

Sustainability Report 2019



Seeking to improve its accountability, BB Seguridade presents its first annual sustainability report prepared in accordance with the Global Reporting Initiative - GRI Standards. The chosen option was the Essential one, with GRI disclosures demonstrated throughout each theme and in the summary chapter.

The purpose of this report is to demonstrate the company's commitment to the long-term vision and to the sustainable creation of value for its shareholders and other interested parties, observing the main environmental, social and governance management guidelines.

The economic and financial data are in compliance with the Brazilian law on Business Corporation Act and with the standards issued by the Securities and Exchange Commission (CVM). The balances presented refer to the performance of the BB Seguridade conglomerate, according to the financial statements available for consultation on the Investor Relations website (www.bbseguridaderi.com.br). This information is eventually supplemented with data from the invested companies which, in turn, are aligned with the standards of the Superintendence of Private Insurance – SUSEP and the standards of the National Health Agency-ANS.

The information in this report relates to the period from January 1st 2019 to December 31st 2019, supplemented in some cases by information from recent years for comparability purposes.

This report is aligned with key global trends in social, environmental and financial performance reporting.

For questions or suggestions regarding this publication, we make available the following contacts:

+55 11 4297-0730
ri@bbseg.com.br

Good Reading!

BB Seguridade Participações S.A.

CNPJ 17.344.597/0001-94

Address:

Setor de Autarquias Norte - Quadra 5 - Ed. Banco do Brasil - Torre Sul - 3º andar

Brasília - Distrito Federal - Brasil

ZIP CODE 70.040-912

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Letter from the Management

GRI 102-14



Carlos Motta
Chairman of the Board of
Directors

We can say that our commitment to sustainability comes from the cradle given that BB collects national and international recognition for its socio-environmental practices. Thus, in its broadest sense, sustainability permeates the entire strategy of BB Seguridade.

In this way, on the following objectives: i. to be “lightweight and efficient”, that is, having a lean structure with simplified procedures and high-value creation; ii. “turn customers into fans”, building products, services, journeys, and relationships, they delight in; iii. “to combine online and offline” to increase sales, with a focus on the new channels, deals, and distribution models; iv. “connect and accelerate the digital” with optimization and digital transformation as competitive attributes of all members of the group; and v. “try without being afraid in order to hit the bull’s eye”, with the objective to change the future, and with the new and the unknown, as the allies of our strategy.

To achieve this set of objectives, and thereby generate sustainable value, over the past few years we have carried out a series of changes both in the company’s organizational structure and in the corporate structure, which allowed us to focus on the processes considered key to the successful execution of our strategy.

This change has led us to important advances in the creation of commercial and marketing actions with a higher level of accuracy, in the development of an IT platform that is able to implement solutions quickly, to strengthen the capacity for innovation and reaction, and in the generation of analytical intelligence, always focused on improving the customer experience and the sales force throughout the product journey.

With regard to changes in the corporate structure, in 2019 we continued to align the investment portfolio with the Strategic Planning guidelines built in 2015, in which the segments of operation considered as pillars for a sustainable business model were defined, with efficient capital allocation and that maximizes shareholder value generation.

Thus, we made the decision to divest completely from the

reinsurance business, through a public offering of shares of IRB Brasil RE, which generated a net result of R\$2.3 billion, considering that this segment no longer has a strategic sense after the withdrawal of BB Seguridade from the large risk insurance business, which had been completed a year earlier.

After the divestments carried out and having the efficiency in the capital management as a driver, we approved at the general meeting a proposal of the administration to reduce the capital by R\$ 2.7 billion, being returned to shareholders in April 2020.

All of these actions have contributed to increasing the consistency in the execution of the strategy and have already produced good results. In 2019, we achieved an adjusted net profit of R\$ 4.3 billion, the highest in the history of BB Seguridade, with growth of 21.3% over the previous year.

The strong result generated in 2019, boosted by the capital gain generated in the sale of the shares held in IRB, added to the other measures to improve efficiency in the capital allocation, led to the distribution of R\$ 8.3 billion to shareholders in 2019, between dividends and return of capital, raising by 26.2 p.p. the return on equity and solidifying the high dividend paying position of BB Seguridade.

In 2020, we will seek to maintain consistency in generating short-term results, but without forgetting to continue on the path of preparing BB Seguridade for any of the prospective scenarios mapped in our long-term strategy, seeking sustainability in its broadest sense.

We thank the employees of all companies within BB Seguridade group, the sales force of its main distribution channel, Banco do Brasil, for their dedication and commitment, and the other interested parties for their trust in our work.



Bernardo Rothe
Chief Executive
Officer

BB Seguridade

GRI 102-5

BB Seguridade Participações SA, is a holding company incorporated with the purpose of concentrating the businesses of insurance underwriting, private pension plan management, premium bonds and the distribution of these products within Banco do Brasil conglomerate.

The company, controlled by Banco do Brasil S. A. which owns 66.4% of the shares, is a publicly traded company, listed on B3 in the Novo Mercado segment. The free-float represents 33.6% of the total and are distributed among Brazilian investors 14.7% and foreign investors 85.3%. As of 12/31/2019, no minority shareholder held 5% or more of the free-float.

BB Seguridade operates predominantly through bancassurance, a business model that consists of the sale of insurance-related products in the banking channel.

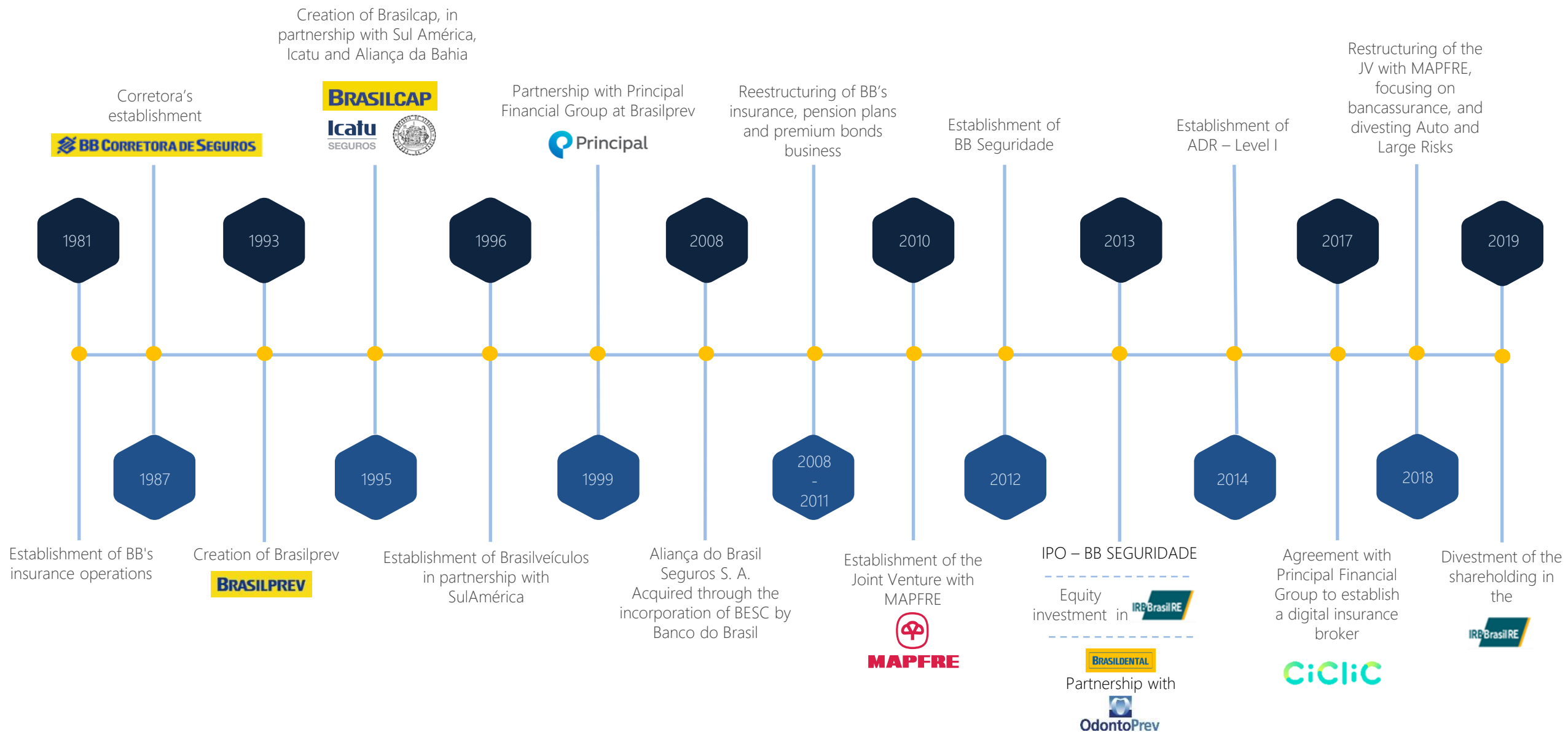
The insurance risk underwriting, premium bonds and pension plan management businesses were formed through strategic partnerships with private companies, where BB Seguridade indirectly holds, through its subsidiary BB Seguros, all the preferred shares and a lower proportion of common shares.

In the distribution segment, BB Seguridade operates through its subsidiary BB Corretora, responsible for the distribution of insurance-related products in the bancassurance channel. In digital channels that are not related to Banco do Brasil, BB Corretora operates through Ciclic, in a partnership with Principal Financial Group, being able to distribute both products of companies invested by BB Seguridade and from other insurers.

BB Seguridade's business model combines the flexibility of private structures with the strength and reliability of the Banco do Brasil brand, a company with more than 200 years of tradition, leading BB Seguridade to occupy a prominent position in all segments where it operates.



History



Material Topics

GRI 102-40 • 102-42 • 102-43 • 102-44 • 102-46 • 102-47

The year 2019 was our starting point for carrying out the materiality diagnosis and evaluation of important issues in the context of sustainability of the Company.

For the construction of this first version of the Materiality Matrix, we used as a starting point the subjects that have the ability to affect the generation of sustainable value of BB Seguridade. In a complementary way, the topics covered in questionnaires of important sustainability indexes, the main notes of market analysts in meetings with the company, news published in the media and public information from the competition were taken into account, where it was possible to capture important contributions to the process.

In the second stage, after the definition of the themes, a public consultation was made based on an evaluation by level of relevance, through interviews and questionnaires with:

- Shareholders;
- Clients;
- *Buy-side* analysts and *sell-side* analysts;
- Related companies;
- Employees;
- Partners and suppliers; and
- Government, regulatory bodies and other interested parties.

In the third stage, the themes were consolidated into more comprehensive subjects and the result of the process was presented to the Executive Board, which discussed and validated the 6 most relevant themes, presented on the right side of this page.

The result of materiality brings the perception of *stakeholders* in relation to the company's challenges related to social, environmental and governance issues, and contribute to the improvement of business to the extent that these processes are prioritized by senior management, becoming established commitments for the company.

Following this report, we will present a chapter for each theme defined as material, and it is possible to identify at the beginning of each chapter the GRI indicators related to the theme.



Business model



The business model highlights to all stakeholders the convergence of BB Seguridade's performance to its strategic objectives, as well as the commitment to financial stability and sustainable business development of the invested companies and BB Corretora.

Mission: protect assets, achievements and projects

GRI 102-16

The Company's strategic formulations are guided by the mission of "Protecting assets, achievements and projects" and based on the values Reliability, Innovation, Customer Respect, Simplicity and Owner's Feeling.

The values that guide us are linked to the Code of Ethics and the Norms of Conduct¹ which are also prepared with the participation of the Company's employees and approved by the Board of Directors, reaching all hierarchical levels of BB Seguridade and its subsidiaries and influencing business partners.

These standards of Conduct, available in Portuguese and English on BB Seguridade's website ¹, must be read by all employees, annually or whenever revised, including digital signature by employees and registration of science by members of governance bodies in minutes of meetings.

The promotion of values, ethical principles and standards of conduct is carried out through internal training events, the dissemination of information on the Company's internal communication channel and the example set by the Management.

In the period from 2017 to 2019, training courses were held on the following topics: Being Ethical is Good for All, Prevention and Combating Moral and Sexual Harassment and Preventing and Combating Corruption, which together reached the total number of employees. Engagement campaigns were also carried out according to the table below:

	2017	2018	2019
Awareness campaigns	7	27	10

¹The BB Seguridade's Code of Ethics and Conduct can be consulted at: www.bbseguridaderi.com.br/pt/governanca-corporativa/estatuto-politicas-e-codigos.

Reliability

We translate our integrity, transparency and competence into all the activities we perform. We develop solutions based on the wishes of the customer, combined with clear and accurate information at the time of purchase and after-sales. We demonstrate to our shareholders the creation of long-term value in an increasing and sustainable way, through sound and efficient management, based on sound principles of governance, compliance and risk management.

Customer respect

We see the world from the perspective of our customers, in order to offer the best solutions to meet their needs. We maximize the consumption experience of our customers, offering different access channels to our products and services, including after post-sales solutions. We cherish dignified and courteous treatment, respecting consumers' rights and providing clear, reliable and timely guidance and information to enable the best consumer decision and a positive shopping experience.

Future Vision and Values

Innovation

We treat innovation as a service, which precedes reflection and understanding of who we are, where we are and what we should do or be. We use critical thinking and creative thinking to keep pace with market changes. We take the empathetic look to take advantage of the best opportunities the environment offers us, building what is new and relevant and transforming the way people live and work. Our main goal is to generate value by putting people (customers, employees, shareholders and citizens) at the center of our decisions. We work collaboratively, taking the best advantage of our multidisciplinary and the complementarity of our competences.

Owner's Feeling

We act in the best interest of BB Seguridade. We live up to the autonomy with which we work, through responsibility with accountability. We have proactive attitudes that add value to BB Seguridade's business. We look at our ecosystem, looking for ways to put the strategy into action.

Simplicity

We channel efforts to what really matters, without compromising the delivery of value to the customer. We save organization resources by constantly redesigning and simplifying complex or overly operational processes. We consider simplicity a vector for the agile operation of the company and the performance of work more intelligently.



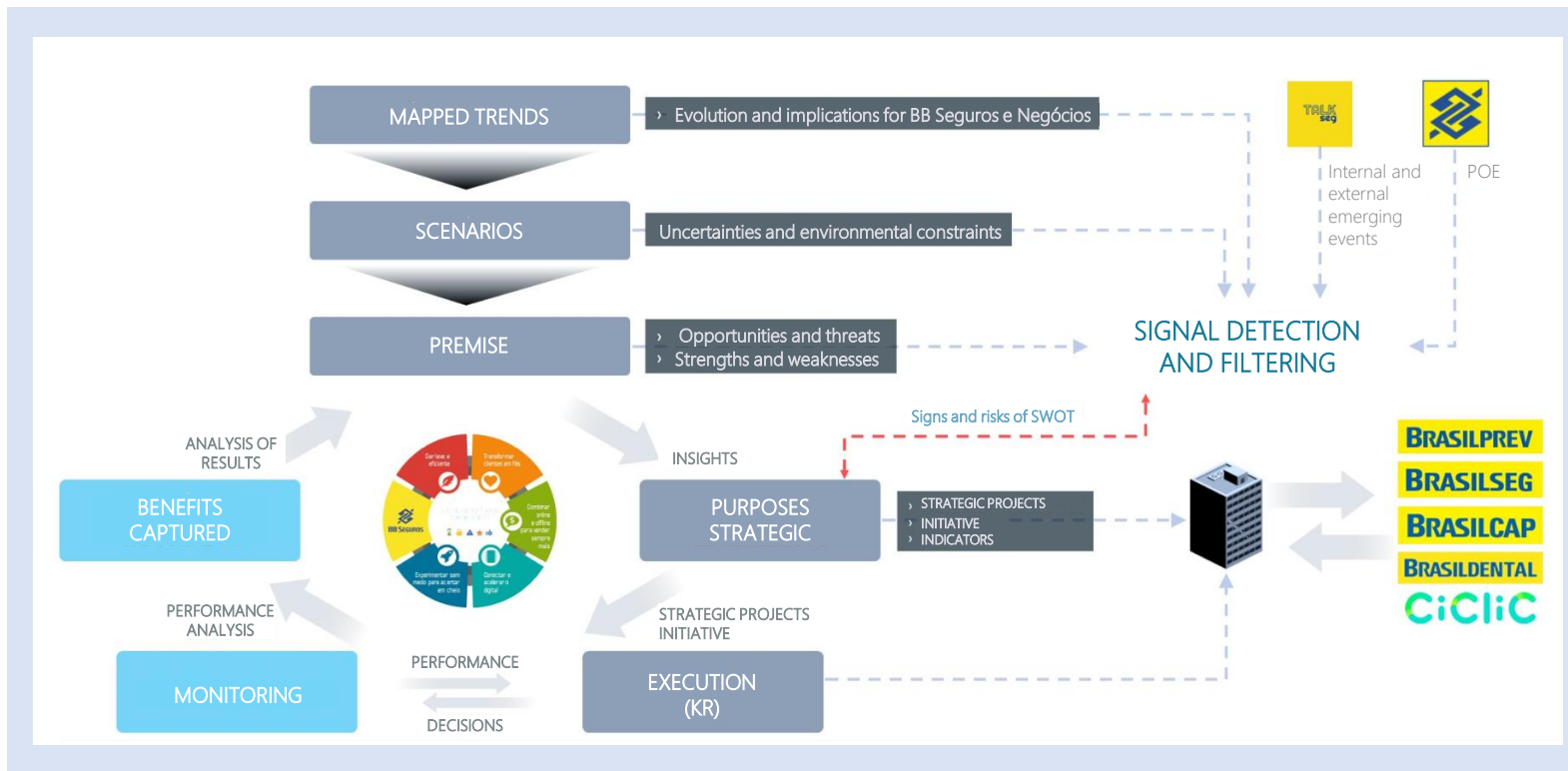
Strategic Management Model

GRI 201

Every year BB Seguridade, led by its Board of Directors, revisits the elements of the strategy with the support of all the company's employees and the involvement of the affiliates, in order to keep the strategic objectives aligned with the current scenarios.

