

3rd Quarter of 2018 Earnings

Conference Call

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CEO

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IRB Brasil RE

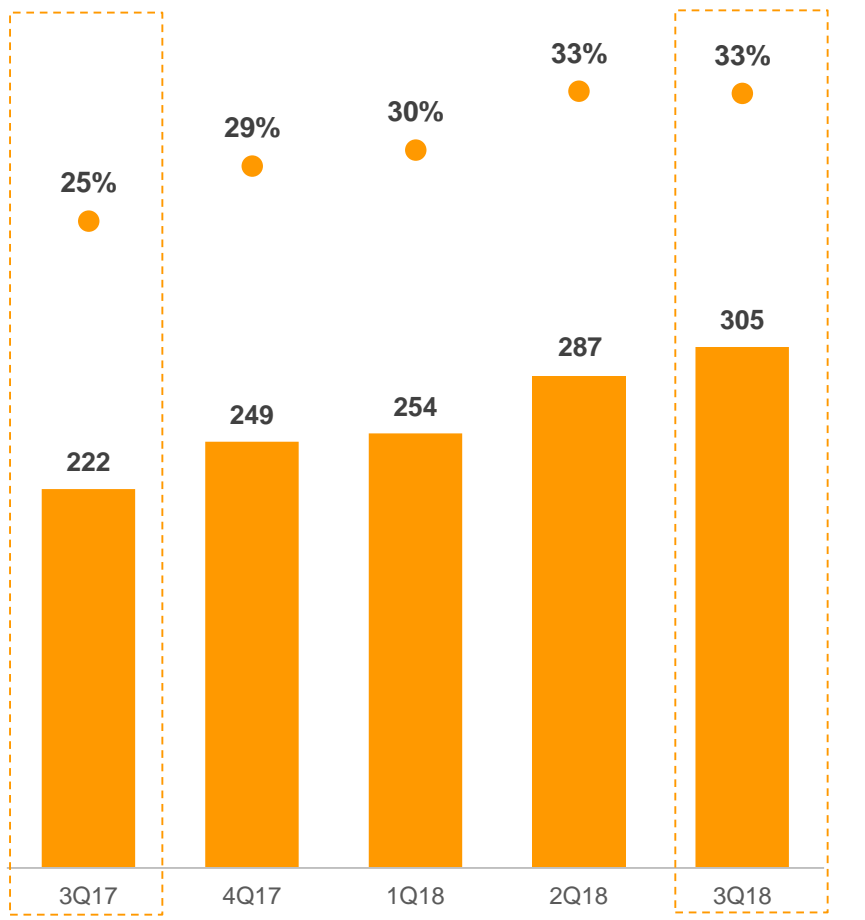
Reinsurance leader in Latin America.

Highlights

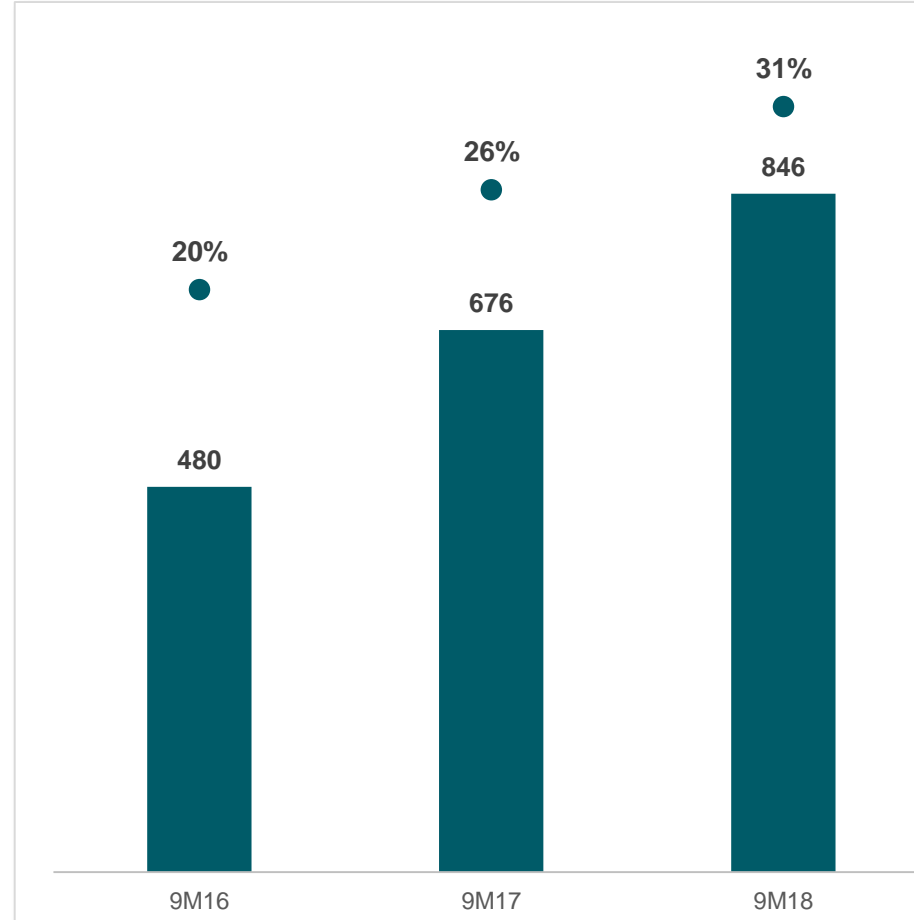
- ✓ Increase of 16.6% in written premium in 3Q18 year-over-year, achieving to R\$1.95 billion of which R\$1.2 billion written in Brazil and R\$772 million abroad.
- ✓ Renewal of retrocession contracts for 2019 maintaining the same financial conditions, thus enhancing its operational conditions such as, Property protection with a reduction in the Company net retention from USD 20 million to USD 10 million.
- ✓ Increase of 55% in the underwriting result, which totaled R\$259 million in 3Q18. Increase of 3.0% in the financial result in 3Q18, totaling R\$200 million.
- ✓ Efficiency: Administrative expense-to-earned premium ratio went down from 4.9% in 3Q17 to 4.4% in 3Q18, and from 6.0% in 9M17 to 5.0% in 9M18.
- ✓ 3Q18 Net income increased by 38% year-over-year, achieving R\$305 million, with ROAE of 33% (+8 p.p.).
- ✓ On October 31, 2018, IRB's board approved the payment of interest on capital ("IOC") for the amount of R\$180.5 million. Payment will be made on November 21, 2018.
- ✓ On October 31, 2018 IRB reviewed its guidance for the year of 2018:
 - (i) Written premium growth over 2017: 9% to 16% => 17% to 21%
 - (ii) Amplified combined ratio for 2018: 70% to 76% => 69% to 73%
 - (iii) Administrative expenses ratio for 2018: 5.4% to 6.4% => 4.8% to 5.2%

