


The logo for IRB Brasil RE, featuring the text "IRB Brasil RE" in white on a dark teal background with a yellow diagonal stripe.

IRB Brasil RE

Parent Company and Consolidated Financial Statements

As at December 31, 2022

(A free translation of the original report in Portuguese as published in Brazil)

The logo for IRB Brasil RE, featuring the text "IRB Brasil RE" in white on a dark blue rectangular background with a yellow diagonal stripe on the right side.

IRB Brasil RE

MANAGEMENT REPORT

2022

CVM VERSION

Management Report – Year Ended December 31, 2022 CVM VERSION

Dear Shareholders,

We submit to your examination the Management Report of IRB Brasil RE and the related Financial Statements and Independent Auditor's Report for the reporting year December 31, 2022.

The Company's Consolidated Financial Statements was prepared according to the practices adopted in Brazil, issued by the Accounting Pronouncement Committee (CPC), related to the rules established by the Brazilian Corporate Law (Law 6,404/76), and the International Financial Reporting Standards (IFRS).

The information presented in this material is available on the Investor Relations' website of IRB Brasil RE (<https://ri.irbre.com/informacoes-financeiras/resultados-trimestrais/>) and on the website of the Brazilian Securities and Exchange Commission (CVM) (www.cvm.gov.br).

The Company's Management uses, for decision-making purposes, a group of accounts different from the ones presented in the statement of profit or loss, prepared according to the accounting practices adopted in Brazil for reinsurers, and that was used in the presentation of this document.

1. Message from Management

The Brazilian insurance market grew 21.2% in 2022, while the reinsurance market was up 22.3%, showing remarkable resilience despite the modest growth in the country's Gross Domestic Product.

With regard to the performance of the sector, it still reflected the devastating consequences of the pandemic, besides the severe droughts that affected Brazil. Both factors strongly impacted the Reinsurer's profit or loss, and, consequently, its regulatory indicators, which were regularized after the capital increase completed in September 2022.

As of the nomination of the then Board member Marcos Falcão as CEO, in November 2022, the company has been undergoing a deep restructuring aimed to make it more competitive and efficient. In December 2022, the Board of Directors decided to transform the Risks and Internal Controls Management into a statutory unit and elected Thais Ricarte Peters, who was then an external member of the Investments, Capital Structure and Dividends Committee, to take over it, which includes the Compliance Unit. And in January 2023, the board moved the then Board Member, Daniel Castillo, to the position of Underwriting Vice-President Officer. A professional with vast experience in the international reinsurance sector, gained with over 40 years working in major global groups, his mission is to improve the technical standards of the Company applicable to core activities, which include the underwriting, pricing and after-sales processes, strengthening the relationship with customers and business partners.

To assist in the design of the new structure of IRB, revision of processes and seek efficiencies, the Company commissioned a consulting firm specialized in management. The main findings and recommendations will be delivered in March, for examination and implementation during the second quarter of 2023.

The new structure of IRB is supported by the following pillars: financial discipline, excellence in underwriting, agility in performance with simple and clear targets.

The Management is confident that the strategy is well devised and has a team prepared to implement it.

2. Economic and Financial Performance

Written, Retained and Earned Premiums

In 2022, the total volume of written premiums volume decreased 9.9% compared to 2021, totaling R\$7,892.0 million. Written premiums in Brazil totaled R\$5,377.5 million, a 0.9% increment, reflecting the strategy of focusing our businesses on local market. Meanwhile, written premiums abroad reached R\$2,514.5 million, down 26.7% from 2021. The lower share of written premiums abroad in 2022 was mainly due to the re-underwriting strategy that was widely disclosed by the Company.

In 2022, retroceded premiums showed an 8.8% reduction, following the fall in written premiums. Thus, retained premiums totaled R\$4,968.1 million, down 10.6% from the previous year. Finally, earned premiums totaled R\$5,097.6 million for the 12-month period of the year, down 13.6% from 2021 due to the effect on the changes in technical reserves and reduction in written premiums.

Retained Claims

In 2022, the volume of retained claims amounted to R\$5,314.9 million, down 11.2% from 2021. The main impacts were the following: (i) atypical climate events that impacted the Agriculture segment, and (ii) deaths arising from Covid-19 in the Life line. The loss ratio increased from 101.5% in 2021 to 104.3% in 2022, despite the nominal reduction in retained claims in 2022, which did not counterbalance the fall in earned premiums.

Profit or Loss from Underwriting

In 2022, underwriting still resulted in a loss of R\$1,449.4 million, compared to a loss of R\$1,568.7 million in 2021, impacted by a lower volume of written premiums, combined with the volume of retained claims in the period.

Finance Income

The finance income and share of profit of equity-accounted investees totaled R\$690.1 million in 2022, a 11.7% increment from 2021, arising from the increase in the Selic rate, besides the non-recurring effect of favorable court decisions, sale of the Company's head office building in Rio de Janeiro and the ownership interest of 20% in CasaShopping.

Pursuant to the provisions of the sub-section X of Art. 117 of SUSEP Circular 648 of November 12, 2021, IRB Brasil RE declares that it has financial capacity compatible with its operations, and does not hold any securities classified into the category "Held-to-maturity securities".

Administrative Expenses

In 2022, general and administrative expenses totaled R\$329.7 million, down 14.9% from 2021, mainly due to the decrease in personnel expenses and court fees. The ratio regarding earned premiums changed from 6.6% in 2021 to 6.5% in 2022.

Net Income (Loss)

The Company recorded a net loss of R\$630.3 million in 2022, compared to a net loss of R\$682.7 million in 2021. The main causes, as previously mentioned, were the deviations in loss ratio in the agriculture and life lines.

3. Impacts caused by COVID-19

In the year 2022, according to the information contained in the claim reports received by cedants, IRB recorded losses of R\$228.2 million in COVID-19-related claims (R\$383.7 million in 2021), according to the chart below:

Segment	2022	2021
Life	202.6	354.8
Property and Casualty	18.4	22.2
Financial risks	-	3.7
Other	7.1	3.1
Total	228.2	383.7

Since the beginning of the pandemic in Brazil, from February 2020 to December 2022, the Company has recorded a loss of R\$636.9 million in retained claims related to COVID-19.

4. Impacts caused by climate events

The effect of the climate issues on agribusiness, reflected in the reinsurance contracts entered into in 2021, disrupted important crop productions, resulting in huge claims for agricultural producers and, consequently, for insurers and reinsurers. In the year 2022, the Company had an extraordinary increase in the loss ratio of the Agriculture insurance line in Brazil, mainly derived from climate events of a severe drought in the South of the country. If the amount of atypical events of 2022 were hypothetically considered, that is, the difference between the total claims of domestic agriculture for 2022 and the amount resulting of the theoretical application of the loss ratio of the same portfolio for 2021, the result of such difference would amount to R\$975.1 million.

5. Stock Distribution

As the Company did not record earnings for 2022, there was no proposal for distribution of dividends or interest on shareholders' equity.

6. Corporate Governance

The Company's governance structure comprises the Board of Directors, Fiscal Council, and the Executive Board and Executive and Strategic Committees that advise the Executive Board and the Board of Directors. These bodies perform specific duties, to ensure transparency and the best management and performance supervision practices. It also have an Office responsible for directly supporting all of the Board of Directors' activities, as well as assuring that the information flow is timely and safely directed to all instances.

The Board of Directors comprises up to nine (9) nine effective members and an alternate, one of whom serves as its Chair, elected at the Shareholders' Meeting for a two-year term of office, re-election being permitted. As at December 31, 2022, the Board of Directors comprised six (6) effective members. All of them are independent, except for the Chair of the Board and respective alternate, both appointed by the federal government in view of the Golden Share. The Board of Directors is responsible for establishing the business guidelines and strategies, evaluating the risk exposure and effectiveness of the risk management, internal controls and integrity/compliance systems, among other legal and statutory duties.

Six committees provide support to the Board of Directors (Ethics, Sustainability and Governance; Investments, Capital Structure and Dividends; Statutory Audit; Personnel, Nomination and Remuneration; Risk and Solvency and Policy on Underwriting and Huge Claim Monitoring), maintaining a regular agenda for following, monitoring, and supporting the IRB Brasil RE's management.

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The Fiscal Council is the body that inspects the management acts, in defense of the Company and its shareholders, on permanent basis and is currently formed by three members elected at the Shareholders' Meeting.

As at December 31, 2022, the Executive Board comprised six (6) statutory members: one CEO, four Vice-presidents (Underwriting; Technical and Operations; Finance and Investor Relations; Risks, Compliance and Legal), besides an officer responsible for Risks, Internal Controls and Compliance management, who work with the support of 13 non-statutory officers.

During the year 2022, 26 meetings of the Board of Directors, 26 meetings of its Audit Committee, 57 meetings of the Executive Board and 35 meetings of the Fiscal Council were held, besides 76 other meetings of the Board's advisory committees.

7. Shareholding Structure

Since 2019, the Company has diluted capital, without a controlling shareholder. Even after the offering performed in September 2022, when the Company raised R\$1.2 billion, it maintained its corporation status, with 99.5% of shares in free float traded on stock exchange and 0.5% held in treasury.

At the Extraordinary Shareholders' Meeting held on December 22, 2022, the reverse stock split of the totality of common shares of IRB was approved, in the ratio of 30 shares to 1 share.

8. Corporate Changes

The acquisition of the subsidiary IRB Investimentos e Participações Imobiliárias S.A. in the totality of its net assets was approved by the shareholders at the Extraordinary Shareholders' Meeting held on September 30, 2022. The net assets of IRB Investimentos amounted to R\$6.3 million on the acquisition date.

9. Risk Management

The Company has a risk management policy that establishes the parameters for monitoring and handling its risks, with emphasis on the underwriting, market, credit, strategic and operational ones. Its approval is submitted to the Board of Directors while its application is regularly monitored by joint bodies, including the Risks and Solvency Management Committee, Statutory Audit Committee, Statutory Board, and the Board of Directors itself.

Management considers that the adopted mechanisms, developing the integration between the Risk Management Framework (EGR) and the Internal Control System (SCI), including the effectiveness check, are in line with the international best practices, the improvement in risk management control and governance duties being continually promoted.

The responsibility for risk management shall be carried out by the entire organization – Board of Directors, Management Board and employees – and the Company follows the three-line model, according to the provisions of CNSP Resolution 416/2021, the duties of each being established in internal policies and regulations. The first line of defense is represented by the executive and operational vice-presidencies, comprising the managers and those directly charged with the Company's processes. The Vice-presidency of Risks, Compliance and Legal, through the Internal Controls, Risks and Compliance Management, act as the second line, while the third is represented by the Internal Audit. The joint bodies with inspection and control duties perform their statutory attributions, checking the compliance with the established principles, to collaborate with the improvement in the operation in its most relevant aspects.

The Company keeps up to date, at least annually, a Risk Appetite Statement (DAR), which establishes the risks that intends to take (and in which measures, either qualitative or quantitative), or avoid, in line with its strategic goals set in the business plan, the consolidated document being duly approved by the Board of Directors.

On annual basis, the business continuity and disaster recovery plans, as well as the best practices and compliance with regulatory requirements are tested by simulating scenarios of unavailability of physical access to the head office and main data center, located in the city of Rio de Janeiro, as well as the crash of voice and

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data communication networks, all the critical systems being tested from the contingency data center, located in São Paulo.

The Company has an Information Security Master Plan (PDSI) that guides the actions related to information security, divided into four domains: Information Security Management, Cyber Security Operations, Vulnerability and Threat Management, and Data Privacy Management. IRB has capacity to quickly act in the event of cyber attack and has specialized partners to provide a quick response in the event of incidents, including on the 24/7 service basis.

On October 7, 2022, A.M. Best, the oldest risk rating agency with exclusive focus on the insurance and reinsurance sector, confirmed the maintenance of IRB Brasil RE's Financial Strength Rating as "A-" (Excellent) and Long-term Issuer Credit Rating (Long-term ICR) as "a-". According to the release issued by the agency, the ratings are based on the strength of the Company's statement of financial position, combined with the continuous efforts towards restructuring the business profile, as well as the measures that have been taken to improve its structure and governance within the enterprise risk management scope.

On December 6, 2022, the Standard&Poor's Global Ratings (S&P) reviewed the ratings assigned to the Company and its senior unsecured debenture issues from 'brAAA' to 'brAA+' in the National Scale Brazil, with the issuer's rating outlook set to negative, as the operating profit or loss for the year had been largely affected by the severe drought (agriculture) and the COVID-19 pandemic effects.

10. Ethics and Integrity

In the scope of regulatory instruments, the Company promoted the formulation of a Policy on Consequences, the update to the Policy on Anti-Money Laundering and Countering the Financing of Terrorism, and the Approval Level Policy, as well as the broad dissemination of the Related Party Policy.

IRB believes that the regulatory instruments guide and govern the practices in the corporate environment and have to be constantly reviewed. Also with the same purpose, continuous actions on training and culture dissemination were performed, among which the update to the Code of Conduct course, provided in the Conecte platform to the collaborators based in Brazil, London and Buenos Aires. The Company also updated the Anti-money Laundering and Countering the Financing of Terrorism (PLD/FT) course, and provided it to its collaborators, which material was also made available through the Conecte platform.

The Company has a Reporting Channel managed by an expert and independent company, which receives independently and safely the reports – including anonymous ones - on potential illicit acts, breaches of ethical principles, atypical behavior standards, breaches of policies and effective legislation, as well as breaches of the Code of Conduct.

In 2022, the communication campaign about the reporting channel was prepared and advertised, clarifying issues about the responsibilities for the channel's investigation, confidentiality and reliability, as well as the situations when the reporting should be made and how to build an ethical environment.

11. Social and Environmental Performance

Human Capital

With regard to the Company's collaborators, IRB Brasil RE strongly promotes two fundamental concepts: Team Spirit, from the understanding that employees form a team and that the Company grows with differences and mutual respect; and Recognition, valuing professionals who make IRB progress and the celebration of each achievement.

At the end of 2022, the Company had 432 collaborators, of whom 385 were employees and 47 third parties. Among the employees, 53% were men and 47% were women. With regard of management positions, 29% were held by women.

The turnover rate stood at 18% in 2022 (14.1% in 2021).

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In 2022, many initiatives were implemented on the Culture front, such as the Internal Multiplying Agent Training, technical education training of the Reinsurance Academy, Rounds of Talks with external speakers about diversity, performance of the IRB Census, besides celebrations and recognition of our collaborators in the Non-Financial Recognition Program, among others.

Attentive to the physical and mental well-being of collaborators, the Quality of Life Program contemplates actions related to physical activity, actions on psychological support, financial and legal advisory, internal campaigns focused on health and celebrations of holidays and promotions.

The company keeps using the hybrid work model, according to the best market practices, aiming to improve the quality of life of collaborators with the flexibility of the new format, without losing efficiency and productivity.

To retain and attract talents, we offer a benefit package that includes health and dental care plan to collaborators and their dependents, life insurance, meal, food and transport allowances, and reimbursement for children education provided in the bargaining agreement. In addition, we promote development actions for the improvement of employees and recruit 36% internally to technical and executive-level positions, to recognize and value our human capital.

Moreover, 86% of employees joined the private pension plan, with copayment by the Company.

IRB's Code of Conduct establishes the repudiation of any act of moral or sexual harassment and discriminatory practices regarding color, ethnicity, sexual orientation, religion, or other. In this sense, it also supports freedom of association and we maintain relationship with unions without conflicts, strikes, or stoppages in the past three years.

ESG Aspects

Environmental, social and governance aspects (ESG) – or ASG in Portuguese – are incorporated into IRB Brasil RE's strategy as a commitment and result of the nature of its own business.

The insurance and reinsurance activities are directly connected with the sustainability concept, because they represent a risk management instrument to appropriately handle and minimize the impacts that may affect business performance and people's lives. They help to maintain the good operation of the entire system, even because risk is shared among reinsurers, and create a chain that promotes more financial stability to the direct insurance market.

To reaffirm its commitment, IRB Brasil RE believes that it is relevant to have a policy to guide the company's operations according to the best practices. In June 2022, it approved in the Board of Directors (CA) its ESG Policy, available for consultation on the Company's institutional website, and has already started to implement it.

One of the first steps, the Diversity Census, included in the social pillar, measured the diversity in personnel, and was responded by 84% of collaborators, above the average of 73% in the insurance sector and 59% in the market in general. The company also encouraged reflection on significant dates, such as the LGBTQIAP+ Pride, Women's Equality and Black Awareness Days, organizing speaks and round of talks.

The Company wishes, in close collaboration with business partners and other stakeholders, to enhance the knowledge, engagement and development of effective solutions so that the ESG agenda is an integral part of its business model and decision-making process.

IRB's ESG policy contemplates aspects closely related to the risk underwriting activities, through which the Company intends to promote insurance products with positive impact on the environment and that consider the transition to a low-carbon economy.

Moreover, the policy establishes the monitoring and reporting of sustainability risks posed by activities and underwriting and claim operations, which includes criteria for pricing and acceptance of risks linked to customer management and mitigation practices.

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Being the largest reinsurer in the country, the Company holds a preeminent or leading position in insurance lines that are affected, more or less intensively, by climate changes. The agricultural sector is the main example, as well as the property risks one.

Suppliers

The Company follows rules that include clauses of confidentiality, conflict of interest and protection in contracts with suppliers, besides the Know Your Supplier (KYS) policy, where a due diligence is performed before the signature of administrative (non-operational) contracts by the Company.

The Know Your Supplier (KYS) policy establishes the performance of reputational due diligence before the signature of contracts. Some aspects are checked during the reputational due diligence process, such as the National Record of Companies Not In Good Standing and Suspended Companies (CEIS), the National Record of Punished Companies (CNEP), the Record of Impeded Not-for-Profit Entities (CEPIM), discreditable media, Certificate of Good Standing (FGTS-CRF), Debt Clearance Certificate (CND), Labor Debt Clearance Certificate (CNDT), among others. The rules include clause of confidentiality and conflict of interest. The contracts with suppliers include the requirement to observe the Company's Code of Conduct, assuring the complete respect for human rights, such as labor, social security and tax legislation, besides the non-use of child, forced labor or labor analogous to slavery. The appropriate labor relations is identified based on the compliance questionnaire sent to suppliers.

New head office

In 2022, the process to move the IRB Brasil RE's head office started. The chosen address is in the Ventura Corporate Towers, in the center of Rio de Janeiro. The building has Leadership in Energy and Environmental Design (Leed) certification, conferred by the US NGO Green Building Council, because it meets a series of sustainable building requirements, including the intelligent and rational use of water and energy, control over construction waste disposal, waste recycling, etc. The move is planned to occur in the first half of 2023.

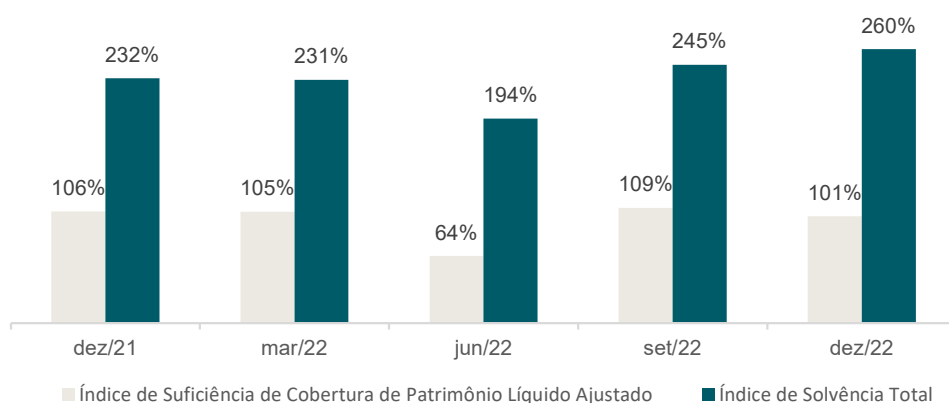
12. Regulatory Ratios

a) Sufficiency of Adjusted Equity

The Company reported sufficiency of adjusted equity in relation to minimum capital requirement in the amount of R\$18.1 million as at the reporting date December 31, 2022. Total solvency stood at levels compatible with the major international players and increased from 232% for 2021 to 260% at the end of 2022.

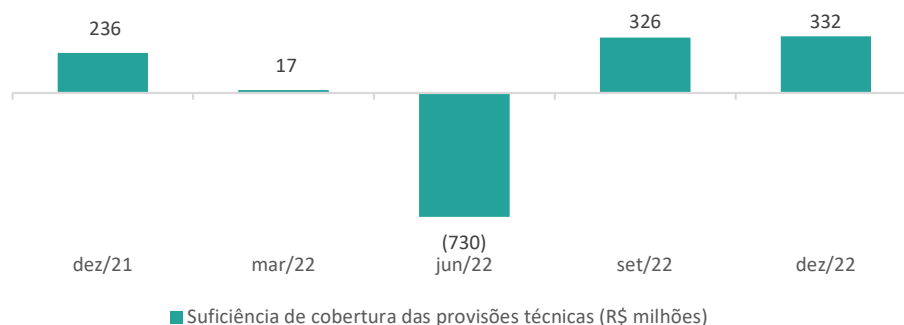
Even though the Company reported sufficiency of adjusted equity in relation to minimum capital requirement in December 2022, a reduction in this indicator is noted in relation to that reported in December 2021. Such reduction was mainly caused by the accounting losses recorded for this year due to significant events in the life and agriculture groups. In this sense, Management continuously evaluates measures to strengthen its capital structure and increase this regulatory indicator, such as: (i) structured transactions that adjust reserves downward, or transfer of portfolio run-off; (ii) sale of real estate that are out of operation; (iii) reduction in idle capital in subsidiaries; (iv) implementation of a new program aimed at administrative expense reduction, among other. Another important pillar refers to the expected improvements in technical results due to the several measures adopted over the latest underwriting periods.

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b) Coverage sufficiency of technical reserves

As at December 31, 2022, the Company had coverage sufficiency of technical reserves of R\$332.1 million, a level above the one noted in December 2021, and already considering the actions implemented in the Coverage Regularization Plan implemented in 2022.



13. Relationship with Independent Auditors

IRB Brasil RE and its subsidiaries adopt as formal procedure ensuring that the auditors of KPMG Auditores Independentes Ltda (KPMG) are not affected regarding the independence and objectivity required for performing their work with the Company.

In the fiscal year ended December 31, 2022, KPMG provided additional services totaling R\$ 2.5 million, related to Actuarial Audit and issue of comfort letters in the context of the IRB's stock offering in the Brazilian, US and Non-US markets. This amount is equivalent to 245% of the fees related to the external audit services. KPMG considers that the services were provided in strict compliance with the standards on auditing that provide for independence of independent auditors in audit works, and, therefore, did not represent a situation that could affect the independence or objectivity in the carry out of its external audit services.

About the contract for Independent Actuarial Audit services with KPMG, as required by the CNSP Resolution 321/2015, the fees for the external audit services for the year 2022 totaled R\$ 242.0 thousand.

14. Arbitration Chamber

The Company, its shareholders and management members are bound to the arbitration of the Market Arbitration Chamber, according to article 54 of its by-laws.

15. Statement from the Board

Pursuant to the provisions of CVM Instruction 80/2022, of March 29, 2022, article 27, paragraph 1, item V, the Board states that it discussed and revised the financial statements for the period ended December 31, 2022, and agreed with the opinions issued in the Independent Auditor's Report.

16. Acknowledgements

IRB's Management expresses gratitude and recognition to all cedants, collaborators, suppliers and partners, besides shareholders and debenture holders for the partnering relationship, as well as the representatives of government authorities, regulatory bodies and brokers for the support and trust in its mission of providing solutions to the insurance market focused on innovation and sustainability.

The Management



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Independent Auditor's Report on the Parent Company and Consolidated Financial Statements

(A free translation of the original report in Portuguese)

**To the Shareholders of
IRB-Brasil Resseguros S.A.
Rio de Janeiro – RJ**

Opinion

We have audited the individual and consolidated financial statements of IRB-Brasil Resseguros S.A. (“the Company”), referred as parent company and consolidated, respectively, which comprise the individual and consolidated statement of financial position as at December 31, 2022, the individual and consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the parent company and consolidated financial position of IRB-Brasil Resseguros S.A. as at December 31, 2022, and its individual and consolidated financial performance and individual and consolidated cash flows for the year then ended in accordance with the accounting practices adopted in Brasil and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the individual and consolidated Financial Statements’ section of our report.

We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the individual and consolidated financial statements in the Accountant’s Professional Ethics Code and the professional standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis – Coverage of the Minimum Capital Required - CMR

We draw attention to the note "2.5 – Coverage of Minimum Capital Requirement", which demonstrates the reduction of the sufficiency of Adjusted Equity (PLA) over the Minimum Capital Required (CMR) compared to that presented on December 31, 2021, as well as the measures evaluated by Management to strengthen its capital structure and raise this regulatory indicator. Our opinion is not modified in relation to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of reinsurance and retrocession technical reserves (Outstanding claims reserve - PSL, IBNR, IBNeR and Unearned premiums reserve for risks in force but not issued - PPNG-RVNE) and evaluation of the Liability Adequacy Test (TAP)

See notes nº 20, 27.10(a)(b) and 28(a) of the individual and consolidated financial statements

The Key audit matter	How the matter was addressed in our audit
<p>The Company maintains the following technical reserves related to reinsurance and retrocession contracts in the individual and consolidated financial statements as of December 31, 2022: outstanding claims reserve (PSL),</p> <p>Incurred But Not Reported claims (IBNR), reserve for incurred but not enough reported claims (IBNeR) and Unearned premiums reserve for risks in force but not issued (PPNG-RVNE). In the calculation of the Liability Adequacy Test (TAP), and in the measurement of the aforementioned technical reserves of reinsurance and retrocession, the Reinsurer uses actuarial techniques and methods that involve judgment in the determination of methodologies and assumptions that include, among others, expectation of evolution of premiums, claims and discount rates.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> (i) understanding of the design and implementation of internal controls related to the measurement, approval and review of the calculations of the liability adequacy test and technical reserves (PSL, IBNR, IBNeR and PPNG-RVNE); (ii) involvement of our actuarial experts with knowledge and experience in the sector, who have assisted us: <ul style="list-style-type: none"> - in the evaluation of methodologies and assumptions, such as expectation of claims, discount rates, analysis of the evolution of premiums, as applicable, used in the measurement of technical reserves (IBNR and IBNeR and PPNG-RVNE) and the test of adequacy of liabilities (TAP); - the independent recalculation, through the use of actuarial methods and statistical tool, of the estimated reserves (IBNeR, IBNR and PPNG-RVNE) including the use of assumptions selected by actuarial specialists and based on generally accepted actuarial techniques; - the establishment of a best estimate range based on assumptions independent of or derived from the Company's own historical information; - in the conference of the mathematical accuracy of the technical reserves (PSL, IBNR, IBNeR and PPNG-RVNE) and of the liability adequacy test; - in the evaluation of the sufficiency of technical reserves (IBNR, IBNeR and PSL) by comparing the historical estimates with the values actually observed; and

We consider the measurement of the aforementioned technical reserves of reinsurance and retrocession contracts and the evaluation of the liability adequacy test as a key audit matter given the relevance of the amounts, the degree of judgment involved in determining the methodology and related relevant assumptions, and the impact that changes in the assumptions and methodologies used could generate on the amounts recorded in the individual and consolidated financial statements.

- in the assessment of the need to register a supplementary reserve by comparing the result of the cash flows calculated in the TAP with the total amounts of the technical reserves recorded on the base date.
 - (iii) testing the accuracy and completeness of the data of premiums issued, reported claims and claims paid, used for the measurement of these reserves and in the calculation of the liability adequacy test, as applicable, including the comparison of these bases with the analytical bases supporting the accounting records;
 - (iv) testing, based on sampling, the existence and accuracy of the information used in the calculations of aforementioned technical reserves and in the liability adequacy test, such as values, segment of insurance, dates of entries, inforce dates, retention limit, percentages of retrocession, among others, through the comparison with the respective supporting documentation including settlement receipts; where applicable; and
 - (v) assessment of whether the disclosures listed in the financial statements consider the relevant information.
- Based on the evidence obtained through the procedures summarized above, we consider it appropriate the measurement of reinsurance and retrocession technical reserves (PSL, IBNR, IBNeR and PPNG-RVNE) and the assessment of the Liability Adequacy Test (TAP), in the context of the individual and consolidated financial statements taken as a whole for the year ended December 31, 2022.

Evaluation of the expected realization of deferred tax assets of income tax and social contribution losses

See the notes nº 11, 25.10 and 27.11 of the individual and consolidated financial statements

The Key audit matter	How the matter was addressed in our audit
<p>The Company maintains assets related to deferred tax assets arising from income tax and social contribution losses in the individual and consolidated financial statements as of December 31, 2022.</p> <p>These assets are recognized to the extent that the Company expects to generate probable future taxable profits, as supported by a technical study. The preparation of this study involves Company's judgment in the evaluation of which reinsurance contracts were signed without observing the Company's underwriting policies, causing the recent losses, and considered as identifiable causes that are unlikely to occur again, as well as in the definition of economic and business growth assumptions, arising from the business plans and</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> (i) understanding of the design and implementation of internal controls related to the process of elaboration, review and approval of the Company's business plans and budgets and the technical study of the realization of deferred tax assets; (ii) Evaluation of the analysis carried out by the Management on the identifiable causes that originated the most recent tax losses and constitution of said deferred tax assets, which were considered unlikely to occur again, including: <ul style="list-style-type: none"> (a) Obtaining the new policies and pricing criteria, new internal approval levels, implemented and comparison with the criteria and policies previously inforce. (b) Obtaining, based on a sampling, the supporting documentation to corroborate the analysis carried out by the Management, of performance indicators of contracts that are loss-making or in disagreement with current policies, which led to the identification of these as discontinued or totally reformulated contracts.

