# Financial Statements

## BB Seguridade Participações S.A.

## 2020

BB SEGUROS

## INDEX

## MANAGEMENT COMMENTS ON PERFORMANCE

### Dear shareholders, employees and business partners of BB Seguridade.

We submit for your appreciation the Annual Management Report of BB Seguridade Participações S.A. ("BB Seguridade" or "Company") for the 2020 fiscal year in compliance with the Brazilian Corporate Law, the Brazilian Securities and Exchange Commission ("CVM"), and with the Company's Bylaws.

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS).

It is worth noting that this report presents financial information of the affiliate companies of BB Seguridade that, when compared to those disclosed by the investees, may present different balances. Such differences may result from the accounting standard used, eventual intangible amortization and elimination of intra-group transactions. Therefore, the net income assigned to the affiliates reflects the result obtained by BB Seguridade for each business segment, according to the Notes to the Financial Statements on investment in associates.

In 2020, with the uncertainties generated by the decree of the Covid-19 pandemic, seeking to ensure business continuity and the safety of employees and contribute to the well-being of costumers and society, BB Seguridade declared an Action Plan to fight Covid-19, focusing on the following pillars:

i. taking care of employees;
ii. supporting clients and society;
iii. business sustainability; and
iv. preparing for the after crisis.

Throughout the Management Report, we will address the actions taken, based on the Action Plan and the Company's strategies.

### 1 - BUSINESS MODEL

BB Seguridade is a holding company which invests in the insurance, pension plans, premium bonds and dental insurance business segments through private partnerships held by it´s subsidiary BB Seguros Participações S.A. ("BB Seguros"). Additionally, the Company also acts in the distribution of these products in the bancassurance channel, through it´s own broker, namely BB Corretora de Seguros e Administradora de Bens S.A. ("BB Corretora").

In the insurance segment, the Company operates through a 20-year term joint venture with the Spanish group MAPFRE, which started in 2011. In November 2018, it was concluded the restructuring of the partnership and the operation is now concentrated on the insurance companies Brasilseg Companhia de Seguros S.A. and Aliança do Brasil Seguros S.A. (together, "Brasilseg"), focused on life, rural, mortgage life, home and comercial segments distributed in the bancassurance channel.

In the pension plans segment, BB Seguridade operates, in partnership with Principal Financial Group, through Brasilprev Seguros e Previdência S.A. ("Brasilprev"). The jointly operation started in 1999, and it was renewed in 2009 for a 23-year term. Brasilprev sells mainly private pension solutions, notably PGBL and VGBL pension plan products.

In the premium bonds segment, BB Seguridade operates through Brasilcap Capitalização S.A. ("Brasilcap") in an association with Icatu Hartford and Aliança da Bahia.

In the dental care business segment, BB Seguridade holds a partnership with Odontoprev through a joint venture named Brasildental Operadora de Planos Odontológicos S.A. ("Brasildental"). The joint venture started in 2014 and will last for 20 years.

In the distribution business of insurance, pension plans, premium bonds and dental care plans, BB Seguridade operates through its wholly-owned subsidiary BB Corretora, which is responsible for selling the products of the other BB Seguridade's investees in the banking channel of Banco do Brasil. In digital channels that are not related to Banco do Brasil, BB Corretora acts through Ciclic Corretora de Seguros S.A. ("Ciclic"), distributing products from both BB Seguridade investees and others insurers, in a partnership with Principal Financial Group, which started in 2018 and expires in 2032.

## 2 - ECONOMIC SCENARIO AND INSURANCE MARKET

### Economic Scenario

### Brazil

After the domestic economy retraction in the first half of 2020, the significant GDP growth in the third quarter confirmed the prospect of a resumption of activity in the second half. The flexibilization of social distance measures and the incentives sponsored by both the government and the Central Bank, which expanded credit and preserved jobs and family income contributed to this recovery in a faster pace than initially estimated.

As a consequence of the pandemic and the economic crisis, in 2020 we lived together with a less dynamic labor market, which reached minimum levels of employed people and records of discouraged people. However, with the resumption of the economic activity, there was a movement of people returning to the labor market, but at a slower pace, which contributed to keep unemployment rates in a high level.

The public accounts were directly impacted by the measures adopted to deal with the crisis. Tax rules have been relaxed to allow expansion of spending. The primary deficit and gross debt in 2020 reached the higher levels. On the other hand, amid the stronger resumption of activity than initially expected and the lower tax deferral, a more adverse impact on government revenues was avoided.

Supply shock, mainly associated with food prices, boosted inflation in 2020. This movement was partially mitigated by maintainging service inflation at still comfortable levels, in a dynamic that responded mainly to the sustained high idleness in the economy. In this context, the IPCA ended the year just above the mid point of 2020 target. With the assessment that fiscal and inflationary risks are still manageable, coupled with the need to stimulate economic activity, Copom maintained the Selic rate at the lower historical level. Mainly driven by the lower interest rate diferential and fiscal uncertainties, the exchange rate ended 2020 at a higher level, but far from the maximum observed during the year.

### Global

As in Brazil, the international economic environment was also impacted by the uncertainties associated to the coronavirus pandemic. The global economy has shown first signs of recovery over the second half, despite the intensification of the pandemic in some regions in the last weeks of the year.

Besides the concerns about a second wave of coronavirus infections, the trade war between China and USA remained in the spotlight throughout 2020. However, the result of the American presidential elections and the agreement that will prevent the United Kingdom's disorganized exit from the European Union (Brexit) led to the removal of relevant risks. In addition, the favorable news about the efficacy/availability of vaccines, contributed to improving the mood of investors in the last months of 2020.

### Insurance Market

The insurance industry recorded a strong recovery in 2019, with an increase of 11.1% in total volume of premiums written, pension plans contributions and premium bonds collection, according to data provided by Brazilian Insurance Regulator (SUSEP). For 2020 it was expected the same growth trend, however, the decree of Covid-19 pandemic, with social isolation measures adopted by the end of March, brought a series of impacts for the insurance industry and the economy, with economic data, as GDP, unemployment rate, inflation, among others, affected by the sanitary crisis.

In that context, the insurance market demonstrated its resilience again, ending 2020 with a slight retraction of 0.9%[1]. in total volume of premiums written, pension plan contributions and premium bonds collection. While premiums written maintained the upward trend (+3.9%), pension plans were impacted by the higher volatility scenario in the economy and total contributions decreased 4.7%. On the operating side, although an increase in claims has occurred due to infections by Covid-19, on the other hand, social isolation measures reflected in a reduction of indemnities for other coverages.

[1] Source: SUSEP – Data as of 11M20

## 3 - FINANCIAL PERFORMANCE

As a holding company, BB Seguridade's net income consists basically of the equity income arising from its investees, along with the holding standalone operating and financial income and expenses.

The table below presents BB Seguridade´s income statement for 2020 and 2019:

Table 1 – Financial Performance | Income Statement – Parent View

| | Fiscal Year 2020 | Fiscal Year 2019 | Chg.% on 2019 |
|---|---|---|---|
| **Equity income** | **3,833,384** | **6,569,590** | **(41.6)** |
| **Brasilseg Companhia de Seguros S,A,** | 1,086,543 | 1,072,991 | 1.3 |
| **Brasilprev Seguros e Previdência S,A,** | 686,379 | 1,064,501 | (35.5) |
| **Brasilcap Capitalização S,A,** | 105,780 | 67,265 | 57.3 |
| **IRB-Brasil Resseguros S,A,** | - | 118,791 | - |
| **Brasildental Operadora de Planos Odontológicos S,A,** | 17,702 | 14,485 | 22.2 |
| **BB Corretora de Seguros e Administradora de Bens S,A,** | 1,969,105 | 1,912,599 | 3.0 |
| **Other** | (32,125) | 2,318,958 | - |
| **Other Income and Expenses** | **(10,882)** | **(8,930)** | **21.9** |
| **Personnel expenses** | (11,602) | (10,812) | 7.3 |
| **Administrative expenses** | (3,096) | (2,567) | 20.6 |
| **Tax expenses** | (3,645) | (9,236) | (60.5) |
| **Other operating income/(expenses)** | 7,461 | 13,685 | (45.5) |
| **Net investment income** | **37,295** | **143,472** | **(74.0)** |
| **Investment income** | 62,764 | 173,832 | (63.9) |
| **Investment expenses** | (25,469) | (30,360) | (16.1) |
| **Earnings before taxes** | **3,859,797** | **6,704,132** | **(42.4)** |
| **Taxes** | (9,026) | (45,351) | (80.1) |
| **Net income** | **3,850,771** | **6,658,781** | **(42.2)** |

In 2020, the net income of BB Seguridade reached R$3,850.8 million, down 42.2% YoY. The net income in both years was impacted by the following extraordinary events:

**2020**

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

**2019**

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

**Brasilseg – reversal of provisions for unearned premiums:** in November 2019, the balance of provisions for unearned premiums was normalized, since the flow of policy endorsements of credit life insurance created some excess provisions. This process resulted in a reversal of R$121.1 million, of which R$44.5 million was set apart as an extraordinary event, since it was related to previous years. The R$44.5 million reversed positively affected the net income of Brasilseg and BB Seguridade by R$16.5 million and R$12.4 million, respectively.

**Brasilprev – reversal of provisions for related expenses:** in November 2019, the assumptions underlying the calculation of the provision for related expenses were revised, in order to incorporate the result of the actuarial research on the variable that refers to the percentage of customers who decide to convert their pension plan reserve into annuities. This revision resulted on a positive impact of R$26.2 million in Brasilprev's net income, which is equivalent to a R$19.7 million positive impact for BB Seguridade.

Table 2 – Extraordinary Events

| | Controller | | Var.% |
|---|---|---|---|
| | 2020 | 2019 | |
| **Adjusted net income** | **3,877,171** | **4,306,266** | **(10.0)** |
| **Extraordinary events** | **(26,400)** | **2,352,515** | **-** |
| **BB Seguros: divestment from IRB Brasil RE** | - | 2,320,461 | - |
| **Brasilseg: reversal of provisions for unearned premiums** | - | 12,375 | - |
| **Brasilprev: reversal of provisions for related expenses** | - | 19,679 | - |
| **BB Corretora: donation against Covid-19** | (26,400) | - | - |
| **Net income** | **3,850,771** | **6,658,781** | **(42.2)** |

Setting apart the extraordinary events aforementioned, which affected the equity income line, the adjusted net income fell 10.0% YoY, to R$3,877.2 million. The reduction of R$429.1 million in the adjusted net income on a recurring basis is explained by:

- **Brasilprev (-R$358.4 million):** due to the net investment loss in the year, which was led by the differential of inflation rates accrued on the assets (IPCA and IGP-M compounded from January to December 2020) and liabilities (IGP-M with a lagging of one month on average) of the defined benefit plan;
- **Equity income of IRB Brasil RE (-R$118.8 million):** disposal of shares concluded in July 2019; and
- **Net investment income at the holding level (-R$73.6 million):** impacted by the lower volume of financial investments, explained by the return of capital to shareholders and the the distribution of the proceeds that rose from the disposal of IRB Brasil's shares, and by the lower Selic rate.

On the other hand, the negative effects were partially offset by the growth of BB Corretora's equity income (+R$82.9 million), explained by higher brokerage revenues and better EBIT margin, and by the increase of equity income from Brasilcap (+R$38.5 million) and from Brasilseg (+R$25.9 million). The performance of each investee company will be better explained below.

The other income and expenses grew 21.9% YoY. It is worth noting that in 2019 this line was impacted by the recognition of a higher amount of revenues arising from the ADR Level 1 program, recorded in other operating revenues, due to the receivement of values when the agreement with the former depositary bank (Deutsche Bank) expired, in April 2019, and by the reversal of R$1.8 million in personal expenses, related to the provision constituted for the buyback of shares of deferred installments of the variable remuneration program of executive officers from 2014 and 2015, which expired in the 1Q19. The tax expenses (PIS and Cofins) decreased 60.5% mainly because of the retraction of the investment income, due to the lower Selic rate and the decrease in the average balance of financial investments.

## Investments

Pursuant to the article 243 of Law 6,404/76, the following table presents the equity investments in BB Seguridade's affiliates and subsidiaries, as well as the changes occurred throughout the year:

Table 3 – Financial Performance | Shareholding Positions

| | | Shareholding stake (%) | Investment Balance | | Equity Income |
|---|---|---|---|---|---|
| | Activity | Dec/20 | Dec/20 | Dec/19 | FY2020 |
| **Shareholding positions** | | | | | |
| **BB Seguros** | **Holding** | **100.00%** | 5,924,821 | **5,431,395** | **1,864,279** |
| **Brasilseg** | Insurance | 74.99% | 2,245,714 | 2,028,605 | 1,086,543 |
| **Brasilprev** | Pension Plans | 74.99% | 3,338,239 | 2,440,155 | 686,379 |
| **Brasilcap** | Premium Bonds | 66.66% | 470,327 | 431,932 | 105,780 |
| **Brasildental** | Dental Care | 74.99% | 15,582 | 12,880 | 17,702 |
| **BB Corretora** | Broker | 100.00% | 46,908 | 46,908 | **1,969,105** |
| **Ciclic** | Broker | 74.99% | 14,483 | 4,798 | (15,914) |

## Changes in the investment in Brasilprev

In December 30th, 2020, it was approved a capital increase for Brasilprev in the amount of R$1.2 billion, which is explained by the rise in the IGP-M inflation rate mainly in the second half of 2020, which, besides to the flattenning long-term yield curve of this index, resulted in an increase in the liabilities of Brasilprev's traditional plans pegged to IGP-M, without a proportional appreciation of granting assets. This combination of factors led to an increase in the minimum capital required, in the portions of underwritting and market risks, and directly impacted the adequacy of liabilities, promoting a reduction in the adjusted shareholders' equity, especially in the portion of "Adjustments associated with economic variations".

Considering the maintenance of the 74.995% shareholding stake, the amount subscribed and paid by BB Seguros was of R$899.9 million.

## Investees performances

### Brasilseg

In the insurance segment, operated by Brasilseg, the adjusted net income increased 2.4%, explained by the 10.1% growth of retained earned premiums and the lower effective tax rate.

The premiums written were up 14.8%, boosted by the good performance of the main business lines: rural insurance (+22.7%), with the increase in the federal subsidies to the insurance premium and by measures adopted by the company to expand the addressable market (non-financed areas and Pronaf beneficiaries); credit life (+22.0%), due to the volume of credit origination for both SME and individuals and the improvement in cancellation levels; and term life (+5.2%), with the new portfolio launched in May 2020 and by the interest in this type of product due to the Covid-19 pandemic.

The loss ratio deteriorated 1.7 p.p., with the higher frequency and severity of claims in products that covers the risk of death, which is related to the pandemic. Setting apart the claims related to Covid-19, the ratio would improve 0.6 p.p. in 2020. The commission ratio was up 0.7 p.p., justified by the higher volume of expenses with the bonus for the outperformance of sales target in term life and credit life, and by lower revenues with reinsurance commission, considering that in 2019 the company recognized R$104.9 million derived from reinsurance agreements with step-up commissions, related to rural.

The net investment income retracted 26.7%, mainly explained by the drop in average Selic rate, partially offset by lower financial expenses.

### Brasilprev

In pension plans segment, operated by Brasilprev, the net income adjusted by the extraordinary events fell 34.5%, explained by the net investment loss which amounted to R$278.6 million, impacted by the time mismatch in the interest accrual period of assets (mostly pegged to the current IGP-M and IPCA rates) and liabilities (mostly pegged to the IGP-M with a lag of one month) related to tradicional plans, combined with the increase of the IGP-M when compared to the IPCA throughout 2020, since the assets linked to the IPCA have been increasing their share in the total granting assets.

On the inflow side, the contraction of 2.4% in contributions for pension plans, as well as the 1.2 p.p. increase in redemption ratio, both movements resulting from the adversities imposed by the pandemic, especially during the first falf of 2020, contributed to the 26.1% reduction in net inflow.

The revenues with management fee were up 5.6%, propelled by the expansion in average balance of reserves, while the average management fee contracted 0.02 p.p., in a slower pace as compared to the previous years and reflecting the increase of AuM allocation to high aggregated value funds for the client.

### Brasilcap

The net income of premium bonds segment, operated by Brasilcap, grew 57.4% YoY, explained by the growth of revenue with load fee and lower commission ratio, retraction of G&A expenses and increase of 24.0% in the net investment income, which is explained by the reduction of expenses with the administration of financial assets.

On the other hand, the premium bonds collections fell 11.2%, mainly explained by the drop of unique payment bonds sales and the reduction of average monthly payment bonds collection, due to the crisis generated by the pandemic that affected mainly the 2Q20, and the decrease in the average collection of monthly payment bonds.

Despite of the retraction in collections, the revenue with load fee grew 0.6%, with the 1.5 p.p. increase of the average fee, justified by the higher participation of longer maturities bonds, such as 36, 48 and 60 months, with a load fee higher than the 12 and 24 month bonds, which had greater participation in the mix of sales, in addition to the higher concentration of sales in monthly payment bonds, which have a higher load fee quote in the first installments than in the other monthly installments and higher than quotes of unique payment bonds.

### Brasildental

In dental care segment, operated by Brasildental, the net income grew 22.2% in 2020, propelled by the improvement of EBITDA margin to 33.1% (+8.0 p.p.), mainly explained by the better loss ratio. The gross operating revenues amounted to R$116.1 million in 2020, down 3.3% YoY.

### BB Corretora

In 2020, BB Corretora's adjusted net income was up 4.3%, explained by the evolution of brokerage revenues (+5.8%) and by the improvement in the EBIT margin (+0.8 p.p.). These effects were partially offset by the 51.5% retraction in net invesment income, explained by the lower Selic rate.

The growth of brokerage revenues in the year resulted from the good comercial in rural, credit life and term life insurances, as well as the growth of performance bonus for outperforming the sales targets for credit life and term life insurances.

## 4 - STOCK MARKET PERFORMANCE

BB Seguridade`s stocks are traded in B3 under the ticker BBSE3 and ended 2020 priced at R$29.63. Based on the closing price of the year, BB Seguridades´s market cap reached R$59.3 billion, ranking the Company as the 18th largest listed in Brazil by the market cap criteria.

In 2020, the average daily trading volume of the Company´s shares was R$135.2 million.

BB Seguridade's shares comprise the following stock exchange indexes: Ibovespa, IBrX 50, IBrX 100, IBrA, BM&FBOVESPA Financials (IFNC), High Standards of Corporate Governance Index (IGC), Corporative Govermamce Index Trade (IGCT), High Standards of Corporate Governance Index – Novo Mercado (IGC-NM), High Standards of Tag Along Index (ITAG), Dividends Index BM&FBovespa (IDIV), MidLarge Cap Index (MLCX), Valor BM&FBovespa Índex (IVBX 2), MSCI Brazil Index, Bloomberg Gender-Equality Index and FTSE4Good Index.

Since March 2014, BB Seguridade maintains a sponsored Level I American Depositary Receipt (ADR) program. The ADRs are currently issued by Citibank, backed by the Company's common shares, in the proportion of 1 ADR : 1 BB Seguridade common share, and are traded Over-the-Counter (OTC) in the US market. By the end of 2020, the program registered more than 17 million ADRs outstanding, quoted at US$5.70 per receipt.

The following table presents the main performance ratios for BB Seguridade's shares in the last two years:

Tabela 4 – Stocks performance

| | Unity | FY2020 | FY2019 |
|---|---|---|---|
| **Earnings per share** | R$ | 1.94 | 2.17 |
| **Equity per share** | R$ | 3.19 | 2.62 |
| **Closing price** | R$ | 29.63 | 37.70 |
| **Market capitalization** | R$ billion | 59.26 | 75.40 |
| **Quantity of trade carried out[1]** | - | 5,249,372 | 4,077,898 |
| **Average daily volume traded** | R$ million | 135.19 | 115.87 |
| **Share on B3 average volume** | % | 0.52 | 0.78 |

(1) Refers to standard piece

### Shareholders remuneration

The high capacity of cash generation allowed BB Seguridade to set a payout ratio of 70.0% on the net income, distributed as dividends in 2020, which amounted to R$2.7 billion, equivalent to R$1.35 per share. In 2019, the dividend related to the net income for the year was R$2.80 per share.

### Share Buyback Program

In 2020, there was no share buyback program. As approved by the Extraordinary Shareholders Meeting, held on October 30th, 2019, the treasury shares related to buyback programs of previous year may be used specifically in employee reward program and variable compensation for Executive Officers, capped to 3,359,550 shares, with the Board of Directors being responsible for defining the best way and time to the disposal of these shares.

Thus, in 2020, 22,503 shares were transferred to the performance bonus program (PPR), designed to recognize the individual performance of employees who exceeded their targets in 2019.

## 5 - CORPORATE GOVERNANCE

BB Seguridade's commitment with transparency in the relationship with the capital market, mainly with it´s minority shareholders, is ratified by the listing, since the IPO, to Novo Mercado of B3, segment with the highest corporate governance standards in the Brazilian market.

In 2020, the need of preventive measures against Covid-19 brought challenges and accelerated processes for improving the corporate governance. In BB Seguridade, it was adopted the system of videoconferences through virtual platforms for governance bodies, which guaranteed the security and greater flexibility, with the entire process being digital.

The Company maintained the certification of the State-Owned Enterprise Governance Program ("Programa Destaque em Governança de Estatais"), despite the information of the discontinuity of the Program in 2021 by B3. Although in 2020 the Corporate Governance Index – IG SEST was not updated, there was no change in governance practices that could afect the compliance with the best practices defined by SEST, which led BB Seguridade to reach the highest score in 2019.

Regarding the improvements in the corporate governance structure, highlights to the approval of structure sharing of BB Seguridade's Fiscal Council with its subsidiaries, BB Seguros and BB Corretora, through the adoption of single Fiscal Council regime. This measure, implemented in October, seeks efficiency gains and greater synergy in supervisory activities.

It is worth mentioning the ongoing reviewing process of the technical adivsory committees to the Executive Board, seeking to focus on topics that are strategic for the Company and improving decision making. In 2020, there it was also improved the work process and the role of the three Board of Directors statutory advisory committees – Related Party Transactions Committee, Audit Committee and Eligibility Committee, with improvementes established in the Bylaws and internal regulations.

## 6 - LONG TERM STRATEGY

The long-term strategy seeks to ensure the Company´s sustainability, balancing short, medium and long term efforts, preparing it to face different prospective scenarios. The strategy is reviewed, collaboratively, annually or at any time due to facts that cause relevant changes in the scenarios and increases the anticipation and strategic response of the organization to face changes.

BB Seguridade's long term strategy model comprises the following elements:

- the prospectives scenarios, which comprise the archetypes that translate the vectors of uncertainty inherent to BB Seguridade's business model;
- the model for detecting and filtering signals and emerging issues for the insurance business;
- the strategic assessment by scenario, which is the analysis of BB Seguridade's strategic positioning due to its current strenghts and weaknesses;
- the mission: "Protecting goods, achieviements and projects";
- the vision: "We transform people's lives through the best protection ecosystem. We are a lean company that generates sustainable value";
- the values, a set of behaviors and the mindset that guide our actions; and
- the strategic objectives, which promotes strategic alignment and define how and when the challenges will be overcome; optimize the understanding, the focus and the execution of BB Seguridade´s strategy; and present

metrics, indicators and key results, which measure the results achieved and the performance of the Company faced the objectives.

BB Seguridade's strategy begins with the analysis of the external and internal environments, representing the diagnostic stage, through which the prospective scenarios are reassessed and strengths, weaknesses, opportunities and threats that affect the Company in the fulfillment of its mission are identified.

After the diagnosis phase, the strategic priorities of the cycle are listed. For current cycle, BB Seguridade maintained the strategic priorities of 2020:

- to be light and efficient, with a lean structure and simple proccesses, with high value generation;
- to turn customers into fans, with products, services, journeys and relationship that fascinate;
- to combine online and offline to always sell more, transforming BB Corretora into an eficiente and intelligent sales machine;
- to connect and accelerate the digital, with optmization and digital transformation as atributes to growth and experience; and
- to try without being afraid, in order to hit the bull's eye, turning the future, the new and the unkown into allies for our strategy.

With these strategic objectives, BB Seguridade expects to achieve as results: an efficient capital and organizational structure; maintaining focus on the customer, with an expanded value proposition, relevant relationship and structured monitoring of satisfaction rates in all business line; a significant improvement in the distributor's journey, strenghening and increasing business intelligence in both the traditional and digital channels; an IT structure enabled to provide fast solutions for both the reaction and anticipation of competitor's movements, beyond technological qualification to explore alternative channels; and expansion of operations in the entrepreneurship and innovation ecosystem.

After the diagnostic and prioritization phase, the strategic planning process seeks to engage the employees of BB Seguridade and its investees to develop solutions that may become initiatives for the full or partial achievement of the stated strategic objectives. The methodology presented positive results by engaging the employees of all companies in the discussions and actions since the beginning of the process.

In order to keep the Company up to date and engaged with the strategy, there is a periodic schedule of internal communication to report the status of strategical objectives and projects.

For the 2021-2025 cycle, the following strategic movements were carried out:

- updating the archetypes of prospective scenarios, re-balancing internal and external aspects for BB Seguridade in the model;
- inclusion of the signal detection and filtering model and analysis of emerging issues that may influence the opportunities, threats of business environment in each scenario in the strategic planning review agenda;
- full alignment of BB Seguridade's strategic objectives with Banco do Brasil's Strategic Guidelines Plan and with the investee's Strategic Maps, including the convergence of the strategic induction method in the conglomerate;
- modeling, certification and continuous measurement of BB Seguridade's processes and increased focus on results-oriented management for the entire Company;
- establishment of priority training and development pillars for all employees, focused on service design, strategic marketing, behavioral science, user experience (UX), business modeling, data science, among others;
- aprovall of the innovation thesis and the corporate venture institutional program, which expands BB Seguridade's participation in the innovation ecossystem by investing up to R$45 million in startups via investment funds;
- approach to university chairs for the development of academic studies of related topics and/or tangents to the market in which BB Seguridade operates;
- update of the Variable Remuneration of Executive Officers in order to represent the focus defined in the strategy and the business plan; and
- definition of the projects for 2021, with an emphasis on customer relashionship and technological skills to access new channels of BB Corretora, in order to leverage the delivery of value to stakeholders and accelerate the achievement of objectives, as well as create the basis for the next waves of planning, in addition to proposing an agenda for the development of BB Seguriadade's sustainability practices related to environmental, social and governance (ESG) aspects.

## 7 - RISK MANAGEMENT AND COMPLIANCE

In addition to statutory governance, supervisor and control bodies, such as the Audit Committee and the Fiscal Council, BB Seguridade has a technical area segregated from business activities, the Superintendence of Risks and Controls ("SURIC"), and is part of the Executive Superintendence of Corporate Management, Risks and Controls, directly linked to the Company's CEO, which ensures its Independence from others technical areas.

SURIC is responsible for developing and standardizing methodologies of risk management, internal controls and compliance, as well as guiding the adoption of best practices related to the subject. The guidelines aproved by the Board of Directors, which guide the risk management, internal controls and compliance are in the Risk Appetite Statement, Risk Management, Internal Controls and Compliance Policy and in the Preventing and Combating Money Laudering, Terrorism Financing and Corruption Policy.

The Risk Management, Internal Controls and Compliance Policy approved by the Executive Board is aligned with the Company's strategy and considers the corporate scenarios in the identification, analysis and treatment of events that can negatively impact the achievement of the strategic objectivies.

The compliance and internal control systems monitoring through the Internal Controls and Compliance panels is quarterly reported to the management, including relevant information not only by SURIC, but also by Internal and External Audit and other supervisory bodies.

The maintenance and periodic evaluation of the Integrity Program fosters the ethical organizational culture and reinforces the responsible conduct of employees, in compliance with internal management controls adopted to the mission accomplishment and fulfillment of the Company's purpose.

In 2020, it is worth highlighting the focus on business continuity management and risk associated to information security due to Covid-19 pandemic and the remote work adherence. In addiion, regarding to compliance, action were taken in order to comply with the Brazilian General Data Protection Law, CNSP Resolution nº 382 and Susep Circular nº 612, which impacted the insurance industry significantly.

## 8 - COMMERCIAL, PRODUCTS AND CUSTOMERS

BB Seguros believes that a long term relationship should consist in of dialogue, transparency and cumplicity, so since 2019 it has been devoting efforts with its investees to stay together with clients throughout its life cycle. The strategy is to use digital channels and expert assistance to maintain a frequent contact that brings from information and guidance on purchased products and services to tips and diversified content.

