



[00:03] Moderator – Good morning everyone and thank you for waiting. Welcome to BB Seguridades first quarter's 2020 earnings conference call. This event is being recorded and all participants will be in a listen-only mode during the company's presentation. After this there will be a Question & Answer session, at that time further instructions will be given. Should any participant need assistance during this call, please press 'star02' to reach the operator.

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Before proceeding let me mention that forward looking statements that may be made during this conference call regarding expectations, growth estimates, projections and future strategies of BB Seguridades are based on management's current expectations. Projections of future events and financial trends that may affect the business of the group and do not guarantee future performance since these projections involve risks and uncertainties that could extrapolate the control of management. For more information on the statements of the company please check on the MD&A. With us today are Mr. Bernardo Rothe BB Seguridades CEO, Mr. Eric Breyer BB Seguridades CFO and Mr. Rafael Sperendio, head of finance and IR. Please Mr. Rothe you may now begin.

[01:59] Rothe – Good morning everyone. First, I want to apologize for the delay, we experienced some technical problems today with the service that provides the teleconference for us. So, again, I apologize for that delay. You know, I want to start with, if you can look at page two of the presentation where we have our action plan. Since the start of this whole problem with the pandemic, the Covid-19 we started to look at what we should do to prepare ourselves for the worst and be ready for the better. And we have an action plan based on four pillars. The first one, of course, was to look at our employees and take care of them. So, we put everyone in home office, a hundred per cent of them. We have, from time to time, you know, people come to the office but always limited to ten per cent of the total work force in each office that we have. So, the idea is to protect our employees not only in the whole company but also in the insurance company. Where we went through the process of putting even the callcenter in home office. Everything is working fine now. Level of service is ok, and we have our people working with some peace of mind. But to keep people working at home office is a tough job, and so we have in BB Seguridades, we do have every Monday, a meeting, a virtual meeting with all the employees of BB Seguridades and I personally talk to them. My managing directors talk to everyone, we are open for questions, we give directions and our team, they talk every day to make sure that everything that we have to do is being done. So, things are moving forward the way we expect, things are working fine. The second pillar is supporting clients and society. So, we are looking at what are the needs of our clients. So, we have done what, you know, increasing our strategy of more contact with clients, providing them with services that can help them through the pandemic like in Ciclic they are offering IT services through digital services, to help clients go through their needing in terms of putting together Wi fi, you know, the computer working for home office, whatever they need they have. We provided some vouchers for clients to have psychological help through the internet. And providing access to activities aimed at children so they can have things to do. You know, things like that to keep the clients having some stuff to help them go through the social distance that we have in Brazil. And also, we decided to pay all the cases related to Covid-19 although we have some pandemic clauses in our insurance policies, but we decided to pay any claim on Covid19 related to life insurance. We did also a donation, four hundred million reais to help people in need in Brazil. That money is directed to buy mostly food, to help the most impacted people in the country through the social distance measures. The third pillar is business

sustainability. Of course, we have to think about our company, how we are going to operate in the future. So, we are prioritizing products that are more adherence and less impacted by the pandemic. Like Rural insurance, that performed pretty well. We are also looking at measures for retaining customers specially in pension plans. So, we have, tracking, cancelations, what is going on? The client wants to cancel a product. Can I give them some alternative for them to keep the protection that they have? And lastly but not least preparing the company for after the crisis. So, we believe we can go through this whole situation in a good way, but we have to prepare ourselves to be even stronger afterwards. So, we are accelerating projects that can capture the maximum opportunities because we believe we are going to have some market opportunities in the near future. And we are always in reaching the action plan with data to move the company in the right direction. So, we are preparing ourselves for being even stronger after this whole situation. And we do not know how long is going to take but for sure is not going to move fast to a new normal, but we have to be ready for this new normal that may have after the pandemic. And I am quite sure that the company, our companies are going to be prepared and ready. You know, we announced last Thursday that we have a new CFO, Erik Breyer. He is with us in this call, so he is already working for us finally, after a long time that we had to go through the process of all the approvals needed. But he is now in the call with us and I just want him to talk about himself a little bit for you guys. Thank you. Erik.

[08:21] Breyer – Thank you Bernardo. I am glad to be part of BB Seguridade's team from now on. I was CFO on Neoenergia Group for fifteen years. I was CFO and CEO of the Invepar Group for four years. Since last year I was Head of Investment Bank in Banco do Brasil and I have a lot of extensive experience in corporate governance. I have been a member of the board of directors of AES Tietê, Eletropaulo, Cremer and two more dozen of companies. So, from now on I am here. I hope to be able to contribute to the growth and development of the business that BB Seguridade is involved in. So, thank you Bernardo. Let's go on.