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<p>budgets prepared by Management and approved by the Company's governance bodies.</p> <p>We consider the evaluation of the expected realization of deferred tax assets related to income tax and social contribution losses, as a key audit matter given the relevance of the amounts involved and the judgment involved in determining the aforementioned identifiable causes, economic assumptions and business growth for probable future taxable profits, and due to the impact that any change in these assumptions could have on the values of deferred tax assets for income tax and social contribution losses, recorded in the individual and consolidated financial statements.</p>	<p>(iii) involvement of our corporate finance specialists, who assisted us:</p> <ul style="list-style-type: none"> - in the evaluation of the assumptions of economic projections and business growth presented in the technical study of expected realization of deferred tax assets; - in the conference of the mathematical accuracy of the calculations included in the technical study of the expected realization of the respective deferred tax assets. <p>(iv) assessment of whether the disclosures in the financial statements consider the relevant information. Based on the evidence obtained through the procedures summarized above, we consider it appropriate the assessment of the expectation of realization of deferred tax assets for tax loss and social contribution loss in the context of the individual and consolidated financial statements taken as a whole for the year ended December 31, 2022.</p>
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Measurement and recognition of estimated reinsurance premium revenue for proportional contracts

See the notes nº 7, 25.1 and 27.15 of the individual and consolidated financial statements

The Key audit matter	How the matter was addressed in our audit
<p>The Company recorded material balances of estimated premiums arising from proportional reinsurance contracts in the individual and consolidated financial statements as of December 31, 2022, arising from reinsurance operations, for which the measurement is based on a technical study.</p> <p>To prepare the measurement of these estimated premiums related to proportional contracts, the Company uses a premium performance analysis, which involves the Company's judgment in defining assumptions of expectation of reinsurance premium issuances for proportional contracts, based on the reinsurance contracts issued and the effective reinsurance premiums. Due to the relevance of the estimated reinsurance premium balances in the individual and consolidated financial statements, and the impact that changes in the assumptions for measuring estimated premiums arising from proportional contracts could have on these financial statements, we consider this matter as a key audit matter.</p>	<p>Our audit procedures have included, among others:</p> <ul style="list-style-type: none"> (i) understanding of the design and implementation of internal controls related to the underwriting process of these risks, the process of reconciling the rendering of accounts of reinsurance operations and the process of reviewing the study of estimated premiums for proportional contracts; (ii) verifying the mathematical accuracy of calculations included in the performance analysis of estimated premiums; (iii) testing the accuracy and completeness of subscribed and effective reinsurance premiums data, used in the technical study of premium analysis, including the comparison with the analytical bases supporting the accounting records; (iv) testing, based on sampling, the existence and accuracy of information used in the technical study of analysis of premiums, such as values of premiums subscribed and effective premiums, and dates of registration, among others, through the comparison with the respective supporting documentation including the settlement of payments, when applicable; (v) recalculation, based on sampling, of the estimated premium considering the information contained in the contracts and installments of reinsurance accounts; and (vi) assessment of whether the disclosures in the financial statements consider the relevant information. <p>Based on the evidence obtained through the procedures summarized above, we consider it appropriate the measurement and recognition of estimated reinsurance premium income in the context of the individual and consolidated financial statements taken together for the year ended December 31, 2022.</p>

Other matters

Statements of added value

The individual and consolidated statements of added value (DVA) for the year ended December 31, 2022, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, have been submitted to audit procedures carried out in conjunction with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, these statements of added value have been fairly prepared, in all material respects, in accordance with the criteria set forth in the aforementioned Technical Pronouncement and are consistent with the overall individual and consolidated financial statements.

Audit of the financial statements for the previous financial year

The individual and consolidated balance sheets as of 31 December 2021 and the individual and consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows and respective explanatory notes for the year then ended, presented as corresponding figures in the individual and consolidated financial statements for the current year, were previously audited by other independent auditors, who issued an unmodified report dated February 24, 2022. The corresponding amounts related to the individual and consolidated statements of added value (DVA), for the year ended December 31, 2021, were submitted to the same audit procedures by those independent auditors and, based on their examination, those auditors issued an unmodified report dated February 24, 2022.

Other Information accompanying the individual and consolidated financial statements and the auditors' report

Management is responsible for the other information comprising the management report

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual and Individual and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, March 08, 2023

KPMG Auditores Independentes Ltda.

CRC SP-014428/O-6 F-RJ

(The original report in Portuguese was signed by)

Fernando Antonio Rodrigues Alfredo

Contador CRC 1SP252419/O-

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IRB-Brasil Resseguros S.A.

Statements of financial position as at December 31 R\$ in thousands

Assets	Note	Parent company		Consolidated	
		2022	2021	2022	2021
Current assets		13.808.454	14.001.807	13.684.101	13.990.281
Cash and cash equivalents	5	6.119	8.231	17.793	38.774
Financial assets	6.1	4.280.282	4.014.753	4.136.600	3.966.341
Receivables from reinsurance and retrocession operations	7.1	3.962.281	4.105.081	3.962.281	4.105.081
Retrocession assets - technical reserves	9	5.367.471	5.599.770	5.367.471	5.599.770
Trade and other receivables	10	13.788	21.926	20.936	27.432
Tax credits and deferred tax assets	11.1	55.484	127.591	55.982	128.425
Prepaid expenses		6.251	10.623	6.260	10.626
Deferred acquisition costs	12	116.778	113.832	116.778	113.832
Non-current assets		9.159.514	8.564.241	9.293.461	8.684.160
Financial assets	6.1	4.741.843	4.976.260	4.828.782	4.976.260
Receivables from reinsurance and retrocession operations	7.1	26.856	11.677	26.856	11.677
Retrocession assets - technical reserves	9	86.291	81.270	86.291	81.270
Trade and other receivables	10	922.094	589.816	921.877	589.816
Tax credits and deferred tax assets	11.1	2.837.917	2.474.149	2.837.917	2.517.225
Court deposits	23	255.181	233.895	255.181	233.895
Deferred acquisition costs	12	114.375	13.865	114.375	13.865
Investments accounted for using the equity method	4.1	39.387	28.876	-	22.124
Investment property	13	-	4.570	86.587	88.034
Other investments		311	371	311	371
Property and equipment	14	29.456	64.503	29.456	64.503
Intangible assets	15	105.803	84.989	105.828	85.120
Total assets		22.967.968	22.566.048	22.977.562	22.674.441

Liabilities and shareholders' equity	Note	Parent company		Consolidated	
		2022	2021	2022	2021
Current liabilities		17.496.508	17.314.052	17.506.102	17.351.763
Trade payables	16	37.139	19.999	44.621	26.605
Taxes and payroll charges payable		38.487	28.297	38.659	28.522
Labor provisions		11.714	12.665	11.825	12.797
Provisions for post-employment benefits	26.3	35.972	42.409	35.972	42.409
Income tax and social contribution	18	29.641	4.532	31.470	35.280
Borrowings and financing	17	466.898	10.354	466.898	10.354
Payable for reinsurance and retrocession operations	19.1	2.398.874	2.051.671	2.398.874	2.051.671
Third-party deposits	8	90.463	107.977	90.463	107.977
Technical reserves - reinsurance	20	14.387.320	15.036.148	14.387.320	15.036.148
Non-current liabilities		1.397.949	1.617.636	1.397.949	1.688.318
Provisions for post-employment benefits	26.3	370.469	415.469	370.469	415.469
Borrowings and financing	17	440.707	819.107	440.707	819.107
Trade payables	16	19.723	12.191	19.723	4.426
Income tax and social contribution	18	53.533	-	53.533	78.447
Payables for reinsurance and retrocession operations	19.1	789	789	789	789
Technical reserves - reinsurance	20	429.855	293.922	429.855	293.922
Provision for lawsuits	23	82.873	76.158	82.873	76.158
Equity		4.073.511	3.634.360	4.073.511	3.634.360
Capital		5.379.189	4.219.524	5.379.189	4.219.524
Capital reserves		-	1.006	-	1.006
Treasury shares	24.2	(283.760)	(283.760)	(283.760)	(283.760)
Profit reserves		-	148.666	-	148.666
Equity valuation adjustment	24.3	(543.818)	(451.076)	(543.818)	(451.076)
Retained earnings (losses)		(478.100)	-	(478.100)	-
Total liabilities and equity		22.967.968	22.566.048	22.977.562	22.674.441

The accompanying notes are an integral part of these parent company and consolidated financial statements.

IRB-Brasil Resseguros S.A.

Statements of profit or loss Years ended December 31 R\$ in thousands

	Note	Parent company		Consolidated	
		2022	2021	2022	2021
Net written premiums		7.021.200	7.435.350	7.021.200	7.435.350
Changes in technical reserves		25.842	552.078	25.842	552.078
Earned premiums	25.1	7.047.042	7.987.428	7.047.042	7.987.428
Incurred claims	25.2	(6.911.514)	(8.277.362)	(6.911.514)	(8.277.362)
Acquisition costs	25.3	(255.606)	(253.133)	(255.606)	(253.133)
Other operating expenses	25.5	(118.411)	(112.715)	(118.411)	(112.715)
Profit (loss) from retrocession	25.4	(1.200.665)	(920.926)	(1.200.665)	(920.926)
Administrative expenses	25.6	(326.017)	(364.173)	(329.437)	(389.376)
Tax expenses	25.7	(87.632)	(22.660)	(91.800)	(30.309)
Net loss before finance result and taxes		(1.852.803)	(1.963.541)	(1.860.391)	(1.996.393)
Finance result	25.8	557.939	556.680	614.461	610.089
Finance income		1.785.819	1.408.054	2.334.708	2.038.700
Finance costs		(1.227.880)	(851.374)	(1.720.247)	(1.428.611)
Share of profit of equity-accounted investees	25.9	107.360	(4.843)	65.169	(9.161)
Net loss before taxes		(1.187.504)	(1.411.704)	(1.180.761)	(1.395.465)
Income tax	25.10	346.999	440.779	342.063	428.857
Social contribution	25.10	210.164	288.224	208.357	283.907
Total income tax and social contribution		557.163	729.003	550.420	712.764
Loss for the year		(630.341)	(682.701)	(630.341)	(682.701)
Loss per share - basic and diluted	24.4	(0,26)	(0,54)	(0,26)	(0,54)

The accompanying notes are an integral part of these parent company and consolidated financial statements.

IRB-Brasil Resseguros S.A.

Statements of comprehensive income Years ended December 31 R\$ in thousands

	Note	Parent Company and Consolidated	
		2022	2021
Loss for the year		(630.341)	(682.701)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Cumulative translation adjustments	24.3	(12.263)	(24.428)
Increase (decrease) in fair value of available-for-sale securities	24.3		
Increase(decrease) in fair value of available-for-sale financial assets in the year		(137.310)	(163.172)
Increase (decrease) in fair value of available-for-sale financial assets in the year - Subsidiaries		-	(2.948)
Amount reclassified from equity to profit or loss for the year of available-for-sale financial assets	24.3	(5.590)	-
Income tax and social contribution	24.3	61.235	65.269
Total		(93.928)	(125.279)
Items that will not be reclassified to profit or loss			
Post-employment benefits			
Remeasurement of post-employment benefit obligations	26.4	1.976	48.196
Income tax and social contribution	24.3	(790)	(19.278)
Total		1.186	28.918
Total other comprehensive income		(92.742)	(96.361)
Total comprehensive income for the year		(723.083)	(779.062)

The accompanying notes are an integral part of these parent company and consolidated financial statements.

IRB-Brasil Resseguros S.A.

Statements of changes in equity Years ended December 31 R\$ in thousands

	Capital			Profit reserves							Equity
	Capital	Capital increase pending approval	Expenditure for share issue	Capital reserves	Treasury shares	Legal	Statutory profit reserve	Special reserve mandatory minimum dividend	Equity valuation adjustment	Retained earnings (losses)	
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											
Decrease in fair value of available-for-sale securities	-	-	-	-	-	-	-	-	(100.851)	-	(100.851)
Cumulative translation adjustments	-	-	-	-	-	-	-	-	(24.428)	-	(24.428)
Remeasurement of post-employment benefit obligations	-	-	-	-	-	-	-	-	28.918	-	28.918
Loss for the year	-	-	-	-	-	-	-	-	-	(682.701)	(682.701)
Total comprehensive income	-	-	-	-	-	-	-	-	(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
Balances as at January 1, 2022	4.253.080	-	(33.556)	1.006	(283.760)	148.666	-	-	(451.076)	-	3.634.360
Comprehensive income											
Decrease in fair value of available-for-sale securities	-	-	-	-	-	-	-	-	(81.665)	-	(81.665)
Cumulative translation adjustments	-	-	-	-	-	-	-	-	(12.263)	-	(12.263)
Remeasurement of post-employment benefit obligations	-	-	-	-	-	-	-	-	1.186	-	1.186
Loss for the year	-	-	-	-	-	-	-	-	-	(630.341)	(630.341)
Total comprehensive income	-	-	-	-	-	-	-	-	(92.742)	(630.341)	(723.083)
Contributions from shareholders and distributions to shareholders											
Incurred loss for the year	-	-	-	(1.006)	-	(148.666)	(2.569)	-	-	152.241	-
Capital increase	-	1.200.000	(40.335)	-	-	-	-	-	-	-	1.159.665
Reversal of unclaimed interest on shareholders' equity and dividends	-	-	-	-	-	-	2.569	-	-	-	2.569
Total contributions from shareholders and distributions to shareholders	-	1.200.000	(40.335)	(1.006)	-	(148.666)	-	-	-	152.241	1.162.234
Balances as at December 31, 2022	4.253.080	1.200.000	(73.891)	-	(283.760)	-	-	-	(543.818)	(478.100)	4.073.511

The accompanying notes are an integral part of these parent company and consolidated financial statements.

IRB-Brasil Resseguros S.A.

Statements of cash flows – (Direct method)

Years ended December 31

R\$ in thousands

	Parent company		Consolidated	
	2022	2021	2022	2021
Operating activities				
Premium received	6.700.912	9.591.200	6.700.912	9.591.200
Recovery of claims and commissions	1.306.890	1.229.922	1.306.890	1.229.922
Other operational receipts (payments) - salvage, reimbursements and others	(21.157)	(339.208)	(21.157)	(339.208)
Court settlement received	-	358.158	-	358.158
Payments of claims	(5.527.394)	(5.417.972)	(5.527.394)	(5.417.972)
Payments of claim expenses, commission and other	(1.449.209)	(1.712.821)	(1.449.209)	(1.712.821)
Ceded premiums in retrocession	(1.903.458)	(2.879.548)	(1.903.458)	(2.879.548)
Payments of expenses and obligations	(398.357)	(509.541)	(437.477)	(504.406)
Rents and management and performance fee	43.540	-	95.133	59.798
Receipt of interest and dividends	8.708	1.635	10.032	2.622
Payment of court deposits	(12.211)	(19.879)	(12.211)	(19.879)
Cash from (used in) operations	(1.251.736)	301.946	(1.237.939)	367.866
Income tax and social contribution paid	(12.133)	(168)	(26.699)	(10.676)
Interest paid	(93.721)	(54.024)	(93.721)	(54.024)
Financial assets				
Acquisition of investment's financial assets at fair value through profit or loss	(8.713.565)	(11.655.567)	(8.720.302)	(11.655.567)
Calls of investments at fair value through profit or loss	9.513.930	11.221.414	9.528.180	11.222.540
Net financial assets	800.365	(434.153)	807.878	(433.027)
Net cash used in operating activities	(557.225)	(186.399)	(550.481)	(129.861)
Investing activities				
Acquisition of available-for-sale financial assets of investments	(3.433.044)	(3.304.258)	(3.433.044)	(3.315.343)
Calls of available-for-sale investments	2.748.240	3.531.687	2.748.240	3.537.836
Dividends received	36.659	32.312	-	-
Payment for the purchase of:				
Increase in the capital of investee	(11.046)	(10.880)	-	-
Property and equipment	(6.088)	(5.174)	(6.088)	(5.174)
Intangible assets	(60.943)	(55.250)	(60.943)	(55.250)
Proceeds from sale of				
Property and equipment	85.310	-	85.310	-
Investment properties	57.255	-	57.255	-
Cash from (used in) investing activities	(583.657)	188.437	(609.270)	162.069
Financing activities				
Capital increase	1.200.000	-	1.200.000	-
Expenditure for share issue	(40.335)	-	(40.335)	-
Distribution of dividends and interest on shareholders' equity	(11)	(24.815)	(11)	(24.815)
Cost of debenture issue	-	(1.104)	-	(1.104)
Leases	(1.427)	(925)	(1.427)	(925)
Net cash from (used in) financing activities	1.158.227	(26.844)	1.158.227	(26.844)
Increase (decrease) in cash and cash equivalents	17.345	(24.806)	(1.524)	5.364
Effects of exchange rate fluctuations on cash and cash equivalents	(19.457)	18.847	(19.457)	18.847
Increase (decrease) in cash and cash equivalents after exchange rate change	(2.112)	(5.959)	(20.981)	24.211
Cash and cash equivalents at the beginning of the year	8.231	14.190	38.774	14.563
Cash and cash equivalents at the end of the year	6.119	8.231	17.793	38.774

The accompanying notes are an integral part of these parent company and consolidated financial statements.

IRB-Brasil Resseguros S.A.

Statements of cash flows – (Direct method)

Years ended December 31

R\$ in thousands

(continued)

	Parent company		Consolidated	
	2022	2021	2022	2021
Reconciliation between loss for the year and net cash used in operating activities				
Loss for the year	(630.341)	(682.701)	(630.341)	(682.701)
Adjustments to loss for the year				
Depreciation and amortization	49.481	44.071	49.524	44.374
Reversal of allowance for doubtful accounts	(13.456)	(4.462)	(13.456)	(4.462)
Reversal (increase) of impairment loss on investments	15.939	(160)	15.939	(160)
Gain on disposal of property and equipment, intangible assets and investments acco	(81.323)	1.349	(81.386)	1.423
Share of profit of equity-accounted investees	(43.308)	16.181	-	-
Exchange rate change on technical reserves (net)	691.053	1.165.296	691.053	1.165.296
Exchange rate change on cash and cash equivalents	(19.457)	(18.847)	(19.457)	(18.847)
Other adjustments	(1.740)	1.487	3.203	1.561
Changes in asset and liability accounts				
Financial assets	510.792	(1.039.681)	526.123	(1.046.855)
Receivables from reinsurance and retrocession operations	142.106	1.652.116	142.106	1.652.116
Retrocession assets - technical reserves	1.292.640	745.388	1.292.640	745.388
Investment properties	-	-	-	27
Tax credits and deferred tax assets	(230.426)	(909.813)	(187.014)	(899.495)
Prepaid expenses	4.372	(3.085)	4.366	(3.085)
Deferred acquisition costs	(103.456)	3.297	(103.456)	3.297
Trade and other receivables	(324.140)	301.166	(325.565)	355.186
Court deposits	(21.286)	(7.441)	(21.286)	(7.441)
Trade payables	112.055	(20.187)	120.622	81.418
Income tax and social contribution	78.642	(30.447)	(28.724)	(116.975)
Payables for reinsurance and retrocession operations	347.203	(517.997)	347.203	(517.997)
Third-party deposits	(17.514)	(209.464)	(17.514)	(209.464)
Technical reserves - reinsurance	(2.270.339)	(631.803)	(2.270.339)	(631.803)
Other liabilities	(51.437)	(60.151)	(51.437)	(60.151)
Provision for lawsuits	6.715	19.489	6.715	19.489
Net cash used in operations	(557.225)	(186.399)	(550.481)	(129.861)

The accompanying notes are an integral part of these parent company and consolidated financial statements.

IRB-Brasil Resseguros S.A.

Statements of added value Years ended December 31 R\$ in thousands

	Parent company		Consolidated	
	2022	2021	2022	2021
Revenues				
Insurance operations	7.021.200	7.435.350	7.021.200	7.435.350
Recognition of allowance for doubtful accounts	13.456	4.462	13.456	4.462
Changes in technical reserves	25.842	552.078	25.842	552.078
Net revenue	7.060.498	7.991.890	7.060.498	7.991.890
Net expenses				
Incurred claims	(6.575.570)	(8.727.426)	(6.575.570)	(8.727.426)
Change in IBNR reserve	(363.346)	334.870	(363.346)	334.870
Salvage and reimbursements	27.402	115.194	27.402	115.194
Other	(67.631)	(105.524)	(66.514)	(125.995)
	(6.979.145)	(8.382.886)	(6.978.028)	(8.403.357)
Inputs acquired from third parties				
Materials, energy and other	(33.925)	(26.575)	(34.139)	(48.118)
Third-party services and commissions, net	(82.351)	(53.081)	(83.307)	(53.855)
Commissions	(255.606)	(253.133)	(255.606)	(253.133)
	(371.882)	(332.789)	(373.052)	(355.106)
Gross added value	(290.529)	(723.785)	(290.582)	(766.573)
Depreciation and amortization	(49.481)	(44.071)	(49.524)	(44.374)
Net added value produced by the company	(340.010)	(767.856)	(340.106)	(810.947)
Added value received in transfer				
Finance income	1.785.819	1.408.054	2.334.708	2.038.700
Income (expenses) from retrocession	(1.200.665)	(920.926)	(1.200.665)	(920.926)
Share of profit of equity-accounted investees	43.308	(16.181)	-	-
Other	(90)	(1.706)	(90)	(1.456)
	628.372	469.241	1.133.953	1.116.318
Total added value to be distributed	288.362	(298.615)	793.847	305.371
Distribution of added value				
Personnel	160.354	239.055	162.561	241.916
Taxes, fees and contributions	(469.531)	(706.343)	(458.620)	(682.455)
Finance costs	1.227.880	851.374	1.720.247	1.428.611
Loss incurred for the year	(630.341)	(682.701)	(630.341)	(682.701)
Distributed added value	288.362	(298.615)	793.847	305.371

The accompanying notes are an integral part of these parent company and consolidated financial statements.

IRB-Brasil Resseguros S.A.

Notes to the parent company and consolidated financial statements

As at December 31, 2021

In thousands of reais, except when otherwise stated

Section A – General Information

1.1 Operations

IRB-Brasil Resseguros S.A (“IRB Brasil RE” or “Company”) is a Brazilian publicly-held company incorporated in 1939 by the then President Getúlio Vargas, with its registered office at Avenida Marechal Câmara, 171, in the city of Rio de Janeiro, and offices in São Paulo, Buenos Aires and London. The Company’s shares are traded on B3 S.A - Brasil, Bolsa, Balcão (B3).

The year ended in December of 2022 was challenging for the insurance and reinsurance market. The effect of the climate issues on agribusiness, reflected in the reinsurance contracts entered into in 2021, disrupted important crop productions, resulting in huge claims for agricultural producers and, consequently, for insurers and reinsurers. The remaining impact of the pandemic on life insurance also significantly affected the Company’s loss ratio. Both of the previously mentioned events were the primary reasons for the Company’s poor results, however, it is worth noting the positive evolution of other businesses, when compared to the previous year, confirming the change in trend and work to restore the Company’s results.

The parent company and consolidated financial statements as at December 31, 2022 were approved by the Board of Directors of the Company on March 8, 2023.

1.1.1 Going concern

In the second quarter of 2022, the Company had insufficient coverage for minimum capital requirement and technical reserves.

As provided in the regulatory framework, during the second half the Company devised and implemented the coverage regularization plan (PRC) for sufficiency, as mentioned in Note 21, and most of its actions gave rise to positive effects on the coverage of minimum capital requirement, not needing to submit a solvency regularization plan (PRS). On January 9, 2023, the regulatory body noted that the Company succeeded in meeting the targets set in the PRC, restoring the sufficiency in the regulatory ratio.

As described in Notes 2.5 and 21, as at December 31, 2022, the Company had sufficiency with regard to regulatory ratios. In view of the above and considering that the structural actions related to the business shall make the Company obtain sustainable results again, the Management is not aware and does not consider any material uncertainty that may cast significant doubt upon its ability to continue as a going concern. Accordingly, the financial statements were prepared on a going concern basis.

1.2 Additional information

1.2.1 Impacts caused by the new coronavirus (COVID-19)

In response to the global COVID-19 pandemic in 2020, the Company adopted many measures for protecting the health of its employees and the stability of its operations.

In the year 2022, according to the information contained in the claim reports received from cedants, IRB recorded losses of R\$ 228,164 in claims related to COVID-19 (R\$ 383,730 in 2021), according to the chart below:

	2022	2021
Life	202.645	354.795
Property and Casualty	18.378	22.205
Financial risks	19	3.677
Other	7.122	3.053
	228.164	383.730

The Company updated the COVID-19-related claim amounts, demonstrated in the table above, based on the information received from cedants in this quarter.

Since the beginning of the pandemic in Brazil, from February 2020 to December 2022, the Company has recorded a loss of R\$ 636,944 in retained claims related to COVID-19. These losses, substantially represented by the Life line, where cause of death was identified to be related to the COVID-19 virus according to the inspection of death registers of policyholders or other documents that are reviewed in the claim adjustment process.

In the case of the group of Life lines (life insurance) the coverage for the pandemic risk used to be excluded from most of the contracts signed with the cedants in Brazil. However, considering the demand for the individual life insurance product with pandemic risk coverage since March 2020, notably by the Brazilian Insurers, the Company has started to price and

IRB-Brasil Resseguros S.A.

Notes to the parent company and consolidated financial statements

As at December 31, 2022

In thousands of reais, except when otherwise stated

offer this coverage from the renewals of our contracts. In some international businesses, the pandemic risk coverage was provided. The expenses for reported claims retained due to the deaths caused by COVID-19 in 2022, in all geographies where the Company operates, represented R\$ 202,645 (R\$ 354,795 in 2021).

1.2.2 Developments of the investigation regarding the shareholder's interests

On March 4, 2020, IRB Brasil RE's Board of Directors determined the establishment of a procedure for investigating the exact circumstances under which the disclosure of information by the Company concerning its shareholder's interests had occurred. On June 26, 2020, an independent investigation conducted, with the support of forensic expert consultants into the disclosure of information on the Company's shareholder's interests was completed. This investigation found those responsible for disseminating inaccurate information on the Company's shareholder's interests, who performed these irregular acts, individually, in absolute breach of their regular management powers as Statutory Officers of the Company.

Additionally, the Company detected irregularities in the payment of bonuses to former Officers and other employees of IRB Brasil RE through its subsidiary that performs real estate operations.

The Company also found that in February and March 2020, the Company's shares were repurchased in excess of the quantities authorized by the Board of Directors by 2,850,000 shares.

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

Upon conclusion of the internal investigation, IRB Brasil RE's current Management submitted the results of all of the investigations to the Federal Public Attorney's Office of the state of Rio de Janeiro, the Brazilian Securities and Exchange Commission (CVM) and the Superintendence of Private Insurance (SUSEP). The Company is cooperating with the investigations that the pertinent authorities are currently conducting, providing the required clarifications, as well as all the required information and documents. The Company has also adopted the appropriate legal measures to recover all losses that it suffered due to illegal conduct engaged by the involved individuals, particularly by filing an arbitration procedure against the former Statutory Officers of the Company, which was duly approved by the shareholders at the Annual and Extraordinary Shareholders' Meeting of 2020, held on July 31, 2020, aiming to hold such former Statutory Officers of the Company liable.

It was also approved the bringing of an action against the former Statutory Executive Officers of subsidiary IRB Investimentos e Participações Imobiliárias S.A. (IRB Par). Additionally, it is worth noting that the Legal, Accounting and Finance areas of the Company assumed their respective duties in the scope of the operating activities performed by such subsidiary, which merger process was completed through the Extraordinary Shareholders' Meeting of IRB Brasil RE (acquirer), held on September 30, 2022.

Moreover, on April 18, 2022, the U.S. Department of Justice (DOJ) and the U.S. Securities and Exchange Commission (SEC) disclosed the progress of the criminal and civil actions against the former Chief Financial and Investor Relations Vice-President Executive Officer of the Company, who represented the Company at meetings with U.S. investors in the first quarter of 2020, for the supposed untrue statement made about the shareholding of the Company and potential investments in the Company by third parties, which allegedly constitute capital markets fraud, under the terms of the U.S. legislation.

Thus far, no legal claim or administrative proceeding was filed by the US authorities. The Company, advised by an expert law firm, has been in talks with the DoJ and SEC to sign a possible agreement, not expecting any disbursement in view of such event, or recognition of any kind of provision for any payment. However, the Company does not rule out the event of future legal claims from abroad and considers that it is possible to incur financial disbursement in view of such claims, for which the Company cannot estimate the amount or timing of any expenditure arising from any of such legal claims.

IRB-Brasil Resseguros S.A.

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As at December 31, 2022

In thousands of reais, except when otherwise stated

1.2.3 Criminal Action

On August 17, 2020 the Company informed to the market that it had filed a criminal complaint at the Federal Attorney's Office of the state of Rio de Janeiro regarding the irregularities found in the Company's financial information, 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 materially misstated, resulting in a restatement of the 2019 financials, as disclosed in the Material Fact notice of June 29, 2020.

In addition to such criminal complaint related to accounting manipulations, there are another two in progress, which were filed based on all documentation found in the internal investigations, conducted by the Company with the support of independent consulting firms, related to (i) the Company's shareholder's interests, as well as (ii) the irregularities in the distribution of bonus to former Statutory Officers and employees of the Company and of its Real Estate Subsidiary, besides the irregularities in the share repurchase program approved on February 19, 2020.

The three criminal complaints mentioned above are in fact-finding, not yet in charging phase, being closely monitored by the Company's internal Legal area, as well as by the external expert law firm in charge.

1.2.4 Administrative Investigations at the Brazilian Securities and Exchange Commission (CVM)

We report the current status of the two Administrative Investigations at the CVM, which have the following aims:

- (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, 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, because of: (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, even publicly admitted by Squadra, as it has short positions in the shares issued by the Company; (iii) the subsequent events that reinforced 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 such Investigation and filed the Administrative Sanctions Procedure 19957.993611/2020-91, in which the following former management members of IRB Brasil RE were accused: (i) the former CEO for neglecting his diligence duty by disclosing false information to the market, without taking the necessary measures to check the truthfulness of the information, as well as (ii) the former Deputy CEO, Chief Financial and Investor Relations Officer, for the practice of price manipulation on the stock exchange market; and
- (ii) CVM Administrative Investigation 19957.003612/2020-35: Administrative investigation conducted to find any irregularities related to the disclosure of information by the Company and its management members. Such 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 the company Squadra Investimentos - Gestão de Recursos Ltda. ("Squadra") about the compliance of the Company's financial statements with the accounting standards and rules in effect. Such proceedings is in fact-finding, not yet in the charging 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), issued by the International Accounting Standards Board (IASB), and evidence all material information of financial statements, and only it, which are consistent with that used by Management in its administration.

The significant accounting policies followed in the preparation of these financial statements are shown 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 in applying the accounting policies of the Company. The areas that require a higher degree of judgment and have more complexity, 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 corresponding to this branch are recognized in the parent company and consolidated balances of the Company. In line with the Company's strategy, the businesses originated in Latin America remain fundamental to development and diversification. In this scenario, the Company implemented a plan for optimization of the capital allocated to such subsidiary aimed to no longer underwrite new risks in the Local Reinsurer, thus generating new businesses to the Admitted Reinsurer.

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IRB Brasil RE has a branch in London with the purpose of managing the runoff of the portfolios in which the Company used to operate. Management initiated a process of seeking experts in runoff management, parties interested in purchasing such portfolios with the aim to reduce the current regulatory and capital requirements.

131 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 described in Note 4.2, and the accounting policies followed in the preparation of the consolidated financial statements are described below.

The Company controls an entity when it is exposed to or has a right over the variable returns arising from its involvement with the entity and has the ability to affect those returns exerting its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements as from the date the Company obtains the control until the date such control ceases.

In the parent company's financial statements, the financial information on subsidiaries is recognized under the equity method.

1.3.2 Merger of IRB Investimentos e Participações Imobiliárias S.A

IRB Investimentos e Participações Imobiliárias S.A. ("IRB Investimentos"), a direct subsidiary of IRB Brasil RE, carried out real estate asset purchase, sales and development operations.

On April 5, 2022, SUSEP granted the prior authorization requested by the Company for carrying out the merging of its subsidiary IRB Investimentos considering its total net assets.

