

Annual Report 2019



bradesco
seguros

SUMMARY

3	Message from the Board of Directors
5	Insurance Market
6	Bradesco Seguros Group
6	Inclusive Insurance
6	Technical Provisions
6	Capital Adequacy
7	Human Resources
7	Risk Management
8	Internal Controls
8	Compliance
8	Data Governance and Information Security
9	Information Technology
10	Ombudsman
10	Marketing, Culture and Sport
11	Innovation
14	Recognitions
18	Socioenvironmental Responsibility
18	Performance by Activity
18	Auto/RCF and Elementary Branches
19	Capitalization
19	Healthcare
21	Life Insurance and Open Complementary Social Security
22	BSP Affinity
22	BSP Empreendimentos Imobiliários
23	Economic and Financial Performance
23	Key Figures
23	Composition of the Net Prize by Segments
23	Key Indicators
24	Equity Balance Sheet
25	Statement of Income
26	Statement of Comprehensive Income
27	Statement of Cash Flow
29	Statement of Added Value
31	Administration

MESSAGE FROM THE BOARD OF DIRECTORS

In 2019, the Brazilian insurance market recorded its best performance since 2012. The industry once again reached the double-digit growth milestone, thus recovering from the performance presented in 2018.

This positive trend was accompanied by the revenues of the **Bradesco Seguros Group** with Insurance prizes, Social Security Contributions and Capitalization Revenues, which totaled R\$ 77.7 billion at the end of the year, a growth of 7.9% compared to 2018.

The result kept the Group - Bradesco Organization's insurance conglomerate with multi-faceted operation and presence in all regions of the country - leading the national insurance market, with 24% market share.

In 2019, the Group presented a Net Income of R\$ 7.5 billion in the segments of Insurance, Capitalization and Open Complementary Social Security.

This result, which represents an expansion of 16.6% in relation to that obtained in 2018, was influenced, among other factors, by the growth of the Insurance, Social Security and Capitalization Operations Results, of 12.7% in the year, reaching R\$ 14.8 billion - due to the performance of revenues and the 10.9% evolution of the Financial Result - added to the reduction of Other Administrative Expenses by 6%.

Shareholders' Equity grew 16.8%, and the Return on Average Shareholders' Equity was 23.5%.

All the performance indicators of the **Bradesco Seguros Group** showed a favorable evolution in the annual concept.

The Loss Ratio - a fundamental parameter in the insurance operation - was once again highlighted among the indicators, reaching 72.4%, with a 0.5 percentage point drop in relation to 2018, once again among the lowest in the series, and reflecting the positive moment experienced by the Group.

The combination of good indicators generated an improvement in the Combined Ratio, which reached 83.3%, its best annual figure in over ten years.

The amount accounted in Technical Provisions, at the end of the year, totaled R\$ 274.8 billion, 6.2% higher than the amount calculated in December 2018.

The Financial Assets responsible for the Technical Provisions reached R\$ 287.7 billion on December 31, 2019, an amount 7.8% higher than at the end of 2018, thus consolidating the position of the **Bradesco Seguros Group** as one of the largest institutional investors in the country.

The amount paid in indemnities for death, accidents, vehicle losses, losses in residences, consultations, exams, surgeries and medical hospitalizations, and in benefits and social security pensions and redemptions reached R\$ 59.5 billion in 2019, corresponding to more than R\$ 235.2 million per working day during the year.

The results reflect the Insurance Group's commitment to administrative efficiency and service excellence, in addition to the continuous evolution of its multi-branch and multi-channel operating model, with a presence throughout the country, aiming to deliver complete protection solutions to its customers, in their different life cycles.

As of December 31, 2019, the following companies were part of the **Bradesco Seguros Group**: Bradesco Seguros S.A., Bradesco Auto/RE Companhia de Seguros, Bradesco Saúde S.A., Atlântica Companhia de Seguros, Bradesco Vida e Previdência S.A., Bradesco Capitalização S.A., Mediservice - Operadora de Planos de Saúde S.A., Odontoprev S.A. and Bradesco Argentina de Seguros S.A.

INSURANCE MARKET



INSURANCE MARKET

After recording a nominal decline of 0.67% in 2018, the insurance market recovered significantly in 2019. Data released by the Superintendence of Private Insurance (Susep) and compiled by the National Confederation of Insurance Companies (CNSeg) show an advance of 10.8% in the sector's revenues, which closed the year with revenues of R\$ 272.2 billion, including General and Life Insurance, Open Complementary Social Security and Capitalization and excluding Supplementary Health.

In the Supplementary Health segment, accounted for by the National Health Agency (ANS), from January to December 2019, the collection of private plans totaled R\$ 213.4 billion. According to ANS, this amount is 8.1% higher than in the same period of 2018.

Excluding Supplementary Health, the share of insurance companies' revenues in the nominal Brazilian Gross Domestic Product (GDP) also increased compared to the previous year, from 3.6% (2018) to 3.8% (2019).

In Supplementary Health, the share of nominal GDP increased from 2.9% in 2018 to 3.0% in 2019.

Technical Provisions, which guarantee insurance contracts, once again reached a historic milestone of R\$ 1.1 trillion at the end of 2019, with a growth of 12.3% compared to 2018. This advance consolidates the market position as a relevant institutional investor.

Assets grew 12.3%, just below R\$ 1.3 trillion on December 31, 2019. In the previous fiscal year, the amount calculated was R\$ 1.1 trillion.

In 2019, compared to the previous year, there was an increase of 4.5% in the sum of indemnities, benefits, redemptions and sweepstakes paid by the segments regulated by Susep. The amount returned by the insurance market to the company reached R\$ 140.5 billion.

As a result, the volume of funds injected by the insurance market into the national economy reached, at the end of 2019, the daily average of R\$ 384.9 billion, an increase of 4.8% when compared to 2018.

The most stable scenario in the economy was reflected favorably in the performance of the insurance market, which responded positively to economic and social stimuli. Most industries have grown in real terms.

In the People segment, mainly in the accumulation plans, collections totaled R\$ 125.5 billion in 2019, registering an expressive growth of 16.8% compared to 2018.

In VGBL, annual revenues reached R\$ 114.8 billion in 2019, a significant 17.5% increase compared to 2018 (R\$ 97.6 billion).

In the risk plans, collections reached R\$ 46 billion in 2019, up 10.8% over 2018 (R\$ 41.5 billion).

In the segment of Damage and Liability insurance, it totaled R\$ 73.9 billion, with a growth of 5.4%.

Some fields stood out, with growth above two digits. This was the case of Credit and Guarantees (20.9%), Civil Liability (19%), Rural (15.6%) and Equity (10.9%).

There was a slight expansion in the auto insurance business, which registered a growth of 0.5% in relation to the amount calculated in 2018. Revenues in the segment totaled R\$ 36 billion in 2019.

THE BRADESCO SEGUROS GROUP



THE BRADESCO SEGUROS GROUP

The **Bradesco Seguros Group** reported a net income of R\$ 7.451 billion (R\$ 6.389 billion in December 2018) in the fiscal year 2019. Revenues from Insurance Prizes, Social Security Contributions and Capitalization Revenues, at the end of the year, reached R\$ 77.668 billion. In Indemnities, Paid Benefits and Redemptions, the amount reached R\$ 59.509 billion, 4.01% more than in December 2018. In the insurance segment, in social security pensions, death benefits, accidents, vehicle losses, losses in residences, consultations, exams, surgeries and medical hospitalizations, the Group paid its insured parties the equivalent of R\$ 235.215 million per business day.

INCLUSIVE INSURANCE

The **Bradesco Seguros Group** is a pioneer in the creation and sale of comprehensive insurance and complementary social security agreements directed to the entire Brazilian population. In the fiscal year 2019, more than 1.1 million microinsurance tickets were sold.

TECHNICAL PROVISIONS

The amount recorded in Technical Provisions at the end of the year was R\$ 274.765 billion (R\$ 258.755 billion in December 2018), with the following composition: Insurance Technical Provisions: R\$ 29.712 billion; Technical Provisions of Open Complementary Social Security Agreements and VBGL: R\$ 236.215 billion; Capitalization Technical Provisions: R\$ 8.838 billion. Financial Assets securing Technical Provisions reached, on December 31, R\$ 287.666 billion (R\$ 266.872 billion in December 2018).

CAPITAL ADEQUACY

Under the current legislation, the Minimum Capital Requirement (CMR) for the operation of insurance companies should be the highest value between the capital base and the risk capital, according to CNSP Resolution 321/2015 and subsequent amendments.

The calculation of the Adjusted Net Worth (PLA) considers economic adjustments in its calculation, and the solvency measurement rule determines that it must be equal to or greater than the Required Minimum Capital (CMR), in addition to presenting liquidity in relation to the risk capital. For companies regulated by the National Supplementary Health Agency (ANS), Normative Resolution 209/2009 sets forth that companies must present an Adjusted Net Worth (PLA) equal to or higher than the Solvency Margin.