Profitability – Net Income and ROAE

Net Income (R\$ million) and ROAE (%)
Quarter



Net Income (R\$ million) and ROAE (%)
Accumulated

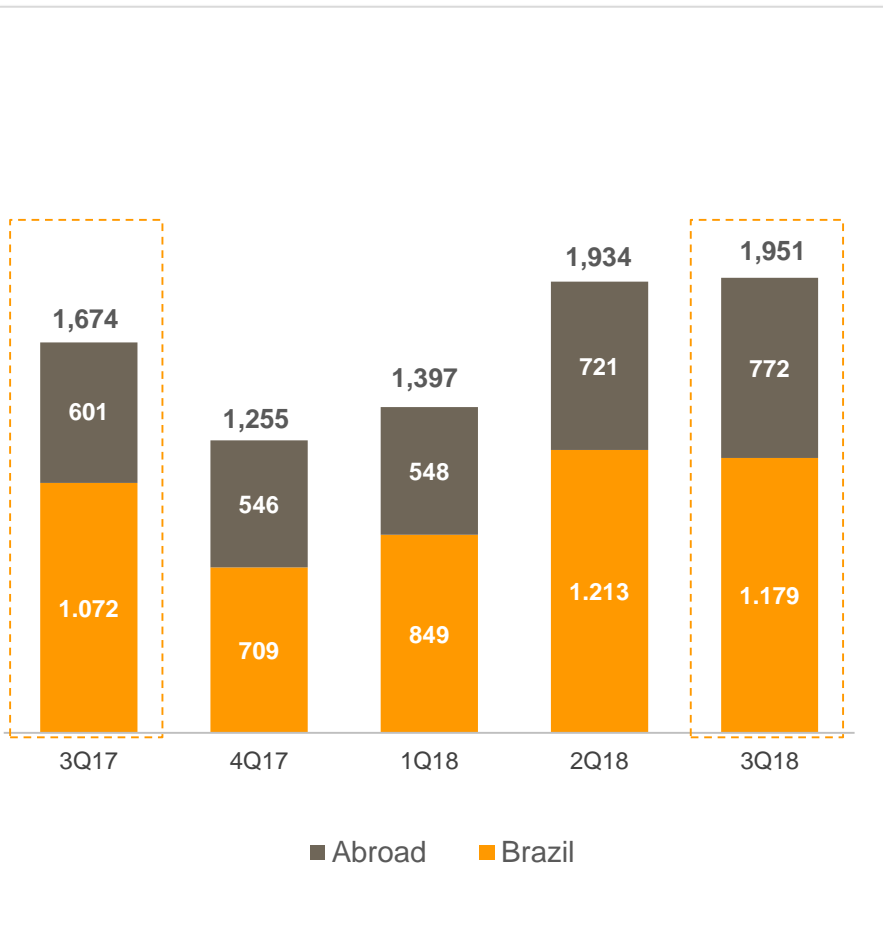


Note: 3Q18 Return on Average Equity (ROAE) = 3Q18 Net Income (R\$305 million / 64 business days of 3Q18) x 253 business days in 2018 / (Jun18 Shareholders' Equity (R\$ 3.5 billion) + Sep18 Shareholders' Equity (R\$3.8 billion)/2)

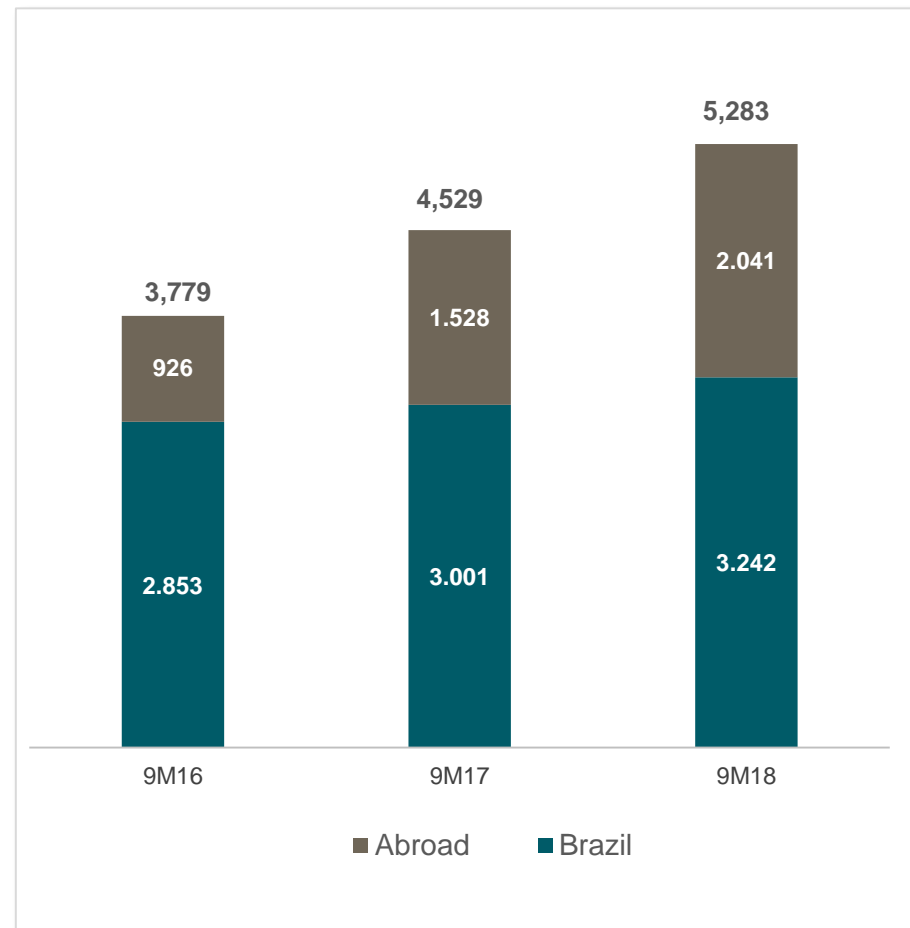
9M18 Return on Average Equity (ROAE): 9M18 Net Income (R\$846 million / 191 business days in 9M18) x 253 business days in 2018 / (Dec17 Shareholders' Equity (R\$3.6 billion) + Sep18 Shareholders' Equity (R\$3.8 billion)/2)