[09:08] Rothe – Ok. Rafael now is going to complete the presentation for you.

[09:14] Sperendio – Thank you Bernardo. Good morning everyone. Slipping to page number three where we have here the key metrics of our business in the first quarter of two thousand twenty compared to the same period a year ago. As you may see net income fell thirteen per cent year on year to eight hundred eighty-three million dragged by financial results, that accounted for five point five per cent of earnings. Operating results did well. But financial results fell by eighty-four per cent. So, I am going to cover it in deeper details on next page but for sure this was the main negative highlight of all the overall performance in the first quarter. Insurance business. Well, our premiums grew sixteen per cent led by solid performance in Rural and in Credit life, while the combined ratio improved by four-point five percentage points on the back of our lower loss ratio. In terms of our performance in the pension business, contributions grow by twenty-five per cent while the redemption ratio increased by two point four percentage point as clients feared somewhat the market volatility and decided to build liquidity in this very uncertain environment. As a result mainly this increase in premiums written and in contribution, in pension inflows, commissions were up by nearly sixteen per cent while the net margin fell by forty bps at the broker. And this was totally driven by lower financial results, as a result of the reduction in the Selic rate. As you can see here on page number four, we have the macro context and how this impacted our financial results. As you may see we were hit by several negative events and the average Selic rate has dropped from six point four per cent in the first quarter last year to four point two per cent in the first quarter of two thousand twenty. On the upper right hand side, we can see that the increase in the slope of the forward yield curve helped somewhat Brasilcap, that's more exposed to the shorter term rates but hurted



Brasilprev not really this nominal curve as we are seeing here but the real forward yield curve as Brasilprev has a large exposure to this, more long term inflation protected securities, and some part of it's classified as in the trading portfolio. And by the way, Brasilprev financial results was hit twice not only because of market to market losses but also because of the increase in the cost of liability of the defined benefit pension plans, as we already anticipated in our last earnings call. Just to put everyone here on the same page, on the assets side, most of the securities are pegged to the IGP-M and IPCA and the current inflation rate is used as the accrual rate for investments. But on the flip side, liabilities are mostly pegged to IGP-M in this case the accrual rate is lagged by one month on average. For those who listened our last earnings call we remember that with comments that spike in the IGP-M in December last year that boosted financial income in the fourth quarter would come back now in the form of negative hit on the cost of liability this year. There is no secret, that is what really happened, and nearly half of these temporary gains in Q4 will reverse now in Q1. When you look on the table on the lower left-hand side it becomes clearer. So, the first two lines they represent the current inflation rates, which are the ones that are accrued some assets, and both declined year over year. While the last line represents the IGP-M lagged by one month. And this is the main rate that affect the cost of liabilities. And you may see that they spike in December last year drove the cost of liabilities up in the first quarter of this year. So, as a result for these movement Brasilprev reported a net financial loss of a hundred thirteen million reais in Q1. And all these events combined that we are showing in this page let the financial results of the group to drop eighty-four per cent year on year to forty-nine million reais post taxes, counting for five point five per cent of the net income. The lowest ever contribution to the results of BB Seguridades. Moving now to our main business lines starting now on page five, talking about insurance premiums as I just mentioned we were up by sixteen per cent, Credit life and Rural were the bright spots here, by growing around thirty per cent year over year each. On page number six we have the key performance metrics for insurance, so, the loss ratio stood at twenty-nine point seven per cent while below the thirty-seven point two per cent reported on the same period last year. And here thanks to the lower loss ratio in Rural despite the drought that affected the south region and the last crop cycle, the impact was much lower than the one caused by el Nino last year. It was one of the main events that supported this decline in a loss ratio on a year on year basis. But it is also noteworthy that the performance seen in term life and in credit life on lower frequency of claims, and also lower provision of judicial claims to be settled also helped a lot, by drop on average seven percentage point on a year on year basis. The commission ratio went up by two-point seven percentage point to thirty-five percent, here on the back of high expenses with the performance bonus. And here, just to remember, in the end of last year actually we changed the framework a little bit. So, until two thousand nineteen the performance bonus was tied to the performance of credit life and credit life for farmers, mostly. And from this year and for the next three years is going to be tied to the performance of a term life and credit life. As a result of this increase meaning in credit life, we saw some increase in the performance bonus in the Q1. G&A ratio remained virtually flat and as a result of the this decline in the loss ratio mainly the combined ratio improved four point five percentage points year over year with an addition to the eleven per centage increase in earned premiums it drove operation results up by forty two per cent. It was a very good performance operationally. Financial results dropped by fifty-six per cent year over a year. Here the main explanation for this performance is the lower Selic rate and lower gains on trading. You may remember that in Q1 last year we had some gains in trading available for sale securities that helped somewhat in the first quarter last year. But this year the contribution of those trading's was much lower. And as a results here of all these moving parts: net income increased by seven per cent and reached three hundred twenty-eight million in the quarter. Going up to pensions, slide number seven. Contributions amounted to ten billion reais in Q1, twenty five per cent compared to the same period a year ago while the redemption ratio, as

