1. SUMMARY

■ ADJUSTED NET INCOME ANALYSIS

Table 1 – Income statement of the holding

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q20**	**1Q21**	**2Q21**	**On 2Q20**	**On 1Q21**	**1H20**	**1H21**	**On 1H20**
Equity income	**979,049**	**971,349**	**754,070**	**(23.0)**	**(22.4)**	**1,847,277**	**1,725,419**	**(6.6)**
Underwritting and accumulation businesses	523,805	474,285	235,438	(55.1)	(50.4)	917,650	709,723	(22.7)
Brasilseg	278,612	245,079	178,468	(35.9)	(27.2)	521,380	423,547	(18.8)
Brasilprev	209,656	191,874	38,631	(81.6)	(79.9)	330,854	230,505	(30.3)
Brasilcap	30,193	32,244	14,217	(52.9)	(55.9)	55,440	46,461	(16.2)
Brasildental	5,344	5,088	4,122	(22.9)	(19.0)	9,976	9,210	(7.7)
Distribution businesses	455,711	506,371	523,629	14.9	3.4	933,843	1,030,000	10.3
Other	(467)	(9,306)	(4,997)	969.9	(46.3)	(4,216)	(14,304)	239.3
G&A expenses	**(4,183)**	**(4,274)**	**(4,582)**	**9.5**	**7.2**	**(10,997)**	**(8,856)**	**(19.5)**
Net investment income	**8,375**	**12,514**	**4,015**	**(52.1)**	**(67.9)**	**37,207**	**16,529**	**(55.6)**
Earnings before taxes and profit sharing	**983,240**	**979,589**	**753,503**	**(23.4)**	**(23.1)**	**1,873,487**	**1,733,092**	**(7.5)**
Taxes	(1,427)	(2,527)	199	-	-	(8,953)	(2,329)	(74.0)
Adjusted net income	**981,813**	**977,062**	**753,702**	**(23.2)**	**(22.9)**	**1,864,534**	**1,730,763**	**(7.2)**

In the **2Q21,** the **net income** of BB Seguridade reduced R$228.1 million (-23.2%) YoY. Notwithstanding the strong growth of the result of the distribution segment **(BB Corretora, +R$67.9 million)** YoY, the worsening of the health crisis and the volatility of the net investment income negatively impacted the result arising from the other segments, as follows:

- **Brasilprev (-R$171.0 million):** justified by the drop of the net investment income, as consequence of the differential in the inflation indexes that adjusted the assets (IPCA and IGP-M of the current period) and liabilities (IGP-M with lag of one month) of the defined benefit plans;
- **Brasilseg (-R$100.1 million):** mostly impacted by the worsening of the sanitary crisis, which reached the peak of Covid-19 deaths in the 2Q21 since the beginning of the pandemic, raising the loss ratio by 19.7 p.p.;
- **Brasilcap (-R$16.0 million):** due to the retraction of the net investment income, partially offset by the drop in the G&A expenses and in the acquisition costs; and
- **Result of the holding (-R$2.9 million):** impacted by the lower average balance of financial investments, due to the capital reduction held on April 2020.

In the **1H21**, the net income fell R$133.8 million (-7.2%). In the first half of 2021, **BB Corretora** was also the positive highlight, with a solid growth **(+R$96.2 million)**, due to higher brokerage revenues in the mains business lines, and the expansion in the EBIT margin. On the other hand, the adversities arising from the Covid-19 pandemic impacted the results of the other segments, as follows:

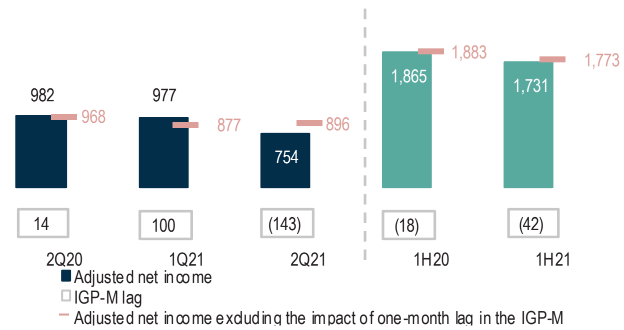
- **Brasilprev (-R$100.3 million):** despite the robust increase in the operating result (+12.9%), the net investment income was down, due to the spike in the IGP-M which led the raise in the yield on bearing liabilities of the traditional plans;
- **Brasilseg (-R$97.8 million):** impacted by higher frequency on reported claims related to products with death coverage, due to the increase in the number of deaths related to Covid-19;
- **Brasilcap (-R$9.0 million):** due to the retraction of the net interest margin, partially offset by the growth in the revenues with load fee and the drop in the G&A expenses and in the acquisition costs; and