Thus, in 2020, BB Seguros maintained the connection with its customers, prioritizing care and attention in face of such a challenging moment due to Covid-19 pandemic.

The challenge was to support even with the distance, and to achieve this goal it was offered to more than 350 thousand customers the possibility to use a free online therapy platform or a platform of books and readings. Almost 30 thousand customers enjoyed this comfort and for those who did not feel the need, BB Seguros sent a weekly e-mail with the most varied tips for taking care of he mind, body and family. Among references for physical activities at home, movies, music, games and entertainmet for the wholle family, there were more than 5 million e-mails opened, with a receptivity above expectations.

Respecting the social distance measures imposed by the pandemic, 4 Customer Councils were held virtually in order to hear directly from the customers perceptions about their experience with products and services, through which 34 perceptions were identified that will help to provide a better experience in 2021. Surveys were also carried out, in which more than 800 thousand customers were heard and another 300 thousand transactions were evaluated.

Aiming to turn customers into fans in mind, the NPS (Net Promoter Score) and satisfaction survey assessment and monitoring was structured in the investees, increasing the recurrence of inquiries to understand the main reasons of promotion and detraction to be able to act with projects and iniciatives that improve the customer experience and, consequently, our indicators.

In complaints, the Monthly Quality Forum was created with the participation of BB's costumer service and Ombudsmen and BB Seguros' investees in order to expose and deepen the analysis of the main reasons for complaints by product and address the necessary improvements. As a result, the number of complains reduced 38.9% in 2020.

Despite the dificulties of distance measures imposed by the coronavirus pandemic, BB Seguros continued its strategy of revitalizing the portfolio of products, in order to offer the best solutions to protect goods, achievements and projects.

The rural lien insurance was the first product to have its sales journey improved, with the inclusion of online simulation, in addition to a new model of offering and new coverages, consolidating the product as the most complete in the market.

In order to face the lower interest rate scenario, in March, new investment options were made available to pension plans costumers, with the launch of multi-manager funds, in an open platform concept, currently composed by 10 independent asset managers, which reached R$3.7 billion in assets under management at the end of the year.

Then came the life insurance portfolio, with the launch of a new product in June, with the concept of "Insurance for Life", which includes benefits and the revision of assistance packages, focusing on customers's well-being, health and quality of life. Other developments were focused on improvements in the distribution journey, both in Banco do Brasil's network and in digital channels, as well as creating a relationship rule for delivery of relevant content related to the themes used in the conception of the new product. As a result of the improvements made, since the launch there was an increase of around 10% in the average length of stay, while the average ticket was up roughly 9%. There was also a growth of 3.5 p.p. in the share of digital channels in sales.

In July, it was launched the "BB Seguro Agrícola" for the public of National Program for Strengthening Family Farming – Pronaf, aiming to strengthen even more the relationship with farmers and reinforcing the role of BB Seguros' as an important agribusiness and its entire production chain supporter. In 4 months, the product reached nearly R$60 million in premiums.

For auto insurance, the improvement was the launch, in August, of a feature that enables the scheduling of premium quotation through the internet and BB's mobile app, improving the offering journey to customers.

In order to address a demand in the livestock segment, which is highly representative in agribusiness, in September there was an expansion of the livestock insurance pilot stage, a product that guarantees to the insured the agreed revenue in the insurance policy, even in case of a decrease in the commodity price or lower productivity due to disease or death of cattle. With the extension of the pilot stage, the product started to be distributed in 10 Brazilian states, comprising 3,457 Banco do Brasil branches.

The new credit life insurance namely "Seguro Crédito Protegido" was launched in October with significant improvements, including the authomatic payment of indemnities for death and new coverages, such as permanent disability by accident, involuntary unemployment and temporary physical disability by accident. In addition, the offering structure was reviewed, which made it more flexible to apply differentiated commercial rates according to the channel and credit lines. In the first months of operation, the new product reached R$380 million in premiums and about 186,000 contracts until December 2020, with an average premium increase from R$434 in 2019 to R$2,018 in 2020.

Finally, in terms of portfolio management, in December a new improvement was implemented in pension plans investment funds portfolio, with a more competitive management fee for lower value-added funds and new invesment strategies, with greater exposure to variable income, increasing the range of options to reallocate customers resources in a scenario of interest rates at historically low levels in Brazil. It was also launched the "Brasilprev Carteira", which allows costumers, according to their risk profiles, to allocate resources in multimarket funds whose balance of investment strategy floats according to the economic outlook and market opportunities.

In the commercial field, BB's sales force incentive strategy was expanded through awards directly linked to sales of insurance, pension plans, premium bonds and dental plans, with immediate, monthly and half-yearly incentives. In addition, there were specific campaigns to attract new customers for pension plans, life insurance and rural.

There were commercial iniciatives during the year, in particular the "Winner Profile" campaign, related to the sales and contact scheduling for auto insurance "BB Seguro Auto", as well as "Semana Brasil" (Brazil Week), "Semana Cliente" (Customer Week), and the traditional "Brack Friday", which contributed to the results achievement and enhancing the loyalty of new customers. In addition, there were advertising campaigns on TV and digital media to publicize the new life insurance, as well as advertisements on TV for pension plans and premium bonds products such as "Brasilprev Fácil", "Brasilprev Júnior" and "Ourocap 25 anos".

Reinforcing BB Seguros market positioning, there were iniciatives at the beginning of the year in agricultural fairs – Coopavel and Cotrijal and, even after the Covid-19 pandemic decree, the Company continued participating in virtual events. Also in 2020, it was held the 6th edition of BB Seguros Blue and Jazz Festival, an event held online and through drive-in exhibitions.

## 9 - HUMAN CAPITAL

BB Seguridade´s staff is mainly composed of employees ceded by Banco do Brasil. In December 31st, 2020, the Company had 150 employees and 4 statutory, headquartered in Brasilia and Sao Paulo, 9 trainees and 20 outsourced people.

BB Seguridade believes that its human capital is the main asset of the Company. With this mindset, the Human Capital department has a strategic purpose for human resources area and not only transactional functions, reformulating its processes. With that purpose in mind, some processes has been redesigned and structured, such as: recruitment and selection, performance management, training and development, retention and succession and organizational climate management, with the main purpose of attracting, retaining and developing BB Seguridade´s talents, disseminating and strengthening the organizational culture and acting as strategic partner of the business, seeking a sustainable performance in all areas of the Company.

In view of the scenario caused by the Covid-19 pandemic, in 2020 the Company adopted measures in order to keep its employees' safety, such as remote work for all the staff, as well as the suspension of in person training and face-to-face corporate events. In addition, preparing for the after crisis, BB Seguridade prepared a return to the office plan to ensure a safe environment for employees when returning to the office.

### Diversity

In order to increase the female representation in the Company and safeguarding the gender equality, in the recruitment and selection processes, in the technical stage (whose tests are blindly corrected), more than the ordinarily established number of candidates can be called, considering the proportion of applicants between men and women and the prerequisites for the position.

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

In the corporate education, the Company makes use of the BB's corporate university, where there are courses that deal with the topic, such as the "Female Leadership" course, aiming to disseminate the strategic importance of promoting gender equality in the company.

In 2020, BB Seguridade began structuring a project aiming to promote the strengthening of female leadership, whose stages envolve: (i) diagnosis, in order to identify barriers that may prevent the female ascension; (ii) workshop to discuss the diagnosis results and planning female empowerment in the Company; and (iii) courses aimed at disseminating the equality culture, the importance of female leadership and the company's strategy for conducting the theme. However, with the beginning of the pandemic, other projects had to be prioritized, postponing the acceleration of the mentioned steps to 2021.

Regarding race and ethnic equality, in September 2017, Banco do Brasil and the Business Initiative for Equality announced an agreement in which the institution and its affiliates, including BB Seguridade, take the "10 Commitments of Companies with the Promotion of Racial Equality". The letter of commitment foresees initiatives to raise awareness and educate about the respect and promotion of racial diversity in the planning of products, services and customer service and actions to the professional development focused on racial equality in the access to work and income opportunities. In BB Seguridade, on December 31st, 2020, 19% of employees declared themselves brown or black.

Regarding the promotion of equal rights and fair treatment for the LGBTIs public, the following advances were promoted by BB and reach BB Seguridade: (i) the possibility of using the social name in the badge, business card, stamps and e-mail for trans and transvestites person; (ii) use of bathroom according to the employee's gender identify; (iii) simplification of the procedures for inclusion of dependents by homoaffective union; and (iv) maternity leave for one of the spouses of children generated by replacement uterus.

The inclusion of people with disabilities in BB Seguridde is also part of a set of actions aimed to promote equal rights and citizenship. In this sense, the physical work environments are adapted and there are guidelines for the reception of employees with disabilities.

In line with all this initiatives, BB Seguridade, on its policies, actions and culture, appreciates the maintenance of staff diversity. The following table summarizes the composition of BB Seguridade employees:

Tabela 5 – Human Capital – Composition

| | Annual Composition | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| **Number of Employees** | | | |
| **Employees** | 154 | 161 | 151 |
| **Outsourced** | 20 | 31 | 32 |
| **Trainess** | 9 | 15 | 8 |
| **Board members** | 10 | 14 | 14 |
| **TOTAL** | **193** | **221** | **205** |
| **Gender** | | | |
| **Female** | 34% | 34% | 33% |
| **Male** | 66% | 66% | 67% |
| **Employees education** | | | |
| **Graduate or specialization degrees** | 80% | 67% | 77% |
| **Undergraduate degrees** | 13% | 29% | 20% |
| **High School** | 5% | 3% | 3% |
| **Other** | 2% | 0% | 0% |
| **Age Range** | | | |
| **Under 30 years** | 4% | 17% | 8% |
| **Within 30 and 50 years** | 75% | 75% | 88% |
| **Above the 50 years** | 21% | 8% | 4% |

(1) Employees and statutory

(2) The percentages related to gender, employees education and age range were calculated based on the total number of employees (employees, outsourced, trainees and board members).

## Recruitment and Selection

Despite the adverse scenario faced in 2020, the Company continued consolidating the recruitment and selection model, prioritizing the talents inside the Company and recruiting Banco do Brasil´s candidates only when not identified internally employees with the necessary skills to the position. This process, besides valuing the Company´s employees, aims to manage the knowledge, to reduce the learning curve and the costs to organize external recruitment process.

Among internal, external and mixed processes, 9 vacancies were filed in 2020, 7 by external selection processes and 2 direct appointments in ascension – the later for promptly meeting the defined professional profiles and the other prerequisites required for the respective positions.

## Training and Development

Reinforcing the importance that BB Seguridade gives to the development of employees, roughly R$834,000 were invested in training and specialization schorlarships and languages (which represents 1.44% of the personnel expenses budget). For graduate degree programs, employees may also use authorized absences, with the purpose of finishing the final course project.

In 2020, the main training courses which were part of the Corporate Development Plans (“PDC”) were: (i) Data Workout Program, which aimed to introduce the Data Science to employees and prepare them to work with this important tool; (ii) Behavioral Economics in Practice; (iii) Copywriting; and (iv) UX (User Experience).

The investment in the development of leaders and teams is oriented to the improvement of key-skills to the Company (technical or behavior skills), aligned with our values (Innovation, Simplicity, Customer Respect, Owner Feeling and Reliability), ensuring the continuity, quality and sustainability of business.

## Development Management and Feedback

BB Seguridade’s management model provides semiannual performance assessments, considering the 360º view (self-assessment, manager, peers, clients and leads) established in stages, which includes the design and alignment of individual performance agreements, which are reviewed quarterly, so that can be adjusted according to the needs of the moment – identification of new obstacles or new opportunities. Such reviews are accompanied by feedback meetings held by immediate manager aiming to identify the strengths, as well as possible points for improvements, in order to enable the professional development of employees and the company together.

The development management cycle ends with meetings of Career and Development Commissions to callibrate the assessments, which use a tool called “9-Box Matrix”, in which the observed performance and the potential of each employee are placed on two cartesian axes (X and Y), with each axis divided between low, medium and high levels, to define in which level each employee can be classified.

Besides of generating inputs for development initiatives in the Company, the development management cycle provides subsidies for training, movements, recognition, retention and succession actions. From the development management cycle, are formulated the PDC, which adresses the corporate strategic skills development needs of the company, and the Individual Development Plan ("PDI"), which seeks to meet the specific development needs of each employee.

### Talents and Succession

Since 2019, BB Seguridade has advanced in increasing the maturity of talents and successors identification process.

Talents are identified through the development management cycle, which comprises the performance evaluation through the Career and Development Commissions, as mentioned in the Development Management and Feedback session. The Commission also has as one of its final objectives the identification of potential successors through employees who presented high performance and high potential, which will be prepared to occupy new positions of greater complexity.

Thus, in 2020, BB Seguridade initiated a Program for the Development of Potential Successors for management positions, and the first step – self-knowledge – aimed to provide subsidies for the construction of personalized trails for each of participants, which will be made available over the next year.

### Benefits and Awards

BB Seguridade guarantees similar benefits as those granted to Banco do Brasil´s employees, with emphasis on supplementary pension plans, health plans and variable compensation based on Company´s profits and results. In addition to these benefits, in 2019 the Board of Directors approved the "Applause Program", an award linked to the result and individual performance of the elegible participants who stands out in terms of achieving individual goals and differentiated contribution to the company's results. The award is paid with Company's shares and aims to strengthen the partnership between the employee and BB Seguridade, to recognize the participation of employee in the construction of results and to align with the Company's strategy. In addition, the Executive Officers Variable Compensation Program also provides the payment of 50% of total variable remuneration in shares of the Company.

In 2020, based on the individual performances for 2019, 33 employees (from a total of 142 evaluated) had their performance recognized through the "Applause Program".

The following table presentes the investments made during the year:

Table 6 –Human Capital - Investment

| | Annual Flow | | |
|---|---|---|---|
| | **2020** | **2019[1]** | **2018[1]** |
| **Investment in People** | **58,020,664** | **53,827,485** | **52,492,284** |
| **Payroll[2]** | 52,129,717 | 48,959,203 | 48,233,611 |
| **Supplementary pension** | 2,865,357 | 2,641,534 | 2,500,289 |
| **Health insurance** | 2,191,697 | 1,249,029 | 1,129,984 |
| **Training (Scholarships and Courses)** | 833,893 | 977,720 | 628,400 |

(1) As of 2020, some of the amounts referring to supplementary pension and health insurance, previously considered as payroll, started to be reported separately. In addition, the payroll line now includes amounts related to food and meal allowances. Thus, for a better comparable basis, 2018 and 2019 data were revised, according to the current parameters.

(2) Salary, benefits and social charges, excluding the amount referring to supplementary pension and health insurance

### Organizational Climate

BB Seguridade has performed organizational climate and satisfaction surveys at least once a year, to diagnose what may be improved and to address the main points through actions related to people management practices.

In the second half of 2020, the Company participated of the Climate and Organizational Engagement Survey applied by Banco do Brasil, which showed that 86.17% of employees are satisfied with their work at BB Seguridade, with an engagement rate of 72.34% (grade where the work shows interest, diversity, personal satisfaction and pride in belonging to the company).

In addition to these surveys, in 2020 were made available the Climate Pulse on a quartely basis, which consists of e-NPS (Employee Net Promoter Score) survey with an additional question related to various topics, which aims to identify, in the short term, the possible factors of eventual employee satisfaction and/or dissatisfaction.

Based on the survey of employees' perception through these instruments, the Company has been taking actions to increase the employees engagement and the organizational climate.

In 2020, the turnover of the company, considering the employees who return to Banco do Brasil or were ceded to one of our investees, was of 5.19%, which represents a decrease of 5.61 p.p. when compared to 2019.

## 10 - SOCIAL AND ENVIRONMENTAL RESPONSABILITY

BB Seguridade is committed to align its ESG initiatives (environmental, social and governance) with the best market practices. In addition, it also follows the guidelines adopted by its controlling shareholder, Banco do Brasil.

The insurance activity is intrinsically related to environmental and social sustainability by promoting the risk management through solutions to protect assets, achievements and saving incentives, stimulating society's awareness of the need to take care of today to achieve a balanced and healthy tomorrow.

In 2020, the Company innovated its social responsability approaches in response to the crisis generated by the decree of the global pandemic. Honoring its connection with Brazilian society and its tradition of supporting people and communities at risk throughout the country, BB Seguridade Group opted for a fast and focused action on handling the negative externalities arising from social isolation measures imposted by the virus. Thus, the Company donated R$40 million to the purchase of food and hygiene materials that are already improving the living conditions of thousands of Brazilians across the country. The application of these resources was coordinated by Banco do Brasil Foundation, which has been in operation since 1985, and has reached more than one million people. In the sense of taking care of employees and sales force, 196 thousand protection masks were donated, reaching 5,000 branches througout the country.

In order to support customers and society, the Company adopted measures aiming to keep customer protected in the context of a pandemic and financial restriction, with the extension of coverage of death due to Covid-19 and the adoption of "skip installments" for products during the period more impacted by the distance measures, studying each business line and the needs of its customers.

Additionally, in order to minimize the suffering and loneliness resulting from social distance, reading and psychotherapy activities were offered digitally, as well as free technical assistance services related to electronic devices.

Regarding the governance field, BB Seguridade has representatives in the most diverse governance bodies available in its investees, influencing and encouraging the economically viable initiatives, aligned with good market practices, in order to support culture, social actions and wellness.

Additional information on ESG practices can be reached in the Sustainabilitiy Reporto of BB Seguridade, available at http://www.bbseguridaderi.com.br/en/financial-information/annual-and-sustainability-reports.

In the investee companies, the main actions related to the topic were:

### Brasilseg

- **ISO 14001:2015:** Brasilseg is certified to ISO 14001:2015, which assures international standard of the company's Environmental Management System (SGA). This system is based on the analysis of the significant environmental aspects and impacts, direct and indirect associated with the processes of company's headquarter. Taking care of the environment is a daily practice in the company, which sets goals and challenges in its sustainable management, with an impact on the entire value chain.
- **Global Compact Brazil Network:** in 2019, Brasilseg became a signatory to the Global Compact, aiming to contribute to the construction of a more inclusive and equal global market.
- **Brazilian GHG Protocol Program:** the company measures greenhouse gas emissions from the administrative and Franca headquarters using the GHG Protocol Carbon Management Tool to offset emissions. The process covers all employees and takes into account energy consumption, waste generated, movement of employees to the company and business travels. In 2020, 1,403 tons of $CO_2$ equivalent were offset through voluntary cancellation of carbono credits under the Clean Development Mechanism.
- **Sustainable Development Objectives (SDG):** Brasilseg operates in line with the SDGs through a set of commitments, programs and targets in areas such as diversity, inclusion, customer relationship and compliance. Additionally, it promotes employee engagement with the cause through educational initiatives within the company.
- **Principles for Sustainable Insurance (PSI):** since 2019, the company is a signatory of the PSI and has been developing actions, projects and investments to serve them.
- **Projects**: in 2020, 22 social and cultural projects were carried out through the "Lei de Incentivo a Cultura" (Culture Incentive Law), the "Lei de Incentivo ao Esporte" (Sport Incentive Law), the "Fundo para a Infância e a Adolescência" (Fund for Childhood and Youth), the "Fundo do Idoso" (Elderly Law Fund), the "Programa Nacional de Apoio à Atenção Oncológica – PRONON" (National Program of Assistance to Care) and the "Programa

Nacional de Apoio à Atenção à Saúde da Pessoa com Deficiência – PRONAS (National Program to Support the Heath Care of Persons with Disabilities), with more than 220 thousand people served so far.

Committed to the principles of accountability and transparency related to environmental, social and governance practices, Brasilseg started to release, in 2019, its Sustainability Report following the guidelines of the Global Reporting Initiative (GRI), avaiable at the company's website (https://www.bbseguros.com.br/seguradora/seguros/quem-somos/sustentabilidade)

### Brasilprev

- **Principles for Responsible Investment (PRI):** Brasilprev integrates and subscribes voluntary commitments and agreements with institutions and organizations with which it shares principles and values in order to play its role as transforming agent in society. Among them are the Principles for Responsible Investment (PRI), since 2017. PRI is recognized for establishing global standards related to responsible investments, encouraging investors to incorporate environmental, social and governance (ESG) aspects in their investment processes.
- **Expansion of ESG Investiment Strategies:** in February 2019, Brasilprev lauched the "Brasilprev TOP ASG" fund, with allocation in ESG ETF's (Index Fund) abroad. Until December 2020 the fund had an accumulated equity of R$54.0 million and return of 61.0% (vs. 8.1% of CDI), since its creation. In December 2020, it was launched a new fund with ESG strategy to private customers which, in addition to ETF's abroad will also invest in Brazilian stocks that follow good practices of ESG.
- **Declaration on Green Bonds:** Brasilprev is signatory since 2017, together with other investors representing around R$1.8 trillion in assets under management. The signatories commit to dialogue with entities, governamental or not, to stimulate the development of a robust Brazilian green bound market that truly contributes to addressing climate changes.
- **Carbon Disclosure Project (CDP):** Brasilprev participates in CDP as a signatory investor, having access to its global database with information about companies' commitment, whether potential or already invested, in relation to carbon emissions and sustainability actions.
- **Proejcts:** in 2020, 4 social projects were carried out through incentive laws the - "Lei do Idoso" (Elderly Law) and Fumcad, benefiting more than 54,000 children and the elderly.

Informations related to the topic are avaiable at the company's website (https://www1.brasilprev.com.br/quem-somos.html).

### Brasilcap

- **Principles for Sustainable Insurance (PSI)**: the only premium bonds company in Brazil which is signatory of the Principles for Sustainability in Insurance (PSI), since 2015.
- **Ethos Institute:** Brasilcap is associated to Ethos Institute with the right to participate in forums related to ESG issues and to use Ethos Tool – which enable the management and monitoring of ESG indicators and the company's sustainability ratio.
- **Actions against Covid-19**: in 2020 the company expanded its role in social responsability in response to the health crisis triggered by Covid-19, having supported, among others, the initiatives: "Adopt an ICU bed – In the Fight Against the Coronavirus", with the donation of resources that contributed to the acquisition of respirators, incubators, electric bed for ICU, cardioverter, cardiac monitor, hospital supplies such as PPE's (masks, aprons and surgical instruments), as well as expenses with doctors, nurses and assistants services.

More informations related to the topic are avaiable at the company's website (https://www.brasilcap.com.br/brasilcap/brasilcap/responsabilidade-socioambiental/responsabilidade-socioambiental.html),

## 11 - MAJOR AWARDS AND ACKNOWLEDGMENTS

In 2020, BB Seguridade was the winner of the 20th Corporate Broadcast Award, in partnership with Economatica, which awarded companies with the best performance in a set of indicators and corporate governance practices in 2019. The Company was also winner in the "Novo Mercado" category.

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

### Brasilseg

- **Great Place to Work (GPTW)**: Brasilseg was recognized in the ranking of Great Place to Work Institute due to its actions on climate, development and employee well-being.

### Brasilprev

- **"Isto é Dinheiro":** chosen the company of the year in the insurance segment in the "As Melhores da Dinheiro 2020" yearbook, and reached the first place in social responsability management performance.

### Brasilcap

- **Citizen Company Certificate:** recognized for the nineth consecutive year, the title, given by the Regional Accounting Council of Rio de Janeiro (CRCRJ), is in the 18th edition and aims to encourage excellence in the quality of accounting and socio-environmental information, published in companies annual reports of all sizes and segments in the country.

- **Modern Consumer Award:** Brasilcap was the winner of the 21st edition of the "Modern Consumer Award for Excellence in Customer Services", in pension plan and premium bonds segment. The award is an initiative of "Consumidor Moderno" magazine, in partnership with the Standard Intelligence Center (CIP) and OnYou. The analysis process involved three phases, with different approaches, which ensured the evaluation of different aspects of service provided by the company.

## 12 - LEGAL INFORMATION

By the end of 2020, BB Seguridade did not account financial debts on its financial statements. The source of funding was constituted mainly by equity, in addition to possible cyclical sources of financing.

The investments of its subsidiaries and affiliate companies will follow its regular flow of execution, according to their individual plans structured by each company.

In compliance to CVM Instruction nr 381/03, BB Seguridade informs that throughout 2019, it used the independent audit services of Deloitte Touche Tohmatsu Auditores Independentes ("Deloitte"), through the contract signed by its parent, Banco do Brasil S.A.

Additionally, BB Seguridade and its subsidiaries inform that Deloitte did not render services that could affect its independence in relation to the audit work in 2020, ratified by the Independence Letter presented to BB Seguridade.

In the non-audit services hiring process, BB Seguridade adopts procedures based on the applicable law and the internationally accepted principles that preserve the auditor's independence. These principles are: (i) the auditor should not audit its own work, and (ii) the auditor should not act managerially nor promote the interests of his client.

The following table presents a list of services provided by Deloitte to BB Seguridade's subsidiaries, affiliates and controlling shareholder that were in force during 2020:

| Hiring Company | Contract dates | | Service | Fee (R$) |
|---|---|---|---|---|
| | Start | End | | |
| **Banco do Brasil S.A.** | 03/22/2019 | 03/22/2021 | Audit services on the financial statements of Banco do Brasil Conglomerate, prepared in accordance with IFRS and accounting practices adopted in Brazil | 17,805,810.40 |
| **Brasilcap Capitalização S.A.** | 04/01/2019 | 04/30/2021 | Audit service of the 2019 and 2020 Financial Statements | 753,000,00 |
| **Brasilprev Seguros e Previdência S.A.** | 03/01/2020 | 04/30/2025 | Audit services of financial statements and actuarial audit for the semesters ended 06/30/2020 to 12/31/2024 | 700,000.00 |
| **Brasilseg Companhia de Seguros Aliança do Brasil Seguros S/A** | 10/15/2020 | 10/14/2021 | Independent actuarial audit for 2020 fiscal year | 237,500,00 |

BB Seguridade, its shareholders, management and members of the Fiscal Council are commited to resolve any disputes or controversies related to the Novo Mercado Listing Regulation through the Market Arbitration Chamber of B3, according to the arbitration clause in BB Seguridade's Bylaws, Article 51.

## Acknowledgment

We would like to thank the dedication and commitment of our employees and collaborators and the distribution network of Banco do Brasil and other partners, which are fundamental for maintaining quality customer service and the compliance of processes in a year as challenging as 2020, in addition to the trust placed by shareholders, customers and society in general.

**Brasilia, 2021**

**The Board**

## STATEMENT OF INCOME

R$ thousand (except earnings per share)

| | | Parent | | Consolidated | |
|---|---|---|---|---|---|
| | Note | 2020 | 2019 | 2020 | 2019 |
| **OPERATING INCOME** | | **3,833,384** | **6,569,590** | **5,131,769** | **5,389,990** |
| Equity income | [7.b] | 3,833,384 | 6,569,590 | 1,880,490 | 2,323,759 |
| Net commissions income | [8] | -- | -- | 3,251,279 | 3,066,231 |
| **COST OF SERVICES PROVIDED** | **[9]** | **--** | **--** | **(176,868)** | **(185,706)** |
| **GROSS PROFIT** | | **3,833,384** | **6,569,590** | **4,954,901** | **5,204,284** |
| **OTHER INCOME AND EXPENSES** | | **(10,882)** | **(8,930)** | **(173,411)** | **3,396,651** |
| Personnel expenses | [10] | (11,602) | (10,812) | (63,893) | (58,438) |
| Administratives and sales expenses | [11] | (3,096) | (2,567) | (69,424) | (41,339) |
| Tax expenses | [12.c] | (3,645) | (9,236) | (12,559) | (24,625) |
| Other | [13] | 7,461 | 13,685 | (27,535) | 3,521,053 |
| **INCOME BEFORE FINANCIAL REVENUE AND EXPENSES** | | **3,822,502** | **6,560,660** | **4,781,490** | **8,600,935** |
| **FINANCIAL RESULT** | **[14]** | **37,295** | **143,472** | **111,150** | **312,869** |
| Financial revenue | | 62,764 | 173,832 | 138,657 | 343,522 |
| Financial expenses | | (25,469) | (30,360) | (27,507) | (30,653) |
| **INCOME BEFORE TAXES AND EQUITIES** | | **3,859,797** | **6,704,132** | **4,892,640** | **8,913,804** |
| **INCOME TAX AND SOCIAL CONTRIBUTION** | **[12.a]** | **(9,026)** | **(45,351)** | **(1,041,869)** | **(2,255,023)** |
| **NET INCOME** | | **3,850,771** | **6,658,781** | **3,850,771** | **6,658,781** |
| Number of shares | [25.a] | 2,000,000,000 | 2,000,000,000 | 2,000,000,000 | 2,000,000,000 |
| Weighted average number of shares - basic and diluted | [25.c] | 1,996,626,255 | 1,996,600,247 | 1,996,626,255 | 1,996,600,247 |
| Basic and diluted earnings per share (R$) | [25.c] | 1.93 | 3.34 | 1.93 | 3.34 |

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

R$ thousand

| | | Parent | | Consolidated | |
|---|---|---|---|---|---|
| | Note | 2020 | 2019 | 2020 | 2019 |
| **NET INCOME** | | **3,850,771** | **6,658,781** | **3,850,771** | **6,658,781** |
| **Share of comprehensive income Investments in Equity Holdings** | **[7.b]** | **(15,569)** | **28,219** | **(15,569)** | **28,219** |
| Gains/(losses) on financial assets available for sale | | (25,950) | 75,405 | (25,950) | 75,405 |
| Other comprehensive income | | -- | (28,373) | -- | (28,373) |
| Tax effect | | 10,381 | (18,813) | 10,381 | (18,813) |
| **TOTAL COMPREHENSIVE INCOME** | | **3,835,202** | **6,687,000** | **3,835,202** | **6,687,000** |

The accompanying notes are an integral part of these financial statements.

