BB SEGUROS

MD&A

3rd quarter 2020

PRESENTATION

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

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

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

ON-LINE ACCESS

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

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

3Q20 Earnings Conference Call

November 3rd, 2020

Portuguese with simultaneous translation into English

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1. SUMMARY

ADJUSTED NET INCOME ANALYSIS

Table 1 – Income statement of the holding

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M 19**	**9M 20**	**On 9M 19**
Equity income	**1,058,919**	**979,049**	**1,094,029**	**3.3**	**11.7**	**3,114,351**	**2,941,307**	**(5.6)**
Underwritting and accumulation businesses	567,167	523,805	555,533	(2.1)	6.1	1,739,996	1,473,183	(15.3)
Brasilseg	296,950	278,612	258,346	(13.0)	(7.3)	810,761	779,726	(3.8)
Brasilprev	248,589	209,656	265,045	6.6	26.4	744,744	595,899	(20.0)
IRB Brasil-RE	-	-	-	-	-	118,791	-	-
Brasilcap	18,662	30,193	28,715	53.9	(4.9)	55,367	84,155	52.0
Brasildental	2,966	5,344	3,427	15.6	(35.9)	10,333	13,403	29.7
Distribution businesses	489,099	455,711	546,594	11.8	19.9	1,369,904	1,480,436	8.1
Other	2,653	(467)	(8,097)	-	1,633.6	4,451	(12,313)	-
G&A expenses	**(6,532)**	**(4,183)**	**(4,022)**	**(38.4)**	**(3.9)**	**(15,471)**	**(15,019)**	**(2.9)**
Net investment income	**40,274**	**8,375**	**6,987**	**(82.7)**	**(16.6)**	**104,153**	**44,194**	**(57.6)**
Earnings before taxes and profit sharing	**1,092,661**	**983,240**	**1,096,995**	**0.4**	**11.6**	**3,203,033**	**2,970,482**	**(7.3)**
Taxes	(11,472)	(1,427)	(976)	(915)	(316)	(29,693)	(9,929)	(66.6)
Adjusted net income	**1,081,189**	**981,813**	**1,096,018**	**1.4**	**11.6**	**3,173,340**	**2,960,552**	**(6.7)**

In the **3Q20**, BB Seguridade´s adjusted net income amounted to R$1.1 billion (+1.4% YoY | +11.6% QoQ), even in a still challenging scenario, with the economic activity recovering gradually and financial results under pressure.

The R$14.8 million increase YoY in adjusted net income, is explained by:

- **BB Corretora (+R$57.5 million)**: on higher brokerage revenues (+12.5%), given the rebound in sales, along with an improvement in the EBIT margin;
- **Brasilprev (+R$16.5 million)**: given the increase in revenues with management fee (+5.8%), a lower cost to income ratio and better financial results;
- **Brasilcap (+R$10.1 million)**: driven by the increase in collections, with a mix more favorable operationally, and better financial results;
- **Brasilseg (-R$38,6 million)**: since the 20.4% increase in premiums were not enough to offset the deterioration of the loss ratio and lower financial results; and
- **Net investment income at the holding level (-R$20.9 million)**: as a result of the lower Selic rate and also lower volumes, given the capital returned to shareholders and the distribution of the proceeds from the IRB Brasil RE divestment.

In the **9M20**, the adjusted net income reduced the pace of decline from -10.9% YTD June to -6.7% (-R$212.8 million). Such reduction in the bottom line is mainly explained by:

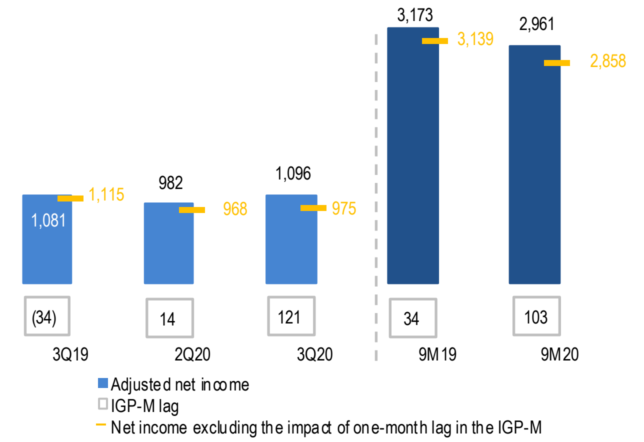
- **Brasilprev (-R$148.8 million):** dragged down by lower financial results;
- **Equity income of IRB Brasil RE (-R$118.8 million):** since the divestment was concluded in July 2019; and
- **Net investment income at the holding level (-R$60.0 million):** on lower volumes, given the capital returned to shareholders, and also lower average Selic rate.

Figure 1 – Non-interest operating results (R$ million)[1]

	Chg. On 3Q19	Chg. On 9M 19
Brasilseg	(10.7%)	(14%)
Brasilprev	9.7%	8.2%
Brasilcap	-	-
Brasildental	27.3%	33.9%
BB Corretora	14.4%	10.4%
Total	7.9%	7.6%

[1]Non-interest operating results before taxes, weighted by the equity stake

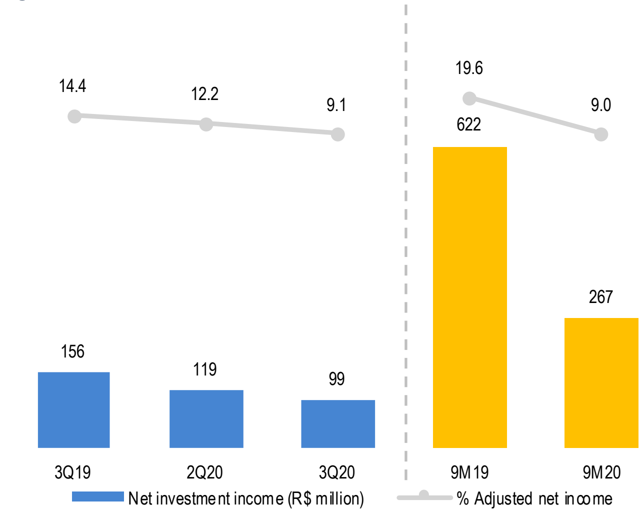
Figure 2 – Impact of Brasilprev's net investment income to the adjusted net income (R$ million)[1]



[1]Impact of the one-month lag in the IGP-M accrual on liabilities

NET INVESTMENT INCOME ANALYSIS

Figure 3 – Consolidated investment income

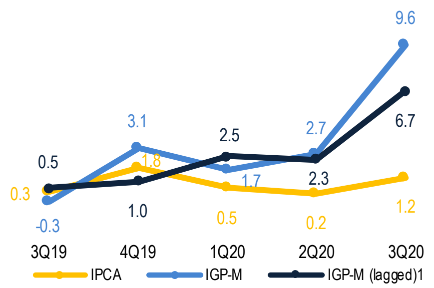


In the **3Q20**, the combined net investment income of BB Seguridade and its investees decreased 36.3% YoY, mostly owed to:

- the reduction of the Selic rate and a steeper nominal/real yield curves; and
- the lower financial volumes at the holdings (BB Seguridade and BB Seguros), with a retraction of 48.0% in the average balance of financial investments after the return of capital to shareholders and the distribution of the proceeds from the divestment of IRB Brasil RE.

The combined net investment income of BB Seguridade and its investees fell 57.0% **year-to-date**, explained by the same reasons mentioned in the quarterly analysis, in addition to the fact that IRB Brasil RE had contributed with R$69.9 million to the combined net investment income until July 2019, when the disposal of the equity stake was completed.

Figure 4 – Inflation rate (%)



1. IGP-M with a lag of one month.

Figure 5 – Average Selic rate (%)

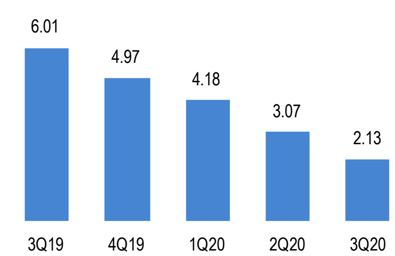


Figure 6 – Forward yield curve (%)

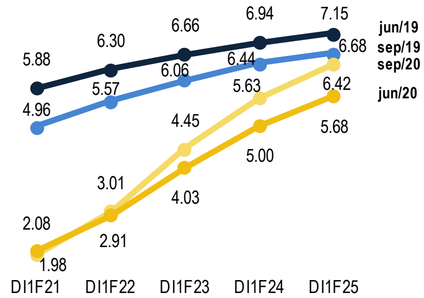


Figure 7 – Financial investments (%)

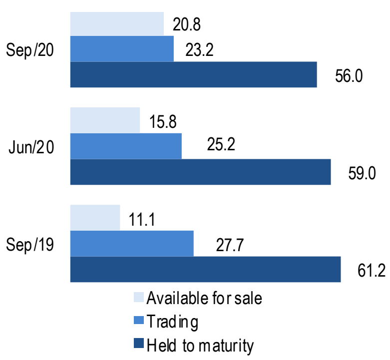


Figure 8 – Financial investments by index (%)

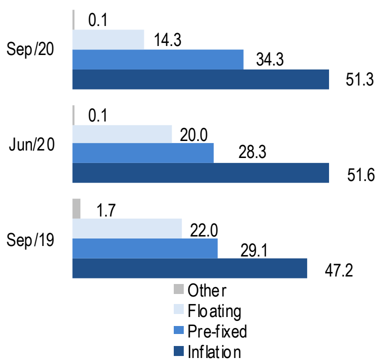
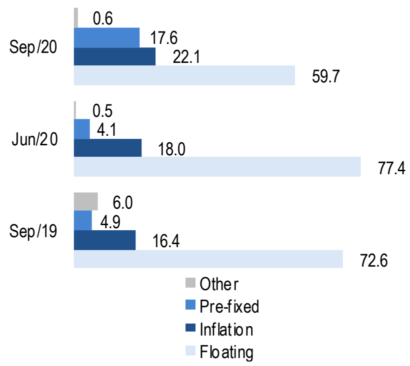


Figure 9 – Trading portfolio by index (%)



EXTRAORDINARY EVENTS

Table 2 – Extraordinary events

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Adjusted net income	**1,081,189**	**981,813**	**1,096,018**	**1.4**	**11.6**	**3,173,340**	**2,960,552**	**(6.7)**
Extraordinary events	**2,320,461**	**(25,016)**	**(1,384)**	**-**	**(94.5)**	**2,320,461**	**(26,400)**	**-**
BB Seguros: Divestment of IRB Brasil-RE	2,320,461	-	-	-	-	2,320,461	-	-
BB Corretora: donation to fight Covid-19	-	(25,016)	(1,384)	-	(94.5)	-	(26,400)	-
Net income	**3,401,650**	**956,797**	**1,094,634**	**(67.8)**	**14.4**	**5,493,801**	**2,934,152**	**(46.6)**

BB Seguros – secondary public offering of IRB Brasil-RE: full disposal of the equity stake held by BB Seguros, which resulted on a net gain of R$2.3 billion, booked in the line "Other" within equity income in the adjusted income statement.

BB Corretora – donation against Covid-19: in order to help the society with the responses to the impact of the pandemic, the Board of Directors approved a donation capped at R$40 million by BB Corretora to Banco do Brasil Foundation (FBB), with the exclusive purpose of acquiring food and hygiene, cleaning and personal protection supply necessary for the social aid to the most affected people. Until June 2020, FBB demanded from BB Corretora the disbursement of R$37.9 million, and the balance of R$2.1 million was disbursed in July and August. Total impact to the net income was of R$26.4 million.

SUMMARY OF INVESTEES PERFORMANCES

Brasilseg | Insurance (for further details, please refer to the page 26)

Table 3 – Summarized income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Premiums written	**2,412,371**	**2,576,624**	**2,905,044**	**20.4**	**12.7**	**6,785,370**	**7,640,082**	**12.6**
Changes in technical reserves and premiums ceded	(647,728)	(709,803)	(900,737)	39.1	26.9	(1,658,798)	(1,933,062)	16.5
Retained earned premiums	**1,764,643**	**1,866,821**	**2,004,307**	**13.6**	**7.4**	**5,126,572**	**5,707,020**	**11.3**
Retained claims	(504,790)	(585,904)	(648,346)	28.4	10.7	(1,583,067)	(1,780,332)	12.5
Retained acquisition costs	(547,451)	(621,393)	(693,971)	26.8	11.7	(1,605,065)	(1,958,135)	22.0
G&A	(238,423)	(230,923)	(236,205)	(0.9)	2.3	(703,510)	(739,680)	5.1
Other	3,504	494	497	(85.8)	0.7	12,431	1,194	(90.4)
Non-interest operating result	**477,483**	**429,096**	**426,281**	**(10.7)**	**(0.7)**	**1,247,361**	**1,230,067**	**(1.4)**
Net investment income	69,368	76,986	38,969	(43.8)	(49.4)	292,759	204,086	(30.3)
Earnings before taxes and profit sharing	**546,851**	**506,082**	**465,250**	**(14.9)**	**(8.1)**	**1,540,121**	**1,434,154**	**(6.9)**
Taxes and profit sharing	(146,408)	(129,970)	(116,163)	(20.7)	(10.6)	(445,591)	(380,641)	(14.6)
Adjusted net income	**400,443**	**376,112**	**349,087**	**(12.8)**	**(7.2)**	**1,094,530**	**1,053,513**	**(3.7)**

In the **3Q20,** the **net income** of the insurance business fell 12.8% YoY, since the combined ratio worsened by 5.8 p.p. and financial results dropped 43.8%. Such effects were partially offset by the increase in retained earned premiums (+13.6%) and a lower tax rate.

Premiums written were up 20.4% YoY in Q3, propelled mainly by a solid performance of the rural insurance (+27.9%), given the increase in the federal subsidy to the insurance premium and initiatives adopted by the company to expand its client base – Pronaf (National Program for Strengthening Family Farming) and crops not financed by BB. Credit life also stood out (+24.7%) and term life insurance posted a very good performance as well (+7.7% vs. 3Q19 | +9.8% vs. 2Q20), with average daily premiums written improving even when compared to the period before the pandemic, helped by a robust commercial performance of the new portfolio launched in May 2020.

Loss ratio was up 3.7 p.p. YoY, on a higher frequency of reported claims in life related products, as a result of Covid-19, which particularly affected credit life (+19.0 p.p.) and, to a lesser extent, mortgage life (+5.1 p.p.), credit life for farmers (+4.9 p.p.) and term life (+1.2 p.p.). Setting apart the Covid-19 related claims, loss ratio would be almost flat YoY.

The **commission ratio** rose 3.6 p.p. YoY, impacted by the higher expenses with the performance bonus owed to BB Corretora for outperforming the sales targets of term life and credit life, and by the lower revenue with reinsurance commissions, since in 3Q19 the company recognized R$53.1 million as additional revenue from reinsurance agreements with step-up commissions for rural insurance.

Finally, the fall in the **net investment income** on the year-on-year comparison is explained by a lower interest revenue, mostly justified by the reduction in the average Selic rate and by a lower balance of financial assets. This effect was partially the reduction on interest expenses, due to lower debts with insurance and reinsurance operations, related to the interest accrual expenses on DPVAT liabilities, which has been classified as equity income since the 1Q20.

In the **9M20**, the **net income** was down 3.7%, owed to a lower net investment income along with an increase in the combined ratio (+2.8 p.p.). These effects were partially offset by the increase in retained earned premiums (+11.3%) and the lower tax rate (-2.5 p.p.).

Premiums written grew 12.6% year-to-date, boosted by rural (+23.9%), credit life (+12.3%) and term life (+4.5%).

Figure 10 – Key performance indicators

	Chg. On 3Q19	Chg. On 9M19
Breakdown of premiums written		
Rural	27.9%	23.9%
Term Life	7.7%	4.5%
Credit Life	24.7%	12.3%
Others	21.4%	(1.6%)
Performance ratios		
Loss ratio	3.7 p.p.	0.3 p.p.
Commission ratio	3.6 p.p.	3.0 p.p.
G&A ratio	(1.7 p.p.)	(0.8 p.p.)
Combined ratio	5.8 p.p.	2.8 p.p.

Regarding to the operational performance indicators, the **loss ratio** was slightly up (+0.3 p.p.). Setting apart the Covid-19 related claims, loss ratio would have been down 2.0 p.p. year-to-date. On its turn, the **commission ratio** increased 3.0 p.p. in the first nine months of the year, explained by the same reasons described in the quarterly analysis.

The **net investment income** retracted 30.3%, mostly due to the reduction in the average Selic rate and a lower IPCA, partially offset by the decrease in interest expenses.

Brasilprev | Pension plans (for further details, see page 45)

Table 4 - Summarized income statement[1]

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M19**	**9M20**	**On 9M19**
Total revenue from pension and insurance	**12,324,010**	**6,783,496**	**11,951,968**	**(3.0)**	**76.2**	**31,141,154**	**28,865,480**	**(7.3)**
Provision for benefits to be granted	(12,318,439)	(6,778,414)	(11,945,739)	(3.0)	76.2	(31,124,479)	(28,848,945)	(7.3)
Net revenue from pension and insurance	**5,572**	**5,082**	**6,229**	**11.8**	**22.6**	**16,676**	**16,535**	**(0.8)**
Management fee	717,360	689,905	758,861	5.8	10.0	2,038,070	2,160,104	6.0
Acquisition costs	(167,907)	(157,621)	(166,247)	(1.0)	5.5	(498,571)	(493,996)	(0.9)
Earned premiums	46,792	42,241	41,643	(11.0)	(1.4)	139,973	127,028	(9.2)
G&A	(157,999)	(150,041)	(150,781)	(4.6)	0.5	(446,235)	(463,840)	3.9
Other	(9,919)	(14,534)	(13,528)	36.4	(6.9)	(64,053)	(62,898)	(1.8)
Non-interest operating result	**433,900**	**415,032**	**476,177**	**9.7**	**14.7**	**1,185,860**	**1,282,933**	**8.2**
Net investment income	59,944	48,385	83,378	39.1	72.3	412,265	18,985	(95.4)
Earnings before taxes and profit sharing	**493,844**	**463,417**	**559,555**	**13.3**	**20.7**	**1,598,125**	**1,301,919**	**(18.5)**
Taxes and profit sharing	(162,371)	(183,606)	(211,840)	30.5	15.4	(605,068)	(510,310)	(15.7)
Adjusted net income	**331,473**	**279,811**	**347,715**	**4.9**	**24.3**	**993,057**	**791,609**	**(20.3)**

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

In the **3Q20**, the **net income** of the pension plans segment grew 4.9% YoY, given the 5.8% increase in revenues with management fee and the improvement of the cost to income ratio. The balance of pension plans **reserves** expanded 5.4% over the last twelve months, to R$297.6 billion. The **average management fee** improved slightly to 1,0% in the quarter, as a result of the 62.8% growth in the balance of reserves invested in multimarket funds in the last 12 months.

Pension plans contributions fell 3.0% YoY in Q3 and posted a sharp rebound on a QoQ basis (+76.2%).

The **redemption ratio** reached 7.8% in the 3Q20 (+1.0 p.p. YoY), which is a still low level as compared to historical data.

The **net inflow** was down 20.0% when compared to the same period of last year, reaching R$3.8 billion. However, it is worth noting the strong improvement as compared to the 2Q20, when the net inflow amounted to R$489 million.

The **net investment income** increased 39.1% YoY, positively impacted by the time mismatch between the interest accrual period of the assets and liabilities related to the defined benefit pension plans, an effect that was partially offset by mark-to-market losses on fixed-income securities, due to a steeper nominal/real yield curve.

It is worth noting that the improvement in earnings before taxes, explained by the aforementioned effects, was partially offset by a higher effective tax rate YoY, since in the 3Q19 there was a recognition of R$20.0 million in tax credit arising from the tax benefit of the "Lei do Bem" (Law Nr. 11,196 / 05), which is a tax incentive granted to companies that invest in Research & Development and technological innovation, while in 3Q20 the benefits related to the same tax incentive amounted to R$8.1 million.

Figure 11 – Key performance indicators

	3Q20	Chg. On 3Q19	9M20	Chg. On 9M19
Net inflows (R$ billion)	3,804	(20.0%)	5,904	(31.3%)
Reserves (R$ billion)	298	5.4%	-	-
Management fee (%)	1.00	0.00 p.p.	0.99	(0.02 p.p.)
Redemption ratio (%)	7.8	1.0 p.p.	7.9	0.9 p.p.
Cost to income ratio (%)	41.0	(2.7 p.p.)	44.3	(1.6 p.p.)

Year-to-date, the **net income** was down 20.3%, given the 95.4% decrease in net investment income, which is explained the differential on inflation rates that accrued on assets and liabilities of the defined benefit plans, along with mark-to-market losses on long-term fixed-income securities.

In **net inflows**, the 7.3% decline in contributions and the increase of 0.9 p.p. in the redemption ratio, which was more concentrated between the end of March and the beginning of April, contributed to a 31.3% retraction in net inflows in the period.

The **revenues with management fee** grew 6.0% in the 9M20, driven by the increase in reserves, while the annualized average management fee retracted 0.02 p.p., at a slower pace than the one observed in previous years, which is explained by an increase in the allocation of client's resources in multimarket funds.

Brasilcap | Premium Bonds (for further details, see page 58)

Table 5 - Summarized income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M 19**	**9M 20**	**On 9M 19**
Premium bonds collection	**1,221,432**	**1,044,818**	**1,456,335**	**19.2**	**39.4**	**3,809,718**	**3,524,931**	**(7.5)**
Changes in provisions for redemption, lottery and bonus	(1,095,487)	(927,536)	(1,273,140)	16.2	37.3	(3,388,725)	(3,094,259)	(8.7)
Revenue with load fee	**125,945**	**117,281**	**183,195**	**45.5**	**56.2**	**420,994**	**430,672**	**2.3**
Result with lottery	2,837	590	648	(77.2)	9.8	12,483	5,066	(59.4)
Acquisition costs	(109,883)	(92,552)	(146,283)	33.1	58.1	(348,828)	(347,225)	(0.5)
G&A	(22,104)	(20,605)	(24,179)	9.4	17.3	(75,115)	(66,019)	(12.1)
Other	(3,509)	(8,692)	(934)	(73.4)	(89.2)	(13,256)	4,054	-
Non-interest operating result	**(6,714)**	**(3,978)**	**12,446**	**-**	**-**	**(3,722)**	**26,548**	**-**
Net investment income	54,862	80,096	60,681	10.6	(24.2)	146,763	187,053	27.5
Earnings before taxes and profit sharing	**48,150**	**76,117**	**73,127**	**51.9**	**(3.9)**	**143,041**	**213,601**	**49.3**
Taxes and profit sharing	(20,155)	(30,824)	(30,049)	49.1	(2.5)	(59,983)	(87,356)	45.6
Net income	**27,995**	**45,293**	**43,078**	**53.9**	**(4.9)**	**83,058**	**126,246**	**52.0**

In the **3Q20**, the **net income** of the premium bonds operation increased 53.9% YoY, driven by the growth in collections, with higher revenues with load fee, and the improvement of the financial result.

Premium bonds collection were up 19.2% YoY (+39.4% vs. 2Q20), registering the second highest quarterly collection of the last two years. During the period, the highlights were the commercial campaigns in BB's distribution network named "Semana do Brasil" and "Semana do Cliente" (Brazil Week and Customer Week, respectively) and the launching of the new portfolio for individuals in September, with longer terms and an increase in lottery prizes. These factors have contributed to reverse the declining trend of the reserves balance that have been followed over the last years. At the end of September, the reserve balance reached R$8.2 billion, up 3.8% as compared to June.

The **average load fee** rose 2.3 p.p. compared to the 3Q19, as a result of the concentration of sales in longer term bonds, such as the 36 and 48-month products, and in monthly payments bonds, which present higher load fee on the first installments than the one charged on recurring installments and on single payment bonds.

Regarding to the **net investment income**, the growth is explained by lower expenses with asset management fees. Additionally, it is worth to highlight the success in short-term tactical operations using fixed income securities, which resulted on realized capital gains amounting to R$26.5 million in the 3Q20, and contributed to reduce the impact of the lower Selic rate.

In the **9M20**, the **net income** increased 52.0%, helped by lower G&A expenses (-12.1%) and better financial results (+27.5%), justified by the reduction in expenses with asset management fees.

The **premium bonds collection** dropped 7.5% year-to-date, given weaker sales volume in the beginning of the second quarter, during the worst moment of the Covid-19 crisis. Despite of the reduction in collections, the **revenue with load fee** rose 2.3%, explained by the increase in the duration of the portfolio and by the higher share of the first installments of monthly payments, which led to a 1.2 p.p. growth in the average load fee.

Figure 12 – Key performance indicators

	Chg. On 3Q19	Chg. On 9M 19
Premium bonds collection		
Unique payment	38.9%	(6.8%)
Monthly payment	(10.4%)	(8.5%)
First Installments	43.3%	(5.0%)
Recurring Installments	(12.0%)	(8.6%)
Average quotes		
Reserve quote	(2.3 p.p.)	(13 p.p.)
Lottery quote	0.1p.p.	0.1p.p.
Bonus quote	(0.0 p.p.)	(0.0 p.p.)
Load fee quote	2.3 p.p.	12 p.p.
Other ratios		
Technical reserves	(4.4%)	(4.4%)
Net interest margin	(0.8 p.p.)	(0.6 p.p.)

BB Corretora | Brokerage (for further details, see page 77)

Table 6 - Summarized income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M19**	**9M20**	**On 9M19**
Brokerage revenues	**888,038**	**834,449**	**999,055**	**12.5**	**19.7**	**2,490,803**	**2,716,145**	**9.0**
G&A	(167,905)	(152,789)	(177,050)	5.4	15.9	(478,384)	(493,110)	3.1
Equity income	(4,774)	(4,349)	(3,323)	(30.4)	(23.6)	(9,673)	(12,758)	31.9
Earnings before interest and taxes	**715,359**	**677,311**	**818,682**	**14.4**	**20.9**	**2,002,747**	**2,210,277**	**10.4**
Net investment income	26,048	15,271	11,314	(56.6)	(25.9)	73,671	39,074	(47.0)
Earnings before taxes	**741,407**	**692,582**	**829,995**	**11.9**	**19.8**	**2,076,418**	**2,249,351**	**8.3**
Taxes	(252,308)	(236,871)	(283,401)	12.3	19.6	(706,514)	(768,914)	8.8
Adjusted net income	**489,099**	**455,711**	**546,594**	**11.8**	**19.9**	**1,369,904**	**1,480,437**	**8.1**

In the **3Q20**, BB Corretora´s **adjusted net income** grew 11.8% YoY, propelled by the increase in **brokerage revenues** (+12.5%) along with a higher EBIT margin.

