

## Q1 2021 Earnings Call

### Company Participants

- Antonio Cassio dos Santos, Chairman
- Carlos Andre Guerra, Vice President of Risks, Compliance and Legal
- Isabel Blazquez Solano, Vice President of Reinsurance
- Werner Romera Suffert, Financial Vice President and Investor Relations
- Wilson Toneto, Acting President and Vice President of Operations

### Other Participants

- Analyst
- Carlos Daltozo
- Guilherme Grespan
- Marcelo Telles

### Presentation

#### Operator

Good morning, everyone. Welcome to the Earnings Call for the First Quarter of 2021 of IRB Brasil. We have Mr. Wilson Toneto, the Acting President and VP of Operations; Mr. Werner Suffert, Financial VP and IR; Isabel Solano, VP of Reinsurance; Mr. Carlos Andre Guerra, VP of Risks, Compliance and Legal departments are here with us today.

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the market and competitive information, as well as market projections, mentioned in this company were obtained through internal research -- market research, public domain information and company information.

Discontinued operation run off -- run on and run off operations and non-recurring one-off operations are presented in the managerial format.

We'll now give the floor to Wilson Toneto for his presentation.

## **Wilson Toneto** {BIO 20892371 <GO>}

Thank you. Good afternoon, everyone. Thank you for attending our earnings call for the first quarter. Our senior management will be presenting this information for the first quarter on top of market analysts that will be asking questions towards the end, IRB employees are also attending they'll have further information starting at 3 p.m.

IRB provides a regular report called FIP. We also show the company's monthly results. And we inform the market by providing specific information. These are peculiar to our industry. There is some seasonality in the reinsurance industry, any projections for the future should be taken into account in multiple year cycles. We're going to report quantitative and qualitative data. This is going to be a 40 minute meeting.

Okay. Let's move on to Slide 3. This is the executive summary. These are the main drivers behind the numbers in Q1. The first one was cash generation. Operating cash flow is one of the most important items in our industry. For the third quarter in a row, we've had positive cash generation, even when we take into account non-recurring events such as the settlement, we just had payments, referrals of subsidiaries. Even when we exclude these factors, we had positive cash generation. In the past three quarters, we have over BRL422 million. This is the cash generation for the company. So, this is good news, consistent with the numbers we had in previous quarters. That's one of the highlights for the day.

Another one is our solvency, item two now. We have not only regulatory solvency, but also total solvency as of 2019. The critical or the most critical point was back in June 20th, when we had to re-report our financial statements, then our regulatory solvency was almost a 100%, above requirements, but very close to it. Total solvency was 180%. When we look at the performance of December, as you can see, these levels went up substantially; and now in Q1, our solvency is high 181% regulatory, it takes into account equity -- adjusted equity, but total solvency is above 254% both numbers are above those of December 2020. These indices are above the legal requirement. They are on par with major reinsurers in the world.

Moving on to Slide 4 now, starting with item number three. This is the matching of our reserves which is to say we have these assets to cover for our technical reserves. Every time we have that surplus and the sufficiency that is determined by regulatory agencies.

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Item four, June was the most critical point, but the actions were taken. Let us to bring it up to from BRL3.3 billion, we ended the year with the sufficient number. When you look at the first quarter of 2021, we have managed to maintain that sufficiency, including both technical provisions and the regulatory liquidity. When you look at the scenario in December and being able to keep it at that level, we have announced the market the end of that special inspection, which is very good news. You may say from March to December -- from December to March, it went down slightly. But we had an important effect there and increase in these technical inspections. FX did not affect our results, the technical provisions do have an effect. However, we have managed to maintain these numbers close to the levels we had in December and on the positive side which is good news.

On to item number four. Our net income was BRL51 million. But when you do not include the discontinued business due to the underwriting activities we had and the non-recurring expenses for the quarter BRL11.5 million and then BRL18.2 million, about BRL30 million discontinued businesses and their impact. Our profit would move up to a BRL80 million. So, the recurring net income was BRL80 million compared to a loss of BRL75 million in Q1 of last year. This is the first time we've had positive results after the changes we have in the company.