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

- maintenance of the archetypes of prospective scenarios;
- inclusion in the strategic planning review agenda of the signal detection and filtering model and analysis of emerging issues that may influence the opportunities, threats of the business environment in each scenario and the strengths and weaknesses for all companies;
- full alignment of the strategic objectives of BB Seguridade with the strategic guidelines plan of Banco do Brasil and with the strategic maps of the affiliates;
- modeling, certification and continuous measurement of BB Seguridade processes;
- update of the management's variable compensation of the conglomerate, representing the focus defined in the strategy; and
- definition of the project portfolio, to leverage the delivery of value to stakeholders and accelerate the achievement of goals, as well as create foundations for the next waves of planning.



Strategic purposes



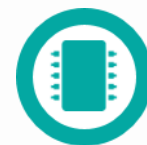
Be light and efficient



To turn customers into fans



To combine online and offline to always sell more



To connect and speed up the digital



Try without being afraid, in order to hit the bull's eye

Activities and Operations Location

GRI 102-2 • 102-4 • 102-7

Regarding the scope of action, the Company operates exclusively in Brazil in insurance-related business with its equity investments organized in two segments:

- **risk and accumulation business:** operated through its subsidiary BB Seguros Participações S. A., which concentrates affiliate companies in the form of joint ventures or partnerships that operate insurance products, pension plans, premium bonds and dental care plans. The strategic partnerships were designed with the aim of maximizing the synergy gain in operations, and the model comprises the shared management of the business. Our culture and ethical values are shared through the representativeness existing in each of our investees, in order to ensure the sustainability of the operations.
- **distribution business:** concentrated under its subsidiary BB Corretora de Seguros e Administradores de Bens S.A., which sells insurance, pension plans, premium bonds and dental care plans, in addition to maintaining a stake in an affiliated company that operates in the distribution of insurance products through digital channels not related to Banco do Brasil channels (Ciclic Corretora de Seguros S.A.).

Sources of funding

BB Seguridade's operations are fully equity financed. Considering the absence of financial indebtedness, its liabilities boil down to dividends payable, unearned commissions, tax liabilities and provisions for lawsuits.

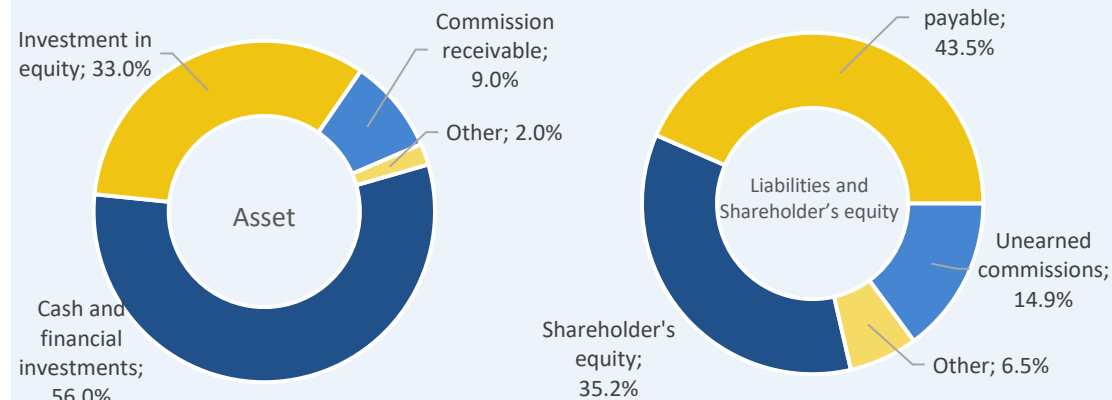
Composition of assets

BB Seguridade's assets consist primarily of cash, investments, especially in insurance and pension plans operations, commissions receivable and judicial deposits.

Main brands

The products of BB Seguridade's affiliated companies, sold in Banco do Brasil, use trademarks owned by that bank, through trademark license agreements concluded between Banco do Brasil and the affiliated companies. In channels not related to Banco do Brasil, BB Seguridade's related companies use their own brand, for example Ciclic.

On December 31st, 2019



Differentials

- Absence of debt
- Robust and low volatility free cash flow
- High liquidity
- High payout ratio

R\$ million	2017	2018	2019	Chg. 19/18
Cash and financial investments	4,531	6,986	8,366	19.8%
Investments in equity	7,633	5,326	4,918	-7.7%
Commissions receivable	734	1,007	1,340	33.1%
Current and deferred tax assets	227	99	91	-8.6%
Judicial deposits and other assets	209	209	212	1.2%
Total assets	13,334	13,627	14,927	9.5%

R\$ million	2017	2018	2019	Chg. 19/18
Dividends payable	1,891	4,053	6,491	60.2%
Unearned Commissions	1,656	1,856	2,220	19.6%
Current and deferred tax liabilities	832	821	885	7.9%
Labour, fiscal and civil provisions and other liabilities	57	67	82	22.1%
Total liabilities	4,436	6,797	9,678	42.4%
Shareholder's equity	8,898	6,830	5,249	-23.2%

Capital allocation and evolution of the business model

GRI 201

The board of Directors of BB Seguridade, advised by the Financial Committee and guided by the policies of capital management, financial and strategic investments and dividends, periodically evaluates the alternatives of allocation of its capital, among them investments in new business, divestments, share repurchases, distribution of dividends and return of capital.

In this context, the management of capital is made prioritizing:

- maximizing economic value added;
- periodic monitoring of the performance of invested companies, observing deviations from the planned;
- evaluation of investment opportunities in search of complementarity to the current business model;
- analysis of possible divestitures; and
- long-term vision.

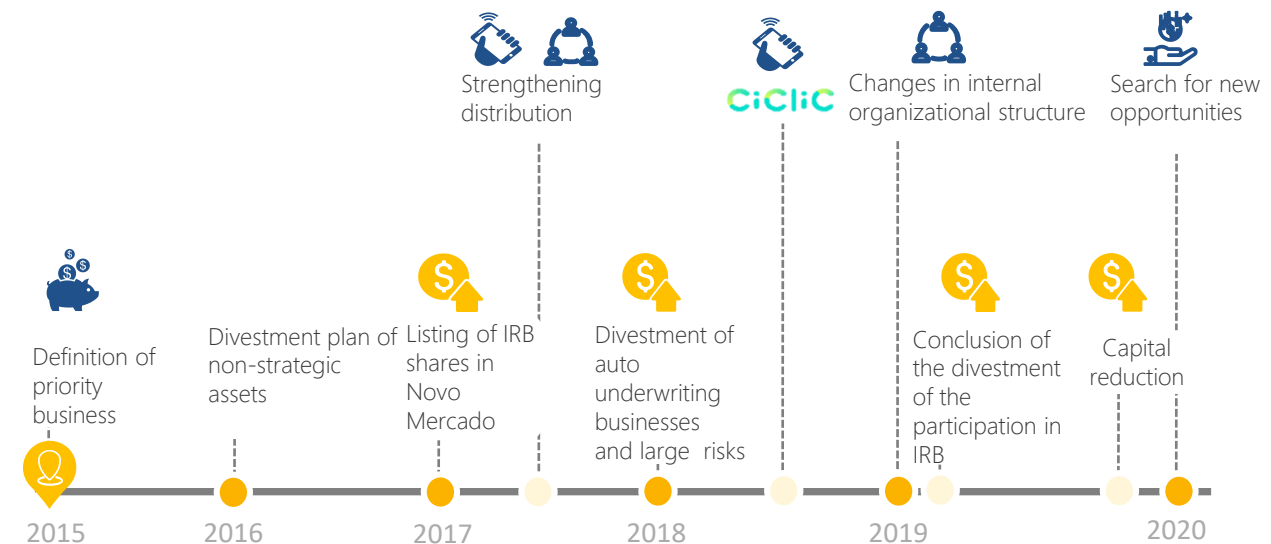
In this context, in the preparation of the Company's strategic planning in 2015, priority businesses were defined, taking BB Seguridade to yet another deep process of organizational and corporate transformation, with the objective of generating more value to stakeholders. The pursuit of this purpose was achieved through a more efficient allocation of capital and the strengthening of the distribution operation.

With regard to seeking a more efficient allocation of the allocated capital, the process of divestment of non-strategic assets was initiated. The first move was the restructuring of the insurance operation, in partnership with MAPFRE. This restructuring was completed in November 2018 and resulted in the divestment of auto and large risks operations and an increase in economic participation in the home and commercial insurance operations. In addition, in the insurance segment, BB Seguridade began to operate almost exclusively in the bancassurance channel and, as part of the restructuring, BB Corretora became entitled to receive a bonus when outperforming commercial targets in some selected products. The operation freed up R\$2.4 billion in capital.

The second movement was the divestment of participation in IRB Brasil RE, which took place in two stages: i. the first in 2017, with a public offering, where the indirect participation of BB Seguridade in the capital was reduced from 20.4% to 15.2%, generating a capital gain of R\$ 171.2 million; and ii. the second, concluded in July 2019, contemplated the complete divestment of the remaining participation, producing a capital gain of R\$ 2.3 billion.

In relation to the purpose of strengthening the distribution operation, two movements stand out:

- (i) In the context of channel diversification and seeking both to expand its scope of digital activity and to explore alternatives of offering products to the public not served in the channels of Banco do Brasil, in September 2018 BB Corretora began to participate in the capital of Ciclic Corretora de Seguros S.A., an exclusively digital distributor.
- (ii) Within the scope of the internal structure, a C-level position dedicated to the Strategy, Technology and Customers was created and replaced the one dedicated to Governance, Risk and Compliance. Risk, compliance and legal assignments were assumed by an area that reports directly to the Chief Executive Officer, while the governance duties related to the management of investee companies were assumed by the Chief Financial Officer. The Strategy, Technology and Customers Department was created with a focus on scaling analytical intelligence, transforming technology architecture, customer relationships and corporate strategy. In the context of internal changes, the Commercial Director began to focus exclusively on commercial and marketing strategies.



BB Seguridade offers life, mortgage life, rural, home and commercial insurances through its affiliate BB MAPFRE Participações S.A. ("Brasileg"), in a partnership with MAPFRE established in 2010 for a period of 20 years. The joint venture started in 2011 and was restructured in 2018. BB Seguridade holds, through BB Seguros, a 74.99% stake in the total capital of Brasileg, holding 100.00% of the preferred shares and 49.99% of the voting shares.

The following paragraphs provide a summary description of the main products offered by Brasileg:

- **Term life insurance:** it is a product focused on individuals to ensure financial protection to beneficiaries, chosen by the policyholder, in case of death, natural or accidental, or permanent disability of the insured. In this case, the insurance company pays to the beneficiary the amount of the insured capital, determined in the insurance policy. Unlike more complex products existing in other countries, the term life insurance offered by Brasileg is a non-cumulative product, providing only risk coverage.
- **Credit life insurance:** it is intended to pay off a borrower's loan in case of death of the insured, preventing family members 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 insurance is the lender.
- **Mortgage life insurance:** it is related to real estate financing operations. In case of death or disability of the insured, the insurance policy guarantees the discharge of the debt and the consequent dealienation of the property. A mortgage insurance policy can also protect policyholders from physical damage to the property. The premium is calculated on a monthly basis according to the outstanding loan balance and the borrower's age.
- **Rural insurance:** these can be sub-divided into three major products: (i) crop insurance, which protects farmers from weather hazards, and the loss of revenue in the case 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, which is an insurance designed for farmers with the objective to pay off the rural loan in case the insured dies.
- **Home insurance:** includes a set of coverages designed to protect individual homes against damage caused by fire, lightning and explosion, and may also

include complementary coverings against theft, electrical damage, physical damage to the property, windstorm, hailstorm, among others.

- **Commercial insurance:** consist of products developed 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.

Brasileg's products are distributed predominantly in the banking channel of Banco do Brasil, through BB Corretora. In addition, Brasileg may eventually distribute its insurance on the affinity channel, which is made up of BB's business partners.



Highlights 2019



R\$ 9.0 bi

in premiums written



R\$ 9.7 bi

in technical reserves

29.0%



loss ratio

14.0%



G&A ratio

75.9%

combined ratio

Brasilprev

GRI 102-6 • 201

BB Seguridade operates in the open private pension plans segment through its subsidiary Brasilprev.

Brasilprev was created in 1993 in a partnership between Banco do Brasil and a group of insurance companies. Subsequently, it underwent several reorganizations in its shareholder structure until in 1999 the main Financial Group established a partnership with Banco do Brasil. This partnership was renewed in 2010, with its term extended for 23 years. In return for this renewal, BB Seguros increased its shareholding in the total capital of Brasilprev from 49.99% to 74.99%. Pension plans are growing in popularity in Brazil, due to the demographic bonus, the increase in life expectancy and the level of financial education of the population, and tax incentives.

Brasilprev has two main sources of operating revenue: the management fee on assets and the premiums paid for risk coverage.

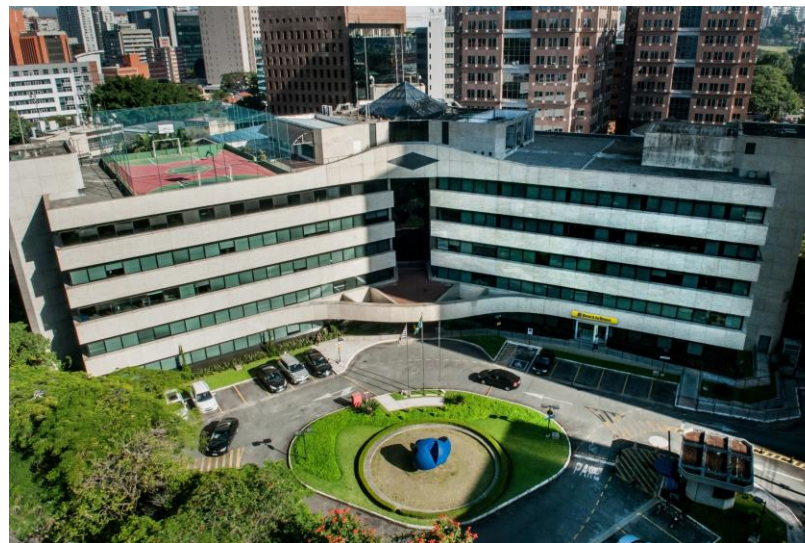
The following paragraphs provide a summary description of the main products offered by Brasilprev:

- **Free Benefits Generator Plan (PGBL):** it is indicated for those who fill their tax statements in the complete form, because the contributions are deductible from the taxable income up to the limit of 12% of the annual gross taxable income. In this modality, in case of redemption or receipt of income, the income tax focuses on the total amount redeemed or on the benefit received. In Brazil, there are two alternatives for an individual to file their income tax return, the simplified form and the complete form. In the complete form, a Brazilian citizen can inform not only his income, but also the deductible expenses, such as spending on health, education, contributions to PGBL pension plans, among others. In addition, the participant may opt for the progressive or regressive definitive tax system when acquiring a pension plan.
- **Free Benefit Generator Life Plan (VGBL):** it is a modality indicated for those who declare income tax in the simplified form or is exempt, because the contributions are not deductible from the tax calculation basis. As in the PGBL, the client can opt for the progressive or regressive tax system. In VGBL, the incidence of taxes occurs only on the amount of income in case of redemption or income received. The main advantage of VGBL is the simplicity of the procedure for transferring resources to customers who intend to make succession planning. In this product, the client can determine who will be the beneficiaries after his death and, unlike the other assets, the

resources applied in VGBL do not enter the estate, nor the inventory, which can be a time-consuming procedure and with legal costs and legal fees, which can consume between 6% to 20% of the assets received by the heirs.

