Felipe Peres:

Hello, good morning. Welcome to our virtual meeting to present the results of the third quarter of 2026. This event is being recorded and has simultaneous translation into English. To listen to the audio in English, press the interpretation button at the low right-hand side of the screen. The event will be divided into two parts. In the first part, our CEO, Delano Valentim, and our CFO, Rafael Sperendio, are going to present the main deliveries of the quarter. The slide deck, both in Portuguese and in English, can be downloaded from our Investor Relations website at the address www.bbseguridaderi.com.br. In the second part of the event, there will be a questions and answers session when analysts and investors will be able to ask questions.

I will be back after the presentation to give instructions for those who want to ask questions. Now I'd like to give the floor to Delano, who is going to talk about the main highlights of the quarter. Delano, please, the floor is yours.

Delano Valentim

Thank you, Felipe. Good morning, everyone who's watching us. It's a pleasure to be with you to present the results of the period accumulated from January until September 2026. Despite the challenging context, we continue to deliver very consistent results with a lot of discipline in terms of operational efficiency, preserving the profitability of operations and the company's ability to generate value. Going to the numbers, I highlight our recurring managerial net income of 6.8 billion BRL, a growth of 0.1% compared to the same period last year. Our operating income net of taxes reached 5.2 billion BRL, down 1.1%, in an economic environment that's still with contraction, with high interest rates, which ends up sensitizing our products.

At the same time, we have high quality loss ratio and operational efficiency indicators, which has helped to offset part of this reduction in the volume of insurance premiums. On the other hand, the same high interest rate environment ends up favoring our investment income, which reached 1.6 billion after taxes growing 4.4 percent, driven both by the rise in Selic interest rate and a more favorable dynamic of inflation indices that update Brasilprev assets. Going into a little bit more detail about our main performance indicators. In insurance, the loss ratio ended the period at 22.7%, representing an improvement of 0.5 percentage points compared to the accumulated period up to September last year, remaining at the lowest levels in our time series

In pensions, reserves reached 514 billion BRL, a consistent growth of 12.1% in the last 12 months. Another positive highlight of our pension operation, we recorded net inflow of 4.5 billion BRL in the year up to September, driven by the increase in contributions and redemptions and portability rates at the lowest level in recent years. In premium bonds, collection reached 5.2 billion BRL in the same period, and we distributed more than 60 million in raffle prices, an increase of 18 percent compared to the same period in 2025, reinforcing the attractiveness and engagement of customers with our products. In our assessment, we have been able to deliver very solid results despite the maintenance of interest rates at a still very restrictive level and all the difficulty we have been facing in insurance products for agribusiness.

We are focusing our efforts on sustaining penetration in the credit portfolio and in products that do not depend on credit, especially pensions, which has had an extraordinary performance this year. I understand that this set of indicators reaffirms the consistency of BB Seguridade's strategy, the diversification of our business model, and the ability of our companies to continue generating value in a sustainable manner for our customers, partners, and shareholders. With that, I end my presentation, and I give the floor to Rafael, who's going to give you details about each one of our operations, and then I will join you back for the questions and answers session. Thank you so much.

Rafael Sperendio

Thank you, Delano. Good morning, everyone. So, going to a little bit more detail of our numbers for the third quarter. Third quarter this year, we delivered the result of 2.4 billion BRL, down by 5% as compared to the net income last year. This reduction is essentially explained by the reduction in the sales volume of insurance products, especially those related to credit, and also in premium bonds that is in BB Corretora. I'm going to give you details further ahead. Another factor that impacted for the reduction and the lower performance in the third quarter year on year was the investment income. So this is a more difficult comparison basis with a reduction in the average Selic comparing year on year, and this drove down the net investment income in addition to more details that I'm going to give you further ahead, which was the constitution of additional provisions at Brasilprev that is fully reversed in the bottom line. But these are the main movements explaining the reduction in the profit if we compare the third quarter.