The merger was approved by the shareholders at the ESM held on September 30, 2022, and on the same date the merger was performed. IRB Investimentos' net assets was valued based on the carrying amount, in the amount of R\$ 6,302. The net assets are as follows:

	September 30, 2022
Assets	
Marketable securities	13.332
Trade and other receivables	3.854
Tax credits and deferred tax assets	43.967
Investments accounted for using the equity method	28.953
	90.106
Liabilities	
Trade and other payables	5.327
Income tax and social contribution	78.477
	83.804
Net assets	6.302

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Notes to the parent company and consolidated financial statements

As at December 31, 2022

In thousands of reais, except when otherwise stated

1.3.3 Controlled entities

As of September 30, 2022, in view of the merger mentioned in Note 1.3.2 above, the Company holds direct control over the companies IRB Chile Empreendimentos Imobiliários SPE S.A, IRB Renda Empreendimentos Imobiliários SPE S.A, IRB Uso Empreendimentos Imobiliários SPE S.A and IRB Santos Dumont Empreendimentos Imobiliários SPE S.A., all of which with the corporate purpose of managing a portion of IRB Brasil Re's investment properties.

IRB Asset Management provides security portfolio management services, through fund portfolios, investment clubs and other similar modalities, besides carrying out other asset management-related services or activities, under the terms of Instruction 558 of March 28, 2015 and further amendments of CVM. At present, the subsidiary manages most of the Company's exclusive funds.

The information on subsidiaries is shown below:

	Assets	Liabilities	Net assets	Net income (loss) for the year	Interest percentage	Investment in 2022	Investment in 2021
IRB Chile Emp. Imobiliários SPE S.A.	1.913	6	1.907	(513)	100,0%	1.907	-
IRB Renda Emp. Imobiliários SPE S.A.	11.327	47	11.280	658	100,0%	11.280	-
IRB Uso Emp. Imobiliários SPE S.A.	497	1	496	(276)	100,0%	496	-
IRB Santos Dumont Emp. Imobiliários SPE S.A.	15.091	219	14.872	(745)	100,0%	14.872	-
IRB Asset Management	12.927	2.095	10.832	40.738	100,0%	10.832	6.752
Total						39.387	6.752

The Company also holds the totality of the quotas of the following investment funds:

Funds managed by IRB Asset Management:

- Fundo de Investimento RF IRB Brasil RE Absoluto
- IRB Fundo de Investimento Multimercado
- IRB Fundo de Investimento em Ações
- IRB Caixa Fundo de Investimento Renda Fixa
- IRB Macro Fundo de Investimento Multimercado
- IRB London Fundo de Investimento Multimercado
- IRB Fundo de Investimento Renda Fixa Crédito Privado

Funds managed by other investment management firms:

- BB IRB Brasil RE Liquidez Fundo de Investimento Renda Fixa
- Parking Partners Fundo de Investimento Imobiliário – FII
- BRZ IRB Fundo de Investimento Renda Fixa Crédito Privado
- VINCI IRB Crédito Fundo de Investimento Renda Fixa Crédito Privado
- VINLAND Institucional I Fundo de Investimentos em Ações

The Company's consolidated financial statements have been prepared to consolidate the above-mentioned exclusive investment funds and its subsidiaries.

IRB-Brasil Resseguros S.A.

Notes to the parent company and consolidated financial statements

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In thousands of reais, except when otherwise stated

Section B – Risks

2 Risk management

IRB Brasil RE's Risk Management Framework (EGR) is integrated into the Internal Control System (SCI), supported by critical analysis and continuous improvement principles, in order to identify, measure, handle and monitor risks that could impact the Company's strategic goals.

The Company has an Executive Vice-president of Risks, Compliance and Legal (to which the Enterprise Risk and Compliance Executive Managements report), who takes on the responsibility for the risk management oversight and monitoring in IRB Brasil RE. In the same sense, the Statutory Board, the Board of Directors, the Risk and Solvency Committee and other joint, advisory and deliberative bodies remain committed to support and foster risk management in the scope of the Company.

In October 2022, the A.M. Best rating agency, based in the US, affirmed the rating A- in a global credit risk rating scale. In 2020, the Company issued simple non-convertible debentures. At that time, the rating agency Standard&Poor's Global Ratings ("S&P") assigned the "brAAA" rating for such issues, changed to "brAA+" in the report released in December 2022.

2.1 Three-line model

IRB Brasil RE adopts the three-line model in its Risk Management Framework and Internal Control System to provide greater solidity to its corporate governance.

The first line comprises the vice-presidencies of implementation and operations, the area managers being those directly in charge of the continuous management of the risks of their work processes.

The second line comprises the vice-presidency of Risks, Compliance and Legal, which covers the enterprise risks, internal controls and compliance organizational units, whose duties are to provide continuous support to and monitoring of the risk management performed by the first line.

In the meantime, the third line, represented by the Internal Audit, has duties related to the independent evaluation of the effectiveness of the Company's governance and risk management.

The Company has these three lines operating on simultaneous and integrated basis, through appropriate reporting layers and collaboration of all of whom are involved, aiming to provide transparency to risk-based decision making.

22 Risk typology

The main risk categories, as established by regulatory bodies, are the following: operational, underwriting, market, credit and liquidity.

The Company understands that these categories indeed cover its main exposures, however, they are not thorough, considering the dynamics of the context and the own markets where it operates.

2.2.1 Operational risks

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

The operational risk management is coordinated by the Internal Control Management that carries out, together with the business units, the application of the operational risk management process, providing the appropriate support and evaluating the efficiency and effectiveness of the existing controls.

IRB Brasil RE has a Business Continuity Management (GCN) program that provides for the actions to be taken in the event of contingency, organized in specific contingency plans: Business Continuity Plan, Disaster Recovery Plan and Going Concern Plans, based on Business Impact Analysis (BIA), besides the Crisis Management Plan and the Emergency Assistance Plan.

The Company also has a Data Bank of Operational Losses (BDPO) aimed to capture and record the event of losses arising from materialized risks.

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2.2.2 Underwriting risks

The underwriting risk arises from the possibility of incurring losses that contradict the expectations of actuarial and financial assumptions adopted 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 group of accepted risks or only specific risks (also called facultative). IRB Brasil RE currently has retrocession programs (or portfolio protection programs) that cover the groups of insurance 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 contract groups

The Company calculates the technical reserves according to the standards and guidance established by SUSEP (the Brazilian regulatory body). The following tables show the asset and liability balances of technical reserves (Outstanding claim reserve - PSL, Incurred But Not Reported - IBNR, Incurred But Not Enough Reported - IBNER, Technical Surplus Reserve - PET, Unearned premium reserve - PPNG, reserve for related expenses - PDR), gross and net of retrocession and broken down by insurance line groups:

	Parent Company and Consolidated					
	Technical reserves - reinsurance		Retrocession assets - technical reserves		Net	
	2022	2021	2022	2021	2022	2021
Aviation	535.455	653.034	(356.021)	(380.259)	179.434	272.775
Motor	167.606	153.541	(10.999)	(21.325)	156.607	132.216
Mortgage	56.551	53.686	(699)	(504)	55.852	53.182
Marine	149.994	183.117	(46.087)	(66.885)	103.907	116.232
Nuclear	1.041	1.192	(944)	(1.012)	97	180
Property	3.617.313	3.596.534	(1.824.163)	(2.144.315)	1.793.150	1.452.219
Life	511.983	438.476	(87.398)	(110.714)	424.585	327.762
Oil & Gas	824.736	953.456	(660.375)	(800.761)	164.361	152.695
Casualty	896.085	839.414	(493.600)	(495.809)	402.485	343.605
Financial risks	1.173.468	856.249	(537.435)	(288.073)	636.033	568.176
Agriculture	1.243.543	988.121	(138.250)	(352.076)	1.105.293	636.045
Cargo	677.133	633.288	(408.976)	(385.206)	268.157	248.062
International risks	4.962.267	5.979.982	(888.815)	(634.101)	4.073.452	5.345.881
Total	14.817.175	15.330.070	(5.453.762)	(5.681.040)	9.363.413	9.649.030

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2.2.2.2 Claim development

The following tables show the development triangles of incurred claims of the Company, broken down by underwriting year, considering that the Company uses comparability to demonstrate the amount of the outstanding claims reserve (PSL) as at the reporting dates December 31, 2022 and 2021.

Incurred Claims

• Retrocession - gross

Underwriting year	2022						Total
	Parent Company and Consolidated						
	2017	2018	2019	2020	2021	2022	
Incurring claims in the year	346.916	148.897	610.364	656.259	932.205	354.151	
One year later	1.995.763	3.395.583	3.342.453	4.445.637	4.688.101		
Two years later	3.505.785	6.197.022	5.341.843	5.536.346			
Three years later	4.192.023	6.907.476	5.646.650				
Four years later	4.424.539	6.949.030					
Five years later	4.411.966						
Current estimate of accumulated claims	4.411.966	6.949.030	5.646.650	5.536.346	4.688.101	354.151	27.586.244
Accumulated payments until base date	(4.029.012)	(6.250.510)	(4.893.124)	(4.310.090)	(3.122.718)	(62.858)	(22.668.312)
Liabilities recognized in the balance sheet as at December 31, 2022 (a)	382.954	698.520	753.526	1.226.256	1.565.383	291.293	4.917.932
IBNER (b)	4.743	9.741	13.651	24.627	50.044	41.700	144.506
IBNR (c)	62.689	118.710	247.952	562.222	970.794	1.030.192	2.992.559
Liabilities compared to prior years (d) - underwriting year prior to 2017 (*)							3.603.590
Total liabilities included in balance sheet (a)+(b)+(c)+(d)							11.658.587

(*) Considers PSL, IBNR and IBNER.

Underwriting year	2021						Total
	Parent Company and Consolidated						
	2016	2017	2018	2019	2020	2021	
Incurring 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	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 (a)	843.088	639.824	1.047.836	1.271.283	1.959.826	656.113	6.417.970
IBNER (b)	4.265	2.536	4.182	6.955	59.873	17.746	95.557
IBNR (c)	30.904	84.963	150.408	454.290	1.185.004	927.354	2.832.923
Liabilities compared to prior years (d) - underwriting year prior to 2016 (*)							2.651.763
Total liabilities included in balance sheet (a)+(b)+(c)+(d)							11.998.213

(*) Considers PSL, IBNR and IBNER.

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Incurred Claims

- Retrocession - net

Underwriting year	2022						Total
	Parent Company and Consolidated						
	2017	2018	2019	2020	2021	2022	
Incurring claims in the year	305.449	116.046	286.304	400.072	843.363	260.400	
One year later	1.575.570	2.682.605	2.242.427	3.092.149	4.365.430		
Two years later	2.701.564	4.809.769	3.755.125	4.018.837			
Three years later	3.128.163	5.376.773	3.912.350				
Four years later	3.271.067	5.401.208					
Five years later	3.313.629						
Current estimate of accumulated claims	3.313.629	5.401.208	3.912.350	4.018.837	4.365.430	260.400	21.271.854
Accumulated payments until base date	(3.081.787)	(4.897.243)	(3.421.504)	(3.290.299)	(2.985.359)	(27.861)	(17.704.053)
Liabilities recognized in the balance sheet as at December 31, 2022 (a)	231.842	503.965	490.846	728.538	1.380.071	232.539	3.567.801
IBNER (b)	3.336	8.925	7.446	19.393	19.415	20.792	79.307
IBNR (c)	39.338	78.396	136.693	352.262	630.457	767.117	2.004.263
Liabilities compared to prior years (d) - underwriting year prior to 2017 (*)							1.785.113
Total liabilities included in balance sheet (a)+(b)+(c)+(d)							7.436.484

(*) Considers PSL, IBNR and IBNER.

Underwriting year	2021						Total
	Parent Company and Consolidated						
	2016	2017	2018	2019	2020	2021	
Incurring 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	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 (a)	275.074	361.007	757.434	953.208	1.199.480	580.450	4.126.653
IBNER (b)	6.193	949	528	(388)	39.101	5.025	51.408
IBNR (c)	22.630	67.164	108.262	272.136	746.029	702.098	1.918.319
Liabilities compared to prior years (d) - underwriting year prior to 2016 (*)							1.514.931
Total liabilities included in balance sheet (a)+(b)+(c)+(d)							7.611.311

(*) Considers PSL, IBNR and IBNER.

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2.2.2.3 Sensitivity analysis

The purpose of the sensitivity analysis is to measure the impact on the profit or loss and equity of the Company, in the event of isolated, reasonably possible changes in assumptions inherent in its operations that may be affected by the risk underwriting process and that are considered material in the financial statement.

As a risk factor, the loss ratio assumption was selected.

Loss ratio – is the main indicator of reinsurance contracts and is equivalent to the ratio between expenses and income received by the contract. The test assessed the impact of an increase in claims.

If a 10% increase in loss ratio were to occur, the possible impacts on consolidated profit and loss after tax and equity after tax, as at December 31, 2022, are shown below:

Gross effects	Base Case	Scenario 10.0%	Impact
Equity	4.073.511	3.658.820	(414.691)
Profit or loss for the year	(630.341)	(1.045.032)	(414.691)
Impact on profit or loss (%) (*)			65,8
Impact on equity (%)			(10,2)
Net retrocession effects	Base Case	Scenario 10.0%	Impact
Equity	4.073.511	3.808.978	(264.533)
Profit or loss for the year	(630.341)	(894.874)	(264.533)
Impact on profit or loss (%) (*)			42,0
Impact on equity (%)			(6,5)

(*) In view of the loss 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 the increase of convertibility, mortality or survival ratios.

2.2.3 Market risk

These are the risks 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: real and nominal interest and exchange rates.

For these variables, the risk management involves different organizational units, including guidelines and strategies, as well as Value at Risk (VaR) techniques, and construction of stress scenarios, aimed at the preventive loss management.

With regard to foreign currencies, the Company's main exposure is to the US dollar, besides other currencies at a lower level, such as: Indian rupee, Peruvian nuevo sol, euro, Colombian peso, Argentinean peso and pound sterling.

2.2.3.1 Value at Risk Analysis

In the Company, these policies establish limits, processes and tools to effectively manage market risks. In addition, 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. Such metrics are commonly used in the market to measure market risk. However, the model uses historical data to calculate portfolio losses, and its limitation refers to the fact that it does not measure such loss amounts above the confidence level.

According to the historical method, 95.0% confidence, time period of 24 months and daily returns, daily VaR of the Company's asset portfolio was estimated at approximately R\$ 9,266 as at December 31, 2022, which represented an estimated maximum loss of 0.11% of the total asset portfolio.

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2.2.3.2 Consolidated analysis by economic stress tests

The stress test consists of measuring the effect of the changes in prices and rates observed in the financial market over significant stress periods on the Company's asset and liability amounts. For this purpose, the main prices and rates during the periods prior and after the crisis are observed and the respective changes are applied on the Company's assets and liabilities as at the reporting date December 31, 2022. The calculation of the global effect also considers the correlations existing among the many risk factors. The variables that affect the stress test result the most are the real and nominal interest rates and the foreign exchange rates.

After analysis, the conclusion is that the most adverse scenario for the investment portfolio is the Fall 2008 (2008), which refers to the Lehman Brothers' bankruptcy followed by two consecutive interest rate cuts by the Federal Reserve Bank (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 18.3% on the net assets related to market risk.

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).

2.2.4 Credit risk

IRB Brasil RE believes that the main source of its credit risk comprises retrocession transactions. Accordingly, the Company adopts the policy of entering into retrocession transactions with companies whose ratings are equal or higher than A- (S&P, Fitch and AM Best) or A3 (Moody's) in international scale. The exceptions to this policy are reviewed and approved by a dedicated joint body (Security Committee). Retrocession limits (individual and aggregate) are set for counterparties, which are reviewed and approved at least once a year. The following table shows the breakdown of retrocession assets by rating. Retrocession assets comprise reserves for claims, deferred premiums, and other reserves, as mentioned in Note 9.

Rating of retrocession assets

							2022
							% of retrocession assets
Rating range (*)	Local	Admitted	Eventual	Insurer	Foreign Business	Total	
AAA or equivalent	-	6,5	0,2	-	0,2	6,9	
AA or equivalent	-	27,9	11,5	-	5,0	44,4	
A or equivalent	-	19,7	21,1	-	2,9	43,7	
BBB or equivalent	-	1,3	-	-	0,1	1,4	
Without rating	0,2	-	-	1,1	2,3	3,6	
	0,2	55,4	32,8	1,1	10,5	100,0	

							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	

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

Local retrocessionaire: reinsurer headquartered in the country, incorporated as a corporation.

Admitted Retrocessionaire: reinsurer headquartered abroad, with a representative office in the country according to SUSEP (Brazilian regulator body) rules.

Eventual Retrocessionaire: foreign reinsurer without a representative office in Brazil, according to SUSEP (Brazilian regulator body) rules.

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

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Rating of receivables from reinsurance and retrocession operations

2022						
% of exposure by rating range						
Rating range (*)	Local	Admitted	Eventual	Insurer	Foreign Business	Total
AAA or equivalent	-	0,3	0,4	-	0,9	1,6
AA or equivalent	0,1	12,1	1,4	-	3,7	17,3
A or equivalent	0,1	0,5	1,9	-	10,7	13,2
BBB or equivalent	0,2	0,1	0,1	-	2,2	2,6
Without rating	0,7	-	0,1	10,7	53,8	65,3
	1,1	13,0	3,9	10,7	71,3	100,0

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

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

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 of assets of the Company is shown in the table below. It also shows the maturity of actual past due assets (actual premium, claim and other receivables).

Parent company							
2022							
Portfolio breakdown by class and accounting category	Assets not past due	Past due assets					Book value
		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	
Cash and cash equivalents	6.119	-	-	-	-	-	6.119
At fair value through profit or loss							
Corporate	896.447	-	-	-	-	-	896.447
Government	1.347.514	-	-	-	-	-	1.347.514
Foreign	668.344	-	-	-	-	-	668.344
Available for sale							
Corporate	451.999	-	-	-	-	-	451.999
Government	3.339.975	-	-	-	-	-	3.339.975
Foreign	2.317.846	-	-	-	-	-	2.317.846
Receivables from transactions with insurers and reinsurers	1.967.244	125.694	52.170	45.381	22.104	128.739	2.341.332
Total financial assets and insurance and reinsurance contract assets	10.995.488	125.694	52.170	45.381	22.104	128.739	11.369.576

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	Consolidated						
	2022						
	Past due assets						
Portfolio breakdown by class and accounting category	Assets not past due	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	Book value
Cash and cash equivalents	17.793	-	-	-	-	-	17.793
At fair value through profit or loss							
Corporate	826.814	-	-	-	-	-	826.814
Government	1.357.615	-	-	-	-	-	1.357.615
Foreign	668.344	-	-	-	-	-	668.344
Available for sale							
Corporate	448.096	-	-	-	-	-	448.096
Government	3.346.667	-	-	-	-	-	3.346.667
Foreign	2.317.846	-	-	-	-	-	2.317.846
Receivables from transactions with insurers and reinsurers	1.967.244	125.694	52.170	45.381	22.104	128.739	2.341.332
Total financial assets and insurance and reinsurance contract assets	10.950.419	125.694	52.170	45.381	22.104	128.739	11.324.507

	Parent company						
	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	Book value December 31, 2021
Cash and cash equivalents	8.231	-	-	-	-	-	8.231
At fair value through profit or loss							
Corporate	1.146.859	-	-	-	-	-	1.146.859
Government	1.486.229	-	-	-	-	-	1.486.229
Foreign	1.069.577	-	-	-	-	-	1.069.577
Available for sale							
Corporate	263.602	-	-	-	-	-	263.602
Government	3.102.138	-	-	-	-	-	3.102.138
Foreign	1.922.608	-	-	-	-	-	1.922.608
Receivables from transactions with insurers and reinsurers	1.959.919	79.204	45.888	37.503	40.790	121.302	2.284.606
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

	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	Book value December 31, 2021
Cash and cash equivalents	38.774	-	-	-	-	-	38.774
At fair value through profit or loss							
Corporate	1.083.718	-	-	-	-	-	1.083.718
Government	1.486.229	-	-	-	-	-	1.486.229
Foreign	1.069.577	-	-	-	-	-	1.069.577
Available for sale							
Corporate	278.331	-	-	-	-	-	278.331
Government	3.102.138	-	-	-	-	-	3.102.138
Foreign	1.922.608	-	-	-	-	-	1.922.608
Receivables from transactions with insurers and reinsurers	1.959.919	79.204	45.888	37.503	40.790	121.302	2.284.606
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

In credit risk management related to financial assets, the limits are set based on the company's investment policy. These limits are reflected in investment mandates, particularly when related to investments in corporate bond fund quotas. The compliance with mandates is monitored by the Risk area.

In brief, credit exposure limits do not restrict allocation to federal government securities. In relation to issuances of financial and non-financial companies or investment fund quotas, a methodology based on the analysis of quantitative and qualitative aspects of companies and funds, according to the Company's investment policy, is adopted.

This analysis results in a score (internal rating). Based on such score, a credit limit is set. This limit will be used for restricting the maximum exposure to the securities issued by a certain non-financial or financial company.

2.2.5 Liquidity risk

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

The main management strategy is aimed to allocate assets to highly liquid funds, to meet short-term cash needs. This risk is continuously monitored by following the expected cash flows of assets and liabilities related to reinsurance contracts over time, as shown in the following table.

	2022			
	Parent company		Consolidated	
	Assets (*)	Liabilities (**)	Assets (*)	Liabilities (**)
Expected cash flow from 0 to 12 months	8.739.421	5.254.762	8.751.095	5.254.762
Expected cash flow from 12 to 24 months	1.868.374	3.921.710	1.868.374	3.921.710
Expected cash flow from 24 to 36 months	1.404.120	2.364.018	1.404.120	2.364.018
Expected cash flow from 36 to 48 months	1.069.602	1.208.126	1.069.602	1.208.126
Expected cash flow from above 48 months	2.073.848	2.068.559	2.073.848	2.068.559
	15.155.365	14.817.175	15.167.039	14.817.175

	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 expected cash flow of assets comprises the sum of cash flows arising from the financial assets used as technical reserve guarantee, receivables, retrocession assets (see Note 21), and cash and cash equivalents (see Note 5).

(**) The expected cash flow of liabilities comprises technical reserves for reinsurance and was allocated over time using the assumption of the rate of payments based on the Company's experience and used in the Liability Adequacy Test.

The note demonstrates the excess of the accumulated balance of short-term assets over short-term liabilities.

The Company currently has 84.77% (88.30% in the consolidated) of its portfolio in bank deposits, LFTs, NTN-Bs, national sovereign bonds, US Treasuries, and other securities with daily liquidity in spite of their maturities. Additionally, 5.17% (5.21% in consolidated) and 8.09% (4.49% in consolidated) of the financial assets comprise investment funds and bank deposits which redemption is within 60 and 120 days, respectively. The share of the portfolio comprising investment fund and other assets which redemption is over 120 days is only 1.96% (2.00% in the consolidated).

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.

2.4 Fair value measurements recognized

- (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 inputs, except quoted prices, included in Level 1, which are observable for asset or liability, 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, 2 and 3 during the year.

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The Company's financial instruments by the carrying amounts of their financial assets and liabilities, including their fair value hierarchical values are shown in the table below:

Financial assets measured at fair value		Parent company		Consolidated	
		2022	2021	2022	2021
Financial assets at fair value through profit or loss					
Financial Treasury Bills	Level 1	959.437	1.143.956	959.437	1.143.956
National Treasury Notes - Series B	Level 1	39.453	103.472	39.453	103.472
National Treasury Bills	Level 1	-	4.023	-	4.023
Repurchase agreements	Level 2	348.624	234.778	358.725	234.778
Shares in investment funds - non-exclusive	Level 2	25.332	44.536	25.332	65.692
Time deposit abroad	Level 2	559.056	978.633	559.056	978.633
Shares in Brazilian companies	Level 1	-	73.949	-	73.949
Derivatives	Level 2	-	851	749	915
Inepar debentures	Level 3	12.179	16.219	12.179	16.219
Sovereign bonds - Global 23	Level 1	739.204	843.254	739.204	843.254
Shares in Brazilian companies	Level 1	65.264	70.769	54.772	70.769
Market index funds	Level 1	14.067	57.456	14.067	57.456
Real estate funds - Exclusive	Level 2	64.060	68.157	804	-
Shares in Funds - Non-exclusive	Level 2	-	-	5.039	-
Interest-bearing checking account	Level 2	83.956	46.408	83.956	46.408
Other	Level 2	1.673	16.204	-	-
Total		2.912.305	3.702.665	2.852.773	3.639.524
Available-for-sale financial assets					
Financial Treasury Bills	Level 1	1.814.374	1.781.091	1.814.374	1.781.091
National Treasury Notes - Series B	Level 1	1.209.180	1.208.105	1.211.165	1.208.105
National Treasury Notes - Series F	Level 1	50.255	51.626	50.255	51.626
Bank certificate of deposits	Level 2	55.272	-	55.272	-
Shares in Funds - Non-exclusive	Level 2	7.807	-	7.807	12.033
Debentures % CDI	Level 1	20.703	56.532	135.641	56.532
Debentures CDI +	Level 1	80.592	34.121	20.703	34.121
Debentures IPCA	Level 1	12.152	-	33.177	-
Financial bills % CDI	Level 2	151.377	18.998	158.777	18.998
Financial bills CDI+	Level 2	13.301	104.776	13.301	104.776
Repurchase agreements	Level 2	266.166	61.316	270.873	61.316
Mortgage-backed securities	Level 2	-	-	2.015	-
Receivable investment funds	Level 1	113.502	51.872	21.403	51.871
Other	Level 2	(2.707)	(2.697)	-	-
Sovereign bonds - Global 23 and 26 (*)	Level 1	1.011.259	890.013	1.011.259	890.013
Reinsurance trust account (**)	Level 1	1.306.587	1.032.595	1.306.587	1.032.595
Total		6.109.820	5.288.348	6.112.609	5.303.077
Financial liabilities not measured at fair value					
Financial liabilities amortized cost					
Debentures		916.111	883.499	916.111	883.499
Total		916.111	883.499	916.111	883.499

(*) Brazilian securities traded abroad

(**) Assets deposited abroad and that adjust downward the coverage requirement, according to SUSEP Circular 648/2021, represented by US government bonds falling due in 2023, 2024, 2025, 2026 and 2027 (see Note 21).

The amounts of cash and cash equivalents, receivables from reinsurance and retrocession operations, and trade payables are not included in the above table because their carrying amounts approximate their fair values as these financial instruments fall due in short term.

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

The methods and assumptions underlying the classification of securities, after the definition of the pricing type of each asset, exclusively apply the techniques established in the asset pricing manuals of IRB Brasil RE, which are fully compatible with the pricing manuals of custodians.

Held-for-trading securities – these are those acquired for being active and frequently traded. They are recorded at acquisition cost, plus the income earned and adjusted to fair value with a contra-entry in profit or loss for the year;

Available-for-sale securities – these are those that do not meet the held-for-trading nor the held-to-maturity classification. They are recorded at acquisition cost, plus income earned, with a contra-entry in profit or loss for the year and adjusted to fair value with a contra-entry in equity, which are only recognized in profit or loss upon their effective realization; and

Held-to-maturity securities – these are those acquired with the intention of and for which there is financial capacity to hold them in the portfolio until maturity. They are recorded at acquisition cost, plus the income earned with a contra-entry in profit or loss for the year.

The fair value is usually based on quoted market prices or quoted market prices of assets or liabilities with similar characteristics. If these quoted market prices are not available, the fair values are based on quoted prices of market

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participants, pricing models, discounted cash flows or similar techniques, for which the determination of fair value may require significant judgment or estimate from the Company. 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 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.

2.5 Coverage of Minimum Capital Requirement

The CNSP Resolution 432/2021 (issued in November 2021, which came into effect in December 2021) establishes the methodology for calculating risk capital based on underwriting, credit, operational and market risks, calculating adjusted equity, as well as the regulatory sufficiency assessment criteria.

Such 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, from the regulatory perspective, the funds available to the overseen companies to run their operations in view of fluctuations and adverse situations, being net of assets with subjectivity level of appreciation or that already guarantee similar financial activities, and of other assets which nature is considered inappropriate, from the regulatory authority's perspective, to save its capacity of incurring losses. For CMR coverage quality adjustments, three Adjusted Equity's tiers are considered:

The table below presents the calculation of regulatory adjusted equity, which as at December 31, 2022 was above the minimum regulatory required amount.

	Parent company	
	2022	2021
Risk-based capital - underwriting risk	1.105.262	1.081.200
Risk-based capital - credit risk	589.292	598.519
Risk-based capital - operational risk	60.750	62.853
Risk-based capital - market risk	60.816	89.184
Risk diversification benefit	(246.921)	(266.506)
Total risk-based capital	1.569.199	1.565.250
Core capital	60.000	60.000
Minimum capital requirement (i)	1.569.199	1.565.250
Adjusted equity (ii)	1.587.324	1.654.812
Sufficiency (deficiency) of adjusted equity	18.125	89.562

(i) The higher between total risk-based capital and core capital.

(ii) Equity used for purposes of CMR coverage sufficiency.

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	2022	2021
Equity	4.073.511	3.634.360
Deductions		
Prepaid expenses	(6.251)	(10.623)
Investments accounted for using the equity method	(39.387)	(28.876)
Deferred tax assets – tax loss	(2.233.895)	(1.653.166)
Intangible assets	(105.803)	(84.989)
Receivables/payables of branches abroad	-	(98.535)
Tax credits (iii)	(211.749)	(180.104)
Other deductions	(50)	(50)
Deferred acquisition costs not directly related to PPNG	(117.915)	-
Economic adjustments	292.924	195.880
Adjustments of tier 3 PLA surplus (iv)	(64.061)	(119.085)
Adjusted equity	1.587.324	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:

	2022	2021
Equity	4.073.511	3.634.360
Deductions		
Prepaid expenses	(6.251)	(10.623)
Investments accounted for using the equity method	(39.387)	(28.876)
Deferred tax assets – tax loss	(2.233.895)	(1.653.166)
Intangible assets	(105.803)	(84.989)
Receivables/payables of branches abroad	-	(98.535)
Total tax credits	(447.129)	(414.892)
Other deductions	(50)	(50)
Deferred acquisition costs not directly related to PPNG	(117.915)	-
Real estate and real estate funds	(64.061)	(119.085)
PLA Tier 1	1.059.020	1.224.144
Economic adjustments	292.924	195.880
PLA Tier 2	292.924	195.880
Deferred tax assets for temporary differences limited to 15% of CMR	235.380	234.788
Real estate and real estate funds	64.061	119.085
PLA Tier 3	299.441	353.873
CMR coverage quality adjustments		
a) Tier 1 PLA - minimum of 50% of CMR	-	-
b) Tier 3 PLA - maximum of 15% of CMR	(64.061)	(119.085)
c) Sum of tiers 2 and 3 PLA - maximum 50% of CMR	-	-
Adjusted equity	1.587.324	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.

As shown above, the Company had sufficiency of PLA in relation to the CMR, complying with the regulatory provisions.