The sustained recovery trend initiated in the 2Q20 in term life and premium bonds sales, the resilience of rural and credit life insurance premiums, that were virtually not affected by the Covid-19 pandemic, and the increase in revenues with the performance bonus for outperforming the sales targets of term life and credit life, were the main factors that contributed to the increase in brokerage revenues.

BB Corretora´s **EBIT margin** improved 1.4 p.p. YoY, mostly driven by the increase in brokerage revenues, which contains an important component of the accrual of unearned commissions related to sales occurred in previous periods, therefore, did not generate reimbursement costs for the sales process to Banco do Brasil, in addition to the increase of the performance bonus.

The **net investment income** fell 56.6% YoY, impacted by the reduction in the average Selic rate. On the other hand, the amendment in BB Corretora's Bylaws which eliminated the interest accrual on intermediary dividends related to the 1H20 contributed to the reduction of financial expenses.

In the **9M20**, the **adjusted net income** rose 8.1%, supported by the increase in brokerage revenues (+9.0%) and the higher EBIT margin (+1.0 p.p.).

The growth in brokerage revenues year-to-date is a result of the solid commercial performance in rural, credit life and term life, along with higher revenues with the performance bonus for outperforming the sales targets in term life and in credit life.

Figure 13 – Key performance indicators

	Chg. On 3Q19	Chg. On 9M19
Breakdown of brokerage revenues		
Insurance	14.2%	13.8%
Pension plans	(11.5%)	(10.7%)
Premium bonds	46.1%	4.6%
Other[1]	6.6%	(1.8%)
Performance ratios		
EBIT Margin	14 p.p.	10 p.p.
Net Margin	(0.4 p.p.)	(0.5 p.p.)

1. Include dental plans and other revenues.

OTHER INFORMATION

Table 7 – Market share and ranking[1]

	Unit	Quarterly Flow 3Q19	2Q20	3Q20	9 Months Flow 9M19	9M20
Life[2]						
Premiums written	R$ thousand	734,553	720,685	791,275	2,062,291	2,155,997
Market-share	%	13.6%	13.4%	14.0%	12.6%	13.0%
Ranking		1º	1º	1º	1º	1º
Credit life						
Premiums written	R$ thousand	550,517	584,695	686,222	1,716,172	1,927,355
Market-share	%	16.0%	19.7%	16.6%	16.7%	18.3%
Ranking		2º	1º	2º	2º	1º
Mortgage life						
Premiums written	R$ thousand	72,233	72,103	72,232	213,361	216,806
Market-share	%	7.2%	6.5%	6.4%	6.9%	6.5%
Ranking		4º	4º	5º	4º	4º
Rural						
Premiums written	R$ thousand	904,398	1,074,696	1,157,033	2,345,009	2,905,522
Market-share	%	57.5%	62.3%	52.8%	59.6%	56.7%
Ranking		1º	1º	1º	1º	1º
Home						
Premiums written	R$ thousand	65,419	59,215	77,261	182,817	189,513
Market-share	%	7.1%	7.3%	7.5%	6.8%	6.8%
Ranking		5º	5º	5º	5º	5º
Commercial lines						
Premiums written	R$ thousand	73,959	63,421	120,892	214,896	242,452
Market-share	%	3.5%	3.1%	3.0%	3.6%	3.0%
Ranking		11º	9º	11º	11º	11º
Pension Plans						
Technical reserves	R$ thousand	282,253,346	292,748,911	297,605,456	-	-
Market-share	%	30.5%	30.1%	30.1%	-	-
Ranking		1º	1º	1º	-	-
Contributions	R$ thousand	12,324,010	6,783,496	11,951,968	31,141,154	28,865,480
Market-share	%	36.2%	30.2%	33.7%	34.7%	33.1%
Ranking		1º	1º	1º	1º	1º
Premium Bonds						
Reserves	R$ thousand	8,546,568	7,872,046	8,173,699	-	-
Market-share	%	28.0%	25.4%	25.3%	-	-
Ranking		2º	2º	2º	-	-
Collections	R$ thousand	1,221,432	1,044,818	1,456,335	3,809,718	3,524,931
Market-share	%	20.5%	20.7%	21.6%	22.0%	20.0%
Ranking		2º	2º	2º	2º	2º

1. Source: Susep – data base August/2020.
2. Market share considering only premiums written for risk coverage, excluding premiums for accumulation components (dotal and life insurance).

Table 8 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	**1**	**1,325,000,000**	**66.3%**
Treasury Stocks	**1**	**3,365,319**	**0.2%**
Free Float	**221,354**	**671,634,681**	**33.6%**
Foreign investors	869	532,486,207	26.6%
Companies	2,877	61,892,091	3.1%
Individuals	217,608	77,256,383	3.9%
Total	**221,356**	**2,000,000,000**	**100.0%**

Table 9 – Stocks | Performance

		Quarterly Flow				
	Unit	**3Q19**	**4Q19**	**1Q20**	**2Q20**	**3Q20**
Stock's performance						
Earnings per share	R$	0.54	0.57	0.44	0.49	0.55
Dividends per share	R$	0.89	-	3.25	-	0.87
Equity per share	R$	5.29	2.62	3.05	2.67	3.18
Closing price	R$	35.03	37.70	24.85	27.27	24.27
Annualized dividend yield[1]	%	9.86	8.93	16.10	13.86	13.89
Market capitalization	R$ million	70,060	75,400	49,700	54,540	48,540
Ratios						
P/E (12 month traling)	x	17.46	17.51	11.90	13.37	11.86
P/BV	x	6.63	14.37	8.15	10.20	7.64
Business data						
Number of trades carried out		986,908	737,472	1,454,642	1,329,823	1,288,604
Average daily volume traded	R$ million	111	96	172	132	118
Average daily volume traded - B3	R$ million	15,144	16,560	25,957	26,123	26,898
Share on B3's average volume	%	0.73	0.58	0.66	0.51	0.44

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

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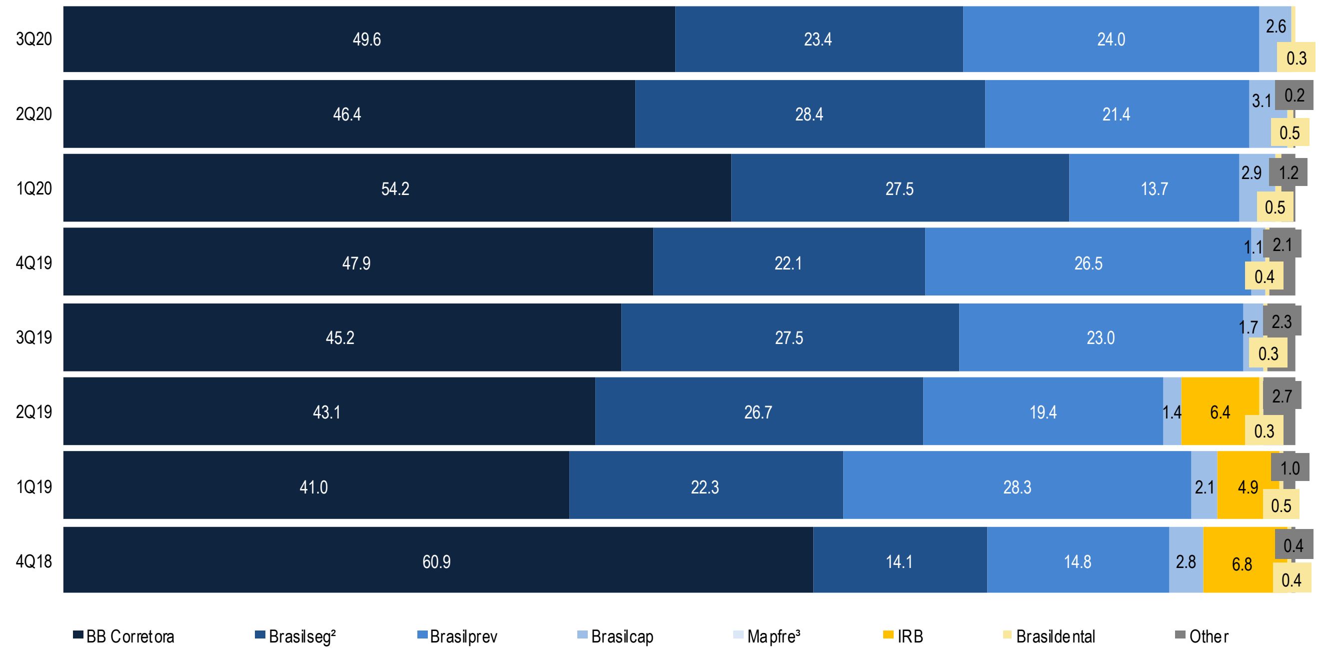
2. EARNINGS ANALYSIS

EARNINGS BREAKDOWN

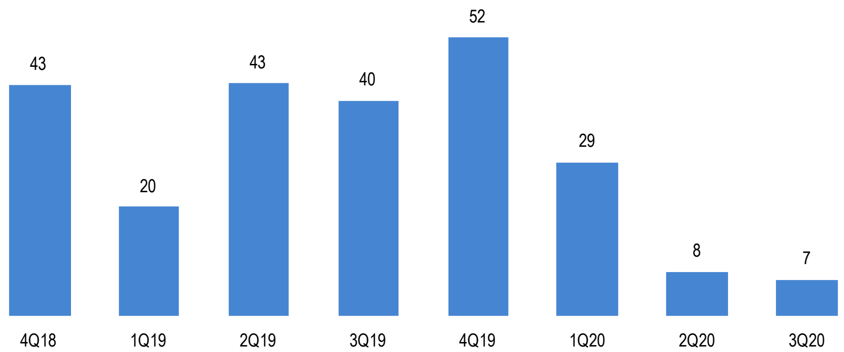
Figure 14 – Earnings Analysis | Breakdown[1] (%)



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

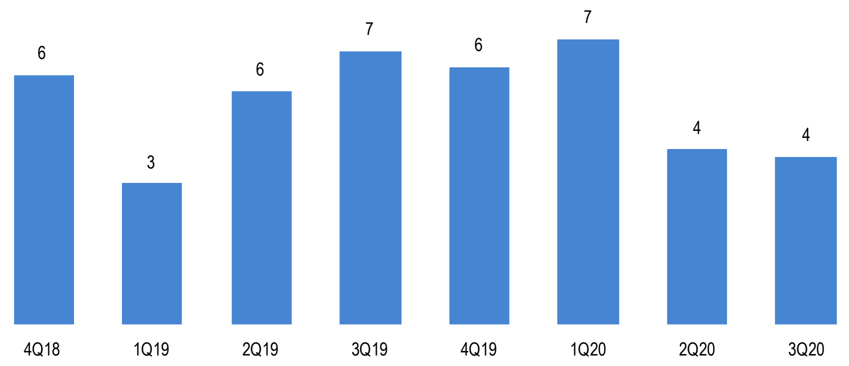
NET INVESTMENT INCOME OF THE HOLDING COMPANY

Figure 15 – Earnings Analysis | Net investment income (R$ million)



GENERAL AND ADMINISTRATIVE EXPENSES OF THE HOLDING COMPANY

Figure 16 – Earnings Analysis | General and Administrative expenses (R$ million)



QUARTERLY ANALYSIS

In the 3Q20, G&A expenses at the holding level fell 38.4% YoY, helped by lower expenses with PIS and Cofins taxes on financial revenues, which were down 87.6% given the lower Selic rate and lower volumes.

Additionally, the administrative expenses were down 31.7%, mainly due to lower expenses with IT and business trips, accounted in other operating income (expenses).

The consolidated G&A expenses of the group (BB Seguridade, BB Seguros and BB Corretora) grew 4.1% YoY, given the higher volume of provisions in BB Seguros for the adjustment of the price paid by MAPFRE for Brasilveículos within the scope of the JV restructuring, due to the performance of auto insurance sales below the budget, according to the earn in / earn out clauses of the agreements.

YEAR-TO-DATE ANALYSIS

Year-to-date, G&A expenses at the holding decreased 2.9%, due to lower expenses with PIS and Cofins taxes on financial revenues, as mentioned in the quarterly analysis.

Lower tax expenses were partially offset by the increase in “other operating income (expenses)”, which were positively impacted in the 9M19 by the reversal of R$1.8 million of provision built for the acquisition of stocks to pay the deferred installments of the variable compensation programs for the board of executive officers from 2014 and 2015, since those programs expired in the 1Q19. Setting this effect apart, G&A expenses would have fallen by 13.2%.

The consolidated G&A of the group rose 10.4% year-to-date, mostly explained by the increase in provisions at BB Seguros for the adjustment of the price paid by MAPFRE for Brasilveículos, as detailed in the quarterly analysis.

Table 10 – Earnings Analysis | General and administrative expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M19**	**9M20**	**On 9M19**
Administrative expenses	**(1,003)**	**(865)**	**(685)**	**(31.7)**	**(20.8)**	**(2,599)**	**(2,742)**	**5.5**
Specialized technical services	(63)	(121)	(70)	11.4	(42.2)	(169)	(251)	48.4
Location and operation	(225)	(224)	(225)	(0.0)	0.4	(664)	(694)	4.4
Communication	(21)	(25)	(30)	44.4	19.0	(66)	(105)	58.6
Other administrative expenses	(694)	(495)	(360)	(48.1)	(27.2)	(1,699)	(1,692)	(0.4)
Personnel expenses	**(2,692)**	**(2,874)**	**(2,792)**	**3.7**	**(2.9)**	**(7,706)**	**(8,439)**	**9.5**
Compensation	(1,395)	(1,529)	(1,434)	2.8	(6.2)	(4,107)	(4,381)	6.7
Welfare benefits	(842)	(756)	(748)	(11.2)	(1.1)	(2,261)	(2,316)	2.4
Other compensation	(226)	(312)	(350)	54.8	12.0	(715)	(953)	33.3
Benefits	(230)	(274)	(258)	12.3	(5.9)	(623)	(780)	25.3
Other	-	(3)	(3)	-	(6.2)	-	(8)	-
Tax expenses	**(2,696)**	**(397)**	**(497)**	**(81.6)**	**25.3**	**(6,800)**	**(3,586)**	**(47.3)**
COFINS	(2,309)	(336)	(375)	(83.8)	11.4	(5,753)	(2,992)	(48.0)
PIS/Pasep	(381)	(56)	(73)	(81.0)	30.7	(983)	(515)	(47.6)
IOF	(0)	(1)	(19)	5,345.7	1,415.0	(29)	(23)	(21.4)
Other	(5)	(3)	(30)	532.1	777.7	(36)	(56)	57.0
Other operating income (expenses)	**(141)**	**(47)**	**(47)**	**(66.4)**	**0.3**	**1,634**	**(252)**	**-**
G&A expenses	**(6,532)**	**(4,183)**	**(4,022)**	**(38.4)**	**(3.9)**	**(15,471)**	**(15,019)**	**(2.9)**

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3. BALANCE SHEET ANALYSIS

Table 11 – Balance Sheet Analysis | Balance sheet

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Assets	**10,598,953**	**7,104,964**	**6,364,810**	**(39.9)**	**(10.4)**
Cash and cash equivalents	4,187,891	179,186	212,262	(94.9)	18.5
Financial assets marked to market	3,047	3,911	3,882	27.4	(0.7)
Investments	6,301,179	5,043,940	6,049,885	(4.0)	19.9
Current tax assets	86,178	82,437	84,358	(2.1)	2.3
Deferred tax assets	8,673	1,286	1,020	(88.2)	(20.7)
Dividends receivable	-	1,776,590	-	-	-
Other assets	6,834	12,073	8,046	17.7	(33.4)
Intangible	5,151	5,541	5,357	4.0	(3.3)
Liabilities	**28,712**	**1,755,558**	**7,472**	**(74.0)**	**(99.6)**
Provision for fiscal, civil and tax contingencies	100	230	230	130.2	0.1
Dividends payable	346	1,748,005	496	43.4	(100.0)
Current tax liabilities	21,895	56	125	(99.4)	123.9
Other liabilities	6,371	7,267	6,620	3.9	(8.9)
Shareholders' equity	**10,570,241**	**5,349,406**	**6,357,339**	**(39.9)**	**18.8**
Capital	5,646,767	3,396,767	3,396,767	(39.8)	(0.0)
Reserves	1,580,515	1,907,313	1,907,313	20.7	0.0
Treasury shares	(83,306)	(82,588)	(82,588)	(0.9)	(0.0)
Other accumulated comprehensive income	24,615	35,938	(50,763)	-	-
Retained earnings	3,401,650	91,976	1,186,610	(65.1)	1,190.1

INVESTMENTS

Table 12 – Balance Sheet Analysis | Direct investments

			Total ownership (%)	Investment balance		
R$ thousand	**Activity**	**Accounting treatment**	**Sep/20**	**Sep/19**	**Jun/20**	**Sep/20**
Insurance, Pension Plans and Premium Bonds						
BB Seguros Participações	*Holding*	(1)	100.0	5,765,172	4,997,032	5,457,768
Insurance Brokerage						
BB Corretora de Seguros e Adm. de Bens	*Insurance Broker*	(1)	100.0	536,007	46,908	592,117

Note: (1) Controlled companies, fully consolidated.

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

R$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Sep/20	Sep/19	Jun/20	Sep/20
Insurance						
Brasilseg	***Holding***	(1)	74.99	2,203,976	2,070,239	1,989,182
Brasilseg Companhia de Seguros	Insurance					
Aliança do Brasil Seguros	Insurance					
Pension Plans						
Brasilprev	**Insurance/ Pension**	(1)	74.99	2,362,352	2,462,229	2,411,458
Health						
Brasildental	**Health**	(1)	74.99	14,728	16,856	14,283
Premium Bonds						
Brasilcap	**Premium Bonds**	(1)	66.67	416,183	479,532	412,658

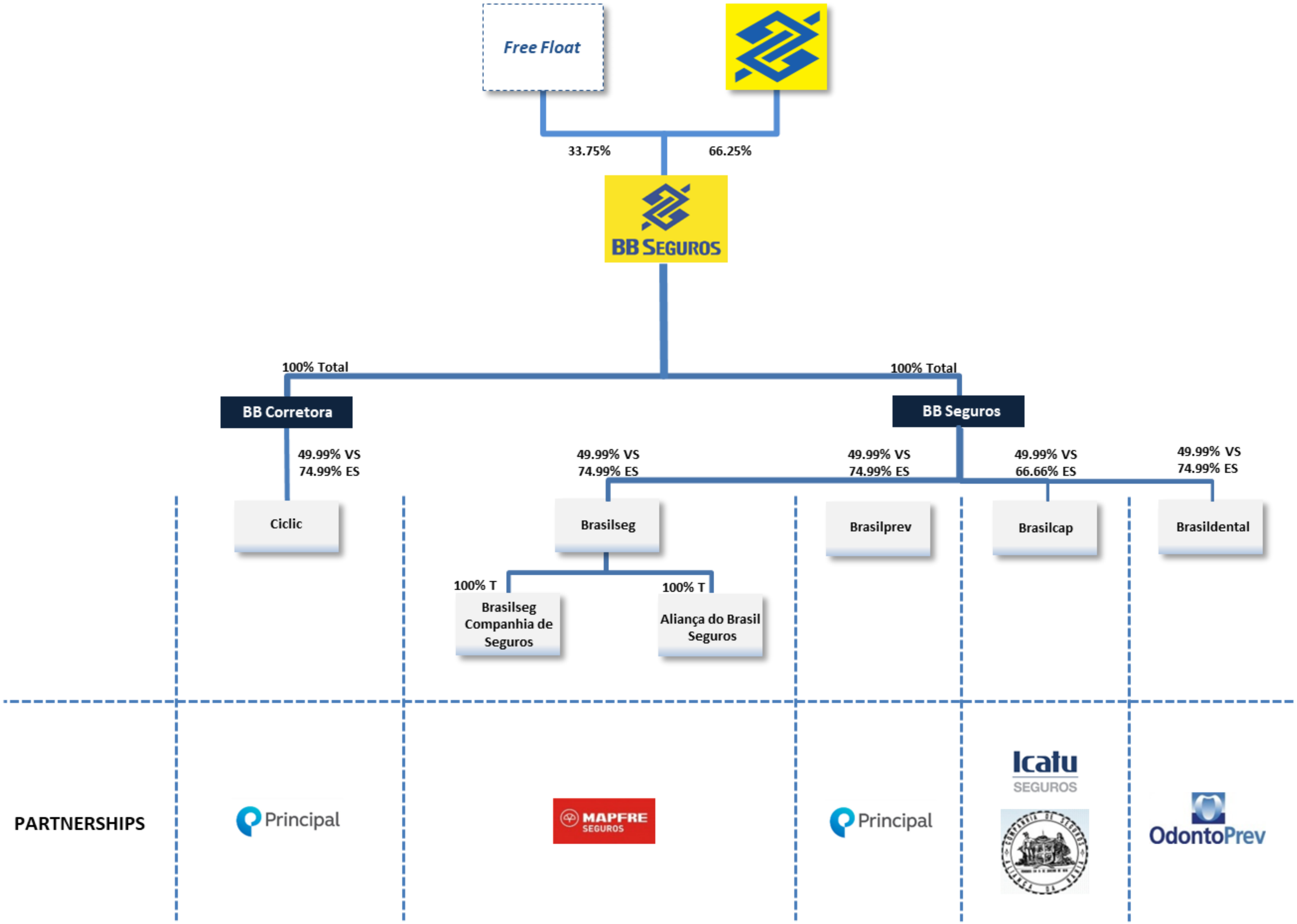
Note: (1) Affiliated companies, booked by the equity method.

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

R$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Sep/20	Sep/19	Jun/20	Sep/20
Insurance brokerage						
Ciclic	**Digital Broker**	(1)	74.99	9,400	8,113	4,790

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

Figure 17 – Balance Sheet Analysis | Ownership structure



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

SHAREHOLDER'S EQUITY

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

R$ thousand	Capital	Capital Reserve	Legal and statutory reserve	Treasury stock	Retained earnings (losses)	Accumulated other comprehensive income	Total
Balance on December 31, 2018	**5,646,767**	**1,262**	**1,265,575**	**(83,451)**	**-**	**232**	**6,830,385**
Transactions with stock payments	-	(145)	-	145	-	-	-
Other comprehensive income	-	-	-	-	-	24,383	24,383
Dividends lapsed	-	-	-	-	11	-	11
Net income for the period	-	-	-	-	5,493,801	-	5,493,801
Allocation - Capital reserve	-	-	313,823	-	(313,823)	-	-
Dividends proposed in 1H19	-	-	-	-	(1,778,339)	-	(1,778,339)
Balance on September 30, 2019	**5,646,767**	**1,117**	**1,579,398**	**(83,306)**	**3,401,650**	**24,615**	**10,570,241**
Changes in the Period	**-**	**(145)**	**313,823**	**145**	**3,401,650**	**24,383**	**3,739,856**
Balance on December 31, 2019	**3,396,767**	**1,117**	**1,905,725**	**(83,306)**	**-**	**28,451**	**5,248,754**
Transactions with stock payments	-	471	-	718	-	-	1,189
Other comprehensive income	-	-	-	-	-	(79,214)	(79,214)
Dividends lapsed	-	-	-	-	23	-	23
Net income for the period	-	-	-	-	2,934,152	-	2,934,152
Advance dividends payable	-	-	-	-	(1,747,565)	-	(1,747,565)
Balance on September 30, 2020	**3,396,767**	**1,588**	**1,905,725**	**(82,588)**	**1,186,610**	**(50,763)**	**6,357,339**
Changes in the Period	**-**	**471**	**-**	**718**	**1,186,610**	**(79,214)**	**1,108,585**

4. UNDERWRITING AND ACCUMULATION

BRASILSEG

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

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

a. **Term life insurance** is a product focused on individuals which assures financial protection to the beneficiaries, chosen by the policyholder, in case of death (natural or accidental), or permanent disability of the insured. If a claim occurs, the insurance company pays the amount agreed in the insurance policy to the beneficiary. Differently from the products sold in other countries, the life insurance sold by Brasilseg is a term life insurance without accumulation. If the customer fails to make the monthly payments, the coverage is suspended without any amount being reverted to the policyholder.

b. **Credit life insurance** is a life insurance policy intended to pay off a borrower's loan in case of death of the insured. This type of product is designed to protect both the lender and the insured dependents, preventing them to inherit this liability via property succession process. This product is already quite widespread in Brazil and it is expected to grow with the expansion of the loan portfolio. The main beneficiary of this type of product is the lender.

c. **Mortgage life insurance** is an insurance policy related to mortgage. In case of death or disability of the insured, the insurance policy guarantees the pre-payment of loan balance. A mortgage life insurance also protects against physical damage to the insured property. The premium is calculated on a monthly basis and varies according to the outstanding loan balance and the borrower's age.

d. **Rural insurance** encompasses a group of three main products: (i) the crop insurance, which protects the farmers from weather hazards and from the loss of revenue in cases of falling prices of the crop; (ii) the rural lien insurance, which protects the asset given as collateral for a rural loan; and (iii) the credit life for farmers insurance, which is an insurance designed for farmers intended to pay off the rural loan in case the insured dies.

e. **Home insurance** encompasses a set of coverages intended for the protection of individual homes against damages caused by fire, lightning and explosion, and may also include additional coverages against theft, electric damage, physical damage to the property, windstorm, hail rain, among others. This product can also include assistances according to the plan hired.

f. **Corporate / Commercial lines** consist of products designed to protect the assets of companies against damage to the building and its contents, such as machinery, furniture, utensils, goods and raw materials, excluding large risks.

g. **DPVAT** is a mandatory insurance in Brazil that covers personal injury caused by vehicles to passengers, drivers or pedestrians. DPVAT offers coverage for three natures of damage: death, permanent disability, and reimbursement for medical and hospital expenses. DPVAT is funded by vehicles owners through annual payments. Out of the amount collected, 45% is transferred to the Ministry of Health (SUS), to fund the hospital care of victims of traffic accidents across the country, and 5% are transferred to the Ministry of Cities, for exclusive use in programs directed to the prevention of traffic accidents. The remaining 50% are directed to the payment of claims.

PENSION PLANS

BB Seguridade operates in the private pension plans segment through its affiliate Brasilprev in partnership with the American company Principal Financial Group (PFG). Brasilprev was established in 1993 as a partnership between Banco do Brasil and a group of insurance companies. After going through a series of corporate restructuring, within 1999-2000, PFG, through its subsidiary in Brazil, Principal Financial Group do Brasil, acquired an economic stake in the company and established a partnership with Banco do Brasil. In 2010, Banco do Brasil, through BB Seguros, and PFG renewed their partnership, extending it for 23 years more. As a result of this new agreement, BB Seguros increased its stake in Brasilprev from 49.99% to 74.99%. Pension plans are growing in popularity in Brazil, due to increasing life expectancy, level of financial education, tax benefits and the pension reform held in 2019.