Figure 1 – Non-interest operating results[1]

	Chg. On 2Q20	Chg. On 1H20
Brasilseg	(48.0%)	(25.4%)
Brasilprev	10.0%	12.9%
Brasilcap	-	126.4%
Brasildental	(22.8%)	(6.0%)
BB Corretora	14.6%	10.5%
Total	**(1.2%)**	**3.1%**

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

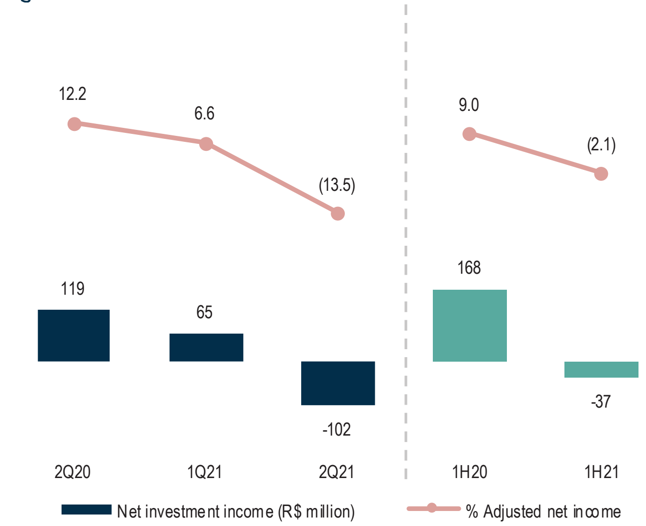
Figure 2 – Impact of Brasilprev's net investment income to the adjusted net income (R$ million)[1]



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

- **Result of the holding (-R$13.6 million):** justified by both the reduction in the average balance of financial investments and the lower average Selic rate, partially offset by the fall in G&A expenses.

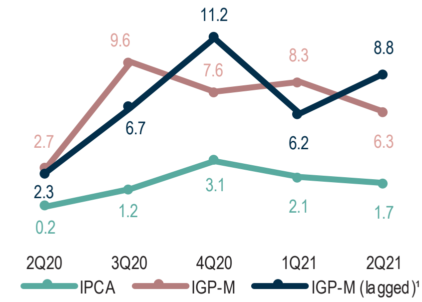
Figure 3 – Consolidated investment income



In the **2Q21**, the consolidated net investment income of BB Seguridade and its investees was R$101.7 million negative, explained by the temporal and index mismatches of the inflation rates pegged to the assets and liabilities of the defined benefit pension plans in Brasilprev. While the earning assets were mostly adjusted by IGP-M (+6.3%) and IPCA (+1.7%) accumulated between April and June, the bearing liabilities of the defined benefit were accrued by IGP-M accumulated between March and May (+8.8%), considering the average one-month mismatch of reserves accrual.

In the **1H21**, the consolidated net investment income of the group was R$37.0 million negative, against a positive balance of R$168.0 million in the 1H20. Besides the reasons mentioned in the quarterly analysis, with the indexes that accrued the assets totaling 15.1% (IGP-M) and 3.8% (IPCA) and those that accrued the liabilities totaling 15.5% (IGP-M with a lag of one month) being the main dragger of financial results, the semester was also negatively impacted by lower average Selic rate and by the steepening in the yield curve.

Figure 4 – Inflation rate (%)



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

Figure 5 – Average Selic rate (%)

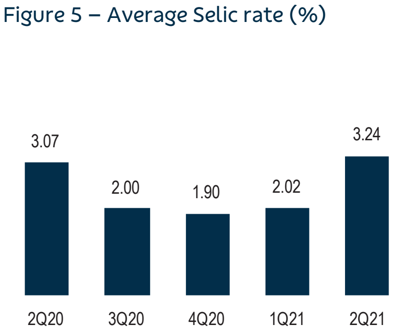


Figure 6 – Forward yield curve (%)

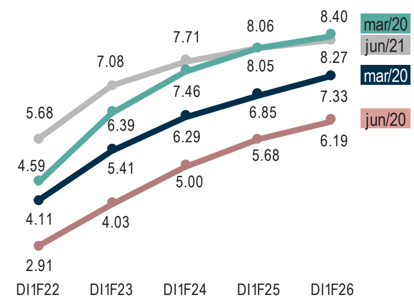


Figure 7 – Financial investments (%)

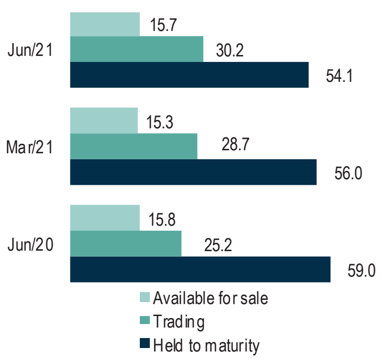


Figure 8 – Financial investments by index (%)