In compliance with these standards, the **Bradesco Seguros Group** maintains levels of capital adequate to regulatory requirements.

The capital adequacy and management process is monitored on an ongoing basis to ensure that the **Bradesco Seguros Group** maintains a solid capital base to support the development of activities and face risks in any market situation, in compliance with regulatory requirements and/or Corporate Governance aspects.

The Companies must permanently maintain a capital compatible with the risks of its activities and operations, according to its characteristics and peculiarities. The **Bradesco Seguros Group** permanently follows the limits required by the respective regulatory bodies, as well as the risk exposure limits established by the Administration Council.

HUMAN RESOURCES

Created in 2004, the University of Insurance Knowledge (UniverSeg) aims to deepen the knowledge and culture of insurance by employees and brokers, preparing them for an increasingly competitive, agile and innovative market, with several actions in national level, whose focus is the technical and behavioral development.

In the fiscal year 2019, training and development actions were carried out, both face-to-face and online, for employees and brokers, with the registration of 171,828 participations, of which 99,344 were face-to-face and 72,484 were online.

Another highlight was the program "Você em Foco" (Focus on You), aiming at the self-knowledge and development of the employees through face-to-face lectures and/or live transmission, totaling 4,873 participations. The program addresses relevant and current issues for personal and professional life, focused on prevention and healthcare and humanization of relationships.

In the development of leaders, in partnership with the Universidade Corporativa Bradesco (UniBrad), training actions for 1,031 leaders were carried out with the "Leadership Trail". This trail is composed of about 60 integrated solutions, focused on the challenges of each level of management, aimed at developing and improving the essential skills of leaders, focusing on succession, business sustainability and results.

As a plan to improve employee engagement, health and quality of life, the Group maintains the Gympass Program, which enables mobility and flexibility for the practice of physical activities in more than 20 thousand gyms throughout the country. There are about 7,400 employees benefited, of which about 40% have already joined the program, with discounts of 25% to 75% in tuition, in relation to the amounts charged by the gyms. This benefit is also extended to the employees' legal dependents.

RISK MANAGEMENT

The **Bradesco Seguros Group**, in line with the models adopted for best practices in the domestic market and in compliance with the current legislation, has a Risk Management Structure implemented, acting independently, regarding internal regulations, standards and policies, having as its main objective to ensure that the risks to which the Group is exposed are properly identified, analyzed, measured, treated and monitored.

The risk management process has the participation of all the layers contemplated by the scope of Corporate Governance, which ranges from the Top Management to the various business areas and products in the identification and management of risks. There are committees with specific roles, allowing the risks, such as underwriting, credit, liquidity, market and operational, to be identified, evaluated, monitored, controlled and mitigated.

This process includes categorizing the risks relevant to the risk profile; monitor the types of risks assumed based on risk-return compensation, to achieve the strategic objectives and seek efficiency in capital management; and ensure the acculturation of risk management in the various levels of performance of the Group companies, including the dissemination of policies, standards and processes, as well as the continuous monitoring of exposure and risk tolerance.

INTERNAL CONTROLS

The main objective of Internal Controls is to support all internal areas, whether business support or operational, in the development and maintenance of a more secure and sustainable corporate environment. Its activities adhere to local norms, follow the policies of the Bradesco Organization on the subject and meet the requirements of section 404 of the Sarbanes-Oxley Act and the main international frameworks of controls, such as the COSO (Committee of Sponsoring Organizations of the Treadway Commission) and the COBIT (Control Objectives for Information and Related Technology).

The adherence tests are periodically performed, ensuring the efficiency of the controls and compliance with the regulations and internal regulations of the **Bradesco Seguros Group**. The results are reported to the Senior Management of the **Bradesco Seguros Group** and to the Internal Control and Compliance and Audit Committees, both of Bradesco Organization.

COMPLIANCE

The **Bradesco Seguros Group** has its own structure to comply with the Regulatory Bodies that oversee its activities. The Compliance Area acts in the capture, disclosure and due follow-up to ensure compliance with applicable regulations. In addition, it monitors the compliance with other requests coming from the regulators, so that they are met promptly. The constant registration of employees through e-learning training and videos was reinforced with face-to-face training, covering topics such as prevention and fight against money laundering, internal controls and operational risks, strengthening the continuous awareness on these topics.

The Group maintains a permanent commitment to prevent and combat Money Laundering, Terrorist Financing and Fraud by improving existing monitoring controls, supporting other local and international government efforts against possible criminal situations and keeping available reporting channels for employees and the outside public to receive reports of evidence of illegal or irregular practices.

The **Bradesco Seguros Group** has a structure comprised of executive committees that allows decision-making to occur in the relevant instances, safeguarding the standards of conduct and corporate responsibility, in a continuous search for excellence in its processes and transparent and ethical accountability to the interested parts.

DATA GOVERNANCE AND INFORMATION SECURITY

In line with the new national regulations encompassing the subject, and reaffirming the commitment to the availability, integrity, security and confidentiality of organizational and customer information, the **Bradesco Seguros Group** has placed special emphasis on data governance and information security.

INFORMATION TECHNOLOGY

In 2019, the efforts of the **Bradesco Seguros Group's** Information Technology hubs aligned with the strategic direction focused on a series of projects in order to provide greater efficiency and improve the user experience and customer satisfaction. Among the actions, one can point out:

- **SAP System:** the migration of administrative and financial processes related to the segments of Life Insurance and Complementary Social Security was carried out. This migration enables greater synergy and agility in operations, due to the integration of areas and processes in a single system, in addition to meeting the particular needs of these areas;
- **“Meu Seguro Bradesco” (My Bradesco Insurance) Product:** the product and quotation modules were concluded on the PIS Platform, a project that also aims to unify the Individual Life Insurance platform, in order to increase the commercialization potential. The project allows the sale of flexible products, enabling the proponent to choose the insurance coverage that meet their needs. The proponent also is provided with the “Aceite Digital” (Digital Acceptance) service, a tool that allows to formalize, through a simple click, the acceptance of the conditions described in an electronic document;
- **TCAP Project:** a system that performs the marketing and management of capitalization bonds. The pilot project was initiated at Bradesco Branches, with the objective of accessing the system through a financial terminal and intranet. In the first case, the main benefits are the implementation of the digital signature with Biometric Reader and the inclusion of the token technology, a security device. Intranet access offers online lucky number, serial sharing between products and sending of proposal/certificate;
- **“Digitalize” Program:** with the implementation of this project, the insured party will receive electronic messages by e-mail with digital files containing policy and notification of payment. The project will also be an opportunity for cost reduction, due to the elimination of printing and sending of documents, in addition to the availability in digital channels such as the Business Portal and the Bradesco Seguros Insured Party Website;
- **Pricing Project:** in an advanced stage, it aims to implement a new tool for car insurance calculation, in order to ensure autonomy to the business to make tariff changes and calculation simulations to validate price adherence with the rules applied. The solution will contribute to increase operational efficiency and provide more agility to the business, in addition to greater market competitiveness;
- **APIs (Application Programming Interface) Project - Complementary Social Security Plans Product:** the certification of self-services available to customers and the integration of these services in the APIs were carried out, a technology that allows more autonomy to customers in the financial planning related to the complementary social security plans;
- **Evolution of ARUs (Audible Response Units):** relationship channels were automated, allowing clients to have access to self-service platforms available through ARUs, as well as auto insurance claims and reimbursement of medical expenses with health plan. The initiative to transform the Relationship Center seeks to improve the services provided on the client's journey, as well as to reduce telephone calls and the costs of the Relationship Center.

OMBUDSMAN

Created in 2003, the Ombudsman's Office of the **Bradesco Seguros Group** together with the Group's strategy has the mission of offering the best experiences to customers, by prioritizing the continuous improvement of processes, products and services and remaining appropriate to the constant changes and needs of new customer profiles.

In this sense, the Ombudsman's Office seeks to be recognized as a reference instance in customer service and in compliance with legal and regulatory standards regarding consumer rights, acting in the prevention and solution of conflicts, following the principles established by the Customer Relationship Policy: ethics, responsibility, transparency and diligence.

Over the years, the Group's Ombudsman's Office has received various acknowledgments from the market for its activities. Among the awards won, the following stand out:

- ABT Award in 2014; - Certification as a Legal Company by the Standard Intelligence Center (CIP) in 2017 and 2018;
- "Top Consumidor" (Top Consumer) Award - Excellence in Consumer Relations and Respect for the Environment: won for nine years;
- "Ouvidorias Brasil" (Brazilian Ombudsman) Award: featured for eight consecutive years among the best Ombudsman offices in the country;
- ABRAREC Gold Award in 2019 with the case "24 hours of excellent service", in the category "extrajudicial mediator service".

