

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

Líder em resseguros no Brasil

Quarterly Information - ITR

• June 30, 2018



Report on the review of quarterly information

To the Managers and Shareholders
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 June 30, 2018, comprising the balance sheet at that date and the statements of income and comprehensive income, for the quarter and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period 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 the 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 six-month period ended June 30, 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, July 27, 2018.

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Patricio Marques Roche
Contador CRC 1RJ081115/O-4

Rio de Janeiro, August 2, 2018 – IRB Brasil RE S.A. (B3: IRBR3) – “IRB Brasil”, “IRB” or “Company” releases its results for the second quarter (2Q18) and first half of 2018 (1H18). Comments herein refer to consolidated results, in Brazilian *reais*, pursuant to the Brazilian corporate law and the standards adopted in Brazil, in compliance with the International Financial Reporting Standards (IFRS), and comparisons are based on the same period of 2017, as indicated.

Message from Management

- On July 31, 2018, IRB Brasil RE celebrated its first year as a publicly-held company. In the second quarter of 2018, our Company was included in some important stock market indexes: (i) in May, we were included in the **IBRX100** index, becoming one of the 100 most actively traded and representative stocks in the Brazilian stock market; (ii) also in May, our stock was included in **MSCI** (Morgan Stanley Capital International) Brazil, a benchmark for several global investment funds; and lastly, (iii) in the June revision of the **FTSE** index, our stock was included in the Renaissance Latin America index, which represents the activities and performance of new issuers whose primary trading market is Latin America. Since our IPO, our stock was already a component of two other important corporate governance indexes: the **ITAG** (Special Tag-Along Stock Index), which captures the companies offering the best conditions to minority shareholders in case the controlling stock is sold; and the **IGC** (Special Corporate Governance Stock Index), which captures companies listed on Novo Mercado, or B3’s Level 1 or Level 2.
- In the second quarter, written premiums rose 27.8% year-over-year to R\$1.9 billion, R\$1.2 billion of which were written in Brazil, and R\$721 million were written abroad. We also executed 90 new contracts in the first half, in Brazil and abroad.
- In the second quarter, premiums written in Brazil increased by 15.2% year-over-year, totaling R\$1.2 billion, chiefly due to our expanded market share in the country, which went up from 44% in April-May 2017 to 46% in April-May 2018, according to data by SUSEP, the Brazilian Superintendence of Private Insurance. Calculations made by our Market Intelligence area point to a projected market share in the Brazilian market of 46% in June 2018 for IRB. Together with data already published by SUSEP, we estimate our market share for the second quarter was 46%, versus 43% in the same period in 2017. The combined effect of the gain in market share with the execution of new contracts in the period and our increased share in contracts already in our portfolio sustains the uptrend in premiums written in Brazil for the upcoming quarters, because the accrual of written premiums deriving from proportionate contracts follows a one-twelfth ratio per month.
- Premiums written abroad totaled R\$721 million in the second quarter, an increase of 56.8% year-over-year. This 44.7 percentage points growth figure corresponds to an organic rise in the contract currency, that is, the dollar; and 12.1 percentage points derive from the average foreign exchange variation in the period.

Another highlight in the second quarter was the execution of new contracts abroad and the increase in our share in existing contracts, sustaining the growth in premiums written abroad, because the accrual of written premiums deriving from proportionate contracts, like for premiums written in Brazil, follows a one-twelfth ratio per month. Of the premiums written abroad in the period, the largest share came from the life and rural segments, which together accounted for over 60% of the total.