Even though the Company reported sufficiency of adjusted equity in relation to minimum capital requirement in December 2022, a reduction in this indicator is noted in relation to that reported in December 2021. Such reduction was mainly caused by the accounting losses recorded for this year due to significant events in the life and agriculture groups. In this sense, Management continuously evaluates measures to strengthen its capital structure and increase this regulatory indicator, such as: (i) structured transactions that adjust reserves downward, or transfer of portfolio run-off; (ii) sale of real estate that are out of operation; (iii) reduction in idle capital in subsidiaries; (iv) implementation of a new program aimed at administrative expense reduction, among other. Another important pillar refers to the expected improvements in technical results due to the several measures adopted over the latest underwriting periods. Considering the current capital structure, the practices adopted in underwriting and the possible measures mentioned above, Management expects to obtain an increment to the sufficiency in this regulatory indicator over the next period. It is worth noting that the figures computed for January 2023 already give signs of a capital sufficiency increment, reaching R\$ 83,111.

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Section C – Information by operating segment

3 Information by operating segment

The Company's information by business segment is prepared based on the financial information that is available and directly attributable to the segment, or that could be allocated on reasonable basis. The profit or loss from underwriting is the main item used by Management for managing results by business segment, as well as for decision making and performance assessment. For business decision-making purposes, the Company does not use segment information on asset and liability amounts.

The Company has determined that the Statutory Board is the Chief Operating Decision Maker (CODM).

The Company's business segments are as follows:

- a) Brazil: Represents the insurance risks accepted in Brazil;
- b) Abroad: Represents the insurance risks accepted abroad;
- c) Other: This includes items that cannot be assigned to the business segments, as they have corporate characteristics. Corporate items mainly include those associated with financial management, administrative expenses, tax expenses, share of profit of equity-accounted investees, and taxes and contributions. The monitoring of these items is carried out by the Company's Management in aggregate, not considering the breakdown by segment in its internal financial reports.

In the year ended December 31, 2022, a single customer accounted for a percentage equivalent to 14.3% of the Company's revenue (written premiums). For the same period in 2021, no customer accounted for a percentage greater than 10%.

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As at December 31, 2022 and 2021, the Company has its profit or loss computed by segment, as shown below:

	Consolidated			
	2022			
	Brazil	Abroad	Other	Total
Reinsurance premiums	5.377.488	2.514.521	-	7.892.009
Ceded premiums in retrocession	(2.083.880)	(840.021)	-	(2.923.901)
Retained premiums	3.293.608	1.674.500	-	4.968.108
Changes in technical reserves	(122.700)	252.236	-	129.536
Earned premiums	3.170.908	1.926.736	-	5.097.644
Retained claims	(3.315.085)	(1.999.807)	-	(5.314.892)
Acquisition costs	(649.698)	(453.103)	-	(1.102.801)
Other operating expenses	(99.280)	(30.095)	-	(129.375)
Underwriting profit or loss	(893.155)	(556.269)	-	(1.449.424)
Administrative expenses	-	-	(329.655)	(329.655)
Tax income (expenses)	-	-	(87.907)	(87.907)
Finance income and share of profit of equity-accounted inv	-	-	690.118	690.118
Net income (loss) before taxes	(893.155)	(556.269)	272.556	(1.176.868)
Taxes, contributions and profit sharing	-	-	546.527	546.527
Loss for the year	(893.155)	(556.269)	819.083	(630.341)

	Consolidated			
	2021			
	Brazil	Abroad	Other	Total
Reinsurance premiums	5.329.211	3.431.315	-	8.760.526
Ceded premiums in retrocession	(2.805.876)	(398.510)	-	(3.204.386)
Retained premiums	2.523.335	3.032.805	-	5.556.140
Changes in technical reserves	52.461	291.897	-	344.358
Earned premiums	2.575.796	3.324.702	-	5.900.498
Retained claims	(2.455.711)	(3.532.278)	-	(5.987.989)
Acquisition costs	(760.006)	(652.481)	-	(1.412.487)
Other operating expenses	(61.915)	(6.814)	-	(68.729)
Underwriting profit or loss	(701.836)	(866.871)	-	(1.568.707)
Administrative expenses	-	-	(387.499)	(387.499)
Tax income (expenses)	-	-	(23.471)	(23.471)
Finance income and share of profit of equity-accounted inv	-	-	617.989	617.989
Net income (loss) before taxes	(701.836)	(866.871)	207.019	(1.361.688)
Taxes, contributions and profit sharing	-	-	678.987	678.987
Loss for the year	(701.836)	(866.871)	886.006	(682.701)

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Section D – The Group's structure

4 Investments

4.1 Change in investments

	Parent company	
	2022	2021
Opening balance	28.876	31.728
Net income from subsidiaries		
IRB Asset Management	40.738	29.659
Ownership interests of subsidiaries		
IRB Chile	1.907	-
IRB Renda	11.280	-
IRB Uso	497	-
IRB Santos Dumont	14.872	-
Dividends		
IRB Asset Management	(36.659)	(32.312)
Exchange rate change of investment abroad	(6.245)	(199)
Impairment B3i (i)	(15.879)	-
Ownership interests	39.387	28.876

(i) Impairment B3i

B3i (investee) started-up its operations in the second half of 2019 with a platform of Integration and exchange of transactions based on the blockchain technology, offering services to Insurers and Reinsurers based in Europe. The entity's shareholders comprise, among others, a select group of Reinsurers, including major and important global players.

At the beginning of its activities, B3i attracted clients, however, the transaction and financial volume was below the required to cover operating costs.

During the year 2020, important prospect customers of B3i cancelled their orders and the investee started to use its funds to settle its obligations. At the end of 2020, B3i had to take on a loan to maintain the liquidity required to cover its operating costs.

In the year 2021, there was no increase in the amount of customers or revenue, and with the maintenance of the cost level, the loan obtained covered the operations until the middle of February 2022.

In May 2022, B3i requested a loan to the majority shareholders to initiate the company's voluntary liquidation process, however, even with such loan the company could not manage to arrange the liquidation process and in July it filed for bankruptcy.

Based on the information received from the investee, in the second quarter of 2022 the Company recognized an impairment of the full amount recorded in the Investments line item, in the amount of R\$ 15,879.

4.2 Ownership interests

As at December 31, 2022 and 2021, the Company's ownership interests are as follows:

Name	Brazil	Business	Relationships	2022	
				Percentage	
				Direct interest in common shares	Indirect interest in common shares
IRB Asset Management	Brazil	Asset management	Subsidiary	100,0%	
IRB Santos Dumont	Brazil	Real estate management	Subsidiary	100,0%	
IRB Chile	Brazil	Real estate management	Subsidiary	100,0%	
IRB Uso	Brazil	Real estate management	Subsidiary	100,0%	
IRB Renda	Brazil	Real estate management	Subsidiary	100,0%	
B3i	Switzerland	Technology	Other investments	7,35%	

Name	Brazil	Business	Relationships	2021	
				Percentage	
				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 Us (*)	Brazil	Real estate management	Indirect subsidiary		100,0%
IRB Renda (*)	Brazil	Real estate management	Indirect subsidiary		100,0%
B3i	Switzerland	Technology	Other investments	8,9%	

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

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Section E – Notes to the parent company and consolidated financial statements

5 Cash and cash equivalents

The balance of this account is as follows:

	Parent company		Consolidated	
	2022	2021	2022	2021
Cash and cash equivalents in national currency	314	1.532	11.988	32.075
Cash and cash equivalents in foreign currency	5.805	6.699	5.805	6.699
Total	6.119	8.231	17.793	38.774

6 Financial assets

6.1 Breakdown of financial assets

	Parent company					
	Fair value through profit or loss		Available for sale		Average interest rate - %	Total
	Amortized cost	Fair value	Amortized cost	Fair value		
Fixed-income securities - Corporate						
Debentures	12.179	12.179	-	-	-	12.179
Shares in exclusive funds - fixed income						
Financial Treasury Bills	949.693	947.980	1.815.651	1.814.374	SELIC	2.762.354
Repurchase agreements	330.069	330.069	266.166	266.166	SELIC	596.235
National Treasury Notes - Series B	49.313	39.453	1.441.668	1.209.180	IPCA+2.85%	1.248.633
National Treasury Notes - Series F	-	-	58.276	50.255	5.73% p.a.	50.255
Debentures % CDI	-	-	20.793	20.703	106,84%	20.703
Debentures CDI +	-	-	81.572	80.592	DI+ 2.20%	80.592
Debentures IPCA +	-	-	12.370	12.152	IPCA+6.80%	12.152
Financial bills % CDI	-	-	151.107	151.377	110.69% p.a.	151.377
Financial bills CDI+	-	-	13.307	13.301	CDI + 1.37% p.a.	13.301
Sovereign bonds - Global 23	739.799	739.204	-	-	2.63% p.a.	739.204
Bank certificate of deposits	-	-	55.272	55.272	102% of CDI p.a.	55.272
Fixed-income funds	-	-	113.502	113.502	-	113.502
Other (*)	1.670	1.670	(2.707)	(2.707)	-	(1.037)
Shares in exclusive funds - variable income						
Financial Treasury Bills	11.469	11,457	-	-	SELIC	11,457
Repurchase agreements	18.555	18,555	-	-	SELIC	18,555
Stock funds	65,264	65,264	-	-	-	65,264
Market index funds	14,067	14,067	-	-	-	14,067
Other	3	3	-	-	-	3
Shares in real estate funds - Exclusive	64,060	64,060	-	-	-	64,060
Shares in investment funds - non-exclusive	-	-	15,033	7,807	-	7,807
	2.256.141	2.243.961	4.040.010	3.791.974	-	6.035.935
Financial assets Abroad						
Fixed-income securities - Government						
Sovereign bonds - Global 23 and 26	-	-	1.090.386	1.011.259	4.541% p.a.	1.011.259
Other financial assets						
Restricted financial assets - Interest-bearing credit letter (ii)	83.956	83.956	-	-	-	83.956
Reinsurance trust account (iii)	-	-	1.369.832	1.306.587	0.346% p.a.	1.306.587
Fixed-income securities - Corporate						
Time deposit abroad (i)	559.056	559.056	-	-	2.756% p.a.	559.056
Shares in non-exclusive funds						
Shares in non-exclusive investment funds	25.332	25.332	-	-	-	25.332
	668.344	668.344	2.460.218	2.317.846		2.986.190
Total	2.924.485	2.912.305	6.500.228	6.109.820		9.022.125
%		32,3%		67,7%		100,0%
Current		2.912.305		1.367.977		4.280.282
Non-current		-		4.741.843		4.741.843

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

(i) These represent financial assets in time deposits, which maturities range from 4 to 180 days. Such financial assets are in US dollars and euro.

(ii) Interest-bearing credit letter.

(iii) Assets deposited abroad and that are used for coverage of the guarantee of technical reserves, according to SUSEP Circular 648/2021, represented by US government bonds falling due in 2023, 2024, 2025, 2026 and 2027 (see Note 21).

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6.1 Breakdown of financial assets

	Parent company					Total
	2021					
	Fair value through profit or loss		Available for sale		Average interest rate - %	
	Amortized cost	Fair value	Amortized cost	Fair value		
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 credit letter (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% p.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	3.716.615	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 payable that are in exclusive investment funds.

(i) These represent financial assets in time deposits, which maturities range from 9 to 91 days. Such financial assets are in US dollars.

(ii) Interest-bearing credit letter.

(iii) Assets deposited abroad and that are used for coverage of the guarantee of technical reserves, according to SUSEP Circular 648/2021, represented by US government bonds falling due in 2023 and 2026 (see Note 21).

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6.1 Breakdown of financial assets

						Consolidated
						2022
	Fair value through profit or loss		Available for sale		Average interest rate - %	Total
	Amortized cost	Fair value	Amortized cost	Fair value		
Fixed-income securities - Corporate						
Debtentures	12.179	12.179	-	-	-	12.179
Shares in exclusive funds - fixed income						
Financial Treasury Bills	949.693	947.980	1.815.651	1.814.374	SELIC	2.762.354
Repurchase agreements	330.069	330.069	270.873	270.873	SELIC	600.942
National Treasury Notes - Series B	49.313	39.453	1.443.654	1.211.165	IPCA+2.85%	1.250.618
National Treasury Notes - Series F	-	-	56.276	50.255	5.73% p.a.	50.255
Debtentures % CDI	-	-	136.622	135.641	106,84%	135.641
Debtentures CDI+	-	-	20.793	20.703	DI+ 2.20%	20.703
Debtentures IPCA	-	-	33.394	33.177	-	33.177
Financial bills % CDI	-	-	158.507	158.777	110.69% p.a.	158.777
Financial bills CDI+	-	-	13.307	13.301	CDI + 1.37% p.a.	13.301
Sovereign bonds - Global 23	739.799	739.204	-	-	2.63% p.a.	739.204
Bank certificate of deposits	-	-	55.272	55.272	102% of CDI p.a.	55.272
Mortgage-backed securities	-	-	2.015	2.015	-	2.015
Receivable investment funds	-	-	21.403	21.403	-	21.403
Shares in exclusive funds - variable income						
Financial Treasury Bills	11.469	11.457	-	-	-	11.457
Repurchase agreements	28.656	28.656	-	-	SELIC	28.656
Shares in Brazilian companies	54.772	54.772	-	-	-	54.772
Market index funds	14.067	14.067	-	-	-	14.067
Derivatives - Futures markets	749	749	-	-	-	749
Shares in real estate funds - Exclusive	804	804	-	-	-	804
Shares in investment funds - Non-exclusive	5.039	5.039	15.033	7.807	-	12.846
	2.196.609	2.184.429	4.042.800	3.794.763		5.979.192
Financial assets Abroad						
Fixed-income securities - Government						
Sovereign bonds - Global 23 and 26	-	-	1.090.386	1.011.259	-	1.011.259
Other financial assets						
Restricted financial assets - Interest-bearing credit letter (ii)	83.956	83.956	-	-	-	83.956
Reinsurance trust account (iii)	-	-	1.369.832	1.306.587	-	1.306.587
Fixed-income securities - Corporate						
Time deposit abroad (i)	559.056	559.056	-	-	-	559.056
Fixed-income securities - Corporate						
Shares in non-exclusive funds						
Shares in non-exclusive investment funds	25.332	25.332	-	-	-	25.332
	668.344	668.344	2.460.218	2.317.846		2.986.190
Total	2.864.953	2.852.773	6.503.018	6.112.609		8.965.382
%		31,8%		68,2%		100,0%
Current		2.852.773		1.283.827		4.136.600
Non-current		-		4.828.782		4.828.782

(i) These represent financial assets in time deposits, which maturities range from 4 to 180 days. Such financial assets are in US dollars and euro.

(ii) Interest-bearing credit letter.

(iii) Assets deposited abroad and that are used for coverage of the guarantee of technical reserves, according to SUSEP Circular 648/2021, represented by US government bonds falling due in 2023, 2024, 2025, 2026 and 2027 (see Note 21).

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6.1 Breakdown of financial assets

Consolidated						
2021						
	Fair value through profit or loss		Available for sale		Average interest rate - %	Total
	Amortized cost	Fair value	Amortized cost	Fair value		
Fixed-income securities - Corporate						
Debtentures	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
Debtentures % CDI	-	-	56.898	56.532	107% of CDI p.a.	56.532
Debtentures 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 credit letter (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% p.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 represent financial assets in time deposits, which maturities range from 9 to 91 days. Such financial assets are in US dollars.

(ii) Interest-bearing checking account.

(iii) Assets deposited abroad and that adjust downward the coverage requirement, according to SUSEP Circular 648/2021, represented by Us government bonds falling due in 2023 and 2026 (see Note 21).

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6.1.1 Breakdown of financial assets by type and maturity

	Parent company				
	2022				
	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	12.179	-	-	-	12.179
Shares in exclusive funds - fixed income					
Repurchase agreements	-	330.069	-	-	330.069
National Treasury Notes - Series B	-	-	-	39.453	39.453
Financial Treasury Bills	-	-	-	947.980	947.980
Sovereign bonds - Global 23	-	739.204	-	-	739.204
Bank certificate of deposits	-	-	-	-	-
Other	1.670	-	-	-	1.670
Shares in exclusive funds - variable income					
Financial Treasury Bills	-	-	-	11.457	11.457
Repurchase agreements	-	18.555	-	-	18.555
Stock funds	65.264	-	-	-	65.264
Market index funds	14.067	-	-	-	14.067
Other	3	-	-	-	3
Shares in real estate funds - Exclusive	64.060	-	-	-	64.060
Financial assets Abroad					
Fixed-income securities - Corporate					
Time deposit abroad	-	559.056	-	-	559.056
Other financial assets					
Restricted financial assets - Interest-bearing credit letter	83.956	-	-	-	83.956
Shares in non-exclusive investment funds					
Shares in non-exclusive investment funds	25.332	-	-	-	25.332
	266.531	1.646.884	-	998.890	2.912.305
Available for sale					
Shares in exclusive funds - fixed income					
Financial Treasury Bills	-	-	-	1.814.374	1.814.374
Repurchase agreements	-	266.166	-	-	266.166
National Treasury Notes - Series B	-	-	-	1.209.180	1.209.180
National Treasury Notes - Series F	-	-	-	50.255	50.255
Debentures % CDI	-	1.564	-	19.139	20.703
Debentures CDI +	-	204	-	80.388	80.592
Debentures IPCA +	-	-	-	12.152	12.152
Financial bills % CDI	-	-	-	151.377	151.377
Financial bills CDI+	-	-	-	13.301	13.301
Fixed-income funds	113.502	-	-	-	113.502
Bank certificate of deposits	-	55.272	-	-	55.272
Other	(2.707)	-	-	-	(2.707)
Shares in investment funds - non-exclusive	7.807	-	-	-	7.807
Financial assets Abroad					
Fixed-income securities - Government					
Sovereign bonds - Global 23 and 26	-	428.162	-	583.097	1.011.259
Reinsurance trust account	1.746	-	496.261	808.580	1.306.587
Fixed-income securities - Corporate					
	120.348	751.368	496.261	4.741.843	6.109.820
Total					9.022.125

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6.1.1 Breakdown of financial assets by type and maturity

	Parent company				Total
	2021				
	Without maturity	From 1 to 180 days	From 181 to 365 days	Over 365 days	
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
National Treasury Notes - Series F	-	-	-	-	-
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 credit letter	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

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6.1.1 Breakdown of financial assets by type and maturity

	Consolidated				
	2022				
	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	12.179	-	-	-	12.179
Shares in exclusive funds - fixed income					
Financial Treasury Bills	-	-	-	947.980	947.980
Repurchase agreements	-	330.069	-	-	330.069
National Treasury Notes - Series B	-	-	-	39.453	39.453
National Treasury Notes - Series F	-	-	-	-	-
Sovereign bonds - Global 23	-	739.204	-	-	739.204
Derivatives - Futures markets	-	-	-	-	-
Bank certificate of deposits	-	-	-	-	-
Shares in exclusive investment funds - variable income					
Financial Treasury Bills	-	-	-	11.457	11.457
Repurchase agreements	-	18.555	10.101	-	28.656
Stock funds	54.772	-	-	-	54.772
Market index funds	14.067	-	-	-	14.067
Derivatives - Futures markets	749	-	-	-	749
Shares in non-exclusive investment funds	5.039	-	-	-	5.039
Shares in exclusive investment funds	804	-	-	-	804
Financial assets Abroad					
Fixed-income securities - Corporate					
Time deposit abroad	-	559.056	-	-	559.056
Other financial assets					
Restricted financial assets - Interest-bearing credit letter	83.956	-	-	-	83.956
Shares in non-exclusive funds					
Shares in non-exclusive investment funds	25.332	-	-	-	25.332
	196.898	1.646.884	10.101	998.890	2.852.773
Available for sale					
Shares in exclusive funds - fixed income					
Financial Treasury Bills	-	-	-	1.814.374	1.814.374
Repurchase agreements	-	270.873	-	-	270.873
National Treasury Notes - Series B	-	-	-	1.211.165	1.211.165
National Treasury Notes - Series F	-	-	-	50.255	50.255
Debentures % CDI	-	1.564	536	133.541	135.641
Debentures CDI +	-	203	-	20.500	20.703
Debentures IPCA	-	-	-	33.177	33.177
Financial bills % CDI	-	-	-	158.777	158.777
Financial bills CDI+	-	-	-	13.301	13.301
Bank certificate of deposits	-	55.272	-	-	55.272
Mortgage-backed securities	-	-	-	2.015	2.015
Receivable investment funds	21.403	-	-	-	21.403
Shares in non-exclusive investment funds	7.807	-	-	-	7.807
Financial assets Abroad					
Fixed-income securities - Government					
Sovereign bonds - Global 23 and 26	-	428.162	-	583.097	1.011.259
Reinsurance trust account	1.746	-	496.261	808.580	1.306.587
Fixed-income securities - Corporate					
	30.956	756.074	496.797	4.828.782	6.112.609
Total					8.965.382

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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
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 credit letter	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

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6.2 Changes in financial assets

	Parent company		
	Fair value through profit or loss	Available for sale	Total
Balances as at January 1, 2021	3.088.544	5.253.389	8.341.933
Acquisition of investments	11.655.567	3.304.258	14.959.825
Interest on redeemed	(11.712)	(16.601)	(28.313)
Redemption assets	(11.209.702)	(3.515.086)	(14.724.788)
Finance income	97.817	207.071	304.888
Fair value adjustment	-	(163.172)	(163.172)
Exchange-rate change	83.365	127.543	210.908
Other	(1.214)	90.946	89.732
Balances as at December 31, 2021	3.702.665	5.288.348	8.991.013

	Fair value through profit or loss	Available for sale	Total
Balances as at December 31, 2021	3.702.665	5.288.348	8.991.013
Acquisition of investments	8.713.565	3.433.044	12.146.609
Interest on redeemed	(53.652)	(125.412)	(179.064)
Redemption assets	(9.460.278)	(2.622.828)	(12.083.106)
Finance income	138.886	363.723	502.609
Fair value adjustment	-	(142.900)	(142.900)
Exchange-rate change	(126.291)	(95.113)	(221.404)
Other	(2.590)	10.958	8.368
Balances as at December 31, 2022	2.912.305	6.109.820	9.022.125

	Consolidated		
	Fair value through profit or loss	Available for sale	Total
Balances as at January 1, 2021	3.036.715	5.277.240	8.313.955
Acquisition of investments	11.655.567	3.315.343	14.970.910
Interest on redeemed	(11.712)	(16.601)	(28.313)
Redemption assets	(11.210.828)	(3.521.235)	(14.732.063)
Finance income	126.754	239.602	366.356
Fair value adjustment	-	(166.120)	(166.120)
Exchange-rate change	83.365	127.543	210.908
Other	(40.337)	47.305	6.968
Balances as at December 31, 2021	3.639.524	5.303.077	8.942.601

	Fair value through profit or loss	Available for sale	Total
Balances as at December 31, 2021	3.639.524	5.303.077	8.942.601
Acquisition of investments	8.720.302	3.433.044	12.153.346
Interest on redeemed	(53.652)	(125.412)	(179.064)
Redemption assets	(9.474.528)	(2.622.828)	(12.097.356)
Finance income	164.833	394.064	558.897
Fair value adjustment	-	(142.900)	(142.900)
Exchange-rate change	(126.291)	(95.113)	(221.404)
Other	(17.415)	(31.323)	(48.738)
Balances as at December 31, 2022	2.852.773	6.112.609	8.965.382

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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	
	2022	2021
Current		
Transactions with insurers (7.2)	3.305.393	3.215.171
Transactions with reinsurers (7.2)	681.250	919.770
Other receivables (7.2)	21.751	30.738
Impairment	(46.113)	(60.598)
Total current	3.962.281	4.105.081
Non-current		
Other receivables (7.2)	26.856	11.677
Total non-current	26.856	11.677
	3.989.137	4.116.758

7.2 Change

The Company has reinsurance contracts with premiums recorded using estimated (Estimated Premium and Pipeline Premium - 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. In addition, as established in the legislation in effect, the Company makes use of threshold to adjust the Premium Estimated by the cedant according to the history of realization of insurance premiums. The Company periodically conducts studies to keep such threshold updated. The non-proportional contracts have a minimum premium (actual premiums), which may be adjusted later on through the review of the technical reinsurance accounts that are sent by the cedants. Meanwhile, 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.

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	Parent Company and Consolidated	
	2022	2021
Opening balance (***)	4.177.356	5.829.472
Actual premium - Opening balance	1.859.908	2.326.383
Written premiums	8.050.941	10.089.444
Premium received	(6.700.912)	(9.591.200)
Write-off for offset of amounts (**)	(1.247.460)	(1.157.768)
Commission on written premiums	(933.927)	(1.562.823)
Commission payments	1.216.202	1.711.910
Other receivables	(146.396)	20.239
Exchange rate change	(73.181)	23.723
Change Assets	165.267	(466.475)
Actual premium (*) - Closing balance	2.025.175	1.859.908
	2022	2021
Estimated premium - Opening balance	1.340.209	2.367.715
Written premiums	3.715.272	4.109.115
Reversal for accounts rendered	(3.890.583)	(5.444.649)
Commission on written premiums	(680.557)	(851.895)
Reversal of estimated commission	747.986	1.093.232
Exchange rate change	(77.941)	66.691
Change Assets	(185.823)	(1.027.506)
Estimated premium - Closing balance	1.154.386	1.340.209
	2022	2021
RVNE premium - Opening balance	552.541	522.800
Recognition / reversal of premiums	11.822	2.748
Recognition / reversal of commissions	247	178
Exchange rate change	(25.078)	26.815
Change Assets	(13.009)	29.741
RVNE premium - Closing balance	539.532	552.541
	2022	2021
Claims - Opening balance	382.283	473.403
Recoverable claims	562.350	388.301
Recovered claims	(582.103)	(519.570)
Other receivables	(84.614)	27.713
Exchange rate change	(10.366)	12.436
Change Assets	(114.733)	(91.120)
Claims (*) - Closing balance	267.550	382.283
	2022	2021
Other receivables - Opening balance	42.415	139.171
Other receivables	(8.661)	(99.717)
Exchange rate change	14.853	2.961
Change Assets	6.192	(96.756)
Other receivables (*) - Closing balance	48.607	42.415
Closing balance (***)	4.035.250	4.177.356

(*) 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.

(**) Amounts of premiums receivable settled net with claims payable.

(***) Does not consider impairment values.

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7.3 Aging of receivables from reinsurance and retrocession operations and impairment losses

In the aging of receivables from reinsurance and retrocession operations, the Company considers only the balances outstanding of actual premium, paid and recoverable claims, and other receivables.

The measurement of impairment losses up to 2021 considered the balances payable comprising payables for operations with retrocessionaires and actual receivables related to reinsurance contracts (actual premium, paid and recoverable claims, and other receivables). In 2022, the Company updated its methodology of measurement of impairment losses, and as described in Note 28 (d), started to consider only the balances receivable of written premiums, net of reinsurance commission and accepted retrocession, and recoverable claims paid.

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

Parent Company and Consolidated			
2022			
Aging	Receivables	Impairment loss	Total
Falling due	1.967.244	(1.172)	1.966.072
Past due	374.088	(44.941)	329.147
Less than 30 days past due	125.694	(159)	125.535
From 31 to 60 days past due	52.170	(181)	51.989
From 61 to 120 days past due	45.381	(302)	45.079
From 121 to 180 days past due	22.104	(478)	21.626
Over 181 days past due	128.739	(43.821)	84.918
Total	2.341.332	(46.113)	2.295.219

Parent Company and Consolidated					
2021					
Aging	Receivables	Payables	Net receivables	Impairment loss	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

8 Third-party deposits

The amounts received from cedants related to receivables not fully written-off are recorded in this line item. The amounts credited as premium and claim recovery are received deducted for commissions and, sometimes, claim prepayments.

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

Parent Company and Consolidated		
	2022	2021
Up to 30 days	46.844	47.623
Between 31 and 60 days	7.112	25.905
Between 61 and 120 days	26.262	15.934
Between 121 and 180 days	4.850	7.414
Over 180 days	5.395	11.101
Total	90.463	107.977

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9 Retrocession assets - technical reserves

	Parent Company and Consolidated	
	2022	2021
Current		
Retrocession assets - technical reserves		
Premiums - retrocession (9.2)	1.175.852	1.201.522
Claims - retrocession (9.1)	4.182.886	4.386.902
Other reserves (9.3)	9.762	11.346
Impairment (9.1)	(1.029)	-
	5.367.471	5.599.770
Non-current		
Retrocession assets - technical reserves		
Premiums - retrocession (9.2)	46.045	81.270
Claims - retrocession (9.1)	40.246	-
	86.291	81.270

9.1 Claims – retrocession by insurance line group

The outstanding claims reserve (PSL) – Administrative and Judicial and Incurred But Not Reported (IBNR) reserve are as follows:

	Parent Company and Consolidated			
	2022			
	Outstanding claims reserve - Administrative	Outstanding claims reserve - Judicial	IBNR	Total
Aviation	292.176	16	60.470	352.662
Motor	2.453	-	1.490	3.943
Mortgage	452	-	242	694
Marine	22.697	1.456	7.633	31.786
Property	1.063.699	48.860	375.230	1.487.789
Life	22.707	1.261	26.642	50.610
Oil & Gas	166.786	-	58.353	225.139
Casualty	312.739	9.377	61.687	383.803
Financial risks	417.062	13.343	81.283	511.688
Agriculture	17.671	3.195	61.676	82.542
Cargo	291.337	35	58.634	350.006
International risks	437.622	-	303.819	741.441
Total	3.047.401	77.543	1.097.159	4.222.103

	Parent Company and Consolidated			
	2021			
	Outstanding claims reserve - Administrative	Outstanding claims reserve - Judicial	IBNR	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

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9.1.1 Changes

	Parent Company and Consolidated	
	2022	2021
Opening balance	4.386.902	3.732.920
PSL - previous balance	3.386.683	2.770.586
PSL - Recognition of retrocession claims	2.412.064	3.571.725
PSL - Reversal of retrocession claims	(932.237)	(1.229.790)
PSL - Estimate of salvage and reimbursements	17.205	(20.527)
PSL - Reversal to retrocession receivable	(562.350)	(388.301)
PSL - RVR Retro Asset	(1.029)	-
PSL - Write-off for claim payment Loss Portfolio Transfer (*)	(510.093)	(801.708)
PSL - Claim recovery	(574.657)	(562.257)
PSL - Interest, inflation adjustment, exchange rate change and other	(110.642)	46.955
PSL - Change in Assets	(261.739)	616.097
PSL - Closing balance	3.124.944	3.386.683
	2022	2021
IBNR - Opening balance	1.000.219	962.334
IBNR - Recognition of retrocession claims	467.258	532.776
IBNR - Reversal of retrocession claims	(338.951)	(530.592)
IBNR - Exchange rate change	(31.367)	35.701
IBNR - Change in Assets	96.940	37.885
IBNR - Closing balance	1.097.159	1.000.219
Closing balance	4.222.103	4.386.902

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

9.2 Deferred retrocession premiums

	Parent Company and Consolidated						
	2022						
	Unearned premium reserve			Deferred reinsurance commission			Total
Actual	Estimated	RVNE	Actual	Estimated	RVNE		
Aviation	2.864	276	267	(12)	(24)	(11)	3.360
Motor	2.741	3.034	-	(68)	(61)	-	5.646
Mortgage	-	-	6	-	-	-	6
Marine	12.269	569	1.729	(204)	(28)	(33)	14.302
Nuclear	-	-	968	-	-	(24)	944
Property	275.523	53.748	18.739	(10.405)	(3.106)	(852)	333.647
Life	24.736	12.419	1.306	(2.331)	(1.076)	(125)	34.929
Oil & Gas	391.038	131	54.534	(9.076)	(6)	(1.384)	435.237
Casualty	93.210	19.816	1.475	(4.077)	(996)	(97)	109.331
Financial risks	20.752	4.287	1.406	(563)	(1.582)	(75)	24.225
Agriculture	55.245	-	121	-	-	(10)	55.356
Cargo	36.011	20.407	5.569	(1.935)	(925)	(958)	58.169
International risks	147.360	642	307	(1.380)	(152)	(32)	146.745
Total	1.061.749	115.329	86.427	(30.051)	(7.956)	(3.601)	1.221.897
Current							1.175.852
Non-current							46.045

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9.2 Deferred retrocession premiums

Parent Company and Consolidated							
2021							
	Unearned premium reserve			Deferred reinsurance commission			Total
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	
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

9.2.1 Changes

Parent Company and Consolidated							
	Unearned premium reserve			Deferred reinsurance commission			Total
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	
Balances as at January 1, 2021	1.152.732	187.327	137.782	(30.954)	(21.096)	(4.643)	1.421.148
Recognition	3.552.871	373.684	123.473	(81.344)	(25.305)	(5.658)	3.937.721
Deferral by risk	(3.667.187)	(441.115)	(165.777)	81.456	38.387	6.521	(4.147.715)
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
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Balances as at December 31, 2021	1.103.285	122.205	101.032	(31.662)	(8.132)	(3.936)	1.282.792
Recognition	4.056.055	729.613	793.711	(154.275)	(49.305)	(59.197)	5.316.602
Deferral by risk	(4.053.120)	(733.330)	(803.466)	154.532	49.215	59.389	(5.326.780)
Exchange rate change	(44.471)	(3.159)	(4.850)	1.354	266	143	(50.717)
Balances as at December 31, 2022	1.061.749	115.329	86.427	(30.051)	(7.956)	(3.601)	1.221.897

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		
	2022	2021
Aviation	-	24
Motor	1.409	679
Property	2.727	2.679
Life	1.859	1.613
Casualty	466	2.406
Financial risks	1.521	2.011
Agriculture	351	391
Cargo	800	937
International risks	629	606
Total	9.762	11.346

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10 Trade and other receivables

	Parent company		Consolidated	
	2022	2021	2022	2021
Current				
Receivables from exclusive funds	-	-	1.767	328
Amounts receivables from customers	-	-	5.255	5.176
Advance to suppliers	561	227	561	227
Advance to employees	932	1.239	932	1.239
Reimbursement receivable	11.020	19.545	11.020	19.545
Other	1.275	915	1.401	917
Total current	13.788	21.926	20.936	27.432
Non-current				
Amounts from real estate investment portfolio	-	40.409	-	40.409
PIS/PASEP and late payment fine recoverable (i)	433.007	16.103	433.007	16.103
Amounts receivable - Previrb	100.639	106.429	100.639	106.429
Amounts receivable - estimated reimbursement (10.1)	26.673	49.991	26.673	49.991
Reimbursement from reinsurance operations (ii)	361.558	376.884	361.558	376.884
Other	217	-	-	-
Total non-current	922.094	589.816	921.877	589.816
	935.882	611.742	942.813	617.248

(i) Such amount corresponds to PIS/PASEP receivables and late payment fine, which will be received by the Company through the grant of the respective court-ordered payment of government debt, under the terms described in Notes 23.3.5 and 23.3.6.