- **Traditional Plan:** guarantees fixed interest rates in relation to the plan indexer (IGP-M or TR), plus a rate of 6% per year. These plans are no longer sold.

Brasilprev's products are distributed predominantly in the banking channel of Banco do Brasil through BB Corretora. On a smaller scale, and with more concentrated activity in the corporate segment, the products are also sold by partners.



Highlights 2019



R\$42.0 bi
in contributions



R\$12.1 bi
in net inflows



R\$289.8 bi
in technical reserves



46.3%
cost to income ratio



1.01%
management fee

BB Seguridade offers premium bonds through its subsidiary Brasilcap, in partnership with Icatu and Aliança da Bahia. Premium bond is a peculiar product of the Brazilian market, but similar products are also found in the United Kingdom and other countries.

The premium bond is sold primarily in the bancassurance channel and is presented as an alternative to accumulate reserves, with terms and interest rates previously determined, enabling the bondholder to participate in lotteries. Premiums are distributed by means of periodic draws, the most frequent being the use of combinations of numbers, in pre-determined series, based on the Brazilian Official Lottery.

The amounts allocated to the drawings and administrative, operating and marketing expenses are covered by the drawing and loading quotas.

Premium bonds are distributed predominantly in the bancassurance channel and are also sold, on a smaller scale, by partners, with emphasis on the partnerships maintained by Brasilcap for the distribution of its products at the Correios, Banco Votorantim and real estate companies, which distribute the Cap Fiador, which is a premium bond offered as guarantee for a rental agreement.

Highlights 2019



R\$5.4 bi
in collections



R\$8.3 bi
in technical reserves



R\$102.0 mm
lottery expenses



3.1 p.p.
net interest margin

In the segment of dental care plans, the company works together with Odontoprev through Brasildental Operadora De Planos Odontológicos S. A. ("Brasildental").

BB Seguridade offers dental care plans through its subsidiary Brasildental, a company formed in 2014 in a 20-year partnership with Odontoprev, where the company holds 74.99% of the total capital and 49.99% of the voting shares.

The dental care plans of Brasildental are sold under the BB Dental brand, exclusively in the banking channel of Banco do Brasil, for individuals and companies, and counts on a wide network of professionals and specialized clinics throughout the country.

Highlights 2019



R\$120.0 mm
in net operating revenues



540 thousand
lives insured



74.9%
combined ratio



25.1%
EBITDA margin

BB Corretora

GRI 102-6 • 201

BB Corretora de Seguros e Administradora De Bens S.A. ("BB Corretora") has as its business the brokerage, administration, realization, promotion and viability of businesses involving insurance products, being responsible for the sales of insurance, open pension plans, premium bonds and dental care plans in the banking channel of Banco do Brasil.

Insurance intermediation in Brazil is not mandatory by law, but it is imposed the obligation of payment of brokerage in all insurance contracts, regardless of the intervention of the broker. According to law 6.317 of 1975, in the event that there is no intermediation of a broker, the amount paid as a brokerage commission must be collected to the Fund for Developing the Insurance Culture, managed by the Foundation National Insurance School - FUNENSEG.

BB Corretora is remunerated by the payment of commission for products sold and, for using the structure of the Banco do Brasil distribution network, including workforce, IT solutions and facilities, reimburses the costs incurred by that financial institution in the selling and maintenance of the products. This reimbursement made by BB Corretora to Banco do Brasil is governed by a contract due in 2033.

In addition to the products of BB Seguros affiliates, BB Corretora exclusively sells auto insurance and large risks in the bancassurance channel underwritten by the MAPFRE group, in accordance with the commercial agreement signed within the scope of the restructuring of the partnership between BB Seguros and MAPFRE.

The distribution business, of insurance, open pension plans, premium bonds and dental care plans in the banking channel, also known as bancassurance, is a model of low complexity, without the incidence of underwriting risk and low capital need, a since it takes advantage of all the physical structure already installed in the banks. To these factors are added the great capillarity and solidity of the Banco do Brasil brand, which provides competitive advantages to BB Seguridade.

Highlights of 2019



R\$3.5 bi
on brokerage revenues

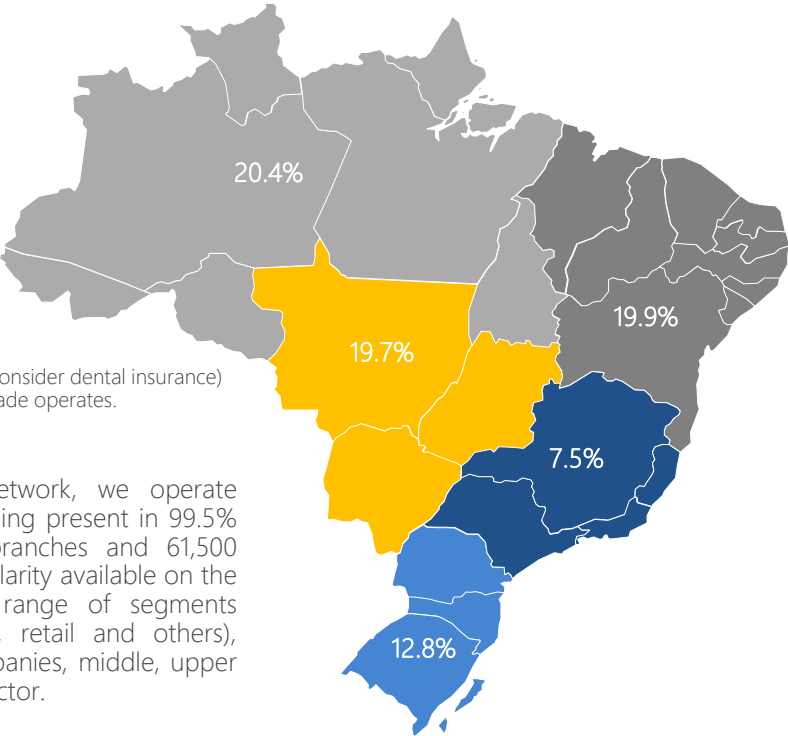


55.0%
net margin

Market share¹

North	20.4%
Northeast	19.9%
Midwest	19.7%
Southeast	7.5%
South	12.8%

Source: Susep as of December 31st, 2019 (does not consider dental insurance)
¹ Considers only those branches in which BB Seguridade operates.



Through the Banco do Brasil¹ network, we operate throughout the Brazilian territory, being present in 99.5% of the municipalities with 4,356 branches and 61,500 service points, in addition to the capillarity available on the digital channel, covering a wide range of segments Individual customers (high income, retail and others), Legal entities (micro and small companies, middle, upper middle and Corporate) and Public Sector.

¹ Data of December 31st, 2019.

Seeking to expand its scope of digital activity and explore alternatives for offering products to the public not served by Banco do Brasil channels, on September 10th, 2018, BB Corretora started to participate in the share capital of Ciclic Corretora de Seguros SA, through of an investment of R\$ 20.2 million, in a partnership with PFG do Brasil 2 Participações, (subsidiary of the North American Principal Financial Group), which will extend until 2032, for product distribution through digital channels.

The operation began with a pension plan product and, in the process of selecting products for portfolio expansion, criteria were established that consider: (i) potential of product cash generation; (ii) market analysis; (iii) digital maturity; (iv) operational criticality; and (v) CPC – cost per click. The segments were divided into 4 major areas of protection for an individual: (i) his life and that of his loved ones; (ii) their displacement; (iii) their achievements; and (iv) their future. Thus, in addition to the maintenance of the pension plan product in the portfolio, were included: travel insurance, home assistance, junior pension plan and mobile insurance.

Considering that it is a lean company, Ciclic has a very agile product distribution and customer relationship dynamics, using data analysis tools and concepts such as *Test and Learn*, in which it is possible to quickly launch a product , test its various variables and adjust it in different ways at a low cost.

It should be noted that data intelligence assets aimed at the business, agile methods of portfolio management and a focus on generating value and customer experience are expected to raise the quality in identifying the consumption profile for Ciclic solutions, allowing customization of the journey , offering targeted at appropriate communication channels, *cross-selling*, *up-selling* and identification of potential new markets.

Such competencies allow Ciclic to also be exploited as a platform for research, development, innovation, being an environment for testing solutions and allowing the transfer of acquired knowledge to other BB Seguridade conglomerate operations and companies.

Highlights 2019



37,689

clients



R\$8.6 million

revenue

Ciclic

Seguros ▾ Saúde Protegida Previdência Privada Empréstimos ▾ App Seja um Parceiro A Ciclic ▾

What do you want to protect?

- Seguro Residencial
- Seguro Celular
- Seguro Viagem
- Saúde Protegida
- Empréstimo com Garantia
- Previdência Privada

Saúde Protegida Ciclic

Novo
A PARTIR DE R\$ 29,90 /MES

Tier médico disponível 24h por dia vale muito, mas não precisa custar tanto.

- Contrate em 3 cliques e fale com um médico na hora
- Telemedicina 24h (consulta médica por vídeo), limitada
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Plataforma de proteção 100% digital da **BB Seguros**

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INVISTA COM CARTÃO DE CRÉDITO

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Financial Performance



The analysis of BB Seguridade's economic and financial performance shows the results of the strategic decisions taken. Additionally, through this analysis, it is clear how these decisions impacted the distribution of results among the various stakeholders.



Macroeconomic Scenario

The year 2019 was marked by a high level of volatility and uncertainty, both in the external and domestic environment. This resulted in significant impacts on emerging market asset prices, which fluctuated throughout the year.

The escalation of trade tensions between the United States and China was the central element of this scenario and negatively impacted both the financial environment and the outlook for global growth. Despite the forwarding of a partial agreement at the end of the year, there are other strategic elements related, for example, to technological hegemony, with the potential to continue bringing volatility to the markets in 2020.

On the European continent, negotiations for the UK's exit from the European Union continued on the international stage and collaborated to increase risk aversion in global financial markets. In this context, major central banks around the world have resumed expansionary monetary policies and contributed to some extent to prevent a more intense slowdown in global activity.

Despite price volatility, overall, the year was relatively favorable to some commodity groups. The prices of goods linked to the energy and food sector ended the year above that seen at the end of 2018. Although the metal price has shown a reduction trajectory, some specific items were valued, such as iron ore. Therefore, the behavior of prices of agricultural commodities, energy and iron ore grew by neutral to positive for Brazil, given the importance to our export portfolio.

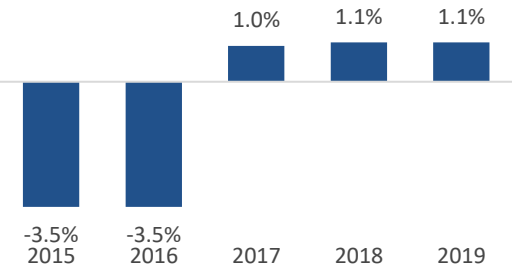
Still in the domestic scope, the uncertainties regarding the progress of the reform agenda, especially the pension plan, concentrated the attention of the markets in most of the first half. In addition, the Brumadinho disaster and the Argentine crisis were factors that ended up hurting the dynamism of the Brazilian economy, leading to continuous reviews of growth expectations for 2019. As of the second half of the year, reflecting a combination of structural factors (approval of the pension reform in the first round) and cyclical factors (effects of broadly expansionary monetary policy and temporary mechanisms to stimulate consumption), economic activity started to show signs of acceleration, encouraging a new round of growth reviews.

In this context, the primary deficit of the public sector closed 2019 at R\$ 61.9 billion, less than half the goal of R\$ 132 billion initially set by the government. This result can be explained by the extraordinary revenues and difficulties in the execution of expenses after discontenting measures. This fiscal policy consolidation path was an important factor for the Central Bank to reduce the target for the Selic Rate, which reached its lowest historical level, closing at 4.50% in 2019.

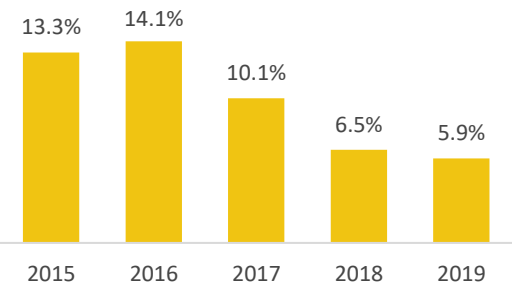
Of course, benign inflation behavior for most of the year was the determining factor for the Central Bank to continue to reduce the Selic rate. Even with the rise in food prices in the last months of last year (influenced especially by the behavior of animal proteins), the Broad Consumer Price Index (IPCA) closed 2019 at 4.3%, marginally above the target of 4.25% established by the National Monetary Council (CMN).

The fall in the interest rate, the resumption of activity and the reduction in the unemployment rate boosted consumption and the total balance of the credit portfolio. The recovery of the real mass of wages and the acceleration of the hiring of formal jobs contributed to this dynamic. In addition to the performance in the operations of the traditional banking system, direct financing to companies via capital market maintained an expressive pace of growth, exceeding two digits. The reduction of interest on the domestic market and the contraction of the BNDES portfolio were determining factors for this movement.

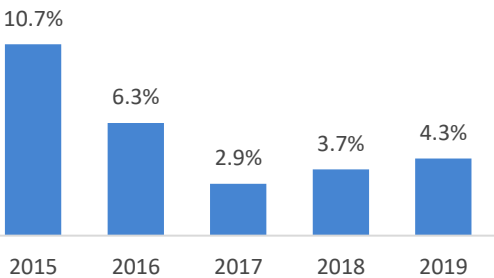
In terms of prospects, at the beginning of 2020 the expectation was of continuity of global economic growth, although showing some slowdown compared to 2019. For the Brazilian economy, the scenario was relatively more optimistic, with projections for the evolution of GDP standing around 2.5%. However, the emergence of an epidemic in China and its subsequent spread to other countries significantly changed the scenario for the level of global activity.



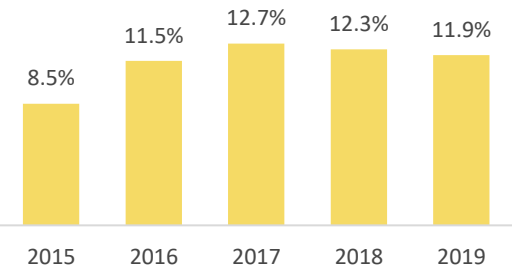
Average Selic Rate



IPCA



Unemployment rate



Security market and Trends¹

Grey 102-15

In recent years, even in the face of the recession that the country went through, the insurance market has maintained a growth trajectory. In 2018, after the recession passed, the sector showed a decrease of only 1.6% in the volume of premiums written, open pension contributions and premium bonds collections, according to data provided by the Superintendence of Private Insurance (SUSEP).

The year 2019 was marked by a strong recovery of the insurance industry, which again recorded double-digit growth (+10.9%) in the volume of premiums and collections of pension plans and premium bonds, although the recovery of economic activity occurred at a slower pace than expected by the agents at the beginning of the year.

In the demographic field, behavioral patterns continued to present changes resulting from new family arrangements, changes in life expectancy and birth rate and digital nativity. The behavioral revolution provided by mobile and social platforms continued to empower consumers, who will increasingly demand fast solutions that provide a good experience in a simple, immediate and safe way.