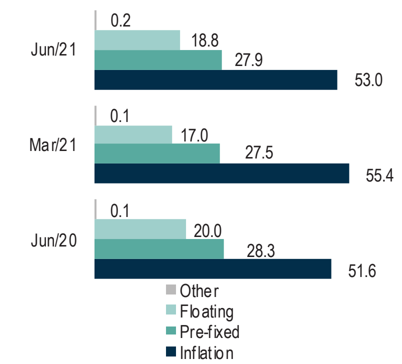
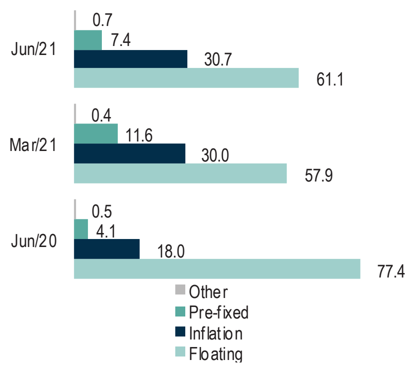


Figure 9 – Trading portfolio by index (%)



■ EXTRAORDINARY EVENTS

Table 2 – Extraordinary events

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q20**	**1Q21**	**2Q21**	**On 2Q20**	**On 1Q21**	**1H20**	**1H21**	**On 1H20**
Adjusted net income	**981,813**	**977,062**	**753,702**	**(23.2)**	**(22.9)**	**1,864,534**	**1,730,763**	**(7.2)**
Extraordinary events	**(25,016)**	**-**	**-**	**-**	**-**	**(25,016)**	**-**	**-**
BB Corretora: donation to fight Covid-19	(25,016)	-	-	-	-	(25,016)	-	-
Net income	**956,797**	**977,062**	**753,702**	**(21.2)**	**(22.9)**	**1,839,518**	**1,730,763**	**(5.9)**

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, which is equivalent to R$25.0 million post-taxes in 2Q20.

2021 GUIDANCE

In the 1H21, the pension plans reserve of Brasilprev expanded 5.5% over the last twelve months, within the estimates of 2021 Guidance.

On the other hand, the 3.1% increase of the non-interest operating result (ex-holding) in the 1H21 compared to the same period of the previous year underperformed the projected growth range of 8% to 13% for the fiscal year, and the premiums written of Brasilseg grew 15.4%, above the range of 7% to 12%. The deviations from the estimates are explained by:

- **Non-interest operating result (ex-holding):** although BB Corretora and Brasilprev are growing within the estimates of 2021 Guidance, the second wave of Covid-19 pandemic led higher than expected loss ratio related to products with death coverage at Brasilseg, resulting in the deviation from the estimated range of the Guidance. Setting this effect apart, the Company's performance would be at the top of the Guidance range; and
- **Premiums written of Brasilseg:** outperformance of rural and life insurances compared to the Guidance expectations.

Considering the 1H21 results, the Company decided to update its projections for the full year, reviewing the Guidance ranges for **"Non-interest operating result (ex-holding)"** and **"Premiums written of Brasilseg"**, and sustaining the estimates of **"PGBL and VGBL pension plans reserves of Brasilprev"**, as shown below:

Figure 10 – 2021 estimates

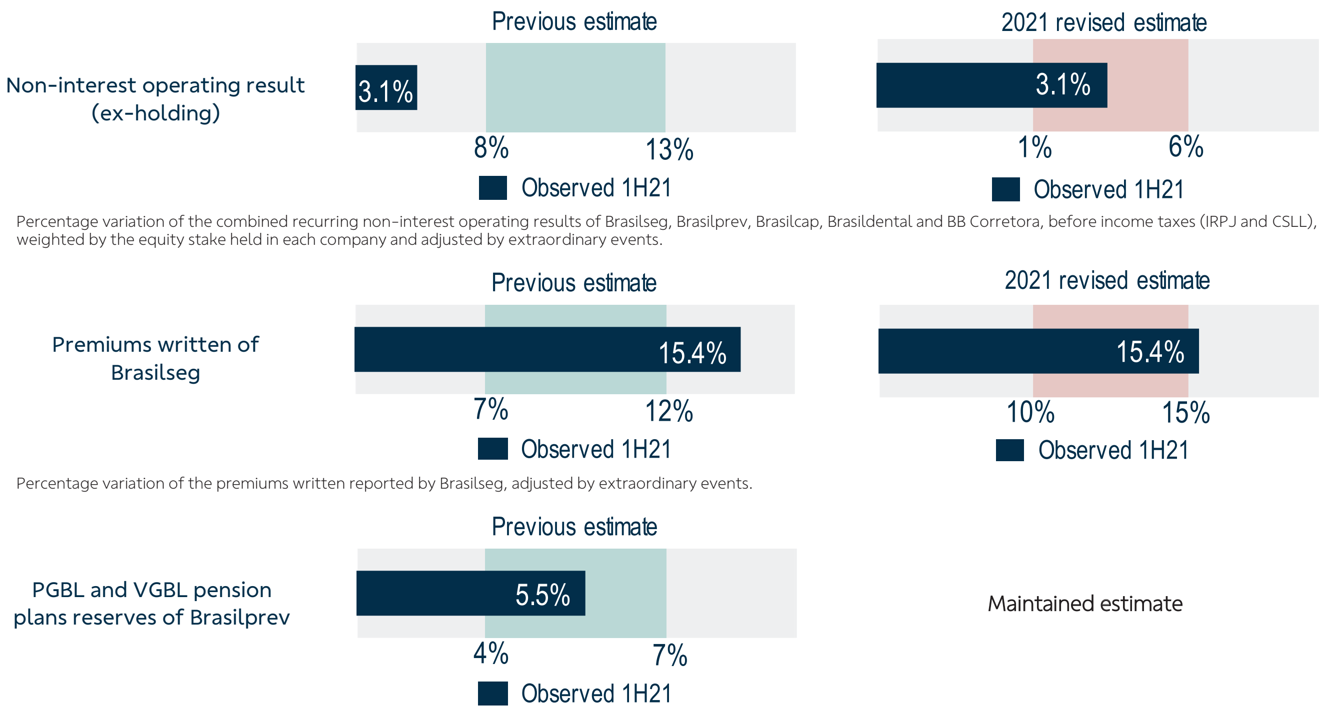


Table 3 – Breakdown of the non-interest operating result by company

	Half-Yearly Flow		Chg. %
R$ thousand	1H20	1H21	On 1H20
Non-interest operating result	**2,624,251**	**2,705,632**	**3.1**
Brasilseg	602,759	449,386	(25.4)
Brasilprev	604,987	682,934	12.9
Brasilcap	9,401	21,281	126.4
Brasildental	15,509	14,580	(6.0)
BB Corretora	1,391,595	1,537,452	10.5

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

Table 4 – Summarized income statement

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q20**	**1Q21**	**2Q21**	**On 2Q20**	**On 1Q21**	**1H20**	**1H21**	**On 1H20**
Premiums written	**2,576,624**	**2,315,691**	**3,149,789**	**22.2**	**36.0**	**4,735,039**	**5,465,480**	**15.4**
Changes in technical reserves and premiums ceded	(709,803)	(293,285)	(955,447)	34.6	225.8	(1,032,325)	(1,248,732)	21.0
Retained earned premiums	**1,866,821**	**2,022,406**	**2,194,342**	**17.5**	**8.5**	**3,702,714**	**4,216,748**	**13.9**
Retained claims	(585,904)	(764,607)	(1,121,070)	91.3	46.6	(1,131,985)	(1,885,678)	66.6
Retained acquisition costs	(621,393)	(620,791)	(672,470)	8.2	8.3	(1,264,164)	(1,293,261)	2.3
G&A	(230,923)	(261,413)	(178,268)	(22.8)	(31.8)	(503,475)	(439,681)	(12.7)
Other	495	531	602	21.6	13.4	700	1,132	61.9
Non-interest operating result	**429,097**	**376,125**	**223,136**	**(48.0)**	**(40.7)**	**803,789**	**599,261**	**(25.4)**
Net investment income	76,986	65,502	67,459	(12.4)	3.0	165,117	132,961	(19.5)
Earnings before taxes and profit sharing	**506,083**	**441,627**	**290,595**	**(42.6)**	**(34.2)**	**968,906**	**732,222**	**(24.4)**
Taxes and profit sharing	(129,970)	(109,762)	(47,554)	(63.4)	(56.7)	(264,478)	(157,316)	(40.5)
Net income	**376,113**	**331,865**	**243,041**	**(35.4)**	**(26.8)**	**704,428**	**574,906**	**(18.4)**

In the **2Q21**, the **net income** of insurance business retracted 35.4% YoY, largely by the worsening of the loss ratio (+19.7 p.p.) and, to a lesser extent, by the decrease of the net investment income (-12.4%).

