Annual Letter of Public Policies and Corporate Governance2020

BB Seguridade Participações S.A.

Fiscal year 2019

BB SEGUROS

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General Identification

In accordance with article8, item I and VIII, of Law No. 13.303, dated June 30, 2016, the Board of Directors subscribes this Annual Letter of Public Policies and Corporate Governance ("Annual Letter") referring to the fiscal year of 2019.

CNPJ/MF No. 17.344.597/0001-94.NIRE 5330001458-2
Head office: Setor de Autarquias Norte, Quadra 5, Bloco B, 3º andar, Brasília (DF)
Type of State-Owned Company: Subsidiary of mixed capital company
Controlling Shareholder: Banco do Brasil S.A.
Corporate Type: Corporation
Type of Capital: Publicly Held
Scope of Work: National
Acting Sector: Holding
Investor Relations Officer: Erik da Costa Breyer Phone: (11) 4297-0730. E-mail: ri@bbseg.com.br
Independent Auditors: Deloitte Touche Tohmatsu Auditores Independentes Responsible: Roberto Paulo Kenedi.Telephone: (21) 3981-0611.E-mail: rkenedi@deloitte.com.br
Members of the Board of Directors underwriters of the Annual Letter
Carlos Motta dos Santos - Chairman of the Board. CPF (Individual Taxpayer Registration): 933.876.287-49
Mauro Ribeiro Neto - Vice-Chairman of the Board. CPF: 096.002.066-79
Bernardo de Azevedo Silva Rothe.CPF: 776.890.627-68
Isabel da Silva Ramos.CPF: 016.751.727-90
Bruno Silva Dalcolmo.CPF: 083.953.547-38
Arnaldo José Vollet.CPF: 375.560.618-68
Managers
Bernardo de Azevedo Silva Rothe - Chief Executive Officer.CPF: 776.890.627-68
Erik da Costa Breyer - Finance, IR and Shareholding Management Officer. CPF: 955.093.217-68
Pedro Bramont - Strategy, Technology and Customers Officer. CPF: 008.472.469-22
Reinaldo Kazufumi Yokoyama - Commercial and Marketing Officer. CPF: 880.390.059-49
Disclosure Date: May 27, 2020

Public Policies and Corporate Governance

The purpose of this Annual Letter is to clarify the commitments to achieve the objectives on public policy by BB Seguridade Participações S.A., with a clear definition of the resources to be used for this purpose, as well as the disclosure of relevant information, especially those related to activities developed, control structure, risk factors, economic-financial data, director's comments on performance, corporate governance policies and practices and description of the composition and compensation of the management, in accordance with the provisions of items I, III and VIII of art. 8 of Law No. 13.303/2016.This information is detailed below .

1 - Ownership Structure

BB Seguridade Participações S.A .ownership structure, on 03.31.2020, is represented by the image below:

	Shareholders	Shares	Interest
Banco do Brasil	1	1,325,000,000	66.25%
Treasury stock	1	3,398,833	0.17%
Free float	97,134	671,601,167	33.58%
Foreigners	1,001	572,615,994	28.63%
Legal Entity	2,537	60,170,783	3,01%
Individual	93,596	38,814,390	1,94%
Total	97,136	2,000,000,000	100.00%

2 - Public Policies and public interest underlying the corporate activities

BB Seguridade was created on December 20, 2012, based on Article 1 of Law No. 11,908/09, see creation act or law, which authorizes Banco do Brasil to establish wholly-owned and controlled subsidiaries with a view to fulfilling the activities provided for in its corporate purpose.

Its creation was the result of a process of reorganization in the area of insurance, open pension and capitalization bonds initiated by its controller in 2008, when it already had almost two decades of operation in these segments in a partnership model with specialized private entities. The main movements made in this period were:

In 2009, the 23-year renewal of a partnership started in 1999 with the American company Principal Financial Group to act jointly in the open pension plan segment, through the company Brasilprev Seguros e Previdência S.A. (Brasilprev);

In 2010, the celebration of a 20-year partnership formed in the form of a joint venture with the Spanish group MAPFRE, called Grupo Segurador BB E MAPFRE, which began in 2011 and whose operation is divided into two holding companies: BB MAPFRE SH1 Participações S.A. (BB MAPFRE SH1), which centralizes the personal, rural and home insurance segments; and MAPFRE BB SH2 Participações S.A. (MAPFRE BB SH2), focused on the property insurance segments, mainly automobile and damage;

In 2011, increased participation in the capital stock of Brasilcap Capitalização S.A. (Brasilcap), a company in the savings bonds segment, maintained in partnership with Icatu Hartford and Aliança da Bahia since 1995; and

In 2013, formalization of a contract between Banco do Brasil and BB Corretora de Seguros and Administradora de Bens S.A. (BB Corretora), a wholly-owned subsidiary of BB Seguridade, for the sale of security products in the distribution network of the controller for a period of 20 years .

