

# Presentation of Results

## 3Q21 | 9M21

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# Initial Considerations

## Definitions

- (A) Discontinued business (*run-off*): large contracts not renewed, at the initiative of the Company, in the period from July 2020 to June 2021.
- (B) Continued business (*run-on*): businesses that constitute the company's current portfolio of contracts.
- (C) *One-off* effects: non-recurring effects that impacted the period.
- (D) *Run-on* normalized or recurring: continued business (*run-on*) excluding non-recurring effects (*one-off*).

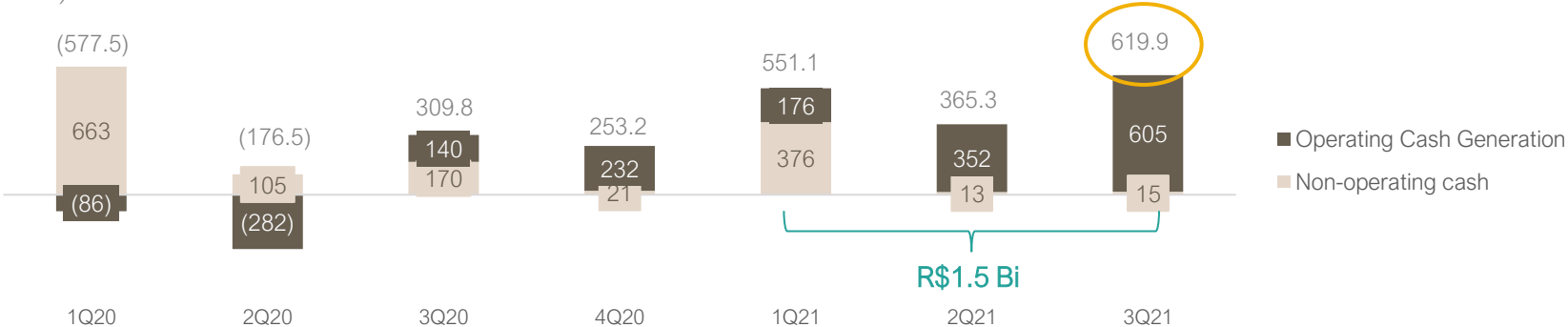
It is important to highlight that, by nature, our activity is subject to fluctuations in results and, therefore, shorter observation periods (monthly or quarterly) may not represent a good basis for future projections.

All information presented in this material is based on the business view (see note 3.1 of the Financial Statements).

# Key Indicators

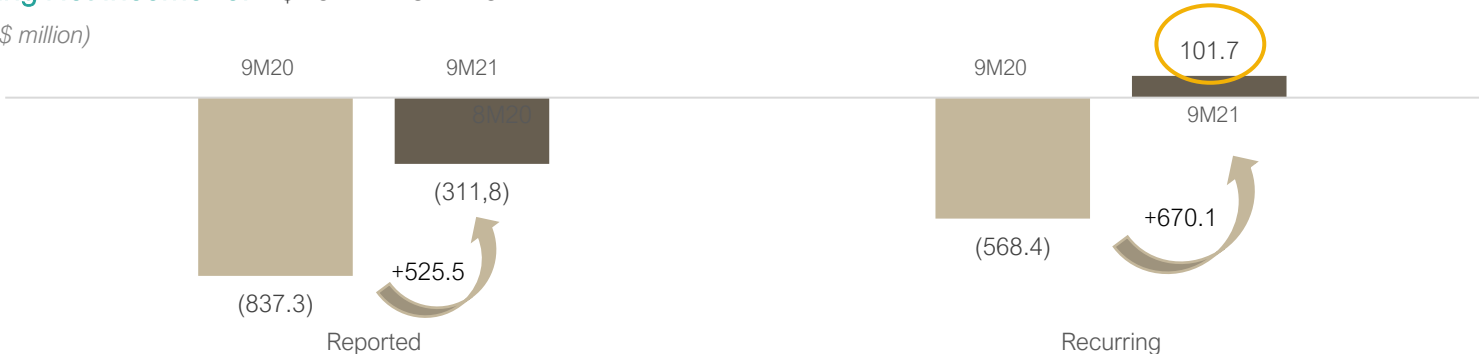
Cash Generation robust in the last 9 months, reaching R\$1.5 billion

(R\$ million)



Recurring Net Income\* of R\$102 million in 9M21

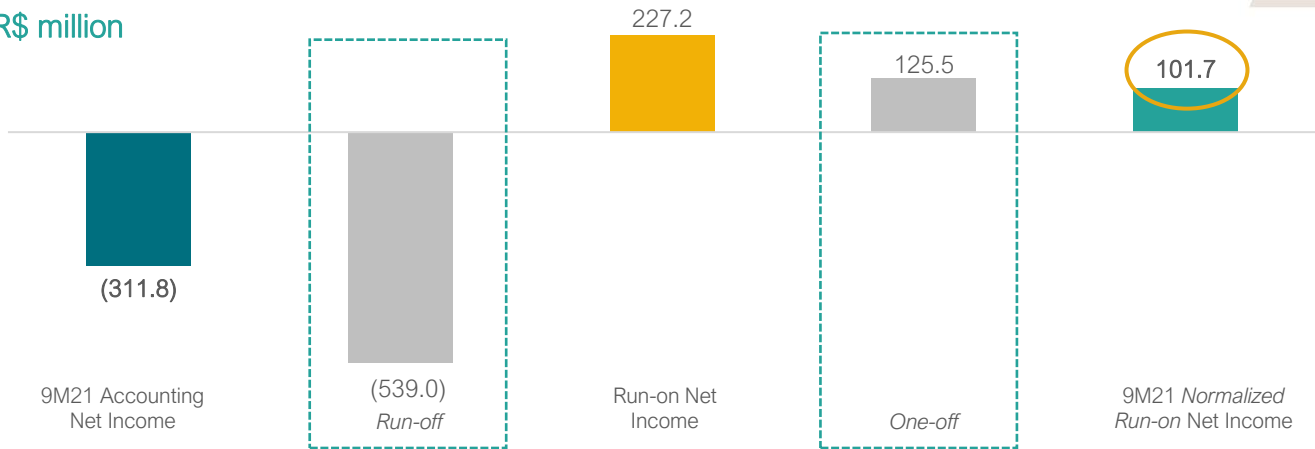
(R\$ million)