Changes in consumer behavior will continue to promote changes in protective business models. The spread of a niche culture and customization make room for the industry to create increasingly flexible and adaptable products. The characteristics of the new super consumer will make the price gradually cease to be the predominant factor in the choice, leading the experience to be the main differentiator of a brand.

In the coming years, new digital revolutions will bring challenges and open opportunities for the insurance business. 5G mobile internet, internet of things, autonomous cars, cities and smart technologies are some examples of transformations that tend to make the environment even more competitive.

The speed of human and digital interactions, the understanding of the world as an immense global village, brings the urgency so that the current models of scenarization can introduce, in addition to several themes, including those related to the environment (climatic events etc.), projections that take into account the possibility of events related to epidemiological issues, including pandemics.

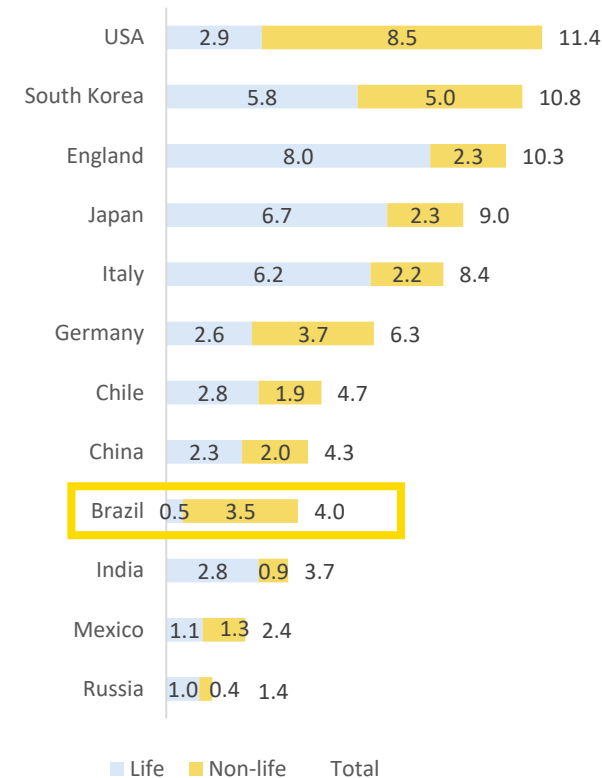
Macro environment trends:

- Accelerated ageing of the population
- Search for better quality of life
- Rise of the shared economy
- Expanding the digital economy
- Accelerated transition of generations, with behavioral changes and consumption habits
- Raising the educational level and increasing consumer demands
- Internationalization of investment portfolios

Sectoral trends:

- Rise of new digital business models such as Insurtechs and OpenBanking
- Strengthening multichannel distribution
- Higher qualification of intermediation
- Increasing the importance of ancillary services
- Improving customer risk assessment
- Growth of shared insurance (*peer-to-peer*)
- Market expansion with pension reform
- Social Security as a generator of wealth in the long term

Insurance penetration in GDP



Source: SUSEP and Swiss Re-Sigma (position on Dec/19)

Performance

Grey 102-45 • 201-1

As a holding company, BB Seguridade's net income is basically comprised of equity income, calculated based on the results of its investees, and the Company's other operating and financial income and expenses. Much of this result comes from BB Corretora and insurance and pension operations.

The gains generated by the reformulation of the business model, both by internal reorganization and by the divestment movement of non-strategic assets are evident in the analysis of the 2019 result.

Efficiency in capital allocation

The process of divesting non-strategic assets resulted in R\$5.4 billion, between gain and refunds, of capital returned to shareholders in the period 2017-2019, mainly provided by the sale of the participation in IRB, restructuring of the partnership with MAPFRE and Brasilseg's capital reduction. Thus, in addition to the reduction in excess cash, the capital allocated in the operation of BB Seguridade, in the form of its shareholders' equity, ended the 2019 financial year at R\$ 5.2 billion, 36.7% lower than in 2016, before starting these movements.

Cash generated by divestment of non-strategic assets	R\$ billion
Disposal of the corporate interest in the IRB	3.0
Restructuring of the insurance operation partnership with MAPFRE	2.4
Total	5.4

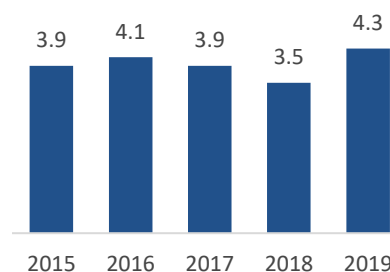
Results

With a leaner operation, more focused on businesses with greater potential for generating economic value and more predictable, BB Seguridade's adjusted net profit grew 21.3% in 2019, reaching the mark of R\$ 4.3 billion, the largest recurring net income in the company's history.

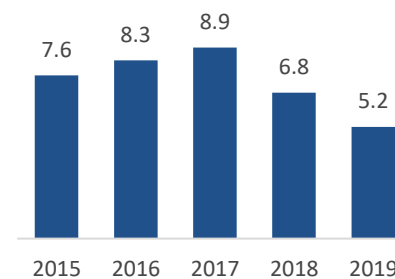
The result was driven by the expansion of sales, with an increase in brokerage revenues and improvement in the operating margin of BB Corretora, as well as by the growth of earned premiums and reduction of the loss ratio in Brasilseg.

The financial result of Brasilprev also contributed significantly to the growth of the total result, benefited by the time mismatch in the inflation indexes that accrue to assets and liabilities of defined benefit pension plans.

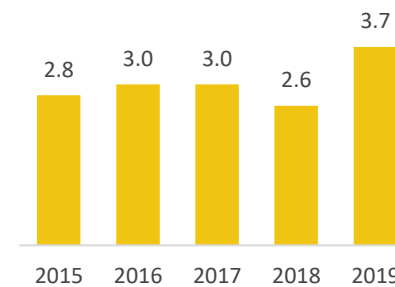
Recurring Net Profit (R\$ bi)



Shareholders' equity (R\$ bi)



Added economic value¹ (R\$ bi)



¹ calculated on the basis of recurring profit

R\$ million	2018	2019	Var. 19/18
Equity income	3.482	4.217	21.1%
BB MAPFRE SH1 (current Brasilseg)	910	1.061	16.6%
MAPFRE BB SH2	(15)	-	-
Brasilprev	742	1.045	40.8%
Brasilcap	75	67	(10.4%)
IRB	188	119	(36.9%)
Brasildental	12	14	18.3%
BB Corretora	1.613	1.913	18.6%
Others	(42)	(2)	(96.4%)
Personnel expenses	(11)	(10)	(8.3%)
Administrative expenses	(5)	(4)	(32.2%)
Tax expenses	(8)	(9)	12.6%
Other operating income and expenses	0	0	-
Net investment income	126	156	23.8%
Taxes	(35)	(45)	30.7%
Adjusted Net Income	3.549	4.306	21.3%

Performance by business line

GRI 201-1

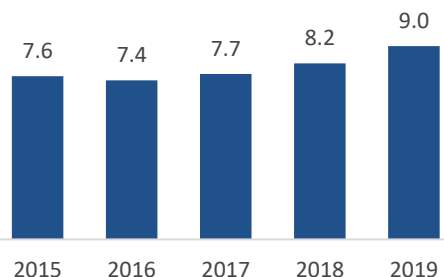
Brasileg

In 2019, the premiums written totaled R\$ 9.0 billion, volume 10.0% higher than recorded in 2018. The performance in the year was supported by the increase in credit life insurance (+44.1%), rural (+11.5%) and mortgage life (+6.8%).

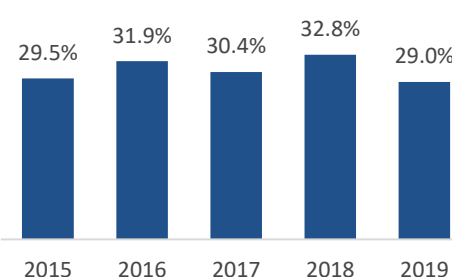
The recurring net profit grew by approximately 16.0%, justified by the improvement in the loss ratio partially offset by the reduction in the financial result.

It is worth mentioning that 2019 and 2018 are not directly comparable due to the corporate restructuring completed in November 2018.

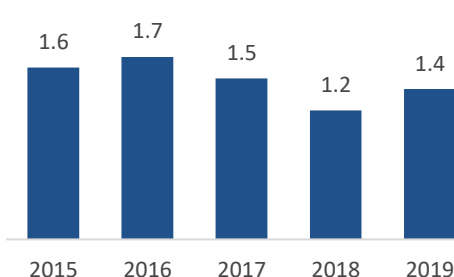
Premiums (R\$ bi)



Loss ratio



Net Income (R\$ bi)

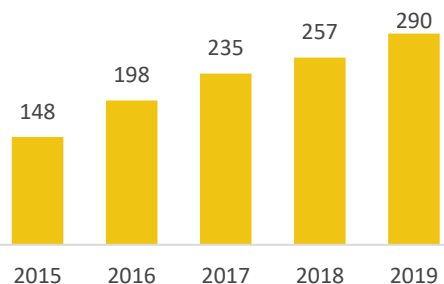


Brasilprev

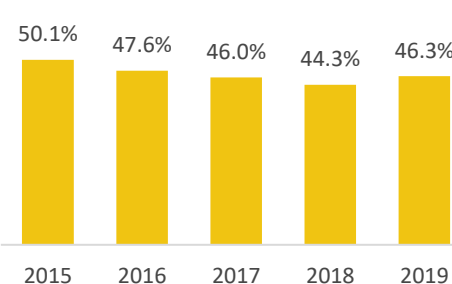
In the pension segment, net income grew 40.8% in 2019, reaching R\$ 1.4 billion. The performance in the period was supported by the strong growth of the financial result, motivated by the favorable dynamics of the inflation indexes that accrue to financial assets and liabilities tied to the defined benefit plans. The non-interest operating income contracted 2.0%, impacted by the exemption of the load fee in P/VGBL plans, although revenues with management fee increased 8.4%.

Total pension and insurance contributions grew 21.5% and reached R\$ 42.0 billion in 2019. Pension reserves expanded by 12.9%, totaling R\$ 289.8 billion at the end of 2019.

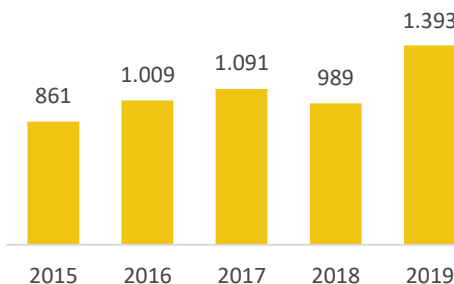
Reserves (R\$ bi)



Cost to Income Ratio



Net Income (R\$ mm)

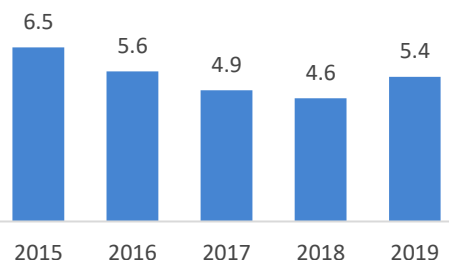


Brasilcap

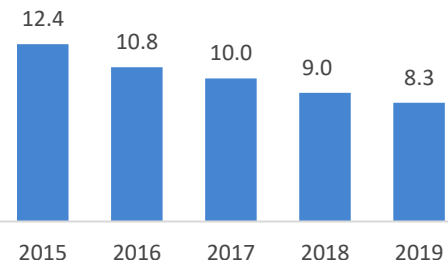
The net income of the premium bond segment, operated by Brasilcap, contracted 10.4% in 2019, due to the 34.1% increase in the acquisition costs and the lower results with lottery, effects that were partially offset by the 4.7% increase in financial result and a lower effective tax rate.

Premium bonds collection grew 16.7% in 2019 and totaled R\$ 5.4 billion, driven by the increase in the average collection with single payment bonds. Reserves ended the year with a balance of R\$ 8.3 billion.

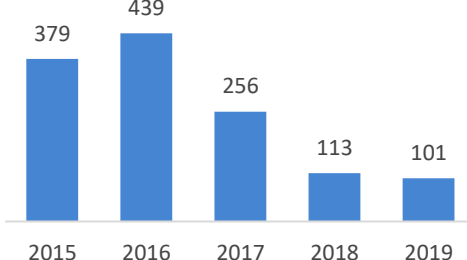
Collection (R\$ bi)



Reserves (R\$ bi)



Net Income (R\$ mm)



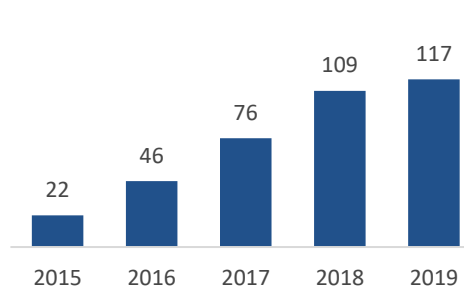
Performance by business line

GRI 201-1

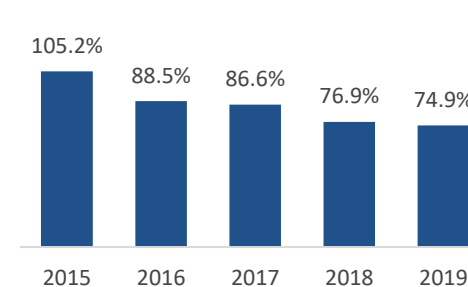
Brasildental

In the segment of dental care plans, operated by Brasildental, gross operating revenue totaled R\$120.0 million in 2019, an evolution of 4.6% compared to 2018. The EBITDA margin grew 2.0 p.p. and reached 25.1%, allowing the company's net income to advance 18.3% in the year. The total number of beneficiaries reached the mark of 540 thousand in 2019, a reduction of 3.5% compared to the previous year.

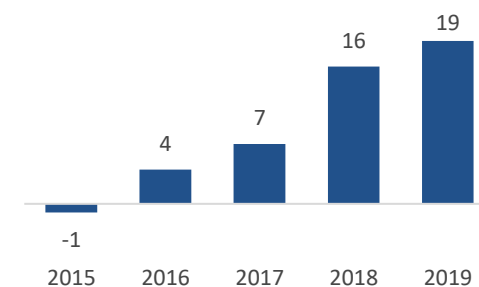
Net revenue (R\$ mm)



Combined ratio



Net Income (R\$ mm)

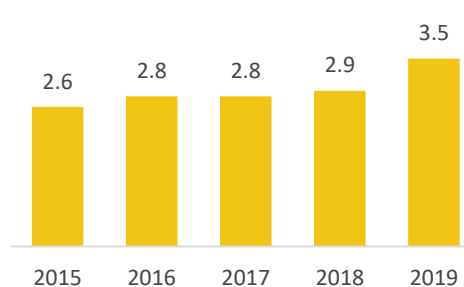


BB Corretora

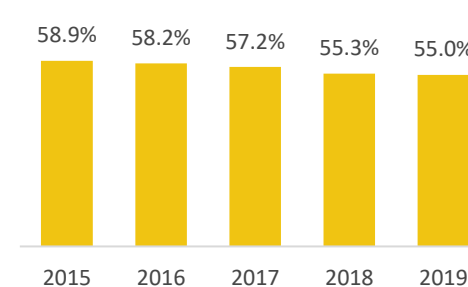
BB Corretora recorded net income of R\$1.9 billion in 2019, growth of 18.6% in the year. The performance is explained by the increase of 19.1% in brokerage revenues, the improvement of 0.2 p.p. in operating margin and the evolution of 4.9% in financial result.

The growth of brokerage revenues in 2019 was impacted by the accounting of R\$446.5 million as a performance bonus related to exceeding the commercial targets of the credit life and credit life for farmers, while in 2018 these revenues amounted to R\$ 276.1 million, relating to the period from April to December, as agreed within the framework of the renegotiation of the partnership with MAPFRE.

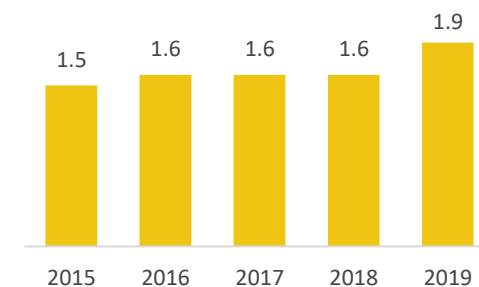
Revenues (R\$ bi)



Net margin



Net Income (R\$ bi)



Return to the shareholder and creation of value for society

GRI 201-1

Return to shareholders

In line with its strategic objectives, BB Seguridade seeks to allocate the invested capital as efficiently as possible in order to maximize the generation of economic value in the long term.