Then, in order to promote the correct pricing of its security business in the capital market and unlock value for its shareholders, Banco do Brasil decided for the Initial Public Offer (IPO) of BB Seguridade.

In this context, on April 29, 2013, negotiations for the common shares issued by the company began on the Novo Mercado segment of BM & FBOVESPA - Bolsa de Valores, Mercadorias e Futuros de São Paulo, the most advanced in corporate governance standards. In all, 675 million BB Seguridade common shares were sold by Banco do Brasil, in a 100% secondary offering that reached a financial volume of R$11.5 billion, being recognized as the largest IPO in the world in that year according to with the International Financing Review of the information agency Thomson Reuters.

Also in 2013, continuing its expansion plans, BB Seguridade acquired interest in IRB-Brasil RE S.A. (IRB-Brasil), becoming part of the company's control block together with the Federal Government and private partners.

In the dental care plan segment, the company formed, in partnership with Odontoprev, Brasildental Operadora de Planos Odontológicas S.A. (Brasildental). The joint operation, in the form of a joint venture, began in 2014 and will extend for a period of 20 years.

In 2017, following the trend of digital transformation of the security market, the company created, through its subsidiary BB Corretora and in partnership with Principal Financial Group, Ciclic Corretora de Seguros S.A. (Ciclic). The company has its initial activity in the distribution of private pension plans, through digital channels, to serve customers outside the scope of Banco do Brasil's service. The joint operation, in the form of a joint venture, began in 2017 and will extend for a period of 15 years.

In 2018, the restructuring of the partnership maintained with MAPFRE was concluded, with R$ 2.4 billion being sold to MAPFRE Brasil, the interests held in insurance companies that underwrote car insurance risk and major risks as well as in insurance companies that underwrote risks of products being distributed through the independent brokers' channel. Also as part of this restructuring, the operations of Aliança do Brasil Seguros S.A., an insurance company that underwrites home, corporate and mass insurance risk for distribution in the banking channel, were spun off from MAPFRE BB SH2 and merged into BB MAPFRE SH1, which was renamed BB MAPFRE. With this restructuring, MAPFRE BB SH2 ceased to be part of the conglomerate and BB MAPFRE started to underwrite the life, credit, rural, housing, residential, corporate and mass insurance risks only in the banking channel and eventually in the affinity channel, as well as DPVAT. With regard to car insurance and major risks, BB Seguridade will only operate in distribution through BB Corretora. BB MAPFRE started to communicate through the Brasilseg brand.

Finally, in 2019 a public offering was made with restricted efforts to secondary distribution of the shares of IRB-Brasil, resulting in the sale of all common shares owned by BB Seguros, producing a net gain of R$ 2.3 billion.

Activities Developed

BB Seguridade is a holding company that concentrates its investments in the insurance, open pension, capitalization and dental care plan sector through private partnerships in corporations maintained by its wholly-owned subsidiary, BB Seguros Participações S.A. (“BB Seguros”). The Company also distributes these products through BB Corretora de Seguros e Administradora de Bens S.A. (“BB Corretora”).

The activities developed by BB Seguridade and its subsidiaries enable the exercise of the functions of relevant collective interest provided for in articles 5 and 6 of Banco do Brasil's Articles of Incorporation.

Banco do Brasil, controlling shareholder of BB Seguridade, is an important agent of economic and social development for Brazil, which seeks, through its corporate purpose, to boost the country's economy and growth, acting in support of public administration in promoting improvement in the most diverse sectors. BB's businesses can be grouped into six segments: (i) Banking; (ii) Investments; (iii) Resource Management; (iv) Pension Plan and Capitalization Insurance; (v) Means of Payment; and (vi) Other Segments.

In this context, the public interest underlying the activities of BB Seguridade, in line with the permission contained in article 1 of Law 11,908/2009, is to enable Banco do Brasil the most efficient organization possible of its interests in companies in the fields of Insurance, Pension Plans, Capitalization, Dental Plans and Brokerage, from which a diversity of security products is offered to the Brazilian population, as well as supporting BB in a relevant way in achieving its results. Thereby, the constitutional principle of Efficiency remains complied with (CF/88, Article 37, main section).

