IRB Brasil RE

Brazil's reinsurance leader

Interim Financial Statements

March 31, 2018

www.irbbrasilre.com

Report on review of quarterly information

To the Board of Directors and Stockholders
IRB-Brasil Resseguros S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of IRB-Brasil Resseguros S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2018, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2018. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Rio de Janeiro, April 26, 2018

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Patricio Marques Roche
Contador CRC 1RJ081115/O-4

Management Comments – 1st Quarter of 2018

Rio de Janeiro, May 3, 2018 – IRB Brasil RE S.A. (B3: IRBR3) – "IRB Brasil", "IRB" or "Company" releases its results for the first quarter of 2018 (1Q18). The comments included herein refer to consolidated results, in Brazilian Reais, pursuant to the Brazilian corporate legislation and the practices adopted in Brazil, in compliance with International Financial Reporting Standards (IFRS), and comparisons are based on the same period of 2017, as indicated.

Message from Management

The first quarter of 2018 was a positive period for the Company despite the challenges of a macroeconomic scenario which is still resuming growth and a contracting average interest rate, down by 47.5% in the period. The quarter was also marked by the continuity of the Company's international expansion project, with a focus on Latin America to counterbalance the exposure to the Brazilian economy.

We ended the first quarter of 2018 with R$1.4 billion in written premiums, up by 4.1%, despite our withdrawal from certain segments which are not considered strategic in the local market, such as financial risks and cash in transit which, in turn, expanded in the period. We were able to reduce the cost of purchasing protection from our portfolio, that is the cost of retrocession, sustaining the same level of risk retention practiced in previous years, due to the confidence gained from our retrocessionaires. As a result, retained premiums reached R$ 1.1 billion in the first quarter of 2018, an increase of 17.7% over the same period of the previous year.

The priority in segments with higher profitability and lower risk, the ongoing improvements in our underwriting and pricing tools, the higher granularity of the Company's guidelines added to greater agility in the exchange of information with our clients, as well as marginal price adjustments, positively contributed to reduce the loss ratio by 4.2 percentage points, to 49.6% in 1Q18.

We remain focused on increasing efficiency and boosting the Company's profitability. Administrative expenses as a percentage of earned premiums continued to decline in the first quarter, from 7.1% in 1Q17, to 5.3% in 1Q18, reflecting the Company's greater automation, focused on efficiency gains in support areas and reduced IT costs.

The underwriting result increased by 14.8% in 1Q18, to R$256.6 million, once again confirming the successful strategy to offset the effect from the financial result reduction due to a lower Selic interest rate. It is worth mentioning that the average SELIC interest rate in the first quarter of 2018 dropped 47.5% when compared to the average SELIC rate in the same period of 2017, while our financial result declined only 26.0% in the first quarter of 2018.

As a result, net income grew 14.1% in 1Q18 over 1Q17, to R$254.0 million, accompanied by return on average equity (ROAE) of 30%.

On our day-to-day operations, the main initiatives which translate our strategic actions are: close relationship with clients and expansion of services to small- and medium-sized insurers; launch of new products in lines such as life and agribusiness; wide distribution of business lines, which offset lower demand in the transport and engineering segments; and especially the geographic diversification, with a focus on Latin America and business lines which are not affected by natural disasters, such as life, agribusiness and aviation.

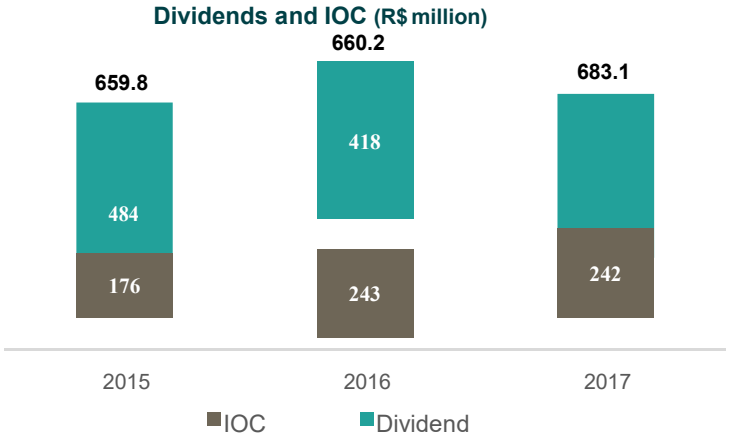
We remain confident that the results obtained in the first quarter of 2018 will contribute to achieve the guidance announced to the market and foster the Company's growth and consolidation in 2018.

1Q18 Highlights

- **Retained premiums** totaled R$1.1 billion in 1Q18, 17.7% up on 1Q17.
- The **underwriting result** amounted to R$256.6 million in the first quarter, up by 14.8% over the same period last year.
- The **administrative expenses** ratio contracted by approximately 2 percentage points, from 7.1% in 1Q17 to 5.3% in 1Q18.
- **Global asset portfolio profitability** expanded from 127% of CDI in 1Q17 to 143% of CDI in 1Q18.
- First-quarter **net income** totaled R$254.0 million, up by 14.1% year-on-year.
- **ROAE** stood at 30%, expanding by 3 percentage points over the 27% in 1Q17.

Subsequent Events

- **Payment of dividends and interest on capital (IOC)**: The Annual Shareholders' Meeting of March 14, 2018 ratified the payment of proceeds related to 2017 fiscal year totaling R$683.1 million, of which (i) R$241.8 million related to IOC; and (ii) R$441.3 million, to dividends. The payment was made on April 3, 2018 and, as already announced to the market, the proceeds were restated based on the Selic basic interest rate, totaling R$691.2 million on the payment date.



- On April 6, **IRB International Corporation**, a Company subsidiary, entered into an Agreement with an affiliated company of Quest Group Holdings Limited related to the sale of 100% of the interest indirectly held by IRB in United Americas Insurance Company ("UAIC"), a subsidiary of IRB International Corporation. The transaction amounted to approximately US$5.3 million, to be paid upon the effective conclusion of the sale. Said asset is booked in the indirect controlling company's balance sheet for that approximate amount.
- On April 25, Fundo de Investimentos em Participações CAIXA Barcelona – Multiestratégia (**FIP Barcelona**) – which is included in the Company's controlling shareholders – informed IRB Brasil Re that its Fund's Shareholders' Meeting approved the transfer of a portion of the interest held by the Fund in the Company to its five

quotaholders (PREVI, PETROS, FUNCEF, PREVIRB e ECONOMUS). On April 25, FIP Barcelona held 7.4% of the Company's capital, 3.0% of which bound to the Shareholders' Agreement. As FIP Barcelona informed the Company, the transfer of the 4.4% interest to the quotaholders will occur in two steps - the first and second transfers will correspond to 3.0% and 1.4%, respectively.

- As of May 7, 2018, the Company's shares (B3: IRBR3) will be included in the IBrX-100 portfolio, which gathers the 100 most actively traded and best representative shares of the Brazilian stock market.

Guidance

- On February 8, 2018, IRB announced its 2018 guidance based on reasonable assumptions in the Company's Management perception, namely:

Assumptions	2018E
Growth of Written Premiums vs. 2017 (%)	9% to 16%
Amplified Combined Ratio for 2018(%)	70% to 76%
Administrative Expense Ratio for 2018 (%)	5.4% to 6.4%

Summary of Main Financial Ratios

As reported in Note 3.1 – Statements of Income by Segment to the Financial Statements, the Company's Management adopts, for the purposes of calculating its performance ratios, in line with the practices adopted by global reinsurers, a combination of book accounts referred to as "Business Vision", as presented in the analysis of this document.

(R$ million)	1Q17	1Q18	Chg. (18/17)	4Q17	Chg. (18/17)
Written Premium	**1,342.4**	**1,397.3**	**4.1%**	**1,254.5**	**11.4%**
Local	*876.1*	*849.3*	*-3.1%*	*709.0*	*19.8%*
Abroad	*466.3*	*548.0*	*17.5%*	*545.5*	*0.5%*
Retained Premium	893.7	1,051.6	17.7%	783.2	34.3%
Earned Premium	880.6	941.2	6.9%	992.7	-5.2%
Retained Claim	(473.8)	(467.3)	-1.4%	(530.2)	-11.9%
OCR	*(400.5)*	*(461.5)*	*15.2%*	*(471.8)*	*-2.2%*
IBNR	*(69.7)*	*1.0*	*-101.4%*	*(65.0)*	*-101.5%*
Others	*(3.6)*	*(6.8)*	*89.2%*	*6.5*	*-204.3%*
Underwriting Results	223.4	256.6	14.8%	260.2	-1.3%
Administrative Expenses	(62.7)	(49.9)	-20.3%	(39.8)	25.4%
Financial Income	205.4	151.9	-26.0%	175.7	-13.5%
Net Income	**222.7**	**254.0**	**14.1%**	**249.1**	**2.0%**

Ratio	1Q17	1Q18	Chg. (p.p)	4Q17	Chg. (p.p)
Combined ratio	85.4%	81.1%	-4 p.p.	79.3%	2 p.p.
Amplified combined ratio	69.2%	69.8%	1 p.p.	67.3%	3 p.p.
Loss Ratio Total	53.8%	49.6%	-4 p.p.	53.4%	-4 p.p.
Loss Ratio Measured by PSL	45.5%	49.0%	4 p.p.	47.5%	2 p.p.
Loss Ratio Measured by IBNR	7.9%	-0.1%	-8 p.p.	6.5%	-7 p.p.
Administrative expense ratio	7.1%	5.3%	-2 p.p.	4.0%	1 p.p.
%CDI	127%	143%	16 p.p.	128%	15 p.p.
ROAE	27%	30%	3 p.p.	29%	1 p.p.

Performance

Written, Retained and Earned Premiums

(R$ million)	1Q17	1Q18	Chg. (18/17)	4Q17	Chg. (18/17)
Written Premiums	**1,342.4**	**1,397.3**	**4.1%**	**1,254.5**	**11.4%**
Local	*876.1*	*849.3*	*-3.1%*	*709.0*	*19.8%*
Abroad	*466.3*	*548.0*	*17.5%*	*545.5*	*0.5%*
Retrocession Expenses	(448.7)	(345.7)	-23.0%	(471.3)	-26.6%
Retained Premiums	**893.7**	**1,051.6**	**17.7%**	**783.2**	**34.3%**
Changes in Technical Provision	(13.0)	(110.4)	-	209.5	-
Earned Premiums	**880.6**	**941.2**	**6.9%**	**992.7**	**-5.2%**

In 1Q18, IRB Brasil RE's **written premiums** totaled R$1.4 billion, expanding by 4.1% over 1Q17, R$849 million of which corresponded to premiums written in Brazil (61%) and R$548 million, to premiums written abroad (39%).

Of all premiums written in Brazil, the property segment accounted for 32.6%, followed by special risks (19.6%) and rural (16.7%).

The 3.1% reduction in **premiums written in Brazil** in 1Q18 over 1Q17 was primarily influenced by: (i) the accounting dynamics through which we record the accrual of facultative risks; and (ii) prioritization of more profitable and less risky segments, which reduced our share in segments with higher claims, such as financial risks and cash in transit.

Premiums written abroad totaled R$548.0 million in 1Q18, up by 17.5% over 1Q17, reflecting our international expansion strategy, chiefly targeting Latin American countries which are not subject to natural disasters. Of the premiums written abroad in 1Q18, the largest share came from the life segment (31.1%), followed by the property (30.1%) and rural (21.0%) segments.

The higher volume of written premiums reflects the combined effect from contracts' new price scenario and the higher share of contracts abroad, more than offsetting the strategic decision to reduce market share in certain segments, which, in turn, expanded in 1Q18.

In the first quarter of 2018, IRB's **retrocession ratio** was 24.7%, versus 33.4% in 1Q17. IRB Brasil Re is managing to reduce its retrocession costs, sustaining the same level of risk retention practiced in previous years, due to confidence gained from its retrocessionaires. This happened because the Company (i) has proven its track record in underwriting quality; (ii) has evolved its pricing tools; (iii) has advanced in the granularity of its underwriting guidelines; (iv) raised its Corporate Governance levels with the IPO and entry into the *Novo Mercado*; and finally (v) has a great quality of investors composing its shareholder base that contributed to ratify its creditworthiness.

In addition, the same deferral which occurs in the accrual of the written premium, upon migration from facultative to contract, also occurs in the retrocession payment of these contracts. Therefore, these components contributed for the risk retention policy to remain unaltered, despite a substantial reduction in its retrocession costs.

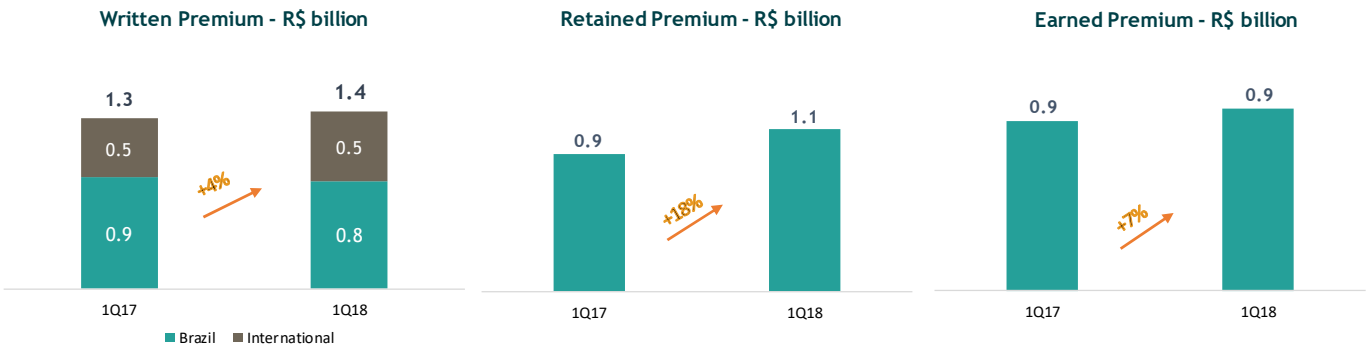
Due to the combined effect from the higher volume of premiums written and lower retrocession ratio, **retained premiums** totaled R$1,051.6 million, 17.7% up on 1Q17.

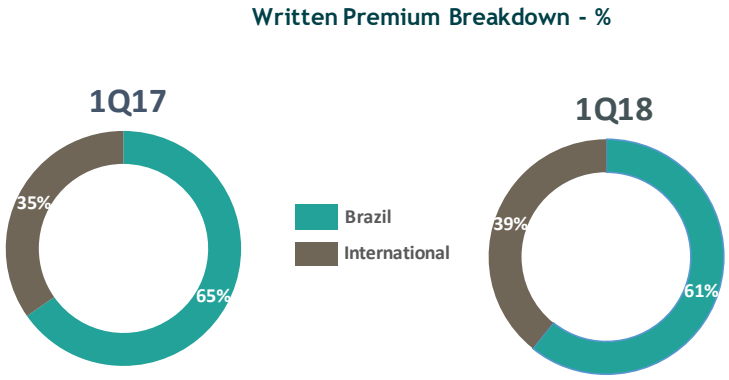
The **Technical Provision** has the role of retaining values that are the result of a solid increase in the Company's retained premiums, in order to prevent all its value being taken prematurely to earned premiums and consequently to the Company's Underwriting results.

Over time, depending on the performance of the business and the term for the risks to expire, this provision may be taken to the earned premiums and, consequently, to the Underwriting results.

Accordingly, the Company, based on the accounting principle of prudence, constituted a conservative technical provision in the amount of R$ 110 million in the first quarter of 2018, compared to a constitution of only R$ 13 million in the first quarter of 2017, so that this strong increase in retained premiums was not fully recorded in the Underwriting results in the first quarter of 2018.

Thus, **Earned premiums** totaled R$941.2 million in 1Q18, 6.9% up year-on-year.

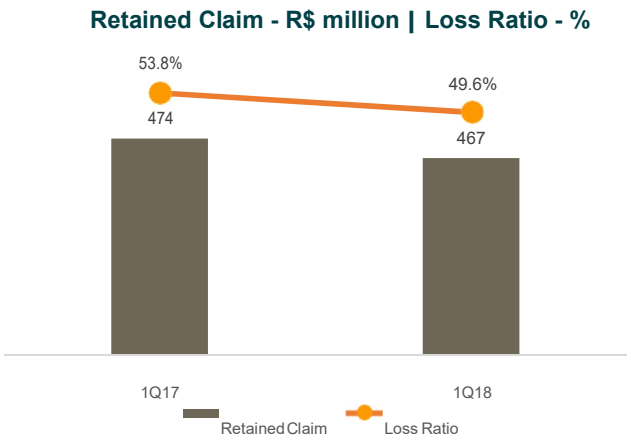




Retained Claims

(R$ million)	1Q17	1Q18	Chg. (18/17)	4Q17	Chg. (18/17)
Retained Claim	**(473.8)**	**(467.3)**	**-1.4%**	**(530.2)**	**-11.9%**
OCR	*(400.5)*	*(461.5)*	*15.2%*	*(471.8)*	*-2.2%*
IBNR	*(69.7)*	*1.0*	*-101.4%*	*(65.0)*	*-101.5%*
Others	*(3.6)*	*(6.8)*	*89.2%*	*6.5*	*-204.3%*
Loss Ratio Total	**53.8%**	**49.6%**	**-4 p.p.**	**53.4%**	**-4 p.p.**
Loss Ratio Measured by OCR	45.5%	49.0%	4 p.p.	47.5%	2 p.p.
Loss Ratio Measured by IBNR	7.9%	-0.1%	-8 p.p.	6.5%	-7 p.p.

Loss ratio improved from 53.8% in 1Q17, to 49.6% in 1Q18, or 4.2 percentage points. The loss ratio in the first quarter of 2018, when compared to the previous period, showed a significant reduction from 54% to 50%, due once again to (i) improvement in our underwriting tools; (ii) improvement in the Company's guidelines; (iii) improvement in pricing tools; and (iv) greater automation in the exchange of information with customers, in addition to marginal price adjustments.



Underwriting Result

The underwriting result moved up by 14.8% in 1Q18 over 1Q17, from R$223.4 million to R$256.6 million. This increase reflects the new price scenario, the Company's improved underwriting guidelines, and constant training to partner insurers, thus contributing to a more accurate risk assessment. The combined effect from the 4.2 percentage-point loss ratio reduction and the higher amount of premiums written in the period contributed to the increase in the Company's underwriting result.

Financial and Equity Income

First-quarter financial and equity income amounted to R$151.9 million, while the return of the investment portfolio consolidated in Reais came to 143% of the CDI, up by 16 percentage points over 1Q17 (127% of CDI). The investment portfolio's performance was chiefly influenced by allocations in government bonds and tactical position in equities.

Due to the 47.5% average SELIC drop, financial and equity income contracted 26.0%, still lower than the reduction in the average SELIC basic interest rate in the period.

The Company's investment and real estate portfolio expanded by 4.6%, from R$6.3 billion at the close of 4Q17, to R$6.6 billion in 1Q18. Excluding real estate items, the investment portfolio totaled R$6.1 billion on March 31, 2018, versus R$5.8 billion on December 31, 2017, up by 3.9%.

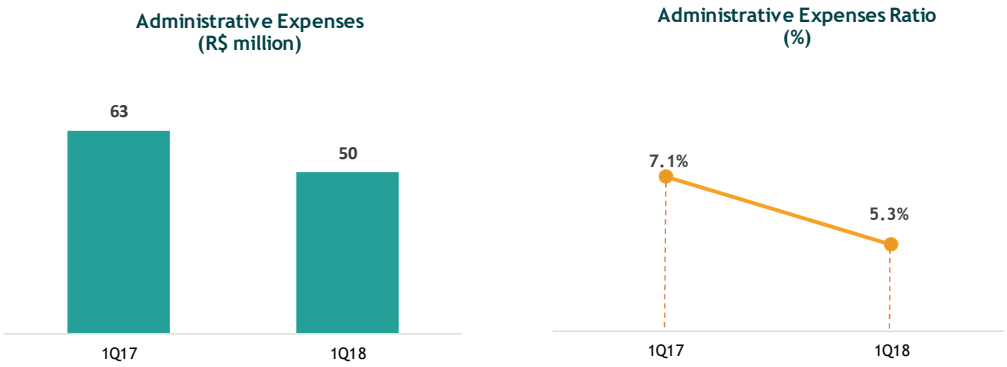
The average daily balance of the investment portfolio in the first quarter of 2018, excluding real estate items, totaled R$6.2 billion.

Another 1Q18 highlight was the performance of fixed income investment fund IRB Brasil RE Absoluto Títulos Públicos, managed by IRB. The Fund's nominal return came to 150% of the CDI in 1Q18.

IRB's real estate portfolio results totaled R$36.4 million in the first quarter of 2018, which corresponds to a nominal return of 6.7% in the quarter, equivalent to IGP-M + 22% p.a., a performance which exceeds by 127% our cost of capital for real estate assets, of IGP-M + 6%.

General and AdministrativeExpenses

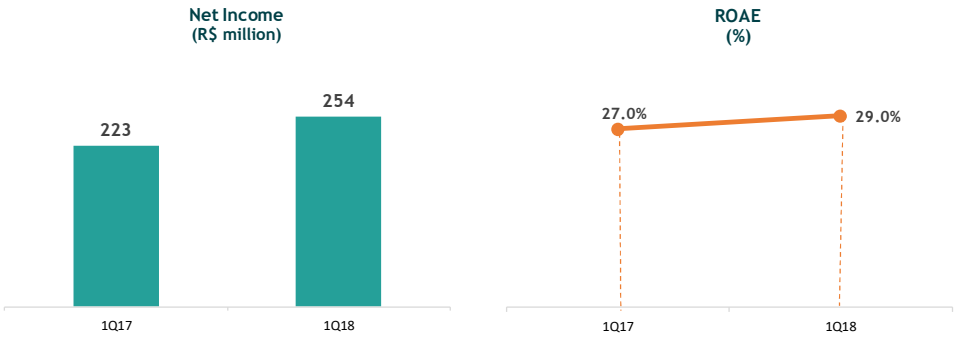
The administrative expenses/earned premium ratio narrowed by 1.8 percentage points, from 7.1% in 1Q17 to 5.3% in 1Q18, due to the renegotiation of contracts relevant to the Company, particularly in the IT segment and the restructuring of the workforce.



Net Income

Net income increased 14.1%, from R$222.7 million in 1Q17, to R$254.0 million in 1Q18, positively impacting return on average equity (ROAE) by 3 percentage points, as this line grew from 27% in 1Q17 to 30% in 1Q18, influenced by the effects already mentioned:

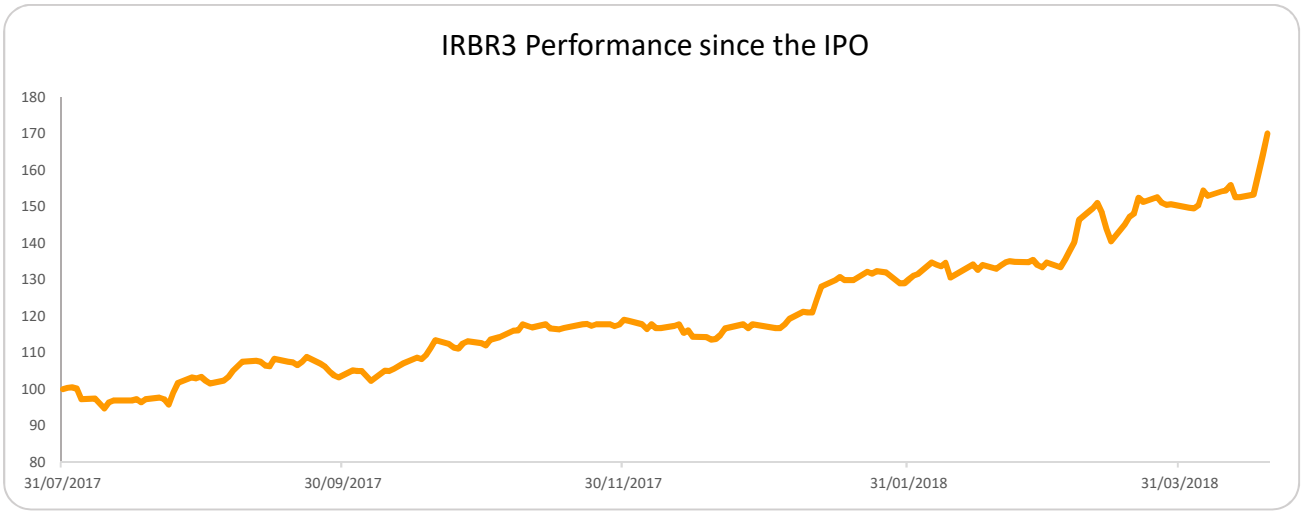
- 14.8% growth in our underwriting results;
- 20.3% reduction in administrative expenses; and
- Drop of only 26% in the financial result, lower than the 47.5% SELIC rate drop in the same period.



Share Performance

Between July 31, 2017 (date of the IPO) and March 31, 2018, IRB's shares (B3: IRBR3) daily traded volume averaged approximately R$38 million, resulting from around 1.1 million trades. At the close of 1Q18, the Company's market cap amounted to R$13.1 billion. Currently, the Company's market cap is valued at R$15 billion.

Thanks to their high liquidity and number of trades, IRB's shares will be included in the IBrX-100 portfolio as of May 2018. Since the IPO, the Company's shares have appreciated 80%, as shown in the chart below:


IRBR3 Performance since the IPO
180
170
160
150
140
130
120
110
100
90
80
31/07/2017
30/09/2017
30/11/2017
31/01/2018
31/03/2018

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Balance sheets
In thousands of Brazilian Reais

Asset	Note	Parent Company		Consolidated	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current		**8,124,336**	**8,229,674**	**8,228,965**	**8,334,796**
Available		19,901	16,222	32,137	25,771
Cash and banks	**5**	19,901	16,222	32,137	25,771
Investments	**6**	1,818,387	1,547,657	1,863,328	1,596,357
Receivables from reinsurance and retrocession	**7.1**	3,277,167	3,219,998	3,277,181	3,220,012
Operations with insures	**7.2.1**	2,338,637	2,263,360	2,338,637	2,263,360
Operations with reinsurers	**7.2.2**	925,544	949,586	925,544	949,586
Other operating receivables		64,261	65,161	64,275	65,175
(-) Provision for credit risks	**7.3**	(51,275)	(58,109)	(51,275)	(58,109)
Retrocession assets - technical reserves		2,858,917	3,246,054	2,886,737	3,274,937
Premium - retrocession	**8.2**	724,966	810,820	724,966	810,820
Losses - retrocession	**8.1**	2,126,438	2,423,673	2,154,258	2,452,556
Other provisions	**8.3**	7,513	11,561	7,513	11,561
Trade notes and other receivables		82,696	131,702	101,396	149,678
Trade notes and other receivables	**9**	13,905	11,373	30,396	25,676
Tax and social security credits	**10.1**	68,791	120,329	71,000	124,002
Prepaid expenses		4,644	6,103	5,562	6,103
Deferred acquisition costs	**11**	62,624	61,938	62,624	61,938
Non-current		**6,058,707**	**6,063,863**	**6,006,324**	**6,008,414**
Long-Term Assets		5,292,936	5,303,129	5,333,417	5,399,596
Investments	**6**	4,108,974	4,111,301	4,172,007	4,219,705
Retrocession assets - technical reserves		44,411	49,473	44,411	49,473
Premium - retrocession	**8.2**	44,411	49,473	44,411	49,473
Trade notes and other receivables		1,139,551	1,142,355	1,116,999	1,130,418
Trade notes and other receivables	**9**	118,250	107,333	119,643	108,544
Tax and social security credits	**10.1**	39,522	57,868	39,522	57,868
Deferred tax assets	**10.1**	345,439	348,918	321,494	335,770
Fiscal and judicial deposits	**22**	636,340	628,236	636,340	628,236
Investments		635,956	629,327	542,816	477,135
Equity interest	**1.4**	627,100	623,352	-	-
Property held for sale	**12**	5,752	5,831	539,712	476,991
Other investments		3,104	144	3,104	144
Property and equipment	**13**	77,567	77,310	77,642	77,385
Intangible assets	**14**	52,248	54,097	52,449	54,298
Total Assets		**14,183,043**	**14,293,537**	**14,235,289**	**14,343,210**

The Management notes are an integral part of the interim financial informations

Balance sheets
In thousands of Brazilian Reais

Liabilities and Equity	Note	Parent Company		Consolidated	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current		**9,776,085**	**9,681,833**	**9,827,746**	**9,730,998**
Accounts payable		693,177	218,825	715,777	238,462
Payables	**15.1**	592,679	97,478	601,966	106,531
Taxes and social charges payables		21,259	23,898	23,378	23,898
Provision for labor claims	**23**	8,867	8,191	8,867	8,191
Provision for post-employment benefits	**15.2 and 26.4**	40,078	38,655	40,078	38,655
Taxes and contributions payable	**16**	30,294	50,603	35,808	55,516
Provision for investment devaluation	**1.4**		-	5,680	5,671
Payables form reinsurance and retrocession	**17.1**	1,086,923	1,251,895	1,087,194	1,252,165
Operations with insures	**17.2.1**	340	606	340	606
Operations with reinsures	**17.2.2**	970,695	1,137,443	970,695	1,137,443
Reinsurance and retrocession brokers		85,163	82,759	85,434	83,029
Other operating debts		30,725	31,087	30,725	31,087
Third-party deposits	**18**	207,213	166,766	207,213	166,766
Technical reserves - reinsurance and retrocession		7,788,772	8,044,347	7,817,562	8,073,605
Elementary and life group lines		7,788,772	8,044,347	7,817,562	8,073,605
Unearned premium reserve	**19.1**	1,795,486	1,836,237	1,795,486	1,836,237
Current risks issued		1,596,077	1,622,914	1,596,077	1,622,914
Current risks not issued		199,409	213,323	199,409	213,323
Claims pending payment	**19.2**	4,244,807	4,343,294	4,245,782	4,372,552
Reserve for claims incurred but not reported	**19.2**	1,531,683	1,687,480	1,559,498	1,687,480
Other provisions	**19.3**	216,796	177,336	216,796	177,336
Non-current		**1,068,199**	**1,030,521**	**1,068,784**	**1,031,029**
Long-term Liabilities		1,068,199	1,030,521	1,068,784	1,031,029
Accounts payable		850,454	839,788	851,039	840,296
Tax liabilities	**22**	422,527	418,208	422,527	418,208
Provision for post-employment benefits	**15.2 and 26.4**	425,536	419,189	425,536	419,189
Other accounts payable	**15.1**	2,391	2,391	2,976	2,899
Payable from reinsurance and retrocession		789	789	789	789
Other operating payables	**17.1**	789	789	789	789
Technical reserves - reinsurance and retrocession		156,347	130,670	156,347	130,670
Elementary and life group lines		156,347	130,670	156,347	130,670
Unearned premium reserve	**19.1**	156,347	130,670	156,347	130,670
Current risks issued		140,298	115,739	140,298	115,739
Current risks not issued		16,049	14,931	16,049	14,931
Other payable	**22**	60,609	59,274	60,609	59,274
Labor contingencies		60,609	59,274	60,609	59,274
Other provisions		-	-	-	-
Shareholders' Equity		3,338,759	3,581,183	3,338,759	3,581,183
Capital		1,953,080	1,953,080	1,953,080	1,953,080
Profit reserves		1,217,607	1,277,821	1,217,607	1,277,821
Asset valuation adjustment	**24.4**	(72,980)	(76,161)	(72,980)	(76,161)
Addtional dividends proposed		-	439,399	-	439,399
Treasury shares	**24.2**	(12,956)	(12,956)	(12,956)	(12,956)
Accumulated profits		254,008		254,008	
Total Liabilities and Equity		**14,183,043**	**14,293,537**	**14,235,289**	**14,343,210**

The Management notes are an integral part of the interim financial informations

Statement of Income
Periods ended March 31
In thousands of Brazilian Reais, unless otherwise stated

	Note	Parent Company		Consolidated	
		2018	2017	2018	2017
Net issued premiums		1,191,282	1,172,490	1,191,282	1,172,490
Changes in technical reserves		(19,788)	(62,647)	(19,788)	(62,647)
Premiums earned	25.1	**1,171,494**	**1,109,843**	**1,171,494**	**1,109,843**
Incurred claims	25.2	**(316,287)**	**(435,727)**	**(316,287)**	**(435,727)**
Direct claims		(494,234)	(561,017)	(494,234)	(561,017)
Salvages and reimbursements		17,451	17,369	17,451	17,369
Changes in reserve for claims incurred but not reported		160,496	107,921	160,496	107,921
Acquisition costs	25.3	**(29,322)**	**(26,320)**	**(29,322)**	**(26,320)**
Comissions		(29,322)	(26,320)	(29,322)	(26,320)
Other operating revenue and expenses	25.5	**2,641**	**(7,896)**	**2,641**	**(7,463)**
Result with retrocession	25.4	**(546,315)**	**(393,016)**	**(546,315)**	**(393,016)**
Income from retrocessions	25.4.1	(130,174)	(17,004)	(130,174)	(17,004)
Expenses from retrocessions	25.4.2	(409,114)	(366,569)	(409,114)	(366,569)
Salvage and reimbursements to the retrocession policyholder		(7,623)	(11,036)	(7,623)	(11,036)
Other operating revenue and expenses		596	1,593	596	1,593
Administrative expenses	25.6	**(55,350)**	**(79,659)**	**(59,758)**	**(81,055)**
Tax expenses	25.7	**(27,921)**	**(29,183)**	**(28,427)**	**(29,183)**
Financial result	25.8	**71,215**	**161,353**	**116,274**	**174,969**
Financial Income		**616,683**	**906,705**	**661,758**	**919,545**
Financial Income from the investment portfolio		540,856	877,031	582,569	889,584
Other financial income		75,827	29,674	79,189	29,961
Financial expenses		**(545,468)**	**(745,352)**	**(545,484)**	**(744,576)**
Financial expenses from the investment portfolio		(443,340)	(691,983)	(443,356)	(692,014)
Other financial expenses		(102,128)	(53,369)	(102,128)	(52,562)
Equity results	25.9	**36,278**	**14,786**	**12,733**	**7,805**
Property income, net		-	-	12,939	7,880
Adjustment of investments in subsidiaries		36,484	14,861	-	-
Other equity income, net		(206)	(75)	(206)	(75)
Operating result		**306,433**	**314,181**	**323,033**	**319,853**
Gains or losses with non-recurring assets		**-**	**-**	**-**	**-**
Net income (loss) before taxes equity interest		**306,433**	**314,181**	**323,033**	**319,853**
Income tax	25.10	(14,809)	(45,149)	(27,010)	(49,560)
Social contribution	25.10	(37,616)	(46,357)	(42,015)	(47,618)
Net income for the period		**254,008**	**222,675**	**254,008**	**222,675**
Number of shares		**310,698,900**	**310,698,900**	**310,698,900**	**310,698,900**
Basic and diluted earnings per Share	24.5	**0.82**	**0.72**	**0.82**	**0.72**

The Management notes are an integral part of the interim financial informations

Statement of comprehensive income
Periods ended March 31
In thousands of Brazilian Reais

	Note	Parent and Consolidated 2018	2017
Net income for the period		**254,008**	**222,675**
Other comprehensive income (loss)			
Items to be later recognized in the profit or loss			
Exchange rate difference in the translation of foreign operations	**24.4**	**81**	**(503)**
Financial assets available for sale	**24.4**		
Net gain (loss) from the fair value adjustment of financial assets available		17,859	37,654
Unrealized loss with securities - Subsidiaries	**24.4**	(1,677)	3,163
Income and social contribution taxes	**24.4**	**(8,037)**	**(16,944)**
		8,226	**23,370**
Items that will not be reclassified to the profit or loss			
Post-employment benefits	**24.4**		
Re-measuring of obligations with post-employment benefit		(8,643)	(24,105)
Re-measuring of obligations with post-employment benefit - Subsidiaries		124	33
Income and social contribution taxes	**24.4**	**3,474**	**20,344**
		(5,045)	**(3,728)**
Total other comprehensive income (loss)		**3,181**	**19,642**
Total comprehensive income in the period		**257,189**	**242,317**

IRB-Brasil Resseguros S.A.

