www.pwc.com.br

(A free translation of the original in Portuguese)

IRB-Brasil Resseguros S.A.

Parent company and consolidated financial statements at December 31, 2021 and independent auditor's report

(A free translation of the original in Portuguese)

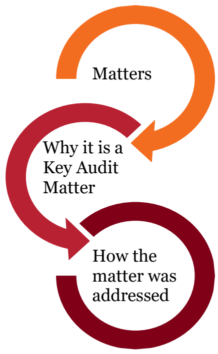
Independent auditor's report

To the Management and Shareholders
IRB-Brasil Resseguros S.A.

Opinion

Basis for opinion

Key audit matters



Why it is a Key Audit Matter	How the matter was addressed in the audit
Measurement and recognition of technical reserves for reinsurance contracts (Notes 9, 20 and 27.9)	
Reinsurance premiums (Notes 25.1 e 27.14)	
Evaluation of the realization of deferred taxes (Notes 11 and 27.10)	

Other matters

Other information accompanying the parent company and consolidated financial statements and the auditor's report

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Rio de Janeiro, February 24, 2022

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Claudia Eliza Medeiros de Miranda
Contadora CRC 1RJ087128/O-0

(A free translation of the original in Portuguese)

MANAGEMENT REPORT

2021

CVM VERSION

(A free translation of the original in Portuguese)

Management Report –Year ended December 31, 2021
CVM VERSION

Dear shareholders,

We are pleased to submit our Management Report for the year ended December 31, 2021, the IRB Brasil RE Financial Statements and the Independent Auditor's Report on the Financial Statements.

The Company's consolidated financial statements were prepared according to the accounting practices adopted in Brazil, issued by the Brazilian Accounting Pronouncements Committee (CPC), to conform to the Brazilian Corporation Law (Law 6,404/76), and under the International Financial Reporting Standards (IFRS).

This information is also available on the IRB Brasil RE (https://ri.irbre.com/informacoes-financeiras/resultados-trimestrais/) and the Brazilian Securities Commission (CVM) (www.cvm.gov.br) websites.

As presented in Note 3.2 – Statements of profit or loss - Business view to the Financial Statement, for decision-making purposes, the Company's Management uses a combination of accounts different from that presented in the Statements of profit or loss, which was prepared under the accounting practices adopted in Brazil for reinsurance companies and used in the presentation of this document.

1. Message from Management

2021 was expected to mark the end of the COVID global pandemic which started in 2020, with returns to previous levels of economic activity and investments. We were expecting that it would also be the turning point for IRB, with the resumption of growth and profitability. However, we faced a more adverse scenario than we had expected, with the pandemic still affecting businesses and, internally, with claims from IRB contracts underwritten before the 2020 change in management, still strongly affecting the Company's results.

Our organizational structure has undergone significant changes after the election of the new CEO, Raphael de Carvalho, in September 2021. Wilson Toneto, who was temporarily accumulating the position of CEO, remains in the position of Vice President Technical and Operations. In October 2021, the structure of the Reinsurance Vice Presidency changed with the creation of the positions of Chief Underwriting Officer for P&C and Specialties, and Director of Life. In November 2021, Willy Otto Jordan Neto took office as the new Vice President of Finance and Investor Relations. Thus, the renovation of the organizational structure was concluded to strengthen the Company for its new strategic cycle.

At the beginning of 2021, we hired an international consulting firm to help us design IRB's new strategy, which resulted in the "Pulse" project. The project focuses on the resumption of growth with profitability and has three main pillars: Customers, Geography, and Product Line. The new strategy starts by reaffirming our protagonism in Brazil, which should account for at least 2/3 of our portfolio, leveraging IRB's clear competitive advantages in the domestic market. The Company's priorities in the international market are the other Latin American countries, as an extension of our competitive advantages and potential for profitability. Our operation in the other international markets will be supplementary, to diversify risks and assist our strategic customers. Our strategy in both the domestic and international markets our strategy is to dilute risks, aiming to increase businesses with lower exposure per contract. For this reason, we will further increase our relationship with customers and key brokers.

To achieve the desired results, we are implementing over 100 initiatives grouped into five priority fronts:

1 - Brazil Underwriting, to improve the underwriting operation in the domestic market with growth and profitability;

2 - International Underwriting, to review the Company's positioning for the international market, focusing on Latin America, on key lines and assignors, prioritizing profitability;
3 - Claims, to transform the claim management operation, focusing on customers, efficiency, and celerity;
4 – Efficiency, to define a new service level and greater pricing competitiveness;
5 – Culture and talents, focused on our people and the creation of a meritocratic culture focused on customers and generation of results.

We are confident that the strategy is well designed and have a team prepared to implement it. The business in which we operate is resilient and has grown despite the crisis. The Brazilian reinsurance market grew 30.7% in 2021, proving our great potential to resume both profitability and growth.

2. Corporate Governance

The Company's governance structure comprises a Board of Directors, Fiscal Council, Executive Board, Executive Board, and Executive Strategic Committees that advise the Executive Board and Board of Directors. These bodies have specific functions to ensure transparency and the best practices to manage and provide oversight of performance. It also has a Secretariat responsible for providing direct support to all activities performed by the Board of Directors and ensuring that the flow of information is timely and safely targeted to all levels.

The Board of Directors has nine sitting members, one of whom the Chair, elected by the General Shareholders' Meeting for a term of office of two years with reelection permitted. Eight of the nine members are independent. The Board is responsible for defining the business guidelines and strategies, assessing risk exposure and the effectiveness of risk management systems, internal controls, and integrity/compliance, among other legal and statutory attributions.

Six committees support the Board of Directors (Ethics, Sustainability and Governance; Investments, Capital Structure and Dividends; Statutory Audit; People, Nomination and Compensation; Risks and Solvency; and Underwriting and Large Claims Monitoring Policy), maintaining a regular work schedule for the follow-up, monitoring, and support to IRB Brasil RE.

The Fiscal Council is the permanent body that oversees Management's administrative acts, in support of the Company and its shareholders, which currently has four members elected at the General Shareholders' Meeting.

The Executive Board is elected by the Board of Directors for a two-year term. At the end of 2021, it had one Chair and three statutory Vice Chairs (Technical and Operations; Finance and Investor Relations; Risks, Compliance, and Legal), who act with the support of 12 non-statutory executive officers.

In 2021, 33 meetings of the Board of Directors, 30 meetings of the Audit Committee, 68 meetings of the Executive Board, and 24 meetings of the Fiscal Council were held, in addition to approximately 83 other meetings of the advisory committees.

3. Ownership Structure

The Company's capital has been widely dispersed since 2019, with no defined controlling shareholder. Even after the capitalization in 2020, the Company has maintained its status as a Corporation, with 99% outstanding shares traded on the stock market and 1% held in treasury. On December 31, 2021, the shareholding structure was as follows:

Shareholders	Number of shares	%
Bradesco Seguros	200,003,914	15.8%
Itaú Seguros	145,924,075	11.5%
Treasury Shares	12,603,800	1.0%
Other non-controlling interest	909,358,542	71.7%
Total Shares	*1,267,890,331*	*100.0%*

4. Risk Management

Since 2013, the Company has adopted a risk management policy mainly aimed at managing underwriting, market, credit, operational, strategic, and regulatory risks. This policy is approved by the Board of Directors and its application is regularly monitored by the Board, Risk Management and Solvency Committee, Statutory Audit Committee, and the Company's Executive Board.

Management considers that the operational structure implemented, which integrates process mapping, risk identification and classification, and the respective internal controls to check the effectiveness of the operation, are in line with the Enterprise Risk Management Framework recommended by COSO. It is also worth noting that the Company implements a continuous process to improve its Risk Management Structure and Internal Control System and, in 2021, it was supported by a specialized consulting firm.

The Company annually updates a Risk Appetite Statement, approved by the Board of Directors and aligned to the strategic objectives of its business plan.

In September 2020, the risk rating agency Standard & Poor's Global Ratings ("S&P") assigned IRB Brasil RE a "brAAA" issuer credit rating on the Brazil National scale, with a stable outlook. S&P also assigned a "brAAA" rating for the first issue of simple debentures, not convertible into Company shares. According to S&P, the recent changes in the Board of Directors strengthened governance and improved the risk culture. In November 2020, the same rating agency assigned a "brAAA" rating for the second issue of simple debentures, not convertible into Company shares. More recently, on September 30, 2021, the agency maintained IRB Brasil RE's "brAAA" issuer credit rating on the Brazil National scale, with a stable outlook.

On December 16, 2021, the agency A.M. Best, the oldest rating agency focused exclusively on the insurance and reinsurance industry, confirmed the maintenance of IRB Brasil RE's financial strength rating at "A-" (Excellent) and the long-term credit rating (long-term ICR) at "a-". According to the notice released by the agency, the ratings arise from IRB Brasil RE's balance sheet, the favorable trend of the operational performance, the continued efforts to restructure the business, and the measures taken to strengthen the structure and governance in the corporate risk management area.

Considering that risk management is a responsibility of the entire organization – Board of Directors, Executive Board, and employees – the Company adopts the three lines of defense model, according to the principles defined by CNSP Resolution 416/2021, establishing individual roles and responsibilities within internal policies and regulations. The first line of defense comprises the executive and operational vice presidencies, which include managers and individuals directly responsible for the Company's processes. The Vice Presidency of Risks, Compliance and Legal Affairs, through the Risk Management Office and the Compliance Management, acts as the second line of defense, while the third line is represented by the Internal Audit. Moreover, the supervisory and control bodies must perform their statutory attributions by complying with the principles established, always aiming to collaborate in the implementation of efficient and effective processes.

IRB Brasil RE annually conducts Business Continuity Plan and Disaster Recovery Plan tests, in compliance with regulatory requirements and best practices. Scenarios of unavailability of access to the IRB headquarters and the main data center in Rio de Janeiro, as well as absolute failure in voice and data communication networks are simulated. All critical systems are tested at the contingency site in São Paulo.

The Company has an Information Security Master Plan that guides the actions related to information security, which is divided into four domains: Information Security Management, Cyber Security Operations, Vulnerability and Threat Management, and Data Privacy Management. IRB can quickly act against cyber-attacks and has specialized partners that take quick measures in the event of incidents, including on a 24x7 basis. Moreover, the Company has a specific insurance policy for cyber incidents.

5. Ethics and Integrity

The Company frequently strengthens its Corporate Governance practices by recurrently reinforcing its commitment to maintaining integrity and ethics in its activities.

Accordingly, internal regulations are constantly reviewed, such as those related to ethics and integrity, among which the Code of Conduct, the Internal Regulations of the Conduct Committee, and the Compliance Policy.

The Code of Conduct defines a series of rules that, aligned to our Mission, Vision, and Values, emphasizes the expected behaviors during the performance of daily activities, always based on ethical, honest, and cordial conduct. Because of the review of such an important document and to ensure full acknowledgment of it, the Company offered training sessions on the aforementioned code for seven groups and 367 participants, totaling around 80% of IRB Brasil RE's employees.

The Conduct Committee has the responsibility to investigate reports on possible violations to the Code of Conduct, the policies and internal regulations, and/or applicable legislation.

The Compliance Policy defines the principles, guidelines, and responsibilities for the design, implementation, execution, monitoring, evaluation, and continuous improvement of the Company's compliance assurance activities.

Moreover, the Company has a Whistleblowing Channel managed by a specialized and independent company that autonomously and securely receives reports – including anonymous reports - on potential illegal acts, violations to ethical principles, atypical behavior patterns, violations to the policies and legislation in force, and violations to the Code of Conduct. In 2021, the Company implemented a new way to manage the process of investigation and documentation of complaints, which now includes specific activities and skills, such as advanced techniques in interviewing those involved, forensic analysis, standardization of supporting documentation, preparation of a standard reporting model to be used in every investigation, among others.

The Company conducted a survey on the Whistleblowing Channel to become aware of employees' perceptions and knowledge about such an important tool. Based on the result of the survey and to provide due information, the Company offered training sessions on the whistleblowing channel to seven groups and 373 participants, totaling around 81% of its employees.

The implemented actions furthered increased transparency and confidentiality in such an important tool to prevent improper and/or illegal conduct.

6. Innovation

Valor Inovação 2021 Award

In October 2021, we were recognized as one of the 150 most innovative companies in Brazil, according to the *Valor Inovação Brasil 2021* award, the country's most important publication on innovation, for the results achieved during the Company's innovation process. The Company ranked 7th in the Insurance and Health Plan sector, and 127th in Brazil's overall ranking.

We continue increasing investments in innovation, aware that the insurance and reinsurance market is being revamped with growing connectivity, reflecting new technologies and changes in consumer behavior. As the industry leader in Brazil, we are a benchmark in the market and an engine of digital transformation, through innovation and potential partnerships with insurtechs that accelerate the use of cutting-edge technology, such as blockchain and artificial intelligence. Moreover, the Company counts on academic contributions from universities and specialized institutes for the research and development of new solutions that foster the insurance and reinsurance market. Thus, we are prepared to support customers' innovation processes.

Insurtech Innovation Program

As part of our open innovation model, in 2018 we created the Insurtech Innovation Program, designed in a partnership with PUC-Rio and a partner insurance company, to carry out research and innovation in the insurance and reinsurance area. In 2021, the unprecedented initiative mobilized, in its three cycles, 27 university students from different courses and institutions in Brazil and 21 Company employees, among sponsors and participants, who presented 22 projects. The projects include solutions for current issues, such as inclusive insurance, intermittent insurance, on-demand insurance, cyber risks, climate change, digital capabilities, and customer persistence. So far, the program has had a project utilization rate of approximately 20%, above the average for this type of initiative. The 2022 edition will begin in March.

Partnership with B^3

We entered into a partnership with B^3 and are designing an unprecedented platform in Brazil to connect brokers, insurance and reinsurance companies in a single network, allowing operations involving insurance and reinsurance contracts to be carried out on the Internet in a faster, safer, and more transparent manner. The tool, which will be available to the market in 2022, is based on blockchain technology and will make it possible to complete in a few seconds processes that currently take months to be concluded.

IRB+Inteligência

In November 2020, we launched *IRB+Inteligência,* IRB Brasil RE's new data intelligence service. We provide the market with the *IRB+Mercado* Bulletin, which summarizes insurance and reinsurance operations based on public data made available by Susep, which focuses on insurances for damage, liabilities, and people. The analysis is monthly published and is available in its entirety on the Company's website (www.irbre.com). On the same website, we also provide an interactive data panel that allows customers to make dynamic data queries: *Dashboard IRB+Mercado Segurador.* It is a user-friendly, free-of-charge service designed by the Company to provide information on the entire industry. In 2021, we released 10 editions of the service.

IRB Transformation Program - PULSE

In July, the Company started the transformation program for the future, the *IRB Transformation Program* – Pulse, previously mentioned. The program includes several projects in all areas of the Company where customers are always the focus of the business. It offers solutions that aim at sustainable returns, higher efficiency, and leverage of our competitive advantages.

New product

Guaranteed Operations

The new guarantee insurance for M&A transactions in Brazil is an example of how the Company has been working to offer more adherent solutions to its customers and business partners. The first policy of this type of insurance, which can release over R$60 billion held in escrow accounts, according to market information, was issued in May 2021 by IRB Brasil RE together with strategic clients. The M&A insurance, used in the Guarantee sector, has two main fronts. In the first of them, it ensures sellers the settlement of the obligation assumed by buyers regarding the payment of the acquired asset (company). In the second, the policy covers identified liabilities with the company to be acquired, under which there are still uncertainties regarding its realization. In the second option, instead of the amounts of such liabilities being held in custody in an escrow account to be redeemed in the event of realization of the obligation, they are released to sellers upon presentation of the policy.

7. Socio-environmental Development

Human Capital

People are at the core of IRB Brasil RE's two values: Espirit de Corp, as employees form a team and the Company grows with the differences and respect for others; and Recognition, as IRB's employees are appreciated and make the business grow and each achievement is duly celebrated.

At the end of 2021, the Company had 457 employees, 410 of whom were in-house employees and 47 were outsourced. Among them, 54% were men and 46% were women, who currently hold 24% of management positions.

The turnover rate stood at 14.1% in 2021 (12.7% in 2020).

In 2021, in the Culture of the Pulse Project front, based on an analysis made, over 20 initiatives were created, such as the Internal Multipliers Program, Reinsurance Academy, Leadership Development, Non-Financial Recognition Program, among others.

Attentive to employees' physical and mental well-being, the Quality of Life Program includes initiatives related to physical activities, such as Gympass, psychological support actions, in a partnership with Optum, internal campaigns focused on health, and celebrations on festive dates and promotions.

In 2021, we implemented the Company's new hybrid work model that seeks to combine quality of life and higher productivity, providing employees with the flexibility to choose the most appropriate work environment to perform their activities, either at home or in our offices. Some of the immediate benefits noticed were the increase in family time and the decrease in commuting time.

To retain and attract talents, we offer a benefits package that includes health and dental plan for employees and their dependents, life insurance, meal vouchers, food vouchers, transportation vouchers, and refund of tuition fees for the education of the employees' children, provided for in a collective bargaining agreement. In addition, we implement development action for the technical and behavioral growth of our employees and have a promotion rate for in-house positions of 40% to recognize and appraise our human capital.

Additionally, 87% of employees joined a private pension plan, which is co-sponsored by the Company.

IRB's Code of Ethics and Conduct rejects all instances of moral and sexual harassment and discriminatory practices concerning color, ethnicity, sexual orientation, religion, or discrimination of any other nature. Accordingly, we also support freedom of association, and maintain good relations with the union, without conflicts, strikes, or stoppages in the past three years.

Social Corporate Responsibility

IRB Brasil RE has always sought to contribute to social development through company initiatives, sponsorships, supports, and partnerships, with actions aligned with the UN's Sustainable Development Objectives. In the last few years, the environmental, social, and corporate governance agenda has become an important subject for the market in general, emphasizing the need to count on a policy to guide the Company's operations based on the best practices.

In 2021, we hired a specialized consulting firm to create IRB's first ESG policy, which is expected to help guide and integrate ESG subjects to the Company's strategy and business opportunities, to prevent negative impacts and expand the positive impacts to the environment and society.

On the social front, we contributed with *Projeto Sem Barreiras*, which offers fitness, volleyball, and judo classes to children and young adults from the São Carlos community, in Estácio, and neighborhoods in the central region of the city of Rio de Janeiro.

Suppliers

The Company adopts strict criteria when contracting suppliers, including the Know Your Supplier (KYS) policy, carrying out due diligence before the execution of contracts to ensure that suppliers comply with labor, social security, and tax legislation, and to make sure that they do not use child or slave labor, and adopt practices that avoid claims or socio-environmental liabilities.

Environmental Aspects

2021 was an atypical year for everyone, including for companies. As a measure to prevent COVID-19, IRB Brasil RE maintained the remote work policy for its employees. So that the hybrid work model could be implemented at the end of the year, the Company redesigned its offices, respecting social distancing and maximum capacities recommended by the World Health Organization, checking temperatures, providing consultations with health professionals, and monitoring its employees' health conditions.

Another highlight during the pandemic was the reduction in the use of natural resources, such as water and electricity, as well as in cleaning and hygiene products, which fell 51% in these categories.

IRB Brasil RE has adopted practices that aim to reduce the damages to the environment, such as the digitalization of physical processes, selective collection program for recyclable residues that are now donated to cooperatives, elimination of plastic cups, efficient use of water and light, and hiring a certified company for the disposal of electronic waste. Since 2017, the Company's employees have participated in initiatives to reduce waste production through the Reduce Your Waste program. Each employee received a reusable water cup - called *Menos 1 Lixo* - and a ceramic coffee mug. This initiative eliminated the consumption of more than 370,000 disposable plastic water cups and 110,000 disposable plastic coffee cups every year.

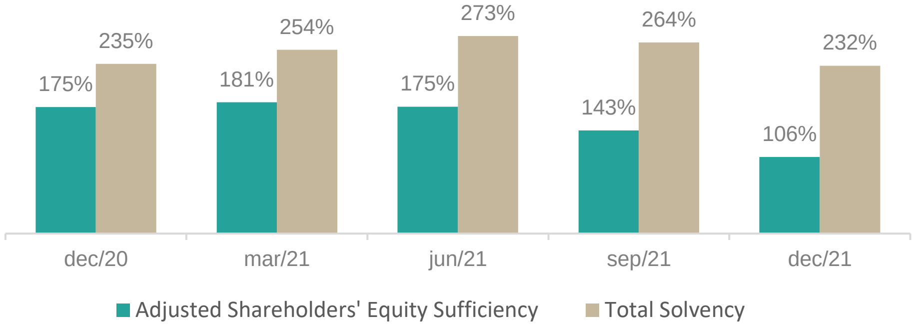
Since 2019, the Company makes use of an energy automation system in its headquarters in Rio de Janeiro, where energy consumption can be remotely monitored. In a second phase, it will be possible to remotely turn lights on and off and switch the air conditioner on and off. IRB also plans to install a new system to control water use and detect water waste. The building also has a green roof with vegetal covering that provides benefits, as it reduces internal temperature consequently saving energy, acoustic insulation, and bicycle rack with plugs for electric bicycles.

The São Paulo branch building implemented a reuse water system, lighting automation, and intelligent elevator system that reduces energy consumption, adding bicycle racks and changing rooms. The building was awarded the Leed Core & Shell certification issued by the Green Build Council for self-sustaining buildings.

8. Regulatory Indicators

a) Sufficiency of Adjusted Shareholders' Equity

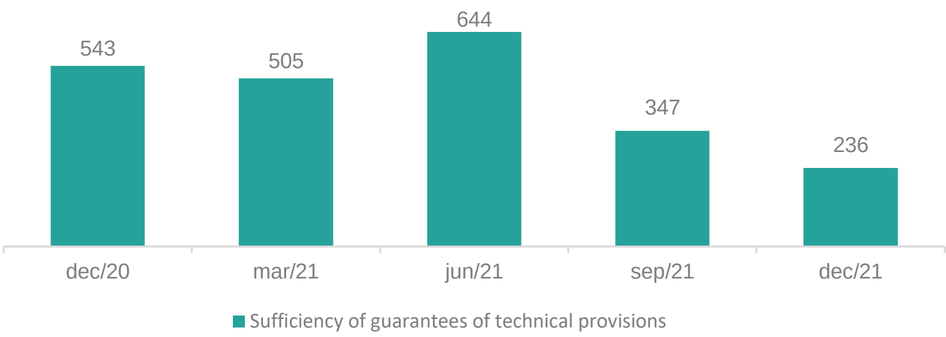
The Company has sufficient adjusted shareholders' equity in relation to the minimum required capital calculated, on the base date of December 31, 2021, in the amount of R$89.6 million.



Although the Company presented sufficiency of adjusted shareholders' equity in relation to the minimum capital required in December 2021, there is a reduction in this indicator compared to that presented in December 2020. This reduction is due to several factors, the most representative being the accounting losses recorded in the current year. Management is permanently assessing measures to strengthen its capital structure and satisfy this regulatory index, including: (i) structured operations that reduce provisions or transfer of run-off portfolios; (ii) sales of real estate interests; (iii) reduction of idle capital in subsidiaries; (iv) issuance of subordinated debt; and (v) share subscription, among others. Another important element is the expected improvement in results from the various re-underwriting measures adopted over the last few months. Considering the current capital structure and outcomes from the measures mentioned above, Management expects to continue to be in compliance with this regulatory indicator during the forthcoming period.

b) Sufficiency of guarantee of technical provisions

On December 31, 2021, the Company presented sufficiency of guarantee of technical provisions of R$235.5 million.



9. Economic and Financial Performance

Issued Premium, Retained Premium and Earned Premium

In 2021, total issued premiums fell 8.7% compared to 2020 to R$8,760.5 million. Premiums issued in Brazil totaled R$5,329.2 million, up 9.3%, reflecting business sector resilience in a year of pandemic. Premiums issued abroad totaled R$3,431.3 million, down 27.3% from 2020. The lower contribution of premiums issued abroad in 2021 was mainly due to the re-underwriting strategy widely disclosed by the Company.

In 2021, retrocession expenses fell 24.1%, reflecting the decrease in issued premiums. Thus, retained premium totaled R$5,556.1 million, up 3.3% over 2020, as a result of the decrease in retrocession expenses. Finally, the earned premium totaled R$5,900.5 million in 2021, up 3.8% over 2020, due to the positive effect on the variation of technical provisions.

Retained Claims

In 2021, retained claims totaled R$5,988.0 million, up 3.0% over 2020. The total claim ratio improved 0.8 p.p. over 2020, from 102.3% to 101.5%. The nominal increase in retained claims in 2021 was due to (i) underwritten contracts in previous years that were not renewed but whose claims still impacted the result for 2021; and (ii) large contracts with claims due to their operation.

Underwriting Result

In 2021, the underwriting result was similar to 2020, negative by R$1,568.7 million, still impacted by the claim ratio due to the high volume of retained claims in the period, as explained above item (retained claims).

Although the high loss ratio has reversed our expectations of the results trend in 2021, we believe that the measures adopted by the Company will be an important foundation for the resumption of growth and profitability. In addition to the changes in the organizational structure and the hiring of an international consultancy to redesign the Company's strategy, we list, below, other structural measures adopted:

1) Governance and processes – a set of rules and guidelines were created to reinforce results-oriented management, defining responsibilities and authorities in the acceptance of business. These changes hinge on three different pillars:

- ✓ Review and redefinition of profitability objectives by business line;
- ✓ Review of the Company's authority and guidelines;
- ✓ Collegiate decision for the more significant cases and with higher risks;

2) Readjustment of the operating strategy in each business line and definition of risk appetite – after diagnosing the causes, the following portfolio adjustment actions were defined to recover the profitability of the main portfolios:

- ✓ Significant exit/reduction from contracts with exposure in non-focus regions, especially for lines of business with excessive volatility;
- ✓ Dilution of participation or exit from serious individual risks, reducing the peaks of exposure and severity of claims in optional/single portfolios, diversifying the portfolio;
- ✓ Retrocession: Adjustments to the portfolio allowing for an optimization/reduction of portfolio protection costs, making it more efficient;
- ✓ Adjustments to accepted business terms and conditions: Current market cycle allows for greater adjustment in terms and conditions of optional contracts/risks, improving the company's prospects for short/medium term results.

Financial Results

The financial and equity accounting results totaled R$618.2 million in 2021, a significant increase over 2020, due to higher investments and the rise in the Selic rate, in addition to the non-recurring effect of PIS/PASEP recovery suits.

In compliance with provisions of item IV of article 145 of SUSEP Circular Letter 517 of July 30, 2015, IRB Brasil RE declares it has financial capacity compatible with its operations, as well as its intention of holding to maturity the securities classified under the category “Securities held to maturity”.

Administrative Expenses

In 2021, the general and administrative expenses totaled R$387.5 million, higher by 23.8% over 2020, mainly due to personnel expenses and judicial expenses.

Net income (loss)

The Company recorded a net loss of R$682.7 million in 2021, compared to the net loss of R$1,481.5 million in 2020.

10. Impacts from COVID-19

Effects on the Company's business portfolios arose mainly from higher retained claim rates for certain business lines. Since the beginning of the COVID pandemic our result has been directly impacted by retained claims that totaled R$168 million, as shown below:

			R$ thousand
Segment	**2,021**	**2,020**	**Total**
People	*116,864*	*13,987*	*130,851*
Equity and Liabilities	*22,691*	*7,749*	*30,440*
Financial Risks	*3,677*	*-*	*3,677*
Other	*3,057*	*270*	*3,327*
Total	***146,289***	***22,006***	***168,295***

For the breakdown of the impacts from Covid-19 per business line, see Note 1.2.1 - COVID effects.

11. Dividends and interest on equity

Since the Company has not earned any profits in 2021, there was no proposal to distribute dividends or interest on equity.

12. Relationship with the Independent Auditor

Pursuant to CVM Instruction 381/03, we inform that IRB Brasil RE and its subsidiaries adopt formal procedures to assure that the independence and objectivity of their auditors, PricewaterhouseCoopers Auditores Independentes Ltda. (PwC), are not affected in their work with the Company.

In the year ended December 31, 2021, PwC provided additional non audit services totaling R$14 million, referring to consulting for IFRS17 and for implementation of forensic technology services, including storage of electronic data related to the reviews (hosting). This amount corresponds to 257% of the fees charged for external audit services provided in the same period.

PricewaterhouseCoopers Auditores Independentes considers that services were rendered under strict compliance with the auditing standards and did not affect the independence and objectivity in their performance in delivering their external auditing services.

Regarding the Independent Actuarial Audit service agreement executed with E&Y, as required by CNSP Resolution 321/2015, the fees charged for external auditing services totaled R$420,000 in 2021. Additional services (non-audit) represented 289% of the audit fees. The additional non audit services were for (i) consulting for tax credit recovery; (ii) study on risk assignment, and (iii) tax review and consulting, among others.

13. Arbitration Chamber

The Company, its shareholders, and executive officers are bound by the arbitration of the Market Arbitration Chamber, under article 58 of its Bylaws.

14. Statement from Management

Pursuant to the provisions of CVM Instruction 480/09, Management declares that it has discussed and reviewed the financial statements for the fiscal year ended December 31, 2021 and agrees with the Independent Auditor's Report.

To conform to Article 130 of SUSEP Circular Letter 517/2015, SUSEP which requires the reclassification of certain foreign exchange gains/losses from provisions in operating expenses, in particular Electronic Letter 63/2020/COPRA/CGMOP/DIR4/SUSEP, IRB Brasil RE, for regulatory purposes only, we will publish, by February 28, 2022, the financial statements for the period year December 31, 2021, to conform to these SUSEP requirements, as discussed on the explanatory notes.

15. Acknowledgments

We would like to thank and acknowledge all employees, suppliers and partners, as well as shareholders, debenture holders, and insurance company clients, for nominating IRB Brasil RE as their top reinsurance company. We also thank government representatives and brokers for their support and confidence in our mission of providing solutions to the insurance market, focusing on innovation and sustainability.

Management

(A free translation of the original in Portuguese)

Parent Company and Consolidated Financial Statements

as at December 31, 2021

Acesse
irbre.com

(A free translation of the original in Portuguese)

Contents

IRB-Brasil Resseguros S.A.

Balance Sheets as at December 31

In thousands of reais (A free translation of the original in Portuguese)

		Parent company		Consolidated	
Assets	**Note**	**2021**	**2020**	**2021**	**2020**
Current assets		**14,001,807**	**15,380,021**	**13,990,281**	**15,395,637**
Cash	5	8,231	14,190	38,774	14,563
Cash and cash equivalents		8,231	14,190	38,774	14,563
Financial assets	6.1	4,014,753	3,880,318	3,966,341	3,852,340
Receivables from reinsurance and retrocession operations	7.1	4,105,081	5,764,412	4,105,081	5,764,412
Transactions with insurers	7.2	3,215,171	4,193,770	3,215,171	4,193,770
Transactions with reinsurers	7.2	919,770	1,496,530	919,770	1,496,530
Other receivables	7.2	30,738	139,172	30,738	139,172
(-) Impairment	7.3	(60,598)	(65,060)	(60,598)	(65,060)
Retrocession assets - technical reserves		5,599,770	5,093,437	5,599,770	5,093,437
Premiums - retrocession	9.2	1,201,522	1,352,762	1,201,522	1,352,762
Claims - retrocession	9.1	4,386,902	3,732,920	4,386,902	3,732,920
Other reserves	9.3	11,346	7,755	11,346	7,755
Trade and other receivables		149,517	500,690	155,857	543,908
Trade and other receivables	10	21,926	329,495	27,432	361,560
Corporate bonds		-	307,132	-	307,132
Other trade receivables		21,926	22,363	27,432	54,428
Tax credits and deferred tax assets	11.1	127,591	171,195	128,425	182,348
Prepaid expenses		10,623	7,538	10,626	7,541
Deferred acquisition costs	12	113,832	119,436	113,832	119,436
Non-current assets		**8,564,241**	**6,979,362**	**8,684,160**	**7,094,767**
Long-term receivables		8,380,932	6,774,187	8,424,008	6,844,653
Financial assets	6.1	4,976,260	4,461,615	4,976,260	4,461,615
Receivables from reinsurance and retrocession operations	7.1	11,677	-	11,677	-
Other receivables		11,677	-	11,677	-
Retrocession assets - technical reserves	9.2	81,270	68,386	81,270	68,386
Premiums - retrocession		81,270	68,386	81,270	68,386
Trade and other receivables		3,297,860	2,232,628	3,340,936	2,303,094
Trade and other receivables	10	589,816	550,711	589,816	550,711
Corporate bonds		426,875	387,600	426,875	387,600
Other trade receivables		162,941	163,111	162,941	163,111
Tax credits and deferred tax assets		2,474,149	1,455,463	2,517,225	1,525,929
Tax credits	11.1	406,092	165,843	449,168	233,786
Deferred tax assets	11.1	2,068,057	1,289,620	2,068,057	1,292,143
Court deposits	23	233,895	226,454	233,895	226,454
Deferred acquisition costs	12	13,865	11,558	13,865	11,558
Investments		33,817	66,966	110,529	111,645
Investments accounted for using the equity method	4.1	28,876	61,870	22,124	22,323
Investment property	13	4,570	4,885	88,034	89,112
Other investments		371	211	371	210
Property and equipment	14	64,503	72,505	64,503	72,582
Intangible assets	15	84,989	65,704	85,120	65,887
Total assets		**22,566,048**	**22,359,383**	**22,674,441**	**22,490,404**

The accompanying notes are an integral part of these financial statements.
The information above is presented to facilitate the understanding of the reader. A reconciliation of these balances to the standardized financial statements with other relevant information is filed with Empresas.Net (CVM) as presented in Attachment 2 - Other information that the Company considers relevant.

IRB-Brasil Resseguros S.A.

Balance Sheets as at December 31

In thousands of reais **(continued)**

Liabilities and shareholders' equity	Note	Parent company 2021	Parent company 2020	Consolidated 2021	Consolidated 2020
Current liabilities		**17,314,052**	**16,306,240**	**17,351,763**	**16,437,261**
Trade and other payables		118,256	170,158	155,967	301,179
Trade payables	**16**	19,999	47,918	26,605	61,334
Taxes and payroll charges payable		28,297	38,742	28,522	39,005
Labor provisions		12,665	10,918	12,797	11,051
Provisions for post-employment benefits	**26.4**	42,409	43,886	42,409	43,886
Taxes and contributions payable	**18**	4,532	24,534	35,280	141,743
Borrowings and financing	**17**	10,354	4,160	10,354	4,160
Payable for reinsurance and retrocession operations	**19.1**	2,051,671	2,569,668	2,051,671	2,569,668
Transactions with insurers		2,572	4,489	2,572	4,489
Transactions with reinsurers		1,810,175	2,336,361	1,810,175	2,336,361
Reinsurance and retrocession brokers		160,141	181,384	160,141	181,384
Other payables		78,783	47,434	78,783	47,434
Third-party deposits	**8**	107,977	317,441	107,977	317,441
Technical reserves - reinsurance and retrocession		15,036,148	13,248,973	15,036,148	13,248,973
Property and casualty and group life insurance		15,036,148	13,248,973	15,036,148	13,248,973
Unearned premium reserve	**20.1**	2,812,762	3,278,614	2,812,762	3,278,614
Risks in force issued		2,515,874	2,969,835	2,515,874	2,969,835
Risks in force not issued		296,888	308,779	296,888	308,779
Outstanding claims	**20.2**	8,842,862	6,417,059	8,842,862	6,417,059
IBNR reserve	**20.2**	3,155,351	3,341,396	3,155,351	3,341,396
Other reserves	**20.3**	225,173	211,904	225,173	211,904
Non-current liabilities		**1,617,636**	**1,638,341**	**1,688,318**	**1,638,341**
Long-term liabilities		1,617,636	1,638,341	1,688,318	1,638,341
Trade and other payables		1,246,767	1,297,884	1,317,449	1,297,884
Provisions for post-employment benefits	**26.4**	415,469	474,143	415,469	474,143
Borrowings and financing	**17**	819,107	816,476	819,107	816,476
Trade payables	**16**	12,191	7,265	4,426	7,265
Taxes and contributions payable	**18**	-	-	78,447	-
Payables for reinsurance and retrocession operations	**19.1**	789	789	789	789
Other payables		789	789	789	789
Technical reserves - reinsurance and retrocession	**20.1**	293,922	282,999	293,922	282,999
Property and casualty and group life insurance		293,922	282,999	293,922	282,999
Unearned premium reserve		293,922	282,999	293,922	282,999
Risks in force issued		282,631	271,151	282,631	271,151
Risks in force not issued		11,291	11,848	11,291	11,848
Other payables		76,158	56,669	76,158	56,669
Civil and labor contingencies	**23**	60,036	56,669	60,036	56,669
Tax liabilities	**23**	16,122	-	16,122	-
Total liabilities		**18,931,688**	**17,944,581**	**19,040,081**	**18,075,602**
Equity	**24**	3,634,360	4,414,802	3,634,360	4,414,802
Capital		4,219,524	4,219,524	4,219,524	4,219,524
Authorized capital		4,253,080	1,953,080	4,253,080	1,953,080
Capital increase pending approval		-	2,300,000	-	2,300,000
Expenditure for share issue		(33,556)	(33,556)	(33,556)	(33,556)
Capital reserves		1,006	1,006	1,006	1,006
Treasury shares	**24.2**	(283,760)	(283,760)	(283,760)	(283,760)
Profit reserves		148,666	832,747	148,666	832,747
Equity valuation adjustment	**24.3**	(451,076)	(354,715)	(451,076)	(354,715)
Total liabilities and equity		**22,566,048**	**22,359,383**	**22,674,441**	**22,490,404**

The accompanying notes are an integral part of these financial statements.

The information above is presented to facilitate the understanding of the reader. A reconciliation of these balances to the standardized financial statements with other relevant information is filed with Empresas.Net (CVM) as presented in Attachment 2 - Other information that the Company considers relevant.

IRB-Brasil Resseguros S.A.

Statements of profit or loss
Years ended December 31
In thousands of reais (A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		2021	2020	2021	2020
Net written premiums		7,435,350	8,309,558	7,435,350	8,309,558
Changes in technical reserves		552,078	171,111	552,078	171,111
Earned premiums	**25.1**	**7,987,428**	**8,480,669**	**7,987,428**	**8,480,669**
Incurred claims	**25.2**	**(8,277,362)**	**(8,438,864)**	**(8,277,362)**	**(8,438,864)**
Direct claims		(8,727,426)	(7,776,421)	(8,727,426)	(7,776,421)
Salvage and reimbursements		115,194	45,523	115,194	45,523
Change in IBNR reserve		334,870	(707,966)	334,870	(707,966)
Acquisition costs	**25.3**	**(253,133)**	**(257,366)**	**(253,133)**	**(257,366)**
Commissions		(253,133)	(257,366)	(253,133)	(257,366)
Other operating income and expenses	**25.5**	**(112,715)**	**(81,617)**	**(112,715)**	**(81,617)**
Profit (loss) from retrocession	**25.4**	**(920,926)**	**(1,268,943)**	**(920,926)**	**(1,268,943)**
Revenue from retrocession		2,323,592	2,664,288	2,323,592	2,664,288
Expense for retrocession		(3,248,815)	(3,919,511)	(3,248,815)	(3,919,511)
Salvage and reimbursements to retrocessionaire		(39,685)	(24,735)	(39,685)	(24,735)
Other operating income, net		43,982	11,015	43,982	11,015
Administrative expenses	**25.6**	**(364,173)**	**(306,682)**	**(389,376)**	**(319,681)**
Tax expenses	**25.7**	**(22,660)**	**(44,848)**	**(30,309)**	**(73,794)**
Finance income	**25.8**	**556,680**	**(130,483)**	**610,089**	**(111,604)**
Finance income		1,408,054	588,511	2,038,700	1,554,961
Finance costs		(851,374)	(718,994)	(1,428,611)	(1,666,565)
Share of profit of equity-accounted investees	**25.9**	**(3,494)**	**134,860**	**(7,738)**	**210,837**
Income (expenses) from investment property, net		12,527	(315)	(7,898)	201,450
Adjustment of investments in subsidiaries		(16,181)	135,657	-	-
Other share of profit, net		160	(482)	160	9,387
Operating profit (loss)		**(1,410,355)**	**(1,913,274)**	**(1,394,042)**	**(1,860,363)**
Gains or losses on non-current assets		**(1,349)**	**8,574**	**(1,423)**	**(1,555)**
Losses before taxes		**(1,411,704)**	**(1,904,700)**	**(1,395,465)**	**(1,861,918)**
Income tax	**25.10**	440,779	264,622	428,857	233,208
Social contribution	**25.10**	288,224	158,562	283,907	147,194
Loss for the year		**(682,701)**	**(1,481,516)**	**(682,701)**	**(1,481,516)**
Number of shares		**1,255,286,531**	**1,255,286,531**	**1,255,286,531**	**1,255,286,531**
Loss per share - basic and diluted	**24.4**	**(0.54)**	**(1.18)**	**(0.54)**	**(1.18)**

The accompanying notes are an integral part of these financial statements.
The information above is presented to facilitate the understanding of the reader. A reconciliation of these balances to the standardized financial statements with other relevant information is filed with Empresas.Net (CVM) as presented in Attachment 2 - Other information that the Company considers relevant.