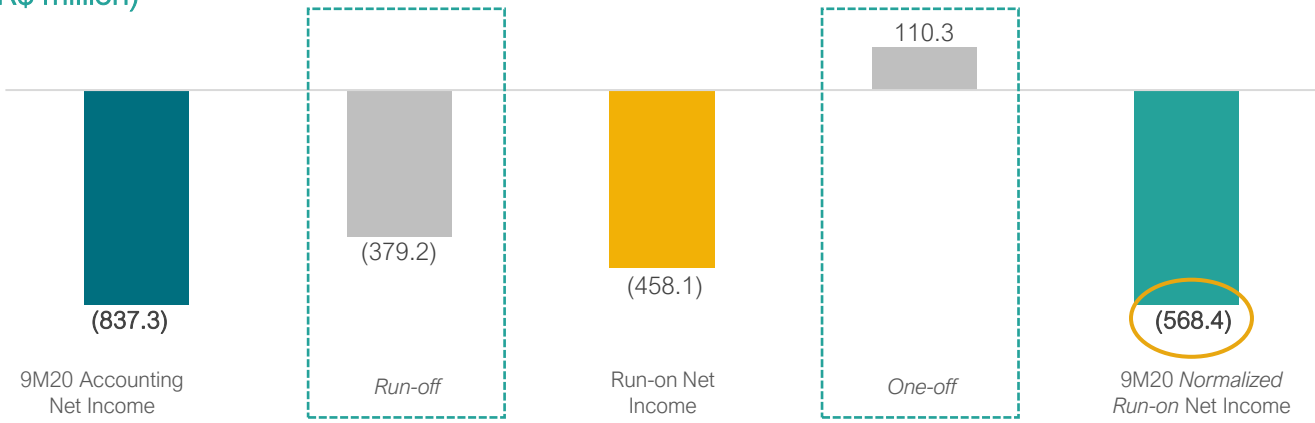
\*Excludes run-off and one-off impacts.