Year-to-date numbers, the net income is 6.8 billion, helped by the time mismatch for the first nine months last year. There is a time mismatch of one month in the update of liabilities of pension plans. This has also contributed to the net investment income that grew 4% year on year in addition to the average Selic. And even though it's there, the third quarter year on year, if we look year-to-date numbers, the first nine months of 2026, there is an average Selic that is above what we had until September 2025. So here, the second level of detail going into the numbers and the movements that I have just explained in the previous slide are a traditional comparison, looking at the year-to-date numbers and breaking it down in its main components.

And here it's very clear, the offset movement. While the operating result dropped, the net investment income is up by 66 million, one offsetting the other, also explained in the retraction of operating result in lower retained earned premiums at Brasilseg, affecting the profit until September this year. Brokerage revenue suffered a little bit of the impact down by 54 million in the bottom line because of the collection of premium bonds. These are the revenues with management fee for Brasilprev affecting the profit, especially due to higher volume and loss ratio of Brasilseg also had a positive contribution with 28 million, adding 28 million to our bottom line, especially because of crop insurance and credit life if we look year-to-date numbers compared to 2025.

On the net investment income, the negative aspect comparing the first nine months of the year, we have 68 million with a negative impact because the cash volume rate is a reduction average balance taking out 68 million from the bottom more than an offset by the time mismatch because it was negative last year, positive this year, the delta was 119 million positive in addition to mark-to-market, positive by 8 million in the first nine months of 2025, and also positive by 24 million in the first nine months of this year, contributing with 15 for the 66 million in the year-to-date numbers.

Now going to the details of each one of the operations. So written premiums dropped 19% year on year in the third quarter, 9% in year-to-date numbers. Here are the highlights of the lines that have a direct relationship with credit origination, especially rural insurance that has suffered a lot this year. 24% in the third quarter this year, 13% drop year-to-date numbers and 27% drop. So here, home insurance made positive 4.2% of the portfolio growing 29% year on year and 25% in the first nine months. So here we have more of the impact if we see year on year both accumulated numbers. So retained premiums behaves very much similarly to written premiums, down 18% year on year and 7% in year-to-date numbers. Now the performance ratios, we can see an increase in combined ratio, especially due to the increase of commissioning with two factors explaining.

The more direct one is a reduction in the share of rural with lower commissions in terms of the share of other products with higher commissions. In addition to the factor that I mentioned before, reduction in profitability or crop insurance. It goes into a positive amount. It's a reduction factor for commissions. So it loses share. We have less revenue from reinsurance commissions and what happens here is that the reduction factor is smaller because of that, because of increase in commission ratios.

Loss ratio had a marginal increase of 0.4 percentage points year on year, and here essentially because of increase in loss ratio of crop insurance. If we look at year-to-date numbers, loss ratio dropped year on year, especially for crop and credit life at very healthy levels. And I highlight another fact, very positive factor here, is for the operation of Brasilseg, an improvement in general and administrative expenses that we've been following up during the year, dropping 0.4% year-on-year. On the third quarter, it improves 0.2% in year-to-date numbers. And then financial income dropped year on year by 18% and 9% in the first nine months. So the main factor explaining the drop in year-to-date numbers is here on the screen. And now when we look at everything together combined, you can see the recurring net income with a drop in premiums and investment income. The net income dropped 11% year on year, and 4% in year-to-date numbers.

Now going to pension. This is the positive highlight that we've been following along 2026, which is natural. In a very restrictive interest rate environment, this is the best performance. The volume of contributions growing 5% year on year and 6% in year-to-date numbers. In terms of net inflow, there is a significant reduction going from 11% in 2025 down, and the rate of redemptions goes down to the level of 8%. This is what we've been seeing this year. So an inflow of R$4 billion this year and reserves, the balance going to R$514 billion at the end of September with a 12% year-on-year growth in the last 12 months. Management fee grew a little bit compared to the previous period because of the lower average rate, both in the quarter and year-to-date numbers, growing 6% year on year and 7% in year-to-date numbers because of the reduction in average rate, which is slightly below 1 bp in quarter because of the flow that is concentrated in lower risk products.