Statement of changes in equity
Periods ended March 31
In thousands of Brazilian Reais

	Note	Capital	Profit reserves		Treasury shares	Carrying value adjustment	Retained earnings	Additional dividends proposed	Equity of the partners of the parent company
			Legal	Reinvestment					
Balance as of January 1, 2017		**1,453,080**	**290,617**	**1,245,204**	**(12,956)**	**(65,289)**	**-**	**417,561**	**3,328,217**
Market value adjustment of securities	24.4	-	-	-	-	23,873	-	-	23,873
Cumulative translation adjustments	24.4	-	-	-	-	(503)	-	-	(503)
Actuarial losses with post-employment benefit	24.4	-	-	-	-	(3,728)	-	-	(3,728)
Net income in the period		-	-	-	-	-	222,675	-	222,675
Total comprehensive income in the period		**-**	**-**	**-**	**-**	**19,642**	**222,675**	**-**	**242,317**
Total contributions by and distributions to shareholders									
Capital increase in approval AGM/EGM of March 24, 2017		500,000	(290,617)	(209,383)	-	-	-	-	-
Additional dividend paid in fiscal year 2016		-	-	-	-	-	-	(417,561)	(417,561)
Distribution of insterest on equity	24.3	-	-	(61,914)	-	-	-	-	(61,914)
Total contributions from shareholder and distributions to shareholders		**500,000**	**(290,617)**	**(271,297)**	**-**	**-**	**-**	**(417,561)**	**(479,475)**
Balance as of March 31, 2017		**1,953,080**	**-**	**973,907**	**(12,956)**	**(45,647)**	**222,675**	**-**	**3,091,059**
Balance as of January 1, 2018		**1,953,080**	**46,252**	**1,231,569**	**(12,956)**	**(76,161)**	**-**	**439,399**	**3,581,183**
Market value adjustment of securities	24.4	-	-	-	-	8,145	-	-	8,145
Cumulative translation adjustments	24.4	-	-	-	-	81	-	-	81
Actuarial losses with post-employment benefit	24.4	-	-	-	-	(5,045)	-	-	(5,045)
Net income in the period		-	-	-	-	-	254,008	-	254,008
Total comprehensive income in the period		**-**	**-**	**-**	**-**	**3,181**	**254,008**	**-**	**257,189**
Total contributions by and distributions to shareholders									
Additional dividend paid in fiscal year 2017		-	-	-	-	-	-	(439,399)	(439,399)
Distribution of insterest on equity	24.3	-	-	(60,214)	-	-	-	-	(60,214)
Total contributions from shareholder and distributions to shareholders		**-**	**-**	**(60,214)**	**-**	**-**	**-**	**(439,399)**	**(499,613)**
Balance as of March 31, 2018		**1,953,080**	**46,252**	**1,171,355**	**(12,956)**	**(72,980)**	**254,008**	**-**	**3,338,759**

The Management notes are an integral part of the interim financial informations

IRB-Brasil Resseguros S.A.

Statement of cash flows – (Direct Method)
Periods ended March 31
In thousands of Brazilian Reais

	Parent Company		Consolidated	
	2018	2017	2018	2017
Operating activities				
Insurance premiums received, social security contribution and management and other fees	1,434,657	1,167,381	1,434,657	1,167,958
Recovery of claims and comissions	176,112	81,692	177,341	82,163
Operations receipts (salvaged, reimbursement and other)	13,799	58,088	14,253	58,088
Payments for losse, benefits, redemptions and commissions	(866,828)	(693,425)	(867,047)	(693,446)
Transfer of premiums due to assignment of risks	(469,390)	(338,952)	(469,390)	(338,952)
Payments of expenses and obligations	(42,930)	(81,160)	(45,283)	(84,353)
Other operating payments	(27,163)	(81,797)	(27,163)	(81,797)
Receipt of rentals and property divestment	-	-	13,853	11,828
Receipt of interest and dividends	20	3,359	145	3,475
Accrual of judicial deposits	(729)	5,882	(729)	5,882
Cash provided by operations	**217,548**	**121,068**	**230,637**	**130,846**
Taxes and contributions paid	**(59,704)**	**(105,819)**	**(63,646)**	**(107,724)**
Financial investments				
Investments at fair value through profit or loss	(1,622,156)	(878,071)	(1,634,921)	(1,154,979)
Sales and redemptions of investments at fair value through profit or loss	1,048,637	355,945	1,150,537	506,257
Net financial investments	**(573,519)**	**(522,126)**	**(484,384)**	**(648,722)**
Net cash provided by (used in) operating activities	**(415,675)**	**(506,877)**	**(317,393)**	**(625,600)**
Investments activities				
Investments available for sale	(1,659,153)	(523,603)	(1,660,510)	(787,236)
Sales and redemptions of investments available-for-sale	1,761,572	1,551,190	1,763,858	1,552,285
Redemptions of investments held through maturity	288,440	4,177	288,440	4,177
Payment for the acquisition of:				
Investments	-	(381,441)	(65,372)	-
Property and equipment	(2,250)	(7,776)	(2,250)	(7,776)
Intangible assets	(4,581)	(2,492)	(4,581)	(2,492)
Receipt for the sale of:				
Investments	31,169	-	-	-
Net Cash provided by investment activities	**415,197**	**640,055**	**319,585**	**758,958**
Financing activities				
Distribution of dividends and interest on equity	-	(47,197)	-	(47,197)
Net cash used in financing activities	**-**	**(47,197)**	**-**	**(47,197)**
Increase (decrease) in cash and cash equivalents	(478)	85,981	2,192	86,161
Exchange variation on cash and cash equivalents	4,157	(5,427)	4,174	(5,427)
Increase in cash and cash equivalents after exchange variation	**3,679**	**80,554**	**6,366**	**80,734**
Cash and cash equivalents the beginning of the period	**16,222**	**213,543**	**25,771**	**217,575**
Cash and cash equivalents the end of the period	**19,901**	**294,097**	**32,137**	**298,309**

The Management notes are an integral part of the interim financial informations

Statement of cash flows – (Direct Method)
Periods ended March 31
In thousands of Brazilian Reais (continued)

	Parent Company		Consolidated	
	2018	2017	2018	2017
Reconciliation of net income in the period and net cash provide by operating activities				
Net income in the period	**254,008**	**222,675**	**254,008**	**222,675**
Adjustments to net income				
Depreciation and amortization	9,634	7,170	10,458	7,931
Asset impairment	(2,968)	4	(2,968)	4
Accrual of allowance for loan losses	(6,836)	2,254	(6,836)	2,254
Equity income (loss)	(36,484)	(14,861)	-	-
Exchange variation on cash and cash equivalents	4,178	-	4,195	-
Other adjustments	-	(5,427)	16	(5,314)
Changes in equity accounts				
Financial investments	(641,402)	(575,126)	(593,459)	(718,630)
Credits of insurance and reinsurance operations	(50,333)	(201,934)	(50,333)	(201,007)
Retrocession assets	392,199	302,834	393,401	302,834
Tax and social security receivables	73,362	12,176	73,286	10,885
Prepaid expenses	1,459	1,904	1,459	1,520
Deferred acquisition costs	(686)	-	(686)	-
Other assets	(36,019)	(13,544)	(36,062)	(23,349)
Judicial and fiscal deposits	(8,104)	(5,529)	(8,104)	(6,090)
Supplier	(4,907)	(98,396)	(4,459)	(97,317)
Taxes and contributions	(22,949)	1,786	(10,888)	6,024
Payables from insurance and reinsurance operations	(164,972)	129,156	(166,174)	129,156
Third-party deposits	40,447	9,548	40,447	9,548
Technical reserves - insurance and reinsurance	(229,897)	(315,988)	(229,324)	(316,622)
Other liabilities	8,941	24,154	8,976	39,631
Judicial provisions	5,654	10,267	5,654	10,267
Net cash provided by operations	**(415,675)**	**(506,877)**	**(317,393)**	**(625,600)**

IRB-Brasil Resseguros S.A.

Statement of value added
Periods ended March 31
In thousands of Brazilian Reais

	Parent Company		Consolidated	
	2018	2017	2018	2017
Revenues				
Revenue from insurance operations	1,191,282	1,172,490	1,191,282	1,172,490
Other	(33,249)	(31,795)	(20,310)	(19,837)
Accrual/Reversal of allowance for loan losses	6,836	(2,254)	6,836	(2,254)
Changes in technical reserves	(19,788)	(62,647)	(19,788)	(62,647)
Net operating revenue	**1,145,081**	**1,075,794**	**1,158,020**	**1,087,752**
Expenses				
Claims	(494,234)	(561,017)	(494,234)	(561,017)
Changes in reserve for claims incurred but not reported	160,496	107,921	160,496	107,921
Other	17,451	17,369	17,451	17,369
	(316,287)	**(435,727)**	**(316,287)**	**(435,727)**
Input acquired from third-parties				
Materials, energy and other	(12,909)	(20,663)	(13,780)	(24,145)
Outsourced services, net comissions	(4,832)	(5,855)	(7,525)	(6,385)
	(17,741)	**(26,518)**	**(21,305)**	**(30,530)**
Gross value added	**811,053**	**613,549**	**820,428**	**621,495**
Depreciation, amortization and depletion	**(9,634)**	**(7,170)**	**(10,458)**	**(7,931)**
Net added value produced by the entity	**801,419**	**606,379**	**809,970**	**613,564**
Value added received through transfer				
Financial result	71,215	161,353	116,274	174,969
Result with retrocession	(546,315)	(393,016)	(546,315)	(393,016)
Equity pickup	36,484	14,861	-	-
Other	(390)	(163)	(390)	(463)
	(439,006)	**(216,965)**	**(430,431)**	**(218,510)**
Total added value to distribute	**362,413**	**389,414**	**379,539**	**395,054**
Distribution of value added				
Personnel	28,055	46,050	28,055	46,050
Taxes, fees and contributions	80,350	120,689	97,476	126,329
Interest on equity	60,214	61,914	60,214	61,914
Retained earnings in the period	193,794	160,761	193,794	160,761
Added value distributed	**362,413**	**389,414**	**379,539**	**395,054**

The Management notes are an integral part of the interim financial informations

Section A – General Information

1.1 Operations

IRB Brasil Resseguros S.A. ("IRB Brasil RE," the "Reinsurer" or the "Company") is a publicly-held corporation established in 1939 by then-President Getúlio Vargas, with headquarters at Avenida Marechal Câmara 171 in the city of Rio de Janeiro, and offices in São Paulo, Buenos Aires, London and New York. Its activities basically consist of reinsurance operations in Brazil and abroad. IRB Brasil RE's shares are traded at the Stock Exchange of São Paulo – B3 S.A - Brasil, Bolsa, Balcão (B3).

The parent company and consolidated financial statements as of March 31, 2018 were approved by the Company's Board of Directors on April 26, 2018.

1.2 Basis of preparation

The parent company's interim financial information was prepared and is reported in accordance with the Brazilian Accounting Pronouncements Committee CPC 21 (R1) – Interim Financial Reporting and the consolidated interim financial information was prepared and is reported pursuant to CPC 21 (R1) and the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and the reporting of this information is consistent with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the interim financial information, evidencing all relevant information in conformity with data used by Management.

The main accounting policies applied in the preparation of this interim financial information are set out in Note 27.

The interim financial information was prepared under the historical cost convention, which, in the case of financial assets available for sale and other financial assets and liabilities, is adjusted to reflect their measurement at fair value.

The preparation of the parent company and consolidated interim financial information requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, and where assumptions and estimates are significant to the interim financial information, are disclosed in Note 27.

IRB Brasil RE has a branch in London, whose activities are currently being discontinued (run-off). At its 209th Ordinary Meeting held on December 11, 2014, the Board of Directors approved the valuation of the operations of this branch at market value for further consideration of proposals for its possible sale. Such valuation did not produce losses in IRB Brasil RE's interim financial information. Since the London operations do not represent a significant separate line of business or geographical area of operations for the Company, as required under CPC 31, the balances of that branch were not presented as discontinued operations.

The Company also has a branch in Argentina, which started operating on September 1, 2011. The corresponding accounting balances of these branches are recorded and presented in the parent company and consolidated financial statements of the Company.

1.3 Consolidation

The Company consolidates all entities over which it has control, i.e., when it is exposed or is entitled to variable returns of its involvement with investee and it has capacity to manage relevant activities of the investee.

The following subsidiaries included in the consolidation are described in Note 4.2 and the accounting policies applied in the preparation of the consolidated interim financial information are described below:

Subsidiaries are all entities in which the Company has the power to determine financial and operational policies, which in general are accompanied by ownership of more than half of the voting capital. The existence and effect of any voting rights currently exercisable or convertible are considered when assessing whether the Company holds control over other entities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are deconsolidated from the date on which control ceases.

The Company has a subsidiary located in the United States of America, which is in the run-off process ("IRB International"), a company which concentrates real estate investments of the Reinsurer and an asset management in December 2017.

In 2017, the Company injected capital in IRB Asset Management which is pending approval at the Brazilian Securities and Exchange Commission (CVM) its operations are estimated to start in 2018.

On March 31, 2018, the Company held an impairment balance of R$5,680 (R$5,671 on December 31, 2017) of investment held in IRB International.

Information on the subsidiaries as follows:

					March 31, 2018
	IRB *International Corporation & Subsidiaries*	IRB Investimentos e Participações Imobiliárias S.A.	*IRB Asset Management*	*Impairment*	Total
Interest in the share capital	100.0%	100.0%			
Shares held	5,000,000	168,465,949			
Assets	51,609	622,280			
Current and non-current liabilities	29,310	16,899			
Equity at the end of the period	22,299	605,381	5,100	(5,680)	627,100
Net income for the period	114	36,370			36,484

					December 31, 2017
	IRB *International Corporation & Subsidiaries*	IRB Investimentos e Participações Imobiliárias S.A.	*IRB Asset Management*	*Impairment*	Total
Interest in the share capital	100.0%	100.0%			
Shares held	5,000,000	168,465,949			
Assets	52,007	627,588			
Current and non-current liabilities	29,797	25,875			
Equity at the end of the period	22,210	601,713	5,100	(5,671)	623,352
Net income for the period	177	66,585			66,762

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

- BB Ações 22 Fundo de Investimento
- BB Peabiru Fundo de Investimento Renda Fixa
- Bradesco Fundo de Investimento em Ações Safe IBRX-50
- Itaú FI IRB Brasil RE Renda Fixa
- Fundo de Investimento Caixa IRB Brasil RE Renda Fixa
- Bradesco FIRF IRB Caixa
- BB IRB Brasil RE FI RF LP Crédito Privado
- FI Itaú Renda Fixa IRB Brasil RE Crédito Privado
- FI Caixa IRB Brasil RE RF Crédito Privado LP
- Bradesco FI IRB Brasil RE Crédito Privado LP
- Fundo de Investimento Imobiliário FII Votorantim
- Fundo de Investimento RF IRB Brasil RE Absoluto
- Bradesco FI Multimercado IRB Brasil RE Supreme

The Company's consolidated interim financial information was prepared in order to consolidate the IRB International Corporation & Subsidiaries, the aforementioned exclusive funds and the subsidiary IRB Investimentos e Participações Imobiliárias S.A. and IRB Asset Management.

Section B – Risks

2 Risk Management

Risk management at IRB Brasil RE is considered essential for optimizing capital use and maximizing business opportunities with a view to obtaining the best risk/return trade-off for shareholders. Risk management aims to protect the solvency and long-term results of the Company by identifying, measuring and treating the risks to which the Company is exposed in the execution of its activities. It also seeks to ensure compliance with regulatory requirements as well as the adequacy, robustness and efficient functioning of the International Controls System.

To strengthen the emphasis given to risk management in the organizational context, in the first quarter of 2014, the Risks and Compliance Department, to which Corporate Risk Management and Compliance Management areas are subordinated, was created to assume responsibility for risk management at IRB Brasil RE. However, the Executive Board, the Board of Directors, the Risk Management Committee and other advisory and decision-making bodies maintain their commitment to risk management within the Company.

After the fifth review, in April 2017, the risk rating of A- (excellent), with a stable outlook, was reaffirmed by the U.S.-based rating agency A.M. Best, which reflects their opinion that capitalization is highly adequate to the Company's risk.

2.1 Lines of Defense

IRB Brasil RE believes that risk management is the responsibility of all employees and contractors. In accordance with the Three Lines of Defense model, IRB Brasil RE establishes in its Risk Management Policy and internal regulations the roles and responsibilities with regard to risk management of each line of defense.

- 1st line of defense: managers and those directly responsible for processes, observing their responsibilities;
- 2nd line of defense: Corporate Risks Department and Compliance Department;
- 3rd line of defense: Internal Audit.

2.2 Main risk types

Corporate risk comprises the following risk categories: Operating, Underwriting, Market, Credit and Liquidity, which in their turn are formed by various subcategories.

The Company believes that these categories represent its main types of exposure, but are not exhaustive, since they can be affected by various risks.

2.3 Operating risks

Operating risk at IRB Brasil RE is due to the possibility of the occurrence of losses arising from the failure, deficiency or inadequacy of internal processes, people and systems, or from external events.

Operating risks are managed through five steps: identification, analysis and measurement, treatment, monitoring and reporting. In this process, the Corporate Risks Department works jointly with the risk owner by offering support and monitoring the application of the operating risk management process by the managing units of IRB Brasil RE.

IRB Brasil RE maintains a Business Continuity Management program that defines procedures in the case of contingencies. The program is organized into four specific contingency plans: Disaster Recovery Plan, Operating Continuity Plan, Incidents Management Plan and Business Recovery Plan.

In alignment with SUSEP Official Letter 517/2015 and 561/2017, the Operating Losses Database went online in August 2017. For this purpose, IRB Brasil RE has created a corporate project to map capturing processes, developed technological solutions and structured a training cycle.

2.4 Underwriting risks

Underwriting risk arises from any fluctuation in internal or external factors that contradict the Reinsurer's expectations with regard to the actuarial and financial assumptions adopted in pricing the reinsurance contracts and in accruing the technical reserves.

One of the techniques available for mitigating and controlling underwriting risk is to transfer risks through retrocession. Like reinsurance, retrocession can cover a group of businesses or solely specific risks (also called discretionary). IRB Brasil RE currently has retrocession programs (or portfolio hedge programs) that cover the segment groups with higher exposure in order to stabilize results and limit losses, as well as to increase its capacity for the acceptance of strategic businesses.

Moreover, for specific cases, discretionary retrocessions may be used, which are analyzed on a case-by-case basis. Due to the nature of transfer of risk, retrocession operations imply an underlying credit risk, which is dealt with as described in Note 2.6.

2.4.1 Monitoring of reinsurance liabilities by business line

The Company calculates technical reserves in accordance with the rules issued by the regulatory agency. The gross assets and liabilities i.e. claims outstanding reserve (PSL), reserve for claims incurred but not reported (IBNR), reserve for claims incurred but not sufficiently reported (IBNER), reserve for technical surplus (PET), reserve for earned premiums (PPNG), and related expenses reserve (PDR), by business line are as follows:

	Parent Company			
	Reinsurance		Retrocession	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Aviation	514,951	674,202	(421,094)	(559,445)
Vehicle	189,079	208,309	(6,396)	(6,609)
Mortgage	39,851	40,214	(76)	(193)
Marine	177,708	175,449	(54,927)	(52,362)
Nuclear	9,822	13,288	(8,634)	(11,790)
Property	2,394,223	2,572,302	(1,320,046)	(1,496,003)
Life	296,625	307,193	(44,205)	(53,145)
Oil	301,024	268,534	(250,967)	(223,238)
Liability	611,413	644,141	(287,012)	(315,362)
Financial risks	501,520	511,503	(132,833)	(152,746)
Agriculture	466,950	521,149	(50,339)	(80,799)
Cargo	423,131	410,808	(228,768)	(210,240)
Acceptances abroad	1,732,888	1,563,482	(83,199)	(120,034)
Branches abroad	117,843	97,528	(14,832)	(13,561)
Run-off	168,091	166,915	-	-
Total	**7,945,119**	**8,175,017**	**(2,903,328)**	**(3,295,527)**

	Consolidated			
	Reinsurance		Retrocession	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Aviation	514,951	674,202	(421,094)	(559,445)
Vehicle	189,079	208,309	(6,396)	(6,609)
Mortgage	39,851	40,214	(76)	(193)
Marine	177,708	175,449	(54,927)	(52,362)
Nuclear	9,822	13,288	(8,634)	(11,790)
Property	2,394,223	2,572,302	(1,320,046)	(1,496,003)
Life	296,625	307,193	(44,205)	(53,145)
Oil	301,024	268,534	(250,967)	(223,238)
Liability	611,413	644,141	(287,012)	(315,362)
Financial Risks	501,520	511,503	(132,833)	(152,746)
Agriculture	466,950	521,149	(50,339)	(80,799)
Cargo	423,131	410,808	(228,768)	(210,240)
Acceptances abroad	1,732,888	1,592,740	(111,019)	(148,917)
Branches abroad	117,843	97,528	(14,832)	(13,561)
Run-off	196,881	166,915	-	-
Total	**7,973,909**	**8,204,275**	**(2,931,148)**	**(3,324,410)**

2.4.2 Evolution of claims

The evolution of the Company's losses, by year of underwriting, is shown in the following tables.

Gross retrocession losses

- **Gross of retrocession**

	March 31, 2018							
	Parent Company							
Underwriting year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**Total**
Losses incurred in the year	342,520	1,107,829	293,187	656,095	330,900	346,916	2,001	
One year later	975,304	1,362,435	1,331,605	2,184,610	1,970,743	591,825		
Two years later	1,813,805	2,039,277	1,709,391	2,588,521	2,188,167			
Three years later	2,005,247	2,074,119	1,775,186	2,572,100				
Four years later	1,994,059	2,049,767	1,766,226					
Five years later	2,000,772	2,014,004						
Six years later	1,987,061							
Current estimative of accumulated losses	1,987,061	2,014,004	1,766,226	2,572,100	2,188,167	591,825	2,001	11,121,384
Accumulated payments up to the base date	(1,808,390)	(1,845,479)	(1,534,060)	(2,032,284)	(1,461,549)	(229,780)	(301)	(8,911,843)
Liabilities recognized in the balance sheet	**178,671**	**168,525**	**232,166**	**539,816**	**726,618**	**362,045**	**1,700**	**2,209,541**
Liabilities in relation to years prior to 2012								1,842,881
IBNER								192,385
Total liabilities included in the balance sheet								**4,244,807**

	December 31, 2017							
	Parent Company							
Underwriting year	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**
Losses incurred in the year	200,595	342,520	1,107,829	293,187	656,095	330,900	346,916	
One year later	516,906	975,304	1,362,435	1,331,605	2,184,610	1,970,743		
Two years later	765,358	1,813,805	2,039,277	1,709,391	2,588,521			
Three years later	1,028,917	2,005,247	2,074,119	1,775,186				
Four years later	972,769	1,994,059	2,049,767					
Five years later	1,019,971	2,000,772						
Six years later	1,022,918							
Current estimate of accumulated losses	1,022,918	2,000,772	2,049,767	1,775,186	2,588,521	1,970,743	346,916	11,754,823
Accumulated payments up to the base date	(837,927)	(1,788,930)	(1,831,233)	(1,507,602)	(1,911,484)	(1,217,386)	(100,011)	(9,194,573)
Liabilities recognized in the balance sheet	**184,991**	**211,842**	**218,534**	**267,584**	**677,037**	**753,357**	**246,905**	**2,560,250**
Liabilities in relation to years prior to 2011								1,578,650
IBNER								**204,394**
Total liabilities included in the balance sheet								**4,343,294**

Gross retrocession losses

- **Gross of retrocession**

	March 31, 2018							
	Consolidated							
Underwriting year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**Total**
Losses incurred in the year	342,520	1,107,829	293,187	656,095	330,900	346,916	2,001	
One year later	975,304	1,362,435	1,331,605	2,184,610	1,970,743	591,825		
Two years later	1,813,805	2,039,277	1,709,391	2,588,521	2,188,167			
Three years later	2,005,247	2,074,119	1,775,186	2,572,100				
Four years later	1,994,059	2,049,767	1,766,226					
Five years later	2,000,772	2,014,004						
Six years later	1,988,036							
Current estimate of accumulated losses	1,988,036	2,014,004	1,766,226	2,572,100	2,188,167	591,825	2,001	11,122,359
Accumulated payments up to the base date	(1,808,390)	(1,845,479)	(1,534,060)	(2,032,284)	(1,461,549)	(229,780)	(301)	(8,911,843)
Liabilities recognized in the balance sheet	**179,646**	**168,525**	**232,166**	**539,816**	**726,618**	**362,045**	**1,700**	**2,210,516**
Liabilities in relation to years prior to 2012								1,842,881
IBNER								**192,385**
Total liabilities included in the balance sheet								**4,245,782**

	December 31, 2017							
	Consolidated							
Underwriting year	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**
Losses incurred in the year	200,595	342,520	1,107,829	293,187	656,095	330,900	346,916	
One year later	516,906	975,304	1,362,435	1,331,605	2,184,610	1,970,743		
Two years later	765,358	1,813,805	2,039,277	1,709,391	2,617,779			
Three years later	1,028,917	2,005,247	2,074,119	1,775,186				
Four years later	972,769	1,994,059	2,049,767					
Five years later	1,019,971	2,000,772						
Six years later	1,022,918							
Current estimate of accumulated losses	1,022,918	2,000,772	2,049,767	1,775,186	2,617,779	1,970,743	346,916	11,784,081
Accumulated payments up to the base date	(837,927)	(1,788,930)	(1,831,233)	(1,507,602)	(1,911,484)	(1,217,386)	(100,011)	(9,194,573)
Liabilities recognized in the balance sheet	**184,991**	**211,842**	**218,534**	**267,584**	**706,295**	**753,357**	**246,905**	**2,589,508**
Liabilities in relation to years prior to 2011								1,578,650
IBNER								**204,394**
Total liabilities included in the balance sheet								**4,372,552**

- **Net of retrocession**

	March 31, 2018							
	Parent Company and Consolidated							
Underwriting year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**Total**
Losses incurred in the year	212,493	713,804	194,043	325,364	202,896	305,449	1,487	
One year later	588,287	802,663	981,979	1,506,852	1,508,804	489,055		
Two years later	916,994	1,133,787	1,252,197	1,833,732	1,673,948			
Three years later	1,016,375	1,233,167	1,234,278	1,771,045				
Four years later	1,011,914	1,235,267	1,219,775					
Five years later	1,027,774	1,220,063						
Six years later	1,012,153							
Current estimate of accumulated losses	1,012,153	1,220,063	1,219,775	1,771,045	1,673,948	489,055	1,487	7,387,526
Accumulated payments up to the base date	(892,676)	(1,143,431)	(1,032,797)	(1,470,990)	(1,121,758)	(169,865)	(301)	(5,831,818)
Liabilities recognized in the balance sheet	**119,477**	**76,632**	**186,978**	**300,055**	**552,190**	**319,190**	**1,186**	**1,555,708**
Liabilities in relation to years prior to 2012								841,787
IBNER								**113,868**
Total liabilities included in the balance sheet								**2,511,363**

	December 31, 2017							
	Parent Company and Consolidated							
Underwriting year	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**Total**
Losses incurred in the year	146,828	212,493	713,804	194,043	325,364	202,896	305,449	
One year later	283,846	588,287	802,663	981,979	1,506,852	1,508,804		
Two years later	346,747	916,994	1,133,787	1,252,197	1,833,732			
Three years later	589,538	1,016,375	1,233,167	1,234,278				
Four years later	574,959	1,011,914	1,235,267					
Five years later	587,398	1,027,774						
Six years later	590,354							
Current estimate of accumulated losses	590,354	1,027,774	1,235,267	1,234,278	1,833,732	1,508,804	305,449	7,735,658
Accumulated payments up to the base date	(505,523)	(887,162)	(1,139,720)	(1,018,493)	(1,480,877)	(960,469)	(76,219)	(6,068,463)
Liabilities recognized in the balance sheet	**84,831**	**140,612**	**95,547**	**215,785**	**352,855**	**548,335**	**229,230**	**1,667,195**
Liabilities in relation to years prior to 2011								683,832
IBNER								**108,125**
Total liabilities included in the balance sheet								**2,459,152**

2.4.3 Sensitivity analysis

The following table presents the potential impacts on results and shareholders' equity as of March 31, 2018, considering an increase of 10.0% in the loss ratio.

Gross efects	Base	Scenario 10,0%	Impact
Shareholder's equity	3,338,759	3,307,130	(31,629)
Results	254,008	222,379	(31,629)
Impact (%) on the profit loss			(12.5)
Impact (%) on equity			(0.9)

Effects net of retrocession	Base	Scenario 10,0%	Impact
Shareholder's equity	3,338,759	3,294,113	(44,646)
Results	254,008	209,362	(44,646)
Impact (%) on the profit loss			(17.6)
Impact (%) on equity			(1.3)

Due to the nature of the operations accepted by IRB Brasil RE, there is no material exposure to translation, mortality or survival rates. Other internal studies show that part of the non-operational liabilities linked to post-employment benefits are indexed to inflation and are covered by investments in similar securities (inflation-linked government bonds - NTN-B), thus there is no significant exposure to this risk factor.

2.5 Market risk

Market risk can be defined as the risk arising from changes in financial market prices and rates, which could lead to a decrease in the value of a security or asset portfolio. The main variables influencing the market risk of IRB's investment portfolio are interest rates, foreign exchange rates and the liquidity of assets. Management of the risk associated with these variables involves different corporate units and a series of guidelines and strategies that are considered adequate by Management and established in its governance policy. The following techniques are used for this purpose: Value at Risk (VaR) and the development of stress scenarios to support the preventive management of losses.

2.5.1 Value at Risk analysis

There are policies in place to establish limits, processes and tools to effectively manage market risks. The investment portfolio is monitored daily to ensure that the limits are being observed.

One of the methods used to manage market risks is Value at Risk (VaR). The measurement of market risks though VaR analysis estimates the expected maximum loss within a certain time period and within a pre-determined confidence interval under normal market conditions. This measurement considers the effects of risk diversification on the total portfolio. The indicator is widely used in the market to measure market risk However, the model uses historical data to calculate portfolio losses and, due to its limitation, it does not measure amounts that exceed the confidence level.