MARKETING, CULTURE AND SPORT

Through the Circuito Cultural Bradesco Seguros, the **Bradesco Seguros Group** sponsored important plays, exhibitions and dance and music shows. In actions linked to the achievement of longevity, with health, quality of life and well-being, the Group was present as a sponsor of several events, highlighting:

- "Fórum da Longevidade" (Longevity Forum), held for the fourteenth consecutive edition, with the theme "Lifelong Learning";
- 9th edition of the "Prêmios Longevidade" (Longevity Awards), which aim to discuss and disseminate the importance of the theme in its various aspects;
- "Circuito da Longevidade" (Longevity Circuit), composed by 6 km races and 3 km walks: stages were held in the cities of Marília, Ribeirão Preto, Recife, São Paulo, Curitiba, Rio de Janeiro, Salvador, Porto Alegre and Brasília. The income obtained with the registries was donated to charitable institutions indicated by the local City Halls.

INNOVATION

In 2019, the Insurance Group launched products and services whose main brand was innovation in all segments.

Life and Social Security

Bradesco Vida e Previdência has been contributing to disseminate the culture of protection and long-term savings through its Life Insurance and Complementary Social Security Products. Attentive to recent market transformations and aiming to provide a better experience to its insured parties and participants, its actions were:

- **Open Complementary Social Security:** In the fiscal year 2019, the entire product range was restructured, with the launch of new individual and corporate plans suitable for different risk profiles, innovating in investment strategies and expanding the product offering in line with customer needs.

- **People Insurance:** the products Meu Seguro Bradesco, Multiplano Geração 3 and the new Top Clube Bradesco were launched. All seek to facilitate the sale that meets the various customer profiles.

In search of continuous improvement and optimization of processes, Bradesco Vida e Previdência has consistently acted in the implementation of solutions that result in lower environmental impact, including hiring products, portability, maintenance and obtaining certificates and statements by fully digital means, significantly reducing the use of paper.

Healthcare

Several investments were made in the area of Information Technology and Operational Management, among which we highlight:

- **Automatic Analysis of Requests for Medical Procedures Via CBTI System:** implementation of a tool capable of automatically processing, analyzing and approving requests for medical procedures that require prior authorization, providing greater process security and reducing operational and administrative expenses;

- **Direct Delivery of Oral Oncology Medications:** the project provides, in partnership with a specialized company, the purchase and delivery of oral chemotherapeutics, at the insured's home, in addition to making contacts to stimulate adherence and maintenance of treatment, resulting in improvement reduction of the costs of assistance;

- **Investments in Web and Mobile Services:** transforming the experience of customers, partners, doctors and brokers through an application. We highlight the new journey of searching for healthcare professionals and services and the new facilities for requesting and monitoring reimbursement, from the preview to the actual payment;

- **Investments in Data Lake and Big Data:** Business Data Lake contains structured and unstructured data from a wide variety of sources, and the analytical logic focuses on creating predictive models for product and service improvements. On the other hand, Business Big Data enables you to collect data and apply analytical techniques to understand them, make predictions and take action, which results in the creation of new business models, as well as gathering data, analytical logic and applications to enable new business opportunities;

- **Pharmacy Discount:** specific functionality was made available in the Bradesco Saúde application, making it possible to search for medicines and pharmacies in the program, in addition to consulting the purchase statement and total savings. Also noteworthy are the new partnerships made: Farma Conde, Grupo Pão de Açúcar, Pague Menos and Nissei, distributed throughout Brazil;

- **Bradesco Saúde Concierge:** improvements in the services available on the website, such as the automatic issue of the Travel Insurance card, scheduling of special online exams and updating of the "Traveler's Vaccines" functionality;

- **Novamed Clinics:** provision of online appointment scheduling functionality by the Bradesco Saúde application. It is also possible to keep track of scheduled appointments, reschedule or cancel them. In 2019, units were inaugurated in Santo André and Guarulhos, in the State of São Paulo; Nova Paulista and Vila Olímpia, in the city of São Paulo; and Porto Alegre, in Rio Grande do Sul.

Capitalization

In its thirty-five years of history, Bradesco Capitalização has been guided by its commitment to offer clients diversified capitalization bonds that meet their expectations, coupled with the important role of contributing to the development of the habit of saving money and running for rewards.

Achieving these goals has been possible due to the constant investments in people, systems and processes, which makes Bradesco Capitalização the largest and one of the most solid companies in the sector in Brazil.

In addition, the company has been working to strengthen its strategies in the market through new business. In the fiscal year 2019, efforts were concentrated on developing systemic platforms with the objective of restructuring and developing improvements in the commercialization and operationalization of products, with a bias towards dematerialization, digitalization and integration with the architecture of Banco Bradesco.

As a differential in the sale of products, Bradesco Capitalização carried out promotions in partnership with the company Livelô, through which customers who purchased the product of the promotion earned two Livelô points for every R\$ 1.00 in capitalization bonds.

The "Clube Max Pontos Bradesco" was also launched, an exclusive and innovative product on the market that allows customers to save money while competing for weekly draws and also be able to use the redemption value or the bond prize to buy Livelô points with special conditions.

Auto/Re

In order to offer greater convenience to the broker and better protection of the assets owned by the insured parties, Bradesco Auto/RE seeks to innovate and continuously improve its products and services. In the fiscal year 2019, the following actions stood out:

- **Bradesco Seguro Auto Correntista:** created for Banco Bradesco clients, it consists of an exclusive product for account holders, with differentiated conditions according to the segment (Classic, Exclusive, Prime/Private), including the following advantages: discounts on hiring, renewal and deductible for vehicles repaired in repair shops indicated by Bradesco Auto Center, towing for third parties and payment in up to ten installments with no interest, valid only for individual insurance for Natural Persons;
- **Day and Night Assistance Application:** evolution of the application, with the implementation of functionality that allows triggering residential assistance services day and night, such as electrician and locksmith and repairs of leaks and blockages. The application also allows users to search for the nearest Bradesco Auto Center location, in addition to offering adherence to Veloe's plans, a company that provides mobility for automatic payment in tolls and parking lots;
- **Bradesco Inspection and Surveillance:** aims to make the process of performing inspections and surveillances of Bradesco Auto and Elementary Branches more agile and efficient. In its evolution, it has made the mobile inspection available for all regions of the country, regarding the business and residential branches, integrated with the SIRE-SMB, system that enables the automatic generation of inspection requests, integrated with the 360° Inspection application. The follow-up of previous automobile surveillances was also made available, allowing the broker to carry out research and follow up his requests for surveillances at the Business Portal;

• **Salvare:** a cell created to meet the needs of the Salvages area, reduce expenses, increase the operational efficiency and revenue recovery of Bradesco Auto/RE. In the fiscal year 2019, improvements were made to optimize the salvage collection and transfer processes, such as automatic e-mail reception that informs on salvages pending approval of expenses; consultation of expenses pending approval; visualization of expense receipts by salvage type and validation of salvage expenses;

• **Auto Improvements:** agile cell designed to improve Bradesco Seguro Auto quote environments and automate all policy issuance processes. A resource was implemented that informs the broker, at the time of calculation, of the advantages available to the client when contracting Bradesco Seguro Auto. The "Business Offer" was also made available, an application that presents a list of unconverted clients, that is, those that twelve months ago requested a quotation for the Bradesco Seguro Auto product, but did not contract the insurance. This resource also presents, in a unified manner, the position of recovery of non-renewed clients (list of clients who did not renew their insurance in the previous term), creating more opportunities for the broker to do new business;

• **RE Improvements:** agile cell created with a focus on improving the proposal and policy management environments of Elementary Branches, in order to provide brokers and business partners with the best digital experience. In the Business Portal, improvements were made to improve the process of auto insurance quotation, in addition to making available the second copy of a bill for late payment of the insurance policy installments, related to the Elementary Branches. In addition, the status of the Business Follow-up system was reorganized, according to the user profile (head office, branch office and broker);

• **Bradesco Auto Center (BAC):** inauguration of BAC units in the cities of São José do Rio Preto, in São Paulo, and Campo Grande, in Mato Grosso do Sul, in addition to the Porto Maravilha unit, located at Bradesco Seguros in the State of Rio de Janeiro, totaling 38 units;

• **Auto Light Insurance:** the first 100% digital product with the main coverage and benefits of traditional insurance was launched. The product is available for hiring at the Business Portal, with the following differentials: flexible deductible with up to 30% discount, in cases of vehicles taken to repair shops indicated by Bradesco Auto Center; and installment payment of the policy value up to ten times without interest, through account debit and credit card. The insurance can be purchased both by individuals and companies, for passenger cars and national light trucks, with up to 15 years of use and insured amount of up to R\$ 80 thousand.

RECOGNITIONS

In 2019, the Bradesco Seguros Group was featured in the most important awards and publications related to the sector.

For the eighteenth consecutive year, it received the Folha Top of Mind Award, based on a national survey conducted by the renowned DataFolha Institute, in the category "Insurance".

For the second year running, the Group was featured in the "Marcas dos Cariocas" (Rio de Janeiro Brands) survey, which lists the products and services most admired and remembered by those living in the city of Rio de Janeiro. The survey is conducted by the newspaper O Globo in partnership with Troiano Branding.