## BALANCE SHEET

R$ thousand

| | | Parent | | Consolidated | |
|---|---|---|---|---|---|
| | Note | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| **CURRENT ASSETS** | | **1,279,341** | **6,201,551** | **3,618,881** | **8,666,370** |
| Cash and cash equivalents | [15] | 208,893 | 4,231,195 | 2,195,445 | 7,381,292 |
| Financial assets measured at amortized cost | [16.b] | -- | -- | 245,101 | 286,301 |
| Dividends/interest on equity receivable | [17] | 1,060,278 | 1,961,491 | -- | -- |
| Commissions receivable | [18] | -- | -- | 1,173,988 | 996,720 |
| Other assets | [20] | 10,170 | 8,865 | 4,347 | 2,057 |
| | | | | | |
| **NON-CURRENT ASSETS** | | **6,067,671** | **5,547,167** | **7,281,415** | **6,260,177** |
| Financial assets at fair value through profit or loss | [16.a] | 3,948 | 3,413 | 4,986 | 460,147 |
| Financial assets measured at amortised cost | [16.b] | -- | -- | 204,449 | 238,305 |
| Investments in associates | [7.b] | 5,971,729 | 5,478,303 | 6,084,345 | 4,918,370 |
| Intangible | [19] | 5,481 | 5,901 | 5,481 | 5,901 |
| Current tax assets | [12.d] | 85,155 | 55,532 | 114,776 | 71,889 |
| Deferred tax assets | [12.e] | 1,305 | 3,974 | 17,634 | 18,054 |
| Commissions receivable | [18] | -- | -- | 643,090 | 343,595 |
| Other assets | [20] | 53 | 44 | 206,654 | 203,916 |
| | | | | | |
| **TOTAL ASSETS** | | **7,347,012** | **11,748,718** | **10,900,296** | **14,926,547** |
| | | | | | |
| **CURRENT LIABILITIES** | | **957,301** | **6,499,861** | **2,853,303** | **8,215,728** |
| Statutory obligation | [21] | 948,493 | 6,490,643 | 948,493 | 6,490,643 |
| Contingent liabilities | [22] | 124 | -- | 6,411 | 11,248 |
| Current tax liabilities | [12.g] | 81 | 980 | 682,950 | 656,137 |
| Unearned commissions | [23] | -- | -- | 1,127,358 | 993,057 |
| Other liabilities | [24] | 8,603 | 8,238 | 88,091 | 64,643 |
| | | | | | |
| **NON-CURRENT LIABILITIES** | | **106** | **103** | **1,657,388** | **1,462,065** |
| Contingent liabilities | [22] | 106 | 103 | 11,573 | 6,546 |
| Current tax liabilities | [12.h] | -- | -- | 228,565 | 228,564 |
| Unearned commissions | [23] | -- | -- | 1,417,250 | 1,226,955 |
| | | | | | |
| **TOTAL LIABILITIES** | | **957,407** | **6,499,964** | **4,510,691** | **9,677,793** |
| | | | | | |
| **EQUITY** | | **6,389,605** | **5,248,754** | **6,389,605** | **5,248,754** |
| Capital | [25.a] | 3,396,767 | 3,396,767 | 3,396,767 | 3,396,767 |
| Capital reserves | [25.b] | 1,588 | 1,117 | 1,588 | 1,117 |
| Income reserves | [25.b] | 3,060,956 | 1,905,725 | 3,060,956 | 1,905,725 |
| Treasury shares | [25.g.4] | (82,588) | (83,306) | (82,588) | (83,306) |
| Other accumulated comprehensive income | [25.e] | 12,882 | 28,451 | 12,882 | 28,451 |
| **TOTAL EQUITY** | | **6,389,605** | **5,248,754** | **6,389,605** | **5,248,754** |
| | | | | | |
| **TOTAL LIABILITIES AND EQUITY** | | **7,347,012** | **11,748,718** | **10,900,296** | **14,926,547** |

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

R$ thousand

| | Note | Parent | | Consolidated | |
|---|---|---|---|---|---|
| | | 2020 | 2019 | 2020 | 2019 |
| **Cash flow from operating activities** | | | | | |
| **Net profit** | | **3,850,771** | **6,658,781** | **3,850,771** | **6,658,781** |
| **Adjustment to net profit:** | | | | | |
| Equity income | [7.b] | (3,833,384) | (6,569,590) | (1,880,490) | (2,323,759) |
| Net increase in dividends and interest on shareholders' equity | | 10,882 | 20,831 | 24,871 | 27,398 |
| Gain on disposal of investments – IRB Brasil RE | | -- | -- | -- | (3,519,736) |
| Net increase in financial assets at amortized cost | | -- | -- | (18,377) | (31,075) |
| Other adjustments | | 2,094 | 763 | 2,158 | (611) |
| **Adjustment to net profit** | | **30,363** | **110,785** | **1,978,933** | **810,998** |
| | | | | | |
| **Changes in balance sheet items:** | | | | | |
| Financial assets at fair value through profit or loss | | (535) | (2,205) | 455,161 | (24,172) |
| Current tax assets and deferred tax assets | | (26,954) | 9,473 | (42,467) | 8,318 |
| Commissions receivable | | -- | -- | (476,763) | (333,376) |
| Other assets | | (1,314) | (3,533) | (5,028) | (12,099) |
| Unearned commissions | | -- | -- | 324,596 | 363,575 |
| Current tax liabilities and deferred tax liabilities | | (899) | (240) | 26,814 | 64,848 |
| Other liabilities | | 365 | (564) | 23,447 | 16,217 |
| **Cash provided by operating activities** | | **1,026** | **113,716** | **2,284,693** | **894,309** |
| | | | | | |
| **Cash flow from investment activities** | | | | | |
| Investments in financial assets measured at amortized cost | | -- | -- | (200,000) | -- |
| Redemptions in financial assets measured at amortized cost | | -- | -- | 293,433 | -- |
| Dividends received | [7.b] | 4,239,591 | 5,549,643 | 1,573,182 | 2,044,221 |
| Interest on equity received | [7.b] | -- | -- | 51,302 | 65,856 |
| Acquisition of investments - Ciclic Corretora de Seguros S.A. | [7.b] | -- | -- | (25,599) | -- |
| Acquisition of investments - Brasilprev Seguros e Previdência S.A. | [7.b] | -- | -- | (899,939) | -- |
| Disposal of investment – IRB Brasil RE | | -- | -- | -- | 4,181,779 |
| Acquisition Asset | | (357) | (981) | (357) | (981) |
| **Cash provided by investment activities** | | **4,239,234** | **5,548,662** | **792,022** | **6,290,875** |
| | | | | | |
| **Cash flow from financing activities** | | | | | |
| Dividends paid | | (5,562,658) | (5,860,139) | (5,562,658) | (5,860,139) |
| Refund payment - Capital reduction | | (2,699,904) | -- | (2,699,904) | -- |
| **Cash flow provided by financing activities** | | **(8,262,562)** | **(5,860,139)** | **(8,262,562)** | **(5,860,139)** |
| | | | | | |
| **Net change in cash and cash equivalents** | | **(4,022,302)** | **(197,761)** | **(5,185,847)** | **1,325,045** |
| Opening balance | [15] | 4,231,195 | 4,428,956 | 7,381,292 | 6,056,247 |
| Closing balance | [15] | 208,893 | 4,231,195 | 2,195,445 | 7,381,292 |
| **Increase (decrease) in cash and cash equivalents** | | **(4,022,302)** | **(197,761)** | **(5,185,847)** | **1,325,045** |
| | | | | | |
| **Complementary information on operations** | | | | | |
| Income tax paid | | (1,175) | -- | (666,364) | (1,477,038) |
| Social contribution paid | | (2,725) | (8,803) | (271,344) | (582,303) |
| **Total taxes paid** | | **(3,900)** | **(8,803)** | **(937,708)** | **(2,059,341)** |

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

R$ thousand

| Event | Note | Capital | Capital Reserves | Profit Reserves | | Treasury Shares | Retained Earnings/ Accumulated Losses | Other Accumulated Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Legal Reserve | Statutory Reserve | | | | |
| **Balances at Dec 31, 2018** | | **5,646,767** | **1,262** | **1,087,026** | **178,549** | **(83,451)** | **--** | **232** | **6,830,385** |
| Capital reduction | [25.a] | (2,700,000) | -- | -- | -- | -- | -- | -- | (2,700,000) |
| Capitalization of Legal Reserve | [25.a] | 450,000 | -- | (450,000) | -- | -- | -- | -- | -- |
| Share-based payment transactions | | -- | (145) | -- | -- | 145 | -- | -- | -- |
| Other accumulated comprehensive income | | -- | -- | -- | -- | -- | -- | 28,219 | 28,219 |
| Expired dividends | [25.d] | -- | -- | -- | -- | -- | 24 | -- | 24 |
| **Net income for the period** | **[25.c]** | **--** | **--** | **--** | **--** | **--** | **6,658,781** | **--** | **6,658,781** |
| Destinations - Profit Reserves | [25.b] | -- | -- | 42,328 | 1,047,822 | -- | (1,090,150) | -- | -- |
| - Dividends paid | [25.d] | -- | -- | -- | -- | -- | (1,778,339) | -- | (1,778,339) |
| - Proposed dividends | [25.d] | -- | -- | -- | -- | -- | (3,790,316) | -- | (3,790,316) |
| **Balances at Dec 31, 2019** | | **3,396,767** | **1,117** | **679,354** | **1,226,371** | **(83,306)** | **--** | **28,451** | **5,248,754** |
| **Changes in the year** | | **(2,250,000)** | **(145)** | **(407,672)** | **1,047,822** | **145** | **--** | **28,219** | **(1,581,631)** |
| | | | | | | | | | |
| **Balances at Dec 31, 2019** | | **3,396,767** | **1,117** | **679,354** | **1,226,371** | **(83,306)** | **--** | **28,451** | **5,248,754** |
| Share-based payment transactions | | -- | 471 | -- | -- | 718 | -- | -- | 1,189 |
| Other accumulated comprehensive income | [7.b] | -- | -- | -- | -- | -- | -- | (15,569) | (15,569) |
| Expired dividends | [25.d] | -- | -- | -- | -- | -- | 42 | -- | 42 |
| **Net income for the period** | **[25.c]** | **--** | **--** | **--** | **--** | **--** | **3,850,771** | **--** | **3,850,771** |
| Destinations - Profit Reserves | [25.b] | -- | -- | -- | 1,155,231 | -- | (1,155,231) | -- | -- |
| - Intermediary dividends payable | [25.d] | -- | -- | -- | -- | -- | (1,747,565) | -- | (1,747,565) |
| - Proposed dividends | [25.d] | -- | -- | -- | -- | -- | (948,017) | -- | (948,017) |
| **Balances at Dec 31, 2020** | | **3,396,767** | **1,588** | **679,354** | **2,381,602** | **(82,588)** | **--** | **12,882** | **6,389,605** |
| **Changes in the year** | | **--** | **471** | **--** | **1,155,231** | **718** | **--** | **(15,569)** | **1,140,851** |

The accompanying notes are an integral part of these financial statements,

## STATEMENT OF VALUE ADDED

R$ thousand

| | Note | Parent | | Consolidated | |
|---|---|---|---|---|---|
| | | 2020 | 2019 | 2020 | 2019 |
| **Income** | | **7,763** | **13,996** | **3,690,845** | **7,070,562** |
| Commissions income | [8] | -- | -- | 3,676,972 | 3,474,987 |
| Other income | [13] | 7,763 | 13,996 | 13,873 | 3,595,575 |
| | | | | | |
| **Input Acquired from Third Parties** | | **(3,224)** | **(2,712)** | **(286,689)** | **(300,680)** |
| Administrative expenses diverse | [11] | (3,096) | (2,567) | (69,424) | (41,339) |
| Cost of services provided | [9] | -- | -- | (176,868) | (185,706) |
| Other expenses | [13] | (128) | (145) | (40,397) | (73,635) |
| | | | | | |
| **Gross Added Value** | | **4,539** | **11,284** | **3,404,156** | **6,769,882** |
| | | | | | |
| Depreciation and amortization | [13] | (174) | (166) | (1,011) | (887) |
| | | | | | |
| **Net Added Value Generated by the Entity** | | **4,365** | **11,118** | **3,403,145** | **6,768,995** |
| | | | | | |
| **Added Value Received Through Transfer** | | **3,896,148** | **6,743,422** | **2,019,147** | **2,667,281** |
| Equity in the earnings of associates | [7.b] | 3,833,384 | 6,569,590 | 1,880,490 | 2,323,759 |
| Financial income | [14] | 62,764 | 173,832 | 138,657 | 343,522 |
| | | | | | |
| **Total Added Value to Distribute** | | **3,900,513** | **6,754,540** | **5,422,292** | **9,436,276** |
| | | | | | |
| **Distribution of Added Value** | | **3,900,513** | **6,754,540** | **5,422,292** | **9,436,276** |
| Personnel | [10] | 11,602 | 10,812 | 63,893 | 58,438 |
| Taxes, fees and contributions | | 12,671 | 54,587 | 1,480,121 | 2,688,404 |
| Financial expenses | [14] | 25,469 | 30,360 | 27,507 | 30,653 |
| Equity remuneration | [25.d] | 2,695,540 | 5,568,631 | 2,695,540 | 5,568,631 |
| Retained earnings in the year | | 1,155,231 | 1,090,150 | 1,155,231 | 1,090,150 |

The accompanying notes are an integral part of these financial statements

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 1 – OPERATIONS

BB Seguridade Participações S.A. ("BB Seguridade") was incorporated as a subsidiary of Banco do Brasil S.A. on December 20, 2012, in accordance with Brazilian law. The purpose of the Group is to participate in insurance companies, capitalization, open private pension funds, health insurance companies, reinsurance companies, as well as other companies whose corporate purpose is to broker and facilitate business involving personal, health, property and vehicle insurance, offer capitalization plans, private pension plans and asset management.

BB Seguridade, enrolled with the CNPJ (Brazilian equivalent of IRS Registry of Legal Entities) 17.344.597/0001-94, is headquartered in Setor de Autarquias Norte, Quadra 05, Lot B, 3rd Floor, Banco do Brasil Building, Asa Norte, Brasilia, Distrito Federal, Brazil. It is a publicly traded corporation and its shares are traded in the Novo Mercado segment of B3 SA (Brasil, Bolsa, Balcão), under the code "BBSE3" and its ADRs (American Depositary Receipts) in the USA over-the-counter market, under the code "BBSEY".

The Group's operations are conducted through its wholly owned subsidiaries BB Corretora de Seguros e Administradora de Bens S.A. (BB Corretora) and BB Seguros Participações S.A. (BB Seguros), which are under common administrative and management control.

Such participations are currently organized in two segments: risk and accumulation businesses, which operate insurance products, open pension, capitalization and dental assistance plans through BB Seguros with private partners; and distribution businesses, which sell insurance, open pension, capitalization securities and private dental assistance plans, through BB Corretora, in addition to investee that operates in the distribution of insurance products through digital channels.

Counting on Banco do Brasil's distribution network as the main channel for marketing a complete portfolio of products with the intermediation of its own brokerage house, BB Seguridade currently occupies a prominent position in the market in all segments in which it is present.

In the light of the current situation caused by the outbreak of the Coronavirus (Covid-19) and despite the maintenance of long-term strategy, the Company's management model was adapted to contemplate an even more focused action. An specific plan to fight Covid-19 was created comprising the initiatives prioritized by the Company, which are conducted by multidisciplinary teams, with monitoring and execution flows communicated and fed back by all internal stakeholders.

This plan, implemented during the second quarter of 2020, sustained by the pillars of extreme focus, agile decision making and timely communication, has four goals: (i) to take care of our teams; (ii) to be together with clients and the society; (iii) to ensure the sustainability of the company; and (iv) to prepare for the post-crisis period. Now, still in an environment of uncertainty, the Company starts to enforce the ordinary strategic planning cycle 2021-2025, in order to attract new customers, strengthen our competitive position and explore new markets.

Our clients continue to be served and supported in their needs, and insurance, in the current scenario, presents itself as a great ally to bring the serenity and safety expected by those who already use our products and services, in addition to those who will consume them from this adverse situation on. We have extended the limits of service in digital channels and remain focused on completing the self-service journeys. We also offer benefits and services to help clients to go through the situation of social isolation.

Taking the measures to sustain our current business, while keeping our eyes on the new normal, completes the Company's initiatives to face the effects of Covid-19. Hence, we prioritize revenue generation with businesses that are more adherent and less impacted by the situation, ensuring that strategic technology deployments do not slow down the pace, in addition to accelerating projects with high potential to capture market opportunities.

In this way, the company has been monitoring and adapting itself to the impacts and evaluating the scenarios that have affected or may come to affect its operations, with daily assessment of the situation, updating of preventive measures and risk minimization actions, and coordination of the execution of action plans in the Continuity Coordinator Group. Up to now, no material impacts that may jeopardize the sustainability of the Company and its Investees' operations have been identified.

In addition, the Company has adopted several measures to mitigate the impacts resulting from the pandemic, with the objective of maintaining the safety of its employees, collaborating with society and the authorities to restrain virus and sustaining its operations, such as the adoption of remote work for all employees, the cancellation or postponement of international and domestic travel and the suspension of on-site training and corporate events, in addition to encouraging the adoption of teleconference and videoconference solutions for internal and external meetings.

The Company has a Return to Office Plan (ROP) designed and its goal is to provide an environment that offers security and tranquility for employees in the return to office, ensuring business continuity after the quarantine flexibility.

However, as it seeks especially to preserve the health of all employees, the Company continues to adopt the remote work regime, making it possible to carry out all processes in the same way as when operating at the Company's headquarters, without having yet implemented the Return Plan. Three indicators - (i) moving average of cases; (ii) occupation of the ICU beds; and (iii) transmission rate - as well as the definitions of the Vaccination Programs that will be created, are being monitored directly by the Company's Executive Board, with the purpose to establish the best time to execute the ROP. It is noteworthy that the work model continues without registering atypical flaws or significant deficiencies in the Group's systems, processes or controls.

In the social field, given that the pandemic has already considerably affected the domestic socioeconomic situation and always thinking about protection and care for people, the Group, through BB Corretora,donated R$ 40 million, by the Banco do Brasil Foundation (FBB), whose disbursements were spent according to the Foundation's demand pace, in order to contain the effects of the Coronavirus advance.

We understand that BB Seguridade has the appropriate workforce and liquidity to overcome the challenge in the best possible way. The monitoring of possible risks inherent to the pandemic that may affect the company, logistics and employees and customers are addressed in Explanatory Note 5 - RISK MANAGEMENT.

## 2 – ACQUISITIONS, DISPOSALS AND CORPORATE RESTRUCTURINGS

### a) Total Disposal of Shares – IRB-Brasil Resseguros S.A.

On July 10, 2019, after decision from the Company's Board of Directors, BB Seguros Participações S.A. Executive Board approved the launch of a restricted secondary public offering of shares ("Restricted Offering") to dispose of all 47,520,213 IRB-Brasil RE common shares held by BB Seguros, in line with BB Seguridade strategy of focusing on the most profitable segments for the Company and with high synergy in distribution through the banking channel. At the same Restricted Offering, were also put up for sale 36,458,237 common shares held by the Federal Government, represented by the *Banco Nacional de Desenvolvimento Econômico e Social*, as asset manager of the *Fundo Nacional de Desestatização* (FND). On July 12, 2019, Susep granted the authorization for IRB to change from a defined control block model to a model without a controller - in other words, to a model of a true corporation.

On July 18, 2019, the bookbuilding procedure was concluded and the price per share was set at R$ 88.00. On July 23, 2019, the offer was effectively settled with the delivery of the shares to the respective investors and the concomitant receipt by BB Seguros of the amount of R $ 4,181 million for the sale of the shares. After the sale, BB Seguros no longer stake in IRB Brasil-RE.

Considering the write-off of the investment, the total sale of the shares produced a gain of R$ 3.5 billion. After deducting the amount of taxes levied on the capital gain from the sale, which represented R$ 1.2 billion, the distribution costs and other effects, the transaction provided a gain of R$ 2.3 billion to BB Seguros.

### b) Ciclic Corretora de Seguros S.A.

On February 27th, 2020, Ciclic's Extraordinary Shareholders Meeting (ESM) approved the increase on the company's capital by R$ 17,001,400.00 through the issuance of 8,500,700 common shares and 8,500,700 preferred shares, by the price of R$ 1.00 each.

BB Corretora de Seguros e Administradora de Bens S.A. subscribed 4,249,500 common shares and 8,500,700 preferred shares, equivalent to R$ 12,750,200.00, fully paid in national currency, on the date of the ESM held to decide the increase on the company's capital.

PFG do Brasil 2 Participações Ltda subscribed 4,251,200 common shares, equivalent to R$ 4,251,200.00, fully paid in national currency, on the date of the ESM held to decide the increase on the company's capital.

The company's capital, fully subscribed and paid-in, amounted at the occasion, to R$ 44.0 million, divided into 44 million shares, of which 22 million are common shares and 22 million are preferred shares, distributed between the shareholders in the following proportion:

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|---|---|---|---|---|---|---|
| | Ammount | % | Ammount | % | Ammount | % |
| BB Corretora | 10,997,800 | 49.990 | 22,000,000 | 100.000 | 32,997,800 | 74.995 |
| PFG2 | 11,002,200 | 50.010 | -- | -- | 11,002,200 | 25.005 |
| **Total** | **22,000,000** | **100.000** | **22,000,000** | **100.000** | **44,000,000** | **100.000** |

On December 4th, 2020, Ciclic's Extraordinary Shareholders Meeting (ESM) approved a new increase on the company's capital by R$ 17,132,548.00 through the issuance of 8,566,274 common shares and 8,566,274 preferred shares, by the price of R$ 1.00 each.

BB Corretora de Seguros e Administradora de Bens S.A. subscribed 4,282,280 common shares and 8,566,274 preferred shares, equivalent to R$ 12,848,554.00, fully paid in national currency on December 7th, 2020.

PFG do Brasil 2 Participações Ltda subscribed 4,283,994 common shares, equivalent to R$ 4,283,994.00, fully paid in national currency, on December 8th, 2020.

The company's capital, fully subscribed and paid-in, is now of R$ 61,132,548.00, divided into 61,132,548 shares, of which 30,566,274 are common shares and 30,566,274 are preferred shares, distributed between the shareholders in the following proportion:

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|---|---|---|---|---|---|---|
| | Ammount | % | Ammount | % | Ammount | % |
| BB Corretora | 15,280,080 | 49.990 | 30,566,274 | 100.000 | 45,846,354 | 74.995 |
| PFG2 | 15,286,194 | 50.010 | -- | -- | 15,286,194 | 25.005 |
| **Total** | **30,566,274** | **100.000** | **30,566,274** | **100.000** | **61,132,548** | **100.000** |

### c) Brasilprev Seguros e Previdência S.A.

On December 30th, 2020, Brasilprev's Extraordinary Shareholders Meeting (ESM) approved the increase on the company's capital by R$ 1,199,998,758.74 through the issuance of 422,686 common shares and 422,686 preferred shares, by the price of R$ 1,419.49 each, based on Brasilprev's shareholders' equity as of November 30th, 2020. On the same date, BB Seguridade Participações S.A. released to the market a Material Fact communicating the transaction and its motivation.

BB Seguros Participações S.A. subscribed 211,301 common shares and 422,686 preferred shares, equivalent to R$ 899,939,450.39, while PFG do Brasil Ltda. subscribed 211,385 common shares, equivalent to R$ 300,059,308.35, having the shareholders up to January 31st, 2021 to fully pay up the capital.

Brasilprev's capital, which is fully subscribed and partially paid-up until the end of the year, amounted to R$ 2,929,257,699.28, divided into 3,135,452 shares, of which 1,567,726 are common shares and 1,567,726 are preferred shares, distributed between the shareholders in the following proportion:

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|---|---|---|---|---|---|---|
| | Ammount | % | Ammount | Ammount | % | % |
| **BB Seguros** | 783,707 | 49,990 | 1,567,726 | 100,000 | 2,351,433 | 74,995 |
| **PFG** | 784,019 | 50,010 | -- | -- | 784,019 | 25,005 |
| **Total** | **1,567,726** | **100,000** | **1,567,726** | **100,000** | **3,135,452** | **100,000** |

## 3 – PRESENTATION OF FINANCIAL STATEMENTS

### a) Statement of Compliance

The individual financial statements have been prepared in accordance with the accounting guidelines derived from Brazilian corporation law and are presented in compliance with accounting practices adopted in Brazil, including pronouncements issued by the Comitê de Pronunciamentos Contábeis – CPC (Accounting Pronouncements Committee), approved by Conselho Federal de Contabilidade – CFC (Federal Accounting Council).

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

There are no divergences in accounting practices adopted for these individual and consolidated financial statements, given that the conformity between of the accounting standards adopted in Brazil and those issued by the IASB.

All the relevant information specific to the financial statements are evidenced and correspond to those used by Management in its management.

For the preparation of these Accounting Statements, were observed the guidelines as to the relevant aspects brought by Ofício-Circular CVM 01/2021, of January 29, 2021.

These interim financial statements were approved and authorized by BB Seguridade's Board of Directors on February 05, 2021.

### b) Continuity

Management evaluated the capacity of BB Seguridade to continue normally operating and it is convinced that it has the resources to continue its business in the future. In addition, Management is not aware of any material uncertainties that could generate significant doubts about its ability to continue operating. Accordingly, these consolidated and individual financial statements were prepared based on the assumption of operating continuity.

### c) Measurement Basis of Assets and Liabilities

These individual and consolidated interim financial statements have been prepared using historical cost as the measurement basis, except for financial assets measured at fair value through profit or loss.

### d) Functional and Presentation Currency

The financial statements are presented in Brazilian Reais (R$), the functional and presentation currency of BB Seguridade. BB Seguridade and subsidiaries did not carry out operations in foreign currency.

### e) Consolidation Basis

The consolidated financial statements of the BB Seguridade and subsidiaries are included the consolidation of assets and liabilities from BB Seguridade and its controlled entities, as follows:

| Company | Activity | Country of constitution | % Share | |
|---|---|---|---|---|
| | | | Dec 31, 2020 | Dec 31, 2019 |
| BB Seguros Participações S.A. | Holding | Brazil | 100% | 100% |
| BB Corretora de Seguros e Administradora de Bens S.A. | Brokerage | Brazil | 100% | 100% |

The intra-group balances and transactions, such as any unrealized income or expenses on transactions between companies of the consolidated, are eliminated in preparing the consolidated financial statements.

### f) Seasonality of Operations

BB Seguridade and its owned subsidiaries consider the nature of their transactions as non-seasonal and non-cyclical, taking into account the activities carried out by the Group. Consequently, no specific disclosures are provided in these notes.

### g) Main Judgments and Accouting Estimates

The preparation of the financial statements in accordance with CPCs and IFRS requires that the Management make judgments and estimates affecting the recognized amounts referring to assets, liabilities, income and expenses. Estimates and assumptions adopted are analyzed on a continuous basis, and revisions are carried out and recognized in the period in which the estimate is reevaluated, with prospective effects. The actual results obtained may be different from estimates used herein.

Taking into consideration that there are certain alternatives to accounting treatments, the results that are disclosed could be different, in the event a different treatment had been chosen. Management considers that the choices made are appropriate and that the financial statements fairly present the consolidated financial position of BB Seguridade and the result of its operations in all material aspects.

