

## Earnings Preview (2Q21)

Financials

### Mixed Feelings to its Earnings Season

July 21, 2021

Overall we expect Good results for the Brazilian banks, as we may see strong earnings expansions to all Banks in our coverage due to the comp basis related to Covid (strong increase in Loan Loss Provisions in 2020), but also good loan volumes performance and control of expenses. Moreover, names highly exposed to the capital markets (such as BTG Pactual) should also report very strong numbers... once again. In the insurance segment, while BBSE should post weak numbers mainly due to Brasilprev (weaker financial result) and Brasilseg's increase in its loss ratio, we may see good numbers for Porto Seguro, whose operational performance still benefits from low loss ratio levels.

**Itaú Unibanco is expected to deliver good results, mainly on low allowance for loan losses. The bank should keep on track to deliver its guidance for 2021.** We expect for 2Q21, net profit of R\$6.6bln, up 3.0%QoQ representing a ROAE of 18.9%.

**Bradesco should keep with good results.** In the QoQ basis, we may see a good earnings expansion (+4.1% QoQ, to R\$6.7bln, resulting in a ROAE of 17.9%), reflecting the combination of a good top line growth (NII exclusively), lowering ALL increase QoQ and efficiency gains.

**Santander Brasil should keep with strong ROAE performance, keeping at the 20% mark,** which imply a managerial net income of R\$3.9bn (EPU of R\$ 0.93), up 87%YoY, and flat QoQ.

**For Banco do Brasil, results should be neutral, with a decent bottom line, driven by very low allowance for loan loss provisions, compensated by a high legal risk expense.** That said, BB's adjusted net income may reach R\$4.5bln (EPS of R\$1.61), down 6.8% QoQ and up 38% YoY, and ROAE of 13.1%.

**Banrisul should report a weak 2Q21 result, with lower top line growth, combined with a higher ALL provisioning, despite already being expected by the market, in our view.** That said, we may see Banrisul's net income declining by 7.0% QoQ (to R\$260mln, ROAE of 12%).

**No surprise, BTG Pactual should post another strong quarter, for most of its business units, reflecting an earnings expansion of +30.0% YoY and +8.0% QoQ (to R\$1.270bn and ROAE of 15.7%).** Regarding Banco Pan, we should see neutral bottom line but strong customer base growth, indicating that its digital bank story keeps gaining traction.

**For the Non-banks, we highlight Porto Seguro.** Although Porto's net income should go down by -32% YoY (to R\$442mln), mainly impacted by the tougher basis for the financial result, Porto continues to present an excellent performance operationally and this 2Q21 should be no different. **In the negative side, BB Seguridade should present weak earnings results for 2Q21.** As anticipated by Susep's figures, Brasilseg's loss ratio and mainly the financial result in the Brasilprev should put pressure on BBSE's financial results, leading the bottom line to decline by -12.0% YoY and -10.5% QoQ, to R\$864mln.

More on the next page...

<b>ITUB4</b>	Rating: Outperform	YE21 TP: R\$ 38.0
<b>BBDC4</b>	Rating: Outperform	* YE21 TP: R\$ 32.0 * Adjusted Target-Price (ex-bonus shares)
<b>SANB11</b>	Rating: Outperform	YE21 TP: R\$ 53.0
<b>BBAS3</b>	Rating: Outperform	YE21 TP: R\$ 50.0
<b>BRSR6</b>	Rating: Neutral	YE21 TP: R\$ 19.0
<b>BPAC11</b>	Rating: Outperform	YE21 TP: R\$ 35.5
<b>BPAN4</b>	Rating: Outperform	YE21 TP: R\$ 28.0
<b>CIEL3</b>	Rating: Neutral	YE21 TP: R\$ 5.0
<b>BBSE3</b>	Rating: Outperform	YE21 TP: R\$ 38.0
<b>PSSA3</b>	Rating: Outperform	YE21 TP: R\$ 67.0
<b>IRBR3</b>	Rating: Neutral	YE21 TP: R\$ 7.8

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**IRB should deliver a weak earnings result.** The numbers already anticipated by SUSEP do not show a clear recovery. The net loss of -R\$49mIn reported in April/21 should weigh on the 2Q consolidated result. In May/21, there was a slight recovery in earnings, but not enough to reverse the loss presented in the previous month.

**Finally, although Cielo report still weak figures, but some improvement in a YoY (reflecting the easier comp basis) and also QoQ (on a recurring base), but still reflecting the impacts of the second wave of Covid-19 started in March.**

Financial Disclosure on the next pages

### Guide to 2Q21 Earning Season

Company	NII / Net Revenue (R\$mIn)			Net Earnings (R\$mIn)			Report Date	Conference Call	
	2Q21E	YoY	QoQ	2Q21E	YoY	QoQ			
Itau Unibanco	18,806	5.8%	0.9%	6,588	56.6%	3.0%	Aug, 2	A	Aug, 3
Bradesco	15,757	-5.6%	1.2%	6,780	75.0%	4.1%	Aug, 4	B	Aug, 5
Santander	13,787	1.2%	2.7%	3,984	86.5%	-0.7%	Jul, 28	B	Jul, 28
Banco do Brasil	14,800	1.8%	1.6%	4,581	38.3%	-6.8%	Aug, 4	A	Aug, 5
Banrisul	1,197	-7.9%	-0.8%	260	116.0%	-7.0%	Aug, 12	A	Aug, 13
BTG Pactual	3,091	24.5%	10.6%	1,270	30.0%	8.0%	Aug, 10	B	Aug, 10
Banco Pan	1,467	17.8%	0.8%	207	3.4%	-9.1%	Jul, 30	A	Aug, 2
Cielo	2,873	17.3%	5.5%	174	n.m.	27.7%	Apr, 27	B	Apr, 28
BB Seguridade	856	-12.5%	-11.8%	865	-12.0%	-10.5%	Aug, 2	A	Aug, 2
Porto Seguro	4,879	16.0%	0.8%	442	-32.4%	50.1%	Aug, 10	A	Aug, 11
IRB Brasil RE	1,623	-6.1%	11.6%	12	n.m.	-76.1%	Aug, 16	A	Aug, 17

Source: Safra Estimates

**Itaú Unibanco (ITUB4; Outperform; 21YE TP of R\$38.0/share)**

Itaú Unibanco is expected to deliver good results, mainly on low allowance for loan losses. The bank should keep on track to deliver its guidance for 2021. We expect for 2Q21, net profit of R\$6.6bln, up 3.0%QoQ and +57%YoY representing a ROAE of 18.9%.