The Group led, for the thirteenth consecutive year, the ranking of the Brazilian insurance market published in the Valor 1000 Yearbook, in the category "General Insurance". Bradesco Saúde ranked first in "Health Insurance", the same position as Bradesco Capitalização in the "Capitalization" segment. The Group also led the ranking of the "50 Greatest Insurance Companies - General Branches". The analysis of the publication is based on criteria such as competitiveness, investments and infrastructure, over the fiscal year 2018.

For the fifth consecutive year, BSP Empreendimentos Imobiliários, a company of the **Bradesco Seguros Group** created in 2011 to manage the real estate assets of the Bradesco Organization, was one of the 25 sectorial champions of the award, in the category "Real Estate Ventures", also in the Valor 1000 Yearbook.

The company won, for the eighth time in a row, the Época Negócios 360º Yearbook Award, granted by the Época Negócios magazine in the "Insurance" category.

For the tenth consecutive year, the company was highlighted in the Exame magazine's Best & Greatest Yearbook, considered one of the main references of information about the business environment in the country, and which reached its 47th edition in 2019. In the ranking of the 50 best and largest insurance companies listed in the survey, the **Bradesco Seguros Group** was highlighted with Bradesco Saúde, Bradesco Vida e Previdência and Bradesco Auto/RE. The three companies were ranked in the top eight, with Bradesco Saúde in the lead.

In the second edition of its 'Quinzena do Seguro' campaign, created by the AlmapBBDO agency, the **Bradesco Seguros Group** won the Marketing Best award, promoted by Editora Referência to recognize the companies that stand out the most in the planning and execution of marketing strategies for their products or services.

The company received, for the seventeenth consecutive year, the Brands of Trust Award, in the "Private Social Security" category, granted by the magazine Seleções in partnership with Ibope. The annual survey audits 36 product segments.

The Insurance Group was one of the highlights at the ceremony of the 29th edition of the Top of Mind Award - RS, promoted by the magazine Amanhã, from Porto Alegre. The Group took first place in the "Insurance" category. Promoted in partnership with the Research Segment Institute, the award seeks to measure the spontaneous memory of consumers in Rio Grande do Sul regarding brands and company names.

For the sixth time, the Group won The Winner Award, in the "Insurance" category. Awarded annually by Magazine Top International Business - a publication focused on the advertising market for 17 years and present in over 40 countries - the award is considered one of the most important business recognitions for bringing together business leaders and companies that contribute to the growth of their country in various categories.

It also won the Best in Insurance Award, in the categories "Health Insurance", "Marine Risks", "Aeronautical Risks" and "National Dental Plan". Organized by the Apólice magazine, the award is defined through research conducted with insurance brokers throughout the country.

The company was, once again, highlighted in the Insurance Market Award, promoted by the Seguro Total magazine with the purpose of valuing companies, products, services and people who have contributed to the growth and strengthening of the Brazilian insurance market. Bradesco Vida e Previdência was champion in the category "Merit in Life and Private Social Security - Excellence in Best Sales Results"; Bradesco Capitalização won in "Excellence in the Capitalization Portfolio - Leading Company and Best Sales Result" and Bradesco Saúde won the trophy in "National Leadership in the Health Insurance Portfolio". Bradesco Seguros also won in the categories "Excellence in Social Responsibility, Urban Mobility, Social Works and the Elderly Friendly Doorman Program" and "Best National Performance - Excellence in Total Awards". With the awards of this edition, the **Bradesco Seguros Group** reached the expressive milestone of 49 Gaivota de Ouro trophies won to date.

Banco Bradesco and the **Bradesco Seguros Group** are among the "Best Companies to Work for in Barueri and Surroundings", according to the 2019 ranking of the Great Place to Work (GPTW).

For the eighth consecutive year, the Ombudsman's Office of the Insurance Group was recognized with the Ombudsman's Award of Brazil 2018, promoted by the Ombudsman's Committee of the Brazilian Association of Company and Customer Relations (Abrarec), in partnership with the Brazilian Association of Ombudsmen (ABO).

Awarded in three categories in the 16th edition of the Brazil Insurer Award: Best Performance (Internal Credit) and Leadership (Loss of Income), Best Global Performance in Capitalization and Solidary Insurance, aimed at companies that show effective concern for social welfare in the areas of health, education, housing and food.

The **Bradesco Seguros Group** was included in the list of the 100 Best Companies in Customer Satisfaction and was the winner in the "General Insurance" category, in the award promoted by MESC (Best Companies in Customer Satisfaction).

For the fifth consecutive year, the **Bradesco Seguros Group** won the Época Reclame Aqui Award - Best companies for the consumer, in the "Insurance - Banks" category.

The company also won three Segnews Award trophies, promoted by the SegNews Agency, in the categories: National Highlight: Market Leadership; Leadership in People Insurance and Leadership in Health Insurance.

The Group also won three awards at the JRS Trophy, in the categories "Year's Highlight in Complete Solutions", "Vinicius Albernaz - Insurer of the Year" and "Insurance and Brokerage Trophy (Insurance Stage)". The award was promoted by Grupo Editorial JRS.

Featured as one of the most digital insurance companies. The study was conducted by Dom Strategy Partners, which assessed the degree of digital maturity of the major insurers in the country.

The Group's Information Technology area was highlighted in the efinance award in the Artificial Intelligence - Insurance category, with the case of BIA (Bradesco Artificial Intelligence), Bradesco Organization's digital assistant that integrates functionalities aimed at clients who have products and services from the **Bradesco Seguros Group**.

For the first time, Bradesco Seguros was highlighted in the Whow! Innovation Award, promoted by Grupo Padrão, which seeks to identify and recognize companies that offer consumers innovative products and services, earning first place in the Insurance, Social Security and Capitalization segment. Through a methodology developed by the Standard Intelligence Center (CIP) in partnership with DOM Strategy Partners, the Whow! Innovation Award analyzed over 1900 companies in the first stage.

Bradesco Seguros was, for the third time in a row, elected the company most admired by the people of Pernambuco in the "Financial Services - Insurance" category. This result was obtained through research carried out by the newspaper Diário de Pernambuco, in partnership with the Datamétrica Institute - which aims to recognize the preferred brands of Pernambucano inhabitants among 66 different products.

The **Bradesco Seguros Group** was elected the Insurance Company of the Year in the Top International Business Award. The event, held in Florianópolis, was promoted by the Association of Entrepreneurs of Rio Grande do Sul, Santa Catarina, Paraná and Mercosul and awarded companies and people in 20 segments.

The **Bradesco Seguros Group** was the champion in the "Insurance Companies" category of the 100+ Innovative Companies in the IT Use Award. The event, held 19 years ago by IT Mídia in partnership with PwC, is part of the calendar of IT Forum X, a meeting that brought together more than eight thousand IT professionals at Transamérica Expo Center.

Capitalization

Bradesco Capitalização came in first place in the "Capitalization" category, in the Estadão Finanças Mais award, promoted by the newspaper O Estado de S. Paulo in partnership with the rating agency Austin Rating.

Highlight in the Valor 1000 yearbook, promoted by the newspaper Valor Econômico. The company came first in the criteria "Operational Profit", "Net Profit" and "Most Profitable on Equity".

Bradesco Capitalização won in the category "Excellence in Capitalization Portfolio - Leading Company and Best Sales Result" of Prêmio Mercado de Seguros, promoted by Seguro Total magazine.

Best Global Performance in Capitalization in the 16th edition of Prêmio Segurador Brasil.

Auto/Re

Bradesco Auto/Re won first place in the "Insurance Companies" category, in the 10th edition of the Sindirepa Award - SP – The Best of the Year, which elects the main brands of auto parts, equipment and services divided into 19 categories which, according to the evaluation of the repairers, stood out in service to repair shops.

The company was in the top 10 list of the "50 greatest Insurers" in the "Best & Greatest" award granted by the magazine Exame.

The company received the seal of "Best of the Test" with the residential insurance by Proteste - Brazilian Association of Consumer Protection. The Custom Residential Insurance was considered the most complete among the main insurance companies evaluated in the market.

It also won the "Best in Insurance" Award, promoted by the magazine Apólice, in the categories "Marine Risks" and "Aeronautical Risks".

Healthcare

Bradesco Saúde was the most remembered brand in the "Health Plans" category in the "Marcas dos Cariocas" (Rio de Janeiro Brands) survey, which points out the products and services most admired and remembered by those living in the city of Rio de Janeiro. The survey is conducted by the newspaper O Globo, in partnership with Troiano Branding.

The company led the "Health Insurance" ranking in the Valor 1000 Yearbook, published by the Valor Econômico newspaper. The publication presents detailed analyses of the thousand largest companies in Brazil, based on criteria such as competitiveness, investments and infrastructure.

It was also highlighted in the Insurance Market Award, promoted by the Seguro Total magazine, winning the Gaivota de Ouro trophy in the category "National Leadership in Health Insurance Portfolio".

The company was among the best-placed companies in the "Health" category in the Estadão Finanças Mais award, promoted by the newspaper O Estado de S. Paulo.