On a historical basis, with a 95.0% significance level, an observation window of 252 business days and daily returns, the daily VaR of the Company's asset portfolio, as of March 31, 2018, was approximately R$2,633, which represents a maximum estimated loss of 0.05% of total asset portfolio.

2.5.2 Analysis of sensitivity to foreign currencies

The Reinsurer is mainly exposed to the U.S. dollar, although it also is exposed, to a lesser degree, to other foreign currencies, such as the pound sterling, euro and Argentine peso.

To analyze the sensitivity to fluctuations in the foreign exchange rate (R$/US$), the following scenarios were considered: a probable scenario for the end of fiscal year 2018, depreciation of 25% deterioration (Scenario I – exchange rate of R$/US$2.47) and depreciation of 50.0% (Scenario II – exchange rate of R$/US$1.65) in relation to the rate of the probable scenario envisaged by the Company. To determine the probable scenario, the Company adopted as reference the Market Expectations System of the Central Bank of Brazil for March 29, 2018, when the foreign exchange rate (R$/US$) projected for year-end 2018 was R$/US$3.29. The following table details the sensitivity of total assets and liabilities to exchange rate fluctuations:

	March 31, 2018	Scenarios for December 31, 2018		
		Impact (R$ '000)		
Group	Base	Probable	Scenario I	Scenario II
Total assets in foreign currency	4,270,052	(43,423)	(1,100,080)	(2,156,737)
Total liabilities in foreign currency	(4,258,620)	43,306	1,097,135	2,150,963
Net exposure	11,432	(117)	(2,945)	(5,774)
Impact (%) on equity		-	(0.1)	(0.2)
Impact (%) on the profit or loss		-	(1.2)	(2.3)

(*) Comprise amounts of assets in foreign currency from investment funds in domestic currency.

2.5.3 Analysis of sensitivity to interest rates

The Company is exposed to interest rate risk since some of its marketable securities are linked to this market risk factor.

To analyze the sensitivity to changes in the SELIC basic interest rate, the following scenarios were considered: probable scenario for end-2018, 25% variation (Scenario I – rate of 8.0%) and 50% variation (Scenario II – rate of 9.6%) in relation to the curve of the probable scenario envisaged by the Company. To determine the probable scenario, the Company adopted as reference the Market Expectations System of the Central Bank of Brazil for March 29, 2018, when the interest rate estimated for year-end 2018 was 6.4%. The following table details the sensitivity of the financial asset portfolio to interest rate fluctuations:

	March 31, 2018	Scenarios for December 31, 2018		
		Impact (R$ '000)		
Group	Base	Probable	Scenario I	Scenario II
Total portfolio (*)	6,035,335	6,036,559	5,939,257	5,841,342
Impact (%) on total portfolio		-	(1.6)	(3.2)
Impact (R$)		1,224	(96,078)	(193,993)
Impact (%) on equity		-	(2.9)	(5.8)
Impact (%) on the profit or loss		0.5	(37.8)	(76.4)

(*)Total Portfolio balance does not include the balance of current accounts, see note 6.1.

Consolidated analysis of economic stress tests

Management applied to the assets a selection of the world's main economic stress tests* using the Predictive method, i.e., considering the correlations existing among the various risk factors. After the analysis, the conclusion was that the most adverse scenario for the investment portfolio is Fall 2008, which is related to the bankruptcy of Lehman Brothers followed by two consecutive cuts in interest rates by the U.S. Federal Reserve (FED) and the federal takeover of Fannie Mae and Freddie Mac to stabilize the U.S. mortgage market, which generated a loss of 2.1% in the portfolio.

* The world economic stress test analysis scenarios are: Asian Crisis (1997), Black Monday (1987), Fall 2008 (2008), Gulf War (1990), Mexican Crisis (1995), Rate Rise 94 (1994), Russian Devaluation (1998), Sept 11th (2001), Tech Wreck (2000), WaMu collapse (2008).

Currency future contracts

As part of the Company's investment policy, it expects to contract currency hedge for surplus assets in foreign currency. At the base date of March 31, 2018, the Company did not have currency forward contracts or any other currency hedging instrument.

2.6 Credit risk

IRB Brasil RE believes that the main source of credit risk is retrocession operations. To mitigate this risk, the Company adopted the policy of carrying out retrocession operations with companies with at least half of their credit score ratings equal to or higher than A- (S&P, Fitch and AM Best) or A3 (Moody's) and evaluates its retrocessionaires using its own rating system. The Reinsurer's exposure is partially offset by the adoption of retrocession limits (individual and combined) for counterparties, which are reviewed and approved at least annually by the Security Committee. The credit rating quality of IRB Brasil RE's current retrocessionaires is as follows:

Retrocession assets

	March 31, 2018			
	% of reinsurers participating in protection and contracts in force			
Rating range (*)	Place	Admitted	Eventual	Total
AAA or equivalent	-	4.5	0.5	5.0
AA or equivalent	0.3	24.6	5.3	30.2
A or equivalent	0.1	11.1	53.2	64.4
BBB or equivalent	0.1	-	-	0.1
Without rating	0.2	0.1	-	0.3
	0.7	40.3	59.0	100.0

	December 31, 2017			
	% of reinsurers participating in protection and contracts in force			
Rating range (*)	Place	Admitted	Eventual	Total
AAA or equivalent	-	3.6	0.4	4.0
AA or equivalent	0.2	35.2	4.1	39.5
A or equivalent	0.1	9.5	46.5	56.1
BBB or equivalent	0.1	-	-	0.1
Without rating	0.2	0.1	-	0.3
	0.6	48.4	51.0	100.0

(*) The credit ratings are measured by the agencies: *S&P – Standard & poor's, Moody's, A.M. Best e Fitch.*

Furthermore, the receivables from reinsurance operations are shown in the following table:

Credit from operations

	March 31, 2018			% de exposure with reinsurers by rating range	% de exposure with insurers by rating range
Rating range (*)	Place	Admitted	Eventual	Total	Total
A or equivalent	0.1	0.5	36.3	36.9	41.7
B or equivalent	0.2	0.2	9.5	10.0	14.7
CCC+ or equivalent	0.5	0.9	26.7	28.1	19.2
CCC or equivalent	0.1	2.0	16.1	18.2	9.0
CC or equivalent	-	-	0.1	0.1	-
CCC- or equivalent	0.4	0.4	2.7	3.4	1.9
D or equivalent	-	-	3.3	3.3	13.5
	1.3	4.0	94.7	100.0	100.0

	December 31, 2017			% de exposure with reinsurers by rating range	% de exposure with insurers by rating range
Rating range (*)	Place	Admitted	Eventual	Total	Total
A or equivalent	0.1	0.5	36.9	37.5	47.4
B or equivalent	0.2	0.4	8.6	9.2	7.8
CCC+ or equivalent	0.6	1.2	26.0	27.8	18.8
CCC or equivalent	0.1	2.0	17.1	19.2	10.4
CC or equivalent	-	-	0.2	0.2	-
CCC- or equivalent	0.2	0.1	2.5	2.8	2.0
D or equivalent	-	-	3.3	3.3	13.6
	1.2	4.2	94.6	100.0	100.0

(*) Ratings related to credits from operations are measured according to the Company's internal criteria.

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

The following techniques are used to control and mitigate credit risk: establishment of retrocession limits by entity; monitoring of credit risk exposure; follow-up of changes and trends in the insurance and reinsurance markets and in the financial markets; and preventive management of losses.

Exposure to credit risk

The Company is exposed to the concentration of risks with reinsurance due to the nature of the reinsurance market. The classification of risk by age of balances is as follows.

	Parent Company							
	March 31, 2018							
		Overdue and unimpaired assets						
Portfolio breakdown by class and accounting category	Assets not due and unimpaired	0 to 30 days	31 to 60 days	61 to 120 days	121 to 180 days	More than 180 days	Carrying amount	Carrying amount December 31, 2017
Cash and cash equivalents	19,901						19,901	16,222
At fair value through profit or loss								
Private	167,382						167,382	173,081
Public	778,519						778,519	320,096
Abroad	723,203						723,203	606,934
Available for sale								
Private	113,679						113,679	111,450
Public	4,043,873						4,043,873	4,033,902
Abroad	100,705						100,705	127,762
Held to maturity								
Private	-						-	285,733
Credits on insurer and reinsurer operations	2,550,133	129,173	107,170	199,511	186,474	155,981	3,328,442	3,307,861
Total financial assets and assets of insurance and reinsurance contracts	**8,497,395**	**129,173**	**107,170**	**199,511**	**186,474**	**155,981**	**9,275,704**	**8,983,041**

	Consolidated							
	March 31, 2018							
		Overdue and unimpaired assets						
Portfolio breakdown by class and accounting category	Assets not due and unimpaired	0 to 30 days	31 to 60 days	61 to 120 days	121 to 180 days	More than 180 days	Carrying amount	Carrying amount December 31, 2017
Cash and cash equivalents	32,137						32,137	25,771
At fair value through profit or loss								
Private	208,948						208,948	266,969
Public	779,066						779,066	320,161
Abroad	723,203						723,203	606,934
Available for sale								
Private	165,380						165,380	289,406
Public	4,043,890						4,043,890	3,903,951
Abroad	114,848						114,848	142,908
Held to maturity								
Private	-						-	285,733
Credits on insurer and reinsurer operations	2,550,133	129,173	107,170	199,511	186,474	155,995	3,328,456	3,307,875
Total financial assets and assets of insurance and reinsurance contracts	**8,617,605**	**129,173**	**107,170**	**199,511**	**186,474**	**155,995**	**9,395,928**	**9,149,708**

2.7 Liquidity risk

Liquidity risk is the risk that the Company, although solvent, will not have sufficient funds available to pay its obligations on time or only will be able to pay them by selling assets at unfavorable conditions, thereby incurring financial losses. To manage this risk, the Company allocates a minimum reserve in highly liquid funds to cover short-term cash requirements. This risk is continuously monitored by comparing cash flows of assets and liabilities over time, as shown in the table below.

	March 31, 2018			
	Parent Company		Consolidated	
	Asset (*)	Liabilities (*)	Asset (*)	Liabilities (**)
Flow from 0 to 12 months	6,383,609	3,501,693	6,406,925	3,514,469
Flow from 12 to 24 months	1,220,815	2,120,571	1,228,282	2,128,217
Flow from 24 to 36 months	391,045	965,239	394,589	968,721
Flow from 36 to 48 months	185,119	500,722	186,900	502,496
Flow over 48 months	668,127	856,894	672,075	860,006
	8,848,715	7,945,119	8,888,771	7,973,909

(*) The flow of assets is composed of the sum of cash flows deriving from available assets for guarantee, cash, and cash equivalents, retrocession assets and credit rights.

(**) The flow of liabilities is composed of technical reinsurance provisions.

2.8 Evaluation techniques and assumptions applied for the purpose of fair value determination

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

(a) The fair value of financial assets and liabilities that present standard conditions and terms and are negotiated in active markets is determined based on the prices observed in these markets.

(b) The fair value of derivative instruments is calculated using quoted prices. Currency futures contracts are measured based on the exchange rates and on the yield curves determined based on quotes and for the same maturity terms as the contracts.

(c) The fair value of other financial assets and liabilities (except for those described above) is determined using generally accepted pricing models based on the analysis of discounted cash flows.

2.9 Fair value measurements recognized in the balance sheet

The following table provides an analysis of the financial instruments that are measured at fair value after their initial recognition, grouped into Levels 1 and 2 based on the fair value observable:

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

(b) Level 2 fair value measurements are obtained through variables other than the quoted prices included in Level 1 that are observable for the asset or liability directly (e.g., prices) or indirectly (based on prices).

(c) Level 3 fair value measurements are obtained through evaluation techniques that include variables for the asset or liability, but which are not based on observable market data (unobservable data).

		Parent Company		Consolidated	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Financial assets at fair value through profit or loss					
Floating-rate government bond (LFT)	Level 1	7,017	7,028	7,017	7,028
Repurchase operations	Level 1	771,502	313,068	772,049	313,133
Investment fund quotas	Level 1	175,341	173,240	217,543	267,760
Fixed-term deposits	Level 2	403,929	277,223	403,929	277,223
Fixed income fund quotas	Level 1	-	26,585	-	26,585
Stock of local companies	Level 1	30,667	9,228	30,667	9,228
Stock of foreign companies	Level 3	220,345	233,500	220,345	233,500
Vale debentures	Level 1	1,308	1,309	1,308	1,309
Inepar debentures	Level 2	11,859	11,798	11,859	11,798
Fixed-term deposits	Level 3	46,500	46,500	46,500	46,500
Others	Level 2	636	632	-	-
Total		**1,669,104**	**1,100,111**	**1,711,217**	**1,194,064**
Financial assets available for sale					
Floating-rate government bond (LFT)	Level 1	3,522,031	3,363,989	3,522,031	3,363,989
Fixed-rate government bond (LTN)	Level 1	-	219,820	-	219,820
Inflation-linked government bond (NTN) - B	Level 1	449,839	401,155	449,839	401,155
Inflation-linked government bond (NTN) - F	Level 1	31,468	-	31,468	-
Real estate funds	Level 1	-	-	51,715	48,004
Debentures	Level 1	29,614	20,563	29,614	20,563
Financial bills	Level 1	83,015	89,851	83,015	89,851
Repurchase Operations	Level 1	40,535	48,938	40,552	48,956
Comercial note	Level 1	1,036	1,019	1,036	1,019
Others	Level 2	14	17	-	-
Sovereign debt bond	Level 1	64,830	93,990	64,830	93,990
American Depositary Receipts - ADR	Level 1	6,110	4,425	6,110	4,425
Fixed income bond abroad	Level 1	29,765	29,347	29,765	29,347
U.S. Treasury securities Obligations of U.S.	Level 1	-	-	6,047	6,766
Obligations of U.S. Government corporations and agencies	Level 1	-	-	2,481	1,432
Non-U.S. Government	Level 1	-	-	218	1,019
Sec Issued by States & Terr.	Level 1	-	-	1,017	219
Corporate securities	Level 1	-	-	4,380	4,428
Short-term investiments	Level 1	-	-	-	1,282
Total		**4,258,257**	**4,273,114**	**4,324,118**	**4,336,265**

2.9.1 Disclosure of the fair value of financial assets held to maturity

	Parent Company and Consolidated			
	March 31, 2018		December 31, 2017	
	Carrying amount	Market Value	Carrying amount	Market Value
Financial assets held to maturity				
Financial bills - Private	-	-	285,733	285,733
Total	**-**	**-**	**285,733**	**285,733**

2.9.2 Methods and assumptions adopted for asset fair value estimation

All methods and assumptions adopted for curve and market valuation, after defining the type of marking for each asset, follow exclusively the techniques described in the asset marking manuals of IRB Brasil Re, which are fully compliant with the marking manuals of the trustees that provide services and are responsible for calculating the marking, whether using the Market estimation or Curve valuation.

Marking using curve valuation uses a fixed acquisition rate for the applicable financial instruments and is used as a reference for calculating interest rates over the horizon of the financial investment, recognizing the valuation of the financial asset on a pro-rata temporis basis, i.e. considering the value of the acquisition of the security plus the daily incorporation of interest, proportionately to the time transpired since the issue of the security, recognized on a daily basis. This type of marking, therefore, does not generate losses, provided the security is not sold. Since the calculation always considers the purchase value plus a daily appropriation of interest, the return is always positive. The final effects of marking using curve valuation are similar to marking to market, provided the security is not sold before its maturity.

Marking to market requires the use of curves of expected future rates, which are used to calculate the present values of each security. In these cases, when the construction of yield curves (term structure of interest rates) is required, such mapping is established in accordance with the market expectations for the interest rates at specific periods in time, and curves are built based on the observation of the prices of fixed income instruments for specific terms, contemplating all liquid vertices (traded on the last business day) and using primarily prices provided by the Brazilian Financial and Capital Markets Association (ANBIMA). Such mapping, although continuous, can only be observed for specific terms. Therefore, estimating the yield curve for terms that do not have rates pegged to them or publicly traded is necessary. At IRB Brasil Re, these are estimated using exponential interpolation.

2.10 Minimum capital, risk capital and liquidity in relation to capital

On July 15, 2015, the National Private Insurance Council (CNSP) published a new regulation for the calculation of the minimum capital required for the authorization and operation of local reinsurers, the calculation of risk capital based on underwriting, credit, operational and market risks, adjusted equity and regulation and solvency plans, combined with CNSP Resolution 321/2015, which consolidated all resolutions related to liquidity and solvency without any methodological changes. On December 20, 2017, the CNSP Resolution 360 was issued, which amended CNSP Resolution 321.

The risk capital calculation rules were altered based on the credit risks, reducing the weighting factor of portion 2 of this capital, with effects as of January 31, 2018.

For the purposes of said resolutions, the following concepts are adopted**:**

I Minimum capital requirement: an amount of capital that a local reinsurer must hold at all times in order to be able to operate, which shall be equivalent to the greater of base capital or risk-based capital.

II Base capital: a fixed amount of capital of R$60,000, which a local reinsurer must maintain at all times.

III Risk-based capital: a variable amount of capital that a local reinsurer must maintain at all times in order to be able to guarantee the risks inherent to its operations, as provided for in specific regulations.

IV Net assets: all the assets accepted by the National Monetary Council (CMN) limited to 100% of the coverage of technical reserves.

V Liquidity in relation to risk-based capital: situation where the total net assets exceed the coverage need of the reserves by more than 20% of the risk capital obtained, when disregarding in the calculation of market risk capital, the flow of unregistered operations.

2.10.1 Calculation of the minimum capital requirement

IRB Brasil RE's calculations, in accordance with the aforementioned resolutions, did not identify the need for additional capital injections. On the base date of March 31, 2018, the adjusted equity value exceeded the minimum capital requirement, as follows:

	Parent Company and Consolidated	
	March 31, 2018	December 31, 2017
Risk capital based on underwriting risk	550,235	523,073
Risk capital based on credit risk	256,635	346,185
Risk capital based on operating risk	33,030	33,518
Risk capital based on market risk (*)	82,453	82,453
Benefit of the diversification of risks	(147,775)	(166,114)
Toal risk capital	**774,578**	**819,115**
Base capital	60,000	60,000
Minimum capital required (***)	774,578	819,115
Adjusted equity (**)	2,329,565	2,568,217
Sufficiency of adjusted equity	**1,554,987**	**1,749,102**

(*) Pursuant to CNSP Resolution 321/15, as of December 31,2017, required risk capital amount based on market risks shall be fully used (50% on December 31, 2016).
(**) Calculation of adjusted equity
(***) The highest between total risk capital and base capital.

	March 31, 2018	December 31, 2017
Shareholders' equity	3,338,759	3,581,183
Deductions		
Prepaid expenses	(4,644)	(6,103)
Equity interest	(627,100)	(623,352)
Intangible assets	(52,248)	(54,097)
Rights/obligations of branches abroad	(112,616)	(103,313)
Tax credits (***)	(212,536)	(226,051)
Other deductions	(50)	(50)
Adjusted equity	**2,329,565**	**2,568,217**

(****) The amount referring to the tax credit deducted in the calculation of adjusted equity corresponds to the amount of the tax credit (Note 10.1) that exceeds 15.0% of the minimum capital requirement (CMR).

2.10.2 Liquidity in relation to risk-based capital

The calculation of liquidity in relation to the minimum capital requirement for the base date of March 31, 2018 did not identify the need for IRB Brasil RE to have a level of net assets that exceeds the amount required to cover the reserves.

	Parent Company	
	March 31, 2018	December 31, 2017
Eligible assets (*)	**5,433,529**	**5,155,857**
Technical reserves	(7,945,119)	(8,175,017)
Retrocession assets	2,903,328	3,295,527
Reduced assets	(598,879)	(701,966)
Receivable rights	1,090,836	991,258
Coverage of 20.0% of total risk capital	(156,931)	(165,826)
Sufficiency of liquidity	**726,764**	**399,833**

(*) Financial investments linked to technical reserves
(**) Pursuant to CNSP Resolution 321/15, the risk capital used to calculate liquidity must disregard the unregistered flows used in the calculation of risk capital based on market risks.

	Consolidated	
	March 31, 2018	December 31, 2017
Eligible assets (*)	**5,433,529**	**5,155,857**
Technical reserves	(7,973,909)	(8,204,275)
Retrocession assets	2,931,148	3,324,410
Reduced assets	(598,879)	(701,966)
Receivable rights	1,090,836	991,258
Coverage of 20.0% of total risk capital	(156,931)	(165,826)
Sufficiency of liquidity	**725,794**	**399,458**

(*) Financial investments linked to technical reserves
(**) Pursuant to CNSP Resolution 321/15, the risk capital used to calculate liquidity must disregard the unregistered flows used in the calculation of risk capital based on market risks.

Section C – Information by business segment

3 Information by business segment

3.1 Statements of income by business segment

The business segments of IRB Brasil RE are identified in accordance with their executive structure, which takes into account the internal financial reports for business performance in Brazil and abroad, where are used by Management for conducting the business. Net income is the main item used by Management for managing results.

On March 31, 2018 and 2017, the results of IRB Brasil RE by geographic region were as follows:

	Parent Company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Issued premiums	**1,191,282**	**1,172,490**	**1,191,282**	**1,172,490**
Issued premium - Brazil	732,811	771,831	732,811	771,831
Issued premium - Abroad	458,471	400,659	458,471	400,659
Earned premiums	**1,171,494**	**1,109,843**	**1,171,494**	**1,109,843**
Earned premium - Brazil	747,970	775,235	747,970	775,235
Earned premium - Abroad	423,524	334,608	423,524	334,608
Incurred claims	**(316,287)**	**(435,727)**	**(316,287)**	**(435,727)**
Incurred claims - Brazil	54,598	(247,083)	54,598	(247,083)
Incurred claims - Abroad	(370,885)	(188,644)	(370,885)	(188,644)
Acquisition cost	**(29,322)**	**(26,320)**	**(29,322)**	**(26,320)**
Acquisition cost - Brazil	(13,745)	(12,437)	(13,745)	(12,437)
Acquisition cost - Abroad	(15,577)	(13,883)	(15,577)	(13,883)
Result with retrocession	**(546,315)**	**(393,016)**	**(546,315)**	**(393,016)**
Result with retrocession - Brazil	(515,562)	(365,647)	(515,562)	(365,647)
Result with retrocession - Abroad	(30,753)	(27,369)	(30,753)	(27,369)
Gross margin	**279,570**	**254,780**	**279,570**	**254,780**
Gross margim - Brazil	273,261	150,068	273,261	150,068
Gross margim - Abroad	6,309	104,712	6,309	104,712
Other operating revenue and expenses	2,641	(7,896)	2,641	(7,463)
Administrative expenses	(55,350)	(79,659)	(59,758)	(81,055)
Expenses with taxes	(27,921)	(29,183)	(28,427)	(29,183)
Operating result	**198,940**	**138,042**	**194,026**	**137,079**
Equity result	71,215	161,353	116,274	174,969
Financial result	36,278	14,786	12,733	7,805
Profit before income tax and social contribution	**306,433**	**314,181**	**323,033**	**319,853**
Income taz and social contribution	(52,425)	(91,506)	(69,025)	(97,178)
Net income for the period	**254,008**	**222,675**	**254,008**	**222,675**

To make decisions, the Management of the Company uses a combination of accounting lines that differs from the income statement, which was prepared in accordance with the accounting practices adopted in Brazil for reinsurers, as follows:

	Parent Company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Reinsurance premiums - Brazil (a)	849,285	876,058	849,285	876,058
Reinsurance premiums - Abroad (a)	547,988	466,319	547,988	466,319
Retrocession premium (b)	(345,664)	(448,717)	(345,664)	(448,717)
Retained premiums (b)	**1,051,609**	**893,660**	**1,051,609**	**893,660**
Change in technical reserves (c)	(110,389)	(13,042)	(110,389)	(13,042)
Prêmios ganhos	**941,220**	**880,618**	**941,220**	**880,618**
Sinistros retidos (d)	(467,281)	(473,801)	(467,281)	(473,801)
PSL	(461,451)	(400,559)	(461,451)	(400,559)
IBNR	981	(69,665)	981	(69,665)
Outros	(6,811)	(3,577)	(6,811)	(3,577)
Acquisition cost (e)	(208,331)	(163,107)	(208,331)	(163,107)
Gross profit	**265,608**	**243,710**	**265,608**	**243,710**
Other operating expenses (f)	(37,178)	(52,085)	(37,992)	(52,361)
Adminstrative expenses (g)	(49,193)	(61,331)	(49,931)	(62,675)
Financial and Equity result (h)	133,794	198,107	151,946	205,399
Net profit (loss) before taxes	**313,031**	**328,401**	**329,631**	**334,073**
Income tax, social contribution and profit sharing (i)	(59,023)	(105,726)	(75,623)	(111,398)
Net income for the period	**254,008**	**222,675**	**254,008**	**222,675**

The reconciliation of the balances presented in the statement of income with the balances used in the decision-making process presented above by the Company's management is as follows.

	Parent Company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Net issued premiums	**1,191,282**	**1,172,490**	**1,191,282**	**1,172,490**
Gross issued premiums (a)	1,397,215	1,342,339	1,397,215	1,342,339
Reinsurance commission (e)	(205,933)	(169,849)	(205,933)	(169,849)
Changes in technical reserves	**(19,788)**	**(62,647)**	**(19,788)**	**(62,647)**
Changes in technical reserves - premiums (c)	24,015	(50,102)	24,017	(50,102)
Changes in technical reserves - commission (e)	(547)	1,110	(547)	1,110
Changes in technical reserves - other reserves (c)	(43,256)	(13,655)	(43,258)	(13,655)
Earned premiums	**1,171,494**	**1,109,843**	**1,171,494**	**1,109,843**
Incurred claims (d)	**(316,287)**	**(435,727)**	**(316,287)**	**(435,727)**
Acquisition cost (e)	**(29,322)**	**(26,320)**	**(29,322)**	**(26,320)**
Result with retrocession	**(546,315)**	**(393,016)**	**(546,315)**	**(393,016)**
Recovery of incurred claims (d)	19,321	153,461	19,321	153,461
Salvage and reimbursements to the retrocession polyholder (d)	(7,623)	(11,036)	(7,623)	(11,036)
Recovery of IBNR (d)	(149,495)	(170,465)	(149,495)	(170,465)
Retrocession premiums (b)	(345,664)	(448,717)	(345,664)	(448,717)
Comission on retrocession premiums (e)	28,391	30,154	28,391	30,154
Changes in technical reserves - Premiums ceded (c)	(91,158)	50,715	(91,158)	50,715
Changes in technical reserves - Commission ceded (e)	(693)	1,808	(693)	1,808
Changes in technical reserves - Other reserves (c)	10	-	10	-
Other retrocession results (f)	816	1,064	816	1,064
Other results acquisition cost (e)	(220)	-	(220)	-
Gross margin	**279,570**	**254,780**	**279,570**	**254,780**
Other operating revenue and expenses	**2,641**	**(7,896)**	**2,641**	**(7,463)**
Other operating revenu and expenses (f)	(4,402)	(11,204)	(4,402)	(10,771)
Provision for credit coverage (h)	-	(216)	-	(216)
Other financial results (h)	7,043	3,524	7,043	3,524
Administrative expenses	**(55,350)**	**(79,659)**	**(59,758)**	**(81,055)**
Profit sharing (i)	-	(5,000)	-	(5,000)
Expenses with taxes (f)	(140)	(1,701)	(140)	(2,410)
Other tax expenses (i)	(535)	(993)	(535)	(993)
Other administrative expenses (g)	(49,193)	(61,331)	(49,801)	(62,675)
Other financial results (h)	(10)	(43)	(3,810)	614
Other operating revenue and expenses (f)	(5,472)	(10,591)	(5,472)	(10,591)
Expenses with taxes	**(27,921)**	**(29,183)**	**(28,427)**	**(29,183)**
Expenses with taxes (f)	(27,921)	(29,183)	(28,734)	(29,183)
Other Taxes (h)	-	-	307	-
Operating result	**198,940**	**138,042**	**194,026**	**137,079**
Financial result	**71,215**	**161,353**	**116,274**	**174,969**
Interest from acquisition cost (e)	(7)	(10)	(7)	(10)
Interest on premiums abroad (a)	41	17	41	17
Interest on local premiums (a)	17	21	17	21
Interest on claims (d)	(13,197)	(10,034)	(13,197)	(10,034)
Expenses with taxes (f)	(59)	(470)	(60)	(470)
Financial results (h)	90,483	180,056	135,543	193,672
Other financial results (i)	(6,063)	(8,227)	(6,063)	(8,227)
Equity result	**36,278**	**14,786**	**12,733**	**7,805**
Other equity results (h)	36,278	14,786	12,863	7,805
Other administrative expenses (g)	-	-	(130)	-
Profit before income tax and social contribution	**306,433**	**314,181**	**323,033**	**319,853**
Income tax and social contribution (i)	(52,425)	(91,506)	(69,025)	(97,178)
Net income for the period	**254,008**	**222,675**	**254,008**	**222,675**

Section D – Group's structure

4 Investments
4.1 Changes in investments

	Parent Company	
	March 31, 2018	December 31, 2017
Opening balance	623,352	224,393
Capital increase (i)	-	386,541
Profit from subsidiaries	36,484	66,762
Adjustment of equity valuation	(1,532)	-
Dividends paid	(31,169)	(54,861)
Exchange variation	(35)	517
Closing balance	**627,100**	**623,352**

(i) On February 29, 2016, IRB Brasil RE established IRB Investimentos e Participações Imobiliárias S.A., a wholly-owned subsidiary, whose business purpose is to structure the system to manage its equity interests in malls, establish wholly-owned subsidiaries and invest in the capital of companies engaged in real estate activities. At December 2016, the fully paid-up capital was R$168,466.

Shareholders convened in an Extraordinary Shareholders' Meeting held on February 17, 2017 decided to increase the Company's capital by R$400,000, through the issue of 400,000,000 new common shares, with the amount of R$381,441 already paid up, and the balance of R$18,559. Therefore, the share capital as of December 31, 2017 is R$549,907, composed of the paid-up capital of R$568,466 and the capital to be paid of R$18,559.

According to the IRB Asset Management's General Meeting of Incorporation held on December 13, 2017 a capital of R$5,100 fully paid has been approved.

(ii) In 2016, IRB Brasil RE received an offer for the acquisition of its subsidiary located in the United States. The investment is in the run-off process, and impairment was recognized for 100.0% of its value. However, at present, due to the purchase offer received, the Company partially reversed the previously recognized impairment.