Itaú's total loan portfolio should continue to advance (+1.0% QoQ and 13.3%YoY). However, mix keeps moving towards lines with lower risk/spreads (such as mortgages and payroll), should keep pressuring NII with clients. On the flip side, we expect a good result of NII with the market, leading total NII to R\$18.8bln (+0.9% QoQ and +5.8% YoY).

However, the significant reduction in Loan Loss Provisions (-35.4%YoY) should continue to dictate Itaú's earnings recovery YoY. In the QoQ basis, we expect higher Loan Loss Provisions, but with credit quality still under control.

Regarding Fee revenues, after a weak 1Q due to seasonal issues (amplified by the effects of the pandemic), we may see a good recovery coming from a better TPV (in credit card and acquiring businesses), investment banking and asset management performance fees. On the other hand, we will see a slight negative impact reflecting the XP exit from the bank as expected (it occurred in May, so about 1/3 of the XP result should be lost). Current account fees, the termination of wired transfer fee (due to Pix introduction), and lower revenues from credit card annual fees, should be other headwinds for Itaú service revenues line. That said, we expect a good YoY evolution (+9.9% YoY), but slightly weaker in the QoQ basis (-1.3%). On the cost side, we expect Itau to report slight decrease in operating expenses in a QoQ comparison which also may be seem as a good news.

**Report Date**  
August 2  
After the market

**Conference Call**  
August 3

**Itaú Unibanco – 2Q21 Results**

R\$mnn	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>Net Interest Income</b>	<b>18,806</b>	<b>17,776</b>	<b>5.8%</b>	<b>18,634</b>	<b>0.9%</b>
NII with clients	16,282	16,468	-1.1%	16,173	0.7%
NII with market	2,524	1,307	93.0%	2,461	2.5%
<b>Loan Loss Provisions</b>	<b>(5,019)</b>	<b>(7,770)</b>	<b>-35.4%</b>	<b>(4,111)</b>	<b>22.1%</b>
<b>Commissions and Fees</b>	<b>10,887</b>	<b>9,904</b>	<b>9.9%</b>	<b>11,034</b>	<b>-1.3%</b>
Banking Fees	9,364	8,396	11.5%	9,566	-2.1%
Insurance Results	1,523	1,508	1.0%	1,469	3.7%
<b>Operational Expenses</b>	<b>(14,065)</b>	<b>(13,742)</b>	<b>2.4%</b>	<b>(14,225)</b>	<b>-1.1%</b>
Personnel	(5,109)	(5,135)	-0.5%	(5,237)	-2.4%
Administrative	(3,914)	(4,015)	-2.5%	(3,991)	-1.9%
Tax	(1,795)	(1,633)	10.0%	(1,779)	0.9%
Others	(3,247)	(2,960)	9.7%	(3,217)	0.9%
<b>Operating Profit</b>	<b>10,609</b>	<b>6,168</b>	<b>72.0%</b>	<b>11,333</b>	<b>-6.4%</b>
<b>Income Before Taxes</b>	<b>10,609</b>	<b>6,168</b>	<b>72.0%</b>	<b>11,333</b>	<b>-6.4%</b>
Income taxes	(3,792)	(1,902)	99.4%	(4,389)	-13.6%
Minority Interest	(229)	(61)	274.0%	(546)	-58.1%
<b>Recurring Net Income</b>	<b>6,588</b>	<b>4,205</b>	<b>56.6%</b>	<b>6,398</b>	<b>3.0%</b>
EPS	0.67	0.43	56.6%	0.65	3.0%
<b>Profitability</b>					
ROAE	18.9%	13.5%	5.5 pp	18.5%	0.4 pp
Efficiency ratio (%)	36.6%	39.6%	-3.0 pp	37.4%	-0.8 pp
Effective tax rate (%)	35.7%	30.8%	4.9 pp	38.7%	-3.0 pp
<b>Asset Quality</b>					
Loan, gross	744,947	657,534	13.3%	737,922	1.0%
NPL 90-day (%)	2.75%	2.6%	0.1 pp	2.3%	0.5 pp
Coverage ratio (%)	249.2%	283.4%	-34.2 pp	307.7%	-58.5 pp

Source: Company and Safra

### Bradesco (BBDC4; Outperform; 21YE TP of R\$32.0/share)

Bradesco should deliver good results for 2Q21. On the YoY basis, Bradesco's results still be influenced by the huge decrease in Loan Loss Provisions (leading adjusted net profit to grow 75% YoY). In the QoQ basis, we may see some evolution, which may translate into an adjusted net income growing in the mid-single digit range in the period (at R\$6.7bln, +4.1% QoQ, resulting in a ROAE of 17.9%).

Bradesco's NII should be good at the end of the day. NII with clients should grow (+2.7% QoQ) above credit volume expansion (+1.0% YoY), while NII with the market declines (7.4% QoQ), leading total NII to decrease 5.6%YoY. Still in the top line, fee revenue should decline QoQ, reflecting lower expectations on banking fees and mainly on the insurance operations.

Regarding the Loan Loss Provisions, we expect a marginal expansion QoQ, while credit quality showing slight deterioration (but still under control).

On the Opex side, Bradesco should continue to present good numbers due to the efficiency efforts delivered in the previous quarters (for example we expect personnel expenses to drop 3.5% YoY and -8.0% QoQ).