Statements of comprehensive income (loss)
Years ended December 31
In thousands of reais (A free translation of the original in Portuguese)

		Parent Company and Consolidated	
	Note	2021	2020
Loss for the year		**(682,701)**	**(1,481,516)**
Other comprehensive income (loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	**24.3**	**(24,428)**	**(37,648)**
Available-for-sale financial assets			
Losses on fair value of available-for-sale financial assets in the year	**24.3**	(163,172)	(49,049)
Unrealized losses on securities - Subsidiaries	**24.3**	(2,948)	(3,079)
Income tax and social contribution	**24.3**	**65,269**	**19,620**
Total		**(125,279)**	**(70,156)**
Items that will not be reclassified to profit or loss			
Post-employment benefits			
Remeasurement of post-employment benefit obligations	**26.5**	48,196	(155,812)
Income tax and social contribution	**24.3**	**(19,278)**	**62,324**
Total		**28,918**	**(93,488)**
Total other comprehensive income (loss)		**(96,361)**	**(163,644)**
Total comprehensive income (loss) for the year		**(779,062)**	**(1,645,160)**

The accompanying notes are an integral part of these financial statements.
The information above is presented to facilitate the understanding of the reader. A reconciliation of these balances to the standardized financial statements with other relevant information is filed with Empresas.Net (CVM) as presented in Attachment 2 - Other information that the Company considers relevant.

Statements of changes in equity
Years ended December 31
In thousands of reais

(A free translation of the original in Portuguese)

	Capital					Profit reserves						
	Authorized capital	Capital increase pending approval	Expenditure for share issue	Capital reserves	Granted shares and Treasury shares	Legal	Retained earnings	Statutory profit reserve	Special reserve mandatory minimum dividend	Equity valuation adjustment	Retained earnings (losses)	Equity attributable to owners of the parent company
Balances as at January 1, 2020 (originally reported)	**1,953,080**	**-**	**-**	**-**	**(12,197)**	**167,698**	**878,026**	**1,058,589**	**91,025**	**(191,071)**	**-**	**3,945,150**
Prior year adjustments								**118,925**				**118,925**
Balances as at January 1, 2020 (Restated)	**1,953,080**	**-**	**-**	**-**	**(12,197)**	**167,698**	**878,026**	**1,177,514**	**91,025**	**(191,071)**	**-**	**4,064,075**
Comprehensive income (loss) for the year												
Adjustment to market value of securities	-	-	-	-	-	-	-	-	-	(32,508)	-	(32,508)
Cumulative translation adjustments	-	-	-	-	-	-	-	-	-	(37,648)	-	(37,648)
Actuarial gains on post-employment benefit	-	-	-	-	-	-	-	-	-	(93,488)	-	(93,488)
Profit or loss for the year	-	-	-	-	-	-	-	-	-	-	(1,481,516)	(1,481,516)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(163,644)**	**(1,481,516)**	**(1,645,160)**
Contributions from shareholders and distributions to shareholders												
Incurred loss for the year	-	-	-	-	-	-	(878,026)	(603,490)	-	-	1,481,516	-
Capital increase pending approval	-	2,300,000	-	-	-	-	-	-	-	-		2,300,000
Expenditure for share issue	-	-	(33,556)	-	-	-	-	-	-	-	-	(33,556)
Goodwill arising from share issue	-	-	-	1,006	-	-	-	-	-	-	-	1,006
Share repurchase		-	-	-	(270,870)	-	-	-	-	-	-	(270,870)
Shares granted, cancelled and forfeited	-	-	-	-	(693)	-	-	-	-	-	-	(693)
Total contributions from shareholders and distributions to shareholders	**-**	**2,300,000**	**(33,556)**	**1,006**	**(271,563)**	**-**	**(878,026)**	**(603,490)**	**-**	**-**	**1,481,516**	**1,995,887**
Balances as at December 31, 2020 (Restated)	**1,953,080**	**2,300,000**	**(33,556)**	**1,006**	**(283,760)**	**167,698**	**-**	**574,024**	**91,025**	**(354,715)**	**-**	**4,414,802**
Balances as at January 1, 2021 (originally reported)	**1,953,080**	**2,300,000**	**(33,556)**	**1,006**	**(283,760)**	**167,698**	**-**	**415,352**	**91,025**	**(354,715)**	**-**	**4,256,130**
Prior year adjustments								**158,672**				**158,672**
Balances as at January 1, 2021 (Restated)	**1,953,080**	**2,300,000**	**(33,556)**	**1,006**	**(283,760)**	**167,698**	**-**	**574,024**	**91,025**	**(354,715)**	**-**	**4,414,802**
Comprehensive income (loss) for the year												
Capital increase pending approval												
Adjustment to market value of securities	-	-	-	-	-	-	-	-	-	(100,851)	-	(100,851)
Cumulative translation adjustments	-	-	-	-	-	-	-	-	-	(24,428)	-	(24,428)
Actuarial gains on post-employment benefit	-	-	-	-	-	-	-	-	-	28,918	-	28,918
Profit or loss for the year	-	-	-	-	-	-	-	-	-	-	(682,701)	(682,701)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(96,361)**	**(682,701)**	**(779,062)**
Contributions from shareholders and distributions to shareholders												
Incurred loss for the year	-	-	-	-	-	(19,032)	-	(574,024)	(89,645)	-	682,701	-
SUSEP Ordinance 41 of March 1, 2021	2,300,000	(2,300,000)	-	-	-	-	-	-	-	-	-	-
Distribution of interest on shareholders' equity	-	-	-	-	-	-	-	-	(1,380)	-	-	(1,380)
Total contributions from shareholders and distributions to shareholders	**2,300,000**	**(2,300,000)**	**-**	**-**	**-**	**(19,032)**	**-**	**(574,024)**	**(91,025)**	**-**	**682,701**	**(1,380)**
Balances as at December 31, 2021	**4,253,080**	**-**	**(33,556)**	**1,006**	**(283,760)**	**148,666**	**-**	**-**	**-**	**(451,076)**	**-**	**3,634,360**

The accompanying notes are an integral part of these financial statements.

The information above is presented to facilitate the understanding of the reader. A reconciliation of these balances to the standardized financial statements with other relevant information is filed with Empresas.Net (CVM) as presented in Attachment 2 - Other information that the Company considers relevant.

Statements of cash flows – (Direct method)
Years ended December 31
In thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2021	2020	2021	2020
Operating activities				
Premium received	9,591,200	9,914,131	9,591,200	9,914,131
Recovery of claims and commissions	1,229,922	1,558,621	1,229,922	1,558,621
Other operational receipts (payments) - salvage, reimbursements and others	(339,208)	66,142	(339,208)	66,142
Court settlement received (Note 10)	358,158	-	358,158	-
Payments of claims	(5,417,972)	(6,663,461)	(5,417,972)	(6,663,461)
Payments of claim expenses, commission and other	(1,712,821)	(1,532,338)	(1,712,821)	(1,532,338)
Transfer of premiums for ceding risks	(2,879,548)	(2,800,682)	(2,879,548)	(2,800,682)
Payments of expenses and obligations	(509,541)	(448,915)	(504,406)	(556,397)
Operating receipts from subsidiaries - sale of interest in shopping centers, real estate and real estate fund	-	-	-	877,484
Operating receipts from subsidiaries - rents and management and performance fee	-	-	59,798	81,800
Receipt of interest and dividends	1,635	324	2,622	324
Reversal (recognition) of court deposits	(19,879)	18,312	(19,879)	18,312
Cash from operations	**301,946**	**112,134**	**367,866**	**963,936**
Payment of income tax and social contribution	**(168)**	**(64,208)**	**(10,676)**	**(134,344)**
Interests paid	**(54,024)**	**-**	**(54,024)**	**-**
Marketable securities				
Acquisition of financial assets at fair value through profit or loss	(11,655,567)	(8,765,167)	(11,655,567)	(9,543,155)
Proceeds from sale and calls of investments at fair value through profit or loss	11,221,414	6,331,757	11,222,540	7,227,019
Net marketable securities	**(434,153)**	**(2,433,410)**	**(433,027)**	**(2,316,136)**
Net cash used in operating activities	**(186,399)**	**(2,385,484)**	**(129,861)**	**(1,486,544)**
Investing activities				
Available-for-sale financial assets of investments	(3,304,258)	(5,993,989)	(3,315,343)	(5,993,989)
Proceeds from sale and call of available-for-sale investments	3,531,687	4,843,505	3,537,836	4,778,356
Dividends - Ownership interests	32,312	359,534	-	-
Capital reduction - Ownership interests	-	484,851	-	-
Payment for the purchase of:				
Investments	(10,880)	-	-	-
Property and equipment	(5,174)	(3,514)	(5,174)	(3,516)
Intangible assets	(55,250)	(56,567)	(55,250)	(56,567)
Leases	(925)	(3,608)	(925)	(3,608)
Proceeds from sale of				
Property and equipment	-	9,575	-	9,575
Cash from (used in) investing activities	**187,512**	**(360,213)**	**161,144**	**(1,269,749)**
Financing activities				
Capital increase	-	2,300,000	-	2,300,000
Expenditure for share issue	-	(33,556)	-	(33,556)
Goodwill arising from share issue	-	1,006	-	1,006
Distribution of dividends and interest on shareholders' equity	(24,815)	-	(24,815)	-
Debenture Issue	-	826,632	-	826,632
Cost of debenture issue	(1,104)	(9,792)	(1,104)	(9,792)
Share repurchase	-	(270,870)	-	(270,870)
Cash from (used in) financing activities	**(25,919)**	**2,813,420**	**(25,919)**	**2,813,420**
Increase (decrease) in cash and cash equivalents	(24,806)	67,723	5,364	57,127
Exchange rate change on cash and cash equivalents	18,847	(78,428)	18,847	(78,428)
Increase (decrease) in cash and cash equivalents after exchange rate change	**(5,959)**	**(10,705)**	**24,211**	**(21,301)**
Cash and cash equivalents at the beginning of the year	**14,190**	**24,895**	**14,563**	**35,864**
Cash and cash equivalents at the end of the year	**8,231**	**14,190**	**38,774**	**14,563**

The accompanying notes are an integral part of these financial statements.
The information above is presented to facilitate the understanding of the reader. A reconciliation of these balances to the standardized financial statements with other relevant information is filed with Empresas.Net (CVM) as presented in Attachment 2 - Other information that the Company considers relevant.

In thousands of reais (continued)

	Parent company		Consolidated	
	2021	2020	2021	2020
Reconciliation between loss for the year and net cash from operating activities				
Loss for the year	**(682,701)**	**(1,481,516)**	**(682,701)**	**(1,481,516)**
Adjustments to loss for the year				
Depreciation and amortization	44,071	44,773	44,374	44,831
Recognition (reversal) of allowance for doubtful accounts	(4,462)	31,249	(4,462)	31,249
Increase of impairment loss on assets	(160)	-	(160)	-
Gain on disposal of property and equipment and intangible assets	1,349	(8,574)	1,423	(8,574)
Share of profit of equity-accounted investees	16,181	(135,657)	-	-
Exchange rate change on cash and cash equivalents	(18,847)	78,428	(18,847)	78,428
Other adjustments	1,487	2,882	1,561	152
Changes in asset and liability accounts				
Financial assets	(1,039,681)	(2,818,185)	(1,046,855)	(2,689,130)
Receivables from insurance and reinsurance operations	1,652,116	(223,834)	1,652,116	(223,834)
Retrocession assets	(519,217)	(1,424,867)	(519,217)	(1,424,867)
Investment properties	-	-	27	405,959
Tax credits and deferred tax assets	(909,813)	(612,297)	(899,495)	(623,450)
Prepaid expenses	(3,085)	1,135	(3,085)	1,135
Deferred acquisition costs	3,297	(28,065)	3,297	(28,065)
Trade and other receivables	301,166	42,350	355,186	349,996
Court deposits	(7,441)	78,901	(7,441)	78,901
Trade and other payables	(20,187)	369,137	81,418	277,349
Taxes and contributions	(30,447)	32,921	(116,975)	60,209
Payables for insurance and reinsurance operations	(517,997)	983,443	(517,997)	983,443
Third-party deposits	(209,464)	(18,968)	(209,464)	(18,968)
Technical reserves - insurance and reinsurance	1,798,098	3,100,226	1,798,098	3,100,226
Other liabilities	(60,151)	43,432	(60,151)	42,380
Provisions for lawsuits	19,489	(442,398)	19,489	(442,398)
Net cash used in operations	**(186,399)**	**(2,385,484)**	**(129,861)**	**(1,486,544)**

The accompanying notes are an integral part of these financial statements.
The information above is presented to facilitate the understanding of the reader. A reconciliation of these balances to the standardized financial statements with other relevant information is filed with Empresas.Net (CVM) as presented in Attachment 2 - Other information that the Company considers relevant.

Statements of value added
Years ended December 31
In thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2021	2020	2021	2020
Net revenue				
Insurance operations	7,435,350	8,309,558	7,435,350	8,309,558
Recognition (reversal) of allowance for doubtful accounts	4,462	(31,249)	4,462	(31,249)
Changes in technical reserves	552,078	171,111	552,078	171,111
Other	(105,524)	(42,274)	(125,995)	159,259
Net revenue	**7,886,366**	**8,407,146**	**7,865,895**	**8,608,679**
Net expenses				
Claims	(8,727,426)	(7,776,421)	(8,727,426)	(7,776,421)
Change in IBNR reserve	334,870	(707,966)	334,870	(707,966)
Salvage and reimbursements	115,194	45,523	115,194	45,523
	(8,277,362)	**(8,438,864)**	**(8,277,362)**	**(8,438,864)**
Inputs acquired from third parties				
Materials, energy and other	(26,575)	(22,957)	(48,118)	(23,604)
Third-party services and commissions, net	(53,081)	(59,885)	(53,855)	(62,171)
Commissions	(253,133)	(257,366)	(253,133)	(257,366)
	(332,789)	**(340,208)**	**(355,106)**	**(343,141)**
Gross value added	**(723,785)**	**(371,926)**	**(766,573)**	**(173,326)**
Depreciation, amortization and depletion	**(44,071)**	**(44,773)**	**(44,374)**	**(44,831)**
Net value added produced by the company	**(767,856)**	**(416,699)**	**(810,947)**	**(218,157)**
Value added received in transfer				
Finance income	1,408,054	588,511	2,038,700	1,554,961
Income (expenses) from retrocession	(920,926)	(1,268,943)	(920,926)	(1,268,943)
Share of profit of equity-accounted investees	(16,181)	135,657	-	-
Other	(1,706)	(2,883)	(1,456)	(2,876)
	469,241	**(547,658)**	**1,116,318**	**283,142**
Total value added to be distributed	**(298,615)**	**(964,357)**	**305,371**	**64,985**
Distribution of value added				
Personnel	239,055	176,501	241,916	186,544
Taxes, fees and contributions	(706,343)	(378,336)	(682,455)	(306,608)
Finance costs	851,374	718,994	1,428,611	1,666,565
Loss incurred for the year	(682,701)	(1,481,516)	(682,701)	(1,481,516)
Distributed value added	**(298,615)**	**(964,357)**	**305,371**	**64,985**

The accompanying notes are an integral part of these financial statements.
The information above is presented to facilitate the understanding of the reader. A reconciliation of these balances to the standardized financial statements with other relevant information is filed with Empresas.Net (CVM) as presented in Attachment 2 - Other information that the Company considers relevant.

In thousands of reais, except when otherwise stated

Section A - General Information

1.1 Operations

IRB-Brasil Resseguros S.A ("IRB Brasil RE", "Reinsurer" or "Company") is a publicly held company incorporated in 1939 by the then President Getúlio Vargas, with its registered office located at Avenida Marechal Câmara, 171, in the city of Rio de Janeiro, and offices in São Paulo, Buenos Aires and London. Its main activities comprise reinsurance operations in Brazil and abroad. The Company's shares are traded on B3 S.A - Brasil, Bolsa, Balcão (B3).

The parent company and consolidated financial statements as at December 31, 2021 were approved by the Board of Directors of the Company on February 24, 2022.

1.2 Additional information

1.2.1 COVID-19 effects

The global COVID-19 pandemic has created a scenario of uncertainties that continues to adversely affect global economies, including that of Brazil.

In response to the outbreak, the Company adopted numerous measures for protecting the health of its employees and the continuity of its operations, including: (i) implementation work from home protocols and preventative measures, and (ii) remote support for customers. IRB Brasil RE formed a Crisis Committee to monitor a strategic action plan, enabling it to meet the potential effects caused by the pandemic.

The main effects on the Company's business portfolio are reflected in the increase in the retained loss ratio for certain lines; since the beginning of the pandemic, this has led to accumulated retained claims of R$ 168,295 being recorded in income as shown below:

	2021	2020
Life	116,864	13,987
Property and Casualty	22,691	7,749
Financial risks	3,677	-
Other	3,057	270
	146,289	**22,006**

(a) Life

The risk of a pandemic was generally absent from most of the Company's domestic contracts. As the demand for individual life insurance policies has increased over recent months, pandemic risk cover has been priced into offerings on contract renewals. For some international contracts, the pandemic coverage was already provided. Claims arising from deaths from COVID-19 in 2021 accounted for approximately R$ 116,864, compared to R$ 13,987 for similar claims incurred in the previous year, for the Brazilian and international business portfolio.

As vaccination programs have been widely implemented, notably in Brazil, and as the Omicron variant is expected to have lighter effects, the number of deaths is expected to fall. With this pandemic coverage pricing, billings in 2022 are expected to increase for Earned Premium. These will contribute to a gradual recovery from the adverse effects of COVID-19.

(b) Property and Casualty

Reinsurance revenue varies to match the reinsured amounts of corporate asset valuations. When prices of such assets fall, the reinsured amount is lower, and may affect the written premium of the business line. As production levels and revenue of companies have fallen, the reinsured amounts based on their profits will be affected, as also will be the written premium. However, in recent months the effects have been light, being almost fully offset by an increase in rates.

For loss ratios of Brazilian businesses, material damage must be evidenced in the contract for compensation for business shutdowns. As a general rule, internationally, damages from diseases and pandemic are clearly excluded from policies, so the losses are limited to exceptions where coverage is explicitly included. In 2021, the COVID-19-related claims totaled approximately R$ 22,691 for these portfolios, compared to R$ 7,749 for 2020, on a retained basis for businesses in Brazil and abroad.

There are presently movements afoot abroad seeking the inclusion of some form of loss of income claim arising from the pandemic through court. In the event of unfavorable court rulings, the Company may be required to record losses for this business line.

(c) Financial risks

The economic downturn has led to lower direct and indirect investments, affecting the need for guarantees, from both government and corporate sectors. Moreover, the postponement and/or cancellation of privatizations, concessions and Public-Private Partnerships will affect the government sector, and the level of investment projects in the corporate sector will reflect on insurance and reinsurance premiums.

In the period, no significant Coronavirus-related impact was noted on the Company's operations, as the portfolio mostly comprised of large companies.

The Company has not observed to date any significant impacts from COVID-19 on its operations that would lead to changes in accounting estimates. In 2021, retained claims of R$ 3,677 were recorded.

The extent of the COVID-19 effects on operations and financial performance will depend on future developments, including the duration and spread of the pandemic and the impact on Company customers; these cannot be accurately estimated. If the pandemic or the resulting economic slowdown continues to worsen, the Company may experience a greater volume of claims and/or require a higher level of technical reserves, which could have an adverse effect on the results of operations.

1.2.2 Developments of the investigation regarding the shareholding

On March 4, 2020, IRB Brasil RE's Board of Directors instituted fact-finding procedures to determine the exact circumstances under which the disclosure of information by the Company of its shareholder structure had occurred. On June 26, 2020, the independent investigation conducted by KPMG Assessores Ltda. and Felsberg Advogados into the disclosure of information on the Company's shareholding was concluded. This investigation identified those responsible for disseminating false information on the Company's shareholders - particularly regarding the US company, Berkshire Hathaway. These individuals had perpetuated these irregular acts outside their corporate mandates.

The Company also detected irregularities in the payment of bonuses to former Officers and other employees of IRB Brasil RE through its real estate subsidiary.

The Company discovered, in February and March 2020, that the Company's share repurchases were made in excess of the numbers authorized by the Board of Directors, exceeding the approved number by 2,850,000 shares.

All of these operations were performed without the knowledge of IRB Brasil RE's Board of Directors. Those individuals who were primarily responsible for the irregularities have been identified and are no longer employed by the Company.

IRB Brasil RE's current management submitted its conclusions to the Federal Public Attorney's Office of the state of Rio de Janeiro, the Brazilian Securities Commission (CVM) and the Superintendence of Private Insurance (SUSEP). The Company is cooperating with investigations that the pertinent authorities are currently conducting, providing clarifications, information and documents. It has also adopted appropriate legal measures to recover all losses that it suffered due to illegal acts engaged by the individuals, particularly by filing a legal action against the former Statutory Executive Officers of the Company, as duly approved by the shareholders at the Annual and Extraordinary Shareholders' Meeting on July 31, 2020.

1.2.3 Internal survey of accounting information

Following the issue of false information, management, as approved by the Board of Directors, adopted additional procedures to collect data and information, supported by external forensic advisory experts, to check whether there had been any manipulation of information and accounting data with respect to the audited parent company and consolidated financial statements for the years ended December 31, 2019 and 2018 and prior periods. The works were substantially completed on June 26, 2020, and resulted in the following main actions which were or are being taken:

- **Corporate Governance:** review of the By-laws, aimed to improve best practices; increase in the number of independent members and elimination of alternates; increase in the number of statutory executive officers and clearer specification of their respective responsibilities; review of the Committees supporting the Board of Directors and their rules, establishing the participation of external experts; and creation of a project, supported by external expert consulting firm, for assessment, proposition and implementation of improvements in the Company's Risk Management Framework (EGR) and the Internal Control System (SCI) and Governance Framework, involving streamlining of its organizational structure, modifications to almost all corporate policies, particularly those that address decision-making levels, and internal rules of joint bodies, besides improvements in the risk and control management process through integrated system, and a comprehensive training program targeted at all hierarchical levels, with special attention to high-responsibility positions.

- **Personnel:** substitution of the executives who performed key duties, including the Executive and Statutory Boards; removal of employees; analysis of the Company's organizational chart; reformulation of the bonus policy and other benefits tied to the individual performance of employees and executives, with greater emphasis on meritocracy and the specific attributions of each duty.
- **Internal controls:** (i) survey of internal processes to identify and correct any internal control weaknesses that could have facilitated manipulations; (ii) analysis and reformulation, when applicable, of the internal accounting and actuarial policies that require critical judgments, particularly those related to technical reserves; (iii) review of several guidelines, including for claims and underwriting;(iv) survey of the information technology policies and procedures, particularly those related to the of controls over access and segregation of duties; (v) elimination of weaknesses in the reporting channels; (vi) review of the Company's Code of Conduct; and (vii) program of training in the Company's Code of Conduct and Ethics Channel;
- **Financial statements:** restatement of the parent company and consolidated financial statements for the years ended December 31, 2019 and December 31, 2018, and quarterly information for 2019.

The Company will continue to work on fraud and manipulation prevention, adopting a strict policy on ethics and conduct to be disseminated among employees, customers and partners. IRB Brasil RE is a historic, solid, traditional institution with high solvency levels and consistent operational performance and continues to affirm its commitment to operate with responsibility and integrity to its customers, shareholders, market, and other stakeholders.

1.2.4 Criminal Complaints

On August 17, 2020 the Company informed to the market that it had filed with a criminal complaint at the Federal Attorney's Office of the state of Rio de Janeiro regarding the irregularities found in the Company's quarterly information, including those disclosed on February 18, 2020, due to the accounting misstatements and manipulations, among other irregularities found by the internal and forensic investigations, which caused the financial statements for the year 2019 to be reissued, as disclosed in the Material Fact notice of June 29, 2020.

In addition to this criminal complaint related to accounting manipulations, a further two are in progress, which were filed using documentation sourced from the internal investigations regarding (i) the Company's shareholding (Note disclosed by the US company Berkshire Hathaway on March 3, 2020), as well as (ii) the irregularities in payment of bonuses to former Statutory Officers and employees of the Company and in the share repurchase program approved on February 19, 2020.

These three criminal complaints are in the discovery stage and not yet in the prosecution phase.

1.2.5 Administrative Investigations at the Brazilian Securities Commission (CVM)

The Company is currently party to two Administrative Investigations at the CVM, which have the following objectives:

(i) CVM Administrative Investigation 19957.003611/2020-91: Administrative investigation conducted to find any irregularities related to transactions on the B3 involving the common shares issued by IRB Brasil RE and its derivatives, in the period from January 1 to March 31, 2020. The investigation is a result of Administrative Proceedings 19957.002942/2020-11, filed to evaluate transactions on B3 involving the common shares issued by IRB Brasil RE and its derivatives, following: (i) the drop noted in the quoted prices of the shares issued by the Company after the disclosure by Squadra Investimentos - Gestão de Recursos Ltda. ("Squadra"); (ii) the supposed conflict of interest, as admitted publicly by Squadra, as it has short positions in the shares issued by IRB; (iii) the subsequent events that aggravated the drop in the quoted prices of the shares issued by the Company, culminating in the resignation of the CEO and Deputy CEO, Chief Financial and Investor Relations Officer of the Company on March 4, 2020. On November 25, 2021, CVM completed its Investigation and filed the Administrative Sanctions Procedure 19957.993611/2020-91, in which the former management members of IRB Brasil RE were accused, specifically, the CEO for neglecting his diligence duty by disclosing false information to the market, without taking the necessary measures to check the veracity of the information, and the Deputy CEO, Chief Financial and Investor Relations Officer for share price manipulations on the stock exchange market.

(ii) CVM Administrative Investigation 19957.003612/2020-35: Administrative investigation conducted to find any irregularities related to the disclosure of information by IRB and members of management. This investigation is a result of the CVM Proceedings 19957.011072/2019-20, 19957.001517/2020-05 and 19957.000767/2020-10 filed to investigate the suspicions raised by Squadra as to the compliance of IRB's financial statements with the accounting standards and rules in effect. The investigation is in the discovery stage and not yet in the prosecution phase.

1.3 Basis of preparation

The financial statements have been prepared according to the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncement Committee (CPC), the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and disclose all information of significance consistent with that used by management in the performance of its duties.

The information presented in Attachment 1 to these financial statements are required by SUSEP, as established in Circular 517/2015 and further amendments, but not required by the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS). Therefore, they it is being presented as supplemental information.

The significant accounting policies followed in the preparation of these financial statements are presented in Note 27.

The financial statements have been prepared using historical cost as the measurement basis, which, in the case of available-for-sale financial assets and other financial assets and liabilities, is adjusted to reflect the fair value measurement.

The preparation of parent company and consolidated financial statements requires the use of certain critical accounting estimates and exercise of judgment by the Company's management for the accounting policies of the Company. The areas that require a higher degree of judgement and are more complex, as well as the areas in which the assumptions and estimates are significant to the financial statements, are disclosed in Note 28.

The Company has a branch in Argentina whose operations began on September 1, 2011. The accounting balances for this branch are recognized in the parent company and consolidated balances of the Company.

IRB Brasil RE has a branch in London which manages the runoff of the Company portfolios when it operated there. The Company commissioned an external expert consulting firm to review its strategies and is evaluating the alternatives regarding the London branch's future. As soon as the Company's management complete and approve the respective review, it will be disclosed to the market.

(a) Parent company financial statements

The parent company financial statements have been prepared according to the accounting practices adopted in Brazil issued by the Accounting Pronouncement Committee (CPC) and the International Financial Reporting Standards (IFRS). As the accounting practices adopted in Brazil applied to the parent company financial statements since 2014 do not differ from the IFRS used for the separate financial statements, now permitting the use of the equity method for subsidiaries, associates and joint ventures in the separate financial statements, such policies are also in compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These parent company statements are disclosed in conjunction with the consolidated financial statements.

(b) Consolidated financial statements

The consolidated financial statements have been prepared and are being presented according to the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncement Committee (CPC), and according to the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The presentation of the parent company and consolidated Statement of Value Added (DVA) is required by Brazilian Corporation Law and accounting practices adopted in Brazil applicable to publicly held companies. IFRS and accounting practices adopted in Brazil do not require the presentation of this statement. Consequently, this statement is presented as supplementary information, without affecting the financial statements.

1.3.1 Consolidation

The Company consolidates all entities that it controls, that is, when it is exposed to, or has rights to, variable returns from its involvement with the investee and has power to direct its relevant activities.

The subsidiaries included in the consolidation are detailed in Note 4.2; the accounting policies are consistent with those used for the preparation of the consolidated financial statements are described below.

Subsidiaries are all entities over which the Company has the power to influence financial and operating policies, usually by holding shares that confer more than half of the voting rights (voting capital). The existence and the effect of possible voting rights, either currently exercisable or convertible, are considered when evaluating whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Consolidation ceases from the date the Company loses control.

In thousands of reais, except when otherwise stated

At December 31, 2021, the Company owns an entity that hold its Reinsurer's property investments and has an Asset Management company.

The Company made a capital contribution to IRB Asset Management (wholly-owned subsidiary of the Company) in 2017. On July 16, 2018, CVM authorized this subsidiary to provide Securities Portfolio Administration Services. After following the appropriate procedures of Brazilian Association of Financial and Capital Market Entities (ANBIMA) and preparing to start-up its operations, IRB Asset Management took on the management of the exclusive investment funds previously managed by the parent company.

The information on subsidiaries is shown below:

		2021
	IRB Investimentos e Participações Imobiliárias S.A.	IRB Asset Management
Interest percentage in capital	100.0%	100.0%
Assets	92,384	17,357
Liabilities	100,150	10,605
Equity at the end of the year	(7,766)	6,752
Net income (loss) for the year	(45,840)	29,659

		2020
	IRB Investimentos e Participações Imobiliárias S.A.	IRB Asset Management
Interest percentage in capital	100.0%	100.0%
Assets	146,730	12,290
Liabilities	116,588	2,884
Equity at the end of the year	30,142	9,406
Net income for the year	74,391 (a)	61,266

(a) The Company, through its subsidiary IRB Investimentos e Participações Imobiliárias, sold its interests in shopping centers in the years 2019 and 2020.

IRB Investimentos e Participações Imobiliárias S.A. was incorporated to purchase, sell and develop real estate assets. As at December 31, 2021, the subsidiary has a real estate portfolio comprising office spaces and land available for sale or rent.

The Company also holds all the shares of the following investment funds:

- BB IRB Brasil RE Liquidez Fundo de Investimento Renda Fixa
- Fundo de Investimento RF IRB Brasil RE Absoluto (managed by IRB Asset Management)
- IRB Fundo de Investimento Multimercado (managed by IRB Asset Management)
- IRB Fundo de Investimento Renda Fixa Crédito Privado (managed by IRB Asset Management)
- IRB Fundo de Investimento em Ações (managed by IRB Asset Management)
- IRB Caixa Fundo de Investimento Renda Fixa (managed by IRB Asset Management)
- IRB Macro Fundo de Investimento Multimercado (managed by IRB Asset Management)
- Parking Partners Fundo de Investimento Imobiliário - FII (managed by IRB Asset Management)
- IRB London Fundo de Investimento Multimercado (managed by IRB Asset Management)
- CSHG 2500 Fundo de Investimento Renda Fixa (managed by IRB Asset Management)

The Company's consolidated financial statements include these exclusive investment funds, the subsidiary IRB Investimentos e Participações Imobiliárias S.A, and IRB Asset Management.

In thousands of reais, except when otherwise stated

1.4 Change in accounting practice

The Company has PIS and COFINS credits recoverable from claims paid in the year but has not recognized as deferred assets on claim reserves. During this period, the Company aligned its practices with those adopted in the market with respect to the recognition of these tax credit receivables.

Hence, from the first quarter of 2021, the Company began recognizing PIS and COFINS deferred tax assets from claim reserves, less the claim recovery reserves. The PIS contributions accrue at the rate of 0.65%, whereas the COFINS accrue at 4%.

For income tax purposes, the amounts are deductible when paid or received. This change in accounting practice affected favorably the income tax and social contribution expense by R$ 39,747 in the profit or loss for the year ended December 31, 2020. Consequently, the Company adjusted prior period comparatives to maintain comparability of the disclosure of information, as follows:

	Parent Company and Consolidated
	2020
1 - Impacts on the Company's profit or loss and equity	
Deferred PIS and COFINS	66,245
Expense for income tax and social contribution on adjustments	(26,498)
Effect on profit or loss	**39,747**
Prior year adjustments	**118,925**
Effect on equity	**158,672**
2 - Accumulated impacts on the Company's assets	
Deferred PIS and COFINS	264,450
Expense for income tax and social contribution on adjustments	(105,778)
Effect on assets	**158,672**

Section B - Risks

2 Risk management

IRB Brasil RE considers risk management to be key in optimizing the use of capital and secure optimal opportunities, to obtain the best risk-return ratio to its shareholders. Risk management protects the Company's solvency and long-term results by undertaking a process of identification, measurement and handling of the risks to which the Company is exposed when carrying out its operations. It is also meets the regulatory authority's requirements as well as assures the adequacy, strengthening and efficient operation of the Internal Control System.

The importance of this matter within the organization, is reflected by the Executive Vice-president of Risks, Compliance and Legal (to which the Enterprise Risk and Compliance Managements report), who is mandated to cover risk management oversight for IRB Brasil RE. The Statutory Board, the Board of Directors, the Risk Management Committee and other advisory or deliberative bodies are also committed to support and promote risk management.

In December 2021, the A.M. Best rating agency, based in the US, affirmed the rating A- in a global credit risk rating scale.

As disclosed to the market, the Company carried out its first and second issues of simple, non-convertible debentures in September and November 2020, respectively. The rating agency Standard Poor's Global Ratings ("S&P") assigned the "brAAA" rating for these transactions, which was maintained in the report released in September 2021.

2.1 Three-line model

IRB Brasil RE adopts the three-line of defense model in its Risk Management framework to providing a robust base for its Corporate Governance. This model assists the Company in the identification of the structures and processes that are the most useful to fulfill its goals, protecting the interests prioritized by stakeholders, as well as the legal, regulatory and ethic requirements.

The first line of defense is represented by the operational areas, managers being directly responsible for providing services to the Company's customers, as well as to manage the risks of its processes.

The second line of defense comprises the organization's Enterprise and Compliance Risk units, which assist in the risk management and have the duty to continually instruct, monitor and assess the first line's processes, risks and controls.

The third line of defense, represented by Internal Audit, independently assesses the adequacy and effectiveness of governance and risk management.

The three lines operate on a simultaneous and integrated basis, through communication, cooperation and collaboration, providing appropriate support to transparency in risk-based decision making.

2.2 Main risk types

Enterprise risk management comprises the following risk categories: operational, underwriting, market, credit and liquidity, each with numerous subcategories.

Management believes that these categories represent its main exposures, but are not limited thereto, as many risks may arise.

In thousands of reais, except when otherwise stated

2.2.1 Operational risks

In IRB Brasil RE, operational risk arises from the possibility of incurring losses from failure, defect or inadequacy of internal processes, people and systems, or external events.

The operational risk management process comprises five steps: (i) identification, (ii) analysis and measurement, (iii) treatment, (iv) monitoring, and (v) reporting. In this process, the Enterprise Risk Management works together with the risk owner, providing support and monitoring the performance of the operational risk management process by the Company's managing units. As described in Note 1.2.3, the Company is revising and improving its internal processes to eliminate the any weaknesses found.

IRB Brasil RE has a Business Continuity Management program organized in five specific contingency plans: Business Continuity Plan, Crisis Management Plan, Disaster Recovery Plan, Going Concern Plan, and Emergency Assistance Plan.

The Company has a Data Bank of Operational Losses to record and manage the loss events arising from this risk category.

2.2.2 Underwriting risks

Underwriting risk arises from fluctuations caused by factors which are internal or external to the Company, contrary to the expectations of actuarial and financial assumptions in the pricing of reinsurance contracts and recognition of technical reserves.

The transfer of risk through retrocession is one of the techniques used for mitigating and controlling underwriting risk. As reinsurance, retrocession may cover a business group or only specific risks (also called facultative). IRB Brasil RE currently has retrocession programs (or portfolio protection programs) that cover the groups of lines with higher exposure, aiming to balance results and limit losses, as well as increase its capacity to accept strategic businesses.

For specific cases, facultative retrocessions, which are individually analyzed, may be used. In view of the own nature of risk transfer, retrocession operations imply an underlying credit risk, which is treated as described in Note 2.2.4.

2.2.2.1 Monitoring of retrocession assets and reinsurance liabilities by business line

The Company calculates the technical reserves according to the standards and guidance established by the regulatory body. The following tables show the asset and liability balances gross of retrocession (PSL, IBNR, IBNER, PET, PPNG, PDR), broken down by business line:

						Parent Company and Consolidated
	Liabilities (Reinsurance)		Assets (Retrocession)		Net	
	2021	2020	2021	2020	2021	2020
Aviation	653,034	510,777	(380,259)	(322,379)	272,775	188,398
Motor	153,541	145,270	(21,325)	(21,107)	132,216	124,163
Mortgage	53,686	61,007	(504)	(457)	53,182	60,550
Marine	183,117	139,923	(66,885)	(85,773)	116,232	54,150
Nuclear	1,192	23,996	(1,012)	(21,529)	180	2,467
Property	3,596,534	2,704,628	(2,144,315)	(1,711,627)	1,452,219	993,001
Life	438,476	440,296	(110,714)	(106,568)	327,762	333,728
Oil & Gas	953,456	953,674	(800,761)	(858,218)	152,695	95,456
Casualty	839,414	623,064	(495,809)	(359,444)	343,605	263,620
Financial risks	856,249	780,613	(288,073)	(245,987)	568,176	534,626
Agriculture	988,121	764,289	(352,076)	(222,583)	636,045	541,706
Cargo	633,268	585,037	(385,206)	(459,953)	248,062	125,084
International risks	5,979,982	5,799,398	(634,101)	(746,198)	5,345,881	5,053,200
Total	**15,330,070**	**13,531,972**	**(5,681,040)**	**(5,161,823)**	**9,649,030**	**8,370,149**

In thousands of reais, except when otherwise stated

2.2.2.1 Monitoring of retrocession assets and reinsurance liabilities by business line

(i) Abroad:

	Parent Company and Consolidated					
	Liabilities (Reinsurance)		Assets (Retrocession)		Net	
	2021	2020	2021	2020	2021	2020
Aviation	745,475	684,890	(135,865)	(37,186)	609,610	647,704
Motor	9,783	11,372	(760)	(727)	9,023	10,645
Marine	166,074	165,462	(37,749)	(60,656)	128,325	104,806
Nuclear	1,995	2,107	-	-	1,995	2,107
Property	2,472,184	2,102,207	(337,851)	(336,524)	2,134,333	1,765,683
Life	1,197,994	1,318,494	(2,652)	(4,627)	1,195,342	1,313,867
Oil & Gas	198,065	136,086	(66,031)	(93,739)	132,034	42,347
Casualty	135,048	109,111	(1,346)	(1,777)	133,702	107,334
Financial risks	174,354	129,603	(4,508)	(3,534)	169,846	126,069
Agriculture	738,675	998,169	(14,106)	(146,613)	724,569	851,556
Cargo	140,335	141,897	(33,233)	(60,815)	107,102	81,082
Total	**5,979,982**	**5,799,398**	**(634,101)**	**(746,198)**	**5,345,881**	**5,053,200**

2.2.2.2 Premium and claim development

The following tables show the development of earned premiums and incurred claims of the Company, broken down by underwriting year.

Accumulated earned premium

- **Retrocession - gross**

	2021							
	Parent Company and Consolidated							
Underwriting year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total**	
Earned premium in the year	1,413,652	1,639,630	2,384,895	2,698,847	3,624,687	2,976,459		
One year later	4,501,324	4,261,718	5,977,113	7,133,294	8,327,195			
Two years later	5,748,472	4,992,733	7,361,171	8,204,994				
Three years later	6,142,298	5,106,748	7,600,783					
Four years later	6,207,351	5,138,001						
Five years later	6,240,379							
Accumulated earned premium (f)*	**6,240,379**	**5,138,001**	**7,600,783**	**8,204,994**	**8,327,195**	**2,976,459**		
Earned premium in 2021	33,028	31,253	239,612	1,071,700	4,702,508	2,976,459	9,054,560	
Earned premium other components**							271,458	
Total earned premium included in the balance sheet							**9,326,018**	(a)

	2020							
	Parent Company and Consolidated							
Underwriting year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Total**	
Earned premium in the year	1,313,347	1,413,652	1,639,630	2,384,895	2,698,847	3,624,687		
One year later	3,917,720	4,501,324	4,261,718	5,977,113	7,133,294			
Two years later	4,332,569	5,748,472	4,992,733	7,361,171				
Three years later	4,426,231	6,142,298	5,106,748					
Four years later	4,430,150	6,207,351						
Five years later	4,453,630							
Accumulated earned premium (f)*	**4,453,630**	**6,207,351**	**5,106,748**	**7,361,171**	**7,133,294**	**3,624,687**		
Earned premium in 2020	23,480	65,053	114,015	1,384,058	4,434,447	3,624,687	9,645,740	
Earned premium other components**							87,241	
Total earned premium included in the balance sheet							**9,732,981**	(a)

(*) Earned premium used in the loss ratio calculation, at the end of the claim triangle.
(**) Earned premium for prior years, Argentina branch and RVNE.

(a) Reconciled with Note 3.3 (Statements of profit or loss - Reconciliation) line items Gross written premium (a) and Changes in technical reserves - premiums (c).