There is still an aversion to risk that remains with more conservative resources with lower management fees. In terms of efficiency, the highlight for the operation here, despite quite robust growth in revenues, the discipline in costs remains. So 2.8 percentage points in cost to income ratio and 2.5% down in the year-to-date numbers. Net investment income down 11% year-on-year considering the third quarter. There is a time when we update the assumptions for the update of liabilities. We update the actuarial schedule. Because of that, there is an increase of longevity affecting risk and liabilities. And most of the adjustment explains this difference here in the net investment income compared to the third quarter last year, which is neutralized, so it's positive in equity and in the liabilities adaptation test. We also confirmed the surplus, so the adjustment here is reserved in the more comprehensive bottom line.

Year-to-date number, 3% growth in net investment income, and so the effect is more diluted here. With a better performance because of the time mismatch and also a growth in revenue, better efficiency, offset by efficiency. So managerial net income is stable year on year. We grew in the first nine months of the year in improvement, both in revenue efficiency and investment income, and drove a 7% increase compared to the first nine months of 2025.

Now, in premium bonds, you can see the drop of 5% year on year, 4% in year-to-date number. Reserves dropped 1% in the 12 months. In terms of lottery prizes paid, down 9% year-on-year, but a growth of 18% in the first nine months of the year. This year, we have already paid R$60 million BRL, and this is related to premium bonds. Net investment income here, there is a drop of 8% year on year, considering the quarter, and 40 basis in the financial margin explained by Selic rate. In year-to-date numbers, the investment income grew 17%, with 60 basis in the margin, and average Selic is still their positive factor. And now, net income dropped 1% year-on-year and grew 23% in year-to-date numbers following the trend of the investment income in year-to-date numbers. And we should remember that there is a driver here. So the net income grows more than investment income because of our adjustments that we did in the beginning of the year because of a higher social contribution rate on net income.

Now, BB Corretora, our brokerage business. So here we have brokerage revenues, so insurance premiums with a positive impact and a reduction in collection of premium bonds partially offsetting and brokerage revenues dropped 5% year-on-year in the quarter and 2% in the first nine months of the year. So here, net margin down 0.9 percentage points year on year, and because of a reduction in the investment income operational margin growth, but the average Selic is lower, offsetting the investment income in BB Corretora with the post-fixed bonds. Year-to-date numbers, the effect is diluted. Net margin remains stable and as a consequence, so there is a 6% drop in net income year on year considering the quarter, considering the first nine months, it dropped at the same pace, a 2% drop in revenue and net income.

And lastly, we move to the guidance for 2026, and what we have here are the indicators, the growth indicators, pension plan results, premiums written, and non-interest operating results we have exceeded here for, so we delivered to 12.6 percent in terms of the reserves so which is above our guidance and in premiums written we exceeded the estimates the first two lines we are very confident this is very good along the year that for these two indicators we are going to deliver results that will be at the top or marginal considering the range. Now, for premiums written, it's slightly different, so there's a marginal deviation in the first quarter considering the projections, and the main variable that we had to observe was the performance, especially in terms of crop insurance premiums.

The scenario was quite uncertain. There was a government plan and renegotiations. And now, after the last quarter, this recovery didn't come as we expected. So, because of this movement, we had a range between minus 3 to 2. We ended with a drop of 9% after nine months. We are reviewing our guidance, reviewing our expected drop from minus 15 to minus 11 for 2026. So, these are the main factors explaining our performance. And now I will join Delano and Felipe for the questions and answers session.

Felipe Peres

We are now going to start our questions and answers session. As a reminder, if you want to send a question in writing, just click on the Q&A at the bottom of your screen. We'll try to answer all the questions here live during our session. And if we do not have enough time, we'll answer you by email. We are also going to accept some questions from analysts that can open their microphones and ask their questions live in audio. Just click on the raise hand button at the bottom of your screen too. And as a reminder, you may ask your questions either in Portuguese or in English, and we are always going to answer in Portuguese. Our first question comes from Tiago Binsfeld from Goldman Sachs.