4.2 Equity interest

				Consolidated	
				March 31, 2018	
				Percentage	
Name	Country	Business	Relationships	Direct interest in common shares	Indirect interest in common shares
IRB Internacional	USA	Holding	Subsidiary	100.0%	
IRB *Asset Management*	Brazil	Financial Assets Management	Subsidiary	100.0%	
IRB Investimentos e Participações Imobiliárias	Brazil	Real estate	Subsidiary	100.0%	
IRB Santos Dumont (*)	Brazil	Real estate	Indirect subsidiary		100.0%
IRB Chile (*)	Brazil	Real estate	Indirect subsidiary		100.0%
IRB Uso (*)	Brazil	Real estate	Indirect subsidiary		100.0%
IRB Renda (*)	Brazil	Real estate	Indirect subsidiary		100.0%
BB Ações 22 Fundo de Investimento	Brazil	Investment fund	Subsidiary	100.0%	
BB Peabiru Fundo de Investimento Renda Fixa	Brazil	Investment fund	Subsidiary	100.0%	
Bradesco Fundo de Investimento em Ações Safe IBRX-50	Brazil	Investment fund	Subsidiary	100.0%	
Itaú FI IRB Brasil RE Renda Fixa	Brazil	Investment fund	Subsidiary	100.0%	
Caixa FI IRB Brasil RE Renda Fixa	Brazil	Investment fund	Subsidiary	100.0%	
Bradesco FI IRB Brasil RE Renda Fixa	Brazil	Investment fund	Subsidiary	100.0%	
Bradesco FI IRB Brasil RE Renda Fixa Supreme	Brazil	Investment fund	Subsidiary	100.0%	
Itaú FI IRB Brasil RE LP Crédito Privado	Brazil	Investment fund	Subsidiary	100.0%	
Caixa FI IRB Brasil RE LP Crédito Privado	Brazil	Investment fund	Subsidiary	100.0%	
B.Brasil FI IRB Brasil RE LP Crédito Privado	Brazil	Investment fund	Subsidiary	100.0%	
Bradesco FI IRB Brasil RE LP Crédito Privado	Brazil	Investment fund	Subsidiary	100.0%	
Fundo de Investimento RF IRB Brasil RE Absoluto	Brazil	Investment fund	Subsidiary	100.0%	

				Consolidated	
				December 31, 2017	
				Percentage	
Name	Country	Business	Relationships	Direct interest in common shares	Indirect interest in common shares
IRB Internacional	USA	Holding	Subsidiary	100.0%	
IRB *Asset Management*	Brazil	Financial Assets Management	Subsidiary	100.0%	
IRB Investimentos e Participações Imobiliárias	Brazil	Real estate	Subsidiary	100.0%	
IRB Santos Dumont (*)	Brazil	Real estate	Indirect subsidiary		100.0%
IRB Chile (*)	Brazil	Real estate	Indirect subsidiary		100.0%
IRB Uso (*)	Brazil	Real estate	Indirect subsidiary		100.0%
IRB Renda (*)	Brazil	Real estate	Indirect subsidiary		100.0%
BB Ações 22 Fundo de Investimento	Brazil	Investment fund	Subsidiary	100.0%	
BB Peabiru Fundo de Investimento Renda Fixa	Brazil	Investment fund	Subsidiary	100.0%	
Bradesco Fundo de Investimento em Ações Safe IBRX-50	Brazil	Investment fund	Subsidiary	100.0%	
Itaú FI IRB Brasil RE Renda Fixa	Brazil	Investment fund	Subsidiary	100.0%	
Caixa FI IRB Brasil RE Renda Fixa	Brazil	Investment fund	Subsidiary	100.0%	
Bradesco FI IRB Brasil RE Renda Fixa	Brazil	Investment fund	Subsidiary	100.0%	
Bradesco FI IRB Brasil RE Renda Fixa Supreme	Brazil	Investment fund	Subsidiary	100.0%	
Itaú FI IRB Brasil RE LP Crédito Privado	Brazil	Investment fund	Subsidiary	100.0%	
Caixa FI IRB Brasil RE LP Crédito Privado	Brazil	Investment fund	Subsidiary	100.0%	
B.Brasil FI IRB Brasil RE LP Crédito Privado	Brazil	Investment fund	Subsidiary	100.0%	
Bradesco FI IRB Brasil RE LP Crédito Privado	Brazil	Investment fund	Subsidiary	100.0%	
Fundo de Investimento RF IRB Brasil RE Absoluto	Brazil	Investment fund	Subsidiary	100.0%	

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

Section E – Notes relevant to the interim financial information

5 Cash and cash equivalents

The balance of this account is as follows:

	Parent Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Cash and cash equivalent in local currency	930	210	7,843	6,141
Cash and cash equivalent in foreign currency	18,971	16,012	24,294	19,630
Total	**19,901**	**16,222**	**32,137**	**25,771**

6 Financial investments
6.1 Breakdown of investments

	Parent Company					
	March 31, 2018					
	Fair value through profit or loss		Available for sale			
	Security evaluated by the curve	Market / Book Value	Security evaluated by the curve	Market / Book Value	Average interest rate - %	Total
Fixed income securities - Public						
Floating-rate government bonds (LFT) (i)	-	-	617,760	618,316	SELIC	618,316
Inflation-linked government bond (NTN)	-	-	67,168	66,493	IPCA + 3.8% p.a.	66,493
Fixed income securities - Private						
Debentures	13,167	13,167	-	-	-	13,167
Fixed time deposit	46,500	46,500	-	-	-	46,500
Investment Fund Quotas						
Debentures	-	-	29,509	29,614	110.3%CDI	29,614
Financial bills	-	-	82,831	83,015	105.2%CDI	83,015
Floating-rate government bonds (LFT)	6,980	7,017	2,901,913	2,903,715	SELIC	2,910,732
Comercial notes	-	-	1,036	1,036	106.8%CDI	1,036
Inflation-linked government bond (NTN) - B series	-	-	387,219	383,346	IPCA + 5.1% p.a.	383,346
Inflation-linked government bond (NTN) - F series	-	-	31,282	31,468	9.7% p.a.	31,468
Exclusive fund Quotas	76,412	76,412	-	-	-	76,412
Repurchase Operations	771,204	771,204	40,535	40,535	SELIC	811,739
Other	441	441	14	14	-	455
Quotas of stock investment funds						
Stock of Brazilian companies	28,836	30,667	-	-	-	30,667
Repurchase Operations	298	298	-	-	SELIC	298
Other	195	195	-	-	-	195
	944,033	**945,901**	**4,159,267**	**4,157,552**		**5,103,453**
Investments abroad						
Quotas of non-exclusive investments funds	98,929	98,929	-	-	27.7%	98,929
American Deposits Receipt (ii)	-	-	19,968	6,110	-	6,110
Sovereign debt bond	-	-	69,846	64,830	6.3% p.a.	64,830
Fixed-income securities (HSBC)	-	-	30,926	29,765	2.5% p.a.	29,765
Time deposits abroad (iv)	403,929	403,929	-	-	4,0% p.a.	403,929
Other investments abroad	220,345	220,345	-	-	-	220,345
	723,203	**723,203**	**120,740**	**100,705**		**823,908**
Total	**1,667,236**	**1,669,104**	**4,280,007**	**4,258,257**		**5,927,361**
%		28.2%		71.8%		100.0%
Current		1,669,104		149,283		1,818,387
Non-current		-		4,108,974		4,108,974

6.1 Breakdown of investments

	Parent Company							
	December 31, 2017							
	Fair value through profit or loss		Available for sale		Held to maturity			
	Security evaluated by the curve	Market/ Book Value	Security evaluated by the curve	Market/ Book Value	Security evaluated by the curve/ accounting	Market Value	Average interest rate - %	Total
Fixed income securities - Public								
Floating-rate government bond (LFT) (i)	-	-	2,187,335	2,188,272	-	-	SELIC	2,188,272
Inflation-linked government bond (NTN)	-	-	67,705	65,362	-	-	IPCA + 3.8% p.a.	65,362
Fixed income securities - Private								
Debentures	13,107	13,107	-	-	-	-	-	13,107
Fixed time deposits	46,500	46,500	-	-	-	-	-	46,500
Financial bills	-	-	-	-	285,733	285,733	106.4%CDI	285,733
Equity securities								
Stock of Brazilian companies	9,228	9,228	-	-	-	-	-	9,228
Investment Fund Quotas								
Debentures	-	-	20,503	20,563	-	-	110.0%CDI	20,563
Financial bills	-	-	89,624	89,851	-	-	105,4%CDI	89,851
Floating-rate government bond (LFT)	7,028	7,028	1,173,206	1,175,717	-	-	SELIC	1,182,745
Fixed-rate government bond (LTN)	-	-	221,137	219,820	-	-	9.2% p.a.	219,820
Commercial notes	-	-	1,018	1,019	-	-	106.8%CDI	1,019
Inflation-linked government bond (NTN)	-	-	352,864	335,793	-	-	IPCA + 5.1% p.a.	335,793
Quotas of exclusive funds	77,029	77,029	-	-	-	-	-	77,029
Repurchase Operations	312,620	312,620	48,938	48,938	-	-	SELIC	361,558
Other	368	368	17	17	-	-	-	385
Quotas of stock investment funds								
Stock of Brazilian companies	23,343	26,585	-	-	-	-	-	26,585
Repurchase Operations	448	448	-	-	-	-	SELIC	448
Other	264	264	-	-	-	-	-	264
	489,935	**493,177**	**4,162,347**	**4,145,352**	**285,733**	**285,733**		**4,924,262**
Investments abroad								
Quotas of non-exclusive investment funds	96,211	96,211	-	-	-	-	23.6%	96,211
American Deposits Receipt (ii)	-	-	19,873	4,425	-	-	-	4,425
Sovereign debt bond (ii)	-	-	100,329	93,990	-	-	6.8% p.a.	93,990
Fixed-income securities (HSBC)	-	-	30,175	29,347	-	-	2.5% p.a.	29,347
Time deposits abroad (iv)	277,223	277,223	-	-	-	-	5.3% p.a.	277,223
Other investments abroad	233,500	233,500	-	-	-	-	-	233,500
	606,934	**606,934**	**150,377**	**127,762**	**-**	**-**		**734,696**
Total	**1,096,869**	**1,100,111**	**4,312,724**	**4,273,114**	**285,733**	**285,733**		**5,658,958**
%		19.4%		75.5%		5.0%		100.0%
Current		1,100,111		161,813		285,733		1,547,657
Non-Current		-		4,111,301		-		4,111,301

6.1 Breakdown of investments

	Consolidated					
	March 31, 2018					
	Fair value through profit or loss		Available for sale			
	Security evaluated by curve	Market / Book Value	Security evaluated by curve	Market / Book Value	Average interest rate - %	Total
Fixed income securities - Public						
Floating-rate government bond (LFT) (i)	-	-	617,760	618,316	SELIC	618,316
Fixed-rate government bond (LTN)	-	-	67,168	66,493	IPCA + 3.8% p.a.	66,493
Fixed income securities - Private						
Debentures	13,167	13,167	-	-	-	13,167
Fixed time deposits	46,500	46,500	-	-	-	46,500
Quotas of real estate investment funds (FII)						
Non-exclusive real estate funds	-	-	52,639	51,715	-	51,715
Investment Fund Quotas						
Debentures	-	-	29,509	29,614	110.3%CDI	29,614
Financial bills	-	-	82,831	83,015	105.2%CDI	83,015
Floating-rate government bond (LFT)	6,980	7,017	2,901,913	2,903,715	SELIC	2,910,732
Commercial notes	-	-	1,036	1,036	106.8%CDI	1,036
Inflation-linked government bond (NTN-B)	-	-	387,219	383,346	IPCA + 5.1% p.a.	383,346
Inflation-linked government bond (NTN-F)	-	-	31,282	31,468	9.7% p.a.	31,468
Quotas of exclusive investment funds	76,412	76,412	-	-	-	76,412
Quotas of non-exclusive investment funds	42,202	42,202	-	-	SELIC	42,202
Repurchase operations	771,712	771,712	40,552	40,552	-	812,264
Quotas of stock investment funds						
Stock of Brazilian companies	28,836	30,667	-	-	SELIC	30,667
Repurchase operations	337	337	-	-	-	337
	986,146	**988,014**	**4,211,909**	**4,209,270**	27.7%	**5,197,284**
Investments abroad						
Quotas of non-exclusive investment funds	98,929	98,929	-	-	-	98,929
American Deposits Receipt (ii)	-	-	19,968	6,110	6.3% p.a.	6,110
Sovereign debt bond (ii)	-	-	69,846	64,830	2.5% p.a.	64,830
Fixed-income securities (HSBC)	-	-	30,926	29,765	4.0% p.a.	29,765
Time deposits abroad (iv)	403,929	403,929	-	-	-	403,929
Other foreing investments	220,345	220,345	-	-	-	220,345
U.S. Treasury Securities Obligations of U.S.	-	-	6,098	6,047	-	6,047
Obligation of U.S. Government Corporations and Agencies	-	-	2,495	2,481	-	2,481
Non-U.S. Government	-	-	218	218	-	218
Sec Issued by States & Terr.	-	-	1,022	1,017	-	1,017
Corporate Securities	-	-	4,442	4,380	-	4,380
	723,203	**723,203**	**135,015**	**114,848**	-	**838,051**
Total	**1,709,349**	**1,711,217**	**4,346,924**	**4,324,118**		**6,035,335**
%		28.4%		71.6%		100.0%
Current		1,711,217		152,111		1,863,328
Non-current		-		4,172,007		4,172,007

6.1 Breakdown of investments

	Consolidated							
	December 31, 2017							
	Fair value through profit or loss		Avaiable for sale		Held to maturity			
	Security evaluated by the curve	Market/ Book Value	Security evaluated by the curve	Market/ Book Value	Security evaluated by the curve/ accounting	Market Value	Average interest rate - %	Total
Fixed income securities - Public								
Floating-rate government bond (LFT) (i)	-	-	2,187,335	2,188,272	-	-	SELIC	2,188,272
Inflation-linked government bond (NTN)	-	-	67,705	65,362	-	-	IPCA + 3.8% p.a.	65,362
Fixed income securities - Private								
Debentures	13,107	13,107	-	-	-	-	-	13,107
Fixed time deposits	46,500	46,500	-	-	-	-	-	46,500
Financial bills	-	-	-	-	285,733	285,733	106.4%CDI	285,733
Equity securities								
Stock of Brazilian companies	9,228	9,228	-	-	-	-	-	9,228
Quotas of real estate investment funds								
Non-exclusive real estate funds	-	-	50,044	48,004	-	-	-	48,004
Investment Fund Quotas								
Debentures	-	-	20,503	20,563	-	-	110.0%CDI	20,563
Letras Financeiras	-	-	89,624	89,851	-	-	105.4%CDI	89,851
Letras Financeiras do Tesouro	7,028	7,028	1,173,206	1,175,717	-	-	SELIC	1,182,745
Letras do Tesouro Nacional	-	-	221,137	219,820	-	-	9.2% p.a.	219,820
Commercial notes	-	-	1,018	1,019	-	-	106.8%CDI	1,019
Inflation-linked government bond (NTN)	-	-	352,864	335,793	-	-	IPCA + 5.1% p.a.	335,793
Quotas of exclusive investment funds	77,029	77,029	-	-	-	-	-	77,029
Quotas of non-exclusive investment funds	94,520	94,520	-	-	-	-	-	94,520
Repurchase Operations	312,620	312,620	48,956	48,956	-	-	SELIC	361,576
Quotas of stock investment funds								
Stock of Brazilian companies	23,343	26,585	-	-	-	-	-	26,585
Repurchase Operations	513	513	-	-	-	-	SELIC	513
	583,888	**587,130**	**4,212,392**	**4,193,357**	**285,733**	**285,733**		**5,066,220**
Investments abroad								
Quotas of non-exclusive investment funds	96,211	96,211	-	-	-	-	23.6%	96,211
American Deposits Receipt (ii)	-	-	19,873	4,425	-	-	-	4,425
Sovereign debt bonds (ii)	-	-	100,329	93,990	-	-	6.8% p.a.	93,990
Fixed-income securities (HSBC)	-	-	30,175	29,347	-	-	2.5% p.a.	29,347
Time deposits abroad (iv)	277,223	277,223	-	-	-	-	5.3% p.a.	277,223
Other investments abroad	233,500	233,500	-	-	-	-	-	233,500
U.S. Treasury Securities Obligations of U.S.	-	-	6,766	6,766	-	-	-	6,766
Obligation of U.S. Government Corporations and	-	-	1,432	1,432	-	-	-	1,432
Non-U.S. Government	-	-	1,019	1,019	-	-	-	1,019
Sec Issued by States & Terr.	-	-	219	219	-	-	-	219
Corporate Securities	-	-	4,428	4,428	-	-	-	4,428
Short-term Investments	-	-	1,282	1,282	-	-	-	1,282
	606,934	**606,934**	**165,523**	**142,908**	**-**	**-**		**749,842**
Total	**1,190,822**	**1,194,064**	**4,377,915**	**4,336,265**	**285,733**	**285,733**		**5,816,062**
%		20.5%		74.6%		4.9%		100.0%
Current		1,194,064		116,560		285,733		1,596,357
Non-current		-		4,219,705		-		4,219,705

(i) Floating-rate government bond (LFT)

These are government bonds issued by the Brazilian National Treasury that are part of IRB Brasil RE's own portfolio. Their yield is pegged to the Selic basic interest rate and the securities are under custody of Banco do Brasil. These securities are adjusted to their market values, which are obtained through information published by the Brazilian Financial and Capital Markets Association (ANBIMA).

(ii) Sovereign Debt Securities and Debts of Brazilian State-owned Companies (ADR's)

These represent fixed-income securities issued abroad, in U.S. dollar, by the Brazilian Federal Government.

(iii) Time Deposits Abroad

These represent investments in time deposits under the responsibility of Citibank, Habobank and Banco Patagônia, whose maturities range from 12 to 120 days. The original currencies of these investments are the U.S. dollar and the Argentinean peso.

6.1.1 Breakdown of investments by type and maturity

	Parent Company				
	March 31, 2018				
	Without maturity	From 1 to 180 days	From 181 to 365 days	Above 365 days	Total
Fair value through profit or loss					
Fixed income securities - Private					
Debentures	13,167	-	-	-	13,167
Fixed time deposits	46,500	-	-	-	46,500
Investment Fund Quotas					
Quotas of exclusive investment funds	76,412	-	-	-	76,412
Floating-rate government bonds (LFT)	-	94	6,800	123	7,017
Repurchase operations	-	771,204	-	-	771,204
Other	441	-	-	-	441
Quotas of stock investment funds					
Stock of Brazilian companies	30,667	-	-	-	30,667
Repurchase operations	-	298	-	-	298
Other	195	-	-	-	195
Investment abroad					
Quotas of non-exclusive investment funds	98,929	-	-	-	98,929
Time deposits abroad	-	403,929	-	-	403,929
Other investments abroad	220,345	-	-	-	220,345
	486,656	**1,175,525**	**6,800**	**123**	**1,669,104**
Available for sale					
Fixed income securities - Public					
Floating-rate government bonds (LFT)	-	-	-	618,316	618,316
Inflation-linked government bond (NTN)	-	-	-	66,493	66,493
Investment Fund Quotas					
Quotas of exclusive investment funds LP					
Debentures	-	2,137	-	27,477	29,614
Financial bills	-	30,934	31,089	20,992	83,015
Floating-rate government bonds (LFT)	-	27,822	4,526	2,871,367	2,903,715
Comercial notes	-	-	-	1,036	1,036
Inflation-linked government bond (NTN-F)	-	-	-	383,346	383,346
Inflation-linked government bond (NTN-B)		-	-	31,468	31,468
Repurchase operations	-	40,535	-	-	40,535
Other	14	-	-	-	14
Aplicações no Exterior					
American Deposits Receipt	6,110	-	-	-	6,110
Sovereign debt bonds	-	-	-	64,830	64,830
Fixed-income securities (HSBC)	-	4,088	2,028	23,649	29,765
	6,124	**105,516**	**37,643**	**4,108,974**	**4,258,257**

6.1.1 Breakdown of investments by type and maturity

	Parent Company				
	December 31, 2017				
	Without maturity	From 1 to 180 days	From 181 to 365 days	Above 365 days	Total
Fair value through profit or loss					
Fixed income securities - Private					
Debentures	13,107	-	-	-	13,107
Fixed time deposits	46,500	-	-	-	46,500
Equity securities					
Stock of Brazilian companies	9,228	-	-	-	9,228
Investment Fund Quotas					
Quotas of exclusive investment funds	77,029	-	-	-	77,029
Floating-rate government bonds (LFT)	-	6,768	-	260	7,028
Repurchase operations	-	312,620	-	-	312,620
Other	368	-	-	-	368
Quotas of stock investment funds					
Stock of Brazilian companies	26,585	-	-	-	26,585
Repurchase operations	-	448	-	-	448
Other	264	-	-	-	264
Investment abroad					
Quotas of non-exclusive investment funds	96,211	-	-	-	96,211
Time deposits abroad	-	277,223	-	-	277,223
Other investments abroad	233,500	-	-	-	233,500
	502,792	**597,059**	**-**	**260**	**1,100,111**
Available for sale					
Fixed income securities - Public					
Floating-rate government bonds (LFT)	-	-	-	2,188,272	2,188,272
Inflation-linked government bond (NTN)	-	-	-	65,362	65,362
Investment Fund Quotas					
Quotas of exclusive investment funds LP					
Debentures	-	1,664	607	18,292	20,563
Fixed-rate government bond (LTN)	-	-	-	219,820	219,820
Financial bills	-	9,343	56,103	24,405	89,851
Floating-rate government bonds (LFT)	-	16,227	19,254	1,140,236	1,175,717
Commercial note	-	-	-	1,019	1,019
Inflation-linked government bond (NTN)	-	-	-	335,793	335,793
Repurchase operations	-	48,938	-	-	48,938
Other	17	-	-	-	17
Aplicações no Exterior					
American Deposits Receipt	4,425	-	-	-	4,425
Sovereign debt bonds	-	742	-	93,248	93,990
Fixed-income securities (HSBC)	-	2,007	2,486	24,854	29,347
	4,442	**78,921**	**78,450**	**4,111,301**	**4,273,114**
Held to maturity					
Financial bills	-	285,733	-	-	285,733
	-	**285,733**	**-**	**-**	**285,733**

6.1.1 Breakdown of investments by type and maturity

	Consolidated				
	March 31, 2018				
	Without maturity	From 1 to 180 days	From 181 to 365 days	Above 365 ddays	Total
Fair value through profit or loss					
Fixed income securities - Private					
Debentures	13,167	-	-	-	13,167
Fixed time deposits	46,500	-	-	-	46,500
Quotas of exclusive investment funds	76,412	-	-	-	76,412
Floating-rate government bonds (LFT)	-	94	6,800	123	7,017
Repurchase operations	-	771,712	-	-	771,712
Quotas of non-exclusive investment funds	42,202	-	-	-	42,202
Quotas of stock investment funds					
Stock of Brazilian companies	30,667	-	-	-	30,667
Repurchase operations	-	337	-	-	337
Investment abroad					
Quotas of non-exclusive investment funds	98,929	-	-	-	98,929
Time deposits abroad	-	403,929	-	-	403,929
Other investments abroad	220,345	-	-	-	220,345
	528,222	**1,176,072**	**6,800**	**123**	**1,711,217**
Available for sale					
Fixed income securities - Public					
Floating-rate government bonds (LFT)	-	-	-	618,316	618,316
Inflation-linked government bond (NTN)	-	-	-	66,493	66,493
Quotas of real estate investment funds					
Real Estate non-exclusive Investment funds	-	-	-	51,715	51,715
Investment Fund Quotas					
Debentures	-	2,137	-	27,477	29,614
Financial bills	-	30,934	31,089	20,992	83,015
Floating-rate government bonds (LFT)	-	27,822	4,526	2,871,367	2,903,715
Inflation-linked government bond (NTN) - Serie B	-	-	-	383,346	383,346
Inflation-linked government bond (NTN) - Serie F		-	-	31,468	31,468
Comercial notes	-	-	-	1,036	1,036
Repurchase operations	-	40,552	-	-	40,552
Investments abroad					
Quotas of non-exclusive investment funds					
American Deposits Receipt	6,110	-	-	-	6,110
Sovereign debt bonds	-	-	-	64,830	64,830
Fixed-income securities (HSBC)	-	4,088	2,028	23,649	29,765
U.S. Treasury Securities Obligations of U.S.	-	233	1,385	4,429	6,047
Obligation of U.S. Government Corporations and Agencies	-	-	-	2,481	2,481
Non-U.S. Government	-	218	-	-	218
Sec Issued by States & Terr.	-	134	-	883	1,017
Corporate Securities	-	266	589	3,525	4,380
	6,110	**106,384**	**39,617**	**4,172,007**	**4,324,118**

6.1.1 Breakdown of investments by type and maturity

	Consolidated				
	December 31, 2017				
	Without maturity	From 1 to 180 days	From 181 to 365 days	Above 365 days	Total
Fair value through profit or loss					
Fixed income securities - Private					
Debentures	13,107	-	-	-	13,107
Fixed time deposits	46,500	-	-	-	46,500
Fixed income securities					
Stock of Brazilian companies	9,228	-	-	-	9,228
Investment Fund Quotas					
Quotas de Fundos de Investimento Exclusivos	77,029	-	-	-	77,029
Floating-rate government bonds (LFT)	-	6,768	-	260	7,028
Repurchase Operations	-	312,620	-	-	312,620
Quotas on non-exclusive investment funds	94,520	-	-	-	94,520
Quotas of stock investment funds					
Stock of Brazilian companies	26,585	-	-	-	26,585
Repurchase operations	-	513	-	-	513
Investments abroad					
Quotas of non-exclusive investment funds	96,211	-	-	-	96,211
Time deposits abroad	-	277,223	-	-	277,223
Other investments abroad	233,500	-	-	-	233,500
	596,680	**597,124**	**-**	**260**	**1,194,064**
Available for sale					
Fixed income securities - Public					
Floating-rate government bonds (LFT)	-	-	-	2,188,272	2,188,272
Inflation-linked government bond (NTN)	-	-	-	65,362	65,362
Quotas of real estate investment funds					
Real Estate non-exclusive Investment funds	-	-	-	48,004	48,004
Investment Fund Quotas					
Debentures	-	1,664	607	18,292	20,563
Financial bills	-	-	-	219,820	219,820
Floating-rate government bonds (LFT)	-	9,343	56,103	24,405	89,851
Inflation-linked government bond (NTN)	-	16,227	19,254	1,140,236	1,175,717
Comercial notes	-	-	-	1,019	1,019
Inflation-linked government bond (NTN)	-	-	-	335,793	335,793
Repurchase operations	-	-	-	48,956	48,956
Investments abroad					
Quotas of non-exclusive investment funds					
American Deposits Receipt	4,425	-	-	-	4,425
Sovereign debt bonds	-	742	-	93,248	93,990
Fixed-income securities (HSBC)	-	2,007	2,486	24,854	29,347
U.S. Treasury Securities Obligations of U.S.	-	1,059	741	4,966	6,766
Obligation of U.S. Government Corporations and Agencies	-	-	-	1,432	1,432
Non-U.S. Government	-	-	134	885	1,019
Sec Issued by States & Terr.	-	-	219	-	219
Corporate Securities	-	-	267	4,161	4,428
Short-term Investments	1,282	-	-	-	1,282
	5,707	**31,042**	**79,811**	**4,219,705**	**4,336,265**
Held to maturity					
Financial bills	-	285,733	-	-	285,733
	-	**285,733**	**-**	**-**	**285,733**

6.2 Changes in financial investments

				Parent Company
	Fair value through profit or loss	Available for sale	Held to maturity	Total
Balance on December 31, 2016	653,503	4,854,044	263,551	5,771,098
Investments	3,241,822	1,411,516	-	4,653,338
Yield - redemption	(23,768)	(402,140)	-	(425,908)
Principal - redemption	(2,864,049)	(2,048,652)	(5,118)	(4,917,819)
Financial result	89,426	425,534	27,467	542,427
Market value adjustment	-	34,817	-	34,817
Exchange variation	3,177	(2,005)	(167)	1,005
Balances on December 31, 2017	**1,100,111**	**4,273,114**	**285,733**	**5,658,958**

	Fair value through profit or loss	Available for sale	Held to maturity	Total
Balance on December 31, 2017	1,100,111	4,273,114	285,733	5,658,958
Investments	1,622,156	1,659,153	-	3,281,309
Yield - redemption	(2,254)	(236,956)	(88,440)	(327,650)
Principal - redemption	(1,046,383)	(1,524,616)	(200,000)	(2,770,999)
Financial result	2,447	69,779	2,707	74,933
Market value adjustment	-	17,859	-	17,859
Exchange variation	(6,973)	(76)	-	(7,049)
Balances on March 31, 2018	**1,669,104**	**4,258,257**	**-**	**5,927,361**

				Consolidated
	Fair value through profit or loss	Available for sale	Held to maturity	Total
Balance on December 31, 2016	673,464	4,659,626	263,551	5,596,641
Investments	3,670,561	1,637,234	-	5,307,795
Yield - redemption	(23,768)	(402,140)	-	(425,908)
Principal - redemption	(3,218,796)	(2,053,536)	(5,118)	(5,277,450)
Financial result	89,426	462,269	27,467	579,162
Market value adjustment	-	34,817	-	34,817
Exchange variation	3,177	(2,005)	(167)	1,005
Balances on December 31, 2017	**1,194,064**	**4,336,265**	**285,733**	**5,816,062**

	Fair value through profit or loss	Available for sale	Held to maturity	Total
Balance on December 31, 2017	1,194,064	4,336,265	285,733	5,816,062
Investments	1,634,921	1,660,510	-	3,295,431
Yield - redemption	(2,254)	(236,956)	(88,440)	(327,650)
Principal - redemption	(1,148,283)	(1,526,902)	(200,000)	(2,875,185)
Financial result	39,742	73,418	2,707	115,867
Market value adjustment	-	17,859	-	17,859
Exchange variation	(6,973)	(76)	-	(7,049)
Balances on March 31, 2018	**1,711,217**	**4,324,118**	**-**	**6,035,335**

7 Receivables from reinsurance and retrocession operations

Receivables from reinsurance and retrocession operations represent mainly the balances receivable from the operational transactions of domestic and foreign insurers, reinsurers, plus the premiums receivable, the respective commission, the indemnities from claims payable and the credits arising from past operations carried out by the London branch, as follows:

7.1 Breakdown

	Parent Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current				
Operations with insures (7.2.1)	2,338,637	2,263,360	2,338,637	2,263,360
Operations with reinsures (7.2.2)	925,544	949,586	925,544	949,586
Other operating receivables	64,261	65,161	64,275	65,175
Allowance for doubtful accounts	(51,275)	(58,109)	(51,275)	(58,109)
	3,277,167	**3,219,998**	**3,277,181**	**3,220,012**
Non-current				
Operations with insures (7.2.1)	29,754	29,754	29,754	29,754
Allowance for doubtful accounts	(29,754)	(29,754)	(29,754)	(29,754)
	-	-	-	-
Total	**3,277,167**	**3,219,998**	**3,277,181**	**3,220,012**

7.2 Changes

7.2.1 Operations with insurers

	Parent Company and Consolidated				
	Effective premium	Estimated premium	RVNE premium	Claim	Total
Balance on December 31, 2016	**992,605**	**427,444**	**305,437**	**134,280**	**1,859,766**
Premiums receivable	852,659	768,416	163,994	-	1,785,069
Receipts	(787,298)	(573,425)	(119,172)	-	(1,479,895)
Salvage, reimbursements and prepayments for settlement of claims	-	-	-	92,113	92,113
Exchange variation	23,663	8,284	2,481	1,633	36,061
Balance on December 31, 2017	**1,081,629**	**630,719**	**352,740**	**228,026**	**2,293,114**
Current					2,263,360
Non-current					29,754
Total					**2,293,114**

	Parent Company and Consolidated				
	Effective premium	Estimated premium	RVNE premium	Claim	Total
Balance on December 31, 2017	**1,081,629**	**630,719**	**352,740**	**228,026**	**2,293,114**
Premiums receivable	741,667	289,491	10,460	-	1,041,618
Receipts	(874,623)	(69,771)	(2,978)	-	(947,372)
Salvage, reimbursements and prepayments for settlement of claims	-	-	-	(26,111)	(26,111)
Exchange variation	(87)	5,916	1,004	309	7,142
Balance on March 31, 2018	**948,586**	**856,355**	**361,226**	**202,224**	**2,368,391**
Current					2,338,637
Non-current					29,754
Total					**2,368,391**

7.2.2 Operations with reinsurers

	Parent Company and Consolidated			
	Effective premium	Claims	Other	Total
Balance on December 31, 2016	294,121	167,532	4,041	465,694
Premiums receivable	708,978	-	-	708,978
Receipts	(230,651)	-	-	(230,651)
Recovery of losses	-	(29,481)	-	(29,481)
Exchange variation	32,082	266	(42)	32,306
Other receivable	-	-	2,740	2,740
Balance on December 31, 2017	**804,530**	**138,317**	**6,739**	**949,586**
	Effective premium	Claims	Other	Total
Balance on December 31, 2017	804,530	138,317	6,739	949,586
Premiums receivable	273,150	-	-	273,150
Receipts	(272,717)	-	-	(272,717)
Recovery of losses	-	(23,345)	-	(23,345)
Exchange variation	3,952	-	(147)	3,805
Other receivable	-	-	(4,935)	(4,935)
Balance on March 31, 2018	**808,915**	**114,972**	**1,657**	**925,544**

7.3 Aging of receivables from reinsurance and retrocession operations

Analysis of the aging of receivables from reinsurance and retrocession operations is as follows:

	Parent Company			
	March 31, 2018			
Aging	Credit from operations	Debit from operations	ADA	Total
Falling due	2,550,133	(851,366)	(19,738)	1,679,029
Overdue up to 30 days	129,173	(22,224)	(2,251)	104,698
Overdue between 31 and 60 days	107,170	(21,562)	(1,239)	84,369
Overdue between 61 and 120 days	199,511	(39,796)	(4,020)	155,695
Overdue between 121 and 180 days	186,474	(61,904)	(171)	124,399
Overdue between 181 and 365 days	38,436	(28,376)	(2,655)	7,405
Overdue more than 365 days	117,545	(62,484)	(21,201)	33,860
Total	**3,328,442**	**(1,087,712)**	**(51,275)**	**2,189,455**

7.3 Aging of receivables from reinsurance and retrocession operations

	Consolidated			
	March 31, 2018			
Aging	Credit from operations	Debit from operations	ADA	Total
Falling due	2,550,133	(851,366)	(19,738)	1,679,029
Overdue up to 30 days	129,173	(22,224)	(2,251)	104,698
Overdue between 31 and 60 days	107,170	(21,562)	(1,239)	84,369
Overdue between 61 and 120 days	199,511	(39,796)	(4,020)	155,695
Overdue between 121 and 180 days	186,474	(61,904)	(171)	124,399
Overdue between 181 and 365 days	38,436	(28,376)	(2,655)	7,405
Overdue more than 365 days	117,559	(62,755)	(21,201)	33,603
Total	**3,328,456**	**(1,087,983)**	**(51,275)**	**2,189,198**

For the balances of accounts payable and accounts receivable overdue and falling due of R$2,240,730 in the parent company and R$2,240,473 in the consolidated, an allowance for doubtful accounts was recorded in the amount of R$51,275, considering clients' historical default levels using the Company's own methodology, based on the segregation of business partners by operating segment in Brazil and abroad and related parties, the rating based on historical default levels, clients with outstanding liabilities and special treatment for clients under negotiation.