The **premiums written** increased 22.2% (+36.0% vs. 1Q21), driven by the: (i) **rural insurance** (+32.0% vs 2Q20 | +62.7% vs. 1Q21), with evolutions in all business lines, due to the increase in credit volumes to finance the inputs for the 2021/2022 harvest; (ii) **term life insurance** (+24.0% vs 2Q20 | +21.1% vs 1Q21), helped by the growth in new sales, drop of cancellations and increase in premiums from policy renewal, due to the spike in inflation ratios; and (iii) **home insurance** (+19.1% vs 2Q20 | +3.7% vs 1Q21), boosted by the sales improvement in the retail segment.

Loss ratio was up 19.7 p.p. YoY (+13.3 p.p. vs 1Q21), mainly explained by the higher frequency on reported claims related to products with death coverage due to the worsening of the Covid-19 pandemic, and to a lesser extent by the increase in the losses from rural lien insurance.

The **commission ratio** dropped 2.6 p.p. YoY, explained by lower expenses with performance bonus related to credit life written premiums. The **G&A ratio** improved 4.2 p.p. YoY, mostly by the reversal of provisions for payments to the "Fundo de Estabilidade do Seguro Rural" (R$43.9 million).

The decrease of the **net investment income** was led by higher interest expenses, which were lower in the 2Q20 with the reversal of R$9.1 million in interest expenses on provisions for claims to be settled, due to the closing of lawsuits.

In the **1H21**, the **net income** fell 18.4%, justified by the worsening of loss ratio (+14.1 p.p.) and by the reduction of the net investment income (-19.5%).

Figure 11 – Key performance indicators

	Chg. On 2Q20	Chg. On 1H20
Breakdown of premiums written		
Rural	32.0%	31.0%
Term Life	24.0%	19.5%
Credit Life	3.3%	(13.4%)
Others	19.1%	23.3%
Performance ratios		
Loss ratio	19.7 p.p.	14.1 p.p.
Commission ratio	(2.6 p.p.)	(3.5 p.p.)
G&A ratio	(4.2 p.p.)	(3.2 p.p.)
Combined ratio	12.8 p.p.	7.5 p.p.

The **premiums written** were up 15.4%, propelled by the rural insurance (+31.0%), home insurance (+23.4%), and term life (+19.5%).

Among the operational indicators, the rise in **loss ratio** and the reduction of the **commission** and **G&A ratios** are mainly explained by the same reasons mentioned in the quarterly analysis.

The retraction of the **net investment income** is mainly driven by the fall of the average Selic rate, as well as the lower comparable for financial expenses due to the reversal of interest expenses on provisions for claims to be settled in the 1H20.

Brasilprev | Pension plans (for further details, see page 47)

Table 5 - Summarized income statement

R$ thousand	Quarterly Flow 2Q20	1Q21	2Q21	Chg. % On 2Q20	On 1Q21	Half-Yearly Flow 1H20	1H21	Chg. % On 1H20
Total revenue from pension and insurance	**6,783,496**	**10,769,021**	**11,143,812**	**64.3**	**3.5**	**16,913,512**	**21,912,832**	**29.6**
Provision for benefits to be granted	(6,778,414)	(10,761,494)	(11,138,561)	64.3	3.5	(16,903,206)	(21,900,055)	29.6
Net revenue from pension and insurance	**5,082**	**7,527**	**5,251**	**3.3**	**(30.2)**	**10,306**	**12,778**	**24.0**
Management fee	689,905	747,708	770,737	11.7	3.1	1,401,243	1,518,445	8.4
Acquisition costs	(157,621)	(166,322)	(168,222)	6.7	1.1	(327,749)	(334,544)	2.1
Retained earned premiums	42,241	41,245	42,837	1.4	3.9	85,385	84,082	(1.5)
G&A	(150,041)	(146,780)	(161,817)	7.8	10.2	(313,059)	(308,597)	(1.4)
Other	(14,534)	(29,242)	(32,221)	121.7	10.2	(49,370)	(61,464)	24.5
Non-interest operating result	**415,032**	**454,136**	**456,564**	**10.0**	**0.5**	**806,756**	**910,700**	**12.9**
Net investment income	48,385	(25,142)	(368,123)	-	1,364.2	(64,393)	(393,265)	510.7
Earnings before taxes and profit sharing	**463,417**	**428,994**	**88,442**	**(80.9)**	**(79.4)**	**742,364**	**517,436**	**(30.3)**
Taxes and profit sharing	(183,606)	(173,145)	(36,930)	(79.9)	(78.7)	(298,471)	(210,076)	(29.6)
Net income	**279,810**	**255,849**	**51,511**	**(81.6)**	**(79.9)**	**443,893**	**307,360**	**(30.8)**

In the **2Q21**, the **net income** of pension plans was down 81.6% compared to the same period of 2020, due to the negative **net investment income** amounting to R$368.1 million, as consequence of the gap between the inflation indexes that accrued the major part of the earning assets (IPCA +1.7% and IGP-M +6.3%) and bearing liabilities (IGP-M +8.8%, considering the one-month lag) of the defined benefit pension plan.