Tiago, good morning. You can open your microphone and ask your question.

Tiago Binsfeld (Goldman Sachs)

Hello, good morning, Delano, Rafael, and Felipe. Thank you very much for taking my question. I would like to ask about the review of the premiums guidance with the drop between 15% and 11%. The fourth quarter is usually weaker, and this is implied in your range. So, if you could give us details about those expectations from which lines would come this series of weakening, so what would be this run rate in early 2027? Do you see any levers next year to drive it up?

Rafael Sperendio

Tiago, thank you very much for the question. As to the revised guidance, the answer is going to focus on insurance lines that are directly related to credit origination. The environment today is very adverse with interest rates in the long term that is very restrictive and the consequence of that is impact in origination and penetration and credit is more expensive and it's more difficult so the impact that has driven us to review the guidance for the year was precisely that. And we're looking at the performance in credit life and in rural insurance, all segmentalized, not just crop, but all other kinds of insurance with a slowdown, for example, with rural lien, with a more restrictive scenario in terms of interest rates.

Same thing today, based on information that we have available, despite everything that is updated almost every day, based on information currently available, we do not yet have an optimistic vision of recovery and acceleration of those lines in 2027. And everything can change before the end of the year, but considering what is implicit in the curve, what has been announced by the Focus Bulletin, so we're going to still have a restrictive environment in 2027, and this is going to be no different for credit life or rural insurance comparing next year to this year. And everything that we've been doing is to try and offset that in some way. Even in terms of credit lines, we have some opportunities, there are some lines for credit life. We want to expand sales channels for credit life insurance to use the whole potential of credit origination that the bank provides. But especially for the products that are not related to credit.

We hope to focus then on 2027 and we do not take part in underwriting. This is small, there is brokerage, less than 1% but it's been growing in a very accelerated way, 50% in the revenues coming from products that today we do not underwrite, especially vehicle insurance and large risks. This is what we've been doing in 2026. This is going to be our focus in 2027 in addition to pension.

Insurance has a more challenging environment because it is dependent on credit. Almost three quarters of the insurance companies are in premiums written for products related to credit. On the other hand, our pension products benefit from higher interest rates. So there is more assets under management, more stability of inflows, less outflow. And this is what we see in 26, 27. And we hope that this more beneficial behavior remains along next year.

Tiago Binsfeld (Goldman Sachs)

Okay, thank you so much, Rafael.

Felipe Peres

Thank you, Tiago. Now we have a question from Guilherme Grespan from J.P. Morgan. Hello, Grespan. You can open your microphone and ask your question, please.

Guilherme Grespan (J.P. Morgan)

Hello, thank you so much for the presentation and for opening for questions. I just have a follow-up question, considering the previous one. And as a reminder, Sperendio might be able to answer. Is the duration and the booking of premiums, the main lines that we see more difficulties is in terms of credit life and rural for the different segments. And if you could remind us how you book premiums for each one of those lines, is it one, two, three years of duration? So to understand the impact of this worsening in premiums written and how it impacts in non-interest related performance. So how do you expect X percent in 2027? Is there a spillover into 2028? So how do you see that curve?

Rafael Sperendio

Grespan, thank you very much for your question. In a nutshell, if we consider both in crop with duration of one year, lien about two years, and we have products that have a shorter insurance. Credit life is slightly longer. It comes from individuals consigned credit. It has lost space for companies that has one year and a half. If we consider payroll loan for individuals and companies, it's important to highlight it's not related to the duration of the credit because they do not evolve at the same speed. That are different audiences in there for social security payroll alone, considering the turnaround rate is about two to three years.

But this portfolio is losing space to companies, that is about one year and a half of duration. So overall, if I understand your question correctly, your concern is with a carryover of earned premiums into 2027 most of that buffer has been taken on in 2026 and in 2027 earned premiums is more sensitive to written premiums.

Guilherme Grespan (J.P. Morgan)

Okay yes, of course it's clear and of course there is a revenue booking that is based on that.