8 Retrocession assets – technical reserves

8.1 Claims – retrocession (breakdown)

Outstanding claims and claims incurred but not reported are as follows:

	Parent Company			
	March 31, 2018			
	Losses outstanding	Losses outstanding dispute in court	Claims incurred but not reported	Total
Aviation	302,936	8,971	74,387	386,294
Vehicle	2,213	37	817	3,067
Mortgage	46	-	27	73
Marine	26,043	1,244	5,488	32,775
Property	702,595	71,504	205,218	979,317
Life	16,096	1,424	10,215	27,735
Oil	49,765	243	8,271	58,279
Liability	193,954	25,399	18,968	238,321
Financial risks	80407	4,812.00	40692	125911
Agriculture	19,542	4,097	10,255	33,894
Cargo	178,578	1,106	10,039	189,723
Acceptances abroad	34,709	-	7,601	42,310
Branches abroad	7,723	-	1,016	8,739
Total	**1,614,607**	**118,837**	**392,994**	**2,126,438**

	Parent Company			
	December 31, 2017			
	Losses outstanding	Losses outstanding dispute in court	Claims incurred but not reported	Total
Aviation	326,728	8,228	179,557	514,513
Vehicle	2,357	37	646	3,040
Mortgage	145	-	45	190
Marine	23,252	1,796	5,080	30,128
Property	796,084	63,877	218,535	1,078,496
Life	21,869	1,387	13,044	36,300
Oil	53,261	237	10,539	64,037
Liability	210,750	30,398	21,599	262,747
Financial risks	77,138	4,790	59,556	141,484
Agriculture	40,281	4,193	9,602	54,076
Cargo	168,611	1,084	4,739	174,434
Acceptances abroad	38,196	-	15,687	53,883
Branches abroad	9,443	-	902	10,345
Total	**1,768,115**	**116,027**	**539,531**	**2,423,673**

8.1 Claims – retrocession (breakdown)

	Consolidated			
	March 31, 2018			
	Losses outstanding	Losses outstanding dispute in court	Claims incurred but not reported	Total
Aviation	302,936	8,971	74,387	386,294
Vehicle	2,213	37	817	3,067
Mortgage	46	-	27	73
Marine	26,043	1,244	5,488	32,775
Property	702,595	71,504	205,218	979,317
Life	16,096	1,424	10,215	27,735
Oil	49,765	243	8,271	58,279
Liability	193,954	25,399	18,968	238,321
Financial risks	80,407	4,812	40,692	125,911
Agriculture	19,542	4,097	10,255	33,894
Cargo	178,578	1,106	10,039	189,723
Acceptances abroad	34,709	-	7,601	42,310
Branches abroad	8,698	-	27,861	36,559
Total	**1,615,582**	**118,837**	**419,839**	**2,154,258**

	Consolidated			
	December 31, 2017			
	Losses outstanding	Losses outstanding dispute in court	Claims incurred but not reported	Total
Aviation	326,728	8,228	179,557	514,513
Vehicle	2,357	37	646	3,040
Mortgage	145	-	45	190
Marine	23,252	1,796	5,080	30,128
Property	796,084	63,877	218,535	1,078,496
Life	21,869	1,387	13,044	36,300
Oil	53,261	237	10,539	64,037
Liability	210,750	30,398	21,599	262,747
Financial risks	77,138	4,790	59,556	141,484
Agriculture	40,281	4,193	9,602	54,076
Cargo	168,611	1,084	4,739	174,434
Acceptances abroad	38,196	-	15,687	53,883
Branches abroad	38,701	-	527	39,228
Total	**1,797,373**	**116,027**	**539,156**	**2,452,556**

8.1.1 Changes

	Parent Company		
	Losses outstanding	Claims incurred but not reported	Total
Balance on December 31, 2016	2,292,696	724,582	3,017,278
Settlement of claims	(3,895,258)	(273,372)	(4,168,630)
Accrual of claim reserve	3,486,704	88,321	3,575,025
Balances on December 31, 2017	**1,884,142**	**539,531**	**2,423,673**

	Losses outstanding	Claims incurred but not reported	Total
Balance on December 31, 2017	1,884,142	539,531	2,423,673
Settlement of claims	(321,014)	(160,640)	(481,654)
Accrual of claim reserve	170,316	14,103	184,419
Balances on March 31, 2018	**1,733,444**	**392,994**	**2,126,438**

	Consolidated		
	Losses outstanding	Claims incurred but not reported	Total
Balance on December 31, 2016	2,322,398	724,582	3,046,980
Settlement of claims	(3,866,000)	(273,372)	(4,139,372)
Accrual of claim reserve	3,457,002	87,946	3,544,948
Balances on December 31, 2017	**1,913,400**	**539,156**	**2,452,556**

	Losses outstanding	Claims incurred but not reported	Total
Balance on December 31, 2017	1,913,400	539,156	2,452,556
Settlement of claims	(349,897)	(188,923)	(538,820)
Accrual of claim reserve	170,916	69,606	240,522
Balances on March 31, 2018	**1,734,419**	**419,839**	**2,154,258**

8.2 Deferred retrocession premiums

	Parent Company and Consolidated						
	March 31, 2018						
	Unearned premium reserve			Deferred reinsurance comission			
	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
Aviation	26,805	3,953	1,648	(93)	(23)	(42)	32,248
Vehicle	1,061	2,121	224	(37)	(47)	(9)	3,313
Mortgage	-	-	5	-	-	(1)	4
Marine	17,258	3,870	1,716	(435)	(193)	(63)	22,153
Nuclear	7,994	-	1,340	(600)	-	(100)	8,634
Property	256,025	66,517	33,406	(10,095)	(6,076)	(2,058)	337,719
Life	3,027	13,121	1,198	(162)	(548)	(174)	16,462
Oil	164,004	21,945	13,257	(5,263)	(549)	(705)	192,689
Liability	29,041	22,914	1,921	(1,717)	(3,523)	(222)	48,414
Financial risks	5,403	-	497	(239)	-	(77)	5,584
Agriculture	13,321	4,942	1,480	(1,224)	(1,754)	(324)	16,441
Cargo	14,451	18,246	11,522	(1,361)	(1,767)	(2,351)	38,740
Acceptances abroad	35,727	3,603	3,310	(615)	(942)	(200)	40,883
Branches abroad	69	6,296	-	(2)	(270)	-	6,093
Total	**574,186**	**167,528**	**71,524**	**(21,843)**	**(15,692)**	**(6,326)**	**769,377**
Current							**724,966**
Non-current							**44,411**

	Parent Company and Consolidated						
	December 31, 2017						
	Unearned premium reserve			Deferred reinsurance comission			
	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
Aviation	34,133	3,938	2,007	(115)	(16)	(50)	39,897
Vehicle	2,287	999	398	(80)	(35)	(17)	3,552
Mortgage	-	-	5	-	-	(1)	4
Marine	14,240	7,178	1,360	(125)	(370)	(50)	22,233
Nuclear	11,427	-	1,319	(857)	-	(99)	11,790
Property	319,513	66,584	45,415	(12,058)	(3,257)	(2,460)	413,737
Life	4,561	11,923	1,737	(676)	(475)	(232)	16,838
Oil	140,273	15,751	8,805	(4,609)	(394)	(625)	159,201
Liability	35,224	19,063	3,049	(1,760)	(3,022)	(317)	52,237
Financial risks	8,146	-	1,284	(68)	-	(277)	9,085
Agriculture	25,172	5,101	1,022	(2,553)	(1,804)	(215)	26,723
Cargo	15,261	13,660	10,749	(449)	(1,521)	(2,069)	35,631
Acceptances abroad	61,176	3,910	3,255	(1,116)	(869)	(207)	66,149
Branches abroad	114	3,235	-	(3)	(130)	-	3,216
Total	**671,527**	**151,342**	**80,405**	**(24,469)**	**(11,893)**	**(6,619)**	**860,293**
Current							**810,820**
Non-current							**49,473**

8.2.1 Changes

	Parent Company and Consolidated						
	Unearned premium reserver			Deferred reinsurance commission			
	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
Balance on December 31, 2016	520,801	110,060	89,898	(28,455)	(11,801)	(7,522)	672,981
Deffered by risk	(395,795)	(124,779)	(39,838)	16,289	13,383	1,460	(529,280)
Constitution	546,521	166,061	30,345	(12,303)	(13,475)	(557)	716,592
Balance on December 31, 2017	**671,527**	**151,342**	**80,405**	**(24,469)**	**(11,893)**	**(6,619)**	**860,293**

	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
Balance on December 31, 2017	671,527	151,342	80,405	(24,469)	(11,893)	(6,619)	860,293
Deffered by risk	(158,438)	(22,514)	(11,100)	4,258	1,198	430	(186,166)
Constitution	61,097	38,700	2,219	(1,632)	(4,997)	(137)	95,250
Balance on March 31, 2018	**574,186**	**167,528**	**71,524**	**(21,843)**	**(15,692)**	**(6,326)**	**769,377**

8.3 Other technical reserves

The reserve for technical surplus ensures amounts for the distribution of surpluses arising from technical surpluses in the operation of agreements, and the provision for related expenses constitutes coverage for expenses relating to claims.

	Parent Company and Consolidated	
	March 31, 2018	December 31, 2017
Aviation	2,553	5,035
Vehicle	16	17
Property	3,010	3,770
Life	8	6
Liability	276	380
Financial risks	1,339	2,177
Agriculture	5	1
Cargo	306	175
Total	**7,513**	**11,561**

9 Trade notes and other receivables

	Parent Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current				
Receivables from mall / properties	-	-	11,833	-
Receivables from court settlements	4,722	3,939	4,722	3,939
Advances to suppliers	5,894	6,147	5,894	6,147
Advances to employees	2,691	442	2,691	442
Other	598	845	5,256	15,148
Total current	**13,905**	**11,373**	**30,396**	**25,676**
Non-current				
Receivables from Caixa Econômica Federal	16,117	16,098	16,117	16,098
Receivables from court settlements	8,006	7,878	8,006	7,878
Receivables from Previrb	57,624	46,853	57,624	46,853
Receivables from settlements	36,503	36,504	37,896	37,715
Total non-current	**118,250**	**107,333**	**119,643**	**108,544**
	132,155	**118,706**	**150,039**	**134,220**

10 Tax and social security credits

10.1 Tax and social security credits

	Parent Company	
	March 31, 2018	December 31, 2017
Current		
Contributions and taxes over paid and recoverable (*)	63,959	114,844
Withholding income tax	59	59
Taxes to offset / recover	4,773	5,426
	68,791	**120,329**
Non-current		
Contributions and taxes over paid and recoverable	39,522	57,868
Tax credits on temporary differences (**)	345,439	348,918
	384,961	**406,786**
	453,752	**527,115**

	Consolidated	
	March 31, 2018	December 31, 2017
Current		
Contributions and taxes over paid and recoverable (*)	63,959	114,844
Withholding income tax	2,268	3,732
Taxes to offset / recover	4,773	5,426
	71,000	**124,002**
Non-current		
Contributions and taxes over paid and recoverable	39,522	57,868
Tax credits on temporary differences (**)	321,494	335,770
	361,016	**393,638**
	432,016	**517,640**

(*)These refer mainly to overpayments of Social Integration Program (PIS) tax (R$63,959), arising from the claim to expand the base, for which a final and unappealable decision was issued on October 29, 2013, with the claim for reimbursement filed on December 19, 2013. To determine and record these amounts, the Company considered the credits for which there are no doubts or discussions regarding their calculation base. These credits have been used by the Company to settle monthly direct taxes payable (PIS and COFINS). In 1Q18, the amount of R$51,804 was offset.

(**) Provisional Measure No. 675 of May 21, 2015 (“MP”) increased the Social Contribution tax rate to 20%, effective as from September 1, 2015.

10.1.1 Tax credits on temporary differences

Deferred income and social contribution taxes on temporary differences are as follows:

	Parent Company			
	March 31, 2018		December 31, 2017	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Non-current				
Tax credits on temporary differences				
Labor reserves (a)	465,614	465,614	457,853	457,853
Reserves for devaluation of investments (b)	141,312	141,312	140,763	140,763
Allowance for doubtful accounts (c)	230,489	230,489	237,209	237,209
Provision for tax and social security contingencies (d)	165,336	165,336	161,017	161,017
Market value adjustment - securities available for sale	21,750	21,750	39,609	39,609
Actuarial gains and losses - Post-employment benefits	(39,060)	(39,060)	(36,880)	(36,880)
Provision for labor contingencies (d)	57,131	57,131	56,274	56,274
Market value adjustment - investment	(27,613)	(27,613)	(41,882)	(41,882)
Restatement of tax / labor judicial deposits	(208,444)	(208,444)	(200,854)	(200,854)
Other reserves	3,489	3,489	3,003	3,003
Calculation basis	**810,004**	**810,004**	**816,112**	**816,112**
Effective nominal rate	25.0%	20.0%	25.0%	20.0%
Tax credit temporary differences	**202,501**	**142,938**	**204,028**	**144,890**

	Consolidated			
	March 31, 2018		December 31, 2017	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Non-current				
Tax credits on temporary differences				
Labor reserves (a)	465,614	465,614	457,853	457,853
Reserves for devaluation of investments (b)	141,312	141,312	140,763	140,763
Allowance for doubtful accounts (c)	230,489	230,489	237,209	237,209
Provision for tax and social security contingencies (d)	165,336	165,336	161,017	161,017
Market value adjustment - securities available for sale	(48,676)	(48,676)	938	938
Actuarial gains and losses - Post-employment benefits	(39,060)	(39,060)	(36,880)	(36,880)
Provision for labor contingencies (d)	57,131	57,131	56,274	56,274
Market value adjustment - investment	(27,613)	(27,613)	(41,882)	(41,882)
Restatement of tax / labor judicial deposits	(208,444)	(208,444)	(200,854)	(200,854)
Other reserves	3,485	3,485	3,003	3,003
Calculation basis	**739,574**	**739,574**	**777,441**	**777,441**
Effective nominal rate	25.0%	20.0%	25.0%	20.0%
Tax credit temporary differences	**184,894**	**136,600**	**194,360**	**141,410**

Deferred income and social contribution tax credits arising from temporary differences are accrued based on rates of 25.0% and 20.0%, respectively. For temporary differences to be realized as from January 1, 2019, the Company considered the rate of 15.0% to record the deferred social contribution.

(a) The utilization of the tax credit is based on an actuarial calculation of the realization of labor provisions and considers Management's expectation regarding the realization of the asset.

(b) These refer to the provision for losses on the financial investments “Banco Econômico” which is in litigation.

(c) The realization of the tax credit on the allowance for doubtful accounts is related to the administrative or judicial recovery of the credit or Management’s decision to write off the loss.

(d) The realization of the tax credit on the provision for tax, social security and labor contingencies is subject to a final decision and the termination date of these litigations.

11 Deferred acquisition costs

	Parent Company and Consolidated							
	March 31, 2018				December 31, 2017			
	Effective	Estimated	RVNE	Total	Effective	Estimated	RVNE	Total
Aviation	2,071	100	304	2,475	2,219	34	294	2,546
Vehicle	78	22	15	115	115	10	26	150
Mortgage	469	-	15	483	76	10	10	96
Marine	1,411	1	489	1,902	1,445	1	317	1,762
Property	9,153	743	1,214	11,110	8,600	345	1,402	10,347
Life	1,280	33	107	1,420	1,118	4	95	1,218
Oil	4,054	-	1,228	5,282	4,925	-	1,258	6,183
Liability	1,430	46	90	1,566	1,256	36	215	1,507
Financial risks	435	198	14	647	441	223	24	688
Agriculture	113	278	22	413	176	166	13	356
Cargo	2,806	33	1,394	4,233	3,232	33	1,474	4,739
Acceptances abroad	18,382	6,539	6,442	31,363	18,929	4,613	7,211	30,753
Branches abroad	1,223	393	-	1,616	1,538	54	-	1,592
Total	**42,904**	**8,385**	**11,334**	**62,624**	**44,071**	**5,528**	**12,339**	**61,938**

12 Property held for sale

	Parent Company	
	Malls	Total
Cost of properties to lease - gross		
Balance on December 31, 2016	7,879	7,879
As of December 31, 2017	**7,879**	**7,879**
Accumulated depreciation		
Balance on December 31, 2016	(1,733)	(1,733)
Depreciation	(315)	(315)
As of December 31, 2017	**(2,048)**	**(2,048)**
Net book value	**5,831**	**5,831**
Cost of properties to lease - gross		
Balance on December 31, 2017	7,879	7,879
As of March 31, 2018	**7,879**	**7,879**
Accumulated depreciation		
Balance on December 31, 2017	(2,048)	(2,048)
Depreciation	(79)	(79)
As of March 31, 2018	**(2,127)**	**(2,127)**
Net book value	**5,752**	**5,752**

12 Property held for sale

	Consolidated			
	Land	Buildings	Malls	Total
Cost of properties to lease - gross				
Balance on December 31, 2016	16,447	763	385,406	402,616
Acquisition (*)	-	1,574	97,489	99,063
Sale	-	-	(275)	(275)
As of December 31, 2017	**16,447**	**2,337**	**482,620**	**501,404**
Accumulated depreciation				
Balance on December 31, 2016	-	(763)	(17,192)	(17,955)
Depreciation	-	(1)	(6,732)	(6,733)
Sale	-	-	275	275
As of December 31, 2017	**-**	**(764)**	**(23,649)**	**(24,413)**
Net book value	**16,447**	**1,573**	**458,971**	**476,991**
Cost of properties to lease - gross				
Balance on December 31, 2017	16,447	2,337	482,620	501,404
Acquisition (*)	-	15,695	49,677	65,372
Sale	-	(1,520)	(228)	(1,748)
As of March 31, 2018	**16,447**	**16,512**	**532,069**	**565,028**
Accumulated depreciation				
Balance on December 31, 2017	-	(764)	(23,649)	(24,413)
Depreciation	-	(1)	(902)	(903)
As of March 31, 2018	**-**	**(765)**	**(24,551)**	**(25,316)**
Net book value	**16,447**	**15,747**	**507,518**	**539,712**

(*) Amounts of R$ 97,489 and R$ 49,677 related to the acquisition of an interest in Estacionamento do Internacional Shopping Guarulhos – Fundo de Investimento Imobiliário Parking Partners and acquisitions of Shopping Malls in the period.

(a) The breakdown of investments in shopping malls, with the equity interest held by IRB Investimentos e Participações Imobiliárias S.A. and respective improvements made in the quarter ended March 31, 2018:

		Improvements made	
		March 31, 2018	December 31, 2017
	Investment percentage	Improvements made	Improvements made
Park Shopping - Brasília	20.0%	14,048	14,148
Esplanada - Sorocaba	15.0%	-	63
Praia de Belas - Porto Alegre	20.0%	601	609
Minas Shopping - Belo Horizonte	19.0%	-	57
Shopping Barra - Salvador	20.0%	-	-
Book value of improvements in active malls		**14,649**	**14,877**
Depreciation de improvements			
Park Shopping - Brasília		(3,507)	(3,430)
Net book value of improvements in active malls		**11,142**	**11,447**

Investments in shopping malls, evaluated at market value R$615,303 on March 31, 2018, are recorded at cost and the Company determines annually the cash flows expected for these investments and accrues provisions for losses, when applicable.

The present value of the minimum payments of lease receivables by the Company in the following periods is as follows:

	March 31, 2018	December 31, 2017
Up to one year	42,266	43,715
Between one and five years	149,458	152,005
More than five years	149,367	147,303
Total	**341,091**	**343,023**

13 Property and equipment

	Parent Company						
	Land and buildings	Data processing equipment	Telecommunication equipment	Furniture, machinery and fixtures	Other property and equipment	Vehicles	Total
Gross cost of property and equipment							
Balance on December 31, 2016	21,882	47,995	3,540	9,365	15,578	115	98,475
Additions	-	8,951	46	68	30,437	-	39,502
Write-offs	-	33	-	(3,564)	-	-	(3,531)
Transfers	40,480	-	-	559	(41,039)	-	-
As of December 31, 2017	**62,362**	**56,979**	**3,586**	**6,428**	**4,976**	**115**	**134,446**
Accumulated depreciation							
Balance on December 31, 2016	(9,942)	(34,602)	(1,700)	(5,481)	(18)	(13)	(51,756)
Depreciation	(1,042)	(6,122)	(656)	(596)	(527)	(23)	(8,966)
Write-offs	-	1	-	3,585	-	-	3,586
As of December 31, 2017	**(10,984)**	**(40,723)**	**(2,356)**	**(2,492)**	**(545)**	**(36)**	**(57,136)**
Net book value	**51,378**	**16,256**	**1,230**	**3,936**	**4,431**	**79**	**77,310**
Gross cost of property and equipment							
Balance on December 31, 2017	62,362	56,979	3,586	6,428	4,976	115	134,446
Additions	-	500	9	-	2,316	130	2,955
Write-offs	-	-	-	(11)	-	-	(11)
As of March 31, 2018	**62,362**	**57,479**	**3,595**	**6,417**	**7,292**	**245**	**137,390**
Accumulated depreciation							
December 31, 2017	(10,984)	(40,723)	(2,356)	(2,492)	(545)	(36)	(57,136)
Depreciation	(579)	(1,664)	(148)	(156)	(130)	(10)	(2,687)
As of March 31, 2018	**(11,563)**	**(42,387)**	**(2,504)**	**(2,648)**	**(675)**	**(46)**	**(59,823)**
Net book value	**50,799**	**15,092**	**1,091**	**3,769**	**6,617**	**199**	**77,567**

13 Property and equipment

	Consolidated						
	Land and buildings	Data processing equipment	Telecommunication equipment	Furniture, machinery and fixtures	Other property and equipment	Vehicles	Total
Gross cost of property and equipment							
Balance on December 31, 2016	21,882	47,995	3,540	9,365	15,578	115	98,475
Additions	-	8,953	46	70	30,510	-	39,579
Write-offs	-	31	-	(3,564)	-	-	(3,533)
Transfers	40,480	-	-	559	(41,039)	-	-
As of December 31, 2017	**62,362**	**56,979**	**3,586**	**6,430**	**5,049**	**115**	**134,521**
Accumulated depreciation							
Balance on December 31, 2016	(9,942)	(34,602)	(1,700)	(5,481)	(18)	(13)	(51,756)
Depreciation	(1,042)	(6,122)	(656)	(596)	(527)	(23)	(8,966)
Write-offs	-	1	-	3,585	-	-	3,586
As of December 31, 2017	**(10,984)**	**(40,723)**	**(2,356)**	**(2,492)**	**(545)**	**(36)**	**(57,136)**
Net book value	**51,378**	**16,256**	**1,230**	**3,938**	**4,504**	**79**	**77,385**
Gross cost of property and equipment							
Balance on December 31, 2017	62,362	56,979	3,586	6,430	5,049	115	134,521
Additions	-	500	9	-	2,316	130	2,955
Write-offs	-	-	-	(11)	-	-	(11)
As of March 31, 2018	**62,362**	**57,479**	**3,595**	**6,419**	**7,365**	**245**	**137,465**
Accumulated depreciation							
Balance on December 31, 2017	(10,984)	(40,723)	(2,356)	(2,492)	(545)	(36)	(57,136)
Depreciation	(579)	(1,664)	(148)	(156)	(130)	(10)	(2,687)
As of March 31, 2018	**(11,563)**	**(42,387)**	**(2,504)**	**(2,648)**	**(675)**	**(46)**	**(59,823)**
Net book value	**50,799**	**15,092**	**1,091**	**3,771**	**6,690**	**199**	**77,642**

14 Intangible assets

	Parent Company		
	Software development cost	Software under development	Total
Gross cost of intangible assets			
Balance on December 31, 2016	127,977	2,073	130,050
Additions	13,039	2,699	15,738
Transfers	(1,428)	1,428	-
As of December 31, 2017	**139,588**	**6,200**	**145,788**
Accumulated amortization			
Balance on December 31, 2016	(67,774)	-	(67,774)
Amortization	(23,917)	-	(23,917)
As of December 31, 2017	**(91,691)**	**-**	**(91,691)**
Net book value	**47,897**	**6,200**	**54,097**
Gross cost intangible assets			
As of December 31, 2017	139,588	6,200	145,788
Additions	4,571	448	5,019
Balance on March 31, 2018	**144,159**	**6,648**	**150,807**
Accumulated amortization			
As of December 31, 2017	(91,691)	-	(91,691)
Amortization	(6,868)	-	(6,868)
Balance on March 31, 2018	**(98,559)**	**-**	**(98,559)**
Net book value	**45,600**	**6,648**	**52,248**

14 Intangible assets

	Consolidated		
	Software development costs	Software under development	Total
Gross cost of intangible assets			
Balance on December 31, 2016	127,977	2,073	130,050
Additions	13,039	2,900	15,939
Transfers	(1,428)	1,428	-
As of December 31, 2017	**139,588**	**6,401**	**145,989**
Accumulated amortization			
Balance on December 31, 2016	(67,774)	-	(67,774)
Amortization	(23,917)	-	(23,917)
As of December 31, 2017	**(91,691)**	**-**	**(91,691)**
Net book value	**47,897**	**6,401**	**54,298**
Gross cost of intangible assets			
Balance on December 31, 2017	139,588	6,401	145,989
Additions	4,571	448	5,019
As of March 31, 2018	**144,159**	**6,849**	**151,008**
Accumulated amortization			
Balance on December 31, 2017	(91,691)	-	(91,691)
Amortization	(6,868)	-	(6,868)
As of March 31, 2018	**(98,559)**	**-**	**(98,559)**
Net book value	**45,600**	**6,849**	**52,449**

15 Obligations payable and provisions for post-employment benefits

15.1 Payables

	Parent Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Suppliers	2,506	6,396	11,434	14,479
Dividends	442,253	2,854	442,253	2,854
Interest on equity	121,968	61,753	121,968	61,753
Profit sharing	23,137	23,137	23,137	23,137
Key management compensation	4,264	4,264	4,264	4,264
Other	942	1,465	1,886	2,943
Total	**595,070**	**99,869**	**604,942**	**109,430**
Current	**592,679**	**97,478**	**601,966**	**106,531**
Non-current	**2,391**	**2,391**	**2,976**	**2,899**

15.2 Provision for post-employment benefits

	Parent Company and Consolidated	
	March 31, 2018	December 31, 2017
Post-employment benefit - Retirement (i)	153,314	154,270
Post-employment benefit - Healthcare plan (ii)	308,682	300,371
Post-employent benefit - Life insurance (iii)	1,970	1,556
Post-employment benefit - Funeral assistance (iv)	1,648	1,647
	465,614	**457,844**
Current	**40,078**	**38,655**
Non-current	**425,536**	**419,189**
	465,614	**457,844**

(i) Post-employment benefit - retirement

The Company pays a complementary pension and amounts due to the death of employees hired before December 31, 1968, enhanced complementary retirement benefits for employees retired before February 28, 1975 and pension improvement benefits for the beneficiaries of employees who died before February 28, 1975.

(ii) Post-employment benefit – healthcare and dental plan

Self-management plans with healthcare coverage (outpatient), surgery (inpatient), obstetric and dental care, in addition to reimbursements and drugstore benefits for active employees, retired employees and pension holders, as well as their dependents: for employees hired before May 31, 2004. Dependents include spouse, children (until 24 years) and parents, with household income below the minimum wage. For employees hired on or after June 1, 2004, only spouses and children (until 24 years) are considered as dependents. For those who joined the Company after October 14, 1996, IRB Brasil RE pays 50.0% of the plan's costs, i.e. of the amounts in tables I and II (items 5.1.4 and 5.1.5 of section 1 of the PCAM Standards – Healthcare Contribution Plan), while the employees and beneficiaries pay the other 50.0%. For those who joined the Company before October 13, 1996, the contribution of the employee and their dependents ranges from 0.3% to 2.0% of the amount of the items that compose the reference wage. The contributions are deducted monthly from their salary and varying in accordance with the hiring date, base salary amount (%) and age bracket (tables).

(iii) Post-employment benefit – life insurance

IRB Brasil RE pays 100.0% of the premium for employees hired before 1998 and 50.0% of the premium for employees hired after that year. In the latter case, the employee's participation is optional. Employees who retired based on time of service and want to maintain their policy pay the full premium. IRB is fully responsible for the cost of premiums for retirees due to disability.

(iv) Post-employment benefit – funeral assistance

This benefit is available only to employees hired prior to October 31, 1996. The benefit is limited to R$ 1,344.87 for a simple funeral, R$ 1,554.63 for cremation and R$ 2,640.80 for a funeral with cremation.

16 Provisions for taxes and contributions

	Parent Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
IRPJ payable	9,899	25,713	13,826	28,690
CSLL payable	13,156	21,927	14,580	23,064
PIS/COFINS payable	7,239	2,963	7,402	3,762
Total	**30,294**	**50,603**	**35,808**	**55,516**

(*) IRPJ (corporate income tax) of branch in Argentina 2017 reclassified from taxes and social charges payable to provision for taxes and contributions.

17 Payables from reinsurance and retrocession operations

Payables from reinsurance and retrocession operations mainly arise from the operational transactions of insurers and local and foreign reinsurers, plus the premiums payable, the respective commission, the indemnities from claims payable and the debits arising from past operations carried out by the London branch, as follows:

17.1 Breakdown

	Parent Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Current				
Operations with insurers	340	606	340	606
Operations with reinsurers	970,695	1,137,443	970,695	1,137,443
Reinsurance, retrocession and other brokers	85,163	82,759	85,434	83,029
Other operating debits	30,725	31,087	30,725	31,087
	1,086,923	**1,251,895**	**1,087,194**	**1,252,165**
Non-current				
Other operating debits	789	789	789	789
	1,087,712	**1,252,684**	**1,087,983**	**1,252,954**

17.2 Changes

17.2.1 Operations with insurers

	Parent Company and Consolidated		
	Premiums	Other	Total
Balance on December 31, 2016	361	4,799	5,160
Premiums, comission and retrocession interest paid	(83)	-	(83)
Other paid	-	(4,473)	(4,473)
Exchange variation	(5)	7	2
Balance on December 31, 2017	**273**	**333**	**606**

	Premiums	Other	Total
Balance on December 31, 2017	273	333	606
Premiums, comission and retrocession interest paid	(20)	(235)	(255)
Exchange variation	1	(12)	(11)
Balance on March 31, 2018	**254**	**86**	**340**

17.2.2 Operations with reinsurers

	Parent Company and Consolidated			
	Premiums	Claims	Other	Total
Balance on December 31, 2016	743,584	39,335	13,105	796,024
Premiums, commission and retrocession interest paid	905,540	-	-	905,540
Premiums, commission and retrocession interest payable	(594,657)	-	-	(594,657)
Reinsurance loss payable	-	6,856	-	6,856
Reissurance loss paid	-	(46)	-	(46)
Other payables	-	-	22,065	22,065
Other paid	-	-	(9,785)	(9,785)
Exchange variation	11,918	(626)	154	11,446
Balance on December 31, 2017	**1,066,385**	**45,519**	**25,539**	**1,137,443**

	Premiums	Claims	Other	Total
Balance on December 31, 2017	1,066,385	45,519	25,539	1,137,443
Premiums, commission and retrocession interest paid	349,092	-	-	349,092
Premiums, commission and retrocession interest payable	(481,246)	-	-	(481,246)
Reinsurance loss payable	-	193	-	193
Reissurance loss paid	-	(34,580)	-	(34,580)
Other payables	-	-	9,731	9,731
Other paid	-	-	(8,996)	(8,996)
Exchange variation	(690)	(321)	69	(942)
Balance on March 31, 2018	**933,541**	**10,811**	**26,343**	**970,695**

18 Third-party deposits

The following table provides a breakdown of this account by age of the deposit.