Written Premium – Brazil and Abroad

Written Premium Breakdown (R\$ million)
Quarter

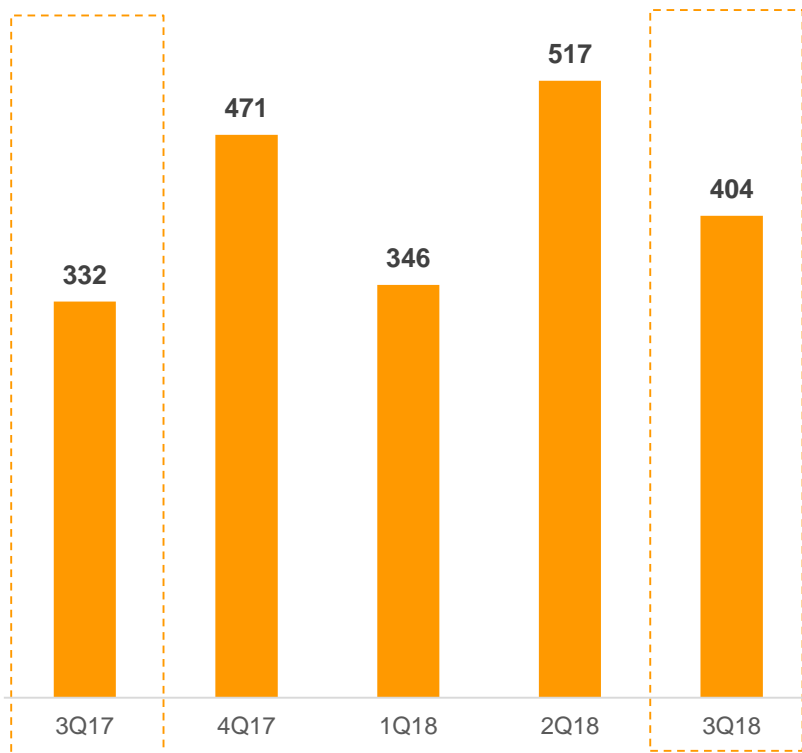


Written Premium Breakdown (R\$ million)
Accumulated

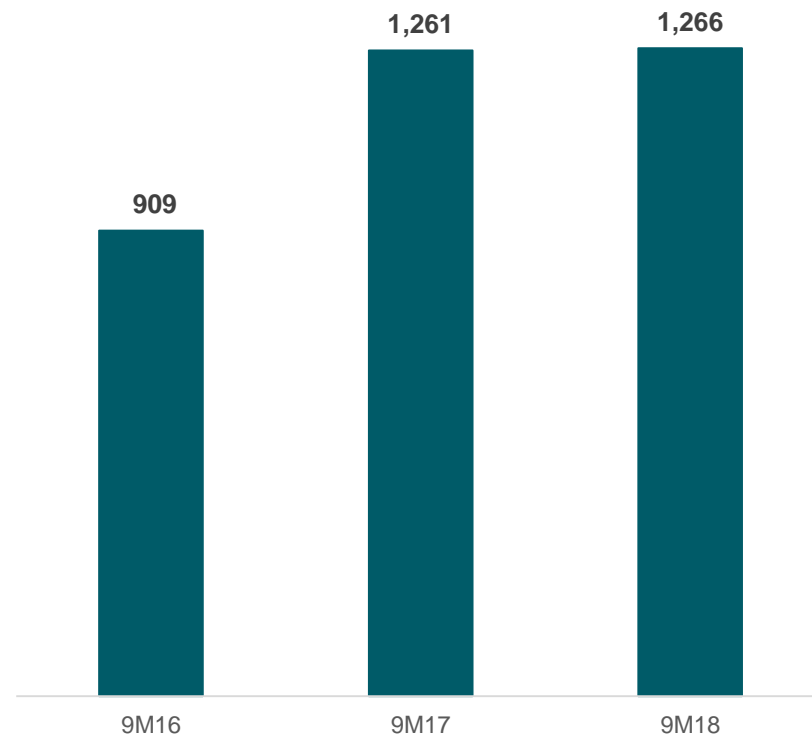


Retrocession Cost

Retrocession Cost (R\$ million)
Quarter