Felipe Peres

Thank you, Grespan. The next question is from Arthur Chuqui from Bradesco BBI. Please you can open your microphone and ask your question.

Arthur Chuqui (Bradesco BBI)

Good morning, everyone. Thank you very much for the space. I have two questions. The first one is about contract. Do you have any predictability about the negotiation timelines? Is it going to be towards the end of 2027 when Delano's term ends and we're getting to the end of the year? Maybe you're already designing projections and budgets for 2027, which is the interest rate you're working with for next year? And could you please remind us of the sensitivity of the net investment income?

Delano Valentim

Good morning. Well, first, the contract. So far, we haven't started any discussions with the bank, the bank leads this conversation but for now no prospects and nothing has been defined yet. So, Rafael if you want to talk about the financial aspect.

Rafael Sperendio

Well, financially speaking, as I said it's quite difficult because it's been changing every year and we have macro aspects and we have the interest rates. In a nutshell everything indicates that it may be implied in the interest rate curve until we have a higher Selic next year. This affects the operational numbers or rates, because it's more restrictive, that are embedded in the credit operations. On the other hand, there is a direct positive impact in investment income, especially in post-fixed, which is part of our portfolio. This is the most up-to-date information that we have, and this is implicit in the interest curve, even though it means reduction and projects a reduction, the curve is still high, and we need to be based on the market, and this is what defines.

As to inflation, which is another important component. It's also beneficial what we see, realized numbers for 2025, where we would have a reduction in IPCA, but the reduction of IGPM that is going to be stronger, which would benefit the composition between assets and liabilities in Brasilprev. In terms of sensitivity to bottom line, well, post-fixed, so we think about Selic, each 100 basis have an impact of R$120 million, more or less symmetrical, whether it's up or down. So, one basis, R$120 million in our income, up or down. Inflation, slightly different. For each point up, IGPM, there is a negative impact of 12 million in our results. So this is what we are expecting, a reduction in IGPM next year. So it would be the opposite. So we are going to have a positive impact of 12 million.

For IPCA, for each point up, it's 34 million of positive impact and reduction, 34 down. So, today the Focus is projecting a reduction. So, this is in the assumptions of today's Focus Bulletin. So, if there is an impact of those movements, except for Selic, because we are using prices and it's implicit in the interest curve with a positive impact in Brasilprev.

Arthur Chuqui (Bradesco BBI)

Thank you so much.

Felipe Peres

Our next question comes from Antonio Ruette from Bank of America. Antonio, please, you may open your microphone and ask your question.

Antonio Ruette (Bank of America)

Good morning. Thank you very much for taking my question. Just a few things for 2027 in terms of growth of premiums. You have said that there is no reason why we should wait for a very strong acceleration. And this year's guidance is double digits down. So next year, should we expect something similar to that or something slightly better? Still thinking about next year, in terms of operational result, and please correct me if I'm wrong, but the most likely scenario is pressure in brokerage, as you have explored, and also the earned premium with a weak origination in 2026. I think that the main variable is loss ratio. I know that you haven't yet given a guidance for 2027, but if you could comment on those two lines, it would be great.

Rafael Sperendio

Well, Antonio, thank you for your question. As to 2027, we are still working on our budget for the year and our projections, and one point that is very irrelevant, which is a starting point that is not yet defined for 2026 and so this is associated to our projections and the shaper slow down as I said before considering that scenario remains restrictive compared to the monetary policy and the interest rate curve with a high of 7%, 8% and 15%, we are not really expecting any major recovery in terms of lines that depend on credit origination. On the other hand, if we think, especially the loss in the share of rural insurance and all the initiatives we mentioned of alternatives to offset that, we imagine that even though today the best information that we have available, that there may be a drop in premiums in 2027.