	Parent Company and Consolidated	
	March 31, 2018	December 31, 2017
Up to 30 days	112,235	47,424
Between 31 and 60 days	37,559	94,002
Between 61 and 120 days	11,034	14,520
Between 121 and 180 days	37,655	2,574
Between 181 and 365 days	8,455	8,246
More than 365 days	275	-
	207,213	**166,766**

19 Technical reserves

19.1 Reserve for unearned premiums and acquisition costs

	Parent Company and Consolidated						
	March 31, 2018						
	Unearned premium reserve			Deferred reinsurance commission			
	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
Aviation	34,384	9,368	4,901	(1,150)	(1,731)	(220)	45,552
Vehicle	3,531	3,710	771	(616)	(437)	(142)	6,817
Mortgage	7,194	1,762	1,411	(35)	(260)	(218)	9,854
Marine	32,059	6,724	9,166	(1,268)	(636)	(432)	45,613
Nuclear	8,408	-	1,405	-	-	-	9,813
Property	428,978	140,931	68,057	(16,849)	(22,922)	(3,319)	594,876
Life	22,569	18,911	10,401	(136)	(5,361)	(1,347)	45,037
Oil	175,823	23,099	18,091	(1,692)	-	(229)	215,092
Liabilities	42,706	27,020	2,925	(1,777)	(4,963)	(227)	65,684
Financial risks	147,558	52,916	4,637	(58,108)	(22,843)	(1,781)	122,379
Agriculture	76,593	110,546	15,089	(17,345)	(27,569)	(3,579)	153,735
Cargo	40,448	28,320	27,493	(3,765)	(3,931)	(2,861)	85,704
Acceptances abroad	238,515	293,676	68,833	(25,331)	(57,389)	(3,367)	514,937
Branches abroad	22,058	23,240	-	(3,229)	(5,329)	-	36,740
	1,280,824	**740,223**	**233,180**	**(131,301)**	**(153,371)**	**(17,722)**	**1,951,833**
Current							**1,795,486**
Non-current							**156,347**

	Parent Company and Consolidated						
	December 31, 2017						
	Unearned premium reserve			Deferred reinsurance commission			
	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
Aviation	31,581	7,723	5,123	(1,201)	(1,219)	(292)	41,715
Vehicle	5,656	2,297	1,464	(736)	(390)	(290)	8,001
Mortgage	4,353	1,749	1,444	(164)	(259)	(259)	6,864
Marine	30,394	9,572	6,397	(1,803)	(475)	(379)	43,706
Nuclear	11,893	-	1,384	-	-	-	13,277
Property	481,327	119,383	82,937	(19,150)	(16,263)	(3,386)	644,848
Life	16,229	15,928	13,265	-	(4,651)	(2,616)	38,155
Oil	151,363	16,580	13,656	(2,130)	-	(258)	179,211
Liabilities	48,581	22,482	4,917	(2,217)	(3,925)	(285)	69,553
Financial risks	148,417	49,720	6,449	(58,297)	(21,199)	(2,085)	123,005
Agriculture	157,162	103,457	10,409	(37,620)	(24,793)	(2,454)	206,161
Cargo	44,042	21,986	28,822	(2,689)	(3,445)	(2,865)	85,851
Acceptances abroad	271,203	206,586	69,567	(32,379)	(41,323)	(2,411)	471,243
Branches abroad	22,500	20,503	-	(2,566)	(5,120)	-	35,317
	1,424,701	**597,966**	**245,834**	**(160,952)**	**(123,062)**	**(17,580)**	**1,966,907**
Current							**1,836,237**
Non-current							**130,670**

19.1.1 Changes

	Parent Company and Consolidated					
	Unearned premium reserve			Deferred reinsurance commission		
	Effective	Estimated	RVNE	Effective	Estimated	RVNE
Balance on December 31, 2016	1,325,957	453,976	220,386	(170,993)	(95,562)	(31,466)
Deferred by risk	(582,824)	(323,798)	(88,312)	115,912	61,263	14,906
Accrual	681,568	467,788	113,760	(105,871)	(88,763)	(1,020)
Balance on December 31, 2017	**1,424,701**	**597,966**	**245,834**	**(160,952)**	**(123,062)**	**(17,580)**

	Unearned premium reserve			Deferred reinsurance commision		
	Effective	Estimated	RVNE	Effective	Estimated	RVNE
Balance on December 31, 2017	1,424,701	597,966	245,834	(160,952)	(123,062)	(17,580)
Deferred by risk	(190,455)	(43,409)	(19,503)	37,272	4,523	208
Accrual	46,578	185,666	6,849	(7,621)	(34,832)	(350)
Balance on March 31, 2018	**1,280,824**	**740,223**	**233,180**	**(131,301)**	**(153,371)**	**(17,722)**

19.2 Provision for claims payable and for claims incurred but not reported

	March 31, 2018					
	Parent Company			Consolidated		
	Losses outstanding	Losses outstanding disputed in court	Claims incurred but not reported	Losses outstanding	Losses outstanding disputed in court	Claims incurred but not reported
	Reinsurance	Reinsurance	Reinsurance	Reinsurance	Reinsurance	Reinsurance
Aviation	348,842	12,559	101,893	348,842	12,559	101,893
Vehicle	129,068	24,163	27,778	129,068	24,163	27,778
Mortgage	10,179	855	7,275	10,179	855	7,275
Marine	107,367	2,255	22,285	107,367	2,255	22,285
Nuclear	2	-	-	2	-	-
Property	1,239,120	149,989	386,270	1,239,120	149,989	386,270
Life	130,705	7,907	70,680	130,705	7,907	70,680
Oil	73,241	286	12,233	73,241	286	12,233
Liabilities	411,912	87,295	44,202	411,912	87,295	44,202
Financial Risks	187,419	11,993	131,208	187,419	11,993	131,208
Agricultural	76,907	11,038	176,001	76,907	11,038	176,001
Cargo	296,689	4,604	31,659	296,689	4,604	31,659
Acceptances abroad	779,647	-	411,769	779,648	-	411,769
Branches abroad	68,034	-	13,069	68,034	-	13,069
Run-off (*)	72,731	-	95,361	73,705	-	123,176
	3,931,863	**312,944**	**1,531,683**	**3,932,838**	**312,944**	**1,559,498**

19.2 Provision for claims payable and for claims incurred but not reported

	December 31, 2017					
	Parent Company			Consolidated		
	Losses outstanding	Losses outstanding disputed in court	Claims incurred but not reported	Losses outstanding	Losses outstanding disputed in court	Claims incurred but not reported
	Reinsurance	Reinsurance	Reinsurance	Reinsurance	Reinsurance	Reinsurance
Aviation	408,154	14,514	201,658	408,154	14,514	201,658
Vehicle	149,481	27,084	22,317	149,481	27,084	22,317
Mortgage	14,207	831	11,371	14,207	831	11,371
Marine	109,859	-	21,666	109,859	-	21,666
Property	1,375,778	138,856	397,360	1,375,778	138,856	397,360
Life	146,893	7,706	77,663	146,893	7,706	77,663
Oil	73,619	279	15,209	73,619	279	15,209
Liabilities	432,796	97,467	41,974	432,796	97,467	41,974
Financial risks	198,887	11,724	148,994	198,887	11,724	148,994
Agriculture	96,328	11,047	166,971	96,328	11,047	166,971
Cargo	279,600	2,280	37,098	279,600	2,280	37,098
Acceptances abroad	626,256	-	435,709	655,514	-	435,709
Branches abroad	47,680	-	14,543	47,680	-	14,543
Run-off (*)	71,968	-	94,947	71,968	-	94,947
	4,031,506	**311,788**	**1,687,480**	**4,060,764**	**311,788**	**1,687,480**

(*)This includes the reserve for the risk of environmental pollution, disease and other damages arising from asbestos leakage. These estimates comprise a higher level of uncertainty in relation to those related to the other risks, since the occurrence and development of this type of loss is less predictable.

19.2.1 Changes

	Parent Company		Consolidated	
	Claims payable	Claims incurred but not reported	Claims payable	Claims incurred but not reported
Balance on December 31, 2016	4,982,898	1,547,368	4,982,898	1,577,065
Settlement of claims	(1,823,374)	(353,821)	(1,823,022)	(383,518)
Accrual of claim reserve	1,183,770	493,933	1,212,676	493,933
Balance on December 31, 2017	**4,343,294**	**1,687,480**	**4,372,552**	**1,687,480**

	Parent Company		Consolidated	
	Claims payable	Claims incurred but not reported	Claims payable	Claims incurred but not reported
Balance on December 31, 2017	4,343,294	1,687,480	4,372,552	1,687,480
Settlement of claims	(565,832)	(198,229)	(565,832)	(198,229)
Accrual of claim reserve	467,345	42,432	439,062	70,247
Balance on March 31, 2018	**4,244,807**	**1,531,683**	**4,245,782**	**1,559,498**

19.2.2 Court-disputed claims

On March 31, 2018 and December 31, 2017, the caption "claims pending payment" includes amounts payable related to claims being disputed in court mainly involving disputes of qualification for coverage under contractual conditions and discrepancies between the amounts claimed by the insured parties and the assessments of legal advisors, internal lawyers and/or the technical department of the Reinsurer.

The percentages calculated on an actuarial basis, by probability of loss, and the corresponding provision accrued are as follows:

	Parent Company and Consolidated					
	March 31, 2018					
Probability	Number	Total exposure value	%	Claim pending payment	Retrocession	Net
Probable	655	333,893	42.0%	140,235	(40,873)	99,362
Possible	553	442,006	35.0%	154,702	(66,174)	88,528
Remote	196	360,140	5.0%	18,007	(11,790)	6,217
	1,404	**1,136,039**		**312,944**	**(118,837)**	**194,107**

	Parent Company and Consolidated					
	December 31, 2017					
Probability	Number	Total exposure value	%	Claim pending payment	Retrocession	Net
Probable	671	355,898	42.0%	149,477	(45,673)	103,804
Possible	564	413,211	35.0%	144,624	(58,795)	85,829
Remote	201	353,740	5.0%	17,687	(11,559)	6,128
	1,436	**1,122,849**		**311,788**	**(116,027)**	**195,761**

These court-disputed claims are recorded as liabilities under claims pending settlement, and the recoverable values related to the retrocession are classified under "retrocession assets - technical reserves," under retrocession claims.

19.2.2.1 Aging of court-disputed claims

	Parent Company and Consolidated		
	March 31, 2018		
Aging	Gross of retrocession	Retrocession	Net of retrocession
From 0 to 60 days	6,870	(5,787)	1,083
From 61 to 90 days	51	(41)	10
From 91 to 120 days	28,972	(11,589)	17,383
From 121 to 180 days	536	(245)	291
From 181 to 365 days	8,065	(3,340)	4,725
More than 365 days	268,450	(97,835)	170,615
	312,944	**(118,837)**	**194,107**

19.3 Other provisions

Since 2009, a reserve for technical surplus has been accrued to ensure the amounts for distributing surpluses arising from technical surpluses in the operationalization of agreements, and a provision for related expenses was accrued to cover expenses related to claims.

	Parent Company and Consolidated	
	March 31, 2018	December 31, 2017
Aviation	6,105	8,161
Vehicle	1,254	1,427
Mortgage	11,688	6,941
Marine	188	218
Nuclear	7	11
Property	23,969	15,460
Life	42295	36777
Oil	171	215
Liabilities	2,320	2,352
Financial risks	48,520	28,894
Agriculture	49269	40641
Cargo	4,474	5,982
Acceptances abroad	26,536	30,257
	216,796	**177,336**

20 Guarantee of technical reserves

In accordance with Resolution 4.444 issued by the National Monetary Council (CMN) on November 13, 2015 and amendments as per Resolution CMN 4.633 on February 22, 2018, the Reinsurer's technical reserves were covered as follows:

	Parent Company		Consolidated	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Reinsurance technical reserves	**7,945,119**	**8,175,017**	**7,973,909**	**8,204,275**
(-) Retrocession assets (*)	2,903,328	3,295,527	2,931,148	3,324,410
(+) Assets - reduction - PPNG(*)	602,178	702,539	602,178	702,539
(-) Assets - reduction - Acquisition cost (*)	3,299	573	3,299	573
(-) Receivable rights (*)	1,090,836	991,258	1,090,836	991,258
Amount to be guaranteed	**4,549,834**	**4,590,198**	**4,550,804**	**4,590,573**
Assets given as collateral				
Quotas of exclusive investment funds	4,358,977	2,316,060	4,358,977	2,316,060
Stock of other companies	-	9,228	-	9,228
Floating-rate government bond (LFT)	594,269	2,164,602	594,269	2,164,602
Financial bills	-	285,733	-	285,733
National treasure notes (NTN)	66,493	65,362	66,493	65,362
Times deposits	347,652	219,634	347,652	219,634
Sovereign debt bond	64,830	93,989	64,830	93,989
Debentures	1,308	1,249	1,308	1,249
Total assets	**5,433,529**	**5,155,857**	**5,433,529**	**5,155,857**

(*)For the purpose of identifying the technical reserves balance to be covered by these assets, the balance of liabilities recorded under “Technical reserves – Reinsurance and Retrocessions” net of the balance of assets recorded under “Retrocession assets – Technical Reserves (deduction)” should be considered, which are related to the risk retrocession portion.

21 Related parties

The main transactions carried out by the Reinsurer with related parties (shareholders) on an arm's length basis are as follows:

	Parent Company and Consolidated					
	March 31, 2018		December 31, 2017		March 31, 2018	March 31, 2017
	Receivable	Payable	Receivable	Payable	Results	Results
With equity interest in the Reinsurer						
Premiums	335,480	-	18,884	-	389,473	324,476
Retrocessions	-	142,815	-	120,822	(213,460)	(112,455)
Retained premium					**176,013**	**212,020**
Technical provisions - variation	-	-	-	-	7,095	(15,576)
Earned premium					**183,108**	**196,444**
Indemnities and expenses with claims	6,133	11,129	5,949	25,925	(44,425)	(94,645)
Commissions	17,324	-	-	5,337	(52,296)	(50,867)
Other	-	252	-	8,096	(165)	(92)
	358,937	**154,196**	**24,833**	**160,180**	**86,223**	**50,840**

These amounts relate to reinsurance and retrocession operations carried out with insurers that are shareholders of the Reinsurer, whose amounts are recorded under “Receivables from reinsurance and retrocession operations” and “Payables from reinsurance and retrocession operations” in the balance sheets and in the respective captions of the income statement.

21.1 Key management compensation

The total compensation of officers, directors and members of the other boards and committees of the Company, at March 31, 2018 and December 31, 2017, is as follows:

	Parent Company and Consolidated		
	Short-term benefit to managers	Long-term benefit to managers	Total
Accounts payable			
December 31, 2017	1,873	2,391	**4,264**
March 31, 2018	1,873	2,391	**4,264**
Results			
March 31, 2017	3,884	-	**3,884**
March 31, 2018	2,000	-	**2,000**

22 Fiscal and judicial deposits, other lawsuits and tax obligations

	Parent Company and Consolidated		
	March 31, 2018		
	Fiscal and judicial deposits	Other payables	Tax liabilities
Tax	**471,740**	**-**	**422,527**
COFINS	8,129	-	-
PIS	4,173	-	-
Social Contribution	445,275	-	422,527
Income Tax	13,005	-	-
ISS	1,158	-	-
Social Security	**118,359**	**-**	
INSS	117,179	-	-
FGTS	1,180	-	-
Labor and Civil	**46,241**	**60,609**	**-**
Labor lawsuits	31,227	57,128	-
Civil lawsuits	15,014	3,481	-
Non-current	**636,340**	**60,609**	**422,527**

	Parent Company and Consolidated		
	December 31, 2017		
	Fiscal and judicial deposits	Other payables	Tax liabilities
Tax	**466,992**	-	**418,208**
COFINS	8,041	-	-
PIS	4,128	-	-
Social Contribution	440,860	-	418,208
Income Tax	12,822	-	-
ISS	1,141	-	-
Social Security	**117,026**	-	-
INSS	115,846	-	-
FGTS	1,180	-	-
Labor and Civil	**44,218**	**59,274**	-
Labor lawsuits	30,789	56,271	-
Civil lawsuits	13,429	3,003	-
Non-current	**628,236**	**59,274**	**418,208**

22.1 Civil, labor, tax and social security lawsuits

The Company is a party to the following lawsuits, classified by type, probability of loss, value at risk and amount provisioned:

	Parent Company and Consolidated			
	March 31, 2018			
	Number	Value at Risk	Other debits balance (*)	Tax obligations balance (*)
Tax				
Probable	1	422,527	-	422,527
Possible	16	293,664	-	-
Remote	2	211	-	-
	19	**716,402**	**-**	**422,527**
Social Security				
Possible	11	72,357	-	-
Remote	2	10,640	-	-
	13	**82,997**	**-**	**-**
Labor and Civil				
Probable	69	60,609	60,609	-
Possible	117	59,464	-	-
Remote	3	2,152	-	-
	189	**122,225**	**60,609**	**422,527**

(*) The amount of R$422,527 (R$418,208 on December 31, 2017) is recorded as “Accounts payable – provision for taxes and contributions” and the amount of R$60,609 (R$59,274 at December 31, 2017) is recorded as contingent liabilities.

	Parent Company and Consolidated			
	December 31, 2017			
	Number	Value at Risk	Other debits balance	Tax obligations balance
Tax				
Probable	1	418,208	-	418,208
Possible	16	272,434	-	
Remote	1	200	-	
	18	**690,842**	**-**	**418,208**
Social Security				
Possible	11	71,792	-	-
Remote	2	18,578	-	-
	13	**90,370**	**-**	**-**
Labor and Civil				
Probable	71	59,274	59,274	-
Possible	119	52,596	-	-
Remote	6	2,461	-	-
	196	**114,331**	**59,274**	**-**

Provisions recorded as “Tax liabilities” relate to the Company’s legal obligations in the amount of R$422,527 (R$418,208 in 2017) which are currently being disputed in court, therefore, their settlement depends on decisions not yet made final. For these legal obligations, the Company provisions 100% of the value at risk, irrespective of the classification of probability of loss by the law firms in charge of the suits.

The amount of R$293,875, representing the difference between the amount provisioned for legal liabilities and the total tax claims against the Company is not provisioned for, in accordance with accounting standard CPC 25. In accordance with the technical pronouncement, liabilities with risks of losses classified as possible and remote are not provisioned for, since

confirmation is pending of whether the entity has an obligation or whether there is sufficiently reliable estimates for it to become an obligation.
Provisions recorded under "Other payables" are related to interpretive matters that fall under the concept of contingent liability in accordance with "CPC 25 - Provisions, Contingent Liabilities and Contingent Assets," therefore, values at risk are recorded only for claims with a probable likelihood of loss. For claims with a possible likelihood of loss, the aforementioned standard requires only their reporting in the notes to the financial statements. For claims classified as having a remote likelihood of loss, reporting is not required.

22.2 Changes in provisions for lawsuits

	Parent Company and Consolidated				
	December 31, 2016	Additions	Inflation adjustment	Write-offs	December 31, 2017
Tax	**389,427**	**-**	**28,781**	**-**	**418,208**
Social Contribution (Note 22.3.3)	389,427	-	28,781	-	418,208
Labor and Civil	**58,173**	**3,606**	**7,878**	**(10,383)**	**59,274**
Labor lawsuits (Note 22.3.2)	51,442	3,606	7,165	(5,942)	56,271
Civil	2,290	-	713	-	3,003
Fees	4,441	-	-	(4,441)	-
Balance at the end of the period	**447,600**	**3,606**	**36,659**	**(10,383)**	**477,482**

	December 31, 2017	Additions	Inflation adjustment	Write-offs	March 31, 2018
Tax	**418,208**	**-**	**4,319**	**-**	**422,527**
Social Contribution (Note 22.3.3)	418,208	-	4,319	-	422,527
Labor and Civil	**59,274**	**1,008**	**2,630**	**(2,303)**	**60,609**
Labor lawsuits (Note 22.3.2)	56,271	678	2,482	(2,303)	57,128
Civil	3,003	330	148	-	3,481
Balance at the end of the period	**477,482**	**1,008**	**6,949**	**(2,303)**	**483,136**

22.3 Tax lawsuits

22.3.1 INSS and ISS taxes

Due to inspections conducted by the National Social Security Institute (INSS) and by the Attorney General of the City of Rio de Janeiro (Service Tax - ISS), Tax Deficiency Notices and Tax Foreclosures were filed in 1999 and 1989, respectively, based on alleged discrepancies in the tax and social security classifications adopted by the Company.

The Company filed administrative appeals to cancel such penalties. The amount claimed and restated is R$50,867 related to the Claims brought by the INSS regarding the additional 2.5% due by companies that are equivalent to financial institutions.

For the court dispute regarding the additional INSS rate of 2.5%, on April 30, 2010, the Company was required to make a judicial deposit of the amounts in dispute at the time (R$ 23,291) and, then, on May 28, 2010, it complemented such deposit to include the legal fees (R$ 4,666). The amounts in dispute related to INSS have been deposited into court in the restated amount of R$50,867.

Regarding the progress of said claim, note that the Federal Supreme Court tried the leading case (RE no. 598.572) in March 2016, which discusses the constitutionality of Article 22, Paragraph 1 of Federal Law 8,212/91, related to the additional rate of 2.5% on social security contributions applicable to financial institutions and other entities listed in said legal instrument.

By unanimous vote, said court recognized the constitutionality of the additional 2.5% charge in dispute. However, the Court reasoned that the precedent would be applicable with a time limit, applying only to cases whose generating facts occurred after the sanctioning of Constitutional Amendment no. 20, of December 15, 1998, since the year prior to such date would be analyzed by another appeal (RE no. 599.309/SP).

Therefore, the Supreme Court adopted the following thesis: "We consider constitutional the legal provision to differentiate rates with regard to social security contributions levied on the payroll of financial institutions and similar entities, after the sanctioning of Constitutional Amendment 20/1998."

Through said Writ of Mandamus no. 99.0023782-0, IRB Brasil RE challenges the charging of the additional rate of 2.5%, both before and after the sanctioning of EC 20/1998.

Said EC 20/1998 made legal the charging of different rates and calculation bases, in accordance with the economic activity involved, by including Article 195 in the Federal Constitution.

Therefore, given the express determination of a time limit in said decision, the Company believes such positioning does not apply to the full subject-matter under discussion in Writ of Mandamus 99.0023782-0, since the debits formalized by NFLD 32.711.075-9 refer to a period (January 1993 to September 1998) prior to the sanctioning of Constitutional Amendment 20/1998, in December 1998.

For such reason, IRB Brasil RE filed, on June 9, 2017, a motion requesting the suspension of the measure until the trial of RE 599.309/SP.

Irrespective of the aforementioned information, the external law firm responsible for conducting said claim, as well as the lawyers of the Legal Consultancy of IRB Brasil RE, believe the likelihood of loss in said claim is possible. In this respect, the Company believed that there is no requirement to maintain a provision and that such deposits were not made by court order, but only for the purpose of IRB Brasil RE to obtain a social security clearance certificate at the time.

With regard to the ISS tax foreclosure and considering the important findings in the expert's report on the matter issued in November 2012, which seemed extremely favorable to the Company's interests, the lawyers defending the case classify the likelihood of loss as possible.

In view of the aforementioned, the Company's legal advisors classify the likelihood of loss of both lawsuits as possible.

22.3.2 Labor/Civil lawsuits

The Company is a party to labor suits filed by active, retired and dismissed employees, which claim, among other equally relevant things, the standardization of career and salary plans, with consequent payment of salary differences, as well as requests for equal pay and job reinstatement. The Management of the Company, after analyzing these suits individually, has accrued a provision for probable loss, considering those cases in the stages of settlement and enforcement of judgment.

The Company's external legal advisors estimate the restated amount of the claims at R$ 57,128 and classify the likelihood of loss as probable. Labor claims classified as having a possible likelihood of loss amount to R$ 41,319.

A civil class action was filed with the 75th Labor Court of Rio de Janeiro by the National Union of Workers in Reinsurance Entities (SINTRES) and the National Federation of Insurance Brokers (FENESPIC) against the Company, claiming the restoration of all benefits and of the funding method established in the health plan maintained by the Company in the past on a self-management basis, on the grounds that unilateral changes detrimental to the Company's employees and retirees were made. In addition to restoration of the original conditions, they claim the payment of compensation for pain and suffering to employees who have been replaced and to unions. After the suspension of the aforementioned lawsuit in 2014, considering that the attempts to reach an agreement were unsuccessful, in November 2016 the lawsuit was resumed, with a hearing scheduled for November 2017. In this latter lawsuit, the National Federation of Insurance Brokers was excluded from lawsuit as plaintiff, and issue of official letter was sent to ANS requesting information on the definitive cancellation or not of PCAM.

The Company's legal counsels estimate the value at risk of R$ 15,631 and classify the likelihood of loss as possible.

22.3.3 Social Contribution of Net Income

With the publication of Provisional Decree MP 413/08, which was passed into Law 11,727 on June 23, 2008, the CSLL tax rate increased from 9.0% to 15.0% for private insurance companies, financial institutions and equivalent companies, as from May 2008.

In June 2008, the Company filed a Writ of Mandamus challenging the constitutionality of such a tax rate increase, accruing a reserve and judicially depositing the amounts under dispute. At December 31, 2017, the restated amount judicially deposited for payment of CSLL is R$445,275 (Note 22).

Petition for Writ of Mandamus filed on October 30, 2015 (Increase in the CSLL tax rate from 15.0% to 20.0%):

On October 30, 2015, the Company filed a petition for a new Writ of Mandamus, challenging Provisional Measure 675 of May 21, 2015, passed into Federal Law 13,169 on October 7, 2015, which, by amending Article 3, Item I of Federal Law 7,689 of December 15, 1988, increased the rate of the Social Contribution on Net Income (CSLL) tax applicable to private insurance companies and financial and similar institutions, from 15.0% to 20.0%, in September 2015. In November 2015, a decision was made in the records of the Writ of Mandamus rejecting the injunction requested by alleging that the discussion regarding the increase in the CSLL tax rate for financial and similar institutions would not be a new matter, considering the previous enactment of Provisional Measure 413/2008, which was further passed into Federal Law 11,727/2008, and which is pending judgment by the Federal Supreme Court (STF) (Interpretative Declaratory Act (ADI) 4,101). In this context, a motion for clarification of the aforementioned decision was filed, alleging omission of the arguments described in the initial claim about a clear difference between the economic capacity of financial institutions and of insurance companies.

However, said motions were rejected. Simultaneously, on June 15, 2016, a decision was published declaring moot the Interlocutory Appeal filed by IRB Brasil RE, due to the advent of the sentence. On July 1, 2016, the Company filed an appeal against the decision. On February 14, 2017, the appellate decision was published denying the Company's appeal, for which reason IRB Brasil RE filed new motions for clarification, which are pending trial. In October 2017, Company's allegations based on motions for clarification were rejected, reason that an extraordinary appeal was filed against aforementioned decision.

Note that the Company elected not to make any other judicial deposits of the disputed portion of this contribution as from September 2015, but rather to pay monthly to the public treasury the full amount of the contribution due (20.0%), i.e., both the portion not in dispute (9.0%) and the portion in dispute (11.0%).

23 Provision for labor claims

	Parent Company and Consolidated	
	March 31, 2018	December 31, 2017
Provision for vacation	7,772	8,109
Provision for Christmas Bonus (13th salary)	1,092	79
Provision for bonus leave and private pension plan	3	3
	8,867	**8,191**

24 Shareholders' equity

24.1 Capital

On December 29, 2014, the 47th Extraordinary Shareholders Meeting of IRB Brasil RE approved a stock split, at the ratio of three hundred (300) common shares for each common share issued by the Company, with no change in the value of the share capital, as approved by the Board of Directors in the meeting held on October 24, 2014, with the share capital thereafter represented by three hundred and twelve million (312,000,000) common shares and one special class preferred share owned by the Federative Republic of Brazil.

On March 31, 2018, the ownership structure of IRB Brasil RE was as follows:

Shareholder	Common Shares	% interest in the outstanding capital
Ministry of Finance	36,458,237	11.7%
BB Seguros	47,520,213	15.3%
Bradesco Seguros	47,520,213	15.3%
Grupo Itaú (Itaú Seguros e Itaú Vida)	34,761,581	11.2%
FIP - Caixa Barcelona	22,951,248	7.4%
Fundo de Garantia de Operações de Crédito Educativo	27,656,408	8.9%
Other	93,831,000	30.2%
	310,698,900	**100.0%**

24.2 Treasury shares

The Company has 1,301,100 treasury shares, equivalent to R$12,956.

24.3 Profit reserves

The legal reserve is accrued at the rate of 5.0% of net income for the year, limited to 20.0% of the share capital, in accordance with Federal Law 6,404 of December 15, 1976. The objective of the legal reserve is to ensure the integrity of the share capital and it may be used only to offset losses or to increase the capital.

Pursuant to Article 199 of Federal Law 6,404/76 (Brazilian Corporation Law), the balance of profit reserves, except for those for contingencies, tax incentives and unrealized profits, may not exceed the share capital.

24.4 Asset valuation adjustment

The changes are as follows:

	Parent Company and Consolidated	
	March 31, 2018	December 31, 2017
Balance at the beginning of the period	**(76,161)**	**(65,289)**
Gain from the fair value of financial assets available for sale in the period	17,859	34,817
Unrealized gains with securities - Subsidiaries	(1,677)	11,771
Re-measuring of obligations with post-employment benefit	(8,643)	(82,302)
Re-measuring of obligations with post-employment benefit - Subsidiaries	124	15
Income tax and social contribution on the variation of the fair value adjustment of financial assets available for sale	(8,037)	(15,668)
Income tax and social contribution on the variation of the remeasurement of post-employment benefit obligations	3,474	40,211
Exchange differences due to translation of assets from operations abroad	81	284
Balance at the end of the period	**(72,980)**	**(76,161)**

The exchange rate differences relating to the translation of the net assets of the Company's operations abroad from their functional currencies into the Company's presentation currency are recognized in equity and accrued as cumulative translation adjustments.

24.5 Earnings per share – basic and diluted

In compliance with Technical Pronouncement CPC 41, the following tables reconcile the net income for the quarter with the amounts used to calculate basic and diluted earnings per share.

Basic earnings per share are calculated by dividing the net income for the quarter by the weighted average share free-float in the quarter. Basic earnings per share are calculated as follows:

	Parent Company and Consolidated	
	March 31, 2018	March 31, 2017
Numerator		
Net income for the period	254,008	222,675
Denominator (number of shares in units)	310,698,900	310,698,900
Weighted average number of common shares in the free float		
Earnings per share	**0.82**	**0.72**

The Reinsurer has not issued and/or granted equity instruments that should be considered for the purpose of calculating diluted earnings per share, in accordance with Technical Pronouncement CPC 41. Accordingly, diluted earnings per share does not differ from the basic earnings per share presented above.