# Recurring Net Income of R\$ 102 million in 9M21

## 9M21 – R\$ million

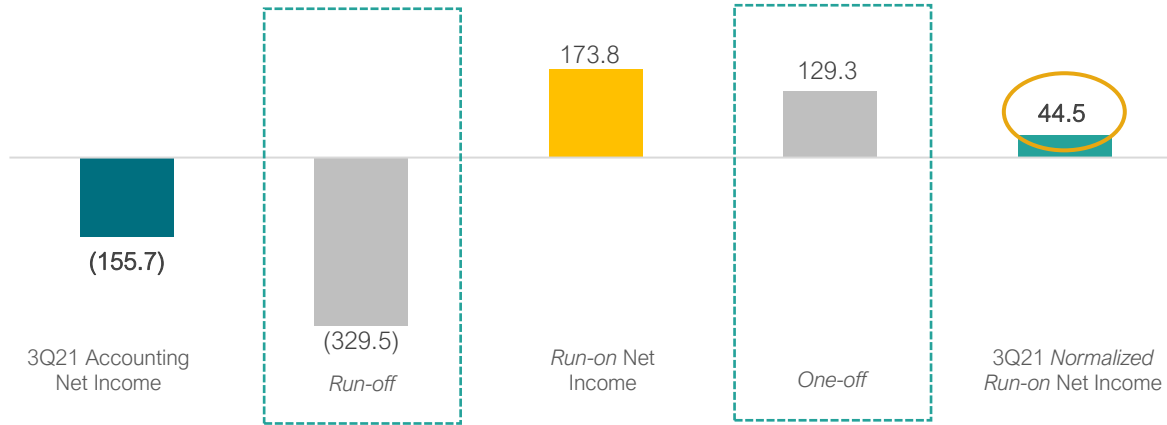


## 9M20 - (R\$ million)



# Recurring Net Income of R\$45 million in 3Q21

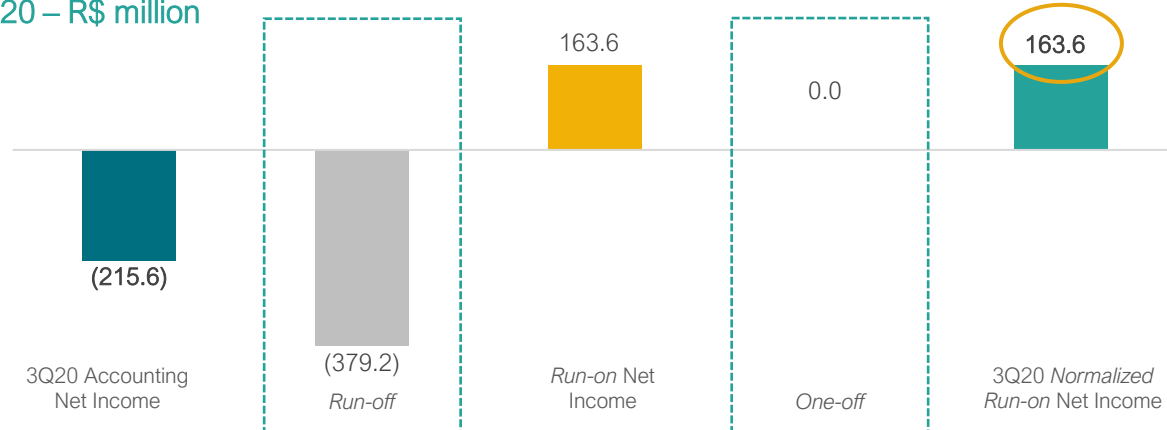
3Q21 – R\$ million



## Main impacts on 3Q21:

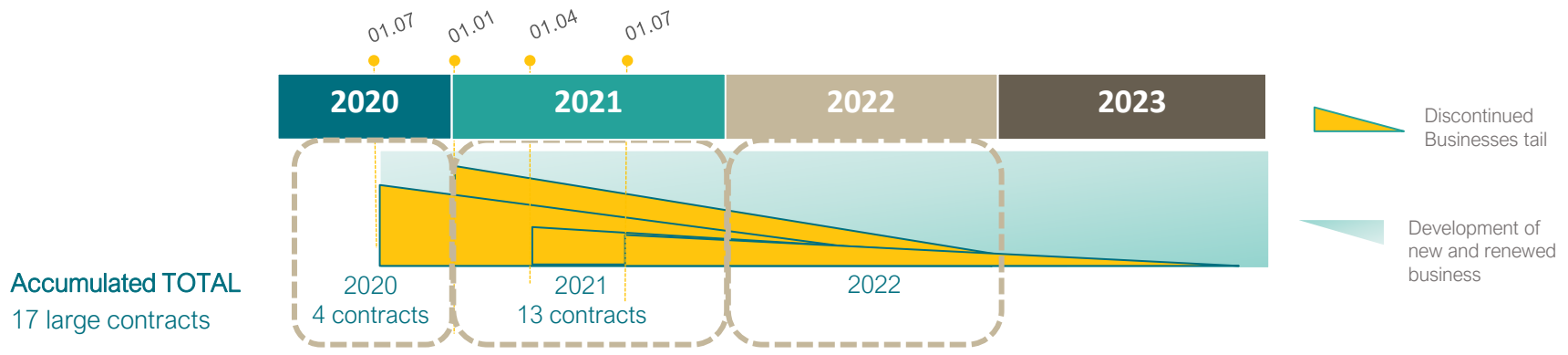
- Discontinued Business\* (*Run-off*); Impact of R\$329.5 million on net income:
  - R\$219.4 million arising from the tail of the discontinued contract in the international life segment.
- One-off effects*:
  - Positive record resulting from the gain of PIS/PASEP tax credits.

3Q20 – R\$ million



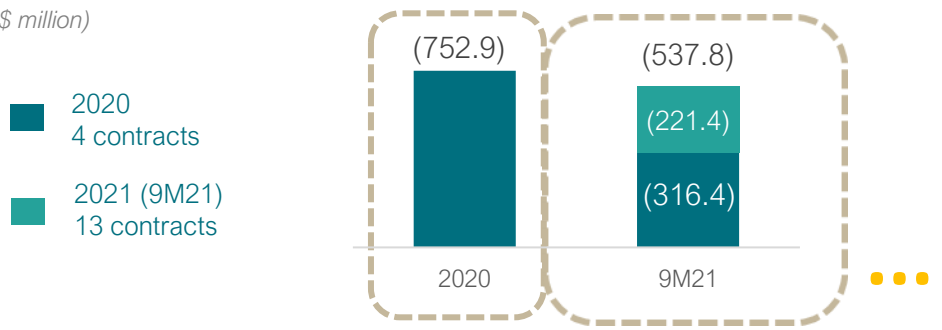
# Re-Underwriting Strategy

*Run-off tail* with relevant impact of the 17 major discontinued contracts



**Portfolio review** with cumulative impact in the *Underwriting* result of R\$1.3 billion since 2020

(R\$ million)

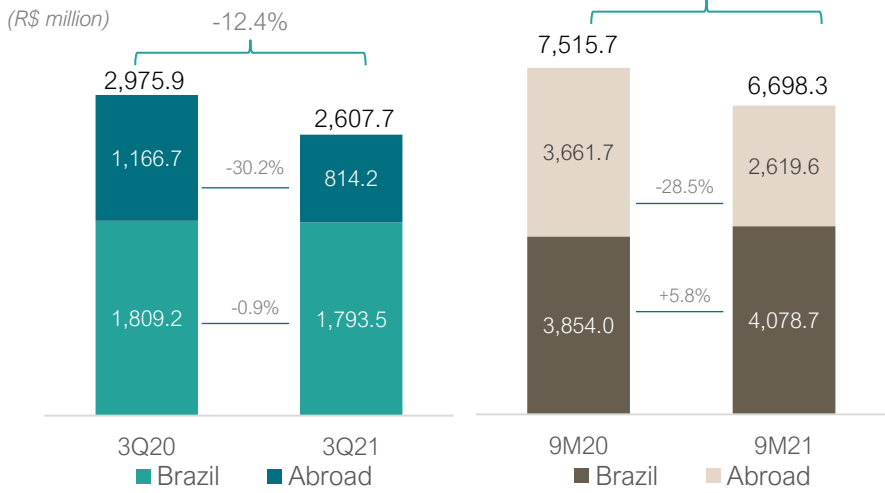


\* Large contracts: proportional contracts with high volume of premium that contributed significantly to adverse results.

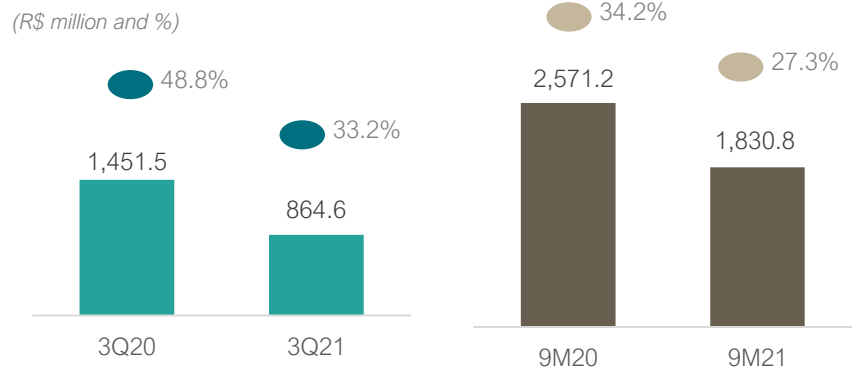
Graph merely illustrative, there may be monthly volatility. It does not indicate projection of values, but trend that the effects of discontinued contracts will be lower in a medium-term time horizon.