We don't think it's going to be as big as it was in 2026. It's going to be less, but still too early for us to say anything. Now, as to 2027, thinking in terms of loss ratio. And the main variable that we need to observe, so 2026, what we saw in the third quarter, also has some impact in the third quarter from an impact from El Niño. And what we saw is a high in crop is because of the draft or dry season in the center of the country affecting corn. And in the South, with barley, wheat, with an impact of 0.4 in loss ratio. So, as we've been seeing, it will have some impact. But today, we do not yet have any evidence that the impact will be material. And once we consider the share of crop insurance in the portfolio, the impact is less than 1% in our bottom line.

So just complementing, El Niño is the main component that we should pay attention at and followed closely would be the planting of soybean crops. So maybe there is a delay. And there is the off season and then the crop that, there is a second crop and there is a more sensitive climate window today if we look at planting calendar so more than 50 percent of the soybean crop area has already been planted it doesn't mean that everything is sold so 50 percent has been planted, slightly above the historical average so it's still being developed, so it's still subject to some deficit for example there's a higher temperature and might lead to a need to replant and also delaying the window so there is replanting and the main risk event is the delay of the planting window for the second crop.

Now we need to monitor November and December to see what happens to see that there is an appropriate growth and then we could roll down the risk and then especially considering the off-season crop. So we have property, residential, and other lines of insurance that we'll need to monitor closely, despite they have a small share in our portfolio, especially in the South and Southeast and on the coast, where normally El Niño has a higher impact where the floods, collapses, so the Brazilian coast, especially the Southeast and S outh of the country, that might cause some damage, but the both combined should not cause a material impact for the whole year's results.

Antonio Ruette (Bank of America)

Great, thank you.

Felipe Peres

Thank you, Antonio. The next question is going to come from Arnon ShirazI from Citi. Arnon, please, you may ask your question.

Arnon Shirazi (Citi)

Good morning, everyone. Thank you very much for taking my question. My first question regards credit life insurance. So in the middle of the second quarter, there was an improvement in the product, both comparing month on month, year on year. And now in the third quarter, it looks like it went south again and so what is lying behind that? The other thing is the management fee and quarter after quarter we are seeing a pressure on this rate now it's 0.83 and in early 24 it was different and I think that now there's more fixed income. What level is more likely to become stable or how much can it drop?

Rafael Sperendio

Well, Arnon, thank you very much for your question. So, credit life had a very good performance along the second quarter of the year but most of the strong performance came from the longer times of some agreements that we have with civil services. And this in itself generates negotiations and opportunity to increase the volume of credit life insurance. This explains the good performance in the second quarter. But in the third quarter, there was nothing like that. That's why we saw a slowdown in premiums written.

As to pension, you summarized well. Most of the reduction of average admin fees are related to the fact that the new net funds are being directed to low-risk products. And I would say that almost fully directed to low-risk products. And we are seeing a slowdown of that dropping base. But this is something that is there that should persist along 2027. Something slightly less than 1 bp per quarter. So this year, we are seeing a drop of three basis points. And next year, we might work with similar levels.

Arnon Shirazi (Citi)

Thank you.

Felipe Peres

Thank you, Arnon. Next question comes from Ricardo Buchpiguel from BTG. You may ask your question, Ricardo, please.

Well, if you want to go back to the line, you can raise your hand again. And instead, we are going to have Pedro Leduc from Itaú BBA.

Pedro Leduc (Itaú BBA)

Related to the guidance, related to operational performance and you kept it in terms of premiums you revised it this is clear so what are the positive factors that you are seeing in terms of premiums? It is claims, the loss ratio and pension? Thank you.

Rafael Sperendio

Well, Pedro, we kind of lost the beginning of your question but I think that I got the gist of it and I'll try to answer and if there's anything missing we'll try to answer it to you so starting from the second question first in terms of operational result, being very straightforward, what we have seen as I said before during the presentation is that we are likely to close at the top or depending on the cost with a marginal exceeding the range and the positive impact comes from pension with a growth in reserves above expected so better collection so with the growth numbers rather than that slightly above benefiting BB Corretora, that's why brokerage revenues in pension is growing at a stronger pace and you're seeing its impact in operational performance.