**Report Date**  
August 4  
After the market

**Conference Call**  
August 5

### Bradesco – 2Q21 Results

	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>P&amp;L (R\$m)</b>					
<b>Net Interest Income</b>	<b>15,757</b>	<b>16,684</b>	<b>-5.6%</b>	<b>15,578</b>	<b>1.2%</b>
NII with Clients	13,578	13,163	3.1%	13,225	2.7%
NII with the Market	2,180	3,521	-38.1%	2,353	-7.4%
<b>Provision Expenses</b>	<b>-3,964</b>	<b>-8,890</b>	<b>-55.4%</b>	<b>-3,907</b>	<b>1.4%</b>
<b>Commissions and Fees</b>	<b>11,082</b>	<b>11,404</b>	<b>-2.8%</b>	<b>11,204</b>	<b>-1.1%</b>
Banking Fees	8,016	7,626	5.1%	8,067	-0.6%
Insurance Results	3,066	3,778	-18.8%	3,137	-2.3%
<b>Operational Expenses</b>	<b>-12,836</b>	<b>-13,494</b>	<b>-4.9%</b>	<b>-13,107</b>	<b>-2.1%</b>
Personnel	-4,664	-4,833	-3.5%	-5,069	-8.0%
Administrative	-4,871	-4,970	-2.0%	-4,812	1.2%
Tax	-1,985	-2,010	-1.3%	-1,933	2.7%
Others	-1,317	-1,681	-21.7%	-1,293	1.8%
<b>Operating Profit</b>	<b>10,041</b>	<b>5,704</b>	<b>76.0%</b>	<b>9,767</b>	<b>2.8%</b>
Non-Operating Revenues/Expenses	-43	-26	63.6%	-89	-52.2%
<b>Income Before Taxes</b>	<b>9,998</b>	<b>5,678</b>	<b>76.1%</b>	<b>9,678</b>	<b>3.3%</b>
Income taxes	-3,141	-1,747	79.8%	-3,096	1.4%
Minority Interest	-78	-58	34.1%	-68	14.4%
<b>Adjusted Net Income</b>	<b>6,780</b>	<b>3,873</b>	<b>75.0%</b>	<b>6,514</b>	<b>4.1%</b>
<b>Adj. Net Income (ex-goodwill tax benefi</b>	<b>6,627</b>	<b>3,726</b>	<b>77.9%</b>	<b>6,373</b>	<b>4.0%</b>
<i>Adj. EPS</i>	<i>0.68</i>	<i>0.38</i>	<i>77.9%</i>	<i>0.66</i>	<i>4.0%</i>
<b>Profitability</b>					
ROAE	17.9%	11.3%	6.6 pp	17.6%	0.3 pp
Efficiency Ratio	37.4%	43.3%	-6.0 pp	44.2%	-6.9 pp
Effective tax rate	31.4%	30.8%	0.6 pp	32.0%	-0.6 pp
<b>Asset quality</b>					
Loan volume (Bacen's view)	533,337	479,325	11.3%	528,580	0.9%
NPL 90-day (%)	2.8%	3.0%	-0.2 pp	2.5%	0.3 pp
Coverage ratio (%)	313.6%	299.5%	14.1 pp	349.8%	-36.2 pp

Source: Company and Safra



### Santander (SANB11; Outperform; 21YE TP of R\$53.0/unit)

Santander Brasil should also report very good numbers across the board. We expect Santander's ROAE stay at the 20% mark, which implies a managerial net income of R\$3.9bn (EPU of R\$ 0.93) flat QoQ.

NII should grow by 1.2%YoY and 2.7% QoQ, boosted by NII with clients helped by loan volume growth (+11.8%YoY and +0.8% QoQ). Still in the top line, Fees should show decline in the QoQ basis (-5.2%), reflecting the Getnet spin-off. Excluding such result, fees should show good numbers, mainly coming from insurance operations and revenues lines related to the capital market division.

Regarding Loan Loss Provisions, it should drop 50%YoY (due to high comparative base from previous year), while we expect a small increase sequentially (by +3.2% QoQ) on the back of portfolio loan expansion, however NPL ratio may stay under control this quarter.

In the Opex side, Santander should post once again good numbers, with a reduction in personal and administrative expenses on QoQ basis, which should reflect in a good bottom line growth. That said, Santander's managerial net income should reach R\$3.9bn, flat QoQ, representing a ROAE of 20.1% (vs. 20.5% in 1Q21), leading Santander Brasil in a good shape to beat R\$16bn net profit for the year.

**Report Date**  
July 28  
Before the market

**Conference Call**  
July 28

### Santander Brasil – 2Q21 Results

R\$m	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>Net Interest Income</b>	<b>13,787</b>	<b>13,620</b>	<b>1.2%</b>	<b>13,422</b>	<b>2.7%</b>
Product margin	11,353	10,678	6.3%	11,154	1.8%
Working Capital	264	351	-24.8%	142	85.9%
Market activities	2,171	2,591	-16.2%	2,125	2.1%
<b>Loan Loss Provisions</b>	<b>(3,262)</b>	<b>(6,534)</b>	<b>-50.1%</b>	<b>(3,161)</b>	<b>3.2%</b>
<b>Commissions and Fees</b>	<b>4,598</b>	<b>4,102</b>	<b>12.1%</b>	<b>4,852</b>	<b>-5.2%</b>
Banking Fees	3,840	3,387	13.4%	4,109	-6.6%
Insurance Results	758	715	6.0%	743	2.0%
<b>Operational Expenses</b>	<b>(8,608)</b>	<b>(8,364)</b>	<b>2.9%</b>	<b>(8,599)</b>	<b>0.1%</b>
Personnel	(2,210)	(2,232)	-1.0%	(2,249)	-1.8%
Administrative	(2,943)	(2,958)	-0.5%	(3,017)	-2.4%
Tax	(1,124)	(948)	18.6%	(1,094)	2.7%
Others	(2,330)	(2,226)	4.7%	(2,239)	4.1%
<b>Operating Profit</b>	<b>6,516</b>	<b>2,824</b>	<b>130.8%</b>	<b>6,514</b>	<b>0.0%</b>
Non-Operating Revenues/Expense	0	32	-99.1%	29	-99.1%
<b>Income Before Taxes</b>	<b>6,516</b>	<b>2,855</b>	<b>128.2%</b>	<b>6,543</b>	<b>-0.4%</b>
Income taxes	(2,506)	(689)	263.7%	(2,506)	0.0%
Minority Interest	(26)	(30)	-14.7%	(25)	1.7%
<b>Managerial Net Income</b>	<b>3,984</b>	<b>2,136</b>	<b>86.5%</b>	<b>4,012</b>	<b>-0.7%</b>
<b>Accounting Net Income</b>	<b>3,954</b>	<b>2,026</b>	<b>95.2%</b>	<b>2,816</b>	<b>40.4%</b>
Adj. EPS (R\$)	0.93	1.02	-9.0%	1.05	-11.2%
<b>Indicators</b>					
ROAE (%) - Simple Avg.	20.1%	11.6%	8.4 p.p.	20.5%	-0.4 p.p.
ROAE (%) - LTM	20.3%	11.8%	8.5 p.p.	20.8%	-0.6 p.p.
Efficiency ratio (%)	34.5%	35.7%	-1.2 p.p.	35.2%	-0.7 p.p.
Tax rate (%)	38.5%	24.1%	14.3 p.p.	38.3%	0.2 p.p.
<b>Asset Quality</b>					
Loan volume	428,032	382,877	11.8%	424,784	0.8%
NPL 90-day (%)	2.4%	2.4%	0.0 p.p.	2.1%	0.3 p.p.
Coverage ratio (%)	254.0%	276.4%	-22.3 p.p.	288.4%	-34.4 p.p.