In thousands of reais, except when otherwise stated

Accumulated earned premium

- **Retrocession - net**

							2021
	Parent Company and Consolidated						
Underwriting year	2016	2017	2018	2019	2020	2021	Total
Earned premium in the year	1,003,365	1,213,470	1,822,585	1,963,010	2,447,354	1,326,419	
One year later	3,194,895	3,154,045	4,567,830	4,429,655	5,591,464		
Two years later	4,080,080	3,695,060	5,434,952	5,209,157			
Three years later	4,359,605	3,671,560	5,618,068				
Four years later	4,367,885	3,694,690					
Five years later	4,391,327						
Accumulated earned premium (f)*	**4,391,327**	**3,694,690**	**5,618,068**	**5,209,157**	**5,591,464**	**1,326,419**	
Earned premium in 2021	23,442	23,130	183,116	779,502	3,144,110	1,326,419	5,479,719
Earned premium other components**							419,652
Total earned premium included in the balance sheet							**5,899,371 (b)**

							2020
	Parent Company and Consolidated						
Underwriting year	2015	2016	2017	2018	2019	2020	Total
Earned premium in the year	915,789	1,003,180	1,212,131	1,829,343	1,946,544	2,397,725	
One year later	2,731,803	3,194,306	3,150,565	4,584,768	4,386,135		
Two years later	3,021,074	4,079,328	3,690,984	5,455,812			
Three years later	3,086,385	4,358,801	3,667,390				
Four years later	3,089,117	4,367,073					
Five years later	3,083,532						
Accumulated earned premium (f)*	**3,083,532**	**4,367,073**	**3,667,390**	**5,455,812**	**4,386,135**	**2,397,725**	
Earned premium in 2020 ***	(5,585)	8,272	(23,594)	871,044	2,439,591	2,397,725	5,687,453
Earned premium other components**							(51,569)
Total earned premium included in the balance sheet							**5,635,884 (b)**

(*) Earned premium used in the loss ratio calculation, at the end of the claim triangle.
(**) Earned premium for prior years, Argentina branch and RVNE.
(***) Earned premium in 2020 for previous underwriting years includes the respective premium cessions in Loss Portfolio Transfer:

(b) Reconciled with Note 3.3 (Statements of profit or loss - Reconciliation) line items Gross written premium (a), Changes in technical reserves - premiums (c), Ceded premiums in retrocession (b), and Changes in technical reserves - ceded premium (c).

In thousands of reais, except when otherwise stated

Incurred Claims

- **Retrocession - gross**

							2021
							Parent Company and Consolidated
Underwriting year	2016	2017	2018	2019	2020	2021	Total
Incurred claims in the Year	330,900	346,916	148,897	610,364	656,259	932,205	
One year later	2,118,255	1,995,763	3,395,583	3,342,453	4,445,637		
Two years later	3,406,882	3,505,785	6,197,022	5,341,843			
Three years later	4,084,719	4,192,023	6,907,476				
Four years later	4,550,085	4,424,539					
Five years later	5,146,985						
Current estimate of accumulated claims (a)	5,146,985	4,424,539	6,907,476	5,341,843	4,445,637	932,205	27,198,685
Accumulated payments until base date	(4,303,897)	(3,784,715)	(5,859,640)	(4,070,560)	(2,485,811)	(276,092)	(20,780,715)
Liabilities recognized in the balance sheet as at December 31, 2021 (b)	**843,088**	**639,824**	**1,047,836**	**1,271,283**	**1,959,826**	**656,113**	**6,417,970**
IBNER (c)	4,265	2,536	4,182	6,955	59,873	17,746	95,557
IBNR (d)	30,904	84,963	150,408	454,290	1,185,004	927,354	2,832,923
Liabilities compared to prior years (e)							2,651,763
Total liabilities included in balance sheet (b)+(c)+(d)+(e)							**11,998,213**
Loss ratio (a+c+d) / (f)*	**83%**	**88%**	**93%**	**71%**	**68%**	**63%**	

(*) Presented in the Earned premium triangle

							2020
							Parent Company and Consolidated
Underwriting year	2015	2016	2017	2018	2019	2020	Total
Incurred claims in the Year	656,095	330,900	346,916	148,897	610,364	656,259	
One year later	2,184,610	2,118,255	1,995,763	3,395,583	3,342,453		
Two years later	2,588,521	3,406,882	3,505,785	6,197,022			
Three years later	2,811,394	4,084,719	4,192,023				
Four years later	2,832,059	4,550,085					
Five years later	2,957,434						
Current estimate of accumulated claims (a)	2,957,434	4,550,085	4,192,023	6,197,022	3,342,453	656,259	21,895,276
Accumulated payments until base date	(2,802,321)	(3,980,213)	(3,520,052)	(4,895,890)	(2,237,038)	(124,871)	(17,560,385)
Liabilities recognized in the balance sheet as at December 31, 2020 (b)	**155,113**	**569,872**	**671,971**	**1,301,132**	**1,105,415**	**531,388**	**4,334,891**
IBNER (c)	3,232	2,659	3,186	5,518	35,566	51,809	101,970
IBNR (d)	29,019	31,093	93,957	242,592	1,157,907	1,506,112	3,060,680
Liabilities compared to prior years (e)							2,260,914
Total liabilities included in balance sheet (b)+(c)+(d)+(e)							**9,758,455**
Loss ratio (a+c+d) / (f)*	**67%**	**74%**	**84%**	**88%**	**64%**	**61%**	

(*) Presented in the Earned premium triangle

In thousands of reais, except when otherwise stated

Incurred Claims

- **Retrocession - net**

							2021
							Parent Company and Consolidated
Underwriting year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total**
Incurred claims in the Year	202,896	305,449	116,046	286,304	400,072	843,363	
One year later	1,508,804	1,575,570	2,682,605	2,242,427	3,092,149		
Two years later	2,802,813	2,701,564	4,809,769	3,755,125			
Three years later	3,023,414	3,128,163	5,376,773				
Four years later	3,332,197	3,271,067					
Five years later	3,630,982						
Current estimate of accumulated claims (a)	3,630,982	3,271,067	5,376,773	3,755,125	3,092,149	843,363	19,969,459
Accumulated payments until base date	(3,355,908)	(2,910,060)	(4,619,339)	(2,801,917)	(1,892,669)	(262,913)	(15,842,806)
Liabilities recognized in the balance sheet as at December 31, 2021 (b)	**275,074**	**361,007**	**757,434**	**953,208**	**1,199,480**	**580,450**	**4,126,653**
IBNER (c)	6,193	949	528	(388)	39,101	5,025	51,408
IBNR (d)	22,630	67,164	108,262	272,136	746,029	702,098	1,918,319
Liabilities compared to prior years (e)							1,514,931
Total liabilities included in balance sheet (b)+(c)+(d)+(e)							**7,611,311**
Loss ratio (a+c+d) / (f)*	**83%**	**90%**	**98%**	**77%**	**69%**	**117%**	

(*) Presented in the Earned premium triangle

							2020
							Parent Company and Consolidated
Underwriting year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Total**
Incurred claims in the Year	325,364	202,896	305,449	116,046	286,304	400,072	
One year later	1,506,852	1,508,804	1,575,570	2,682,605	2,242,427		
Two years later	1,833,732	2,802,813	2,701,564	4,809,769			
Three years later	1,911,911	3,023,414	3,128,163				
Four years later	1,935,899	3,332,197					
Five years later	2,021,734						
Current estimate of accumulated claims (a)	2,021,734	3,332,197	3,128,163	4,809,769	2,242,427	400,072	15,934,362
Accumulated payments until base date	(1,905,845)	(3,099,170)	(2,755,309)	(3,920,548)	(1,631,099)	(116,054)	(13,428,025)
Liabilities recognized in the balance sheet as at December 31, 2020 (b)	**115,889**	**233,027**	**372,855**	**889,221**	**611,327**	**284,019**	**2,506,338**
IBNER (c)	1,759	1,565	853	1,101	7,881	26,195	39,354
IBNR (d)	13,962	19,386	70,264	176,389	655,395	1,241,935	2,177,331
Liabilities compared to prior years (e)							1,302,512
Total liabilities included in balance sheet (b)+(c)+(d)+(e)							**6,025,535**
Loss ratio (a+c+d) / (f)*	**66%**	**77%**	**87%**	**91%**	**66%**	**70%**	

(*) Presented in the Earned premium triangle

In thousands of reais, except when otherwise stated

2.2.2.3 Sensitivity Analysis

The following table presents the possible impacts on profit or loss and equity in 2021 considering a 10.0% increase in loss ratio:

Gross effects	Base Case	Scenario 10.0%	Impact
Equity	3,634,360	3,229,597	(404,763)
Profit or loss for the year	(682,701)	(1,087,464)	(404,763)
Impact on profit or loss (%) (*)			59.3
Impact on equity (%)			(11.1)
Net retrocession effects	**Base Case**	**Scenario 10.0%**	**Impact**
Equity	3,634,360	3,377,499	(256,861)
Profit or loss for the year	(682,701)	(939,562)	(256,861)
Impact on profit or loss (%) (*)			37.6
Impact on equity (%)			(7.1)

(*) In view of the negative result for the year, the cases in which the analyzed impact is also negative leads to a positive ratio.

Due to the nature of the transactions accepted by IRB Brasil RE, there is no material exposure to convertibility, mortality or survival ratios.

2.2.3 Market risk

Market risk is defined as the risk arising from changes in prices and rates in financial markets that may cause a reduction in the value of a security or asset portfolio. The main variables linked to the market risk of the investment portfolio of IRB Brasil RE are interest rates, exchange rates and asset liquidity.

For these variables, risk management involves different organizational units, including guidelines and strategies that Management considers appropriate and established in its governance. Value at Risk (VaR) techniques and construction of stress scenarios are used for performing preventative loss management.

2.2.3.1 Value at Risk Analysis

Policies are designed to establish limits, processes and tools to effectively manage market risks. The investment portfolio is monitored daily to ensure that the limits set are observed.

Value at Risk (VaR) is one of the methods used in market risk management. Measuring risk using this method estimates the maximum loss expected over a certain time horizon and specified confidence interval under normal market conditions. This measurement considers the effect of risk diversification on total portfolio. This metrics is commonly used in the market to measure market risk. However, the model uses historical data to calculate portfolio losses, and is limited because it does not measure loss amounts above the confidence level.

According to the historical method, 95.0% confidence, time period of 252 working days and daily returns, daily VaR of the Company's asset portfolio was estimated at approximately R$ 12,462 as at December 31, 2021, which represented an estimated maximum loss of 0.14% of the total asset portfolio.

In thousands of reais, except when otherwise stated

2.2.3.2 Sensitivity analysis of foreign currency

The Company executes transactions in foreign currencies, its main exposure being to the US dollar; it also has exposure at a lower level to other currencies, such as: pound sterling, euro, and Argentine peso.

For the purposes of the sensitivity analysis of changes in the R$/US$ exchange rate, the following scenarios were considered:

- Base case scenario: PTAX exchange rate of R$/US$ 5.58 as at December 31, 2021;
- Probable scenario: exchange rate of R$/US$ 5.60 estimated for December 31, 2022 by the Market Expectation System of the Central Bank of Brazil as at December 31, 2021;

The impact of the change in the exchange rate on total assets and liabilities is shown in the table below:

	2021	Scenarios as at December 31, 2022				
		Impact (R$ ‘000)				
Group	Base Case	Probable	Probable - 25%	Probable - 50%	Probable + 25%	Probable + 50%
Exchange rate	5.58	5.60	4.20	2.80	7.00	8.40
Total assets in foreign currency (*)	10,315,530	36,046	(2,551,848)	(5,139,742)	2,623,940	5,211,834
Total liabilities in foreign currency (*)	(10,629,255)	(37,142)	2,629,457	5,296,057	(2,703,741)	(5,370,340)
Impact on net income before taxes		(1,096)	77,609	156,314	(79,801)	(158,507)
Impact on equity (%)		(0.0)	1.0	2.1	(1.1)	(2.1)
Impact on profit or loss (%)		0.1	(5.5)	(11.1)	5.7	11.2

(*) The amounts include the portion of assets in foreign currency of investment funds in local currency.

2.2.3.3 Sensitivity analysis of interest rates

The Company is exposed to the interest rate risk, as it has securities linked to this market risk factor.

For the sensitivity analysis of changes in the SELIC/CDI interest rate, the following scenarios were considered:

- Base case scenario: interest rate of 9.25% as at December 31, 2021;
- Probable scenario: interest rate of 11.50% estimated for December 31, 2022 by the Market Expectation System of the Central Bank of Brazil as at December 31, 2021;

The instant impact of the change in interest rate on the portfolio of financial assets is as follows:

	2021	Scenarios as at December 31, 2022				
		Impact (R$ ‘000)				
Group	Base Case	Probable	Probable - 25%	Probable - 50%	Probable + 25%	Probable + 50%
Interest rate	9.25%	11.50%	8.63%	5.75%	14.38%	17.25%
Total portfolio (*)	8,942,601	8,878,263	8,941,376	9,004,794	8,815,151	8,751,732
Impact on net income before taxes		(64,338)	(1,225)	62,193	(127,450)	(190,869)
Impact on equity (%)		(0.9)	(0.0)	0.8	(1.7)	(2.5)
Impact on profit or loss (%)		4.6	0.1	(4.4)	9.0	13.5

(*) The balance of total portfolio does not include checking account balance, see 6.1. Change on total marketable securities indexed to fixed rates and IPCA.

In thousands of reais, except when otherwise stated

Consolidated analysis by economic stress tests

Management used major international stress tests on its assets including the Predictive method, considering the current correlations between several risk factors.

The conclusion is that the most adverse scenario for the investment portfolio pivots on the Fall of 2008 (2008), when Lehman Brothers announced its bankruptcy followed by two consecutive interest rate cuts by the FED, and the US government takeover of Fannie May and Freddie Mac to stabilize the US mortgage market, which would cause a loss estimated at 15.3% on the investment portfolio.

The international stress tests analyzed were the following: Mexican Crisis (1995), Asian Crisis (1997), Russian Devaluation (1998), Tech Wreck (2000), Sept 11th (2001), Fall 2008 (2008).

Futures contracts for currencies

The Company's investment policy establishes the purchase of contracts to provide currency hedging for events of surplus of assets and liabilities in foreign currency.

2.2.4 Credit risk

IRB Brasil RE understands that the main source of its credit risk comprises retrocession operations. To mitigate this risk, the Company executes retrocession transactions with companies with ratings equal to or higher than A- (S&P, Fitch and AM Best) or A3 (Moody's) in the international scale. IRB Brasil RE's exposure is mitigated by the adoption of retrocession limits (individual and aggregate) for counterparties, which are reviewed and approved at least once a year by the Security Committee. The following table shows the breakdown of retrocession assets by rating. Retrocession assets comprise reserves for claims, deferred premiums, and other reserves (Note 9).

Rating of retrocession assets

						2021
						% of retrocession assets
Rating range (*)	Local	Admitted	Eventual	Insurer	Foreign Business	Total
AAA or equivalent	-	4.0	0.1	-	0.1	4.2
AA or equivalent	-	26.1	12.8	-	4.6	43.5
A or equivalent	-	22.5	18.4	-	3.0	43.9
BBB or equivalent	4.0	1.1	-	-	0.1	5.2
Without rating	0.5	-	-	1.1	1.6	3.2
	4.5	53.7	31.3	1.1	9.4	100.0

						2020
						% of retrocession assets
Rating range (*)	Local	Admitted	Eventual	Insurer	Foreign Business	Total
AAA or equivalent	-	3.0	0.1	-	0.3	3.4
AA or equivalent	0.1	39.3	2.1	-	3.8	45.3
A or equivalent	-	19.0	20.1	-	2.8	41.9
BBB or equivalent	4.6	1.4	-	-	0.1	6.1
Without rating	0.3	-	-	1.1	1.9	3.3
	5.0	62.7	22.3	1.1	8.9	100.0

(*) The ratings are assigned by the following agencies: Standard & Poor's (S&P), Moody's, A.M. Best and Fitch.

In thousands of reais, except when otherwise stated

The receivables from reinsurance and retrocession operations mainly comprise the balances receivable from the Company's operations, including written premiums, the respective commissions, and compensation for claims. The table below shows the breakdown of receivables from reinsurance and retrocession operations by rating scale.

Rating of receivables from operations

	2021					
	% of exposure by rating range					
Rating range (*)	Local	Admitted	Eventual	Insurer	Foreign Business	Total
AAA or equivalent	-	0.3	0.3	-	0.8	1.4
AA or equivalent	0.1	11.6	1.3	-	3.5	16.5
A or equivalent	0.1	0.7	1.7	-	9.4	11.9
BBB or equivalent	0.1	0.1	0.1	-	2.1	2.4
Without rating	0.6	0.4	0.3	10.4	56.1	67.8
	0.9	13.1	3.7	10.4	71.9	100.0

	2020					
	% of exposure by rating range					
Rating range (*)	Local	Admitted	Eventual	Insurer	Foreign Business	Total
AAA or equivalent	-	0.3	0.4	-	1.0	1.7
AA or equivalent	0.1	12.3	1.5	-	3.2	17.0
A or equivalent	0.1	0.9	1.7	-	9.1	11.8
BBB or equivalent	0.2	0.1	0.2	-	2.4	2.8
Without rating	0.6	0.2	0.3	10.5	55.3	66.8
	0.9	13.8	4.1	10.5	70.8	100.0

(*) The ratings are assigned by the following agencies: Standard & Poor's (S&P), Moody's, A.M. Best and Fitch.

The credit risk of funds and financial instruments is limited because the counterparties are represented by banks with high credit rating assigned by international rating agencies.

The following techniques are used for controlling and mitigating credit risks: setting of retrocession limits by entity; monitoring of credit risk exposure; monitoring of changes and trends in the insurance, reinsurance and financial markets; and preventative loss management.

Exposure to credit risk

The total exposure to credit risk of several categories and maturity of past due assets is as below:

	Parent company							
	2021							
		Assets past due and not impaired						Accounting balance
Portfolio breakdown by class and accounting category	Assets not past due and not impaired	Less than 30 days past due	From 31 to 60 days past due	From 61 to 120 days past due	From 121 to 180 days past due	Over 181 days past due	Carrying amount December 31, 2021	2020
Cash and cash equivalents	8,231						8,231	14,190
At fair value through profit or loss								
Corporate	1,146,859						1,146,859	973,411
Government	1,486,229						1,486,229	353,212
Foreign	1,069,577						1,069,577	1,761,921
Available for sale								
Corporate	263,602						263,602	87,013
Government	3,102,138						3,102,138	4,685,145
Foreign	1,922,608						1,922,608	481,231
Receivables from transactions with insurers and reinsurers	1,959,919	79,204	45,888	37,503	40,790	121,302	2,284,606	2,938,957
Total financial assets and insurance and reinsurance contract assets	**10,959,163**	**79,204**	**45,888**	**37,503**	**40,790**	**121,302**	**11,283,850**	**11,295,080**

In thousands of reais, except when otherwise stated

Exposure to credit risk

								Consolidated
	2021							
		Assets past due and not impaired						
Portfolio breakdown by class and accounting category	Assets not past due and not impaired	Less than 30 days past due	From 31 to 60 days past due	From 61 to 120 days past due	From 121 to 180 days past due	Over 181 days past due	Carrying amount December 31, 2021	Accounting balance 2020
Cash and cash equivalents	38,774						38,774	14,563
At fair value through profit or loss								
Corporate	1,083,718						1,083,718	921,077
Government	1,486,229						1,486,229	353,717
Foreign	1,069,577						1,069,577	1,761,921
Available for sale								
Corporate	278,331						278,331	110,864
Government	3,102,138						3,102,138	4,685,145
Foreign	1,922,608						1,922,608	481,231
Receivables from transactions with insurers and reinsurers	1,959,919	79,204	45,888	37,503	40,790	121,302	2,284,606	2,938,957
Total financial assets and insurance and reinsurance contract assets	**10,941,294**	**79,204**	**45,888**	**37,503**	**40,790**	**121,302**	**11,265,981**	**11,267,475**

2.2.5 Liquidity risk

Liquidity risk is associated with the Company's risk, even when solvent, of not having sufficient funds to meet its obligations in a timely manner or to meet them only by selling assets on conditions that may be unfavorable, implying financial losses.

To manage this risk, the Company seeks to allocate assets mainly to highly liquid funds, to meet short-term cash needs. This risk is continuously monitored by following the cash flows of assets and liabilities over time, as shown in the following table.

				2021
	Parent company		Consolidated	
	Assets (*)	Liabilities (**)	Assets (*)	Liabilities (**)
Flow from 0 to 12 months	7,925,105	4,646,523	7,943,329	4,646,523
Flow from 12 to 24 months	3,074,291	4,033,427	3,078,870	4,033,427
Flow from 24 to 36 months	1,228,590	2,732,542	1,229,098	2,732,542
Flow from 36 to 48 months	746,553	1,406,066	747,562	1,406,066
Flow above 48 months	2,599,268	2,511,512	2,605,491	2,511,512
	15,573,807	15,330,070	15,604,350	15,330,070

(*) The flow of assets comprises the sum of cash flows arising from assets available for guarantee, receivables, retrocession assets (Note 21) and cash and cash equivalents (Note 5).
(**) The flow of liabilities comprises technical reserves for reinsurance.

2.3 Valuation techniques and assumptions applied to measure fair value

The measurement of fair value of financial assets and liabilities is as follows:

(a) The fair value of financial assets and liabilities under standard terms and conditions and traded in active markets is measured based on the prices observed in such markets.

(b) The fair value of derivative instruments is calculated using quoted prices. Futures contracts for currency are measured based on the exchange rates and yield curves obtained based on quotation and for the same contractual terms.

The fair value of other financial assets and liabilities (except those described above) is measured according to generally accepted pricing models based on discounted cash flow analyses.

In thousands of reais, except when otherwise stated

2.4 Fair value measurements recognized in the balance sheet

The following table shows an analysis of the financial instruments that are measured at fair value after initial recognition, grouped into Level 2 based on the observable level of fair value.

(a) Level 1 fair value measurements are obtained from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 fair value measurements are obtained through variables other than quoted prices included within Level 1, observable for assets and liabilities either directly (as prices), or indirectly (based on prices).

(c) Level 3 fair value measurements are obtained through valuation techniques that include inputs for assets or liabilities, but they are not based on observable market data (unobservable data).

There was no transfer between Levels 1 and 2 during the year

		Parent company		Consolidated	
		2021	2020	2021	2020
Financial assets at fair value through profit or loss					
Financial Treasury Bills	Level 1	1,143,956	270,387	1,143,956	270,387
National Treasury Notes - Series B	Level 1	103,472	-	103,472	-
National Treasury Bills	Level 1	4,023	-	4,023	-
Repurchase agreements	Level 2	234,778	82,825	234,778	83,330
Shares in investment funds - non-exclusive	Level 2	44,536	16,666	65,692	32,812
Time deposit abroad	Level 2	978,633	1,019,796	978,633	1,019,796
Shares in Brazilian companies	Level 1	73,949	95,178	73,949	86,822
Derivatives	Level 2	851	-	915	-
Inepar debentures	Level 3	16,219	11,858	16,219	11,858
Sovereign bonds - Global 21	Level 1	-	797,746	-	797,746
Sovereign bonds - Global 23	Level 1	843,254	-	843,254	-
Stock funds	Level 1	70,769	-	70,769	-
Market index funds	Level 1	57,456	-	57,456	8,356
Real estate funds - Exclusive	Level 2	68,157	68,366	-	-
Interest-bearing checking account (*)	Level 2	46,408	725,459	46,408	725,459
Other	Level 2	16,204	263	-	149
Total		**3,702,665**	**3,088,544**	**3,639,524**	**3,036,715**
Available-for-sale financial assets					
Financial Treasury Bills	Level 1	1,781,091	3,389,536	1,781,091	3,389,536
National Treasury Notes - Series B	Level 1	1,208,105	983,640	1,208,105	983,640
National Treasury Notes - Series F	Level 1	51,626	60,262	51,626	60,262
Bank certificate of deposits	Level 2		35,132	-	35,132
Shares in Funds - Non-exclusive	Level 2	-	-	12,033	13,463
Debentures % CDI	Level 1	56,532	29,193	56,532	29,193
Debentures CDI +	Level 1	34,121	6,928	34,121	6,928
Financial bills % CDI	Level 2	18,998	26,148	18,998	26,148
Financial bills CDI+	Level 2	104,776	-	104,776	-
Repurchase agreements	Level 2	61,316	251,707	61,316	251,707
Fixed-income funds	Level 1	51,872	-	51,871	-
Other	Level 2	(2,697)	(10,388)	-	-
Sovereign bonds - Global 21	Level 1	-	473,644	-	473,644
Sovereign bonds - Global 23 and 26	Level 1	890,013	-	890,013	-
Reinsurance trust account	Level 1	1,032,595	-	1,032,595	-
American Depositary Receipts (ADR)	Level 1	-	7,587	-	7,587
Total		**5,288,348**	**5,253,389**	**5,303,077**	**5,277,240**

Restricted investments - interest-bearing checking account

To provide comparability between the insurance companies that adopted the IFRS 9/CPC 48 as of January 1, 2018 and IRB Brasil RE, management, in accordance with the additional disclosure requirements established in the amendments to IFRS 4/CPC 11, evaluated all of its financial assets to identify those which contractual terms give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The chart below separately shows the fair value at the end of the year of the financial statements and the change in fair value during this period for the financial assets which passed the SPPI test and other financial assets, that is, financial assets that do not give rise, on specific dates, to cash flows that are solely payments of principal and interest on principal amount outstanding, which meet the definition of held for trading provided in IFRS 9/CPC 48, or that is managed and which performance is assessed based on fair value.

In thousands of reais, except when otherwise stated

Fair value of financial assets at the end of the year

	Consolidated	
	Fair value in 2021	Change in fair value between December 31, 2020 and 2021
Financial assets - SPPIs	**12,454,008**	**173,908**
Cash and cash equivalents	38,774	-
Receivables from operations		
Insurers and Reinsurers	4,177,356	4,462
Trade and other receivables	617,248	-
Fixed-income securities - Government		
Financial Treasury Bills	2,925,047	(24,984)
National Treasury Bills	4,023	-
National Treasury Notes	1,363,203	199,269
Repurchase agreements	296,094	-
Sovereign bonds - Global 23 and 26	1,733,267	19,269
Fixed-income funds	51,871	-
Fixed-income securities - Corporate		
Financial bills	123,774	(475)
Variable-income securities		
Shares in Brazilian companies	73,949	-
Stock funds	70,769	-
Marketable securities abroad		
American Deposits Receipt	-	(23,633)
Time deposit abroad	978,633	-
Other financial assets	**1,321,971**	**11,700**
Shares in investment funds		
Shares in non-exclusive funds	77,725	2,948
Index contracts	57,456	-
Fixed-income securities - Corporate		
Debentures	106,872	(819)
Derivative	915	-
Restricted investments - interest-bearing checking account	46,408	-
Reinsurance trust account	1,032,595	9,571
Total	**13,775,979**	**185,608**

Fair value of financial assets at the end of the previous year

	Consolidated	
	Fair value in 2020	Change in fair value between December 31, 2019 and 2020
Financial assets - SPPIs	**14,242,043**	**15,516**
Cash and cash equivalents	14,563	-
Receivables from operations		
Insurers and Reinsurers	5,829,472	(31,249)
Trade and other receivables	912,271	-
Fixed-income securities - Government		
Financial Treasury Bills	3,659,923	35,695
National Treasury Notes	1,043,902	(4,692)
Repurchase agreements	335,037	-
Sovereign bonds - Global 21	1,271,390	7,718
Bank certificate of deposits	35,132	-
Fixed-income securities - Corporate		
Financial bills	26,148	274
Variable-income securities		
Shares in Brazilian companies	86,822	-
Marketable securities abroad		
American Deposits Receipt	7,587	7,770
Time deposit abroad	1,019,796	-
Other financial assets	**828,218**	**4,272**
Shares in investment funds		
Shares in non-exclusive funds	46,275	3,081
Index contracts	8,356	-
Other	40	-
Fixed-income securities - Corporate		
Debentures	47,979	1,191
Derivative	109	-
Restricted investments - interest-bearing checking account	725,459	-
Total	**15,070,261**	**19,788**

In thousands of reais, except when otherwise stated

For all the financial assets that passed the SPPI tests, management assessed the exposure to credit risk, including significant credit risk concentrations. The following chart contains these assets classified by credit risk, and their respective carrying amounts, and for those which management understands that the credit risk is higher than low, the respective fair value as well.

Classification of credit risk level

		Consolidated
	Credit risk	Carrying amount in 2021
Financial assets - SPPIs		
Cash and cash equivalents	low	38,774
Receivables from operations		
Insurers and Reinsurers	moderate	4,177,356
Trade and other receivables	low	617,248
Financial Treasury Bills	low	2,925,047
National Treasury Bills	low	4,023
National Treasury Notes	low	1,363,203
Repurchase agreements	low	296,094
Sovereign bonds - Global 23	low	1,733,267
Fixed-income funds	low	51,871
Fixed-income securities - Corporate		
Financial bills	low	123,774
Variable-income securities		
Shares in Brazilian companies	low	73,949
Stock funds	low	70,769
Marketable securities abroad		
Time deposit abroad	low	978,633
Other financial assets		
Shares in non-exclusive funds	low	77,725
Index contracts	low	57,456
Debentures	low	106,872
Restricted investments - interest-bearing checking account	low	46,408
Reinsurance trust account	low	1,032,595
Other	low	915
Total		**13,775,979**

		Consolidated
	Credit risk	Carrying amount in 2020
Financial assets - SPPIs		
Cash and cash equivalents	low	14,563
Receivables from operations		
Insurers and Reinsurers	moderate	5,829,472
Trade and other receivables	low	912,271
Financial Treasury Bills	low	3,659,923
National Treasury Notes	low	1,043,902
Repurchase agreements	low	335,037
Sovereign bonds - Global 21	low	1,271,390
Bank certificate of deposits	low	35,132
Fixed-income securities - Corporate		
Financial bills	low	26,148
Variable-income securities		
Shares in Brazilian companies	low	86,822
Marketable securities abroad		
Time deposit abroad	low	1,019,796
American Deposits Receipt	low	7,587
Other financial assets		
Shares in non-exclusive funds	low	46,275
Index contracts	low	8,356
Debentures	low	47,979
Restricted investments - interest-bearing checking account	low	725,459
Other	low	149
Total		**15,070,261**

2.4.1 Methods and assumptions used for estimating the fair value of assets

All methods and assumptions for measuring based on yield curve and market, after categorizing each asset, apply techniques in the asset pricing manuals of IRB Brasil RE, which are fully compatible with the pricing manuals of custodians, who provide services and are responsible for measurement, based on either market or curve.

When pricing to a benchmark curve, the purchase price of financial instruments in question is used as reference to calculate interest over the tenure of such marketable security, recognizing the financial asset gain on pro-rata basis. This considers the purchase price of the security plus the daily accrual of interest, proportional to the time elapsed since the security was issued, accrued daily. Mark-to-market adjustments do not imply losses, unless realized. As the calculation always consider the purchase price plus daily accrual of interest, the yield is always positive. The rule on pricing to a benchmark curve has final effects similar to "mark to market", provided that the security does not have to be sold before maturity.

For mark to market, the curves of expected future rates are required to calculate the present values of each security. In such cases, when the term structure of interest rates is required, such mapping is performed according to market expectations on interest rates over different terms, and yield curves are traced based on the observed prices for fixed-income instruments over fixed terms, considering all liquid vertices (traded on the latest business day) and mainly using the prices released by ANBIMA. This mapping, although continuous, can only be observed for specific periods. Therefore, it is necessary to estimate the interest rate curve for terms that do not have rates assigned or traded in the market, which in IRB Brasil RE is performed using exponential interpolation.

In thousands of reais, except when otherwise stated

Section C - Information by operating segment

3 Information by business segment

IRB Brasil RE's operating segments are based on its executive structure, which considers the internal financial reports on business performance in Brazil and abroad, used by management in running the business. Net income (loss) is the key indicator used by management to manage results.

As at December 31, 2021 and 2020, IRB Brasil RE's profit or loss by geographical region was as follows:

3.1 Statements of profit or loss - View by business segment

	Parent company		Consolidated	
	2021	2020	2021	2020
Reinsurance premiums	**8,760,526**	**9,596,106**	**8,760,526**	**9,596,106**
Reinsurance premiums - Brazil	5,329,211	4,874,234	5,329,211	4,874,234
Reinsurance premiums - Abroad	3,431,315	4,721,872	3,431,315	4,721,872
Ceded premiums in retrocession	**(3,204,386)**	**(4,219,507)**	**(3,204,386)**	**(4,219,507)**
Ceded premiums in retrocession - Brazil	(2,805,876)	(3,301,267)	(2,805,876)	(3,301,267)
Ceded premiums in retrocession - Abroad	(398,510)	(918,240)	(398,510)	(918,240)
Retained premiums	**5,556,140**	**5,376,599**	**5,556,140**	**5,376,599**
Retained premiums - Brazil	2,523,335	1,572,967	2,523,335	1,572,967
Retained premiums - Abroad	3,032,805	3,803,632	3,032,805	3,803,632
Changes in technical reserves	**344,358**	**306,977**	**344,358**	**306,977**
Changes in technical reserves - Brazil	52,461	310,793	52,461	310,793
Changes in technical reserves - Abroad	291,897	(3,816)	291,897	(3,816)
Earned premiums	**5,900,498**	**5,683,576**	**5,900,498**	**5,683,576**
Earned premiums - Brazil	2,575,796	1,883,760	2,575,796	1,883,760
Earned premiums - Abroad	3,324,702	3,799,816	3,324,702	3,799,816
Retained claims	**(5,987,989)**	**(5,812,355)**	**(5,987,989)**	**(5,812,355)**
Retained claims - Brazil	(2,455,711)	(1,639,142)	(2,455,711)	(1,639,142)
Retained claims - Abroad	(3,532,278)	(4,173,213)	(3,532,278)	(4,173,213)
Acquisition costs	**(1,412,487)**	**(1,374,402)**	**(1,412,487)**	**(1,374,402)**
Acquisition costs - Brazil	(760,006)	(631,112)	(760,006)	(631,112)
Acquisition cost - Abroad	(652,481)	(743,290)	(652,481)	(743,290)
Other operating expenses	**(68,729)**	**(74,004)**	**(68,729)**	**(74,004)**
Other operating expenses - Brazil	(61,915)	11,961	(61,915)	11,961
Other operating expenses - Abroad	(6,814)	(85,965)	(6,814)	(85,965)
Underwriting profit or loss	**(1,568,707)**	**(1,577,185)**	**(1,568,707)**	**(1,577,185)**
Underwriting profit or loss - Brazil	(701,836)	(374,533)	(701,836)	(374,533)
Underwriting profit or loss - Abroad	(866,871)	(1,202,652)	(866,871)	(1,202,652)
Administrative expenses	(362,181)	(300,870)	(387,498)	(313,025)
Tax receivable (expenses)	(13,890)	(23,468)	(21,539)	(52,238)
Finance income and share of profit of equity-accounted investees	569,023	40,280	618,228	125,177
Finance income	606,590	31,767	627,211	(85,101)
Share of profit of equity-accounted investees	(37,567)	8,513	(8,983)	210,278
Net income before taxes	**(1,375,755)**	**(1,861,243)**	**(1,359,516)**	**(1,817,271)**
Taxes, contributions and profit sharing	693,054	379,727	676,815	335,755
Loss for the year	**(682,701)**	**(1,481,516)**	**(682,701)**	**(1,481,516)**

In thousands of reais, except when otherwise stated

3.2 Statements of profit or loss - Business view

The Company's management uses, for decision-making purposes, a group of accounts different from those presented in the statement of profit or loss which was prepared according to the accounting practices adopted in Brazil for reinsurers, as shown below:

	Parent company		Consolidated	
	2021	2020	2021	2020
Written premiums	**8,760,526**	**9,596,106**	**8,760,526**	**9,596,106**
Reinsurance premiums - Brazil (a)	5,329,211	4,874,234	5,329,211	4,874,234
Reinsurance premiums - Abroad (a)	3,431,315	4,721,872	3,431,315	4,721,872
Ceded premiums in retrocession (b)	(3,204,386)	(4,219,507)	(3,204,386)	(4,219,507)
Retained premiums	**5,556,140**	**5,376,599**	**5,556,140**	**5,376,599**
Changes in technical reserves (c)	344,358	306,977	344,358	306,977
Earned premiums	**5,900,498**	**5,683,576**	**5,900,498**	**5,683,576**
Retained claims (d)	(5,987,989)	(5,812,355)	(5,987,989)	(5,812,355)
Outstanding Claims Reserve (PSL)	(6,300,886)	(5,352,773)	(6,300,886)	(5,352,773)
IBNR	338,177	(338,089)	338,177	(338,089)
Other	(25,280)	(121,493)	(25,280)	(121,493)
Acquisition costs (e)	(1,412,487)	(1,374,402)	(1,412,487)	(1,374,402)
Other operating expenses (f)	(68,729)	(74,004)	(68,729)	(74,004)
Underwriting profit or loss	**(1,568,707)**	**(1,577,185)**	**(1,568,707)**	**(1,577,185)**
Administrative expenses (g)	(362,181)	(300,870)	(387,498)	(313,025)
Tax expenses (j)	(13,890)	(23,468)	(21,539)	(52,238)
Finance income and share of profit of equity-accounted investe	569,023	40,280	618,228	125,177
Finance income	606,590	31,767	627,211	(85,101)
Share of profit of equity-accounted investees	(37,567)	8,513	(8,983)	210,278
Net income before taxes	**(1,375,755)**	**(1,861,243)**	**(1,359,516)**	**(1,817,271)**
Taxes, contributions and profit sharing (i)	693,054	379,727	676,815	335,755
Loss for the year	**(682,701)**	**(1,481,516)**	**(682,701)**	**(1,481,516)**

In thousands of reais, except when otherwise stated

3.3 Statements of profit or loss - Reconciliation

The reconciliation between the balances presented above, in the statements of profit or loss for accounting and business view (3.2), is as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
Reinsurance premiums, net	**7,435,350**	**8,309,558**	**7,435,350**	**8,309,558**
Gross written premiums (a)	8,756,658	9,593,204	8,756,658	9,593,204
Reinsurance commission (e)	(1,321,308)	(1,283,646)	(1,321,308)	(1,283,646)
Changes in technical reserves	**552,078**	**171,111**	**552,078**	**171,111**
Changes in technical reserves - premiums (c)	569,360	139,777	569,360	139,777
Changes in technical reserves - commission (e)	(13,838)	(14,975)	(13,838)	(14,975)
Changes in technical reserves - other reserves (c)	(3,444)	46,309	(3,444)	46,309
Earned premiums	**7,987,428**	**8,480,669**	**7,987,428**	**8,480,669**
Incurred claims (d)	**(8,277,362)**	**(8,438,864)**	**(8,277,362)**	**(8,438,864)**
Acquisition costs (e)	**(253,133)**	**(257,366)**	**(253,133)**	**(257,366)**
Profit (loss) from retrocession	**(920,926)**	**(1,268,943)**	**(920,926)**	**(1,268,943)**
Recovery of incurred claims (d)	2,259,627	2,294,653	2,259,627	2,294,653
Salvage and reimbursements to retrocessionaire (d)	(39,685)	(24,735)	(39,685)	(24,735)
IBNR recovery (d)	63,965	369,635	63,965	369,635
Ceded premiums in retrocession (b)	(3,202,596)	(4,218,592)	(3,202,596)	(4,218,592)
Commission on ceded premiums in retrocession (e)	161,282	176,937	161,282	176,937
Changes in technical reserves - ceded premium (c)	(224,051)	121,495	(224,051)	121,495
Changes in technical reserves - ceded commission (e)	14,057	1,253	14,057	1,253
Changes in technical reserves - other reserves (c)	2,493	(604)	2,493	(604)
Other profit or loss from retrocession (f)	43,506	7,613	43,506	7,613
Other acquisition costs (e)	476	3,402	476	3,402
Gross profit	**(1,463,993)**	**(1,484,504)**	**(1,463,993)**	**(1,484,504)**
Other operating expenses	**(112,715)**	**(81,617)**	**(112,715)**	**(81,617)**
Other operating income and expenses (f)	(112,235)	(81,617)	(112,235)	(81,617)
Other finance income (h)	(118)	-	(118)	-
Other administrative expenses (g)	(362)	-	(362)	-
Administrative expenses	**(364,173)**	**(306,682)**	**(389,376)**	**(319,681)**
Profit sharing (i)	-	(4,503)	-	(5,517)
Tax expenses (j)	(1,987)	(480)	(1,987)	(480)
Other tax expenses (i)	(184)	(569)	(275)	(569)
Other administrative expenses (g)	(361,819)	(300,870)	(386,931)	(312,765)
Other finance income (h)	(183)	(260)	(183)	(350)
Tax expenses	**(22,660)**	**(44,848)**	**(30,309)**	**(73,794)**
Other taxes (i)	(13,037)	(23,439)	(13,037)	(23,615)
Tax expenses (j)	(9,623)	(21,409)	(17,272)	(50,179)
Finance income	**556,680**	**(130,483)**	**610,089**	**(111,604)**
Interest on acquisition costs (e)	(23)	(7)	(23)	(7)
Interest on ceded premiums (b)	(1,790)	(915)	(1,790)	(915)
Interest on premiums abroad (a)	1,295	1,050	1,295	1,050
Interest on domestic premiums (a)	2,573	1,852	2,573	1,852
Interest on claims (d)	5,466	(13,044)	5,466	(13,044)
Tax expenses (j)	(2,280)	(1,579)	(2,280)	(1,579)
Finance income (h)	574,167	(102,894)	627,485	(84,015)
Other finance income (i)	(22,728)	(14,946)	(22,637)	(14,946)
Share of profit of equity-accounted investees	**(3,494)**	**134,860**	**(7,738)**	**210,837**
Other share of profit of equity-accounted investees (h)	(3,494)	134,860	(7,533)	211,097
Other administrative expenses (g)	-	-	(205)	(260)
Gains on non-current assets (h)	**(1,349)**	**8,574**	**(1,423)**	**(1,555)**
Net income (loss) before income tax and social contribution	**(1,411,704)**	**(1,904,700)**	**(1,395,465)**	**(1,861,918)**
Taxes and contributions (i)	729,003	423,184	712,764	380,402
Loss for the year	**(682,701)**	**(1,481,516)**	**(682,701)**	**(1,481,516)**