This commitment is evidenced by the appreciation of the shares, the increase in the payment of income and the return of capital to shareholders, when the minimum remuneration required above the cost of capital is not reached

The total accumulated return for shareholders, which includes the sum of the income paid and the appreciation of the shares, since the IPO in April 2013 until December 2019 amounted to 232.3%.

Dividend

Dividends paid to shareholders come largely from the flow of dividends and interest on equity received from invested companies. For the 2019 financial year, R\$ 8.3 billion was distributed, with R\$ 5.6 billion relating to net income for the year and R\$ 2.7 billion as capital return to shareholders.

Creating value for society

Within the scope of creating value for society, in 2019 BB Seguridade and the sum of its holdings generated R\$ 26.3 billion in added value¹, as shown below in the *pro forma* Statement of Added Value, which measures the wealth generated by an organization for society.

Consolidated Statement of value added (*pro forma*)¹

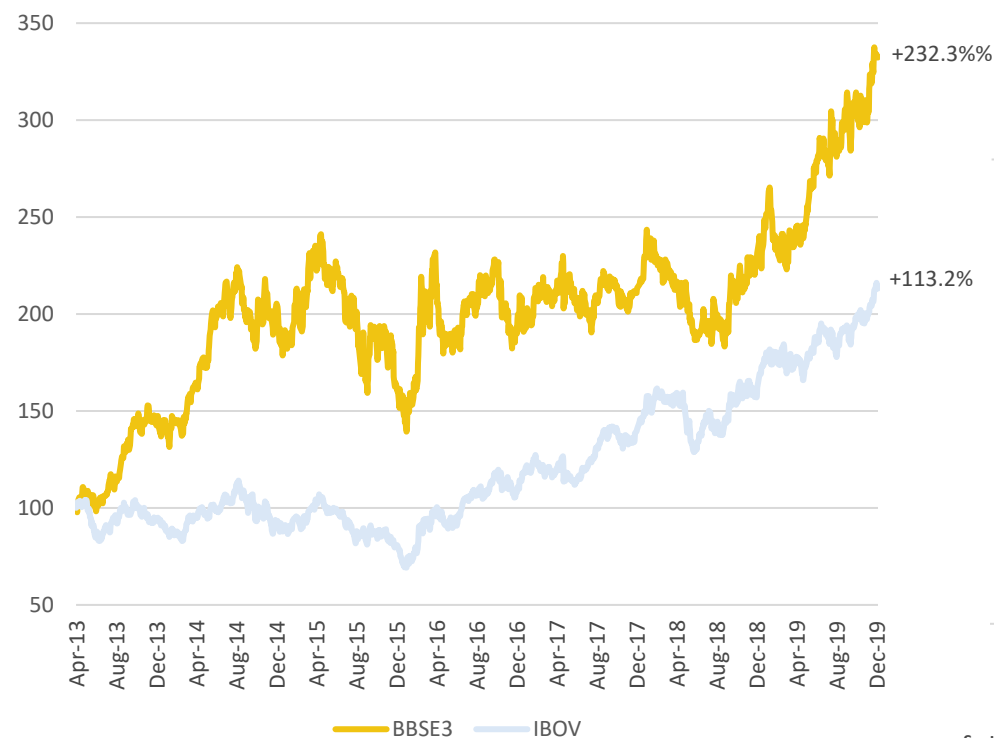
R\$ million	2018	2019
Revenues	11.715	16.101
Inputs acquired from third parties, depreciation and amortization	(5.905)	(6.667)
Net value added produced	5.810	9.434
Added value received on transfer	12.294	16.897
Total value added to be distributed	18.104	26.331

¹The DVA *pro forma* also aggregates the DVAs of companies recognized by the equity method in the proportion held by BB Seguridade.

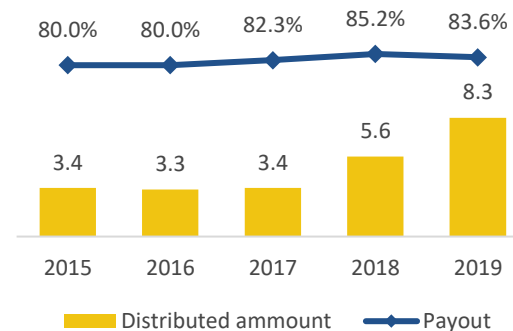
Distribution of added value (*pro forma* consolidated view)¹

R\$ million	2018	%	2019	%
Distribution of added value	18,104	100.0	26,331	100.0
Personnel and equity income	355	2.0	379	1.4
Taxes, fees and contributions	3,127	17.2	4,206	16.1
Remuneration of third parties	11,083	61.2	15,087	57.3
Dividends	2,911	16.1	5,569	21.1
Retained earnings for the year	628	3.5	1,090	4.1

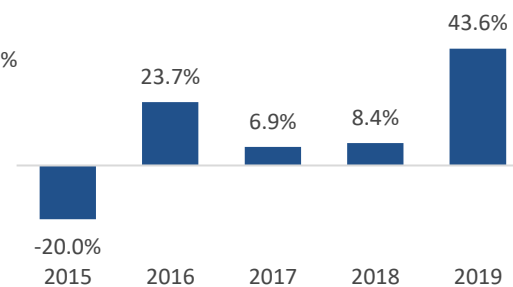
Valuation of BBSE3 vs Ibovespa shares



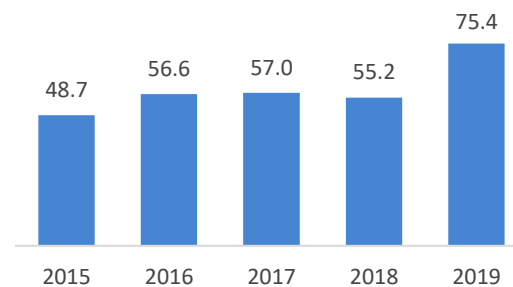
Flow to the shareholder (R\$ bi)



Total return to shareholder



Market value (R\$ bi)



Transactions with Related Parties



BB Seguridade reinforces its commitment to the protection of the interests of minority shareholders through the related party transactions Committee, which assesses these transactions prior to their submission to the approval stream, this submission being possible only with the favorable vote of the independent member indicated by the minority shareholders.

Transactions with Related Parties

GRI 102-18

BB Seguridade group carries out banking transactions with its controller, Banco do Brasil, such as checking account deposits (unpaid) and financial investments. There is also an agreement between the parties for apportionment/reimbursement of expenses and direct and indirect costs.

Transactions with related parties are conducted in accordance with the recommendations of the Brazilian Code of Corporate Governance and occur under normal market conditions, substantially under the terms and conditions for comparable transactions, including interest rates and guarantees. These operations do not involve abnormal risks of receipt.

The absence of qualification or emphasis in the Audit Report referring to the financial statements of 12.31.2019, by the Independent Auditor, shows that there are no relevant points of concern regarding the conditions in which these transactions were and remain signed.

The BB Seguridade group does not grant loans to its Directors and members of the Fiscal Councils.

More information on the relevant contracts signed with the controller, controlled and affiliated companies, other related parties and key management personnel, as well as the amounts involved, can be found in Section 16 of the Reference Form, available at:

<http://www.bbseguridaderi.com.br/pt/publicacoes-e-comunicados/formularios-de-referencia>

Related Party Transaction Policy

In compliance with the best corporate governance practices and in adherence to the specifics of its business model, the Board of Directors of BB Seguridade approved, on 12.18.2019, the revision of the Policy on Related Parties Transactions.

This policy aims to give transparency to the Company's shareholders, investors and the market in general and objectively defines concepts about related parties and related party transactions, as well as establishing minimum requirements for disclosure of information about these transactions.

More details can be found in the Policy on Related Parties Transactions, which can be consulted at www.bbseguridaderi.com.br/pt/governanca-corporativa/estatuto-politicas-e-codigos and in the Internal Regulations of CTPR, at www.bbseguridaderi.com.br/pt/governanca-corporativa/comite-de-transacoes-com-partes-relacionadas

Related party transactions committee

A permanent governance body whose task is to assess all relevant transactions between related parties prior to their submission for approval, including revisions and termination of contracts, with a

prerequisite being the favorable vote of the member appointed by the minority shareholders.

It consists of three members, elected and dismissible by the Board of Directors, including an independent member, who will be the Independent Director of the Board of Directors elected by the minority shareholders or, in the absence of this, a member appointed by minority shareholders.

More details about the The Related Party Transactions Committee can be obtained in the Bylaws, article 32, available at:

<http://www.bbseguridaderi.com.br/pt/governanca-corporativa/estatuto-politicas-e-codigos>

Alignment of Corporate Governance with Good Market Practices



BB Seguridade adopts transparency, equity, accountability and corporate responsibility as guiding principles of governance architecture and business practices. Purpose evidences of this orientation are the adherence to B3's Novo Mercado and the certifications in the IGSet and Destaque em Governança de Estatais (Outstanding in State Owned Governance) programs.

Governance agencies

GRI 102-18

The Company is committed to the highest standards of corporate governance through voluntary adherence to the Novo Mercado and the Featured Program in Governance of State-Owned Companies in Brasil, Bolsa, Balcão ("B3").

Since 2018, BB Seguridade has been certified in the Programa Destaque em Governança de Estatais (PDGE) by B3. In 2019, it obtained, again, the Level I Governance Seal (IG-SEST), reaching, in the two cycles in which it participated, a maximum score (Grade 10) in all criteria evaluated by the State Companies Coordination and Governance Secretariat (SEST)) of the Ministry of Economy. This recognition is the result of several improvements in the Company's internal governance structure and practices.

In the corporate context, equality among shareholders is highlighted as a non-negotiable value inscribed in the Bylaws, ensuring representativeness to minorities on the Fiscal Council, the Board of Directors, the Audit Committee and The Related Party Transactions Committee ("CTPR").

General Meeting of Shareholders

The General Meeting, convened and installed in accordance with the legal and statutory requirements, has the power to decide all business related to the company's corporate object and to take resolutions that it deems appropriate for its defense and Development (Law 6.404/76, Art.121).

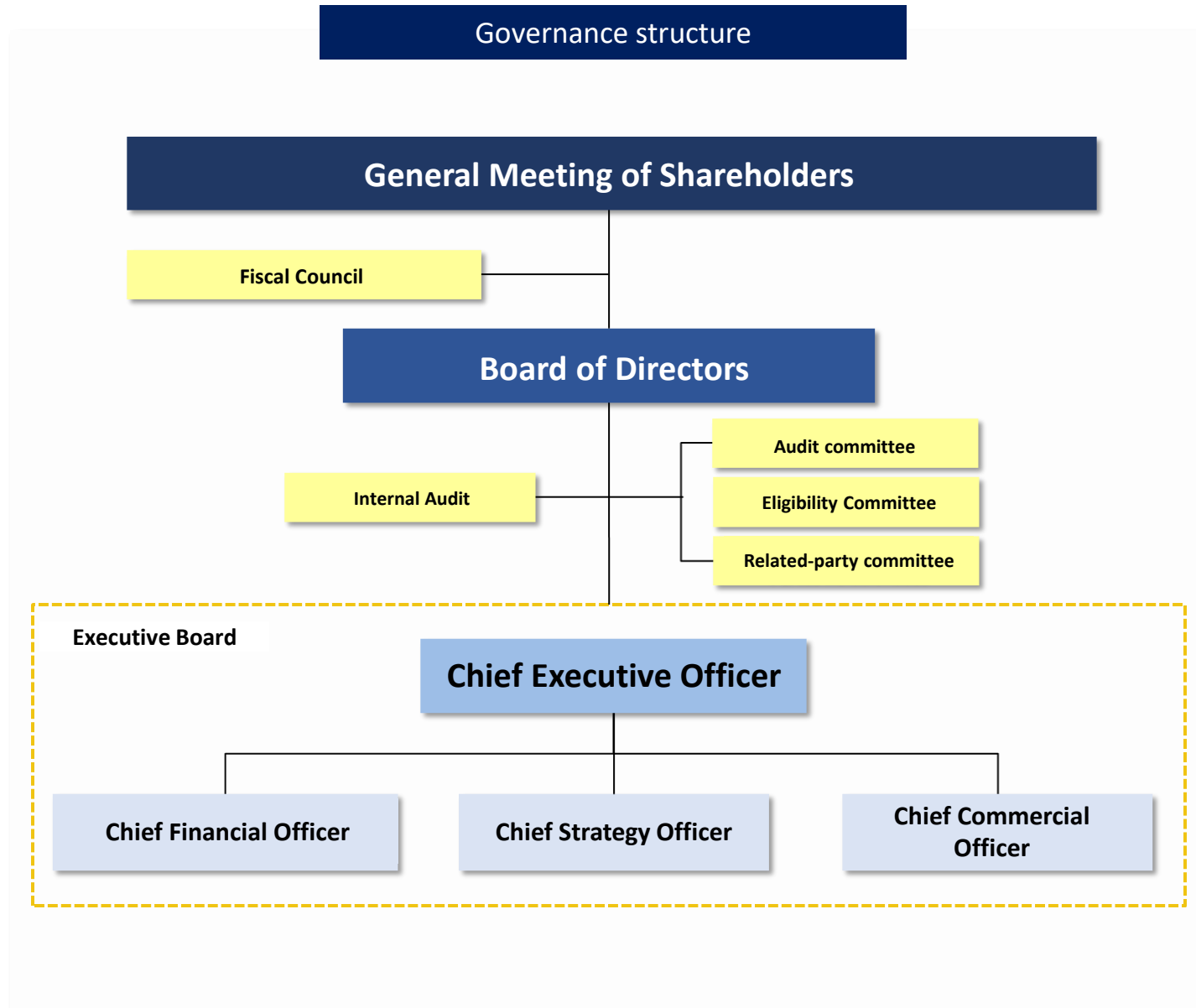
The Meeting ordinarily happens once a year, within four months after the end of the fiscal year, and extraordinarily, whenever social interests so require, observing the legal requirements in force. Since 2017 BB Seguridade adopts proxy voting at its ordinary and Extraordinary General Meetings facilitating the participation of all its shareholders.

More details on the General Meeting can be obtained in the Bylaws, articles 8 to 10.

Fiscal Council Committee

Permanent body responsible for supervising the acts of the directors, verifying the fulfillment of their legal and statutory duties to report to the members in relation to the accounts and the legality of the acts of management. Its purpose is to preserve the value of the organization, meeting the requirements of the public good and the social function of the Company. It is composed of three effective members and an equal number of observers, being an effective member of the Fiscal Council and its respective observer appointed by the minority shareholders, in the form of the Brazilian Business Corporation Act.

More details on the Fiscal Council can be obtained in the Bylaws, articles 37 to 39.



Executive Board

GRI 102-18

Board of Directors (BD)

Independent body and collegial decision meeting ordinarily once a month, becoming the highest governance body of BB Seguridade. The members of the BD are elected by the General Shareholders' Meeting and the positions of President and Vice-President cannot be combined with the position of Chief Executive Officer, even if on an interim basis. The chairman of the BD does not exercise any executive function in the Company.

GRI 102-23

The agency is made up of a minimum of seven and a maximum of eight members, with minority shareholders being guaranteed the right to elect at least one board member, if a greater number does not belong to them through the multiple voting process. At least 25% of BD members will be independent. More details on the Board of Directors can be obtained in the, bylaws, articles 11 to 21.

Composition of the Board of Directors on August 31st, 2020:



Carlos Motta
Chairman

Chief Retail Officer at Banco do Brasil. He has been an employee of BB since 1986, where he was head of the Business Unit for Individuals, Corporates and Agro, state superintendent of retail in Bahia, executive manager of Strategy and Organization and of Southeast Distribution. He holds a bachelor degree in business administration with an MBA in business management.



Mauro Ribeiro
Vice-President

Chief Corporate Officer at Banco do Brasil. He held the position of director of the Department of State Governance and Evaluation in the Secretariat of coordination and governance of State Enterprises. He served as a member of the Market Advisory Chamber of State Governance at B3 and in the same period was a member of the executive group of the Interministerial Commission on corporate governance (CGPAR). He graduated in law, L. L. M. in Business Law and Master in Constitutional Law.