On the other hand, the **non-interest operating result** increased 10.0%, sustained by revenues with management fee 11.7% higher. The pension plans **reserves** expanded 6.6% in the last twelve months, to R$312.2 billion, while the **average management fee** reached 1.02%, up 0.03 p.p. YoY (+0.01 p.p. QoQ), reflecting the success of the strategy to reallocating assets under management of the PGBL and VGBL plans to multimarket funds. With the multimarket collection increase, the participation of this type of funds in the amount of asset under management increased from 8.4% in June 2020 to 20.7% in June 2021 (14.3% in March 2021).

In the quarter, the **pension plans contributions** were 64.3% higher YoY. Related to the 1Q21, the contributions were 3.5% up, with the net addition of 143 thousand new clients, after commercial campaign in Banco do Brasil branches held especially in April.

The **redemption ratio** increased 3.4 p.p. YoY (+0.8 p.p. vs 1Q21), as a result of the economic impacts generated by the worsening of the pandemic over the first half of 2021. Other factor that impacted the outflow in the quarter was the higher volume of benefit payments, which includes the payment of the reserve balance to the beneficiary appointed in the pension plan in case of death of the holder, which grew due to claims related to the Covid-19. As a consequence, the **net inflow** contracted 86.8% YoY.

Figure 12 – Key performance indicators

	2Q21	Chg. On 2Q20	1H21	Chg. On 1H20
Net inflows (R$ billion)	65	(86.8%)	970	(53.8%)
Reserves (R$ billion)	312	6.6%	-	-
Management fee (%)	1.02	0.03 p.p.	1.01	0.02 p.p.
Redemption ratio (%)	10.0	3.4 p.p.	9.6	1.6 p.p.
Portability ratio (%)	2.0	1.3 p.p.	1.5	0.3 p.p.
Cost to income ratio (%)	44.2	0.5 p.p.	43.6	(2.5 p.p.)

In the **1H21**, the net income fell 30.8%, mostly impacted by the financial loss of R$393.3 million, compared with the R$64.4 million negative balance in the 1H20. The decrease is mainly justified by the spike in the IGP-M and its impact to the accrual of the bearing liabilities of the defined benefit pension plans.

Regarding to the inflows and outflows for pension plans, the 1.6 p.p. worsening of the redemption ratio and the increase of the benefit payment volume, as mentioned in the quarterly analysis, offset the 29.6% growth in the contributions volume and led to a 53.8% reduction of the net inflow.

The revenues with management fee expanded 8.4%, with the annualized average management fee 0.02 p.p. higher than 1H20, reflecting the 261.8% evolution in the inflow to multimarket funds and the increase of the participation of this type of funds in the amount of asset under management.

Brasilcap | Premium Bonds (for further details, see page 60)

Table 6 - Summarized income statement

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q20**	**1Q21**	**2Q21**	**On 2Q20**	**On 1Q21**	**1H20**	**1H21**	**On 1H20**
Premium bonds collection	**1,044,818**	**1,103,168**	**954,875**	**(8.6)**	**(13.4)**	**2,068,596**	**2,058,043**	**(0.5)**
Changes in provisions for redemption, lottery and bonus	(927,536)	(956,288)	(845,315)	(8.9)	(11.6)	(1,821,119)	(1,801,603)	(1.1)
Revenue with load fee	**117,281**	**146,880**	**109,560**	**(6.6)**	**(25.4)**	**247,476**	**256,440**	**3.6**
Result with lottery	590	3,782	4,437	651.7	17.3	4,419	8,219	86.0
Acquisition costs	(92,552)	(112,176)	(83,162)	(10.1)	(25.9)	(200,942)	(195,339)	(2.8)
G&A	(20,605)	(19,149)	(15,736)	(23.6)	(17.8)	(41,840)	(34,885)	(16.6)
Other	(8,692)	217	(2,732)	(68.6)	-	4,989	(2,515)	-
Non-interest operating result	**(3,978)**	**19,554**	**12,367**	**-**	**(36.8)**	**14,102**	**31,921**	**126.4**
Net investment income	80,096	62,362	24,235	(69.7)	(61.1)	126,372	86,597	(31.5)
Earnings before taxes and profit sharing	**76,118**	**81,916**	**36,602**	**(51.9)**	**(55.3)**	**140,474**	**118,518**	**(15.6)**
Taxes and profit sharing	(30,824)	(33,546)	(15,273)	(50.5)	(54.5)	(57,306)	(48,819)	(14.8)
Net income	**45,294**	**48,370**	**21,329**	**(52.9)**	**(55.9)**	**83,168**	**69,699**	**(16.2)**

In the **2Q21**, the **net income** of premium bonds business retracted 52.9% YoY, due to the decrease of 69.7% in the net investment income, partially offset by the 3.2 p.p. improvement in the G&A ratio and the reduction of the commission ratio.