I mentioned in the very beginning of the presentation jumped by two hundred thirty basis points to nine point four per cent. As clients are still very risk averse but mainly in the first quarter we kept seeing the net inflows although we saw this spike in redemptions that inflows amounted to two billion reais in Q1, up to seventy two percent year over year. Reserves, grew nine per cent over the last twelve months, amounted to two hundred eighty-six billion reais. Quarter on quarter reserves fell one per cent on lower returns of the investment funds as the stock market (unint) [00:19:05] in the real, both real and nominal curves steepened, so it had a negative hit on the returns of the investment funds that these reserves they are invested and led to this reduction on the asset balance on a quarter on quarter comparison. On the lower left-hand side, we can see management fees were up by nine per cent year over year. Pretty much in line with the pace of growth in reserves. The average management fee fell four basis points to one per cent per year. And as you may see here it even increased one bp a quarter on quarter comparison. As the default of totally the outcome of this strategy that we have been running was shifting our clients funds to more sophisticated investments but unfortunately due to the pandemic we had to step back a while until we have a more clear scenario and clients become less risk averse. And now we are going in the opposite direction, trying to convince clients to stay avoiding redemptions but moving their investments to more conservative vehicles. And then investment income, reported a loss of a hundred thirteen million given this time mismatch of the accrual period as I covered earlier. And net income amounted to a hundred sixty-four million down fifty seven percent compared to the same period last year. And driven by this negative print on financial results. Moving to Premium Bonds on page number eight, collections dropped by sixteen percent year over year. Of course, we were already expecting some decline for this year as we have been changing the duration of our products, so they become likely harder to sell, but given the crisis the number came even below what we were expecting. But this was partially offset by this increase in the financial results that were up by seven per cent, on the back of lower management fees paid for the asset management. But the net interest income that considers only the financial income and financial expenses was down by thirty five per cent, what this was totally explained by this decline in the net interest margin, that narrowed by a hundred and ten basis points and totally explained by the lower Selic rate and lower mark to market gains in the first quarter this year. As a result, despite this declining in top line the net income increased by eighteen per cent on better financial results and lower admin expenses. On slide number nine we have a snapshot of our performance of our insurance broker, so commissions rose sixteen percent year over year thanks to a very solid performance in credit life Rural and pension, as we just saw. And in addition to the accruals from past sales. They have been doing really well despite all these difficult (unint) [00:22:39] we have been seeing a very favorable dynamic in terms of cancellations. Mainly in insurance they have been stable or even declining which has been helping the broker to sustain all these unearned commissions that is going to accrue to the P&L over time. On the lower left hand side we can see that the EBIT margin improved by a hundred and thirty basis points on a lower number of products sold, and also an improvement in the average ticket and more accruals that helps the improvement in the EBIT margin. And the net income as a result increased by fifteen percent year over year. Just the only negative impact here was the lower financial results as I explained in the beginning of the presentation, that was impacted by the lower Selic rate.

And finally, to wrap up this presentation on the slide number ten we have our guidance monitor. Well we overcame our expectations of (unint) [00:23:50] in adjusted non-interest operating results. Our guidance range was from seven to thirteen per cent, and we delivered nineteen-point six percent, thanks to the lower loss ratio and improved EBIT margin as I just explained in a very solid commercial performance in insurance and in pension. So, all these factors they have a very positive contribution to the increasing the operating result. Well,