25 Breakdown of the statement of income

On March 31, 2018 and 2017, earned premiums, loss ratio and commission for the main lines were as follows:

25.1 Earned premiums – main operation groups

	Parent Company and Consolidated					
	March 31, 2018					
	Issued premiums gross amount	Reinsurance commission	Changes in technical reserves- Premium	Changes in technical reserves- Commission	Other technical reserves	Earned premiums
Aviation	25,108	(1,755)	(3,665)	355	(202)	19,841
Vehicle	2,963	(485)	1,405	(221)	117	3,779
Mortgage	18,207	(657)	(2,822)	(169)	(4,747)	9,812
Marine	25,201	(42)	(1,423)	(324)	30	23,442
Nuclear	1,805	-	3,446	-	4	5,255
Property	258,287	(22,388)	45,306	4,263	(9,063)	276,405
Life	70,194	(9,464)	(6,443)	(427)	(5,510)	48,350
Oil	164,249	(515)	(33,534)	(468)	45	129,777
Liabilities	27,731	(3,551)	3,289	539	(64)	27,944
Financial risks	55,879	(23,279)	(511)	1,152	(20,783)	12,458
Agriculture	141,871	(44,681)	68,828	(16,379)	(8,606)	141,033
Cargo	57,774	(9,641)	(1,390)	1,556	1,575	49,874
Acceptances abroad	509,490	(81,666)	(46,174)	8,715	3,948	394,313
Branches abroad	38,457	(7,810)	(2,297)	861	-	29,211
Total	**1,397,216**	**(205,934)**	**24,015**	**(547)**	**(43,256)**	**1,171,494**

	Parent Company and Consolidated					
	March 31, 2017					
	Issued premiums gross amount	Reinsurance commission	Changes in technical reserves- Premium	Changes in technical reserves- Commission	Other technical reserves	Earned premiums
Aviation	14,680	559	14,575	(1,078)	(285)	28,451
Vehicle	5,440	(1,062)	(422)	165	(17)	4,104
Mortgage	17,414	(2,057)	(3,745)	546	53	12,211
Marine	35,448	(766)	(3,216)	(109)	(146)	31,211
Nuclear	-	-	3,140	-	4	3,144
Property	344,778	(22,640)	(19,194)	(1,013)	(2,332)	299,599
Life	53,124	(2,592)	(5,074)	(886)	(5,972)	38,600
Oil	46,796	609	13,185	(2,661)	69	57,998
Liabilities	58,901	(2,181)	(25,258)	(224)	(9)	31,229
Financial risks	42,149	(17,208)	16,433	(3,805)	(1,121)	36,448
Agriculture	214,968	(51,833)	47,195	(11,483)	(30)	198,817
Cargo	42,562	(5,258)	(5,135)	1,366	(111)	33,424
Acceptances abroad	438,980	(60,126)	(84,152)	19,799	(3,763)	310,738
Branches abroad	27,098	(5,293)	1,567	493	4	23,869
Total	**1,342,338**	**(169,848)**	**(50,101)**	**1,110**	**(13,656)**	**1,109,843**

25.2 Incurred claims – main operating groups

	Parent Company and Consolidated			
	March 31, 2018			
	Direct claims	Salvages and reimbursements	IBNR variation	Incurred claims
Aviation	13,211	16	101,707	114,934
Vehicle	(5,808)	7	(5,488)	(11,289)
Mortgage	(27)	-	4,095	4,068
Marine	168	10	(527)	(349)
Nuclear	(2)	-	-	(2)
Property	(36,576)	3,515	11,719	(21,342)
Life	(9,379)	-	6,999	(2,380)
Oil	(339)	-	3,029	2,690
Liabilities	(4,136)	381	(2,234)	(5,989)
Financial risks	(2,305)	2,422	18,096	18,213
Agriculture	(26,025)	1,749	(9,047)	(33,323)
Cargo	(24,770)	8,639	5,498	(10,633)
Acceptances abroad	(379,936)	712	25,309	(353,915)
Branches abroad	(17,473)	-	1,279	(16,194)
Run-off	(837)	-	61	(776)
	(494,234)	**17,451**	**160,496**	**(316,287)**

	Parent Company and Consolidated			
	March 31, 2017			
	Direct claims	Salvages and reimbursements	IBNR variation	Incurred claims
Aviation	(108,380)	116	116,243	7,979
Vehicle	(1,901)	15	(1,113)	(2,999)
Mortgage	(1,791)	-	(651)	(2,442)
Marine	(26,488)	27	(4,046)	(30,507)
Property	(115,886)	1,824	44,357	(69,705)
Life	(36,882)	-	6,362	(30,520)
Oil	(918)	-	(196)	(1,114)
Liabilities	(9,753)	12	7,595	(2,146)
Financial Risks	32,208	2,171	(5,764)	28,615
Agriculture	(131,917)	534	4,742	(126,641)
Cargo	(26,435)	12,125	(3,355)	(17,665)
Acceptances abroad	(127,836)	545	(58,059)	(185,350)
Branches abroad	(5,206)	-	(528)	(5,734)
Run-off	168	-	2,334	2,502
	(561,017)	**17,369**	**107,921**	**(435,727)**

25.3 Cost of acquisition

	Parent Company and Consolidated					
	March 31, 2018			March 31, 2017		
	Acquisition cost	Change in deferred acquisition cost	Total	Acquisition cost	Change in deferred acquisition cost	Total
Aviation	(835)	(80)	(915)	(1,403)	89	(1,314)
Vehicle	(22)	(35)	(57)	(76)	5	(71)
Mortage	(625)	387	(238)	(517)	33	(484)
Marine	(1,022)	134	(888)	(1,444)	91	(1,353)
Property	(4,517)	749	(3,768)	(4,711)	297	(4,414)
Life	(486)	202	(284)	(296)	19	(277)
Oil	(3,748)	(918)	(4,666)	(2,745)	173	(2,572)
Liabilities	(416)	59	(357)	(369)	23	(346)
Financial risks	(194)	(42)	(236)	(101)	6	(95)
Agriculture	(579)	56	(523)	(495)	31	(464)
Cargo	(1,300)	(513)	(1,813)	(1,118)	71	(1,047)
Acceptances abroad	(14,715)	231	(14,484)	(13,158)	830	(12,328)
Branches abroad	(1,105)	12	(1,093)	(1,660)	105	(1,555)
	(29,564)	**242**	**(29,322)**	**(28,093)**	**1,773**	**(26,320)**

25.4 Result with retrocession

	Parent Company and Consolidated	
	March 31, 2018	March 31, 2017
Income from retrocessions	**(130,174)**	**(17,004)**
Recovery of incurred claims	19,321	153,461
Recovery of IBNR	(149,495)	(170,465)
Expenses from retrocessions	**(409,114)**	**(366,569)**
Retrocession premiums	(345,666)	(448,717)
Commission on retrocessions ceded	28,391	29,625
Changes in technical reserves - premiums ceded	(91,146)	50,715
Changes in technical reserves - commission ceded	(693)	1,808
Salvage and reimbursements to the retrocession policyholder	**(7,623)**	**(11,036)**
Other retrocession results	**596**	**1,593**
Total results with retrocession	**(546,315)**	**(393,016)**

25.4.1 Income from retrocessions

	Parent Company and Consolidated		
	March 31, 2018		
	Recovery of incurred claims	IBNR variation	Recovery of ceded claims
Aviation	(22,637)	(107,005)	(129,642)
Vehicle	(64)	172	108
Mortgage	(98)	(19)	(117)
Marine	(760)	362	(398)
Property	16,926	(13,947)	2,979
Life	(3,545)	(2,832)	(6,377)
Oil	(127)	(2,304)	(2,431)
Liabilities	(3,653)	(2,646)	(6,299)
Financial risks	4,059	(19,209)	(15,150)
Agriculture	4,917	654	5,571
Cargo	19,815	5,279	25,094
Acceptances abroad	4,371	(8,111)	(3,740)
Branches abroad	117	111	228
Total	**19,321**	**(149,495)**	**(130,174)**

	Parent Company and Consolidated		
	March 31, 2017		
	Recovery of incurred claims	IBNR variation	Recovery of ceded claims
Aviation	100,211	(119,455)	(19,244)
Vehicle	481	(198)	283
Mortgage	-	36	36
Marine	937	1,188	2,125
Property	43,784	(37,750)	6,034
Life	12,766	(2,482)	10,284
Oil	611	133	744
Liabilities	4,251	(5,650)	(1,399)
Financial risks	(36,437)	(3,943)	(40,380)
Agriculture	10,311	(2,226)	8,085
Cargo	12,281	1,876	14,157
Acceptances abroad	1,971	(2,486)	(515)
Branches Abroad	2,294	492	2,786
Total	**153,461**	**(170,465)**	**(17,004)**

25.4.2 Expenses with retrocessions

	Parent Company and Consolidated				
	March 31, 2018				
	Retrocession premiums	Commission on retrocession premiums	Changes in technical reserves - Premiums ceded	Change in technical reserves - Commission ceded	Premium ceded
Aviation	(2,936)	230	(7,724)	23	(10,407)
Vechicle	(1,374)	14	(278)	39	(1,599)
Mortgage	(2)	1	-	-	(1)
Marine	(13,948)	687	38	(144)	(13,367)
Nuclear	(1,894)	142	(3,389)	254	(4,887)
Property	(102,817)	5,988	(75,062)	(353)	(172,244)
Life	(10,409)	2,867	(857)	500	(7,899)
Oil	(146,847)	5,221	32,634	(839)	(109,831)
Liability	(21,628)	3,394	(3,420)	(362)	(22,016)
Financial risks	404	(152)	(3,530)	28	(3,250)
Agriculture	(5,884)	1,497	(11,553)	1,270	(14,670)
Cargo	(31,039)	6,499	4,540	(1,435)	(21,435)
Acceptances from abroad	(2,890)	1,260	(25,489)	462	(26,657)
Branches abroad	(4,402)	743	2,944	(136)	(851)
Total	**(345,666)**	**28,391**	**(91,146)**	**(693)**	**(409,114)**

	Parent Company and Consolidated				
	March 31, 2017				
	Retrocession premiums	Commission on retrocession premiums	Changes in technical reserves - Premiums ceded	Change in technical reserves - Commission ceded	Premium ceded
Aviation	(10,186)	628	(10,189)	(29)	(19,776)
Vehicle	(1,609)	61	189	1	(1,358)
Marine	(21,126)	613	8,199	(21)	(12,335)
Nuclear	-	-	(2,954)	222	(2,732)
Property	(206,370)	8,251	28,969	2,867	(166,283)
Life	(13,166)	875	4,508	(156)	(7,939)
Liabilities	(54,476)	3,154	27,710	(632)	(24,244)
Agriculture	(52,226)	6,765	13,220	(1,521)	(33,762)
Cargo	(23,843)	3,604	7,630	(941)	(13,550)
Acceptances from abroad	(7,147)	1,145	(17,843)	(278)	(24,123)
Branches abroad	(5,268)	1,461	(3,734)	767	(6,774)
Total	**(448,717)**	**29,625**	**50,715**	**1,808**	**(366,569)**

25.5 Other operating income and expenses

	Parent Company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Equity in operating results - reinsurers and retrocession	(2,678)	(4,146)	(2,678)	(4,146)
Reversal (accrual) of reserve for credit risks	6,836	(2,254)	6,836	(2,254)
Recovery of other reinsurance revenue	59	(167)	59	49
Expenses with risk inspection	(452)	3	(452)	3
Other operating revenue and expenses	(1,124)	(1,332)	(1,124)	(1,115)
	2,641	**(7,896)**	**2,641**	**(7,463)**

25.6 Administrative expenses

	Parent Company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Own personnel	(28,055)	(46,050)	(28,055)	(46,050)
Outsourced services	(4,706)	(5,723)	(6,271)	(5,723)
Location and operation	(17,616)	(23,478)	(18,831)	(23,478)
Advertising and marketing	(1,899)	(2,273)	(1,915)	(2,273)
Judicial expenses	(504)	(162)	(504)	(162)
Other expenses	(2,571)	(1,973)	(4,182)	(3,369)
	(55,350)	**(79,659)**	**(59,758)**	**(81,055)**

25.7 Expenses with taxes

	Parent Comapny		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
PIS / COFINS	(25,709) (*)	(25,233)	(26,215) (*)	(25,233)
Other taxes	(2,212)	(3,950)	(2,212)	(3,950)
	(27,921)	**(29,183)**	**(28,427)**	**(29,183)**

(*) It includes Pis and Cofins on financial revenue.

25.8 Financial Result

	Parent Company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Marketable securities	97,518	185,048	139,213	197,570
Other financial results	(26,303)	(23,695)	(22,939)	(22,601)
	71,215	**161,353**	**116,274**	**174,969**

	Parent Company		Consolidated	
Financial income	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Marketable securities	540,858	877,031	582,569	889,584
Other financial results	75,825	29,674	79,189	29,961
	616,683	**906,705**	**661,758**	**919,545**

	Parent Company		Consolidated	
Financial expenses	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Marketable securities	(443,340)	(691,983)	(443,356)	(692,014)
Other financial results	(102,128)	(53,369)	(102,128)	(52,562)
	(545,468)	**(745,352)**	**(545,484)**	**(744,576)**

25.9 Equity income (loss), net

	Parent Company		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Direct operating income (expenses) arising from investment property	(79)	(79)	12,860	7,801
Equity results	36,484	14,861	-	-
Reversal (accrual) of provision for investment impairment	(114)	-	(114)	-
Other equity income (expenses)	(13)	4	(13)	4
	36,278	**14,786**	**12,733**	**7,805**

25.10 Income and social contribution taxes - reconciliation

(a) Reconciliation of income and social contribution taxes

	Parent Company			
	March 31, 2018		March 31, 2017	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Profit before provision for IRPJ/CSLL and profit sharing	306,433	306,433	314,181	314,181
Nominal tax rate	25.0%	20.0%	25.0%	20.0%
IRPJ and CSLL at nominal rate	(76,608)	(61,287)	(78,545)	(62,836)
Permanent additions and exclusions				
Interest on equity	15,054	12,043	15,478	12,383
Tax incentives	(134)	(107)	(242)	(194)
Current income tax deduction - incentives/adjustments	419	-	677	-
Equity interest	14,061	11,248	6,894	5,515
Provision for loss (health plan pre 68)	(543)	(326)	941	753
Rural insurance	31,391	-	15,161	-
Other adjustments	1,551	813	(5,513)	(1,978)
IR and CS in the statement of income	**(14,809)**	**(37,616)**	**(45,149)**	**(46,357)**
Current	(15,587)	(37,922)	(39,748)	(44,881)
Deferred	778	306	(5,401)	(1,476)

25.10 Income and social contribution taxes - reconciliation

(a) Reconciliation of income and social contribution taxes

	Consolidated			
	March 31, 2018		March 31, 2017	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Profit before provision for IRPJ/CSLL and profit sharing	323,033	323,033	319,853	319,853
Nominal tax rate	25.0%	20.0%	25.0%	20.0%
IRPJ and CSLL at nominal rate	(80,758)	(64,607)	(79,963)	(63,971)
Permanent additions and exclusions				
Interest on equity	15,054	12,043	15,478	12,383
Tax incentives	(134)	(107)	(242)	(194)
Current income tax deduction - incentives/adjustments	419	-	677	-
Equity interest	14,061	11,248	6,894	5,515
Provision for loss (health plan pre 68)	(543)	(326)	941	753
Rural insurance	31,391	-	15,161	-
Other adjustments	(6,500)	(266)	(8,506)	(2,104)
IR and CS in the statement of income	**(27,010)**	**(42,015)**	**(49,560)**	**(47,618)**
Current	(19,510)	(39,341)	(44,159)	(46,142)
Deferred	(7,500)	(2,674)	(5,401)	(1,476)

Federal Law 13,169/2015

On October 6, 2015, Provisional Decree 675 was passed into Federal Law 13,169/2015, whereby the CSLL tax rate was increased for Financial Institutions and similar companies, as defined in Article 22, Paragraph 1 of Federal Law 8,212/1991, namely credit, financing and investment companies, real estate credit companies, brokerage firms, securities dealers, leasing companies, credit unions, private insurance and capitalization companies, self-employed credit and insurance agents, and open and closed private pension fund entities.

As a result, the CSLL tax rate increased from 15.0% to 20.0%, for the period from September 1, 2015 to December 31, 2018. As from January 1, 2019, the rate of 15.0% will be resumed.

25.10 Income and social contribution taxes - changes

(b) Changes in deferred income and social contribution taxes

	Parent Company and Consolidated					
	Balance on December 31, 2017	Additions	Write-offs	Recognized as profit or loss	Recognized as comprehensive income	Balance on March 31, 2018
Deferred tax assets						
Provision for labor claims	185,913	3,192	-	3,192	-	189,105
Provision for investment devaluation	63,344	246	-	246	-	63,590
Allowance for doubtful accounts	104,455	-	(2,955)	(2,955)	-	101,500
Provision for tax and social security contingencies	64,407	1,727	-	1,727	-	66,134
Market value adjustment - securities available for sale	17,824	-	(8,037)	-	(8,037)	9,787
Actuarial gains or losses - Post-employment benefits	(14,752)	-	(873)	(4,345)	3,474	(15,625)
Provision for labor contingencies	23,354	356	-	356	-	23,710
Market value adjustment - investment	(16,486)	5,708	-	5,708	-	(10,778)
Other provisions	1,201	192	-	191	-	1,393
Total deferred tax assets	**429,260**	**11,421**	**(11,865)**	**4,120**	**(4,563)**	**428,816**

	Balance on December 31, 2017	Additions	Write-offs	Recognized as profit or loss	Recognized as comprehensive income	Balance on March 31, 2018
Deferred tax liabilities						
Restatement of judicial deposits	(80,342)	-	(3,036)	(3,036)	-	(83,378)
Total deferred tax liabilities	**(80,342)**	**-**	**(3,036)**	**(3,036)**	**-**	**(83,378)**
Total Net Parent Company	**348,918**	**11,421**	**(14,901)**	**1,084**	**(4,563)**	**345,438**
Market value adjustment	(13,148)	-	462	(11,258)	-	(23,944)
Total Net Consolidated	**335,770**	**11,421**	**(14,439)**	**(10,174)**	**(4,563)**	**321,494**

26 Retirement and pension plans and other employee benefits

The Company sponsors the Social Security Foundation for Employees of the Reinsurance Institute of Brazil ("PREVIRB"), which ensures participants and their dependents benefits that complement to their basic official social security.

The plans offered are of the defined-benefit (closed) and variable-contribution (open) types, with the capitalization regime being adopted for actuarial valuations for retirement income.

The contributions made by the Company to PREVIRB in 2018, including the Pre-68 Plan (benefits paid to employees hired before December 31, 1968) amounted to R$7,248 (R$25,241 on December 31, 2017).

The Company also offers the following benefits, described in Note 15.2, namely:

a. Full funding of supplementary pension and death assistance benefits.

b. Contribution health insurance for active employees and retirees.

c. Funeral assistance.

d. Life insurance.

The main actuarial assumptions used were as follows:

	Post-employment benefit plan managed by PREVIRB		Post-employment benefit plan IRB	
Economic hypothesis	**March 31, 2018**	**December 31, 2017**	**March 31, 2018**	**December 31, 2017**
Actual discount rate (*)	5.0%	5.0%	5.0%	5.0%
Nominal rate of expected return on assets	INPC + 5.0% p.a.	INPC + 5.0% p.a.	INPC + 5% p.a.	INPC + 5.0% p.a.
Projection of real wage increase	Plan A: Not applicable Plan B: 1.0%	Plan A: Not adopted Plan B: 1.0%	Healthcare Plan: Not applicable Other Plans: Not applicable	Healthcare Plan: Not applicable Other Plans: Not applicable
Projection of real increase in the highest wage of INSS beneficiary	Zero	Zero	Not applicable	Not applicable
Projection of real increase in plan benefits	Zero	Zero	Not applicable	Not applicable
Hypotheses about future generations of new entrants	Not adopted	Not adopted	Not applicable	Not applicable
Hypothesis about turnover	Plan A: Not adopted Plan B: 2.5%	Plan A: Not adopted Plan B: 2.5%	Healthcare Plan: 2.5% Other Plans: Not applicable	Healthcare Plan: 2.5% Other Plans: Not applicable
Determining factors of real value over time, INSS benefits and plan	Not adopted	Not adopted	Not applicable	Not applicable
Demographic hypothesis				
Survival table: Plan Pre-68	Not applicable	Not applicable	AT-2000 attenuated by 10.0%	AT-2000 attenuated by 10.0%
Survival table: Other plans	BR-EMSsb (segregated by gender)	BR-EMSsb (segregated by gender)	BR-EMSsb (segregated by gender)	BR-EMSsb (segregated by gender)
Disabilty entry table	MI 85	MI 85	MI 85	MI 85
Disabilty entry table	ÁLVARO VINDAS	ÁLVARO VINDAS	ÁLVARO VINDAS	ÁLVARO VINDAS

(*)The discount rate was determined in accordance with CVM instruction 695, based on the rate of NTN-B inflation-linked government bonds with the expected indexes and terms of post-employment benefit obligations.

26.1 Variable contribution plans

Since 2004, the Company has been sponsoring the Social Security Plan B (a variable contribution plan). The assets of the plan are held separately from those maintained by the Company in funds controlled by trustees.

The contributions paid by the Company during this quarter, at the rates specified by the plan's rules, amounted to R$1,699 (R$5,966 on December 31, 2017).

The actuarial valuation verified a technical surplus of R$34,863 (R$37,132 on December 31, 2017) in PREVIRB that, in line with the accounting practices adopted in Brazil and with IFRS, was not recognized by the sponsor.

Previrb recorded an amount of R$722 in the special reserve which aims at recording the amount to be refunded to the sponsor of defined benefit plan due to the surplus.

The change in the present value of plan B actuarial obligations in the period is as follows:

	March 31, 2018	December 31, 2017
Present value of the actuarial liabilities at the beginning of the year	87,032	65,653
Cost of current services	20	123
Cost of interest	1,017	2,089
Actuarial loss	6,150	22,784
Benefits paid	(1,654)	(3,617)
Present value of the actuarial liabilities	**92,565**	**87,032**

The change in the fair value of Plan B assets in the current period is as follows:

	March 31, 2018	December 31, 2017
Initial fair value of plan assets	124,164	103,524
Return on investments	2,862	9,109
Employer contributions	1,669	5,966
Plan participant contributions	1,669	5,966
Benefits paid	(1,654)	(3,617)
Return on assets	(1,282)	3,216
Final fair value of plan assets	**127,428**	**124,164**

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

	March 31, 2018	December 31, 2017
Present value of the subsidized defined benefit obligation	(92,565)	(87,032)
Fair value of plan assets	127,428	124,164
Financial position	**34,863**	**37,132**
Effect of asset cap	(34,863)	(37,132)
Net assets arising from the defined benefit obligation	**-**	**-**

26.2 Defined benefit plans

The Company grants eligible employees defined-benefit retirement plans (Benefits Plan A and Pre-68 Plan). Under these plans, employees are entitled to additional payments calculated based on the monthly stipend calculated on the date of their retirement.

Plan A

The amount of contributions paid by the Company, in current quarter, at rates specified by this plan's rules, was R$5 (R$ 19 on December 31, 2017).

A technical surplus of R$555,005 (R$564,132 on December 31, 2017) was verified, which, in line with the accounting practices adopted in Brazil and with IFRS, was not recognized by the sponsor.

Previrb recorded the amount of R$56,902 in special reserve which aims at recording the amount to be refunded to defined benefits sponsor due to surplus.

Therefore, the Company recognized referred amount in its interim financial information, since all requirements of Supplementary Pension Management Council Resolution (CGPC) No. 26 were complied with, which provides for the conditions and procedures to be observed by supplementary pension closed entities when allocating and using surplus.

	March 31, 2018	December 31, 2017
Present value of the actuarial liabilities at the beginning of the year	1,401,904	1,326,917
Cost of interest	31,005	132,169
Actuarial loss	915	56,852
Benefits paid	(32,404)	(114,034)
Present value of the actuarial liabilities	**1,401,420**	**1,401,904**

The change in the fair value of Plan A assets in the current period is as follows:

	March 31, 2018	December 31, 2017
Initial fair value of plan assets	1,966,036	1,939,573
Return on investments	45,322	204,103
Employer contributions	5	19
Plan participant contributions	7	82
Benefits paid	(32,404)	(114,034)
Return on assets	(22,541)	(63,707)
Final fair value of plan assets	**1,956,425**	**1,966,036**

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

	March 31, 2018	December 31, 2017
Present value of the subsidized defined benefit obligation	1,401,420	1,401,904
Fair value of plan assets	(1,956,425)	(1,966,036)
Financial position	**(555,005)**	**(564,132)**
Effect of asset cap	555,005	564,132
Net assets arising from the defined benefit obligation	**-**	**-**

The following table presents the Guaranteeing Funds for PREVIRB's Plan A Reserves:

	March 31, 2018	December 31, 2017
Available	101	40
Realizable investments		
Government bonds	1,412,762	1,392,241
Private credit and deposits	341,178	356,505
Shares	54,614	47,866
Investment funds	214,225	182,300
Real estate Investments	84,942	85,387
Loans and financing	5,690	5,569
	2,113,512	**2,069,908**
Investment operating liabilities		
Real estate Investments	(60)	-
Other liabilities (IOF) / Rental and income	(13)	(1)
	(73)	**(1)**
Investment contingency liabilities	**(25,883)**	**(25,883)**
Guaranteeing funds	**2,087,556**	**2,044,024**

Pre-68 Plan

The Company has a technical reserve for liabilities related to the abovementioned benefits, which covered 234 members as of March 31, 2018 (240 on December 31, 2017), including 223 retirees with an average age of 84.09 years (83.97 years on December 31, 2017) and 11 pensioners with an average age of 83.61 years (84.17 years on December 31, 2017).

The amount of benefits paid by the Company to participants/beneficiaries this quarter, in accordance with the plan's rules, was R$5,574 (R$19,256 on December 31, 2017).

In this actuarial valuation, the accrued balance was R$136,247 (R$138,770 on December 31, 2017), in line with accounting practices adopted in Brazil and with IFRS.

Note that the value of debt agreement entered into between IRB Brasil RE and PREVIRB in December 2015, for migrating the operations related to the payments of social security benefits under the Pre-68 Plan was updated, reaching the amount of R$153,314 (R$154,270 on December 31, 2017).

Considering that this group of participants is part of the Plan A of the Foundation, the results of the Pre-68 Plan could be included in the results of Plan A. However, in this Note, they will be presented on an itemized basis solely to improve understanding.

The change in the present value of the actuarial obligations of the defined benefit plan in the current period is as follows:

	March 31, 2018	December 31, 2017
Present value of the actuarial liabilities at the beginning of the year	138,769	142,609
Cost of interest	2,981	13,525
Actuarial loss	71	1,892
Benefits paid	(5,574)	(19,256)
Present value of the actuarial liabilities	**136,247**	**138,770**

The change in the fair value of the Plan assets in the current period is as follows:

	March 31, 2018	December 31, 2017
Employer contributions	5,574	19,256
Benefits paid	(5,574)	(19,256)
Final fair value of plan assets	**-**	**-**

The amounts recorded in the income statement as of March 2018 and the projected amounts for fiscal year of 2019 are as follows:

	March 31, 2019	March 31, 2018
Cost of interest	11,701	13,042
Expenses at the end of the period	**11,701**	**13,042**

The amount recognized in the balance sheet deriving from the company's obligations referring to this plan is the following.

	March 31, 2018	December 31, 2017
Present value of the defined benefit obligation	136,247	138,770
Fair value of plan assets	-	-
Financial position	**136,247**	**138,770**
Restriction of contracted deficit	17,067	15,500
Net liabilities arising from the defined benefit obligation	**153,314**	**154,270**

26.3 Other employee benefits

Health and dental plan

The change in the present value of Health Plan obligations in the current period is as follows:

	March 31, 2018	December 31, 2017
Present value of the actuarial liabilities at the beginning of the year	300,100	202,793
Cost of current services	29	442
Cost of interest	6,496	21,811
Actuarial loss	6,485	97,618
Benefits paid	(4,792)	(22,564)
Present value of the actuarial liabilities	**308,318**	**300,100**

The change in the fair value of Health Plan assets in the current period is as follows:

	March 31, 2018	December 31, 2017
Employer contributions	3,260	16,928
Plan participant contributions	1,532	5,636
Benefits paid	(4,792)	(22,564)
Final fair value of plan assets	**-**	**-**

The amounts recorded in the income statement as of March 2018 and the projected amounts for the fiscal year of 2019 are as follows:

	March 31, 2019	March 31, 2018
Cost of current services	110	117
Cost of interest	26,609	22,554
Expected employee contributions	(6,281)	(5,636)
Expenses at the end of the period	**20,438**	**17,035**

The amount recognized in the balance sheet deriving from the company's obligations referring to this plan is as follows.

	March 31, 2018	December 31, 2017
Present value of the subsidized defined benefit obligation	(308,318)	(300,100)
Net assets arising from the defined benefit obligation	**(308,318)**	**(300,100)**

Funeral assistance

The change in the present value of Funeral Assistance obligations in the current period is as follows:

	March 31, 2018	December 31, 2017
Present value of the actuarial liabilities at the beginning of the year	1,646	1,464
Cost of interest	37	148
Actuarial gain/loss	(33)	83
Benefits paid	(2)	(49)
Present value of the actuarial liabilities	**1,648**	**1,646**

The change in the fair value of Funeral Assistance assets in the current period is as follows:

	March 31, 2018	December 31, 2017
Employer contributions	2	49
Benefits paid	(2)	(49)
Final fair value of plan asset	**-**	**-**

The amounts recorded in the income statement as of March 2018 and the projected amounts for the fiscal year of 2019 are as follows:

	March 31, 2019	March 31, 2018
Cost of interest	148	147
Expenses at the end of the period	**148**	**147**

The amount recognized in the balance sheet arising from the Company's obligations relating to this plan (Funeral Assistance) is as follows:

	March 31, 2018	December 31, 2017
Present value of the subsidized defined benefit obligation	(1,648)	(1,646)
Net assets arising from the defined benefit obligation	**(1,648)**	**(1,646)**

Group life insurance

The change in the present value of Life Insurance obligations in the current period is as follows:

	March 31, 2018	December 31, 2017
Present value of the actuarial liabilities at the beginning of the year	1,557	1,322
Cost of interest	33	139
Actuarial loss	553	295
Benefits paid	(173)	(199)
Present value of the actuarial liabilities	**1,970**	**1,557**

The change in the fair value of Life Insurance assets in the current period is as follows:

	March 31, 2018	December 31, 2017
Employer contributions	173	199
Benefits paid	(173)	(199)
Final fair value of plan asset	**-**	**-**

The amounts recorded in the income statement as of March 2018 and the projected amounts for the fiscal year of 2019 are as follows:

	March 31, 2019	March 31, 2018
Cost of interest	171	141
Expenses at the end of the period	**171**	**141**

The amount recognized in the balance sheet arising from the Company's obligations relating to this plan is as follows.

	March 31, 2018	December 31, 2017
Present value of the subsidized defined benefit obligation	(1,970)	(1,557)
Net assets arising from the defined benefit obligation	**(1,970)**	**(1,557)**

26.4 Total obligation of IRB-Brasil RE

The following table provides a breakdown of post-employment benefits under the responsibility of IRB-Brasil RE between Current and Non-current:

	March 31, 2018	December 31, 2017
Current		
Complement of retirement and pension	20,539	20,500
Health and dental plan	18,869	17,623
Health care and dental plan - Provision for events occurred and not reported	364	271
Group life insurance	218	176
Funeral assistance	88	85
	40,078	**38,655**
Non-current		
Complement of retirement and pension	132,775	133,770
Health and dental plan	289,449	282,477
Group life insurance	1,752	1,381
Funeral assistance	1,560	1,561
	425,536	**419,189**

26. 5 Effects consolidation – post-employment benefit

Below, the consolidated amounts as to employee benefits, as well as the accounting procedures adopted.

The amounts recognized in the Net Income for the Quarter and in Shareholders' Equity – Other Comprehensive Income were the following:

Total amounts recognized in the net income for the quarter

	Defined Benefit		Other benefits		Other provisions (PEONA)		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cost of service	-	-	29	83	-	-	29	83
Cost of interest	2,981	3,940	6,566	5,810	-	-	9,547	9,750
Benefits paid	(5,574)	(5,138)	(4,967)	(5,259)	-	-	(10,541)	(10,397)
Other movements	-	-	-	-	48	(866)	48	(866)
Total amounts recognized	**(2,593)**	**(1,198)**	**1,628**	**634**	**48**	**(866)**	**(917)**	**(1,430)**

Total of amounts recognized in the statement of comprehensive income

	Defined Benefit		Other benefits		Other provisions (PEONA)		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Actuarial (gain) loss	71	9,625	7,005	27,641	-	-	7,076	37,266
Other movements*	1,567	(13,161)	-	-	-	-	1,567	(13,161)
Total amounts recognized	**1,638**	**(3,536)**	**7,005**	**27,641**	**-**	**-**	**8,643**	**24,105**

26.6 Sensitivity analysis

In compliance with standard CPC 33, the following table provides the sensitivity analysis conducted by Management regarding the critical financial and actuarial assumptions adopted:

Sensitivity in the discount rate

PLAN A	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	1,551,810	1,473,416	1,335,159	1,274,047
	Impact of the main scenario	150,389	71,995	(66,262)	(127,374)
PLAN B	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	95,120	93,784	91,452	90,431
	Impact of the main scenario	2,555	1,218	(1,114)	(2,134)
PRE 68	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	145,213	140,604	132,122	128,214
	Impact of the main scenario	8,966	4,357	(4,125)	(8,033)
PCAM	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	343,174	324,987	293,009	278,914
	Impact of the main scenario	34,855	16,668	(15,310)	(29,405)
Funeral Aid	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	1,798	1,667	1,445	1,352
	Impact of the main scenario	150	18	(203)	(296)
Life Insurance	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	2,121	2,043	1,901	1,837
	Impact of the main scenario	151	73	(69)	(133)

Sensitivity in the mortality table – AT-2000 (Reduced by 10.0%) (**)

PLAN A	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	1,493,128	1,420,475	1,291,781	1,234,655
	Impact of the main scenario	91,707	19,054	(109,640)	(166,766)
PLAN B	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	94,490	93,219	90,994	90,017
	Impact of the main scenario	1,924	653	(1,572)	(2,548)
PRE 68	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	153,388	148,267	138,876	134,564
	Impact of the main scenario	17,141	12,020	2,629	(1,683)
PCAM	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	324,174	307,632	278,423	265,494
	Impact of the main scenario	15,855	(687)	(29,896)	(42,825)
Funeral Aid	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	1,976	1,849	1,632	1,539
	Impact of the main scenario	328	201	(16)	(109)
Life Insurance	**Actual rate**	4.0%	4.5%	5.5%	6.0%
	Nominal rate (*)	8.2%	8.7%	9.7%	10.3%
	Defined benefit obligation	2,029	1,957	1,826	1,766
	Impact of the main scenario	60	(13)	(144)	(204)

(*) Includes inflation impacts.
(**) Except for Pre-68 Plan, which reports sensitivity in the table “BR-EMSsb (separated by gender)”.

Section F – Accounting policies

27 Significant accounting policies

The following critical accounting policies were considered in the preparation of this interim financial information. These policies were consistently applied to the reporting periods, unless otherwise stated.

27.1 Foreign currency translation

(a) Functional and presentation currency

The items included in the Reinsurer's separate and consolidated interim financial information are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated interim financial information is presented in Brazilian real (R$), which is the Company’s functional currency.

(b) Transactions and balances

In the preparation of the separate and consolidated interim financial information, foreign currency transactions, i.e. transactions in any currency other than the Company’s functional currency, are translated using the exchange rates prevailing on the dates of the transactions. At the end of each year, monetary items in foreign currency are translated once again using the exchange rates prevailing at the end of the fiscal year. Non-monetary items recorded at fair value in foreign currencies are translated again using the rates prevailing on the date on which fair value was determined. Non-monetary items measured at historical cost in foreign currency are translated using the exchange rate prevailing on the transaction date.

For the purposes of presentation of the separate and consolidated interim financial information, assets and liabilities from the Company’s operations abroad are translated into Brazilian real at the exchange rates prevailing at the end of the fiscal year. The results are translated using the average exchange rate in the fiscal year, unless such rates have significantly fluctuated during the period, in which case the rate prevailing on the transaction date is considered. Exchange variation arising from these translations, if any, is classified as comprehensive income (loss) and recognized under equity.

(c) Subsidiaries with different functional currencies

The results and financial positions of all consolidated entities whose functional currency differs from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet date are translated at the rate on the close of the reporting date.

(ii) Income and expenses for each income statement are translated at the average exchange rates (unless this average 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 prevailing rate on the transaction dates).

(iii) Any resulting exchange differences are recognized as a separate item of equity, under “accumulated conversion adjustments".

27.2 Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits with immaterial risk of change in value. The balance is presented net of bank overdrafts in the statement of cash flows, when applicable. In the balance sheet, bank overdrafts are shown in the balance sheet under “loans” in current liabilities.