In thousands of reais, except when otherwise stated

3.4 Profit or loss from underwriting - Business view by segment

3.4.1 Brazil

										Parent Company and Consolidated
										2021
										Brazil
	Agriculture	Aviation	Financial risks	Casualty	Life	Marine	Motor	Property	Special Risks	Total
Reinsurance premiums	**1,253,752**	**69,424**	**233,782**	**229,195**	**670,342**	**338,538**	**100,878**	**1,622,552**	**810,748**	**5,329,211**
Ceded premiums in retrocession	(522,018)	(46,202)	(95,041)	(179,787)	(150,177)	(189,699)	(10,256)	(888,439)	(724,257)	(2,805,876)
Retained premiums	**731,734**	**23,222**	**138,741**	**49,408**	**520,165**	**148,839**	**90,622**	**734,113**	**86,491**	**2,523,335**
Changes in technical reserves	30,062	(6,617)	52,748	2,343	(10,230)	(5,175)	(2,807)	(53)	(7,810)	52,461
Earned premiums	**761,796**	**16,605**	**191,489**	**51,751**	**509,935**	**143,664**	**87,815**	**734,060**	**78,681**	**2,575,796**
Retained claims	(547,851)	(106,335)	(137,729)	(128,777)	(425,618)	(137,709)	(69,588)	(870,159)	(31,945)	(2,455,711)
Acquisition costs	(365,717)	(8,118)	(93,718)	2,907	(103,730)	(19,666)	(29,714)	(132,322)	(9,928)	(760,006)
Other operating expenses	1,169	(2,132)	(10,282)	(202)	(15,020)	(612)	(428)	(26,613)	(7,795)	(61,915)
Underwriting profit or loss	**(150,603)**	**(99,980)**	**(50,240)**	**(74,321)**	**(34,433)**	**(14,323)**	**(11,915)**	**(295,034)**	**29,013**	**(701,836)**

										Parent Company and Consolidated
										2020
										Brazil
	Agriculture	Aviation	Financial risks	Casualty	Life	Marine	Motor	Property	Special Risks	Total
Reinsurance premiums	**1,019,299**	**93,083**	**202,434**	**244,328**	**466,380**	**353,439**	**102,002**	**1,579,252**	**814,017**	**4,874,234**
Ceded premiums in retrocession	(492,795)	(56,449)	(58,647)	(194,513)	(147,051)	(295,693)	(21,155)	(1,225,346)	(809,618)	(3,301,267)
Retained premiums	**526,504**	**36,634**	**143,787**	**49,815**	**319,329**	**57,746**	**80,847**	**353,906**	**4,399**	**1,572,967**
Changes in technical reserves	171,314	(868)	37,653	3,913	29,485	16,768	1,644	37,950	12,934	310,793
Earned premiums	**697,818**	**35,766**	**181,440**	**53,728**	**348,814**	**74,514**	**82,491**	**391,856**	**17,333**	**1,883,760**
Retained claims	(565,255)	(39,933)	(178,985)	(88,643)	(315,723)	(98,211)	(16,858)	(327,280)	(8,254)	(1,639,142)
Acquisition costs	(306,722)	(9,129)	(80,404)	(6,464)	(69,842)	(21,545)	(27,422)	(101,285)	(8,299)	(631,112)
Other operating expenses	694	(2,823)	59,110	(2,611)	(18,623)	(728)	202	(27,240)	3,980	11,961
Underwriting profit or loss	**(173,465)**	**(16,119)**	**(18,839)**	**(43,990)**	**(55,374)**	**(45,970)**	**38,413**	**(63,949)**	**4,760**	**(374,533)**

3.4.2 Abroad

										Parent Company and Consolidated
										2021
										Abroad
	Agriculture	Aviation	Financial risks	Casualty	Life	Marine	Motor	Property	Special Risks	Total
Reinsurance premiums	**681,005**	**265,857**	**156,093**	**52,960**	**499,368**	**206,696**	**404**	**1,467,470**	**101,462**	**3,431,315**
Ceded premiums in retrocession	(23,239)	(36,425)	(9,234)	(3,480)	(7,207)	(21,136)	-	(289,603)	(8,186)	(398,510)
Retained premiums	**657,766**	**229,432**	**146,859**	**49,480**	**492,161**	**185,560**	**404**	**1,177,867**	**93,276**	**3,032,805**
Changes in technical reserves	176,104	81,101	(25,083)	15,796	21,431	85,456	6,211	(68,926)	(193)	291,897
Earned premiums	**833,870**	**310,533**	**121,776**	**65,276**	**513,592**	**271,016**	**6,615**	**1,108,941**	**93,083**	**3,324,702**
Retained claims	(825,125)	(349,716)	(60,216)	(58,856)	(986,432)	(174,526)	(4,438)	(995,562)	(77,407)	(3,532,278)
Acquisition costs	(99,825)	(59,551)	(42,605)	(16,253)	(22,904)	(51,835)	(430)	(342,186)	(16,892)	(652,481)
Other operating expenses	10,080	(5,306)	(13,533)	251	2,930	795	(212)	(3,937)	2,118	(6,814)
Underwriting profit or loss	**(81,000)**	**(104,040)**	**5,422**	**(9,582)**	**(492,814)**	**45,450**	**1,535**	**(232,744)**	**902**	**(866,871)**

										Parent Company and Consolidated
										2020
										Abroad
	Agriculture	Aviation	Financial risks	Casualty	Life	Marine	Motor	Property	Special Risks	Total
Reinsurance premiums	**1,044,087**	**415,891**	**134,816**	**61,023**	**1,140,638**	**331,320**	**15,543**	**1,486,390**	**92,164**	**4,721,872**
Ceded premiums in retrocession	(179,763)	(34,508)	(8,946)	(1,971)	(9,835)	(110,471)	-	(454,743)	(118,003)	(918,240)
Retained premiums	**864,324**	**381,383**	**125,870**	**59,052**	**1,130,803**	**220,849**	**15,543**	**1,031,647**	**(25,839)**	**3,803,632**
Changes in technical reserves	(73,526)	74,708	(31,042)	(13,462)	41,598	(29,644)	(3,352)	14,540	16,364	(3,816)
Earned premiums	**790,798**	**456,091**	**94,828**	**45,590**	**1,172,401**	**191,205**	**12,191**	**1,046,187**	**(9,475)**	**3,799,816**
Retained claims	(715,719)	(437,716)	(40,631)	(52,919)	(1,670,708)	(64,768)	(1,864)	(1,167,507)	(21,381)	(4,173,213)
Acquisition costs	(140,141)	(71,798)	(37,504)	(11,199)	(81,106)	(56,071)	(1,663)	(326,211)	(17,597)	(743,290)
Other operating expenses	(10,425)	(9,298)	(11,895)	(2,686)	(6,540)	(6,065)	22	(37,582)	(1,496)	(85,965)
Underwriting profit or loss	**(75,487)**	**(62,721)**	**4,798**	**(21,214)**	**(585,953)**	**64,301**	**8,686**	**(485,113)**	**(49,949)**	**(1,202,652)**

In thousands of reais, except when otherwise stated

Section D - The Group's structure

4 Investments
4.1 Change in investments

	Parent company	
	2021	2020
Opening balance	**61,870**	**832,360**
Profit (Loss) of subsidiaries		
IRB Investimentos e Participações	(45,840)	74,391
IRB Asset Management	29,659	61,266
Dividends		
IRB Investimentos e Participações	-	(286,700)
IRB Asset Management	(32,312)	(72,834)
Capital increase (reduction) (i)	10,880	(550,000)
Exchange rate change of investment abroad (ii)	(199)	6,466
Equity valuation adjustment	(2,948)	(3,079)
Ownership interests	**21,110 (iii)**	**61,870**

(i) Of the amount as at December 31, 2020, R$ 65,148 was received through the transfer of the ownership of Parking Partners Fundo de Investimento Imobiliário of IRB Investimentos e Participações.
(ii) The balance of ownership interests in the consolidated balance sheet amounting to R$ 22,124 refers to the shares in B3i and the change in relation to December 31, 2020 reflects the exchange rate change.
(iii) The difference of R$7,766 from the line item ownership interests of the balance sheet refers to the credit balance of the subsidiary IRB Investimentos e Participações that is classified into non-current liabilities, in the line item trade payables (Nota 16).

4.2 Ownership interests

				2021	
				Percentage	
Name	Brazil	Business	Relationships	Direct interest in common shares	Indirect interest in common shares
IRB Asset Management	Brazil	Asset management	Subsidiary	100.0%	
IRB Investimentos e Participações Imobiliárias	Brazil	Real estate management	Subsidiary	100.0%	
IRB Santos Dumont (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Chile (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Use (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Income (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
B3i	Switzerland	Technology	Other investments	8.9%	

				2020	
				Percentage	
Name	Brazil	Business	Relationships	Direct interest in common shares	Indirect interest in common shares
IRB Asset Management	Brazil	Asset management	Subsidiary	100.0%	
IRB Investimentos e Participações Imobiliárias	Brazil	Real estate management	Subsidiary	100.0%	
IRB Santos Dumont (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Chile (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Use (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Income (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
B3i	Switzerland	Technology	Other investments	8.9%	

(*) Direct subsidiaries of IRB Investimentos e Participações Imobiliárias.

In thousands of reais, except when otherwise stated

Section E - Notes to the financial statements

5 Cash and cash equivalents

The balance of this account is as follows:

	Parent company		Consolidated	
	2021	2020	2021	2020
Cash and cash equivalents in national currency	1,532	204	32,075	577
Cash and cash equivalents in foreign currency	6,699	13,986	6,699	13,986
Total	**8,231**	**14,190**	**38,774**	**14,563**

6 Financial assets

6.1 Breakdown of financial assets

	Parent company					
	2021					
	Fair value through profit or loss		Available for sale			
	Priced at the curve	Market value/ carrying amount	Priced at the curve	Market value/ carrying amount	Average interest rate - %	Total
Fixed-income securities - Corporate						
Debentures	16,219	16,219		-	-	16,219
Shares in exclusive funds - fixed income						
Financial Treasury Bills	1,145,461	1,143,956	1,790,417	1,781,091	SELIC	2,925,047
National Treasury Bills	4,023	4,023	-	-	10.06% p.a.	4,023
Repurchase agreements	227,192	227,192	61,316	61,316	SELIC	288,508
National Treasury Notes - Series B	115,917	103,472	1,391,017	1,208,105	IPCA + 2.96% p.a.	1,311,577
National Treasury Notes - Series F	-	-	58,050	51,626	5.73% p.a.	51,626
Debentures % CDI	-	-	56,898	56,532	107% of CDI p.a.	56,532
Debentures CDI +	-	-	34,391	34,121	CDI + 1.87% p.a.	34,121
Financial bills % CDI	-	-	19,089	18,998	106.59% of CDI p.a.	18,998
Financial bills CDI+	-	-	104,497	104,776	CDI + 1.3% p.a.	104,776
Sovereign bonds - Global 23	843,254	843,254	-	-	2.63% p.a.	843,254
Fixed-income funds	-	-	51,872	51,872	-	51,872
Derivatives	851	851	-	-	-	851
Other (*)	16,147	16,147	(2,697)	(2,697)	-	13,450
Shares in exclusive funds - variable income						
Shares in Brazilian companies	73,949	73,949	-	-	-	73,949
Repurchase agreements	7,586	7,586	-	-	SELIC	7,586
Stock funds	70,769	70,769	-	-	-	70,769
Market index funds	57,456	57,456	-	-	-	57,456
Other	57	57	-	-	-	57
Shares in real estate funds - Exclusive	68,157	68,157	-	-	-	68,157
	2,647,038	**2,633,088**	**3,564,850**	**3,365,740**	**-**	**5,998,828**
Financial assets Abroad						
Fixed-income securities - Government						
Sovereign bonds - Global 23 and 26	-	-	918,652	890,013	4.61% p.a.	890,013
Other financial assets						
Restricted financial assets - Interest-bearing checking account (ii)	46,408	46,408	-	-		46,408
Reinsurance trust account (iii)	-	-	1,042,166	1,032,595	0.44% p.a.	1,032,595
Fixed-income securities - Corporate						
Time deposit abroad (i)	978,633	978,633	-	-	0.45%	978,633
Shares in non-exclusive funds						
Shares in non-exclusive investment funds	44,536	44,536	-	-	-	44,536
	1,069,577	**1,069,577**	**1,960,818**	**1,922,608**		**2,992,185**
Total	**3,716,615**	**3,702,665**	**5,525,668**	**5,288,348**		**8,991,013**
%		41.2%		58.8%		100.0%
Current		3,702,665		312,088		4,014,753
Non-current		-		4,976,260		4,976,260

(*) Refer to administrative amounts receivable and payable that are in exclusive investment funds.

(i) These represent time deposits, which maturities range from 9 to 91 days. Such investments are in US dollars.
(ii) Interest-bearing checking account.
(iii) Assets deposited abroad and that adjust downward the coverage requirement, according to SUSEP Circular 517/2015, represented by US government bonds falling due in 2023 and 2026 (Note 21).

In thousands of reais, except when otherwise stated

6.1 Breakdown of financial assets

	Parent company					
	2020					
	Fair value through profit or loss		Available for sale			
	Priced at the curve	Market value/ carrying amount	Priced at the curve	Market value/ carrying amount	Average interest rate - %	Total
Fixed-income securities - Corporate						
Debentures	11,858	11,858	-	-	-	11,858
Shares in exclusive funds - fixed income						
Financial Treasury Bills	269,312	270,387	3,426,427	3,389,536	SELIC	3,659,923
Repurchase agreements	82,156	82,156	251,707	251,707	SELIC	333,863
National Treasury Notes - Series B	-	-	986,686	983,640	IPCA + 2.56%	983,640
National Treasury Notes - Series F	-	-	59,728	60,262	5.73%	60,262
Debentures % CDI	-	-	7,314	29,193	107.1% of CDI	29,193
Debentures CDI +	-	-	30,262	6,928	CDI + 0.3%	6,928
Financial bills	-	-	26,435	26,148	105.9% of CDI	26,148
Sovereign bonds - Global 21	797,746	797,746	-	-	4,88%	797,746
Bank certificate of deposits	-	-	35,132	35,132	93% of CDI	35,132
Other (*)	38	38	(10,388)	(10,388)	-	(10,350)
Shares in exclusive funds - variable income						
Shares in Brazilian companies	95,178	95,178	-	-	-	95,178
Repurchase agreements	669	669	-	-	SELIC	669
Other	225	225	-	-	-	225
Shares in real estate funds - Exclusive	68,366	68,366	-	-	-	68,366
	1,325,548	**1,326,623**	**4,813,303**	**4,772,158**		**6,098,781**
Financial assets Abroad						
Fixed-income securities - Government						
Sovereign bonds - Global 21	-	-	483,014	473,644	4,88%	473,644
Other financial assets						
Restricted financial assets - Interest-bearing checking account (ii)	725,459	725,459	-	-	-	725,459
Fixed-income securities - Corporate						
American Deposits Receipt	-	-	31,220	7,587	-	7,587
Time deposit abroad (i)	1,019,796	1,019,796	-	-	-	1,019,796
Shares in non-exclusive funds						
Shares in non-exclusive investment funds	16,666	16,666	-	-	-	16,666
	1,761,921	**1,761,921**	**514,234**	**481,231**		**2,243,152**
Total	**3,087,469**	**3,088,544**	**5,327,537**	**5,253,389**		**8,341,933**
%		37.0%		63.0%		100.0%
Current		3,088,544		791,774		3,880,318
Non-current		-		4,461,615		4,461,615

(*) Refer to administrative amounts payable that are in exclusive investment funds.

(i) These represent financial assets in time deposits, which maturities range from 7 to 180 days. These are US dollar denominated financial assets.

(ii) Interest-bearing checking account.

In thousands of reais, except when otherwise stated

6.1 Breakdown of financial assets

	Consolidated					
	2021					
	Fair value through profit or loss		Available for sale			
	Priced at the curve	Market value/ carrying amount	Priced at the curve	Market value/ carrying amount	Average interest rate - %	Total
Fixed-income securities - Corporate						
Debentures	16,219	16,219	-	-		16,219
Shares in exclusive funds - fixed income						
Financial Treasury Bills	1,145,461	1,143,956	1,790,417	1,781,091	SELIC	2,925,047
National Treasury Bills	4,023	4,023	-	-	10.06% p.a.	4,023
Repurchase agreements	227,192	227,192	61,316	61,316	SELIC	288,508
National Treasury Notes - Series B	115,917	103,472	1,391,017	1,208,105	IPCA + 2.96% p.a.	1,311,577
National Treasury Notes - Series F	-	-	58,050	51,626	5.73% p.a.	51,626
Debentures % CDI	-	-	56,898	56,532	107% of CDI p.a.	56,532
Debentures CDI +	-	-	34,391	34,121	CDI + 1.87% p.a.	34,121
Financial bills % CDI	-	-	19,089	18,998	106.59% of CDI p.a.	18,998
Financial bills CDI+	-	-	104,497	104,776	CDI + 1.3% p.a.	104,776
Sovereign bonds - Global 23	843,254	843,254	-	-	2.63% p.a.	843,254
Fixed-income funds	-	-	51,871	51,871		51,871
Derivatives	915	915	-	-	-	915
Shares in exclusive funds - variable income		-				
Shares in Brazilian companies	73,949	73,949	-	-	-	73,949
Repurchase agreements	7,586	7,586	-	-	SELIC	7,586
Stock funds	70,769	70,769	-	-		70,769
Market index funds	57,456	57,456	-	-		57,456
Shares in non-exclusive funds	21,156	21,156	22,222	12,033		33,189
	2,583,897	**2,569,947**	**3,589,768**	**3,380,469**		**5,950,416**
Financial assets Abroad						
Fixed-income securities - Government						
Sovereign bonds - Global 23 and 26	-	-	918,652	890,013	4.61% p.a.	890,013
Other financial assets						
Restricted financial assets - Interest-bearing checking account (ii)	46,408	46,408	-	-		46,408
Reinsurance trust account (iii)	-	-	1,042,166	1,032,595	0.44% p.a.	1,032,595
Fixed-income securities - Corporate						
Time deposit abroad (i)	978,633	978,633	-	-	0,45% a.a.	978,633
Shares in non-exclusive funds						
Shares in non-exclusive investment funds	44,536	44,536	-	-	-	44,536
	1,069,577	**1,069,577**	**1,960,818**	**1,922,608**		**2,992,185**
Total	**3,653,474**	**3,639,524**	**5,550,586**	**5,303,077**		**8,942,601**
%		40.7%		59.3%		100.0%
Current		3,639,524		326,817		3,966,341
Non-current		-		4,976,260		4,976,260

(i) These are US dollar denominated time deposits, which maturities range from 9 to 91 days.

(ii) Interest-bearing checking account.

(iii) Assets deposited abroad reducing the coverage requirement, according to SUSEP Circular 517/2015, represented by US government bonds falling due in 2023 and 2026 (Note 21).

In thousands of reais, except when otherwise stated

6.1 Breakdown of financial assets

	Consolidated					
	2020					
	Fair value through profit or loss		Available for sale			
	Priced at the curve	Market value/ carrying amount	Priced at the curve	Market value/ carrying amount	Average interest rate - %	Total
Fixed-income securities - Corporate						
Debentures	11,858	11,858	-	-	-	11,858
Shares in exclusive funds - fixed income						
Financial Treasury Bills	269,311	270,387	3,426,427	3,389,536	SELIC	3,659,923
Repurchase agreements	82,661	82,661	251,707	251,707	SELIC	334,368
National Treasury Notes - Series B	-	-	986,686	983,640	IPCA + 2.56%	983,640
National Treasury Notes - Series F	-	-	59,728	60,262	5.73%	60,262
Debentures % CDI	-	-	7,314	29,193	107.1% of CDI	29,193
Debentures CDI +	-	-	30,262	6,928	CDI + 0.3%	6,928
Financial bills	-	-	26,435	26,148	105.9% of CDI	26,148
Sovereign bonds - Global 21	797,746	797,746	-	-	4.88%	797,746
Bank certificate of deposits	-	-	35,132	35,132	93% of CDI	35,132
Other	109	109	-	-	-	109
Shares in exclusive funds - variable income						
Shares in Brazilian companies	86,822	86,822	-	-	-	86,822
Repurchase agreements	669	669	-	-	SELIC	669
Market index funds	8,356	8,356	-	-	-	8,356
Other	40	40	-	-	-	40
Shares in non-exclusive funds	16,146	16,146	20,704	13,463	-	29,609
	1,273,718	**1,274,794**	**4,844,395**	**4,796,009**		**6,070,803**
Financial assets Abroad						
Fixed-income securities - Government						
Sovereign bonds - Global 21	-	-	483,014	473,644	4,875	473,644
Other financial assets						
Restricted financial assets - Interest-bearing checking account (ii)	725,459	725,459	-	-		725,459
Fixed-income securities - Corporate						
American Deposits Receipt	-	-	31,220	7,587	-	7,587
Time deposit abroad (i)	1,019,796	1,019,796	-	-	-	1,019,796
Shares in non-exclusive funds						
Shares in non-exclusive investment funds	16,666	16,666	-	-	-	16,666
	1,761,921	**1,761,921**	**514,234**	**481,231**		**2,243,152**
Total	**3,035,639**	**3,036,715**	**5,358,629**	**5,277,240**		**8,313,955**
%		36.5%		63.5%		100.0%
Current		3,036,715		815,625		3,852,340
Non-current		-		4,461,615		4,461,615

(i) These are US dollar denominated time deposits, which maturities range from 7 to 180 days.

(ii) Interest-bearing checking account.

In thousands of reais, except when otherwise stated

6.1.1 Breakdown of financial assets by type and maturity

	Parent company				
	2021				
	Without maturity	From 1 to 180 days	From 181 to 365 days	Over 365 days	Total
Fair value through profit or loss					
Fixed-income securities - Corporate					
Debentures	16,219	-	-	-	16,219
Shares in exclusive funds - fixed income					
Repurchase agreements	-	227,192	-	-	227,192
National Treasury Notes - Series B	-	-	-	103,472	103,472
Financial Treasury Bills	-	-	-	1,143,956	1,143,956
National Treasury Bills	-	-	-	4,023	4,023
Sovereign bonds - Global 23	-	-	-	843,254	843,254
Derivatives	851	-	-	-	851
Other	16,147	-	-	-	16,147
Shares in exclusive funds - variable income					
Shares in Brazilian companies	73,949	-	-	-	73,949
Repurchase agreements	-	7,586	-	-	7,586
Stock funds	70,769	-	-	-	70,769
Market index funds	57,456	-	-	-	57,456
Other	57	-	-	-	57
Shares in real estate funds - Exclusive	68,157	-	-	-	68,157
Financial assets Abroad					
Fixed-income securities - Corporate					
Time deposit abroad	-	978,633	-	-	978,633
Other financial assets					
Restricted financial assets - Interest-bearing checking account	46,408	-	-	-	46,408
Shares in non-exclusive investment funds					
Shares in non-exclusive investment funds	44,536	-	-	-	44,536
	394,549	**1,213,411**	**-**	**2,094,705**	**3,702,665**
Available for sale					
Shares in exclusive funds - fixed income					
Financial Treasury Bills	-	-	177,106	1,603,985	1,781,091
Repurchase agreements	-	61,316	-	-	61,316
National Treasury Notes - Series B	-	-	-	1,208,105	1,208,105
National Treasury Notes - Series F	-	-	-	51,626	51,626
Debentures % CDI	-	1,674	8,103	46,755	56,532
Debentures CDI +	-	-	-	34,121	34,121
Financial bills % CDI	-	13,892	-	5,106	18,998
Financial bills CDI+	-	-	-	104,776	104,776
Fixed-income funds	51,872	-	-	-	51,872
Other	(2,697)	-	-	-	(2,697)
Financial assets Abroad					
Fixed-income securities - Government					
Sovereign bonds - Global 23 and 26	-	-	-	890,013	890,013
Reinsurance trust account	822	-	-	1,031,773	1,032,595
Fixed-income securities - Corporate					
	49,997	**76,882**	**185,209**	**4,976,260**	**5,288,348**
Total					**8,991,013**

In thousands of reais, except when otherwise stated

6.1.1 Breakdown of financial assets by type and maturity

					Parent company
					2020
	Without maturity	From 1 to 180 days	From 181 to 365 days	Over 365 days	Total
Fair value through profit or loss					
Fixed-income securities - Corporate					
Debentures	11,858	-	-	-	11,858
Shares in exclusive funds - fixed income					
Repurchase agreements	-	82,156	-	-	82,156
Financial Treasury Bills	-	-	-	270,387	270,387
Sovereign bonds - Global 21	-	797,746	-	-	797,746
Other	38	-	-	-	38
Shares in exclusive funds - variable income					
Shares in Brazilian companies	95,178	-	-	-	95,178
Repurchase agreements	-	669	-	-	669
Other	225	-	-	-	225
Shares in real estate funds - Exclusive	68,366	-	-	-	68,366
Financial assets Abroad					
Fixed-income securities - Corporate					
Time deposit abroad	-	1,019,796	-	-	1,019,796
Other financial assets					
Restricted financial assets - Interest-bearing checking account	725,459	-	-		725,459
Shares in non-exclusive investment funds					
Shares in non-exclusive investment funds	16,666	-	-	-	16,666
	917,790	**1,900,367**	**-**	**270,387**	**3,088,544**
Available for sale					
Shares in exclusive funds - fixed income					
Financial Treasury Bills	-	247	17,872	3,371,417	3,389,536
Repurchase agreements	-	251,707	-	-	251,707
National Treasury Notes - Series B	-	-	-	983,640	983,640
National Treasury Notes - Series F	-	-	-	60,262	60,262
Debentures % CDI	-	-	2,995	26,198	29,193
Debentures CDI +	-	-	-	6,928	6,928
Financial bills	-	-	12,978	13,170	26,148
Bank certificate of deposits	35,132	-	-	-	35,132
Other	(10,388)	-	-	-	(10,388)
Financial assets Abroad					
Fixed-income securities - Government					
Sovereign bonds - Global 21	-	473,644	-	-	473,644
Fixed-income securities - Corporate					
American Deposits Receipt	7,587	-	-	-	7,587
	32,331	**725,598**	**33,845**	**4,461,615**	**5,253,389**
Total					**8,341,933**

In thousands of reais, except when otherwise stated

6.1.1 Breakdown of financial assets by type and maturity

					Consolidated
					2021
	Without maturity	From 1 to 180 days	From 181 to 365 days	Over 365 days	Total
Fair value through profit or loss					
Fixed-income securities - Corporate					
Debentures	16,219	-	-	-	16,219
Shares in exclusive funds - fixed income					
Financial Treasury Bills	-	-	-	1,143,956	1,143,956
National Treasury Bills	-	-	-	4,023	4,023
Repurchase agreements	-	227,192	-	-	227,192
National Treasury Notes - Series B	-	-	-	103,472	103,472
National Treasury Notes - Series F	-	-	-	-	-
Sovereign bonds - Global 23	-	-	-	843,254	843,254
Derivatives	915	-	-	-	915
Shares in exclusive investment funds - variable income					
Shares in Brazilian companies	73,949	-	-	-	73,949
Repurchase agreements	-	7,586	-	-	7,586
Stock funds	70,769	-	-	-	70,769
Market index funds	57,456	-	-	-	57,456
Shares in non-exclusive investment funds	21,156	-	-	-	21,156
Financial assets Abroad					
Fixed-income securities - Corporate					
Time deposit abroad	-	978,633	-	-	978,633
Other financial assets					
Restricted financial assets - Interest-bearing checking account	46,408	-	-	-	46,408
Shares in non-exclusive funds					
Shares in non-exclusive investment funds	44,536	-	-	-	44,536
	331,408	**1,213,411**	**-**	**2,094,705**	**3,639,524**
Available for sale					
Shares in exclusive funds - fixed income					
Financial Treasury Bills	-	-	177,106	1,603,985	1,781,091
Repurchase agreements	-	61,316	-	-	61,316
National Treasury Notes - Series B	-	-	-	1,208,105	1,208,105
National Treasury Notes - Series F	-	-	-	51,626	51,626
Debentures % CDI	-	1,674	8,103	46,755	56,532
Debentures CDI +	-	-	-	34,121	34,121
Financial bills % CDI	-	13,892	-	5,106	18,998
Financial bills CDI+	- -	- -	-	104,776	104,776
Fixed-income funds	51,871	-	-	-	51,871
Shares in non-exclusive investment funds	12,033	-	-	-	12,033
Financial assets Abroad					
Fixed-income securities - Government					
Sovereign bonds - Global 23 and 26	-	-	-	890,013	890,013
Reinsurance trust account	822	-	-	1,031,773	1,032,595
Fixed-income securities - Corporate					
	64,726	**76,882**	**185,209**	**4,976,260**	**5,303,077**
Total					**8,942,601**

In thousands of reais, except when otherwise stated

6.1.1 Breakdown of financial assets by type and maturity

	Consolidated				
	2020				
	Without maturity	From 1 to 180 days	From 181 to 365 days	Over 365 days	Total
Fair value through profit or loss					
Fixed-income securities - Corporate					
Debentures	11,858	-	-	-	11,858
Shares in exclusive funds - fixed income					
Financial Treasury Bills	270,387	-	-	-	270,387
Repurchase agreements	82,661	-	-	-	82,661
Sovereign bonds - Global 21	797,746	-	-	-	797,746
Other	149	-	-	-	149
Shares in exclusive investment funds - variable income					
Shares in Brazilian companies	86,822	-	-	-	86,822
Repurchase agreements	-	669	-	-	669
Market index funds	8,356	-	-	-	8,356
Shares in non-exclusive investment funds	16,146	-	-	-	16,146
Financial assets Abroad					
Fixed-income securities - Corporate					
Time deposit abroad	-	1,019,796	-	-	1,019,796
Other financial assets					
Restricted financial assets - Interest-bearing checking account	725,459	-	-	-	725,459
Shares in non-exclusive funds					
Shares in non-exclusive investment funds	16,666	-	-	-	16,666
	2,016,250	**1,020,465**	**-**	**-**	**3,036,715**
Available for sale					
Shares in exclusive funds - fixed income					
Financial Treasury Bills	-	247	17,872	3,371,417	3,389,536
Repurchase agreements	-	251,707	-	-	251,707
National Treasury Notes - Series B	-	-	-	983,640	983,640
National Treasury Notes - Series F	-	-	-	60,262	60,262
Debentures % CDI	-	-	2,995	26,198	29,193
Debentures CDI +	-	-	-	6,928	6,928
Financial bills	-	-	12,978	13,170	26,148
Bank certificate of deposits	35,132	- -	- -	-	35,132
Shares in non-exclusive investment funds	13,463	- -	- -	-	13,463
Financial assets Abroad					
Fixed-income securities - Government					
Sovereign bonds - Global 21	-	473,644	-	-	473,644
Fixed-income securities - Corporate					
American Deposits Receipt	7,587	-	-	-	7,587
	56,182	**725,598**	**33,845**	**4,461,615**	**5,277,240**
Total					**8,313,955**

In thousands of reais, except when otherwise stated

6.2 Changes in financial assets

			Parent company
	Fair value through profit or loss	Available for sale	Total
Balances as at January 1, 2020	**578,592**	**3,843,721**	**4,422,313**
Financial assets	8,765,167	5,993,989	14,759,156
Interest call	(10,023)	(300,705)	(310,728)
Principal call	(6,321,734)	(4,542,800)	(10,864,534)
Finance income	(56,621)	291,991	235,370
Adjustment to market value	-	(49,049)	(49,049)
Exchange-rate change	69,228	16,242	85,470
Transfers and other	63,935	-	63,935
Balances as at December 31, 2020	**3,088,544**	**5,253,389**	**8,341,933**

	Fair value through profit or loss	Available for sale	Total
Balances as at December 31, 2020	**3,088,544**	**5,253,389**	**8,341,933**
Financial assets	11,655,567	3,304,258	14,959,825
Interest call	(11,712)	(16,601)	(28,313)
Principal call	(11,209,702)	(3,515,086)	(14,724,788)
Finance income	97,817	207,071	304,888
Adjustment to market value	-	(163,172)	(163,172)
Exchange-rate change	83,365	127,543	210,908
Transfers and other	(1,214)	90,946	89,732
Balances as at December 31, 2021	**3,702,665**	**5,288,348**	**8,991,013**

			Consolidated
	Fair value through profit or loss	Available for sale	Total
Balances as at January 1, 2020	**611,240**	**3,867,933**	**4,479,173**
Financial assets	9,543,155	5,993,989	15,537,144
Interest call	(10,023)	(300,705)	(310,728)
Principal call	(7,216,996)	(4,477,651)	(11,694,647)
Finance income	41,325	280,443	321,768
Adjustment to market value	-	(52,128)	(52,128)
Exchange-rate change	69,228	16,242	85,470
Transfers and other	(1,214)	(50,883)	(52,097)
Balances as at December 31, 2020	**3,036,715**	**5,277,240**	**8,313,955**

	Fair value through profit or loss	Available for sale	Total
Balances as at December 31, 2020	**3,036,715**	**5,277,240**	**8,313,955**
Financial assets	11,655,567	3,315,343	14,970,910
Interest call	(11,712)	(16,601)	(28,313)
Principal call	(11,210,828)	(3,521,235)	(14,732,063)
Finance income	126,754	239,602	366,356
Adjustment to market value	-	(166,120)	(166,120)
Exchange-rate change	83,365	127,543	210,908
Transfers and other	(40,337)	47,305	6,968
Balances as at December 31, 2021	**3,639,524**	**5,303,077**	**8,942,601**

In thousands of reais, except when otherwise stated

7 Receivables from reinsurance and retrocession operations

Receivables from reinsurance and retrocession operations mainly comprise balances receivable from the operations of insurance and reinsurance companies in Brazil and abroad, plus written premiums receivable, the respective commissions, claim compensation receivable, as shown below:

7.1 Breakdown

	Parent Company and Consolidated	
	2021	2020
Current		
Transactions with insurers (7.2)	3,215,171	4,193,770
Transactions with reinsurers (7.2)	919,770	1,496,530
Other receivables (7.2)	30,738	139,172
Impairment	(60,598)	(65,060)
Total current	**4,105,081**	**5,764,412**
Non-current		
Other receivables (7.2)	11,677	-
Total non-current	**11,677**	**-**
	4,116,758	**5,764,412**

7.2 Changes

The Company has reinsurance contracts with premiums recorded using estimated (Estimated Premium and RVNE Premium) or actual (Actual Premiums) bases. The proportional contracts are issued using estimates (Estimated Premiums) and adjusted after receiving the accounts rendered from cedants, when the Estimated Premium is reversed as contra-entry to the Actual Premium. The non-proportional contracts have a minimum premium (actual premiums), which may be later adjusted. Facultative contracts are recorded based on the amount agreed between the parties (actual premiums).

The settlement of proportional contracts and respective receipt of premiums occurs when the account rendered by cedants is submitted to the Company according to the terms agreed between them. Certain accounts rendered enable the offset of the amounts owed by cedants to IRB (premiums) against the amounts that the Company have to pay for claims to such cedants, provided that these are informed in the same accounts rendered.

In thousands of reais, except when otherwise stated

	Parent Company and Consolidated	
	2021	2020
Opening balance	**5,829,472**	**5,605,638**
Actual premium - Opening balance	**2,326,383**	**2,043,572**
Written premiums(**)	10,089,444	10,426,642
Premium received	(9,591,200)	(9,914,131)
Write-off for offset of amounts (***)	(1,157,768)	(222,424)
Commission on written premiums(**)	(1,562,823)	(1,271,549)
Commission payments	1,711,910	1,189,925
Other receivables	20,239	65,709
Exchange rate change	23,723	8,639
Change Assets	**(466,475)**	**282,811**
Actual premium (*) -Closing balance	**1,859,908**	**2,326,383**
	2021	2020
Estimated premium - Opening balance	**2,367,715**	**2,665,398**
Written premiums(**)	4,109,115	5,481,914
Reversal for accounts rendered (**)	(5,444,649)	(6,269,012)
Commission on written premiums(**)	(851,895)	(1,436,777)
Reversal of estimated commission (**)	1,093,232	1,415,507
Exchange rate change	66,691	510,685
Change Assets	**(1,027,506)**	**(297,683)**
Estimated premium - Closing balance	**1,340,209**	**2,367,715**
	2021	2020
RVNE premium - Opening balance	**522,800**	**477,672**
Recognition / reversal of premiums (**)	2,748	(46,340)
Recognition / reversal of commissions (**)	178	9,173
Exchange rate change	26,815	82,295
Change Assets	**29,741**	**45,128**
RVNE premium - Closing balance	**552,541**	**522,800**
	2021	2020
Claims - Opening balance	**473,403**	**283,606**
Recoverable claims	388,301	219,034
Recovered claims	(519,570)	-
Other receivables	27,713	(27,046)
Exchange rate change	12,436	(2,191)
Change Assets	**(91,120)**	**189,797**
Claims (*) - Closing balance	**382,283**	**473,403**
	2021	2020
Other receivables - Opening balance	**139,171**	**135,390**
Other receivables	(99,717)	3,510
Exchange rate change	2,961	271
Change Assets	**(96,756)**	**3,781**
Other receivables (*) - Closing balance	**42,415**	**139,171**
Closing balance	**4,177,356**	**5,829,472**

(*) The balance as at December 31 related to the sum of these groups is equivalent to the one shown in the column Receivables from operations in Note 7.3.
(**) Refers to Note 3.3 Statements of profit or loss - Reconciliation, line items Gross written premium (a) and Reinsurance commission (e).
(***) Amounts written-off by offsetting premiums receivable against claims payable of the accounts rendered received.

In thousands of reais, except when otherwise stated

7.3 Aging of receivables from reinsurance and retrocession operations

The aging analysis of receivables from reinsurance and retrocession operations is as follows:

					Parent Company and Consolidated
					2021
Aging	Receivables	Payables	Net receivables	Provision for credit risks	Total
Falling due	**1,959,919**	**(1,529,813)**	**430,106**	**(17,643)**	**412,463**
Past due	**324,687**	**(114,070)**	**210,617**	**(42,955)**	**167,662**
Less than 30 days past due	79,204	(20,576)	58,628	(5,999)	52,629
From 31 to 60 days past due	45,888	(13,330)	32,558	(3,371)	29,187
From 61 to 120 days past due	37,503	(2,390)	35,113	(3,311)	31,802
From 121 to 180 days past due	40,790	(11,533)	29,257	(2,052)	27,205
Over 181 days past due	121,302	(66,241)	55,061	(28,222)	26,839
Total	**2,284,606**	**(1,643,883)**	**640,723**	**(60,598)**	**580,125**

For the net balances of trade payables and receivables - actual (actual premium, claim and other receivables) past due and falling due - of R$ 640,723 (R$ 920,401 as at December 31, 2020), a provision for credit risk was recognized for R$ 60,598 (R$ 65,060 as at December 31, 2020).

8 Third-party deposits

The amounts received from cedants related to receivables not fully written-off (in reconciliation process) are recorded in this line item. The amounts credited as premium and claim recovery are received deducted for commissions and can include claim prepayments.

Third-party deposits by age of deposit are as follows.

	Parent Company and Consolidated	
	2021	2020
Up to 30 days	47,623	146,982
Between 31 and 60 days	25,905	23,765
Between 61 and 120 days	15,934	60,370
Between 121 and 180 days	7,414	43,806
Between 181 and 365 days	11,101	42,518
	107,977	**317,441**

9 Retrocession assets - technical reserves

9.1 Claims - retrocession (breakdown)

Claims pending payment and claims incurred but not reported (IBNR) are as follows:

				Parent Company and Consolidated
				2021
	Claims pending payment	Claims pending payment in court dispute	Claims incurred but not reported	Total
Aviation	314,890	16	56,239	371,145
Motor	1,250	-	12,562	13,812
Mortgage	390	-	65	455
Marine	33,071	408	11,168	44,647
Property	1,442,867	40,963	353,015	1,836,845
Life	30,885	878	39,089	70,852
Oil & Gas	289,335	-	61,723	351,058
Casualty	290,784	7,346	103,553	401,683
Financial risks	166,440	11,034	64,689	242,163
Agriculture	279,226	1,050	24,201	304,477
Cargo	249,948	89	77,269	327,306
International risks	225,813	-	196,646	422,459
Total	**3,324,899**	**61,784**	**1,000,219**	**4,386,902**

In thousands of reais, except when otherwise stated

9.1 Claims - retrocession (breakdown)

	Parent Company and Consolidated			
	2020			
	Claims pending payment	Claims pending payment in court dispute	Claims incurred but not reported	Total
Aviation	236,742	20	59,720	296,482
Motor	1,337	-	11,133	12,470
Mortgage	219	-	180	399
Marine	45,046	364	11,772	57,182
Property	879,904	61,781	361,727	1,303,412
Life	32,092	818	41,223	74,133
Oil & Gas	407,352	-	31,432	438,784
Casualty	182,845	3,965	82,615	269,425
Financial risks	148,770	7,090	50,818	206,678
Agriculture	97,093	902	73,383	171,378
Cargo	332,332	888	65,460	398,680
International risks	331,026	-	172,871	503,897
Total	**2,694,758**	**75,828**	**962,334**	**3,732,920**

9.1.1 Changes

	Parent Company and Consolidated	
	2021	2020
Opening balance	**3,732,920**	**2,556,476**
PSL - previous balance	**2,770,586**	**2,017,067**
PSL - Recognition of retrocession claims	3,571,725	2,989,814
PSL - Reversal of retrocession claims	(1,229,790)	(878,925)
PSL - Estimate of salvage and reimbursements	(20,527)	183,764
PSL - Reversal to retrocession receivable	(388,301)	(456,029)
PSL - Write-off for claim payment Loss Portfolio Transfer	(801,708)	(285,255)
PSL - Claim recovery	(562,257)	(1,090,115)
PSL - Interest, inflation adjustment and exchange rate change and other	46,955	290,265
PSL - Change in Assets	**616,097**	**753,519**
PSL - Closing balance	**3,386,683**	**2,770,586**
	2021	**2020**
IBNR - Opening balance	**962,334**	**539,409**
IBNR - Recognition of retrocession claims	532,776	569,775
IBNR - Reversal of retrocession claims	(530,592)	(200,140)
IBNR - Exchange rate change	35,701	53,290
IBNR - Change in Assets	**37,885**	**422,925**
IBNR - Closing balance	**1,000,219**	**962,334**
Closing balance	**4,386,902**	**3,732,920**

Loss Portfolio Transfer: sale/transfer through Retrocession contract of Claim Reserves of a certain Portfolio by IRB to a retrocessionaire (reinsurer).