Significant assets and liabilities subject to these estimates and assumptions encompass items for which an evaluation at fair value is necessary. The most relevant applications of the exercise on estimates judgments and usage occur in: Fair value of Financial Instruments, Impairment of Financial Assets, Impairment of Non-Financial Assets, Income Taxes, Deferred Taxes and Provisions and Contingent Liabilities.

## 4 – DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are the specific principles, bases, conventions, rules and practices applied by BB Seguridade in the preparation and presentation of financial statements. BB Seguridade applied accounting policies consistently to all periods presented in these financial statements.

The accounting policies used in the preparation of these financial statements are equivalent to those applied to the annual financial statements for the period ended on December 31, 2019.

### a) Revenue and Expense Recognition

Income and expenses are recognized on an accrual basis and are reported in the financial statements of the periods to which they refer. Revenues are increases in assets, or decreases in liabilities, that result in increases in shareholders' equity, except for those referring to contributions from holders of rights over equity.

This concept is applied to the main forms of revenue originated from the activities of BB Seguridade and its subsidiary companies, as follows:

**a.1) Revenue from investments of corporate interests –** Income from the equity accounting method for evaluation of the investments in corporate interests are incorporated according to the investment interest of BB Seguridade in the results originated from the companies in which it was invested, according to CPC 18 (R2) – Investment in Controlled Companies and Affiliated and Joint Ventures.

**a.2) Commission Revenue –** The income originated from commissions are incorporated when its amount and the related costs and process of conclusion of the operation can be measured in reliable manner and when its related economic benefits are likely to be made, according to CPC 47 – Client Agreement Revenue.

In order to assess its revenue, BB Seguridade uses a five-stage model concept to determine when to incorporate a type of revenue: i) identification of the agreement; ii) identification of the performance obligations; iii) evaluation of the price of the operation; iv) measurement of the operation price and v) revenue assessment

The commission revenue are incorporated when the Company meets (or as the Company meets) its performance obligation when transferring goods and services (in other words, assets) agreed with the client. The commission income comes from the segments of people insurance, basic lines, vehicles, pension plans, capitalization and health insurance. These revenues are recognized over time (products with definite validity), where the performance obligation is diluted linearlu over the lifetime of the product / insurance, or at a specific time (monthly products), where the performance obligation occurs monthly , according to the characteristics of the products.

In cases of return of premium to the insured, the broker returns to the insurer the commission received in proportion to the amount returned or not received by the insurer in function of the remaining period of the policy.

For insurance whose expiry is not objectively defined (monthly insurance), the monthly payment of the payments is decisive for the continuity of the policies, and, in general, there are no refund of commissions.

For the monitoring and control of brokerage commissions, BB Seguridade uses the ERP (Enterprise Resource Planning) system, which has a specific module for brokerage, called the “Motor de Cálculo”. The purpose of this module is to receive, in a standardized way, all the necessary information from investees and Banco do Brasil, allowing to automate the quantitative and qualitative analyzes of the sales operations and accounts receivable operations of the security products, allowing greater control and reconciliation of brokerage values, in addition to allowing automatic accounting. Brasilcap, Brasilprev, Brasildental and Mapfre Seguros Gerais products are already implemented in this tool. The completion of Brasilseg's products is scheduled for 2021.

**a.3) Financial income and expenses –** Income and expenses from financial instruments originated from assets and liabilities that generate and pay interest are incorporated, as well as the amounts related to the fair value adjustment, in the revenue for that fiscal year on the accrual basis, using the effective interest rate method, according to CPC 48 - Financial Instruments.

In the case of instruments measured at fair value through profit or loss (in accordance with item c.3 below), the fair value is determined as described in item c.4.

**b) Cash and cash equivalents**

Cash and cash equivalents are represented by cash equivalents in local currency, short-term fund investments, investments of sales and purchase agreements with high net value and insignificant risk of change in value, with a maturity of 90 days or less.

**c) Financial instruments**

The financial instruments are classified according to the business model and the contractual characteristics of the cash flows of the instruments according to CPC 48 - Financial Instruments .

Financial assets and liabilities are initially incorporated on the trade date, i.e., the date on which the Group becomes a party to the provisions of the instrument. The classification of the financial assets and liabilities is determined on the date of initial recognition.

Financial instruments are initially measured at fair value plus the transaction cost, except when financial assets and liabilities are recorded at fair value through profit or loss.

Financial assets and liabilities can be classified into one of the categories: i) financial instrument measured at fair value through profit or loss, ii) financial instrument measured at amortized cost and; iii) financial instrument measured at fair value through other comprehensive income.

The main financial instruments of the BB Seguridade and its subsidiaries are securities mainly held by Banco do Brasil (short- and long-term investment funds, financial bills and sales and purchase agreements). In the reporting exercise, BB Seguridade did not use derivative financial instruments.

The BB Seguridade, through BB Seguros,holds interests in insurance companies, for which CPC 48 is not applied. When there is a divergence in accounting practice in investments in equity investments, it is necessary to adjust the accounting practices for standardization. However, the CPC Technical Pronouncements Review no. 12/2017 allowed, subject to an exemption for insurers, that the entity apply the CPC without need for standardization in relation to the affiliated companies (until January 1, 2023).

**c.1) Amortized Cost -** These are financial assets held by BB Seguridade (i) for the purpose of receiving their agreed cash flow rather than for sale with profit or loss and (ii) whose terms of the agreement generates cash flows at specified dates exclusively for primary payments and interest payments on the primary amount outstanding.

Short-term financial instruments are recognized as financial assets measured at amortized cost. Changes in these assets are recognized in income for the period in financial income or expense, depending on the result obtained.

**c.2) Fair value through other comprehensive income - VJORA -** These are financial assets held by BB Seguridade (i) both for the receipt of its cash flow by agreement and for disposal with realization of profits or losses and (ii) the agreement terms of which generates cash flows at specified dates exclusively for primary payments and interest payments on the primary amount outstanding

BB Seguridade currently does not have financial assets classified in this category.

**c.3) Fair value through profit or loss (VJR) -** Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are classified in this category.

The funds and repurchase agreements are recognized as financial assets at fair value through profit or loss.

**c.4) Determination of fair value -** Fair value is the price that would be received for the sale of an asset or would be paid by the transfer of a liability in a non-forced transaction between market participants at the measurement date.

The fair value of financial instruments traded in active markets on the balance sheet date is based on the quoted market price or the over-the-counter price (selling price for long positions or purchase price for long positions), without any deduction of transaction cost.

In situations where there is no market price for a particular financial instrument, its fair value is estimated on the basis of valuation methods commonly used in the financial markets that are appropriate to the specific characteristics of the instrument and capture the various risks to which it is exposed . The valuation methods include: the discounted cash flow method, comparison to similar financial instruments for which there is a market with observable prices, option pricing model, credit models and other known valuation models.

The internal pricing models may involve some level of estimation and judgment by the Administration whose intensity will depend, among other factors, on the complexity of the financial instrument.

**c.5) Financial liabilities -** An instrument is classified as a financial liability when there is a contractual obligation that its settlement is made through the delivery of money or other financial asset, regardless of its legal form. Financial liabilities include short-term and long-term debt that are initially measured at fair value, which is the amount received net of costs incurred in the transaction and subsequently at amortized cost.

**d) Write-off of Financial Assets and Financial Liabilities**

**d.1) Financial assets** - A financial asset is written off when: (i) the contractual rights related to the respective cash flows expire; (ii) transfers most of the risks and benefits associated with the asset to third parties; or (iii) when control over the asset is transferred, even having withheld part of the risks and benefits associated with its detention.

The rights and obligations retained in the transfer are incorporated separately as assets and as liabilities, when appropriate. If the control over the asset is retained, the Group continues to incorporate it in the extent of its continuing involvement, which is determined by the extent to which it remains exposed to changes in the value of the transferred asset.

**d.2) Financial liabilities** - A financial liability is written off when its obligation is eliminated, canceled or prescribed. If an existing financial liability is replaced by another of the same creditor in substantially different terms, or the terms of the existing liability are substantially modified, such modification is treated as a write-off of the original liability and recognition of a new liability, and the difference between the accounting values is recognized in profit or loss.

**e) Reduction in the recoverable value of financial assets - Impairment**

For impairment of financial assets (impairment), CPC 48 - Financial Instruments, considers the expected credit losses, which are a weighted estimate of the probability of credit losses (that is, the present value of all cash deficits) over the expected life of the financial instrument.

The cash deficit is the difference between the cash flows due to the entity under the contract and the cash flows that the entity expects to receive. As the expected credit losses consider the value and timing of the payments, the credit loss occurs even if the entity expects to be paid in full, but after the due date stipulated by the contract.

For the impairment of commissions receivable, the simplified approach allowed by CPC 48 was used for commercial receivables in which the recognition of expected credit losses follows the model for the entire life of the instrument.

Annually or whenever there is an indication that the financial asset may be devalued, BB Seguridade is assessed if there is any objective evidence of impairment of its financial assets, in accordance with CPC 48 - Financial Instruments.

In the exercise, there were no losses due to the devaluation of BB Seguridade's financial assets.

**f) Change of Corporate Interest in Subsidiaries**

Changes in corporate interest in a subsidiary that do not result in loss of control are accounted for as equity transactions (ie, transactions with owners in the capacity of owners). Consequently, no premium is recognized as a result of such transactions.

In such circumstances, the carrying amounts of the interests of the parent and subsidiary companies will be adjusted to reflect changes in their relative interests in the subsidiary company. Any difference between the value by which the interests of subsidiary companies are adjusted and the fair value of the consideration paid or received will be recognized directly in equity and attributed to the owners of the parent company.

**g) Goodwill and Other Intangible Assets**

The goodwill generated on the acquisition of investments of corporate interests is accounted considering the fair value of the identifiable assets and the assumed liabilities of the acquiring company on the acquisition date and, in accordance with the applicable standards, is not amortized. However, it is tested, at least annually, for impairment purposes. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets are incorporated separately from goodwill when they are separable or arise from contractual rights or other legal rights, their fair value can be measured reliably and it is probable that the expected future economic benefits will be transferred to BB Seguridade. The cost of intangible assets acquired in a business combination is its fair value at the acquisition date. The intangible assets acquired independently are initially measured at cost.

The useful life of intangible assets is considered to be definite or indefinite. Intangible assets with defined useful lives are amortized over the course of their economic life. They are initially registered at cost, less accumulated amortization and impairment losses. Intangible assets with indefinite useful lives are recorded at cost less any impairment losses.

The costs incurred related to the acquisition, production and development of software are capitalized and registered as intangible assets. Expenses from the research phase are registered as expenses.

Intangible assets with definite useful lives are amortized on a straight-line basis over the estimated useful life. The amortization method and period of an intangible asset with a definite useful life are reviewed at least annually. Changes in the expected useful life or proportion of expected use of the future benefits incorporated in the asset are recognized through changes in the amortization period or method, when appropriate, and treated as changes in accounting estimates.

The amortization expense of intangible assets with definite useful life and impairment losses are recognized in the statement of income in the line “Other” in the Statement of Income.

### h) Decrease in the recoverable value of non-financial assets - Impairment

Annually or whenever there is an indication that the asset may be devalued, it is evaluated, based on internal and external sources of information, if there is any indication that a non-financial asset may be with recoverability problems. If there is such indication, the asset's recoverable amount is estimated. The recoverable value of the asset is the higher of its fair value less costs to sell it or its value in use.

Whether there was any indication of loss in the recoverable amount the impairment test of intangible assets with indefinite useful life is annually performed, including premium acquired in a business combination, or an intangible asset not yet available for use. This test can be performed at any time during an annual period, provided it is performed at the same time each year.

In the event that the recoverable value of the asset is lower than its carrying amount, the carrying amount of the asset is reduced to its recoverable value by an impairment loss, the consideration of which is incorporated in the income statement for that year, in other expenses / operating revenues.

Annually, it is assessed whether there is any indication that a loss by reduction to recoverable value incorporated in prior periods for an asset other than premium for expected future profitability, it might no longer exist or may have decreased. If there is such indication, the asset's recoverable amount is estimated. The reversal of a loss for impairment of an asset will be registered immediately in the income statement for the period, as a rectifier of the balance of Other (expenses) / operating income.

In the exercise, there were no losses due to the devaluation of BB Seguridade's investments.

### i) Investments in Corporate Interests

Under the equity method, the investment is initially measured at cost and subsequently adjusted by the investor's recognition of changes in the net assets of the invested company. In addition, the portion of the investor's income in the results generated by the invested company must be included in the profit and losses of the investor's period, according to CPC 18 (R2) - Investment in Affiliate, Subsidiary and Joint Venture.

In situations where the investees use different accounting practices in events and transactions of the same nature in similar circumstances, the necessary adjustments are made to adjust the financial statements of the investees to the accounting practices adopted by the investor.

### j) Provisions, Contingent Liabilities and Legal Obligations

The incorporation, measurement and disclosure of contingent liabilities and legal obligations are carried out in accordance with the criteria defined in CPC 25 - Provisions, Contingent Liabilities and Contingent Assets.

Provisions related to legal and / or administrative proceedings are recognized in the financial statements when, based on the analysis of legal advisors and management, the risk of loss of a legal or administrative action is considered probable, with a probable outflow of funds for the settlement of obligations and when the amounts involved are measurable with sufficient certainty, being quantified when the court summons / notification and reviewed monthly on an individual basis, thus considering the processes related to causes considered unusual or whose value is considered relevant under the analysis of advisors considering the intended compensation amount.Contingent liabilities classified as possible losses are not recognized in the accounting statements, and they should only be disclosed in the explanatory notes, and those classified as remote do not require provision or disclosure.

Contingent liabilities classified as possible losses are not recognized in the accounts, and should only be disclosed in the explanatory notes, and those classified as remote do not require provision and disclosure.

Tax legal obligations are derived from tax obligations under the law, irrespective of the probability of success of lawsuits in progress and their amounts are fully recognized in the financial statements.

### k) Taxes

Taxes are calculated based on the rates shown in the table below:

| Taxes | Dec 31, 2020 |
|---|---|
| Income Tax (IRPJ) [1] | 25% |
| Social Contribution on Net Income (CSLL) | 9% |
| Contribution to PIS (Social Integration Program) / Pasep (Investment Program for Civil Servants) | 1.65% |
| Contribution for the financing of Social Security (COFINS) | 7.60% |
| Contribution to PIS / Pasep[2] | 0.65% |
| Contribution for the financing of Social Security (COFINS)[2] | 4% |
| Municipal services tax – ISS[3] | Up to 5% |

(1) Includes basic rate (15%) and additional (10%)
(2) Interest rate on financial investments.
(3) Only for BB Corretora.

The deferred tax assets and deferred tax liabilities are constituted by the application of the current tax rates on their respective bases. For constitution, maintenance and write-off of deferred tax assets, the criteria established by CPC 32 - Taxes on Profit are observed, and are supported by a realization capacity study.

### l) Segment Disclosure

CPC 22 - Information by Segment (IFRS 8) requires the disclosure of financial information of the entity's operating segments based on the internal disclosures that are used by Management to allocate resources and to evaluate its financial and economic performance.

### m) Interest on Shareholder's Capital and Dividends

Brazilian companies may assign a nominal interest expense, deductible for tax purposes, on their own capital. The amount of interest on shareholders 'equity is considered as a dividend and, when applicable, presented in these consolidated financial statements as a direct reduction in stockholders' equity.

Under the current dividends policy, BB Seguridade distributes to shareholders as mandatory dividend a portion corresponding to at least 25% of adjusted net income with the deductions and increases provided for in Art. 202 of Law 6,404 / 76, which are recognized as a liability and deducted from shareholders' equity when allocating the result of the period.

In the reported period there was no payment of Interest on Shareholder's Capital.

### n) Earning per share

The earnings per share disclosure is made in accordance with the criteria defined in CPC 41 - Earnings per Share - approved by CVM Resolution 636/2010. The basic and diluted earning per share of BB Seguridade was calculated by dividing net income attributable to shareholders by the weighted average number of total common shares, excluding treasury shares. BB Seguridade has no option, subscription bonus or its equivalents that give its holder the right to acquire shares. Thus, basic and diluted earnings per share are the same.

### o) Leasing operations

The recognition, measurement and disclosure of leases are carried out in accordance with the criteria defined in CPC 06 (R2) - Leases.

BB Seguridade and its subsidiaries do not have leasing operations, but they have interests in insurance companies and health operators that have these operations. For insurance companies, the Superintendence of Private Insurance (SUSEP) approved, through Circular No. 615, of September 2020, the adoption of CPC 06 (R2) - Leases, effective from January 1, 2021. For health operators, the National Supplementary Health Agency (ANS) has not yet approved the adoption of the referred rule. When there is a divergence in the accounting practice adopted by the investor in relation to the investee companies, adjustment procedures are necessary for standardization purposes. Considering the current leasing operations of the subsidiaries, appropriate adjustments were made to investments to standardize practices.

There are leasing operations in the indirect investees Aliança do Brasil Seguros and BrasilSeg Companhia de Seguros, which adopt the accounting practices defined by Susep. However, BB Mapfre Participações S.A., the direct parent of those companies, adopts the accounting practices adopted in Brazil in its accounting information, capturing in its financial information the necessary adjustments to standardize accounting practic.es.

There are also leasing operations in the direct investees Brasilprev and Brasilcap, for this reason, on December 31, 2020, adjustments were made to the results of BB Seguridade Consolidado to standardize the accounting practice adopted by the investee Brasilprev Seguros e Previdência SA in the amount of R $ 2,421 thousand by Brasilcap Capitalização SA in the amount of R $ 75 thousand.

### p) Improvements to IFRS and Recently Issued Pronouncements

Improvements to IFRS are amendments issued by the IASB - International Accounting Standards Board and comprise changes in recognition, measurement and disclosure rules related to various IFRS. We present a summary of some amendments as well as the interpretations and pronouncements recently issued by the IASB and CPC, which will come into effect after this period:

**IFRS 17 - Insurance Contracts –** In May 2017, the IASB issued IFRS 17, replacing IFRS 4 - Insurance Contracts, which establishes the principles for the recognition, measurement and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents these contracts. This information provides a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

In March 2020, through the Amendment to IFRS 17, the IASB decided that the effective date of the standard will be postponed to annual periods beginning on or after January 1, 2023. It also decided to extend the exemption currently in effect for some insurers in regarding the application of IFRS 9 Financial Instruments to allow the implementation of IFRS 9 and IFRS 17 at the same time.

To date, the CPC has not issued an equivalent standard.

The new Conceptual Framework brought some concepts up to date, such as the definitions of assets and liabilities, but there are no impacts on the financial statements resulting from the implementation of this Conceptual Framework.

## 5 – RISK MANAGEMENT

The risk management at BB Seguridade follows the guidelines established in its Risk Management, Internal Control and Compliance Policy, approved by the Board of Directors and disclosed to the market through the investors' relations website.

The Company understands that its risk exposure originates from its interests, and therefore the Risk Management, Internal Control and Compliance Policy contemplates two risk management dimensions: risk management (risks arising from the operations of BB Seguridade and its subsidiaries) and risk governance (risks arising from associates/joint ventures).

By means of its Risk Appetite Statement, approved by the Board of Directors, the Company defines the maximum levels of risks that it accepts to incur in the fulfillment of its objectives.

The risk management process at BB Seguridade is based on the steps of setting the context, identifying, analyzing, evaluating, treating, monitoring, communicating and consulting the risks and continuous improvement. This process is internally documented in the Group's Risk Management, Internal Controls and Compliance Model.

Superintendence of Risks and Controls is responsible for providing fundamentals and support for the execution of the risk management process, internal controls and compliance, to BB Seguridade and its subsidiaries, in addition to carrying out risk governance in the other companies in which it holds interests. For this to work, the area is segregated from the business areas and from internal audit.

In response to the Covid-19 pandemic, risk management was improved during the financial year 2020, seeking a more prospective and integrated view of corporate strategy. Closer monitoring , with sensitivity tests and simulations of impacts with adverse scenarios, allowed systematic monitoring of the effects of the pandemic, limiting impacts and protecting strategic objectives. Other topics, such as the General Data Protection Law (LGPD), and those specific to the segment in which the Group and its Affiliated Companies operate, such as and the Customer Relationship Policy and Money Laundering Prevention, gained emphasis and promoted greater synergy between Strategic Planning and Risk Management, improving corporate sustainability.

### a) Risk management at BB Seguridade and its subsidiaries

The risk management framework adopted by BB Seguridade, as defined in its Risk Management, Internal Control and Compliance Policy, is structured based on a three-line model: in the first line, the process managers (risk owners) are responsible for implementing preventive and corrective actions that mitigate the weaknesses identified in the processes and control deficiencies; in the second line, the Superintendence of Risk and Controls assists and monitors the risk owner in managing risks and internal controls in order to adjust them to the Group's risk appetite; and in the third line, the Internal Audit works independently, by providing to governance bodies assessments on the risk management and internal control effectiveness.

The risk management mechanisms and tools also include, among others: segregation of duties; joint decisions; Information Security Policy, Preventing and Combating Money Laundering, Terrorist Financing and Corruption Policy, Code of Ethics and Conduct and an Integrity Program in line with Law 12,846/2013 (Anti-Corruption Law) and Decree 8,420/2015 (documents disclosed internally and also to the market, available at the investors relations website); internal risk management, internal controls and compliance regulations, in addition to internal communication program on risk management, internal controls and compliance, continuously promoting the adaptation of the entire Group to these subjects.

The Executive Board is supported by the Finance and Investment Committee, which advises on issues concerning the management and control of the risks arising from the investments in the Group's and its subsidiaries' financial asset.

The governance structure of BB Seguridade also includes the Audit Committee, a statutory body advising the Board of Directors, which is responsible, among other duties, for evaluating and monitoring the Group's risk exposures.

Information related to risk management are periodically reported to the Executive Board and to the Board of Directors (discussed in the Audit Committee) and are also reported to the Supervisory Council.

### a.1) Risks associated with investments in financial assets

In addition to the Risk Management Policy, the Group has a Financial Investment Policy, approved by the Board of Directors and applicable to all companies of the Group, that sets out the criteria relating to the nature, term and acceptable risks of the financial investments. The current policy allows the investment of funds only in fixed-income securities and, in case of corporate bonds, the counterparty must have a minimum rating of "investment grade", issued by at least one of the following risk rating agencies: Moody's, Standard & Poor's and Fitch Ratings. Also concentration limits are defined by counterparty and rating. Operations with assets that result in foreign currency risk, variable income or leverage risk are prohibited, as well as the trading of derivative instruments, except through fixed-income mutual funds.

The investments in financial assets of BB Seguridade and its subsidiaries, classified as cash equivalents, are concentrated on repurchase agreements backed by Federal Government Bonds and Corporate Bonds, with Banco do Brasil as the seller (note 15). Other investments in financial assets classified as financial instruments are invested in fixed-income long-term mutual fund and financial bills (note 16)

### a.2) Market Risk

Market risk is defined as the possibility of negative impacts resulting from fluctuation in the market values of positions in financial instruments held by the Group. At BB Seguridade and its subsidiaries, the exposure to this risk arises from the investment portfolio in financial assets.

The market risk is managed based in the Financial Investment Policy, that defines which assets may comprise the portfolio and the VaR (Value at Risk) limit, calculated for 21 business days, with the portfolio volatility estimated using the exponentially weighted moving average (EWMA) and 95% confidence level. The indicator is monitored by the Finance and Investment Committee and by the Executive Board.

### Market risk exposure in investments in financial assets

**R$ thousand**

| | Impact on the portfolio | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Parent | | | | Consolidated | | | |
| | Dec 31, 2020 | % | Dec 31, 2019 | % | Dec 31, 2020 | % | Dec 31, 2019 | % |
| Value at Risk (VaR) | 0 | 0.00 | 0 | 0.00 | 4 | 0.00 | 26 | 0.00 |

The Group's portfolio is composed almost entirely (over 99.99% on December 31, 2020) by financial instruments with a post-fixed interest pegged to Selic or DI rate. Throughout 2020, market fluctuations caused by Covid-19 pandemic were observed, however with no relevant impacts on December calculated VaR, mainly due to the reduction of exposure on long-term assets.

### Sensitivity analysis on market risk factors

On December 31, 2020, as noted at the end of previous quarters, the only derivative instrument held by BB Seguridade and its subsidiaries was One-day Interbank Deposit Futures via fixed-income mutual funds. BB Seguridade's and its subsidiaries' exposure to market risk factors was due to its financial assets, which almost fully comprise post-fixed financial instruments. Based on the studies conducted, there is no relevant exposure to market risk factors.

### a.3) Credit Risk

The credit risk is defined by the Group as the possibility of negative impacts associated to the non-fulfillment, by a borrower or a counterparty, of its corresponding financial obligations according to negotiated terms, and/or to the devaluation of receivables due to a drop in the borrower's or counterparty’s risk rating. At BB Seguridade and its subsidiaries, the exposure to this risk arises from the investment portfolio in financial assets, which is composed of Bonds issued by private counterparties.

Regarding the credit risk arising from the brokerage payment for products sold by BB Corretora, it is considered to be properly mitigated, due to the nature of the Group's operation and the fact that such amounts are received through Banco do Brasil and transferred directly to BB Corretora.

## Credit risk exposure in investments in financial assets

R$ thousand

| Financial assets (1) | Parent | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | Dec 31, 2020 | % | Dec 31, 2019 | % | Dec 31, 2020 | % | Dec 31, 2019 | % |
| Federal Government Bonds (2) | 208,469 | 100.00 | 4,231,193 | 100.00 | 2,192,597 | 82.97 | 7,662,234 | 91.62 |
| Corporate bonds (3) | -- | -- | 2 | 0.00 | 449,960 | 17.03 | 700,401 | 8.38 |
| Other (4) | -- | -- | -- | -- | 0 | 0.00 | (6) | (0.00) |
| Total (5) | **208,469** | **100.00** | **4,231,195** | **100.00** | **2,642,557** | **100.00** | **8,362,629** | **100.00** |

(1) Does not include the amount invested at Brasil Aceleradora de Startups fund. Total amount in the fund is R$ 3,948 thousand on Dec 31, 2020 (R$ 3,413 thousand on Dec 31, 2019).
(2) Includes repurchase agreements backed by Federal Government Bonds.
(3) Corporate Bonds in Parent's portfolio were concentrated in Financial Bills with AA+ credit rating.
(4) Includes cash, cash equivalents, and amounts payable and receivable from mutual funds.
(5) Reduction of the portfolio amount was motivated by Company's capital reduction, explained in Note 21 a, and by the capital increase for Brasilprev, explained in Note 28.

R$ thousand

| Corporate Bonds– Rating (1) | Consolidated | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Dec 31, 2020 | | | | | Dec 31, 2019 | | | | |
| | Debentures | Financial bills | FIDC (2) | Other (3) | Total | Debentures | Financial bills | FIDC | Other (3) | Total |
| AAA | 70 | 18 | -- | 5 | **93** | 27,767 | 17,294 | -- | 1,616 | **46,677** |
| AA+ / AA / AA- | 51 | 449,787 | -- | 5 | **449,843** | 18,684 | 623,120 | -- | 3,795 | **645,599** |
| A+ / A / A- | 2 | -- | -- | 1 | **3** | 1,055 | -- | -- | -- | **1,055** |
| BBB+ / BBB / BBB- | -- | -- | -- | 2 | **2** | 347 | -- | -- | -- | **347** |
| BB+ / BB / BB- | -- | -- | -- | 1 | **1** | 96 | -- | -- | -- | **96** |
| B+ / B / B- (4) | 2 | -- | -- | -- | **2** | -- | -- | -- | -- | **--** |
| CCC+ / CCC / CCC- / CC / C | -- | -- | -- | -- | **--** | -- | -- | -- | -- | **--** |
| D | -- | -- | -- | -- | **--** | 276 | -- | -- | -- | **276** |
| No Rating | 10 | 4 | 2 | -- | **16** | 1,635 | 1,258 | 3,458 | -- | **6,351** |
| **Total** | **135** | **449,809** | **2** | **14** | **449,960** | **49,860** | **641,672** | **3,458** | **5,411** | **700,401** |

(1) Standard & Poor's was used as the basis for conversion of ratings from other agencies, all presented as national scale ratings.
(2) Receivables Investment Funds (FIDC).
(3) Includes Guaranteed Time-Deposit assets (DPGE), mortgage bills, time-deposits (CDB) and Commercial Papers.
(4) Does not include part of the amount invested in debentures issued by Oi SA, present in mutual funds, because this amount is provisioned by the fund due to the court-ordered reorganization of this company. The amount of this provision is R$1 thousand on Dec 31, 2020 (R$402 thousand on Dec 31, 2019).