On to item number five. This is one of the most important operational numbers that's the combined ratio. When we look at the recurring combined ratio, not including the effects of the discontinued businesses, our number was 97.6% for the first quarter, an increase of 3.5 percentage points as to the first quarter of 2020, below 100% when you look at December. The number was well above 100%. Now, it's below a 100%. We have always to be reminded that whenever it's below 100%, it means that the company has costs as to claims, compensations administrative below its gains for the quarter, so the highlight was to reduce our claim rate. That was very positive, and there were substantial effects from these discontinued businesses in the first quarter. As a consequence, the numbers are very positive indeed.

Item number six is more qualitative in nature. Despite exchange rate variations close to 9% in the quarter, there were no important effects, however, in our numbers only BRL9 million, it was actually a positive effect albeit not substantial. So that indicates that we can properly control our foreign exchange pegged assets, which means we are hedged, preventing ourselves from suffering from any FX fluctuations, it may happen throughout the year, but what we are trying to do is that we are hedged and well positioned to face. That's it's the possibility if that occurs. We'll be discussing the premium volumes in detail shortly, despite our position abroad. Despite these facts, these numbers are still positive, because of the growth in the domestic market aligned with the company's strategy. We're working to implement several activities, including a geographical repositioning to ensure our business sustainability and midterm and long-term results to provide more results or more return to shareholders, again positive cash generation in a nutshell, strengthening our sufficiency, having coverage of regulatory, recurring net income, improving our claim rate as a consequence of better combined ratio and the proper hedging of our foreign currency pegged assets.

I'll turn over to our VPs to highlight other important numbers of our operational performance. I'll give the floor to Isabel, our VP, should be talking about those numbers.

## Isabel Blazquez Solano {BIO 21843037 <GO>}

Thank you very much. Good afternoon, everyone. Thank you for partaking our earnings release call.

During the first quarter, we could see that there was an important growth to our key market, which is Brazil, there was 19% increase to the premiums. Now in line with our reunderwriting strategy, we have reduced our exposure to agreements that were not beneficial to the company and we have reduced our exposure to international businesses, namely life and aviation. So our international premium reduced by 21%, but on the other hand we now see a more profitable portfolio as you can see to your right-hand side the results were 13% higher than the first quarter last year internationally speaking. Once again, we reaffirm our commitment. We went to look for profitability and higher incomes to all agreements and we want to increase the premiums in line with markets that are in line with our strategy. We see a substantial improvement to our underwriting results, which have grown 57% in the first quarter 2021 as compared to the same period last year.

If we look -- if we don't consider the impact of runoff contracts, the underwriting outcomes would total BRL93 million. Another important figure is the number of recurring claims which was 69.6% under the expected levels. We got known renewed contracts that by the company's initiative from July 2020 to March 2021 if considered would increase our claims to 72%. We try to clean up the portfolio and this process will go about for one full cycle, all the way up until July 2021. And therefore, the consequences of such agreements of businesses may last longer. The positive underwriting outcome that we see both in Brazil and internationally something that hasn't happened since all the adjustments that were promoted by the current board. Our portfolio is still not fully renewed, this should go all the way up until the end of this year. So this long tail effects may vary, but we already see substantial improvements that will allow us to have sustainable results in the long run.

Slide number 7. Here, we see the renewal process in April 2021. We've got three main movements when we renew contracts in our departments. The first one goes about in January. When we renew contracts from Europe and the U.S. and the other one will go about in April. That's what we renew agreements from the U.S. and Asia. And finally, in July, we renew our main contracts in Latin America. According to our reunderwriting strategy that was announced in the second quarter 2020, we still want to focus on cleaning up our portfolio and do away with agreements that do not bring about the expected net income. We believe that the results of renewals that happened in April was positive, because despite having to adjust terms and conditions that limited our risk exposure, we managed to have perfect prices because of the current market movement. So we managed to keep our key customers and contracts, which was very important that translates into an optimized and streamlined portfolio looking at Venture Capital as compared to our ROI.

I will now hand the floor over to Mr. Werner who will talk about our financial highlights.

## Werner Romera Suffert {BIO 18657101 <GO>}

Good afternoon, everyone. I hope you're doing well and I hope you're healthy. Thank you for joining us in one more earnings release call.

On Slide 8, we see our financial highlights. It's important to say that our efficiency is under control. When you look at admin expenses, excluding non-recurrent effects, our number is 5.4% in line with similar levels last year which was 5% in first quarter 2020. That is a good level as compared to both domestic and international competitors. We've had some one-off effects, because of fines that had to be paid and taxes that need to be regularized. We had to pay bonus, credit compensation for executives and there were some other expenses as we prepared for the IFRS 17 project which is basically an accountant said change that should be implemented by 2023, so we already see some expenses tied to this project. In the first quarter 2021, our financial and equity results was positive at briefly BRL104 million, despite the strong reduction of BRL195 million in our equity results. Last year, we had a positive equity increase because of shares that were sold last year.