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

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

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

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

   In the progressive tax system, the annuity is taxed when money is received according to the "Tabela Progressiva Mensal" (Monthly Progressive Table) made available by the Brazilian Internal Revenue Service. The tax brackets can vary from zero to 27.5% according to the annual wages with adjustment in the income tax declaration. Redemptions are taxed at 15% in anticipation regardless the amount redeemed, with adjustment in the income tax statement according to the Monthly Progressive Table.

   In the regressive tax system, in the event of redemption or annuity received, tax is withheld and is definitive, with no possibility of adjustment in the annual tax statement. The rates are determined by the length of stay of each inflow in the plan, starting at 35%, with gradual reduction every two years, reaching a level of 10% after 10 years.

b. **Free Benefit Generator Life Plan (VGBL)** is recommended for those who fill their income tax statement in the simplified form or is exempt, since the contributions are not tax deductible. As in PGBL, the customer can choose either the progressive or the regressive tax system. In VGBL, in case of redemption or annuity received, income tax will be charged on interest earned only. The main advantage of the VGBL is its simplicity of the process related to the inheritance transmission, being suitable for customers who wish to make a succession planning. In this product, the customer can determine who will be the beneficiaries after his death and, unlike other assets, funds invested in VGBL are not part of the inventory, which is a process with legal costs and attorney's fees that can consume from 6% to 20% of the wealth received by the heirs.

c. **Traditional Plan** guarantees a fixed interest of 6% plus inflation (IGP-M) or Taxa Referencial (TR) per year. These plans are no longer sold.

PREMIUM BONDS

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

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

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

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

DENTAL INSURANCE

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

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

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

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

4.1 BRASILSEG

EARNINGS ANALYSIS

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

Table 16 – Brasilseg | Managerial income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M19**	**9M20**	**On 9M19**
Premiums written	**2,412,371**	**2,576,624**	**2,905,044**	**20.4**	**12.7**	**6,785,370**	**7,640,082**	**12.6**
Premiums ceded to reinsurance	(338,283)	(408,748)	(395,280)	16.8	(3.3)	(846,161)	(1,048,871)	24.0
Retained premiums	**2,074,088**	**2,167,876**	**2,509,764**	**21.0**	**15.8**	**5,939,209**	**6,591,212**	**11.0**
Changes in technical reserves - premiums	(309,444)	(301,054)	(505,457)	63.3	67.9	(812,637)	(884,191)	8.8
Retained earned premiums	**1,764,643**	**1,866,821**	**2,004,307**	**13.6**	**7.4**	**5,126,572**	**5,707,020**	**11.3**
Retained claims	(504,790)	(585,904)	(648,346)	28.4	10.7	(1,583,067)	(1,780,332)	12.5
Retained acquisition costs	(547,451)	(621,393)	(693,971)	26.8	11.7	(1,605,065)	(1,958,135)	22.0
Revenue of policies issuance	3,254	-	-	-	-	12,160	-	-
Underwriting result	**715,655**	**659,524**	**661,989**	**(7.5)**	**0.4**	**1,950,600**	**1,968,553**	**0.9**
Administrative expenses	(105,982)	(110,747)	(110,040)	3.8	(0.6)	(309,763)	(330,301)	6.6
Tax expenses	(66,825)	(71,334)	(69,646)	4.2	(2.4)	(183,137)	(229,526)	25.3
Other operating income (expenses)	(65,616)	(48,842)	(56,519)	(13.9)	15.7	(210,609)	(179,853)	(14.6)
Equity income	268	494	516	92.8	4.4	326	1,504	361.4
Gains or losses on non-current assets	(17)	-	(19)	10.5	-	(56)	(310)	457.2
Non-interest operating result	**477,483**	**429,096**	**426,281**	**(10.7)**	**(0.7)**	**1,247,361**	**1,230,067**	**(1.4)**
Net investment income	**69,368**	**76,986**	**38,969**	**(43.8)**	**(49.4)**	**292,759**	**204,086**	**(30.3)**
Financial income	124,132	83,402	85,302	(31.3)	2.3	429,956	280,173	(34.8)
Financial expenses	(54,764)	(6,416)	(46,333)	(15.4)	622.1	(137,197)	(76,087)	(44.5)
Earnings before taxes and profit sharing	**546,851**	**506,082**	**465,250**	**(14.9)**	**(8.1)**	**1,540,121**	**1,434,154**	**(6.9)**
Taxes	(140,601)	(123,574)	(109,590)	(22.1)	(11.3)	(431,574)	(365,870)	(15.2)
Profit sharing	(5,807)	(6,395)	(6,573)	13.2	2.8	(14,017)	(14,771)	5.4
Adjusted net income	**400,443**	**376,112**	**349,087**	**(12.8)**	**(7.2)**	**1,094,530**	**1,053,513**	**(3.7)**

Retained premiums = Premiums written + premiums ceded to reinsurance
Changes in technical reserves – premiums = Changes in technical provisions + changes in technical provisions on reinsured operations
Retained claims = Incurred claims - recovery of indemnity claims - recovery of claims expenses - changes in provisions for claims IBNR - salvages and reimbursed assets - changes in provision for claims IBNER provisions for claims to be settled - changes of expenses related to IBNR - changes in estimates for salvages and reimbursed assets - provisions for claims to be settled
Retained acquisition costs = acquisition costs – commission return + revenue with reinsurance commissions

ADJUSTED NET INCOME

Figure 18 – Brasilseg | Adjusted net income and ROAA

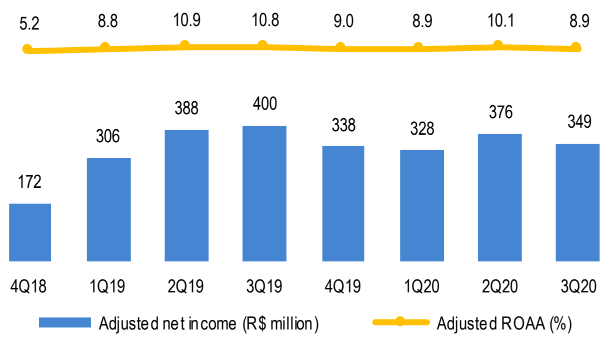
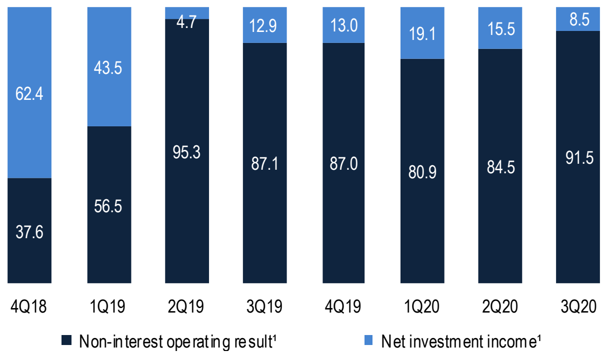


Figure 19 – Brasilseg | Adjusted net income breakdown (%)



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

Table 17 – Brasilseg | Managerial performance ratios[1]

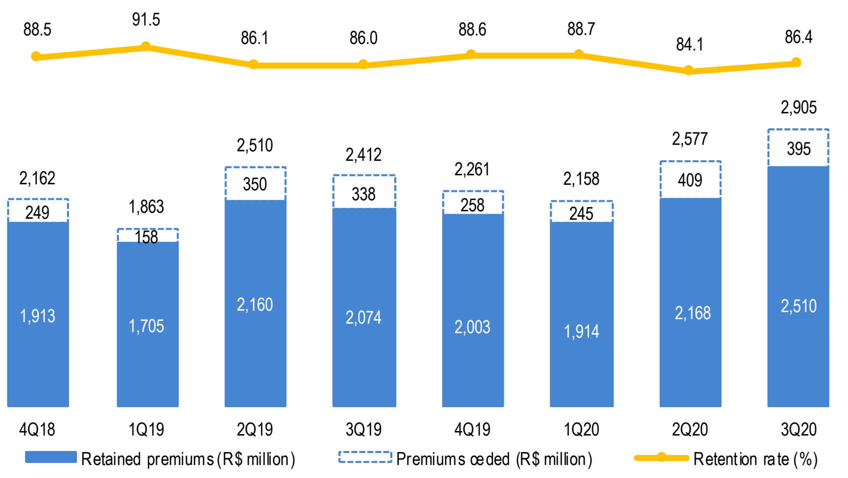
	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M 19**	**9M 20**	**On 9M 19**
Performance ratios								
Loss ratio	28.6	31.4	32.3	3.7	1.0	30.9	31.2	0.3
Commission ratio	31.0	33.3	34.6	3.6	1.3	31.3	34.3	3.0
G&A ratio	13.5	12.4	11.8	(1.7)	(0.6)	13.7	13.0	(0.8)
Combined ratio	73.0	77.0	78.8	5.8	1.7	75.7	78.5	2.8
Other ratios								
Expanded combined ratio	70.2	74.0	77.3	7.1	3.3	71.6	75.8	4.2
Income tax rate	25.7	24.4	23.6	(2.2)	(0.9)	28.0	25.5	(2.5)
Adjusted ROAA	10.8	10.1	8.9	(2.0)	(1.2)	10.2	9.0	(1.1)

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

NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUMS WRITTEN

Figure 20 – Brasilseg | Premiums written



QUARTERLY ANALYSIS

Despite the still challenging environment caused by the coronavirus pandemic, the insurance segment sustained its solid commercial performance in Q3 as premiums written grew 20.4% YoY.

The main highlight was **rural insurance** (+27.9% YoY), as a result of higher demand, especially after the increase in Federal Government subsidies that pays part of rural insurance premiums, which more than doubled compared to last year. Additionally, in 2020, the company started offering crop insurance for clients within the National Program for Strengthening Family Farming (Pronaf) and expanded its distribution channels through partnerships with rural cooperatives for the sale of crop insurance for farmers who do not finance their production through Banco do Brasil.

Another product that has been sustaining a good performance is **credit life** (+24.7% vs. 3Q19 | +17.4% vs. 2Q20), recording the best quarter of the year in Q3. The favorable scenario for the origination of payroll loans and working capital loans, as well as the maintenance of stable cancellation levels, were the main factors that explain such strong performance.

Life insurance sales have been gaining traction, with increasing interest of customers for this type of coverage, considering the risk perception that emerged with the pandemic, along with the launch of the new portfolio in May 2020, backed by a strategy whose pillars are the improvement of the products' journey within all the distribution channels and the inclusion of benefits that enhance the value proposition for clients. As a result, premiums written were up 7.7% YoY in Q3, a performance that was even better comparing to the 2Q20 (+9.8%).

Other lines that also reported strong performances compared to 3Q19 were the **home insurance** (+18.1%) and **commercial lines** (+63.5%). The first one was driven by commercial campaigns held in Banco do Brasil network (Brazil Week and Customer Week), concentrated in September. The second had its performance impacted by the recognition of R$52 million in premiums from previous periods of products that covers consortium groups, which were dammed.

YEAR-TO-DATE ANALYSIS

In the 9M20, premiums written increased 12.6%. Of note, the main business lines accelerated the growth pace: rural (+23.9%), credit life (+12.3%) and term life (+4.5%).

Table 18 – Brasilseg | Breakdown of premiums written

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M 19	9M 20	On 9M 19
Life	734,553	720,685	791,275	7.7	9.8	2,062,291	2,155,997	4.5
Credit Life	550,517	584,695	686,222	24.7	17.4	1,716,172	1,927,355	12.3
Mortgage Life	72,233	72,103	72,232	(0.0)	0.2	213,361	216,806	1.6
Rural	904,398	1,074,696	1,157,033	27.9	7.7	2,345,009	2,905,522	23.9
Crop	393,803	483,533	500,773	27.2	3.6	987,233	1,261,968	27.8
Rural lien	218,536	240,718	258,202	18.2	7.3	588,559	658,819	11.9
Credit life for farmers	288,664	343,603	388,501	34.6	13.1	757,711	967,613	27.7
Others	3,394	6,842	9,557	181.6	39.7	11,506	17,122	48.8
Home	65,419	59,215	77,261	18.1	30.5	182,817	189,513	3.7
Commercial lines	73,959	63,421	120,892	63.5	90.6	214,896	242,452	12.8
Large risks	823	1,306	(434)	-	-	4,905	935	(80.9)
DPVAT	9,653	-	-	-	-	44,083	-	-
Other	816	502	563	(31.0)	12.2	1,836	1,503	(18.1)
Total	**2,412,371**	**2,576,624**	**2,905,044**	**20.4**	**12.7**	**6,785,370**	**7,640,082**	**12.6**

Table 19 – Brasilseg | Breakdown of retained premiums

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M 19	9M 20	On 9M 19
Life	732,409	719,063	790,716	8.0	10.0	2,057,642	2,152,088	4.6
Credit Life	550,196	583,626	685,774	24.6	17.5	1,714,198	1,925,252	12.3
Mortgage Life	71,816	71,742	70,836	(1.4)	(1.3)	211,747	214,906	1.5
Rural	570,552	674,784	761,097	33.4	12.8	1,513,906	1,865,149	23.2
Crop	65,533	89,472	105,820	61.5	18.3	171,054	229,222	34.0
Rural lien	215,050	238,505	262,713	22.2	10.1	583,655	660,794	13.2
Credit life for farmers	287,894	342,459	388,287	34.9	13.4	751,471	966,077	28.6
Others	2,075	4,348	4,276	106.1	(1.6)	7,726	9,056	17.2
Home	64,245	58,546	76,618	19.3	30.9	180,859	188,021	4.0
Commercial lines	73,831	60,767	121,822	65.0	100.5	212,403	240,713	13.3
Large risks	569	(1,155)	2,338	310.7	-	2,536	3,580	41.2
DPVAT	9,653	-	-	-	-	44,083	-	-
Other	816	502	563	(31.0)	12.2	1,836	1,503	(18.1)
Total	**2,074,088**	**2,167,876**	**2,509,764**	**21.0**	**15.8**	**5,939,209**	**6,591,212**	**11.0**

Figure 21 – Brasilseg | Breakdown of premiums written[1] (%)

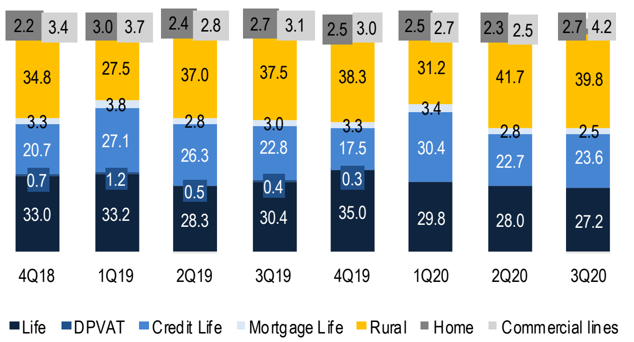
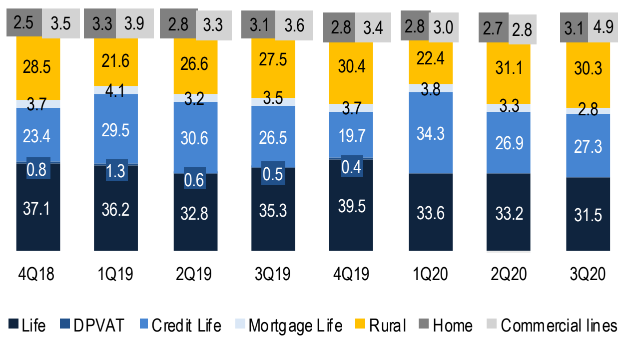


Figure 22 – Brasilseg | Breakdown of retained premiums[1] (%)



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

CHANGES IN TECHNICAL RESERVES - PREMIUMS

Table 20 – Brasilseg | Changes in technical reserves – premiums

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M19**	**9M20**	**On 9M19**
Provision for unearned premiums	(377,074)	(406,055)	(609,880)	61.7	50.2	(823,064)	(1,035,734)	25.8
Provision for benefits to be granted (except VGBL and VRGP)	(277)	164	-	-	-	1,182	-	-
Provision for administrative expenses - DPVAT	(350)	-	-	-	-	(5,190)	-	-
Provision for technical surplus	(1,328)	(652)	(294)	(77.8)	(54.8)	(3,281)	(1,892)	(42.3)
Complementary provisions of contributions	-	(2,961)	-	-	-	(9,691)	(2,961)	(69.4)
Change in technical reserves - premiums	**(379,030)**	**(409,503)**	**(610,174)**	**61.0**	**49.0**	**(840,043)**	**(1,040,587)**	**23.9**

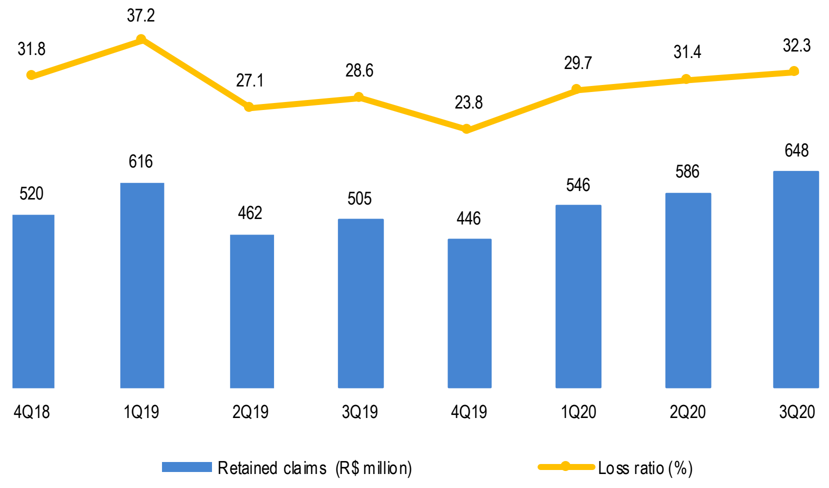
RETAINED EARNED PREMIUMS

Table 21 – Brasilseg | Breakdown of retained earned premiums

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M19**	**9M20**	**On 9M19**
Life	685,060	730,572	735,603	7.4	0.7	2,029,042	2,204,723	8.7
Credit Life	344,626	381,456	414,296	20.2	8.6	968,572	1,173,878	21.2
Mortgage Life	72,948	71,532	72,090	(1.2)	0.8	214,344	216,293	0.9
Rural	522,918	564,190	608,644	16.4	7.9	1,476,988	1,692,189	14.6
Crop	52,561	63,689	71,092	35.3	11.6	151,499	182,761	20.6
Rural lien	204,822	207,064	224,322	9.5	8.3	577,006	625,534	8.4
Credit life for farmers	262,680	289,557	309,631	17.9	6.9	739,349	873,862	18.2
Others	2,855	3,880	3,599	26.1	(7.2)	9,134	10,031	9.8
Home	57,155	56,244	59,053	3.3	5.0	170,675	172,883	1.3
Commercial lines	68,566	63,430	111,863	63.1	76.4	214,540	241,799	12.7
Large risks	3,215	(1,109)	2,175	(32.4)	-	11,839	3,722	(68.6)
DPVAT	9,303	-	-	-	-	38,894	-	-
Other	852	507	583	(31.5)	15.2	1,678	1,533	(8.6)
Total	**1,764,643**	**1,866,821**	**2,004,307**	**13.6**	**7.4**	**5,126,572**	**5,707,020**	**11.3**

RETAINED CLAIMS

Figure 23 – Brasilseg | Retained claims



QUARTERLY ANALYSIS

In the 3Q20, the loss ratio was up 3.7 p.p. YoY, mainly driven by higher frequency of claims arising from the Covid-19, which increased the ratios of credit life (+19.0 p.p.), mortgage life (+5.1 p.p.), credit life for farmers (+4.9 p.p.) and term life (+1.2 p.p.). Setting apart the claims related to Covid-19, the loss ratio would have been virtually stable YoY.

In credit life, which had the largest increase in claims, it is important to remember that the loss ratio in the 3Q19 was benefited from a higher reversal of provisions related to claims that had the payment of the indemnity denied.

Home insurance claims increased by 14.9 p.p., explained by the impacts arising from the bomb cyclone and windstorms that occurred in July and August, both events concentrated in the South region.

These effects were partially offset by the improvement in rural insurance (-1.0 p.p.), since the 3Q19 was negatively impacted by frost and drought that affected the wheat crop in Parana and Sao Paulo states and by damages to machinery which affected the rural lien insurance.

YEAR-TO-DATE ANALYSIS

In the 9M20, the loss ratio showed a rose slightly (+0.3 p.p.), mostly explained by a higher frequency of claims related to Covid-19, impacting products with life coverage. Setting apart the pandemic effects, the loss ratio would have improved 2.0 p.p., mainly driven by rural, which was affected in the 9M19 by the climate effects that impacted Brazilian harvest across the board, and by lowers losses in commercial lines.

Table 22 – Brasilseg | Breakdown of retained claims

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M19**	**9M20**	**On 9M19**
Incurred claims	**(619,603)**	**(775,046)**	**(723,860)**	**16.8**	**(6.6)**	**(2,562,877)**	**(2,579,331)**	**0.6**
Expenses with claims	(598,534)	(745,136)	(677,782)	13.2	(9.0)	(2,490,747)	(2,458,583)	(1.3)
Changes in provisions for claims IBNR and IBNER	(16,255)	(22,712)	(32,786)	101.7	44.4	(59,098)	(91,056)	54.1
Recovery of claims - Coinsurance and reinsurance	117,730	189,890	76,335	(35.2)	(59.8)	986,501	801,119	(18.8)
Salvage and Reimbursements	7,463	6,598	8,353	11.9	26.6	24,203	20,807	(14.0)
Assistance services	(14,610)	(15,777)	(22,113)	51.4	40.2	(43,474)	(53,483)	23.0
Other	(586)	1,233	(354)	(39.6)	-	(453)	864	-
Retained claims	**(504,790)**	**(585,904)**	**(648,346)**	**28.4**	**10.7**	**(1,583,067)**	**(1,780,332)**	**12.5**

Figure 24 – Life Insurance | Loss ratio (%)

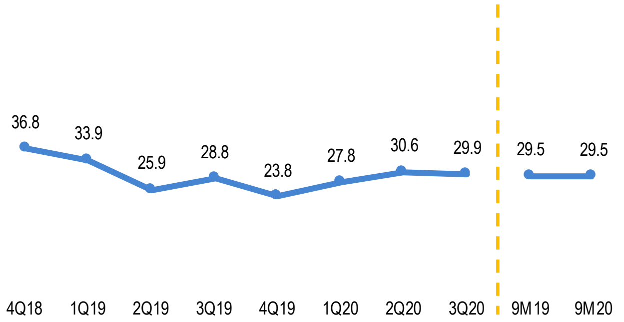


Figure 25 – Credit life insurance | Loss ratio (%)

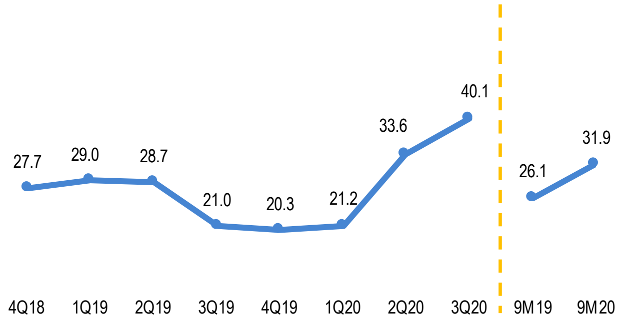


Figure 26 – Mortgage life | Loss ratio (%)

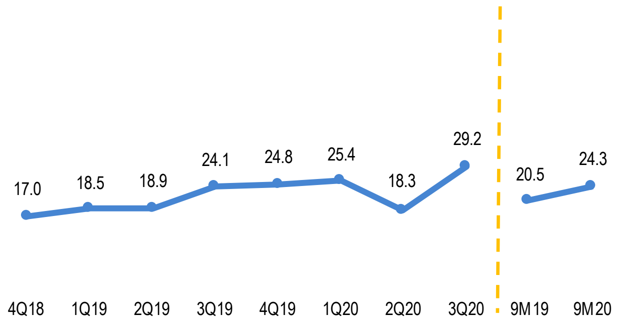


Figure 27 – Home insurance | Loss ratio (%)

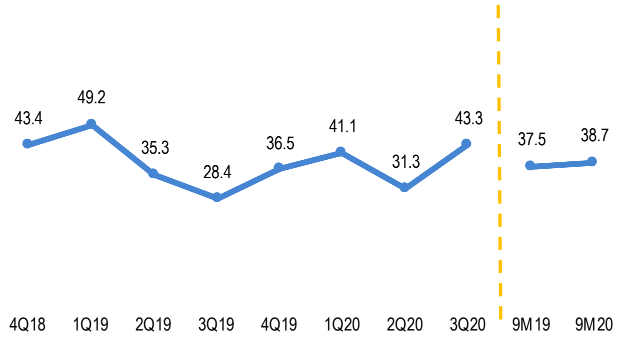


Figure 28 – Commercial lines insurance | Loss ratio (%)

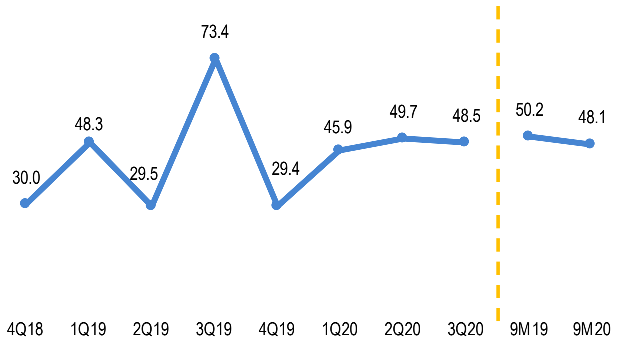


Figure 29 – Rural | Loss ratio (%)

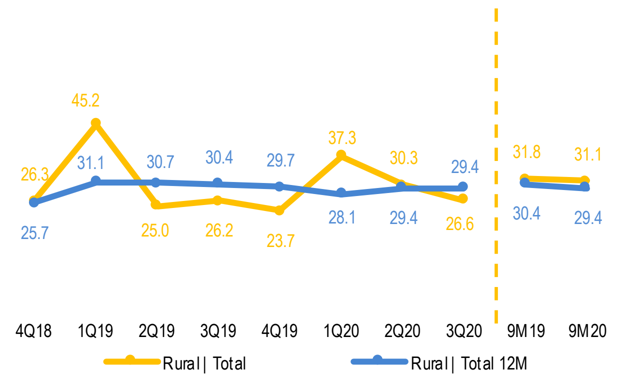


Figure 30 – Crop insurance | Loss ratio (%)