The reduction in the exposure to corporate bonds reflects the withdraw of the mutual fund and the non-reapplication of financial bills maturing in the quarter, leaving the concentration in the second rating range, represented by the financial bills maintained directly by the Company.

### a.4) Liquidity Risk and capital management

The liquidity risk is defined by the Group as the possibility of negative impacts due to lack of resources to pay financial commitments at maturity.

BB Seguridade and its subsidiaries maintain assets with a high degree of conversion in cash to cover liabilities and other expected allocations to short term. The parameters used are defined in the Financial Investment Policy, Capital Management Policy and the Capital Plan.

The Capital Plan, prepared for a minimum three-year horizon, presents the projected financial flows from the operational activity, such as compensation from commissions, equity interests, expenses inherent to the Group's activities and those resulting from strategic movements, such as allocation of funds to equity interests, strategic investments, divestitures and disposals and considers the maintenance of a liquidity margin in order to keep the financial balance in case of unpredictable events.

The Company and its subsidiaries' main liabilities refer to administrative costs, payment of taxes and dividends, as presented below.

R$ thousand

| Liquidity Risk | Note | Parent Dec 31, 2020 Up to 1 year | Parent Dec 31, 2020 More than 1 year | Parent Dec 31, 2019 Up to 1 year | Parent Dec 31, 2019 More than 1 year |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents [(1)] | [15] | 208,893 | -- | 4,231,195 | -- |
| Financial assets at fair value through profit or loss | [16] | -- | 3,948 | -- | 3,413 |
| Dividends/interest on equity receivable | [17] | 1,060,279 | -- | 1,961,491 | -- |
| | | | | | |
| **LIABILITIES** | | | | | |
| Dividends payable | [21] | 948,493 | -- | 6,490,643 | -- |
| Current tax liabilities | [12] | 81 | -- | 1,713 | -- |
| Other liabilities | [24] | 8,603 | -- | 8,238 | -- |

(1) Reduction of the amount during 2020 is explained in Note 21 a.

R$ thousand

| Liquidity Risk | Note | Consolidated Dec 31, 2020 Up to 1 year | Consolidated Dec 31, 2020 More than 1 year | Consolidated Dec 31, 2019 Up to 1 year | Consolidated Dec 31, 2019 More than 1 year |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents [(1)] | [15] | 2,195,445 | -- | 7,381,292 | -- |
| Financial assets measured at amortised cost | [16] | 245,101 | 204,449 | 286,301 | 238,305 |
| Financial assets at fair value through profit or loss | [16] | -- | 4,986 | -- | 460,147 |
| Commissions receivable | [18] | 1,173,988 | 643,090 | 996,720 | 343,595 |
| | | | | | |
| **LIABILITIES** | | | | | |
| Dividends payable | [21] | 948,493 | -- | 6,490,643 | -- |
| Current tax liabilities | [12] | 682,950 | -- | 656,871 | -- |
| Unearned commissions | [23] | 1,127,358 | 1,417,250 | 993,057 | 1,226,955 |
| Other liabilities | [24] | 88,091 | -- | 64,643 | -- |

(1) Reduction of the amount during 2020 is explained in Note 21 a.

### b) Risk Governance applied to Affiliated Companies

BB Seguridade's affiliated companies maintain their own risk management structures compatible with the nature and complexity of their businesses, and those regulated by the Superintendence of Private Insurance (Susep) meet the requirements defined by the regulator, established in Susep Circular Letter 521/2015. Based on the results of the work carried out by the subsidiaries, BB Seguridade continuously monitors and evaluates the risk exposure levels, acting, through governance, to ensure the adoption of the best risk management practices in its associates/joint ventures.

### b.1) Liquidity, solvency and capital management

In the capital management of affiliated companies supervised by Susep, the main indicator used is the Minimum Required Capital (CMR), which represents the total capital that a company must maintain, at any time, to operate, and aims to guarantee the risks inherent to its operations, as regulated by CNSP Resolution 321/2015 and subsequent changes.

CMR is composed of portions relating to underwriting, credit, operational and market risks and the solvency capital requirement adequacy is measured using the Adjusted Net Equity (PLA) of the entity, which must be equal to or above the calculated CMR.

CNSP Resolution 321/2015 and subsequent changes also establishes technical provisions calculation models and requires additional liquid assets to maintain the Company's liquidity.

For Brasildental, the National Agency of Supplementary Health (ANS) sets rules for recognition of technical reserves, PLA criteria and Solvency Margin criteria according to Regulatory Resolution 451/2020.

On December 31, 2020, all associates/joint ventures in which BB Seguridade holds interest and that must maintain minimum regulatory capital presented liquidity, capital and solvency adequacy, in accordance with applicable regulation.

Throughout the second half of 2020, IGP-M index accelerated and remained at high levels, a fact that, concurrently with the closing of the long-term curve of this index, resulted in an increase in the liabilities associated to Brasilprev traditional planslinked to this index, without proportional valuation of hedge assets. This combination of factors resulted in an increase in the CMR in the portions associated with underwriting and market risks and directly impacted the result of the Liability

Adequacy Test (TAP), promoting a reduction in the PLA of the affiliated Company, especially in the portion composed of the adjustments associated with economic variations, present in article 64, of CNSP Resolution No. 321/2015.

Thus, in order to guarantee Brasilprev's solvency margin levels and to anticipate possible unfavorable movements in economic variables with the potential to impact it, on December 30, 2020, a capital increase for the company was approved, in the total amount of R$ 1.2 billion (with BB Seguridade, through its subsidiary BB Seguros Participações SA, the amount of R$ 899.94 million).

In face of this scenario, Brasilprev immediately adopted measures to improve the management and monitoring of the variables that impact its CMR and PLA and is promoting improvements, notably, in aspects of projections, periodicity of studies and governance of capital management. BB Seguridade evaluates that the volatility related to the factors that motivated the capital increase decision can still impact the profits of Brasilprev and its regulatory solvency margin, reflecting its ability to distribute dividends. During 2021, capital management will be intensified through new sensitivity studies, stress tests and the elaboration of new adverse scenarios.

### c) Impact of Covid-19 pandemic at BB Seguridade and its subsidiaries

#### c.1) Impacts on business continuity

BB Seguridade Group has the Continuity Coordinator Group, which holds regular meetings to seek alternatives to the most diverse scenarios and its impacts, seeking to ensure the continuity of the Company in crisis situations. After adopting the home office work strategy, the meetings continues to take place, in order to guarantee the continuity of the company's processes and activities, especially regarding to the availability of systems, tools and connectivity.

In order to preserve specially the health of all employees, the Company keeps adopting the home office regime, on the other hand it has prepared a Return to Office Plan, with the objective of ensuring a safe and calm working environment for employees when they return to face-to-face activities.

It is noteworthy that the work model continues without recording any atypical flaws or deficiencies in the Group's systems, processes or controls.

Regarding the services contracted by BB Seguridade, neither discontinuity of relevant service provision has already been detected, nor is there any indication that it may occur in the future.

In the Affiliated Companies, the main impacts suffered as a result of the pandemic were perceived in the operations of the call centers of the companies Brasilprev, Brasilseg and Brasilcap essentially in the beginning of the pandemic. The main causes were the need to adjust the work dynamics and implement the home office and telework model for the attendants.

#### c.2) Impacts on financial statements

Management's ability to carry out the process of preparing the Financial Statements of BB Seguridade Group (BB Seguridade, BB Seguros and BB Corretora) remain not affected. The progress of the activities is taking place according to the schedule initially foreseen for the publications and with the normality of the execution of all processes.

The receipt of December balance sheets of the subsidiaries of BB Seguros and BB Corretora, which are inputs for the closing of the balance sheets and preparation of the Financial Statements of BB Seguridade Group companies, took place within the regular monthly terms, with no delays.

Likewise, BB Seguridade Group companies’ balance sheets closing took place within the regular monthly terms.

It should be noted that the processes of the Accounting Superintendence, are included in Business Continuity and Crisis Management plans (model followed by the parent Banco do Brasil), most of which are considered critical, and therefore are tested every six months for facing crises.

To date, no changes in accounting treatments or approaches have been required and there have been no impacts related to the production of the various inputs generated by the internal areas of the company or subsidiaries companies, due to the adoption of the remote work for the employees. For remote work there is a specific tool used to access the systems and even the feasibility of remotely accessing the computers at the company's headquarters. There has been also no impact on ERP or other systems used.

Therefore, considering the current scenario and the successful experience of publishing results throughout 2020, there is no evidence, so far, that the impacts brought by the pandemic will compromise the preparation, approval and publication of the Financial Statements and the Group's Management believes that there will be no problems with the Financial Statements, or any other accounting practice, until the end of the crisis caused by the pandemic.

#### c.3) Ability to face the crisis

The specific plan to confront Covid-19 was carried out during the second quarter of 2020. Under the pillars of extreme focus, agile decision-making and timely communication, more than 30 initiatives were carried out with the involvement of practically the whole company.

No changes were made to the staff, however, the current organizational structure has been improved to give greater emphasis to digital initiatives, aiming to capture opportunities brought about by the accelerated migration of consumer behavior to online environments.

In addition, our employees continue to work remotely. For exceptional cases, it is authorized to enter Brasília (DF) and São Paulo (SP) offices, both of which are properly signposted and have work stations that respect the most demanding rules of social distance and hygiene.

Finally, even in an environment of high uncertainty, we revised the strategic plan for the 2021-2025 cycle, considering the imminent challenges of our market and the impacts of the pandemic. The focus remains on attracting new customers, strengthening our competitive position and exploring new markets.

#### c.4) Impacts in regulatory capital

In terms of capital, it should be noted that there is no minimum capital requirement defined by regulatory bodies for the Group's companies. For the affiliated companies, where minimum capital is required, it is maintained additional capital, presenting a comfortable situation in relation to regulatory capital. In the affiliated companies regulated by Susep, in addition to the regulatory capital, it also maintains additional capital in accordance to their risk appetite defined by their Boards of Directors.

CNSP Resolution No. 321 and subsequent changes establishes criteria for solvency and liquidity regularization plans in cases of regulatory non-compliance, establishing deadlines for readjustment. It is important to highlight that the affiliated companies, according to the guidelines defined by the Group, do not have any appetite for risks for non-compliance with regulatory capital, even for short periods of time, making the best efforts in prevention of this situation, in order to guarantee the best practices as well as the accomplishment of its future commitments.

The volatility of future interest curves also causes volatility in the regulatory capital of companies, since the market values of the assets influence PLA, regardless of the accounting classification of the assets in the portfolio, as well as influence the values of the liabilities linked to specific market indexes.

Economic adjustments in the PLA, among other adjustments, for regulatory purposes, occur every six months, which impacts capital at the end of the year, but companies follow such variations with less frequency, precisely to manage possible reductions in the PLA at the end of the year, that resulted from market variations over the months.

Brasilprev, which has assets and liabilities tied to IGP-M index, had a significant impact mainly due to the increase in this indicator over the second half of the year, which was identified by the company and culminated in the capital increase carried out on the last working day of the year, to avoid any non-compliance with regulatory capital. It is important to highlight that the capital increase was enough to guarantee the maintenance of the level of additional capital in relation to the regulatory capital at the end of fiscal year 2020, in accordance with the minimum established in the company's risk appetite statement.

Aiming to keep solvency within the limits established for risk appetite, Brasilcap adopted a conservative stance in relation to the 2020 payout, and established changes in its risk management, strengthening the prospective vision and the greater integration between the corporate strategy and risk management. The measure adopted in a prudential manner did not compromise the payout ratio of 70% on the net income of the 2020 full fiscal year of BB Seguridade, announced by a material fact disclosed on December 30 2020, and will enable better use of opportunities for profitability of the financial assets portfolio throughout 2021.

In relation to Brasilseg, in addition to several improvements in risk and capital management, the solvency buffer was revised to better support market volatilities.

Considering the uncertainties that persist in a pandemic context, the affiliated companies are constantly revising their models of capital projection and stress tests, to carry out the best management in search of maintaining regulatory capital. Until now, there is no expectation of noncompliance of regulatory capital until the end of 2021.

#### c.5) Projections of future impacts

Despite all the uncertainties, the characteristic of BB Seguridade's results composition, based mainly on deferred income and income over reserves, contributes to reduction in the volatility of the company's net income. As verified in the fiscal year 2020, although the projected net income for BB Seguridade is not immune to the effects of the crisis, it did not have a relevant variation in relation to the estimates made at the pandemic beginning.

Even in a more adverse scenario, assuming the persistence of the pandemic situation until the end of 2021, there were no indications of factors that lead to any necessity to set up additional provisions or that compromise the capital and liquidity structure of the companies of the conglomerate.

The payout ratio of the Companies of the Group needed to decrease due to Brasilprev capital increase, however the dividend policy and profit-sharing practices remain adequate as well.

Positive factors such as: the low sensitivity of rural insurance to the effects caused by the pandemic, the conservatism in allocation of financial assets of companies in the conglomerate and the absence of debts contribute to generate a less severe impact of the pandemic to BB Seguridade than to other companies or industries.

## 6 – SEGMENT INFORMATION

The information by segment has been prepared considering the criteria used by Management to evaluate the performance, in decisions made regarding the allocation of funds for investment and other purposes, considering the regulatory environment and the similarities between goods and services,

BB Seguridade Group's operations are basically divided into two segments: i) insurance (risk and accumulation businesses), which includes insurance operations (reinsurance until July 23, 2019), pension plans, capitalization and health; and ii) brokerage (distribution business).

### a) Insurance

In this segment, products and services offered are related to life, property and vehicle insurance, property insurance, rural, special risks and financial, transport, hulls, and housing people, supplementary pension plans, dental plans and capitalization plans.

The profit or loss from this segment derives mainly from revenues from insurance premiums (reinsurance until July 23, 2019), contributions to private pension plans, contributions to dental plans, capitalization bonds and investments in securities, less sales expenses, technical reserves and expenses related to claims,

The accounting record of these results is made through the equity method of investments in equity interests. Explanatory note 7 - Investments in Associates contains the description of Investments in Shareholdings, by Segment / Business Area.

### b) Brokerage

In this segment, products and services offered are related to brokerage and management, fulfillment, promotion and facilitation of casualty, life and capitalization insurance, pension plans, dental plans and health insurance, It includes the balances of BB Corretora and its investee Ciclic,,

### c) Financial Information by Reportable Segment

R$ thousand

| | 2020 | | | |
|---|---|---|---|---|
| | **Insurance** | **Brokerage** | **Intersegment transactions** | **Total** |
| **Operating Income** | **5,729,788** | **3,235,365** | **(3,833,384)** | **5,131,769** |
| Equity income | 5,729,788 | (15,914) | (3,833,384) | 1,880,490 |
| Commissions income | -- | 3,251,279 | -- | 3,251,279 |
| **Cost of Services Provided** | -- | (176,868) | -- | (176,868) |
| **Gross Profit** | **5,729,788** | **3,058,497** | **(3,833,384)** | **4,954,901** |
| **Other Income and Expenses** | **(57,667)** | **(115,742)** | **--** | **(173,411)** |
| Personnel expenses | (21,319) | (42,574) | -- | (63,893) |
| Adminstrative expenses | (6,441) | (62,983) | -- | (69,424) |
| Tax expenses | (9,796) | (2,762) | -- | (12,559) |
| Other | (20,111) | (7,423) | -- | (27,535) |
| **Income Before Financial Revenue and Expenses** | **5,672,121** | **2,942,755** | **(3,833,384)** | **4,781,490** |
| **Financial Result** | **61,897** | **49,252** | **--** | **111,150** |
| Financial revenue | 94,622 | 58,024 | (13,990) | 138,657 |
| Financial expenses | (32,725) | (8,772) | 13,990 | (27,507) |
| **Income Before Taxes And Equities** | **5,734,018** | **2,992,007** | **(3,833,384)** | **4,892,640** |
| Income Tax and Social Contribution | (18,968) | (1,022,900) | -- | (1,041,869) |
| **Net Income For The Period** | **5,715,050** | **1,969,107** | **(3,833,384)** | **3,850,771** |

R$ thousand

| | 2019 | | | |
|---|---|---|---|---|
| | Insurance | Brokerage | Intersegment transactions | Total |
| **Operating Income** | **8,907,623** | **3,051,957** | **(6,569,590)** | **5,389,990** |
| Equity income | 8,907,623 | (14,274) | (6,569,590) | 2,323,759 |
| Commissions income | -- | 3,066,231 | -- | 3,066,231 |
| Cost of Services Provided | **--** | **(185,706)** | **--** | **(185,706)** |
| **Gross Profit** | **8,907,623** | **2,866,251** | **(6,569,590)** | **5,204,284** |
| **Other Income and Expenses** | **3,472,554** | **(75,903)** | **--** | **3,396,651** |
| Personnel expenses | (21,106) | (37,332) | -- | (58,438) |
| Adminstrative expenses | (13,543) | (27,796) | -- | (41,339) |
| Tax expenses | (19,454) | (5,171) | -- | (24,625) |
| Other | 3,526,654 | (5,601) | -- | 3,521,053 |
| **Income Before Financial Revenue and Expenses** | **12,380,177** | **2,790,348** | **(6,569,590)** | **8,600,935** |
| **Financial Result** | 211,244 | 101,625 | -- | 312,869 |
| Financial revenue | 242,382 | 109,932 | (8,792) | 343,522 |
| Financial expenses | (31,138) | (8,307) | 8,792 | (30,653) |
| **Income Before Taxes And Equities** | **12,591,420** | **2,891,974** | **(6,569,590)** | **8,913,804** |
| Income Tax and Social Contribution | (1,275,649) | (979,374) | -- | (2,255,023) |
| **Net Income for the Period** | **11,315,772** | **1,912,599** | **(6,569,590)** | **6,658,781** |

On 07.23.2019 BB Seguros sold all the shares held in IRB-Brasil Resseguros S.A., generating an impact on Other Revenues of R $ 3,519,736 thousand. The sale provided a gain in net income of R $ 2,320,460 thousand in the period.

## d) Balance sheet by segment

R$ thousand

| | Dec, 31.2020 | | | |
|---|---|---|---|---|
| | Insurance | Brokerage | Intersegment transactions | Total |
| Current assets | 1,378,679 | 3,307,742 | (1,067,540) | 3,618,881 |
| Non-current assets | 12,161,502 | 1,098,937 | (5,979,024) | 7,281,415 |
| **Total assets** | **13,540,181** | **4,406,679** | **(7,046,564)** | **10,900,296** |
| Current liabilities | 996,377 | 2,931,761 | (1,074,836) | 2,853,303 |
| Non-current liabilities | 229,378 | 1,428,010 | -- | 1,657,388 |
| Equity | 12,314,426 | 46,908 | (5,971,728) | 6,389,605 |
| **Total liabilities and equity** | **13,540,181** | **4,406,679** | **(7,046,564)** | **10,900,296** |

R$ thousand

| | Dec, 31,2019 | | | |
|---|---|---|---|---|
| | Insurance | Brokerage | Intersegment transactions | Total |
| Current assets | 7,904,964 | 2,736,976 | (1,975,570) | 8,666,370 |
| Non-current assets | 10,464,289 | 1,274,191 | (5,478,303) | 6,260,177 |
| **Total assets** | **18,369,253** | **4,011,167** | **(7,453,873)** | **14,926,547** |
| Current liabilities | 7,460,057 | 2,731,240 | (1,975,570) | 8,215,728 |
| Non-current liabilities | 229,047 | 1,233,019 | -- | 1,462,065 |
| Equity | 10,680,149 | 46,908 | (5,478,303) | 5,248,754 |
| **Total liabilities and equity** | **18,369,253** | **4,011,167** | **(7,453,873)** | **14,926,547** |

## 7 - INVESTMENTS IN ASSOCIATES

### a) Description of Investments in Equity Holdings, by business segment

| Segment | Line of business | Company | Description | Original Acconting Practice | % of total share Dec, 31, 2020 | |
|---|---|---|---|---|---|---|
| | | | | | ON | Total |
| Security | | BB Seguros Participações S.A. (BB Seguros) | Holding company of insurance, capitalization companies, open private pension entities and companies that operate health care plans. | BRGAAP | 100.00 | 100.00 |
| | Insurance - Life, housing, rural and property | BB Mapfre Participações S.A. (BB Mapfre) | Acting as a holding company for the other companies which deal with life. real state and agricultural insurance. | BRGAAP | 49.99 | 74.99 |
| | | Brasilseg Companhia de Seguros S.A. (Brasilseg) | Acting in the personal risk segment. rural and housing insurance. | SUSEPGAAP | 49.99 | 74.99 |
| | | Aliança do Brasil Seguros S.A. (Aliança do Brasil) | Acting in the life insurance segment in general. | SUSEPGAAP | 49.99 | 74.99 |
| | Capitalization | Brasilcap Capitalização S.A. (Brasilcap) | Deals with capitalization plans and other products and services that capitalization companies are allowed to provide. | SUSEPGAAP | 49.99 | 66.66 |
| | Private Pension | Brasilprev Seguros e Previdência S.A. (Brasilprev) | Deals with life insurance with survivor coverage and with private retirement and benefit plans. | SUSEPGAAP | 49.99 | 74.99 |
| | Health | Brasildental Operadora de Planos Odontológicos S.A. (Brasildental) | Selling plans of odontological assistance. | ANSGAAP | 49.99 | 74.99 |
| Brokerage | | BB Corretora de Seguros e Adm. de Bens S.A. (BB Corretora) | Brokerage of health. life and non-life insurance. capitalization plans. private retirement plans and asset management. | BRGAAP | 100.00 | 100.00 |
| | | Ciclic Corretora de Seguros S.A. (Ciclic) | Brokerage of private pension products, travel insurance and residential assistance in the digital channel. | BRGAAP | 49.99 | 74.99 |

The investees are valued using the equity method and there is no indication of operating discontinuity.

Investments in shareholdings in the companies BB Seguros Participações S.A. and BB Corretora de Seguros e Gestão de Bens S.A are evaluated as investments in subsidiaries.

The investments in equity interests in the companies BB Mapfre Participações S.A., Brasilprev Seguros e Previdência S.A., Brasilcap Capitalização S.A., Brasildental Operadora de Planos Odontológicos S.A. and Ciclic Corretora de Seguros S.A. are evaluated as investments associates and joint ventures.

Investments in equity interests, valued using the equity method, do not have shares regularly traded on stock exchanges. None of the investments in equity interests, valued using the equity method, presented significant restrictions on the transfer of funds in the form of cash dividends or the repayment of loans or advances in the periods presented.

## b) Equity interests valued using the equity method

R$ thousand

| | Parent | | |
|---|---|---|---|
| | BB Seguros | BB Corretora | Total |
| **Balance on Dec 31, 2020** | | | |
| Capital | 4,210,872 | 36,211 | -- |
| Stockholders' equity | 5,924,821 | 46,908 | -- |
| **Balance on Dec 31, 2019** | | | |
| Capital | 4,210,872 | 36,211 | -- |
| Stockholders' equity | 5,431,395 | 46,908 | -- |
| | | | |
| | **Moviments from 2020** | | |
| **Book Balance on Dec 31, 2019** | **5,431,395** | **46,908** | **5,478,303** |
| Dividends | (1,355,284) | (1,969,105) | **(3,324,389)** |
| Equity valuation adjustments | (15,569) | -- | **(15,569)** |
| Share of profit | 1,864,279 | 1,969,105 | **3,833,384** |
| **Book Balance on Dec 31, 2020** | **5,924,821** | **46,908** | **5,971,729** |
| | | | |
| | **Share of Profit** | | |
| **2020** | **1,864,279** | **1,969,105** | **3,833,384** |
| **2019** | **4,656,991** | **1,912,599** | **6,569,590** |

R$ thousand

| | Consolidated | | | | | | |
|---|---|---|---|---|---|---|---|
| | BB Mapfre | Brasilprev | IRB | Brasilcap | Brasildental | Ciclic | Total |
| **Balance on Dec 31, 2020** | | | | | | | |
| Capital | 1,469,848 | 1,418,669 | -- | 231,264 | 9,500 | 61,133 | -- |
| Stockholders' equity | 2,294,376 | 4,328,467 | -- | 539,537 | 20,775 | 19,311 | -- |
| **Balance on Dec 31, 2019** | | | | | | | |
| Capital | 1,469,848 | 1,402,269 | -- | 231,264 | 9,500 | 26,999 | -- |
| Stockholders' equity | 2,047,097 | 3,284,200 | -- | 481,823 | 17,174 | 6,398 | -- |
| | | | | | | | |
| | **Moviments from 2020** | | | | | | |
| **Book Balance on Dec 31, 2019** | 2,028,605 | 2,440,155 | -- | 431,932 | 12,880 | 4,798 | **4,918,370** |
| Dividends | (858,035) | (687,810) | -- | (63,639) | (15,000) | -- | **(1,624,484)** |
| Equity valuation adjustments | (11,399) | (424) | -- | (3,746) | -- | -- | **(15,569)** |
| Other events | -- | 899,939 | -- | -- | -- | 25,599 | **925,538** |
| Share of profit | 1,086,543 | 686,379 | -- | 105,780 | 17,702 | (15,914) | **1,880,490** |
| **Book Balance on Dec 31, 2020** | **2,245,714** | **3,338,239** | **--** | **470,327** | **15,582** | **14,483** | **6,084,345** |
| | | | | | | | |
| | **Share of Profit** | | | | | | |
| **2020** | **1,086,543** | **686,379** | **--** | **105,780** | **17,702** | **(15,914)** | **1,880,490** |
| **2019** | **1,072,991** | **1,064,501** | **118,791** | **67,265** | **14,485** | **(14,274)** | **2,323,759** |

The shareholders' equity, on 12.31.2020 and 12.31.2019, previously mentioned, were not adjusted by the percentage of equity interest held by BB Seguridade.

On July 23, 2019 BB Seguros sold all the shares held in IRB-Brasil Resseguros S.A, as per Note 2.a.

The book balance, on 12.31.2020, of the investment in BB Mapfre of R$ 2,245,714 thousand, includes intangible assets defined in the net amortization amount of R$ 186,157 thousand on 12.31.2020 (R$ 199.895 thousand on 12.31.2019) , with the amortization amount of R$ 13,738 thousand in fiscal year 2020 (R$ 13,369 thousand in fiscal year 2019) and intangible assets with an indefinite useful life in the amount of R $339,004 thousand resulting from the partnership agreement with Mapfre.

The book balance, on 12.31.2020, of the investment in Brasilprev of R$ 3,338,239 thousand, includes R$ 2,421 thousand of adjustments for the purpose of standardizing divergence in accounting practice adopted by the investee.

On December 30, 2020, a capital increase in the amount of R$ 1,199,999 thousand was approved at Brasilprev. The capital increase was fully subscribed by the partners in December 2020, maintaining the same structure of shareholder composition among the shareholders. BB Seguros paid up the capital on December 30, 2020, in the amount of R$ 899,939 thousand. Principal Financial Group, partner of BB Seguros in the investment, paid inR $ 150,030 thousand on the same date and R$ 150,030 thousndo on January 7, 2021.

The capital increase was necessary to maintain the sufficiency of Brasilprev's Adjusted Shareholders' Equity in relation to the minimum required capital (regulatory requirement), impacted as of October 2020, due to the behavior of the traditional plans portfolio.

Among the factors that caused this impact, we highlight the growth in liabilities of traditional plans indexed to the IGP-M, due to the strong acceleration of the indexer in 2020 and the closing of the ETTJ (Term Structure of the Interest Rate) in IGP -M, with an impact on the calculation of capital, adequacy of liabilities and adjusted shareholders' equity; and the change in Susep's interpretation of the classification of traditional plans for the purpose of offsetting results in the Liability Adequacy Test.

The book balance, on 12.31.2020, of the investment in Brasilcap of R$ 470,327 thousand and R$ 431,932 thousand on 12.31.2019, includes the goodwill of R $ 110,749 thousand, in the acquisition of equity interest in the company Sulacap by BB Seguros, which occurred on 07.22.2011 and R$ 75 thousand of adjustments for the purpose of standardizing divergence in accounting practices adopted by the investee in 12.31.2020.

In Other Events, the balance of R$ 899,939 thousand refers to the capital contribution of BB Seguros referring to the participation in Brasilprev and R$ 25,599 thousand refers to the capital contribution of BB Corretora referring to the equity interest in Ciclic.

There was no need for adjustments for the purpose of standardizing the accounting practices adopted by the investee Brasildental, considering that there was no effect caused by any difference in practice during the year.