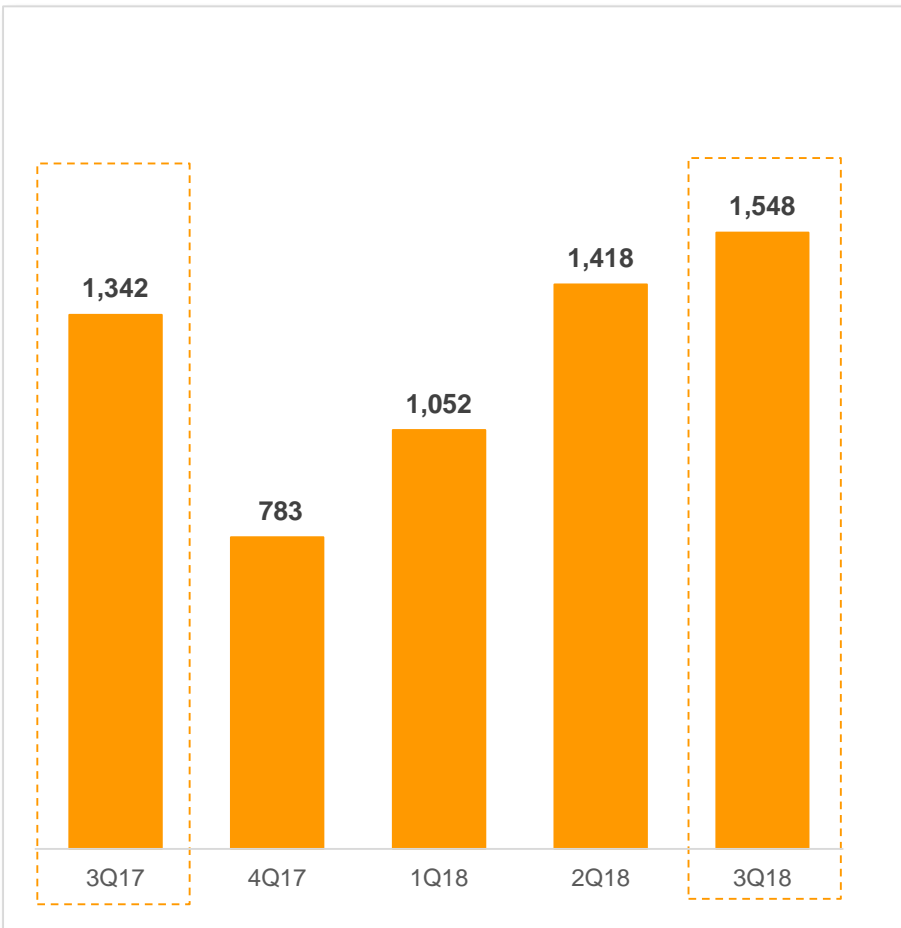


Retrocession Cost (R\$ million)
Accumulated

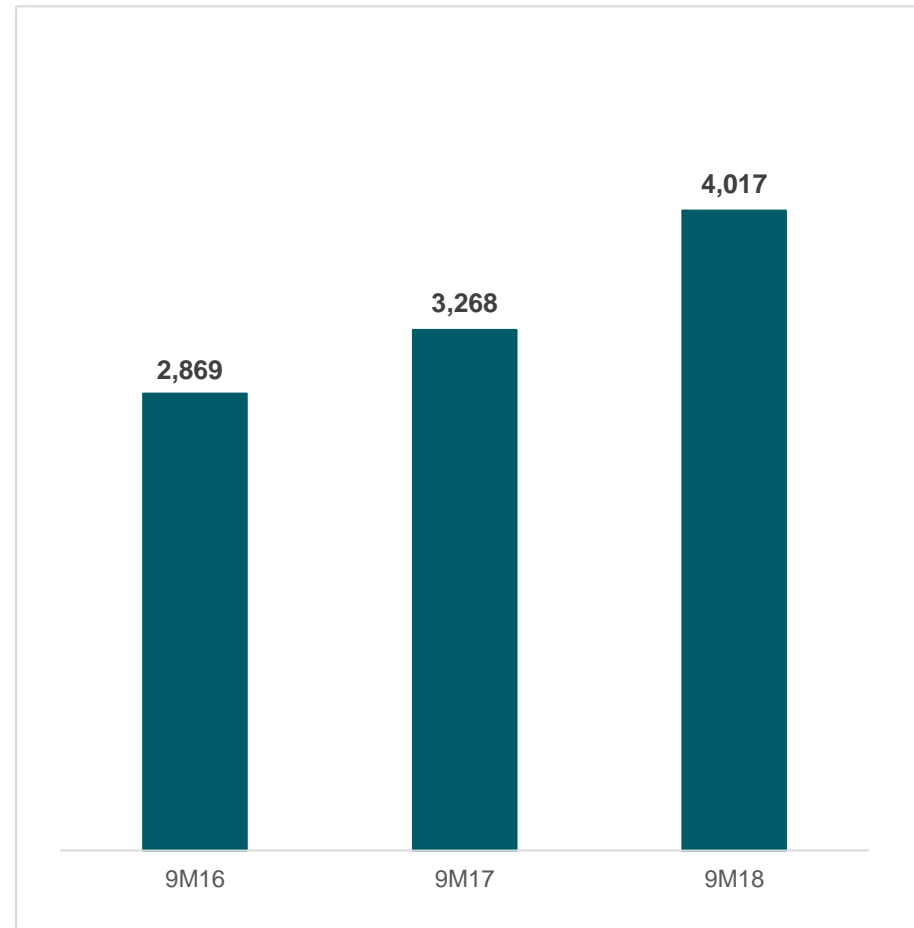


Retained Premium

Retained Premium (R\$ million)
Quarter

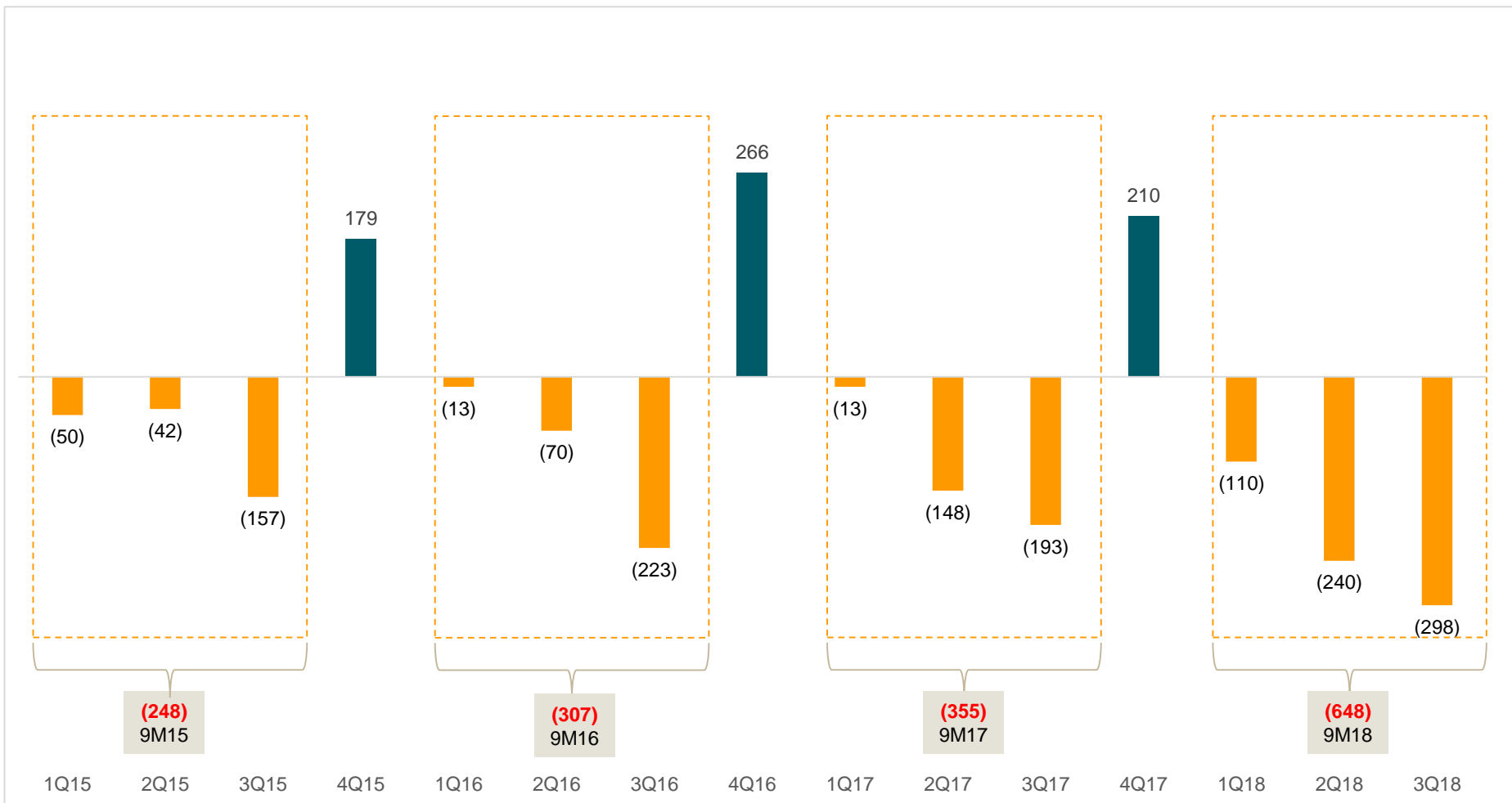


Retained Premium (R\$ million)
Accumulated



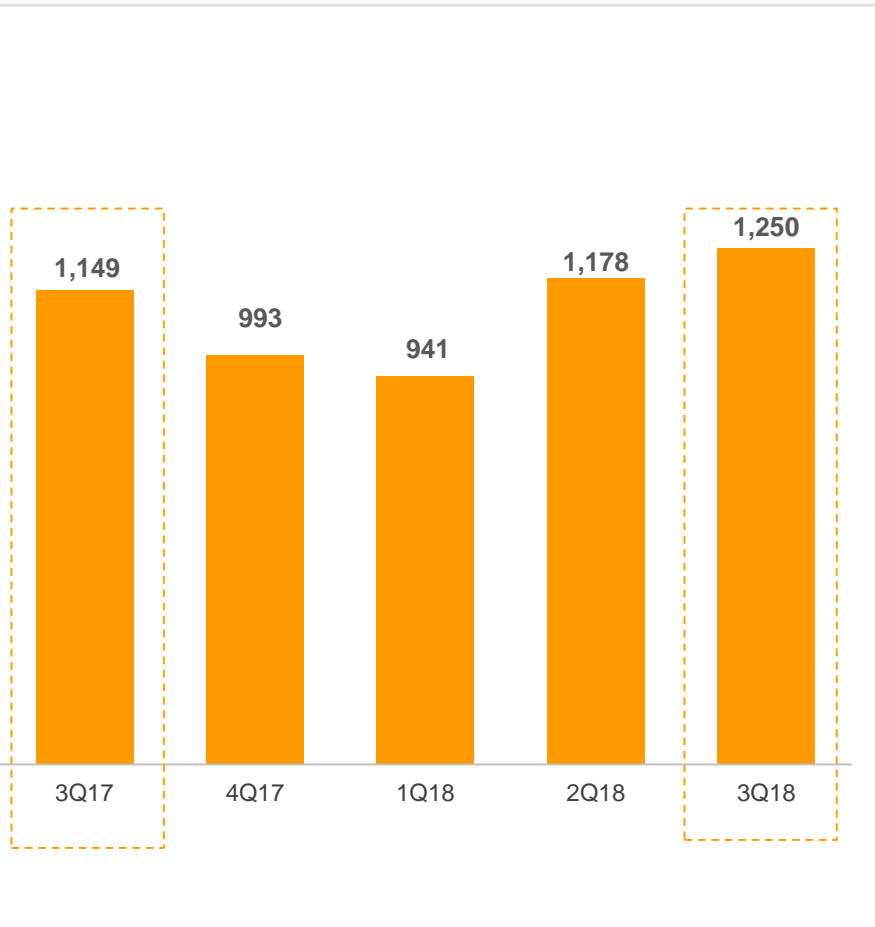