# Premium Evolution

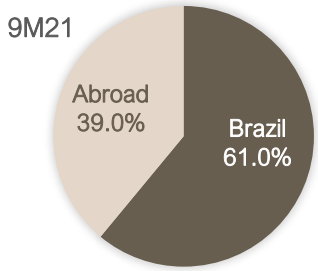
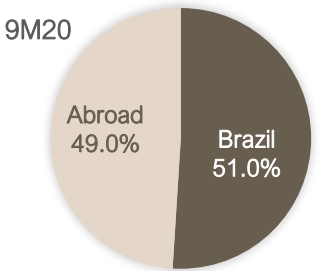
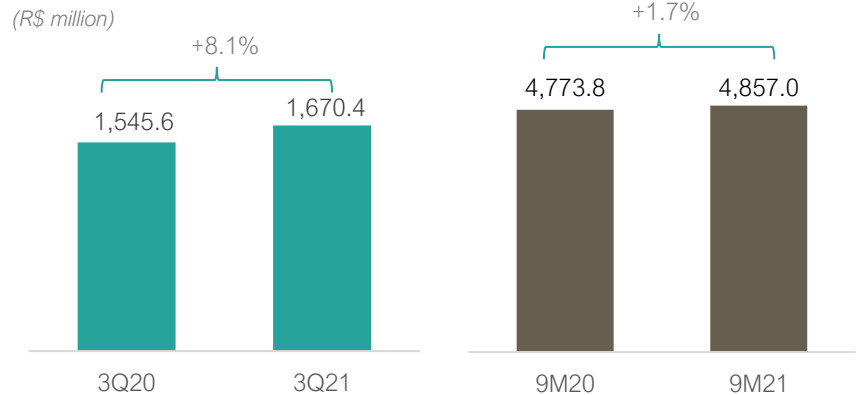
## Written Premium by Region



## Retrocession Ratio



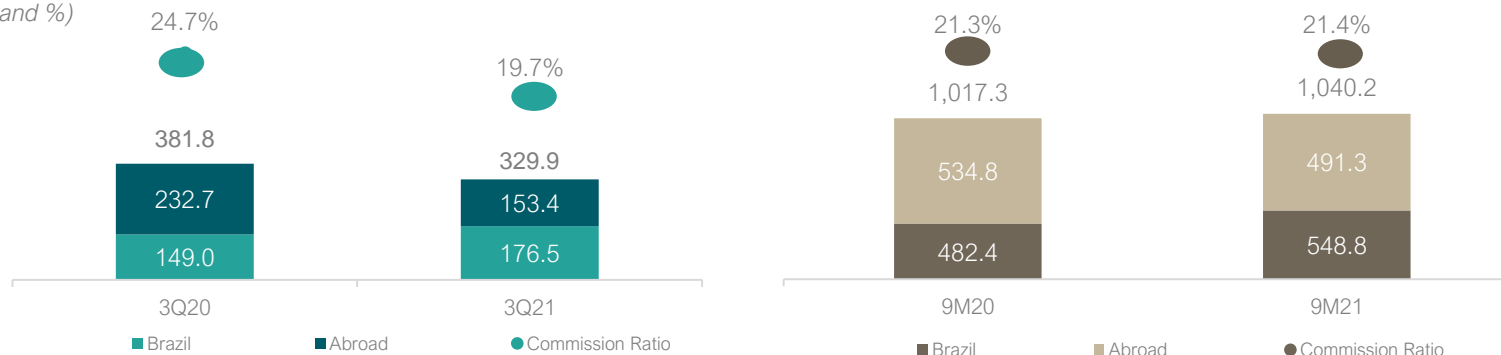
## Earned Premium



# Acquisition Cost and Administrative Expense

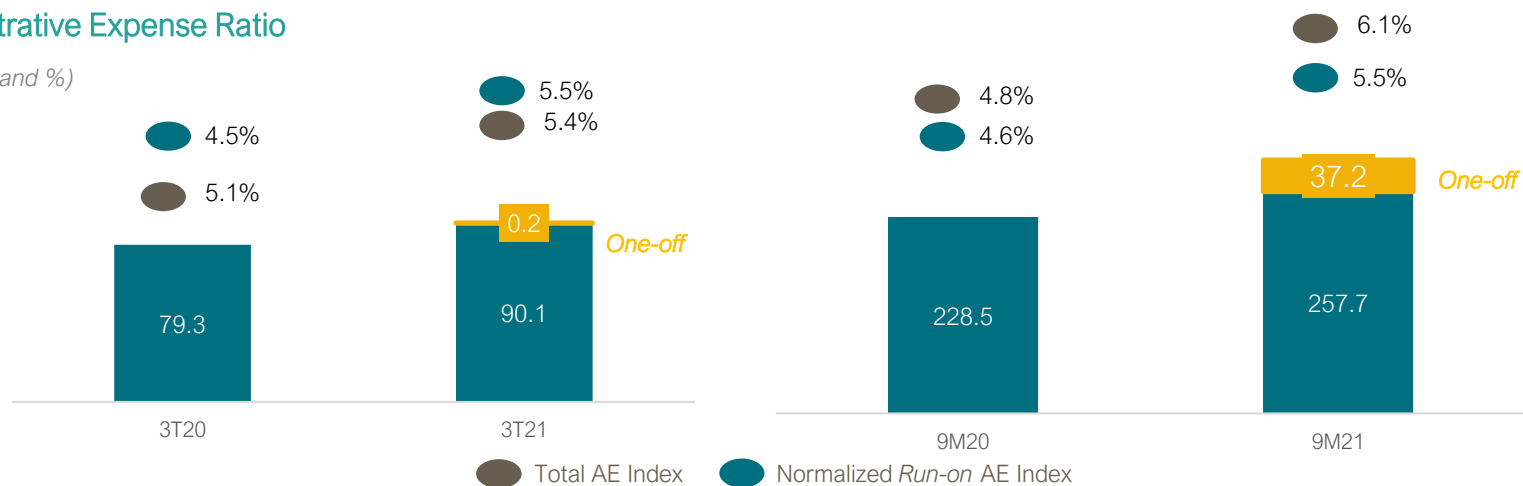
## Acquisition Cost & Commission Ratio

(R\$ million and %)