As we look at the main figures, as my colleagues have mentioned, not considering one-off contracts and non-recurring expenses, we can see that our reunderwriting strategy is already showing some results. That's what we can see on the table in this slide. Our numbers are -- our net income are at BRL80 million and the number of planes are at 69.6%, combined figures that considers our equity is at 97% at this quarter.

Moving on to Slide number 9. Here, we see our net income during this quarter with the non-recurring effects and discontinued operations. This numbers have been broken down, so that they can be more transparent to you. IRB's net income in the first quarter this year was negatively impacted by the runoff business at ZAR11 million and by the one-off the effects and admin expenses at BRL18 million. If we don't consider these two effects that add up to BRL 29 million, the company would have had a net income -- recurring net income at BRL 80 million during this quarter.

Now, if we look back at the first quarter 2020, the company's net income have been positively impacted by the capital increase, because of our shopping center shares that were sold, the results would have been BRL75 million or minus BRL75 million rather. So, we see a consistent improvement in our recovery net income.

On Slide number 10, you see our financial investments. We see a substantial growth from December 2020 to March 2021. Our equity went up to BRL9.1 billion. And you can see this growth in the chart. Since June 2020, we issued debentures and we sold equity so that we could increase the liquidity of our assets. We wanted to cover our technical provision into. Our financial portfolio reached BRL9.1 billion, that ensured a good revenue during the quarter. In real, we are at 146% of the CDI index. If we look at the profitability of the whole portfolio considering FX during the first quarter, we see that our financial results were favored by the real dollar exchange rate at BRL9 million as I said before. Debentures, it's important to say that the financial index we used to follow up on debentures have seen all the requirements met during this period, especially our rating or that and regulatory issues.

Finally, Slide 11. Here, we see our technical provisioning figures. As Mr.Toneto mentioned, here we see an important growth to our financial reserves, we are at proper levels, that's what you see on the chart for PP&G, for PSL and other actuarial provisioning were at good levels. These are the main financial provisioning figures we look at. On the slide, we see that since December 2019, we grew 37%. In the previous quarter, there was an FX impact to our provisioning numbers, but considering all the actions that we undertook, can we believe those were suitable, because they allowed us to be at the proper levels.

I will now hand the floor over to Mr.Guerra [ph], who will talk about regulatory demand.

### **Carlos Andre Guerra** {BIO 21927047 <GO>}

Good afternoon, everyone. I wanted to tell you a bit more about solvency and regulatory issues.

Slide 12, we received the minimum required equity. Here is our base level along with the resolution 321 requisites. As of today, we are at BRL1.7 billion, that's the minimum required capital. So the total P&L is BRL4.4 billion, which is basically 254% of total solvency. Regulatory issues do not consider some of those assets, so if we disregard our adjusted net equity at BRL3.4 billion, we would still see a surplus at 181%, considering our net equity for solvency purposes.

On slide number 13, we can see regulatory liquidity levels. Technical provision levels are at BRL14.3 billion, BRL14.8 billion is the amount to cover such assets and therefore our surplus is at BRL505 million. The new board worked hard to make this happen. 20% of our capital has to be used as safety coverage for regulatory issues, that is worth BRL345 million. So we are BRL160 million above the regulatory demands which is in line with what we proposed late last year. This provisionings and the regulatory liquidity 20% percent have truly allowed us to do well during the inspections and create a liquidity regulatory plan. So, we're up to date with every regulatory demand. So that the regulatory agency is now carrying out some public hearings and one of their prepositions is to do away with this 20% (inaudible). If that is approved, then the whole insurance and reinsurance industry could work in a flexible manner and have better liquidity. That are other initiatives that are underway that we believe may help us better manage the financial and actuarial aspects of the company.

With that, I will hand the floor over to our Chairman.

### **Antonio Cassio dos Santos** {BIO 6471873 <GO>}

Thank you very much Guerra. This was a summary presentation. I just wanted to remind all participants that these reports and numbers have been disclosed and are available at our website. And I'll hand the floor over to the operator who will mediate our Q&A session.