Bernardo Rothe
Member

He served as Chief Financial and Investor Relations Officer at BB, an institution in which he joined in 1982. At BB, in addition to the role of CFO, he held the position of Head of Investor Relations, Executive Manager of Equity and M&A, Private Equity and Head of BB subsidiary of in New York. He holds a bachelor degree in management processes and has basic General Training for senior executives, MBA in capital market and Trium Global Executive MBA, joint program between New York University, London School of Economics and HEC Paris.



Claudio Seefelder
Member

He served as Deputy Attorney General for Tax Consultancy and Litigation at Procuradoria Geral da Fazenda Nacional - PGFN between 2016 and 2019, and General Coordinator of Tax Litigation at PGFN between 2013 and 2016. He holds a law degree, a postgraduate degree in Tax Law and Public Finance and a master's degree in Tax Law and Economic Development.



Bruno Dalcolmo
Member

Working as secretary of the Ministry of Economy since January 2019. He has a degree in International Relations, with a specialization in Public Policy and Government Management and a Master in International Economic Policy.



Isabel Ramos
Independent Member

Equities strategist at OCCAM Brasil Gestão de Recursos since 2018, having worked at Vertra Capital, Leste Investments, XP Asset Management and Nova Investimentos. She is a Civil engineer and has an MBA in Finance.



Arnaldo Vollet
Independent Member

Member of the Board of Directors of INVEPAR since May 2017. He was a member of the Board of Directors of CPFL Energia, a member of the Audit Committee of Caixa Econômica Federal and a Fiscal Member of Vale. He graduated in mathematics with an MBA in Finance.

Advisory agencies to the Board of Directors

GRI 102-18

Audit Committee (COAUD)

Permanent body dedicated to advising the Board of Directors, notably on the supervision of: i. independent auditors; ii. internal audit; iii. internal controls and risks area and iv. area responsible for preparing the Company's financial statements.

The committee will consist of up to five effective members, observed, in any case, that the majority is independent. The audit committee must comprise at least one independent board member and one member appointed jointly by the Board member (s) representing the minority shareholders. The other members will be appointed collectively by the Board of Directors.

More details about the Audit Committee can be obtained in the Bylaws, articles 30 to 31.

Internal Audit

A permanent body, Internal Audit is linked to the board of directors and is responsible for assessing the adequacy of internal controls, the effectiveness of risk management and governance processes and the reliability of the process of collecting, measuring, classifying, accumulating, recording and disclosing events. and transactions, aiming at the accuracy of the processes that generate the base information for the financial statements.

It is the responsibility of the Audit Committee to recommend to the board of Directors the appointment, replacement or dismissal of those responsible for Internal Audit.

More details on the Internal Audit can be obtained in the Bylaws, article 35.

Independent Audit

The authorization and approval of the hiring of independent auditors is the competence of the highest governance agency of BB Seguridade, its Board of directors, advised by the Audit Committee. COAUD has to give its opinion on the hiring, dismissal and replacement of the independent Auditor, as well as the supervision of his work.

The exercise of Independent Audit is regulated by the Accounting Profession Law, established by Decree Law No. 9.295/46, by the Brazilian Securities and Exchange Commission ("CVM") Instruction 308 of May 14th, 1999, which provides for the registration and the exercise of independent auditing activity in the scope of the securities market, by the regulation of the exercise of professional activity issued by the Federal Accounting Council (CFC) and by the technical guidelines from the Institute of Independent Auditors of Brazil (IBRACON).

Eligibility Committee

Permanent agency dedicated to providing opinions, in order to assist shareholders, on: i. appointment of administrators, members of advisory committees to the Board of Directors and Fiscal Council members; ii. fulfillment of requirements and the absence of restrictions for the respective elections; and iii. Compliance with the evaluation process of the administrators, of the members of the advisory committees to the Board of Directors and of the Fiscal Council Members.

The Eligibility Committee is composed of three members, elected and removed from office by the Board of Directors, being: one member chosen from among the members of the Board of Directors; one member chosen from among the members of the Audit Committee who is not a member of the Board of Directors and one member chosen from among the members of BB Seguridade's Executive Board.

More details about the Eligibility Committee can be obtained in the Articles of Incorporation, article 33.

The Related Party Committee (CTPR)

A permanent body whose task is to assess all relevant transactions between related parties prior to their submission for approval, including revisions and termination of contracts, with a prerequisite being the favorable vote of the member appointed by the minority shareholders.

It consists of three members, elected and dismissible by the Board of Directors, including an independent member, who will be the Independent member of the Board of Directors elected by the minority shareholders or, in the absence of this, a member appointed by minority shareholders.

More details about the The Related Party Committee can be obtained in the Bylaws, article 32.

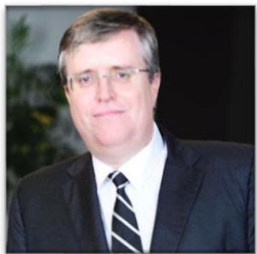
Governance agencies

GRI 102-18

Executive Board

The Board is composed of four effective members, residing in Brazil, being necessarily a Chief Executive Officer, an Investor Relations Officer and the others without specific designation. All directors of the Company must be elected from among the active employees of Banco do Brasil. The Chief Executive Officer is a member of the Board of Directors and is barred from acting as chairman or Vice-chairman of the board. More details on the Board of Directors can be obtained in the Bylaws, articles 11 to 13 and 22 to 29.

Composition of the Executive Board as of August 31st, 2020:



Bernardo Rothe
Chief Executive Officer

He served as Chief Financial and Investor Relations Officer at BB, an institution in which he joined in 1982. At BB, in addition to the role of CFO, he held the position of Head of Investor Relations, Executive Manager of Equity and M&A, Private Equity and Head of BB subsidiary of in New York. He holds a bachelor degree in management processes and has basic General Training for senior executives, MBA in capital market and Trium Global Executive MBA, joint program between New York University, London School of Economics and HEC Paris.



Pedro Bramont
Chief Strategy,
Technology and Clients
Officer

He has held, since 2014, the position of executive manager of Finance and Planning at BB Seguridade. He served as Planning and Strategic Manager at Banco do Brasil, in addition to advising on a series of strategic projects such as the establishment of the Elo Brand and the acquisition of financial institutions by BB. He was also Superintendent of Planning, Strategy and Marketing at Banco de Santa Catarina. Graduated in Administration and Engineering, holds a Master's Degree in Knowledge Management and IT.



Erik Breyer
Chief Financial Officer

Before taking office at BB Seguridade, he held the position of managing director of Capital Markets and infrastructure at Banco do Brasil. In his career, he already held the positions of CEO and CFO of Invepar, CFO of Neoenergia, CFO of Coelba - Companhia de Eletricidade do Estado da Bahia and CFO of Itapebi Geração de Energia. He was also a member of the Boards of Directors of several companies, including Eletropaulo, AES Tietê, Alog Data Centers, Metro-Rio, GRU Airport and Cremer. Graduated in Law, holds a Master's in Business Strategy, as well as an MBA in Finance and Capital Markets and in Business Management.



**Reinaldo Kazufumi
Yokoyama**
Chief Commercial Officer

Career employee at Banco do Brasil, where since 2016 he held the position of Distribution Managing Director. At BB, he also held the positions of Agribusiness Managing Director, State Superintendent and Executive Manager. Graduated in Administration, specializing in Controllershship and Financial Management, MBA in Marketing and Executive MBA in Advanced Business Management.

Remuneration

Board of Directors

The members of the Board of Directors of BB Seguridade are entitled to a fixed monthly remuneration, defined in the General Shareholders' Meeting, which will not exceed 10% of the average amount paid to the members of the Executive Board, according to Art. 1 of Law 9.292/96.

BB Seguridade's Chief Executive Officer is not remunerated for his role at the Board of Directors. The member of the Audit Committee who is also a member of the Board of Directors, is not remunerated for his work on the Board of Directors and must receive remuneration only from the Audit Committee. An independent member of the Related Party Committee who is also a member of the Board of Directors shall choose the remuneration for only one of the positions.

Executive Board

The management compensation at BB Seguridade is aligned to the individual amount paid to the management of its controlling shareholder, thus following the same Remuneration Policy of Banco do Brasil. In addition, the management's remuneration proposal passes through the screening of the Board of Directors and, subsequently, through the evaluation of the government Governance Secretariat (SEST) prior to its submission to the General Meeting of Shareholders.

The variable remuneration of the Executive Board is defined by the General Meeting of shareholders and shall not exceed 50% of the annual remuneration and not exceed 10% of the net accounting profit for the period and shall be limited to 12 monthly salaries.

The payment of the variable remuneration is given 50% in cash and the other 50% in deferred shares in 4 annual installments.

D&O

The Directors and the Member of BB Seguridade is insured by a policy of Liability Insurance for Member, Directors and Administrators - D&O of Banco do Brasil, its controller, whose object is to guarantee to the insured, worldwide, the reimbursement of the indemnities that are obliged to pay, by way of reparation, by a final judicial decision, as a result of an arbitration court, or by agreement with the injured third parties, when liable for damages caused to third parties, as a result of involuntary actions or omissions, not intentional, practiced in the exercise of their functions.

Remuneration

in R\$	2018	2019
Employee		
Lower salary	6,968.88	7,269.24
Higher salary	36,362.88	37,930.12
Average salary	14,556.40	14,979.54
Management		
Chief Executive Officer	61,564.83	61,564.83
Other executives	52,177.45	52,177.45
Members		
Board of Directors	5,906.80	5,906.80
Fiscal Committee	5,906.80	5,906.80
Audit Committee	9,868.90	9,868.90

Executive Board - Variable Remuneration Program 2019

Indicator	Weight
Return on Average Equity	50%
Cost to income ratio	10%
NPS client	10%
Compliance - Secretariat for Coordination and Governance of State-Owned Enterprises	5%
Executive Board Performance	5%
Individual goals and assessments	20%

Ethics and integrity



BB Seguridade assumes and publishes its commitment to ethical and integral practices.

Risk Management Governance

GRI 205

BB Seguridade has processes for identifying and assessing risks that will comprise the set of risks relevant to the Company, which are presented in the form of risk factors and include the risks arising from its interests in subsidiaries and investees.

BB Seguridade has a Risk Management, Internal Controls and Compliance Policy that is approved by the Board of Directors and aims to establish the guidelines related to risk management, internal controls and compliance of BB Seguridade, under the terms of the legislation and applicable regulations, covering two performance dimensions: i. at BB Seguridade and controlled companies; and ii. in related companies.

As defined in this policy, BB Seguridade formalizes its Integrated risk management, internal controls and compliance model through specific documents, approved in the Company's competent branches, which include the guidelines for risk appetite and definition of relevant risks, as well as the processes for identification, analysis, evaluation, treatment and communication of risks. The inventory risks are described below:

Credit risk

The Financial Investment Policy defines minimum credit rating criteria for the selection of counterparties and the concentration limits to be observed. Among the established guidelines, it is forbidden to carry out transactions whose issuer a) is a directly or indirectly related party, except if transactions with these issuers are carried out under market conditions and in accordance with the Policy on Related Parties Transactions; b) has a history of negative reputation; c) is a privately held company without registration with the CVM, except via non-exclusive Investment Funds, in the Long-Term Portfolio, limited to 2% of the amount invested in the respective fund; and d) state and municipal government debt securities and instruments.

To measure and monitor its exposure to credit risk, the company adopts indicators of limit consumption, concentration and distribution by counterparty rating.

Market risk

The Financial Investment Policy establishes the characteristics of the eligible financial instruments, respective prohibitions and risk limits, using the value at risk (VaR) metric as a management instrument, with a limit for the Portfolio and triggering governance flows and treatment in case of extrapolation. Sensitivity analyzes and stress tests are also carried out to monitor exposure to the risk factors stated in Section 4.2 of the Reference Form.

Within the scope of the Financial Investment Policy, the following are prohibited: a) carrying out transactions in securities and derivatives whose negotiations and records are carried out via an unorganized market; b) acquisition of assets that result in foreign currency risk, variable income risk or leverage; and c) acquisition of derivative instruments, except via Investment Funds whose sole purpose is to protect (*hedge*), and such instruments are monitored monthly and presented to the Finance and Investments Committee.

Operational risk

The Company uses a structured method of Assessing the Effectiveness of Internal Controls (AECI) and Compliance Tests to assess the adequacy of controls and the conformity of processes, with a focus on verifying that the control is properly designed and works effectively. Internal control assessments assist in the identification, assessment and treatment of operational risks.

BB Seguridade also manages operational risk by monitoring operational losses incurred by the Company and its subsidiaries, including losses associated with insurance-related products sold by BB Corretora and assessing complaints about products sold by BB Corretora in different administrative spheres (Banco do Brasil SAC, Bank of Brazil Ombudsman, Procon, Bacen, Susep, among others).

The Company also adopts specific procedures to prevent fraud and illicit activities in the context of bidding processes, in the execution of administrative contracts or in any interaction with the public sector, even if intermediated by third parties, such as payment of taxes, subjection to inspections, or obtaining authorizations, licenses, permissions and certificates. These guidelines are widely disseminated through the Integrity Program, available on the investor relations portal at www.bbseguridaderi.com.br

Liquidity risk

The Financial Investment Policy and The Capital Management Policy define the criteria for allocating resources according to the expectation of time horizon for their use, respecting the capital budget.

Among the main management and control guidelines adopted for liquidity risk, we highlight the monitoring of regulatory solvency and liquidity indicators and the adequacy to the capital requirement to hedge risks in invested companies. In addition, the development of the Company's Capital Plan is carried out in line with the budget and encompasses the expected cash movements for the horizon of at least three years.

To measure and monitor its exposure to liquidity risk, the company adopts equity liquidity indicators and minimum maintenance limits for high liquidity assets.

Risk Management Governance

GRI 205

Reputation risk

BB Seguridade carries out the monitoring of the exposure of the company and its subsidiaries in media and press vehicles and evaluates and addresses the causes that may adversely affect the sustainability of the business, through actions that include the identification of reputational risk events and the elaboration of action plans for the treatment of probable causes of exposure. The Company also adopts internal regulations that establish guidelines for the relationship with the press, definition and orientation of spokespersons and processes for conducting press demands.

Among the control instruments used, BB Seguridade has a Material Act or Disclosure Policy, which regulates the disclosure of information within the scope of the Company and its Subsidiaries, with a series of guidelines established for its various stakeholders, including employees, administrators, and related persons, with the definition of a period of silence and applicable penalties.

In addition, the Integrity Program establishes standards of conduct, code of ethics, integrity policies and procedures, applicable to all employees and administrators and which are extended, when necessary, to third parties, such as suppliers, service providers, intermediaries and associated companies.

Strategy risk

BB Seguridade systematically monitors the performance indicators related to the fulfillment of the goals defined in the Company's budget, the Strategic Planning indicators and the indicators of compliance with the Strategic Investment Policy guidelines. The Company's processes are formalized with the definition of performance indicators adhering to the long-term strategy and to the managers' remuneration models, in order to increase the predictability of reaching corporate objectives.

The organizational structure of risk management

The BB Seguridade Risk Management, Internal Controls and Compliance Model ("Model") proposes the alignment of the risk management structure with the internal control system and uses the Three Lines of Defense Position Statement, published by Institute of Internal Auditors (IIA), in 2013. Each of these three "lines" plays a distinct role within the broader governance structure of the organization.

The first line of defense is formed by the managers and executors of the processes, also called risk owners, responsible for identifying, analyzing, assessing, treating and monitoring the risks to which the Company is subject, as well as for maintaining effective controls that mitigate such risks and ensure the achievement of the established purposes.