Source: Company and Safra

**Banco do Brasil (BBAS3; Outperform; 21YE TP of R\$50.0/share)**

We expect Banco do Brasil to post neutral results for 2Q21, but with strong decrease in loan loss provisions being partially offset by higher legal risk expense. That said, BB's adjusted net income may reach R\$4.5bln (EPS of R\$1.61), down 6.8% QoQ, representing ROAE of 13.1%, still leading BB to be on track to reach the upper side of its bottom line guidance for 2021.

Operationally, we don't expect any big surprise in BB's figures in this quarter. The bank's loan portfolio should continue to grow (+8.3% YoY and 2.1% QoQ), driven by Individuals and Agro segments. Our expectations for NII are for a low single digit growth (YoY and QoQ), below loan portfolio volume growth. The same trend should also be observed in the Loan Loss Provisions line, which is expected to stay flat QoQ and decrease 54% YoY (well below company's guidance for the year).

We are confident that fees should grow this quarter (+1.4% QoQ), after a weak 1Q due to seasonal issues, amplified by the effects of the pandemic. However, for the year, we still believe that Fees should be at the bottom of the guidance. On the flip side, BB should keep compensating the weakness on service revenues with a good performance on operating expenses control.

We expect BB's net income to reach R\$4.7bln in 2Q21 (up 38.3% YoY), but down 6.8% QoQ (it is important to highlight that 1Q21 bottom line was quite strong due to lower income tax provisions).

**Report Date**  
August 4  
Before the market

**Conference Call**  
August 5

**Banco do Brasil – 2Q21 Results**

	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>P&amp;L (R\$m)</b>					
Net Interest Income	14,800	14,541	1.8%	14,564	1.6%
Loan Loss Provisions	-2,709	-5,907	-54.1%	-2,536	6.8%
Commissions and Fees	6,973	6,965	0.1%	6,878	1.4%
Tax expenses on revenues	-1,227	-1,204	1.9%	-1,207	1.6%
Operational Expenses	-7,896	-7,975	-1.0%	-7,902	-0.1%
Personnel	-4,958	-5,008	-1.0%	-4,989	-0.6%
Administrative	-2,771	-2,842	-2.5%	-2,748	0.8%
Tax	-167	-125	33.7%	-165	1.6%
Legal Risk	-1,830	-853	114.4%	-1,758	4.1%
Other result components	-1,074	-514	108.8%	-1,079	-0.5%
Equity Income	830	720	15.2%	877	-5.3%
Other Operating Income / Expenses	-2,320	-1,188	95.3%	-2,381	-2.6%
Previ - Plano de Benefícios 1	116	-140	-182.4%	116	0.0%
Previ - Fundo de Utilização Restatement	301	94	221.5%	310	-3.0%
Operating Profit (EBIT)	7,037	5,052	39.3%	6,960	1.1%
Non-Operating Expenses	55	67	-18.7%	123	-55.4%
Income Before Taxes	7,091	5,120	38.5%	7,083	0.1%
Income taxes	-1,461	-967	51.2%	-1,169	25.0%
Provision for Profit Sharing	-639	-426	49.9%	-600	6.5%
Minority Interest	-410	-416	-1.3%	-402	2.2%
<b>Adjusted Net Income</b>	<b>4,581</b>	<b>3,311</b>	<b>38.3%</b>	<b>4,913</b>	<b>-6.8%</b>
<b>Reported Net Income</b>	<b>4,581</b>	<b>3,209</b>	<b>42.8%</b>	<b>4,226</b>	<b>8.4%</b>
Recurring EPS (R\$)	1.61	1.16	38.3%	1.72	-6.8%
<b>Profitability</b>					
ROAE	13.1%	11.7%	1.5 pp	14.8%	-1.7 pp
Efficiency Ratio (Safr's criteria)	43.7%	55.0%	-11.3 pp	44.1%	-0.4 pp
<b>Asset quality</b>					
Loan, gross	711,693	657,212	8.3%	696,992	2.1%
NPL ratio	2.3%	2.8%	-0.6 pp	2.0%	0.3 pp
Coverage ratio	266.2%	223.5%	42.6 pp	328.2%	-62.1 pp

Source: Company and Safr



### Banrisul (BRSR6; Neutral; TP of R\$19.0/share)

**Banrisul should report neutral result for 2Q21 with very strong recovery in the bottom line in a YoY comparison, but slight decrease in QoQ basis. That said, we expect Banrisul to post an adjusted net income of R\$260mIn (EPS of R\$0.63).**

Banrisul's NII is expected to remain flat QoQ, reflecting a timid growth in the bank's loan portfolio (+1.2% QoQ), whose origination may have been impacted by the short period of operation of the branches. Regarding Loan Loss Provisions, we may see something close to ~R\$200mIn, which represents an increase of 54% QoQ, but it was already expected. In 1Q21's conference call, the Bank was already signaling reaching a provisioning level at this level.

On the other hand, non-interest expenses should be good (-1.5% QoQ and -1.3% YoY), reflecting efficiency gains from the voluntary dismissal program held in 2Q20, which reduced the bank's headcount by ~10%).