BB Mapfre adopts BRGAAP in its accounting information. Therefore, it makes the necessary adjustments to standardize the practices adopted by its subsidiaries, Brasilseg and Aliança do Brasil, which adopt the accounting standards defined by SUSEP (SUSEPGAAP).

Dividends/Interest on equity capital receivable and interest on equity received from investments in Parent were R$ 4,239,591 thousand (R$ 5,549,643 thousand in 2019) and in consolidated R$ 1,624,484 thousand (R$ 2,110,077 thousand as in 2019).

### c) Summary financial information on Investments in Equity Holdings

The amounts presented initially refer to the investee's financial statements in accordance with their respective accounting practices, as described in item "a".

### c.1) BB Mapfre Participações

### Result Information

R$ thousand

| Segment | Insurance | | | | | |
|---|---|---|---|---|---|---|
| Line of business | Insurance – Life, Mortgage Life, Rural and Propety | | | | | |
| | 2020 | | | 2019 | | |
| | Aliança do Brasil | Brasilseg | BB Mapfre | Aliança do Brasil | Brasilseg | BB Mapfre |
| **Net income from operations / premiums** | **130,761** | **2,361,065** | **--** | **127,675** | **2,282,351** | **--** |
| Insurance | 615,153 | 8,325,642 | -- | 590,466 | 7,554,731 | -- |
| Reinsurance | 44,552 | 7,976 | -- | 15,639 | 348,288 | -- |
| Costs / Expenses | (528,944) | (5,972,553) | -- | (478,430) | (5,620,668) | -- |
| **Financial result** | **10,715** | **248,659** | **2,274** | **24,736** | **328,733** | **3,389** |
| Interest income | 9,604 | 152,463 | -- | 14,933 | 125,105 | -- |
| Other financial income | 17,159 | 190,487 | 2,288 | 31,214 | 367,896 | 3,390 |
| Interest expense | (4,349) | (17,052) | -- | (12,572) | (66,303) | -- |
| Other financial expenses | (11,699) | (77,239) | (14) | (8,839) | (97,965) | (1) |
| **Equity result** | **--** | **2,040** | **1,468,583** | **15** | **875** | **1,457,153** |
| Other equity income / expenses | -- | 2,040 | 1,468,583 | 15 | 875 | 1,457,153 |
| **Other income and expenses** | **(63,448)** | **(684,071)** | **(4,045)** | **(56,960)** | **(633,587)** | **(3,449)** |
| Other expenses | (63,448) | (684,071) | (4,045) | (56,960) | (633,587) | (3,449) |
| **Operational result** | **78,028** | **1,927,693** | **1,466,812** | **95,466** | **1,978,372** | **1,457,093** |
| **Gains / losses on non-current assets** | (242) | 14 | -- | (1,151) | (4,592) | -- |
| **Income before taxes** | **77,786** | **1,927,707** | **1,466,812** | **94,315** | **1,973,780** | **1,457,093** |
| Taxes | (29,891) | (485,653) | 425 | (36,902) | (562,156) | 14 |
| Profit sharing | (1,094) | (20,274) | -- | (398) | (19,923) | -- |
| **Net income for the year** | **46,801** | **1,421,780** | **1,467,237** | **57,015** | **1,391,701** | **1,457,107** |
| **Total comprehensive result** | **46,801** | **1,421,780** | **1,467,237** | **57,015** | **1,391,701** | **1,457,107** |
| **Attributable to BB Seguridade** | **35,096** | **1,066,193** | **1,100,281** | **42,756** | **1,043,637** | **1,092,685** |
| Difference in accounting practice (1) | -- | -- | -- | -- | -- | (6,325) |
| Other adjustments (2) | -- | -- | (13,738) | -- | -- | (13,369) |
| **Equivalence result** | **35,096** | **1,066,193** | **1,086,543** | **--** | **--** | **1,072,991** |

(1) Adjustments for the purpose of standardizing the accounting practice adopted by the investee under CPC 06 (R2) - Leases.
(2) Amortization of intangible assets arising from the partnership agreement with Mapfre.

## Equity Information

R$ thousand

| Segment | Insurance | | | | | |
|---|---|---|---|---|---|---|
| Line of business | Insurance – Life, Mortgage Life, Rural and Propety | | | | | |
| | Dec 12,2020 | | | Dec 12,2019 | | |
| | Aliança do Brasil | Brasilseg | BB Mapfre | Aliança do Brasil | Brasilseg | BB Mapfre |
| **Current assets** | **696,068** | **7,014,657** | **91,167** | **554,758** | **7,872,919** | **90,901** |
| Cash and cash equivalents | 3,500 | 6,040 | -- | 13,338 | 1,593 | -- |
| Financial investments | 344,980 | 2,960,674 | 89,872 | 273,528 | 4,515,917 | 90,127 |
| Other current assets | 347,588 | 4,047,943 | 1,295 | 267,892 | 3,355,409 | 774 |
| **Non-current assets** | **155,666** | **8,906,115** | **2,203,448** | **287,128** | **5,569,901** | **1,956,397** |
| Financial investments | 70,370 | 3,784,285 | -- | 191,698 | 2,133,503 | -- |
| Other non-current assets | 85,296 | 5,121,830 | 2,203,448 | 95,430 | 3,436,398 | 1,956,397 |
| **Current liabilities** | **523,812** | **8,549,722** | **239** | **490,038** | **7,153,319** | **201** |
| Financial liabilities | 24,407 | 250,282 | 239 | 23,065 | 369,447 | 201 |
| Technical provisions | 402,270 | 5,464,185 | -- | 406,726 | 4,915,991 | -- |
| Other current liabilities | 97,135 | 2,835,255 | -- | 60,247 | 1,867,881 | -- |
| **Non-current liabilities** | **149,379** | **5,642,957** | **--** | **159,433** | **4,890,661** | **--** |
| Financial liabilities | -- | 522 | -- | 4 | 10,619 | -- |
| Technical provisions | 133,739 | 4,983,788 | -- | 142,684 | 4,218,119 | -- |
| Other non-current liabilities | 15,640 | 658,647 | -- | 16,745 | 661,923 | -- |
| **Net worth** | **178,543** | **1,728,093** | **2,294,376** | **192,415** | **1,398,840** | **2,047,097** |
| **Atribuível à BB Seguridade** | **133,889** | **1,295,897** | **1,720,553** | **144,292** | **1,048,990** | **1,535,118** |
| Amortization of intangible assets (1) | -- | -- | 525,161 | -- | -- | 538,899 |
| Difference in accounting practice (2) | -- | -- | -- | -- | -- | (45,412) |
| **Investment balance** | **133,889** | **1,295,897** | **2,245,714** | **144,292** | **1,048,990** | **2,028,605** |

(1) Includes in the book value of the investment of BB Mapfre, intangible assets with defined useful life, in the net amortization amount of R $ 186,157 thousand on Dec 31,2020 (R $ 199.895 thousand on Dec 31,2019) and intangible assets with indefinite useful life amount of R $ 339,004 thousand from the partnership agreement with Mapfre.

(2) Adjustments for the purpose of standardizing the accounting practice adopted by the investee under CPC 06 (R2) - Leases.

### c.2) Brasilprev, IRB, Brasilcap, Brasildental, BB Corretora e Ciclic

### Result Information

R$ thousand

| Segment | Insurance | | | Brokerage | |
|---|---|---|---|---|---|
| Line of business | Private Pension Plans | Capitalization Plans | Health | Brokerage | Brokerage |
| 2020 | Brasilprev | Brasilcap | Brasildental | BB Corretora | Ciclic |
| **Net income from operations / premiums** | **2,357,279** | **(898)** | **70,813** | **3,074,411** | **4,382** |
| Social Security | 2,357,279 | -- | -- | -- | -- |
| Capitalization | -- | 690,264 | -- | -- | -- |
| Health care | -- | -- | 70,813 | -- | -- |
| Brokerage | -- | -- | -- | 3,251,279 | 5,166 |
| Costs / expenses | -- | (691,161) | -- | (176,868) | (784) |
| **Financial result** | **(278,561)** | **239,061** | **(536)** | **49,252** | **(344)** |
| Interest income | 4,517,529 | 630,578 | -- | 58,024 | -- |
| Other financial income | 4,973,066 | 124,894 | 765 | -- | 216 |
| Interest expense | (1,695,581) | (423,051) | -- | (8,456) | (9) |
| Other financial expenses | (8,073,575) | (93,360) | (1,301) | (316) | (552) |
| **Equity result** | **(42,495)** | **(862)** | **(39)** | **(646)** | **(480)** |
| Depreciation and amortization | (42,495) | (862) | (39) | (646) | (480) |
| **Other income and expenses** | **(577,432)** | **28,226** | **(3,587)** | **(131,012)** | **(24,766)** |
| Other revenue | 16,367 | 29,079 | 23 | -- | -- |
| Other expenses | (593,799) | (853) | (3,610) | (131,012) | (24,766) |
| **Operational result** | **1,458,791** | **265,527** | **36,294** | **2,992,005** | **(21,208)** |
| **Gains / losses on non-current assets** | **(1,501)** | **12** | **--** | **--** | **--** |
| **Income before taxes** | **1,457,290** | **265,539** | **36,294** | **2,992,005** | **(21,208)** |
| Taxes | (537,168) | (101,144) | (12,326) | (1,022,900) | -- |
| Profit sharing | (8,118) | (5,595) | (366) | -- | -- |
| **Net profit (loss) for the year** | **912,004** | **158,801** | **23,602** | **1,969,105** | **(21,208)** |
| **Other comprehensive results** | **(566)** | **46,327** | **--** | **--** | **--** |
| **Total comprehensive result** | **911,438** | **205,128** | **23,602** | **1,969,105** | **(21,208)** |
| **Attributable to BB Seguridade** | **683,958** | **105,855** | **17,702** | **1,969,105** | **(15,905)** |
| Difference in accounting practice (1) | 2,421 | (75) | -- | -- | -- |
| Other adjustments (2) | -- | -- | -- | -- | (9) |
| **Equivalence result** | **686,379** | **105,780** | **17,702** | **1,969,105** | **(15,914)** |

(1) Adjustments for the purpose of standardizing the accounting practice adopted by the investee under CPC 06 (R2) - Leases.
(2) Result from previous years.

R$ thousand

| Segment | Insurance | | | | Brokerage | |
|---|---|---|---|---|---|---|
| Line of business | Private Pension Plans | Reinsurance | Capitalization Plans | Health | Brokerage | Brokerage |
| 2019 | Brasilprev | IRB Brasil | Brasilcap | Brasildental | BB Corretora | Ciclic |
| **Net income from operations / premiums** | **2,355,139** | **598,287** | **(32,099)** | **40,630** | **2,880,525** | **6,497** |
| Reinsurance | -- | 2,756,763 | -- | -- | -- | -- |
| Social Security | 2,355,139 | -- | -- | -- | -- | -- |
| Capitalization | -- | -- | 687,607 | -- | -- | -- |
| Health care | -- | -- | -- | 64,955 | -- | -- |
| Brokerage | -- | -- | -- | -- | 3,066,231 | 7,455 |
| Costs / expenses | -- | (2,158,476) | (719,706) | (24,325) | (185,706) | (958) |
| **Financial result** | **653,296** | **315,637** | **192,787** | **429** | **101,625** | **914** |
| Interest income | 2,139,273 | 957,840 | 870,973 | -- | 109,933 | 1,079 |
| Other financial income | 18,427,074 | 144,738 | 62,177 | 2,023 | -- | 38 |
| Interest expense | (356,677) | (673,442) | (474,322) | -- | (8,048) | (7) |
| Other financial expenses | (19,556,374) | (113,499) | (266,041) | (1,594) | (260) | (196) |
| **Equity result** | **(36,737)** | **149,375** | **(1,090)** | **(21)** | **(529)** | **(26,257)** |
| Depreciation and amortization | (36,737) | (159) | (1,090) | (21) | (529) | (316) |
| Other equity income / expenses | -- | 149,534 | -- | -- | -- | (25,941) |
| **Other income and expenses** | **(686,261)** | **(217,999)** | **9,844** | **(11,338)** | **(89,647)** | **--** |
| Other revenue | 20,938 | -- | 12,090 | 70 | -- | -- |
| Other expenses | (707,199) | (217,999) | (2,246) | (11,408) | (89,647) | -- |
| **Operational result** | **2,285,437** | **845,300** | **169,442** | **29,700** | **2,891,974** | **(18,846)** |
| **Gains / losses on non-current assets** | **(9,073)** | **27** | **37** | **--** | **--** | **--** |
| **Income before taxes** | **2,276,364** | **845,327** | **169,479** | **29,700** | **2,891,974** | **(18,846)** |
| Taxes | (844,815) | (106,476) | (63,231) | (10,043) | (979,375) | -- |
| Profit sharing | (12,120) | -- | (5,341) | (343) | -- | -- |
| **Net profit (loss) for the year** | **1,419,429** | **738,851** | **100,907** | **19,314** | **1,912,599** | **(18,846)** |
| **Other comprehensive results** | **1,861** | **--** | **51,947** | | **--** | **--** |
| **Total comprehensive result** | **1,421,290** | **738,851** | **152,854** | **19,314** | **1,912,599** | **(18,846)** |
| **Attributable to BB Seguridade** | **1,064,501** | 112,533 | **67,265** | **14,485** | **1,912,599** | **(14,134)** |
| Other adjustments (1) | -- | 6,258 | -- | -- | -- | (140) |
| **Equivalence result** | **1,064,501** | **118,791** | **67,265** | **14,485** | **1,912,599** | **(14,274)** |

(1) Result from previous years.

## Equity Information

R$ thousand

| Segment | Insurance | | | Brokerage | |
|---|---|---|---|---|---|
| Line of business | Private Pension Plans | Capitalization Plans | Health | Brokerage | Brokerage |
| Dec 12,2020 | Brasilprev | Brasilcap | Brasildental | BB Corretora | Ciclic |
| **Current assets** | **299,893,358** | **5,952,543** | **45,380** | **3,324,087** | **26,125** |
| Cash and cash equivalents | 14,201 | 413 | 2,108 | 1,887,215 | 158 |
| Financial investments | 298,891,327 | 5,929,382 | 37,126 | 245,101 | 17,602 |
| Commissions receivable | -- | -- | -- | 1,173,988 | 2,919 |
| Other current assets | 987,830 | 22,748 | 6,146 | 17,783 | 5,446 |
| **Non-current assets** | **13,261,289** | **3,958,005** | **1,775** | **1,082,592** | **1,676** |
| Financial investments | 12,246,283 | 2,800,346 | -- | 205,487 | -- |
| Commissions receivable | -- | -- | -- | 643,090 | -- |
| Other non-current assets | 1,015,006 | **1,157,658** | 1,775 | 234,015 | 1,676 |
| **Current liabilities** | **35,083,159** | **8,351,928** | **23,083** | **2,931,761** | **8,489** |
| Financial liabilities | 266,586 | 526 | -- | -- | 964 |
| Technical provisions | 34,486,024 | 8,261,132 | 14,295 | -- | 3,839 |
| Dividends payable | -- | 1,814 | -- | 1,060,278 | -- |
| Commissions to be appropriated | -- | -- | -- | 1,127,358 | |
| Other current liabilities | 330,549 | 88,457 | 8,788 | 744,125 | 3,686 |
| **Non-current liabilities** | **273,743,021** | **1,019,084** | **3,296** | **1,428,010** | **--** |
| Technical provisions | 273,724,242 | -- | -- | -- | -- |
| Commissions to be appropriated | -- | -- | -- | 1,417,250 | -- |
| Other non-current liabilities | 18,779 | 1,019,084 | 3,296 | 10,760 | -- |
| **Net worth** | **4,328,467** | **539,536** | **20,776** | **46,908** | **19,311** |
| Attributable to BB Seguridade | 3,246,134 | 359,653 | 15,582 | 46,908 | 14,483 |
| Difference in accounting practice (1) | 2,421 | (75) | -- | -- | -- |
| Adjustments (2) | 89,684 | 110,749 | -- | -- | -- |
| **Investment balance** | **3,338,239** | **470,327** | **15,582** | **46,908** | **14,483** |

(1) Adjustments for the purpose of standardizing the accounting practice adopted by the investee under CPC 06 (R2) - Leases.

(2) Includes in Brasilprev the amount of R $ 112,515 thousand referring to the amount proportional to the participation of BB Seguros in the paid-up capital by Principal Financial Group in January 2021 and a reduction of R $ 22,831 thousand in unrealized results. At Brasilcap, it includes goodwill on the acquisition of equity interest in the company Sulacap by BB Seguros, which took place on Jul 22,2011.

R$ thousand

| Segment | Insurance | | | Brokerage | |
|---|---|---|---|---|---|
| Line of business | Private Pension Plans | Capitalization Plans | Line of business | Private Pension Plans | Capitalization Plans |
| Dec 12,2019 | Brasilprev | Brasilcap | Brasildental | BB Corretora | Ciclic |
| **Current assets** | **281,444,183** | **5,237,584** | **42,702** | **2,753,321** | **10,507** |
| Cash and cash equivalents | 3,907 | 14 | 2,238 | 1,453,569 | 403 |
| Financial investments | 280,742,356 | 5,196,596 | 32,144 | 286,301 | 5,332 |
| Commissions receivable | -- | -- | -- | 996,720 | 2,697 |
| Other current assets | 697,920 | 40,974 | 8,320 | 16,731 | 2,075 |
| **Non-current assets** | **13,712,760** | **4,813,453** | **1,125** | **1,257,846** | **1,452** |
| Financial investments | 11,711,696 | 3,543,968 | -- | 695,039 | -- |
| Commissions receivable | -- | -- | -- | 343,595 | -- |
| Other non-current assets | 2,001,064 | 1,269,485 | 1,125 | 219,212 | 1,452 |
| **Current liabilities** | **33,335,319** | **8,423,711** | **24,263** | **2,731,240** | **5,562** |
| Financial liabilities | 676,381 | -- | -- | -- | 2,109 |
| Technical provisions | 32,441,394 | 8,342,007 | 15,827 | -- | 2,993 |
| Dividends payable | -- | 1,724 | -- | 1,031,794 | -- |
| Commissions to be appropriated | -- | -- | -- | 993,057 | -- |
| Other current liabilities | 217,544 | 79,980 | 8,436 | 706,389 | 460 |
| **Non-current liabilities** | **258,537,424** | **1,145,502** | **2,391** | **1,233,019** | **--** |
| Technical provisions | 257,369,919 | -- | -- | -- | -- |
| Commissions to be appropriated | -- | -- | -- | 1,226,955 | -- |
| Other non-current liabilities | 1,167,505 | 1,145,502 | 2,391 | 6,064 | -- |
| **Net worth** | **3,284,200** | **481,823** | **17,173** | **46,908** | **6,398** |
| Attributable to BB Seguridade | 2,462,986 | 321,183 | 12,880 | 46,908 | 4,798 |
| Adjustments (1) | (22,831) | 110,749 | -- | -- | -- |
| **Investment balance** | **2,440,155** | **431,932** | **12,880** | **46,908** | **4,798** |

(1) Includes unrealized results at Brasilprev. At Brasilcap, it includes goodwill on the acquisition of equity interest in the company Sulacap by BB Seguros, which took place on Jul 22,2011.

## 8 – COMMISSIONS INCOME

R$ thousand

| | Consolidated | |
|---|---|---|
| | 2020 | 2019 |
| **Gross commission income** | **3,676,972** | **3,474,987** |
| BB Mapfre | 2,659,958 | 2,407,981 |
| Brasilprev | 489,694 | 517,023 |
| Mapfre [1] | 144,349 | 163,221 |
| Brasilcap | 374,304 | 377,844 |
| Others | 8,667 | 8,918 |
| **Deductions from commission income** | **(425,693)** | **(408,756)** |
| PIS | (60,633) | (57,304) |
| Cofins | (279,280) | (263,944) |
| ISS | (85,780) | (87,508) |
| **Net commission income** | **3,251,279** | **3,066,231** |

(1) Despite the sale of the stake, Mapfre products continue to be sold by BB Corretora under the operating agreement for Auto and Major Risks products.

There are no amount of commissions income in parent.

In the partnership model signed between BB Seguros and the Mapfre Group, the payment of additional remuneration by Brasilseg Companhia de Seguros SA to BB Corretora is foreseen to exceed the sales growth target in some specific products, following the rules of the 2nd Amendment to the Operating Agreement for Operation in the Insurance Segment and its annexes ("Operating Agreement" or "Agreement") which Aliança do Brasil and BB Corretora have been signatory since November 30th, 2018.

## 9 – COSTS OF SERVICES PROVIDED

R$ thousand

| | Consolidated | |
|---|---|---|
| | 2020 | 2019 |
| Administrative cost products | (88,852) | (83,575) |
| Operational support cost | (68,764) | (75,463) |
| Cost of data processing | (19,252) | (19,298) |
| Investment management cost [1] | -- | (7,370) |
| **Total** | **(176,868)** | **(185,706)** |

(1) In 2019 there was a reimbursement of costs related to advisory services for the sale of security products at branches (this advisory service was discontinued in 2020).

There are no service costs provided in Parent.

## 10 – PERSONNEL EXPENSES

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Salaries | (6,128) | (5,978) | (36,328) | (33,282) |
| Social security costs | (3,109) | (2,971) | (17,325) | (16,173) |
| Fees | (1,300) | (943) | (3,853) | (3,858) |
| Benefits | (930) | (745) | (5,517) | (4,147) |
| Training | (135) | (175) | (870) | (978) |
| **Total** | **(11,602)** | **(10,812)** | **(63,893)** | **(58,438)** |

## 11 – ADMINISTRATIVE EXPENSES AND SALES

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Donation and sponsorship expenses [1] | -- | -- | (40,400) | (13,774) |
| Sales promotions | -- | -- | (9,323) | (3,113) |
| Data processing | (1,061) | (772) | (6,700) | (3,517) |
| Rent expenses and condominium fee | (925) | (927) | (4,459) | (4,496) |
| Specialized technical services [2] | (311) | (217) | (2,665) | (9,548) |
| Service travel | (273) | (266) | (1,521) | (1,621) |
| Costs communicating | (127) | (91) | (778) | (553) |
| Publications | (51) | (40) | (415) | (337) |
| Services contracted from third parties | (25) | (28) | (164) | (157) |
| Promotions and public relations | (29) | (40) | (148) | (257) |
| Other chargers | (294) | (186) | (2,851) | (3,966) |
| **Total** | **(3,096)** | **(2,567)** | **(69,424)** | **(41,339)** |

(1) In 2020 (Consolidated) includes donations made to Banco do Brasil Foundation, in order to contain the effects of the coronavirus pandemic.
(2) In 2019 (Consolidated), I included advisory fees on the disposal of shares held in IRB-Brasil Resseguros S.A, as per Note 2.a.

## 12 – TAXES

### a) Breakdown of income tax (IR) and social contribution expenses (CSLL)

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **Current values** | **(9,071)** | **(45,385)** | **(1,044,162)** | **(2,258,705)** |
| Domestic income tax and social contribution | (9,071) | (45,385) | (1,044,162) | (2,258,705) |
| **Deferred values** | **45** | **34** | **2,293** | **3,682** |
| **Deferred tax liabilities** | **--** | **--** | **--** | **1,887** |
| Temporary differences | -- | -- | -- | 1,887 |
| **Deferred tax assets** | **45** | 34 | **2,293** | 1,795 |
| Temporary differences | 45 | 34 | 2,293 | 1,795 |
| **Total** | **(9,026)** | **(45,351)** | **(1,041,869)** | **(2,255,023)** |

### b) Reconciliation of Income Tax and Social Contribution Expenses

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **Profit before income tax and social contribution** | **3,859,797** | **6,704,132** | **4,892,640** | **8,913,804** |
| a) Total income tax (25%) and CSLL (9%) chages | (1,312,331) | (2,279,405) | (1,663,498) | (3,030,693) |
| **Effect on the tax calculation:** | | | | |
| b) Nontaxable income - share of profit (loss) of subsidiaries associates and joint ventures (34%) | 1,303,351 | 2,233,661 | 639,367 | 790,078 |
| c) Non-deductible expenses, net of nontaxable income (34%) | (46) | 393 | (17,738) | (14,408) |
| **Income tax and social contribution (a+b+c)** | **(9,026)** | **(45,351)** | **(1,041,869)** | **(2,255,023)** |

### c) Tax Expenses

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **On financial income and other** | | | | |
| Cofins | (3,039) | (7,821) | (10,467) | (20,712) |
| PIS/Pasep | (523) | (1,318) | (1,939) | (3,727) |
| IOF | (24) | (33) | (24) | (55) |
| Other | (59) | (64) | (129) | (131) |
| **Total** | **(3,645)** | **(9,236)** | **(12,559)** | **(24,625)** |

### d) Current tax assets

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Taxes to compensate | 54,136 | 45,598 | 70,494 | 61,956 |
| IRRF | 31,037 | 13,102 | 70,639 | 40,112 |
| (-) Current taxes deducted/offset | (18) | (3,168) | (26,357) | (30,179) |
| **Total [2]** | **85,155** | **55,532** | **114,776** | **71,889** |

(1) The balances at December 31, 2020 and December 31, 2019 (parent company and consolidated) refer mainly to the IRRF of previous years uncompensated/deducted.

### e) Deferred Tax Assets

R$ thousand

| | Parent | | | |
|---|---|---|---|---|
| | Dec 31, 2020 | Addition | Derecognition | Dec 31, 2019 |
| **Temporary differences** | | | | |
| Tax losses/negative bases | 1,227 | -- | (2,713) | 3,940 |
| Liabilities provision | 78 | 44 | -- | 34 |
| **Total deferred tax assets** | **1,305** | **44** | **(2,713)** | **3,974** |
| Incone tax | 961 | 32 | (2,019) | 2,948 |
| Social contribution | 344 | 12 | (694) | 1,026 |

R$ thousand

| | Consolidated | | | |
|---|---|---|---|---|
| | Dec 31, 2020 | Addition | Derecognition | Dec 31, 2019 |
| **Temporary differences** | | | | |
| Tax losses/negative bases | 1,227 | -- | (2,713) | 3,940 |
| Liabilities provision | 13,354 | 5,786 | (3,493) | 11,061 |
| Amortization of goodwill | 3,053 | -- | -- | 3,053 |
| **Total deferred tax assets** | **17,634** | **5,786** | **(6,206)** | **18,054** |
| Incone tax | 13,775 | 4,254 | (4,586) | 14,107 |
| Social contribution | 3,859 | 1,532 | (1,620) | 3,947 |

### f) Expected Realization

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | Non Value | Present Value | Valor Nominal | Valor Presente |
| In 2021 | -- | -- | 2,227 | 2,191 |
| In 2022 | -- | -- | 2,324 | 2,216 |
| In 2023 | 1,305 | 1,203 | 3,420 | 3,129 |
| In 2024 | -- | -- | 2,462 | 2,114 |
| In 2025 | -- | -- | 2,390 | 1,928 |
| Afther 2025 | -- | -- | 4,811 | 3,610 |
| **Total** | **1,305** | **1,203** | **17,634** | **15,188** |

The expected realization of deferred tax assets (tax credits) is supported by a technical study prepared for de base date of Dec 31, 2020, and is calculated based on the discounted present value of the average Selic rate (TMS) projected for each reporting period

During the year of 2020, tax credits were realized in the amount of R$ 2,713 thousand in the parent company and R$ 6,206 thousand in the consolidated,

## g) Current tax liabilities

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| Icome tax | -- | 2,435 | 491,329 | 471,434 |
| Social contribution | -- | 861 | 170,504 | 166,017 |
| Cofins | 16 | 631 | 25,225 | 27,047 |
| ISS | -- | -- | 16,671 | 15,894 |
| Pasep | 2 | 102 | 5,463 | 5,804 |
| Other | 81 | 119 | 115 | 120 |
| (-) Current taxes deducted/offset | (18) | (3,168) | (26,357) | (30,179) |
| **Total** | **81** | **980** | **682,950** | **656,137** |

## h) Deferred Tax Liabilities

R$ thousand

| | Consolidated | |
|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 |
| Arising from partnership with Mapfre | 223,387 | 223,387 |
| Arising from amortization of Brasilcap's goodwill | 4,647 | 4,647 |
| Other temporay differences | 531 | 530 |
| **Total** | **228,565** | **228,564** |

There is no balance of deferred tax liabilities in the Controller.