Earnings Release

2Q 2018



- The underwriting result rose 77.7% in the second quarter of 2018 year-over-year. The combined effect of the growth of 27.8% in written premiums and the reduction in our loss ratio – which fell from 61.3% in the second quarter of 2017 to 56.6% in 2018 – was the key driver of the strong rise in our underwriting result.
- Our financial and real estate investments result totaled R\$208.6 million in the second quarter of 2018, down 10.4% year-over-year. This reduction was lower than the decrease of 41.5% in the average Selic rate in the period, which went down from 10.92% in the second quarter of 2017 to 6.39% in 2Q18. The profitability of our investment portfolio was equivalent to 139% of CDI in the second quarter, an increase of 3 percentage points year-over-year (136% of CDI in 2Q17), chiefly sustained by our long US dollar position in the period.
- Consequently, net income rose 24% year-over-year in the second quarter, to R\$287.3 million, with return on average equity (ROAE) of 33%.
- Our 2018 guidance reported to the market in early 2018 provides for: (i) growth of 9% to 16% in written premiums versus 2017 – it reached 27.8% in the second quarter and 16.7% in the first half of the year; (ii) an amplified combined ratio of 70% to 76% for 2018 – it reached 71.2% in the second quarter and 70.6% in the first half; and (iii) an administrative expense ratio of 5.4% to 6.4% – it reached 5.4% both in the second quarter and the first half.

Highlights

- **Written Premiums** totaled R\$1.9 billion in the second quarter of 2018, an increase of 28% year-over-year; and R\$3.3 billion in the first half of the year, up 17% over the same period in 2017.
- The **underwriting result** totaled R\$296 million in 2Q18, an increase of 78% year-over-year; and R\$553 million in 1H18, up 42% over the same period in 2017.
- The **administrative expenses ratio** fell from 6.3% in 2Q17 to 5.4% in 2Q18, and administrative expenses totaled R\$64 million. In the first half of 2018, the administrative expenses ratio fell by 1.3 percentage point, compared to the same period in 2017, to 5.4%; and administrative expenses totaled R\$114 million for the period.
- **Global asset portfolio profitability** expanded from 136% of CDI in 2Q17 to 139% of CDI in 2Q18. In 1H18, it reached 141% of CDI, an increase of 9 percentage points compared to the first half of 2017 (132% of CDI).
- **Net income** rose 24% in 2Q18 and 19% in 1H18, totaling R\$287 million and R\$541 million respectively.
- **ROAE** was 33% in 2Q18 and 30% in 1H18, an year-over-year increase of 3 and 2 percentage points respectively.

Events After the Reporting Period

- IRB Asset Management:** On July 16, 2018, the Brazilian Securities and Exchange Commission (CVM) authorized IRB ASSET MANAGEMENT S.A. – a wholly-owned subsidiary of the Company – to provide Asset Management services under CVM Instruction No. 558, of March 26, 2015.

Income Statement and Key Indicators

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 indicators, in line with practices adopted by global reinsurers, a conciliation of book accounts referred to as "Business Vision", as presented in the analysis of this document.

(R\$ million)	2Q17	2Q18	Chg. (18/17)	1H17	1H18	Chg. (18/17)
Written Premiums	1,513.2	1,934.4	27.8%	2,855.6	3,331.6	16.7%
<i>In Brazil</i>	1,053.1	1,213.1	15.2%	1,929.2	2,062.4	6.9%
<i>Abroad</i>	460.1	721.3	56.8%	926.4	1,269.3	37.0%
Retrocession	(481.1)	(516.6)	7.4%	(929.8)	(862.2)	-7.3%
Retained Premiums	1,032.1	1,417.8	37.4%	1,925.8	2,469.4	28.2%
Changes in the Unearned Premium Reserve (UPR)	(148.3)	(239.6)	61.6%	(161.4)	(350.0)	116.9%
Earned Premiums	883.8	1,178.2	33.3%	1,764.4	2,119.4	20.1%
Retained Claims	(541.5)	(666.5)	23.1%	(1,015.3)	(1,133.7)	11.7%
<i>OCR</i>	(567.7)	(627.6)	10.6%	(968.2)	(1,089.1)	12.5%
<i>IBNR</i>	34.4	(44.1)	-228.2%	(35.3)	(43.1)	22.2%
<i>Other</i>	(8.2)	5.3	-164.3%	(11.8)	(1.5)	-87.0%
Acquisition Costs	(148.9)	(199.7)	34.1%	(312.0)	(408.1)	30.8%
Other Operating Revenues and Expenses	(26.7)	(15.7)	-41.1%	(47.0)	(24.8)	-47.3%
Underwriting Result	166.7	296.3	77.7%	390.1	552.8	41.7%
Administrative Expenses	(55.9)	(64.0)	14.5%	(118.5)	(113.9)	-3.9%
Tax Expenses	7.0	(41.0)	-685.7%	(25.1)	(70.0)	178.9%
Financial and Real Estate Investments	232.9	208.6	-10.4%	438.3	360.5	-17.7%
<i>Financial Investments</i>	218.4	176.6	-19.1%	416.0	315.7	-24.1%
<i>Real Estate Investments</i>	14.5	32.0	119.8%	22.3	44.8	100.6%
Earnings Before Tax and Profit Sharing	350.7	399.8	14.0%	684.8	729.4	6.5%
Taxes and Contributions	(119.0)	(112.5)	-5.5%	(230.4)	(188.1)	-18.4%
Net Income	231.7	287.3	24.0%	454.4	541.3	19.1%