3 - Goals related to the development of activities that meet the objectives of public policies

BB Seguridade, aligned with the public interest of Banco do Brasil, enforcer of governmental public policies, supports the achievement of credit, foreign trade policies, as well as the promotion of agribusiness, offering security products suitable for these purposes.

Considering that the objective parameters provided for in Law No. 13,303/16 and Decree No. 8,945/16 determine that the company will only comply with public policies that are provided for in a specific rule, regulation or instrument, BB Seguridade did not identify, in 2019, any action or project that can fit into such criteria.

The development of the insurance, social security and capitalization market, with the expansion of savings instruments at the disposal of the society and of the economic agents, as well as the spread of the financial culture and education, are perennial purposes of the Company.

Once BB Seguridade business strictly follows the market rules, upon compliance with the needs of the clients and with the appropriate return to its shareholders, including minority, there is no receipt of public money nor financial impact of the public interest in the Company's business.

Regarding the indication of the price formation process and the rules applicable to the setting of tariffs, BB Seguridade advises its subsidiary BB Corretora and its affiliates Brasilseg, Brasilprev, Brasilcap and Brasildental to consider the structure of revenues and costs of each product, aiming the balance between generating value for the customer and for the companies, offering products under competitive conditions and according to the best market practices.

4 - Public policies funds

BB Seguridade Participações S.A.'s operation is fully funded by cash generated by its operating revenues, which include income from investments in equity stakes and commission income.

5 - Internal Controls and Risks Management Structure

The Company has a set of risk management policies, including the Risk Management, Internal Controls and Compliance Policy, Policy on Prevention and Combating Money Laundering and Terrorism Financing and Corruption, and Information Security Policy, approved by the Board of Directors of management and disclosed on the website http://www.bbseguridaderi.com.br.Specific parameters for management of market, credit and liquidity risks are addressed in the Financial Investment Policy.

BB Seguridade's Risk Management Model proposes the alignment of the risk management structure with the internal control system, and uses as a theoretical reference the Three Lines of Defense Referential Model published by the Institute of Internal Auditors (IIA) in 2013, which recommends the management control as the first line of defense, the functions of risk control and compliance supervision as a second line of defense and independent evaluation as the third.Each of these three "lines" performs a distinct role within the organization's broader governance structure.

For more information on the structures of internal controls and risk management, please access sections 4 and 5 of the Reference Form, the Management Report and the Company's Integrity Program, available at http://www.bbseguridaderi.com.br.

6 - Risk Factors

For information on risk factors, please access section 4 of the Reference Form, available at http://www.bbseguridaderi.com.br.

7 - Economic and financial data and comments on performance

As a holding company, BB Seguridade's net income is basically comprised of equity income, calculated based on the results of its investees, and the Company's other operating and financial income and expenses.

Below, we present the income of BB Seguridade for the years of 2019 and 2018:

Table 1 - Economic and financial performance | Income Statement - Controller View

	Fiscal Year/2019	Fiscal Year/2018	Var.% s/ 2018
Income from investments in equity interests	**6,569,590**	**3,472,955**	**89.2**
Brasilseg Companhia de Seguros S.A.	1,072,991	**1,127,344**	**(4.8)**
MAPFRE BB SH2 Participações S.A.	-	(216,627)	-
Brasilprev Seguros e Previdência S.A.	1,064,501	741,845	43.5
Brasilcap Capitalização S.A.	67,265	75,071	**(14.4)**
IRB Brasil Resseguros S.A.	118,791	188,268	**(36.9)**
Brasildental Operadora de Planos Odontológicos S.A.	14,485	12,241	18.3
BB Corretora de Seguros e Administradora de Bens S.A.	1,912,599	1,612,504	18.6
Others	2,318,959	(67,691)	-
Other Revenues and Expenses	**(8,930)**	**(11,856)**	**(24.7)**
Personnel expenses	(10,812)	(11,615)	**(6.9)**
Administrative expenses	(2,567)	(4,419)	**(41.9)**
Tax expenses	(9,236)	(8,200)	12.6
Other operating revenues / (expenses)	13,685	12,378	10.6
Financial income	**143,472**	**113,161**	**26.8**
Financial income	173,832	150,380	15.6
Financial expenses	(30,360)	(37,219)	**(18.4)**
Income before income tax and social contribution	**6,704,132**	**3,574,260**	**87.6**
Income tax and social contributions	**(45,351)**	(34,707)	30.7
Net profit	**6,658,781**	**3,539,553**	**88.1**

Detailed comments from the Officers on the performance, as well as more information on the economic and financial data of BB Seguridade are available in sections 3 and 10 of the Company's Reference Form, in the Management Report and in the Financial Statements published at the electronic address http://www.bbseguridaderi.com.br.