Change in the Technical Provision

Change in the Technical Provision (R\$ million) – Quarter

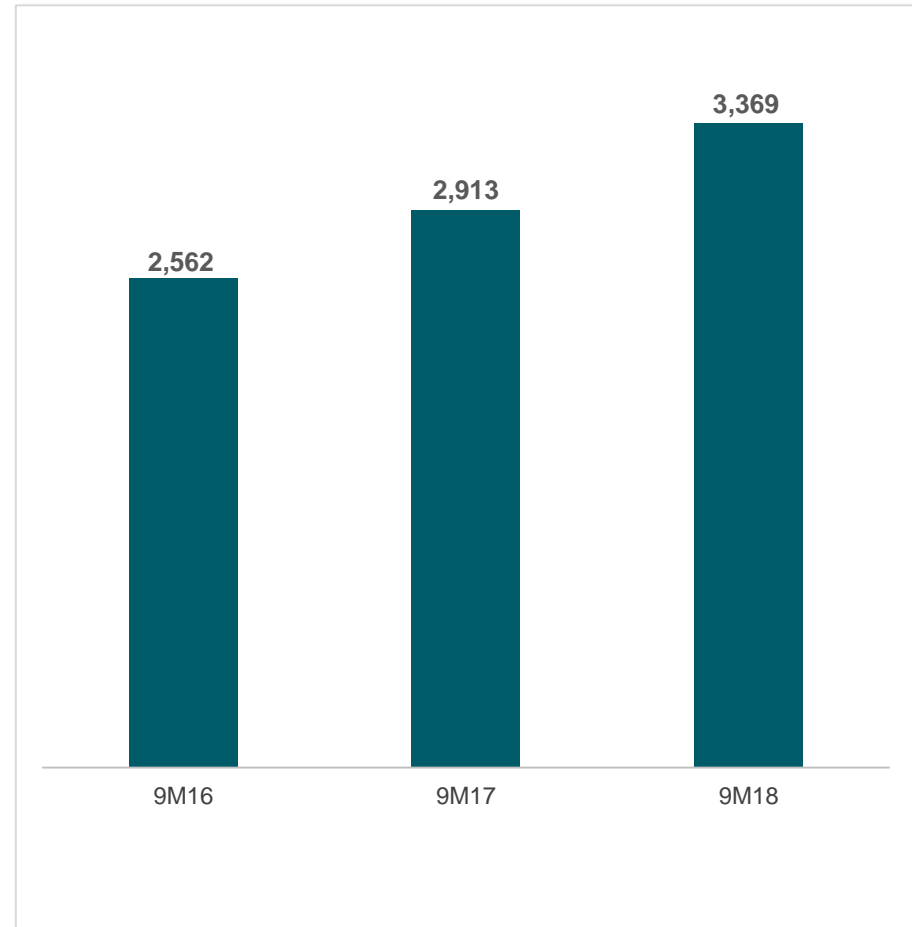


Earned Premium

Earned Premium (R\$ million)
Quarter

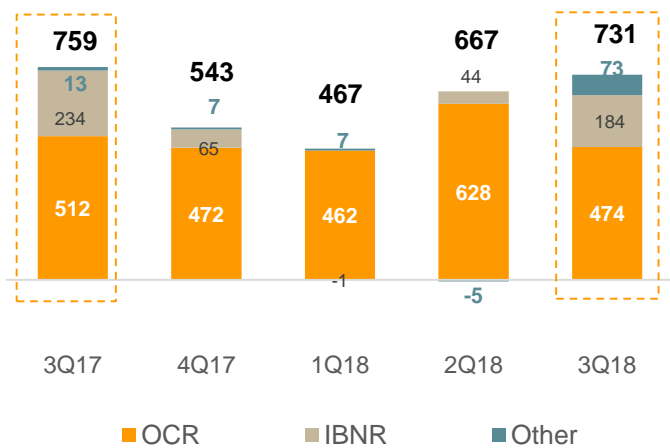


Earned Premium (R\$ million)
Accumulated