In thousands of reais, except when otherwise stated

9.2 Deferred retrocession premiums

	Parent Company and Consolidated						
	2021						
	Unearned premium reserve			Deferred reinsurance commission			
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Aviation	6,683	1,888	696	(42)	(99)	(35)	9,091
Motor	2,913	4,132	-	(38)	(173)	-	6,834
Mortgage	-	44	6	-	(2)	-	48
Marine	20,899	166	1,520	(287)	(12)	(46)	22,240
Nuclear	-	-	1,038	-	-	(26)	1,012
Property	239,167	56,330	22,082	(9,096)	(2,698)	(996)	304,789
Life	33,304	7,973	974	(3,329)	(590)	(82)	38,250
Oil & Gas	395,670	342	64,712	(9,543)	(11)	(1,467)	449,703
Casualty	81,445	14,859	1,906	(5,735)	(627)	(126)	91,722
Financial risks	30,538	15,329	1,491	(525)	(2,855)	(79)	43,899
Agriculture	47,097	3	120	(1)	(1)	(10)	47,208
Cargo	36,950	16,911	6,188	(1,425)	(618)	(1,041)	56,965
International risks	208,619	4,228	299	(1,641)	(446)	(28)	211,031
Total	**1,103,285**	**122,205**	**101,032**	**(31,662)**	**(8,132)**	**(3,936)**	**1,282,792**
Current							**1,201,522**
Non-current							**81,270**

	Parent Company and Consolidated						
	2020						
	Unearned premium reserve			Deferred reinsurance commission			
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Aviation	24,836	464	823	(171)	(31)	(44)	25,877
Motor	670	7,166	-	(15)	(193)	-	7,628
Mortgage	-	53	8	-	(2)	-	59
Marine	25,430	1,554	2,277	(538)	(39)	(93)	28,591
Nuclear	19,159	-	3,015	(479)	-	(167)	21,528
Property	301,759	94,522	31,383	(10,497)	(8,198)	(1,335)	407,634
Life	30,097	4,206	1,043	(2,898)	(439)	(92)	31,917
Oil & Gas	337,571	1,503	89,946	(7,612)	(158)	(1,818)	419,432
Casualty	64,006	37,804	2,193	(5,699)	(8,335)	(153)	89,816
Financial risks	23,580	12,684	1,847	(470)	(2,255)	(98)	35,288
Agriculture	50,721	12	195	(407)	(4)	(21)	50,496
Cargo	35,974	23,429	4,521	(1,170)	(878)	(787)	61,089
International risks	238,929	3,930	531	(998)	(564)	(35)	241,793
Total	**1,152,732**	**187,327**	**137,782**	**(30,954)**	**(21,096)**	**(4,643)**	**1,421,148**
Current							**1,352,762**
Non-current							**68,386**

9.2.1 Changes

	Parent Company and Consolidated						
	Unearned premium reserve			Deferred reinsurance commission			
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Balances as at January 1, 2020	922,468	206,085	97,619	(25,443)	(21,902)	(6,114)	1,172,713
Recognition (*)	1,039,127	115,702	136,212	(23,596)	(14,317)	(8,606)	1,244,522
Deferral by risk (*)	(980,276)	(144,381)	(44,889)	24,912	15,472	7,388	(1,121,774)
Exchange rate change	171,413	9,921	(51,160)	(6,827)	(349)	2,689	125,687
Balances as at December 31, 2020	**1,152,732**	**187,327**	**137,782**	**(30,954)**	**(21,096)**	**(4,643)**	**1,421,148**
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Balances as at December 31, 2020	1,152,732	187,327	137,782	(30,954)	(21,096)	(4,643)	1,421,148
Recognition (*)	628,913	126,180	9,890	(21,347)	(8,872)	(131)	734,633
Deferral by risk (*)	(743,229)	(193,611)	(52,194)	21,459	21,954	994	(944,627)
Exchange rate change	64,869	2,309	5,554	(820)	(118)	(156)	71,638
Balances as at December 31, 2021	**1,103,285**	**122,205**	**101,032**	**(31,662)**	**(8,132)**	**(3,936)**	**1,282,792**

(*) Refers to Note 3.3 Statements of profit or loss - Reconciliation, lines of Changes in technical reserves - ceded premium (c) and Changes in technical reserves - ceded commission (e).

In thousands of reais, except when otherwise stated

9.3 Other technical reserves

The reserve for technical surplus guarantees the amounts allocated to the distribution of excess amounts arising from technical surplus in the operationalization of contracts, and the reserve for related expenses comprise the coverage for claim-related expenses.

	Parent Company and Consolidated	
	2021	2020
Aviation	24	20
Motor	679	1,011
Property	2,679	581
Life	1,613	518
Casualty	2,406	203
Financial risks	2,011	4,021
Agriculture	391	709
Cargo	937	185
International risks	606	507
Total	**11,346**	**7,755**

10 Trade and other receivables

	Parent company		Consolidated	
	2021	2020	2021	2020
Current				
Amounts from real estate investment portfolio	-	-	-	20,705
Advance to suppliers	227	219	227	219
Advance to employees	1,239	924	1,239	939
Reimbursement receivable	19,545	20,398	19,545	20,398
Corporate bonds - federal government-controlled corporation (i)	-	307,132	-	307,132
Other	915	822	6,421	12,167
Total current	**21,926**	**329,495**	**27,432**	**361,560**
Non-current				
Amounts from real estate investment portfolio	40,409	27,566	40,409	27,566
Amounts receivable from Caixa Econômica Federal	16,103	16,100	16,103	16,100
Amounts receivable - Previrb	106,429	119,446	106,429	119,446
Amounts receivable - estimated reimbursement (10.1)	49,991	67,319	49,991	67,319
Corporate bonds - Collateral for real estate (ii)	376,884	320,280	376,884	320,280
Total non-current	**589,816**	**550,711**	**589,816**	**550,711**
	611,742	**880,206**	**617,248**	**912,271**

(i) After court ratification of the settlement of the action for damages, Centrais Elétricas do Norte do Brasil S/A ("Eletronorte") made the payment in cash on March 8, 2021 to the Company. The received fund was allocated to guarantee assets, to strengthen the Company's regulatory ratios.
(ii) The bonds are expected to be realized in approximately two years.

In thousands of reais, except when otherwise stated

10.1 Estimated reimbursements

The following chart shows the changes in reimbursements and the timing of the expected realization of balances as at December 31, 2021.

	Parent Company and Consolidated	
	2021	2020
Opening balance	67,319	81,742
Increase (reversals)	(19,788)	(27,829)
Exchange rate change	2,460	13,406
Closing balance	**49,991**	**67,319**

Expected realization	
January-22	18,585
March-22	2,771
November-22	3,873
March-23	2,292
April-23	882
June-23	13,417
January-24	5,809
September-25	208
June-27	2,154
	49,991

11 Tax credits and deferred tax assets

11.1 Tax credits and deferred tax assets

	Parent company	
	2021	2020
Current		
Tax Argentina branch / Withholding income tax	14,134	8,853
Tax loss carryforwards/recoverable (i)	113,457	162,342
	127,591	**171,195**
Non-current		
Overpaid contributions and taxes to be recovered (ii)	406,092	165,843
Deferred tax assets	**2,068,057**	**1,289,620**
Deferred income tax and social contribution (iii)	1,731,914	1,025,170
Deferred PIS and COFINS (iv)	336,143	264,450
	2,474,149	**1,455,463**
	2,601,740	**1,626,658**

	Consolidated	
	2021	2020
Current		
Tax Argentina branch / Withholding income tax	14,306	10,814
Tax loss carryforwards/recoverable (i)	114,119	171,534
	128,425	**182,348**
Non-current		
Overpaid contributions and taxes to be recovered (ii)	449,168	233,786
Deferred tax assets	**2,068,057**	**1,292,143**
Deferred income tax and social contribution (iii)	1,731,914	1,027,693
Deferred PIS and COFINS (iv)	336,143	264,450
	2,517,225	**1,525,929**
	2,645,650	**1,708,277**

(i) Deferred tax assets arising from negative balances of income tax and social contribution for previous years.

(ii) Refers to the tax credits of PIS and COFINS of R$ 27,290 (R$ 36,782 in Consolidated), Income tax and social contribution for prior periods in the amount of R$ 33,629 in the Consolidated and overpaid PIS amounting to R$ 71,525 (R$ 69,887 in 2020), arising from lawsuit over the increase in tax base, which final and unappealable decision was awarded on October 29, 2013, and the application for tax refund was registered on December 19, 2013. To measure and recognize these amounts, only the amount for the undisputed credits were included. The Company is currently unable to use the tax credits because of the provisions of art. 74, paragraph 3, item VI and paragraph 12 item I, of Law 9,430/1996. Although the Administrative Proceedings 16682-722.248/2015-28 - which addresses the tax credits disputed, obtained through Ordinary Suit 0010496-12.2006.4.02.5101 - is still in progress at the administrative level, because the Law prohibits the Federal Revenue Service of Brazil from accepting tax credits, under penalty of the returns being considered not filed.

In thousands of reais, except when otherwise stated

In August 2021, the Company recorded the favorable result of the lawsuit in the amount of R$ 261,029, related to the PIS/PASEP special judicial order, (Note 23.4.3), of which R$ 52,351 of principal (Note 25.7) and R$ 208,679 for interest accruals (Note 25.8).

On September 24, 2021, the Federal Supreme Court (STF), judging an extraordinary appeal with general repercussion, determined to be unconstitutional the levying of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) interest accruals receivable (SELIC rate), on balances of overpaid taxes. The Company had recorded IRPJ and CSLL of R$ 41,639 on this interest income for the years from 2016 to 2019.

(iii) The Company estimates deferred tax assets will be realized within a 10-year period, based on the studies and projections of future taxable profit. Such projections include operational estimates, exchange rates, volumes of future transactions, among others, which may change in relation to actual data and amounts. Of the above-mentioned total amount of R$ 1,731,915, R$ 1,653,166 refer to tax loss and social contribution loss carryforwards, and R$ 78,749 refer to temporary differences.

(iv) As described in Note 1.4, the Company recognized from the first quarter of 2021 tax credits of PIS and COFINS from claim reserves, less the claim recovery reserves. For purposes of determining the tax bases of such contributions, the amounts are only deductible when on cash basis. The PIS contributions are accrued at the rate of 0.65%, whereas the COFINS ones are accrued at the rate of 4%.

11.1.1 Deferred tax assets

(a) Deferred tax assets

Deferred income tax and social contribution for temporary differences and tax loss comprise the following:

				Parent company
	2021		2020	
	Income tax	Social contribution	Income tax	Social contribution
Non-current				
Provisions for labor lawsuits and post-employment benefit	457,878	457,878	518,029	518,029
Allowance for doubtful accounts	60,598	60,598	65,060	65,060
Provision for tax and social security contingencies	(36,229)	(36,229)	-	-
Adjustment to market value - available-for-sale securities	237,320	237,320	74,148	74,148
Actuarial gains and losses - post-employment benefit	(29,464)	(29,464)	(36,131)	(36,131)
Provision for labor contingencies	60,033	60,033	56,291	56,291
Adjustment to market value - investment	5,351	5,351	5,351	5,351
Adjustment of court deposits - Tax/labor lawsuits	(222,478)	(222,478)	(207,665)	(207,665)
Tax loss and social contribution loss carryforwards	4,124,656	4,146,678	2,351,905	2,351,905
Deferred PIS and COFINS	(336,143)	(336,143)	(264,450)	(264,450)
Other reserves	4	4	386	386
Tax base	**4,321,526**	**4,343,548**	**2,562,924**	**2,562,924**
Current nominal rate	25.0%	15.0%	25.0%	15.0%
Deferred tax assets	**1,080,382**	**651,532**	**640,731**	**384,439**

				Consolidated
	2021		2020	
	Income tax	Social contribution	Income tax	Social contribution
Non-current				
Provisions for labor lawsuits and post-employment benefit	457,878	457,878	518,029	518,029
Allowance for doubtful accounts	60,598	60,598	65,060	65,060
Provision for tax and social security contingencies	(36,229)	(36,229)	-	-
Adjustment to market value - available-for-sale securities	237,320	237,320	80,454	80,454
Actuarial gains and losses - post-employment benefit	(29,464)	(29,464)	(36,131)	(36,131)
Provision for labor contingencies	60,033	60,033	56,294	56,294
Adjustment to market value - investment	5,351	5,351	5,351	5,351
Adjustment of court deposits - Tax/labor lawsuits	(222,478)	(222,478)	(207,665)	(207,665)
Tax loss and social contribution loss carryforwards	4,124,656	4,146,678	2,351,905	2,351,905
Deferred PIS and COFINS	(336,143)	(336,143)	(264,450)	(264,450)
Other reserves	4	4	382	382
Tax base	**4,321,526**	**4,343,548**	**2,569,229**	**2,569,229**
Current nominal rate	25.0%	15.0%	25.0%	15.0%
Deferred tax assets	**1,080,382**	**651,532**	**642,309**	**385,384**

The deferred tax assets of deferred income tax and social contribution arising from tax loss and temporary differences were recognized based at 25% for deferred income tax and 15% for deferred social contribution and consider the expected realization of deferred tax assets determined based on the projects approved by the Board of Directors for the period of 10 years.

In thousands of reais, except when otherwise stated

11.1.1 Deferred tax assets

(b) Estimate of realization of deferred tax assets

				2021
	Parent company		Consolidated	
	Provision for deferred taxes and contributions	%	Provision for deferred taxes and contributions	%
2022	17,279	1%	17,279	1%
2023	140,076	8%	140,076	8%
2024	132,833	8%	132,833	8%
2025	152,331	9%	152,331	9%
2026 to 2031	1,289,395	74%	1,289,395	74%
Total	**1,731,914**	**100%**	**1,731,914**	**100%**

12 Deferred acquisition costs

								Parent Company and Consolidated
				2021				2020
	Actual	Estimated	RVNE	Total	Actual	Estimated	RVNE	Total
Aviation	2,432	46	673	3,151	3,520	43	637	4,200
Motor	107	25	50	182	161	55	54	270
Mortgage	18	4	110	132	55	6	114	175
Marine	3,051	9	535	3,595	3,209	43	691	3,943
Property	23,856	675	3,111	27,642	22,804	1,404	2,526	26,734
Life	1,632	44	326	2,002	1,662	29	366	2,057
Oil & Gas	15,281	-	2,350	17,631	12,645	-	2,981	15,626
Casualty	2,296	59	303	2,658	1,814	128	410	2,352
Financial risks	1,323	517	66	1,906	944	654	57	1,655
Agriculture	215	237	64	516	274	307	97	678
Cargo	3,441	167	2,680	6,288	3,882	268	2,199	6,349
International risks	43,515	9,417	9,062	61,994	44,290	15,087	7,578	66,955
Total	**97,167**	**11,200**	**19,330**	**127,697**	**95,260**	**18,024**	**17,710**	**130,994**
Current				**113,832**				**119,436**
Non-current				**13,865**				**11,558**

12.1 Changes in balances

				Parent Company and Consolidated
	Actual	Estimated	RVNE	Total
Balance as at January 1, 2020	71,182	15,014	16,733	102,929
Recognition of acquisition cost	63,944	2,686	7,237	73,867
Reversal of acquisition cost	(31,742)	(3,666)	(3,658)	(39,066)
Exchange rate change	(8,124)	3,990	(2,602)	(6,736)
Balance as at December 31, 2020	**95,260**	**18,024**	**17,710**	**130,994**

				Parent Company and Consolidated
	Actual	Estimated	RVNE	Total
Balance as at December 31, 2020	95,260	18,024	17,710	130,994
Recognition of acquisition cost	37,675	261	1,509	39,445
Reversal of acquisition cost	(37,551)	(7,851)	(842)	(46,244)
Exchange rate change	1,783	766	953	3,502
Balance as at December 31, 2021	**97,167**	**11,200**	**19,330**	**127,697**

In thousands of reais, except when otherwise stated

13 Investment property

	Parent company
	Shopping Centers
Cost of property investments, gross	
Balance as at January 1, 2020	7,879
Balance as at December 31, 2020	**7,879**
Accumulated depreciation	
Balance as at January 1, 2020	(2,679)
Depreciation	(315)
Balance as at December 31, 2020	**(2,994)**
Accounting balance, net	**4,885**
Cost of property investments, gross	
Balance as at December 31, 2020	7,879
Balance as at December 31, 2021	**7,879**
Accumulated depreciation	
Balance as at December 31, 2020	(2,994)
Depreciation	(315)
Balance as at December 31, 2021	**(3,309)**
Accounting balance, net	**4,570**

	Consolidated			
	Land	Buildings	Shopping Centers	Total
Cost of property investments, gross				
Balance as at January 1, 2020	16,302	8,280	517,717	542,299
Disposal (*)	-	(194)	(450,662)	(450,856)
Acquisition	-	-	1,635	1,635
Balance as at December 31, 2020	**16,302**	**8,086**	**68,690**	**93,078**
Accumulated depreciation				
Balance as at January 1, 2020	-	(970)	(9,885)	(10,855)
Depreciation	-	-	(317)	(317)
Disposal	-	-	7,206	7,206
Balance as at December 31, 2020	**-**	**(970)**	**(2,996)**	**(3,966)**
Accounting balance, net	**16,302**	**7,116**	**65,694**	**89,112**
Cost of property investments, gross				
Balance as at December 31, 2020	16,302	8,086	68,690	93,078
Balance as at December 31, 2021	**16,302**	**8,086**	**68,690**	**93,078**
Accumulated depreciation				
Balance as at December 31, 2020	-	(970)	(2,996)	(3,966)
Depreciation	-	-	(315)	(315)
Disposal	-	(26)	(737)	(763)
Balance as at December 31, 2021	**-**	**(996)**	**(4,048)**	**(5,044)**
Accounting balance, net	**16,302**	**7,090**	**64,642**	**88,034**

(*) Write-off arising from the sale of the ventures Parkshopping, Parkshopping Corporate, office spaces, and IRB International Fundo de Investimento Imobiliário.

In thousands of reais, except when otherwise stated

14 Property and equipment

	Land and buildings	Data processing equipment	Telecommunications equipment	Furniture, machineries and fixtures	Other property and equipment	Vehicles	Right of use (*)	Total
								Parent company
Cost of property and equipment, gross								
Balance as at January 1, 2020	66,520	61,166	4,857	10,123	4,298	81	13,839	160,884
Additions	153	1,465	480	208	1,196	14	-	3,516
Write-offs	-	(25,870)	(3,227)	(1,337)	(468)	-	(949)	(31,851)
Transfers	262	4	-	-	(266)	-	-	-
Disposal	(444)	-	-	-	-	-	-	(444)
Balance as at December 31, 2020	**66,491**	**36,765**	**2,110**	**8,994**	**4,760**	**95**	**12,890**	**132,105**
Accumulated depreciation								
Balance as at January 1, 2020	(15,695)	(51,590)	(3,906)	(3,957)	(1,574)	(48)	(2,244)	(79,014)
Depreciation	(2,488)	(4,259)	(570)	(899)	(521)	(26)	-	(8,763)
Write-offs	-	25,458	3,214	956	-	-	(1,722)	27,906
Disposal	271	-	-	-	-	-	-	271
Balance as at December 31, 2020	**(17,912)**	**(30,391)**	**(1,262)**	**(3,900)**	**(2,095)**	**(74)**	**(3,966)**	**(59,600)**
Accounting balances, net	**48,579**	**6,374**	**848**	**5,094**	**2,665**	**21**	**8,924**	**72,505**
Cost of property and equipment, gross								
Balance as at December 31, 2020	66,491	36,765	2,110	8,994	4,760	95	12,890	132,105
Additions	42	**1,609**	924	12	2,634	-	-	5,221
Write-offs	-	(10)	(8)	(594)	(3,683)	(6)	(5,896)	(10,197)
Transfers	239	-	-	-	(239)	-	-	-
Disposal	-	-	(19)	-	-	-	-	(19)
Balance as at December 31, 2021	**66,772**	**38,364**	**3,007**	**8,412**	**3,472**	**89**	**6,994**	**127,110**
Accumulated depreciation								
Balance as at December 31, 2020	(17,912)	(30,391)	(1,262)	(3,900)	(2,095)	(74)	(3,966)	(59,600)
Depreciation	(2,503)	(3,520)	(927)	(531)	(323)	(5)	-	(7,809)
Write-offs	-	10	8	281	2,380	-	2,110	4,789
Disposal	-	-	13	-	-	-	-	13
Balance as at December 31, 2021	**(20,415)**	**(33,901)**	**(2,168)**	**(4,150)**	**(38)**	**(79)**	**(1,856)**	**(62,607)**
Accounting balances, net	**46,357**	**4,463**	**839**	**4,262**	**3,434**	**10**	**5,138**	**64,503**

In December 2020, the Company sold the office spaces in the Kyoei Building for R$ 9,575, which was recognized in the parent company for the cost of R$ 173.

In thousands of reais, except when otherwise stated

14 Property and equipment

								Consolidated
	Land and buildings	Data processing equipment	Telecommunications equipment	Furniture, machineries and fixtures	Other property and equipment	Vehicles	Right of use (*)	Total
Cost of property and equipment, gross								
Balance as at January 1, 2020	66,520	61,165	4,857	10,134	4,371	81	13,839	160,967
Additions	153	1,464	480	208	1,196	14	-	3,515
Write-offs	-	(25,870)	(3,227)	(1,337)	(468)	-	(949)	(31,851)
Transfers	262	4	-	-	(266)	-	-	-
Disposal	(444)	-	-	-	-	-	-	(444)
Balance as at December 31, 2020	**66,491**	**36,763**	**2,110**	**9,005**	**4,833**	**95**	**12,890**	**132,187**
Accumulated depreciation								
Balance as at January 1, 2020	(15,695)	(51,589)	(3,906)	(3,959)	(1,574)	(48)	(2,244)	(79,015)
Depreciation	(2,488)	(4,259)	(570)	(904)	(521)	(26)	-	(8,768)
Write-offs	-	25,459	3,214	956	-	-	(1,722)	27,907
Disposal	271	-	-	-	-	-	-	271
Balance as at December 31, 2020	**(17,912)**	**(30,389)**	**(1,262)**	**(3,907)**	**(2,095)**	**(74)**	**(3,966)**	**(59,605)**
Accounting balances, net	**48,579**	**6,374**	**848**	**5,098**	**2,738**	**21**	**8,924**	**72,582**
Cost of property and equipment, gross								
Balance as at December 31, 2020	66,491	36,763	2,110	9,005	4,833	95	12,890	132,187
Additions	42	**1,609**	**925**	12	2,562	-	-	5,150
Write-offs	-	(10)	(8)	(606)	(3,683)	(6)	(5,896)	(10,209)
Transfers	239	-	-	-	(239)	-	-	-
Disposal	-	-	(19)	-	-	-	-	(19)
Balance as at December 31, 2021	**66,772**	**38,362**	**3,008**	**8,411**	**3,473**	**89**	**6,994**	**127,109**
Accumulated depreciation								
Balance as at December 31, 2020	(17,912)	(30,389)	(1,262)	(3,907)	(2,095)	(74)	(3,966)	(59,605)
Depreciation	(2,503)	(3,520)	(927)	(782)	(323)	(5)	-	(8,060)
Write-offs	-	10	8	538	2,380	-	2,110	5,046
Disposal	-	-	13	-	-	-	-	13
Balance as at December 31, 2021	**(20,415)**	**(33,899)**	**(2,168)**	**(4,151)**	**(38)**	**(79)**	**(1,856)**	**(62,606)**
Accounting balances, net	**46,357**	**4,463**	**840**	**4,260**	**3,435**	**10**	**5,138**	**64,503**

(*) Right of use - upon adoption of IFRS 16 as of January 1, 2019, the Company recognized new assets for its lease contracts for head office in São Paulo, recognized as at December 31, 2021 in the amount of R$ 5,138 (R$ 8,924 as at December 31, 2020), net of amortization.

In thousands of reais, except when otherwise stated

15 Intangible assets

			Parent company
	Software development costs	Software in development	Total
Intangible asset cost, gross			
Balance as at January 1, 2020	194,043	9,652	203,695
Additions	50,896	6,103	56,999
Transfers	14,404	(14,404)	-
Balance as at December 31, 2020	**259,343**	**1,351**	**260,694**
Accumulated amortization			
Balance as at January 1, 2020	(159,295)	-	(159,295)
Amortization	(35,695)	-	(35,695)
Balance as at December 31, 2020	**(194,990)**	**-**	**(194,990)**
Accounting balance, net	**64,353**	**1,351**	**65,704**
Intangible asset cost, gross			
Balance as at December 31, 2020	259,343	1,351	260,694
Additions	34,253	20,979	55,232
Transfers	1,413	(1,413)	-
Balance as at December 31, 2021	**295,009**	**20,917**	**315,926**
Accumulated amortization			
Balance as at December 31, 2020	(194,990)	-	(194,990)
Amortization	(35,947)	-	(35,947)
Balance as at December 31, 2021	**(230,937)**	**-**	**(230,937)**
Accounting balance, net	**64,072**	**20,917**	**84,989**

			Consolidated
	Software development costs	Software in development	Total
Intangible asset cost, gross			
Balance as at January 1, 2020	194,168	9,853	204,021
Additions	50,896	6,036	56,932
Transfers	14,404	(14,404)	-
Balance as at December 31, 2020	**259,468**	**1,485**	**260,953**
Accumulated amortization			
Balance as at January 1, 2020	(159,320)	-	(159,320)
Amortization	(35,746)	-	(35,746)
Balance as at December 31, 2019	**(195,066)**	**-**	**(195,066)**
Accounting balance, net	**64,402**	**1,485**	**65,887**
Intangible asset cost, gross			
Balance as at December 31, 2020	259,468	1,485	260,953
Additions	34,253	20,979	55,232
Transfers	1,413	(1,413)	-
Balance as at December 31, 2021	**295,134**	**21,051**	**316,185**
Accumulated amortization			
Balance as at December 31, 2020	(195,066)	-	(195,066)
Amortization	(35,999)	-	(35,999)
Balance as at December 31, 2021	**(231,065)**	**-**	**(231,065)**
Accounting balance, net	**64,069**	**21,051**	**85,120**

In thousands of reais, except when otherwise stated

16 Trade payables

	Parent company		Consolidated	
	2021	**2020**	**2021**	**2020**
Suppliers	6,456	18,801	9,574	21,239
Lease liabilities (i)	5,681	9,502	5,681	9,502
Interest on shareholders' equity/dividends (ii)	3,442	26,878	3,442	26,878
Labor claims	2,338	-	2,338	-
Bonus - Executive Board	5,804	-	5,804	-
Ownership interests IRB Investimentos e Participações	7,766	-	-	-
Other	703	2	4,192	10,980
Total	**32,190**	**55,183**	**31,031**	**68,599**
Current	**19,999**	**47,918**	**26,605**	**61,334**
Non-current	**12,191**	**7,265**	**4,426**	**7,265**

(i) Related to the lease contracts for the São Paulo branch's property, recognized as at December 31, 2021 in the amount of R$ 5,681, of which R$ 575 refers to the interest payable, recognized as finance costs in 2021.

(ii) On September 8, 2021, interest on shareholders' equity were paid in 2019 in the amount of R$ 27,276.

17 Borrowings and financing

The Company placed its first and second debenture issues on October 15, 2020 and December 15, 2020, respectively. The proceeds from these Issues were fully and exclusively used by the Company to return to its compliance with the criteria laid out by the Superintendence of Private Insurance and the National Monetary Council ("CMN"), for the purposes established in CNSP Resolution 321/2015 and CMN Resolution 4,444/15, as well as strengthen the Company's capital structure.

As at December 31, 2021, the Company's borrowings and financing balances are represented by such issues and their main characteristics are as follows:

	Parent Company and Consolidated	
	2021	**2020**
Debentures - First issue	602,388	594,844
Debentures - Second issue	227,073	225,792
Total	**829,461**	**820,636**
Current	**10,354**	**4,160**
Non-current	**819,107**	**816,476**

In thousands of reais, except when otherwise stated

17.1 Characteristics of issues:

	1st Issue 1st series	1st Issue 2nd series	2nd Issue sole series
Code	IRBR11	IRBR21	IRBR12
Convertibility	Simple non-convertible debentures	Simple non-convertible debentures	Simple non-convertible debentures
Type	Unsecured	Unsecured	Unsecured
From	Registered and book-entry, without issue of documents or certificates	Registered and book-entry, without issue of documents or certificates	Registered and book-entry, without issue of documents or certificates
Number of securities	450,439	147,000	229,193
Face value	1	1	1
Issue date	10/15/20	10/15/20	12/15/20
Maturity	10/15/23	10/15/26	12/15/26
Inflation adjustment	Without adjustment	IPCA	IPCA
Coupon rate of interest	100% DI rate + 3.35% p.a.	IPCA + 6.6579% p.a.	IPCA + 6.6579% p.a.
Coupon payment	Six-month periods	Six-month periods	Six-month periods
Amortization date	2023	2025 and 2026	2025 and 2026
Renegotiation	None	None	None
Early redemption	From 10.15.2021	From 10.15.2022	From 12.15.2022
Optional early redemption offer	The Company may perform at any time	The Company may perform at any time	The Company may perform at any time

17.2 Changes in Borrowings and financing:

	Parent Company and Consolidated			
	1st Issue 1st series	1st Issue 2nd series	2nd Issue sole series	Total
Balance as at December 31, 2019	-	-	-	-
Funding	450,439	147,000	229,193	826,632
Interest expenses	2,522	1,638	-	4,160
Transaction cost	(5,352)	(1,747)	(3,401)	(10,500)
Amortization transaction cost	296	48	-	344
Balance as at December 31, 2020	**447,905**	**146,939**	**225,792**	**820,636**
Interest payment	(28,415)	(9,933)	(15,676)	(54,024)
Interest expenses	33,190	10,634	16,394	60,218
Amortization transaction cost	1,778	290	563	2,631
Balance as at December 31, 2021	**454,458**	**147,930**	**227,073**	**829,461**

17.3 Fair value - debentures:

	Series	Fair value	Rate
First issue	1st series	460,832	100% DI rate + 3.35% p.a.
First issue	2nd series	167,929	IPCA + 6.6579% p.a.
Second issue	Sole series	254,738	IPCA + 6.6579% p.a

In thousands of reais, except when otherwise stated

17.4 Covenants:

The Company's debenture require covenant compliance for gross debt-to-equity ratio equal to 0.35 or lower.

It also requires compliance (including, but not limited to shortfalls) with the rules by CNSP, SUSEP and/or CMN in relation to minimum capital, reserve, liquidity, solvency and guarantee assets.

In September of 2021, S&P Global Ratings, reaffirmed the "brAAA" credit rating assigned to the above-mentioned issuances

The Company was in compliance with all financial ratios as at December 31, 2021.

18 Provisions for taxes and contributions

	Parent company		Consolidated	
	2021	2020	2021	2020
Income tax payable	-	12,007	7,179	81,853
CSLL payable	-	-	2,593	25,189
PIS/ COFINS payable	4,532	12,527	5,043	34,701
Installment payment IRPJ and CSI	-	-	98,912	-
Total	**4,532**	**24,534**	**113,727**	**141,743**
Current	**4,532**	**24,534**	**35,280**	**141,743**
Non-current	**-**	**-**	**78,447**	**-**

(*) Refers to the IRPF and CSLL installment payment (2020) of the subsidiary IRB Investimentos e Participações Imobiliárias.

19 Payables for reinsurance and retrocession operations

Payables for reinsurance and retrocession operations mainly comprise balances payable from the operations of insurance and reinsurance companies, in Brazil and abroad, plus payable premiums, the respective commissions, claim compensation payable, and the payables from businesses arising from the London branch's operations in the past, as shown below:

19.1 Breakdown

	Parent Company and Consolidated	
	2021	2020
Current		
Transactions with insurers	2,572	4,489
Transactions with reinsurers	1,810,175	2,336,361
Brokers of reinsurance, retrocession and other	160,141	181,384
Other payables	78,783	47,434
	2,051,671	**2,569,668**
Non-current		
Other payables	789	789
	2,052,460	**2,570,457**

In thousands of reais, except when otherwise stated

19.2 Changes

	Parent Company and Consolidated	
	2021	**2020**
Opening balance	**2,570,457**	**1,587,014**
Actual premium - Opening balance	**1,857,034**	**973,224**
Premiums for ceding risks to be transferred	3,426,978	4,135,441
Payment of premiums for ceding risks	(2,879,548)	(2,800,682)
Reversal of premium payable for recognition of Loss Portfolio Transfer	(626,799)	(1,072,560)
Recognition of Loss Portfolio Transfer	626,799	1,072,560
Write-off for claim payment Loss Portfolio Transfer	(801,708)	(285,255)
Commissions and interest on retrocession payable	(168,936)	(170,055)
Commissions and interest on retrocession paid	148,095	172,654
Other payables	(172,805)	(120,376)
Exchange rate change	47,836	(47,917)
Changes in Liabilities	**(400,088)**	**883,810**
Actual premium (*) -Closing balance	**1,456,946**	**1,857,034**
	2021	**2020**
Estimated premium - Opening balance	**279,974**	**280,817**
Premiums for ceding risks to be transferred	569,280	919,078
Write-off for account rendered (*)	(694,250)	(924,587)
Commission on written premiums(*)	(60,086)	(95,829)
Reversal of estimated commission	66,958	90,463
Exchange rate change	4,134	10,032
Changes in Liabilities	**(113,964)**	**(843)**
Estimated premium - Closing balance	**166,010**	**279,974**
	2021	**2020**
RVNE premium - Opening balance	**203,842**	**156,321**
Recognition / reversal of premiums	(99,412)	88,660
Recognition / reversal of commissions	782	(1,516)
Exchange rate change	84,579	(39,623)
Changes in Liabilities	**(14,051)**	**47,521**
RVNE premium - Closing balance	**189,791**	**203,842**
	2021	**2020**
Claims - Opening balance	**-**	**2,835**
Other payables	-	(2,835)
Changes in Liabilities	**-**	**(2,835)**
Claims - Closing balance	**-**	**-**
	2021	**2020**
Actual brokerage comissions - Opening balance	**113,389**	**84,043**
Brokerage commission payable	262,956	261,910
Brokerage commission paid	(271,099)	(233,198)
Exchange rate change	2,119	634
Changes in Liabilities	**(6,024)**	**29,346**
Actual brokerage comissions (*) - Closing balance	**107,365**	**113,389**
	2021	**2020**
Estimated brokerage comissions - Opening balance	**67,995**	**59,255**
Recognition (Reversal)	(18,312)	5,047
Exchange rate change	3,093	3,693
Changes in Liabilities	**(15,219)**	**8,740**
Estimated brokerage comissions - Closing balance	**52,776**	**67,995**
	2021	**2020**
Other payables - Opening balance	**48,223**	**30,519**
Other payables	28,435	18,756
Exchange rate change	2,914	(1,052)
Changes in Liabilities	**31,349**	**17,704**
Other payables (*) - Closing balance	**79,572**	**48,223**
Closing balance	**2,052,460**	**2,570,457**

(*) The balance as at December 31 related group totals equivalent to column Payables in Note 7.3.

In thousands of reais, except when otherwise stated

Loss Portfolio Transfer: sale/transfer through Retrocession contract of Claim Reserves of a certain Portfolio by IRB to a retrocessionaire (reinsurer).

20 Technical reserves

20.1 Unearned premium reserve and acquisition costs

	Parent Company and Consolidated						
	2021						
	Unearned premium reserve			Deferred reinsurance commission			
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Aviation	23,982	2,000	5,856	(440)	(127)	(52)	31,219
Motor	15,059	13,623	844	(4,348)	(3,727)	-	21,451
Mortgage	3,763	1,415	2,319	-	(130)	-	7,367
Marine	44,093	529	7,171	(604)	(126)	(40)	51,023
Nuclear	-	-	1,185	-	-	(68)	1,117
Property	584,703	106,223	75,803	(31,393)	(17,776)	(1,089)	716,471
Life	52,059	20,021	7,524	(69,491)	(2,351)	-	7,762
Oil & Gas	459,329	342	73,655	(840)	(65)	(104)	532,317
Casualty	100,920	18,314	4,741	(4,136)	(1,769)	(100)	117,970
Financial risks	153,334	65,152	4,743	(56,843)	(26,050)	(185)	140,151
Agriculture	106,095	153,340	5,538	(26,087)	(40,480)	(250)	198,156
Cargo	66,605	31,277	37,420	(4,324)	(4,603)	(1,702)	124,673
International risks	760,276	527,805	86,470	(108,584)	(107,460)	(1,500)	1,157,007
Total	**2,370,218**	**940,041**	**313,269**	**(307,090)**	**(204,664)**	**(5,090)**	**3,106,684**
Current							**2,812,762**
Non-current							**293,922**

	Parent Company and Consolidated						
	2020						
	Unearned premium reserve			Deferred reinsurance commission			
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Aviation	34,326	1,750	5,887	(329)	(358)	(66)	41,210
Motor	10,729	14,427	731	(2,846)	(2,270)	-	20,771
Mortgage	1,650	2,898	2,149	-	(177)	-	6,520
Marine	40,304	3,300	8,094	(379)	(584)	(44)	50,691
Nuclear	21,868	-	3,412	(1,264)	-	(193)	23,823
Property	615,626	187,952	72,730	(27,722)	(34,448)	(1,056)	813,082
Life	47,805	11,612	8,047	(2,425)	(1,969)	-	63,070
Oil & Gas	386,244	1,503	101,765	(510)	(189)	(216)	488,597
Casualty	80,741	45,400	5,492	(5,325)	(10,142)	(99)	116,067
Financial risks	153,535	104,845	5,433	(57,741)	(44,129)	(258)	161,685
Agriculture	104,093	177,288	7,324	(25,246)	(48,132)	(442)	214,885
Cargo	63,828	44,141	33,988	(2,937)	(5,985)	(1,267)	131,768
International risks	724,837	876,535	70,417	(71,979)	(169,165)	(1,201)	1,429,444
Total	**2,285,586**	**1,471,651**	**325,469**	**(198,703)**	**(317,548)**	**(4,842)**	**3,561,613**
Current							**3,278,614**
Non-current							**282,999**

20.1.1 Changes in balances

	Parent Company and Consolidated						
	Unearned premium reserve			Deferred reinsurance commission			
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Balances as at January 1, 2020	2,060,203	1,263,368	292,875	(210,642)	(262,228)	(6,475)	3,137,101
Recognition (*)	758,912	418,423	153,496	(66,827)	(91,950)	(6,348)	1,165,706
Deferral by risk (*)	(990,095)	(430,728)	(49,785)	101,811	75,533	2,756	(1,290,508)
Exchange rate change	456,566	220,588	(71,117)	(23,045)	(38,903)	5,225	549,314
Balance as at December 31, 2020	**2,285,586**	**1,471,651**	**325,469**	**(198,703)**	**(317,548)**	**(4,842)**	**3,561,613**

	Unearned premium reserve			Deferred reinsurance commission			
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Balance as at December 31, 2020	2,285,586	1,471,651	325,469	(198,703)	(317,548)	(4,842)	3,561,613
Recognition (*)	874,955	201,220	29,432	(203,328)	(32,113)	(640)	869,526
Deferral by risk (*)	(838,911)	(778,947)	(57,109)	95,616	153,737	566	(1,425,048)
Exchange rate change	48,588	46,117	15,477	(675)	(8,740)	(174)	100,593
Balance as at December 31, 2021	**2,370,218**	**940,041**	**313,269**	**(307,090)**	**(204,664)**	**(5,090)**	**3,106,684**

(*) Refers to Note 3.3 Statements of profit or loss - Reconciliation, line items Changes in technical reserves - premiums (c) and Changes in technical reserves - commission (e).