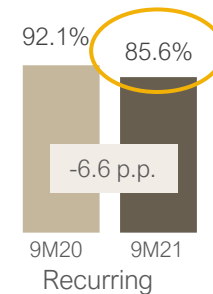
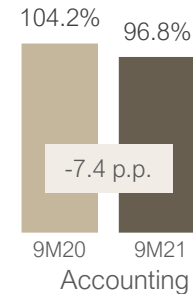
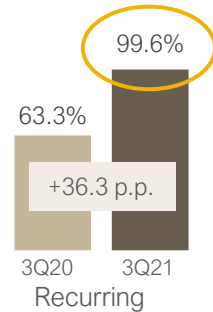
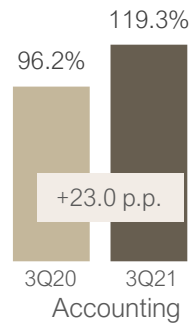
## Administrative Expense Ratio

(R\$ million and %)

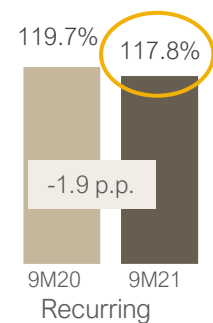
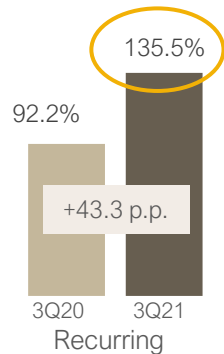


# Loss Ratio and Combined Ratio

Recurrent claims\* with an improvement of 6.6 p.p. in the nine month period



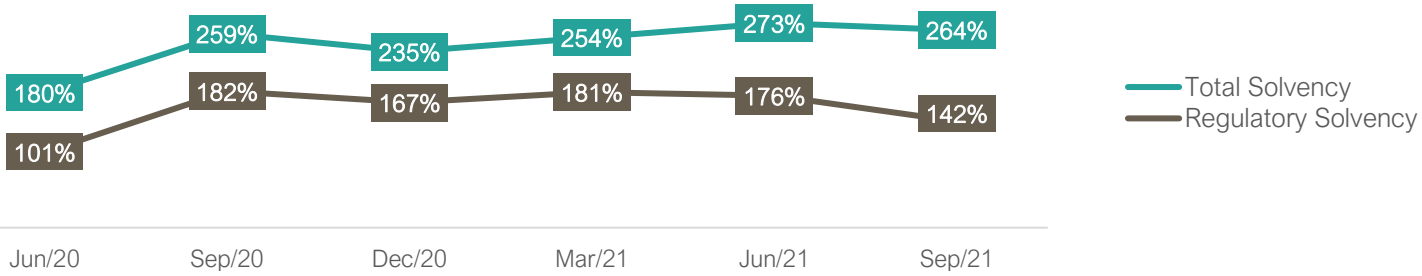
Recurring Combined ratio\* with improvement of 1.9 p.p. in the nine month period



\*Excludes run-off and one-off impacts.

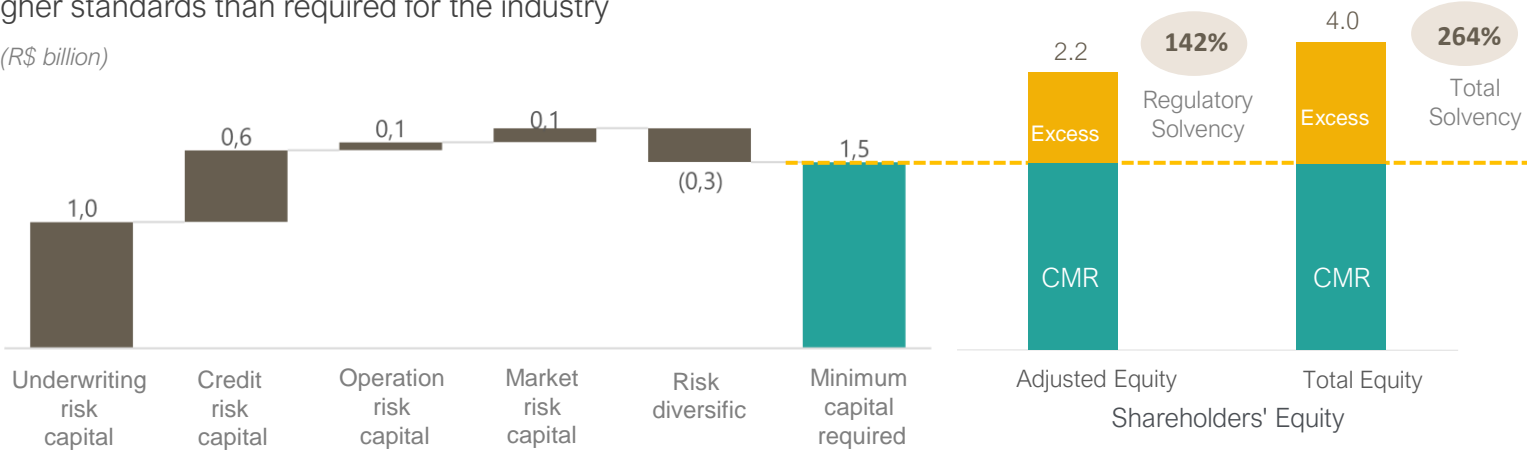
# Solvency

Robust **solvency**, but still subject to impact of *run-off business*



With higher standards than required for the industry

(R\$ billion)

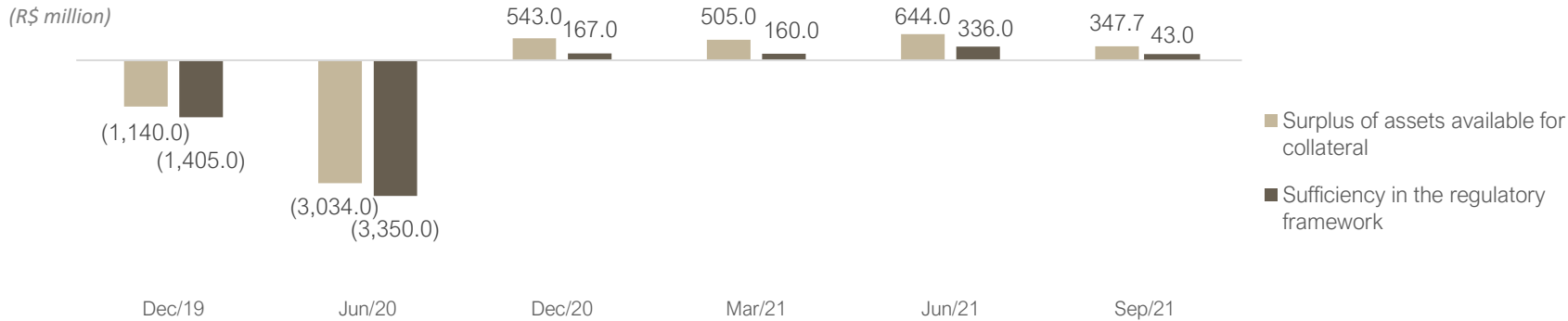


Annex 1 note 1.1.1 of 09/30/21: Calculation of the minimum capital required.