This is quite relevant in terms of us overcoming. The other is related to crop and credit life, especially crop insurance. And this has contributed for us to exceed the estimates. And there is nothing that would lead us to reverse this trend. There is an expectation of us remaining at that range. As to pension the stronger inflow and comparing to what we had last year. Last year the range, the environment better saying was kind of hostile because of new tax rules and lots of noise lying behind those changes and we weren't prepared for the change we had to adapt along 2025 and this really affected our management and the budget and inflows in pension and in 2026 started with more clearly defined rules.

We know the scenario. That's why we went back to our initial productivity and less competition with other products. This may have helped especially those tax exempt. So private market lost space in the market, so both our growth and net inflow were stronger than we had in 2025.

Pedro Leduc (Itaú BBA)

Thank you.

Felipe Peres

Thank you, Pedro. Our next question comes from Kaio da Prato from UBS. Kaio, you may ask your question.

Kaio da Prato (UBS BB)

Good morning, everyone. Thank you very much for taking my question. I have two very quick questions. The first question is just a follow-up related to pension. We talked about interest rates next year, its impact on credit life. So I would like to understand more about the competition scenario in terms of reserves for pension plans next year, is there an acceleration in growth and is it above the guidance of 2026? This is the first. And the second one going back to Brasilseg, I would like to explore a little bit more focusing on rural, is there any more specific driver that we should expect for the beginning of next year and we see some level of recovery between products not just crop but also lien to see it coming back and what you see in terms of the appetite? Thank you.

Rafael Sperendio

Well, as to pension, based on the information available, I'm going to say what is implicit in the curve so the committee we are expecting a strong year for 2027 and so we have double digit of reserves if the interest rates landscape materializes and we are on the curve so we overcame this in 2026, we worked on those assumptions, we expected a different interest rate scenario, which didn't happen. And this has contributed to overcome the estimates. Now, for 2027, if the scenario that we see in the curve materializes, will be another year of very strong growth, and aversion to risk will remain. And if we still have that, there is less competition with private equity and exempt products and everything contributes to a better performance in pension.

As to credit, especially rural, the time we are today, where we are in a calendar, so there may be a recovery, maybe later this year and early next year, but today I don't have any great expectations regarding that, to build premiums.

Kaio da Prato (UBS BB)

Thank you very much, Sperendio.

Felipe Peres

Thank you, Kaio. Now, Rafael Nobre from Banco Safra.

Rafael Nobre (Safra)

Good morning, Delano, Sperendio, and Felipe. Thank you very much for taking my question. I think that most of the questions I had have already been answered, and I would just like to confirm the loss ratio expectations for El Niño for next year. If you could remind us of the exposure per region and what are the main climate risks for us to monitor in terms of timing, in terms of reporting of loss ratio, do you expect any concentration on some specific quarter along 2027. This is going to be helpful for us to do our math here. Thank you.

Rafael Sperendio

Thank you very much for your question. So, in a nutshell, our exposure is concentrated on soybean, corn in the center and south of Brazil. This is the main concentration that we have, that our insurance company has. So, today, considering the El Niño context, which really sensitizes the exposure, and the insurance company would be essentially in the central portion of the country, more concentrated in the center-south, with very dry season, Goiás. This is important for us to observe an excess rainfall in Paraná, in the states of Paraná, Santa Catarina, Rio Grande do Sul, the South region of Brazil. These are the main points that we should pay attention at to calculate the impact of El Niño.

The insurance company historically has a bigger loss ratio when we have La Niña than El Niño. And so regardless of that, as I said before, this excess rainfall may lead to a need of replanting in the south or draft and high temperature. So nothing indicates that this might happen. And then on the other hand, this delay and a possible impact. So, if there is a delay resulting from the sowing or seeding, that might get our attention. So, it's 54%, there's still another 46% to come. This is along the country. So, the seeding in principle seems to be better managed.