In thousands of reais, except when otherwise stated

20.2 Outstanding claim and IBNR reserve

	2021			
	Parent Company and Consolidated			
	Outstanding claims - Administrative	Outstanding claims in court dispute	Claims incurred but not reported	Total
	Reinsurance	Reinsurance	Reinsurance	Reinsurance
Aviation	509,316	16	107,719	617,051
Motor	80,191	15,340	34,287	129,818
Mortgage	16,502	169	17,437	34,108
Marine	95,962	1,349	33,965	131,276
Property	2,273,369	102,294	476,191	2,851,854
Life	252,751	7,822	148,555	409,128
Oil & Gas	339,560	-	81,578	421,138
Casualty	522,625	40,462	147,526	710,613
Financial risks	423,906	21,919	214,498	660,323
Agriculture	541,323	2,248	235,754	779,325
Cargo	385,087	4,041	111,548	500,676
International risks	3,206,610		1,546,293	4,752,903
	8,647,202	**195,660**	**3,155,351**	**11,998,213**

	2020			
	Parent Company and Consolidated			
	Outstanding claims - Administrative	Outstanding claims in court dispute	Claims incurred but not reported	Total
	Reinsurance	Reinsurance	Reinsurance	Reinsurance
Aviation	355,353	632	109,180	465,165
Motor	78,034	11,371	32,271	121,676
Mortgage	17,288	111	21,329	38,728
Marine	65,390	1,135	21,755	88,280
Nuclear	1	-	-	1
Property	1,253,073	141,774	474,254	1,869,101
Life	150,165	6,613	204,685	361,463
Oil & Gas	424,320	-	40,757	465,077
Casualty	356,289	26,445	122,603	505,337
Financial risks	406,990	16,296	132,343	555,629
Agriculture	227,996	2,057	298,352	528,405
Cargo	362,795	4,340	80,426	447,561
International risks	2,508,591	-	1,803,441	4,312,032
	6,206,285	**210,774**	**3,341,396**	**9,758,455**

In thousands of reais, except when otherwise stated

20.2.1 Changes in balances

	Parent Company and Consolidated	
	2021	2020
Opening balance	**9,758,455**	**7,059,503**
PSL - previous balance	**6,417,059**	**4,841,870**
PSL - Recognition of reserve for claim reporting	9,988,449	8,879,951
PSL - Reversal of reserve for estimate revision	(1,225,167)	(1,283,461)
PSL - Estimate of salvage and reimbursements	(47,307)	174,056
PSL - Write-off for settlement	(5,417,972)	(6,663,461)
PSL - Write-off for offset of amounts (*)	(1,157,768)	(222,424)
PSL - Interest, inflation adjustment and exchange rate change	285,568	690,528
PSL - Changes in liabilities	**2,425,803**	**1,575,189**
PSL - Closing balance	**8,842,862**	**6,417,059**
	2021	**2020**
IBNR - Opening balance	**3,341,396**	**2,217,633**
IBNR - Recognition of reserve	572,926	1,158,370
IBNR - Reversal of reserve	(908,637)	(451,032)
IBNR - Exchange rate change	149,666	416,425
IBNR - Changes in liabilities	**(186,045)**	**1,123,763**
IBNR - Closing balance	**3,155,351**	**3,341,396**
Closing balance	**11,998,213**	**9,758,455**

(*) Amounts written-off by offsetting premiums receivable against claims payable of the accounts rendered received (Note 7.2).

20.2.2 Claims in court dispute

As at December 31, 2021 and 2020, outstanding claims comprise balances payable related to claims in court dispute, mainly related to coverage challenges under contractual conditions, or differences between the amounts claimed by insured parties and the adjustors, legal advisors, internal legal counsel and/or technical area of the Reinsurer.

The percentages used by likelihood of loss and the corresponding recognized reserve are shown below. Such percentages are actuarially calculated and adjusted annually based on the history of losses.

For claims for which likelihoods are indicated as 'Probable - Settlements', the Company, as of June 2021, recognizes the technical reserve for certain lawsuits without adjusting the percentage of the likelihood of loss, when (i) a court settlement is approved by the Company, according to internal approval levels, or (ii) the loss is considered as certain, as they are provided for in the events included in the action plan informed by IRB Brasil RE to SUSEP, already concluded by the Company.

	Parent Company and Consolidated					
	2021					
Likelihood	Quantity	Total exposure amount	%	Outstanding claim	Retrocession	Net
Probable - Settlements	26	46,172	100%	46,172	(11,482)	34,690
Probable	225	244,692	33%	80,748	(28,153)	52,595
Possible	204	146,839	38%	55,799	(15,864)	39,935
Remote	49	76,123	17%	12,941	(6,285)	6,656
	504	**513,826**		**195,660**	**(61,784)**	**133,876**

	Parent Company and Consolidated					
	2020					
Likelihood	Quantity	Total exposure amount	%	Outstanding claim	Retrocession	Net
Probable	241	381,276	35%	133,447	(45,509)	87,938
Possible	230	215,674	35%	75,486	(29,537)	45,949
Remote	57	92,059	2%	1,841	(782)	1,059
	528	**689,009**		**210,774**	**(75,828)**	**134,946**

These legal claims are recognized in liabilities as outstanding claims, and the amounts recoverable related to retrocession are classified as "retrocession assets - technical reserves", in the line item claims - retrocession.

In thousands of reais, except when otherwise stated

IRB-Brasil RE, leveraging its historical track record in the Brazilian reinsurance market, is able to show that the number of lawsuits to which it is party tends to significantly decrease over the years, particularly following the enactment of Complementary Law 126, of January 15, 2007, which revoked the provisions of Decree Law 73, of November 21, 1966, establishing that the reinsurer is not mandatorily required to be a party to the lawsuit. Additionally, it should be noted that the disputes in the insurance and reinsurance market are increasingly seek alternative solutions, such as arbitration procedures. The claims in final execution or settlement stage are fully provided for, while the other provisions consider the history of losses.

20.3 Other reserves

The reserve for technical surplus was set up in 2009, to guarantee the amounts allocated to the distribution of excess amounts arising from technical surplus in the operationalization of contracts, and the reserve for related expenses, recognized to cover claim expenses.

	Parent Company and Consolidated	
	2021	**2020**
Aviation	4,763	4,403
Motor	2,273	2,823
Mortgage	12,210	15,760
Marine	817	952
Nuclear	75	171
Property	28,212	22,445
Life	21,586	15,764
Casualty	10,831	1,661
Financial risks	55,775	63,300
Agriculture	10,638	20,999
Cargo	7,918	5,707
International risks	70,075	57,919
	225,173	**211,904**

21 Guarantee of technical reserves

Pursuant to CMN Resolution 4,444, of November 13, 2015 and its amendments, according to CMN Resolutions 4,633/18 and 4,670/18, the Reinsurer's technical reserves had the following coverage:

	Parent company	
	2021	**2020**
Technical reserves - reinsurance	**15,330,070**	**13,531,972**
(-) Retrocession assets	5,681,040	5,161,823
(-) Downward asset adjustment - PPNG	732,470	1,071,119
(-) Downward asset adjustment - acquisition cost	38,186	6,221
(-) Receivables	1,793,407	2,465,644
(-) Assets deposited abroad - downward adjustment (*)	1,002,315	-
Amount to be guaranteed	**7,547,592**	**6,969,403**
Assets available for guarantee:		
Shares in investment funds	5,914,452	6,018,557
Time deposits	978,633	1,019,796
Sovereign bonds	890,013	473,644
Total assets	**7,783,098**	**7,511,997**
Sufficiency of guarantee	**235,506**	**542,594**

(*) On July 19, 2021 SUSEP amended Circular 517/2015, through SUSEP Circular 634/2021, making it possible for certain assets deposited abroad by overseas companies to be recognized in Brazil in reducing the coverage requirement of technical reserves (art. 34, CNSP Resolution 321/2015, as amended by CNSP Resolution 412/2021). Accordingly, R$ 1,002,315 was applied as a downward adjustment of the coverage requirement of technical reserves, limiting the own technical reserve amount.

In thousands of reais, except when otherwise stated

22 Related parties

The Company revised its policy on related parties in the second quarter of 2021, aligned with the provisions of CPC 05 (R1) - Related Parties. As the Company is a Corporation, with diluted control, the following were defined as related parties: its subsidiaries, Fundação de Previdência dos Servidores do IRB - PREVIRB, and the key management personnel.

The main transactions made by the Reinsurer with related parties at arm's length are as follows:

		Parent Company and Consolidated			
		2021		2020	
		Receivable	Payable	Receivable	Payable
Pension plans	(a)	106,429	135,338	119,446	136,492
Borrowings and financing - Debentures	(b)	-	69,520	-	68,803

		Parent Company and Consolidated	
		2021	2020
		Profit or loss	Profit or loss
Pension plans	(a)		
Expense		(33,162)	(15,093)
Revenues		-	3,900
Other comprehensive income		(34,772)	12,829
		(67,934)	**1,636**
Borrowings and financing - Debentures	(b)	717	623

(a) Refer to the amounts receivable and payable with Previrb, related to post-employment benefit plans of which the Company is the sponsor.

(b) Refer to the amounts payable to debenture holders that are related parties of the Company. In December 2021, represented by Previrb.

22.1 Compensation of key management personnel

The total compensation of executive officers and other board and committee members of the Company as at December 31, 2021 and 2020 is as follows:

	Parent Company and Consolidated			
	Trade and other payables		Profit or loss	
	2021	2020	2021	2020
Short-term benefits to management	5,804	-	53,536	17,955
Post-employment benefit	-	-	1,306	1,093
	5,804	**-**	**54,842**	**19,048**

In thousands of reais, except when otherwise stated

23 Court deposits, other lawsuits and tax liabilities

	Parent Company and Consolidated		
	2021		
	Court deposits	Other payables	Tax liabilities
Tax	**110,384**	**-**	**15,743**
ILL (tax on net income)	15,743	-	15,743
Social contribution (i)	4,395	-	-
Income tax	13,071	-	-
Finsocial (social security fund)	75,840	-	-
ISS (service tax)	1,335	-	-
Social security	**58,343**	**-**	**379**
INSS (social security contribution)	57,163	-	-
FGTS (government severance fund for employees)	1,180	-	379
Labor and civil	**65,168**	**60,036**	**-**
Labor claims	28,437	60,033	-
Civil lawsuits	36,731	3	-
	233,895	**60,036**	**16,122**

	Parent Company and Consolidated		
	2020		
	Court deposits	Other payables	Tax liabilities
Tax	**106,770**	**-**	**-**
ILL (tax on net income)	15,327	-	-
Social contribution (i)	4,128	-	-
Income tax	12,619	-	-
Finsocial (social security fund)	73,399	-	-
ISS (service tax)	1,297	-	-
Social security	**57,114**	**-**	**-**
INSS (social security contribution)	55,934	-	-
FGTS (government severance fund for employees)	1,180	-	-
Labor and civil	**62,570**	**56,669**	**-**
Labor claims	26,023	56,291	-
Civil lawsuits	36,547	378	-
	226,454	**56,669**	**-**

(i) Mainly refers to the court deposit of the Writ of Mandamus of CSLL in the amount of R$ 395,956 (R$ 385,949 as at December 31, 2020) reduced by the amount transferred from the line item "tax liabilities" after unfavorable outcome and withdrawal of the lawsuit described in Note 23.3.2. The court deposit was released to the federal government.

23.1 Civil, labor, tax and social security lawsuits

The Company is party to the following lawsuits, shown by nature, likelihood of risk of loss, amounts at risk, and amounts (probable) provisioned:

	Parent Company and Consolidated			
	2021			
	Quantity	Amount at risk	Other payables	Tax liabilities
Tax				
Probable	1	15,743	-	15,743
Possible	11	305,235	-	-
	12	**320,978**	**-**	**15,743**
Social security				
Probable	2	379	-	379
Possible	11	59,931	-	-
	13	**60,310**	**-**	**379**
Labor and civil				
Probable	43	60,036	60,036	-
Possible	177	172,670	-	-
Remote	8	243,392	-	-
	228	**476,098**	**60,036**	**-**

In thousands of reais, except when otherwise stated

23.1 Civil, labor, tax and social security lawsuits

	Parent Company and Consolidated			
	2020			
	Quantity	Amount at risk	Other payables	Tax liabilities
Tax				
Possible	8	226,161	-	-
	8	**226,161**	**-**	**-**
Social security				
Possible	8	58,662	-	-
	8	**58,662**	**-**	**-**
Labor and civil				
Probable	39	56,669	56,669	-
Possible	165	359,442	-	-
Remote	4	350	-	-
	208	**416,461**	**56,669**	**-**

The amount of R$ 365,166 (R$ 284,823 as at December 31, 2020) refers to the tax/social security proceedings, the risk of loss for which is considered possible. Under CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, only the lawsuits with an estimated risk of loss classified as probable are provisioned; accordingly, risk of loss amounts considered possible and remote are not provisioned.

The provisions recognized as "other payables - civil contingencies" refer to issues of interpretation that meet the concept of contingent liability according to CPC 25, and, accordingly, the recognition of the amounts at risk is only made when loss is considered probable. For losses considered possible, CPC 25 only requires the disclosure in the notes. Details of cases for losses considered remote are not disclosed. For labor contingencies, the expected disbursement arising from settlements is considered, even when loss is considered possible or remote.

23.2 Changes in legal obligations and lawsuits

	Parent company				
	2019	Additions	Inflation adjustments	Write-offs	2020
Tax	**451,090**	**-**	**5,874**	**(456,964)**	**-**
Social contribution	451,090	-	5,874	(456,964)	-
Labor and civil	**47,977**	**1,287**	**7,975**	**(570)**	**56,669**
Labor claims (23.4)	47,500	1,232	7,927	(368)	56,291
Civil lawsuits	477	55	48	(202)	378
Closing balance	**499,067**	**1,287**	**13,849**	**(457,534)**	**56,669**
	2020	**Additions**	**Inflation adjustments**	**Write-offs / Transfers**	**2021**
Tax	**-**	**17,815**	**239**	**(1,932)**	**16,122**
FGTS (government severance fund for empl	-	363	17		380
ILL (23.3.5)	-	17,452	222	(1,932)	15,742
Labor and civil	**56,669**	**21,361**	**12,481**	**(30,475)**	**60,036**
Labor claims (23.4)	56,291	21,242	12,465	(29,965)	60,033
Civil lawsuits	378	119	16	(510)	3
Closing balance	**56,669**	**39,176**	**12,720**	**(32,407)**	**76,158**

	Consolidated				
	2019	Additions	Inflation adjustments	Write-offs	2020
Tax	**451,945**	**-**	**5,874**	**(457,819)**	**-**
IR/CS	451,945	-	5,874	(457,819)	-
Labor and civil	**48,174**	**1,287**	**7,975**	**(767)**	**56,669**
Labor claims (23.4)	47,697	1,232	7,927	(565)	56,291
Civil lawsuits	477	55	48	(202)	378
Closing balance	**500,119**	**1,287**	**13,849**	**(458,586)**	**56,669**
	2020	**Additions**	**Inflation adjustments**	**Write-offs / Transfers**	**2021**
Tax	**-**	**17,815**	**239**	**(1,932)**	**16,122**
FGTS (government severance fund for empl	-	363	17		380
ILL (23.3.5)	-	17,452	222	(1,932)	15,742
Labor and civil	**56,669**	**21,361**	**12,481**	**(30,475)**	**60,036**
Labor claims (23.4)	56,291	21,242	12,465	(29,965)	60,033
Civil lawsuits	378	119	16	(510)	3
Closing balance	**56,669**	**39,176**	**12,720**	**(32,407)**	**76,158**

23.3 Tax proceedings

23.3.1 INSS

Following the inspections by the National Institute of Social Security (INSS), tax assessment notices were issued and tax foreclosure proceedings were filed in 1999 and 1989, respectively, based on alleged differences in the tax and social security classifications adopted by the Company.

The Company filed administrative appeals to cancel such penalties, being awarded unfavorable outcome. It applied for a Writ of Mandamus (MS) in 1999, in which the adjusted amount in dispute is R$ 55,765 related to the notices assessed by the INSS related to the 2.5% surtax payable by the companies that are equivalent to financial institutions.

In relation to the court dispute over the 2.5% INSS surtax, on April 30, 2010, the Company was ordered to make a court deposit of the amounts then in dispute (R$ 23,291), having complemented such deposit on May 28, 2010 to include legal charges (R$ 4,666). The INSS-related amounts in dispute are deposited in court including accruals total R$ 55,765.

The Chief Justice of the Federal Supreme Court (STF) deemed that the continuance of the dispute should be halted subject to the extraordinary appeal of IRB Brasil RE, without having analyzed the argument that during the period in dispute (January 1993 to September 1998), the Company could not be considered equivalent to a private insurance company, as at that time its mandate was to regulate and oversee the Brazilian reinsurance market.

Despite the RE 599.309 (Leading Case) ruling on the constitutionality of the 2.5% surtax on payroll imposed on financial institutions and equivalent companies, management believes that such decision does not fully apply to the specific case of the Company. This point actually solely refers to the main thesis of IRB Brasil RE's defense. Management is adamant that IRB Brasil RE, in the period from September 1989 to September 1998, could not be considered to be an entity equivalent to private insurance companies, as during this period, its corporate objective was to regulate and oversee the Brazilian reinsurance market, and was not subject to SUSEP's rules.

As the Company's specific thesis in the records of the Writ of Mandamus 0023782-04.1999.4.02.5101 was not examined by the Federal Supreme Court (STF) or by lower courts, IRB Brasil RE filed an action to overrule, as a prerequisite for filing the suit, according to item II, art. 488, of the Code of Civil Procedure, demanded a deposit of 5% of the claim amount. Accordingly, the Company deposited the amount of R$ 1,045 on November 23, 2020.

The Company has applied for an injunction to overrule this decision and avoid release of its court deposit to the federal government in the original Writ of Mandamus. The Company's external counsel has taken the necessary steps to expedite this process. Management, under the advice of counsel, considers that risk of loss is possible and is endeavoring to (i) overturn judgment the injunction on the court deposit, as well as (ii) present an analysis of the specific thesis of IRB Brasil RE showing that was not an entity equivalent to a private insurance company during the period from January 1993 to September 1998.

23.3.2 Social Contribution on Net Income

Upon publication of the Provisional Measure 413/08, enacted by Law 11,727 of June 23, 2008, the CSLL rate increased from 9% to 15% for private insurance companies, financial institutions and equivalent companies, effective as of May 2008.

In June 2008, the Company filed a Writ of Mandamus, challenging the constitutionality of this rate increase, provisioning and depositing in court the disputed amounts. As at December 31, 2021, the amount deposited in court, adjusted for payment of CSLL totals R$ 395,956 (Note 23).

On October 30, 2015, the Company filed a new Writ of Mandamus questioning the Provisional Measure 675, of May 21, 2015, enacted by Law 13,169 of October 7, 2015, which, amending the provisions of article 3, item I, of Law 7,689, of December 15, 1988, increased from September 2015 the CSLL rate from 15 to 20% payable by private insurance companies and financial institutions and equivalent companies. In November 2015, a decision was awarded in the records of such Writ of Mandamus, refusing the application for an injunction, arguing that the discussion on increases in the CSLL rate for financial institutions and equivalent entities was not new, indicating the precedent Provisional Measure 413/2008, enacted by Law 11,727/2008.

The Company had been making court deposits of the amount in dispute; however, from September 2015, this strategy changed, and the Company started to pay monthly the full amount of the contribution payable (20.0%), that is, both the undisputed portion (9.0%) and disputed amount (11.0%).

As to the Writ of Mandamus filed in 2008, decisions unfavorable to IRB Brasil RE in the trial and appellate courts were awarded, and an extraordinary appeal was filed. Continuance of the suit was denied through a higher court decision awarded by the Federal Regional Court of Rio de Janeiro. The case is currently withdrawn, in view of the final and unappealable decision.

As for the Writ of Mandamus 0134273-19.2015.4.02.5101, a final and unappealable decision was awarded not accepting the extraordinary appeal filed by the Company, thus upholding the decision that denied the writ filed in the records.

The provisioned amount of R$ 399,237 (R$ 389,230 as at December 31, 2020) was transferred reducing the group of "court deposits" (Note 23), after the unfavorable outcome and shelving of the case.

The court deposits of R$ 395,956 made by the Company between the period from May 2008 and August 2015, were released to the federal government.

23.3.3 - FINSOCIAL

This refers to a joinder of Declaratory and Annulment Action, with application for urgent temporary relief, filed on July 11, 2016 by IRB Brasil RE, with the 14th Federal Court of Rio de Janeiro, in view of the administrative decision that denied the refund, claimed by the Company, of the FINSOCIAL tax credits, originally of R$ 55,000, based on the authorization provided in article 169, of the National Tax Code (CTN).

With the end of the dispute over the FINSOCIAL tax credits in the administrative level, with unfavorable outcome to the Company, the IRPJ debit, for the second quarter of 2020, object of the Administrative Proceedings 19740.00013/2007-28, which would be settled by offsetting against the credits of such application for tax refund, became due again.

Hence, to take forward the credit claimed by IRB Brasil RE and then settle the debit to which Administrative Proceedings 19740.00013/2007-28 refers, the action was filed because of the administrative decision that denied the refund claimed by the Company.

The Company's internal and external counsel handling case, believe that the chance of unfavorable outcome in the legal dispute over such administrative decision is possible. Differently from the administrative decision, the plenary STF session ruled the extraordinary appeal (RE) 566.621 under the general repercussion regime, to establish the understanding that in the refunds claimed before the Complementary Law (LC) 118/2005 came into effect, which is the case of the claim in question, a 10-year period is applicable, supported by the thesis of "5 plus 5" (five to ratify and another five to repeat). The records are currently concluded for decision.

To suspend such collection, the amount was fully deposited with accruals totaling R$ 75,840 (R$ 73,399 as at December 31, 2020).

23.3.4 - Tax Administrative Proceedings - PIS and COFINS Credits (Tax base Increase)

Refers to the Offset Statement (DCOMP) of the original credit of R$ 437,783 (COFINS) and R$ 77,876 (PIS), of which R$ 71,525 (R$ 69,887 as at December 31, 2020) is still pending offset, arising from final and unappealable court decision on October 29, 2013 in the records of Ordinary Suit 0010496-12.2006.4.02.5101, which aimed to state the inexistence of legal relationship that would require the payment of the Contribution to the Social Integration Program (PIS) and the Contribution to Social Security Financing (COFINS) as established in art. 3, paragraph 1, Law 9,718/98 (Increase in the Tax Base).

In June 2019, a decision was published requiring due diligence of the documentation for the credit claim. In September 2020, the proceedings was sent to the Taxpayer Office (DEMAC). The Company is currently waiting to be summoned regarding such due diligence and its legal advisors consider that the chances of a favorable outcome are good in relation to the legal basis of such credit, in view of the final and unappealable favorable outcome to the Company.

23.3.5 - Tax on Net Income (ILL)

As the Federal Supreme Court recognized the unconstitutionality of the Tax on Net Income (ILL) collection in 1995, the amounts were offset and IRB Brasil RE obtained in the administrative level the recognition of its entitlement to the refund for the overpaid tax, with the consequent partial approval of offsets made, in the period between 1989 and 1992, without late payment interest of 1% per month and inflation adjustments under the 'Real Plan'.

Accordingly, in 2014, the Company filed a lawsuit to obtain the right to apply the late payment interest of 1% per month, from 1989 to 1995, on the refund/offset of overpaid amounts and the annulment of the outstanding debits of Administrative Proceedings 10768.011680/2001-68.

To be able to proceed it was required to post a bond corresponding to the offset amounts not approved by the Federal Revenue Service of Brazil in the administrative proceedings, which totaled R$ 9,637 at that time (now adjusted by accruals to R$ 15,743), which is fully provisioned by the Company.

As the court dispute is controversial and the Company was awarded a similar right in another lawsuit, the special appeal of IRB Brasil RE was not heard by the Superior Court of Justice, having been awarded an unfavorable final and unappealable decision on the Company's thesis in October 2021.

23.4 Labor claims/ Civil lawsuits

The Company is party to labor claims filed by current, retired and former employees, for, among other equality of treatment claims, uniform salary and career plans, with the consequent payment of salary differences, as well as salary equivalency, private pension, overtime with consequence in other labor amounts, and for recognizing the annulment of dismissal and consequent readmission of the employee to the Company. There are also labor claims filed by service providers to recognize IRB Brasil RE as a secondary obligor for the payment of labor amounts or recognition of employment relationship with the Company, as it was the client of the service.

The Company is involved in four arbitration procedures and one civil lawsuits mostly filed by minority shareholders, aiming to hold the Company accountable and consequently seeking damages for alleged losses arising from the loss of value of the Company's shares. These include Arbitration 178/20, notified to the Company in November 2020, initiated by shareholders seeking damages for alleged losses arising from the devaluation of the Company's shares. Among the shareholders are some who had initiated the CAM Procedure 153/20 in March 2020, which was terminated in the initial stage at the request of the shareholders themselves. The procedures is in arbitrator's appointment stage at the Arbitration Court. At present, the appointment of the chief arbitrator is pending. The amounts involved in such arbitration procedures cannot be reasonably estimated at present.

The Company's external legal counsel estimates that the adjusted amount of such labor and civil claims is R$ 60,036 and considers the likelihood of loss as probable. Labor claims and civil lawsuits whose losses are considered possible totaled R$ 172,670, of which R$ 15,576 for civil lawsuits and R$ 157,094 for labor claims.

23.4.1 Public Civil Action SINTRES

Refers to two public civil actions, filed by the National Reinsurance Workers' Union (SINTRES) and the National Federation of Insurance Professionals (FENESPIC), against the Company, on the argument that unilateral changes were allegedly introduced to the Company's Health Insurance Plan, which were prejudicial to the IRB Brasil RE's employees and retirees. The first action claims the reinstatement of the previous Health Insurance Plan, in its self-management format, maintaining all the previously established benefits, besides individual and personal damages. In the second action, the plaintiffs claim the reinstatement of the previous costing type, reimbursement for amounts paid at levels above those set before the changes which had been made in June 2016, besides individual and collective pain and suffering.

At present, the decision on Appeal to Review filed by the Company in Actions 0010694-57.2014.5.01.0075 and 0100808-56.2018.5.01.0025 are pending.

The Company's legal counsel estimates that the amount at risk in the first action is R$ 29,684, while in the second is R$ 494, and classify the likelihood of risk of loss for both actions as possible.

23.4.2 "*Excedente Único de Riscos Extraordinários*" (EURE)

The EURE/GGF Fund (the "Fund"), in which the premiums related to eligible insurance were deposited and from which funds were taken to compensate the respective claims, was managed by IRB Brasil RE until 2010.

An 2010, with the end of EURE/GGF, it was formally agreed with the National Treasury Secretariat (STN) the transfer of the total amount accumulated over 18 years, held by such Fund, upon withholding by the Company, as management fee, of the approximate amount of R$ 81,166.

Three years later, the Office of the Federal Controller General (CGU) reviewed the administrative act that authorized the this withholding, due to supposed lack of legal support, and issued demands to IRB Brasil RE for refund on the amount withheld in 2010, as management fee, for such Fund management.

IRB Brasil RE applied for a Writ of Mandamus, filed under # 1008401-29.2016.4.01.3400, still in progress in the Federal Regional Court of the First Region, which decision made null and void the refund claimed by STN and is currently in appeals.

However, even though the Company had obtained a favorable decision in such Writ of Mandamus, still in progress, the federal government arbitrarily registered the Company for having overdue federal tax liability, and filed for tax foreclosure, which is in progress with the 5th Federal Tax Foreclosure Court of Rio de Janeiro under 5063414-48.2019.4.02.5101.

After assurance from the court and stays of execution, the tax foreclosure was suspended for one year, resumed in June 2021, and the decision was awarded in August 2021 favorable to the Company, dismissing such tax foreclosure. At present, the federal government appealed against the decision.

In relation to the Writ of Mandamus, a court decision was awarded denying the federal government's appeal, and partially granting the Company's appeal, in the sense of recognizing the annulment of the administrative act in dispute.

The Company's legal advisors estimate that the amount at risk in this case is R$ 243,129, and consider that the likelihood of loss is remote, in view of the particularity of the dispute, not having precedent in this sense, despite of all successive favorable decisions obtained by the Company in the records of both cases.

23.4.3 Annulment Action # 0002281-76.2008.4.02.5101 - PIS/PASEP Tax Credits:

Refers to an Annulment Action of the administrative decision awarded in the records of PAF # 10768.011679/2001-33 on February 22, 2008, for the application for tax refund denied for the amounts of PIS overpaid, based on the Decree-Laws 2.445/88 and 2.449/88, in the period from October 1991 to December 1995, with the consequent recognition of IRB Brasil RE's entitlement to the credit arising from the unduly paid taxes.

On September 4, 2020, the decision was published, in which the Superior Court of Justice's Second Panel unanimously granted the internal appeal to IRB Brasil RE, to take cognizance and grant its special appeal, aiming to dismiss the prescription of the 10 years before the filing of administrative proceedings, guaranteeing the refund for the amounts improperly collected as PIS/PASEP over the entire period in dispute.

Such decision was ruled final and unappealable on October 29, 2020, and after the records returned to the original court, a decision was provided certifying the unappealable status and determining that IRB Brasil RE made a statement regarding the execution of the decision.

On October 30, 2020, the records were sent to STF as appeal, being assessed under ARE 1297479. Alleging a mistake in sending the records to the STF, it was returned to the original court. On January 13, 2021, the records were received in the 20th Federal Court of Rio de Janeiro. On April 9, 2021, the execution of the decision was presented by IRB Brasil RE, claiming the amount of approximately R$ 308,681.

On April 30, 2021, the federal government summoned to reject the execution. On May 27, 2021, the federal government filed a petition for granting an additional period. On May 31, 2021, after IRB made a statement for the rejection of the postponement request, which was denied, and on June 17, 2021, the federal government requested the rejection of the execution, alleging that the required documents were not gathered to execute the decision, requiring the summoning of IRB so that the latter submits copies of the DARFs related to the PIS payment in the period from October 1991 to May 1994, together with the DIPJs of the base years from 1991 to 1994, as it no longer has access to them.

On August 13, 2021, the federal government requested the rejection again, this time indicating that in its understanding the portion of such tax credits that is owed to IRB Brasil RE amounted to R$ 261,029, adjusted until December 2021. On August 25, 2021, the Company replied claiming the total foreclosure amount, in the amount of R$ 308,681, as well as the authorization for withdrawal of the special judicial order of R$ 261,029 (uncontested amount).

In thousands of reais, except when otherwise stated

24 Equity

24.1 Capital

On August 31, 2020, the Board of Directors ratified the Private Capital Increase in the amount of R$ 2,300,000, within the authorized capital limit, upon the issue for private subscription of 331,890,331 common shares. The additional amount of R$ 1,006, obtained from the sales of the remaining shares not subscribed, was used to set up the capital reserve, in the account of the goodwill arising from share subscription. The expenditures for issuing shares, net of taxes, totaled R$ 33,556, and were recorded in an adjustment account of the Capital group.

SUSEP, through SUSEP/CGRAJ Ordinance 41, of March 1, 2021, approved the increase in the Company's capital by R$ 2,300,000, raising it to R$ 4,253,080 thousand.

As at December 31, 2021, IRB Brasil RE's shareholding was as follows:

Shareholder	Common shares	% shares in capital outstanding
Bradesco Seguros S.A.	200,003,914	15.9%
Itaú Seguros S.A.	145,924,075	11.6%
Other (*)	909,358,542	72.5%
	1,255,286,531	**100.0%**

(*) Shareholdings under 5%.

24.2 Treasury shares

In the meeting held on February 19, 2020, the Board of Directors approved the share repurchase program, aimed at acquiring the shares issued by the Company for treasury and subsequent disposal or cancellation without capital reduction, thus maximizing the generation of value to shareholders.

The program is in effect from February 19, 2020 to August 18, 2021, and the number of shares to be acquired is limited to 41,898,920 (forty one million eight hundred ninety eight thousand nine hundred and twenty) registered book-entry common shares, with no par value, of the Company.

The program allows the repurchase of 41,898,920 common shares, though any use of funds requires specific authorization from the Board of Directors. According to the Material Fact notice disclosed on July 27, 2020, the Statutory Board was authorized to initially repurchase only 5,000,000 shares, however, without the knowledge of the Board of Directors, the repurchase of the Company's shares by the former management exceeded the authorized amount by 2,850,000 shares.

The number of shares held in treasury acquired by the Company in 2020 totaled 7,850,000 common shares, at the average price of R$ 34.51 per share, the minimum and maximum prices being R$ 30.81 and R$ 38.00, respectively, totaling R$ 270,870.

As at December 31, 2021, the Company has 12,603,800 treasury shares, representing a total of R$ 283,760.

24.3 Equity valuation adjustment

The changes in balances were as follows

	Parent Company and Consolidated	
	2021	2020
Opening balance	**(354,715)**	**(191,071)**
Loss on fair value of available-for-sale financial assets in the year	(163,172)	(49,049)
Unrealized losses on securities - Subsidiaries	(2,948)	(3,079)
Remeasurement of post-employment benefit obligations (26.5)	48,196	(155,812)
Income tax and social contribution on the change in measurement of available-for-sale assets at fair value	65,269	19,620
Income tax and social contribution on the change in remeasurement of post-employment benefit obligations	(19,278)	62,324
Exchange differences on translation of assets of operations abroad (i)	(24,428)	(37,648)
Closing balance	**(451,076)**	**(354,715)**

(i) The exchange differences on net assets of the Company's operations abroad, translating their functional currencies into the Company's presentation currency, are recognized in equity as cumulative translation adjustments.

In thousands of reais, except when otherwise stated

24.4 Loss per share - basic and diluted

As required by the Technical Pronouncement CPC 41 - "Earnings per Share", the following tables show the reconciliation between the net loss for the year and the amounts used for calculating basic and diluted earnings per share.

Basic loss per share is computed by dividing the net loss for the year by the weighted average shares outstanding in the year. The basic loss per share calculation was as follows:

	Parent Company and Consolidated	
	2021	2020
Numerator		
Loss for the year	(682,701)	(1,481,516)
Denominator (number of shares in units)		
Weighted average number of common shares outstanding	1,255,286,531	1,255,286,531
Loss per share (in reais)	**(0.54)**	**(1.18)**

25 Breakdown of profit or loss accounts

As at December 31, 2021 and 2020, the earned premiums for the main lines were as follows:

25.1 Earned premiums - main groups (Retrocession - gross)

	Parent Company and Consolidated					
	2021					
	Written premiums, gross	Reinsurance commission	Changes in technical reserves - premium	Changes in technical reserves - commission	Other technical reserves	Earned premiums
Aviation	69,424	(4,045)	12,059	(157)	(52)	77,229
Motor	68,885	(22,557)	(3,639)	2,959	544	46,192
Mortgage	47,517	(7,697)	(801)	(46)	3,548	42,521
Marine	90,455	(1,476)	2,186	(260)	171	91,076
Nuclear	(3,037)	168	24,816	(1,429)	96	20,614
Property	1,575,395	(109,431)	122,970	(13,445)	(6,264)	1,569,225
Life	667,797	(195,693)	(11,935)	67,446	(5,846)	521,769
Oil & Gas	813,785	(240)	(13,044)	70	-	800,571
Casualty	228,818	(25,181)	9,725	(9,601)	(26)	203,735
Financial risks	233,768	(91,542)	40,399	(19,021)	3,357	166,961
Agriculture	1,253,756	(360,056)	23,732	(7,004)	10,356	920,784
Cargo	280,075	(24,730)	9,623	394	(802)	264,560
International risks (i)	3,430,020	(478,828)	353,271	(33,746)	(8,526)	3,262,191
Total	**8,756,658**	**(1,321,308)**	**569,362**	**(13,840)**	**(3,444)**	**7,987,428**

In thousands of reais, except when otherwise stated

25.1 Earned premiums - main groups (Retrocession - gross)

Parent Company and Consolidated 2020	Written premiums, gross	Reinsurance commission	Changes in technical reserves - premium	Changes in technical reserves - commission	Changes in other technical reserves	Earned premiums
Aviation	93,083	(2,506)	6,394	(1,153)	267	96,085
Motor	61,370	(14,768)	(12,275)	2,886	(1,328)	35,885
Mortgage	54,070	(3,671)	2,458	36	(1,808)	51,085
Marine	92,945	(2,609)	(153)	(108)	(50)	90,025
Nuclear	27,931	(1,735)	(3,463)	311	(116)	22,928
Property	1,526,358	(111,513)	91,068	1,968	(7,817)	1,500,064
Life	464,459	(95,795)	(1,084)	2,011	24,620	394,211
Oil & Gas	786,086	(2,039)	9,884	(1,801)	-	792,130
Casualty	243,151	(34,318)	(7,351)	2,520	49	204,051
Financial risks	202,418	(74,332)	33,882	(14,998)	(4,496)	142,474
Agriculture	1,019,389	(292,344)	115,037	(25,868)	13,063	829,277
Cargo	301,127	(26,734)	33,851	(5,758)	416	302,902
International risks (i)	4,720,815	(621,280)	(128,470)	24,979	23,508	4,019,552
Total	**9,593,202**	**(1,283,644)**	**139,778**	**(14,975)**	**46,308**	**8,480,669**

(i) Abroad:

Parent Company and Consolidated 2021	Written premiums, gross	Reinsurance commission	Changes in technical reserves - premium	Changes in technical reserves - commission	Other technical reserves	Earned premiums
Aviation	265,857	(34,788)	83,161	(7,274)	(3,754)	303,202
Motor	39	1,220	6,135	(963)	(7)	6,424
Marine	101,189	(10,218)	33,916	(5,353)	(75)	119,459
Nuclear	902	(62)	604	(66)	-	1,378
Property	1,470,431	(275,204)	897	(1,453)	(1,767)	1,192,904
Life	498,846	(13,565)	24,963	(766)	(1,346)	508,132
Oil & Gas	97,888	(10,655)	(6,799)	(146)	(614)	79,674
Casualty	54,270	(11,026)	20,313	(3,371)	(49)	60,137
Financial risks	153,728	(46,142)	(32,448)	5,418	1,188	81,744
Agriculture	681,005	(67,889)	183,076	(12,424)	(2,862)	780,906
Cargo	105,865	(10,499)	39,453	(7,348)	760	128,231
Total	**3,430,020**	**(478,828)**	**353,271**	**(33,746)**	**(8,526)**	**3,262,191**

Parent Company and Consolidated 2020	Written premiums, gross	Reinsurance commission	Changes in technical reserves - premium	Changes in technical reserves - commission	Changes in other technical reserves	Earned premiums
Aviation	415,891	(38,903)	72,781	(923)	1,819	450,665
Motor	15,083	(1,458)	(3,698)	745	(4)	10,668
Marine	166,863	(19,399)	(15,616)	1,895	(55)	133,688
Nuclear	1,439	(147)	353	(21)	-	1,624
Property	1,499,955	(288,014)	(70,518)	25,604	(289)	1,166,738
Life	1,139,947	(72,286)	19,094	(649)	19,501	1,105,607
Oil & Gas	77,266	(9,278)	13,141	(930)	94	80,293
Casualty	65,969	(10,213)	(16,943)	1,546	308	40,667
Financial risks	129,400	(43,370)	(22,253)	4,735	(1,515)	66,997
Agriculture	1,044,086	(121,020)	(91,270)	(7,986)	3,291	827,101
Cargo	164,916	(17,192)	(13,541)	963	358	135,504
Total	**4,720,815**	**(621,280)**	**(128,470)**	**24,979**	**23,508**	**4,019,552**

In thousands of reais, except when otherwise stated

25.2 Incurred claims - main groups (Retrocession - gross)

	Parent Company and Consolidated				
	2021				
	Direct claims	Salvage and reimbursements	Change in IBNR	Change in PDR	Incurred claims
Aviation	(190,229)	(1,733)	8,631	(590)	(183,921)
Motor	(59,747)	4,665	(2,015)	(141)	(57,238)
Mortgage	(22,991)	-	3,891	(83)	(19,183)
Marine	(68,575)	74	(11,465)	(187)	(80,153)
Property	(2,057,850)	5,688	15,729	(3,546)	(2,039,979)
Life	(562,947)	498	56,129	(19)	(506,339)
Oil & Gas	11,385	48	(37,289)	-	(25,856)
Casualty	(260,869)	28	(22,202)	(9,493)	(292,536)
Financial risks	(103,923)	(3,585)	(80,766)	3,562	(184,712)
Agriculture	(1,062,714)	4,056	60,949	(6)	(997,715)
Cargo	(165,004)	49,063	(29,266)	(1,789)	(146,996)
International risks (i)	(4,172,511)	56,392	373,385	-	(3,742,734)
	(8,715,975) (*)	**115,194**	**335,711**	**(12,292)**	**(8,277,362)**

	Parent Company and Consolidated				
	2020				
	Direct claims	Salvage and reimbursements	Change in IBNR	Change in PDR	Incurred claims
Aviation	(75,365)	(2,120)	57,195	(131)	(20,421)
Motor	(17,866)	758	11,616	(53)	(5,545)
Mortgage	(22,572)	-	(14,075)	(130)	(36,777)
Marine	(68,931)	2,488	21,214	(381)	(45,610)
Property	(1,072,331)	8,100	(226,516)	(356)	(1,291,103)
Life	(326,318)	93	(80,243)	(133)	(406,601)
Oil & Gas	(94,593)	-	(30,883)	-	(125,476)
Casualty	(176,810)	-	(11,687)	(622)	(189,119)
Financial risks	(228,562)	14,273	(67,894)	(4,720)	(286,903)
Agriculture	(901,784)	740	59,269	(165)	(841,940)
Cargo	(444,471)	16,799	(26,063)	188	(453,547)
International risks (i)	(4,340,943)	4,392	(399,271)	-	(4,735,822)
	(7,770,546) (*)	**45,523**	**(707,338)**	**(6,503)**	**(8,438,864)**

(*) Premium and claim development (incurred claims of retrocession, gross) - amount of claims in 2021 include portions related to underwriting for previous years, including, R$ 3,539,260 related to underwriting years up to 2019. In relation to the year 2020, R$ 4,078,418 corresponds to the underwriting years up to 2018 (Note 2.2.2.2).