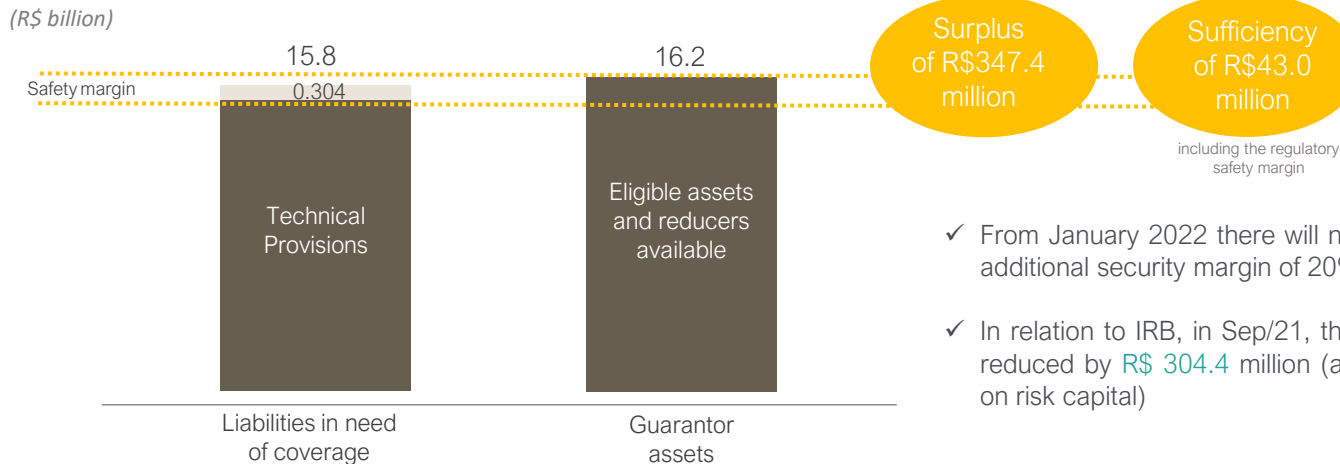
Adjusted Equity: Total Equity excluding deferred taxes, intangibles and investments in affiliates. Total Equity: Book Equity.

# Coverage Sufficiency

## Coverage of Technical Provisions and Solvency



## Sufficiency of coverage of Technical Provisions at appropriate levels

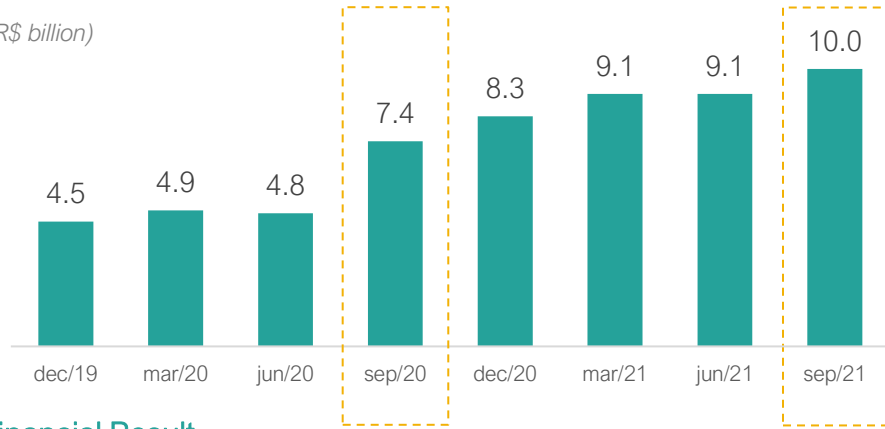


- ✓ From January 2022 there will no longer be the requirement of the additional security margin of 20% on risk capital.
- ✓ In relation to IRB, in Sep/21, the regulatory requirement would be reduced by R\$ 304.4 million (additional security margin of 20.0% on risk capital)

# Financial Assets

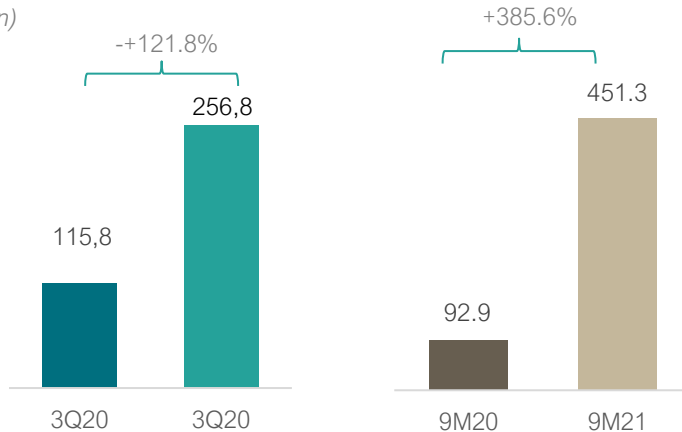
## Evolution of Financial Assets

(R\$ billion)



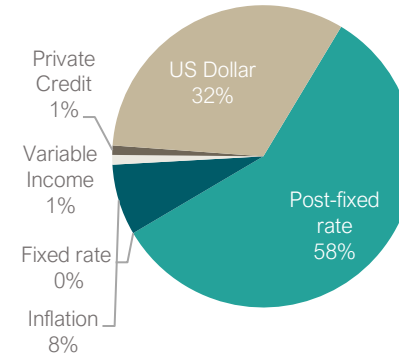
## Financial Result

(R\$ million)