(ii) The bond is expected to be realized in the second quarter of 2024.

10.1 Reinsurance recoveries

The following chart shows the changes in recoveries with insurers and the timing of the expected realization of balances as at December 31, 2022.

Parent Company and Consolidated		
	2022	2021
Opening balance	49.991	67.319
Increase (reversals)	(21.714)	(19.788)
Exchange rate change	(1.604)	2.460
Closing balance	26.673	49.991

Expected realization	Aviation	Cargo	Financial risks	Other	Total
May-23	-	-	-	883	883
July-23	-	1.745	-	-	1.745
September-23	2.143	-	-	-	2.143
November-23	-	-	-	195	195
March-24	-	10.285	-	-	10.285
November-24	-	3.132	-	-	3.132
October-25	-	-	4.130	-	4.130
March-26	-	-	2.154	-	2.154
August-36	-	-	2.006	-	2.006
	2.143	15.162	8.290	1.078	26.673

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11 Tax credits and deferred tax assets

11.1 Tax credits and deferred tax assets

	Parent company	
	2022	2021
Current		
Tax Argentina branch / Withholding income tax	10.818	14.134
Tax loss carryforwards/recoverable (i)	44.666	113.457
	55.484	127.591
Non-current		
Overpaid contributions and taxes to be recovered (ii)	156.893	406.092
Deferred tax assets	2.681.024	2.068.057
Deferred income tax and social contribution (iii)	2.349.523	1.731.914
Deferred PIS and COFINS (iv)	331.501	336.143
	2.837.917	2.474.149
	2.893.401	2.601.740

	Consolidated	
	2022	2021
Current		
Tax Argentina branch / Withholding income tax	11.316	14.306
Tax loss carryforwards/recoverable (i)	44.666	114.119
	55.982	128.425
Non-current		
Overpaid contributions and taxes to be recovered (ii)	156.893	449.168
Deferred tax assets	2.681.024	2.068.057
Deferred income tax and social contribution (iii)	2.349.523	1.731.914
Deferred PIS and COFINS (iv)	331.501	336.143
	2.837.917	2.517.225
	2.893.899	2.645.650

(i) Mainly deferred tax assets arising from Income Tax and Social Contribution for previous periods in the amount of R\$ 29,947, and PIS and COFINS in the amount of R\$ 10,503.

(ii) It substantially refers to the following:

- PIS credits amounting to R\$ 76,507 (R\$ 71,525 in 2021) arising from lawsuit over the increase in the 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 credits about which there is no doubt or dispute regarding their tax bases were considered. The Company is currently unable to use the credits because of the provisions of art. 74, paragraph 3, item VI and paragraph 12 item I, of Law 9,430/1996. In this sense, although the Administrative Proceedings 16682-722.248/2015-28 - where the use of the credits is disputed, obtained through Ordinary Suit 0010496-12.2006.4.02.5101 - is still pending at the administrative level, because such Law prohibits the Federal Revenue Service of Brazil to use such credits, under penalty of the returns being considered not filed (Note 23.3.3).

- Amounts of IRPJ and CSLL levied on the adjustment by SELIC of the unduly paid taxes through December 2022 in the amount of R\$ 45,681 (R\$ 41,639 as at December 31, 2021).

- Receivables from prior periods in the amount of R\$ 20,226, after the merger process of the subsidiary IRB Investimentos e Participações Imobiliárias S.A. carried out on September 30, 2022.

(iii) Refer to deferred tax assets of IRPJ and CSLL arising from tax loss and social contribution loss carryforwards in the amount of R\$ 2,233,895 (R\$ 1,653,167 in 2021) and temporary differences in the amount of R\$ 115,628 (R\$ 78,747 in 2021), according to Note 11.1.1(a).

(iv) Refer to deferred tax assets of PIS and COFINS arising from claim reserves, less the claim recovery reserves. For purposes of determining the tax bases of such contributions, the amounts are only deductible when paid or received. The PIS contributions are accrued at the rate of 0.65%, whereas the COFINS ones are accrued at the rate of 4%.

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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 and Consolidated			
	2022		2021	
	Income tax	social contribution	Income tax	Social contribution
Non-current				
Provisions for labor lawsuits and post-employment benefit	406.439	406.439	457.878	457.878
Allowance for doubtful accounts	47.141	47.141	60.598	60.598
Lawsuits - final and unappealable decisions	(65.067)	(65.067)	-	-
Provision for tax and social security contingencies	17.282	17.282	(36.229)	(36.229)
Adjustment to market value - available-for-sale securities	390.408	390.408	237.320	237.320
Actuarial gains and losses - post-employment benefit	-	-	(29.464)	(29.464)
Provision for labor contingencies	54.783	54.786	60.033	60.033
Adjustment to market value - investment	21.230	21.230	5.351	5.351
Adjustment of court deposits - Tax/labor lawsuits	(262.458)	(262.458)	(222.478)	(222.478)
Tax loss and social contribution loss carryforwards	5.571.566	5.606.687	4.124.656	4.146.679
Deferred PIS and COFINS	(331.501)	(331.501)	(336.143)	(336.143)
Provision for civil contingency	10.807	10.807	-	-
Other reserves	-	-	4	4
Tax base	5.860.630	5.895.754	4.321.526	4.343.549
Current nominal rate	25,0%	15,0%	25,0%	15,0%
Deferred tax assets	1.465.159	884.364	1.080.382	651.532

Deferred tax assets arising from income tax losses, social contribution loss carryforwards and temporary differences shall be fully or partially recognized, provided that the entity expects to generate future taxable profit, based on technical feasibility study, that allows the realization of deferred tax assets.

The Company's strategic planning for the following years includes measures that strengthen the financial discipline and operational efficiency of its activities, among which are the revision of the strategies on underwriting, pricing, sale of non-operational assets, and control over administrative expenses. The revision of the Company's technical feasibility study, which resulted in projections of future taxable profit, considered all the measures included in the strategic planning.

Additionally, the Company believes that the identifiable causes for the recognized losses incurred in 2020 and 2021 mostly arose from the need to make necessary adjustments to the technical reserves of the contracts underwritten by the former management before June 2020, which were entered into rashly and with expansionary ambition, and that showed to detract from the results and are events that will unlikely occur again, and shall not be considered in the projections of future results once such contracts were terminated or fully reformulated by the new Management, and their effects were reduced over the years. The loss incurred in the year 2022, basically comprising losses of the Agriculture segment arising from atypical climate events and that were unprecedented in the past 75 years, in addition to those of the Life segment, due to the Covid-19 pandemic, does not have any correlation with the losses for prior years, which strengthens the belief that it has low likelihood to be incurred in the future.

Accordingly, the Company recognized in its financial statements the full amount of the deferred tax assets, after revaluating its technical feasibility study, based on the operational assumptions of its strategic planning, historical data, and in future economic scenarios, and concluded that it has ability to generate future taxable profit sufficient to use the recognized credit. The study was approved by the Company's Statutory Board, Board of Directors and Fiscal Council.

(b) Estimate of realization of deferred tax assets

Considering that no time horizon is provided in the accounting standards for evaluating the ability to realize deferred tax assets and their non expiration by the Federal Revenue Service of Brazil, the Company, based on technical studies and projections, estimates the realization of deferred tax assets as follows:

	2022	
	Parent Company and Consolidated	
	Provision for deferred taxes and contributions	%
2023	40.486	2%
2024	74.665	3%
2025	123.211	5%
2026	147.593	6%
2027	172.686	7%
2028	196.562	8%
2029 to 2030	483.550	21%
2031 to 2032	631.033	27%
2033 to 2034	479.737	21%
Total	2.349.523	100%

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12 Deferred acquisition costs

The amounts recorded in the line item deferred acquisition costs are basically commissions paid to reinsurance brokers. The deferral is performed on straight-line basis over the contract period (average period of 21 months).

	Parent Company and Consolidated							
	2022				2021			
	Actual	Estimated	RVNE	Total	Actual	Estimated	RVNE	Total
Aviation	949	2	556	1.507	2.432	46	673	3.151
Motor	44	14	45	103	107	25	50	182
Mortgage	47	55	110	212	18	4	110	132
Marine	3.006	-	561	3.567	3.051	9	535	3.595
Property	23.295	562	2.872	26.729	23.856	675	3.111	27.642
Life	119.225	49	399	119.673	1.632	44	326	2.002
Oil & Gas	20.905	-	2.403	23.308	15.281	-	2.350	17.631
Casualty	2.044	71	378	2.493	2.296	59	303	2.658
Financial risks	1.635	469	72	2.176	1.323	517	66	1.906
Agriculture	144	89	73	306	215	237	64	516
Cargo	4.003	84	3.106	7.193	3.441	167	2.680	6.288
International risks	30.299	5.609	7.978	43.886	43.515	9.417	9.062	61.994
Total	205.596	7.004	18.553	231.153	97.167	11.200	19.330	127.697
Current				116.778				113.832
Non-current				114.375				13.865

12.1 Changes

	Parent Company and Consolidated			
	Actual	Estimated	RVNE	Total
Balance as at January 1, 2021	95.260	18.024	17.710	130.994
Recognition of acquisition cost	37.675	261	1.509	39.445
Deferral 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

	Parent Company and Consolidated			
	Actual	Estimated	RVNE	Total
Balance as at December 31, 2021	97.167	11.200	19.330	127.697
Recognition of acquisition cost	160.072	751	2.008	162.832
Deferral of acquisition cost	(48.986)	(3.945)	(1.991)	(54.923)
Exchange rate change	(2.657)	(1.002)	(794)	(4.453)
Balance as at December 31, 2022	205.596	7.004	18.553	231.153

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13 Investment property

	Parent company
	Shopping Centers
Cost of property investments, gross	
Balance as at January 1, 2021	7.879
Balance as at December 31, 2021	7.879
Accumulated depreciation	
Balance as at January 1, 2021	(2.994)
Depreciation	(315)
Balance as at December 31, 2021	(3.309)
Accounting balance, net	4.570
Cost of property investments, gross	
Balance as at December 31, 2021	7.879
Disposal (*)	(7.879)
Balance as at December 31, 2022	-
Accumulated depreciation	
Balance as at December 31, 2021	(3.309)
Depreciation	(184)
Disposal (*)	3.493
Balance as at December 31, 2022	-
Accounting balance, net	-

(*) Write-off of sale of share of Casa Shopping.

13 Investment property

	Consolidated			
	Land	Buildings	Shopping Centers	Total
Cost of property investments, gross				
Balance as at January 1, 2021	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 January 1, 2021	-	(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
Cost of property investments, gross				
Balance as at December 31, 2021	16.302	7.090	67.953	91.345
Fair value adjustment	-	-	3.121	3.121
Disposal	-	-	(7.879)	(7.879)
Balance as at December 31, 2022	16.302	7.090	63.195	86.587
Accumulated depreciation				
Balance as at December 31, 2021	-	-	(3.311)	(3.311)
Depreciation	-	-	(184)	(184)
Disposal (*)	-	-	3.495	3.495
Balance as at December 31, 2022	-	-	-	-
Accounting balance, net	16.302	7.090	63.195	86.587

According to the latest valuation carried out by expert companies, the amount related to the fair value of investment property is R\$91,466.

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14 Property and equipment

	Parent Company and Consolidated							Total
	Land and buildings	Data processing equipment	Telecommunications equipment	Furniture, machineries and fixtures	Other property and equipment	Vehicles	Right of use (*)	
Cost of property and equipment, gross								
Balance as at January 1, 2021	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 January 1, 2021	(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
Cost of property and equipment, gross								
Balance as at December 31, 2021	66.772	38.364	3.007	8.412	3.472	89	6.994	127.110
Additions	-	1.760	186	-	5.832	-	17.165	24.943
Write-offs	(67.409)	(12.431)	(1.337)	(7.814)	(3.203)	(19)	(366)	(92.579)
Transfers	637	-	-	-	(637)	-	-	-
Balance as at December 31, 2022	-	27.693	1.856	598	5.464	70	23.793	59.474
Accumulated depreciation								
Balance as at December 31, 2021	(20.415)	(33.901)	(2.168)	(4.150)	(38)	(79)	(1.856)	(62.607)
Depreciation	(1.472)	(2.090)	(629)	(497)	(268)	(26)	(1.475)	(6.457)
Write-offs	21.887	11.686	1.156	4.282	-	35	-	39.046
Balance as at December 31, 2022	-	(24.305)	(1.641)	(365)	(306)	(70)	(3.331)	(30.018)
Accounting balances, net	-	3.388	215	233	5.158	-	20.462	29.456

(*) Right of use - In view of the adoption of IFRS 16 as of January 1, 2019, the Company recognized in its statement of financial position new assets for its lease contracts for branch in São Paulo and the head office in Rio de Janeiro, recognized as at December 31, 2022 in the amount of R\$ 20,462 (R\$ 5,138 as at December 31, 2021), net of amortization.

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15 Intangible assets

	Parent company		
	Software development and license acquisition costs	Software in development	Total
Intangible asset cost, gross			
Balance as at January 1, 2021	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 January 1, 2021	(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
Intangible asset cost, gross			
Balance as at December 31, 2021	295.009	20.917	315.926
Additions	33.688	30.345	64.033
Transfers	11.713	(11.713)	-
Write-offs	(1.233)	(320)	(1.553)
Balance as at December 31, 2022	339.177	39.229	378.406
Accumulated amortization			
Balance as at December 31, 2021	(230.937)	-	(230.937)
Amortization	(42.840)	-	(42.840)
Write-offs	1.174	-	1.174
Balance as at December 31, 2022	(272.603)	-	(272.603)
Accounting balance, net	66.574	39.229	105.803

	Consolidated		
	Software development and license acquisition costs	Software in development	Total
Intangible asset cost, gross			
Balance as at January 1, 2021	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 January 1, 2021	(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
Intangible asset cost, gross			
Balance as at December 31, 2021	295.134	21.051	316.185
Additions	33.688	30.211	63.899
Transfers	11.713	(11.713)	-
Write-offs	(1.162)	(320)	(1.482)
Balance as at December 31, 2022	339.373	39.229	378.602
Accumulated amortization			
Balance as at December 31, 2021	(231.065)	-	(231.065)
Amortization	(42.883)	-	(42.883)
Write-offs	1.174	-	1.174
Balance as at December 31, 2022	(272.774)	-	(272.774)
Accounting balance, net	66.599	39.229	105.828

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16 Trade payables

	Parent company		Consolidated	
	2022	2021	2022	2021
Suppliers	26.813	6.456	34.295	9.574
Lease liabilities (i)	21.664	5.681	21.664	5.681
Interest on shareholders' equity/dividends	862	3.442	862	3.442
Labor claims	2.471	2.338	2.471	2.338
Bonus - Executive Board	5.052	5.804	5.052	5.804
Ownership interests IRB Investimentos e Participações	-	7.766	-	-
Other	-	703	-	4.192
Total	56.862	32.190	64.344	31.031
Current	37.139	19.999	44.621	26.605
Non-current	19.723	12.191	19.723	4.426

(i) Related to the lease contracts for the São Paulo branch's property and the Rio de Janeiro's head office.

17 Borrowings and financing

The Company carried out 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 contribute to restore 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 432/2021 and CMN Resolution 4,993/2022 as well as strengthen the Company's capital structure.

As at December 31, 2022, the Company's borrowings and financing balances are represented by such issues and their main characteristics are as follows:

	Parent Company and Consolidated	
	2022	2021
Debentures - First issue	640.601	602.388
Principal	597.439	597.439
Interest and charges	45.706	9.636
Cost to be recognized	(2.544)	(4.687)
Debentures - Second issue	267.004	227.073
Principal	229.193	229.193
Interest and charges	40.063	718
Costs to be recognized	(2.252)	(2.838)
Total	907.605	829.461
Current	466.898	10.354
Non-current	440.707	819.107

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17.1 Characteristics of issues:

	1 st Issue 1 st series	1 st Issue 2 nd series	2 nd Issue sole series
Code	IRBR11	IRBR21	IRBR12
Convertibility	Simple non-convertible debentures	Simple non-convertible debentures	Simple non-convertible debentures
Type	Unsecured	Unsecured	Unsecured
Form	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	10/15/2020	10/15/2020	12/15/2020
Maturity	10/15/2023	10/15/2026	12/15/2026
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			
	1 st Issue 1 st series	1 st Issue 2 nd series	2 nd Issue sole series	Total
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
Interest payment	(64.912)	(11.287)	(17.522)	(93.721)
Interest expenses	73.371	39.434	56.796	169.601
Amortization transaction cost	1.296	311	657	2.264
Balance as at December 31, 2022	464.213	176.388	267.004	907.605

17.3 Fair value - debentures:

The following table shows the fair value of debentures as at December 31, 2022.

	Series	Fair value	Rate
First issue	1st series	469.050	100% DI rate + 3.35% p.a.
First issue	2nd series	176.146	IPCA + 6.6579% p.a.
Second issue	Sole series	270.915	IPCA + 6.6579% p.a.

For measuring the fair value, the unit prices based on the curve and the respective trading unit prices were used, observed in the history of trading of financial instruments in the secondary market until the base date of the measurement.

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17.4 Covenants:

The Company's Debentures require the fulfilment of a series of covenants.

Among the main covenants, we highlight the following:

- i) ratios (gross debt-to-equity) equal to 0.35 or lower. Gross debt being the total borrowings and financing calculated by the Company.
- ii) non being downgraded in two ratings assigned by the rating agency, on issue date.
- iii) compliance (including but not limited to shortfalls) with the rules by CNSP, SUSEP and/or CMN in relation to minimum capital, technical reserves, liquidity, solvency and guarantee assets. In the event of any breach of regulatory requirement, these must be remedied within the period established by SUSEP, which determines the submission of the Solvency Regularization Plan (PRS) and the Sufficiency of Coverage Regularization Plan (PRC) within 45 days and 30 days, respectively, from the date of SUSEP's notification.

At the end of the year 2022, Company was compliant with all covenants established in the respective indentures.

18 Provisions for taxes and contributions

	Parent company		Consolidated	
	2022	2021	2022	2021
Income tax payable	-	-	1.198	7.179
CSLL payable	-	-	437	2.593
PIS/ COFINS payable	4.727	4.532	4.921	5.043
Installment payment IRPJ and CSLL (*)	78.447	-	78.447	98.912
Total	83.174	4.532	85.003	113.727
Current	29.641	4.532	31.470	35.280
Non-current	53.533	-	53.533	78.447

(*) It refers to the installment payment of IRPJ and CSLL (calendar year 2020) of subsidiary IRB Investimentos e Participações Imobiliárias, which merger process was completed through the Extraordinary Shareholders' Meeting of IRB Brasil RE (acquirer), held on September 30, 2022.

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	
	2022	2021
Current		
Transactions with insurers	723	2.572
Transactions with reinsurers	2.227.873	1.810.175
Brokers of reinsurance, retrocession and other	134.093	160.141
Other payables	36.185	78.783
	2.398.874	2.051.671
Non-current		
Other payables	789	789
	2.399.663	2.052.460

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19.2 Changes

	Parent Company and Consolidated	
	2022	2021
Opening balance	2.052.460	2.570.457
Actual premium - Opening balance	1.456.946	1.857.034
Ceded premiums in retrocession	2.908.816	3.426.978
Payment of ceded premiums in retrocession	(1.903.458)	(2.879.548)
Funds withheld offset - Loss Portfolio Transfer (**)	(510.093)	(801.708)
Commissions and interest on retrocession payable	(131.647)	(168.936)
Commissions and interest on retrocession paid	148.123	148.095
Other payables	(37.182)	(172.805)
Exchange rate change	(57.359)	47.836
Changes in Liabilities	417.200	(400.088)
Actual premium (*) - Closing balance	1.874.146	1.456.946
	2022	2021
Estimated premium - Opening balance	166.010	279.974
Ceded premiums in retrocession	508.578	569.280
Reversal for accounts rendered	(492.840)	(694.250)
Commission on written premiums	(31.577)	(60.086)
Reversal of estimated commission	31.320	66.958
Exchange rate change	(3.482)	4.134
Changes in Liabilities	11.999	(113.964)
Estimated premium - Closing balance	178.009	166.010
	2022	2021
RVNE premium - Opening balance	189.791	203.842
Reversal of premiums	(2.551)	(99.412)
Recognition / reversal of commissions	(79)	782
Exchange rate change	(10.720)	84.579
Changes in Liabilities	(13.350)	(14.051)
RVNE premium - Closing balance	176.441	189.791
	2022	2021
Actual brokerage commissions - Opening balance	107.365	113.389
Brokerage commission payable	217.178	262.956
Brokerage commission paid	(233.007)	(271.099)
Exchange rate change	(3.729)	2.119
Changes in Liabilities	(19.558)	(6.024)
Actual brokerage commissions (*) - Closing balance	87.807	107.365
	2022	2021
Estimated brokerage commissions - Opening balance	52.776	67.995
Reversal	(3.201)	(18.312)
Exchange rate change	(3.289)	3.093
Changes in Liabilities	(6.490)	(15.219)
Estimated brokerage commissions - Closing balance	46.286	52.776
	2022	2021
Other payables - Opening balance	79.572	48.223
Recognition (Reversal)	(39.823)	28.435
Exchange rate change	(2.775)	2.914
Changes in Liabilities	(42.598)	31.349
Other payables (*) - Closing balance	36.974	79.572
Closing balance	2.399.663	2.052.460

(*) The balance as at December 31 related to the sum of these groups is equivalent to the one shown in the column Payables for operations in Note 7.3.

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

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20 Technical reserves

	Parent Company and Consolidated	
	2022	2021
Current		
Unearned premium reserve (20.1)	2.670.631	2.812.762
Risks in force issued	2.398.782	2.515.874
Risks in force not issued	271.849	296.888
Outstanding claims (20.2)	8.145.786	8.842.862
IBNR reserve (20.2)	3.364.373	3.155.351
Other reserves (20.3)	206.530	225.173
	14.387.320	15.036.148
Non-current		
Unearned premium reserve (20.1)	281.427	293.922
Risks in force issued	269.664	282.631
Risks in force not issued	11.763	11.291
Outstanding claims (20.2)	148.428	-
	429.855	293.922

20.1 Unearned premium reserve and acquisition costs

	Parent Company and Consolidated						
	2022						
	Unearned premium reserve			Deferred reinsurance commission			Total
Actual	Estimated	RVNE	Actual	Estimated	RVNE		
Aviation	11.573	365	4.635	(74)	(45)	(39)	16.415
Motor	13.677	13.092	753	(4.376)	(3.952)	-	19.194
Mortgage	3.867	2.253	2.442	-	(774)	-	7.788
Marine	36.262	622	7.229	(422)	(56)	(46)	43.589
Nuclear	-	-	1.105	-	-	(64)	1.041
Property	613.958	99.945	67.327	(29.128)	(13.254)	(823)	738.025
Life	43.156	23.600	9.585	(1.825)	(2.295)	-	72.221
Oil & Gas	489.294	131	64.199	(673)	(14)	(60)	552.877
Casualty	112.909	23.344	4.786	(2.749)	(1.882)	(116)	136.292
Financial risks	136.765	48.915	4.622	(47.450)	(20.295)	(167)	122.390
Agriculture	155.295	227.685	5.086	(29.068)	(44.185)	(64)	314.749
Cargo	75.127	30.557	39.616	(4.104)	(3.693)	(1.810)	135.693
International risks	546.411	343.000	76.885	(96.494)	(76.549)	(1.469)	791.784
Total	2.238.294	813.509	288.270	(216.363)	(166.994)	(4.658)	2.952.058
Current							2.670.631
Non-current							281.427

	Parent Company and Consolidated						
	2021						
	Unearned premium reserve			Deferred reinsurance commission			Total
Actual	Estimated	RVNE	Actual	Estimated	RVNE		
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

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20.1.1 Changes

	Parent Company and Consolidated						
	Unearned premium reserve			Deferred reinsurance commission			
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Balances as at January 1, 2021	2.285.586	1.471.651	325.469	(198.703)	(317.548)	(4.842)	3.561.613
Recognition	6.096.608	2.243.721	413.179	(700.524)	(496.511)	(8.130)	7.548.343
Deferral by risk	(6.060.564)	(2.821.448)	(440.856)	592.812	618.135	8.056	(8.103.865)
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
	Unearned premium reserve			Deferred reinsurance commission			
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Balance as at December 31, 2021	2.370.218	940.041	313.269	(307.090)	(204.664)	(5.090)	3.106.684
Recognition	7.946.648	1.955.775	2.048.457	(2.393.223)	(402.276)	(158.270)	8.997.111
Deferral by risk	(8.002.451)	(2.027.487)	(2.060.464)	2.479.124	430.079	158.521	(9.022.678)
Exchange rate change	(76.121)	(54.820)	(12.992)	4.826	9.867	181	(129.059)
Balance as at December 31, 2022	2.238.294	813.509	288.270	(216.363)	(166.994)	(4.658)	2.952.058

20.2 Outstanding claim and IBNR reserve

	2022			
	Parent Company and Consolidated			
	Outstanding claims - Administrative	Outstanding claims in court dispute	Claims incurred but not reported	Total
Aviation	422.249	16	93.049	515.314
Motor	96.051	20.299	28.931	145.281
Mortgage	17.222	240	20.401	37.863
Marine	78.274	2.675	24.650	105.599
Property	2.104.369	83.858	664.526	2.852.753
Life	242.520	12.106	160.803	415.429
Oil & Gas	197.553	-	74.307	271.860
Casualty	587.312	52.071	118.220	757.603
Financial risks	726.006	25.435	256.127	1.007.568
Agriculture	541.959	5.189	370.161	917.309
Cargo	427.169	4.496	104.792	536.457
International risks	2.643.445	3.700	1.448.406	4.095.551
	8.084.129	210.085	3.364.373	11.658.587

	2021			
	Parent Company and Consolidated			
	Outstanding claims - Administrative	Outstanding claims in court dispute	Claims incurred but not reported	Total
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

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20.2.1 Changes

	Parent Company and Consolidated	
	2022	2021
Opening balance	11.998.213	9.758.455
PSL - previous balance	8.842.862	6.417.059
PSL - Recognition of reserve for claim reporting	7.884.828	9.988.449
PSL - Reversal of reserve for estimate revision	(1.318.369)	(1.225.167)
PSL - Estimate of salvage and reimbursements	13.534	(47.307)
PSL - Claims paid	(5.527.394)	(5.417.972)
PSL - Write-off for offset of amounts (*)	(1.247.460)	(1.157.768)
PSL - Interest, inflation adjustment and exchange rate change and other	(353.787)	285.568
PSL - Changes in liabilities	(548.648)	2.425.803
PSL - Closing balance	8.294.214	8.842.862
	2022	2021
IBNR - Opening balance	3.155.351	3.341.396
IBNR - Recognition of reserve	1.011.437	572.926
IBNR - Reversal of reserve	(645.371)	(908.637)
IBNR - Exchange rate change	(157.044)	149.666
IBNR - Changes in liabilities	209.022	(186.045)
IBNR - Closing balance	3.364.373	3.155.351
Closing balance	11.658.587	11.998.213

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

20.2.2 Judicial claims

As at December 31, 2022 and 2021, the line item outstanding claims comprises balances payable related to claims in court dispute, mainly related to questioning whether the coverage under contractual conditions is appropriate, or divergence between the amounts claimed by insured parties and the evaluation of legal advisors, internal legal counsel and/or technical area of the Company.

The percentages shown in the table below are used for determining the provision amount to be recognized according to the likelihood of loss (probable, possible or remote), and the total exposure amount, and refer to the historical loss percentages of legal proceedings. Such percentages are calculated actuarially and adjusted annually.