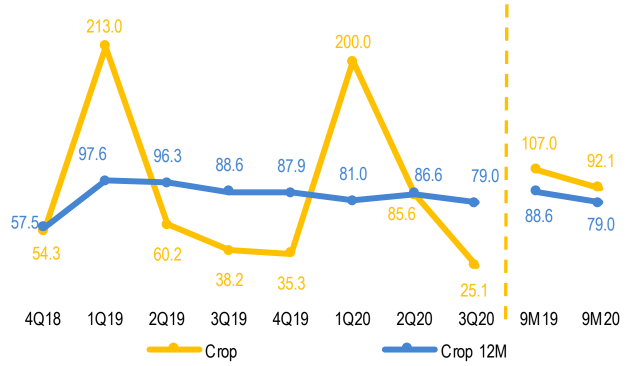
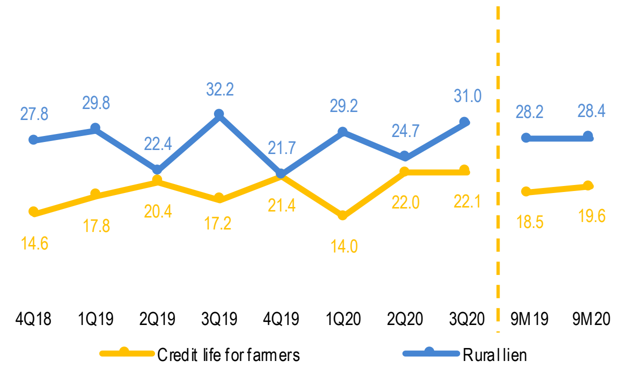


Figure 31 – Credit life for farmers and rural lien insurance | Loss ratio (%)



RETAINED ACQUISITION COSTS

Figure 32 – Brasilseg | Retained acquisition costs

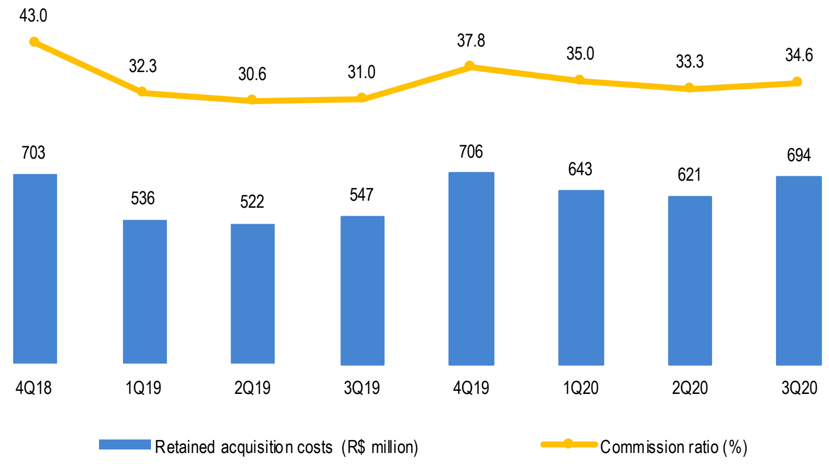
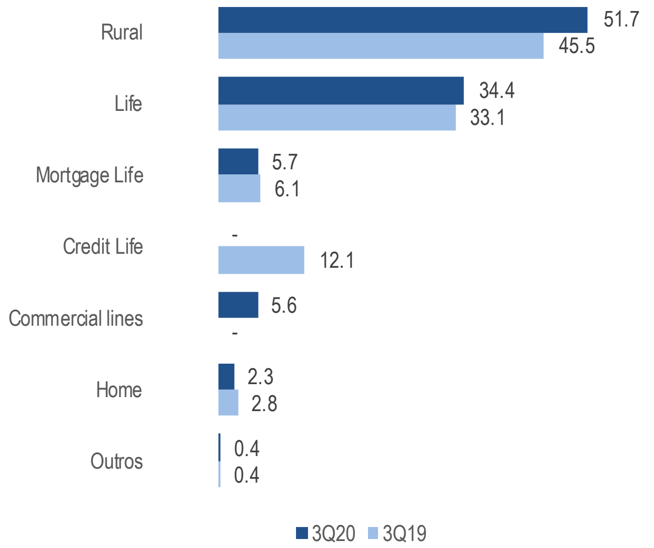


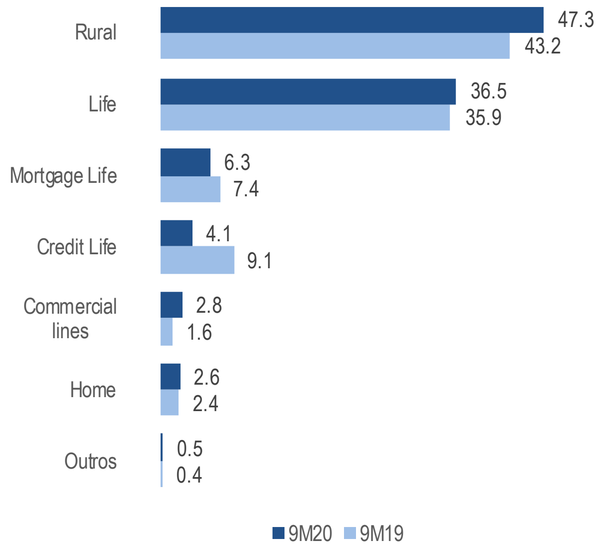
Table 23 – Brasilseg | Retained acquisition costs

R$ thousand	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Acquisition costs	**(664,775)**	**(721,171)**	**(768,351)**	**15.6**	**6.5**	**(1,900,855)**	**(2,207,938)**	**16.2**
Commission charged on premiums written	(630,678)	(676,281)	(778,532)	23.4	15.1	(1,811,134)	(2,049,826)	13.2
Revenue with reinsurance commission	117,323	99,779	74,380	(36.6)	(25.5)	295,791	249,802	(15.5)
Commissions recovered - Coinsurance	(0)	(6)	996	-	-	(3)	990	-
Change in deferred acquisition costs	117,239	116,839	184,904	57.7	58.3	330,807	349,279	5.6
Other acquisition costs	(151,336)	(161,723)	(175,719)	16.1	8.7	(420,525)	(508,380)	20.9
Retained acquisition costs	**(547,451)**	**(621,393)**	**(693,971)**	**26.8**	**11.7**	**(1,605,065)**	**(1,958,135)**	**22.0**

UNDERWRITING RESULT

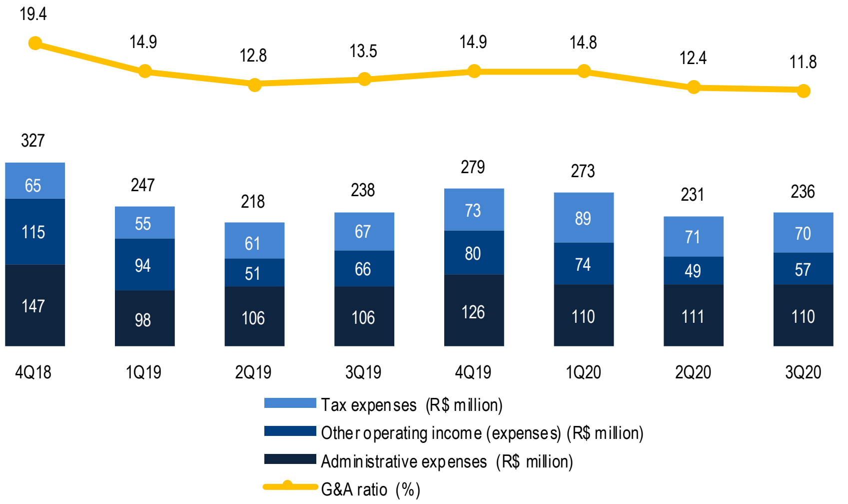
Figure 33 – Brasilseg | Breakdown of underwriting result by segment (%)





GENERAL & ADMINISTRATIVE EXPENSES

Figure 34 – Brasilseg | G&A expenses[1]



1. 2018 quarters do not consider proforma data.

QUARTERLY ANALYSIS

In the 3Q20, the G&A ratio fell 1.7 p.p., helped by the reduction in general and administrative expenses (-0.9%) and the increase in retained earned premiums (+13.6%), which is the denominator for the ratio.

The contraction in general administrative expenses was concentrated in other operating income and expenses (-13.9%), as a result of:

- lower other operating income and expenses, due to a reduction in expenses with media campaigns and lower recognition of expenses with non-recovered coinsured claims;
- the reduction of expenses with civil contingencies, as a result of a lower volume of new litigations during the social isolation period amid the Covid-19 pandemic;
- the decrease in expenses with endomarketing, considering the higher volume of expenses related to sales force engagement in the 3Q19; and
- lower collection expenses, which concentrated the costs related to DPVAT, that now are accounted as equity income, as required by the regulator (Susep).

On the other hand, administrative expenses rose 3.8% YoY in Q3, impacted by higher personnel expenses, due to the increase in headcount and the collective bargaining agreement, higher outsourcing expenses, concentrated on expenses with systems and software licenses related to the modernization of the IT infrastructure, and the increase in institutional advertisement and publicity expenses.

Tax expenses grew 4.2% YoY, in line with the increase on taxable income.

YEAR-TO-DATE ANALYSIS

Year-to-date, the G&A ratio improved 0.8 p.p., helped by the growth in retained earned premiums (+11.3%).

Administrative expenses grew 6.6%, owed to higher personnel expenses, as a consequence of both the increase in headcount and the collective bargaining agreement, and higher outsourcing expenses, with systems maintenance and software licenses.

Other operating income and expenses reduced 14.6%, with lower contributions to the FESR (Rural Insurance Stability Fund), due to higher volume of claims effectively paid which reduces the calculation basis for this contribution. Additionally, the line “other” fell 85.8%, since it was impacted in the 1Q19 by the recognition of expenses amounting to R$13.5 million, related to the regularization of transitory accounts for judicial deposits.

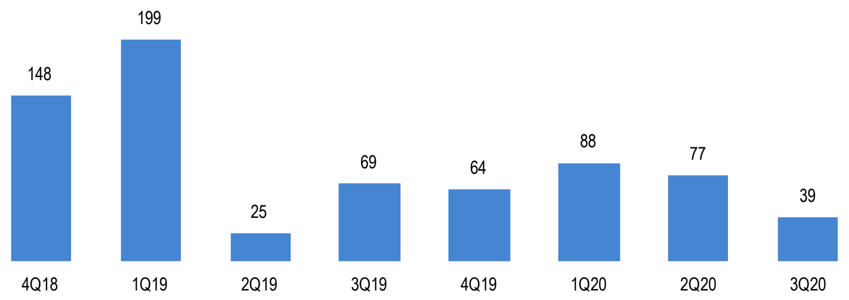
Tax expenses rose 25.3% year-to-date, as a result of both the increase on taxable income and the reversal of tax credits amounting to R$20.0 million, related to PIS/COFINS calculated on provisions for claims to be settled and for incurred but not reported claims from DPVAT insurance, after changes in the recognition of this segment were carried out in the 1Q20.

Table 24 – Brasilseg | General & Administrative expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Administrative expenses	**(105,982)**	**(110,747)**	**(110,040)**	**3.8**	**(0.6)**	**(309,763)**	**(330,301)**	**6.6**
Personnel	(45,645)	(52,196)	(52,131)	14.2	(0.1)	(144,599)	(159,544)	10.3
Outsourcing	(31,752)	(36,479)	(33,789)	6.4	(7.4)	(80,888)	(99,871)	23.5
Location and operation	(22,741)	(20,044)	(20,147)	(11.4)	0.5	(67,456)	(62,056)	(8.0)
Institutional advertisement and publicity	(714)	(2,089)	(2,565)	259.4	22.8	(3,849)	(5,145)	33.7
Publications	(83)	(1)	(143)	71.3	11,789.3	(660)	(578)	(12.4)
Other administrative expenses	(1,821)	63	(1,266)	(30.5)	-	(2,947)	(3,107)	5.4
DPVAT administrative expenses	(3,226)	-	-	-	-	(9,365)	-	-
Other operating income (expenses)	**(65,616)**	**(48,842)**	**(56,519)**	**(13.9)**	**15.7**	**(210,609)**	**(179,853)**	**(14.6)**
FESR contributions	(45,639)	(31,409)	(49,508)	8.5	57.6	(156,614)	(130,965)	(16.4)
Charging expenses	(2,835)	(1,041)	(1,084)	(61.7)	4.1	(9,023)	(2,570)	(71.5)
Civil contingencies	(5,761)	(2,669)	(2,400)	(58.3)	(10.1)	(15,331)	(9,194)	(40.0)
Expenses with events	(725)	(614)	163	-	-	(1,699)	(1,048)	(38.3)
Endomarketing	(11,649)	(9,897)	(9,869)	(15.3)	(0.3)	(23,696)	(28,421)	19.9
Impairment	9,899	(1,057)	11,010	11.2	-	33,032	(2,365)	-
Other operating income (expenses)	(8,907)	(2,154)	(4,831)	(45.8)	124.3	(37,279)	(5,290)	(85.8)
Tax expenses	**(66,825)**	**(71,334)**	**(69,646)**	**4.2**	**(2.4)**	**(183,137)**	**(229,526)**	**25.3**
COFINS	(55,102)	(58,690)	(57,049)	3.5	(2.8)	(150,583)	(189,321)	25.7
PIS	(8,977)	(9,593)	(9,317)	3.8	(2.9)	(24,487)	(30,914)	26.2
Inspection fee	(1,881)	(1,881)	(1,881)	0.0	(0.0)	(5,643)	(5,643)	0.0
Other tax expenses	(864)	(1,171)	(1,398)	61.8	19.4	(2,424)	(3,648)	50.5
G&A	**(238,423)**	**(230,923)**	**(236,205)**	**(0.9)**	**2.3**	**(703,510)**	**(739,680)**	**5.1**

NET INVESTMENT INCOME

Figure 35 – Brasilseg | Net investment income (R$ million)[1]



1. 2018 quarters do not consider proforma data.

Table 25 – Brasilseg | Financial income and expenses[1]

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Adjusted interest revenues	**122,814**	**82,593**	**85,481**	**(30.4)**	**3.5**	**428,364**	**275,909**	**(35.6)**
Revenues with mark to market financial investments	89,388	67,484	55,939	(37.4)	(17.1)	305,167	200,373	(34.3)
Revenues with held to maturity financial investments	17,211	9,578	20,802	20.9	117.2	65,771	53,200	(19.1)
Judicial deposits	7,711	1,193	4,341	(43.7)	263.9	41,967	7,662	(81.7)
Receivables from insurance and reinsurance operations	8,504	4,339	4,400	(48.3)	1.4	15,459	14,674	(5.1)
Adjusted interest expenses	**(44,927)**	**11,193**	**(29,262)**	**(34.9)**	**-**	**(109,104)**	**(29,422)**	**(73.0)**
Pending claims	(28,570)	10,627	(26,040)	(8.9)	-	(70,324)	(22,340)	(68.2)
Judicial provisions	(2,314)	(1,474)	(1,475)	(36.2)	0.1	(8,849)	(5,016)	(43.3)
Obligations with insurance and reinsurance operations	(14,043)	2,041	(1,746)	(87.6)	-	(29,931)	(2,067)	(93.1)
Net interest income	**77,887**	**93,786**	**56,220**	**(27.8)**	**(40.1)**	**319,260**	**246,487**	**(22.8)**

1. Managerial view.

QUARTERLY ANALYSIS

In the 3Q20, the net interest income was down 27.8% YoY.

The adjusted interest revenues fell 30.4%, mainly driven by the lower Selic rate and the reduction in the volume of financial investments.

The adjusted interest expenses dropped 34.9%, due to the decrease in obligations with insurance and reinsurance operations related to the interest accrual on DPVAT expenses, which started to be recognized as equity income in the 1Q20, as required by the regulator (Susep).

YEAR-TO-DATE ANALYSIS

In the first nine months of 2020, the net interest income fell 22.8%.

The adjusted interest revenues fell 35.6%, due to lower Selic rate and also a lower IPCA inflation rate. Additionally, the interest income comparison was impacted by the recognition of lower interest income on judicial deposits, considering that in the 1Q19 this line was positively impacted (+R$19.5 million) by the regularization of transitory accounts under an action plan with Susep.

On the other hand, the adjusted interest expenses dropped 73.0%, explained by the following positive impacts:

- the lower interest expenses on provisions for claims to be settled, since the 2Q19 was negatively impacted by the recognition of R$44.3 million, with positive counterpart in claims; and
- the decrease in obligations with insurance and reinsurance operations related to DPVAT, as mentioned in the quarterly analysis.

Table 26 – Brasilseg | Quarterly figures - Volume and rate analysis

	3Q20/3Q19		
R$ thousand	Average volume	Average rate	Net change
Earning assets			
Mark to Market financial investments	(2,845)	(30,604)	(33,449)
Held to maturity financial investments	(1,241)	4,832	3,591
Judicial deposits	(83)	(3,288)	(3,371)
Receivables from insurance and reinsurance operations	(1,023)	(3,081)	(4,104)
Total¹	**(4,906)**	**(32,427)**	**(37,332)**
Interest bearing liabilities			
Pending claims	(41)	2,570	2,530
Judicial provisions	(1)	840	839
Obligations with insurance and reinsurance operations	(168)	12,465	12,297
Total¹	**(109)**	**15,775**	**15,665**

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

Table 27 – Brasilseg | Quarterly figures - Earning assets - average balance and interest rates

	3Q19			3Q20		
R$ million	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to Market financial investments	5,636	89	6.2	5,363	56	4.1
Held to maturity financial investments	915	17	7.4	864	21	9.7
Judicial deposits	861	8	3.5	845	4	2.0
Receivables from insurance and reinsurance operations	461	9	7.2	374	4	4.6
Total	**7,872**	**123**	**6.1**	**7,445**	**85**	**4.5**

Table 28 – Brasilseg | Quarterly figures - Interest bearing liabilities - average balance and interest rates

	3Q19			3Q20		
R$ million	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Pending claims	2,068	(29)	5.2	2,072	(26)	4.8
Judicial provisions	672	(2)	1.3	672	(1)	0.8
Obligations with insurance and reinsurance operations	63	(14)	61.8	70	(2)	9.4
Total	**2,803**	**(45)**	**6.0**	**2,814**	**(29)**	**4.0**

Table 29 – Brasilseg | Year-to-date figures - Volume and rate analysis

R$ thousand	9M20/9M19		
	Average volume	Average rate	Net change
Earning assets			
Mark to Market financial investments	4,559	(109,352)	(104,794)
Held to maturity financial investments	(6,694)	(5,878)	(12,571)
Judicial deposits	(269)	(34,036)	(34,305)
Receivables from insurance and reinsurance operations	(2,807)	2,021	(785)
Total¹	**(1,689)**	**(150,766)**	**(152,455)**
Interest bearing liabilities			
Pending claims	(992)	48,977	47,984
Judicial provisions	(48)	3,882	3,833
Obligations with insurance and reinsurance operations	(591)	28,456	27,865
Total¹	**(1,265)**	**80,948**	**79,682**

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

Table 30 – Brasilseg | Year-to-date figures - Earning assets - average balance and interest rates

R$ million	9M19			9M20		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to Market financial investments	5,825	305	7.0	5,961	200	4.5
Held to maturity financial investments	971	66	9.1	863	53	8.4
Judicial deposits	883	42	6.4	853	8	1.2
Receivables from insurance and reinsurance operations	284	15	7.3	238	15	8.3
Total	**7,963**	**428**	**7.2**	**7,914**	**276**	**4.7**

Table 31 – Brasilseg | Year-to-date figures - Interest bearing liabilities - average balance and interest rates

R$ million	9M19			9M20		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Pending claims	1,805	(70)	5.2	1,889	(22)	1.6
Judicial provisions	669	(9)	1.8	675	(5)	1.0
Obligations with insurance and reinsurance operations	58	(30)	61.7	82	(2)	3.4
Total	**2,532**	**(109)**	**5.7**	**2,646**	**(29)**	**1.5**

Table 32 – Brasilseg | Financial investment portfolio

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Trading	**4,649,554**	**3,346,807**	**2,715,004**	**(41.6)**	**(18.9)**
Pre-fixed	9,146	18,054	270,447	2,857.1	1,398.0
Floating	4,187,886	3,327,632	2,445,351	(41.6)	(26.5)
Other	452,523	1,121	(793)	-	-
Available for sale	**1,460,319**	**1,730,726**	**2,933,159**	**100.9**	**69.5**
Pre-fixed	898,423	1,599,670	2,801,501	211.8	75.1
Floating	561,897	131,056	131,658	(76.6)	0.5
Held to maturity securities	**909,294**	**934,541**	**793,108**	**(12.8)**	**(15.1)**
Pre-fixed	150,447	154,682	151,325	0.6	(2.2)
Inflation	758,846	779,859	641,783	(15.4)	(17.7)
Total	**7,019,167**	**6,012,073**	**6,441,271**	**(8.2)**	**7.1**

Figure 36 – Brasilseg | Breakdown of financial investments by index (%)[1]

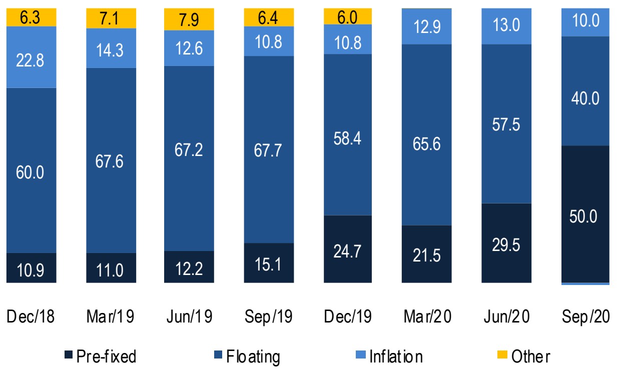
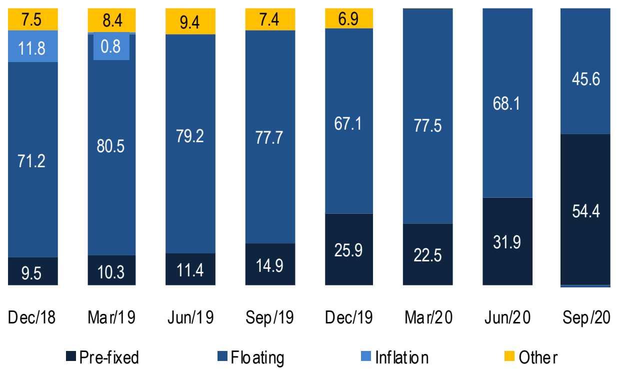


Figure 37 – Brasilseg | Breakdown of mark to market financial investments by index (%)[1]



1. 2018 quarters do not consider proforma data.

BALANCE SHEET ANALYSIS

Table 33 – Brasilseg | Balance sheet

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Assets	**14,985,959**	**15,288,485**	**16,174,722**	**7.9**	**5.8**
Cash	13,779	11,880	10,751	(22.0)	(9.5)
Financial assets	7,019,167	6,012,073	6,441,271	(8.2)	7.1
Receivables from insurance and reinsurance operations	2,996,819	3,937,627	4,322,178	44.2	9.8
Reinsurance and retrocession - technical reserves	769,407	1,050,067	923,243	20.0	(12.1)
Securities and credits receivable	1,189,444	1,149,115	1,159,586	(2.5)	0.9
Other	1,697	201	178	(89.5)	(11.3)
Prepaid expenses	12,042	7,779	7,596	(36.9)	(2.3)
Deferred costs	2,214,108	2,413,049	2,597,953	17.3	7.7
Investments	366,273	302,161	301,513	(17.7)	(0.2)
Fixed assets	273,465	265,903	259,630	(5.1)	(2.4)
Intangible	129,759	138,633	150,823	16.2	8.8
Liabilities	**12,770,018**	**13,301,529**	**14,291,924**	**11.9**	**7.4**
Accounts payable	545,970	465,981	501,685	(8.1)	7.7
Obligations with insurance and reinsurance operations	1,728,655	1,993,842	2,478,060	43.4	24.3
Technical reserves - insurance	9,689,996	10,163,886	10,635,121	9.8	4.6
Third party deposits	132,581	5,355	4,732	(96.4)	(11.6)
Other liabilities	672,816	672,465	672,325	(0.1)	(0.0)
Shareholders' equity	**2,215,941**	**1,986,956**	**1,882,798**	**(15.0)**	**(5.2)**

Table 34 – Brasilseg | Receivables from insurance and reinsurance operations

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Receivable premiums	2,653,755	3,737,158	4,180,754	57.5	11.9
Operations with insurance companies	5,347	2,257	2,226	(58.4)	(1.4)
Premiums	69	95	167	140.4	75.1
Claims paid	4,229	825	1,167	(72.4)	41.5
Other receivables	1,048	1,337	892	(14.9)	(33.3)
Operations with reinsurance companies	295,403	173,539	133,246	(54.9)	(23.2)
Claims paid	294,072	173,525	133,242	(54.7)	(23.2)
Other receivables	1,331	14	4	(99.7)	(73.1)
Other operating receivables	103,714	92,424	57,209	(44.8)	(38.1)
Impairment	(61,400)	(67,751)	(51,257)	(16.5)	(24.3)
Receivables from insurance and reinsurance operations	**2,996,819**	**3,937,627**	**4,322,178**	**44.2**	**9.8**

Table 35 – Brasilseg | Reinsurance and retrocession – technical reserves

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Deferred premiums - PPNG	422,321	449,861	522,670	23.8	16.2
Deferred premiums - RVNE	26,056	22,710	23,935	(8.1)	5.4
IBNR claims	72,172	74,673	78,026	8.1	4.5
Pending claims	244,090	495,004	291,991	19.6	(41.0)
Provision for related expenses	4,767	7,819	6,620	38.9	(15.3)
Reinsurance and retrocession - technical reserves	**769,407**	**1,050,067**	**923,243**	**20.0**	**(12.1)**

Table 36 – Brasilseg | Securities and credit receivable

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Securities and credits receivable	31,840	36,436	10,553	(66.9)	(71.0)
Other tax and social security receivables	128,312	110,275	135,429	5.5	22.8
Receivable tax and social security - tax loss	-	14	14	-	-
Receivable tax and social security - temporary adjustements	147,268	146,881	148,270	0.7	0.9
Tax and judicial deposits	859,554	842,645	846,732	(1.5)	0.5
Other receivables	27,723	17,997	23,723	(14.4)	31.8
Impairment	(5,253)	(5,134)	(5,134)	(2.3)	-
Securities and credits receivable	**1,189,444**	**1,149,115**	**1,159,586**	**(2.5)**	**0.9**

Table 37 – Brasilseg | Accounts payable

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Payable liabilities	83,488	84,350	108,777	30.3	29.0
Deferred taxes	10,569	4,274	(0)	-	-
Social securities and taxes payable	29,258	29,733	38,166	30.4	28.4
Labor charges	19,261	19,480	22,623	17.5	16.1
Taxes and contributions	128,660	50,103	56,261	(56.3)	12.3
Other accounts payable	274,733	278,041	275,858	0.4	(0.8)
Accounts payable	**545,970**	**465,981**	**501,685**	**(8.1)**	**7.7**