Premium bonds collection was down 8.6% YoY, mostly explained by the drop of unique payment bonds sales, which is justified by higher focus on sales of monthly payment products, which grew 87.8% in the period, but with lower average ticket.

In the quarter, the **average load fee** rose 0.2 p.p., as consequence of the shift in the collection mix, more concentrated in longer term bonds, such as 36, 48 and 60-month products, which have higher load fee than the shorter bonds, besides the higher share of the first installments of monthly payment bonds, which present higher load fee compared to the recurring installments and to the unique payment bonds.

The drop in the **net investment income** is explained by the net interest margin down 2.5 p.p., negatively impacted by the steepening in the forward yield curve.

In the **1H21**, the net income of premium bonds business reduced 16.2% due to the 31.5% contraction of the net investment income, partially offset by the increase in the revenue with load fee and the drop of acquisition costs and G&A expenses.

Premium bonds collection showed slight reduction of 0.5% YoY, explained by the drop of monthly payment bonds collections, due to lower average ticket, partially offset by the growth in the collection of unique payment bonds.

Despite the decline in collections, the **revenue with load fee** grew 3.6%, helped by the improvement of 0.5 p.p. in the average load fee, which is explained by the increase in the average duration of bonds sold.

The decrease in the **net investment income** is justified by the retraction of the net interest margin, due to the negative impact of the steepening in the yield curve to the fixed-income securities returns.

Figure 13 – Key performance indicators

	Chg. On 2Q20	Chg. On 1H20
Premium bonds collection		
Unique payment	(12.2%)	4.0%
Monthly payment	(4.3%)	(5.8%)
First Installments	43.6%	(13.8%)
Recurring Installments	(5.4%)	(5.3%)
Average quotes		
Reserve quote	(0.3 p.p.)	(0.5 p.p.)
Lottery quote	0.03 p.p.	(0.01p.p.)
Bonus quote	(0.01p.p.)	(0.01p.p.)
Load fee quote	0.2 p.p.	0.5 p.p.
Other ratios		
Technical reserves	0.8%	0.8%
Net interest margin	(2.5 p.p.)	(0.8 p.p.)

BB Corretora | Brokerage (for further details, see page 79)

Table 7 - Summarized income statement

	Quarterly Flow			Chg. %		Half-Yearly Flow		Chg. %
R$ thousand	**2Q20**	**1Q21**	**2Q21**	**On 2Q20**	**On 1Q21**	**1H20**	**1H21**	**On 1H20**
Brokerage revenues	**834,449**	**928,113**	**957,772**	**14.8**	**3.2**	**1,717,090**	**1,885,885**	**9.8**
G&A	(152,789)	(162,789)	(179,556)	17.5	10.3	(316,059)	(342,345)	8.3
Equity income	(4,349)	(3,762)	(2,327)	(46.5)	(38.1)	(9,435)	(6,089)	(35.5)
Earnings before interest and taxes	**677,311**	**761,563**	**775,889**	**14.6**	**1.9**	**1,391,595**	**1,537,452**	**10.5**
Net investment income	15,271	7,594	18,680	22.3	146.0	27,760	26,274	(5.4)
Earnings before taxes	**692,582**	**769,157**	**794,569**	**14.7**	**3.3**	**1,419,356**	**1,563,726**	**10.2**
Taxes	(236,871)	(262,786)	(270,940)	14.4	3.1	(485,513)	(533,726)	9.9
Adjusted net income	**455,711**	**506,370**	**523,629**	**14.9**	**3.4**	**933,843**	**1,030,000**	**10.3**

In the **2Q21**, BB Corretora´s **adjusted net income** grew 14.9% YoY, boosted by the 14.8% increase in **brokerage revenues** and the 22.3% growth in the net investment income.

The improvement in **brokerage revenues** was supported by the solid commercial performance in rural insurance, term life insurance and pension plans.

The **net investment income** was helped by the increase in both the average Selic rate and the average balance of earning assets as compared to 2Q20.

Year-to-date, there was a 10.2% increase in adjusted net income, explained by the 9.8% growth in brokerage revenues and the 0.5 p.p. improvement in the EBIT margin.

Compared to the 1H20, the **net investment income** decreased by 5.4%, with a drop in the average Selic rate, partially offset by an increase in the average balance of assets.