## **Questions And Answers**

## Operator

(Question And Answer)

Thank you very much. Ladies and gentlemen, we'll start our Q&A session. (Operator Instructions) Our first question is by Mr. Ricardo (inaudible) from BTG Pactual.

### Q - Analyst

Good afternoon. Congratulations on the results. I have two questions. First, can you elaborate on your strategic planning and the plan that you are now developing along with an international consultancy firm. Can you give us more details on that? And the second question is, I'm not sure you can comment on this, but do you know when we can have access to such details? Secondly, what are your expectations regarding guidance? I'm not sure you can provide any, but what can we expect for the long-term or for the next three years? Is there any qualitative data you can provide us with what should we expect in terms of net income and growth for the company?

### A - Wilson Toneto {BIO 20892371 <GO>}

Thank you, Ricardo for a question. Let me talk about the consultants if I were working with. There are different steps to this project. The first one has been concluded already. This has been appreciated by our board, beside of propositions and strategic plans that were created. So the process has begun already, we have started to implement some of these initiatives. One of which is the geographic approach. There are different pillars to this strategy. And now, we are solving into the action plans that will truly impact the whole company. This is the second step.

We're now starting to deploy the strategy that was created. So we know where we're heading. The way has been paved and we now want to break it down along with each of the operations teams. Sorry, during the next 12 year -- 12 months, we should implement that plan. We believe we should meet our strategic goals because the company is truly committed towards that. We can't really disclose too much more, but surely over the next quarters we can talk about that.

I'll hand it over to Werner, so he can talk about guidance.

### A - Werner Romera Suffert {BIO 18657101 <GO>}

Good afternoon. Hi Ricardo. S2 guidance Ricardo, we know how important it is to the market to give the market some direction as to where the company is headed looking further down the road, but our industry should not be considered on a short-term basis. Of course, we have to report quarterly, but insurance and especially reinsurance is something that requires a yearly outlook or even further longer periods of time. So when we talk about guidance, this is going on as we speak, everyone involved in the company's governance, takes part, senior management, and of course, we analyze the market to look at other players.

When we provide guidance to the market, we're going to use similar indicators those that market is used to and those indicators that also meet our strategy. So your two questions are actually connected, because guidance will end up being a reflection of the company's strategies. We keep track of some indicators some of them will be used to report that to the market. There are of course several important indicators and they are being taken into account in those discussions and those internal discussions as soon as the decision is made, this is going to be made public.

Thank you for your question, Ricardo.

## Operator

Marcelo Telles from Credit Suisse asks the next question.

### Q - Marcelo Telles {BIO 3560829 <GO>}

Good afternoon. Thank you. My question is about the recurrence of that BRL80 million net income for the quarter. There were some positive impacts that are non-recurring to a certain extent. And I'm referring to that write-off of PGD, the booking of the tax credit, sales tax and that reduction from the Brazilian Development Bank. Can we consider those as a non-recurring positive effects? You talked about the deferred credit or tax credit. They are non-recurring. How can we consider future profitability of the company, because these three elements will no longer be present?

### A - Werner Romera Suffert {BIO 18657101 <GO>}

Thank you Marcelo. This is Werner. I will address one of them. First, what's the intentions of breaking down that net income, it's important to make comparisons. When we talk about this tax credit that was in accounting practice change that even impacted the net income from the previous year, it is going to be recurring. So we included that benefit last year as well. Other companies have also implemented this change. That's why we're considering a recurring benefit, it will keep happening in quarters to come, when we look at the PDD and the increase of these or the improvement of these indicators, it's actually a result of a process improvement, if we can improve it even further it will become even more recurring. It was not a change of any other nature. It was a process related nature. The process improved overall and they yield positive and recurring results of the company. And then I'll turn over to Toneto to talk about IBNR.

### A - Wilson Toneto {BIO 20892371 <GO>}

Let me talk about IBNR. Good afternoon, Marcelo. Actually, that provision was not increased, it just improved slightly when we compare to December. The report indicates some claims variability where IBNR is present and there were some write-offs, but this is a living organism, you have the outlook of premiums of claims. We are of course, based on the track record, some very positively others negatively. We just pinpoint a few. These are estimates actually with a very stringent discipline, but these ups and downs of estimates is only natural. Some industry demand are bigger range others not so much. So we conduct these regular calculations and we are just being transparent giving you what the variations are.