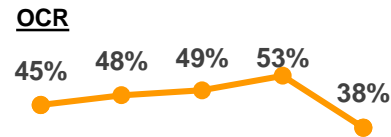
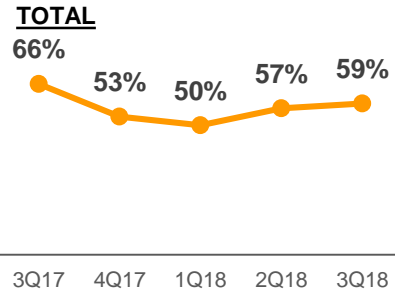


Retained Claim

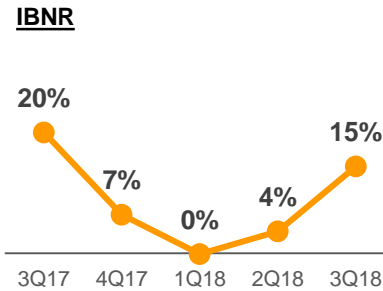
Retained Claim (R\$ million) – Quarter



Loss Ratio (%) – Quarter

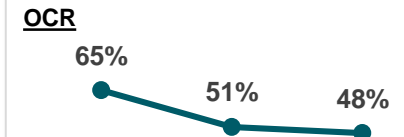
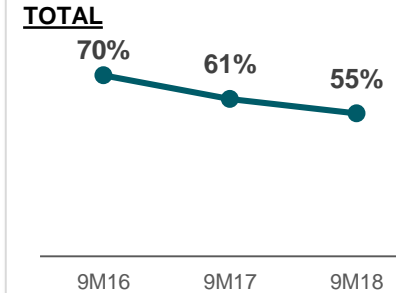