## 13 – OTHER INCOME AND EXPENSE

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Income on sale of equity interest - IRB-Brasil [(1)] | -- | -- | -- | 3,519,736 |
| Income of ADR [(2)] | 7,746 | 12,141 | 7,746 | 12,141 |
| Recovery of operational provision | -- | -- | -- | 7,324 |
| (Addition)/Reversal of provisions for labor, tax and civil lawsuits | (127) | (103) | (190) | 1,271 |
| Depreciation/amortization expense | (174) | (166) | (1,011) | (887) |
| Income/(expense) earn in earn out [(3)] | -- | -- | (27,534) | (13,972) |
| Other [(4)] | 16 | 1,813 | (6,546) | (4,560) |
| **Total** | **7,461** | **13,685** | **(27,535)** | **3,521,053** |

(1) Refers to the income on sale of the shares in IRB-Brasil Resseguros S.A, (Note 2.a).

(2) Refers to the sharing, by the depositary bank of the ADR Level I program, of the income from issuance fees, cancellation and processing of dividends charged to investors holding ADRs (American Depositary Receipts) of BB Seguridade, with the purpose of defray Program expenses.

(3) Refers to the price adjustment mechanism of the assets of the Brasilveiculos (current Mapfre Seguros Gerais) asset sold to Mapfre Brasil on 11.30.2018, with calculation, monthly provisions and annual payment, made based on the fulfilment of goals in the sales of auto insurance. The mechanism provides for the possibility of earn in or earn out, that is, payment from MAPFRE Brasil to BB Seguros or from BB Seguros to MAPFRE Brasil and will be calculated for each financial year until 2031.

(4) In the 2020 and 2019, (Consolidated) includes the amount of R$ 6,552 thousand referring to the provision for brokerage to be returned to Brasilprev. In the 2019, there was a reversal of the provision for variable compensation of the Executive Board (Parent and Consolidated) - R$ 1,833 thousand.

## 14 – FINANCIAL RESULT

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **Financial Income** | **62,764** | **173,832** | **138,657** | **343,522** |
| Yield from financial investments | 47,305 | 162,427 | 134,123 | 331,711 |
| Monetary adjustment of judicial deposits | -- | -- | 3,064 | 6,963 |
| Monetary adjustment of taxes | 1,468 | 2,604 | 1,468 | 2,611 |
| Monetary adjustment of dividends and interest on equity capital | 13,989 | 8,792 | -- | 2,225 |
| Other | 2 | 9 | 2 | 12 |
| **Financial Expenses** | **(25,469)** | **(30,360)** | **(27,507)** | **(30,653)** |
| Monetary adjustment of dividends and interest on equity capital | (24,871) | (29,623) | (24,871) | (29,623) |
| Financial system services | (480) | (555) | (828) | (826) |
| Loss on financial investments | (117) | (173) | (1,803) | (173) |
| Other | (1) | (9) | (5) | (31) |
| **Financial Result** | **37,295** | **143,472** | **111,150** | **312,869** |

## 15 – CASH AND CASH EQUIVALENTS

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| Cash | 424 | -- | 3,475 | 2 |
| Short-term fund | -- | 377 | 10 | 10,812 |
| Repurchase agreements[(1)] | 208,469 | 4,230,818 | 2,191,960 | 7,370,478 |
| **Total** | **208,893** | **4,231,195** | **2,195,445** | **7,381,292** |

(1) Refers to investments in repurchase agréments with Banco do Brasil S.A., backed by federal government securities with daily liquidity and insignificante risk of change in fair value.

Financial investments in short-term funds and cash equivalents are classified as financial assets at fair value through profit or loss.

## 16 – FINANCIAL INSTRUMENTS

### a) Financial Assests at Fair Value through Profit or Loss

R$ thousand

| | Parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | Dec 31, 2019 | | | | | Dec 31, 2020 | |
| | Cost Value | Market Value/ Book Value | Applications | Redemptions | Yield | Cost Value | Market Value/ Book Value |
| Long-term fund [(1)] | 3,691 | 3,413 | 465 | -- | 70 | 4,157 | 3,948 |
| **Total** | **3,691** | **3,413** | **465** | **--** | **70** | **4,157** | **3,948** |

R$ thousand

| | Consolidated | | | | | | |
|---|---|---|---|---|---|---|---|
| | Dec 31, 2019 | | | | | Dec 31, 2020 | |
| | Cost Value | Market Value/ Book Value | Applications | Redemptions | Yield | Cost Value | Market Value/ Book Value |
| Long-term fund [(2)] | 330,476 | 460,147 | 465 | 464,204 | 8,578 | 4,953 | 4,986 |
| **Total** | **330,476** | **460,147** | **465** | **464,204** | **8,578** | **4,953** | **4,986** |

(1) Refers to the “Brasil Aceleradora de Startups” fund whose policy provides for investments of at least 90% of its Shareholders'Equity in the acquisition of shares and debentures issued by Startups companies convertible into shares.

(2) Of the total of R$ 468,433 thousand, R$ 464,551 thousand refers to the investment fund “BB Renda Fixa Longo Prazo Corporativo 10 Milhões”, whose investment policy provides for investments in investment funds with a portfolio composed, alone or cumulatively, of securities, public or Private, pre-fixed and / or post-fixed, repurchase operations, any and all financial assets and / or operating modalities available in the financial market, according to regulation. The fund must maintain 80% of the portfolio in federal government securities and / or assets with low credit risk related to the domestic interest rate, price indices or both. Strategies that imply foreign currency, variable income or leverage risk are not allowed.

### b) Financial Assets Available Held to Amortized Costs

R$ thousand

| | Counterparty rating | Dec 31, 2020 | | | Dec 31, 2019 | | |
|---|---|---|---|---|---|---|---|
| | | Cost Value | Book Value | Updated cost | Cost Value | Book Value | Updated cost |
| Short-Term Financial bills (1) | AA- | 220,400 | 245,101 | 245,033 | 265,000 | 286,301 | 286,427 |
| Long-Term Financial bills (2) | AA- | 200,000 | 204,449 | 203,374 | 220,400 | 238,305 | 238,457 |
| **Total** | | **420,400** | **449,550** | **448,407** | **485,400** | **524,606** | **524,884** |

(1) Refers to investments in post-fixed Long-Term Financial bills with varying maturity dates, with the first maturity occurring on December 7, 2020 and the others up to September 30, 2021.

(2) Refers to investments in post-fixed Billis maturing on March 11, 2022.

There is no balance of financial assets available held to maturity securities in the Parent.

### c) Fair Value Hierarchy

The Company classifies financial instruments into three levels of subjectivity in determining fair value. The different levels are defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices);
- Level 3: Assumptions for the asset or liability that are not based on observable market data (unobservable inputs). There are no financial instruments classified in level 3 of the investment portfolio.

R$ thousand

| | Parent | | | | | |
|---|---|---|---|---|---|---|
| | Dec 31, 2020 | | | Dec 31, 2019 | | |
| | Level 1 | Level 2 | Total | Level 1 | Level 2 | Total |
| Long-term fund | 3,948 | -- | 3,948 | 3,413 | -- | 3,413 |
| Cash and cash Equivalents | 208,893 | -- | 208,893 | 4,231,195 | -- | 4,231,195 |
| **Total** | **212,841** | **--** | **212,841** | **4,234,608** | **--** | **4,234,608** |

R$ thousand

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | Dec 31, 2020 | | | Dec 31, 2019 | | |
| | Level 1 | Level 2 | Total | Level 1 | Level 2 | Total |
| Long-term fund | 4,986 | -- | 4,986 | 460,147 | -- | 460,147 |
| Cash and cash Equivalents | 2,195,445 | -- | 2,195,445 | 7,381,292 | -- | 7,381,292 |
| Short-Term Financial bills | -- | 448,407 | 448,407 | -- | 524,884 | 524,884 |
| **Total** | **2,200,431** | **448,407** | **2,648,838** | **7,841,439** | **524,884** | **8,366,323** |

## 17 – DIVIDENDS / INTEREST ON EQUITY CAPITAL RECEIVABLE

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | Dec 31, 2020 (1) | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| Dividends receivable | 1,060,278 | 1,961,491 | -- | -- |

(1) On Dec 31, 2020, refers to dividends receivable from BB Corretora de Seguros e Administradora de Bens S.A.

## 18 – COMMISSIONS RECEIVABLE

R$ thousand

| | Consolidated | |
|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 |
| **Current Assets** | **1,173,988** | **996,720** |
| BB Mapfre(1) | 1,120,275 | 921,184 |
| Mapfre | 43,169 | 63,873 |
| Brasilprev | 9,388 | 5,114 |
| Brasilcap | 1,094 | 6,549 |
| Others | 62 | -- |
| **Non-Current Assets** | **643,090** | **343,595** |
| BB Mapfre | 643,090 | 343,595 |
| **Total** | **1,817,078** | **1,340,315** |

(1) On 12.31.2020, R$ 464 million refers to the additional commission as per the restructuring agreement described in Note 2. The provision for the additional commission is made monthly and is expected to be received within 60 days after the end of the year. On 12.31.2019, R $ 446 million refers to the additional commission, received on 02.27.2020.

There are no amount of comissions receivable in parent.
Comissions Receivables are classified as financial assets valued at amortized cost, as described in Note 4.

## 19 – INTANGIBLE ASSET

### a) ERP - Enterprise Resource Planning

R$ thousand

| | Parent and Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | Dec 31, 2019 | 2020 | | Dec 31, 2020 | | |
| | Book value | Acquisitions | Amortization | Cost value | Accumulated amortization | Book value |
| Software – ERP (1) | 5,901 | 335 | (755) | 7,488 | (2,007) | 5,481 |

(1) In January 2018, the amortization of Enterprise Resource Planning (ERP) began, according to CPC 04 (IAS 38) - Intangible Assets in which the amortization period of intangible assets with a defined useful life is 10 years and amortization is calculated at the annual rate of 10% and recognized to the income statement on a straight-line method.

### a.1) Estimate for amortization

R$ thousand

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|---|---|
| Amounts to be amortized | 783 | 783 | 783 | 783 | 783 | 783 | 783 | **5,481** |

## 20 – OTHER ASSETS

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| **Current Assets** | **10,170** | **8,865** | **4,347** | **2,057** |
| Receivables from related companies | 7,261 | 7,194 | -- | -- |
| Receivables from ADR | 2,899 | 1,665 | 2,899 | 1,665 |
| Other | 10 | 6 | 1,448 | 392 |
| **Non-Current Assets** | **53** | **44** | **206,654** | **203,916** |
| Judicial deposits (1) | -- | -- | 206,601 | 203,872 |
| Fixed asset (2) | 53 | 44 | 53 | 44 |
| **Total** | **10,223** | **8,909** | **211,001** | **205,973** |

(1) It refers, mainly, to a lawsuit of a fiscal nature, with the purpose of annulling an administrative decision that did not ratify declarations of compensation of negative balances of IRPJ with several taxes of its own. The updated value of the referred judicial deposit is R$ 151,968 thousand (R$ 149,547 thousand on December 31, 2019), being its update by the SELIC rate..

(2) Acquisition of computers and furniture in the amount of R$ 74 thousand (depreciation R$ 21 thousand) in dec 31, 2020.

## 21 – CORPORATE AND STATUTORY OBLIGATIONS

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| Dividends payable (1) (2) | 948,398 | 3,790,643 | 948,398 | 3,790,643 |
| Capital reduction payable (3) | 95 | 2,700,000 | 95 | 2,700,000 |
| **Total** | **948,493** | **6,490,643** | **948,493** | **6,490,643** |

(2) On Dec 31, 2020, the amount of R$ 400 thousand refers to unpaid dividends of previous years.
(3) On Dec 31, 2019, the amount of R$ 340 thousand refers to unpaid dividends of previous years.
(4) Capital reduction approved by the Board of Directors, effective payment of which occurred on April 30, 2020, as detailed in Explanatory Note 25 "a".

## 22 – PROVISIONS AND CONTINGENT LIABILITIES

### CONTINGENT ASSETS

In accordance with CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, no contingent assets were recognized in the individual and consolidated financial statements.

### CONTINGENT LIABILITIES – PROBABLE

#### a) Tax Lawsuits

The Company's tax actions related to BB Corretora arise mainly from municipal/district tax assessments (discussing the "payment" of the Tax on Services of Any Kind - ISSQN); and demands from the Federal Government proposed in the administrative or judicial spheres discussing federal taxes, notably not homologation of compensation of own taxes with other taxes.

As of December 31, 2020, BB Corretora had a total of 37 (thirty-seven) active tax lawsuits discussing matters related to the tax area, classified as remote, possible and probable depending on the phase of the process and/or specific situation affecting each specific case. And, the mentioned actions are thus distributed: (i) 23 (twenty-three) of them in the administrative sphere, exclusively, with the Brazilian Federal Revenue Service (RFB); and (ii) 14 (fourteen) of them filed in the Brazilian courts, 10 (ten) in the State sphere and 04 (four) in the Federal sphere.

Among the total number of lawsuits, 4 (four) of them are classified as probable loss. The following is a brief summary of the main lawsuit classified as "Probable", in other words, whose value involved is expressive:

- BB Corretora is a party to a lawsuit whose cause of action concerns the collection of ISSQN, in progress with the TJ-MG, which was awarded the value of the initial cause of R$ 8.3 million and filed on June 29, 1998. This lawsuit was judged by the competent court, which recognized the Municipality's right to receive the requested ISSQN, but reduced the amount to R$ 19 thousand. During the process, in the discussion of embargoes to the execution, the judicial deposit was made with BB, whose amount updated on 12/31/2020 is R$ 594 thousand. Due to the situation installed in the process on 12/31/2020 BB Corretora maintains a provision in the amount of R$ 507 thousand, since the process has the probability of loss as "probable" due to the judgment of the merit. Finally, it should be mentioned that the Municipality has filed for tax enforcement of the amount of the condemnation (R$ 19 thousand), which is being settled to determine the quantum due.

As for BB Seguridade and BB Seguros, they do not have tax actions with significant amounts

#### b) Civil Lawsuits

In civil lawsuits involving BB Seguridade, BB Seguros and BB Corretora, we highlignt the claims for various indemnities (material damages, moral damages, etc.), notably resulting from consumer relations involving security products and the like (personal insurance) and equity, open private pension, capitalization and dental plans).

#### c) Labor Lawsuits

Labor claims involving BB Seguros and BB Corretora mainly arise from labor claims, with a civil nature (arising from corporate group life insurance, whose original employers did not bear the severance pay); and, third party claims against the investees evaluated by the equity method and BB Seguros (as a shareholder) notably, requiring eventual subsidiary condemnation. On the other hand, BB Seguridade's labor claims involve former employees, discussing rights arising from the 7th and 8th bank overtime hours and the respective effects on other amounts of a salary / severance nature.

### Provisions for civil, tax and labor lawsuits classified as probable

In accordance with CPC 25 (IAS 37), BB Seguridade constitutes a provision for tax, civil and labor claims with a “probable” risk of loss.

R$ thousand

| | Consolidated | |
|---|---|---|
| | 2020 | 2019 |
| **TAX LAWSUITS** | | |
| **Initial balance** | **999** | **939** |
| Addition/Update [1] | 441 | 73 |
| Reversal of the provision | -- | -- |
| Derecognition of provisions | -- | (12) |
| **Closing balance** | **1,440** | **1,000** |
| **CIVIL LAWSUITS** | | |
| **Initial balance** | **16,692** | **18,126** |
| Addition/Update [2] | 5,713 | 8,881 |
| Reversal of the provision | (4,413) | (6,499) |
| Derecognition of provisions | (1,678) | (3,817) |
| **Closing balance** | **16,314** | **16,691** |
| **LABOR LAWSUITS** | | |
| **Initial balance** | **103** | **--** |
| Addition/Update | 127 | 103 |
| Reversal of the provision | -- | -- |
| Derecognition of provisions | -- | -- |
| **Closing balance** | **230** | **103** |
| **TOTAL** | **17,984** | **17,794** |

(1) On Dec 31, 2020 incluides the amount of R$ 28 thousand related to monetary restatement.
(2) On Dec 31, 2020 incluides the amount of R$ 836 thousand related to monetary restatement.

They mainly refer to contingencies registered with BB Corretora.

On Dec 31, 2020, the amount of R$ 230 thousand related to labor claims was provisioned at the controller. For the other claims, there are no provision balances in the controller.

### Expected outflows of economic benefits

R$ thousand

| | Labor lawsuits | Tax lawsuits | Civil lawsuits | Total |
|---|---|---|---|---|
| Up to 5 years | 230 | 547 | 13,297 | **14,074** |
| More than 5 years and up to 10 years | -- | 338 | 2,459 | **2,797** |
| Over 10 years | -- | 555 | 558 | **1,113** |
| **Total** | **230** | **1,440** | **16,314** | **17,984** |

Given the scenario of uncertainties in the duration of the proceedings, as well as the possibility of changes in the jurisprudence of the courts, the outflow of economic benefits has been estimated based on the best available information.

### CONTINGENT LIABILITIES – POSSIBLE

#### a) Tax Lawsuits

In the tax lawsuits, classified as possible, we have those referring to BB Corretora, which contests the non-recognition of IRPJ, CSLL, PIS and Cofins compensation requests made between 1999 and 2003, due to the non-recognition of negative balances from 1995 and 1997 and the deduction of CSLL amounts from the IRPJ calculation basis granted in a Writ of Mandamus decision. The possibility of loss of demand is classified as possible, therefore, no provision has been made.

In accordance with applicable legislation, notably CPC 25 - Provisions, Contingent Liabilities and Contingent Assets; actions with remote or possible risk classification are exempt from the constitution of a provision. However, the following is a brief summary of the main lawsuits filed against BB Corretora:

- BB Corretora has a judicial dispute related to "DCOMP Negative Balance IRPJ," with the TRF1/DF, whose initial value of the cause was R$ 82.3 million, filed on April 18, 2011. The process is in the initial phase of knowledge (there is no sentence). It should also be noted that this process has a judicial deposit (entry of the administrative phase of the discussion) in the amount of R$ 152.1 million (base date: Dec 31, 2020) deposited in a judicial account with the Caixa Econômica Federal.As for BB Seguridade and BB Seguros, do not have tax actions with significant amounts..

### Balances of contingent liabilities classified as possible

Tax and civil demands classified as "possible" risk are exempt from provisioning, in accordance with CPC 25.

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| Labor lawsuits | -- | -- | -- | -- |
| Tax lawsuits (1) | -- | 275 | 230,189 | 215,397 |
| Civil lawsuits | -- | -- | 2,647 | 2,337 |
| **Total** | **--** | **275** | **232,836** | **217,734** |

(1) Refers mainly to a tax lawsuit by BB Corretora with the objective of annulling an administrative decision that did not ratify declarations of offsetting negative IRPJ balances with different taxes. There is a guarantee deposit for the mentioned action as shown in item "c" below.

BB Seguridade does not have contingent liabilities of its affiliates shared with other investors of the affiliates nor is it jointly and severally liable for all or part of the liabilities of its affiliates.

### DEPOSITS IN GUARANTEE OF FUNDS

Guarantee deposits are cash deposits and are made with Banco do Brasil or another official financial institution, as a means of payment or as a means of guaranteeing the payment of convictions, indemnities, agreements and other expenses resulting from legal proceedings. The amounts are presented in the balance sheet under Other Assets.

### Balances of escrow deposits formed for provisions and contingent liabilities

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| Labor lawsuits | -- | -- | 50 | 20 |
| Tax lawsuits (1) | -- | -- | 204,133 | 201,126 |
| Civil lawsuits | -- | -- | 2,418 | 2,726 |
| **Total** | **--** | **--** | **206,601** | **203,872** |

(1) Refers mainly to a tax lawsuit aimed at annulling an administrative decision that did not ratify declarations of offsetting negative IRPJ balances with various taxes. The updated amount of the aforementioned judicial deposit is R$ 151.967 thousand (R$ 149,547 thousand on Dec 31. 2019), referring to the investee BB Corretora, being updated using the SELIC rate

## 23 – UNEARDED COMMISSIONS

R$ thousand

| | Consolidated | |
|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 |
| **Current Liabilities** | **1,127,358** | **993,057** |
| BB Mapfre | 1,049,015 | 902,215 |
| Mapfre(1) | 78,037 | 90,495 |
| Others | 306 | 347 |
| **Non-Current Liabilities** | **1,417,250** | **1,226,955** |
| BB Mapfre | 1,389,918 | 1,185,165 |
| Mapfre(1) | 27,331 | 41,789 |
| Others | 1 | 1 |
| **Total** | **2,544,608** | **2,220,012** |

(1) Despite the sale of the stake, Mapfre products continue to be sold by BB Corretora.

There are no amount of unearned commissions in parent.

## 24 – OTHER LIABILITIES

R$ thousand

| | Parent | | Consolidated | |
|---|---|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2019 |
| **Current Liabilities** | | | | |
| Amounts payable to related companies (1) | 5,145 | 5,615 | 84,514 | 62,008 |
| Annual variable remuneration program of the Executive Board | 2,576 | 2,444 | 2,576 | 2,444 |
| Annual program for results | 392 | -- | 392 | -- |
| Other | 490 | 179 | 609 | 191 |
| **Total** | **8,603** | **8,238** | **88,091** | **64,643** |

(1) Refers to the apportionment of expenses calculated in accordance with the contract for sharing client data, use of staff, distribution network and technological and administrative material resources, entered into between Banco do Brasil, BB Seguridade, BB Corretora and BB Seguros. In Consolidated, it also includes amounts payable, in the amount of R$ 29,292 thousand referring to the price adjustment mechanism of Brasilveículos (current Mapfre Seguros Gerais) assets sold to MAPFRE Brasil on November 30, 2018.

## 25 – EQUITY

### a) Capital

The capital of the Group BB Seguridade amounted to R$ 3,396,767 thousand as of Dec 31, 2020 and Dec 31, 2019, it is divided into 2,000,000,000 (two billion) shares as of Dec 31, 2020 and Dec 31, 2019. The shareholders' equity amounted R$ 6,389,605 thousand (R$ 5,248,754 thousand as of Dec 31, 2019), corresponding a book value per share of R$ 3.19 per share (R$ 2.62 per share as of Dec 31, 2019).

On September 25, 2019, the Board of Directors of BB Seguridade Participações S.A. approved the submission of a proposal to the Shareholders Meeting to:

i. increase the paid-in capital by R$ 450 million, without issuing new shares, using part the legal reserve balance, pursuant to the article 193 of Law 6,404; and

ii. immediately thereafter, reduce the paid-in capital by R$2.7 billion, without canceling shares, for considering it excessive, pursuant to the article 173 of Law 6,404.

On October 30, 2019, the Extraordinary General Meeting approved the respective proposals. After compliance with all legal requirements applicable to this transaction, the capital reduction was effective on April 30, 2020. On this day, the financial settlement of the operation was carried out, with the amount of R $ 1.352298117 per share paid..

### b) Capital and Profit Reserves

R$ thousand

| | Parent and Consolidated | |
|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 |
| **Capital Reserves (1)** | **1,588** | **1,117** |
| **Profit Reserves** | **3,060,956** | **1,905,725** |
| Legal Reserve | 679,354 | 679,354 |
| Statutory Reserve | 2.,381,602 | 1,226,371 |

(1) On June 30, 2020, there was a gain of R$ 221 thousand on the sale of shares in the Share Buyback Program that were transferred to the Variable Remuneration Program and the Result Reward Program.

The purpose of the Legal Reserve is to ensure the integrity of the capital stock and may only be used to offset losses or increase the capital stock. Of the net income for the period, 5% is invested, before any other allocation, in the constitution of the legal reserve, which will not exceed 20% of the share capital and the balance of the legal reserve plus the amounts of capital reserves that will not exceed 30% (thirty percent) of the capital stock.

The Statutory Reserve for Equalization of Capital Remuneration has the purpose of guaranteeing resources for the payment of dividends, including in the form of interest on own capital or its prepayments, limited to 80% of the capital stock value, being formed with resources: equivalent to up to 50% of the net income for the year and resulting from the credit corresponding to the advance of dividends.

The Statutory Reserve for Capital Reinforcement aims to guarantee financial means for the operation of the company, including for capital increase in the companies in which it participates as a shareholder and the acquisition of companies covered by Art. 3 of these Bylaws, limited to 80% of the value capital and being formed with resources equivalent to up to 50% of the net profit for the year.

### c) Earnings per Share

| | Parent and Consolidated | |
|---|---|---|
| | 2020 | 2019 |
| Net income attributable to shareholders of the Bank (R$ thousand) | 3,850,771 | 6,658,781 |
| Weighted average of ordinary and dilutive potencial ordinary shares outstanding | 1,996,626,255 | 1,996,600,247 |
| Earnings per share – basic and diluted (R$) | 1.93 | 3.34 |

The basic earnings per share is calculated by dividing net income attributable to shareholders of the BB Seguridade by the weighted average number of common shares outstanding in each of the periods presented.

The diluted earnings per share is calculated by dividing net income attributable to shareholders of the BB Seguridade by the weighted average number of common shares outstanding, including the effect of all dilutive potential ordinary shares.

The BB Seguridade has no option, bonus of subscription or its equivalents which provide their holder the right to acquire shares. Thus, the basic and diluted earnings per share are equal.

### d) Dividends

| | | R$ thousand |
|---|---|---|
| | **2020** | **2019** |
| (1) - Net income | 3,850,771 | 6,658,781 |
| (2) - Legal reserve in the period | -- | 42,328 |
| **(=) Calculation basis (1 - 2)** | **3,850,771** | **6,616,453** |
| (3) - Minimum mandatory dividend | 962,693 | 1,654,113 |
| (4) - Additional dividend | 1,732,847 | 3,914,518 |
| (5) - Statutory reserve | 1,155,231 | 1,047,822 |
| **(=) Balance of net income after allocation (1-2-3-4-5)** | **--** | **--** |
| | | |
| (6) - Proposed dividends (3+4) | 2,695,540 | 5,568,631 |
| (7) - Prescribed dividends | 42 | 24 |
| (8) - Dividends paid | 1,747,565 | 1,778,339 |
| **(=) Dividends payable (6+7-8)** | **948,017** | **3,790,316** |

BB Seguridade follows the Dividend Policy available on the Investor Relations website of BB Seguridade.

The Policy is reviewed annually or, extraordinarily, at any time, and submitted to the Board of Directors of group for approval.

Dividends related to the profit of the 2nd semester of 2019, of R$ 3,790,316 thousand, according to its bylaws, were paid in February 2020, with the monetary restatement of R$ 24,871 thousand by the Selic rate, adding a destined amount of R$ 3,815,187 thousand.

The interim dividends from the first half of 2020 profit of R$ 1,747,542 thousand and the prescribed dividends of R$ 23 thousand, totaling a destined amount of R$ 1,747,565 thousand, approved by the Board of Directors of BB Seguridade on 06.25. 2020 according to its bylaws, were paid in August 2020.

### d.1) Dividends per Share

| | 2nd Half/2020 | | 1st Half/2020 | | 2nd Half/2019 | | 1st Half/2019 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (R$ thousand) | Amount per share (R$) | Amount (R$ thousand) | Amount per share (R$) | Amount (R$ thousand) | Amount per share (R$) | Amount (R$ thousand) | Amount per share (R$) |
| Dividends | 948.017 | 0.474 | 1,747,565 | 0.875 | 3,790,316 | 1.898 | 1,778,339 | 0.890 |

### e) Other Accumulated Comprehensive Income

The positive balance recorded in Other Comprehensive Accumulated Results in the amount of R$ 12,882 thousand (R$ 28,451 thousand positive on 12.31.2019) is composed of:

i. R$ 33,872 thousand positive (R$ 49.441 thousand positive on 12.31.2019) resulting mainly from the appreciation or devaluation resulting from the adjustment to market value, at the net value of tax effects, of securities classified as fair value through other comprehensive results of Brasilprev Seguros e Previdência SA, BB Mapfre Participações SA and Brasilcap Capitalização SA;

ii. Negative R$ 20,824 thousand (R$ 20,824 thousand negative on 12.31.2019) from adjustments for the purpose of standardizing accounting practices from previous periods at BB Mapfre Participações S.A; and

iii. Negative R$ 166 thousand (negative R$ 166 thousand on 12.31.2019) from results from periods prior to BB Corretora's participation in Ciclic.

Bearing in mind that BB Seguridade does not have securities classified as fair value through other comprehensive income, the amounts in its statements reflect the values existing in the companies in which BB Seguros holds interest.