**Report Date**  
August 12  
After the market

**Conference Call**  
August 13

### Banrisul – 2Q21 Results

R\$mIn	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>Net Interest Income</b>	<b>1,197</b>	<b>1,299</b>	<b>-7.9%</b>	<b>1,207</b>	<b>-0.8%</b>
<b>Loan Loss Provisions</b>	<b>(201)</b>	<b>(484)</b>	<b>-58.6%</b>	<b>(130)</b>	<b>54.5%</b>
<b>Commissions and Fees</b>	<b>484</b>	<b>458</b>	<b>5.8%</b>	<b>479</b>	<b>1.2%</b>
<b>Operational Expenses</b>	<b>(1,070)</b>	<b>(1,063)</b>	<b>0.7%</b>	<b>(1,130)</b>	<b>-5.3%</b>
Personnel	(456)	(480)	-5.0%	(459)	-0.7%
Administrative	(410)	(388)	5.8%	(411)	-0.1%
Tax	(117)	(112)	4.0%	(118)	-0.8%
Other Op. Income/Expenses	(87)	(83)	5.2%	(142)	-38.7%
<b>Income Before Taxes</b>	<b>411</b>	<b>210</b>	<b>95.7%</b>	<b>426</b>	<b>-3.6%</b>
Income taxes	(126)	(63)	99.0%	(114)	9.9%
Profit Sharing and Minorities	(26)	(27)	-5.0%	(33)	-22.3%
<b>Adjusted Net Income</b>	<b>260</b>	<b>120</b>	<b>116.6%</b>	<b>279</b>	<b>-7.0%</b>
<b>Reported Net Income</b>	<b>260</b>	<b>120</b>	<b>116.6%</b>	<b>279</b>	<b>-7.0%</b>
Adj. EPS (R\$)	0.63	0.29	116.6%	0.68	-7.0%
<b>Profitability</b>					
ROAE (%) - Simple Avg.	12.0%	5.9%	6.1 pp	13.2%	-1.2 pp
ROAE (%) - LTM	12.2%	6.0%	6.2 pp	13.3%	-1.1 pp
Efficiency ratio (%)	54.3%	51.8%	2.5 pp	56.3%	-2.0 pp
Tax rate (%)	30.6%	30.1%	0.5 pp	26.8%	3.8 pp
<b>Asset Quality</b>					
Loan portfolio volume	37,309	35,966	3.7%	36,852	1.2%
NPL 90-day (%)	2.5%	3.5%	-1.0 pp	2.42%	0.1 pp
Coverage ratio	290.2%	234.2%	56.0 pp	302.8%	-12.6 pp

Source: Company and Safra

**BTG Pactual (BPAC11; Outperform; TP of R\$35.5/unit)**

BTG Pactual should post another strong quarter, for most of its business unities, on the back of a good environment for the Brazilian Capital markets. We expect BPAC to deliver a net income of R\$1.270bn (EPS of R\$0.33/units), up 30.0% YoY and 8.0% QoQ, representing ROAE of 15.7% (vs. 14.2% in the previous quarter). Qualitatively, we should see a 2Q21 earnings result very similar to the previous quarter, with the main revenue lines (especially Investment Banking and Corporate Lending) showing strong increase in the annual comparison (total revenue may go up to +24.5% YoY), partially offset by lower Sales and Trading Results, which had a very strong comparative base on the previous quarter. We expect BTG to consolidate Banco Pan's result (after the recent increase on its participation).

Reflecting such strong increase in top line and higher investments on the digital platform, BTG's operating expenses are also expected to grow strongly (+21.8% YoY), but not enough to overshadow the bank's bottom line result, which should reach R\$1.270bn, up +30.0% YoY and +8.0% QoQ.

**Report Date**  
August 10  
Before the market

**Conference Call**  
August 10

**BTG Pactual – 2Q21 Results**

R\$mIn	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>Income Statement</b>					
<b>Total revenues</b>	<b>3,091</b>	<b>2,483</b>	<b>24.5%</b>	<b>2,796</b>	<b>10.6%</b>
Investment banking	515	222	132.4%	484	6.5%
Corporate lending	581	303	92.0%	555	4.8%
Sales and trading	834	1,018	-18.0%	811	2.9%
Asset management	438	195	124.4%	265	65.5%
Wealth management	326	199	64.3%	295	10.7%
Principal investments	156	395	-60.7%	238	-34.8%
Participations	174	71	143.0%	116	49.8%
Interest and other	67	80	-16.3%	33	103.6%
<b>Total operating expenses</b>	<b>(1,262)</b>	<b>(1,036)</b>	<b>21.8%</b>	<b>(1,199)</b>	<b>5.3%</b>
Bonus	(466)	(438)	6.4%	(462)	0.9%
Salaries and benefits	(294)	(225)	30.5%	(266)	10.6%
Administrative and other	(318)	(226)	40.9%	(288)	10.6%
Goodwill amortization	(31)	(15)	99.0%	(31)	0.0%
Taxes	(154)	(132)	16.2%	(153)	0.5%
<b>Income before taxes</b>	<b>1,829</b>	<b>1,446</b>	<b>26.5%</b>	<b>1,597</b>	<b>14.5%</b>
Income tax and social contribution	(510)	(469)	8.8%	(421)	21.2%
<b>Net Income</b>	<b>1,270</b>	<b>977</b>	<b>30.0%</b>	<b>1,176</b>	<b>8.0%</b>
<b>Profitability</b>					
ROAE (%) *	15.7%	16.4%	-0.7 p.p.	14.2%	1.5 p.p.
Efficiency Ratio (%) **	34.9%	35.8%	-0.9 p.p.	36.3%	-1.4 p.p.
Tax rate (%)	27.9%	32.4%	-4.5 p.p.	26.3%	1.5 p.p.
<b>Asset Quality</b>					
Total loan	102,040	66,197	54.1%	93,143	9.6%
NPL 90-days (%)	1.6%	2.8%	-1.2 p.p.	1.8%	-0.2 p.p.

Source: Company and Safr

\* Safr's criteria

\*\* Ex-Goodwill and taxes expenses



### Banco Pan (BPAN3; Outperform; TP of R\$28.0/share)

Banco Pan should deliver strong increase on its digital customer base and good loan volumes performance, however bottom line may not be as strong due Bank's efforts to accelerate its digital bank business, which should keep gaining traction. That said, we expect BPAN to report an adjusted net profit of R\$200m in 2Q21, up 3.4%YoY and down 9% QoQ.

We expect Banco Pan's credit portfolio to continue to grow (+28.6%), boosted by the higher vehicle credit origination. As a result, we may see solid numbers for NII (+17.8% YoY) and fees (108% YoY) in the period. Operating expenses (+40.5% YoY) should also be impacted by the higher credit origination and the higher investments on the digital platform.

Regarding such theme, we believe that investors should be aware of the bank's client addition performance, especially digital clients. We continue to believe that BPAN's digital account should accelerate its total customer's growth base, supporting credit volumes, growth and leveraging service revenues through products such as insurance and credit card. Assuming 41k clients per business day, BPAN should end the quarter with ~12.4MM clients.

Thus, adjusted earnings are expected to increase 3.4% YoY to R\$207m, with adjusted ROAE reaching 12.7% (vs. 11.4% last year).