3Q17 4Q17 1Q18 2Q18 3Q18

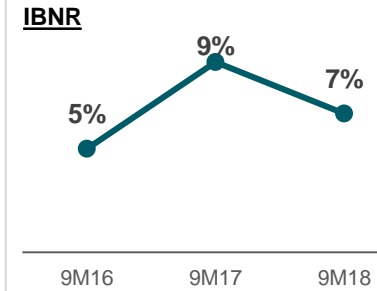


3Q17 4Q17 1Q18 2Q18 3Q18

Loss Ratio (%) – 9M

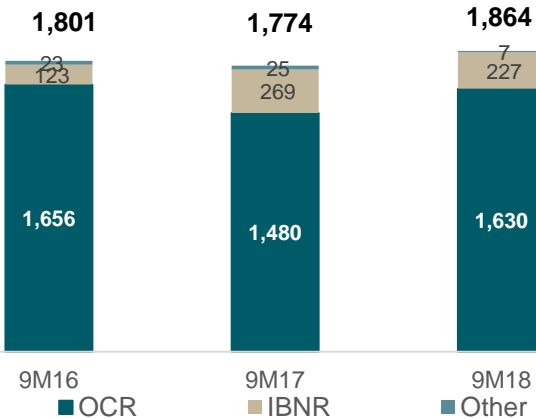


9M16 9M17 9M18



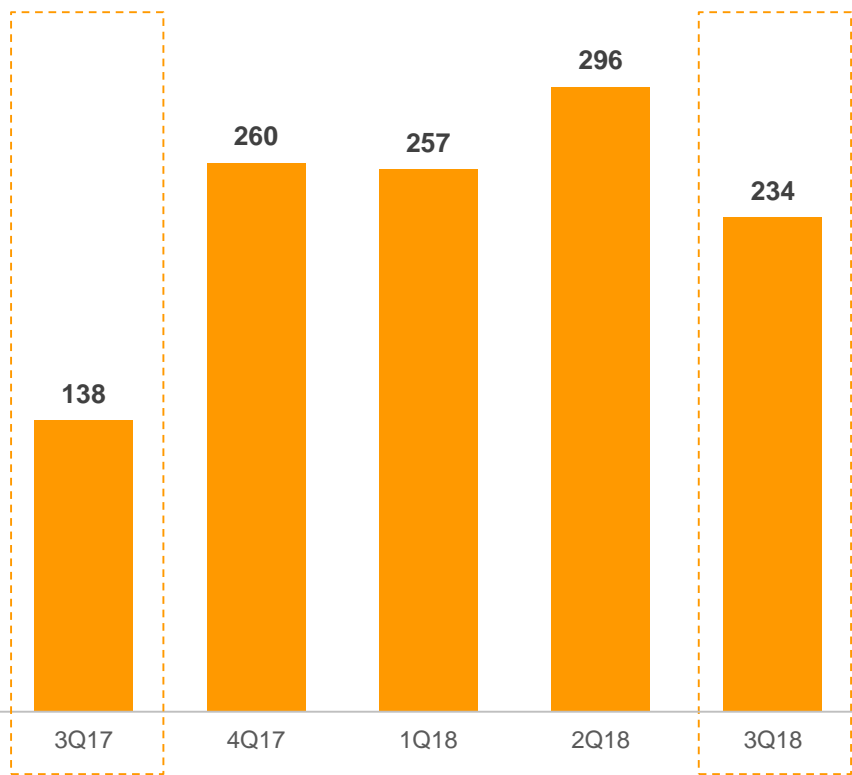
9M16 9M17 9M18

Retained Claim (R\$ million) – Accumulated

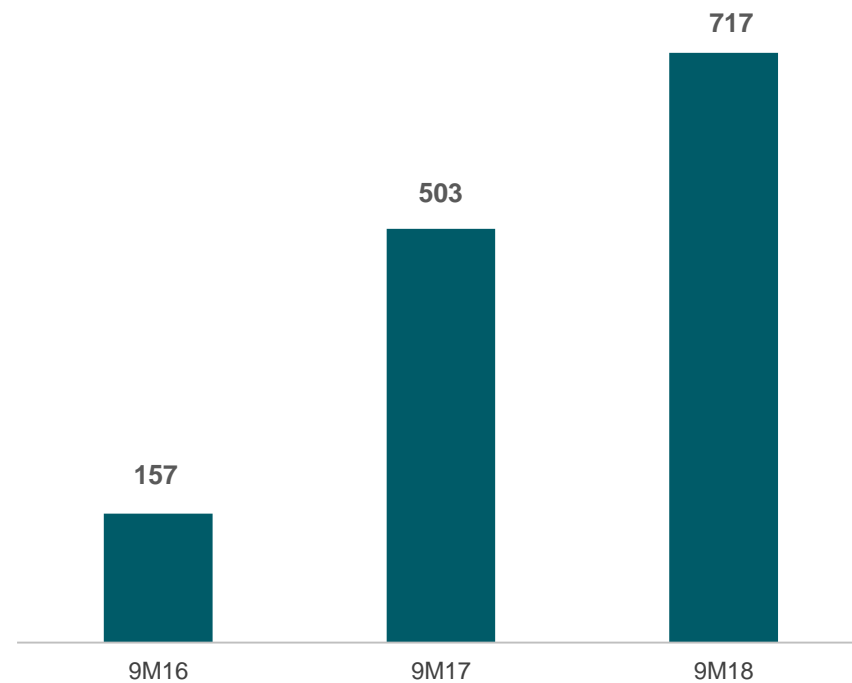


Underwriting Result

Underwriting Result (R\$ million)
Quarter

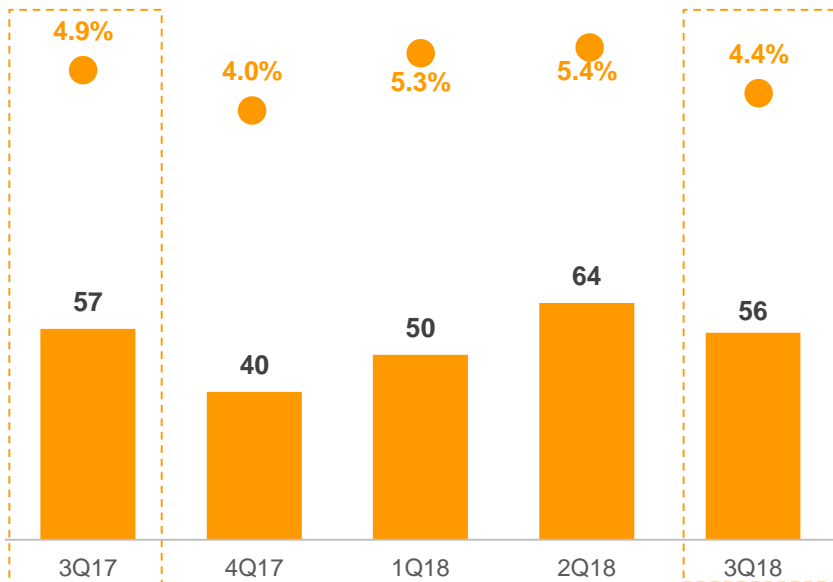


Underwriting Result (R\$ million)
Accumulated

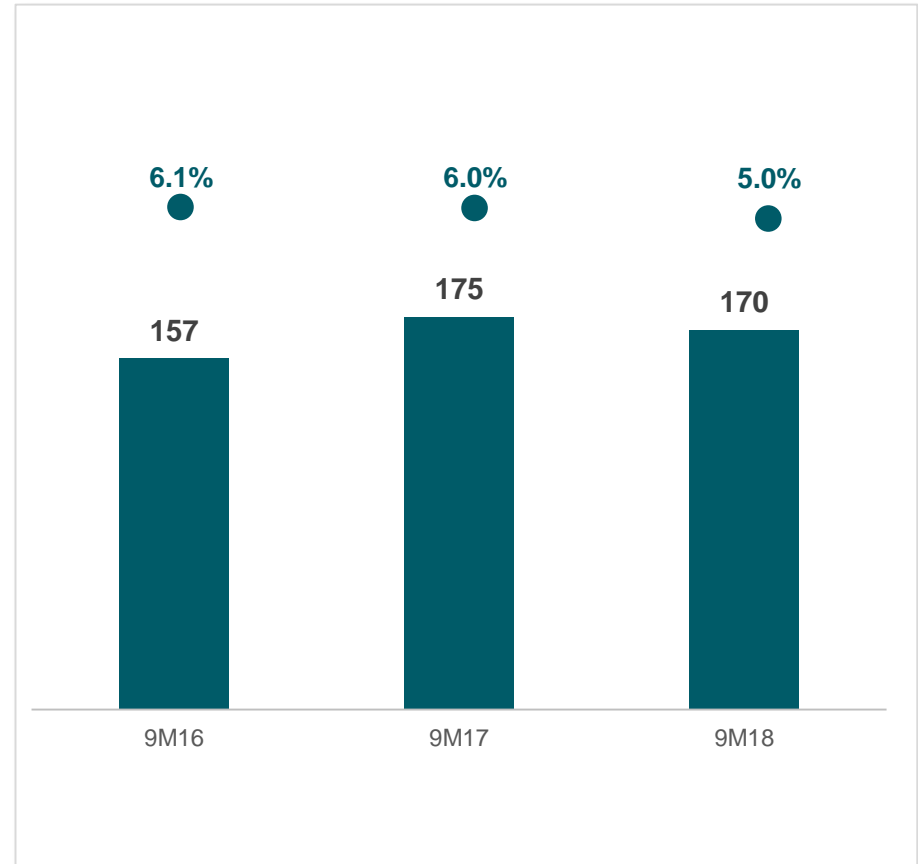


Administrative Efficiency

Administrative Expense (R\$ million) and AE Ratio (%)
Quarter



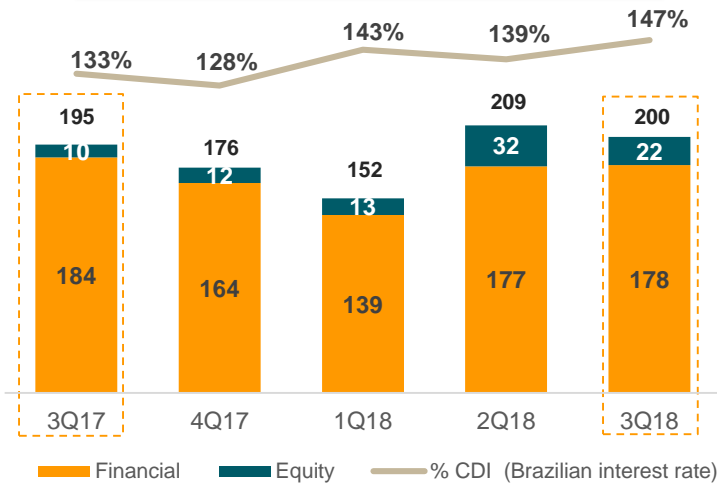
Administrative Expense (R\$ million) and AE Ratio (%)