But then on the other hand of those 54%, the area that has already been planted is growing. It has different development phases. So it's still subject to events that might lead to a need to replant, which would compress the window of the off-season crop that will be harvested in the second, third quarters. If there is anything more significant in terms of loss ratio, it will impact our bottom line in the second and third quarters next year. In terms of damages, this is different. So, as we know, during El Niño, excess rainfall in the south and southeast, especially on the coast, might need to event more severe claims because of landslides and floods. And this usually happens in the first quarter.

Well, but this might affect the quarter slightly more. And it's more diluted if we think of the year. We are working with higher loss ratio in 2027, but not too much.

Felipe Peres

Thank you, Rafael. Our next question comes from Ricardo Buchpiguel from BTG Pactual. I think now you can open your microphone, right, Ricardo? You can ask your question.

Ricardo Buchpiguel (BTG Pactual)

Good morning. Can you hear me?

Felipe Peres

Yes, now I can hear you.

Ricardo Buchpiguel (BTG Pactual)

Thank you for taking my question. I think that most questions have already been answered, but I would like to discuss a little bit more about the loss ratio with you. In addition to El Niño, the loss ratio is well below historical levels. And at the same time, we've been seeing a penetration of insurance in the rural that is very low. My question is, maybe justifying these lower rates might be a change in the profile of customers, in the agribusiness industry, in terms of penetration of insurance and understand what could explain such a marked difference considering historical levels.

Rafael Sperendio

Ricardo, thank you for your question. And we can work with more macro numbers. In the last three years, we've been following up record after record in terms of agricultural productivity. This is not so usual. Sometimes every two years, there's a major climate event affecting the productivity of the agribusiness. And today, now, this year, we're in the third cycle of crops without any major climate event that would lead to a substantial loss of crops. Of course, there is a work of underwriting and continuous work that we do in that area.

And also, the selectivity of the bank, the customers that are remaining are higher quality customers in terms of risk with lower loss ratios. But overall for the country as a whole, in terms of weather, it's been very favorable in the last three years. This explains most of the good loss ratio that we've been seeing.

Ricardo Buchpiguel (BTG Pactual)

Thank you so much.

Felipe Peres

Thank you, Ricardo. Now we have no more questions to be asked in audio in line. And in closing, we have a few questions that were posted in the Q&A related to the company's cash that we ended September with a cash in excess of 2 billion BRL. So the first question is, what are the company's plans for the cash and continuing related to cash generation or dividend payout policy, both in terms of frequency and payout and what are the company's plans for the second half of 2026 and 2027.

Rafael Sperendio

As to the frequency of payout of dividends, well, the share of the bottom line of the brokerage, in BB, we can only work with periods of six months. We don't have sufficient reserves to pay out in less than six months. So we are very much limited. Almost half of the bottom line comes from brokerage and is paid out almost 100%. And this flow can only be distributed every six months. What we need is the share coming from BB Seguros. So we closed the nine months of period at the end of September with a balance of 2.4 billion BRL in cash. Most of it is a buffer that we retain. If we might need capital, any of our companies might need, and the rest is the net income accumulated over three months.

And today, we don't have any specific plan to allocate those funds other than paying out the dividends at the end of the year that should be paid in February and March next year and there's nothing different with that regard. As to frequency and aside from the restrictions that we have today at BB Corretora, we need to be careful in order not to reduce too much the balance at the holding, BB Seguros and BB Seguridade so that we don't have any more severe impact. And this is an important variable that we monitor quite closely. And the other thing, the novelty for 2027, the whole issue related to the tax reform and it's becoming operational and how we allocate everything between the different companies of the group.

But so far, we're not going to change anything and we are going to keep the system every six months.

Felipe Peres

So now we end our virtual meeting to announce the results of the third quarter. I would like to thank you all very much for your participation. I'm going to give the floor to Delano for his closing remarks.

Delano Valentim

Thank you all very much for attending our conference call. I would also like to thank our investors for their continued confidence and trust in our strategy and especially our customers who continue to choose our solutions to protect their wealth, families, and to build their long-term financial security. I would also like to give special thanks to our employees and Banco do Brasil's salesforce that continues to play a key role in executing our strategy and delivering the results we shared today with you.

Thank you all so much and see you next quarter.