we also beat our premium written guidance. Expected range was a five to ten per cent and we grew seventeen per cent year to date. Supported by credit life, given lower cancellations, and then increasing in credit origination and Rural also did well as a result of the early release of working capital loans to finance the next crop cycle. So, these were the main factors that drove the increase in premiums written to be above the target range. On the negative side we missed our guidance of growth in pension reserve as lower returns on investment funds impacted (unint) [00:25:06] growth in AUM and also the increase in redemptions mainly in the last two weeks of March also had a negative impact on the variation of the AUM on a year on year basis. So overall we had a very good quarter, in summary, with somewhat limited impact from the outbreak, which reinforces the defensive nature of our business. The main drawback was the financial results at Brasilprev. The same time mismatch of the accrual rates that added roughly nineteen million to the net income in Q1 last year reduced our bottom line by thirty-five million this quarter. So if we were just to set apart these events it's temporary and it's neutral actually over time and that income would be almost flat, not to mention the net income from IRB that added forty nine million to the net income in Q1 last year, lower Selic rate mark to market losses. So, these were just the main drivers for declining earnings on a year over year basis. Operationally, we are still doing really well. But anyway, by being limited does not mean that we were not affected by the Covid outbreak. Of course, we were. Just to provide you some color from the last week of March, average daily sales dropped to a third of what we had been doing year to date February. So, this was the worst period. In April we started already to see some rebounding sales, very gradual of course, but they are improving. Redemption has already stabilized, and cancellation kept showing a good trends which are very good signs going forward. But the main thing that we would like to emphasize here is that all the assumptions used to support our two thousand twenty guidance, they have changed. And we will keep changing over the near terms. So as of now we are not confident enough to maintain our guidance scenario like this. That is why we decided to withdraw. And as soon as we have a less uncertain scenario and clearer impact of this outbreak we will come back with our new estimates for data. So, that is pretty much all we would like to emphasize, and we can now move to the Q&A session.

[27:56] Moderator – Ladies and gentlemen we will now begin the Question and Answer session. If you have a question, please press star 9 on your touch phone now. To withdraw the question please press star 9 again. Please hold while we collect the questions. Our first question comes from Eduardo Nishio from Banco Plural.

[28:31] Eduardo Nishio, Banco Plural – Hello Eric and Sperendio. Two questions. First one is related to sales and the main impact you have in the short time in sales with the Covid19? Any plans to boost sales again on the branches, guess insurance and pension are a part you have to push, you have to call the client and I think that is probably the number one priority at this point. So, I was just wondering if you have any initiatives to improve sales in a short time? And the second question is related to the opportunities that you said. You said that we have an initiative. Could you tell us what are the initiatives and the market opportunities you are looking at the end of the Covid19? Thank you.

[29:32] Rothe – Thank you Nishio for the question. First, in terms of sales as Rafael already mentioned the worst so far was the last two weeks of March. So, we are looking what is happening right now the worse of sales so far. And in terms of cancellation as well. The first two weeks of April we started to see some improvements. The last two weeks of April we improved a lot, compared to the end of March. So, so far, we are seeing improvements in sales going on. We have to see how May is going to behave. We have, you know, we have sales force that are doing the job, they have a lot of stuff to do, of course. And so maybe the branches

that serve clients they have other priorities that most of what we do through our offices that have no clients facing type of contacts. So, we have to see how May is going to behave, beginning of June. But sales are improving so far, since the worse of the impact that we had that was in the last two weeks of March. In terms of market opportunities, we are looking at everything. Anything that can add value to our business, can add value to what we do. Right? We are not going to invest in things that has nothing to do with our core business. But we can look at opportunities in things related to our core business that somehow can improve products and services that we provide to our clients. So, we are looking at what is going to happen in the market and opportunities to improve in our products base, improve the quality of services provided and so on.

[32:12] Moderator – Ladies and gentlemen as a reminder if you would like to pose a question please press 'star9'. Next question come from Mariana Tadeu from the UBS.

[32:45] Mariana Taddeo, UBS – Hello everyone and thanks for the opportunity. My question is related to dividend pay-out. I want to understand (unint) [00:32:54] guidance withdraw if you could expect the company to keep the regular level of dividend pay-out excluding one-off that we observed in the past couple of year or if there is any risk of reduction on pay-out? Thank you.

[33:13] Rothe – Thank you Mariana. Well, we do not have any decision on pay-out. So far, I can tell you that we do not need to make any big change. We are still waiting for having more data on the behavior of the operation moving forward. So, there is no decision to keep or to reduce the pay-out. I would say we are not going to increase it, for sure. But we do not have any decision to change the pay-out at this point of time. It is a possibility, but we have to wait a little bit to have more information, more data points on the behavior of the operation moving forward. What I can tell you is that we have a very good capital and in good position that can allow us to keep the pay-out as it is right now.