For the claims which likelihood are indicated below as 'Probable - Settlements', the Company informs that as from June 2021 it recognizes the technical reserve at 100% of the risk, when (i) a court settlement is approved by the Company, according to internal approval levels, or (ii) the loss is considered certain, and they are provided for in the events included in the action plan informed by IRB Brasil RE to SUSEP, already concluded by the Company.

Likelihood	Quantity	Parent Company and Consolidated					
		Total exposure			Outstanding claim	Retrocession	Net
		amount	%				
Probable - Settlements	49	61.657	100%	61.657	(37.297)	24.360	
Probable	206	242.733	33%	80.102	(23.637)	56.465	
Possible	193	127.235	38%	48.349	(4.692)	43.657	
Remote	48	117.510	17%	19.977	(11.917)	8.060	
	496	549.135		210.085	(77.543)	132.542	

Likelihood	Quantity	Parent Company and Consolidated					
		Total exposure			Outstanding claim	Retrocession	Net
		amount	%				
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	

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

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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	
	2022	2021
Aviation	3.725	4.763
Motor	3.132	2.273
Mortgage	10.899	12.210
Marine	805	817
Nuclear	-	75
Property	26.536	28.212
Life	24.332	21.586
Casualty	2.190	10.831
Financial risks	43.510	55.775
Agriculture	11.486	10.638
Cargo	4.985	7.918
International risks	74.930	70.075
	206.530	225.173

21 Guarantee of technical reserves

According to CMN Resolution 4,993, of March 24, 2022 and further amendments, Reinsurers shall have assets for guarantee that are sufficient to cover the totality of technical reserves recognized as at the reporting date, less the downward asset adjustment.

As at December 31, 2022, the guarantee of technical reserves of the Reinsurer was as follows:

	Parent company	
	2022	2021
Technical reserves - reinsurance	14.817.175	15.330.070
(-) Retrocession assets	4.530.457	4.986.756
(-) Receivables	1.829.639	1.793.407
(-) Assets deposited abroad - downward adjustment (*)	1.266.946	1.002.315
Amount to be guaranteed	7.190.133	7.547.592
Assets available for guarantee:		
Shares in real estate investment funds	5.951.889	5.914.452
Time deposits	559.056	978.633
Sovereign bonds	1.011.259	890.013
Total assets	7.522.204	7.783.098
Sufficiency of guarantee	332.071	235.506

(*) SUSEP's regulations allows certain assets deposited abroad by reinsurers to be recognized in Brazil as downward asset adjustments to the need for coverage of technical reserves. For this reason, the amount of R\$ 1,266,946 was used as downward asset adjustment of the technical reserve coverage requirement limiting to the technical reserve amount itself.

In the second quarter of 2022, the Company was temporarily short of guarantees of technical reserves because of the following: (i) extraordinary increase in the loss ratio of the Agriculture insurance line in Brazil derived from climate events of a severe drought in the South of the country, and (ii) increase in the loss ratio of the Life line abroad caused by the COVID-19-related claims, and (iii) adverse effect (loss ratio) of contracts underwritten before the commencement of the repricing undertaken by the new management as at June 30, 2020.

Pursuant to CNSP Resolution 432, the Company prepared the Coverage Regularization Plan (PRC) for Sufficiency, approved by the Company's Board of Directors, and submitted to SUSEP on August 15, 2022. On September 2, 2022, SUSEP approved such PRC. On January 9, 2023, the regulatory body noted that the Company succeeded in meeting the targets set in the PRC, restoring the sufficiency in the regulatory ratio.

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As at December 31, 2022, the following measures established in the PRC had already been completed:

- Increase in Capital in the amount of R\$ 1,200,000 within the authorized capital limit, by issuing 1,200,000,000 new registered book-entry common shares, with no par value, as described in the material fact disclosed on September 1, 2022.
- Sale of the Company's headquarters for R\$ 85,310, entered into on August 29, 2022, with the Serviço de Apoio às Micro e Pequenas Empresas of the state of Rio de Janeiro (SEBRAE/RJ), fully settled on such date, as described in the notice to the market disclosed on August 30, 2022.
- Agreement entered into in August of 2022 in the amount of R\$ 100,000 with the companies that owned and controlled Casa Shopping for disposal of the Company's interest in the venture and receipt of the rent due. The amount was fully received by the Company in 2022.

The chart above shows sufficiency of coverage for technical reserves as at December 31, 2022, above the regulatory requirement.

22 Related parties

Considering that 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 Company with related parties at arm's length are as follows:

		Parent company				Consolidated			
		December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021	
		Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable
Pension plans	(a)	100.639	134.274	106.429	135.338	100.639	134.274	106.429	135.338
Borrowings and financing - Debentures	(b)	-	77.333	-	69.520	-	77.333	-	69.520
Amounts receivable from subsidiaries	(c)	217	-	-	-	-	-	-	-

		Parent Company and Consolidated	
		December 31, 2022	December 31, 2021
		Profit or loss	Profit or loss
Pension plans	(a)		
Expense		(18.681)	(33.162)
Revenues		34.883	-
Other comprehensive income		4.352	(34.772)
		20.554	(67.934)
Borrowings and financing - Debentures	(b)	7.813	717

(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 2022 and 2021, represented by PREVIRB.

(c) Refunds from subsidiary IRB Santos Dumont (merged into IRB Investimentos).

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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, 2022 and 2021 is as follows:

	Parent Company and Consolidated			
	Trade and other payables		Profit or loss	
	2022	2021	2022	2021
Short-term benefits to management	5.052	5.804	35.869	53.536
Post-employment benefit	-	-	1.192	1.306
	5.052	5.804	37.061	54.842

23 Court deposits, other lawsuits and tax liabilities

	Parent Company and Consolidated		
	2022		
	Court deposits	Civil and labor contingencies	Tax liabilities
Tax	123.416	-	16.873
ILL (tax on net income)	16.873	-	16.873
Social contribution	8.392	-	-
Income tax	14.290	-	-
Finsocial (social security fund)	82.421	-	-
ISS (service tax)	1.440	-	-
Social security	61.693	-	409
INSS (social security contribution)	60.494	-	409
FGTS (government severance fund for employees)	1.199	-	-
Labor and civil	70.072	65.460	-
Labor claims	21.542	54.783	-
Civil lawsuits	48.530	10.677	-
	255.181	65.460	17.282

	Parent Company and Consolidated		
	2021		
	Court deposits	Civil and labor contingencies	Tax liabilities
Tax	110.384	-	15.743
ILL (tax on net income)	15.743	-	15.743
Social contribution	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

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23.1 Civil, labor, tax and social security lawsuits

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

Parent Company and Consolidated				
2022				
	Quantity	Amount at risk	Other payables	Tax liabilities
Tax				
Probable	1	16.873	-	16.873
Possible	9	331.690	-	-
Remote	1	-	-	-
	11	348.563	-	16.873
Social security				
Probable	2	409	-	409
Possible	13	64.367	-	-
	15	64.776	-	409
Labor and civil				
Probable	42	65.460	65.460	-
Possible	149	216.054	-	-
Remote	11	259.450	-	-
	202	540.964	65.460	17.282

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	16.122

The amount of R\$ 396,057 (R\$ 365,166 as at December 31, 2021) refers to the sum of the amounts at risk in tax/social security proceedings whose estimate of loss is considered possible. Only the lawsuits whose estimates of loss are considered probable are provisioned, accordingly, the obligations whose risk of loss are considered possible and remote are not provisioned, once the likelihood of unfavorable outcome for the Company is not, in such cases, imminent.

The cases for which loss is considered possible, such standard requires that the amounts of potential loss are disclosed in the notes. For labor contingencies, the expected disbursement arising from settlements is considered.

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23.2 Changes in legal obligations and lawsuits

	Parent Company and Consolidated				
	2021	Additions	Inflation adjustments	Reversal / Payment	2022
Tax	16.122	-	1.160	-	17.282
FGTS (government severance fund for empl	380	-	29	-	409
ILL (23.3.4)	15.742	-	1.131	-	16.873
Labor and civil	60.036	14.491	11.273	(20.209)	65.591
Labor claims (23.4)	60.033	3.275	11.241	(19.766)	54.783
Civil lawsuits	3	11.216	32	(443)	10.808
Closing balance	76.158	14.491	12.433	(20.209)	82.873

	Parent Company and Consolidated				
	2020	Additions	Inflation adjustments	Reversal / Payment	2021
Tax	-	17.815	239	(1.932)	16.122
FGTS (government severance fund for empl	-	363	17	-	380
ILL (23.3.4)	-	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, so it applied for a Writ of Mandamus (MS) in 1999, in which the adjusted amount in dispute is R\$ 59,044 related to the notices assessed by the INSS related to the 2.5% surtax payable by the companies that are equivalent to financial institutions. The INSS-related amounts in dispute are fully deposited in court and the adjusted amount is R\$ 59,044.

Despite the RE 599.309 (Leading Case) ruling about the constitutionality of the 2.5% surtax on payroll imposed on financial institutions and equivalent companies, we understand that such decision does not apply to the specific case of the Company. The Company defends as main thesis the fact that IRB Brasil RE, in the period from January 1993 to September 1998, was not equivalent to private insurance companies, once the Company was an Institute in such period, with own legal personality, which main activity was the regulation and oversight of the Brazilian reinsurance market., thus not being 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, which initial requirement for bringing suit, according to item II, art. 488, of the Code of Civil Procedure, is the prepayment of 5% of the claim amount. Accordingly, the Company deposited the amount of R\$ 1,045 on November 23, 2020.

Finally, it is worth noting that the Company applied for injunction, in the records of such action to overrule such decision, aiming to suspend the conversion of court deposit into income for the federal government in the records of the original Writ of Mandamus. In this sense, the Company, through an external firm handling this case, has made all the efforts to obtain the decision on such injunction as soon as possible. The Company, together with the external firm handling this case, considers that loss is possible on such action to overrule the decision, aiming at (i) the judgment of such injunction about the court deposit already made, as well as (ii) the analysis of the specific thesis of IRB Brasil RE that is not equivalent to private insurance companies during the period from January 1993 to September 1998.

23.3.2 - FINSOCIAL

It refers to a joinder of Declaratory and Annulment Action with application for urgent temporary relief, filed in July 2016 by IRB Brasil RE, in view of the administrative decision that denied the refund, claimed by the Company, of the FINSOCIAL tax credits, in the historical amount 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.

In view of this scenario, to make the credit claimed by IRB Brasil RE recognized and then settle the debit to which Administrative Proceedings 19740.00013/2007-28 refers, such action was filed because of the administrative decision that

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denied the refund claimed by the Company. It is worth noting that to suspend such collection, such debit amount was fully deposited, which after adjustment totals R\$ 82,421 (R\$ 75,840 as at December 31, 2021).

The Company's Legal area and external law firm, which is handling such case, estimate that the chance of unfavorable outcome in the legal dispute over such administrative decision is possible. Because different 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 118/2005 came into effect, which is the case of the claim in question, a 10-year period is applicable. The records are currently concluded for decision.

23.3.3 – Tax Administrative Proceedings – PIS and COFINS Credits (Tax base Increase)

It refers to the Offset Statement (DCOMP) of the original credit of R\$ 437,783 (COFINS) and R\$ 77,876 (PIS), of which R\$ 76,507 (R\$ 71,525 as at December 31, 2021) 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, it was published a decision requiring due diligence of the documentation of such credit claim. In September 2020, the proceedings was sent to the Biggest Taxpayer Office (DEMAC). The Company is currently waiting to be summoned regarding such due diligence and its legal advisors consider that the chances of favorable outcome are possible in relation to the legal basis of such credit, in view of the final and unappealable favorable court decision to the Company.

23.3.4 – Tax on Net Income (ILL)

As the Federal Supreme Court recognized the unconstitutionality of the 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 improperly paid tax, with the consequent partial approval of offsets made, in the period between 1989 and 1992, however, without incurring late payment interests of 1% per month and the indices related to the Real Plan.

In view of the partial grant of its right in the above-mentioned administrative proceedings, in 2014 the Company filed a lawsuit to, in brief, obtain for IRB Brasil RE the right to apply the late payment interest of 1% per month, from 1989 to 1995, on the refund/offset of amounts improperly paid as ILL, as well as the annulment of the outstanding debits of Administrative Proceedings 10768.011680/2001-68.

It was required to post a bond corresponding to the offset amounts not approved by the Federal Revenue Service of Brazil in such administrative proceedings, which totaled R\$ 9,637 at that time - adjusted to present value at the reporting date corresponds to R\$ 16,873, fully provisioned by the Company.

Considering that the theme of the court dispute is controversial and that 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 a final and unappealable decision unfavorable to the Company's thesis in October 2021.

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

It refers to an Annulment Action of the administrative decision awarded in the records of PAF # 10768.011679/2001-33 on February 22, 2008, regarding the part that denied the application for tax refund of the amounts unduly paid as contribution to PIS, 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 became 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. Considering that there was a mistake in sending the records to the STF, it was determined to be 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 August 13, 2021, the federal government requested the rejection, indicating that in its understanding the portion of such tax credits that is owed to amounted to R\$ 215,788, adjusted until March 2021. In relation to the amount of R\$ 92,894,

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corresponding to the difference between the amount recognized as uncontested and the amount required by IRB, the federal government alleged execution excess, without, however, submitting any calculation that supported such statement.

On November 14, 2021, despite the previous opinions, the federal government attached the calculations, confirming the partial rejection of the execution of the decision submitted by IRB only with regard to the amount of unduly paid taxes, expressly recognizing as owed to IRB the amount of R\$ 261,034, also adjusted through March 2021.

On February 24, 2022, a decision was awarded verifying that “there was preclusion with regard to any impediment from refunding the PIS/PASEP collected over the period, because it was not timely evoked”.

On April 1, 2022, the Court Clerk in charge of accounting matters submitted new calculations, this time recognized as owed to IRB the amount of R\$ 266,433, adjusted through March 2021.

On October 6, 2022, the Court Treasury submitted a new opinion, correcting its previous calculations to submit a new uncontested amount of R\$ 278,482, adjusted until March 2021, which adjusted until September 2022 amounts to approximately R\$ 286,833.

On October 13, 2022, the 4th Specialized Panel of the Regional Federal Court 2 (TRF2) unanimously decided to grant the Interlocutory Appeal 5017147-24.2021.4.02.0000, granting to the Company the right to the court-ordered payment of government debt with regard to the uncontested amount of such tax credits.

In December 2022, a decision was awarded recognizing the agreement by the parties and instructing to proceed with the measures for issuing the court-ordered payment, for IRB, in the uncontested amount of approximately R\$ 261,000 (adjusted until March 2021), which was issued on January 17, 2023.

With regard to the balance of the uncontested amount, the Company will file a petition for a new court-ordered payment, for the additional amount of approximately R\$ 20,000.

Based on the decision by the Judge awarded on February 24, 2022, the Company considers that the chances of favorable outcome for IRB are practically certain in relation to the acknowledgement of its entitlement to receive the full amount of PIS tax credits submitted by the Company in the execution phase, which adjusted until December 2022 amount to R\$ 318,233 (R\$ 65,067 of principal and R\$ 253,167 of inflation adjustment). Based on the progress of the above-described action and considering that the receipt of such tax credits by the Company shall be made through the grant of court-ordered payment of government debt, the amount is duly recognized in the line item trade and other receivables.

23.3.6 Declaratory Action 0031383-94.2018.4.02.5101 - Late Payment Fine:

It refers to a declaratory action aimed to recover the amounts unduly paid as late payment fine on payments of IRPJ, IRRF, CSLL, PIS Contribution and COFINS debits, related to the period from September 1994 to June 2001, which payments were made from July 1997 to May 2002, in view of the characterization of voluntary disclosure, established in article 138 of the CTN, and, consequently, annulment of the final administrative decision on the records of administrative proceedings 10768.014957/2002-95, which denied such refund to IRB.

With regard to the outcome, a decision favorable to the Company was awarded, which the federal union decided not to appeal. On February 1, 2022, the knowledge was taken with waiver of the term by the Government, no appeal having been filed, so that the records were submitted to the competent Court for examination of the remittance only. At present, the decision from the Court is pending for commencing the execution of the final decision.

The Company considers that it is practically certain the IRB's right to recognize the tax credit amounting to R\$ 114,774, adjusted until December 2022. Based on the progress of the above-described action and considering that the Company will claim the receipt of such tax credits through the grant of court-ordered payment of government debt, the amount is duly recognized in the line item trade and other receivables.

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23.4 Labor claims/ Civil lawsuits

The Company is party to labor claims filed by current, retired and former employees, for, among other equally relevant claims, uniform salary and career plans, with the consequent payment of salary differences, as well as salary equation, 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, aimed to recognize the subsidiary liability of IRB Brasil RE for the payment of labor amounts or recognition of employment relationship with the Company, as it was the client of the service.

It is also worth noting that the Company is party to seven arbitration procedures and four civil lawsuits mostly filed by minority shareholders, aiming to hold the Company accountable and consequently be awarded damages for alleged losses arising from the devaluation of the Company's shares, after the events occurred in the first quarter of 2020.

Among the above-mentioned seven arbitration procedures, we highlight 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 that they held. 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. At present, the Claimants issued a rebuttal of the response to the statement of case by the Company. It is worth noting that the amounts involved in such arbitration procedures cannot be settled in the current stages.

The Company's external legal counsel estimates that the adjusted amount of such labor and civil claims is R\$ 65,460, and considers the likelihood of loss as probable. Labor claims and civil lawsuits whose losses are considered possible totaled R\$ 216,054, of which R\$ 40,217 for civil lawsuits and R\$ 175,837 for labor claims.

23.4.1 Public Civil Action SINTRES

It 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 the self-management modality, maintaining all the previously established benefits, besides individual and collective pain and suffering. 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 the interlocutory appeal on the 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\$ 33,049 while in the second is R\$ 525, and classify the likelihood of loss in both actions as possible.

23.4.2 Public Civil Action - IBRACI

In view of the news broadcasted in the media on October 13, 2022, informing about the existence of a Public Civil Action (ACP) filed by Instituto Brasileiro de Cidadania (IBRACI), in progress in the Sixth Commercial Court of the Judicial District of the capital city of Rio de Janeiro, the Company released a Notice to the Market on October 17, 2022, at request of the Brazilian Securities and Exchange Commission (CVM) and B3, clarifying that until such date it had not received any summons regarding such ACP, having been informed about it only by press.

Although it had not been served or summoned regarding such ACP, on January 31, 2023, the Company voluntarily opted for entering the records of the ACP, by filing its defense. The subject of such ACP are the irregularities regarding the information to the market about the Company's shareholding and the presentation of incorrect Financial Statements, making the allegation that they would had misled shareholders and investors. The Company is being represented by an external firm, commissioned to protect its interests, which considered that loss in such action is possible, as the thesis defended by IBRACI is similar to that disputed in other legal claims and arbitration procedures involving the Company, already informed in its Reference Form.

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24 Equity

24.1 Capital

On September 1, 2020, the Board of Directors ratified the Private Capital Increase in the amount of R\$ 1,200,000, within the authorized capital limit, upon the issue of 1,200,000,000 new registered book-entry common shares, with no par value. The expenditures for issuing shares, net of taxes, totaled R\$ 33,283, and were recorded in an adjustment account of the Capital group.

The Company is waiting for the ratification of the above-described Private Capital Increase from the regulatory body - SUSEP, as established in SUSEP Circular 529, of February 25, 2016, and further amendments.

As at December 31, 2022 and 2021, the subscribed and paid-up share capital is broken down as follows:

	Parent Company and Consolidated	
	2022	2021
Number of shares	2.456.020.731	1.255.286.531
Capital	5.453.080	4.253.080
Cost with issuance of shares	(73.891)	(33.556)
Total	5.379.189	4.219.524

As at December 31, 2022 and 2021, IRB Brasil RE's shareholding was as follows:

Shareholder	2022	
	Common shares	% shares in capital outstanding
Bradesco Seguros S.A.	391.197.138	15,9%
Itaú Seguros S.A.	285.421.215	11,6%
BlackRock Inc	123.771.309	5,0%
Other (*)	1.655.631.069	67,5%
	2.456.020.731	100,0%

Shareholder	2021	
	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

As at December 31, 2022, the Company has 12,603,800 treasury shares (12,603,800 as at December 31, 2021), representing a total of R\$ 283,760 (R\$ 283,760 as at December 31, 2021).

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24.3 Equity valuation adjustment

The changes are as follows:

	Parent Company and Consolidated	
	2022	2021
Opening balance	(451.076)	(354.715)
Losses on fair value of available-for-sale financial assets in the year	(137.310)	(163.172)
Amount reclassified from equity to profit or loss for the year of available-for-sale financial assets	(5.590)	(2.948)
Remeasurement of post-employment benefit obligations	1.976	48.196
Income tax and social contribution on the change in measurement of available-for-sale assets at fair value	61.235	65.269
Income tax and social contribution on the change in remeasurement of post-employment benefit obligations	(790)	(19.278)
Cumulative translation adjustments (i)	(12.263)	(24.428)
Closing balance	(543.818)	(451.076)

(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 and accumulated in the cumulative translation adjustments.

24.4 Loss per share - basic and diluted

The following tables show the reconciliation between the loss for the year and the amounts used for calculating basic and diluted earnings per share.

Basic and diluted loss per share is computed by dividing the 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	
	2022	2021
Numerator		
Loss for the year	(630.341)	(682.701)
Denominator (number of shares in units)		
Weighted average number of common shares outstanding	2.455.286.531	1.255.286.531
Loss per share - basic and diluted (in reais)	(0,26)	(0,54)

25 Breakdown of profit or loss accounts

As at December 31, 2022 and 2021, the earned premiums for the main insurance line groups were as follows:

25.1 Earned premiums by insurance line group (Gross of retrocession)

	Parent Company and Consolidated					
	2022					
	Written premiums, gross	Reinsurance commission	Changes in technical reserves - premium	Changes in technical reserves - commission	Other technical reserves	Earned premiums
Aviation	35.272	(1.269)	14.066	(438)	(96)	47.535
Motor	81.697	(29.705)	2.003	253	(877)	53.371
Mortgage	36.114	(4.848)	(1.064)	644	1.309	32.155
Marine	72.511	(1.355)	7.201	(245)	12	78.124
Nuclear	177	(10)	19	(1)	75	260
Property	1.658.051	(100.500)	(24.508)	(6.574)	1.013	1.527.482
Life	674.932	(78.191)	3.243	(67.723)	(2.327)	529.934
Oil & Gas	850.722	(529)	(60.891)	(191)	-	789.111
Casualty	245.573	(14.876)	(18.418)	(1.229)	(145)	210.905
Financial risks	158.183	(53.878)	32.295	(15.117)	12.838	134.321
Agriculture	1.254.535	(239.922)	(123.092)	6.501	(849)	897.173
Cargo	305.908	(28.710)	(12.339)	(960)	1.459	265.358
International risks (i)	2.513.775	(312.457)	321.007	(28.874)	(12.138)	2.481.313
Total	7.887.450	(866.250)	139.522	(113.954)	274	7.047.042

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25.1 Earned premiums by insurance line group (Gross of retrocession)

Parent Company and Consolidated						
2021						
	Written premiums, gross	Reinsurance commission	Changes in technical reserves - premium	Changes in technical reserves - commission	Changes in 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

(i) Abroad:

Parent Company and Consolidated						
2022						
	Written premiums, gross	Reinsurance commission	Changes in technical reserves - premium	Changes in technical reserves - commission	Other technical reserves	Earned premiums
Aviation	100.101	(6.329)	37.945	(1.491)	(2.889)	127.337
Motor	4.772	167	1.064	(160)	2	5.845
Marine	87.278	(8.079)	4.050	(573)	(564)	82.112
Nuclear	319	(24)	150	(11)	-	434
Property	1.205.425	(194.552)	107.471	(17.139)	(1.747)	1.099.458
Life	428.333	2.475	41.160	(336)	1.863	473.495
Oil & Gas	86.651	(9.995)	7.476	(513)	(998)	82.621
Casualty	33.771	(7.143)	200	(806)	(478)	25.544
Financial risks	136.750	(47.311)	(4.357)	4.828	(2.453)	87.457
Agriculture	345.951	(32.659)	122.511	(12.274)	(4.122)	419.407
Cargo	84.424	(9.007)	3.337	(399)	(752)	77.603
Total	2.513.775	(312.457)	321.007	(28.874)	(12.138)	2.481.313

Parent Company and Consolidated						
2021						
	Written premiums, gross	Reinsurance commission	Changes in technical reserves - premium	Changes in technical reserves - commission	Changes in 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

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25.2 Claims incurred by insurance line group - (Gross of retrocession)

Parent Company and Consolidated					
2022					
	Direct claims	Salvage and reimbursements	Change in IBNR	Change in PDR	Incurred claims
Aviation	(38.950)	(17.337)	8.051	552	(47.684)
Motor	(84.056)	5.806	5.356	(49)	(72.943)
Mortgage	(19.493)	8.809	(2.963)	(13)	(13.660)
Marine	(34.194)	1.714	8.221	(304)	(24.563)
Property	(774.211)	(809)	(195.648)	(771)	(971.439)
Life	(421.641)	229	(12.249)	(459)	(434.120)
Oil & Gas	12.147	-	1.969	-	14.116
Casualty	(220.719)	130	26.225	8.584	(185.780)
Financial risks	(357.366)	10.026	(41.655)	(576)	(389.571)
Agriculture	(1.961.608)	(339)	(134.407)	1	(2.096.353)
Cargo	(234.620)	12.468	4.668	178	(217.306)
International risks (i)	(2.445.282)	6.705	(33.634)	-	(2.472.211)
	(6.579.993)	27.402	(366.066)	7.143	(6.911.514)

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)

(i) Abroad:

Parent Company and Consolidated				
2022				
	Direct claims	Salvage and reimbursements	Change in IBNR	Incurred claims
Aviation	(170.604)	91	3.292	(167.221)
Motor	(1.270)	-	12	(1.258)
Marine	(101.084)	231	(2.400)	(103.253)
Nuclear	(11)	-	(370)	(381)
Property	(989.041)	2.129	58.955	(927.957)
Life	(683.313)	1	(2.753)	(686.065)
Oil & Gas	(15.014)	257	(3.057)	(17.814)
Casualty	(33.029)	5	(1.909)	(34.933)
Financial risks	(42.669)	386	3.325	(38.958)
Agriculture	(340.690)	3.428	(82.502)	(419.764)
Cargo	(68.557)	177	(6.227)	(74.607)
	(2.445.282)	6.705	(33.634)	(2.472.211)

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(ii) 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)

25.3 Acquisition costs

Parent Company and Consolidated						
2022			2021			
	Acquisition costs	Change in deferred acquisition costs	Total	Acquisition costs	Change in deferred acquisition costs	Total
Aviation	(2.610)	(1.537)	(4.147)	(6.229)	(1.224)	(7.453)
Motor	(253)	(79)	(332)	(261)	(87)	(348)
Mortgage	(542)	79	(463)	(769)	(43)	(812)
Marine	(6.273)	(30)	(6.303)	(5.058)	(493)	(5.551)
Property	(47.109)	(653)	(47.762)	(43.712)	740	(42.972)
Life	(149.867)	117.671	(32.196)	(3.734)	(56)	(3.790)
Oil & Gas	(34.944)	6.601	(28.343)	(27.603)	1.338	(26.265)
Casualty	(3.030)	(163)	(3.193)	(4.662)	233	(4.429)
Financial risks	(2.272)	270	(2.002)	(2.169)	252	(1.917)
Agriculture	(353)	(210)	(563)	(733)	(163)	(896)
Cargo	(11.791)	1.045	(10.746)	(9.624)	(191)	(9.815)
International risks (i)	(104.471)	(15.085)	(119.556)	(141.781)	(7.104)	(148.885)
	(363.515)	107.909	(255.606)	(246.335)	(6.798)	(253.133)

(i) Abroad:

Parent Company and Consolidated						
2022			2021			
	Acquisition costs	Change in deferred acquisition costs	Total	Acquisition costs	Change in deferred acquisition costs	Total
Aviation	(6.025)	(1.955)	(7.980)	(12.886)	(4.588)	(17.474)
Motor	(490)	(59)	(549)	(373)	(268)	(641)
Marine	(5.499)	(348)	(5.847)	(6.988)	(1.036)	(8.024)
Property	(56.557)	(7.648)	(64.205)	(69.850)	708	(69.142)
Life	(3.571)	(1.623)	(5.194)	(6.789)	(1.777)	(8.566)
Oil & Gas	(5.323)	(938)	(6.261)	(7.228)	1.140	(6.088)
Casualty	(3.129)	209	(2.920)	(4.286)	(116)	(4.402)
Financial risks	(4.150)	24	(4.126)	(4.168)	1.508	(2.660)
Agriculture	(11.501)	(2.794)	(14.295)	(17.867)	(2.192)	(20.059)
Cargo	(8.226)	47	(8.179)	(11.346)	(483)	(11.829)
	(104.471)	(15.085)	(119.556)	(141.781)	(7.104)	(148.885)

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25.4 Profit or Loss from retrocession

	Parent Company and Consolidated	
	2022	2021
Revenue from retrocession	1.623.641	2.323.592
Recovery of incurred claims	1.497.032	2.320.618
IBNR recovery	128.307	2.466
Reserve for related expenses recovery	(1.698)	508
Expense for retrocession	(2.799.923)	(3.248.815)
Ceded premiums in retrocession	(2.922.004)	(3.202.596)
Commission on ceded premiums in retrocession	131.983	161.282
Changes in technical reserves - ceded premium	(10.261)	(221.558)
Changes in technical reserves - ceded commission	359	14.057
Salvage and reimbursements to retrocessionaire	(14.065)	(39.685)
Other profit or loss from retrocession	(10.318)	43.982
Total profit or loss from retrocession	(1.200.665)	(920.926)

25.5 Other operating income and expenses

	Parent Company and Consolidated	
	2022	2021
Profit sharing of contracts and other other operating income and expenses	(57.287)	(74.218)
Expenses for letter of credit	(21.985)	(30.312)
Reversal of provision for credit risks	13.456	4.462
Awarded damages	(1.321)	(4.026)
Expense for risk inspection	(2.118)	(2.913)
Write off of receivables from reinsurance and retrocession operations	(49.156)	(5.708)
	(118.411)	(112.715)

25.6 Administrative expenses

	Parent company		Consolidated	
	2022	2021	2022	2021
Own personnel	(160.354)	(239.055)	(162.561)	(241.738)
Third-party services	(82.351)	(53.081)	(83.307)	(53.855)
Depreciation and amortization	(49.388)	(45.462)	(49.430)	(45.487)
Location and operation	(19.802)	(17.698)	(19.820)	(17.743)
Advertising and publicity	(4.240)	(3.823)	(4.269)	(3.860)
Fines and court fees	(7.163)	(3.384)	(7.169)	(24.849)
Other expenses	(2.719)	(1.670)	(2.881)	(1.844)
	(326.017)	(364.173)	(329.437)	(389.376)

25.7 Tax income (expenses)

	Parent company		Consolidated	
	2022	2021	2022	2021
PIS/ COFINS	(69.795)	(111.767)	(71.901)	(116.904)
Deferred PIS and COFINS (*)	(4.642)	71.693	(4.642)	71.693
Tax proceedings PIS/PASEP (**)	12.716	52.351	12.716	52.351
Other taxes and fees	(25.911)	(34.937)	(27.973)	(37.449)
	(87.632)	(22.660)	(91.800)	(30.309)

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

(**) The Company recorded the favorable outcome in the proceedings related to PIS/PASEP, according to Note 23.3.5.