Table 38 – Brasilseg | Obligations with insurance and reinsurance operations

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Premiums to return	36,946	33,324	31,148	(15.7)	(6.5)
Operations with insurance companies	6,464	1,547	1,765	(72.7)	14.0
Operations with reinsurance companies	415,916	406,829	521,464	25.4	28.2
Insurance and reinsurance brokers	272,505	249,977	389,736	43.0	55.9
Other operating obligations	996,824	1,302,165	1,533,948	53.9	17.8
Obligations with insurance and reinsurance operations	**1,728,655**	**1,993,842**	**2,478,060**	**43.4**	**24.3**

SOLVENCY

Table 39 – Brasilseg | Solvency[1]

R$ thousand	Balance Sep/19	Balance Jun/20	Balance Sep/20	Chg. % On Sep/19	Chg. % On Jun/20
Brasilseg Companhia de Seguros					
Adjusted shareholders' equity (a)	**1,558,256**	**1,428,118**	**1,293,978**	**(17.0)**	**(9.4)**
Minimum capital required (b)	**1,087,182**	**1,154,722**	**1,176,443**	**8.2**	**1.9**
Additional capital for underwritting risk	985,691	1,041,225	1,057,591	7.3	1.6
Additional capital for credit risk	116,506	115,393	123,242	5.8	6.8
Additional capital for operating risk	27,045	29,927	30,816	13.9	3.0
Additional capital for market risk	40,391	73,004	73,004	80.7	-
Benefit of correlation between risks	(82,451)	(104,827)	(108,211)	31.2	3.2
Capital adequacy (a) - (b)	**471,074**	**273,396**	**117,535**	**(75.0)**	**(57.0)**
Solvency ratio (a) / (b) - %	**143.3**	**123.7**	**110.0**	**-33.3 p.p.**	**-13.7 p.p.**
Aliança do Brasil Seguros					
Adjusted shareholders' equity (a)	**176,797**	**160,259**	**179,111**	**1.3**	**11.8**
Minimum capital required (b)	**92,193**	**86,363**	**91,389**	**(0.9)**	**5.8**
Additional capital for underwritting risk	79,855	76,005	80,804	1.2	6.3
Additional capital for credit risk	13,307	10,682	10,624	(20.2)	(0.5)
Additional capital for market risk	2,821	3,017	3,017	6.9	0.0
Additional capital for operating risk	4,126	3,643	3,938	(4.5)	8.1
Benefit of correlation between risks	(7,916)	(6,984)	(6,994)	(11.6)	0.1
Capital adequacy (a) - (b)	**84,604**	**73,896**	**87,722**	**3.7**	**18.7**
Solvency ratio (a) / (b) - %	**191.8**	**185.6**	**196.0**	**4.2 p.p.**	**10.4 p.p.**
Total Brasilseg					
Adjusted shareholders' equity (a)	**1,735,053**	**1,588,377**	**1,473,089**	**(15.1)**	**(7.3)**
Minimum capital required (b)	**1,179,375**	**1,241,085**	**1,267,832**	**7.5**	**2.2**
Additional capital for underwritting risk	1,065,546	1,117,230	1,138,396	6.8	1.9
Additional capital for credit risk	129,813	126,075	133,866	3.1	6.2
Additional capital for operating risk	31,171	33,570	34,754	11.5	3.5
Additional capital for market risk	43,212	76,021	76,021	75.9	-
Benefit of correlation between risks	(90,367)	(111,811)	(115,205)	27.5	3.0
Capital adequacy (a) - (b)	**555,678**	**347,292**	**205,257**	**(63.1)**	**(40.9)**
Solvency ratio (a) / (b) - %	**147.1**	**128.0**	**116.2**	**-30.9 p.p.**	**-11.8 p.p.**

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

4.2 BRASILPREV

EARNINGS ANALYSIS

Table 40 – Brasilprev | Income statement[1]

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Total revenue from pension and insurance	**12,324,010**	**6,783,496**	**11,951,968**	**(3.0)**	**76.2**	**31,141,154**	**28,865,480**	**(7.3)**
Provision for benefits to be granted	(12,318,439)	(6,778,414)	(11,945,739)	(3.0)	76.2	(31,124,479)	(28,848,945)	(7.3)
Net revenue from pension and insurance	**5,572**	**5,082**	**6,229**	**11.8**	**22.6**	**16,676**	**16,535**	**(0.8)**
Management fee	717,360	689,905	758,861	5.8	10.0	2,038,070	2,160,104	6.0
Changes in other technical reserves	(53,296)	(41,343)	(26,815)	(49.7)	(35.1)	(110,894)	(115,068)	3.8
Expenses with benefits, redemptions and claims	43,376	26,809	13,287	(69.4)	(50.4)	47,311	52,169	10.3
Acquisition costs	(167,907)	(157,621)	(166,247)	(1.0)	5.5	(498,571)	(493,996)	(0.9)
Earned premiums	46,792	42,241	41,643	(11.0)	(1.4)	139,973	127,028	(9.2)
Administrative expenses	(80,398)	(84,147)	(84,626)	5.3	0.6	(237,636)	(257,236)	8.2
Tax expenses	(55,550)	(51,422)	(56,140)	1.1	9.2	(157,540)	(160,881)	2.1
Other operating income (expenses)	(22,050)	(14,472)	(10,014)	(54.6)	(30.8)	(51,059)	(45,723)	(10.5)
Gains or losses on non-current assets	0	-	-	-	-	(470)	-	-
Non-interest operating result	**433,900**	**415,032**	**476,177**	**9.7**	**14.7**	**1,185,860**	**1,282,933**	**8.2**
Net investment income	**59,944**	**48,385**	**83,378**	**39.1**	**72.3**	**412,265**	**18,985**	**(95.4)**
Financial income	4,799,867	6,013,681	1,136,290	(76.3)	(81.1)	16,127,823	2,309,246	(85.7)
Financial expenses	(4,739,923)	(5,965,296)	(1,052,912)	(77.8)	(82.3)	(15,715,558)	(2,290,261)	(85.4)
Earnings before taxes and profit sharing	**493,844**	**463,417**	**559,555**	**13.3**	**20.7**	**1,598,125**	**1,301,919**	**(18.5)**
Taxes	(159,336)	(180,074)	(212,126)	33.1	17.8	(595,670)	(503,078)	(15.5)
Profit sharing	(3,035)	(3,532)	286	-	-	(9,398)	(7,233)	(23.0)
Net income	**331,473**	**279,811**	**347,715**	**4.9**	**24.3**	**993,057**	**791,609**	**(20.3)**

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

ADJUSTED NET INCOME

Figure 38 – Brasilprev | Adjusted net income and ROAA

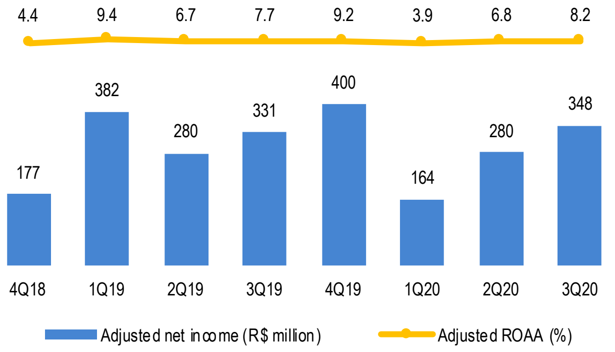
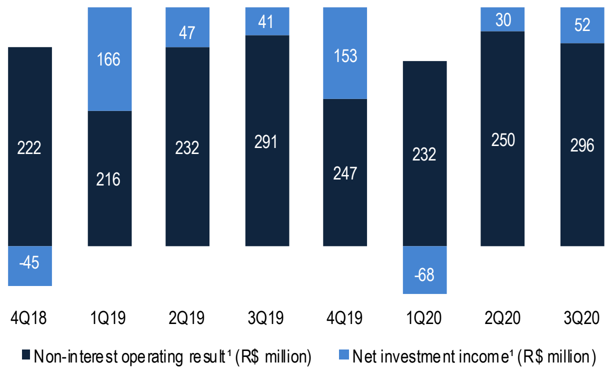


Figure 39 – Brasilprev | Adjusted net income breakdown



1. Net of taxes considering the effective tax rate

Table 41 – Brasilprev | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Commission ratio	14	2.3	14	0.0	(0.9)	16	17	0.1
Load fee	0.0	0.1	0.1	0.0	(0.0)	0.1	0.1	0.0
Management fee[1]	0.99	0.99	100	0.00	0.01	101	0.99	(0.02)
Redemption ratio	6.8	6.6	7.8	10	12	7.0	7.9	0.9
Cost to income ratio[1]	43.6	43.7	410	(2.7)	(2.7)	45.9	44.3	(16)
Income tax rate	32.3	38.9	37.9	5.6	(0.9)	37.3	38.6	14
Adjusted ROAA	7.7	6.8	8.2	0.4	14	7.9	6.0	(19)

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

RESULT WITH PENSION PLANS AND INSURANCE ANALYSIS

CONTRIBUTIONS

Figure 40 – Brasilprev | Contributions (R$ million)

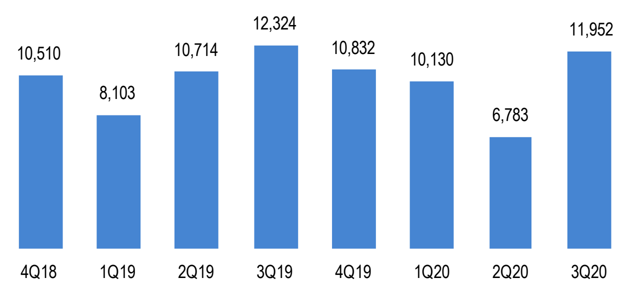
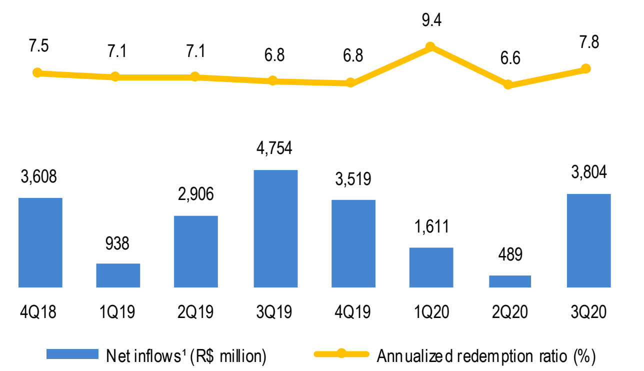


Figure 41 – Brasilprev | Net inflows and redemption ratio



1. Source: Quantum Axis

Figure 42 – Brasilprev | Contributions breakdown (%)

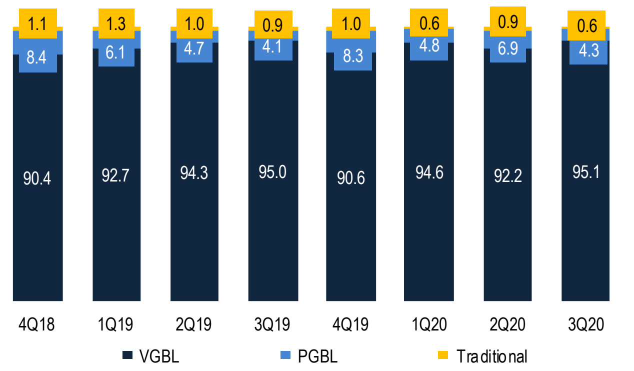
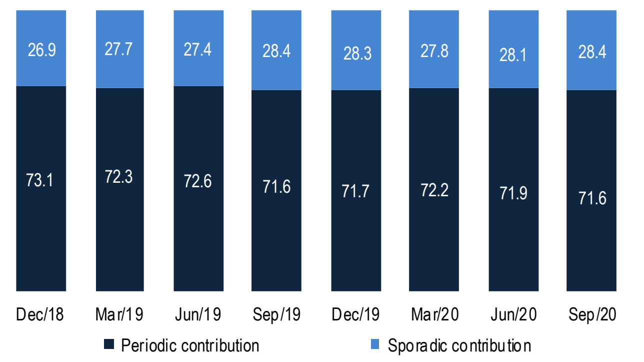


Figure 43 – Brasilprev | Pension plans outstanding (%)



TECHNICAL RESERVES

Figure 44 – Brasilprev | Technical reserves (R$ billion)

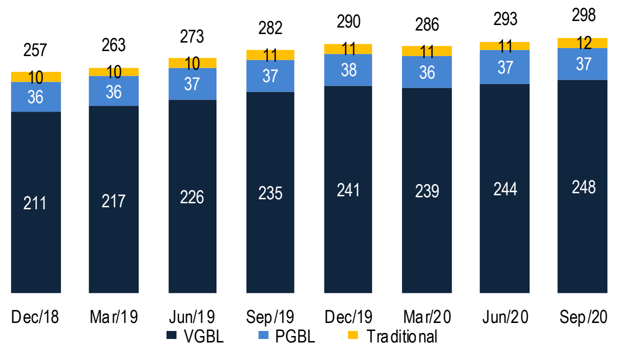


Figure 45 – Brasilprev | Technical reserves (%)

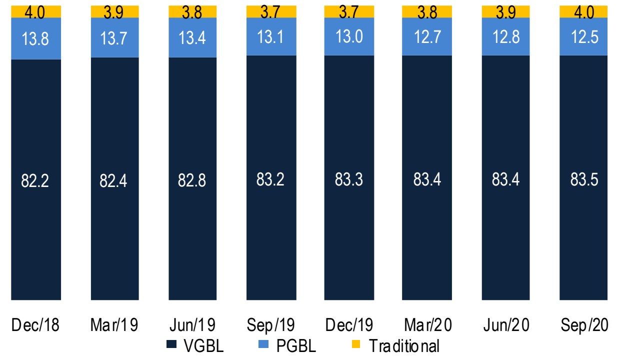


Figure 46 – Brasilprev | Active plans (thousand)

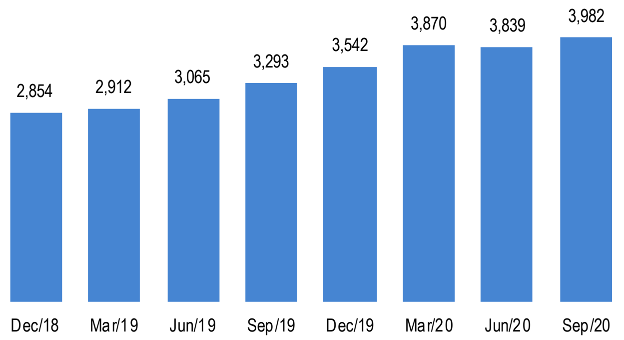


Figure 47 – Brasilprev | CPFs (thousand)

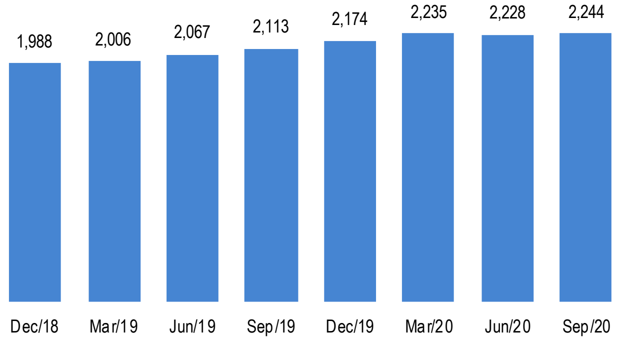


Table 42 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans

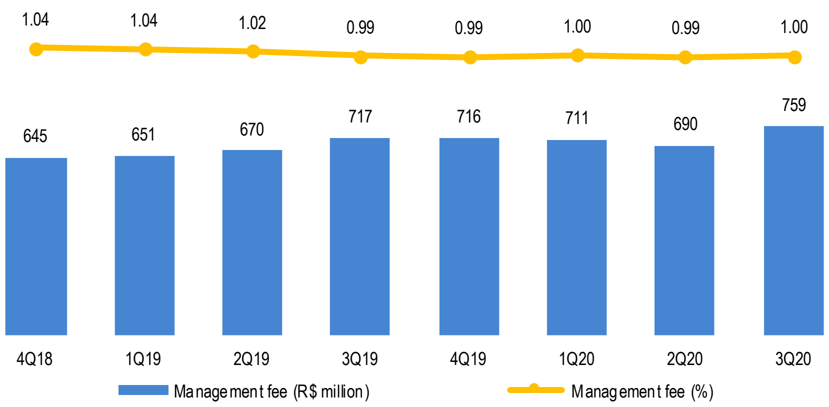
	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Benefits to be granted					
Initial balance	**268,124,811**	**281,750,316**	**288,020,126**	**7.4**	**2.2**
Constitution	5,113,449	983,429	3,930,248	(23.1)	299.6
Reversal	(400,367)	(579,627)	(272,479)	(31.9)	(53.0)
Restatement	4,672,600	5,866,008	813,577	(82.6)	(86.1)
Final balance	**277,510,493**	**288,020,126**	**292,491,472**	**5.4**	**1.6**
Benefits granted					
Initial balance	**3,224,069**	**3,487,679**	**3,599,877**	**11.7**	**3.2**
Constitution	198,445	188,027	194,459	(2.0)	3.4
Reversal	(207,355)	(179,393)	(184,044)	(11.2)	2.6
Restatement	68,300	103,564	220,728	223.2	113.1
Final balance	**3,283,458**	**3,599,877**	**3,831,021**	**16.7**	**6.4**
Other provisions					
Initial balance	**1,310,722**	**1,256,405**	**1,128,910**	**(13.9)**	**(10.1)**
Constitution	207,342	25,937	219,523	5.9	746.4
Reversal	(70,189)	(171,485)	(99,544)	41.8	(42.0)
Restatement	11,520	18,053	34,075	195.8	88.7
Final balance	**1,459,395**	**1,128,910**	**1,282,963**	**(12.1)**	**13.6**
Total Provisions	**282,253,346**	**292,748,913**	**297,605,456**	**5.4**	**1.7**

Table 43 – Brasilprev | Changes in technical reserves and provisions for insurance and pension plans by product

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
P|VGBL Reserves					
Initial balance	**262,168,493**	**275,505,065**	**281,477,683**	**7.4**	**2.2**
Constitution	5,412,644	1,102,453	4,240,522	(21.7)	284.6
Reversal	(437,342)	(724,895)	(345,778)	(20.9)	(52.3)
Restatement	4,540,769	5,595,060	248,039	(94.5)	(95.6)
Final balance	**271,684,564**	**281,477,683**	**285,620,466**	**5.1**	**1.5**
Traditional Reserves					
Initial balance	**10,491,108**	**10,989,332**	**11,271,227**	**7.4**	**2.6**
Constitution	106,592	94,940	103,708	(2.7)	9.2
Reversal	(240,569)	(205,610)	(210,289)	(12.6)	2.3
Restatement	211,651	392,565	820,344	287.6	109.0
Final balance	**10,568,782**	**11,271,227**	**11,984,990**	**13.4**	**6.3**
Total Provisions	**282,253,346**	**292,748,910**	**297,605,456**	**5.4**	**1.7**

MANAGEMENT FEE

Figure 48 – Brasilprev | Management fee[1]



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

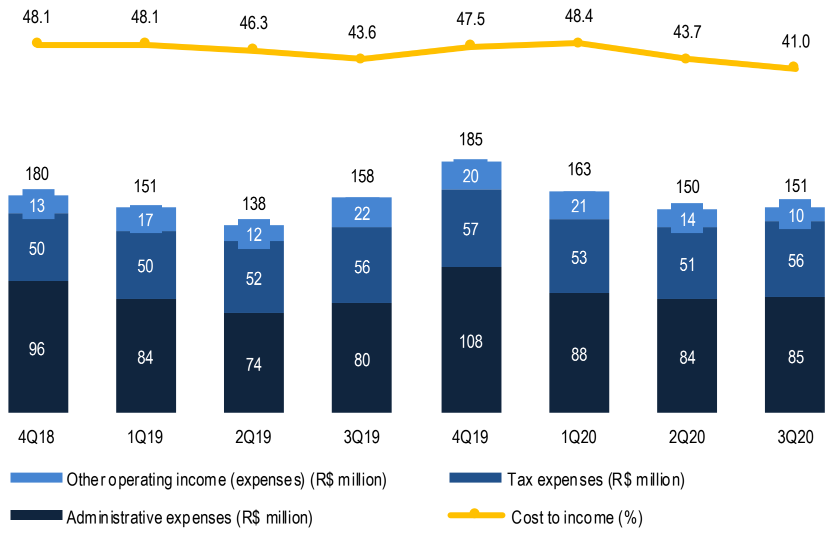
Table 44 – Brasilprev | Management fee breakdown[1,2,3]

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M 19	9M 20	On 9M 19
Management fee	717,360	689,905	758,861	5.8	10.0	2,038,070	2,160,104	6.0
Average volume of reserves	277,477,335	289,255,543	296,670,082	6.9	2.6	268,369,598	292,713,781	9.1
Working days	66	61	65	-1 w.d.	4 w.d.	189	188	-1 w.d.
Annualized average management fee (%)	**0.99**	**0.99**	**1.00**	**0.00 p.p.**	**0.01 p.p.**	**1.01**	**0.99**	**(0.02) p.p.**

1. Management fee annualized considering the total of 252 working days.
2. Working days calculated based on the holidays table provided by ANBIMA.
3. Considering the reallocation of variable expenses related to administration fees, from administrative expenses to revenue with management fee for the 2019 periods.

GENERAL & ADMINISTRATIVE EXPENSES

Figure 49 – Brasilprev | G&A expenses and cost to income ratio[1]



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

QUARTERLY ANALYSIS

In the 3Q20, G&A expenses decreased 4.6% YoY, and the cost to income ratio improved by 2.7 p.p. The main drivers that led to lower expenses were:

- the reversal of provisions for operating losses;
- the reduction in expenses with sales incentives, since the campaigns were more concentrated in the first half of 2020, while in 2019 these campaigns occurred mostly in the second half of the year;
- the reversal of provisions for civil and labor lawsuits, after the conclusion of some litigations; and
- lower provisions for bad debts, as in Q3 last year those provisions were strengthened on plans with risk coverage.

On the other hand, personnel expenses rose 22.4%, impacted by adjustments to regularize the line of expenses with social security.

YEAR-TO-DATE ANALYSIS

In the 9M20, G&A expenses increased 3.9%, while the cost to income ratio improved 1.6 p.p.

The administrative expenses grew 8.2%, mainly justified by higher outsourcing expenses, related to software maintenance, personnel expenses, and marketing.

The other operating income and expenses dropped 10.5%, due to lower provisions for operating losses, as described in the quarterly analysis.

Table 45 – Brasilprev | G&A expenses[1]

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Administrative expenses	**(80,397)**	**(84,147)**	**(84,626)**	**5.3**	**0.6**	**(237,635)**	**(257,236)**	**8.2**
Personnel	(31,959)	(31,113)	(39,122)	22.4	25.7	(99,401)	(106,028)	6.7
Outsourcing	(27,212)	(29,090)	(26,733)	(1.8)	(8.1)	(74,929)	(81,749)	9.1
Location and operation	(15,135)	(14,831)	(14,652)	(3.2)	(1.2)	(43,840)	(43,901)	0.1
Marketing	(4,789)	(5,543)	(3,228)	(32.6)	(41.8)	(16,118)	(20,526)	27.3
Other	(1,302)	(3,570)	(891)	(31.6)	(75.0)	(3,348)	(5,032)	50.3
Other operating income (expenses)	**(22,050)**	**(14,472)**	**(10,014)**	**(54.6)**	**(30.8)**	**(51,059)**	**(45,723)**	**(10.5)**
Expenses on sales incentive	(6,734)	(6,337)	(3,146)	(53.3)	(50.4)	(19,616)	(19,369)	(1.3)
Charging expenses	(3,983)	(4,023)	(4,020)	0.9	(0.1)	(11,569)	(12,045)	4.1
Contingencies	(893)	(670)	1,532	-	-	269	(1,395)	-
Provision for losses on receivables	(4,505)	(2,877)	(2,727)	(39.5)	(5.2)	(7,390)	(8,050)	8.9
Other operating income (expenses)	(5,935)	(565)	(1,653)	(72.1)	192.8	(12,753)	(4,864)	(61.9)
Tax expenses	**(55,550)**	**(51,422)**	**(56,140)**	**1.1**	**9.2**	**(157,540)**	**(160,881)**	**2.1**
Federal and municipal taxes	(15,120)	(14,090)	(15,450)	2.2	9.7	(42,914)	(44,195)	3.0
COFINS	(33,615)	(31,100)	(34,010)	1.2	9.4	(95,782)	(97,408)	1.7
PIS/PASEP	(5,462)	(5,054)	(5,527)	1.2	9.4	(15,565)	(15,829)	1.7
Inspection fee	(1,084)	(1,084)	(1,084)	-	-	(3,252)	(3,252)	-
Other tax expenses	(269)	(94)	(69)	(74.3)	(26.8)	(27)	(197)	626.5
General and administrative expenses	**(157,997)**	**(150,041)**	**(150,780)**	**(4.6)**	**0.5**	**(446,235)**	**(463,839)**	**3.9**

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

Table 46 – Brasilprev | Cost to income ratio[1]

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Revenues - [a]	**769,724**	**737,227**	**806,733**	**4.8**	**9.4**	**2,194,719**	**2,303,667**	**5.0**
Net revenue from pension and insurance	5,572	5,082	6,229	11.8	22.6	16,676	16,535	(0.8)
Management fee	717,360	689,905	758,861	5.8	10.0	2,038,070	2,160,104	6.0
Earned premiums	46,792	42,241	41,643	(11.0)	(1.4)	139,973	127,028	(9.2)
Expenses - [b]	**335,825**	**322,196**	**330,556**	**(1.6)**	**2.6**	**1,008,390**	**1,020,734**	**1.2**
Changes in other technical reserves	53,296	41,343	26,815	(49.7)	(35.1)	110,894	115,068	3.8
Expenses with benefits, redemptions and claims	(43,376)	(26,809)	(13,287)	(69.4)	(50.4)	(47,311)	(52,169)	10.3
Acquisition costs	167,907	157,621	166,247	(1.0)	5.5	498,571	493,996	(0.9)
Administrative expenses	80,398	84,147	84,626	5.3	0.6	237,636	257,236	8.2
Tax expenses	55,550	51,422	56,140	1.1	9.2	157,540	160,881	2.1
Other operating income (expenses)	22,050	14,472	10,014	(54.6)	(30.8)	51,059	45,723	(10.5)
Cost to income ratio (%) - [b / a]	**43.6**	**43.7**	**41.0**	**(2.7) p.p.**	**(2.7) p.p.**	**45.9**	**44.3**	**(1.6) p.p.**

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

NET INVESTMENT INCOME

Figure 50 – Brasilprev | Net investment income (R$ million)

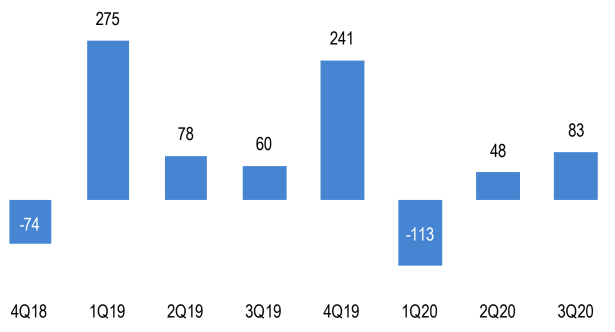
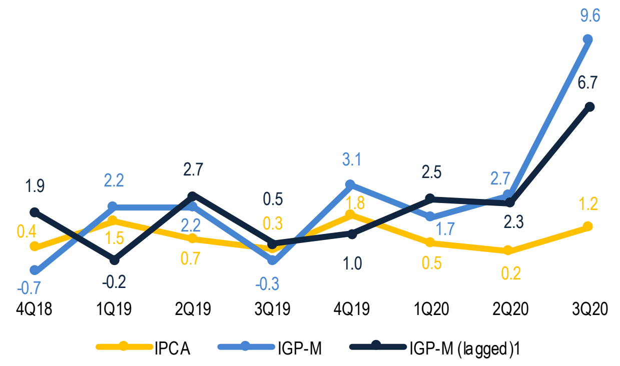


Figure 51 – Brasilprev | Inflation rates (%)



Source: Banco Central do Brasil

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

Table 47 – Brasilprev | Financial income and expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M 19	9M 20	On 9M 19
Adjusted interest revenues	**270,327**	**423,624**	**915,096**	**238.5**	**116.0**	**1,173,453**	**1,658,788**	**41.4**
Revenues with mark to market financial investments	(41,229)	48,864	(11,125)	(73.0)	-	70,908	(31,753)	-
Revenues with held to maturity financial investments	311,556	374,760	926,221	197.3	147.2	1,102,545	1,690,541	53.3
Adjusted interest expenses	**(210,382)**	**(375,239)**	**(831,719)**	**295.3**	**121.7**	**(761,188)**	**(1,639,804)**	**115.4**
Interest accrual on technical reserves	(210,382)	(375,239)	(831,719)	295.3	121.7	(761,188)	(1,639,804)	115.4
Net investment income	**59,944**	**48,385**	**83,376**	**39.1**	**72.3**	**412,265**	**18,983**	**(95.4)**

QUARTERLY ANALYSIS

In the 3Q20, net investment income increased 39.1% YoY, as the net interest margin widened by 2.1 p.p.