For the 14th time in a row, Bradesco Saúde was elected the best company in the country in the "Health Insurance" category in the Top of Mind RH award. Promoted by Fênix Editora, the award recognizes companies and professionals most remembered in a poll held among those who work in the Human Resources area. It was also highlighted in the award "Best Suppliers for HR" in the category "Health", promoted by Gestão e RH magazine.

It won the Segnews Award trophy, promoted by the SegNews Agency, in the "Leadership in Health Insurance" category.

It was also featured in the "Health Insurance" and "National Dental Plan" categories of the Best in Insurance Award, promoted by the Apólice magazine.

Life and Social Security

Bradesco Vida e Previdência was classified as the best in the "Insurance and Social Security" sector in the 2019 edition of the Best of Dinheiro Yearbook. Published by ISTOÉ Dinheiro magazine, of Editora Três, the yearbook publishes a ranking of the thousand companies with the greatest prominence in financial, socio-environmental, innovation and human resources management, in the most diverse segments of operation in the country.

It was highlighted in the 29th edition of the Top of Mind Award - RS as one of the most remembered brands. The award was granted by the Amanhã magazine, based in the city of Porto Alegre.

In the Estadão Finanças Mais award, promoted by the newspaper O Estado de S. Paulo in partnership with Austin Rating, the company won in the "Life & Social Security" category.

It was included in the Top 10 ranking, in fourth place, of the "50 Greatest Insurance Companies in the Country" of the 2019 edition of the "Best and Largest" yearbook, published by the magazine Exame.

The company received, for the seventeenth consecutive year, the Brands of Trust Award, in the "Private Social Security" category, granted by the magazine Seleções in partnership with Ibope. The annual survey audits 36 product segments.

Highlight in the Valor 1000 yearbook, promoted by the newspaper Valor Econômico. The company came first in the criteria "Operational Profit", "Net Profit" and "Most Profitable on Equity".

The company was featured in the Valor Investe award, winning in the "Best Manager in 1 Year Period" and "Best Manager - Balanced up to 15 years" categories. The Valor Econômico newspaper, in partnership with FGV (Fundação Getúlio Vargas), organized the Valor Investe award to recognize companies with the most profitable investment funds, among more than 900 products.

It won the category "Merit in Life and Private Social Security - Excellence in Best Sales Results" in the Insurance Market Award, promoted by the Seguro Total magazine.

SOCIOENVIRONMENTAL RESPONSIBILITY

The **Bradesco Seguros Group** contributes to sustainability through a set of good practices that generate value for all the audiences with which it relates. Among the actions, the following stand out:

- Integration in the PSI (Principles for Sustainability in Insurance) signatory council, a voluntary commitment established by the United Nations Environment Program - Financial Initiative (UNEP-FI), to discuss new demands of the insurance market regarding ESG (Environmental, Social, and Governance best practices) and socio-environmental risk.
- Development of the Company-School Integration Project (PIEE), which since 2004 has been working in partnership with Fundação Bradesco with the mission of contributing to social integration, the formation of citizenship and the promotion of quality of life through sports and cultural activities.
- Participation in the ISO 14001 certification internal audit process at Alphaville, Barueri, São Paulo, designed to provide organizations with an efficient environmental management system, seeking to control their environmental impacts and improve their operations and business.

PERFORMANCE BY ACTIVITY AUTO/RCF and ELEMENTARY BRANCHES

Performance of insurance operations

Bradesco Auto/RE had revenues of R\$ 5.757 billion in 2019 (R\$ 5.598 billion in 2018). In the automobile business, the Company maintained its pricing policy based on the individual characteristics of each insured person, thus improving their subscription through statistical modeling and more appropriate pricing tools. In Elementary Branches, it worked in mass insurance, maintaining an expressive residential insurance portfolio, with about 1.3 million insured residences.

Income in the Year

Bradesco Auto/RE reported a Net Income of R\$ 372.119 million in 2019 (R\$ 191.109 million in 2018), an increase of 94.72% in relation to the amount earned in the same period of the previous year, representing profitability of 25.11% on Average Shareholders' Equity. The performance of Net Income for the year shows, mainly, the improvement in the Loss Ratio, due to the evolution of the pricing process, risk acceptance process and the efficiency index.

CAPITALIZATION

Performance of Capitalization Operations

In the fiscal year 2019, Bradesco Capitalização maintained its policy of strengthening its market share, in which it holds the leadership in sales with 27%, according to data released by the Superintendence of Private Insurance (Susep) in November 2019. Revenues reached R\$ 6.408 billion (R\$ 6.146 billion in 2018), a growth of 4.26%. Technical reserves reached R\$ 8.838 billion, making Bradesco Capitalização the leader in reserves in the Capitalization market, with a 28.6% share.

R\$ 81.3 million in prizes were awarded to customers. With this, based on a customer loyalty policy focused on quality service and product offering, Bradesco Capitalization closed 2019 with 2.7 million customers and a portfolio of 22.2 million active securities.

Aiming to improve the quality of customer service, work was carried out in conjunction with the **Bradesco Seguros Group's** Ombudsman, which resulted in recognition of Bradesco Capitalização with the Ombudsman Award, in the diamond category.

Income in the Year

Bradesco Capitalização presented a Net Profit of R\$ 583.248 million in 2019 (R\$ 501.681 million in 2018), an increase of 16.26% in relation to the amount earned in the same period of the previous year, representing a return of 96.29% on Average Shareholders' Equity.

HEALTHCARE

In the fiscal year 2019, Bradesco Saúde gave away prizes of R\$ 24.150 billion (R\$ 22.225 billion in 2018), maintaining a portfolio of over 3.4 million clients.

The large share of collective insurance in the total portfolio, 96% in December 2019, reflects its high level of specialization and customization in serving plans for companies of all sizes.

Another factor worth mentioning is the growth of the Group Insurance portfolio (SPG), aimed at small and medium-sized companies, which reached an accumulated prize of R\$ 8.386 billion, an increase of 10.46% in relation to the same period in 2018.

The Company's financial indicators of technical provisions and solvency stand out among the companies in the sector, maintaining its solidity and reliability as a reference for clients of the referenced network.

Income in the Year

Bradesco Saúde showed a net income of R\$ 1.389 billion in 2019 (R\$ 942.010 million in 2018), representing a return of 17.68% on Average Shareholders' Equity.

Loss Ratio

There was an improvement of 0.9 p.p. in Loss Ratio, which rose from 89% in the fiscal year 2018 to 88.1% in the fiscal year 2019, due to the increase in the number of formal job vacancies in the second half of 2019; improvement in client retention levels in trading through the offer of new products and forms of contract renegotiation; and actions to expand the change in the trading model with the referenced network, with a significant expansion in the volume of fixed-value paid events that migrated to standardized procedures, providing greater predictability and reducing the speed of variation in medical-hospital costs.

Main Strategic Actions Taken

Throughout the 2019 financial year, Bradesco Saúde maintained and promoted several actions with positive effects on its overall performance, in particular:

- **"Meu Doutor Bradesco Saúde" Program:** the following cities were inserted: Brasília (DF), for the specialties of Medical Clinic, Pediatrics, Family Medicine and Orthopedics; and Joinville (SC), for Medical Clinic, Pediatrics, Family Medicine, Gastroenterology, Endocrinology, Cardiology, Geriatrics and Pulmonology, both available for all Bradesco Saúde plans;
- **Claims Control:** advances in the form of negotiation with the referenced network, aiming to ensure greater predictability in the payment of services rendered, due to the improvement of the management of the items that comprise the expenses;
- **OPME Direct Payments Program (Orthotics, Prosthetics and Special Materials) to Suppliers:** improvement of the OPME management tool, which ensures more agility, standardization and transparency in the processes. The integration of the Orizon and Bradesco systems is also noteworthy, as is the improvement in communication with clients through training, updating and availability of contact channels;
- **Bradesco Saúde Efetivo:** launch of the product with a regional focus on the states of Pernambuco, Espírito Santo, Minas Gerais and Amazonas, observing the needs of each location. With national coverage, the product is available for both SPG and Business policies, in all marketing modalities;
- **Accreditation:** for the third consecutive time, Bradesco Saúde received the Accreditation seal with the Level 1 qualification, the highest by the evaluation criteria, granted by the Brazilian Accreditation Consortium (CBA).