Accumulated



Financial Result

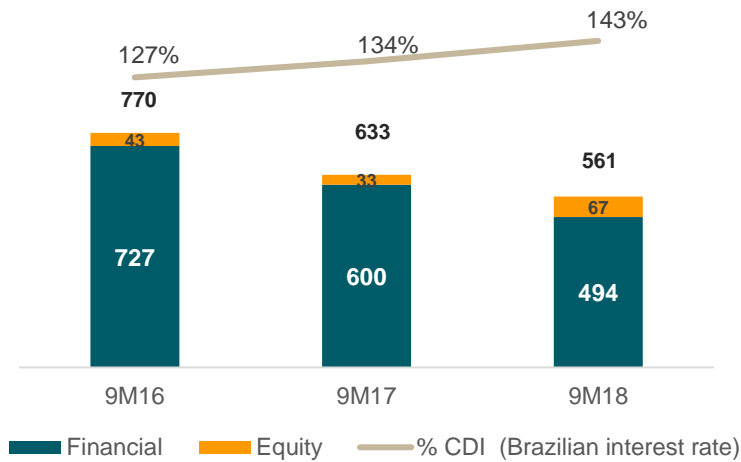
Investment Portfolio Result R\$ million and % of CDI

Quarter

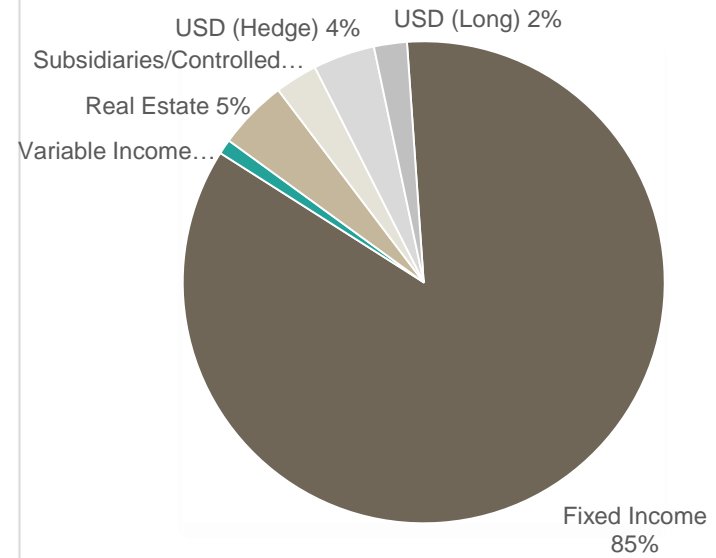


Investment Portfolio Result R\$ million and % of CDI

Accumulated



Investment Portfolio Breakdown 9M18



Assets under management:
R\$6.3 billion

Obs.: The % of the CDI calculation represents the financial assets profitability performance over the average daily trading volume of the financial assets, excluding the real estate profitability and its referred assets from the calculation.

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www.irbbrasilre.com

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