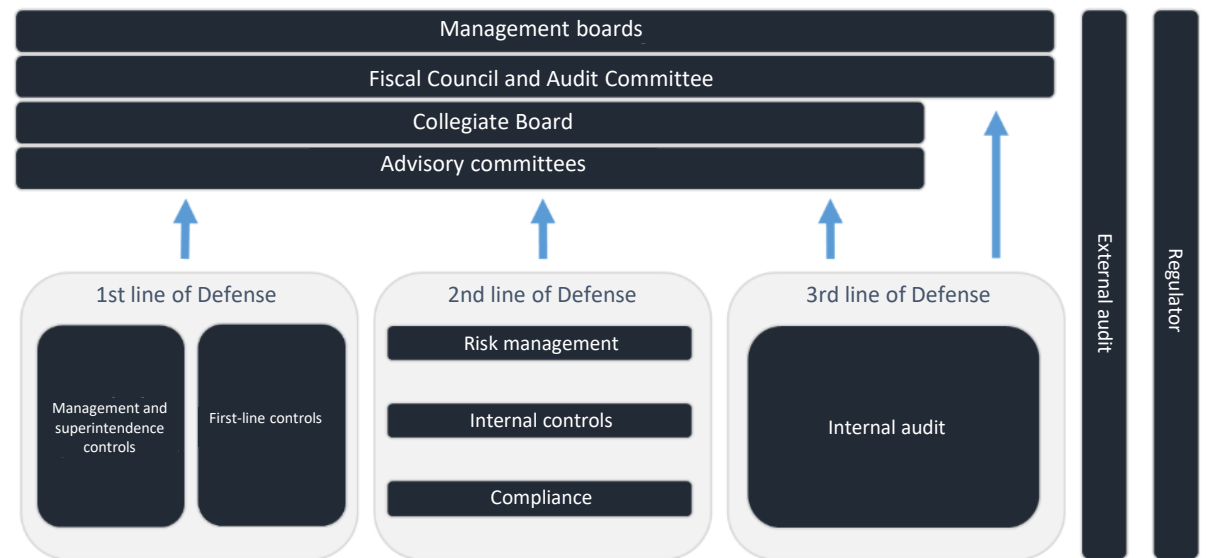
In the second line of defense, the risk and control management area assists and monitors the risk owner in risk management, internal controls and compliance, in order to adapt them to the Company's risk appetite and may recommend corrective actions for improvement.

In a third line of defense, Internal Audit, with a high level of independence, provides governance bodies with assessments of the effectiveness of risk management and internal controls. This line is hierarchically subordinated to the Board of Directors and its activities are supervised by the Company's Audit Committee.

It is worth mentioning, the performance of the governance bodies, Board of Directors, Collegiate Board of Directors, Fiscal Council and Audit Committee, in the effective application of the Three-line Model of Defense in risk management and controls.

To assist management, the Company has: i) Finance and Investments Committee, which, although not a statutory body, assists the Collegiate Board in matters related to the management and risk control of the financial investment portfolio of the Company and its subsidiaries; and ii) Business Committee, which, although not a statutory body, assists the Collegiate Board in matters related to strategic business management.

Three Lines of Defense Model



Adaptation of the ECIIA/FERMA Guidance on the 8th EU Company Law Directive. Article 41

Risk Management Governance

GRI 205

Risk governance, internal controls and compliance of related companies

It is recognized that the company's exposure to the relevant risks also originates from the operation of the related companies. In this sense, the relevant exposures and risks in related companies are monitored and evaluated on an ongoing basis using:

- Performance indicators and monitoring of relevant risk management;
- Evaluations of the system of internal controls provided by related companies;
- Allocation of regulatory capital for hedging risks and sufficiency of pricing, technical reserves and collateral assets for hedging retained risks, considering the characteristics of the business segment of each of the related companies.

Members are appointed to act in governance bodies of associated companies, especially in risk management advisory committees, in the Board of Directors and Fiscal Council and in the Audit Committees.

Technical exchanges are promoted between the related companies which are oriented so that each investee has, minimally, at a level compatible with the nature, scale and complexity of its operations:

- A Risk Management Policy and Risk Appetite Statement approved by the Board of Directors;
- Risk management models and tools, internal controls and compliance;
- Structure of risk management, internal controls and compliance (i) proportional to its exposure, (ii) segregated from the business and internal audit areas and (iii) in line with its internal control system.

In addition, the policies, the Risk Appetite Statement and the main decisions regarding risks and internal controls of these companies are previously analyzed and constantly monitored.

Promoting a culture of risk management

The internal communication actions carried out by the Company derive from its responsibility for disseminating the risk and control culture, as stated in BB Seguridade's Risk Management Model, in the Internal Controls and Compliance Manual and in the Company's Integrity Program.

The main purposes are:

- Sensitize and raise awareness: facilitate understanding of the integrated risk and control management process and its relevance to the Company;

- To encourage: disseminate messages that promote the engagement of the functional body;
- To motivate: stimulate action on its own initiative.

To ensure the effectiveness of communication, the following premises are considered:

- Minimum monthly frequency;
- Generation of objective information without the inclusion of technical jargon;
- Production of content that adds value and is associated with corporate daily life;
- Use of different languages and graphical features;
- Selection of tools that allow interaction and debate of ideas.

The actions developed enable a dynamic flow of communication and greater dialogue with administrators and employees. The expected results are:

- Public recognition of the importance of the risk and control management process for the Company;
- Promotion of integration and the exchange of information between the first, second and third lines of defense;
- Generation of inputs to improve the work performed by the Company;
- Evaluation of the effectiveness of the communication strategy adopted.

In addition to the communication actions, annual Forums or Technical Meetings are held on the topic of integrity, with the participation of senior management, members of governance bodies, employees and representatives of associated companies, as provided for in the BB Seguridade Integrity Program. Also, the company's administrators, managers and technical staff have access to the courses offered by the Banco do Brasil Corporate University that provides a wide range of training related to the topic.

Values, principles, standards, codes and standards of behavior of BB Seguridade

GRI 102-17 • 205

The Company reports the assumptions adopted and required, by all its staff and stakeholders, through two main documents: the Code of Ethics and Conduct and the Human Resources Management Policy. The Code of Ethics and Conduct, approved by the organization's Board of Directors, is available on the Investor Relations website, as well as made available in the company's internal environment, so that all employees must, mandatorily, record their reading and agree with its guidelines.

The document, updated annually, declares the values of the Company and guides the members of senior management and governance bodies, employees, collaborators and third parties as to the expected behavior. The precepts described in the document comprise the basis of the Company's decisions, the ethical and integrity conduct expected of our members, as well as the company's relationship with its investors, customers, suppliers, government, community and regulatory agencies.

The Human Resources Management Policy defines the principles and guidelines related to the management of employees, in order to guide the standardization of practices and strengthen the culture of development, productivity, recognition and retention of people. One of its main premises is the ethical, integral and responsible performance of members of senior management, members of governance bodies and employees, for the sake of continuous development, collaboration, simplicity, innovation and excellence in all our activities

Integrity Program and the role of the Board of Directors

The Integrity Program establishes standards of conduct, code of ethics, integrity policies and procedures, applicable to all employees and managers that are extended, when necessary, to third parties, such as suppliers, service providers, intermediaries and associates.

The Integrity Program is in line with the Company's strategic guidelines, which makes it possible, in addition to disseminating the best management practices to maintain a healthy, ethical and transparent corporate environment, the generation of sustainable results and the company's longevity.

In 2016, the Board of Directors, committed to the promotion and effective adoption of high standards of integrity, approved and allocated the necessary resources for structuring the BB Seguridade Integrity Program.

The prioritization of the topic by the leadership reinforces, at all levels, the importance of compliance with the law as one of the basic principles of good governance in the public sector and adherence to the expected standards of behavior, described in the Company's Code of Ethics and Conduct.

The actions described in the document cover BB Seguridade and its Subsidiaries, and are intended to

prevent, detect and remedy qualifying harmful acts such as corruption, against public administration, national or foreign, practiced by an employee, member of a governance body or third party in the Company's interest or benefit; as well as to prevent, identify and punish harmful acts that may be brought by legal entities against the company's assets. The document is public and is available for access at the following address: <http://www.bbseguridaderi.com.br/pt/governanca-corporativa/estatuto-politicas-e-codigos>

Complaints channel

In order to guarantee the effectiveness of the Integrity Program and mitigate the risk of the occurrence of actions that violate the formally established standards, it is necessary to encourage complaints of irregularities, fraud, deviations and illegal acts against the public administration. In this sense, the Company makes the Ethics and Integrity Channel available for whistleblowing, open and widely disseminated to employees and third parties, with the following characteristics:

- administered by an independent third party with qualified interlocutors and with protocols that address complaints to the competent agencies;
- accessible through an exclusive telephone number, electronic mail (e-mail), web page and corporate intranet;
- the declarant is offered the possibility of anonymity and complaints are treated confidentially;
- deadlines for responding to the complainant are set.

To access it just click: <https://www.contatoseguro.com.br/pt/registro/faca-seu-registro/denuncia>

Since its creation, in April 2017, until December 2019, 24 complaints have been received, with the following distribution:



Ethics, preventing and combating money laundering and corruption

GRI 205 • 205-2

Employees have access to the courses offered by the Universidade Corporativa do Banco do Brasil-UniBB, which offers a wide range of training related to ethics and integrity issues.

The Ethical Trail adds courses that arouse reflection about ethical and moral values in personal and professional life, as well as addressing the themes diversity, respect for the environment and environmental responsibility.

In the period 2017/2018 new educational solutions were added to the Ethical Trail, which are: preventing and Combating Corruption; Gender Equity: a cultural issue?; Synapse ethics management program at BB; knowing the Code of ethics and standards of Conduct; and Banco do Brasil takes care of values.

In addition to the courses offered through the Corporate University of Banco do Brasil, the company also promotes face-to-face training on Code of Conduct and integrity. In 2019, the functional body was offered the lecture Business Ethics and integrity in practice with the speaker Alexandre Di Miceli, recognized nationally for his notorious knowledge of the topics governance, ethics and integrity.

Given their relevance, the courses that make up the Ethical Trail, are a prerequisite for Ascension and internal movement at BB Seguridade since January 2018. The table next to it shows the amount of BB Seguridade employees trained on the Ethics Trail.

Preventing and Combating Money Laundering and Corruption

BB Seguridade has a Policy for Preventing and Combating Money Laundering, Financing of Terrorism and Corruption, which contains the guidelines of the topic, with guidance for the subsidiary companies (controlled and affiliated) to adopt their guidelines based on these guidelines, considering the specific needs and the legal and regulatory aspects to which they are subject. The document is public and is available on the investor relations portal at: <http://www.bbseguridaderi.com.br/pt/governanca-corporativa/estatuto-politicas-e-codigos>

Since BB Seguridade is a holding company, it does not have operations assessed for risks related to money laundering. However, it has in its inventory of risk events the mapping of events whose causes have association with unethical conduct, fraud or corruption.

Within the scope of the subsidiary BB Corretora, we maintain a Money Laundering Prevention and Terrorism Financing Manual and monitor communications related to the topic to regulatory bodies. We also establish indicators and make periodic reports on preventing and combating money laundering and corruption to the Board of Directors.

We are not involved in any case of confirmed corruption, established in the Anti-Corruption Law or clean Company Law, so that no contract has been terminated and nor ceased to be renewed as a result of violations. During the year, no public cases related to corruption filed against the organization or its employees were identified. There was also no dismissal of employees motivated by a process related to the topic.

Courses	2018	2019
Being ethical is good for everyone-Module I	-	158
Being ethical is good for everyone-Module II	146	158
Ethics with Mario Sérgio Cortella-145	146	158
Thinking Outside the Box: Leadership and Relationship	147	159
Thinking Outside the Box: Management and Leadership	147	159
Thinking Outside the Box: Management and Change	146	158
Prevention and Combat of Moral and Sexual Harassment	144	156
Preventing and Combating Corruption	61	80
Gender Equity: a cultural issue?	40	52
Synapse BB's Ethics Management Program	33	50
Knowing the Code of Ethics and the Standards of Conduct	87	102
Banco do Brasil takes care of values	60	81
Roda Viva BB: Reflections on Ethics in the Banking Environment	147	159

Cybersecurity and Privacy



BB Seguridade customer databases are treated within the scope of BB and monitored jointly by BB Seguridade with its affiliated companies.

Cyber security and Privacy Management

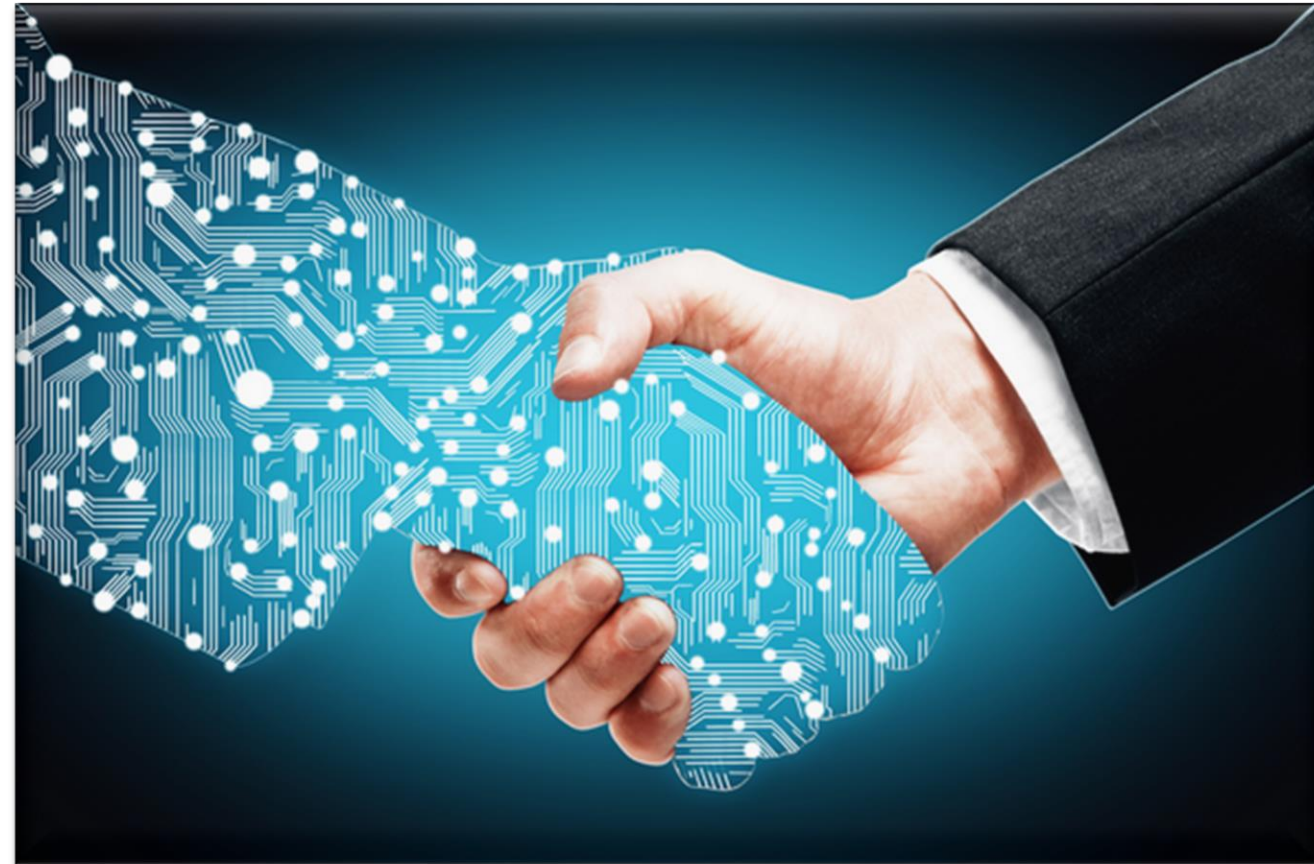
GRI 418 • 418-1

The Information Security Policy addresses guidelines on corporate information in order to guarantee the correct treatment and adequate protection of data. Suppliers and third parties must also know and disseminate the document. The Information Security Management System (ISMS) aims to protect the confidentiality, integrity and availability of corporate information, in addition to making those involved aware of their responsibilities.

The Company and its subsidiaries routinely use information and communication technologies in the performance of their activities, with information security being a risk component that is frequently monitored by the responsible areas and timely corrective measures are taken.

It should be noted that the BB Seguridade customer databases are treated within the scope of BB and monitored jointly by BB Seguridade with its related companies. More information can be consulted in the Annual Report released by Banco do Brasil.

In the scope of BB's External Ombudsman or BB Seguridade's complaint channel, no demands related to breaches of privacy and loss of customer data were identified or dealt with. As they are clients from the Banco do Brasil channel, it stated that its specific Information Security Incident Management channel did not receive, in the year, any occurrence that could be classified as a possible violation or loss of customer data.