Outlook and Management Plans for 2020

- **Artificial Intelligence Initiatives:** projects that use machine learning and support decisions in operational processes, with the objective of reducing the risks of misinterpretation in the prior authorization (chemotherapy) and payment of outpatient procedures;
- **Projects in partnership with Orizon:** launching pioneering projects that integrate data of prior authorization, medical audit, among others, to promote gains in productivity and scale in operations. These improvements provide more security and inviolability to the process, which is extremely necessary due to the volume of transactions carried out;
- **InovaBra:** innovation project that aims to extinguish the use of the physical identification card to reduce costs and the use of plastic material, in addition to optimizing the care of the beneficiary in health services through facial biometrics, to be made available in the Bradesco Seguros application;
- **New features in the applications:** services with information on disease management, as well as habits and lifestyle. The data will allow, in the future, to act in a preventive and agile way, in case of possible chronic patients identified;
- Consolidation of partnerships with hospitals and diagnostic services that present a better cost-effectiveness ratio;
- Beneficiary management and inclusion of new functionalities in the application and in the Bradesco Saúde website, such as "My Doctor" and "Novamed" scheduling, expansion of Pharmacy Discount services and co-participation simulator, among others;
- Expansion of the "My Doctor Bradesco Saúde" Program, with the insertion of the cities of Salvador (BA); Manaus (AM); Belo Horizonte (MG); Campinas, São José dos Campos and Taubaté (SP); and Recife (PE).

- Inauguration of new units of the Novamed Clinic Network in the cities of Curitiba (PR); Rio de Janeiro (Botafogo, Méier and Centro), in the State of Rio; Salvador (BA); Recife (PE); São Bernardo do Campo and Santo Amaro (SP); Barra Funda, in the city of São Paulo; and Belo Horizonte (MG).
- Expansion of the OPME Direct Payment program (Orthotics, Prosthetics and Special Materials) to suppliers for other states and hospitals, as well as new negotiations with manufacturers, aiming at expanding the program's portfolio of materials;
- Improvements in the services available in the Bradesco Saúde Concierge application.

LIFE INSURANCE AND OPEN COMPLEMENTARY SOCIAL SECURITY

Bradesco Vida e Previdência has shown outstanding performance in its segment, one of the most dynamic in the Brazilian economy, due to its commitment to maintaining a policy of innovative products, repaying the trust of its participants, insured parties and beneficiaries and the solid position it has achieved in the market.

The company maintained a prominent position in revenues from its Open Complementary Social Security and Free Benefit Generating Life (VGBL) products, with a market share of 22.8%, and holding 19.8% of People Insurance prizes, according to data released by the Superintendency of Private Insurance (Susep) in December 2019.

Based on the investments related to the Social Security and VGBL plans, Bradesco Vida e Previdência held, in December 2019, 25.1% of the total market, as disclosed by the National Federation of Private Life and Social Security (FenaPrevi).

Performance of Insurance and Complementary Social Security Operations

Bradesco Vida e Previdência presented a Net Profit of R\$ 3.759 billion (R\$ 3.621 billion in 2018). Net Equity totaled R\$ 7.249 billion, equivalent to the profitability of 84.91% over Average Shareholders' Equity.

Revenues from Retirement, Social Security and Social Security Agreements Contributions, in addition to the VGBL Awards, totaled R\$ 29.519 billion (R\$ 27.847 billion in 2018). The volume of People Insurance prizes reached R\$ 8.263 billion (R\$ 6.813 billion in 2018).

Technical Provisions grew 6.21% to R\$ 249.240 billion (R\$ 234.661 billion in December 2018), and Financial Investments, 7.18%, reaching R\$ 258.912 billion (R\$ 241.568 billion in December 2018).

Financial investments are classified into the categories "Fair Value through Profit or Loss", "Available for Sale" and "Held to Maturity", in accordance with current accounting standards. Following these standards, Bradesco Vida e Previdência S.A. declares its financial capacity and intention to hold, until maturity, the securities classified in the "Held to Maturity" category.

BSP AFFINITY

BSP Affinity is based on a business model that seeks to generate value through internal and external partnerships, enabling personalized and innovative solutions for products, services and distribution channels in various segments, such as retail chains, credit and financial cards, among others

In 2019, the operations managed by BSP Affinity generated R\$ 1.24 billion in revenues, with a base of more than 15.3 million insured parties, covering Personal Accidents, Life, Insurance, Travel, Extended Warranty, Residential, Capitalization and Dental Plans.

BSP EMPREENDIMENTOS IMOBILIÁRIOS

In 2019, BSP Empreendimentos Imobiliários, one of the leading commercial real estate companies in Brazil and an integral part of the **Bradesco Seguros Group**, evolved in its strategy to maximize the value of its portfolio's real estate assets, increasing the Company's share of third party properties, in addition to progressing in the development of new businesses and active portfolio management, optimizing its occupation.

BSP Empreendimentos Imobiliários has as its scopes: the share in companies, consortiums, investment funds and other vehicles that have as their purpose the real estate activity; and the purchase, sale, lease and administration of own property.

The Company continues to focus on long-term revenue management, following its strategic investment planning, having initiated several work fronts in order to optimize its occupancy, seek efficiency gains in portfolio management and structure real estate financial products and projects, with to exploit the potential of their own assets.

In the fiscal year of 2019, BSP Empreendimentos Imobiliários reported net revenues of R\$ 647.087 million (R\$ 602.658 million in 2018), basically from the leasing of real estate. Ebitda totaled R\$ 532.964 million, reaching Net Profit of R\$ 482.862 million (R\$ 458.517 million in 2018), which corresponds to an increase of 5% in relation to 2018.

TABLES

Economic and Financial Performance

Key Figures (R\$ Million)

Indicators	2019	2018	2017	Growth 2019 x 2018 (%)
Financial Assets	306.876	286.518	272.612	7,1
Technical Provisions	274.765	258.755	246.653	6,2
Net Worth	38.614	33.065	32.665	16,8
Net Prize	77.668	72.568	76.289	7,0
Net Profit	7.451	6.389	5.534	16,6

Composition of the Net Prize by Segment (R\$ Million)

Segments	Production in 2019	Production in 2018	Production in 2017	Evolution 2019x2018 (%)
Insurance	67.305	61.919	65.174	8,7
Open Complementary Social Security	3.955	4.441	5.063	-10,9
Capitalization	6.408	6.208	6.052	3,2
Total	77.668	72.568	76.289	7,0

Key Indicators (amounts in R\$ billion)

Prizes, Social Security Contributions and Capitalization Revenues

2012	2013	2014	2015	2016	2017	2018	2019
44,308	49,752	56,152	64,612	71,419	76,289	72,568	77,668

Total Assets

2012	2013	2014	2015	2016	2017	2018	2019
154,371	161,016	182,402	210,207	260,194	288,143	303,929	325,885

Indemnities and Benefits Paid (R\$ million)

2012	2013	2014	2015	2016	2017	2018	2019
26,394	33,771	38,546	45,272	52,261	55,714	57,898	59,509

Number of Insured Parties, Participants and Customers (thousands)

2012	2013	2014	2015	2016	2017	2018	2019
43,065	45,675	46,956	49,806	51,266	53,374	52,16	52,835

Market Share (%)

2012	2013	2014	2015	2016	2017	2018	2019
24,8	24,2	24	25,4	25,4	25,8	24,9	24,0

Bradseg Participações S.A.

Balance Sheets at December 31, 2019 and 2018

(in thousands of Reais)

ASSETS	Consolidated	
	2019	2018
CURRENT	241.780.626	229.698.857
Available	81.846	152.988
Cash and banks	81.846	152.988
Cash equivalent	-	12.176
Investments	233.603.856	222.577.621
Credits from insurance and reinsurance operations	3.955.944	3.798.143
Premiums receivable	3.914.797	3.770.598
Operations with insurance companies	25.580	14.477
Operations with reinsurance companies	15.567	13.068
Other operating credits	518.747	339.797
Reinsurance assets - technical provisions	118.678	121.331
Trade and credit receivables	2.446.468	1.738.079
Trade and credit receivables	368.048	300.003
Tax and social security credits	2.017.193	1.165.727
Other credits	61.227	272.349
Other assets	153.650	92.947
Assets for sale	77.456	74.196
Other amounts	76.194	18.751
Prepaid expenses	57.950	49.021
Deferred acquisition costs	843.487	816.754
Insurance	843.487	816.754
NON-CURRENT ASSET	83.243.958	72.973.950
LONG-TERM ASSETS	76.361.892	66.421.097
Investments	74.087.223	63.938.266
Credits from insurance and reinsurance operations	192	185
Operations with insurance companies	192	185
Other operating credits	141	2.686
Reinsurance assets - technical provisions	33.980	41.926
Trade and credit receivables	2.087.784	2.328.409
Trade and credit receivables	8.924	1.797
Tax and social security credits	577.692	820.087
Judicial and fiscal deposits	1.447.858	1.462.783
Other receivables	53.310	43.742
Other assets	11.867	-
Assets for sale	11.867	-
Prepaid expenses	193	496
Deferred acquisition costs	140.512	109.129
Insurance	140.512	109.129
INVESTMENTS	3.034.255	3.487.633
Equity holdings	1.014.621	1.682.138
Rental properties	1.982.652	1.767.854
Other investments	36.982	37.641
FIXED ASSETS	1.518.459	1.084.363
Property for own use	806.383	774.181
Movable property	361.795	142.713
Properties under construction	132.203	90.948
Other fixed assets	218.078	76.521
INTANGIBLE ASSETS	2.329.352	1.980.857
Other intangible assets	2.329.352	1.980.857
TOTAL ASSETS	325.024.584	302.672.807