[34:25] Moderator – Our next question comes from Thomas Peredo from BTG Pactual.

[34:32] Thomas Peredo, BTG Pactual – Hi everyone, I have two questions, if I may. The first one is regarding the Covid19 claims that you mentioned that you are including, that you will consider. Does this include only the term of life or also credit life and other insurance segments that has a life clause included in the contract? And even that you expected the higher claims from Covid19 to compensate an eventual decrease in overall claims due to the lockdown? And the second question is regarding your digital strategy, if you could provide us an update how sales through digital channels are evolving and how representative they have become of the total sales? Thank you.

[35:37] Sperendio – Hi Thomas, this is Rafael speaking. Thanks for the question. I am going to cover the first and Bernardo is going to answer the second. Regarding to the Covid coverage we decided to all our products that somewhat covers life, risk we will also offer coverage to any claim regarding the Covid. Including credit life, term life and even mortgage life, so all life risks. Credit life for farmers as well. So, there are no exclusion. And the impact in loss ratio, of course, we have seen a declining in frequency of claims mainly the ones related to accident specifically, in our life insurance portfolio you must remember that we do not cover only that. We also cover injuries, we also cover death caused by accident, death caused by natural reasons. So, on component of death caused by accident we saw very, very significant decline but anyway it is too soon now to say whether the impact is coming from this lower frequency of claims will affect completely the increasing claims related to Covid. Just our first impression is that it can be possible but is too early to make sure about it.

[37:40] Rothe – Ok, about digital. I would say we have been investing for a long time in digital to improve in how we communicate with clients, how they serve themselves through our digital offering. So, we have several initiatives in that space, we invest in a broker that is totally digital, that is Ciclic. So, it is pretty much a laboratory to test things and see how they respond. So, we are doing different things in the digital channels in Banco do Brasil as well. We are going to announce a new product in the digital that should come out in the next month. So, looking at customer experience, looking at ease of use and making it, I would say, more, I would say, user friendly and allowing them to choose what type of protection they need and with the right information, improving them conversion in our digital channels. We are investing, of course, in marketing for digital channels as well, and things are moving in the right direction. So, there is something that as we started investing way before the pandemic now, we can see some results coming in the next months. You know, in BB Seguridades we rely on Banco do Brasil sales force. It is one of our main strains. Digital is not going to replace what Banco do Brasil provides in terms of reach to clients, ability to sell products. But it is improving, we should see digital growing a little bit over time and during this pandemic, of course, is more important but we still have a very strong sales force working for us. That has a lot of value to our Business. I would say digital sales nowadays runs around ten per cent. Rafael can confirm the number afterwards. But we can see some increase during the pandemic but overtime I believe that Banco do Brasil sales force is still going to be the main channel to sell our products.

[40:39] Moderator – The next question comes from Domingos Falavina from JPMorgan.

[40:13] Domingos Falavina, JP Morgan – Thank you Rafael and Bernardo and welcome Erik to BB Seguridade. My question, sorry I have some connection problems, so I am not sure to ask this. But my question is regarding your incentives from the broker you have been delivering very strong results and incentives that you have been earning (unint) [00:41:08] eighty hundred million reais. It came down to fifty, but you are still earning it. My question is even when you don't have a guidance, given Covid and how you're seen things evolve, do you see a risk that this fifty millions are not going to be earned from here to the year end, or on a quarter to quarter base or do you see more risk in the second Q? If you could explain a little bit how that works or what are your expectations as far as earning those incentives?

[41:48] Sperendio – Hi Domingos, this is Rafael. Thanks for the question. Regarding to the performance bonus, I just seen the first quarter, we recognized like a hundred sixteen million more or less and we of course, we do this calculation, it is just an estimate of how much we expect to book for the whole year. But the cash settlement is always, are done in end of the year, the beginning of the next fiscal year. But considering the main drivers that I have been enabling to point in the performance bonus we do not foresee, as of now according to the current data have any big possibility that might be reversed it, at least in the shorter term. Because most part of it has been coming from credit life and we still see some favorable dynamics for credit life this year. And also mentioned that we are about to launch a new product, it is going to be in this month, also it will be more competitive in this lower interest rate environment. It will also be an important driver to sustain these sales. Term life is also one driver of our performance bonus I just mentioned this in the presentation. We made a shift from credit life for farmers to term life this year. Despite being showing a very modest performance year to date we believe that this product is very promising in the environment that we have now, covered by the Covid, and somewhat taking advantage of this environment we are launching a new term life portfolio, more simple that is going to make easier to not only the customer but also the seller with a fewer more opportunities an more tangible benefits of life insurance. We are testing, we are about to end the testing period in this month.