In thousands of reais, except when otherwise stated

(i) Abroad:

	Parent Company and Consolidated			
	2021			
	Direct claims	Salvage and reimbursements	Change in IBNR	Incurred claims
Aviation	(498,066)	615	37,754	(459,697)
Motor	(3,449)	-	(935)	(4,384)
Marine	(83,149)	2,303	(18,204)	(99,050)
Nuclear	(5)	-	(462)	(467)
Property	(1,046,912)	47,942	(75,379)	(1,074,349)
Life	(1,214,044)	1	224,865	(989,178)
Oil & Gas	(62,875)	-	(18,410)	(81,285)
Casualty	(49,559)	23	(7,672)	(57,208)
Financial risks	(51,727)	4,762	(12,233)	(59,198)
Agriculture	(1,095,669)	713	255,485	(839,471)
Cargo	(67,056)	33	(11,424)	(78,447)
	(4,172,511)	**56,392**	**373,385**	**(3,742,734)**

	Parent Company and Consolidated			
	2020			
	Direct claims	Salvage and reimbursements	Change in IBNR	Incurred claims
Aviation	(332,369)	33	(133,937)	(466,273)
Motor	(1,157)	-	(1,209)	(2,366)
Marine	(90,558)	(2,916)	(13,099)	(106,573)
Nuclear	(3)	-	(450)	(453)
Property	(1,070,943)	2,887	(257,368)	(1,325,424)
Life	(1,898,674)	1,001	218,678	(1,678,995)
Oil & Gas	(98,305)	311	(20,187)	(118,181)
Casualty	(48,179)	370	(5,173)	(52,982)
Financial risks	(30,434)	1,398	(12,383)	(41,419)
Agriculture	(704,310)	1,278	(156,563)	(859,595)
Cargo	(66,011)	30	(17,580)	(83,561)
	(4,340,943)	**4,392**	**(399,271)**	**(4,735,822)**

25.3 Acquisition costs

	Parent Company and Consolidated					
	2021			2020		
	Acquisition costs	Change in deferred acquisition costs	Total	Acquisition costs	Change in deferred acquisition costs	Total
Aviation	(6,229)	(1,224)	(7,453)	(8,908)	338	(8,570)
Motor	(261)	(87)	(348)	(385)	41	(344)
Mortgage	(769)	(43)	(812)	(1,051)	10	(1,041)
Marine	(5,058)	(493)	(5,551)	(5,691)	(138)	(5,829)
Property	(43,712)	740	(42,972)	(33,615)	61	(33,554)
Life	(3,734)	(56)	(3,790)	(3,206)	205	(3,001)
Oil & Gas	(27,603)	1,338	(26,265)	(24,532)	3,424	(21,108)
Casualty	(4,662)	233	(4,429)	(3,909)	(819)	(4,728)
Financial risks	(2,169)	252	(1,917)	(1,749)	662	(1,087)
Agriculture	(733)	(163)	(896)	(827)	(22)	(849)
Cargo	(9,624)	(191)	(9,815)	(9,801)	(903)	(10,704)
International risks	(141,781)	(7,104)	(148,885)	(166,092)	(459)	(166,551)
	(246,335)	**(6,798)**	**(253,133)**	**(259,766)**	**2,400**	**(257,366)**

In thousands of reais, except when otherwise stated

(i) Abroad:

	Parent Company and Consolidated					
	2021			2020		
	Acquisition costs	Change in deferred acquisition costs	Total	Acquisition costs	Change in deferred acquisition costs	Total
Aviation	(12,886)	(4,588)	(17,474)	(26,985)	(5,090)	(32,075)
Motor	(373)	(268)	(641)	(980)	110	(870)
Marine	(6,988)	(1,036)	(8,024)	(9,717)	(3)	(9,720)
Property	(69,850)	708	(69,142)	(72,697)	337	(72,360)
Life	(6,789)	(1,777)	(8,566)	(9,965)	1,280	(8,685)
Oil & Gas	(7,228)	1,140	(6,088)	(5,032)	(772)	(5,804)
Casualty	(4,286)	(116)	(4,402)	(3,258)	319	(2,939)
Financial risks	(4,168)	1,508	(2,660)	(3,364)	(203)	(3,567)
Agriculture	(17,867)	(2,192)	(20,059)	(20,062)	2,436	(17,626)
Cargo	(11,346)	(483)	(11,829)	(14,032)	1,127	(12,905)
	(141,781)	**(7,104)**	**(148,885)**	**(166,092)**	**(459)**	**(166,551)**

25.4 Profit or Loss on retrocession

	Parent Company and Consolidated	
	2021	2020
Revenue from retrocession	**2,323,592**	**2,664,288**
Recovery of incurred claims	2,321,408	2,294,653
IBNR recovery	2,184	369,635
Expense for retrocession	**(3,248,815)**	**(3,919,511)**
Ceded premiums in retrocession	(3,202,596)	(4,218,593)
Commission on ceded premiums in retrocession	161,282	176,937
Changes in technical reserves - ceded premium	(221,558)	120,892
Changes in technical reserves - ceded commission	14,057	1,253
Salvage and reimbursements to retrocessionaire	**(39,685)**	**(24,735)**
Other profit or loss from retrocession	**43,982**	**11,015**
Total profit or loss from retrocession	**(920,926)**	**(1,268,943)**

25.5 Other operating income and expenses

	Parent Company and Consolidated	
	2021	2020
Profit sharing of contracts and other other operating income and expenses	(74,218)	(11,970)
Expenses for letter of credit	(30,312)	(18,476)
Reversal (recognition) of provision for credit risks	4,462	(31,250)
Awarded damages	(4,026)	(3,448)
Expense for risk inspection	(2,913)	(3,150)
Recovery (loss) of other reinsurance income	(5,708)	(13,323)
	(112,715)	**(81,617)**

In thousands of reais, except when otherwise stated

25.6 Administrative expenses

	Parent company		Consolidated	
	2021	2020	2021	2020
Own personnel	(239,055)	(176,501)	(241,738)	(186,544)
Third-party services	(53,081)	(59,885)	(53,855)	(62,276)
Depreciation and amortization	(45,462)	(47,339)	(45,487)	(47,364)
Location and operation	(17,698)	(15,234)	(17,743)	(15,327)
Advertising and publicity	(3,823)	(5,428)	(3,860)	(5,458)
Court fees	(3,384)	(719)	(24,849) (*)	(967)
Other expenses	(1,670)	(1,576)	(1,844)	(1,745)
	(364,173)	**(306,682)**	**(389,376)**	**(319,681)**

(*) Mainly refers to a fine for IRPF and CSLL installment payment (calendar year 2020) of the subsidiary IRB Investimentos e Participações Imobiliárias.

25.7 Tax receivable (expenses)

	Parent company		Consolidated	
	2021	2020	2021	2020
PIS/ COFINS	(111,767)	(78,175)	(116,904)	(103,959)
Deferred PIS and COFINS (*)	71,693	66,245	71,693	66,245
Tax proceedings PIS/PASEP (**)	52,351	-	52,351	-
Other taxes and fees	(34,937)	(32,918)	(37,449)	(36,080)
	(22,660)	**(44,848)**	**(30,309)**	**(73,794)**

(*) As described in Note 11.1, as of 2021 the Company recognizes deferred PIS and COFINS arising from claim reserves.

(**) In August 2021, the Company recorded the favorable outcome in the proceedings related to PIS/PASEP (Note 23.4.3).

25.8 Finance income

	Parent company		Consolidated	
	2021	2020	2021	2020
Finance income	**1,408,054**	**588,511**	**2,038,700**	**1,554,961**
Marketable securities	532,637	412,751	1,169,792	1,373,324
Reinsurance and retrocession transaction	35,827	25,935	35,827	25,935
Inflation adjustment recovery of PIS/PASEP	208,679	-	208,679	-
Other finance income	80,206	26,161	73,697	32,038
Foreign exchange gain	550,705	123,664	550,705	123,664
Finance costs	**(851,374)**	**(718,994)**	**(1,428,611)**	**(1,666,565)**
Marketable securities	(227,749)	(177,381)	(803,436)	(1,051,556)
Reinsurance and retrocession transaction	(37,139)	(37,002)	(37,139)	(37,002)
Issued debentures	(62,849)	(4,504)	(62,849)	(4,504)
Court settlement Eletronorte (i)	-	(52,346)	-	(52,346)
Other finance costs	(43,394)	(30,219)	(44,944)	(103,615) (ii)
Foreign exchange loss	(480,243)	(417,542)	(480,243)	(417,542)
Total	**556,680**	**(130,483)**	**610,089**	**(111,604)**

(i) Mainly refers to the loss recognized in the settlement of damages with Eletronorte.

(ii) Mainly refers to the disposal of 94% shares in IRB Internacional Fundo de Investimento Imobiliário.

In thousands of reais, except when otherwise stated

25.9 Share of profit of equity-accounted investees

	Parent company		Consolidated	
	2021	2020	2021	2020
Direct operating income (expenses) from investment properties	12,527	(315)	(7,898)	201,450 (i)
Adjustment of investments in subsidiaries (share of profit)	(16,181)	135,657	-	-
Reversal (recognition) of provision for Tax Incentives	160	72	160	72
Other income(expenses) of assets and liabilities	-	(554)	-	9,315
	(3,494)	**134,860**	**(7,738)**	**210,837**

(i) Mainly refer to the net capital gain from the sale of Park Shopping in 2020.

25.10 Income tax and social contribution

(a) Reconciliation of income tax and social contribution

	Parent company			
	2021		2020	
	Income tax	Social contribution	Income tax	Social contribution
Loss before provision for income tax/social contribution	(1,411,704)	(1,411,704)	(1,904,700)	(1,904,700)
Current nominal rates	25.0%	15.0%	25.0%	15.0%
Income tax and social contribution at nominal rate	352,926	211,756	476,175	285,705
Permanent additions and exclusions	87,853	76,468	(211,553)	(127,143)
Interest on shareholders' equity	-	-	(6,961)	(4,387)
Tax incentives	873	552	(120)	(72)
Deferred tax assets - correction of prior years (i)	9,969	22,855	-	-
Ownership interests / branches	(345)	(207)	(7,096)	(4,257)
Loss allowance (pré-68 health plan)	1,667	1,000	(2,475)	(1,485)
Other adjustments	(178)	(96)	(183)	(109)
Cost of share issue	-	-	8,389	5,032
Deferred tax assets London branch (ii)	-	-	(203,107)	(121,865)
Retention bonus	(5,506)	-	-	-
Adjustment Recovery PIS (special judicial order) (iii)	52,170	31,302	-	-
Non-levy of IRPJ/CSLL on adjustment by Selic of unduly paid taxes (iv)	29,203	21,062	-	-
Income tax and social contribution in the statements of profit or loss	**440,779**	**288,224**	**264,622**	**158,562**
Current	29,871	38,376	(6,962)	(4,388)
Deferred	410,908	249,848	271,584	162,950

In thousands of reais, except when otherwise stated

(a) Reconciliation of income tax and social contribution

				Consolidated
		2021		2020
	Income tax	Social contribution	Income tax	Social contribution
Loss before provision for income tax/social contribution	(1,395,465)	(1,395,465)	(1,861,918)	(1,861,918)
Current nominal rates	25.0%	15.0%	25.0%	15.0%
Income tax and social contribution at nominal rate	352,911	211,750	431,339	269,564
Permanent additions and exclusions	75,946	72,157	(198,131)	(122,370)
Interest on shareholders' equity	-	-	(6,961)	(4,387)
Tax incentives	873	552	(120)	(72)
Deferred tax assets - correction of prior years (i)	9,969	22,855	-	-
Ownership interests / branches	(870)	(396)	(5,118)	(3,546)
Loss allowance (pré-68 health plan)	1,667	1,000	(2,475)	(1,485)
Other adjustments	(351)	(182)	11,261	3,953
Cost of share issue	-	-	8,389	5,032
Deferred tax assets London branch (ii)	-	-	(203,107)	(121,865)
Retention bonus	(5,506)	-	-	-
Adjustment Recovery PIS (special judicial order) (iii)	52,170	31,302	-	-
Non-levy of IRPJ/CSLL on adjustment by Selic of unduly paid taxes (iv)	29,203	21,062	-	-
Deferred on loss on subsidiaries	(6,071)	(2,186)	-	-
Write-off of credits	(5,138)	(1,850)		
Income tax and social contribution in the statements of profit or loss	**428,857**	**283,907**	**233,208**	**147,194**
Current	18,689	34,325	(82,716)	(32,167)
Deferred	410,168	249,582	315,924	179,361

(i) Refers to the credits arising from the adjustments of accessory obligations of 2018 and 2017 determined in the year.

(ii) In previous years, deferred tax assets for tax losses arising from the London branch was recognized, because management expected that such branch would soon resume operations, which would enable the generation of taxable profit in a period of up to 10 years, sufficient to offset assets. Considering the profit or loss from reinsurance operations abroad and the current market conditions with the worsening of the crisis caused by the second COVID-19 wave, the Company engaged an external consulting firm, as informed in the Notice to the Market on January 4, 2021, to review its strategy, including the possible resumption of the London branch activities. Considering the above, at that s IRB did not have sufficient evidence to project taxable profits sufficient to recover the deferred tax assets in the period. Consequently, the Company reversed deferred tax assets in December 2020 of R$ 335,914, of which R$ 324,972 as contra-entry to the line item deferred income tax and social contribution in profit or loss for the year. The impact of the exchange rate change reversed on profit or loss for the year 2020 was R$ 10,942.

(iii) In August 2021, the Company recorded a favorable outcome of a lawsuit in the amount of R$ 261,029, related to the PIS/PASEP special judicial order (Note 23.4.3), of which R$ 52,350 of principal (Note 25.7) and R$ 208,679 interest accruals (Note 25.8).

(iv) On September 24, 2021, the Federal Supreme Court (STF), judging an extraordinary appeal with general repercussion, ruled for the unconstitutionality of the levy of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) on the adjustment by SELIC interest on overpaid taxes.

On October 13, 2021, a court decision was awarded through a Writ of Mandamus whereby the Company disputes such matter, to suspend payment of the tax credit arising from the inclusion of the late payment interest (Selic) received in the survey of the credits arising from overpaid taxes, by refund or offset, in the determination of the IRPJ and CSLL tax base.

Accordingly, supported by such court decisions, the Company recognized in the financial statements as at December 31, 2021 an income from IRPJ and CSLL related to overpaid taxes in the amount of R$ 50,265, according to ICPC 22 - Uncertainty over Income Tax Treatments (equivalent to IFRIC 23), of which:

(a) Current: R$ 34,000 as IRPJ and CSLL recoverable related to the periods when the Company had taxable profit, reported in non-current assets; and

(b) Deferred: R$ 16,265 for the recomposition of tax loss related to the periods when the Company had negative tax base, reported in deferred tax assets (non-current).

In thousands of reais, except when otherwise stated

25.10 Income tax and social contribution

(b) Changes in deferred IRPJ and CSLL accounts

	Parent Company and Consolidated					
	December 31, 2020	Additions	Write-offs	Profit or loss	Comprehensive income	December 31, 2021
Deferred tax assets						
Labor provisions	207,212	-	(24,060)	(24,060)	-	183,152
Allowance for doubtful accounts	26,021	-	(1,785)	(1,785)	-	24,236
Provision for tax and social security contingencies	-	6,449	-	6,449	-	6,449
Adjustment to market value - available-for-sale securities	29,659	65,269	-	-	65,269	94,928
Provision for labor contingencies	22,520	1,498	-	1,497	-	24,018
Adjustment to market value - investment	2,141	-	-	-	-	2,141
Tax loss and social contribution loss carryforwards	940,763	712,404	-	712,404	-	1,653,167
Other	155	-	(155)	(151)	-	-
Total deferred tax assets	**1,228,471**	**785,620**	**(26,000)**	**694,354**	**65,269**	**1,988,091**
Deferred tax liabilities						
Adjustment of court deposits	(83,071)	(5,925)	-	(5,925)	-	(88,996)
Actuarial gains or losses - post-employment benefits	(14,450)	-	2,666	21,944	(19,278)	(11,784)
Deferred PIS and COFINS	(105,780)	(28,677)	-	(28,677)	-	(134,457)
PIS (special judicial order)	-	(20,940)	-	(20,940)	-	(20,940)
Total deferred tax liabilities	**(203,301)**	**(55,542)**	**2,666**	**(33,598)**	**(19,278)**	**(256,177)**
Total parent company, net	**1,025,170**	**730,078**	**(26,000)**	**660,756**	**45,991**	**1,731,914**
Adjustment to market value	2,523	(2,523)	-	(1,006)	-	-
Total consolidated, net	**1,027,693**	**727,555**	**(26,000)**	**659,750**	**45,991**	**1,731,914**

In thousands of reais, except when otherwise stated

25.10 Income tax and social contribution

(b) Changes in deferred IRPJ and CSLL accounts

						Parent Company and Consolidated
	December 31, 2019	Additions	Write-offs	Profit or loss	Comprehensive income	December 31, 2020
Deferred tax assets						
Labor provisions	189,839	17,373	-	17,373	-	207,212
Allowance for doubtful accounts	77,448	-	(51,427)	(51,427)	-	26,021
Provision for tax and social security contingencies	77,559	-	(77,559)	(77,559)	-	-
Adjustment to market value - available-for-sale securities	10,039	19,620	-	-	19,620	29,659
Provision for labor contingencies	19,003	3,517	-	3,517	-	22,520
Adjustment to market value - investment	167	1,974	-	1,974	-	2,141
Tax loss London branch (i)	335,914	-	(335,914)	(324,973)	-	-
Tax loss and social contribution loss carryforwards	-	940,763	-	940,763	-	940,763
Other	192		(37)	(40)	-	155
Total deferred tax assets	**710,161**	**983,247**	**(464,937)**	**509,628**	**19,620**	**1,228,471**
Deferred tax liabilities						
Adjustment of court deposits	(100,757)	-	17,686	17,686	-	(83,071)
Actuarial gains or losses - post-employment benefits	(10,490)	(3,960)	-	(66,284)	62,324	(14,450)
Deferred PIS and COFINS	(79,284)		(26,496)	(26,496)	-	(105,780)
Total deferred tax liabilities	**(190,531)**	**(3,960)**	**(8,810)**	**(75,094)**	**62,324**	**(203,301)**
Total parent company, net	**519,630**	**979,287**	**(447,251)**	**434,534**	**81,944**	**1,025,170**
Adjustment to market value	(58,228)	-	60,751	60,751	-	2,523
Total consolidated, net	**461,402**	**979,287**	**(386,500)**	**495,285**	**81,944**	**1,027,693**

(i) Substantially represented by the deferred tax assets of the London branch.

In thousands of reais, except when otherwise stated

26 Retirement and pension plans and other employee benefits

The Company sponsors the Fundação de Previdência dos Servidores do Instituto de Resseguros do Brasil (PREVIRB), which assures its participants and dependents private pension benefits.

It offers defined benefit (employer) and variable contribution (personal) plans, using the "fully funded regime" in the actuarial valuations, for retirement benefits.

The Company offers the benefits described in Note 26.4, as follows:

a. Payment of full cost of private pension and death benefits.

b. Health contribution plan for current and retired employees.

c. Funeral benefit.

d. Life insurance.

The main actuarial assumptions are:

	Post-employment benefit plan managed by PREVIRB		Post-employment benefit plan managed by IRB	
Economic assumptions	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Actual discount rate (*)	5.50%	3.25%	5.50%	3.25%
Nominal rate of expected return on assets	9.90%	6.57%	9.90%	6.57%
Projection of real growth in salary	Plan A: Not adopted Plan B: 1%	Plan A: Not adopted Plan B: 1%	Health Plan: 0% Other Plans: Not applicable	Health Plan: 0% Other Plans: Not applicable
Projection of real growth in the highest salary of the INSS beneficiary	Zero	Zero	Not applicable	Not applicable
Projection of real growth in plan benefits	Zero	Zero	Not applicable	Not applicable
Assumptions on future generations of new entrants	Not adopted	Not adopted	Not applicable	Not applicable
Turnover assumption	Plan A: Not adopted Plan B: 5%	Plan A: Not adopted Plan B: 5%	Health Plan: 5% Other Plans: Not applicable	Health Plan: 5% Other Plans: Not applicable
Determining factors of real value over time, INSS and plan benefits	Not adopted	Not adopted	Not applicable	Not applicable
Demographic assumptions				
Life table: Pré-68 Plan	Not applicable	Not applicable	AT-2000 reduced by 10%	AT-2000 reduced by 10%
Life table: Other Plans	PLAN A: AT-2000 reduced by 10% / PLAN B: AT-2000 M&F (reduced by 10%) (D10)	PLAN A: AT-2000 reduced by 10% / PLAN B: AT-2000 M&F (reduced by 10%) (D10)	AT-2000 reduced by 10%	AT-2000 reduced by 10%
Mortality table of people with disability	MI 85	MI 85	MI 85	MI 85
Disability entry table	ÁLVARO VINDAS	ÁLVARO VINDAS	ÁLVARO VINDAS	ÁLVARO VINDAS

(*) The discount rate was determined pursuant to CVM Instruction 695, using the rate for Brazilian Federal Government bonds (NTN-B) as a base, indexed over expected post-employment benefits obligations periods.

In thousands of reais, except when otherwise stated

26.1 Variable contribution plans

The Company sponsors the B Pension Plan (variable contribution plan from 2004). The plan assets recorded are separated from the Company's funds controlled by the Trustees.

The amount of contributions paid by the Company in the current year, at the rates specified by this plan rules, was R$ 8,440 (R$ 10,677 as at December 31, 2020).

The change in the present value of the Plan B's actuarial liabilities in the current year is as follows:

	December 31, 2021	December 31, 2020
Present value of actuarial liabilities at the beginning of the year	175,419	160,254
Cost of current services	141	204
Interest rate cost	12,005	11,109
Actuarial loss	12,646	15,934
Paid benefits	(11,576)	(12,082)
Present value of actuarial liabilities	**188,635**	**175,419**

The change in the fair value of the Plan B's assets in the current year is as follows:

	December 31, 2021	December 31, 2020
Initial fair value of the plan's assets	199,576	190,277
Return on investments	13,121	12,510
Employer contributions	8,440	10,677
Contributions of the plan's participants	20,164	12,898
Paid benefits	(11,576)	(12,082)
Return on assets	(31,896)	(14,704)
Closing fair value of the plan's assets	**197,829**	**199,576**

The amount recognized in the balance sheet arising from the company's obligations related to this defined benefit plan is as follows:

	December 31, 2021	December 31, 2020
Present value of sponsored defined benefit liability	(188,635)	(175,419)
Fair value of the plan's assets	197,829	199,576
Financial condition	**9,194**	**24,157**
Asset ceiling effect	(9,194)	(24,157)
Net asset from defined benefit liability	**-**	**-**

26.2 Defined benefit plans

The Company grants defined benefit plans (Benefit Plan A and Pré-68 Plan) to eligible employees. According to these plans, employees are entitled to additional benefits based on monthly salary, determined on retirement date.

<u>Plan A</u>

The Company did not pay contributions over the years 2021 and 2020.

This plan had a technical surplus of R$ 926,917 (R$ 829,827 as at December 31, 2020) was established which, according to the accounting practices adopted in Brazil and the IFRS, was not recognized in the sponsor. Therefore, according to CPC 33 (R1) - Employee benefits, the Company only recognized in its financial statements the amount of R$ 106,429 (R$ 119,446 as at December 31, 2020) related to special reserve.

The change in the present value of the Plan A's actuarial liabilities in the current year was as follows:

	December 31, 2021	December 31, 2020
Present value of actuarial liabilities at the beginning of the year	1,556,653	1,566,266
Interest rate cost	98,338	99,076
Actuarial (gain) / loss	(249,069)	14,178
Paid benefits	(127,006)	(122,867)
Present value of actuarial liabilities	**1,278,916**	**1,556,653**

In thousands of reais, except when otherwise stated

The change in the fair value of the Plan A's actuarial assets in the current year is as follows:

	December 31, 2021	December 31, 2020
Initial fair value of the plan's assets	2,386,480	2,095,704
Return on investments	128,726	137,785
Contributions of the plan's participants	1	2
Paid benefits	(127,006)	(122,867)
Return on assets	(182,368)	275,856
Closing fair value of the plan's assets	**2,205,833**	**2,386,480**

The amount recognized in the balance sheet arising from the company's obligations related to this defined benefit plan is as follows:

	December 31, 2021	December 31, 2020
Present value of sponsored defined benefit liability	(1,278,916)	(1,556,653)
Fair value of the plan's assets	2,205,833	2,386,480
Financial condition	**926,917**	**829,827**
Asset ceiling effect	(820,488)	(710,381)
Net asset from defined benefit liability	**106,429**	**119,446**

The Funds that Guarantee the Plan A's Reserves of PREVIRB are as follows:

	December 31, 2021	December 31, 2020
Cash	34	61
Receivables from investments		
Government securities	292,278	256,077
Corporate bonds and deposits	197,222	257,876
Shares	103,876	134,311
Investment funds	1,695,110	1,527,870
Real estate investments	76,677	81,578
Loans and financing	6,460	6,297
Court/Appeal deposits	20,901	-
	2,392,558	**2,264,070**
Payables for investments		
Loans and financing	-	-
Other payables (IOF) / Rent and Income	(55)	-
	(55)	**-**
Investment contingent liabilities	**(25,066)**	**(25,504)**
Guarantee funds	**2,367,437**	**2,238,566**

Pré-68 Plan

The Company has a technical reserve to cover liabilities under the above-mentioned benefits, for 175 members as at December 31, 2021 (189 as at December 31, 2020), consisting of 166 retirees with an average age of 86.39 years (85.64 years as at December 31, 2020) and nine pensioners with an average age of 85.5 years (84.66 years as at December 31, 2020).

The benefits paid by the Company to these participants/beneficiaries during the current year, under the plan rules, amounted to R$ 18,743 (R$ 20,433 as at December 31, 2020).

In this actuarial valuation, the reserve amount recognized was R$ 113,361 (R$ 136,492 as at December 31, 2020), according to the accounting practices adopted in Brazil.

The debt agreement signed between IRB Brasil RE and PREVIRB in December 2015, for transferring the administrative responsibility for the payment of pension benefits under the Pré-68 Plan, was adjusted, reaching R$ 135,338 (R$ 136,492 as at December 31, 2020).

As this group of participants is part of the Foundation's Plan A, the profit or loss of the Pré-68 Plan could be included in the profit or loss of Plan A; however, they are reported in this Note separately only to facilitate the understanding of the process.

In thousands of reais, except when otherwise stated

The change in the present value of the defined benefit plan's actuarial liabilities in the current year is as follows:

	December 31, 2021	December 31, 2020
Present value of actuarial liabilities at the beginning of the year	136,492	135,780
Interest rate cost	8,407	8,316
Actuarial (gain) / loss	(12,795)	12,829
Paid benefits	(18,743)	(20,433)
Present value of actuarial liabilities	**113,361**	**136,492**

The change in the fair value of the plan's assets in the current year is as follows:

	December 31, 2021	December 31, 2020
Employer contributions	18,743	20,433
Paid benefits	(18,743)	(20,433)
Closing fair value of the plan's assets	**-**	**-**

The amounts calculated in the profit or loss in December 2021 and the projected amounts for the year 2022 are as follows:

	2022	2021
Interest rate cost	10,361	8,407
Expenses at the end of the year	**10,361**	**8,407**

The amount recognized in the balance sheet arising from the company's obligations related to this plan was as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit liability	(113,361)	(136,492)
Financial condition	**(113,361)**	**(136,492)**
Restriction of contracted deficit	(21,977)	-
Net amount of defined benefit liability	**(135,338)**	**(136,492)**

26.3 Other employee benefits

Health and dental care

The change in the present value of the Health Insurance Plan's liabilities in the current year was as follows:

	December 31, 2021	December 31, 2020
Present value of actuarial liabilities at the beginning of the year	377,628	330,448
Cost of current services	663	156
Interest rate cost	23,250	20,387
Actuarial (gain) / loss	(53,097)	48,616
Paid benefits	(28,840)	(21,979)
Present value of actuarial liabilities	**319,604**	**377,628**

The change in the fair value of the Health Insurance Plan's assets in the current year was as follows:

	December 31, 2021	December 31, 2020
Employer contributions	25,349	18,513
Contributions of the plan's participants	3,491	3,466
Paid benefits	(28,840)	(21,979)
Closing fair value of the plan's assets	**-**	**-**

In thousands of reais, except when otherwise stated

The amounts calculated in the profit or loss in December 2021 and the projected amounts for the year 2022 are as follows:

	2022	2021
Cost of current services	456	663
Interest rate cost	29,165	23,250
Expected contribution of employees	(3,578)	(3,491)
Expenses at the end of the year	**26,043**	**20,422**

The amount recognized in the balance sheet arising from the company's liabilities related to this plan was as follows:

	December 31, 2021	December 31, 2020
Present value of sponsored defined benefit liability	(319,604)	(377,628)
Net liabilities from defined benefit liability	**(319,604)**	**(377,628)**

Funeral benefit

The change in the present value of the Funeral benefit's liabilities in the current year was as follows:

	December 31, 2021	December 31, 2020
Present value of actuarial liabilities at the beginning of the year	2,177	2,190
Interest rate cost	139	140
Actuarial gain (loss)	(690)	(132)
Paid benefits	(20)	(21)
Present value of actuarial liabilities	**1,606**	**2,177**

The change in the fair value of the Funeral Benefit's assets in the current year was as follows:

	December 31, 2021	December 31, 2020
Employer contributions	20	21
Paid benefits	(20)	(21)
Closing fair value of the plan's assets	**-**	**-**

The amounts calculated in the profit or loss in December 2021 and the projected amounts for the year 2022 are as follows:

	2022	2021
Interest rate cost	154	139
Expenses at the end of the year	**154**	**139**

The amount recognized in the balance sheet arising from the company's liabilities related to this plan (funeral benefit) was as follows:

	December 31, 2021	December 31, 2020
Present value of sponsored defined benefit liability	(1,606)	(2,177)
Net liabilities from defined benefit liability	**(1,606)**	**(2,177)**

In thousands of reais, except when otherwise stated

Group life insurance

The change in the present value of the life insurance's liabilities in the current year is as follows:

	December 31, 2021	December 31, 2020
Present value of actuarial liabilities at the beginning of the year	1,600	3,117
Interest rate cost	99	194
Actuarial (gain) / loss	(293)	(1,454)
Paid benefits	(256)	(257)
Present value of actuarial liabilities	**1,150**	**1,600**

The change in the fair value of the life insurance's assets in the current year is as follows:

	December 31, 2021	December 31, 2020
Employer contributions	256	257
Paid benefits	(256)	(257)
Closing fair value of the plan's assets	**-**	**-**

The amounts calculated in the profit or loss in December 2021 and the projected amounts for the year 2022 are as follows:

	2022	2021
Interest rate cost	106	99
Expenses at the end of the year	**106**	**99**

The amount recognized in the balance sheet arising from the company's obligations related to this plan is as follows:

	December 31, 2021	December 31, 2020
Present value of sponsored defined benefit liability	(1,150)	(1,600)
Net liabilities from defined benefit liability	**(1,150)**	**(1,600)**

26.4 Total obligations of IRB Brasil RE

The reserve for post-employment benefit of IRB Brasil RE in current and non-current is as follows:

	Parent Company and Consolidated	
	2021	2020
Current		
Private retirement and pension plans (i)	18,291	20,227
Health and dental insurance plan (ii)	23,686	23,242
Health and dental insurance plan - reserve for incurred but not reported events (ii)	180	132
Group life insurance (iii)	149	177
Funeral benefit (iv)	103	108
	42,409	**43,886**
Non-current		
Private retirement and pension plans (i)	117,047	116,265
Health and dental insurance plan (ii)	295,918	354,386
Group life insurance (iii)	1,001	1,423
Funeral benefit (iv)	1,503	2,069
	415,469	**474,143**
	457,878	**518,029**

In thousands of reais, except when otherwise stated

(i) Post-employment benefit - retirement

The Company sponsors private pension and death benefits for employees hired until December 31, 1968, private retirement benefits for employees who retired up to February 28, 1975, and private pensions for the beneficiaries of employees deceased until February 28, 1975.

(ii) Post-employment benefit - health and dental care

Self-managed plans with medical care (outpatient), surgical (inpatient), obstetrics and dental coverage, in addition to reimbursements and pharmaceutical benefits for active and retired employees and pensioners and their dependents of the following categories: for employees hired on or before May 31, 2004. Dependents are spouses, children (24 years old or younger) and parents who earn less than one minimum salary. For employees hired on or after September 1, 2004, only spouses and children (24 years old or younger) are considered dependents. For employees hired on or after October 14, 1996, IRB Brasil RE covers 50.0% of the cost of the plan, i.e. of the amounts of tables I and II (items 5.1.4 and 5.1.5 of section 1 of the Regulations of the PCAM (Medical Care Contribution Plan), while the employees and beneficiaries cover the other 50.0%. For employees hired on or before October 13, 1996, the contribution of the employee and dependents ranges from 0.3% to 2.0% of the items that make up the benchmark salary base. Contributions are monthly deducted from salary, depending on the employment date, salary base (%), and age group (tables).

(iii) Post-employment benefit - life insurance

For employees hired up to 1998, IRB Brasil RE covers 100.0% of the premium, whereas for employees hired thereafter it covers 50.0% of the premium. The employee's participation is optional. Employees who retire based on their length of contribution may remain in the plan but must pay the full premium upon retirement. IRB Brasil RE fully covers the premium cost of employees who retire due to disability.

(iv) Post-employment benefit - funeral benefit

This benefit is provided only to employees hired until October 31, 1996. The benefit is limited to R$ 1,344.87 for standard funeral, R$ 1,554.63 for cremation, and R$ 2,640.80 for funeral with cremation.

26.5 Consolidation of effects - Post-employment benefit

The consolidated amounts of employee benefits, as well as the adopted accounting procedures, are as follows.

The amounts recognized in profit or loss for the year and equity - other comprehensive income were as follows:

Total amounts recognized in profit or loss for the year:

	Defined benefit		Other benefits		Other reserves (PEONA)		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Cost of service	-	-	(663)	(156)	-	-	(663)	(156)
Interest rate cost	(8,407)	(8,316)	(23,488)	(20,721)	-	-	(31,895)	(29,037)
Paid contributions	-	-	(8,440)	(10,677)	-	-	(8,440)	(10,677)
Asset ceiling	(16,315)	3,900	-	-	-	-	(16,315)	3,900
Other changes	-	-	-	-	(48)	286	(48)	286
Total recognized amounts	**(24,722)**	**(4,416)**	**(32,591)**	**(31,554)**	**(48)**	**286**	**(57,361)**	**(35,684)**

Total amounts recognized in the statement of comprehensive income:

	Defined benefit		Other benefits		Total	
	2021	2020	2021	2020	2021	2020
Actuarial (gains) / losses	79,496	248,849	54,080	(47,030)	133,576	201,819
Asset ceiling effect	(63,403)	(360,275)	-	-	(63,403)	(360,275)
Other changes	(21,977)	2,644	-	-	(21,977)	2,644
Total recognized amounts	**(5,884)**	**(108,782)**	**54,080**	**(47,030)**	**48,196**	**(155,812)**

In thousands of reais, except when otherwise stated

26.6 Sensitivity Analysis

According to CPC 33 - "Employee Benefits", the management's sensitivity analysis related to critical financial and actuarial assumptions is as follows:

Sensitivity to discount rate

PLAN A	**Actual rate**	5.00%	5.25%	5.75%	6.00%
	Nominal rate (*)	9.38%	9.64%	10.16%	10.42%
	Defined benefit liability	1,334,748	1,306,317	1,252,453	1,226,928
	Impact on main scenario	55,830	27,400	(26,464)	(51,989)
PLAN B	**Actual rate**	5.00%	5.25%	5.75%	6.00%
	Nominal rate (*)	9.38%	9.64%	10.16%	10.42%
	Defined benefit liability	191,270	189,897	187,329	186,126
	Impact on main scenario	2,635	1,262	(1,306)	(2,509)
PRE 68	**Actual rate**	5.00%	5.25%	5.75%	6.00%
	Nominal rate (*)	9.38%	9.64%	10.16%	10.42%
	Defined benefit liability	116,636	114,978	111,785	110,248
	Impact on main scenario	3,274	1,616	(1,577)	(3,114)
Health Insurance	**Actual rate**	5.00%	5.25%	5.75%	6.00%
	Nominal rate (*)	9.38%	9.64%	10.16%	10.42%
	Defined benefit liability	334,570	326,943	311,999	305,200
	Impact on main scenario	14,963	7,337	(7,608)	(14,407)
Funeral Benefit	**Actual rate**	5.00%	5.25%	5.75%	6.00%
	Nominal rate (*)	9.38%	9.64%	10.16%	10.42%
	Defined benefit liability	1,699	1,651	1,563	1,521
	Impact on main scenario	93	45	(43)	(85)
Life Insurance	**Actual rate**	5.00%	5.25%	5.75%	6.00%
	Nominal rate (*)	9.38%	9.64%	10.16%	10.42%
	Defined benefit liability	1,188	1,169	1,133	1,116
	Impact on main scenario	37	18	(18)	(35)

Sensitivity to mortality table

PLAN A	**Nominal rate (*)**	9.90%	9.90%
	Table	AT-2000	BR-EMS 2015
	Defined benefit liability	1,245,149	1,330,661
	Impact on main scenario	(33,768)	51,744
PLAN B	**Nominal rate (*)**	9.90%	9.90%
	Table	AT-2000	BR-EMS 2015
	Defined benefit liability	186,707	188,708
	Impact on main scenario	(1,929)	73
PRE 68	**Nominal rate (*)**	9.90%	9.90%
	Table	AT-49	BR-EMS 2015
	Defined benefit liability	108,971	119,529
	Impact on main scenario	(4,391)	6,167
Health Insurance	**Nominal rate (*)**	9.90%	9.90%
	Table	AT-2000	BR-EMS 2015
	Defined benefit liability	309,164	335,844
	Impact on main scenario	(10,442)	16,237
Funeral Benefit	**Nominal rate (*)**	9.90%	9.90%
	Table	AT-2000	BR-EMS 2015
	Defined benefit liability	1,657	1,529
	Impact on main scenario	51	(77)
Life Insurance	**Nominal rate (*)**	9.90%	9.90%
	Table	AT-2000	BR-EMS 2015
	Defined benefit liability	1,115	1,209
	Impact on main scenario	(36)	58

(*) Considers inflation.

Section F - Accounting policies

27 Significant accounting policies

The significant accounting policies used in the preparation of these financial statements are shown below. These policies have consistently been applied for the reported years, except as otherwise indicated.

27.1 Foreign currency translation

(a) Functional and presentation currency

The items included in the parent company and consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The consolidated financial statements are presented in Brazilian Real/Reais, which is the Company's functional currency.

(b) Transactions and balances

In the preparation of the parent company and consolidated financial statements of the Company, the foreign currency transactions, that is, any currency other than the Company's functional currency, are recorded using the exchange rates applicable at the dates of the transactions. At the end of each year, monetary items in foreign currency are translated again using the exchange rates applicable at the closing date of the year. Non-monetary items that are measured at fair value in a foreign currency are translated again using the exchange rates applicable at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency shall be translated using the exchange rate applicable at the date of the transaction.

For purposes of presentation of the parent company and consolidated financial statements, the assets and liabilities of the Company's operations abroad are translated into reais using the exchange rates applicable at the end of the year. Income and expenses are translated at average exchange rates of the year, unless the exchange rates have significantly fluctuated during the year, in which case income and expenses are translated at the exchange rates of the transaction dates. All resulting exchange differences arising from these translations, if any, are recognized in other comprehensive income and accumulated in equity.

(c) Subsidiaries with different functional currency

The results and financial position of a consolidated entity, which has a functional currency different from the presentation currency, are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

(ii) Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

(iii) All resulting exchange differences are recognized in a separate component in equity, in the line item "cumulative translation adjustments".

27.2 Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits with insignificant risk of change in value, the balance being presented net of escrow accounts in the cash flow statement, if any. Escrow accounts, if any, are recorded in the balance sheet as "loans", in current liabilities.

27.3 Financial assets

27.3.1 Classification

The Company classifies its financial assets on initial recognition, in the following categories: measured at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired.

(a) Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it was acquired principally for the purpose of selling in the short term. The assets in this category are classified as current assets.

Derivatives, when used, are also classified in the held for trading category, unless they have been designated as hedging instruments.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including receivables and payables from reinsurance and retrocession operations, trade and other receivables, court deposits, and others) are measured at amortized cost, using the effective interest method less any impairment loss. They are presented as current assets, except those falling due more than 12 months after the reporting date (these are classified as non-current assets).

Premiums in installments are recognized as premiums receivable, in current assets, and written-off as the installments are received.

(c) Available-for-sale financial assets

The available-for-sale financial assets are any non-derivative financial assets designated to this category or that are not classified in any of the previous categories. They are presented as non-current assets, unless management intends to make the disposal of the investment within 12 months from the reporting date.

(d) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that the Company intends and is able to hold to maturity.

27.3.2 Recognition and measurement

Purchases or sales of financial assets are usually recognized at the trade date. Investments are initially recognized at fair value, plus the transaction costs for all financial assets not classified as fair value through profit or loss. The financial assets at fair value through profit or loss are initially recognized at fair value, and the transaction costs are debited to the statement of profit or loss. Financial assets are derecognized when the rights to receive their cash flows have expired or been transferred; in the latter case, provided that the Company has transferred substantially all the risks and rewards of their ownership. Available-for-sale financial assets and financial assets measured at fair value through profit or loss are subsequently recognized at fair value. Loans and receivables are recognized at amortized cost, using the effective interest method.

The gains or losses arising from the changes in the fair value of the financial assets measured at fair value through profit or loss are presented in statement of profit or loss in "finance income" in the year they are earned or incurred.

The changes in the fair value of monetary securities, denominated in foreign currency and classified as available for sale are separated into translation differences arising from changes in amortized cost of the security and other changes in the carrying amount of the security. The foreign exchange gains and losses on monetary securities are recognized in profit or loss. The foreign exchange gains and losses on non-monetary securities are recognized in equity. The changes in the fair value of monetary and non-monetary securities, classified as available for sale, are recognized in equity.

When the securities classified as available for sale are sold or impaired, the accumulated fair value adjustments, recognized in equity, are included in the statement of profit or loss as "finance income (costs)".

The interest of available-for-sale securities, calculated using the effective interest method, is recognized in the statement of profit or loss within other income.