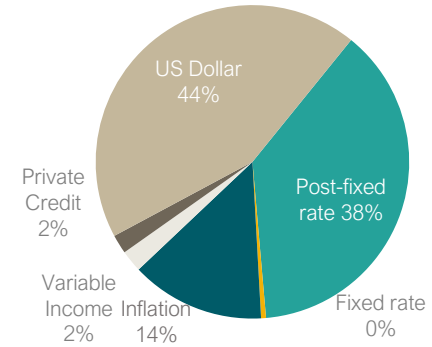
## Composition of Financial Assets by Class (%)

September 2020



Total Assets R\$7.4 bi

September 2021



Total Assets R\$10.0 bi

Company continues to be:

- ✓ **Robust** with R\$23.9 billion of Assets;
- ✓ **Solid** with R\$4.0 billion of Shareholders' Equity; and
- ✓ **Liquid** with R\$10.0 billion Cash.

*Adequate Covenants*

# Attachments








# Financial Indicators

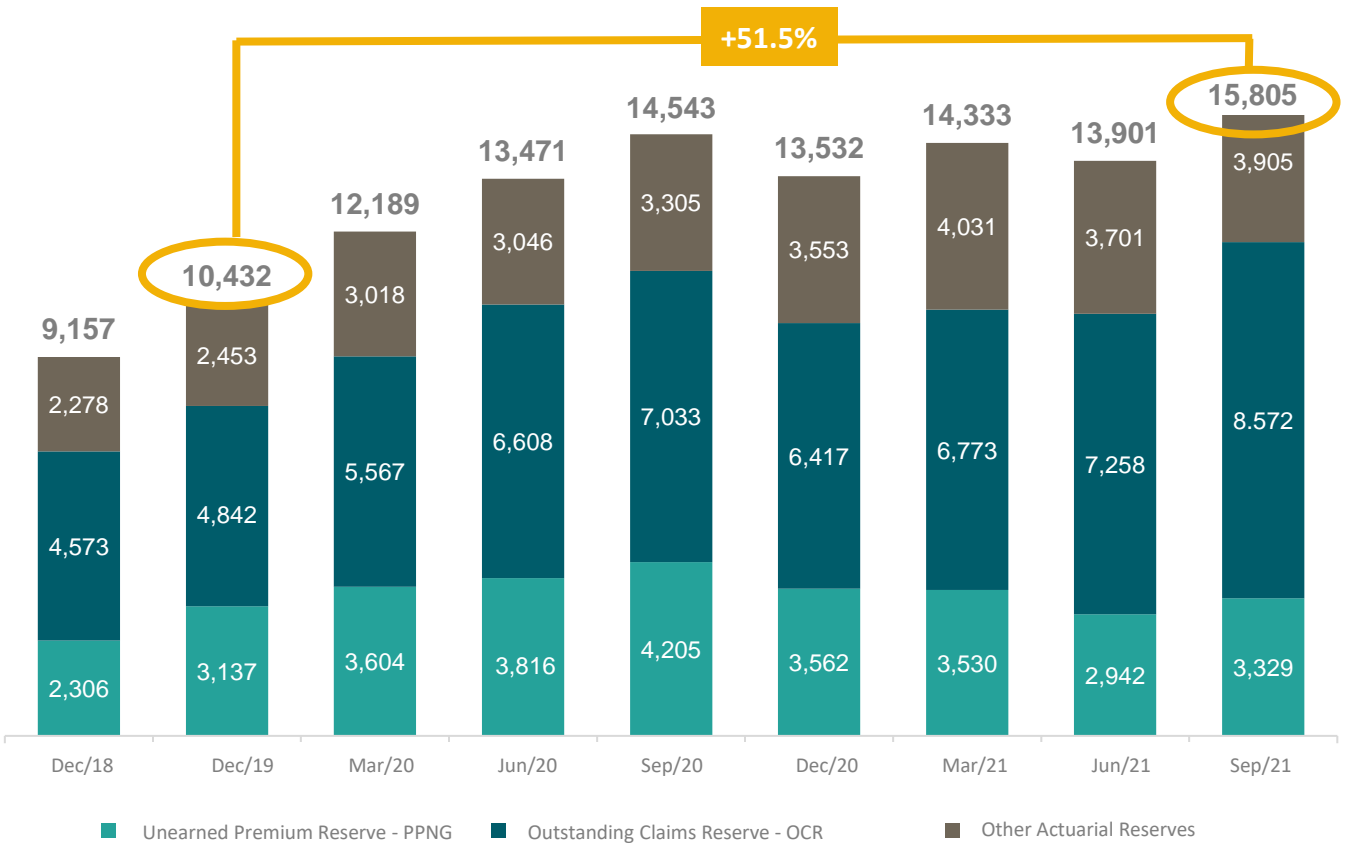
## Over 100% Earned Premium - Recurring Data\*

- 
 Loss Ratio 85.6%  
 (target in Sep/20: 68%-73%)
- 
 Commission Ratio: 21.9%
- 
 Administrative Expense Ratio: 5.5%
- 
 Financial Result: 9.3%
- 
 Cash of R\$1.5 billion (Since 2017 the company did not generate cash for 2 semesters in a row)

## 9M21 Highlights

- 
 Total written premium of R\$6.7 billion, of which R\$4.1 billion in Brazil and R\$2.6 billion abroad (-11% vs. 9M20).
- 
 Total retained claims of R\$4.7 billion with accounting loss ratio of 96.8%, an improvement of 7 p.p. vs. 9M20.
- 
 Negative UW result of R\$940.8 million, an improvement of R\$442.2 million over 9M20.
- 
 Positive financial result of R\$451.3 million, 385.6% higher than the reported in 9M20.
- 
 Net loss of R\$311.8 million compared to R\$837.3 million in the 9M20. *Run-on net income* of R\$101.7 million.