Adjusted interest revenues grew 238.5% YoY, with the increase in the inflation indexes (IPCA and IGP-M) which positively impacted the yield on held to maturity securities – it is worth mentioning that in the 3Q19 the revenues were negatively affected by the IGP-M deflation. On the other hand, these positive effects were partially offset by the lower Selic rate and by mark to market losses on long-term fixed-income securities, as both the real and nominal yield curves steepened.

Adjusted interest expenses were up 295.3% YoY, as a result of the increase in the average yield on interest bearing liabilities (+15.9 p.p.), related to the technical reserves of the defined benefit pension plans. Considering the one-month lag in the interest accrual period on interest bearing liabilities pegged to the IGP-M, the increase of this inflation index in the period that ranges from June to August 2020, as compared to the same period last year, boosted financial expenses.

YEAR-TO-DATE ANALYSIS

In the 9M20, the net investment income decreased 95.4%.

The adjusted financial revenues were up 41.4% year-to-date, boosted by the higher IGP-M, which positively impacted the yield on held to maturity securities pegged to this inflation index. On the other hand, part of this increase was offset by the lower IPCA, by the reduction in the Selic rate and by mark-to-market losses on fixed income securities as both nominal and real yield curves steepened.

Adjusted interest expenses were up 115.4% YTD, with the average yield on interest bearing liabilities, related to the technical reserves of the defined benefit pension plans, increasing 8.2 p.p. This increase in the cost of liabilities was a result of the acceleration of the IGP-M in the period that ranges from December 2019 to August 2020, as compared to the period from December 2018 to August 2019, considering the average one-month lag of the inflation accrual on these liabilities.

Table 48 – Brasilprev | Quarterly figures - Volume and rate analysis

R$ thousand	3Q20/3Q19		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	285	29,819	30,104
Held to maturity financial investments	65,073	549,592	614,665
Total¹	**47,205**	**597,564**	**644,769**
Interest bearing liabilities			
Technical reserves	(66,994)	(554,344)	(621,337)
Total	**(66,994)**	**(554,344)**	**(621,337)**

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

Table 49 – Brasilprev | Quarterly figures - Earning assets - average balance and interest rates[1]

R$ million	3Q19			3Q20		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to market financial investments	3,048	(41)	(5.1)	2,972	(11)	(1.4)
Held to maturity financial investments	11,420	312	10.8	12,283	926	32.6
Total	**14,468**	**270**	**7.3**	**15,255**	**915**	**25.3**

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

Table 50 – Brasilprev | Quarterly figures - Interest bearing liabilities - average balance and interest rates[1]

R$ million	3Q19			3Q20		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves	12,065	(210)	6.5	13,122	(832)	22.4
Total	**12,065**	**(210)**	**6.5**	**13,122**	**(832)**	**22.4**

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

Table 51 – Brasilprev | Year-to-date figures - Volume and rate analysis

	9M 20/9M 19		
R$ thousand	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	(1,846)	(100,815)	(102,661)
Held to maturity financial investments	124,525	463,471	587,995
Total[1]	**116,913**	**368,422**	**485,335**
Interest bearing liabilities			
Technical reserves	(131,639)	(746,977)	(878,616)
Total	**(131,639)**	**(746,977)**	**(878,616)**

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

Table 52 – Brasilprev | Year-to-date figures - Earning assets - average balance and interest rates[1]

	9M 19			9M 20		
R$ million	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to market financial investments	2,944	71	3.2	3,126	(32)	(1.4)
Held to maturity financial investments	11,240	1,103	13.3	12,133	1,691	19.1
Total	**14,184**	**1,173**	**11.2**	**15,259**	**1,659**	**14.8**

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

Table 53 – Brasilprev | Year-to-date figures - Interest bearing liabilities - average balance and interest rates[1]

	9M 19			9M 20		
R$ million	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves	11,829	(761)	8.5	12,862	(1,640)	16.7
Total	**11,829**	**(761)**	**8.5**	**12,862**	**(1,640)**	**16.7**

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

Table 54 – Brasilprev | Financial investments portfolio breakdown (except PGBL and VGBL funds)

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Held to maturity securities	**11,384,341**	**12,011,997**	**12,554,804**	**10.3**	**4.5**
Pre-fixed	81,014	85,255	81,655	0.8	(4.2)
Inflation	11,303,327	11,926,742	12,473,149	10.3	4.6
Mark to market securities	**3,343,872**	**2,807,932**	**3,136,066**	**(6.2)**	**11.7**
Pre-fixed	395,784	136,282	448,994	13.4	229.5
Floating	1,635,676	1,368,131	1,144,306	(30.0)	(16.4)
Inflation	1,312,412	1,303,519	1,542,766	17.6	18.4
Total	**14,728,213**	**14,819,929**	**15,690,870**	**6.5**	**5.9**

Figure 52 – Brasilprev | Financial investments breakdown by index - except PGBL and VGBL funds (%)

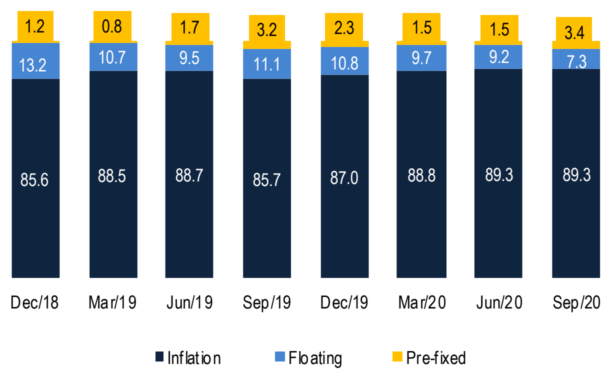
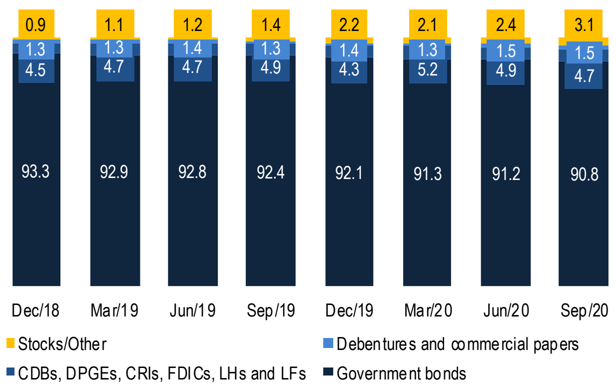


Figure 53 – Brasilprev | Assets allocation (%)



BALANCE SHEET ANALYSIS

Table 55 – Brasilprev | Balance sheet

	Balance			Chg. %	
R$ thousand	Sep/19	Jun/20	Sep/20	On Sep/19	On Jun/20
Assets	**287,459,211**	**296,534,135**	**301,523,002**	**4.9**	**1.7**
Cash and cash equivalents	11,843	9,714	62,081	424.2	539.1
Financial assets	284,771,005	294,864,638	299,757,461	5.3	1.7
Receivables from insurance and reinsurance operations	6,324	5,336	3,553	(43.8)	(33.4)
Securities and credits receivable	1,169,352	196,981	211,012	(82.0)	7.1
Prepaid expenses	4,765	6,159	3,601	(24.4)	(41.5)
Deferred costs	1,261,505	1,219,345	1,249,578	(0.9)	2.5
Credits from private pension transactions	224	-	-	-	-
Investments	83	75	75	(8.8)	-
Fixed assets	25,824	25,183	27,121	5.0	7.7
Intangible	208,287	206,703	208,521	0.1	0.9
Liabilities	**284,278,755**	**293,217,776**	**298,280,043**	**4.9**	**1.7**
Accounts payable	594,980	331,529	493,148	(17.1)	48.7
Obligations with insurance and reinsurance operations	13,483	8,405	9,448	(29.9)	12.4
Debts from private pension transactions	994	564	1,167	17.3	106.8
Third party deposits	289,350	106,479	151,556	(47.6)	42.3
Technical reserves - insurance	234,823,036	244,139,442	248,424,977	5.8	1.8
Technical reserves - private pension	47,430,309	48,609,469	49,180,479	3.7	1.2
Other liabilities	1,126,602	21,889	19,269	(98.3)	(12.0)
Shareholders' equity	**3,180,455**	**3,316,359**	**3,242,959**	**2.0**	**(2.2)**

SOLVENCY

Table 56 – Brasilprev | Solvency[1]

	Balance			Chg. %	
R$ thousand	Sep/19	Jun/20	Sep/20	On Sep/19	On Jun/20
Adjusted shareholder's equity (a)	**3,736,889**	**3,629,831**	**3,534,496**	**(5.4)**	**(2.6)**
Minimum capital requirement (b)	**2,238,399**	**2,461,591**	**2,521,552**	**12.6**	**2.4**
Additional capital for underwritting risk	1,459,493	1,288,742	1,362,766	(6.6)	5.7
Additional capital for credit risk	99,670	62,793	61,445	(38.4)	(2.1)
Additional capital for market risk	994,752	1,486,867	1,486,867	49.5	0.0
Additional capital for operating risk	225,803	234,199	238,084	5.4	1.7
Correlation risk reduction	(541,319)	(611,010)	(627,611)	15.9	2.7
Capital adequacy (a) - (b)	**1,498,490**	**1,168,241**	**1,012,945**	**(32.4)**	**(13.3)**
Solvency ratio (a) / (b) - %	**166.9**	**147.5**	**140.2**	**-26.8 p.p.**	**-7.3 p.p.**

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

4.3 BRASILCAP

EARNINGS ANALYSIS

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

Table 57 – Brasilcap | Managerial income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Premium bonds collection	**1,221,432**	**1,044,818**	**1,456,335**	**19.2**	**39.4**	**3,809,718**	**3,524,931**	**(7.5)**
Changes in provisions for redemption	(1,073,419)	(908,661)	(1,245,953)	16.1	37.1	(3,320,680)	(3,028,130)	(8.8)
Changes in provisions for lottery and bonus	(22,068)	(18,875)	(27,187)	23.2	44.0	(68,045)	(66,130)	(2.8)
Revenue with load fee	**125,945**	**117,281**	**183,195**	**45.5**	**56.2**	**420,994**	**430,672**	**2.3**
Changes in other technical reserves	(3,507)	(8,686)	(929)	(73.5)	(89.3)	(13,265)	4,059	-
Result with lottery	2,837	590	648	(77.2)	9.8	12,483	5,066	(59.4)
Acquisition costs	(109,883)	(92,552)	(146,283)	33.1	58.1	(348,828)	(347,225)	(0.5)
Administrative expenses	(18,216)	(21,569)	(21,260)	16.7	(1.4)	(58,467)	(62,000)	6.0
Tax expenses	(6,887)	(6,336)	(9,708)	41.0	53.2	(22,498)	(24,014)	6.7
Other operating income (expenses)	2,999	7,300	6,789	126.4	(7.0)	5,850	19,995	241.8
Equity income	(2)	(6)	(5)	169.2	(8.5)	(14)	(5)	(65.7)
Non-interest operating result	**(6,714)**	**(3,978)**	**12,446**	**-**	**-**	**(3,722)**	**26,548**	**-**
Net investment income	**54,862**	**80,096**	**60,681**	**10.6**	**(24.2)**	**146,763**	**187,053**	**27.5**
Financial income	272,760	188,586	176,627	(35.2)	(6.3)	728,813	546,981	(24.9)
Financial expenses	(217,897)	(108,490)	(115,946)	(46.8)	6.9	(582,050)	(359,928)	(38.2)
Earnings before taxes and profit sharing	**48,150**	**76,117**	**73,127**	**51.9**	**(3.9)**	**143,041**	**213,601**	**49.3**
Taxes	(18,627)	(29,412)	(28,628)	53.7	(2.7)	(55,969)	(83,135)	48.5
Profit sharing	(1,528)	(1,413)	(1,421)	(7.0)	0.6	(4,014)	(4,221)	5.1
Net income	**27,995**	**45,293**	**43,078**	**53.9**	**(4.9)**	**83,058**	**126,246**	**52.0**

NET INCOME

Figure 54 – Brasilcap | Net income and ROAA

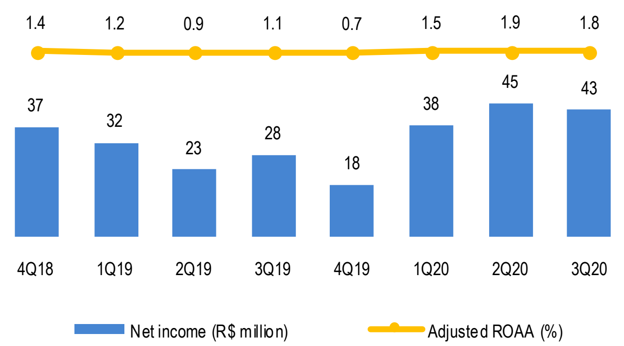
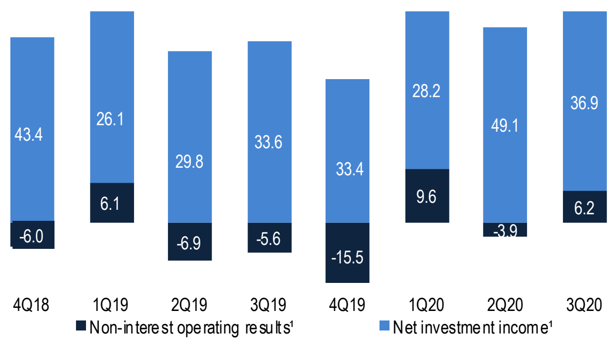


Figure 55 – Brasilcap | Net income breakdown (R$ million)



1. Net of taxes considering the effective tax rate.

Table 58 – Brasilcap | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Average quotes								
Reserve quote	87.9	87.0	85.6	(2.3)	(1.4)	87.2	85.9	(1.3)
Lottery quote	1.8	1.8	1.8	0.1	0.1	1.7	1.9	0.1
Bonus quote	0.0	0.0	0.0	(0.0)	(0.0)	0.0	0.0	(0.0)
Load fee quote	10.3	11.2	12.6	2.3	1.4	11.1	12.2	1.2
Load fee consumption								
Commission ratio	87.2	78.9	79.9	(7.4)	0.9	82.9	80.6	(2.2)
G&A ratio	17.6	17.6	13.2	(4.4)	(4.4)	17.8	15.3	(2.5)
Financial								
Net interest margin (p.p.)	3.6	3.8	2.7	(0.8)	(1.1)	3.2	2.7	(0.6)
Other								
Premium bonds margin	(4.5)	(2.9)	5.9	10.5	8.8	(0.8)	5.3	6.1
Income tax rate	38.7	38.6	39.1	0.5	0.5	39.1	38.9	(0.2)
Adjusted ROAA	1.1	1.9	1.8	0.7	(0.1)	1.1	1.7	0.6

NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUM BONDS COLLECTION

Figure 56 – Brasilcap | Collection (R$ million)

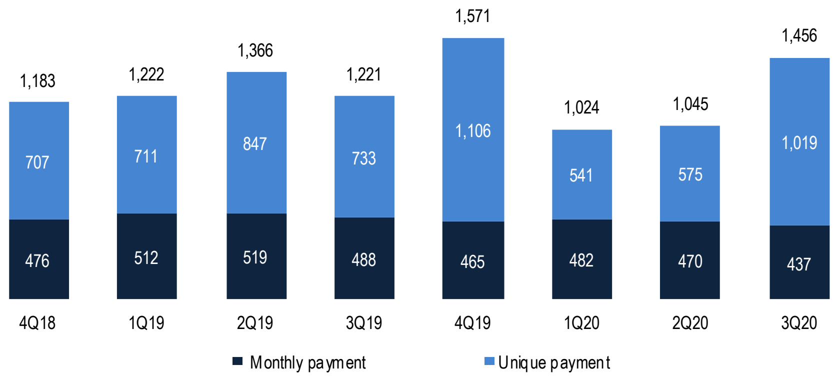


Figure 57 – Brasilcap | Collections by product (%)

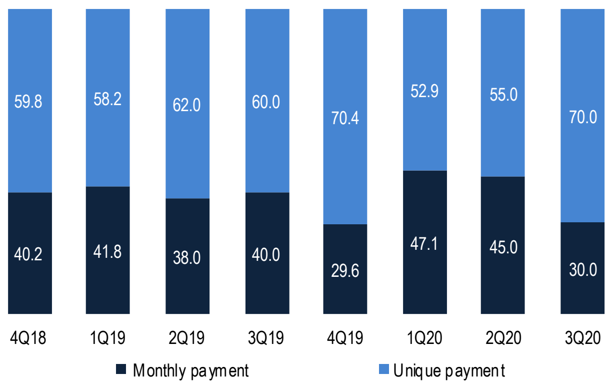
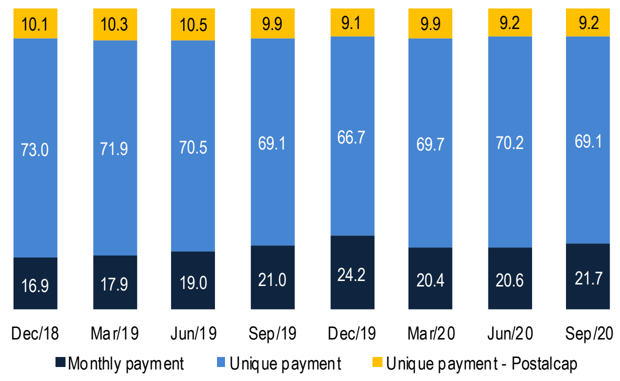


Figure 58 – Brasilcap | Bonds outstanding by product (%)



REVENUE WITH LOAD FEE

Figure 59 – Brasilcap | Changes in revenue with load fee quote and average load fee quote

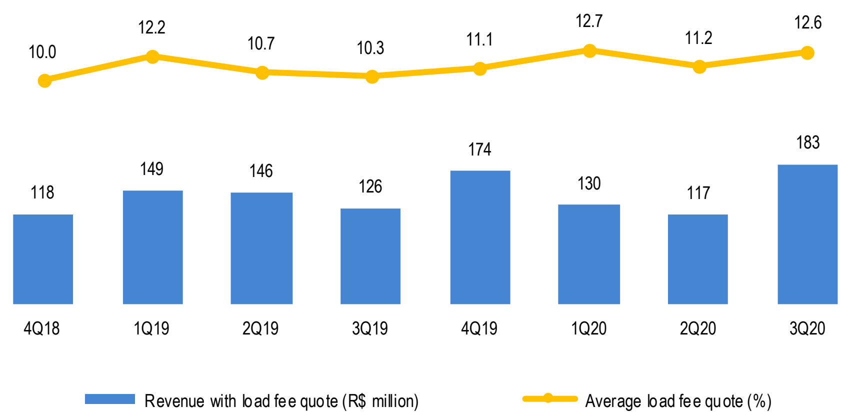


Figure 60 – Brasilcap | Changes in provisions for redemption and average reserve quote

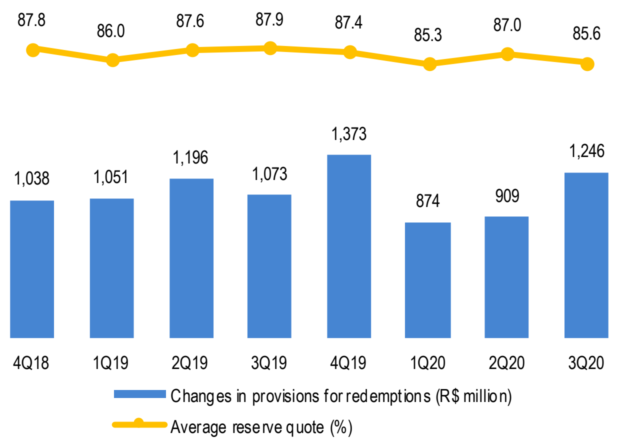


Figure 61 – Brasilcap | Changes in provisions for lottery and bonus and average lottery and bonus quotes

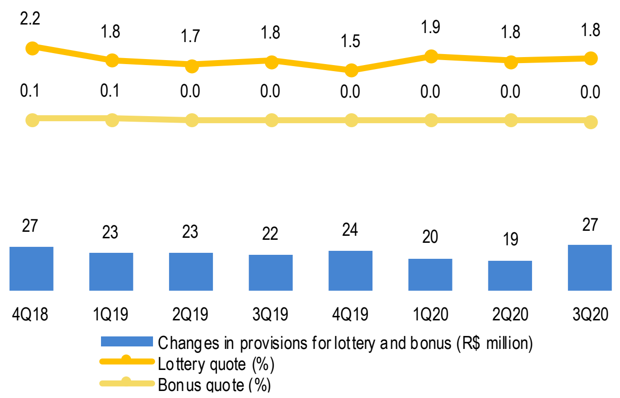


Table 59 – Brasilcap | Changes in premium bonds provision

R$ thousand	Balance Sep/19	Balance Jun/20	Balance Sep/20	Chg. % On Sep/19	Chg. % On Jun/20
Premium bonds provision					
Initial balance	**8,130,979**	**7,212,489**	**7,189,938**	**(11.6)**	**(0.3)**
Constitution	1,077,244	911,714	1,250,006	16.0	37.1
Cancellations	(3,814)	(3,206)	(4,254)	11.5	32.7
Transfers	(1,430,628)	(1,033,209)	(1,057,772)	(26.1)	2.4
Interest accrual	117,483	102,150	104,727	(10.9)	2.5
Final balance	**7,891,264**	**7,189,938**	**7,482,645**	**(5.2)**	**4.1**

Table 60 – Brasilcap | Changes in provisions for redemption[1]

R$ thousand	Balance Sep/19	Balance Jun/20	Balance Sep/20	Chg. % On Sep/19	Chg. % On Jun/20
Provision for redemption					
Initial balance	**508,569**	**517,974**	**540,999**	**6.4**	**4.4**
Transfers	1,435,941	1,032,993	1,057,200	(26.4)	2.3
Payments	(1,444,451)	(1,007,100)	(1,046,390)	(27.6)	3.9
Interest accrual	47	101	(39)	-	-
Premium bonds expiration	(1,865)	(2,969)	(2,959)	58.7	(0.3)
Final balance	**498,242**	**540,999**	**548,812**	**10.1**	**1.4**

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

Table 61 – Brasilcap | Changes in provision for lottery to be held

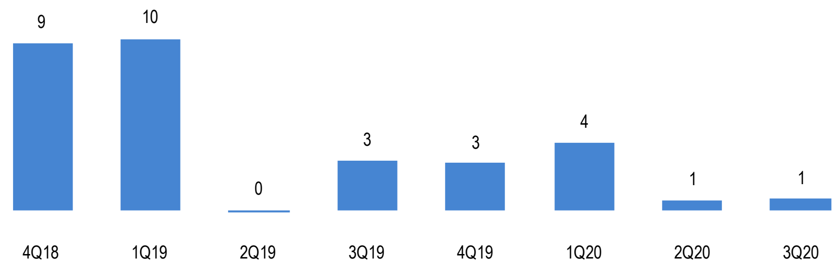
R$ thousand	Balance Sep/19	Balance Jun/20	Balance Sep/20	Chg. % On Sep/19	Chg. % On Jun/20
Provision for lottery to be held					
Initial balance	**95,482**	**88,570**	**86,850**	**(9.0)**	**(1.9)**
Constitution	21,609	18,612	26,981	24.9	45.0
Reversal	(25,596)	(20,791)	(20,016)	(21.8)	(3.7)
Cancellations	(57)	(34)	(70)	22.0	104.5
Interest accrual	680	493	426	(37.3)	(13.5)
Final balance	**92,118**	**86,850**	**94,171**	**2.2**	**8.4**

Table 62 – Brasilcap | Changes in provision for draws to be paid

R$ thousand	Balance Sep/19	Balance Jun/20	Balance Sep/20	Chg. % On Sep/19	Chg. % On Jun/20
Provision for draws to be paid					
Initial balance	**13,327**	**9,506**	**14,097**	**5.8**	**48.3**
Constitution	22,760	20,199	19,369	(14.9)	(4.1)
Payments	(26,418)	(15,750)	(22,646)	(14.3)	43.8
Interest accrual	-	145	(140)	-	-
Premium bonds expiration	(326)	(3)	(6)	(98.0)	116.0
Final balance	**9,343**	**14,097**	**10,674**	**14.2**	**(24.3)**

RESULT WITH LOTTERY

Figure 62 – Brasilcap | Result with lottery (R$ million)



QUARTERLY ANALYSIS

In the 3Q20, the result with lottery dropped 77.2% YoY, mainly explained by lower reversals of lottery provisions, partially offset by the reduction in expenses with lottery prizes.