27.3 Financial assets

27.3.1 Classification

The Company classifies its financial assets, upon initial recognition, in the following categories: 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 are acquired.

(a) Financial assets 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 primarily for the purpose of its sale in the short-term. All financial assets in this category are classified as current assets.

Derivatives, if any, are also classified as held for trading unless they are designated as hedge instruments.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The loans and receivables (including the receivables and payables from reinsurance and retrocession operations, judicial and fiscal deposits and others) are measured at their amortized cost, using the effective interest rate method, less any impairment loss. They are recorded as current assets, except for those maturing more than 12 months after the end of the reporting period, which are classified as non-current assets).

Installment premiums are recorded as premiums receivable in current assets and written off as the installments are paid.

(c) Financial assets available for sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the previous categories. They are included in non-current assets unless Management intends to dispose of them within 12 months from the balance sheet date.

(d) Investments held to maturity

Investments held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the intention and capacity to hold to maturity.

27.3.2 Recognition and measurement

Acquisitions and sales of financial assets are typically recognized on the transaction date. Investments are initially recognized at fair value plus transaction costs for all financial assets not classified at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at their fair value, and transaction costs are expensed in the statement of income. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred, and, in the case of the latter, provided the Company has transferred substantially all the risks and rewards stemming from their ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently accounted for at their fair value. Loans and receivables are recognized at amortized cost considering the effective interest rate method.

Any gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the statement of income under “Financial income and expenses” in the year in which they arise.

Changes in the fair value of monetary securities denominated in foreign currency and classified as available for sale are separated on the basis of translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Exchange variation on monetary securities is recognized in the statement of income. Exchange variation on non-monetary securities is recognized in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in equity.

When securities classified as available for sale are sold or become impaired, the cumulative fair value adjustments recognized in equity are included in the statement of income as “Financial income and expenses.”

Interest on available-for-sale securities is calculated using the effective interest rate method and is recognized in the statement of income as part of other income.

Dividends from financial assets at fair value through profit or loss and available-for-sale equity instruments, such as

shares, are recognized in the statement of income as part of other income once the Company acquires the right to receive dividends.

The fair values of quoted investments are based on current purchase prices. If the market for a financial asset is not active (and for unlisted securities), the Company determines fair value through valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and options pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

27.3.3 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle them 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 assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is considered impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a “loss event”) and such loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria adopted by the Company to determine whether there is objective evidence of an impairment loss include:

(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 borrower's financial difficulty, grants to the borrower a concession that a lender would not typically consider;

(iv) probable likelihood of the borrower filing for bankruptcy or another form of financial reorganization;

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

(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets compared to the initial recognition of those assets, even if the decrease cannot yet be identified with the individual financial assets in the portfolio, including national or local economic conditions that correlate with defaults on the assets in the portfolio.

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

If, during a subsequent year, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an upgrade in the debtor’s credit rating), the reversal of the loss previously recorded is recognized in the statement of income.

(b) Assets classified as available for sale

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. For debt securities, the Company uses the criteria described in item (a) above. In the case of investments in equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition costs and the current fair value, less any impairment loss on that financial asset previously recognized in the statement of income – is transferred from equity to the statement of income. Impairment losses on equity instruments recognized in the statement of income are reversed through the statement of income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be attributed objectively to an event occurring after the impairment loss was recognized in the statement of income, such impairment loss is reversed through the statement of income.

27.4 Classification of reinsurance agreements

The agreements of the Reinsurer are classified, at the beginning of the risk coverage, for the purposes of accounting, as reinsurance agreements. A contract is classified as a reinsurance agreement and maintains this classification until all corresponding rights and obligations terminate or expire. A reinsurance agreement is a contract under which the reinsurer accepts a significant insurance risk from another party (reinsurer or insurer), agreeing to indemnify the other party if a specific future and uncertain insured event, adversely affects the other party.

Accordingly, a reinsurance agreement is classified as an insurance contract, since it is defined as a transaction in which the reinsurer accepts a significant insurance risk from the other party, agreeing to indemnify the other party in case the latter is adversely affected by a specific future and uncertain insured event**.**

27.5 Intangible assets

(a) Intangible assets acquired separately

Intangible assets with a defined useful life that are acquired separately are recorded at cost, less amortization and any cumulative impairment losses. Amortization is recognized on a straight-line basis based on the estimated useful life of the assets. The estimated useful life and the amortization method are reviewed at the end of each year and the effect of any changes in the estimates is prospectively accounted for. Intangible assets with an undefined useful life that are acquired separately are recorded at cost, less cumulative impairment losses, and are not amortized.

(b) Write-off equipment for own use

An intangible asset is written off when sold or when there is no future economic benefit expected from its use or sale. Any gains or losses resulting from the write-off of an intangible asset, measured as the difference between net revenue from the sale and the asset's carrying amount, are recognized in the statement of income when the asset is written off.

27.6 Property and equipment

Property and equipment for own use

Property and equipment for own use include property for own use, equipment, furniture, machinery and fixtures, and vehicles used in the Reinsurer's business operations. Property and equipment for own use is usually stated at historical cost. Property for own use (lands and buildings) is stated at historical cost re-evaluated through December 31, 2004 based on the opinions of independent experts. In accordance with the CPC (R1), no new reassessments were made.

The historical cost of property and equipment includes expenditures that are directly attributable to the acquisition of the capitalized items and to maintain them in usable condition.

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

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

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

The assets' residual values and useful lives are reviewed and adjusted, as applicable, at each balance sheet date. The carrying amount of an item of property and equipment is immediately written off on a full or partial basis if the asset's recoverable value becomes lower than its carrying amount.

27.7 Investment properties

The Reinsurer owns 100% of the controlling interest of IRB Investimentos e Participações Imobiliárias S.A., which owns certain commercial properties, which are leased to third parties under contracts classified as operating lease agreements, in accordance with CPC 06 (R1). The Reinsurer uses the depreciated cost model (cost method in accordance with CPC 28) to assess such assets.

Investment properties of its subsidiary are depreciated using the straight-line method, based on the estimated useful life of the asset. The majority of rental agreements has a three-year renewal option and rentals are adjusted by the General Market Price inflation index (IGP-M/FGV).

27.8 Impairment of non-financial assets

Non-financial assets (including intangible assets) are assessed for impairment whenever events or circumstances indicate that the carrying amount of the asset may not be recovered. An impairment loss is recognized in the statement of income for the year as the difference between the carrying amount and the recoverable amount. The recoverable amount is defined by CPC as the greater of an asset's fair value less costs to sell or its value in use. For the purposes of assessing impairment of non-financial assets, assets are grouped at the lowest levels for which the Reinsurer is able to identify individual cash flows generated by the assets, defined as cash-generating units (CGUs).

27.9 Provisions

(a) Technical reserves

- The unearned premium reserve for risks in force and written (PPNG-RVE) includes the portion of premiums written in the year, related to risks not arising from the agreements. Its objective is to cover future costs, including claims that will be paid by IRB Brasil RE, and it is operationally determined based on the expected exposure to each agreement. To complement this provision, the unearned premium reserve for risk in force and not written (PPNG-RVNE) is constituted, calculated based on actuarial estimates of the risks in force whose agreements have not been written yet, and this amount is determined based on the actuarial methodology described in the actuarial technical note.

- The outstanding claims reserve (PSL) is accrued based on the estimated amount to indemnify indicated in the loss reports received from the reinsurers and insurers and it is periodically adjusted based on the analyses carried out by the operation and legal areas. The outstanding claims reserve also reflects the provision for claims incurred but not sufficiently reported, as described below.

- The provision for claims incurred but not sufficiently reported (IBNER) related to the local and foreign operations is accrued based on actuarial assumptions defined in a technical note and/or independent actuarial reports, for coverage of the reported claims outstanding, on the calculation base date, whose amounts may change during the process up to final settlement on the calculation base date.

- The provision for claims incurred but not reported (IBNR) related to the local and foreign operations is accrued based on actuarial assumptions defined in a technical note and/or independent actuarial reports.

- The provision for technical surplus (PET) is accrued to guarantee the amounts allocated to the distribution of surpluses arising from a technical surplus in the performance of agreements.

- The provision for related expenses (PDR) related to own expenses with settling claims and the complementary coverage reserve (PCC) is accrued when the Company's total liabilities are considered insufficient based on the liability adequacy test.

(b) Liability adequacy test (LAT)

The liability adequacy test is an economic test of the amount accounted for in the Company's liabilities and its objective is to capture potential deficiencies in the amounts of the liabilities arising from reinsurance agreements, consistent with the requirements of CPC 11.

To conduct the test, current estimates of gross retrocession cash flows are compared with the sum of the carrying amounts of technical reserves on the calculation base date, less deferred acquisition costs and intangible assets directly related to the technical reserves. Any insufficiency must be recognized in the Complementary Coverage Reserve (PCC).

Cash flows are separated into groups of lines based on their similarities, considering whether the agreements are in local or foreign currency and observing the division between registered and future premiums and past and future claims.

To determine the present value of estimated cash flows, the financial discount obtained through the Svensson model for the fixed IPCA coupon curves and foreign exchange coupon was used.

The life products of IRB Brasil RE are structured under the simple distribution system, therefore, no mortality tables were used to project cash flows.

The Svensson model is often used in the economic market to estimate interest rate curves. This model represents an extrapolation of the Nelson and Siegel model with the incorporation of a new exponential component in the forward rates, considering two additional parameters.

The loss ratio assumption used in LAT was calculated as reported in Note 25.1, considering the period between January 2014 and October 2017.

The test conducted for the base date December 31, 2017 presented no insufficiencies.

IRB Brasil RE periodically reviews its loss ratio, combined ratio and liability adequacy test in order to maintain the technical-actuarial balance of its agreements.

(c) Judicial provisions, contingent assets and liabilities

Judicial provisions for civil, labor, social security and tax liabilities that are subject to court dispute are periodically reassessed and are accounted for based on the opinions issued by the Company's legal department, by independent legal consultants and by Management on the probable outcome of lawsuits on the balance sheet date. Judicial provisions for civil and operational liabilities being disputed in court are calculated and accounted for based on specific percentages, which are calculated based on the historical analysis of outcomes of the corresponding lawsuits, which considers the relation between the amounts spent with lawsuits closed with a positive outcome, court settlement or court sentence and their corresponding estimated risk exposures. Such percentages of probability of loss were applied to the civil and operating contingencies existing on the reporting date of the consolidated interim financial information.

Judicial provisions for labor, social security and tax liabilities are accounted for under “Other payables,” in noncurrent liabilities. Civil contingencies are accounted for under “Claims pending payment” in current liabilities. The estimated amounts of loss with civil and labor contingencies are restated based on restating criteria and interest rates that are historically used in similar claims, considering their nature and the court where the suit is being judged.

The estimated amounts of loss with tax and social security contingencies are restated at the Selic basic interest rate. The corresponding judicial deposits, when required, are accounted for under “Judicial and tax deposits” in non-currents assets and restated at the Selic basic interest rate. Contingent assets are periodically assessed to ensure that the any developments are adequately reflected in the separate and consolidated interim financial information. When economic benefits are virtually certain to occur, the asset and corresponding gain are recognized in the separate and consolidated interim financial information for the period in which the estimate change occurs. When economic benefit is likely to occur, the Company reports the contingent assets.

27.10 Current and deferred income and social contribution taxes

The provision for income and social contribution taxes is accrued based on the taxable income for the year. Taxable income differs from the net income presented in the statement of income, since the former excludes expenses and revenue taxable or deductible in other years and also excludes non-taxable or not permanently deductible items.

The provision for income and social contribution taxes is individually calculated based on the tax rates in force at the end of the year.

Deferred income and social contribution taxes ("deferred taxes") are recognized at the end of each year on the temporary differences between the balances of assets and liabilities recognized in the consolidated interim financial information and the corresponding tax bases considered to calculate taxable income, including any tax losses, when applicable. Deferred tax liabilities are usually recognized on all the taxable temporary differences and deferred tax assets are recognized on all the deductible temporary differences, only when it is probable that the Company will earn sufficient future taxable income to use these deductible temporary differences.

The recovery of the balance of deferred tax assets is reviewed at the end of each year and, when it is no longer probable that future taxable income will be available to allow the recovery of all assets, or a portion of them, the balance of assets is adjusted by the amount expected to be recovered.

Deferred tax assets and liabilities are measured by the rates applicable in the year in which the settlement of the liability or the realization of the asset is expected, based on the rates provided by the applicable tax law at the end of each year, or when a new law has been substantially approved (currently 25.0% for income tax and 20.0% for social contribution). The measurement of the deferred tax assets and liabilities reflects the tax consequences that would result from the manner in which the Company expects, at the end of each year, to recover or to settle the carrying amount of these assets and liabilities.

27.11 Employee benefits

An actuarial valuation is conducted every quarter to assess the amounts to be recorded as post-employment benefit liability. This assessment also determines the components required to measure the amounts to be recognized in Income and in Other Comprehensive Income, such as costs, actuarial gains and losses, amongst others. IRB's post-employment benefits include retirement benefits and other benefits, such as life insurance, health insurance and funeral assistance.

(a) Retirement Benefits

The retirement plans classified as defined benefit adopt the Projected Unit Credit Method to determine present value of liabilities and respective current and past cost of services, where applicable.

In the variable contribution plan administered by PREVIRB, the sponsor's liability is determined by amounts to be contributed in the period, besides the actuarial risk connected with risk benefits.

The retirement benefit liability, when recognized in the balance sheet, represents the present value of the obligation with defined benefits, adjusted by any actuarial gains and losses and by the cost of services, cost of interest rates and benefits paid in the year.

(b) Other post-employment obligations

The health insurance plan, life insurance and funeral assistance foresee the permanent or temporary maintenance, according to provisions of applicable laws.

The liabilities amount referring to these plans observes the actuarial methodology similar to that one applied to defined benefits previously described.

27.12 Capital

Common and preferred shares are classified as equity.

The incremental costs directly attributable to the issue of new shares or options are stated in equity as a negative entry of the collected value, net of taxes.

When any entity that holds shares acquires its own shares (treasury shares), the value paid, including any additional costs directly incurred (net of income tax) is deducted from the equity of the Company until such shares are canceled or reissued. When these shares are subsequently reissued, any value received, net of any additional transaction costs directly incurred, and the respective income tax and social contribution effects is included in the equity of the Company.

27.13 Dividends

Any proposed distribution of dividends by the Company's Management within the mandatory minimum dividend is recorded as a liability under "Obligations payable" because it is considered a legal obligation provided by the Company's Bylaws; however, any proposal for distribution of additional dividends by the Management after the fiscal year to which the consolidated interim financial information refer, but before the approval by the shareholders meeting, is recorded under "Proposed distribution of additional dividends" in equity.

27.14 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business. Revenue is recorded net of cancellations.

The Reinsurer recognizes revenue when its value can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each one of the activities described below. IRB Brasil RE bases its estimates on historical results, taking into consideration the type of client, transaction and the specific terms of each transaction.

(a) Reinsurance premiums

Reinsurance premiums are accounted for as written premiums as from their acceptance. Reinsurance premiums related to effective risks, but whose reinsurance premiums have not been written yet, are calculated on an actuarial basis.

In the case of discretionary reinsurance agreements, the written premium is considered the amount agreed upon by the parties to ensure the reinsurance coverage, in the installments agreed by the reinsurer, for the risk term.

In the case of automatic reinsurance agreements, the written premium is considered as follows:

- Non-proportional agreements - the written premium is considered the amount agreed upon by the parties to ensure the reinsurance coverage, in the installments agreed by the reinsurer, for the term of the reinsurance agreement.

- Proportional agreements - the written premium is considered the premium amount estimated by the cedant for all the policies that will be covered by the reinsurance agreement during its effective period. This estimate is proportional to the reinsurer share and weighted by a performance percentage established based on the reinsurer's experience. These premiums are adjusted whenever the accountability is forwarded by the cedant, usually on a quarterly basis.

(b) Dividends and interest income

Dividend income is recognized when the shareholder's right to receive the dividends is acquired (provided that the future economic benefits are likely to flow to the Reinsurer and that the revenue amount can be reliably measured).

Interest income is recognized when the future economic benefits are likely to flow to the Reinsurer and the revenue amount can be reliably measured. Interest income is recognized using the straight-line method based on the time and effective interest rate on the outstanding principal, with the effective interest rate calculated after discounting any future cash receivables estimated over the estimated life of the financial asset in relation to the initial carrying amount of the asset.

27.15 Expenses with claims and commissions

Expenses with claims are accounted for on an accrual basis and determined based on concepts and assumptions defined in an actuarial technical note, as described in Note 27.9(a).

Commissions are deferred and amortized, except in the case of operations involving incurred risks, whose commissions are directly recorded in the statement of income for the year, based on the duration of the reinsurance agreement. Commissions related to effective risks, but whose reinsurance premiums have not been issued yet, are calculated on an actuarial basis.

27.16 Statement of comprehensive income

Statements of comprehensive income are presented separately and include income and expenses (including reclassification adjustments) that are not recognized in the statement of income, as required by CPC. They are presented considering whether or not they have potential to be subsequently reclassified to the statement of income.

27.17 New standards, amendments and interpretations to existing standards

The following new standards and interpretations have been issued by IASB and are effective as of January 1, 2018.

IFRS 9/CPC 48 – In July 2014, IASB issued the final version of IFRS 9 – Financial Instruments which replaces IAS 39 – Financial Instruments: Recognition and Measurement and all IFRS 9 previous versions. The IFRS 9 combines three aspects of the financial instruments accounting projects: classification and measurement, impairment and hedge accounting. The IFRS 9 is effective for annual periods starting on or after January 1, 2018. Except for the hedge accounting, a retrospective application is required, but comparative information is not necessary. In the hedge accounting, requirements are generally applied prospectively, with few restricted exceptions.

In September 2016, IASB issued amendments to IFRS 4/CPC 11 to deal with issues deriving from different effective dates of IFRS 9 and the new standard of insurance contracts (IFRS 17). In December 2017, the Brazilian Securities and Exchange Commission (CVM), through CVM Resolution No. 788, established alterations similar to CPC 11. SUSEP, up to date, has not expressed its opinion on IFRS 9/CPC 48 yet.

These amendments introduce two alternative options to apply IFRS 9/CPC48 for entities issuing contracts within the scope of IFRS 4/CPC 11: a temporary exemption; and an overlap approach. The temporary exemption allows eligible entities to postpone the date to implement IFRS 9/CPC 48 for annual periods starting before January 1, 2021 and continue applying the IAS 39/CPC 38 to financial assets and liabilities. An entity may apply a temporary exemption of IFRS 9/CPC 48 if: (i) it has not previously applied any version of IFRS 9/CPC 48, besides the reporting requirements on gains and losses in financial liabilities designated as fair value through income; and (ii) its activities are mainly related to insurance on its annual report date immediately preceding April 1, 2016. The overlap approach allows an entity which applies IFRS 9/CPC 48 to reclassify the statement of income to other comprehensive income the income amount obtained at the end of period of the financial statements for designated financial assets, the same if insurer had applied IAS 39/CPC 38 to designated financial assets.

An entity may apply the temporary exemption of IFRS 9/CPC 48 for annual periods starting on or after January 1, 2018. An entity may start adopting the overlap approach when it adopts the IFRS 9/CPC 38 for the first time.

In 2017, Management assessed amendments to the IFRS 4/CPC 11 in the parent company and consolidated and concluded that in both cases its activities are mainly related to insurance as of December 31, 2015. During 2016 and 2017, no significant changes occurred in the Company's activities to require a new assessment. Management verified that IRB Brasil RE complies with eligibility criteria for temporary exemption of IFRS 9/CPC 48 and decided to postpone the adoption of the IFRS 9/CPC 48 until the effective date of new standard on insurance contracts (IFRS 17). Therefore, IRB Brasil RE decided to apply the temporary exemption of the IFRS 9/CPC 48 and will continue applying the IAS 39/CPC 48 to its financial assets and liabilities as of January 1, 2018 until the effective date of the IFRS 17.

IFRS 9/CPC 48 requires the classification of financial assets to be determined by a business model valuation and contractual cash flows tests referred to as "Solely Payment of Principal and Interest " (SPPI), i.e., financial assets with contractual terms giving rise, on specific dates, to cash flows exclusively represented by payments of principal and interest on outstanding principal amount.

The financial assets failing in the SPPI test will be measured by fair value through income statement. For the assets approved in the SPPI test, a business model test measures the objective of holding the asset. A business model valuation of financial assets can be summarized as follows:

(i) The financial assets will be measured at the amortized cost if held in a business model whose objective is to hold assets to collect contractual cash flows ("Hold to collect" business model).

(ii) The financial assets will be measured at fair value through other comprehensive income if held in a business model whose objective is achieved both through collection of contractual cash flows and sale of financial assets ("Hold to collect and sell" business model).

(iii) The financial assets will be measured at fair value through income if they do not meet the criteria of the "Hold to collect" or "Hold to collect and sell" business model.

(iv) Entities also have the option of designating a financial asset measured by fair value through income if this eliminates or significantly reduces an inconsistency of measurement or recognition (accounting inconsistency).

Aiming at enabling comparison between insurers which adopted the IFRS 9/CPC 48 on January 1, 2018 and IRB, the Management, in compliance with additional reporting requirements provided for in the amendments to IFRS 4/CPC 11, measured all its financial assets, aiming at identifying those whose contractual terms give rise, on specific dates, to cash flows, solely representing payments of principal and interest on outstanding principal amount.

The table below individually reports the fair value at the end of the period of financial statements and the change in the fair value during such period for financial assets approved in the SPPI test and for other financial assets, i.e., financial assets which do not give rise, on specific dates, to cash flows solely representing payments of principal and interest on the outstanding principal amount, meeting the definition of held for trading of CPC 48 or is managed and the performance of which is measured based on fair value.

Fair value of financial assets at the end of the period

	Fair value as of March 31,2018	Fair value change from December 31, 2017 to March 31, 2018
Financial assets - SPPIs	**8,187,854**	**21,824**
Cash and cash equivalents	32,137	-
Operations receivables		
Insurers and Reinsurers	3,328,456	6,834
Receivables Certificates	150,039	-
Fixed income securities - Public		
Treasury	618,316	(381)
National Treasury Bills	66,493	1,668
Investment Fund Quotas		
Debentures	29,614	45
Financial Bills	83,015	(43)
Treasury Bills	2,910,732	(672)
Commercial Notes	1,036	(1)
National Treasury Bills	414,814	13,384
Repurchase operations	40,535	-
Investments abroad		
Sovereign debt bond	64,830	1,323
Fixed-income securities (HSBC)	29,765	(1,161)
Time deposits abroad	403,929	828
U.S. Treasury Securities Obligations of U.S.	6,047	-
Obligation of U.S. Government Corporations and Agencies	2,481	-
Non-U.S. Government	218	-
Sec Issued by States & Terr.	1,017	-
Corporate Securities	4,380	-
Other financial assets	**1,358,113**	**1,295**
Investment Fund Quotas		
Repurchase operations	772,066	-
Exclusive Fund Quotas	76,412	-
Non-Exclusive Fund Quotas	42,202	-
Fixed-Income Securities - Private		
Fixed time deposit	46,500	-
Fixed-Income Securities - Private		
Debentures	13,167	-
Real Estate Investment Fund Quotas		
Non-Exclusive Real Estate Funds	51,715	1,116
Stock Investment Fund Quotas		
Stocks of Brazilian companies	30,667	(1,411)
Investments abroad		
Non-Exclusive Investment Fund Quotas	98,929	-
Other investments abroad	220,345	-
American Deposits Receipt	6,110	1,590
Total	**9,545,967**	**23,119**

For those all financial assets approved in the SPPI tests, the Management measured the credit risk exposure, including credit risk relevant concentrations. The table below contains these assets classified by credit risk, as well as respective carrying amounts, and for those the Management understands the credit risk is higher than lower, also the respective fair value.

Classification of credit risk level

	Credit Risk	Carrying amount as of March 31, 2018
Financial assets - SPPIs		
Cash and cash equivalents	low	32,137
Receivables from reinsurance operations		
Insurers and Reinsurers	low	2,985,987
	mild (*)	342,469
Receivables Certificates	low	150,039
Fixed-Income Securities - Public		
Treasury Bills	low	618,316
National Treasury Bills	low	66,493
Financial Bills		
Investment Fund Quotas		
Debentures	low	29,614
Financial Bills	low	83,015
Treasury Financial Bills	low	2,910,732
Commercial Notes	low	1,036
National Treasury Bills	low	414,814
Repurchase operations	low	40,535
Investments abroad		
Sovereign debt bond	low	64,830
Fixed-income securities (HSBC)	low	29,765
Fixed time deposits abroad	low	403,929
U.S. Treasury Securities Obligations	low	6,047
Obligation of U.S. Government Corporations and Agencies	low	2,481
Non-U.S. Government	low	218
Sec Issued by States & Terr.	low	1,017
Corporate Securities	low	4,380

(*) The fair value of this asset at March 31, 2018 is R$318,542

IFRS 15/CPC 47 – “Revenue from Contracts with Customers” – This new standard introduces the principles to be applied by an entity for determining the measurement of revenue and when it is recognized. It will take effect as from January 1, 2018 and replaces IAS 11 – “Construction Contracts,” IAS 18 – “Revenue” and the corresponding interpretations. The Company concluded its analyses and the adoption of the IFRS 15/CPC 47 will not cause any relevant impact on its interim financial information.

IFRS 16/CPC 06 (R2) – “Leases” – the new standard requires lessees to recognize the liability of the future payments and the right of use of the leased asset for virtually all lease contracts, including operating leases. Certain short-term and low-value contracts may be outside of the scope of this new standard. The criteria for recognition and measurement of leases in the interim financial information of the lessors are substantially maintained. IFRS 16 is effective for fiscal years starting on or after January 1, 2019 and replaces IAS 17 – “Leases” and corresponding interpretations. The Company is still assessing the impacts from its adoption.

IFRS17 – “Insurance Contracts” – In May 2017, IASB issued the IFRS17 “Insurance Contracts”. The IFRS 17 clearly and consistently defines the accounting practices for all insurers and reinsurers, which will certainly increase the comparison of their interim financial information in different countries. Any impacts caused by the adoption of the IFRS 17 on the interim financial information have been assessed and on the performance indicators of insurers and reinsurers.

The general model of IFRS 17 requires insurers and reinsurers to measure their insurance contracts, initially by total estimated cash flow, adjusted by cash value over time and explicit risk relating to non-financial risk, besides contractual margin of service. This estimated amount is then re-measured every base date. The unrealized profit (corresponding to “contractual margin of service) is recognized over the term of coverage contracted. Apart from this overall model, the IFRS 17 foresees, as a way to simplify the process, the premium allocation approach. This simplified model shall apply to certain insurance contracts, including those with coverage of up to one year. For insurance contracts with direct

interest characteristics, the variable commission approach shall apply. This approach is a variation of the overall model.

When applying the variable commission approach, the insurer's participation in changes in fair value of underlying items is included in the contractual margin of service. As a result, changes in fair value are not recognized in income for the period when they occur, but over remaining life of contract.

The IFRS 17 shall apply to years starting on or after January 1, 2021. The IFRS 17 may apply retrospectively, pursuant to IAS 8, but it also foresees the "modified retrospective approach" and the "fair value approach", depending on availability of information. The Company is assessing the full impact of its adoption.

There are no other IFRS or IFRIC interpretations that are not yet in effect that would be expected to have a material impact on the Company's consolidated interim financial information.

28 Critical accounting estimates and assumptions

Accounting policies are important for reporting financial condition and results. Some of these policies require more subjective and/or complex judgments by Management, often as a result of the need for estimates that impact on inherently uncertain matters.

As the number of variables and assumptions that affect the future possible realization of these uncertainties increases, such judgments become increasingly subjective and complex.

In preparing the separate and consolidated interim financial information, the Reinsurer adopted variables and assumptions based on its historical experience and on many other factors that it believes to be reasonable and significant. Significant items whose values are determined based on estimates include: marketable securities evaluated at their market value; provisions for adjusting assets to their realization or recoverable value; revenue from premiums and corresponding selling expenses relating to the effective risks whose policies have not been written yet, technical provisions and provisions for amounts disputed in court. We highlight especially the use of estimates in the evaluation of reinsurance liabilities, described in item (a), the estimates and judgments used in the evaluation of provisions for tax, civil and labor contingencies, described in item (b) below, the estimates used to calculate the impairment of financial assets, described in item (c) below, the estimates of fair value of financial instruments, described in item (d) below and the estimates and judgments used in determining retirement benefits, described in item (e) below.

Changes or differences in these assumptions in relation to actual facts could impact current estimates and judgments. These estimates and assumptions are periodically reviewed. The review of the accounting estimates is recognized in the year in which the estimates are being reviewed, as well as in any future periods that may be affected.

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

The estimates used in accruing the Reinsurer's reinsurance liabilities represent the areas where the Reinsurer applies critical accounting judgments in the preparation of the consolidated interim financial information in compliance with CPC. There are several sources of uncertainty that need to be considered in the estimate of the liabilities the Reinsurer will ultimately settle. The sensitivity analysis of this critical estimate is presented in Note 2.4.3.

Regarding the Liability Adequacy Test, the assumptions considered as critical in this study are the term structure of interest rates used to discount the current estimates of the cash flows at present value and the loss ratio estimates used for the flows of claims to be incurred.

Based on the Company's information and experience, the actuarial team defines assumptions which allow to obtain better estimate on liability to be accounted for. These estimates are periodically re-assessed aiming at ensuring that, upon settlement of Reinsurer's liabilities, these amounts differ, the least as possible from the statistical-actuarial viewpoint of those initially accounted for.

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

The Reinsurer is party to outstanding labor, tax and civil claims on the reporting date of the consolidated interim financial information. In determining and recording accounting estimates, the Reinsurer uses as basis the opinion of its expert legal advisors in each area, the evolution of the lawsuits and judgment status in each specific case. The Reinsurer also uses its best judgment in these cases.

(c) Estimates used to calculate impairment of financial assets

The Reinsurer applies the recoverability analysis rules for financial assets measured at amortized cost. In this area, the Reinsurer applies significant judgment to determine the level of uncertainty associated with the realization of the estimated contractual flows of the financial assets, especially premiums receivable.

The Reinsurer follows the guidance of CPC 38 to determine impairment of a financial asset available for sale. Such determination requires significant judgment. For this judgment, the Reinsurer evaluates, among other factors, the duration and the proportion in which the fair value of an investment is lower than its cost, the counterparty's financial health and short-term business outlook, including factors such as the performance of the industry and of the segment and operating and financial cash flows.

(d) Estimate of fair value of financial instruments

As described in Note 2.8, the fair values of quoted financial instruments are based on current trading prices. For financial assets with no active market or public quotes, the fair value is established through evaluation techniques. These include the use of recent arm's length transactions, referencing other instruments that are substantially the same, discounted cash flow analysis, and pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. Note 6 presents detailed information on the main assumptions used in determining the fair value of financial instruments, as well as on the analysis of the sensitivity of these assumptions.

(e) Estimates and judgments on calculating retirement benefits

The cost of retirement plans with post-employment benefits and the present value of retirement liability are calculated adopting actuarial valuation methods. The actuarial valuation involves the use of assumptions on the discount rates, rates of return of expected assets, future salary increases, mortality rates, disability and future increases of retirement and pension benefits. The defined benefit liability is highly sensible to changes in these assumptions. All the assumptions are revised at the year's end. When determining the adequate discount rate, Management considers the risk-free interest rates. The mortality rate is based on mortality tables available in the country. Future salary, retirement and pension benefits increases are based on future inflation rates expected for the country. The sensitivity analyses referring to this critical estimate are disclosed in Note 26, as well as greater details on the assumptions adopted.

29 Subsequent events

Subsidiary

IRB Brasil RE announced on April 6, 2018 that IRB International Corporation, the Company's subsidiary signed a Share Purchase Agreement with an entity affiliated to Quest Group Holdings Limited ("Quest") to sell 100% of the shares that IRB has indirectly, in United Americas Insurance Company ("UAIC"), a subsidiary of IRB International Corporation. The transaction approximately amounts to US$5.3 million and will be paid upon effective sale.

Shareholders

On April 25,2018, IRB Brasil RE received a correspondence from its shareholder Fundo de Investimentos em Participações CAIXA Barcelona - Multiestratégia ("Fund"), which comprises the controlling interest of the Company, informing that, on the referred date, the Fund resolved to transfer part of its interest held in the Company to five (5) of its shareholders.

The equity interest mentioned above is solely for investment purposes, neither aiming at altering the controlling interest nor the administrative structure of IRB-Brasil RE; and

The Fund remains signatory of the Shareholders' Agreement of IRB-Brasil RE, pursuant to item "15.5 - Shareholders' Agreement filed at the issuer's headquarters or from which the controlling shareholder is a party" of the Reference Form

* * *

José Carlos Cardoso
Chief Executive and Reinsurance Officer

Fernando Passos
Chief Financial and Investor Relations Officer

Lúcia Maria da Silva Valle
Chief Risks and Compliance Officer

Paulo Daniel Araújo da Rocha
Accountant
CRC RJ - 095001/O-5

Rodrigo de Valnisio
Actuary
MIBA 1573