**Report Date**  
July 30  
After the market

**Conference Call**  
August 2

### Banco Pan – 2Q21 Results

R\$m	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>Net Interest Income</b>	<b>1,467</b>	<b>1,245</b>	<b>17.8%</b>	<b>1,456</b>	<b>0.8%</b>
<b>Provision Expenses Recurring</b>	<b>(365)</b>	<b>(414)</b>	<b>-11.9%</b>	<b>(314)</b>	<b>16.1%</b>
<b>Commissions and Fees</b>	<b>186</b>	<b>89</b>	<b>108.0%</b>	<b>167</b>	<b>11.1%</b>
<b>Operational Expenses</b>	<b>(1,027)</b>	<b>(731)</b>	<b>40.5%</b>	<b>(1,019)</b>	<b>0.7%</b>
Personnel	(173)	(133)	30.0%	(175)	-1.3%
Administrative	(277)	(235)	17.8%	(275)	0.9%
Origination expenses	(409)	(223)	83.5%	(421)	-2.8%
Tax	(90)	(72)	25.0%	(87)	3.6%
Other Op. Income/Expenses	(77)	(67)	15.0%	(61)	26.3%
<b>Income from Operations</b>	<b>261</b>	<b>281</b>	<b>-7.4%</b>	<b>289</b>	<b>-9.9%</b>
Non Op. Income/Expenses	-	18	-100.0%	(8)	-100.0%
<b>Income Before Taxes</b>	<b>261</b>	<b>300</b>	<b>-13.0%</b>	<b>281</b>	<b>-7.2%</b>
Income taxes	(87)	(63)	38.0%	(90)	-3.7%
<b>Reported Net Income</b>	<b>173</b>	<b>144</b>	<b>20.6%</b>	<b>190</b>	<b>-8.8%</b>
<b>Adjusted Net Income</b>	<b>207</b>	<b>200</b>	<b>3.4%</b>	<b>227</b>	<b>-9.1%</b>
Adj. EPS (R\$)	0.17	0.17	3.4%	0.19	-9.1%
<b>Profitability</b>					
ROAE (%)	12.7%	11.4%	1.3 pp	14.2%	-1.5 pp
Adjusted ROAE (%)	18.0%	20.0%	-2.0 pp	20.3%	-2.4 pp
Efficiency ratio (%)	28.6%	29.1%	-0.5 pp	28.8%	-0.2 pp
Tax rate (%)	33.4%	21.1%	12.4 pp	32.2%	1.2 pp
<b>Asset Quality</b>					
Loan Portfolio	<b>31,807</b>	<b>24,730</b>	<b>28.6%</b>	<b>30,160</b>	<b>5.5%</b>
NPL 90-day (%)	5.1%	7.0%	-1.9 pp	5.0%	0.1 pp

Source: Company and Safra



## Cielo (CIEL3; Neutral; 21YE TP of R\$5.0/share)

Cielo should post a weak result for 2Q21, but with good YoY improvement on a low comparative base, and also a sequential improvement from the recurring result reported in the previous quarter. In 2Q20, Cielo's main numbers were severely impacted by the pandemic, which resulted in a negative bottom line. We shouldn't see similar numbers, even with this second wave of Covid that began in March/21. Therefore, for YoY, Cielo's figures (top line, EBITDA and recurring net income) should show recovery. However, on a quarterly basis we should continue to see slight improvement (excluding the non-recurring result of the sale of the rights of ELO's processing platform). Therefore, **Cielo's recurring net income should advance +28% QoQ due to a lower expected tax rate.**

Report Date  
April 27  
After the market

Conference Call  
April 28

## Cielo – 2Q21 Results

R\$m	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>Gross revenues</b>	<b>3,231.4</b>	<b>2,675.5</b>	<b>20.8%</b>	<b>3,045.4</b>	<b>6.1%</b>
Taxes on services	(358.3)	(225.4)	58.9%	(322.8)	11.0%
<b>Net operating revenue</b>	<b>2,873.1</b>	<b>2,450.1</b>	<b>17.3%</b>	<b>2,722.6</b>	<b>5.5%</b>
Cielo Brasil	1,282.2	1,005.5	27.5%	1,162.5	10.3%
Cateno	761.0	500.0	52.2%	679.7	12.0%
Others	830.0	944.6	-12.1%	880.4	-5.7%
Cost of service rendered	(1,818.2)	(1,601.3)	13.5%	(1,751.9)	3.8%
Depreciation and amortization	(283.6)	(301.1)	-5.8%	(278.3)	1.9%
<b>Gross income</b>	<b>771.3</b>	<b>547.7</b>	<b>40.8%</b>	<b>692.4</b>	<b>11.4%</b>
Operating expenses	(532.3)	(611.2)	-12.9%	(357.8)	48.8%
Depreciation and amortization	(9.9)	(13.8)	-28.3%	(9.3)	6.5%
Equity Interest	0.7	(1.5)	-147.1%	0.7	1.0%
Non-recurring operating result	0.0	0.0	n.m.	0.0	n.m.
<b>Total cost + expenses</b>	<b>(2,644.0)</b>	<b>(2,527.4)</b>	<b>4.6%</b>	<b>(2,397.3)</b>	<b>10.3%</b>
<b>Operating income</b>	<b>229.8</b>	<b>(78.8)</b>	<b>-391.7%</b>	<b>326.0</b>	<b>-29.5%</b>
<b>EBITDA</b>	<b>524.0</b>	<b>234.6</b>	<b>123.4%</b>	<b>614.3</b>	<b>-14.7%</b>
<b>Recurring EBITDA</b>	<b>524.0</b>	<b>234.6</b>	<b>123.4%</b>	<b>614.3</b>	<b>-14.7%</b>
<i>Recurring EBITDA Margin</i>	<i>18.2%</i>	<i>9.6%</i>	<i>8.7pp</i>	<i>22.6%</i>	<i>-4.3pp</i>
Financial income	47.9	39.9	20.1%	34.8	37.7%
<b>EBT</b>	<b>277.8</b>	<b>(38.9)</b>	<b>-814.0%</b>	<b>360.8</b>	<b>-23.0%</b>
Income tax and social contribution	(73.0)	(20.0)	264.8%	(95.6)	-23.7%
Minority Income	(30.3)	(16.3)	86.1%	(23.9)	26.9%
<b>Adjusted Net income</b>	<b>174.5</b>	<b>(75.2)</b>	<b>-332.0%</b>	<b>241.3</b>	<b>-27.7%</b>
Non-recurring operating result	0.0	0.0	n.a.	(105.0)	n.a.
<b>Adjusted Net income (recurring)</b>	<b>174.5</b>	<b>(75.2)</b>	<b>-332.0%</b>	<b>136.3</b>	<b>28.0%</b>
<i>Adjusted EPS</i>	<i>0.06</i>	<i>-0.03</i>	<i>-332.0%</i>	<i>0.05</i>	<i>28.0%</i>