### f) Shareholdings (number of shares)

| Stockholders | Dec 31,2020 | | Dec 31, 2019 | |
|---|---|---|---|---|
| | Shares | % Total | Shares | % Total |
| Banco do Brasil | 1,325,000,000 | 66.25 | 1,325,000,000 | 66.25 |
| Other stockholders | 671,634,681 | 33.58 | 671,601,167 | 33.58 |
| Treasury shares | 3,365,319 | 0.17 | 3,398,833 | 0.17 |
| **Total** | **2,000,000,000** | **100** | **2,000,000,000** | **100** |
| Locals | 1,464,036,514 | 73.20 | 1,427,384,006 | 71.37 |
| Foreign | 535,963,486 | 26.80 | 572,615,994 | 28.63 |

### g) Treasury shares

#### g.1) Share-Based Payment – Variable Wage Program

The Variable Wage Program Board of BB Seguridade determined that, of the total amount allocated to the payment of variable compensation, 50% will be made in shares of BB Seguridade (BBSE3). From the total paid in shares, 20% will be immediately transferred to the beneficiary ownership and 80% will be deferred for a period of four years.

On November 13, 2014, the Brazilian Securities and Exchange Commission (CVM) authorized BB Seguridade to make annually the private trading of its own shares, in order to fund, through these shares, part of the payment of the variable remuneration compensation of its Executive Board members, without the need to submit, every year, that commission new requests, in the case therefore of permanent authorization.

We present the statement of acquired shares, its distribution and its transfer schedule:

| | Total Program Shares | Minimum cost | Averege cost | Maximum cost | Shares Distributed | Shares to Distribute | Estimated Schedule Transfers |
|---|---|---|---|---|---|---|---|
| 2016 Program | 25,703 | 28.59 | 28.70 | 28.99 | 20,565 | 5,138 | March 2021 |
| **Total shares to be distributed** | | | | | | **5,138** | |
| | | | | | | | |
| 2017 Program | 19,359 | 28.92 | 29.02 | 29.15 | 11,619 | 3,870 | March 2021 |
| | | | | | | 3,870 | March 2022 |
| **Total shares to be distributed** | | | | | | **7,740** | |
| | | | | | | | |
| 2018 Program | 16,393 | 27.78 | 27.78 | 27.80 | 6,565 | 3,276 | March 2021 |
| | | | | | | 3,276 | March 2022 |
| | | | | | | 3,276 | March 2023 |
| **Total shares to be distributed** | | | | | | **9,828** | |
| | | | | | | | |
| 2019 Program | 28,333 | 31.93 | 31.93 | 31.93 | 5,673 | 5,665 | March 2021 |
| | | | | | | 5,665 | March 2022 |
| | | | | | | 5,665 | March 2023 |
| | | | | | | 5,665 | March 2024 |
| **Total shares to be distributed** | | | | | | **22,660** | |

#### g.2) Repurcharse Program

On October 15, 2015, the Board of Directors approved the Repurchase Program of up to 10,000,000 shares the company itself issued for staying in treasury and subsequent disposal of or cancellation. The period of valid for up to 365 days from that date in accordance with the limit set forth by CVM Instruction 567. This program was in effect until October 14, 2016, and 3,360,000 shares were acquired, amounting to R$ 82,201 thousand, minimum, average and maximum cost per share are respectively R$ 21.09, R$ 24.46 e R$ 27.76.

On October 27, 2016, the Board of Directors approved the second Repurchase Program of up to 10,000,000 shares the company itself issued for staying in treasury and subsequent disposal of or cancellation. The period of valid for up to 365 days from that date of approval. This program was concluded on October 26, 2017 and there was no acquisition of shares by said Program.

On October 26, 2017, the Board of Directors approved the third Repurchase Program of up to 10,000,000 shares the company itself issued for staying in treasury and subsequent disposal of or cancellation. The period of valid for up to 365 days from that date of approval. This program was concluded on October 25, 2018 and there was no acquisition of shares by said Program.

On November 1, 2018, the Board of Directors approved the fourth Buyback Program of up to 10,000,000 shares issued by the company to be held in treasury and subsequently sold or canceled. The term of validity is up to 365 days from the date of approval, and there was no acquisition of shares on behalf of the fourth Program until its closure on October 31, 2019. The Company, to date, has not approved a new Repurchase Program.

On December 21, 2018, 450 treasury shares from the 2015 Repurchase Program, were distributed to all active employees of BB Seguridade (disregarding statutory), the awarding title, regardless of the hierarchical level, being that each employee received three common shares.The securities are held in the Banco do Brasil and may only be marketed by the employee after the termination of the relationship maintained with BB Seguridade (end of the assignment resulting from the Availability Agreement signed between Banco do Brasil and BB Seguridade).The transferred shares totaled R$ 12 thousand. For the attribution of its price, it was adopted the criterion of the average price of the week prior to the payment.

On October 30, 2019, the General Shareholders' Meeting authorized the trading of shares issued by BB Seguridade held in treasury, specifically for the award of employees and the variable remuneration of the Company's officers, up to the limit of 3,359,550 shares, and authorized the Board of Directors to define and implement the best way and the moment to carry out the referred negotiation. Accordingly, in March, 28,333 shares were transferred from the Share Buyback Program to the Variable Remuneration Program for the 2019 financial year.

In April 2020, 22,503 shares of the Share Buyback Program were transferred to the company's employee compensation program, so called the Result Reward Program (PPR). Of this total, 11,264 shares were transferred directly to beneficiaries on April 27, 20, leaving a balance of 11,239 shares to be transferred in 2021, if the beneficiaries meet the conditions imposed by the program to receive the second installment.

### g.3) Employee Reward Program

On October 30, 2019, the BB Seguridade General Meeting authorized the trading of shares issued by BB Seguridade held in treasury for the award of employees and the variable remuneration of the Company's officers, up to the limit of 3,359,550 shares, and authorized the Board of Directors to define and implement the best way and the moment to carry out the referred negotiation.

In this regard, on December 18, the Board of Directors approved the Employee Reward Program, which aims to recognize BB Seguros employees from non-statutory positions, with outstanding performance in the Development and Career Committee. Considering the new wording of § 4 of art. 457 of the CLT, as amended by Law No. 13,467 / 2017, the program is classified as an award and there is no incidence of labor and social security charges.

The program is activated annually and is subject to exceeding the Company's budgeted Net Income. The target audience is limited to a maximum of 30% of employees by position, in the case of managerial or equivalent functions, and by position and by directorship, in the case of technical functions. The criterion for choosing employees involves assessment of technical and behavioral skills, achievement of goals and management style.

The premium credit is made 100% (one hundred percent) in shares of BB Seguridade SA (BBSE3), after due payment of Income Tax, in two equal installments, the first within 10 days after the result is disclosed and the second one year after payment of the first. The shares used will be those already existing in Treasury, arising from the Share Buyback Program, whose average acquisition cost was R$ 24.46.

Trading with BBSE3 shares received under the Employee Reward Program is subject to the rules of BB Seguridade's Securities Trading Policy.

| | Total Program Shares | Minimum cost | Averege cost | Maximum cost | Shares Distributed | Shares to Distribute | Estimated Schedule Transfers |
|---|---|---|---|---|---|---|---|
| 2019 Program | 22,503 | 24.46 | 24,46 | 24.46 | 11,264 | 11,239 | April 2021 |
| **Total shares to be distributed** | | | | | | **11,239** | |

### g.4) Number of Treasury Shares

| Description | Parent and Consolidated | |
|---|---|---|
| | Dec 31, 2020 | Dec 31, 2019 |
| Variable Wage Program | 45,366 | 39,283 |
| Repurcharse Program | 3,308,714 | 3,359,550 |
| Employee Reward Program | 11,239 | -- |
| **Total** | **3,365,319** | **3,398,833** |

The cost value of treasury shares is R$ 82,588 thousand and the exchange price on 12.31.2020 is R$ 99,714 thousand.

## 26 – RELATED PARTY TRANSACTIONS

BB Seguridade and its subsidiaries have an agreement with Banco do Brasil SA, signed on December 20, 2012, with a 20-year term, for apportionment and / or reimbursement of expenses and direct and indirect costs resulting from the use of the staff, material, technological and administrative resources necessary to maintain the Companies' activities and, especially the sale of products in the banking channel.

The agreement aims to capture synergies resulting from the sharing of resources and its terms provide that the reimbursement follows apportionment criteria based on calculation methodologies foreseen in the referred agreement, observing the effective use of the resources. The apportionment amounts are calculated and paid monthly.

The costs of salaries and other benefits granted to key management personnel of the BB Seguridade (Executive Board, Audit Committee, Board of Directors and Fiscal Council):

R$ thousand

| | 2020 | 2019 |
|---|---|---|
| Short-term benefits | **6,298** | **6,010** |
| Fees and social charges | **4,669** | **4,915** |
| Executive Board | 3,388 | 3,790 |
| Audit Committee | 719 | 571 |
| Board of Directors | 306 | 310 |
| Fiscal Council | 256 | 244 |
| Variable Remuneration (1) | **1,168** | **710** |
| Other (2) | **461** | **385** |
| Variable Wage Program (3) | **934** | **772** |
| Total | **7,232** | **6,782** |

(1) Refers to the amount in cash of the 2019 Variable Compensation Program for Directors and advance payment PVA 2020.
(2) Benefits considered: medical care, health assessment, life insurance, removal advantage and supplementary pension plan of the administrators.
(3) Refers to the cost of shares relating to the installments of the share-based payment programs for 2015, 2016, 2017, 2018 and 2019.

According to the variable remuneration policy of BB Seguridade, established in accordance with Law 6,404/1976, Article 152 and Accounting Pronouncements Committee 10 (CPC 10 - Share-based Payment), the part of variable remuneration of the Executive Board is paid in shares.

BB Seguridade does not provide post-employment benefits to its key management personnel or to its employees.

Current personnel costs are reimbursed to the controller Banco do Brasil S.A., under the employee assignment agreement, in the period in which they are allocated to the Company's activities.

The Group trades banking transactions with its Controller, Banco do Brasil S.A. such as current account deposits (unpaid), corporate cards, financial applications, service deliveries and warranty in conditions equivalent to those available to other customers.

The Group does not grant loans to its Directors, Fiscal Council members, Board of Directors and Audit Committee.

The schedules below introduce the main transactions involving the companies within the effective utilization of resources:

## a) Summary of related party transactions

### BB Seguridade – Controller

R$ thousand

| | Dec 31, 2020 | | Dec 31, 2019 | |
|---|---|---|---|---|
| | Controller [(1)] | Subsidiaries [(2)] | Controller [(1)] | Subsidiaries [(2)] |
| **Assets** | | | | |
| Cash and cash equivalentes | 208,893 | -- | 4,231,195 | -- |
| Dividends/interest on equity receivable | -- | 1,060,278 | -- | 1,961,491 |
| Receive with related parties | -- | 7,261 | -- | 7,194 |
| **Liabilities** | | | | |
| Social and statutory obligations | 628,377 | -- | 4,300,051 | -- |
| Obligations with related parties | 5,145 | -- | 5,615 | -- |

R$ thousand

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | Controller [(1)] | Subsidiaries [(2)] | Controller [(1)] | Subsidiaries [(2)] |
| **Income** | | | | |
| Interest earnings of financial instruments | 47,118 | -- | 161,972 | -- |
| Personnel expenses | (11,602) | -- | (10,812) | -- |
| Administrative expenses [(3)] | (1,223) | -- | (3,132) | -- |
| Monetary assets changes | -- | 13,989 | -- | 8,792 |
| Monetary liabilities changes | (16,477) | -- | (19,625) | -- |

(1) Banco do Brasil S.A.

(2) BB Seguros and BB Corretora.

(3) Refers to expenses as sharing contract customer data, use of staff, distribution network and resource materials technological and administrative, between the Banco do Brasil, BB Seguridade, BB Corretora and BB Seguros.

### BB Seguridade – Consolidated

R$ thousand

| | Dec 31, 2020 | | | Dec 31, 2019 | | |
|---|---|---|---|---|---|---|
| | Controller [(1)] | Associates and joint ventures [(2)] | Other related parties | Controller [(1)] | Associates and joint ventures [(2)] | Other related parties |
| **Assets** | | | | | | |
| Cash and cash equivalentes | 2,195,445 | -- | -- | 7,381,292 | -- | -- |
| Financial assets at fair value through profit or loss | 1,038 | -- | -- | 456,534 | -- | -- |
| Financial assets measured at amortised cost | -- | -- | 204,449 | -- | -- | 54,324 |
| Commissions to be received | -- | 1,817,078 | -- | -- | 1,340,315 | -- |
| **Liabilities** | | | | | | |
| Social and statutory obligations | 628,377 | -- | -- | 4,300,051 | -- | -- |
| Obligations with related parties | 20,746 | 63,769 | -- | 20,979 | 41,029 | -- |
| Unearned Commissions | -- | 2,544,608 | -- | -- | 2,220,012 | -- |

R$ thousand

| | 2020 | | | 2019 | | |
|---|---|---|---|---|---|---|
| | Controller (1) | Associates and joint ventures (2) | Other related parties | Controller (1) | Associates and joint venturess (2) | Other related parties |
| **Income** | | | | | | |
| Interest earnings of financial instruments | 115,558 | -- | 4,449 | 300,182 | -- | 4,324 |
| Income from Commission | -- | 3,532,176 | -- | -- | 3,307,907 | -- |
| Personnel expenses | (63,893) | -- | -- | (58,438) | -- | -- |
| Administrative expenses/costs of services provided (3) | (186,105) | -- | -- | (196,709) | -- | --- |
| Monetary assets changes | -- | -- | -- | -- | 2,225 | -- |
| Monetary liabilities changes | (16,477) | -- | -- | (19,625) | -- | -- |

(1) Banco do Brasil S,A.

(2) Related companies BB MAPFRE Participações S.A. and its subsidiaries, Brasilprev Seguros e Previdência S.A. Brasilcap Capitalização S.A. Brasildental S.A. and IRB-Brasil (until 07/23/2019 as per Note 2).

(3) Refers to expenses as sharing contract customer data, use of staff, distribution network and resource materials technological and administrative, between the Banco do Brasil, BB Seguridade, BB Corretora and BB Seguros.

### b) Compensation Paid to Employees and Directors

On April 15, 2016, an agreement of assignment of employees of Banco do Brasil S,A, to BB Seguridade, for the office of Director levels, Management and other positions of trust was signed, The assignment of employees are given in the form of availability, without charge, The Banco do Brasil S,A, continues to process the payroll of the transferred employees, receiving a monthly repayment of all current costs from BB Seguridade.

### c) Remuneration of employees and managers

Monthly wages paid to employees and Directors of the BB Seguridade S.A.

R$

| | Dec 31, 2020 | Dec 31, 2019 |
|---|---|---|
| Lowest salary | 7,378.28 | 7,269.24 |
| Highest salary | 38,499.07 | 37,930.12 |
| Average salary | 15,252.91 | 14,979.54 |
| | | |
| Management | | |
| Director-President | 61,564.83 | 61,564.83 |
| Director | 52,177.45 | 52,177.45 |
| | | |
| Council members | | |
| Board of Directors | 5,906.80 | 5,906.80 |
| Fiscal Council | 5,906.80 | 5,906.80 |
| Audit Committee - Member | 9,868.90 | 9,868.90 |

## 27 - OTHER INFORMATION

### Impairment Test

During the year 2020, due to the Covid-19 outbreak and its sanitary and social implication, special attention was given to events that could affect the measurement of fair value of assets. In this sense, assets were valued on at least three occasions in 2020 in order to incorporate the impacts brought about by Covid-19, and in none of them were assets identified with signs of devaluation.Likewise, for the assets subject to the impairment test, it was observed that the recoverable amount is higher than the book balance of investments and intangible asset, if any, without the need to recognize impairment losses.

The methodology used consisted of a two-step assessment. The first being the survey of signs of loss of non-strategic assets of the BB Seguros Group. Of these assets, of which the most representative are cash and cash equivalents followed by receivables from BB Corretora, the result of the assessment pointed to the absence of evidence of losses. The second stage consisted of preparing the impairment test of assets linked to investments in equity interests, which represent more than 50% of the group's assets.

To perform the impairment test, the Discounted Dividend Flow method was used, therefore, an evaluation by the value in use, which estimated the amount to be received with the investee's dividends. Cash flow was estimated over a period of five years plus the residual value in perpetuity. It is worth mentioning that the test considers three scenarios, base, optimistic and adverse, with weights of 60%, 10% and 30%, respectively. The companies do not have financial debt, so the discount rate used was equivalent to a Minimum Attractiveness Rate adopted by the BB Seguros group.

For the 2020 impairment test, the goodwill related to R $ 110,749 thousand from the acquisition of all the shares held by Sulacap in Brasilcap and R $ 528,595 related to the gain of the partnership and intangible assets of the contract was considered in the book value of the partnership with Mapfre in SH1.

**The main assumptions used in the base scenario of the impairment test:.**

- Revenues and Costs: a historical basis was used, reflecting past experience, and expectations of market growth, the segment in which they operate and the performance of each business;
- Financial Result: forecast of the average return consistent with current financial markets' return rate;
- Minimum Capital Requirement: legal capital requirement as of the time the evaluation was conducted, according to Conselho Nacional Seguros Privados e Agência Nacional de Saúde Suplementar;
- Income Tax and Social Contribution: considered the rates provided by law.
- Perpetuity: the nominal growth rate corresponding to the expected future long-term investment rate;
- Discount Rate: in order to define the discount rate, a method to calculate cost of equity was used, given that the invested companies do not have any debt. The rate was calcutaled through the CAPM model (*Capital Asset Pricing Model*), which takes into account the cost of capital relative to the return rate required by the stockholders as compensation for the market risk they are exposed to.

## 28 - SUBSEQUENT EVENT

### Capital payment in Brasilprev

On January 7, 2021, the share capital was paid up by Principal Financial Group in Brasilprev Seguros e Previdência, in the amount of R $ 150,030 thousand.

Said payment refers to the capital increase in Brasilprev Seguros e Previdência carried out on December 30, 2020, in the amount of R $ 1,199,999 thousand, as described in Note 2 - Acquisitions, Disposals and Corporate Restructurings, in which BB Seguros subscribed and paid in, on December 30, 2020, the amount of R $ 899,939 thousand, while Principal subscribed for shares equivalent to R $ 300,059 thousand and partially paid, on the same date, the amount of R $ 150,030 thousand.

BB Seguridade Participações S.A.

# Individual and Consolidated Financial Statements for the Year Ended December 31, 2020 and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte.

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(Convenience significant Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL
AND CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors, Management and Shareholders of
BB Seguridade Participações S.A.

**Opinion**

We have audited the accompanying individual and consolidated financial statements of BB Seguridade Participações S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2020, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of BB Seguridade Participações S.A. as at December 31, 2020, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB.

**Basis for opinion**

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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*Commissions income*

As disclosed in note 4 to the individual and consolidated financial statements, BB Corretora, wholly-owned subsidiary of the Company, records income derived from commissions in accordance with technical pronouncement CPC 47 - Revenue from Contracts with Customers (equivalent to IFRS 15), considering the following steps: (i) identification of the contract; (ii) identification of performance obligations; (iii) determination of the price of the transaction; (iv) transaction price allocation; and (v) revenue recognition. As a result, commissions income is recognized when (or as and when) BB Corretora satisfies the performance obligation when transferring the service promised to the client.

Due to the relevance of commissions income to the individual and consolidated financial statements, we consider this matter as a significant matter in our audit.

We evaluated the design of the main internal controls related to the process of recognizing commissions income and performed the following main substantive audit procedures for a sample of transactions selected randomly: (i) verification of the occurrence of the transactions by consulting the legacy systems of Banco do Brasil and the verification of its financial settlement; (ii) reading of the operational agreements between BB Corretora, Banco do Brasil and operating companies, indirectly invested by the Company, to assess whether the commission rates charged for the selected transactions were the rates agreed between the parties; and (iii) verification of the calculation of the appropriation of commissions income in accordance with the concepts of technical pronouncement CPC 47 (IFRS 15). Additionally, we performed the circularization of the main operating companies, indirectly invested by the Company, to confirm the commissions income for the year ended December 31, 2020.

Based on the audit procedures performed, we identified control deficiency in the commissions' income process that resulted in adjustments that have not been recorded, as they were considered immaterial. We considered the amounts recorded relating to commissions income acceptable in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2020.

**Other matters**

*Statements of value added*

The individual and consolidated statements of value added ("DVA") for the year ended December 31, 2020, prepared under the responsibility of the Company's Management and disclosed as supplemental information for IFRS purposes, were subject to audit procedures performed together with the audit of the Company's financial statements. In forming our opinion, we evaluated whether these individual and consolidated statements of value added are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

**Other information accompanying the individual and consolidated financial statements and the independent auditor's report**

Management is responsible for the other information. Such other information comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

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In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with governance for the individual and consolidated financial statements**

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and IFRS, issued by IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

**Auditor's responsibilities for the audit of the individual and consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, when applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

Brasília, February 5, 2021

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Roberto Paulo Kenedi
Engagement Partner

## AUDIT COMMITTEE REPORT SUMMARY - FISCAL YEAR 2020

### Introduction

The Audit Committee was installed at BB Seguridade Participações S. A. in 2015. It is a statutory body to advise the Board of Directors, acting permanently and independently and with the objective function to evaluate and advise on the quality and integrity of the financial statements of the Company and the effectiveness of the system of internal control and Internal Auditing; the role of the External Auditor; and the risk exposures of the Company and the adequacy of related party transactions. The By-laws of the Committee, approved by the Board of directors, are available at the website http://www.bbseguridaderi.com.br/pt/governanca-corporativa/comite-de-auditoria.

As provided in the By-laws, from the adoption of the affiliated companies to the sole Audit Committee, the composition became up to five (05) members, being one (01) appointed by the representatives of the minorities, one (01) independent member of the Board of Directors and the other holders, three (03), appointed by the other members of the Board of Directors.

The Administration is responsible for preparing and ensuring the integrity of the financial statements, managing risks, defining, testing and maintaining an effective internal control system and ensuring compliance with legal and regulatory standards.

The Internal Audit is responsible for carrying out periodic work, focusing on the main risks, independently evaluating the actions of managing these risks and the adequacy of governance and internal controls.

The External Audit is responsible for auditing the financial statements. It also assesses, in the context of the external auditor's work, the quality and adequacy of the internal control system and compliance with legal and regulatory provisions.

**Main Activities**

In the period from January 1 to December 31, 2020, the Committee held a total of one hundred and two (102) meetings, made due diligence and requests for documents and information with the Administration of BB Seguridade, BB Corretora and BB Seguros, risk and control manager, and internal and external auditors. The activities developed in 2020, recorded in minutes, covered the set of responsibilities assigned to the body and are summarized below.

At these meetings, in particular, issues were addressed related to financial statements, internal control systems, accounting, tax and risk management processes and related to transactions with related parties. In situations where a need for improvement was identified, improvements were recommended.

In March, after the declaration of a Covid-19 pandemic by the World Health Organization ("WHO"), the matter was discussed and recommendations were made to the Company's Administration related to business continuity; to associates, executive board, committees and boards; and to disclosures to the market, customers, suppliers and regulators.

Special attention was also given to the monitoring and follow-up of the measures adopted by the Company to adapt to the requirements of the General Data Protection Law (LGPD).

A discussion was opened with the internal and external audits, opportunities in which plans were appraised and the results of the main works, their conclusions and recommendations were learned.

BB Seguridade, BB Corretora and BB Seguros' accounting statements were reviewed, prior to disclosure, as well as the explanatory notes and the Administration report, and reports and notes were also discussed with the external auditor.

## Conclusions

Based on the activities developed and bearing in mind the tasks and limitations inherent to the scope of its activity, the Audit Committee considers that:

a) The internal controls of the Companies evolved in 2020 and proved to be adequate to the size and complexity of the business and object of permanent attention on the part of the Administration;
b) The Internal Audit, with its own budget and proper structure, performed its functions with independence, objectivity and quality;
c) The quality of the work and information provided by the External Auditor was adequate and supported the Committee's view on the integrity of the financial statements. No events were identified that could compromise its independence;
d) Internal risk management processes have evolved compared to the previous period, although they still lack improvements, such as tools and information that allow the Company to expand its vision and capacity to act on risk and capital management processes, including in the scope of controlled companies;
e) Transactions with related parties of the Company were evaluated and monitored by the Administration and by its own statutory committee, and no significant distortions were reported. Given the volume of transactions, continuous monitoring is maintained in order to provide greater transparency to processes;
f) On the basis of work and interviews conducted in the course of the year, the Audit Committee has found no indication or evidence that the consolidated financial statements of the individual and consolidated to represent fairly, in all material respects, the financial position of BB Seguridade Participações S. A. and its Affiliated Companies on December 31, 2020, and the results of its operations for the financial year then ended in accordance with International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil. For this reason, it recommends the approval by the Board of Directors of the respective financial statements, as prepared and approved by the Executive Board.

Brasília (DF), February 05, 2021.

Luiz Claudio Moraes　　Arnaldo José Vollet

Artemio Bertholini　　Manoel Gimenes Ruy

Roberto Lamb

## BB SEGURIDADE PARTICIPAÇÕES S.A.

## FISCAL COUNCIL REPORT

**BB SEGURIDADE PARTICIPAÇÕES S.A.'S FISCAL COUNCIL**, due to its legal and statutory duties, examined today the Company's management report ("Relatório Anual da Administração"), the individual and consolidated Financial Statements, including the Balance Sheet, the Income Statement, Statement of Comprehensive Income, Statement of Changes on Net Equity, Cash Flow Statement and Added Value Statement, as well as the related Explanatory Notes, the report of the external auditors and a proposal of allocation results, all related to the fiscal year ended December 31st, 2020.

Our analysis of the statements above mentioned were further complemented by additional reports and documents and, mainly, by information and explanations provided to the Fiscal Council by the external auditors and the Company's Management.

Therefore, based on the work and clarifications provided by Deloitte Touche Tohmatsu Consultores and in the unqualified opinion included in the report issued by Deloitte on February 5th, 2021, and in the additional clarifications provided by the Management, this Fiscal Council unanimously states that the Financial Statements above mentioned, including the Management Report ("Relatório Anual da Administração"), and the proposal of allocation results are properly presented and concludes in favor to its submission to the Shareholders General Meeting deliberation.

Brasília (DF), February 5th, 2021.

Francisco Olinto Velo Schmitt
Member of the Fiscal Council

Luis Felipe Vital Nunes Pereira
Member of the Fiscal Council

Lucinéia Possar
President of the Fiscal Council

## Declaration of the Members of the Executive Board about the Financial Statements

In accordance with article 25 of CVM Rule 480, dated December 07, 2009, I declare that I have reviewed the Financial Statements for the period ended in December 31, 2020 of the BB Seguridade Participações S.A. and, based on subsequent discussions, I agree that such statements reflect fairly, in all material respects, the financial position for the period presented.

Brasília (DF), February 05, 2021.

Marcio Hamilton Ferreira
Chief Executive Officer

Rafael Augusto Sperendio
Chief Financial Officer

Pedro Bramont
Chief Strategy Officer

Reinaldo Kazufumi Yokoyama
Chief Commercial Officer

## Declaration of the Members of the Executive Board on the Report of the Independent Auditors

In accordance with Article 25 of CVM Rule N. 480, dated 12.07.2009, I declare that based on my knowledge, the planning submitted by the auditors and the subsequent discussions on the audit results, I agree with the opinions expressed in the Deloitte Touche Tohmatsu Independent Auditors' report, dated 02.05.2021, related to the financial statements of BB Seguridade Participações S.A. for the fiscal year ended 12.31.2020 there being no disagreement.

Brasília (DF), February 05, 2021.

Marcio Hamilton Ferreira
Chief Executive Officer

Rafael Augusto Sperendio
Chief Financial Officer

Pedro Bramont
Chief Strategy Officer

Reinaldo Kazufumi Yokoyama
Chief Commercial Officer

## MEMBERS OF THE MANAGEMENT BODIES

### DIRECTOR-PRESIDENT

Marcio Hamilton Ferreira

### DIRECTORS

Pedro Bramont

Rafael Augusto Sperendio

Reinaldo Kazufumi Yokoyama

### BOARD OF DIRECTORS

Carlos Motta dos Santos (President)

Arnaldo José Vollet

Bruno Silva Dalcolmo

Claudio Xavier Seefelder Filho

Isabel da Silva Ramos

Marcio Hamilton Ferreira

Mauro Ribeiro Neto

### FISCAL COUNCIL

Lucineia Possar

Francisco Olinto Velo Schmitt

Luis Felipe Vital Nunes Pereira

### AUDIT COMMITTEE

Luiz Claudio Moraes

Arnaldo José Vollet

Artemio Bertholini

Manoel Gimenes Ruy

Roberto Lamb

### ACCOUNTANT

Pedro Kiefer Braga

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