8 - Corporate governance policies and practices

During the year of 2019, in order to adapt BB Seguridade's documents, structures and governance practices to the Regulations of the Outstanding Program in State Governance (PDGE), to the new Novo Mercado Regulation and to the current regulations, as well as best practices, the following improvements took place: review of (i) Internal Regulations of the bodies that make up the Company's governance structure, (ii) BB Seguridade's Articles of Incorporation, (iii) Governance, Appointment and Succession Policy, (iv) Policy on Transactions with Related Parties; and updating (v) Report on the Brazilian Corporate Governance Code (CVM Instruction 586/2017). The documents are available on the Investor Relations website of BB Seguridade, in the Corporate Governance section.

BB Seguridade has been listed on the Novo Mercado since 2013 and has been certified since 2018 in the Outstanding Program in State Governance, developed by B3 (Brazil, Bolsa, Balcão) in order to encourage publicly-held state companies to improve their practices and corporate governance structures.

In addition, BB Seguridade remains certified at Level I of the IG-Sest Governance Indicator of the Secretariat for Coordination and Governance of State-owned Companies (Sest), linked to the Ministry of Economy, with a maximum score (10), in all evaluated aspects.

BB Seguridade has the following policies and programs that provide good Corporate Governance practices: I - Governance, Appointment and Succession Policy; II- Risk Management Policy; III - Disclosure Policy Relevant Act or Fact; IV - Policy for Prevention and Combating Money Laundering, Terrorism Financing and Corruption; V- Related Party Transactions Policy; VI- Dividend Policy; VII- Securities Trading Policy; VIII - Integrity Program; IX - Code of Ethics and Conduct and X - Information Security Policy.

All these documents are available on the website http://www.bbseguridaderi.com.br.

More information is available in section 12 of the Company's Reference Form and in the Management Report, published at http://www.bbseguridaderi.com.br.

9 - Description of the composition and compensation of the management

As provided in the Articles of Incorporation of BB Seguridade, in Art. 10, compensation and other benefits of members of Administrative Bodies is annually set by an Annual General Meeting – AGM, as provided by law. Values are set based on market research, internal balance, responsibility, Company and individual performance, among other factors.Total compensation comprises fixed compensation, variable compensation and benefits.

Due to the pandemic caused by the new coronavirus (COVID-19), the Federal Government published Provisional Measure ("MP") No. 931/2020, which changed the wording of Law No. 6,404/1976 so that: (i) it changes to seven months the term for the corporation to hold the annual general meeting ("AGM"), (ii) provides for the extension of the management or performance periods of the managers and members of the fiscal committee until the AGM is held and (iii) assigns to the management to deliberate, ad referendum, urgent matters within the competence of the general meeting, except for the hypothesis of different provision in the articles of incorporation.

In view of this, on April 9, 2020, the Board of Directors of BB Seguridade resolved: (i) for the extension of the Company's Annual Shareholders' General Meeting 2020, which will be held within seven months, as of the end of the previous fiscal year, as defined in the main section of article 1 of Provisional Measure 931/2020, or in any other term that may be defined by any supervening revaluation or by the regulatory agencies of the capital market; and ii) approval, ad referendum of the AGM 2020, of the payment of compensation and benefits to the managers and members of the Fiscal Committee and Audit Committee, for the period from April 2020 until the month in which the AGM 2020 is held, in the same patterns and values approved by the General Meeting for the previous period, based on paragraphs 3 and 4 of article 1 of Provisional Measure No. 931/2020.

Detailed information about the compensation of the members of the Board of Directors, Executive Board, Fiscal Committee and statutory advisory committees of BB Seguridade can be queried in section 13 of the Company's Reference Form, published on the website http://www.bbseguridaderi.com.br.

Statement of the Board of Directors

The Board of Directors of BB Seguridade Participações S.A. states that it has approved, on this date, the Annual Letter of Public Policies and Corporate Governance ("Annual Letter") for the fiscal year of 2019, in accordance with the provisions of article 8 of Law No. 13.303 from 06.30.2016 and art. 13 of Regulatory Decree No. 8.945 from 12.27.2016.

On May 27, 2020.

Carlos Motta dos Santos	Mauro Ribeiro Neto
Bernardo de Azevedo Silva Rothe	Isabel da Silva Ramos
Bruno Silva Dalcolmo	Arnaldo José Vollet