Operational figures	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>Card volumes (excluding Agro)</b>	<b>173,218</b>	<b>125,892</b>	<b>37.6%</b>	<b>159,199</b>	<b>8.8%</b>
Credit card volumes	92,942	70,803	31.3%	88,820	4.6%
Debit card volumes (excluding Agro)	80,277	55,089	45.7%	70,379	14.1%
<b>Cateno volumes</b>	<b>81,582</b>	<b>55,590</b>	<b>46.8%</b>	<b>74,581</b>	<b>9.4%</b>
Credit card volumes	46,670	27,972	66.8%	38,091	22.5%
Debit card volumes	34,912	27,618	26.4%	36,490	-4.3%
<b>Prepayment volumes</b>	<b>9,759</b>	<b>5,461</b>	<b>78.7%</b>	<b>10,190</b>	<b>-4.2%</b>
Prepayment penetration (%)	10.5%	7.7%	2.8pp	11.5%	-1.0pp
<b>Net prepayment revenues</b>	<b>113</b>	<b>138</b>	<b>-17.6%</b>	<b>96</b>	<b>18.3%</b>
<b>Net Revenue Yield (%)</b>	<b>0.73%</b>	<b>0.79%</b>	<b>-5.3bps</b>	<b>0.73%</b>	<b>0.7bps</b>
<b>Take Rate (%)</b>	<b>0.80%</b>	<b>0.89%</b>	<b>-9.5bps</b>	<b>0.79%</b>	<b>1.2bps</b>

Source: Company and Safrabank

**BB Seguridade (BBSE3; Outperform; TP of R\$38.0/share)**

**BB Seguridade should present weak results in 2Q21.** As anticipated by Susep's figures, BBSE's top line is expected to decline by -12.5% YoY and -11.8% QoQ, mainly due to the Underwriting result, which should offset the good performance expected in the Distribution business (BB Brokerage). In the insurance segment, Brasilseg should continue to perform well in terms of top line (earned premium growth). However, this quarter we should see higher Loss Ratio in the Life, Credit Life and Rural segments, which should negatively impact Brasilseg's numbers. In addition, Brasilprev's numbers for 1Q21 should still be pressured by the financial result (due to the mismatch of the IGPM / IPCA ratios on assets and liabilities). **As a result, we expect that BBSE's earnings came down by -12.0% YoY and -10.5% QoQ, to R\$864mln (EPS of R\$0.43).**

**Report Date**  
August 2  
Before the market

**Conference Call**  
August 2

**BB Seguridade – 2Q21 Results**

Income Statement	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>Equity income</b>	<b>856.3</b>	<b>979.0</b>	<b>-12.5%</b>	<b>971.3</b>	<b>-11.8%</b>
<b>Underwriting and accumulation</b>	<b>337.9</b>	<b>523.8</b>	<b>-35.5%</b>	<b>474.3</b>	<b>-28.8%</b>
Life, Mortgage Life and Rural	173.5	278.6	-37.7%	245.1	-29.2%
Pension Plans	107.3	209.7	-48.8%	191.9	-44.1%
Premium Bonds	51.9	30.2	71.8%	32.2	60.8%
Dental Insurance	5.3	5.3	-1.2%	5.1	3.8%
<b>Distribution businesses</b>	<b>524.1</b>	<b>455.7</b>	<b>15.0%</b>	<b>506.4</b>	<b>3.5%</b>
<b>Other</b>	<b>(5.7)</b>	<b>(0.5)</b>	<b>1112.3%</b>	<b>(9.3)</b>	<b>-39.1%</b>
<b>G&amp;A expenses</b>	<b>(4.4)</b>	<b>(4.2)</b>	<b>4.1%</b>	<b>(4.3)</b>	<b>1.9%</b>
Personnel expenses	(2.8)	(2.9)	-1.6%	(2.8)	1.9%
Administrative expenses	(0.8)	(0.9)	-4.1%	(0.8)	1.9%
Tax expenses	(0.9)	(0.4)	118.9%	(0.9)	1.9%
Other operating income (exp.)	0.2	(0.0)	-469.4%	0.2	1.9%
<b>Net investment income</b>	<b>12.5</b>	<b>28.8</b>	<b>-56.6%</b>	<b>1.3</b>	<b>843.2%</b>
<b>EBT</b>	<b>864.5</b>	<b>1,003.7</b>	<b>-13.9%</b>	<b>968.4</b>	<b>-10.7%</b>
Taxes	(4.2)	(1.4)	195.4%	(2.5)	66.8%
<b>Net income</b>	<b>864.5</b>	<b>981.8</b>	<b>-12.0%</b>	<b>977.1</b>	<b>-11.5%</b>
<b>Adjusted net income</b>	<b>864.5</b>	<b>981.8</b>	<b>-12.0%</b>	<b>965.9</b>	<b>-10.5%</b>

Source: Company and Safr

### Porto Seguro (PSSA3; Outperform; 21YE TP of R\$67.0/share)

Porto Seguro should continue delivering good numbers in operational terms. However, the tougher comparison basis should lead Porto's bottom line down in the YoY. Nevertheless, for QoQ we may see expansion.

**Report Date**  
August 10  
After the market

Porto's total operating revenue may remain solid, growing mid-single digit YoY (+4.9%). On the other hand, auto loss ratio should show deterioration vs. 2Q20 (45% vs. 38.6% in the 2Q20), but still at historically low levels.

**Conference Call**  
August 11

Regarding Porto's financial results, we expect some deceleration compared with the tougher comp basis of 2Q20. **That said, Porto Seguro's net income for 2Q21 should go down by 32% YoY to R\$442mln (EPS of R\$1.37), representing a ROAE (w/ Business combination) of 17.6% in the period.**