Figure 14 – Key performance indicators

	Chg. On 2Q20	Chg. On 1H20
Breakdown of brokerage revenues		
Insurance	7.6%	5.6%
Pension plans	92.1%	35.6%
Premium bonds	5.9%	13.1%
Other¹	(0.6%)	0.9%
Performance ratios		
EBIT Margin	(0.2 p.p.)	0.5 p.p.
Net Margin	0.1p.p.	0.2 p.p.

1. Include dental plans and other revenues.

■ OTHER INFORMATION

Table 8 – Market share and ranking[1]

		Quarterly Flow			Half-Yearly Flow	
	Unit	**2Q20**	**1Q21**	**2Q21**	**1H20**	**1H21**
Life[2]						
Premiums written	R$ thousand	720,685	738,037	893,431	1,364,723	1,631,468
Market-share	%	13.4%	12.5%	14.0%	12.6%	13.1%
Ranking		1º	1º	1º	1º	1º
Credit life						
Premiums written	R$ thousand	584,695	470,725	603,898	1,241,133	1,074,622
Market-share	%	19.7%	12.6%	15.1%	19.0%	13.6%
Ranking		1º	2º	3º	1º	4º
Mortgage life						
Premiums written	R$ thousand	72,103	71,209	71,380	144,574	142,589
Market-share	%	6.5%	5.9%	5.7%	6.6%	5.8%
Ranking		4º	5º	5º	4º	5º
Rural						
Premiums written	R$ thousand	1,074,696	871,625	1,418,342	1,748,488	2,289,967
Market-share	%	62.3%	49.3%	59.6%	58.7%	54.1%
Ranking		1º	1º	1º	1º	1º
Home						
Premiums written	R$ thousand	59,215	67,989	70,534	112,252	138,523
Market-share	%	7.3%	6.7%	6.6%	6.5%	6.7%
Ranking		5º	5º	5º	5º	5º
Commercial lines						
Premiums written	R$ thousand	63,421	95,208	89,692	121,560	184,901
Market-share	%	3.1%	3.6%	2.6%	3.5%	3.2%
Ranking		9º	11º	11º	10º	10º
Pension Plans						
Technical reserves	R$ thousand	292,748,911	307,271,819	312,198,311	-	-
Market-share	%	30.1%	29.8%	29.7%	-	-
Ranking		1º	1º	1º	-	-
Contributions	R$ thousand	6,783,496	10,769,021	11,143,812	16,913,512	21,912,832
Market-share	%	30.2%	33.1%	33.4%	32.7%	33.2%
Ranking		1º	1º	1º	1º	1º
Premium Bonds						
Reserves	R$ thousand	7,872,046	8,035,850	7,934,237	-	-
Market-share	%	25.4%	24.7%	24.4%	-	-
Ranking		2º	2º	2º	-	-
Collections	R$ thousand	1,044,818	1,103,168	954,875	2,068,596	2,058,043
Market-share	%	20.7%	19.0%	16.4%	19.4%	18.0%
Ranking		2º	2º	2º	2º	2º

1. Source: Susep – data as of May/2021.
2. Market share considering only premiums written for risk coverage, excluding premiums for accumulation components (dotal and life insurance).

Table 9 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	**1**	**1,325,000,000**	**66.3%**
Treasury Stocks	**1**	**3,313,471**	**0.2%**
Free Float	**358,964**	**671,686,529**	**33.6%**
Foreign investors	793	464,304,318	23.2%
Companies	3,312	63,133,837	3.2%
Individuals	354,859	144,248,374	7.2%
Total	**358,966**	**2,000,000,000**	**100.0%**

Table 10 – Stocks | Performance

		Quarterly Flow				
	Unit	2Q20	3Q20	4Q20	1Q21	2Q21
Stock's performance						
Earnings per share	R$	0.49	0.55	0.46	0.49	0.38
Dividends per share	R$	-	0.87	-	0.47	-
Equity per share	R$	2.67	3.18	3.19	3.58	3.45
Closing price	R$	27.27	24.27	29.63	24.25	23.10
Annualized dividend yield[1]	%	13.86	13.89	12.24	5.49	5.36
Market capitalization	R$ million	54,540	48,540	59,260	48,500	46,200
Ratios						
P/E (12 month traling)	x	13.37	11.86	15.28	12.21	12.34
P/BV	x	10.20	7.64	9.27	6.77	6.70
Business data						
Number of trades carried out		1,329,823	1,288,604	1,176,303	1,311,009	1,316,264
Average daily volume traded	R$ million	132	118	122	159	145
Average daily volume traded - B3	R$ million	26,123	26,898	26,201	32,008	28,742
Share on B3's average volume	%	0.51	0.44	0.47	0.50	0.50

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