YEAR-TO-DATE ANALYSIS

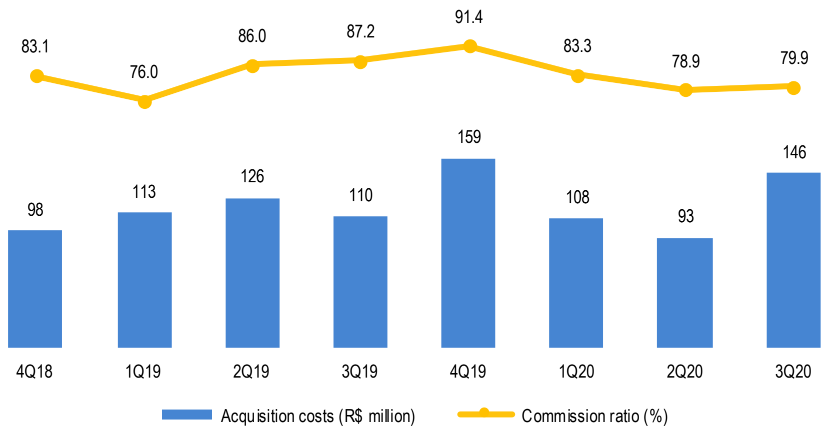
The result with lottery reduced 59.4% year-to-date.

Table 63 – Brasilcap | Result with lottery

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M 19	9M 20	On 9M 19
Result with lottery	**2,837**	**590**	**648**	**(77.2)**	**9.8**	**12,483**	**5,066**	**(59.4)**
Lottery provision reversal	25,597	20,790	20,016	(21.8)	(3.7)	90,427	62,377	(31.0)
Lottery expenses	(22,760)	(20,199)	(19,369)	(14.9)	(4.1)	(77,944)	(57,310)	(26.5)

ACQUISITION COSTS

Figure 63 – Brasilcap | Acquisition costs



QUARTERLY ANALYSIS

In the 3Q20, acquisition costs were up 33.1% YoY, driven by the higher volume of collections in the quarter. The commission ratio contracted 7.4 p.p. due to the dilution caused by the increase in the load fee (+2.3 p.p.), as the commission ratio reflects how much of the revenue with load fee is being consumed by the distribution costs.

YEAR-TO-DATE ANALYSIS

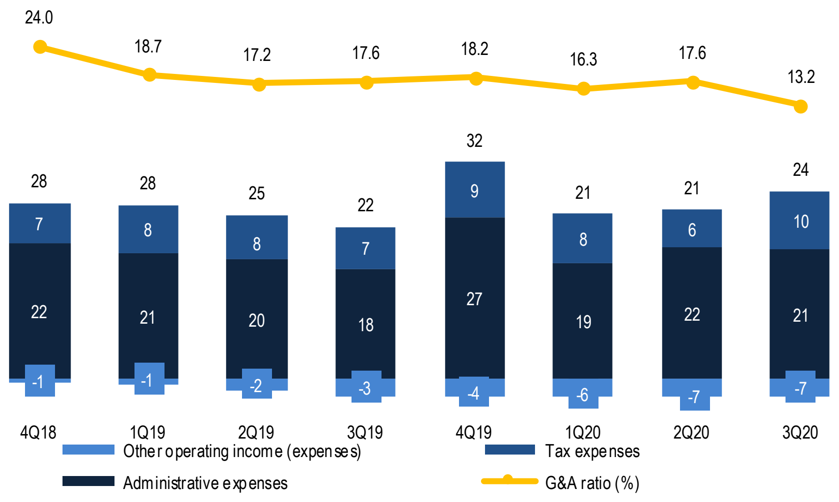
In the 9M20, acquisition costs increased 0.5% and the commission ratio was down 2.2 p.p., due to the same reasons explained in the quarterly analysis.

Table 64 – Brasilcap | Changes in Acquisition Costs

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Acquisition costs	**109,883**	**92,552**	**146,283**	**33.1**	**58.1**	**348,828**	**347,225**	**(0.5)**
Brokerage	95,703	79,551	133,066	39.0	67.3	303,475	312,334	2.9
Sales cost	14,180	13,002	13,218	(6.8)	1.7	45,353	34,891	(23.1)

GENERAL & ADMINISTRATIVE EXPENSES

Figure 64 – Brasilcap | G&A expenses (R$ million)



QUARTERLY ANALYSIS

In the 3Q20, G&A expenses were up 9.4% YoY.

Administrative expenses grew 16.7% YoY, due to higher outsourcing expenses, driven by IT support and software licenses, and to higher personnel expenses, because of the increase in headcount and the salaries adjustment related to the collective bargaining agreement. On the other hand, the expenses with location and operation fell 21.4% YoY, explained by the reduction of travels given the social distancing measures during the pandemic.

The other operating income and expenses registered a positive balance of R$6.8 million, 126.4% up YoY, helped by higher revenues with premium bonds redeemed within the grace period, given the inclusion of rules providing such charge in the new portfolio, and by the increase in revenues with premium bonds prescription (+35.8%) unclaimed by the holders within the period provided in the general conditions.

YEAR-TO-DATE ANALYSIS

In the 9M20, G&A expenses decreased 12.1%.

Administrative expenses grew 6.0%, on higher outsourcing and personnel expenses, as explained in the quarterly analysis, in addition to the increase in institutional and advertisement publicity and donations, both related to actions against the coronavirus pandemic. These effects were partially offset by lower expenses with location and operation, due to the reduction of travels during the Covid-19 pandemic.

Other operating income and expenses registered a positive balance of R$20.0 million, 241.9% higher year-to-date, helped by the increase in revenues with premium bonds redeemed within the grace period and in revenues with premium bonds prescription, which expired more than five years ago, as explained in the quarterly analysis.

Table 65 – Brasilcap | General & Administrative expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M19**	**9M20**	**On 9M19**
Administrative expenses	**(18,216)**	**(21,569)**	**(21,260)**	**16.7**	**(1.4)**	**(58,467)**	**(62,000)**	**6.0**
Personnel	(11,840)	(12,538)	(12,803)	8.1	2.1	(37,234)	(38,173)	2.5
Location and operation	(1,709)	(1,378)	(1,344)	(21.4)	(2.5)	(5,777)	(4,281)	(25.9)
Outsourcing	(4,132)	(6,364)	(6,369)	54.1	0.1	(13,610)	(16,309)	19.8
Institutional advertisement and publicity	(142)	(400)	(276)	94.4	(31.1)	(666)	(1,608)	141.5
Leasing	(53)	(74)	(74)	41.4	(0.0)	(209)	(201)	(3.8)
Other	(340)	(814)	(394)	15.8	(51.6)	(971)	(1,428)	47.0
Other operating income (expenses)	**2,999**	**7,300**	**6,789**	**126.4**	**(7.0)**	**5,849**	**19,995**	**241.9**
Legal provisions	(86)	838	(82)	(4.3)	-	(245)	809	-
Other operating income (expenses)	909	3,511	3,917	330.8	11.6	325	10,728	3,202.9
Revenue with premium bonds prescription	2,175	2,951	2,954	35.8	0.1	5,769	8,457	46.6
Tax expenses	**(6,887)**	**(6,336)**	**(9,708)**	**41.0**	**53.2**	**(22,498)**	**(24,014)**	**6.7**
COFINS	(5,495)	(4,941)	(7,924)	44.2	60.4	(18,019)	(19,291)	7.1
PIS/PASEP	(893)	(803)	(1,288)	44.2	60.4	(2,928)	(3,135)	7.1
Inspection fee	(471)	(471)	(471)	-	-	(1,412)	(1,412)	-
Other tax expenses	(29)	(121)	(26)	(11.0)	(78.8)	(139)	(176)	26.3
G&A Expenses	**(22,105)**	**(20,606)**	**(24,179)**	**9.4**	**17.3**	**(75,114)**	**(66,018)**	**(12.1)**

NET INVESTMENT INCOME

Figure 65 – Brasilcap | Net investment income (R$ million)

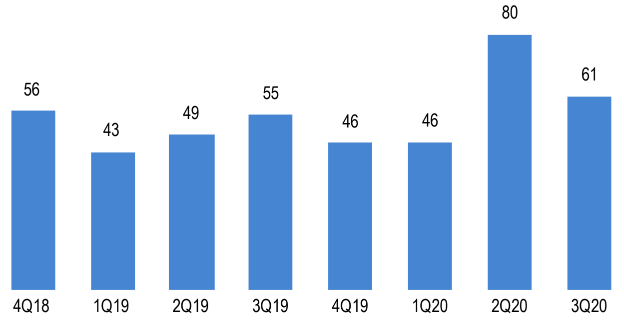


Figure 66 – Brasilcap | Annualized average interest rates and spread

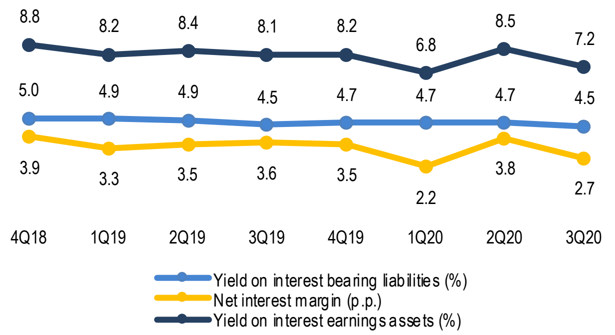


Table 66 – Brasilcap | Financial income and expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Interest revenues	**209,361**	**186,671**	**170,974**	**(18.3)**	**(8.4)**	**610,320**	**515,315**	**(15.6)**
Revenues with mark to market financial investments	118,495	106,518	91,577	(22.7)	(14.0)	294,818	276,024	(6.4)
Expenses with mark to market financial investments	(63,399)	(1,915)	(5,653)	(91.1)	195.2	(118,492)	(31,666)	(73.3)
Revenues with held to maturity financial investments	147,373	82,053	85,039	(42.3)	3.6	425,932	270,913	(36.4)
Interest accrual on judicial deposits	6,892	15	11	(99.8)	(27.0)	8,062	45	(99.4)
Interest expenses	**(118,796)**	**(103,267)**	**(106,865)**	**(10.0)**	**3.5**	**(360,713)**	**(318,137)**	**(11.8)**
Interest accrual on technical reserves	(118,341)	(102,997)	(105,167)	(11.1)	2.1	(359,014)	(315,320)	(12.2)
Other	(455)	(269)	(1,698)	273.4	530.1	(1,699)	(2,816)	65.7
Net interest income	**90,565**	**83,404**	**64,109**	**(29.2)**	**(23.1)**	**249,607**	**197,178**	**(21.0)**

QUARTERLY ANALYSIS

In the 3Q20, the net interest income fell 29.2% YoY and the net interest margin narrowed by 0.8 p.p..

Interest revenues dropped 18.3% YoY, given the lower average balance of financial investments (-7.2%) and the reduction in the average yield (-0.9 p.p.), which was negatively impacted by the reduction of the Selic rate and by mark to market losses arising from the steeper yield curve.

Interest expenses were down 10.0% YoY, justified by the reduction on technical reserves along with a reduced cost of these liabilities, since the portfolio currently sold has a lower yield on technical reserves.

YEAR-TO-DATE ANALYSIS

In the 9M20, net interest income fell 21.0%, as a result of the lower volume of financial assets along with the decrease of 0.6 p.p. in the net interest margin.

Interest revenues contracted 15.6% year-to-date, due to lower volumes in addition to the 0.9 p.p. retraction in the average yield on interest earning assets, given the lower re-investment yields and the decrease in IPCA, which negatively impacted the yield on held to maturity securities.

The reduction in interest revenues was partially offset by lower interest expenses (-11.8%), supported by both the 6.1% reduction in the average balance of technical reserves and the 0.3 p.p. decrease in the average cost of liabilities.

Table 67 – Brasilcap | Quarterly figures - Volume and rate analysis

R$ thousand	3Q20/3Q19 Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	38,721	(7,893)	30,828
Held to maturity financial investments	(56,609)	(5,725)	(62,334)
Judicial deposits	(1)	(6,880)	(6,881)
Total[1]	**(13,354)**	**(25,033)**	**(38,387)**
Interest bearing liabilities			
Technical reserves - premium bonds	8,567	4,607	13,174
Other	220	(1,463)	(1,243)
Total[1]	**9,273**	**2,658**	**11,931**

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

Table 68 – Brasilcap | Quarterly figures – Earning assets – average balance and interest rates

R$ thousand	3Q19			3Q20		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earnings assets						
Mark to market financial investments	2,461,481	55,096	8.8	4,480,663	85,924	7.6
Held to maturity financial investments	6,567,232	147,373	8.8	3,942,676	85,039	8.6
Judicial deposits	1,109,560	6,892	2.4	980,453	11	0.0
Total	**10,138,274**	**209,361**	**8.1**	**9,403,792**	**170,974**	**7.2**

Table 69 – Brasilcap | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R$ thousand	3Q19			3Q20		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves - premium bonds	8,676,434	(118,341)	5.1	8,022,873	(105,167)	5.0
Other	1,124,445	(455)	0.2	995,463	(1,698)	0.7
Total	**9,800,879**	**(118,796)**	**4.5**	**9,018,335**	**(106,865)**	**4.5**

Table 70 – Brasilcap | Quarterly figures - Volume and rate analysis

	9M 20/9M 19		
R$ thousand	**Average volume**	**Average rate**	**Net change**
Earning assets			
Mark to market financial investments	76,560	(8,529)	68,032
Held to maturity financial investments	(99,501)	(55,519)	(155,020)
Judicial deposits	(1)	(8,016)	(8,018)
Total¹	**(28,055)**	**(66,951)**	**(95,005)**
Interest bearing liabilities			
Technical reserves - premium bonds	20,508	23,185	43,694
Other	89	(1,206)	(1,117)
Total¹	**19,472**	**23,105**	**42,577**

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

Table 71 – Brasilcap | Quarterly figures – Earning assets – average balance and interest rates

	9M 19			9M 20		
R$ thousand	**Average balance**	**Interest revenues**	**Annualized rate (%)**	**Average balance**	**Interest revenues**	**Annualized rate (%)**
Earnings assets						
Mark to market financial investments	2,689,621	176,326	8.8	3,916,810	244,357	8.5
Held to maturity financial investments	6,431,948	425,932	8.9	4,704,193	270,913	7.8
Judicial deposits	1,088,005	8,062	1.0	1,061,437	45	0.0
Total	**10,209,573**	**610,320**	**8.0**	**9,682,441**	**515,315**	**7.2**

Table 72 – Brasilcap | Quarterly figures – Interest bearing liabilities – average balance and interest rates

	9M 19			9M 20		
R$ thousand	**Average balance**	**Interest expenses**	**Annualized rate (%)**	**Average balance**	**Interest expenses**	**Annualized rate (%)**
Interest bearing liabilities						
Technical reserves - premium bonds	8,794,944	(359,014)	5.4	8,257,853	(315,320)	5.1
Other	1,106,797	(1,699)	0.2	1,072,798	(2,816)	0.4
Total	**9,901,740**	**(360,713)**	**4.8**	**9,330,652**	**(318,137)**	**4.5**

Table 73 – Brasilcap | Financial investments portfolio breakdown

R$ thousand	Balance			Chg. %	
	Sep/19	Jun/20	Sep/20	On Sep/19	On Jun/20
Trading	**307,948**	**1,141,397**	**1,208,789**	**292.5**	**5.9**
Pre-fixed	-	151,177	549,410	-	263.4
Floating	160,326	921,091	582,541	263.3	(36.8)
Inflation	100,430	28,326	28,549	(71.6)	0.8
Equity funds	46,237	31,952	29,257	(36.7)	(8.4)
Other	956	8,851	19,032	1,891.8	115.0
Available for sale	**2,016,589**	**3,016,907**	**3,594,302**	**78.2**	**19.1**
Pre-fixed	2,016,589	3,016,907	3,594,302	78.2	19.1
Held to maturity securities	**6,578,852**	**4,186,958**	**3,698,395**	**(43.8)**	**(11.7)**
Pre-fixed	5,976,638	3,583,281	3,079,374	(48.5)	(14.1)
Inflation	602,215	603,677	619,021	2.8	2.5
Total	**8,903,389**	**8,345,262**	**8,501,486**	**(4.5)**	**1.9**

Figure 67 – Brasilcap | Asset allocation (%)

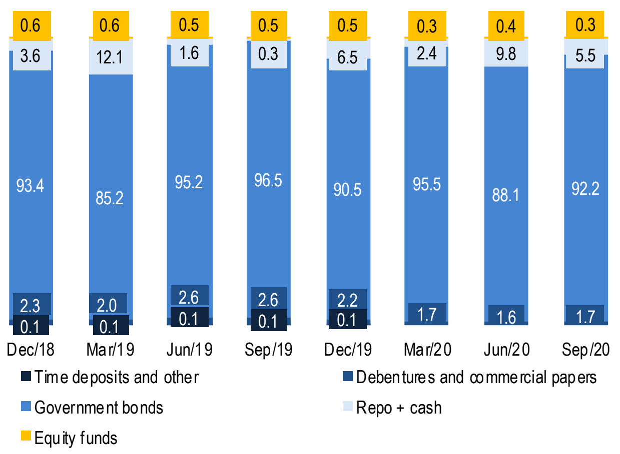
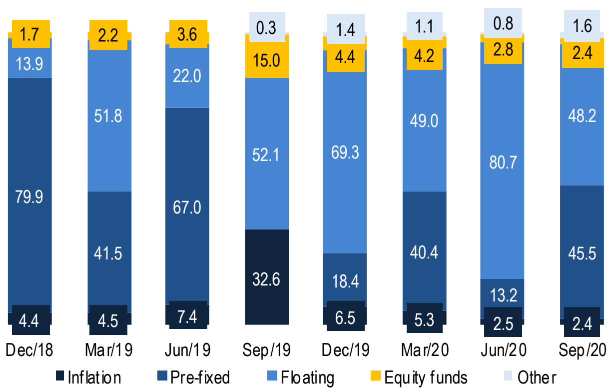


Figure 68 – Brasilcap | Financial investments breakdown by index (%)



BALANCE SHEET ANALYSIS

Table 74 – Brasilcap | Balance sheet

	Balance			Chg. %	
R$ thousand	Sep/19	Jun/20	Sep/20	On Sep/19	On Jun/20
Assets	**10,200,194**	**9,474,686**	**9,718,100**	**(4.7)**	**2.6**
Cash and cash equivalents	16	161	119	643.7	(25.9)
Financial assets	8,903,413	8,345,233	8,501,444	(4.5)	1.9
Securities and credits receivable	1,284,904	1,120,648	1,208,320	(6.0)	7.8
Prepaid expenses	6,266	2,186	1,419	(77.4)	(35.1)
Investments	1,146	1,129	1,124	(1.9)	(0.5)
Fixed assets	1,876	1,747	1,801	(4.0)	3.1
Intangible	652	348	256	(60.7)	(26.4)
Other assets	1,921	3,230	3,617	88.3	12.0
Liabilities	**9,741,997**	**8,921,454**	**9,265,190**	**(4.9)**	**3.9**
Accounts payable	58,736	57,951	80,021	36.2	38.1
Premium bonds operations debits	5,980	5,621	8,074	35.0	43.6
Technical reserves - premium bonds	8,546,568	7,872,046	8,173,699	(4.4)	3.8
Other liabilities	1,130,713	985,835	1,003,396	(11.3)	1.8
Shareholders' equity	**458,197**	**553,231**	**452,910**	**(1.2)**	**(18.1)**

SOLVENCY

Table 75 – Brasilcap | Solvency[1]

	Balance			Chg. %	
R$ thousand	Sep/19	Jun/20	Sep/20	On Sep/19	On Jun/20
Adjusted shareholders' equity (a)	**585,395**	**700,679**	**556,987**	**(4.9)**	**(20.5)**
Minimum capital required (b)	**284,491**	**334,406**	**334,931**	**17.7**	**0.2**
Additional capital for underwritting risk	35,003	36,580	37,180	6.2	1.6
Additional capital for credit risk	46,704	47,808	46,941	0.5	(1.8)
Additional capital for operating risk	23,755	22,664	23,316	(1.8)	2.9
Additional capital for market risk	231,286	282,639	282,639	22.2	-
Benefit of correlation between risks	(52,257)	(55,285)	(55,145)	5.5	(0.3)
Capital adequacy (a) - (b)	**300,904**	**366,273**	**222,056**	**(26.2)**	**(39.4)**
Solvency ratio (a) / (b) - %	**205.8**	**209.5**	**166.3**	**(39.5) p.p.**	**(43.2) p.p.**

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

4.4 BRASILDENTAL

EARNINGS ANALYSIS

Table 76 – Brasildental | Income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M19**	**9M20**	**On 9M19**
Gross operating revenues	**29,720**	**28,899**	**28,492**	**(4.1)**	**(1.4)**	**90,156**	**87,244**	**(3.2)**
Taxes on revenues	(965)	(1,308)	(1,091)	13.0	(16.6)	(2,298)	(3,644)	58.6
Net operating revenues	**28,755**	**27,590**	**27,401**	**(4.7)**	**(0.7)**	**87,858**	**83,599**	**(4.8)**
Cost of services	(14,618)	(9,636)	(11,268)	(22.9)	16.9	(42,123)	(33,235)	(21.1)
Gross income	**14,137**	**17,955**	**16,133**	**14.1**	**(10.1)**	**45,735**	**50,364**	**10.1**
Acquisition costs	(1,966)	(1,550)	(1,603)	(18.4)	3.4	(6,171)	(4,972)	(19.4)
Administratives expenses	(4,752)	(4,695)	(4,433)	(6.7)	(5.6)	(14,477)	(14,334)	(1.0)
Tax expenses	(219)	(235)	(233)	6.0	(1.1)	(746)	(739)	(0.9)
Other revenues (expenses)	(1,490)	(397)	(2,597)	74.2	554.8	(3,461)	(2,370)	(31.5)
Earnings before interest and taxes	**5,710**	**11,078**	**7,268**	**27.3**	**(34.4)**	**20,879**	**27,949**	**33.9**
Net investment income	**176**	**(130)**	**(242)**	**-**	**86.8**	**353**	**(544)**	**-**
Financial income	557	288	121	(78.3)	(58.0)	1,595	570	(64.2)
Financial expenses	(381)	(418)	(363)	(4.6)	(13.0)	(1,242)	(1,113)	(10.3)
Earnings before taxes and profit sharing	**5,886**	**10,949**	**7,026**	**19.4**	**(35.8)**	**21,234**	**27,407**	**29.1**
Taxes	(1,867)	(3,701)	(2,408)	29.0	(34.9)	(7,194)	(9,299)	29.3
Profit sharing	(64)	(122)	(50)	(22.1)	(59.3)	(262)	(238)	(9.2)
Net income	**3,955**	**7,126**	**4,568**	**15.5**	**(35.9)**	**13,778**	**17,870**	**29.7**

Table 77 – Brasildental | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M19**	**9M20**	**On 9M19**
Performance ratios								
Loss ratio	50.8	34.9	41.1	(9.7)	6.2	47.9	39.8	(8.2)
Comission ratio	6.8	5.6	5.9	(1.0)	0.2	7.0	5.9	(1.1)
G&A ratio	22.5	19.3	26.5	4.0	7.2	21.3	20.9	(0.4)
EBITDA margin	19.9	40.2	26.6	6.7	(13.6)	23.8	33.5	9.7
ROAA	33.3	60.8	41.3	8.0	(19.5)	42.4	55.0	12.6

Figure 69 – Brasildental | Clients by segment (thousand)

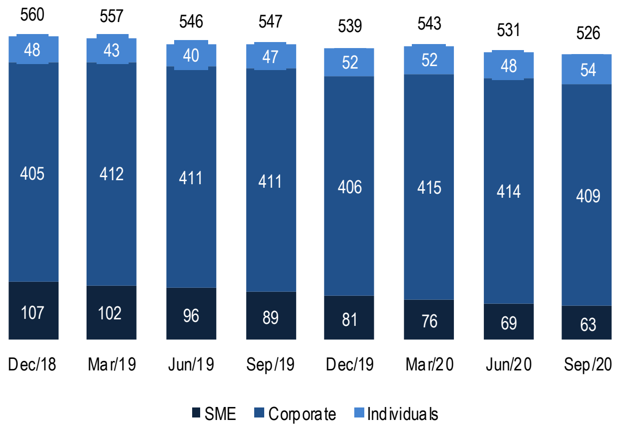


Figure 70 – Brasildental | Clients by segment (%)

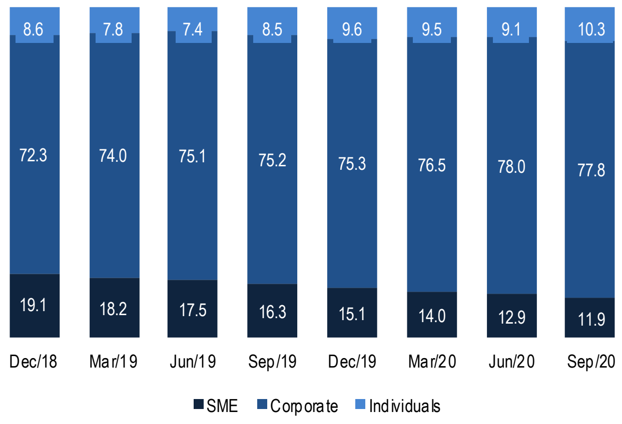


Table 78 – Brasildental | Client base breakdown

	Balance			Chg. %	
	Sep/19	Jun/20	Sep/20	On Sep/19	On Jun/20
Client segments					
Corporate	411,314	413,935	409,282	(0.5)	(1.1)
SME	88,898	68,616	62,772	(29.4)	(8.5)
Individuals	46,551	48,218	53,981	16.0	12.0
Total	**546,763**	**530,769**	**526,035**	**(3.8)**	**(0.9)**

BALANCE SHEET ANALYSIS

Table 79 – Brasildental | Balance sheet

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Assets	**45,330**	**45,727**	**42,835**	**(5.5)**	**(6.3)**
Cash and cash equivalents	2,564	2,536	1,468	(42.7)	(42.1)
Financial assets	35,177	33,872	33,305	(5.3)	(1.7)
Receivables from insurance and reinsurance operations	4,658	6,220	4,698	0.9	(24.5)
Tax assets	1,699	1,477	1,583	(6.8)	7.2
Other assets	1,232	1,622	1,781	44.5	9.8
Liabilities	**25,692**	**23,251**	**23,791**	**(7.4)**	**2.3**
Technical reserves	17,090	14,789	16,198	(5.2)	9.5
Tax liabilities	1,572	3,140	2,083	32.5	(33.6)
Other liabilities	7,030	5,324	5,510	(21.6)	3.5
Shareholders' equity	**19,638**	**22,476**	**19,044**	**(3.0)**	**(15.3)**

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5. DISTRIBUTION

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

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

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

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

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

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

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

Figure 71 – Distribution | Consolidated premiums written, contributions and collection by channel[1,2] (R$ million)

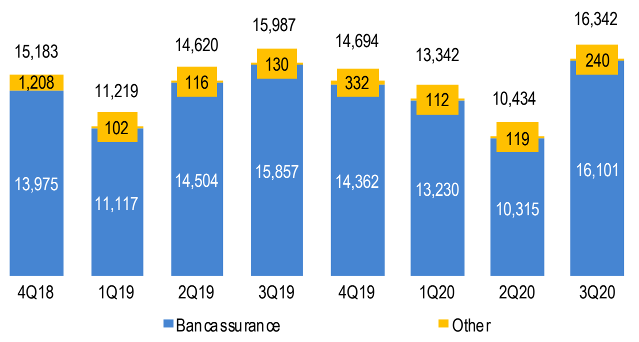
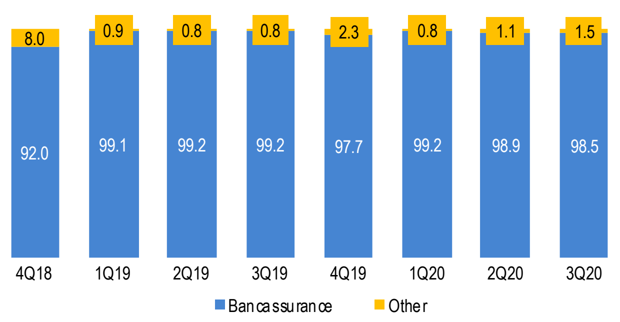


Figure 72 – Distribution | Consolidated premiums written, contributions and collection by channel[1,2] (%)



1. Insurance premiums written, pension plans contributions, premium bonds collection and dental care revenues.
2. After the partnership restructuring with MAPFRE, the distribution of insurance is exclusively through the bancassurance channel.