LIABILITIES	Consolidated	
	2019	2018
CURRENT	35.568.602	33.493.669
Accounts payable	5.800.133	6.755.464
Liabilities payable	3.531.344	4.632.990
Taxes and contributions payable	391.489	384.242
Social charges	110.937	97.009
Taxes and contributions	1.759.298	1.634.17
Other accounts payable	17.065	7.052
Debits from insurance and reinsurance operations	665.553	548.410
Premiums refundable	106.868	80.718
Operations with insurance companies	43.229	19.216
Operations with reinsurance companies	31.484	52.752
Insurance and reinsurance brokers	359.467	293.064
Other operating debits	124.505	102.660
Debits from supplementary pension operations	3.069	214
Operating debits	3.069	214
Debits from operations with capitalization	546	522
Operating debits	546	522
Third-party deposits	168.964	277.589
Technical provisions - insurance	17.598.851	16.020.424
Damages	4.503.071	4.296.149
People	2.228.461	2.017.945
Individual life	3.363.456	2.846.768
Health	7.326.602	6.671.192
Life insurance with survival coverage	177.261	188.370
Technical provisions - supplementary pension	2.492.115	1.702.491
Non blocked plans	2.204.647	1.430.133
PGBL/PRGP	287.468	272.358
Technical provisions - capitalization	8.837.771	8.186.955
Redemption provisions	8.686.514	8.028.554
Draw provisions	60.939	60.805
Other provisions	90.318	97.596
Other debits	1.600	1.600
Sundry debits	1.600	1.600
NON-CURRENT LIABILITY	250.131.101	235.769.666
Accounts payable	1.988.902	618.882
Accounts payable	3.125	5.228
Deferred taxes	1.867.259	495.011
Loans and financing	-	-
Other accounts payable	118.518	118.643
Technical provisions - insurance	188.570.285	176.654.586
Damages	810.381	911.601
People	2.346.142	2.115.161
Individual life	5.328.092	4.015.098
Health	3.805.658	3.720.489
Life insurance with survival coverage	176.280.012	165.892.237
Technical provisions - supplementary pension 19a	57.265.853	56.190.753
Non blocked plans	20.172.966	20.274.223
PGBL/PRGP	37.092.887	35.916.530
Other debits	2.306.061	2.305.445
Judicial provisions	2.300.994	2.297.049
Other debits	5.067	8.396
SHAREHOLDERS' EQUITY	39.324.881	33.409.472
To the shareholders of the parent company	38.573.345	32.695.258
Capital stock	18.744.207	18.423.002
Capital increase under approval	-	-
Capital reserves	(311.556)	(307.637)
Revaluation reserves	-	-
Profit reserves	15.726.702	12.825.580
Asset valuation adjustments	4.440.771	1.779.284
(-) Treasury shares	(26.779)	(24.971)
Retained earnings	-	-
MINORITY SHAREHOLDING	751.536	714.214
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	325.024.584	302.672.807

Bradseg Participações S.A.

Income statements

Fiscal years ending December 31, 2019 and 2018

(in thousands of Reais)

	Consolidated	
	2019	2018
Written Premiums	41.741.561	38.184.991
Contribution to risk coverage	1.060.419	1.735.439
Variation in technical provisions for premiums	(3.752.257)	(3.100.835)
Premiums earned	39.049.723	36.819.595
Revenues with policy issues	19.162	17.380
Claims incurred	(27.963.873)	(26.211.353)
Acquisition costs	(3.336.251)	(3.163.549)
Other operating income / (expenses)	(1.092.213)	(787.196)
Income with reinsurance	(24.880)	(63.676)
Revenue with reinsurance	53.845	25.633
Expenses with reinsurance	(78.725)	(89.309)
PENSION OPERATIONS		
Contribution and premium income	28.458.348	26.441.126
Provision of benefits to be granted	(28.446.156)	(26.441.346)
VGBL contribution and premium revenues	12.192	(220)
Income with management fees and other fees	-	-
Variation in other technical provisions	316.517	303.196
Acquisition costs	(59.941)	(58.550)
Other operating income / (expenses)	13.894	(57.769)
CAPITALIZATION OPERATIONS		
Capitalization bond income	6.407.861	6.206.751
Variation in redemption provision	(5.601.931)	(5.397.177)
Net income with capitalization bonds	805.930	809.574
Variation in technical provisions	7.278	7.746
Income with draw	(75.033)	(73.158)
Acquisition costs	(35.358)	(40.501)
Other operating income / (expenses)	106.642	50.249
Administrative expenses	(3.449.504)	(3.225.414)
Tax expenses	(994.729)	(882.993)
Financial income	7.787.414	7.452.698
Equity income	851.332	642.922
Operating income	11.938.302	11.538.981
Gains and losses on non-current assets	26.797	(322.042)
Income before taxes and share of profit/loss	11.965.099	11.216.939
Income tax	(2.734.224)	(2.599.530)
Social contribution	(1.545.538)	(1.961.675)
Profit sharing	(127.362)	(105.623)
Minority shareholding	(147.164)	(161.320)
Net profit for the year	7.410.811	6.388.791

Bradseg Participações S.A.

Comprehensive income statement

Fiscal years ending December 31, 2019 and 2018

(in thousands of Reais)

	<u>2019</u>	<u>2018</u>
Net profit for the year	7.410.811	6.388.791
Items that can subsequently be reclassified for the income		
Unrealized income from available-for-sale financial assets		
Parent company	612.448	2.367
Investees	3.861.398	1.142.730
Exchange rate difference in converting foreign operations	(28.758)	928
Income tax and social contribution	(1.778.035)	(458.268)
Items that will not be reclassified for the income	(9.277)	(6.108)
Remuneration of post-employment benefit liabilities	3.711	2.443
Income tax and social contribution	<u>10.072.298</u>	<u>7.072.883</u>
Total comprehensive income for the year	<u>10.072.298</u>	<u>7.072.883</u>
Attributable to the controller	(0)	-

Bradseg Participações S.A.

Cash Flow Statements - Indirect Method

Fiscal years ending December 31, 2019 and 2018

(in thousands of Reais)

	Consolidated	
	2019	2018
Income before taxes and share of profit/loss	11.965.099	11.216.939
Adjustments for:		
- Depreciation and amortization	262.391	466.195
- Losses due to impairment of assets	-	108.000
- Equity in earnings (losses) of affiliates	(296.218)	(223.113)
- Loss on the sale of other assets	-	-
- Gain or loss on the sale of investments, fixed and intangible assets	10.530	386.264
- Reinsurance assets technical provisions	(470.020)	(616.891)
- Prepaid expenses	(8.626)	10.076
- Deferred acquisition costs	(58.117)	144.224
- Variation in technical provisions	38.006.651	31.248.790
- Provision for Loan Losses	109.110	170.722
- Interest and monetary variation	17.309.574	13.617.713
Adjusted net profit for the year	66.830.374	56.528.919
Variations in equity accounts (Increase)/Reduction:		
- Investments - securities at fair value through income	(11.877.653)	(7.403.422)
- Credits from insurance and reinsurance operations	(227.301)	(155.522)
- Other operating credits	(183.520)	(80.356)
- Trade and credit receivables	(385.249)	(1.127)
- Other assets	(74.660)	8.286
- Accounts payable	506.814	(2.926.737)
- Debits from insurance and reinsurance operations	117.142	(107.100)
- Debits from pension operations	2.855	(3.670)
- Debits from operations with capitalization	24	89
- Third-party deposits	(108.624)	(357.166)
- Technical provisions - insurance	(30.635.954)	(28.644.193)
- Technical provisions - supplementary pension	(2.765.621)	2.028.498
- Technical provisions - capitalization	(5.441.185)	(5.092.603)
- Other debits	(131.512)	(37.903)

Net cash used in operations	(51.204.444)	(42.772.926)
Income tax on profit paid	(3.009.300)	(2.253.048)
Income contribution on profit paid	(1.867.826)	(1.840.768)
Net cash generated in operating activities	10.748.804	9.662.177
Investment Activities		
- Dividends and interest on equity received	176.966	199.828
- Purchase of securities available for sale	(26.469.093)	(3.424.874)
- Sale/maturities and interest of securities available for sale	24.731.006	(2.164.426)
- Acquisition of securities held to maturity	(59.382)	1.415.325
- Maturities and interest on securities held to maturity	(1.741.205)	(183.825)
- Acquisition of fixed assets	(548.524)	(178.547)
- Acquisition of investments	(214.475)	(678.847)
- Acquisition of intangible assets	(501.848)	(516.823)
- Sale of fixed and intangible assets	680	198
- Sale of investments in affiliates	336	29.236
Net cash used in investment activities	(4.625.539)	(5.502.755)
Financing Activities		
- Capital Increase	-	-
- Merger effects (note 1)	-	10.051
- Increase in minority shareholding	-	-
- Dividends and interest on equity paid	(6.353.747)	(4.494.557)
- Minority shareholding	147.164	161.320
Net cash used in financing activities	(6.206.583)	(4.323.186)
Net increase/(decrease) in cash and cash equivalent	(83.318)	(163.764)
Cash and cash equivalent at the beginning of the year	165.164	328.928
Cash and cash equivalent at the end of the year	81.846	165.164
Net increase/(decrease) in cash and cash equivalent	(83.318)	(163.764)
	-	-

Bradesco Seguros S.A.