And is going to be launched for the whole Banco do Brasil and is also an important source for the performance bonus throughout this year.

[44:54] Moderator – The next question comes from Mario Pierry from Bank of America.

[45:01] Mario Pierry – Good morning everybody. Let me ask just one question, I understand (unint) [00:45:07] you removed your guidance given this uncertain environment (unint) [00:45:12] to get some color of what you are thinking about the remain of the year (unint) [00:45:18] in the last two quarters. (unint) [00:45:27] very much appreciate.

[45:38] Rothe – Thank you Mario. I am Bernardo and I am going to answer your question. Of course, we work with scenarios, right? We work with optimistic scenarios, pessimist scenarios, base case scenarios. These scenarios are changing over time that is why we cannot clearly have a guidance for the year because of the changes that we are seen and in expectations and so one and how sales are behaving so far. But, given the current base case scenario I would say the first quarter was the worst quarter of the year. Based on our projections we can expect better quarters moving forward. Even with a reduction in sales compared to the first two months of this year. You know, we have (unint) [00:46:35] impact from the financial side and so one. And if you have things performing well. But I cannot write that on stone. I do not want anyone telling me three months from now that I 'you told us the worst one was the first quarter' because this is the scenario that is changing every week. I would say that our scenario two weeks ago was worse than the one that I have today. But we cannot be sure that things are not going to move down again in the near future. But again, this is not a guidance this is just to give you an idea how we are seeing things from now on with the current data that we have. I really expect to have a guidance back for everyone as soon as we can. Maybe by the end of this semester, I do not want to keep the market results with nothing to rely on but a guidance at this moment time would be difficult to sustain based on projections given that they are changing. It could be to conservative or to optimistic. So, I prefer to give you a guidance that you can really rely on that. But again, based on our base case scenario today I would say the first quarter was the worse of the year.

[48:40] Moderator – Ladies and gentlemen as a reminder if you would like to pose a question please press 'star9'. Our next question comes from Eduardo Nishio from Banco Plural.

[48:50] Eduardo Nishio, Banco Plural – Thank you for the additional question. Just wondering, any colour on loss ratio for BB Seguros? To give some colour on how you see the proxy moving in Covid19. I would appreciate it. Any clause for unemployment and overall, how do you see loss ratio evolving in the Covid19? Thank you.

[49:20] Sperendio – Hi Nishio, this is Rafael speaking. As I mentioned earlier it is still too soon to make any kind of forecast about the impact on the loss ratio. What I can tell is that we did here a stresstest and this has supported our decision to extend coverage of the Covid19 for all of our clients that have term life, credit life, mortgage life or have any products that covers life risks. Being even more strict and what the statistics are showing us telling what happened in China and Europe. If we apply all these statistics to Brazilian reality, we have not found any sign that company would be in trouble extending this coverage of the Covid19 to all our clients. We do not have any sign of any negative impact in liquidity neither in capital. So, the company can support. Even in earnings we believe that after taxes the impact is somewhat limited unless this (unint) [00:50:50] they change dramatically but we do not think to be the case now. We have several other mitigators as I mentioned earlier, lower frequency of claims related to accident. We also have lower claims in the rural



sector regarding to the current events. That provided us some confidence that we will not see impact in loss ratio. But it is very hard to make any kind of projection now, but we do not foresee any big spike in loss ratio because of the Covid19. That is what I can tell you now.

[51:52] Moderator – Ladies and gentlemen as a reminder if you would like to pose a question please press 'star9'. Ladies and gentlemen once again, as a reminder, if you would like to pose a question please press 'star9'. This concludes today's Question & Answers session. I would like to invite Mr. Sperendio to proceed with his closing statements. Please Mr. Sperendio go ahead.

[52:49] Sperendio – I would like to thank you all for joining our conference call and apologize again for the technical issue we had with the conference call operator. We wish everyone to be safe and hope that as soon as possible we will get rid of this crisis and back to normal life. Thank you. Myself and the Investors Relations team are all available in case you have any further doubt. Thanks, and have a good day

[53:23] Moderator – With this we conclude BB Seguridades conference call for today. As a reminder the material used in this conference call is available on BB Seguridades Investors Relations website. Thank you very much for your participation and have a nice day. You may now disconnect.