Figure 73 – Distribution | Insurance premiums written of Brasilseg[1] by channel (R$ million)

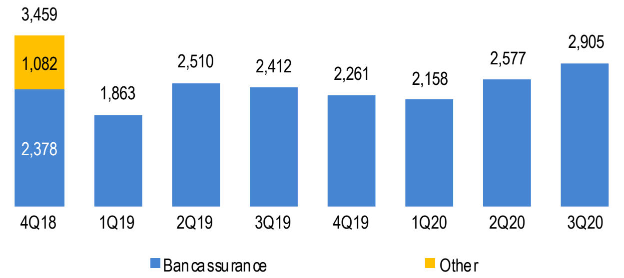
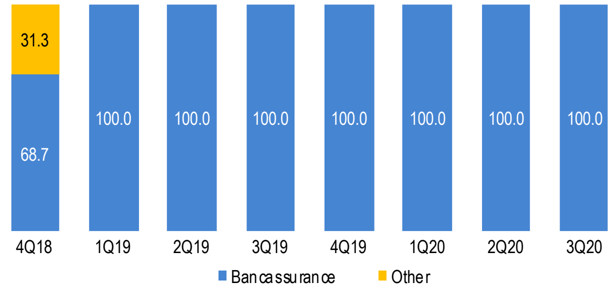


Figure 74 – Distribution | Insurance premiums written of Brasilseg[1] by channel (%)



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

Figure 75 – Distribution | Brasilprev pension plans contributions by channel (R$ million)

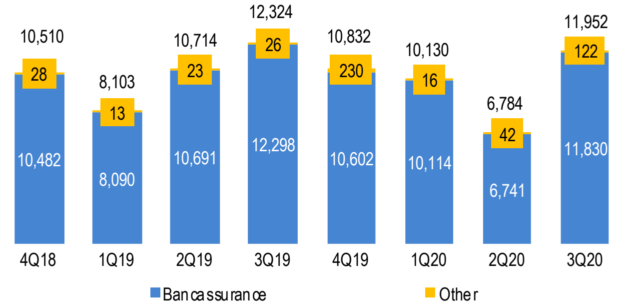


Figure 76 – Distribution | Brasilprev pension plans contributions by channel (%)

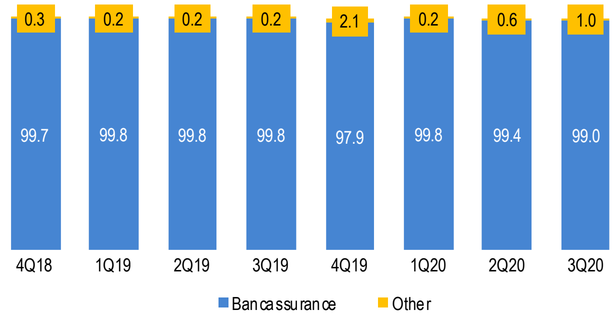


Figure 77 – Distribution | Brasilcap premium bonds collections by channel (R$ million)

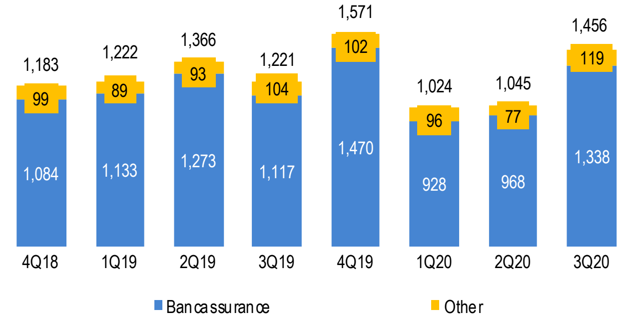


Figure 78 – Distribution | Brasilcap premium bonds collections by channel (%)

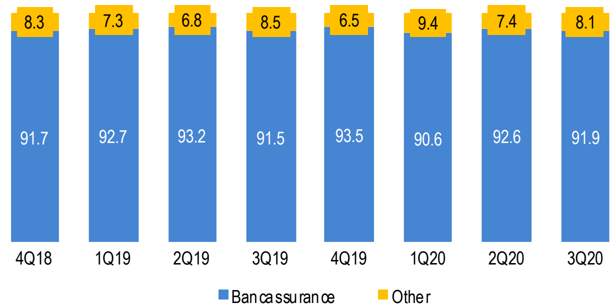


Figure 79 – Distribution | Brasildental dental insurance revenues (R$ million)

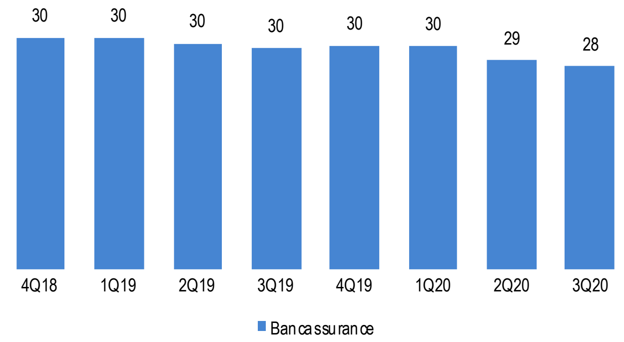
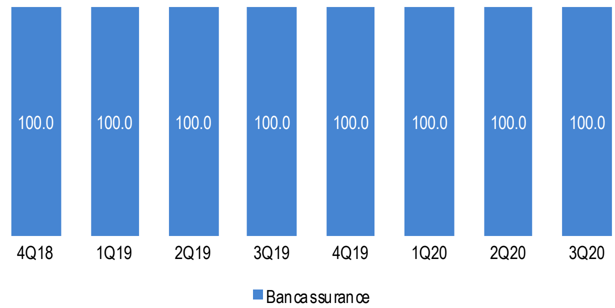


Figure 80 – Distribution | Brasildental dental insurance revenues (%)



5.1 BB CORRETORA

EARNINGS ANALYSIS

Table 80 – BB Corretora | Income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Brokerage revenues	**888,038**	**834,449**	**999,055**	**12.5**	**19.7**	**2,490,803**	**2,716,145**	**9.0**
Administrative expenses	(50,633)	(43,558)	(48,963)	(3.3)	12.4	(145,939)	(140,922)	(3.4)
Personnel expenses	(9,400)	(10,822)	(10,122)	7.7	(6.5)	(25,913)	(31,000)	19.6
Other operating income (expenses)	(3,958)	(1,613)	(1,366)	(65.5)	(15.3)	(8,638)	(4,813)	(44.3)
Tax expenses	(103,914)	(96,796)	(116,600)	12.2	20.5	(297,894)	(316,375)	6.2
Equity income	(4,774)	(4,349)	(3,323)	(30.4)	(23.6)	(9,673)	(12,758)	31.9
Earnings before interest and taxes	**715,359**	**677,311**	**818,682**	**14.4**	**20.9**	**2,002,747**	**2,210,277**	**10.4**
Net investment income	**26,048**	**15,271**	**11,314**	**(56.6)**	**(25.9)**	**73,671**	**39,074**	**(47.0)**
Financial income	28,678	15,353	11,403	(60.2)	(25.7)	81,912	47,309	(42.2)
Financial expenses	(2,630)	(82)	(89)	(96.6)	8.4	(8,240)	(8,235)	(0.1)
Earnings before taxes	**741,407**	**692,582**	**829,995**	**11.9**	**19.8**	**2,076,418**	**2,249,351**	**8.3**
Taxes	(252,308)	(236,871)	(283,401)	12.3	19.6	(706,514)	(768,914)	8.8
Adjusted net income	**489,099**	**455,711**	**546,594**	**11.8**	**19.9**	**1,369,904**	**1,480,437**	**8.1**
One-off events	**-**	**(25,016)**	**(1,384)**	**-**	**(94.5)**	**-**	**(26,400)**	**-**
Donation to fight Covid-19	-	(37,903)	(2,097)	-	(94.5)	-	(40,000)	-
Donation to fight Covid-19 - Taxes	-	12,887	713	-	(94.5)	-	13,600	-
Net income	**489,099**	**430,695**	**545,210**	**11.5**	**26.6**	**1,369,904**	**1,454,037**	**6.1**

ADJUSTED NET INCOME

Figure 81 – BB Corretora | Adjusted net income

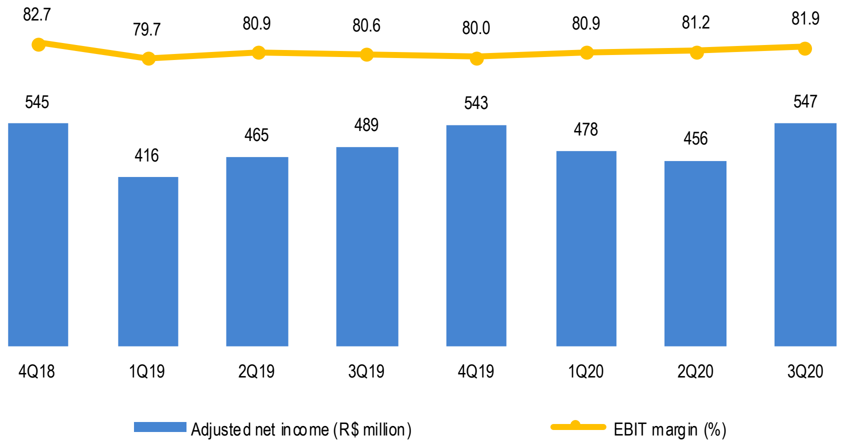
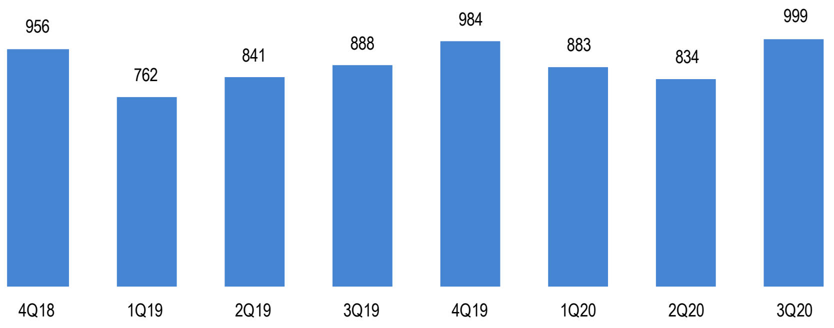


Table 81 – BB Corretora | Managerial performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
G&A expenses	18.9	18.3	17.7	(1.2)	(0.6)	19.2	18.2	(1.1)
Tax expenses	11.7	11.6	11.7	(0.0)	0.1	12.0	11.6	(0.3)
EBIT margin	80.6	81.2	81.9	1.4	0.8	80.4	81.4	1.0
Income tax rate	34.0	34.2	34.1	0.1	(0.1)	34.0	34.2	0.2
Net margin	55.1	54.6	54.7	(0.4)	0.1	55.0	54.5	(0.5)

BROKERAGE REVENUES

Figure 82 – BB Corretora | Brokerage revenues (R$ million)



QUARTERLY ANALYSIS

In the 3Q20, brokerage revenues presented a solid recover and increased 12.5% YoY, which confirms the improving commercial performance trend after the most critical phase, so far, caused by the pandemic. The increase in brokerage revenues is mainly explained by:

- the increase in rural insurance sales, which were not impacted by the crisis, driven by higher subsidies to premiums granted by the Federal Government along with internal initiatives that have expanded the crop insurance addressable customers;
- the growth of credit life insurance in both individual and SME portfolios, helped by the expansion in origination of payroll loans and working capital;
- the evolution in term life insurance sales, helped by the increased interest in the product caused by the pandemic, along with the new portfolio launched in May 2020;
- the higher volume of sales and also the increase in the average ticket of premium bonds, along with a mix of collection that presents a higher commission ratio, given the longer duration and a higher proportion of first installments of monthly payment products; and
- the increase of revenues with performance bonus for outperforming the sales targets of term life and credit life.

Regarding to pension plans segment, despite the decrease in brokerage revenues YoY, on a hard comp, they increased 93.4% QoQ, bouncing back to the same level before the pandemic period.

YEAR-TO-DATE ANALYSIS

The growth in brokerage revenues in the 9M20 is a result of the solid commercial performance observed in rural, credit life and term life insurance, as well as in premium bonds collections. Additionally, it is worth emphasizing that the performance bonus for outperforming the targets in term life and credit life accounted for R$371.3 million, growing 37.7% year-to-date.

On the other hand, brokerage revenues were partially impacted by weaker pension plans contributions, more concentrated in the 2Q20, due to the crisis generated by the Covid-19 pandemic.

Table 82 – BB Corretora | Brokerage revenues breakdown

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q19**	**2Q20**	**3Q20**	**On 3Q19**	**On 2Q20**	**9M 19**	**9M 20**	**On 9M 19**
Insurance	647,719	690,634	739,920	14.2	7.1	1,840,918	2,095,675	13.8
Pension plans	158,283	72,464	140,123	(11.5)	93.4	384,909	343,719	(10.7)
Premium bonds	79,934	69,301	116,771	46.1	68.5	258,579	270,465	4.6
Dental insurance	1,211	1,141	1,308	8.0	14.6	3,725	3,688	(1.0)
Other	892	909	934	4.7	2.7	2,672	2,597	(2.8)
Total	**888,038**	**834,449**	**999,055**	**12.5**	**19.7**	**2,490,803**	**2,716,145**	**9.0**

Figure 83 – BB Corretora | Brokerage revenues breakdown (%)

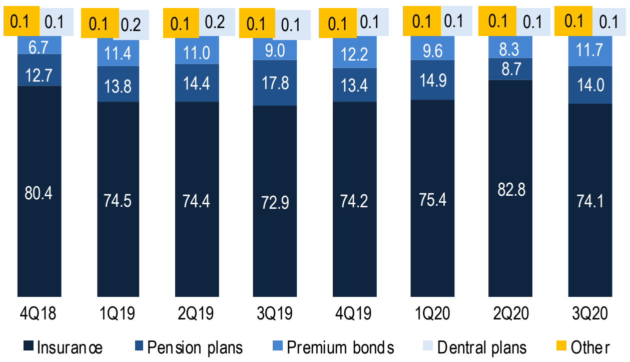
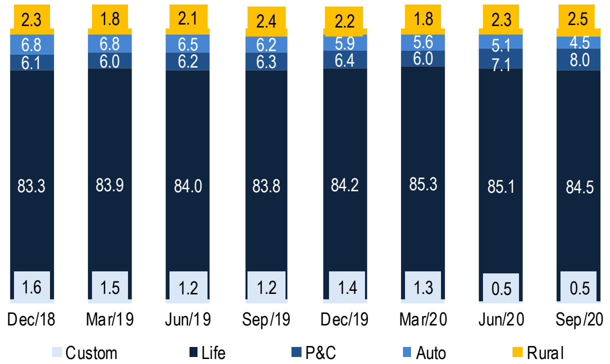
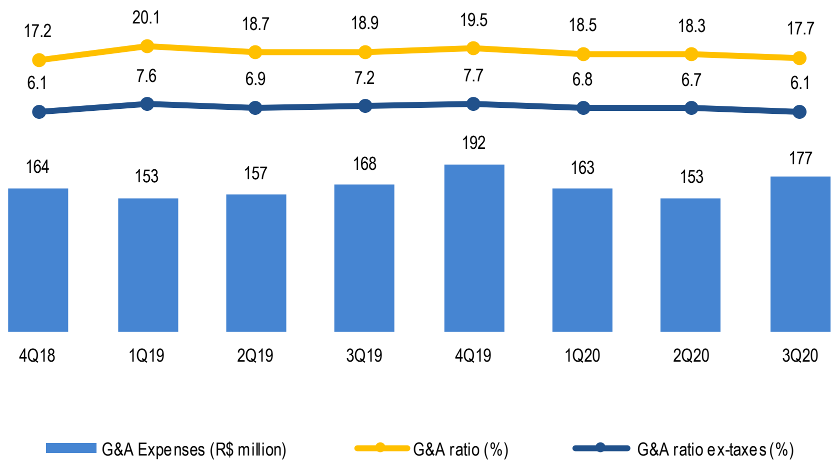


Figure 84 – BB Corretora | Unearned commissions breakdown (%)



GENERAL AND ADMINISTRATIVE EXPENSES

Figure 85 – BB Corretora | G&A expenses



QUARTERLY ANALYSIS

In the 3Q20, G&A ratio fell 1.2 p.p. YoY, helped by the growth in brokerage revenues (+12.5%), which is the denominator for the ratio, and by a sales mix more concentrated in products with lower unit reimbursement cost.

Overall, G&A expenses rose 5.4%, impacted by:

- higher tax expenses, in line with the increase in brokerage revenues; and
- the increase in personnel expenses, due to the periodic revisions of the cost sharing methodology between the holding BB Seguridade and its subsidiaries BB Corretora and BB Seguros.

YEAR-TO-DATE ANALYSIS

In the 9M20, G&A ratio improved 1.1 p.p., helped by the growth in brokerage revenues (+9.0%) at a higher pace than the increase in expenses (+3.1%).

The growth in G&A expenses is explained by:

- higher tax expenses with PIS and COFINS, in line with the increase in the taxable income; and
- the increase in expenses with commercial campaigns to incentivize the sales force, the investments in analytics and higher personnel expenses, justified by the expenses with performance bonus program for employees (PPR).

Table 83 – BB Corretora | General & Administrative expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q19	2Q20	3Q20	On 3Q19	On 2Q20	9M19	9M20	On 9M19
Administrative expenses	**(50,633)**	**(43,558)**	**(48,963)**	**(3.3)**	**12.4**	**(145,939)**	**(140,922)**	**(3.4)**
Administrative cost of products	(22,461)	(14,952)	(22,790)	1.5	52.4	(65,497)	(61,880)	(5.5)
Operational support	(19,170)	(17,184)	(17,715)	(7.6)	3.1	(57,673)	(51,155)	(11.3)
Information technology	(5,209)	(4,642)	(5,114)	(1.8)	10.2	(15,352)	(14,822)	(3.5)
Other	(3,792)	(6,780)	(3,344)	(11.8)	(50.7)	(7,416)	(13,065)	76.2
Tax expenses	**(103,914)**	**(96,796)**	**(116,600)**	**12.2**	**20.5**	**(297,893)**	**(316,375)**	**6.2**
PIS/PASEP	(14,831)	(13,859)	(16,550)	11.6	19.4	(41,606)	(45,097)	8.4
COFINS	(68,599)	(63,991)	(76,343)	11.3	19.3	(192,462)	(208,195)	8.2
ISS	(20,484)	(18,946)	(23,708)	15.7	25.1	(63,825)	(63,083)	(1.2)
Personnel expenses	**(9,400)**	**(10,822)**	**(10,122)**	**7.7**	**(6.5)**	**(25,913)**	**(31,000)**	**19.6**
Other operating income (expenses)	**(3,958)**	**(1,613)**	**(1,366)**	**(65.5)**	**(15.3)**	**(8,639)**	**(4,813)**	**(44.3)**
G&A Expenses	**(167,905)**	**(152,789)**	**(177,050)**	**5.4**	**15.9**	**(478,385)**	**(493,110)**	**3.1**

NET INVESTMENT INCOME

Figure 86 – BB Corretora | Net investment income (R$ million)

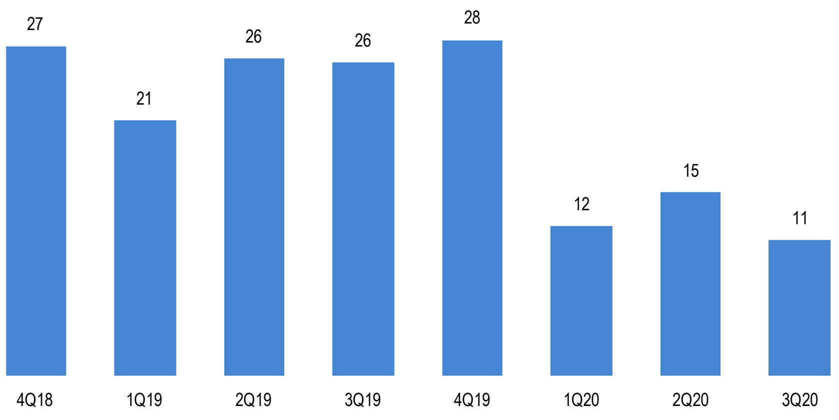


Table 84 – BB Corretora | Quarterly figures – Earning assets average balance and interest rates

R$ thousand	3Q19 Average balance	3Q19 Revenues	3Q19 Annualized rate (%)	3Q20 Average balance	3Q20 Revenues	3Q20 Annualized rate (%)
Earning assets						
Cash and financial instruments	1,761,956	26,953	6.0	1,913,748	10,838	2.2
Other assets	204,010	1,722	3.3	206,103	564	1.1
Current tax assets	17,178	3	0.1	17,022	0	0.0
Total	**1,983,144**	**28,678**	**5.6**	**2,136,873**	**11,403**	**2.1**

Table 85 – BB Corretora | Quarterly figures – Interest bearing liabilities average balance and interest rates

R$ thousand	3Q19 Average balance	3Q19 Expenses	3Q19 Annualized rate (%)	3Q20 Average balance	3Q20 Expenses	3Q20 Annualized rate (%)
Interest bearing liabilities						
Dividends payable	199,420	(2,561)	4.8	454,413	-	-
Other liabilities	489	(8)	6.4	499	(0)	-
Total	**199,909**	**(2,569)**	**4.9**	**454,913**	**(0)**	**0.1**

Table 86 – BB Corretora | Year-to-date figures – Earning assets average balance and interest rates

R$ thousand	9M 19 Average balance	9M 19 Revenues	9M 19 Annualized rate (%)	9M 20 Average balance	9M 20 Revenues	9M 20 Annualized rate (%)
Earning assets						
Cash and financial instruments	1,851,164	76,324	5.5	2,107,345	44,780	2.9
Other assets	199,353	5,581	3.8	205,033	2,529	1.7
Current tax assets	17,515	6	0.0	17,046	0	0.0
Total	**2,068,032**	**81,912**	**5.3**	**2,329,424**	**47,309**	**2.7**

Table 87 – BB Corretora | Year-to-date figures – Interest bearing liabilities average balance and interest rates

R$ thousand	9M 19 Average balance	9M 19 Expenses	9M 19 Annualized rate (%)	9M 20 Average balance	9M 20 Expenses	9M 20 Annualized rate (%)
Interest bearing liabilities						
Dividends payable	257,801	(8,048)	4.1	515,897	(6,770)	1.8
Other liabilities	484	(18)	5.0	498	(5)	0.6
Total	**258,285**	**(8,066)**	**4.2**	**516,395**	**(6,775)**	**2.1**

BALANCE SHEET ANALYSIS

Table 88 – Brokerage | Balance sheet

	Balance			Chg. %	
R$ thousand	**Sep/19**	**Jun/20**	**Sep/20**	**On Sep/19**	**On Jun/20**
Assets	**3,475,129**	**3,776,332**	**3,622,660**	**4.2**	**(4.1)**
Cash and cash equivalents	925,246	849,352	742,231	(19.8)	(12.6)
Securities	971,127	1,198,362	1,037,961	6.9	(13.4)
Equity investments	9,400	8,113	4,790	(49.0)	(41.0)
Current tax assets	294,642	200,893	28,318	(90.4)	(85.9)
Commission receivable	1,069,314	1,312,307	1,601,594	49.8	22.0
Other assets	205,400	207,306	207,766	1.2	0.2
Liabilities	**2,939,122**	**3,729,424**	**3,030,543**	**3.1**	**(18.7)**
Dividends payable	-	908,827	-	-	-
Provision	17,218	15,964	15,559	(9.6)	(2.5)
Current tax liabilities	747,763	509,749	520,588	(30.4)	2.1
Unearned commissions	2,129,214	2,245,113	2,405,891	13.0	7.2
Other liabilities	44,928	49,772	88,505	97.0	77.8
Shareholders' equity	**536,007**	**46,908**	**592,117**	**10.5**	**1,162.3**

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6. DEFINITIONS

COMMON RATIOS

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

Average volume = net change - average rate;

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

Net change = current period interest - previous period interest;

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

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

INSURANCE

Loss ratio = claims incurred / earned premiums;

Commission ratio = retained acquisition costs / earned premiums;

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

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

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

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

INSURANCE MANAGERIAL

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

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

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

Commission = acquisition costs – commission return;

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

PENSION PLANS

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

Commission ratio = acquisition cost / income and premiums contributions

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

PREMIUM BONDS

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

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

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

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

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

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

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

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

BROKERAGE

Adjusted operational margin = operational results / brokerage revenues;

Adjusted net margin = adjusted net income / brokerage revenues.