### Porto Seguro – 2Q21 Results

	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>P&amp;L (R\$m)</b>					
<b>Written Premiums</b>	<b>4,091</b>	<b>3,523</b>	<b>16.1%</b>	<b>4,069</b>	<b>0.5%</b>
(-) Retrocession	-38	-35	8.6%	-21	76.8%
<b>Net Issued Premium</b>	<b>4,053</b>	<b>3,488</b>	<b>16.2%</b>	<b>4,048</b>	<b>0.1%</b>
<b>Earned Premium</b>	<b>3,863</b>	<b>3,681</b>	<b>4.9%</b>	<b>3,808</b>	<b>1.4%</b>
<b>Total Operating Revenues</b>	<b>4,879</b>	<b>4,206</b>	<b>16.0%</b>	<b>4,838</b>	<b>0.8%</b>
<b>Total Operating Expenses</b>	<b>-4,370</b>	<b>-3,716</b>	<b>17.6%</b>	<b>-4,536</b>	<b>-3.7%</b>
(-) Change in Technical Provision	-220	192	-214.7%	-233	-5.3%
(-) Expenses Claims and Credited Benefits	-1,819	-1,511	20.3%	-1,923	-5.4%
(-) Acquisition Costs	-983	-886	11.0%	-996	-1.3%
(-) Administrative Expenses	-810	-831	-2.4%	-836	-3.1%
(-) Tax Expenses	-160	-176	-8.9%	-147	9.2%
(-) Other Expenses	-377	-504	-25.2%	-401	-5.9%
<b>Operating Income</b>	<b>509</b>	<b>490</b>	<b>3.8%</b>	<b>302</b>	<b>68.6%</b>
(+) Financial Results	155	498	-68.9%	194	-20.0%
<b>Earnings Before Taxes</b>	<b>664</b>	<b>988</b>	<b>-32.8%</b>	<b>496</b>	<b>34.0%</b>
(-) Social and Contribution Tax	-222	-333	-33.4%	-201	10.3%
<b>Reported Net Income</b>	<b>442</b>	<b>655</b>	<b>-32.4%</b>	<b>295</b>	<b>50.1%</b>
<b>Adjusted Net Income</b>	<b>442</b>	<b>655</b>	<b>-32.4%</b>	<b>295</b>	<b>50.1%</b>
Net Margin	9.1%	15.6%	-41.8%	6.1%	3.0 p.p.
<b>Operational metrics</b>					
ROAE (w/ Business Combination)	17.6%	19.3%	-1.7 p.p.	19.8%	-2.2 p.p.
Loss ratio	47.1%	40.9%	6.1 p.p.	50.5%	-3.4 p.p.
Commission ratio	23.3%	22.8%	0.5 p.p.	23.8%	-0.5 p.p.
Administrative expenses ratio	13.7%	13.8%	-0.1 p.p.	14.5%	-0.9 p.p.
Combined ratio	88.8%	84.4%	4.4 p.p.	93.5%	-4.7 p.p.
Extended combined ratio	87.6%	77.7%	10.0 p.p.	91.8%	-4.1 p.p.
Earnings Per Share	1.37	2.03	-32.4%	0.91	50.1%

Source: Company and Safra

### IRB Brasil RE (PSSA3; Neutral; 21YE TP of R\$7.8/share)

**IRB should deliver a weak earnings result.** The numbers already anticipated by SUSEP do not show a clear recovery. The net loss of -R\$49m reported in April/21 should weigh on the 2Q consolidated result. In May/21, there was a slight recovery in earnings, but not enough to reverse the loss presented in the previous month. Therefore, we expect a weak bottom line result, with recurring net income at R\$12m (vs. R\$51m last quarter). Loss ratio should be the main detractor of IRB's results, staying at 74.6% (vs. 72.1% last quarter).

**Report Date**  
August 16  
After the market

**Conference Call**  
August 17

### IRB Brasil RE – 2Q21 Results

R\$m	2Q21E	2Q20A	YoY	1Q21A	QoQ
<b>Gross Written Premium</b>	<b>2,255</b>	<b>2,544</b>	<b>-11.3%</b>	<b>1,931</b>	<b>16.8%</b>
(+) Local	1,235	1,164	6.1%	1,044	18.2%
(+) International	1,021	1,379	-26.0%	886	15.2%
(-) Retrocession	(497)	(833)	-40.4%	(396)	25.4%
<b>Retained Premium</b>	<b>1,759</b>	<b>1,711</b>	<b>2.8%</b>	<b>1,534</b>	<b>14.6%</b>
(-) Change in Technical Provisions	(135)	18	-856.0%	(80)	68.9%
<b>Earned Premium</b>	<b>1,623</b>	<b>1,728</b>	<b>-6.1%</b>	<b>1,454</b>	<b>11.6%</b>
<b>Retained Claim</b>	<b>(1,211)</b>	<b>(2,339)</b>	<b>-48.2%</b>	<b>(1,049)</b>	<b>15.5%</b>
(+)OCR	(968)	(2,430)	-60.2%	(838)	15.5%
(+)IBNR	(244)	91	-368.5%	(211)	15.4%
<b>Acquisition Costs</b>	<b>(341)</b>	<b>(367)</b>	<b>-7.1%</b>	<b>(322)</b>	<b>6.0%</b>
Others Revenues and Expenses	(32)	(60)	-45.7%	(9)	245.4%
<b>Underwriting Results</b>	<b>39</b>	<b>(1,038)</b>	<b>-103.8%</b>	<b>74</b>	<b>-47.5%</b>
(-) Administrative Expenses	(110)	(74)	48.5%	(99)	11.6%
(-) Tax Expenses	(21)	(46)	-54.0%	13	-256.4%
(-) Financial Income	109	49	122.9%	104	5.6%
<b>EBT</b>	<b>17</b>	<b>(1,108)</b>	<b>-101.6%</b>	<b>93</b>	<b>-81.3%</b>
(-) Taxes and Contributions	(5)	423	-101.2%	(42)	-87.5%
<b>Recurring Net Income</b>	<b>12</b>	<b>(685)</b>	<b>-101.8%</b>	<b>51</b>	<b>-76.1%</b>
Net margin	0.7%	-40.1%	40.7 p.p.	3.3%	-3 bps
<b>Operational metrics</b>	<b>2Q21E</b>	<b>2Q20A</b>	<b>YoY</b>	<b>1Q21A</b>	<b>QoQ</b>
Loss ratio (%)	74.6%	135.3%	-60.7 p.p.	72.1%	2.5 p.p.
Commission ratio (%)	21.0%	21.2%	-0.2 p.p.	22.1%	-1.1 p.p.
Administrative expenses ratio (%)	6.8%	4.3%	2.5 p.p.	6.8%	0.0 p.p.
Financial income ratio (%)	6.7%	2.8%	3.9 p.p.	7.1%	-0.4 p.p.
Combined ratio (%)	105.7%	167.0%	-61.3 p.p.	100.8%	4.9 p.p.
Extended combined ratio (%)	99.0%	162.4%	-63.4 p.p.	94.1%	4.9 p.p.
ROAE %	3.2%	-85.1%	88.3 p.p.	4.7%	-1.5 p.p.

Source: Company and Safra

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