Value Added Statement

Fiscal years ending December 31, 2019 and 2018

(in thousands of Reais)

	Consolidated	
	2019	2018
Revenues	78.595.181	72.238.157
<i>Revenue with insurance operations</i>	42.397.693	40.884.139
<i>Revenue with supplementary pension operations</i>	28.458.348	26.441.126
<i>Capitalization bond income</i>	5.878.796	5.775.449
<i>Other operating revenues</i>	2.040.295	(750.226)
<i>Reversal (constitution) of the allowance for loan losses</i>	(179.951)	(112.331)
Variation in technical provisions	(31.874.618)	(29.231.239)
<i>Insurance and reinsurance operations</i>	(3.752.257)	(3.100.835)
<i>Pension operations</i>	(28.129.639)	(26.138.150)
<i>Capitalization operations</i>	7.278	7.746
Operating revenue	46.720.563	43.006.918
Retained claims and expenses with benefits, redemptions and draws	(33.640.837)	(31.681.687)
<i>Claims</i>	(28.355.939)	(26.799.457)
<i>Claims recovery</i>	619.379	620.662
<i>Variation in the provision for claims incurred but not reported</i>	(227.313)	(32.558)
<i>Expenses with redeemed and drawn securities</i>	(5.676.964)	(5.470.334)
Inputs acquired from third parties	(5.293.282)	(5.162.331)
<i>Materials, energy and others</i>	(1.244.182)	(983.196)
<i>Third party services, net commissions</i>	(3.980.110)	(4.120.952)
<i>Variation in deferred acquisition costs</i>	(66.902)	(55.401)
<i>Loss/recovery of asset values</i>	(2.089)	(2.782)
Gross value added	7.786.444	6.162.900
Depreciation and amortization	(262.391)	(466.195)
Net value added produced by the entity	7.524.053	5.696.705

Value added received in transfer	7.735.754	8.079.431
Equity in earnings (losses) of affiliates	296.218	223.112
Financial Revenue	6.983.545	7.542.944
Income with reinsurance ceded	(24.880)	(63.675)
Income with coinsurance ceded	(76.332)	(45.541)
Others	557.203	422.591
VALUE ADDED TO BE DISTRIBUTED	15.259.807	13.776.136
DISTRIBUTION OF VALUE ADDED:	15.259.807	13.776.136
Staff	2.125.345	1.509.502
Direct remuneration	1.759.593	1.215.963
Benefits	279.952	243.523
Social charges - Government Severance Indemnity Fund for Employees (FGTS)	85.800	50.016
Tax, fees and contributions	5.533.422	5.684.757
Federal	5.473.978	5.633.625
State	237	101
Municipal	59.207	51.031
Remuneration for providers of capital	43.065	31.766
Rental	43.065	31.766
Value distributed to shareholders	7.557.975	6.550.111
Dividends	2.009.689	1.637.747
Retained earnings in the year	5.401.122	4.751.044
Non-controlling interests in retained earnings	147.164	161.320

Bradesco Seguros 2019 Annual Report

ADMINISTRATION

(Status as of December 2019)

Bradesco Seguros S.A.

Vinicius José de Almeida Albernaz - Chief Executive Officer

Jorge Pohlmann Nasser - Director General

Manoel Antonio Peres - Director General

Ivan Luiz Gontijo Júnior - Director General

Ney Ferraz Dias - Director General

Américo Pinto Gomes - Managing Director

Jair de Almeida Lacerda Junior - Managing Director

Curt Cortese Zimmermann - Managing Director

Pedro Bosquiero Junior - Director

Adriano Gonçalves Martins - Director

Alexandre Nogueira da Silva - Director

Regina Castro Simões - Director

Francisco Rosado de Almeida Junior - Director

Vinicius Marinho da Cruz - Director

Leonardo Pereira de Freitas - Director

Carlos Francisco Picini - Director

Fabio Suzigan Dragone - Director

Juliano Ribeiro Marcílio - Director

Gedson Oliveira Santos - Director

José Pires - Director

Bradesco Auto /RE Companhia de Seguros

Ney Ferraz Dias - Director General

Ivan Luiz Gontijo Júnior - Managing Director

Américo Pinto Gomes - Managing Director

Curt Cortese Zimmermann - Managing Director

Saint'Clair Pereira Lima - Director

Vinicius Marinho da Cruz - Director

Juliano Ribeiro Marcílio - Director

Gedson Oliveira Santos - Director

Atlântica Companhia de Seguros

Ney Ferraz Dias - Director General

Ivan Luiz Gontijo Júnior - Managing Director

Américo Pinto Gomes - Managing Director

Curt Cortese Zimmermann - Managing Director

Saint'Clair Pereira Lima - Director

Vinicius Marinho da Cruz - Director

Gedson Oliveira Santos - Director

Bradesco Capitalização S.A.

Jorge Pohlmann Nasser - Chief Executive Officer

Ivan Luiz Gontijo Júnior - Managing Director

Américo Pinto Gomes - Managing Director

Jair de Almeida Lacerda Júnior - Managing Director

Curt Cortese Zimmermann - Managing Director

Vinicius Marinho da Cruz - Director

Juliano Ribeiro Marcílio - Director

Gedson Oliveira Santos - Director

Bradesco Vida e Previdência S.A.

Jorge Pohlmann Nasser - Chief Executive Officer

Ivan Luiz Gontijo Júnior - Managing Director

Américo Pinto Gomes - Managing Director

Jair de Almeida Lacerda Júnior - Managing Director

Curt Cortese Zimmermann - Managing Director

Alexandre Nogueira da Silva - Director

Vinicius Marinho da Cruz - Director

Gedson Oliveira Santos - Director

Juliano Ribeiro Marcílio - Director

Bernardo Ferreira Castello - Director

Bradesco Saúde S.A.

Board of Directors

Manoel Antonio Peres - Chief Executive Officer
Ivan Luiz Gontijo Júnior - Managing Director
Américo Pinto Gomes - Managing Director
Curt Cortese Zimmermann - Managing Director
Flávio Bitter - Managing Director
Thais Jorge de Oliveira e Silva - Director
Vinicius Marinho da Cruz - Director
Sylvio Roberto Alves Vilardi - Director
Juliano Ribeiro Marcílio - Director
Fabio Miranda Daher - Director

Administration Council

Luiz Carlos Trabuco Cappi - President
Carlos Alberto Rodrigues Guilherme - Vice-President
Samuel Monteiro dos Santos Junior - Member
Manoel Antonio Peres - Member
Ivan Luiz Gontijo Júnior - Member
Octavio de Lazari Junior - Member
Vinicius José de Almeida Albernaz - Member

Mediservice Operadora de Planos de Saúde S.A.

Manoel Antonio Peres - Chief Executive Officer
Ivan Luiz Gontijo Júnior - Managing Director
Américo Pinto Gomes - Managing Director
Curt Cortese Zimmermann - Managing Director
Flávio Bitter - Managing Director
Thais Jorge de Oliveira e Silva - Director
Vinicius Marinho da Cruz - Director
Sylvio Roberto Alves Vilardi - Director
Juliano Ribeiro Marcílio - Director
Fabio Miranda Daher - Director

Bradesco Saúde Operadora de Planos

Manoel Antonio Peres - Chief Executive Officer
Ivan Luiz Gontijo Júnior - Managing Director
Américo Pinto Gomes - Managing Director
Curt Cortese Zimmermann - Managing Director
Flávio Bitter - Managing Director
Thais Jorge de Oliveira e Silva - Director
Vinicius Marinho da Cruz - Director
Sylvio Roberto Alves Vilardi - Director
Juliano Ribeiro Marcílio - Director
Fabio Miranda Daher - Director

BSP Empreendimentos Imobiliários S.A.

Administration Council

Luiz Carlos Trabuco Cappi - President
Carlos Alberto Rodrigues Guilherme - Vice-President
Milton Matsumoto - Member
Alexandre da Silva Glüher - Member
Octavio de Lazari Junior - Member
Josué Augusto Pancini - Member
Maurício Machado de Minas - Member
Samuel Monteiro dos Santos Junior - Member

Board of Directors

Vinicius José de Almeida Albernaz - Chief Executive Officer
Domingos Figueiredo de Abreu - Vice-President
Ivan Luiz Gontijo Júnior - Director General
Luiz Carlos Angelotti - Managing Director
Luiz Carlos Brandão Cavalcanti Junior - Managing Director
Jair de Almeida Lacerda Júnior - Managing Director
Vinicius Marinho da Cruz - Director



bradesco
seguros