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25.8 Finance income

	Parent company		Consolidated	
	2022	2021	2022	2021
Finance income	1.785.819	1.408.054	2.334.708	2.038.700
Financial assets	717.579	532.637	1.255.443	1.169.792
Reinsurance and retrocession transaction	14.707	35.827	14.707	35.827
Inflation adjustment of tax recoverable	159.262	208.679	159.262	208.679
Other finance income	81.734	80.206	92.759	73.697
Foreign exchange gain	812.537	550.705	812.537	550.705
Finance costs	(1.227.880)	(851.374)	(1.720.247)	(1.428.611)
Financial assets	(214.970)	(227.749)	(696.546)	(803.436)
Reinsurance and retrocession transaction	(25.009)	(37.139)	(25.009)	(37.139)
Issued debentures	(171.865)	(62.849)	(171.865)	(62.849)
Other finance costs	(55.742)	(43.394)	(66.533)	(44.944)
Foreign exchange loss	(760.294)	(480.243)	(760.294)	(480.243)
Total	557.939	556.680	614.461	610.089

25.9 Share of profit of equity-accounted investees

	Parent company		Consolidated	
	2022	2021	2022	2021
Direct operating income (expenses) from investment properties (i)	55.816	12.527	56.995	(7.898)
Adjustment of investments in subsidiaries (share of profit) - IRB Asset Management	40.738	29.658	-	-
Adjustment of investments in subsidiaries (share of profit) - IRB Chile, IRB Uso, IRB Renda and IRB Santos Dumont	2.570	(45.839)	-	-
Reversal (recognition) of provision for Tax Incentives	(60)	160	(60)	160
Impairment B31 (ii)	(15.879)	-	(15.879)	-
Gain/loss on disposal of property and equipment, intangible assets and investments (iii)	28.455	(1.349)	28.393	(1.423)
Other share of profit	(4.280)	-	(4.280)	-
	107.360	(4.843)	65.169	(9.161)

(i) It mainly refers to the proceeds from the disposal of interest in the Casa Shopping venture in the amount of R\$ 52,869.

(ii) As described in Note 4.1.

(iii) It mainly refers to the proceeds from the sale of the head office building made in August 2022 for R\$ 28,560.

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25.10 Income tax and social contribution

(a) Reconciliation of income tax and social contribution

	Parent company			
	2022		2021	
	Income tax	Social contribution	Income tax	Social contribution
Loss before provision for income tax/social contribution	(1.187.504)	(1.187.504)	(1.411.704)	(1.411.704)
Current nominal rates	25,0%	15,0%	25,0%	15,0%
Income tax and social contribution at nominal rate	296.876	178.126	352.926	211.756
Permanent additions and exclusions	50.123	32.038	87.853	76.468
Tax incentives	(58)	(35)	873	552
Deferred tax assets - correction of prior years	-	-	9.969	22.855
Ownership interests / branches	11.204	6.722	(345)	(207)
Loss allowance (post-employment benefit - Pré-68 plan)	7.366	4.420	1.667	1.000
Other adjustments	(368)	(221)	(178)	(96)
Retention bonus (ii)	(3.275)	-	(5.506)	-
Adjustment Recovery PIS (special judicial order) (i)	11.122	6.673	52.170	31.302
Non-levy of IRPJ/CSLL on adjustment by Selic of unduly paid taxes (i)	25.142	15.085	29.203	21.062
Debenture devaluation (abroad)	(1.010)	(606)	-	-
Income tax and social contribution in the statements of profit	346.999	210.164	440.779	288.224
Current	-	-	29.871	38.376
Deferred	346.999	210.164	410.908	249.848
Actual rate	29,2%	17,7%	31,2%	20,4%

	Consolidated			
	2022		2021	
	Income tax	Social contribution	Income tax	Social contribution
Loss before provision for income tax/social contribution	(1.180.761)	(1.180.761)	(1.395.465)	(1.395.465)
Current nominal rates	25,0%	15,0%	25,0%	15,0%
Income tax and social contribution at nominal rate	284.363	173.621	352.911	211.750
Permanent additions and exclusions	57.700	34.736	75.946	72.157
Tax incentives	(58)	(35)	873	552
Deferred tax assets - correction of prior years	-	-	9.969	22.855
Ownership interests / branches	11.204	6.722	(870)	(396)
Loss allowance (post-employment benefit - Pré-68 plan)	7.366	4.420	1.667	1.000
Other adjustments	7.209	2.477	(351)	(182)
Retention bonus (ii)	(3.275)	-	(5.506)	-
Adjustment Recovery PIS (special judicial order) (i)	11.122	6.673	52.170	31.302
Non-levy of IRPJ/CSLL on adjustment by Selic of unduly paid taxes (i)	25.142	15.085	29.203	21.062
Deferred on loss on subsidiaries	-	-	(6.071)	(2.186)
Write-off of credits	-	-	(5.138)	(1.850)
Debenture devaluation (abroad)	(1.010)	(606)	-	-
Income tax and social contribution in the statements of profit	342.063	208.357	428.857	283.907
Current	(4.936)	(1.807)	18.689	34.325
Deferred	346.999	210.164	410.168	249.582
Actual rate	29,0%	17,6%	30,7%	20,3%

(i) 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, levied on unduly paid taxes.

In this context, on October 13, 2021, a court decision was awarded on the Writ of Mandamus whereby the Company disputes such matter, in the sense of suspending the payment of the tax credit arising from the inclusion of the late payment interest (Selic) received in the survey of the credits arising from unduly paid 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, 2022 an income from IRPJ and CSLL related to unduly paid taxes in the amount of R\$ 58,022 (R\$ 50,265 as at December 31, 2021), according to ICPC 22 – Uncertainty over Income Tax Treatments (equivalent to IFRIC 23), such amount being recorded in current taxes as tax credits and deferred tax assets, in non-current assets.

(ii) Amounts related to expenses for retention bonus and incentives to the executive board. According to the Revenue Service of Brazil's Regulatory Instruction 1700 of March 14, 2017, these amounts are not deductible from the tax base of Corporate Income Tax.

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25.10 Income tax and social contribution

(b) Changes in deferred IRPJ and CSLL accounts

	Parent Company and Consolidated					
	December 31, 2021	Additions	Write-offs	Profit or loss	Comprehensive income	December 31, 2022
Deferred tax assets						
Labor provisions	183.152	-	(20.576)	(20.576)	-	162.576
Allowance for doubtful accounts	24.236	-	(5.383)	(5.383)	-	18.853
Provision for tax and social security contingencies	6.449	464	-	464	-	6.913
Adjustment to market value - available-for-sale securities	94.928	61.235	-	-	61.235	156.163
Provision for labor contingencies	24.018	-	(2.100)	(2.100)	-	21.918
Adjustment to market value - investment	2.141	6.352	-	6.352	-	8.493
Tax loss and social contribution loss carryforwards	1.653.167	580.732	-	580.732	-	2.233.899
Provision for civil contingency	-	4.322	-	4.322	-	4.322
Total deferred tax assets	1.988.091	653.105	(28.059)	563.811	61.235	2.613.137
Deferred tax liabilities						
Adjustment of court deposits	(88.996)	(15.992)	-	(15.992)	-	(104.988)
Actuarial gains or losses - post-employment benefits	(11.784)	-	11.784	12.575	(790)	-
Deferred PIS and COFINS	(134.457)	-	1.857	1.857	-	(132.600)
PIS (special judicial order)	(20.940)	(5.086)	-	(5.086)	-	(26.026)
Total deferred tax liabilities	(256.177)	(21.078)	13.641	(6.648)	(790)	(263.614)
Total parent company and consolidated, net	1.731.914	632.027	(14.418)	557.163	60.445	2.349.523

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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	940.762	712.404	-	712.404	-	1.653.166
Provision for civil contingency	154	-	(154)	(151)	-	-
Total deferred tax assets	1.228.469	785.620	(25.999)	694.354	65.269	1.988.090
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)	(49.617)	-	(49.617)	-	(155.397)
Total deferred tax liabilities	(203.301)	(55.542)	2.666	(33.598)	(19.278)	(256.177)
Total parent company, net	1.025.168	730.078	(23.333)	660.756	45.991	1.731.913
Market value adjustment	2.523	(2.523)	-	(1.006)	-	-
Total consolidated, net	1.027.691	727.555	(23.333)	659.750	45.991	1.731.913

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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 dependants private pension benefits.

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

In addition, the Company offers the benefits described in Note 26.2 to eligible employees, as follows:

- Payment of full cost of private pension and death benefits – Pré-68.
- Health contribution plan for current and retired employees.
- Funeral benefit.
- Life insurance.

Plans A and B are administered by PREVIRB, whereas the others, mentioned in the previous paragraph, are administered by the Company.

The main adopted actuarial assumptions are the following:

Economic assumptions	Post-employment benefit plan managed by PREVIRB		Post-employment benefit plan managed by IRB	
	2022	2021	2022	2021
Actual discount rate (*)	6,00%	5,50%	6,00%	5,50%
Nominal rate of expected return on assets	11,31%	9,90%	11,31%	9,90%
Projection of real growth in salary	Plan A: Not adopted Plan B: 2.5%	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: 7%	Plan A: Not adopted Plan B: 5%	Health Plan: 7% 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.

(**) Use as data for calculating the plan liability of the contribution based on a percentage of the participants salary, however, the mass that contains this characteristic is solely composed of retired participants.

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26.1 Variable contribution plans

The Company sponsors the B Pension Plan, a variable contribution plan, which planned benefits combine the characteristics of the defined contribution type over the contribution period and of the defined benefit type over the benefit grant period.

The plan assets recorded are separated from the Company's in funds controlled by trustees.

The Single Life Annuity benefit is structured according to the Variable Contribution Plan and the benefits of Retirement due to Disability, Death Benefit and Funeral Benefit, Disease Allowance, and Survivor Benefit are structured according to the Defined Benefit Plan and coverage by Insurance.

The amount of contributions paid by the Company in 2022, at the rates specified by this plan rules, was R\$ 8,320 (R\$ 8,440 as at December 31, 2021).

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

	2022	2021
Present value of actuarial liabilities at the beginning of the year	188.635	175.419
Cost of current services	108	141
Interest rate cost	13.467	12.005
Actuarial loss	17.710	12.646
Paid benefits	(15.442)	(11.576)
Present value of actuarial liabilities	204.478	188.635

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

	2022	2021
Initial fair value of the plan's assets	197.829	199.576
Return on investments	19.584	13.121
Employer contributions	8.320	8.440
Contributions of the plan's participants	18.724	20.164
Paid benefits	(15.442)	(11.576)
Return on assets	(17.261)	(31.896)
Closing fair value of the plan's assets	211.754	197.829

The amount recognized in the statement of financial position arising from the company's obligations related to this defined benefit plan is as follows:

	2022	2021
Present value of sponsored defined benefit liability	(204.478)	(188.635)
Fair value of the plan's assets	211.754	197.829
Financial condition	7.276	9.194
Asset ceiling effect	(7.276)	(9.194)
Net asset from defined benefit liability	-	-

26.2 Defined benefit plans

The Company grants retirement plans (Benefit Plan A and Pré-68 Plan) to employees entitled to additional benefits based on monthly salary, determined on retirement date; and other post-employment benefits to eligible employees (health contribution plan to active and retired employees, Funeral Benefit and Life Insurance).

Plan A

The Company did not pay contributions over the years 2022 and 2021.

This plan had a technical surplus of R\$ 869,503 (R\$ 926,917 as at December 31, 2021) which, according to the accounting practices adopted in Brazil and the IFRS, was not recognized in the sponsor.

The Company has recognized in its financial statements, as an asset, the amount of R\$ 100,639 (R\$ 106,429 as at December 31, 2021) related to special reserve, an economic benefit available to the entity that shall be recognized in order to reduce or offset future contributions by the sponsor.

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

	2022	2021
Present value of actuarial liabilities at the beginning of the year	1.278.916	1.556.653
Interest rate cost	120.366	98.338
Actuarial (gain) / loss	10.594	(249.069)
Paid benefits	(131.882)	(127.006)
Present value of actuarial liabilities	1.277.994	1.278.916

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

	2022	2021
Initial fair value of the plan's assets	2.205.833	2.386.480
Return on investments	236.460	128.726
Contributions of the plan's participants	13	1
Paid benefits	(131.884)	(127.006)
Return on assets	(162.925)	(182.368)
Closing fair value of the plan's assets	2.147.497	2.205.833

The amount recognized in the statement of financial position arising from the company's obligations related to this defined benefit plan was as follows:

	2022	2021
Present value of sponsored defined benefit liability	(1.277.994)	(1.278.916)
Fair value of the plan's assets	2.147.497	2.205.833
Financial condition	869.503	926.917
Asset ceiling effect	(768.864)	(820.488)
Net asset from defined benefit liability	100.639	106.429

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

	2022	2021
Cash	49	34
Receivables from investments		
Government securities	417.280	292.278
Corporate bonds and deposits	171.113	197.222
Shares	103.621	103.876
Investment funds	1.663.412	1.695.110
Real estate investments	80.040	76.677
Borrowings and financing	7.105	6.460
Court/Appeal deposits	20.901	20.901
Funds receivable - Special judicial order	41.391	-
	2.504.910	2.392.558
Payables for investments		
Borrowings and financing	-	-
Other payables (IOF) / Rent and Income	(67)	(55)
	(67)	(55)
Investment contingent liabilities	(25.066)	(25.066)
Guarantee funds	2.479.777	2.367.437

Pré-68 Plan

The Pré-68 plan is targeted at IRB Brasil RE's employees and their beneficiaries, according to the situations described below:

- For purposes of Retirement Complement or Supplement, those employed until December 31, 1968;
- For purposes of Improving the Retirement Complement, those employed until December 31, 1968 and who have been vested in retirement until February 28, 1975;
- For purposes of Improving the Survivor Benefit, those beneficiaries of employees who passed before February 28, 1975;
- For purposes of Death Benefit, those beneficiaries of employees employed until December 31, 1968.

It is worth noting that these benefits are provided in the laws applicable to the Company prior to Law 6435, of July 15, 1977, which introduced the private pension regime, and, therefore, the Plan A Pension Rules considers this specific group of aged participants, whose benefits are fully covered by the Company.

In this sense, the Pré-68 Plan results could be included in the Plan A's profit or loss, however, they are reported in this Note separately to facilitate the understanding of the amounts incurred by the Company.

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The Company has a technical reserve to cover liabilities under the above-mentioned benefits, which were applicable to 170 members as at December 31, 2022 (175 as at December 31, 2021), consisting of 161 retirees with an average age of 87.24 years (85.64 years as at December 31, 2021) and nine pensioners with an average age of 86.5 years (84.66 years as at December 31, 2021).

The benefits paid by the Company to these participants/beneficiaries during the current year, under the plan rules, amounted to R\$ 18,487 (R\$ 18,743 as at December 31, 2021).

In this actuarial valuation, the reserve amount recognized was R\$ 110,942 (R\$ 113,361 as at December 31, 2021), according to the accounting practices adopted by the Company.

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\$ 134,274 (R\$ 135,338 as at December 31, 2021).

The amount recognized in the statement of financial position arising from the company's obligations related to this plan was as follows:

	2022	2021
Present value of defined benefit liability	(110.942)	(113.361)
Financial condition	(110.942)	(113.361)
Restriction of contracted deficit	(23.332)	(21.977)
Net amount of defined benefit liability	(134.274)	(135.338)

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

	2022	2021
Present value of actuarial liabilities at the beginning of the year	113.361	136.492
Interest rate cost	10.361	8.407
Actuarial (gain) / loss	5.707	(12.795)
Paid benefits	(18.487)	(18.743)
Present value of actuarial liabilities	110.942	113.361

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

	2022	2021
Employer contributions	18.487	18.743
Paid benefits	(18.487)	(18.743)
Closing fair value of the plan's assets	-	-

Health and dental care

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

	2022	2021
Present value of actuarial liabilities at the beginning of the year	319.604	377.628
Cost of current services	457	663
Interest rate cost	29.165	23.250
Actuarial gain	(48.185)	(53.097)
Paid benefits	(30.529)	(28.840)
Present value of actuarial liabilities	270.512	319.604

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

	<u>2022</u>	<u>2021</u>
Employer contributions	27.213	25.349
Contributions of the plan's participants	3.316	3.491
Paid benefits	(30.529)	(28.840)
Closing fair value of the plan's assets	-	-

The amount recognized in the statement of financial position arising from the company's liabilities related to this plan was as follows:

	<u>2022</u>	<u>2021</u>
Present value of sponsored defined benefit liability	(270.512)	(319.604)
Net liabilities from defined benefit liability	(270.512)	(319.604)

Funeral benefit

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

	<u>2022</u>	<u>2021</u>
Present value of actuarial liabilities at the beginning of the year	1.606	2.177
Interest rate cost	154	139
Actuarial gain	(427)	(690)
Paid benefits	(22)	(20)
Present value of actuarial liabilities	1.311	1.606

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

	<u>2022</u>	<u>2021</u>
Employer contributions	22	20
Paid benefits	(22)	(20)
Closing fair value of the plan's assets	-	-

The amount recognized in the statement of financial position arising from the company's liabilities related to this plan (funeral benefit) was as follows:

	<u>2022</u>	<u>2021</u>
Present value of sponsored defined benefit liability	(1.311)	(1.606)
Net liabilities from defined benefit liability	(1.311)	(1.606)

Group life insurance

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

	<u>2022</u>	<u>2021</u>
Present value of actuarial liabilities at the beginning of the year	1.150	1.600
Interest rate cost	108	99
Actuarial gain	(1.097)	(293)
Paid benefits	7	(256)
Present value of actuarial liabilities	168	1.150

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

	<u>2022</u>	<u>2021</u>
Employer contributions	(7)	256
Paid benefits	7	(256)
Closing fair value of the plan's assets	-	-

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The amount recognized in the statement of financial position arising from the company's liabilities related to this plan was as follows:

	2022	2021
Present value of sponsored defined benefit liability	(168)	(1.150)
Net liabilities from defined benefit liability	(168)	(1.150)

26.3 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	
	2022	2021
Current		
Private retirement and pension plans (i)	18.299	18.291
Health and dental insurance plan (ii)	17.376	23.686
Health and dental insurance plan - reserve for incurred but not reported events (ii)	176	180
Group life insurance (iii)	24	149
Funeral benefit (iv)	97	103
	35.972	42.409
Non-current		
Private retirement and pension plans (i)	115.975	117.047
Health and dental insurance plan (ii)	253.136	295.918
Group life insurance (iii)	144	1.001
Funeral benefit (iv)	1.214	1.503
	370.469	415.469
	406.441	457.878

(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 through 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 until 1998, IRB Brasil RE covers 100.0% of the premium, whereas for employees hired after such year, it covers 50.0% of the premium. The employee's participation is optional. Employees who retire based on their length of employment 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.

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(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.

26.4 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	
	2022	2021	2022	2021	2022	2021	2022	2021
Cost of service	-	-	(457)	(663)	-	-	(457)	(663)
Interest rate cost	(10.361)	(8.407)	(29.427)	(23.488)	-	-	(39.788)	(31.895)
Paid contributions	-	-	(8.320)	(8.440)	-	-	(8.320)	(8.440)
Asset ceiling	34.883	(16.315)	-	-	-	-	34.883	(16.315)
Other changes	-	-	-	-	4	(48)	4	(48)
Total recognized amounts	24.522	(24.722)	(38.204)	(32.591)	4	(48)	(13.678)	(57.361)

Total amounts recognized in the statement of comprehensive income:

	Defined benefit		Other benefits		Total	
	2022	2021	2022	2021	2022	2021
Actuarial (gains) / losses	(179.226)	79.496	49.709	54.080	(129.517)	133.576
Efeito do teto dos ativos	132.846	(63.403)	-	-	132.846	(63.403)
Other changes	(1.353)	(21.977)	-	-	(1.353)	(21.977)
Total recognized amounts	(47.733)	(5.884)	49.709	54.080	1.976	48.196

26.5 Sensitivity Analysis

The Management's analysis related to critical financial and actuarial assumption related to post-employment and other employee benefit plans are as follows:

Sensitivity to discount rate

		Scenario I	Scenario II	Scenario III	Scenario IV
		-0,50%	-0,25%	+0,25%	+0,50%
PLAN A	Actual rate	5,50%	5,75%	6,25%	6,50%
	Nominal rate (*)	10,79%	11,05%	11,57%	11,84%
	Defined benefit liability	1.330.994	1.304.025	1.252.815	1.228.492
	Impact on main scenario	52.998	26.030	(25.181)	(49.503)
PLAN B	Actual rate	5,50%	5,75%	6,25%	6,50%
	Nominal rate (*)	10,79%	11,05%	11,57%	11,84%
	Defined benefit liability	207.403	205.909	203.105	201.789
	Impact on main scenario	2.926	1.431	(1.372)	(2.689)
PRE 68	Actual rate	5,50%	5,75%	6,25%	6,50%
	Nominal rate (*)	10,79%	11,05%	11,57%	11,84%
	Defined benefit liability	113.977	112.441	109.477	108.047
	Impact on main scenario	3.036	1.500	(1.464)	(2.894)
Health Insurance	Actual rate	5,50%	5,75%	6,25%	6,50%
	Nominal rate (*)	10,79%	11,05%	11,57%	11,84%
	Defined benefit liability	284.697	277.474	263.874	257.470
	Impact on main scenario	14.182	6.959	(6.640)	(13.044)
Funeral Benefit	Actual rate	5,50%	5,75%	6,25%	6,50%
	Nominal rate (*)	10,79%	11,05%	11,57%	11,84%
	Defined benefit liability	1.380	1.344	1.277	1.245
	Impact on main scenario	70	34	(33)	(64)
Life Insurance	Actual rate	5,50%	5,75%	6,25%	6,50%
	Nominal rate (*)	10,79%	11,05%	11,57%	11,84%
	Defined benefit liability	172	170	165	162
	Impact on main scenario	5	3	(2)	(5)

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Sensitivity to mortality table

		Scenario I	Scenario II
PLAN A	Nominal rate (*)	11,31%	11,31%
	Table	AT-2000	BR-EMS 2015
	Defined benefit liability	1.243.454	1.331.087
	Impact on main scenario	(34.542)	53.092
PLAN B	Nominal rate (*)	11,31%	11,31%
	Table	AT-2000	BR-EMS 2015
	Defined benefit liability	202.310	204.677
	Impact on main scenario	(2.168)	199
PRE 68	Nominal rate (*)	11,31%	11,31%
	Table	AT-49	BR-EMS 2015
	Defined benefit liability	106.687	116.865
	Impact on main scenario	(4.254)	5.924
Health Insurance	Nominal rate (**)	11,31%	11,31%
	Table	AT-2000	BR-EMS 2015
	Defined benefit liability	260.498	287.815
	Impact on main scenario	(10.016)	17.300
Funeral Benefit	Nominal rate (*)	11,31%	11,31%
	Table	AT-2000	BR-EMS 2015
	Defined benefit liability	1.353	1.237
	Impact on main scenario	43	(73)
Life Insurance	Nominal rate (*)	11,31%	11,31%
	Table	AT-2000	BR-EMS 2015
	Defined benefit liability	162	176
	Impact on main scenario	(5)	8

(*) Considers inflation.

(**) Considers the composition of inflation and medical inflation.

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Section F – Accounting policies

27 Significant accounting policies

The significant accounting policies followed 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 interim financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company interim financial statements are presented in Brazilian reais, which is the Company’s functional currency.

(b) Transactions and balances

In the preparation of the parent company and consolidated interim financial statements of the Company, the transactions in foreign currency, 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.

For purposes of presentation of the parent company and consolidated interim 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 the 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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- (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 statement of financial position 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.

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(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. 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. These are presented as non-current assets, if they fall due in more than 365 days.

(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 period 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 statement of financial position 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 Separation between current and non-current

The Company reviews the amounts recorded in current assets and liabilities every reporting date of the financial statements, to classify into non-current only those that are expected to be realized within 12 months from the respective reporting date.

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The securities at “fair value through profit or loss” are presented in current assets, irrespective of their maturity dates. Deferred tax and social contribution assets and/or liabilities are classified into Non-current Assets or Liabilities.

The assets and liabilities without fixed maturity had their amounts recognized as current, except court deposits and contingent liabilities that have long-term characteristics in view of their dependence on court procedures, the liabilities of technical reserves are according to their characteristics and aims.

27.6 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.

27.7 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.

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.

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
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.

27.8 Investment properties

The Reinsurer holds 100.0% of the control over the company IRB Investimentos e Participações Imobiliárias S.A, which owns certain 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.

27.9 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).

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27.10 Provisions

(a) Technical reserves

- The unearned premium reserve for risks in force and issued (PPNG-RVE) comprises the portion of written premium for the period, net of commission, 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 the Chain Ladder methodology described in actuarial technical note.
- The outstanding claim reserve (PSL) comprises the estimate of the compensation amount indicated in the administrative and legal claim reports received from reinsurers and cedants, and is daily adjusted based on the analyses made by the operational and legal areas. The outstanding claims reserve (PSL) contains 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, using the Chain Ladder methodology, 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, using Chain-Ladder and Bornhuetter-Ferguson methodologies.
- The reserve for technical surplus (PET) is recognized to ensure the distribution of surplus arising from technical surplus in the operationalization of contracts. In general, these surpluses are identified as profit commission, sliding scale or no-claims bonus.
- The reserve for related expenses (PDR) is determined based on statistical-actuarial criteria, aimed to cover own claim-related expenses.

(b) Liability Adequacy Test (LAT)

The Liability Adequacy Test is a test that assesses the sufficiency of the recognized amount of reinsurance liabilities of the Company. It is aimed to find any shortage in the amount of liabilities arising from reinsurance contracts, in line with 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). As at December 31, 2022, no Supplementary Coverage Reserve (PCC) was recognized.

The cash flows are broken down in groups of lines according to their similarities, then 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. As at December 31, 2022, the implicit average of the loss ratio assumption model was 63%.

The estimate assumption of retrocession asset is calculated considering retrocession asset information, related to premium and claim reserves, compared to the corresponding technical reserves. As at December 31, 2022, the implicit average of the loss ratio retrocession assumption model was 42%.

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 are regularly reviewed and recognized based on the evaluations of the Company's legal department of the likely outcome of lawsuits at the end of the reporting period. The provisions for civil lawsuits related to operations 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 amounts spent to 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 parent company and consolidated interim financial statements.

The provisions for labor, social security and tax lawsuits are recognized in the group of "other payables" in non-current

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liabilities. The civil contingencies related to reinsurance contracts are recognized in the line item “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 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 interim 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 interim 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.

27.11 Income tax and social contribution - current and deferred

The Income Tax and Social Contribution are calculated according to the legislation in effect, at the rate of 15%, plus 10% of IRPJ on taxable profit and 15% of Social Contribution on Net Income on taxable profit.

On April 28, 2022, the Provisional Measure 1,115 was published, increasing the Social Contribution on Net Income (CSLL) rate payable by the financial, insurance and cooperative sectors by one percent, during the period from August 1, 2022 to December 31, 2022, however, the impacts are not relevant on the Company's financial statements.

(a) Current Income Tax and Social Contribution

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.

(b) Deferred Income Tax and Social Contribution

Deferred income tax and social contribution (“deferred tax”) are recognized for temporary differences at the end of each year, between the asset and liability balances recognized in the parent company and consolidated interim financial statements and the corresponding tax bases used in the calculation of taxable profit, including the tax loss and social contribution loss carryforwards 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.

Deferred tax assets are recognized for all deductible temporary differences, if it is probable that future taxable profit will be available against which the deductible temporary difference can be used. The existence of future taxable profit is based on technical study approved by the Company's Management.

If in the future the expectation of generation of future taxable profit is not sufficient to be used against the deferred tax assets arising from income tax losses and/or social contribution loss carryforwards, and those for temporary differences according to the accounting and tax criteria, the same shall be derecognized according to the specific policy. And the accounting practices applicable to the Company.

The Company carries out a technical study that considers the future generation of profits according to the Management's expectation, considering the company's ability to continue as a going concern and a set of assumptions and estimates. The technical study is revised every reporting date of the financial statements, following the Company's strategic planning, and approved by the competent governance bodies, such as the Statutory Board, Board of Directors and Fiscal Council. The deferred tax assets of deferred income tax and social contribution arising from tax loss and temporary differences were recognized based on the rates of 25.0% for deferred income tax and 15.0% for deferred social contribution, and consider the expected realization of deferred tax assets determined based on the projections approved by the Board of Directors.

27.12 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.

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(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 the variable contribution 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 statement of financial position, 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 year.

(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.

27.13 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 a company buybacks its own shares (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from the Company's 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.

27.14 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 the line item '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 fiscal year to which the parent company and consolidated interim 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.

27.15 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 reinsurer'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.

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(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.

27.16 Claim expenses and commissions

Claim expenses are recognized on accrual basis and determined based on the concepts and assumptions defined as described in Note 27.10(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.

27.17 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.

27.18 Retrocession assets

Retrocession assets are represented by amount receivable from retrocessionaires in short and long terms, depending on the expected realization period or receipt of assets from retrocessionaires. Retrocession assets are consistently assessed with the liabilities that gave rise to the reinsurance or accepted retrocession, and under the terms and conditions of each contract. The Company regularly analyzes the recovery of retrocession asset, at least at each reporting date. The Company used the guidelines established by the regulatory body for assessing its portfolio and recognizing technical reserves to guarantee its retrocession contracts, applying the rules and procedures for measuring and monitoring its contracts, as described in technical actuarial note.

27.19 Standards issued but not yet in effect

The following standards were issued by the IASB and are effective beginning on January 1, 2023:

IFRS 17 – Insurance Contracts: The International Accounting Standard Board (IASB) issued a new comprehensive standard for all companies that issue insurance and reinsurance contracts and prepare their financial statements 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, and requires the restatement of the comparative balances.

IFRS 9 – Financial Instruments: The IASB issued a new standard on financial instruments, amending the requirements for recognition and measurement of financial assets and liabilities, replacing IAS 39 – Financial Instruments. Recognition and Measurement. The IASB provided to the companies that issue insurance and reinsurance contracts, provided that certain criteria are met, a temporary exemption from applying IFRS 9 until 2023, in conjunction with the application of IFRS 17.

The Accounting Pronouncement Committee (CPC) issued CPC 50 - Insurance Contracts and CPC 48 – Financial Instruments. These correlate with the IFRS 17 and IFRS 9, respectively.

IRB Brasil RE will apply IFRS 17 and IFRS 9 for the first time on January 1, 2023. These standards will give rise to important changes in the recognition of contracts for insurance, reinsurance and financial instruments, and shall have a significant impact on the consolidated and consolidated financial statements in the initial application period.

