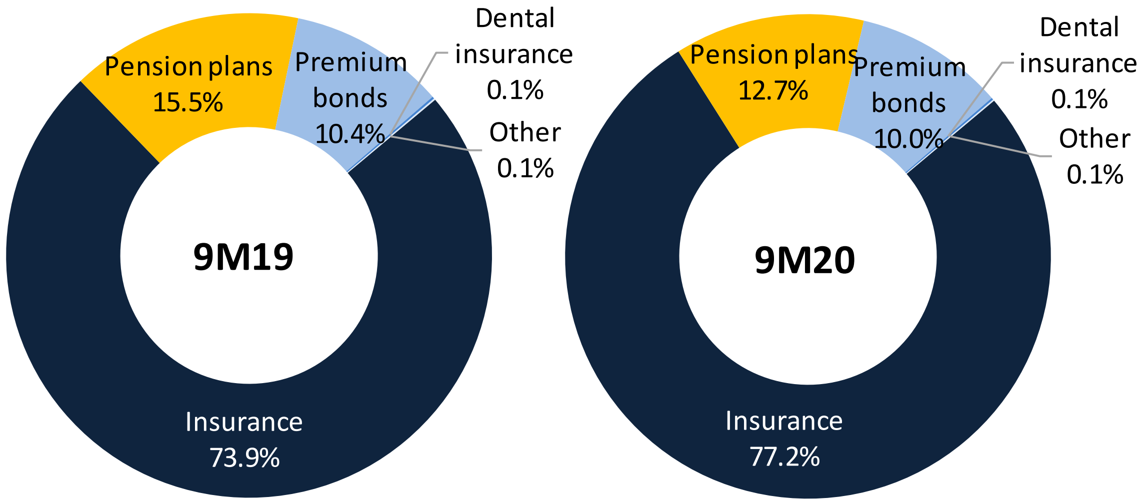
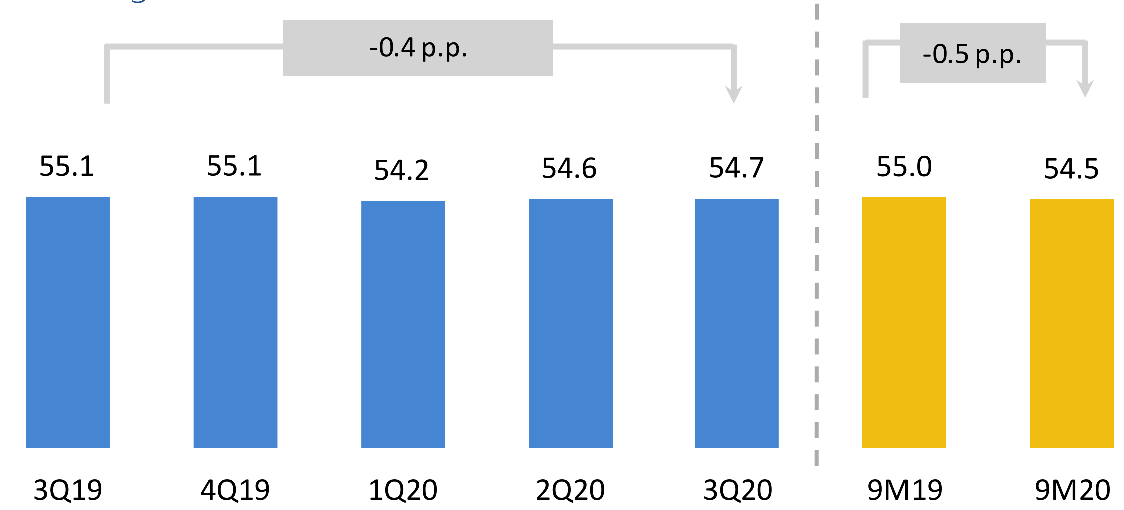
Brokerage Revenues (R$ mm)



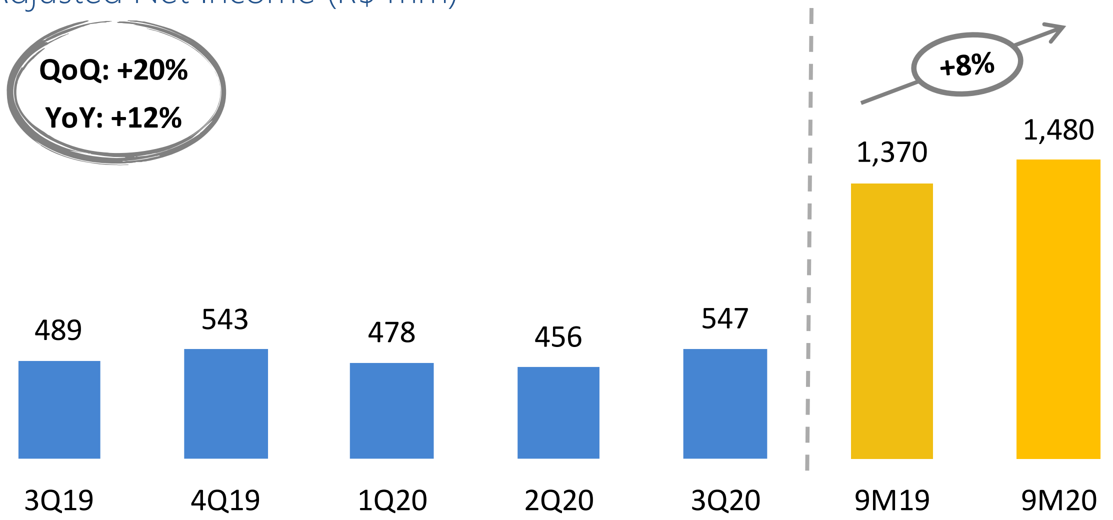
Breakdown of Brokerage Revenues



Net Margin (%)



Adjusted Net Income (R$ mm)



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