The dividends of financial assets measured at fair value through profit or loss and available-for-sale equity instruments, such as stocks, are recognized in statement of profit or loss as part of other income, when the Company's right to receive dividends is established.

The fair values of investments with quotations in active markets are based on current purchase prices. If the market of a financial asset (and of securities not listed in stock exchange) is not active, the Company measures the fair value using valuation techniques. These techniques include the use of recent transactions with third parties, benchmarking with other instruments which are substantially similar, the analysis of discounted cash flows and the option pricing models that make the maximum use as possible of information generated by the market and rely as minimum as possible on the information provided by the management of the Company.

27.3.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

27.3.4 Impairment of financial assets

(a) Assets measured at amortized cost

The Company assess at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. An asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

The criteria that the Company adopts to determine whether there is objective evidence of impairment loss include the following:

(i) significant financial difficulty of the issuer or debtor;

(ii) a breach of contract, such as a default or late payment of interest or principal;

(iii) the Company, for economic or legal reasons related to the financial difficulty of the borrower, grants to the latter a concession that a creditor would not otherwise consider;

(iv) it becomes probable that the borrower enters bankruptcy or other financial reorganization;

(v) the disappearance of an active market for that financial asset because of financial difficulties; or

(vi) observable data indicating that there is a measurable reduction in the estimated future cash flows from a portfolio of financial assets since the initial recognition of such assets, although the decrease cannot be identified yet based on the individual financial assets comprising the portfolio, including the national or local economic conditions which correlate with the defaults in the assets of the portfolio.

The amount of impairment loss is measured as the difference between the carrying amount of assets and the present values of estimated future cash flows (excluding future credit losses that had not been incurred), discounted at the original effective interest rate of the financial assets. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring an impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment is recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

(b) Assets classified as available-for-sale

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt instruments, the Company adopts the criteria mentioned in item (a) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also considered an evidence that the asset is impaired. If there is any of such evidence for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - will be removed from equity and recognized in the statement of profit or loss. Impairment losses on equity instruments recognized in the statement of profit or loss are reversed through the statement of profit or loss. In the case of debt instruments, if the fair value of such instrument classified as available-for-sale increases in a subsequent year, and the increase could be objectively related to an event occurring after the impairment loss is recognized in profit or loss, the impairment loss is reversed through the statement of profit or loss.

27.4 Classification of reinsurance contracts

The Reinsurer's contracts are classified in the beginning of the risk coverage period for purposes of recognizing them as reinsurance contracts. A contract is classified as reinsurance contract and remains classified as such until all rights and obligations are extinguished or expire. A reinsurance contract is a contract under which the reinsurer accepts significant insurance risk from another party (reinsurer or insurer), by agreeing to compensate the other party if a specified uncertain future event (insured event) adversely affects the other party.

Therefore, the reinsurance contract is classified as insurance contract because the issuer accepts a significant insurance risk from the other party, by agreeing to compensate the latter if a specified uncertain future event occurs that may adversely affect it.

27.5 Intangible assets

(a) Separately-acquired intangible assets

The separately acquired intangible assets with finite useful lives are stated at cost, less accumulated amortization and impairment losses. The amortization is recognized on straight-line basis over the estimated useful lives of assets, which range between one and five years. The estimated useful life and the amortization method are reviewed at the end of each year, and the effect of any changes in such estimates is prospectively recognized. The separately acquired intangible assets with indefinite useful lives are stated at cost, less accumulated impairment losses and are not amortized.

(b) Derecognition of intangible assets

An intangible asset is derecognized upon disposal or when there is no future economic benefits resulting from its use or disposal. The gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net proceeds from disposal and the carrying amount, are recognized in profit or loss when the asset is derecognized.

27.6 Property and equipment

Property and equipment for use

Property and equipment for use comprises property, equipment, furniture, machineries and fixtures, and the vehicles used in the Reinsurer's business operations. The property and equipment for use is usually stated at historical cost. The properties for own use (land and building) are stated at historical cost revalued through December 31, 2004, based on the independent valuer's reports. According to CPC 01 (R1) - "Impairment of Assets", no further revaluation has been undertaken.

Historical cost includes expenditure that is directly attributable to the acquisition of the items that can be capitalized and to maintain the asset in conditions of use.

Subsequent expenditures are included in the carrying amount of property and equipment or recognized as a separate asset, as the case may be, only when it is probable the future economic benefits associated with the asset item will flow to the Reinsurer and the asset cost can be reliably measured.

In thousands of reais, except when otherwise stated

Land is not depreciated. The depreciation of other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

	Depreciation rate (a.) - %	Years
Buildings	4.0	25
Furniture and fixtures	10.0	10
IT equipment	20.0	5
Vehicles	20.0	5

The residual values and the useful lives of assets are reviewed and adjusted, if appropriate, at the end of each reporting period. The carrying amount of a property and equipment item is immediately fully or partially derecognized if the recoverable amount of the asset is lower than its carrying amount.

27.7 Investment properties

The Reinsurer owns all the shares of IRB Investimentos e Participações Imobiliárias S.A, which has commercial properties, which are leased to third parties under contracts classified as operating leases, according to CPC 06 (R2) - "Leases". The Reinsurer uses the depreciated cost model (cost model according to CPC 28 - "Investment Property") to value these assets.

The investment property items owned by its subsidiary are depreciated using the straight-line method, based on the estimated useful life of the asset. Most lease contracts have three-year renewal option, and the rents are adjusted by the IGP-M/FGV.

27.8 Impairment of non-financial assets

Non-financial assets (including intangible assets) are tested for impairment whenever events or circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized in the profit or loss for the year by the difference between the carrying amount and its recoverable amount. The recoverable amount is defined by CPC 01 (R1) - "Impairment of Assets" as the higher of an asset's value in use and fair value (less costs of disposal). For purposes of testing non-financial assets for impairment, the assets are grouped in the smallest level for which the Reinsurer is able to identify individual cash inflows from assets, defined as cash-generating units (CGUs).

27.9 Provisions

(a) Technical reserves

- The unearned premium reserve for risks in force and issued (PPNG-RVE) comprises the portion of written premium in the quarter, of unexpired risks of contracts. Its purpose is to cover future expenses, including the claims that will be paid by the IRB Brasil RE. It is calculated according to expected exposure for each contract. In addition to this reserve, an unearned premium reserve for risks in force but not issued (PPNG-RVNE) is recognized, calculated based on an actuarial estimate for risks in force which contracts have not yet been issued, being determined using an actuarial methodology described in actuarial technical note.

- The outstanding claim reserve (PSL) comprises the estimate of the compensation amount indicated in the claim reports received from reinsurers and insurers and is daily adjusted based on the analyses made by the operational and legal areas. The outstanding claim reserve balance contains the volume related to the incurred but not enough reported claim reserve, described below.

The reserve for incurred but not enough reported (IBNER) claims, related to operations in Brazil and abroad, is calculated based on actuarial assumptions defined in technical note and/or independent actuary reports, to cover developments of claims reported but not yet paid, on the calculation base date, whose amounts may be changed over the process until they are ultimately settled on the calculation base date.

- The reserve for incurred but not reported (IBNR) claims, related to operations in Brazil and abroad, is calculated based on actuarial assumptions defined in technical note and/or independent actuary reports.

- The reserve for technical surplus (PET) is recognized to ensure the distribution of surplus arising from technical surplus in the operationalization of contracts.

- The reserve for related expenses (PDR), related to own expenses with claim adjustment and supplementary coverage reserve (PCC), which shall be recognized when there is insufficiency in the total amount of the Company's liabilities, in the Liability Adequacy Test.

(b) Liability Adequacy Test (LAT)

The Liability Adequacy Test is an economic test for the Company's recognized liabilities and is aimed to reveal if the amounts of liabilities for reinsurance contracts are sufficient, according to the requirements of CPC 11 - "Insurance Contracts".

The test compares the current gross cash flow estimates of retrocession to the recognized technical reserve balance at the base date of the calculation, less the deferred acquisition costs and the intangible assets directly related to technical reserves. If the amount is considered not sufficient, the shortage shall be recognized in the Supplementary Coverage Reserve (PCC).

The cash flows are broken down based on their similarities, followed by contracts in Brazilian and foreign currencies, and recorded and future premiums, and incurred claims.

To determine the present value of estimated cash flows, the financial discount obtained from the Svensson model is used for the IPCA coupon rate, fixed rate and currency coupon curves.

IRB Brasil RE's life line products are structured under the "pay-as-you-go" regime, accordingly, mortality tables are not used in cash flow projection.

The loss ratio assumption adopted in the LAT is calculated using the estimate from incurred claims, considering the Company's past experience.

The estimate assumption of retrocession asset is calculated considering retrocession asset information, related to premium and claim reserves, compared to the corresponding technical reserves.

IRB Brasil RE regularly monitors its loss ratio, combined ratio and Liability Adequacy Test, aiming to maintain the technical and actuarial balance of its contracts.

(c) Legal provisions, contingent liabilities and contingent assets

Legal provisions for civil, labor, social security and tax claims, disputed in court, are regularly reviewed and recognized based on the positions of management under the advice of in-house legal department and independent external legal counsel and on likely outcome of lawsuits at the end of the reporting period. The provisions for civil lawsuits related to operations disputed in court are also calculated and recognized based on specific percentages, which are calculated based on the analysis of past decisions on legal processes, considering the ratio of final outflows from closed lawsuits, whether by favorable or unfavorable decision, or legal settlement, and their corresponding risk exposure estimates. Such percentages of likelihood of loss are applied to civil contingencies related to operations at the reporting date of the consolidated financial statements.

The provisions for labor, social security and tax lawsuits are recorded in "other payables" in non-current liabilities. The civil contingencies are recognized in "outstanding claims" in current liabilities. The estimated loss amounts of civil and labor contingencies are adjusted according to adjustment criteria and interest, applied to claims in the past, considering their nature and the courts where they have been filed. The estimated loss amounts of tax and social security contingencies are adjusted by the Selic interest rate. The corresponding court deposits, when required, are recognized in the line item court deposits, in non-current assets, and adjusted by the Selic rate.

Contingent assets are regularly evaluated to ensure that the changes are appropriately reflected in the parent company and consolidated financial statements. If it is practically certain that an inflow of economic benefits will arise, the asset and corresponding gain are recognized in the parent company and consolidated financial statements in the year when the change in estimate occurs. If the inflow of economic benefits becomes probable, the Company discloses the contingent asset.

27.10 Income tax and social contribution - current and deferred

The provision for income tax and social contribution is based on the taxable profit for the year. The taxable profit differs from the profit shown in the statement of profit or loss, because it excludes taxable income or expenses or deductible in other years, besides permanently excluding non-taxable or non-deductible items.

The provision for income tax and social contribution is calculated separately based on the rates applicable at the end of the year.

Deferred income tax and social contribution are recognized for temporary differences at the end of each year, between the asset and liability balances recognized in the consolidated financial statements and the corresponding tax bases used in the calculation of taxable profit, including the tax loss balance, if applicable. Deferred tax liabilities are usually recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences, only when it is probable that the company will record future taxable income in an amount sufficient to use all of these deductible temporary differences.

The recovery of deferred tax asset balance is reviewed at the end of each year, and when it is no longer probable that there will be future taxable profit sufficient to allow the full or partial recovery of such assets, the asset balance is adjusted by the amount that is expected to be recovered.

Deferred tax assets and liabilities are measured by the rates applicable at the end of each year when the liability is expected to be settled or the asset is expected to be realized, based on the rates established in the tax legislation in effect at the end of each year, or when a new legislation has been substantially approved, considering that the current rates are 25% for income tax and 15% for social contribution. The measurement of deferred tax assets and liabilities reflect the tax consequences that would result from the manner the Company expects to recover or settle the carrying amount of such assets and liabilities at the end of each year.

27.11 Employee benefits

Each quarter an actuarial valuation is performed to determine the amounts to be recognized as post-employment benefit obligation. In this valuation, the components required to calculate the amounts to be recognized in profit or loss and other comprehensive income, such as costs, actuarial gains and losses, interest, among others, are also determined. The post-employment benefits of IRB Brasil RE include retirement benefits and other benefits, such as life and health insurance, and funeral benefit.

(a) *Retirement benefits*

For retirement plans classified as defined benefit, the projected unit credit method is used for determining the present value of obligations and their respective current and past service costs, if applicable.

For defined benefit plan, managed by PREVIRB, the sponsor's liability is determined by the amounts to be contributed over the period, besides the actuarial risk tied to the risk benefits.

The retirement benefit liabilities, when recognized in the balance sheet, represents the present value of the defined benefit liabilities, adjusted by the actuarial gains and losses, service costs, interest cost, and the benefits paid over the quarter.

(b) *Other post-employment benefits*

Health and life insurance plans and funeral benefit may be provided for life or fixed period, as established in the applicable legislation.

The amount of liabilities related to these plans is determined according to an actuarial methodology similar to that applied to the previously described benefit plans.

27.12 Capital

Common and preferred shares are classified in equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

When the Company buybacks its own shares (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity until the shares are cancelled or reissued. When such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax and social contribution effects, is included in the Company's equity.

27.13 Dividends

The proposal for dividend distribution prepared by the Company's management that is within the amount of the mandatory minimum dividend is recognized in liabilities in 'trade payables', as it is considered a legal obligation established in the Company's by-laws; however, the amount of proposed additional dividends declared by management after the year to which the consolidated financial statements refer, but which has not yet been approved at the shareholders' meeting, is recognized in the line item of proposal for additional dividend distribution in equity.

27.14 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the course of ordinary activities. Revenue is stated net of cancellations.

The Reinsurer recognizes revenue when the amount can be measured reliably, it is probable that future economic benefits flow to the entity, and when specific criteria have been met for each of the activities, according to the description below. IRB Brasil RE bases its estimates on past experience, considering the client type, transaction type, and the specifications of each operation.

(a) Reinsurance premiums

Reinsurance premiums are recognized as written premiums from the time they were accepted. Reinsurance premiums related to current risks, but for which reinsurance contracts have not yet been issued, are actuarially calculated.

In the case of facultative reinsurance contracts, the written premium is considered to be the amount agreed between the parties to guarantee reinsurance coverage, for the portion accepted by the reinsurer, over the period the risk is in force.

In the case of automatic reinsurance contracts, the written premium is considered to be as follows:

- Non-proportional contracts - the written premium is considered to be the amount agreed between the parties to guarantee reinsurance coverage, for the portion accepted by the reinsurer, over the effective period of the reinsurance contract.

- Proportional contracts - written premium is considered to be the premium amount estimated by the cedant for all the policies that will be covered by the reinsurance contract over its effective period. Estimated Premium - this estimate is proportional to the reinsurance's share and weighted by the performance percentage set based on the reinsurer's experience. These premiums are adjusted in each account rendered by the cedant, usually every quarter.

(b) Dividend and interest income

Dividend income is recognized when the shareholders' right to receive such dividends is established (provided that it is probable that the future economic benefits shall flow to the Reinsurer and the income amount can be measured reliably).

Interest income is recognized when it is probable that the future economic benefits will flow to the Reinsurer and the income amount can be measured reliably. Interest income is recognized on straight-line basis over time and the effective interest rate applied to the principal amount outstanding, considering that the effective interest rate is the one that discounts the future cash inflows estimated over the estimated life of the financial asset in relation to the initial net carrying amount of such asset.

27.15 Claim expenses and commissions

Claim expenses are recognized on accrual basis and determined based on the concepts and assumptions defined in actuarial technical note (Note 27.9(a)).

Commissions are deferred and amortized, except for the transactions with expired risks, which commissions are directly recognized in profit or loss for the year, based on the effective period of reinsurance contracts. Commissions related to risks in force, but which reinsurance contracts have not yet been issued, are actuarially calculated.

27.16 Deferred acquisition cost

The acquisition cost is the amount paid as commission to the broker and is recognized as expense. This amount can be deferred, being recognized in profit or loss in proportion to the recognition of the unearned premium reserve. The deferred acquisition cost is determined according to the expected exposure of each contract and actuarially estimated in the case of RVNE, pursuant to the current legislation.

27.17 Statement of comprehensive income

The statements of comprehensive income are being presented separately and comprise revenue and expense items (including reclassification adjustments) that are not recognized in the statement of profit or loss as required by the Brazilian Accounting Pronouncement Committee (CPC). They are presented considering the possibility of being or not potentially reclassifiable in profit or loss in a subsequent period.

27.18 New standards and standard amendments and interpretations

The following standard was issued by the IASB and is effective beginning on January 1, 2023.

IFRS 17 - Insurance Contracts: The IASB issued a new comprehensive standard for all insurance and reinsurance companies that issue reports according to the International Financial Reporting Standards (IFRS). This standard, which replaces the current one, IFRS 4, is effective for the reporting years beginning on or after January 1, 2023, with complete restatement of the comparative balance.

The Accounting Pronouncement Committee (CPC) issued CPC 50 - Insurance Contracts. Correlation with the IFRS 17.

The Superintendence of Private Insurance (SUSEP) is the regulatory body responsible for controlling and inspecting the insurance market in Brazil. SUSEP has not yet issued an indication as to when or how IFRS 17 is to be adopted.

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts issued. It also requires that similar principles are applied to reinsurance and retrocession contracts held and investment contracts with discretionary participation features issued.

The objective is to ensure that entities provide relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that the contracts within the IFRS 17 have on the entity's financial position, financial performance and cash flows.

The contracts are to be recognized by measuring four components:

- Estimates of cash flows: cash flow projections, which shall include the best estimate of cash inflows and outflows related to contracts.
- Discount rate: adjustment to reflect the time value of money.
- Risk adjustment to non-financial risk: adjustment to the estimate of the present value of the future cash flows to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk.
- Contractual Service Margin: unearned profit arising from net cash inflow that shall be recognized as reinsurance coverage services is provided in the future.

IFRS establishes two approaches for the measurement of groups of reinsurance contract issued and retrocession:

- Building Block Approach (default model): applicable to any type of reinsurance contract issued or retrocession.
- Premium Allocation Approach (simplified model): optional approach for contacts with coverage of 12 months or less, or which results are not significantly different from those had the default model been adopted.

The Company concluded will adopt the default model for measurement of all of its contract groups.

For contract recognition and measurement, the portfolios of contracts issued and held are required to be identified. A portfolio comprises contracts subject to similar risks and managed together. The Company identified its reinsurance and retrocession portfolios based on the current internal business management structure, considering relevant aspects such as: contract pricing, reserve management, and product management.

The current implementation project comprises the creation of the operating model (systems and processes), development of cash flow models, establishment of accounting policies, and implementation of calculation tools. The Company estimates that the impact from the adoption of IFRS 17 will be great on its operations and will significantly change the method how data is collected, stored and processed. However, it is not yet possible in this stage of implementation to quantify such impacts, which shall be disclosed as soon as they are reliably measured. Additionally, IFRS 9 - "Financial Instruments", will be adopted when IFRS 17 comes into effect.

28 Key accounting estimates and assumptions

The accounting policies are those that are important to present the financial position and profit or loss. Some of these policies often require more subjective and/or complex judgment by management, as a result of the need to make estimates which have impact on issues that are inherently uncertain.

The judgments become more subjective and complex as the number of variables and assumptions increase.

In the preparation of the parent company and consolidated financial statements, the Reinsurer adopted variables and assumptions based on its past experience and many other factors that it believes to be reasonable and relevant. Significant items whose amounts are determined based on estimates include: securities stated at market value, provisions for adjustment of assets to realizable or recovery amount; revenue from premium and corresponding acquisition costs, related to risks in force which policies are not yet issued, technical reserves, and the provisions involving amounts being disputed in court. We particularly highlight the use of estimates in the valuation of reinsurance liabilities, described in item (a), the estimates and judgments used in the valuation of provisions for tax, civil and labor contingencies, described in item (b), the estimates used in the calculation of the recoverability (impairment) of financial assets, described in item (c), the estimates used in the calculation of the provision for credit risks described in item (d), the fair value estimates of financial instruments, described in item (e), the estimates and judgments in the determination of retirement benefits, described in item (f), the estimates of receipt of salvage and reimbursements, described in item (g) below.

Changes in such assumptions, or their differences in relation to reality may cause impacts on current estimates and judgments. Such estimates and assumptions are periodically revised. The revisions of accounting estimates are recognized in the year when they are performed, as well as in the affected future years.

(a) Estimates and judgments used in the valuation of reinsurance liabilities

The estimates used in the recognition of reinsurance liabilities of the Reinsurer represent the area where the Reinsurer applies the most critical accounting estimates to the preparation of the consolidated financial statements in accordance with the CPC. There are many sources of uncertainties that have to be considered in the estimate of the liabilities the Reinsurer will ultimately settle. The sensitivity analysis related to this critical estimate is shown in Note 2.2.2.3.

As to the Liability Adequacy Test, the assumptions considered critical in such study are the term structure of interest rate used to discount the current estimates of cash flows to present value and the estimates of loss ratio used for future claim flows.

Based on the Company's information and experience, the actuarial team establishes the assumptions that enable to obtain the best liability estimate to be recognized. Such estimates are periodically reviewed to ensure that when the Reinsurer's obligations are settled, these amounts differ as little as possible from those initially recognized, from the statistical-actuarial perspective.

(b) Estimates and judgments used in the valuation of the provisions for tax, civil and labor contingencies

The Reinsurer is party to labor, tax and civil lawsuits in progress at the reporting date of the consolidated financial statements. When determining and recording the accounting estimates, the Reinsurer is supported by the opinion of its legal counsel specialized in each area, case progress, and the status of judgment of each specific case. The Reinsurer also uses its best judgments about these cases.

(c) Estimates used in the measurement of the recoverability (impairment) of financial assets

The Reinsurer applies the rules on the analysis of the impairment of financial assets measured at amortized cost. In this area, the Reinsurer applies a high judgment level to determine the level of uncertainty associated with the realization of estimated contractual flows of financial assets, mainly premiums receivable.

The Reinsurer follows the guidelines of CPC 38 - "Financial Instruments: Recognition and Measurement" to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. For this judgment, the Reinsurer evaluates, among other factors, the period and extent to which the fair value of an investment is lower than its cost, the financial condition and short-term business prospects of the counterparty, including factors such as: sector and segment performance and the cash flow from operating and financing activities.

(d) Estimate of the provision for credit risks

As shown in Note 7.3, the Company adopts its own methodology considering the history of customer default, based on the breakdown of business partners by the origin of their operations, in Brazil or abroad, and related parties, rating by payment history, customers with outstanding liability balances and special treatment for customers in negotiation.

(e) Fair value estimate of financial instruments

The cost of retirement plans with post-employment defined benefits and the present value of retirement liability are determined using actuarial valuation. The actuarial valuation involves the use of assumptions about the discount rates, expected return rates on assets, future salary increases, mortality and disability rates, and future increases in retirement and pension benefits. Defined benefit liabilities are highly sensitive to changes in such assumptions. All assumptions are reviewed at the end of each quarter. When determining the appropriate discount rate, Management considers the risk-free interest rates. The mortality rate is based on mortality tables released in the country. Future increases in salaries and retirement and pension benefits are based on future inflation rates expected for the country. The sensitivity analyses related to this key estimate are disclosed in Note 26, as well as further details on the adopted assumptions.

(f) Estimates and judgments used in the determination of retirement benefits

The cost of retirement plans with post-employment defined benefits and the present value of retirement liability are determined using actuarial valuation. The actuarial valuation involves the use of assumptions about the discount rates, expected return rates on assets, future salary increases, mortality and disability rates, and future increases in retirement and pension benefits. Defined benefit liabilities are highly sensitive to changes in such assumptions. All assumptions are reviewed at the end of each quarter. When determining the appropriate discount rate, Management considers the risk-free interest rates. The mortality rate is based on mortality tables released in the country. Future increases in salaries and retirement and pension benefits are based on future inflation rates expected for the country. The sensitivity analyses related to this key estimate are disclosed in Note 26.6, as well as further details on the adopted assumptions.

(g) Estimates of receipt of salvage and reimbursements

As shown in Notes 10 and 25.2, the Company has an actuarial technical note with the methodology for recognition of the estimate of receipt of salvage and reimbursements, which is a downward adjustment to the claim reserve. This estimate only comprises the estimates of salvage and reimbursements not yet recognized in assets, as after recognizing in assets, keeping the estimate of receipt as a downward adjustment to the reserve would imply double recognition, as the amount is already recognized in the Company's assets.

Based on the rules and guidance issued by SUSEP, the portion of the expected receipt of salvage and reimbursements related to claims already settled may not be considered as an adjustment to the PSL, being recognized in assets. In the case of partial settlement, the expected receipt is limited to the amount of the claim portion still pending payment. The Company also has data history sufficient to analyze the consistency of the recognized amounts, as determined by SUSEP for recognizing and monitoring this estimate.

In thousands of reais, except when otherwise stated

Attachment 1 - Supplementary information

The information required by SUSEP but not by the International Financial Reporting Standards (IFRS), and that the Company considered relevant for presentation purposes, is as follow.

1.1 Minimum Capital Requirement and Adjusted Equity

CNSP Resolution 432/2021 and further amendments establish the methodology for calculating risk capital based on underwriting, credit, operational and market risks, calculating adjusted equity, as well as the regulatory solvency assessment criteria.

The new Resolution considers the implementation of quality requirements for purposes of coverage of minimum capital requirement and determination of adjusted equity.

For the effects of the above-mentioned resolution, the following concepts apply:

I Minimum capital requirement (CMR): the amount of capital a local reinsurer is required to have at any time, to operate, being equivalent to the higher of core capital and risk-based capital.

II Core capital: fixed amount of capital, in the amount of R$ 60,000, that a local reinsurer is required to have at any time.

III Risk-based capital: the variable amount of capital that a local reinsurer is required to have, at any time, to be able to guarantee the risks inherent in its operations, as provided in specific regulation.

IV Adjusted equity (PLA): book value of equity or net assets in the books, as the case may be, adjusted by addition, deduction and limits, to determine the funds available that enable the overseen companies to run their operations in view of fluctuations and adverse situations, being net of assets with high subjectivity level of appreciation or that already guarantee similar financial activities, and of other assets which nature is considered inappropriate to save its capacity of incurring losses.

In the PLA calculation, another filter is applied in addition to the accounting adjustments and those associated with the change in the economic values provided in the previous rule, to reinforce the regulatory capital's capacity of incurring losses.

As established in paragraph 12 of CNSP Resolution 432, three different PLA levels were established according to its component's capacity of incurring losses and limits were set to each of them.

Considering the current methodology established by the regulatory body, the Company has sufficient adjusted equity in relation to the minimum capital requirement calculated as at the reporting date December 31, 2021 in the amount of R$ 89,562. As at December 31, 2020, according to the previous methodology, the sufficiency of equity amounted to R$ 1,419,905, considering the adjustment of deferred PIS and COFINS related to the change in accounting practice described in Note 1.4.

The chart below shows the results obtained from the calculation of adjusted equity:

	Parent Company and Consolidated
	2021
Risk-based capital - underwriting risk	1,081,200
Risk-based capital - credit risk	598,519
Risk-based capital - operational risk	62,853
Risk-based capital - market risk	89,184
Risk diversification benefit	(266,506)
Total risk-based capital	**1,565,250**
Core capital	60,000
Minimum capital requirement (i)	1,565,250
Adjusted equity (ii)	1,654,812
Sufficiency of adjusted equity	**89,562**

(i) The higher between total risk-based capital and core capital.
(ii) Equity used for purposes of CMR coverage sufficiency.

In thousands of reais, except when otherwise stated

	2021
Equity	**3,634,360**
Deductions	
Prepaid expenses	(10,623)
Investments accounted for using the equity method	(28,876)
Deferred tax assets – tax loss	(1,653,166)
Intangible assets	(84,989)
Receivables/payables of branches abroad	(98,535)
Tax credits (iii)	(180,104)
Other deductions	(50)
Economic adjustments	195,880
Adjustments of PLA Tier 3 surplus (iv)	(119,085)
Adjusted equity	**1,654,812**

(iii) Amount related to deferred tax assets for temporary differences deducted in the calculation of adjusted equity, corresponding to the amount of deferred tax assets (Note 11.1) that is in excess of 15.0% of minimum capital requirement (CMR).
(iv) Amount related to the coverage adjustment of the CMR established according to the CNSP Resolution 432 and shown below.

The PLA tier calculation results are shown in the following table:

	2021
Equity	**3,634,360**
Deductions	
Prepaid expenses	(10,623)
Investments accounted for using the equity method	(28,876)
Deferred tax assets – tax loss	(1,653,166)
Intangible assets	(84,989)
Receivables/payables of branches abroad	(98,535)
Total tax credits	(414,892)
Other deductions	(50)
Real estate and real estate funds	(119,085)
PLA Tier 1	**1,224,144**
Economic adjustments	195,880
PLA Tier 2	**195,880**
Deferred tax assets for temporary differences limited to 15% of CMR	234,788
Real estate and real estate funds	119,085
PLA Tier 3	**353,873**
CMR coverage quality adjustments	
a) PLA Tier 1 - minimim of 50% of CMR	**-**
b) PLA Tier 3 - maximum of 15% of CMR	**(119,085)**
c) Sum of PLA Tiers 2 and 3 - maximum 50% of CMR	**-**
Adjusted equity	**1,654,812**

The PLA shall be calculated by the sum of the PLA Tier 1, PLA Tier 2 and PLA Tier 3, observing the limits imposed by the CMR coverage quality adjustments.

Even though the Company reported sufficiency of adjusted equity in relation to minimum capital requirement in December 2021, a reduction in this indicator is noted in relation to the one reported in December 2020. Such reduction arises from several factors, the most significant one being the recognized losses for this year. Management continuously assess measures to strengthen its capital structure and increase this regulatory indicator, such as: (i) structure transactions that adjust reserves downward, or transfer of portfolio run-off; (ii) sale of real estate ownership interests; (iii) reduction in idle capital in subsidiaries; (iv) issuance of subordinated debt; and (v) share subscription, among other. Another important pillar are the expected improvements in technical results due to the several re-underwriting measures adopted over the past months. Considering the current capital structure and the above-mentioned possible measures, Management expects to maintain sufficiency in this regulatory indicator over the next period.

In thousands of reais, except when otherwise stated

1.2 Reconciliation of statement of profit or loss - IFRS and SUSEP GAAP

By means of Letter 63 of September 2, 2020, SUSEP determined that the exchange rate change of the IBNR, IBNER, PDR, Premium RVNE, PPNG RVNE, Commission RVNE, and DCD RVNE shall be recognized as contra-entry to the respective operations accounts in the Statement of Profit or Loss, whereas the contra-entry of the exchange rate change of other provisions shall continue to be recognized in the account finance income. Accordingly, the Company reclassified the exchange rate change of such accounts only for purposes of preparation of the financial statements in accordance with the accounting practices adopted in Brazil applicable to the entities under the supervision of SUSEP, shown separately. Consequently, the financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) presented herein differ from the financial statements prepared for the exclusive compliance with SUSEP (SUSEP GAAP) by the following amounts:

			Parent company			Parent company
			2021			2020
	IFRS	Reclassifications	SUSEP	IFRS	Reclassifications	SUSEP
Earned premiums	**7,987,428**	**11,512**	**7,998,940**	**8,480,669**	**217,997**	**8,698,666**
Net written premiums	7,435,350	26,814	7,462,164	8,309,558	152,250	8,461,808
Changes in technical reserves	552,078	(15,302)	536,776	171,111	65,747	236,858
Incurred claims	**(8,277,362)**	**(134,840)**	**(8,412,202)**	**(8,438,864)**	**(388,426)**	**(8,827,290)**
Direct claims	(8,727,426)	14,777	(8,712,649)	(7,776,421)	40,693	(7,735,728)
Salvage and reimbursements	115,194	-	115,194	45,523	-	45,523
Change in IBNR reserve	334,870	(149,617)	185,253	(707,966)	(429,119)	(1,137,085)
Profit (loss) from retrocession	**(920,926)**	**30,879**	**(890,047)**	**(1,268,943)**	**(196,294)**	**(1,465,237)**
Revenue from retrocession	2,323,592	36,773	2,360,365	2,664,288	5,748	2,670,036
Expense for retrocession	(3,248,815)	(5,894)	(3,254,709)	(3,919,511)	(202,042)	(4,121,553)
Salvage and reimbursements to retrocessionaire	(39,685)	-	(39,685)	(24,735)	-	(24,735)
Other operating income and expenses	43,982	-	43,982	11,015	-	11,015
Finance income	**556,680**	**92,449**	**649,129**	**(130,483)**	**366,723**	**236,240**
Loss for the year	**(682,701)**	**-**	**(682,701)**	**(1,481,516)**	**-**	**(1,481,516)**

The above reclassifications do not produce effects on the minimum regulatory capital, technical reserves, ratios of solvency, regulatory liquidity and guarantee assets. The loss ratio calculated considering such reclassifications (SUSEP GAAP) is 105.6% (101.5% in 2020).

Attachment 2 - Other information that the Company considers relevant

A reconciliation is presented below between the standardized financial statements provided according to the model of the CVM system (Empresas.Net) and the balance sheet and statement of profit or loss disclosed by IRB Brasil Re.

Balance sheet - Assets

			Parent company		Consolidated	
Empresas.Net	**Assets**	**Note**	**2021**	**2020**	**2021**	**2020**
	Current assets		**14,001,807**	**15,380,021**	**13,990,281**	**15,395,637**
1.01.01.01	Cash	5	8,231	14,190	38,774	14,563
1.01.02	Marketable securities	6.1	4,014,753	3,880,318	3,966,341	3,852,340
1.01.03	Receivables from reinsurance and retrocession operations	7.1	4,105,081	5,764,412	4,105,081	5,764,412
	Transactions with insurers	7.2	3,215,171	4,193,770	3,215,171	4,193,770
	Transactions with reinsurers	7.2	919,770	1,496,530	919,770	1,496,530
	Other receivables	7.2	30,738	139,172	30,738	139,172
	(-) Provision for credit risks	7.3	(60,598)	(65,060)	(60,598)	(65,060)
1.01.09.03.01	Retrocession assets - technical reserves		5,599,770	5,093,437	5,599,770	5,093,437
	Premiums - retrocession	9.2	1,201,522	1,352,762	1,201,522	1,352,762
	Claims - retrocession	9.1	4,386,902	3,732,920	4,386,902	3,732,920
	Other reserves	9.3	11,346	7,755	11,346	7,755
	Trade and other receivables		149,517	500,690	155,857	543,908
1.01.04.01	Trade and other receivables	10	21,926	329,495	27,432	361,560
1.01.04.02	Tax credits and deferred tax assets	11.1	127,591	171,195	128,425	182,348
1.01.07.01	Prepaid expenses		10,623	7,538	10,626	7,541
1.01.08.04	Deferred acquisition costs	12	113,832	119,436	113,832	119,436
	Non-current assets		**8,564,241**	**6,979,362**	**8,684,160**	**7,094,767**
	Long-term receivables		8,380,932	6,774,187	8,424,008	6,844,653
1.02.01.02	Marketable securities	6.1	4,976,260	4,461,615	4,976,260	4,461,615
1.02.01.11.03	Retrocession assets - technical reserves	9.2	81,270	68,386	81,270	68,386
1.02.01.04.01	Trade and other receivables	10	589,816	550,711	589,816	550,711
1.02.01.04.02	Tax credits and deferred tax assets	11.1	406,092	165,843	449,168	233,786
1.02.01.04.03	Deferred tax assets	11.1	2,068,057	1,289,620	2,068,057	1,292,143
1.02.01.04.04	Court deposits	20	233,895	226,454	233,895	226,454
1.02.01.04.05	Receivables from reinsurance and retrocession operation:	7.1	11,677	-	11,677	-
	Other receivables		11,677	-	11,677	-
1.02.01.09	Deferred acquisition costs	12	13,865	11,558	13,865	11,558
	Investments		33,817	66,966	110,529	111,645
1.02.02.01.05	Investments accounted for using the equity method	4.1	28,876	61,870	22,124	22,323
1.02.02.02.01	Investment property	13	4,570	4,885	88,034	89,112
1.02.02.02.02	Other investments		371	211	371	210
1.02.03	Property and equipment		64,503	72,505	64,503	72,582
1.02.04	Intangible assets		84,989	65,704	85,120	65,887
	Total assets		**22,566,048**	**22,359,383**	**22,674,441**	**22,490,404**

Balance sheet - Liabilities

Empresas.Net	Liabilities and shareholders' equity	Note	Parent company 2021	Parent company 2020	Consolidated 2021	Consolidated 2020
	Current liabilities		**17,314,052**	**16,306,240**	**17,351,763**	**16,437,261**
	Trade and other payables		118,256	170,158	155,967	301,179
2.01.01.06	Trade payables	**14**	19,999	47,918	26,605	61,334
2.01.01.01	Taxes and payroll charges payable		28,297	38,742	28,522	39,005
2.01.01.03	Labor provisions		12,665	10,918	12,797	11,051
2.01.01.04	Provisions for post-employment benefits	**23.4**	42,409	43,886	42,409	43,886
2.01.01.05	Taxes and contributions payable		4,532	24,534	35,280	141,743
2.01.01.08	Borrowing and financing	**15**	10,354	4,160	10,354	4,160
2.01.02	Payable for reinsurance and retrocession operations	**16.1**	2,051,671	2,569,668	2,051,671	2,569,668
2.01.03.04	Third-party deposits	**8**	107,977	317,441	107,977	317,441
2.01.04	Technical reserves - reinsurance and retrocession		15,036,148	13,248,973	15,036,148	13,248,973
2.01.04.01.03	Unearned premium reserve	**17.1**	2,812,762	3,278,614	2,812,762	3,278,614
2.01.04.01.04	Outstanding claims	**17.2**	8,842,862	6,417,059	8,842,862	6,417,059
2.01.04.01.05	IBNR reserve	**17.2**	3,155,351	3,341,396	3,155,351	3,341,396
2.01.04.01.06	Other reserves	**17.3**	225,173	211,904	225,173	211,904
	Non-current liabilities		**1,617,636**	**1,638,341**	**1,688,318**	**1,638,341**
	Long-term liabilities		1,617,636	1,638,341	1,688,318	1,638,341
	Trade and other payables		1,246,767	1,297,884	1,317,449	1,297,884
2.02.01.01.04	Provisions for post-employment benefits	**23.4**	415,469	474,143	415,469	474,143
2.02.01.01.06	Borrowing and financing	**15**	819,107	816,476	819,107	816,476
2.02.01.01.05	Trade payables	**14**	12,191	7,265	4,426	7,265
2.02.01.01.07	Taxes and contributions payable		-	-	78,447	-
2.02.01.02.01	Payables for reinsurance and retrocession operations	**16.1**	789	789	789	789
2.02.01.03.01	Technical reserves - reinsurance and retrocession	**17.1**	293,922	282,999	293,922	282,999
2.02.01.04	Other payables	**20**	76,158	56,669	76,158	56,669
	Total liabilities		**18,931,688**	**17,944,581**	**19,040,081**	**18,075,602**
	Equity	**21**	3,634,360	4,414,802	3,634,360	4,414,802
2.03.01	Capital		4,219,524	4,219,524	4,219,524	4,219,524
2.03.02	Capital reserves		(282,754)	(282,754)	(282,754)	(282,754)
2.03.04	Profit reserves		148,666	832,747	148,666	832,747
2.03.06	Equity valuation adjustment	**21.3**	(451,076)	(354,715)	(451,076)	(354,715)
2.03.05	Retained losses		-	-	-	-
	Total liabilities and equity		**22,566,048**	**22,359,383**	**22,674,441**	**22,490,404**

Statements of profit or loss

Empresas.Net	Statement of profit or loss	Note	Parent company 2021	Parent company 2020	Consolidated 2021	Consolidated 2020
3.01	**Earned premiums**	22.1	7,987,428	8,480,669	7,987,428	8,480,669
3.02.02.01	**Incurred claims**	22.2	(8,277,362)	(8,438,864)	(8,277,362)	(8,438,864)
3.02.02.02	**Acquisition costs**	22.3	(253,133)	(257,366)	(253,133)	(257,366)
3.02.02.03	**Other operating income and expenses**	22.5	(112,715)	(81,617)	(112,715)	(81,617)
3.02.02.03	**Profit (loss) from retrocession**	22.4	(920,926)	(1,268,943)	(920,926)	(1,268,943)
3.04.02.01	**Administrative expenses**	22.6	(364,173)	(306,682)	(389,376)	(319,681)
3.04.02.02	**Tax receivable (expenses)**	22.7	(22,660)	(44,848)	(30,309)	(73,794)
3.08	**Finance income**	22.8	556,680	(130,483)	610,089	(111,604)
3.05	**Share of profit of equity-accounted investees**	22.9	(3,494)	134,860	(7,738)	210,837
3.06	**Gains or losses on non-current assets**		(1,349)	8,574	(1,423)	(1,555)
3.09	**Net income before taxes**		(1,411,704)	(1,904,700)	(1,395,465)	(1,861,918)
3.10	Income tax	22.10	440,779	264,622	428,857	233,208
3.10	Social contribution	22.10	288,224	158,562	283,907	147,194
3.11	**Loss for the year**		(682,701)	(1,481,516)	(682,701)	(1,481,516)
	Loss per share - basic and diluted	21.4	(0.54)	(1.18)	(0.54)	(1.18)

* * *

Raphael Afonso Godinho de Carvalho
Acting CEO and Reinsurance Vice-President Executive Officer

Wilson Toneto
Technical and Operations Vice-President Executive Officer

Willy Otto Jordan Neto
Chief Financial and Investor Relations Vice-President Executive Officer

Carlos André Guerra Barreiros
Risk, Compliance and Legal Vice-President Executive Officer

Thays Vargas Ferreira da Cunha
Accountant
CRC 117013/O-9

Debora Pereira Tavares
Actuary
MIBA 2011