# Evolution of Technical Provisions



- Unearned Premium Provision - PPNG  
 $\Delta$  Dec 19/Sep21: +6.1%
- Outstanding Claims Reserve - OCR  
 $\Delta$  Dec 19/Sep21: +77.0%
- Other Actuarial Provisions\*  
 $\Delta$  Dec 19/Sep21: +59.2%

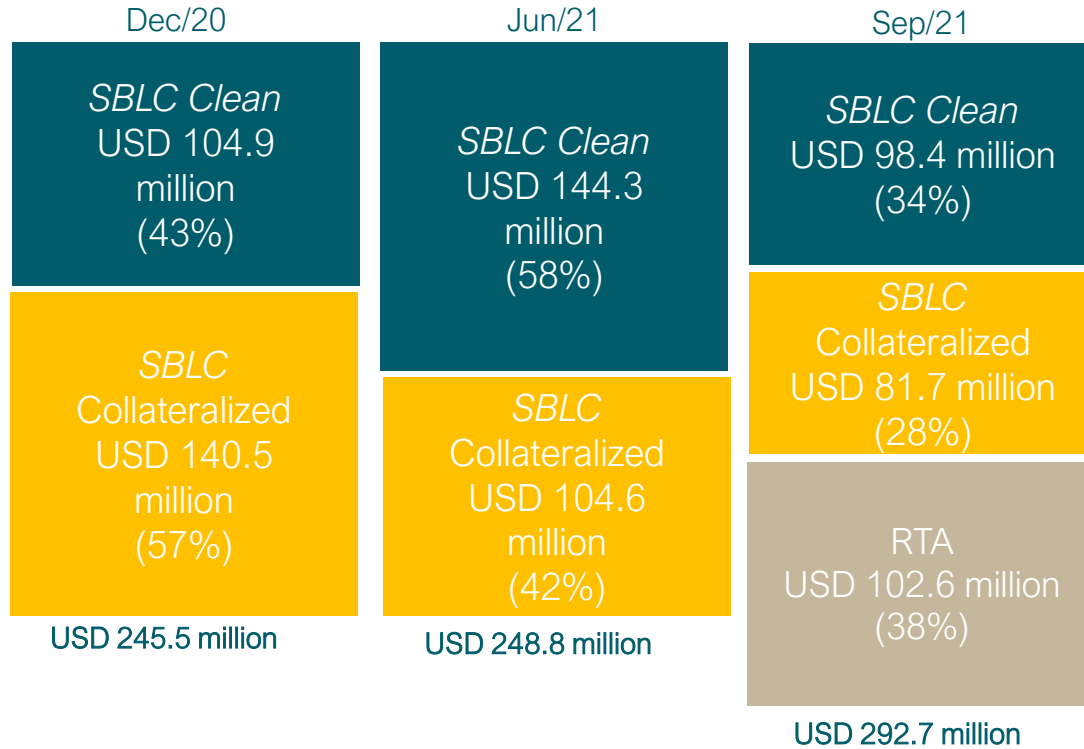
Note: Includes LPT operations. \* Includes IBNR, IBNeR, PET, PDR and others.



# Operating Cash Generation on 3Q21: + R\$605 million

(R\$ million)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
<b>Operational Inflows</b>	<b>2,264.7</b>	<b>2,957.2</b>	<b>2,902.8</b>	<b>3,432.8</b>	<b>2,512.3</b>	<b>2,529.7</b>	<b>2,764.7</b>
<i>Receipts for insurance premiums</i>	1,945.6	2,624.7	2,296.4	3,047.6	1,788.0	2,482.4	2,654.2
<i>Recovery of claims and commissions</i>	326.3	303.6	504.1	424.6	537.7	267.4	185.3
<i>Dividends – Ownership interests</i>	0.1	0.1	0.0	0.1	0.1	0.3	0.7
<i>Judicial deposits reversals</i>	0.2	(0.1)	19.3	(1.2)	(0.1)	(15.7)	(3.7)
<i>Other operational receipts</i>	(7.5)	28.9	83.0	(38.2)	186.5	(204.7)	(71.9)
<b>Operational Outflows</b>	<b>(2,350.4)</b>	<b>(3,239.1)</b>	<b>(2,762.8)</b>	<b>(3,200.5)</b>	<b>(2,336.7)</b>	<b>(2,177.7)</b>	<b>(2,159.5)</b>
<i>Payments of claims</i>	(1,321.7)	(2,050.1)	(1,546.6)	(1,745.0)	(1,223.8)	(1,004.9)	(1,223.1)
<i>Other expenses and commissions</i>	(255.8)	(481.3)	(326.9)	(468.4)	(266.1)	(389.8)	(466.0)
<i>Transfer of premiums for ceding risks</i>	(499.7)	(665.2)	(741.5)	(894.3)	(705.5)	(613.2)	(384.3)
<i>Payments of expenses and obligations</i>	(273.1)	(42.6)	(147.8)	(92.8)	(141.3)	(169.8)	(86.5)
<b>Cash from (used in) operations</b>	<b>(85.7)</b>	<b>(281.9)</b>	<b>140.0</b>	<b>232.3</b>	<b>175.6</b>	<b>352.0</b>	<b>604.8</b>
<b>Cash from (used in) non-operarional activities</b>	<b>663.2</b>	<b>105.4</b>	<b>169.8</b>	<b>20.9</b>	<b>375.5</b>	<b>13.4</b>	<b>15.1</b>
<b>Total Balance</b>	<b>577.5</b>	<b>(176.5)</b>	<b>309.8</b>	<b>253.2</b>	<b>551.1</b>	<b>365.3</b>	<b>619.9</b>

# International Operations Guarantees - Obtaining new clean lines - credit improvement



- ✓ As of Dec/20, the total number of foreign collateralized Letters of Credit was USD 140.5 million, representing 57% of the total. This proportion was reduced to 28% in Sep/21, totaling USD 81.7 million.
- ✓ Of the total USD 292.7 million in guarantees as of Sep/21, there are USD 27.4 million in the process of cancelling clean letters of credit in 4Q.
- ✓ The Company remains in the process of replacing the current Letters of Credit for other modalities such as the Reinsurance Trust Agreement (RTA), with the objective of using these assets as reducers of technical provisions to be covered and less financial costs.
- ✓ As of Aug/21, the Company opened some RTAs accounts in the amount of USD 112.6 million. The direct result will be the increase of our coverage sufficiencies of Technical Provisions and Regulatory Liquidity.

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