A. Estimated impact from the adoption of IFRS 17 and IFRS 9

The Company estimates that the impact from the adoption of IFRS 17 and IFRS 9 will be significant on its operations, and will considerably change the method how data is collected, stored and processed. According to IAS 8 / CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors, the Company shall present the impacts from the initial application that could be determined on reasonable and reliable basis. Until the date of approval of the accompanying financial statements, the transition work is in progress, the survey of quantitative impacts arising from the application of both standards is yet to be completed. Accordingly, the Company believes that the actual impact from the application of these standards may change until the full completion of this stage of work, because of the following:

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- IRB Brasil RE continues to improve the new accounting processes and internal controls required for the application of the new standards;
- The controls over the new IT systems and the changes in its governance framework are in phase of implementation;
- The actuarial and accounting calculation engines are in phase of implementation and improvement to appropriately measure the reinsurance contracts according to the new standard; and
- The new accounting policies, assumptions, judgments, and valuation techniques are subject to changes until IRB Brasil RE completes its first financial statements that include the initial application date.

In view of the above, thus far it is not possible to know or reasonably estimate the impacts from the initial application of the new standards, which shall be disclosed in the financial statements throughout the year 2023.

B. IFRS 17 – Insurance contracts

i. Transition:

The IFRS 17 shall be applied for periods beginning on or after January 1, 2023, with the comparative information resulting from the full retrospective application as of January 1, 2022 - transition date - unless it is impracticable. In the cases its application is impractical, it is allowed to adopt certain modifications to the full transition approach, considering that it aims at approximating the accounting effect from prior periods to the result that would be obtained by adopting the full approach.

The aim of the modified retrospective approach is to obtain the result that is as close as possible of the full retrospective application through reasonable and supportable information that is available without undue costs or efforts.

CPC 23 (IAS 8) comments that it could be impracticable to adjust information for prior periods presented for purposes of comparison with the current period, because the required information may not have been collected for the prior period, not allowing the retrospective application of the new accounting policy.

In view of the above, the Company considers that the full retrospective approach is impracticable, as it understands that it would use the later perception when applying the new accounting policy to make suppositions about which would be the Management's intention to estimate the amounts recognized, measured or disclosed in prior periods.

Therefore, the Company will adopt the modified retrospective approach for all of its groups of contracts during the transition, and will estimate the future cash flows at the date of initial recognition adjusted by the cash flows that are known to have occurred between the date of initial recognition and the transition date. These flows include the cash flows arising from the contracts that no longer exist at the transition date.

ii. Identifying contracts in the scope of the IFRS 17:

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 reinsurance contracts issued by IRB Brasil RE are assessed within the scope of IFRS 17. No contract that have investment component or goods and service components was identified that should be recognized according to IFRS 9 and IFRS 15, respectively.

iii. Aggregation level:

According to IFRS 17, reinsurance contracts are grouped for measurement purposes. The groups of contracts are initially determined by identifying the portfolios of contracts issued and held. A portfolio comprises contracts subject to similar risks and managed together. It is different from IFRS 4, where contracts are individually analyzed.

The Company identified its portfolios of reinsurance and retrocession contracts based on the current internal business management structure, considering relevant aspects such as: contract pricing, reserve management, and product management.

Besides the monitoring at the business division level, Management also separately monitors their results according to the geography of risk acceptance, classifying them into separate segments in its financial statements. These segments are represented by "Brazil" for the risks accepted in the local market, and "Abroad" for the risks accepted in the international market. This criterion was considered when forming its portfolios of reinsurance and retrocession. The only exception is the London branch, which will comprise a separate portfolio.

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Management determined the breakdown of its portfolios for risks accepted and ceded into 19 levels:

Brazil	Abroad
Agriculture	Agriculture
Aviation	Aviation
Casualty	Casualty
Financial risks	Financial risks
Life	Life
Marine	Marine
Motor	Motor
Property	Property
Special risks	Special risks
	London branch

Each portfolio of reinsurance contracts is divided into three levels of expected profitability:

- Group of contracts that are onerous at initial recognition;
- Group of contracts that, at initial recognition, does not have significant possibility of becoming onerous subsequently; and
- Group of remaining contracts.

Finally, it will group the contracts in annual harvests according to the underwriting year.

In the meantime, retrocession portfolios will be divided into three levels of expected profitability;

- Group of contracts in which there is a net gain on initial recognition;
- Group of contracts that, at initial recognition, does not have significant possibility of becoming onerous subsequently; and
- Group of remaining contracts.

iv. Contract boundaries:

The measurement of a group of reinsurance and retrocession contracts includes all cash flows within the boundary of each contract in the group.

The substantive obligation of providing coverage may extend the boundary of a contract. In the automatic reinsurance contracts, for example, the policies issued during the effective period of a contract may have their effective period expiring after the coverage of such reinsurance contract. In this case, the obligation of providing coverage is extended until the expiration of the effective period of the last covered policy, and, therefore, the cash flows will be projected considering such extended coverage period.

The cash flows of reinsurance are within the boundary of a contract if they arise from the substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums or in which the Company has a substantive obligation to provide the policyholder with services. The substantive obligation to provide services ends when the Company:

- Has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; and
- Has the practical ability to reassess the risks of the portfolio of reinsurance contracts that contains the contract and can set a price or level of benefits that fully reflects the risk of that portfolio; and the pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

For retrocession contracts, the cash flows are within the boundary of the contract if they arise from the substantive rights and obligations that exist during the reporting period when the Company is required to pay amounts to the retrocessionaire or have a substantive right to receive services from the retrocessionaire. The substantive right to receive services ends when the retrocessionaire:

- Has the practical ability to reassess the ceded risks and can set a price or level of benefits that fully reflects those risks; and
- Has the substantive right to terminate the coverage.

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v. Measurement model:

IFRS 17 establishes three approaches for the measurement of groups of reinsurance contract issued and retrocession:

- Building Block Approach (BBA) (default model): applicable to any type of reinsurance contract issued or retrocession.
- Premium Allocation Approach (PPA) (simplified model): optional approach for contracts with coverage of 12 months or less, or which results are significantly different from those had the default model been adopted.
- Variable Free Approach (VFA) (modified approach): based on the general model, but adjusted according to the characteristics of direct participating contracts. These contracts are service contracts substantially related to investments under which an entity promises a return on investment based on underlying items. Not applicable to reinsurance and retrocession contracts.

The Company concluded its accounting policy and will adopt the default model, BBA, for measurement of all of its groups of reinsurance and retrocession contracts.

vi. Significant judgment and estimates:

Reinsurance contracts

The contracts shall be recognized by measuring four components:

- **Estimates of cash flows:** projections of cash flows, which shall include the best estimates of inflows and outflows within the contract boundaries that directly refer to the contract fulfillment. They also include the acquisition cash flows arising from costs of sales, underwriting and beginning of the group of contracts that are directly attributable to the portfolio of reinsurance contracts to which the group belongs. When estimating future cash flows, the Company will include, impartially, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes internal and external historical data about claims and other updated experiences, so that they reflect the Company's best estimate of the expected realization of future events.

- **Discount rates:** the cash flows shall be adjusted to reflect the time value of money and the related financial risks. The adopted discount rate is consistent with the observable market prices and reflect the characteristics of the cash flows and liquidity of the contract.

IFRS 17 does not provide only one estimation technique to obtain the discount rates. However, the standard specifies that a top-down or bottom-up approach can be used:

- Top-down (cash flows vary based on the return of an underlying item);
- Bottom-up (cash flows do not vary based on the return of an underlying item).

The Company decided to adopt the bottom-up approach to estimate the discount rate because it is widely used in the market. In this approach, the liquid risk-free yield curve is adjusted to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of contracts. Thus, the Company established that for estimating the discount rate the following risk-free rates available in the market will be used, according to the currency of the reinsurance contract:

- Term Structure of Interest Rate (ETTJ) Fixed Rate (methodology of the Brazilian Association of Financial and Capital Market Entities (ANBIMA)) for reinsurance contracts issued in reais; and
- Term Structure of Interest Rate (ETTJ) Currency (methodology of the Superintendence of Private Insurance (SUSEP)) for reinsurance contracts issued in other currencies.

Additionally, to reflect the differences between the rates observed in the market and the liquidity characteristics of reinsurance contracts, the Company includes the risk-free yield curve, the spread observed between the ETTJ IPCA (ANBIMA methodology) and the expected return of the debentures of the secondary market with AAA rating.

- **Risk adjustment for 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.

IFRS 17 does not provide methods for determining the risk adjustment for non-financial risk. Therefore, the Management's judgment is required to determine the appropriate technique for risk adjustment to be used.

The Company decided for the Cost of Capital (CoC) methodology for calculating the risk adjustment for non-financial risk. This method prospectively projects the future capital that the Company has to maintain at the end of each projection period, during the run-off of the existing business, when the expected return rate is applied on such capital that will be discounted and added for obtaining the risk adjustment.

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- **Contractual Service Margin (CSM):** unearned profit that the Company will recognize as it provides services in the future under the reinsurance contracts in the group. The Company shall measure the contractual margin of insurance on initial recognition of a group of contracts.

On the initial recognition of a profitable group of reinsurance contracts, the CSM is equal to the sum of:

- Fulfillment cash flows, which are estimates of cash flows, adjustment to reflect the time value of money, and risk adjustment for non-financial risk; and
- Any other cash flows arising from the contracts in the group at that date.

If the sum is a net inflow, the CSM is recognized in profit or loss as services are provided in the period, according to the allocations of coverage units. The determination of coverage units is based on the calculation of remaining exposure, at each calculation date, estimated considering the breakdown levels of contract type, based on contract ceding and boundary, weighted by premium volume.

If the sum is a net outflow, the group is thus onerous and a loss component is created to represent the net cash outflow in liabilities, and the loss is immediately recognized in profit or loss.

In the subsequent measurement, the carrying amount of a group of contracts is measured again. This procedure involves: update the fulfillment cash flows using the current assumptions; and update the CSM to reflect the changes in the fulfillment cash flows related to future service, an effect of interest rates and the profit obtained as reinsurance services are provided in the period.

The changes in the fulfillment cash flows related to future service adjust the CSM, while those related to current and past services are recognized in statement of profit or loss.

The Company treats the contractual margin and the fulfillment cash flows as monetary items, determining them in their respective foreign currency, and translating them into the functional currency at the transaction and reporting dates. The exchange differences are recognized in profit or loss for the period.

According to IFRS 17, all profits will be recognized in profit or loss during the reinsurance coverage of contracts, and mainly upon the recognition in the profit or loss of the CSM as services are provided. The Company is evaluating the impacts on the process of revenue recognition as compared to the IFRS 4.

Retrocession contracts

The Company will adopt the same accounting policies to calculate a group of retrocession contracts, except that the risk adjustment for non-financial risk shall represent the risk amount to be transferred from the Company to the retrocessionaires, and the CSM shall represent a net cost or net income in the acquisition of retrocession.

The IFRS 17 implementation project is in the final stage of implementation, which comprises the creation of the new operating model (systems and processes), development of cash flow models, establishment of accounting policies, and implementation of calculation tools.

(vii) Presentation and disclosure

According to IFRS 17, the portfolios of reinsurance and retrocession contracts, which are assets and liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts shall be presented in net amounts; therefore, balances such as accounts receivables and payables shall no longer be presented separately. Any assets or liabilities recognized for the cash flows that arise before the recognition of the respective group of contracts shall only be presented in the same line of the related portfolios of contracts.

According to IFRS 17, the Company shall disclose detailed and thorough information on revenues and reconciliations to enable the users of financial statements to identify changes from cash flows and amounts that are recognized in the statements of profit or loss and comprehensive income.

The amounts recognized in the statement so profit or loss and other comprehensive income shall be disaggregated into:

- (a) an insurance service result, comprising insurance revenue and insurance service expenses; and
- (b) insurance finance income or expenses.

The amounts of retrocession contracts shall be presented separately.

According to IFRS 17 and IFRS 9, the separate presentation of underwriting profit or loss and finance income shall provide greater transparency about the origins and quality of profits.

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C. IFRS 9 – Financial Instruments

IFRS 9 – Financial Instruments replaces IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 is applicable to all financial assets and liabilities and came into effect on January 1, 2018. IRB met the temporary exemption criteria provided by IFRS 9 for periods prior to January 1, 2023. Consequently, the Company shall apply the IFRS 9 for the first time on January 1, 2023.

(i) Financial assets and liabilities – classification

The classification of financial assets, according to IFRS 9, is usually based on the business model for managing the financial assets and its contractual cash flow characteristics. IFRS 9 included three main categories of measurement of financial assets:

- measured at amortized cost;
- fair value through other comprehensive income (FVTOCI); and
- fair value through profit or loss (FVTPL)

The standard eliminates the categories included in IAS 39 of held to maturity, loans and receivables and available for sale.

A financial asset is measured at amortized cost if both of the following conditions are met and is not designated as measured at FVTPL:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- Its contractual terms, give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair FVTOCI if both of the following conditions are met and is not designated to be measured at the FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms, give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified into measured at amortized cost or FVTOCI, as described above, are measured at FVTPL. In addition, at initial recognition, the Company may irrevocably designate a financial asset that otherwise fulfill the requirements to be measured at amortized cost or FVTOCI, as measured at FVTPL, if it eliminates or significantly reduces the accounting mismatch that would otherwise arise.

However, at initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably opt to present the subsequent changes in fair value in other comprehensive income (OCI). The choice is made based on each instrument.

According to IFRS 9, the derivatives embedded in contracts where the main component is a financial asset are not separated. Instead, the hybrid financial instrument as a whole is evaluated for classification.

The Company is evaluating the designation of its assets measured according to the new standard.

The classification and measurement of financial liabilities established in the IFRS 9 maintain most of the requirements of IAS 39. However, according to IAS 39, all changes in fair value of financial liabilities designated as FVTPL are recognized in profit or loss, while according to IFRS 9 such changes in fair value are usually presented as follows:

- The amount of change in the fair value attributable to changes in the credit risk of that liability shall be presented in other comprehensive income.
- The remaining amount of change in the fair value of the liability shall be presented in profit or loss.

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(ii) Financial assets – impairment

The model established in the IFRS 9 for recognition of impairment is based on expected credit losses, replacing the model established in the IAS 39 that is based on incurred credit losses.

The new impairment model shall be applied on the Company's financial assets measured at amortized cost and debt investments at FVTCL.

IFRS 9 requires that a loss allowance is recognized at an amount equal to 12-month expected credit losses (ECL) or ECL for the lifetime of the financial instrument. Lifetime expected credit losses are expected credit losses that result from all possible default events over the expected life of a financial instrument. Twelve-month expected credit losses are the portion of lifetime expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

(iii) Transition

According to the accounting standard on change in accounting policy, the Company shall present the estimated impact of initial application only if the figure could be determined on reasonable and reliable basis. Until the date of approval of the accompanying financial statements, the transition work has not been completed, and such information shall only be disclosed in the financial statements for the year 2023.

D. IAS 8– Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The entities shall distinguish the differences between the changes in accounting policies and changes in estimates. This amendment is effective for the reporting years beginning on or after January 1, 2023, and there is no impact on the Company's financial statements.

E. IAS 12 – Income Taxes

Amendments to IAS 12 - Income Taxes: Lessees are required to recognize recurring deferred taxes for temporary differences arising at the initial recognition of right-of-use assets and lease liabilities, according to the tax legislation. This amendment is effective for the reporting years beginning on or after January 1, 2023. The Company identified that the amendments will impact, not in a relevant way, only the asset and liability accounts, without impact on profit or loss.

28 Key accounting estimates and assumptions

The preparation of financial statements requires the use of certain accounting estimates and the exercise of high judgment level by the Management when applying certain accounting policies. However, the uncertainty over such assumptions and estimates could lead to results that require a significant adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the accounting practices, Management exercised the following judgments, besides those that involved estimates and assumptions, which main effects were on the amounts recognized in the financial statements.

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

The estimates used in the recognition of reinsurance liabilities of the Company represent the area where the Reinsurer applies the most critical accounting estimates to the preparation of the interim 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 Company 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, judgments are exercised when defining the methodologies and assumptions of the estimates used in the measurement of reinsurance liabilities, to obtain the best estimate of the liability 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 Company is party to labor, tax and civil lawsuits in progress at the reporting date of the parent company interim financial statements. When determining and recording the accounting estimates, the Company is supported by the opinion of its legal counsel specialized in each area, case progress, and the status of judgment of each specific case, for determining the estimate loss amount and the classification of the risk level into probable, possible and remote. The Reinsurer also uses its best judgments about these cases.

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

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 impairment losses

The Company adopts its own methodology considering the history of losses and the risks of default based on a time series comprising data for the past five years. In this study, the changes in past due balances by recovery period were considered.

The study considers a way to aggregate the balances of written premiums, net of commission on reinsurance and accepted retrocession, and of claims according to the business classes and late payment ranges.

In view of the particularities and complexity of reinsurance contracts and the history of negotiation of past due receivables, we note that transactions require a long term to be actually be transformed into loss and that, historically, a receivable that is over one year past due has a significant reduced likelihood of being recovered. Therefore, the recovery curve is used as rational basis for history of losses, while receivables over 360 days past due are considered as non-recoverable.

(e) Fair value estimate of financial instruments

As described in Note 2.3, the fair values of financial instruments quoted in an active market are based on current trading prices. For financial assets without active market or publicly quoted prices, the fair value is set through 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 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. Note 6 provides detailed information on the key assumptions used in the determination of fair value of financial instruments, as well as the sensitivity analysis of such 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) Tax credits

With regard to the recognition of unused tax credits of Income Tax and Social Contribution for temporary differences, on tax loss and social contribution loss carryforwards, the deferred tax asset shall be recognized in relation to tax losses to the extent that it is probable that in the future taxable profit will be available against which such assets. The evaluation of this situation requires that the Company's Management uses significant judgment to determine future estimates regarding the ability to generate future taxable profits, based on the projections of future results prepared and supported by internal assumptions and future economic scenarios that may be subject to changes.

29 Other information that the Company considers relevant

29.1 Statement of profit or loss from underwriting – Business view by insurance line group

To guide the Company's Management in decision making and performance assessment of reinsurance and retrocession transactions, some accounts of the statement of profit or loss - business view are grouped differently from what is established in the provisions of the accounting practices adopted in Brazil applicable to reinsurers and applied in the financial statements.

The profit or loss from underwriting shown below is the main item used by Management to manage the operating profit (loss).

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	Consolidated	
	2022	2021
Written premiums	7,892,009	8,760,526
Reinsurance premiums - Brazil	5,377,488	5,329,211
Reinsurance premiums - Abroad	2,514,521	3,431,315
Ceded premiums in retrocession	(2,923,901)	(3,204,386)
Retained premiums	4,968,108	5,556,140
Changes in technical reserves	129,536	344,358
Earned premiums	5,097,644	5,900,498
Retained claims	(5,314,892)	(5,987,989)
Outstanding Claims Reserve (PSL)	(4,995,606)	(6,300,886)
IBNR	(237,752)	338,177
Other	(81,534)	(25,280)
Acquisition costs	(1,102,801)	(1,412,487)
Other operating expenses	(129,375)	(68,729)
Underwriting profit or loss	(1,449,424)	(1,568,707)

29.1.1 Brazil

	Consolidated									
	2022									
	Brazil									
	Agriculture	Aviation	Financial risks	Casualty	Life	Marine	Motor	Property	Special Risks	Total
Reinsurance premiums	1,254,535	35,272	158,191	246,125	678,727	357,064	103,052	1,695,803	848,719	5,377,488
Ceded premiums in retrocession	(85,067)	(4,655)	(44,395)	(190,777)	(138,966)	(144,985)	(4,288)	(742,524)	(728,223)	(2,083,880)
Retained premiums	1,169,468	30,617	113,796	55,348	539,761	212,079	98,764	953,279	120,496	3,293,608
Changes in technical reserves	(115,833)	9,032	24,420	(957)	(2,511)	(12,380)	4,143	12,167	(40,781)	(122,700)
Earned premiums	1,053,635	39,649	138,216	54,391	537,250	199,699	102,907	965,446	79,715	3,170,908
Retained claims	(1,732,823)	(29,231)	(115,071)	(124,275)	(387,812)	(120,535)	(104,267)	(713,705)	12,634	(3,315,065)
Acquisition costs	(234,245)	(4,483)	(59,542)	(3,541)	(155,782)	(26,249)	(38,420)	(115,643)	(11,793)	(649,698)
Other operating expenses	(7,016)	(18,137)	(21,415)	(802)	(6,514)	(7,375)	399	(40,388)	1,968	(99,280)
Underwriting profit or loss	(920,449)	(12,202)	(57,812)	(74,227)	(12,858)	45,540	(39,381)	95,710	82,524	(893,155)

	Consolidated									
	2021									
	Brazil									
	Agriculture	Aviation	Financial risks	Casualty	Life	Marine	Motor	Property	Special Risks	Total
Reinsurance premiums	1,253,752	69,424	233,782	228,195	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	30,082	(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)

29.1.2 Abroad

	Consolidated									
	2022									
	Abroad									
	Agriculture	Aviation	Financial risks	Casualty	Life	Marine	Motor	Property	Special Risks	Total
Reinsurance premiums	345,950	100,101	139,685	31,596	428,904	171,438	5,039	1,203,597	88,211	2,514,521
Ceded premiums in retrocession	(34,135)	(361,412)	(8,052)	(10,500)	(5,734)	15,004	-	(447,282)	12,093	(840,021)
Retained premiums	311,815	(261,311)	131,633	21,093	423,170	186,442	5,039	756,315	100,304	1,674,500
Changes in technical reserves	115,796	21,594	(6,997)	(439)	42,370	178	1,158	71,567	7,009	252,236
Earned premiums	427,611	(239,717)	124,636	20,654	465,540	186,620	6,197	827,882	107,313	1,926,736
Retained claims	(403,838)	148,952	(41,028)	(32,671)	(685,719)	(206,047)	(1,623)	(720,338)	(57,495)	(1,999,807)
Acquisition costs	(59,260)	(15,801)	(44,265)	(9,505)	(2,999)	(31,733)	(577)	(272,239)	(16,724)	(453,103)
Other operating expenses	6,040	(2,829)	(7,524)	1,006	3,835	1,561	195	(31,861)	(518)	(30,095)
Underwriting profit or loss	(28,447)	(109,395)	31,819	(20,516)	(219,343)	(49,599)	4,192	(196,556)	32,576	(556,269)

	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)

IRB-Brasil Resseguros S.A.

Notes to the parent company and consolidated financial statements

As at December 31, 2022

In thousands of reais, except when otherwise stated

29.2 Reconciliation between the financial statements provided according to the model of the CVM system (Empresas.Net)

The Company shows below the reconciliation between the standardized financial statements provided according to the model of the CVM system (Empresas.Net) and the statement of financial position and statement of profit or loss disclosed by IRB Brasil Re.

Statement of financial position - Assets

Empresas.Net	Assets	Note	Parent company		Consolidated	
			2022	2021	2022	2021
	Current assets		13,808,454	14,001,807	13,684,101	13,990,281
1.01.01.01	Cash	5	6,119	8,231	17,793	38,774
1.01.02	Financial assets	6.1	4,280,282	4,014,753	4,136,600	3,966,341
1.01.03	Receivables from reinsurance and retrocession operations	7.1	3,962,281	4,105,081	3,962,281	4,105,081
1.01.09.03.01	Retrocession assets - technical reserves	9	5,367,471	5,599,770	5,367,471	5,599,770
1.01.04.01	Trade and other receivables	10	13,788	21,926	20,936	27,432
1.01.04.02	Tax credits and deferred tax assets	11.1	55,484	127,591	55,982	128,425
1.01.07.01	Prepaid expenses		6,251	10,623	6,260	10,626
1.01.08.04	Deferred acquisition costs	12	116,778	113,832	116,778	113,832
	Non-current assets		9,159,514	8,564,241	9,293,461	8,684,160
1.02.01.02	Financial assets	6.1	4,741,843	4,976,260	4,828,782	4,976,260
1.02.01.11.03	Retrocession assets - technical reserves	9.2	86,291	81,270	86,291	81,270
1.02.01.04.01	Trade and other receivables	10	922,094	589,816	921,877	589,816
1.02.01.04.02	Tax credits and deferred tax assets	11.1	156,893	406,092	156,893	449,168
1.02.01.04.03	Deferred tax assets	11.1	2,681,024	2,068,057	2,681,024	2,068,057
1.02.01.04.04	Court deposits	23	255,181	233,895	255,181	233,895
1.02.01.04.05	Receivables from reinsurance and retrocession operations	7.1	26,856	11,677	26,856	11,677
1.02.01.09	Deferred acquisition costs	12	114,375	13,865	114,375	13,865
1.02.02.01.05	Investments accounted for using the equity method	4.1	39,387	28,876	-	22,124
1.02.02.02.01	Investment property	13	-	4,570	86,587	88,034
1.02.02.02.02	Other investments		311	371	311	371
1.02.03	Property and equipment	14	29,456	64,503	29,456	64,503
1.02.04	Intangible assets	15	105,803	84,989	105,828	85,120
	Total assets		22,967,968	22,566,048	22,977,562	22,674,441

Statement of financial position – Liabilities

Empresas.Net	Liabilities and shareholders' equity	Note	Parent company		Consolidated	
			2022	2021	2022	2021
	Current liabilities		17,496,508	17,314,052	17,506,102	17,351,763
2.01.01.06	Trade payables	16	37,139	19,999	44,621	26,605
2.01.01.01	Taxes and payroll charges payable		38,487	28,297	38,659	28,522
2.01.01.03	Labor provisions		11,714	12,665	11,825	12,797
2.01.01.04	Provisions for post-employment benefits	26.3	35,972	42,409	35,972	42,409
2.01.01.05	Taxes and contributions payable		29,641	4,532	31,470	35,280
2.01.01.08	Borrowings and financing	17	466,898	10,354	466,898	10,354
2.01.02	Payable for reinsurance and retrocession operations	19.1	2,398,874	2,051,671	2,398,874	2,051,671
2.01.03.04	Third-party deposits	8	90,463	107,977	90,463	107,977
2.01.04	Technical reserves - reinsurance	20	14,387,320	15,036,148	14,387,320	15,036,148
	Non-current liabilities		1,397,949	1,617,636	1,397,949	1,688,318
2.02.01.01.04	Provisions for post-employment benefits	26.3	370,469	415,469	370,469	415,469
2.02.01.01.06	Borrowings and financing	17	440,707	819,107	440,707	819,107
2.02.01.01.05	Trade payables	16	19,723	12,191	19,723	4,426
2.02.01.01.07	Taxes and contributions payable		53,533	-	53,533	78,447
2.02.01.02.01	Payables for reinsurance and retrocession operations	19.1	789	789	789	789
2.02.01.03.01	Technical reserves - reinsurance	20	429,855	293,922	429,855	293,922
2.02.01.04	Civil and labor contingencies	23	82,873	76,158	82,873	76,158
	Equity	24	4,073,511	3,634,360	4,073,511	3,634,360
2.03.01	Capital		5,379,189	4,219,524	5,379,189	4,219,524
2.03.02	Capital reserves		-	1,006	-	1,006
2.03.02	Treasury shares		(283,760)	(283,760)	(283,760)	(283,760)
2.03.04	Profit reserves		-	148,666	-	148,666
2.03.06	Equity valuation adjustment	24.3	(543,818)	(451,076)	(543,818)	(451,076)
2.03.05	Retained losses		(478,100)	-	(478,100)	-
	Total liabilities and equity		22,967,968	22,566,048	22,977,562	22,674,441

IRB-Brasil Resseguros S.A.

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As at December 31, 2022

In thousands of reais, except when otherwise stated

Statements of profit or loss

Empresas.Net	Condensed statement of profit or loss	Note	Parent company		Consolidated	
			2022	2021	2022	2021
3.01	Earned premiums	25.1	7,047,042	7,987,428	7,047,042	7,987,428
3.02.02.01	Incurred claims	25.2	(6,911,514)	(8,277,362)	(6,911,514)	(8,277,362)
3.02.02.02	Acquisition costs	25.3	(255,606)	(253,133)	(255,606)	(253,133)
3.02.02.03	Other operating income and expenses	25.5	(118,411)	(112,715)	(118,411)	(112,715)
3.02.02.03	Profit (loss) from retrocession	25.4	(1,200,665)	(920,926)	(1,200,665)	(920,926)
3.04.02.01	Administrative expenses	25.6	(326,017)	(364,173)	(329,437)	(389,376)
3.04.02.02	Tax income (expenses)	25.7	(87,632)	(22,660)	(91,800)	(30,309)
3.08	Finance income	25.8	557,939	556,680	614,461	610,089
3.05	Share of profit of equity-accounted investees	25.9	107,360	(4,843)	65,169	(9,161)
3.09	Net loss before taxes		(1,187,504)	(1,411,704)	(1,180,761)	(1,395,465)
3.10	Income tax	25.10	346,999	440,779	342,063	428,857
3.10	Social contribution	25.10	210,164	288,224	208,357	283,907
3.11	Loss for the year		(630,341)	(682,701)	(630,341)	(682,701)
	Loss per share - basic and diluted	24.4	(0.26)	(0.54)	(0.26)	(0.54)

30 Events after the reporting date

30.1 Reverse stock split

At the Extraordinary Shareholders' Meeting held on December 22, 2022, the reverse stock split of the totality of common shares of IRB was approved, in the ratio of 30 shares to 1 share.

As of January 25, 2023, the shares issued by the Company started to be traded already considering the effects of the reverse stock split.

30.2 Arbitration Procedure CAM 237/2023

It refers to the Arbitration Procedure CAM 237/2023, notified to the Company in February 2023, filed by shareholders for reimbursement for the alleged incurred losses due to the drop in the price of the Company's shares that they held, in view of the acts performed by the former Management of the Company, mainly related to the financial information prepared and disclosed to the market. The amount claimed by the Claimants is R\$ 34,000.

30.3 Arbitration Procedure CAM 238/2023

It refers to the Arbitration Procedure 238/2023, notified to the Company in February 2023, filed by shareholders, among which are the investment funds, for reimbursement for the alleged incurred losses due to the drop in the price of the Company's shares that they held, which would have started on February 2, 2020, as a result of the alleged disclosure of false or misleading information on the Company's profit or loss and its shareholding. The amount claimed by the Claimants is R\$ 10,000.

30.4 Decision of the Federal Supreme Court (STF) on res judicata in tax matter - Subjects 881 and 885

On February 8, 2023, the STF examined the Subjects 881 – Extraordinary Appeal 949.297 and 885 – Extraordinary Appeal 955.227.

The Supreme Court unanimously concluded that the final and unappealable decisions (res judicata) favorable to taxpayers become void if, after a new analysis of the tax matter, the STF forms another opinion on the subject. That is, if years ago a company obtained authorization from Court to no longer collect a certain tax, such permission is no longer valid if and when the STF subsequently states a contrary opinion.

In this sense, the Company's management considered, together with its legal advisors, the possible impacts of such STF decision and concluded that the latter is according to CPC25/ IAS37 – Provisions, Contingent Liabilities and Contingent Assets and CPC24/ IAS10 – Events After the Reporting Period, and does not have impact on its financial statements as at December 31, 2022, however, it will continue to monitor the developments of such subject.