The IBNR variations are recurring in nature, there is nothing of a one-off event and then we would have to include other areas and say that they are not recurring as well. There are specific explanations for specific situations, but overall these variations are recurring, because of the projections were made and the scenario that actually happened. And I hope I have answered your question.

## Operator

Robert Corinko, an independent investor asks the next question.

## Q - Analyst

Good afternoon, folks. I would like to congratulate the entire executive team on your results. That's a major turnaround. I would like to praise the Underwriting Director, Ms. Isabel Solano, the underwriting department is being led very well and results are showing. And I think it should be made clear to the market. There are several banks in the short position, so results show these good numbers to the market and gives us the outlook. And here comes my question. Do you believe the renewals in July will be smooth, are you comfortable with the situation of the contracts in our portfolio? Thank you.

## A - Isabel Blazquez Solano {BIO 21843037 <GO>}

Hi, thank you. Thank you for your question. Yes, we feel comfortable with the contracts we have in underwriting. Those we didn't feel comfortable with have already been discontinued. We have announced that is not an easy fit, because there are contracts that are not as substantial, but they have undergone some adjustments. We have renewed several of these contracts. But this process will be concluded in June 2021. We expect a very smooth transition. This is going to be an important renewal season for Latin America.

We're going to apply the same terms and conditions that we have been doing. We are going to increase rates, there will be some restrictions on commissions and improvements will come in the long run. We underwrite these contracts in Latin America, but premiums will only come in the following periods or cycles, I think we have to make that very clear.

## Operator

Guilherme Grespan, JP Morgan is up next.

## Q - Guilherme Grespan {BIO 19926617 <GO>}

Good morning. I have two questions. My question is about the mix of domestic and international markets. Looking back, international markets accounted for less than 10%. What is this mix look like, is it 50/50 or are you going to be more exposed abroad? My second question has to do with about how soon will believe we'll have some recurring operations to believe 2022 is going to be better with no pandemic effects? Thank you.

## A - Wilson Toneto {BIO 20892371 <GO>}

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Good afternoon, Guilherme? We could not clearly understand what you said. Well, if I understood you correctly, the question was a bell -- was about the company's operational strategy as the mix between domestic and foreign exposure, I'm going to answer the question along those lines, correct me, if I'm wrong, please.

Our strategic repositioning includes having more business domestically. We wouldn't be able to keep 50-50 the way things are today, we will therefore focus on having more business in Brazil, in Latin America, South America, and less exposure abroad. It doesn't mean we're going to move away completely from positions abroad and in Latin America. What I'm trying to say is that we will focus on operations in Brazil, we have more expertise, more knowledge in the region. We are going to be more selective as far as to the exposure abroad. I cannot give you any projections as to the mix it won't be 50/50 just like we've seen in the past. It doesn't mean that we are going to reduce our workforce. The mix will be different. We can maintain that sustainable growth, but with a different mix, I don't know whether Isabel would like to chip in as to the strategy abroad.

Thank you, Toneto. The reinsurer has to diversify. So we have to be present in international markets, just like Toneto said, especially in Latin America. But some away from this region in other parts of the world too, you should not focus on one area only, life, aviation, oil. So, we must diversify to other areas, other industries and that includes the territories as well. Latin America will continue to be our main market, especially Brazil, we would like to provide our customers with better service and increase our market penetration in Brazil, that can help us dramatically in that sense. And in conclusion, we have to diversify also, because the risk, so we do not have risk of major natural disasters as in Brazil when compared to other regions of the world.

The second portion was the runoff, right, results that can be regarded as non-recurring. We started that cleaning process back in 2020, we are focusing on 12 months contract, they will mature in July 2021. They are some with longer periods. From that point on you get some positive effects, short tail a year-and-a-half and longer tail all the way to three years. Our complete portfolio is can be considered a short tail portfolio up to two-year, year-and-a-half. I think we can move on to the next question.

## Operator

Next question by Mr.Carlos Daltozo from Eleven.

## Q - Carlos Daltozo {BIO 17523695 <GO>}

Good afternoon, everyone. Thank you for this opportunity. I had many questions, but many of them have been addressed already, I wanted to ask about the mix of products. We saw a significant decrease in the last quarter because of the portfolio underwritings. Can you talk about rural credit? What expectations can we have to believe this portfolio will be -- will grow internationally? And secondly, I wanted to ask about assets variable. Variable type of income has increased by 3% because of the (inaudible) interest rate what should we expect from them then on?