Diversity and Environment

Diversity

GRI 102-8 • 405 • 405 -1

Management approach

Regarding employees, BB Seguridade follows its management model that establishes how the company operates in its day-to-day. This model is based on four pillars: (i) the definition of the desired results and the focus of business activities, through the implementation of corporate and area OKRs (Objectives and Key Results) and the formulation of individual performance agreements associated with priorities strategic; (ii) the allocation and mobilization of the Company's resources, through the definition of an organizational structure in line with the processes mapped based on its value chain and with the projects prioritized for the strategic cycle; (iii) the constant measurement of their performance, through budget monitoring, the KPIs (Key Performance Indicators) associated with the processes in each area, climate surveys and institutionalized feedback cycles; and (iv) improving the performance of the organization's people.

Since 2017, the Human Capital area has played a more strategic and less transactional role in people management, focusing on increasing productivity and employee engagement - the company's main asset. The recruitment and selection, performance management, training and development, retention, succession and climate management processes were revisited and structured, with the objective of attracting, retaining and developing the talents of BB Seguridade, disseminating and strengthening the organizational culture and act as a strategic business partner, seeking sustainable performance in all areas of the Company.

At the end of 2019, BB Seguridade had 157 employees in its staff. All employees are assigned by Banco do Brasil S.A. (controlling shareholder), whose assignment is supported by the Assignment Agreement concluded between the two companies.

In addition to the practices it adopts in its management, BB Seguridade can benefit from some actions adopted by BB, considering precisely the Assignment Agreement. We can base diversity and inclusion practices also on four pillars, as shown below:

Gender equality

In order to increase female representation in the Company, some actions are taken: (i) in the recruitment and selection processes, in order to safeguard gender equality in the technical stage (whose tests are corrected blindly), more than that the ordinarily established number of candidates, taking into account the proportion of applicants between men and women and the prerequisites for the position; and (ii) in the process of developing potential successors for managerial positions, it is important to indicate the equivalent number of men and women for the training actions proposed to the public.

It is important to clarify that, at BB Seguridade, there is no distinction of remuneration for those who occupy the same function, respecting the diversity in the definition of the salary policy.

In the field of corporate education, the company makes use of the platform of the Universidade Corporativa do Banco do Brasil, where there are courses that deal with the topic, such as, The Female Leadership

Course, which has as its main objective to disseminate the strategic importance of promoting gender equality in the company.

For 2020, a project is being structured with the aim of promoting the strengthening of women's leadership. Its stages involve: (i) diagnosis, in order to identify barriers that may prevent female ascension; (ii) workshop, with the objective of discussing the results of the diagnosis and planning female empowerment in the Company; (iii) conducting courses aimed at disseminating a culture of equity, the importance of female leadership and the company's strategy for conducting the theme; and (iv) specific mentoring for the development of mapped skills and the purpose of female leadership.

Full-time employees and statutory employees by gender

		2017		2018		2019	
		Total	% Women	Total	% Women	Total	% Women
BB Seguridade ¹	Employees	158	35%	151	33%	157	34%
	Governance bodies	44	11%	49	10%	51	9%
Brasilseg ²	Employees	-	-	-	-	1,970	69%
	Governance bodies	-	-	-	-	17	6%
Brasilprev	Employees	598	47%	550	45%	568	43%
	Governance bodies	16	19%	16	25%	15	7%
Brasilcap	Employees	221	51%	215	50%	224	47%
	Governance bodies	15	7%	15	7%	15	13%

Note:

Does not consider temporary employees, apprentices, interns and those over 6 months away
CLT = individual labor contract governed by the Consolidation of Labor Laws

¹ BB Seguridade data consolidate the companies BB Seguridade, BB Seguros and BB Corretora

² Brasilseg data were not presented for the years 2017 and 2018 due to the corporate reorganization concluded on November 30th, 2018

Diversity

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Ratio between the remuneration of women and men¹

Company	Level	2017	2018	2019
BB Seguridade	Management	1.00	1.00	1.00
	Technical / advisory	1.00	1.00	1.00
	Operating	1.00	1.00	1.00
Brasilseg ²	Management	-	-	0.99
	Technical / advisory	-	-	0.58
	Operating	-	-	2.92
Brasilprev	Management	0.77	0.79	0.77
	Technical / advisory	0.90	0.89	0.86
	Operating	0.88	0.89	0.89
Brasilcap	Management	0.62	0.62	0.60
	Technical / advisory	0.95	0.96	0.96
	Operating	1.01	1.00	1.03

Note:

¹ Average mathematical ratios of women's pay in relation to men's.² At the end of 2018, BB Seguridade insurance operation underwent a profound restructuring, giving rise to Brasilseg. In this context, the figures for 2017 and 2018 could not serve as a basis for comparison.

Race/Ethnicity Equality

In September/2017, Banco do Brasil and the Business Initiative for Equality announced an agreement in which the institution and its related companies assume the "10 Companies Commitments to the Promotion of Racial Equality". The initiative is developed and led by the NGO Afrobras and Faculdade Zumbi dos Palmares, in partnership with the private initiative. With the adhesion, the commitment to promote ethnic-racial equality within the Conglomerate and in the relationship with its different stakeholders is reinforced. The commitment letter also provides for initiatives to raise awareness and educate about the respect and promotion of racial diversity in the planning of products, services and customer service and the promotion of professional development actions with a focus on racial equality in access to work opportunities and income. At BB Seguridade, on 12.31.2019, 19% of employees declared themselves brown or black.

LGBTI

Banco do Brasil was the first Brazilian bank to adhere to the standards of Conduct for companies, developed by the UN, which aims to promote equal rights and fair treatment for LGBTIs. Among the advances promoted by the Bank and that reach BB Seguridade, we can mention: (i) possibility of the use of the social name on the badge, business card, stamps and e-mail for trans and transvestite person; (ii) use of bathroom according to the gender identity of the employee; (iii) simplification of the procedures for inclusion of dependents by homoffective Union; and (iv) maternity leave for one of the spouses of parents of children generated by replacement uterus.

Disabled person

The inclusion of the disabled person in BB Seguridade integrates a set of actions aimed at promoting equal rights and citizenship. In this sense, there is promotion of the adequacy of physical work environments and guidance for the reception of employees with disabilities.

Within the scope of training, the universidade corporativa do Banco do Brasil provides a portal for people with visual impairments and all video classes are subtitled to meet specific needs with hearing impairment and trains its employees in Brazilian Sign Language courses (LIBRAS). Currently, BB Seguridade does not have employees with disabilities in its staff.

Age diversity		2017			2018			2019		
		<30	30 to 50	>50	<30	30 to 50	>50	<30	30 to 50	>50
BB Seguridade	General	8.2%	89.2%	2.5%	6.6%	90.1%	3.3%	8.9%	74.5%	16.6%
	Leadership positions	3.0%	97.0%	0.0%	3.2%	96.8%	0.0%	0.0%	100.0%	0.0%
	Governance agencies	0.0%	40.9%	59.1%	0.0%	58.0%	42.0%	0.0%	51.9%	48.1%
Brasilseg ¹	General	-	-	-	-	-	-	47.1%	49.6%	3.2%
	Leadership positions	-	-	-	-	-	-	12.9%	76.2%	10.9%
	Governance agencies	-	-	-	-	-	-	0.0%	0.0%	100.0%
Brasilprev	General	20.0%	65.1%	15.0%	19.1%	66.0%	14.9%	17.9%	68.5%	13.6%
	Leadership positions	1.0%	74.5%	24.5%	0.0%	74.2%	25.8%	0.0%	80.0%	20.0%
	Governance agencies	0.0%	62.5%	37.5%	0.0%	56.3%	43.8%	0.0%	46.7%	53.3%
Brasilcap	General	14.9%	65.6%	19.5%	15.3%	63.3%	21.4%	13.8%	62.5%	23.7%
	Leadership positions	0.0%	63.6%	36.4%	0.0%	60.6%	39.4%	0.0%	40.9%	59.1%
	Governance agencies	0.0%	26.3%	73.7%	0.0%	31.6%	68.4%	0.0%	31.6%	68.4%

Environment

GRI 102-11

The activities of BB Seguros group do not offer threats of serious or irreversible damage to the environment and, in relation to crop insurance, are associated with financing granted by Banco do Brasil, which requires information on environmental practices as a mandatory prerequisite for its granting.

Crop insurance

Crop insurance is directly linked to risk management, be it production, market or environmental, and being a loss limiting instrument preserving the stability of the application of resources by the farmer in the production system, induces technology and application of good practices by rural farmers.

Brasileg adopts remote sensing and data modeling tools for risk management of insured areas.

The evaluation of social and environmental aspects aims to verify, for each area insured in crop insurance products, whether there is overlap with other areas that may configure a socio-environmental non-compliance. The crossings of data take into account the georeferenced area of the producer registered in the CAR - Cadastro Ambiental Rural (Rural Environment Fillings) and seeks to verify the following requirements prior to contracting the insurance and during its term:

- Ibama and ICMBio motions
- Quilombola Communities
- Indigenous Lands
- Archaeological Sites
- Integral Protection and Sustainable Use Conservation Units
- Evaluation of % compliance of preserved native forest areas according to the Forest Code of the region

Together with the assessments of environmental, social and governance aspects, which ensure the compliance of the items listed above, Brasileg performs a very robust risk management work with the use of technology and is in the process of transferring this information to customers, mainly small and medium producers that are the majority of the portfolio, with the aim of providing relevant information for management, enhancing the sustainable use of resources and production gains. Currently, it is in pilot the availability to customers of a panel of socio-environmental compliance,

Brasileg monitors the climate and agroclimatic factors with modern solutions, seeking to generate event alerts for the insurance company and clients, in addition to assessing compliance with the ZARC - Agroclimatic Risk Zoning. In addition, the main vegetation indices are monitored by satellites to predict failures in the development and health of insured crops; and claims are taken care of supported by all these technologies that assist in the evaluation of production losses and impacts of climatic events.



Value chain

The distribution of insurance products, pension plan and premium bonds of BB Seguridade is carried out mainly using the channels of Banco do Brasil, a company recognized leader in sustainable practices, among which stand out:

- Member of the Dow Jones Sustainability Index, the Corporate Sustainability Index and the Carbon Efficient Index of B3 and the FTSE4 Good Index Series of the London Stock Exchange;
- Recognized for the second consecutive year as one of the most sustainable companies in the world in the ranking of Corporate Knights;
- 5th most valuable brand in Brazil in the ranking of Interbrand 2019;
- Pro-Ethical Company seal, which recognizes companies voluntarily engaged in building an environment of integrity and trust in business relations; and
- Recognized in the Top of Mind HR ranking in the Corporate Education and e-learning category.

Supply chain

Supplier contracts

GRI 308 • 308-1

In all purchasing processes, managers must make a formal statement about the establishment of environmental criteria or justify their inapplicability. The Internal Regulations include specific rules for sustainable hiring, which include the Sustainable Purchasing and Descartes Standard document available on the BB Portal for consultation, meeting the legal requirements and the social and environmental commitments assumed. This term of socio-environmental responsibility records the contractual commitment of suppliers with environmental preservation practices and social development, as well as compliance with Labor and Social Security Legislation and the fight against corruption.

Another condition for signing the contract is the presentation by the selected company of a declaration of the absence of a children and teenagers in its staff. No suppliers with potential or actual negative environmental impact were identified.

Contracted companies have full responsibility for complying with all labor, tax and social security obligations, including those arising from accidents, indemnities, fines, insurance, payments and other obligations. The main infractions verified refer to non-compliance with payment of salaries, transportation allowance, meal allowance, payment of severance payments, payment of FGTS and social security.

Segmented management is adopted to control and monitor the provision of services and the quality of delivered products. Thus, we are based on criteria such as cost-benefit, operational capacity, quality, suitability, Socio-Environmental Responsibility, safety and risk and compliance with legal requirements, especially labor and associated with business continuity.

Suppliers are selected through a bidding process, in accordance with the State-Owned Companies Law and its new Bidding and Contracts Regulation. Among the legal aspects for choosing the most advantageous proposal are: better technique, lower price or better combination of technique and price. The supply chain basically covers the supply of software and capacity building.

The total payments to suppliers in 2019 amounted to approximately R\$ 28 million. Of this total, R\$ 22 thousand were paid to a supplier domiciled abroad, resulting from one contract

	2017		2018		2019	
	Qty of Suppliers	Values (R\$ million)	Qty of Suppliers	Values (R\$ million)	Qty of Suppliers	Values (R\$ million)
BB Seguridade	90	3.5	127	8.8	150	10.1
BB Corretora	15	11.4	10	11.0	10	17.1
BB Seguros	5	0.3	4	11.7	3	0.5
Total	110	15.2	141	31.5	163	27.7

Accruals and repayments

GRI 102-9

BB Seguridade uses Banco do Brasil's staff and material, technological and administrative resources to carry out its operational activities, and this relationship is governed by a legal instrument called the Cost-sharing and Reimbursement of Expenses and Direct and Indirect Costs Agreement. This instrument defines the conditions, the method of calculation, and the periodicity of the reimbursements due by BB Seguridade to Banco do Brasil having its approval preceded by evaluation by the Related Party Transactions Committee.

In 2019, the amount traded between BB Seguridade, BB Seguros and BB Corretora and Banco do Brasil was R\$ 255,146,964. Details on transactions with related parties can be obtained in Section 16 of the Reference Form available at the e-mail address:
<http://www.bbseguridaderi.com.br/pt/publicacoes-e-comunicados/fformularios-de-referencia>

External Initiatives and Membership in Associations

GRI 102-12

In 2019, BB Seguridade was ranked sixth in the 19th Broadcast Empresas Award, in partnership with Economática, which awarded the companies that presented the best performances in a set of indicators and corporate governance practices in 2018.

BB Corretora, through the BB Seguros brand, was awarded 1st place in the “Participating Sport” category of the 7th edition of the ‘Entrepreneur Friendly of Sport’ award - promoted by the Special Sport Secretariat linked to the Ministry of Citizenship.

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

Brasilseg

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

Brasilprev

- Ranking “Finanças Mais”: the newspaper O Estado de S. Paulo listed Brasilprev as third place in the Social Security segment in the first edition of the ranking “Finanças mais”. The Initiative analyzed the data presented in the financial statements published by the companies;
- Brazil Innovation Yearbook: listed as the fourth most innovative company in the Insurance and Health Insurance segment in the Brazil Innovation Yearbook, carried out by Valor Econômico in partnership with Strategy &;
- The 150 Best Companies to work: for the seventh year, Brasilprev was chosen by employees as one of the best companies to work. The information was published in the magazine Você S/A, special edition “The 150 Best Companies to Work For” by Grupo Abril;
- Valor/FGV Pension Plan Guide: recognized as the best General Manager and the leader in 5 more categories (best manager in the periods of 3 and 7 years; best manager of fixed income and funds with target date concept; and best megasegurante) in the edition of the Valor/FGV Pension Plan Guide. The study is carried out by Valor Econômico newspaper in partnership with the Getúlio Vargas Foundation (FGV).

Brasilcap

- Certificate of Citizen Company: for the ninth consecutive year, Brasilcap wins the Certificate of Citizen Company. The initiative of the Regional Accounting Council of Rio de Janeiro (CRCRJ) is in its 17th edition and aims to encourage excellence in the quality of accounting and socio-environmental information, published in the annual reports of companies of all sizes and segments in the country;
- Human Being Award: Brasilcap was among the first three winners of the “Human Being Award 2019”, of the Brazilian Human Resources Association (ABRH-RJ), for the Formacap initiative, a strategy for

GRI 102-13

engaging employees on the knowledge trail, through gamification .

BB Seguridade, through its invested companies, has representatives in the following class entities:

- National Confederation of General Insurance, Private Pension and Life, Supplementary Health and Capitalization Companies - CNSEG;
- National Federation of General Insurance - FENSEG;
- National Federation of Open Pension and Life - FENAPREVI; and
- National Capitalization Federation – FENACAP.

GRI Content Summary

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102-10	Significant changes in the organization and its supplier chain		There have been no significant changes in the supply chain
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GRI 101: fundamentals**GRI 102: General disclosure 2016**

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102-41	Collective bargaining agreements	100% of employees are covered by collective bargaining agreements	
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GRI 101: fundamentals

GRI 102: General disclosure 2016

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102-48	Reformulation of information		No reformulations of information provided in past reports have occurred since this is the first report of BB Seguridade
102-49	Changes in scope and limits		There have been no significant changes in scopes and limits compared to past reports since this is the first BB Seguridade Report
102-50	Reporting period	2	
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