## A - Isabel Blazquez Solano {BIO 21843037 <GO>}

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Good afternoon, Carlos. Here's Isabel. With regards to rural credit we've seen a decrease to that that is because of the re-underwriting process. And because of the domestic market that did not bring about the expected profitability. So, many contracts should be renewed soon especially in Brazil and our expectation is that we can resume our growth by the middle of this year.

Now internationally from China and India we may see some contract renewals, because of the higher premium we have negative claim levels which has been impacting our company and the industry as a whole. That's why we saw such a significant growth. We also have to consider the exchange rate since premiums were at 9% internationally we have to think that that is in line with the foreign exchange rate, if we think about premiums in dollar, it was relatively stable in other countries, that is also due to contract renewals.

You also asked about variable income, perhaps slightly increased our variable income participation or share to our portfolio at 3% you said it really well. The environment favors positive financial results, because of the increase in the interest rate. Investment tied to the CDI index, which account for a great part of our portfolio 32% are tied to dollar investment and this part of our hedging strategy in real at 147% of the CDI index, we do not expect to increase that share. There is a limit to the risk we can take because of our governance policy.

We only take up more risk when we see great market opportunities according to our internal regulation. We have solid rules and robust norms on that, but of course, if we look at the increase in interest rates which is likely to happen, we believe that will be positive to our financial results in 2021. And as the focus report states, this should be beneficial. So we do not want to increase our share in variable income, it will be higher vis-a-vis our past investments there's so much risk we can take according to our policies. Now considering beneficial interest rates for 2021, we believe we should not increase the number where the level of risky investments. Thank you.

## Operator

Next question by (inaudible) from IRB.

## Q - Analyst

First question, when will dividends be paid? And when should we expect the new CEO to be announced?

## A - Wilson Toneto {BIO 20892371 <GO>}

Good afternoon, sir. last year we sent our shareholders a message stating that dividends will be paid in 2021, we're still looking into this topic. We believe that in the first coming weeks, we should send a communication to the whole market on when these dividends will be paid. We need to come up with a solid presentation according to our norms, so that we can disclose when this will be paid out.

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Good afternoon. With regards to the announcement our board of directions -- our board of directors will decide when the new CEO will be announced. And we believe that we should have a definition shortly. We have to respect our processes and our governance policies. What I can tell you is that we're following a very detailed and thorough process. The current VPs and directors have been involved as have even been involved in this process as we look for a new CEO process that has started a year ago. We believe that the board of directors should disclose the name of the new CEO shortly. Thank you.

## Operator

Milton, Next question by Mr.Milton, Shareholder.

## Q - Analyst

Can you please talk about the IRB lawsuits against people who were involved in some irregular processes in the company back in 2020.

## A - Carlos Andre Guerra {BIO 21927047 <GO>}

Good afternoon. This lawsuits are underway as planned. We can't disclose this information, but they are going about as our board of directors approved. As soon as we can, disclose any piece of information we'll do that. This lawsuit is confidential, because of legal reasons and we have to wait for the authorities to allow to this information to be disclosed. So we can't really give you more information on that. But thank you for your question anyway.

## Operator

With that, that we'll conclude our question-and-answer session. Mr.Toneto, I now hand the floor over to you for your final remarks.

## A - Wilson Toneto {BIO 20892371 <GO>}

Before wrapping, I would like to thank all our associates. Thank you to everyone who is now connected. I want to thank our Board, our Directors, and Antonio Cassio who has left the company in late March and we're glad to have him in the Board of Directors. So Mr.Cassio will still be part of our team and we went to thank him for his great work and for his ethical and strategic approach as he led the company.

I also want to thank everyone who joined us to this earnings release call. We hope we could address all your questions. In any case, if you still have any question, our IR team is at your full service to answer any questions you may have.

We hope this information was useful to market analysts too. And as you could see we've got great news during this quarter that reassures our first, our leadership in the domestic and Latin American market. BRL23.4 billion is our equity, very few companies have such a solid and robust financial figures. BRL4.4 billion in assets, that's also important to highlight. And this company has great liquidity with more than BRL93.1 billion in cash. That is very positive and as per usual in the forthcoming quarters we'll be as transparent as possible.

Hopefully we can give you more details on our guidance and strategic planning as mentioned by Mr.Werner.

With that, I hereby conclude our presentation. Once again, thank you very much and have a good day.

## Operator

The earnings release call from IRB is now concluded. Thank you for your participation.

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