Indicators	2Q17	2Q18	Chg. (p.p)	1H17	1H18	Chg. (p.p)
Combined Ratio	86.7%	83.8%	-3 p.p.	86.0%	82.6%	-3 p.p.
Extended Combined Ratio	68.6%	71.2%	3 p.p.	69.0%	70.6%	2 p.p.
Overall Loss Ratio	61.3%	56.6%	-5 p.p.	57.5%	53.5%	-4 p.p.
<i>Loss Ratio measured by OCR</i>	64.2%	53.3%	-11 p.p.	54.9%	51.4%	-4 p.p.
<i>Loss Ratio measured by IBNR</i>	-3.9%	3.7%	8 p.p.	2.0%	2.0%	0 p.p.
Administrative Expense Ratio	6.3%	5.4%	-1 p.p.	6.7%	5.4%	-1 p.p.
Portfolio profitability (%CDI)	136%	139%	3 p.p.	132%	141%	9 p.p.
ROAE	30%	33%	3 p.p.	28%	30%	2 p.p.



Performance

Premiums

(R\$ million)	2Q17	2Q18	Chg. (18/17)	1H17	1H18	Chg. (18/17)
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Earned Premiums	883.8	1,178.2	33.3%	1,764.4	2,119.4	20.1%

Written Premiums

In the second quarter, **premiums written** by IRB Brasil RE increased by 27.8% year-over-year, totaling R\$1,934.4 million, R\$1,213.1 million of which were premiums written in Brazil (63%), and R\$721.3 million, premiums written abroad (37%). We also executed 90 new contracts in the first half, in Brazil and abroad.

In the second quarter, premiums written in Brazil increased by 15.2% year-over-year, totaling R\$1.2 billion, chiefly due to our expanded market share in the country, which went up from 44% in April-May 2017 to 46% in April-May 2018, according to data by SUSEP, the Brazilian Superintendence of Private Insurance. The combined effect of the gain in market share with the execution of new contracts in the period and our increased share in contracts already in our portfolio sustains the uptrend in premiums written in Brazil for the upcoming quarters, because the accrual of written premiums deriving from proportionate contracts follows a one-twelfth ratio per month.

Premiums written abroad totaled R\$721 million in the second quarter, an increase of 56.8% year-over-year. This 44.7 percentage points growth figure corresponds to an organic rise in the contract currency, that is, the dollar; and 12.1 percentage points derive from the average foreign exchange variation in the period.

Another highlight in the second quarter was the execution of new contracts and the increase in our share in existing contracts, sustaining the growth in premiums written abroad, because the accrual of written premiums deriving from proportionate contracts, like for premiums written in Brazil, follows a one-twelfth ratio per month.

Of the premiums written abroad in the period, the largest share came from the life and rural segments, which together accounted for over 60% of the total.

Retrocession Expenses

Our **retrocession ratio** was 26.7% in the second quarter of 2018, down 5.1 percentage points over the 31.8% ratio reported in the same period last year. The retrocession cost rose a slight 7.4% in the second quarter year-over-year, from R\$481.1 million in 2Q17 to R\$516.6 million this year. At the same time, written premiums protected by retrocession contracts rose 27.8%.

The lower retrocession ratio derives from our economies of scale; our track record, which has enabled better negotiations for price and conditions; and also from the fact that we had a retrocession cost, which is originally denominated in dollars and is hedged for a cap of R\$3.36 per one dollar. For those reasons, our



retrocession cost, when consolidated to *reais*, recorded a lower variation than that of our premiums written abroad.

Other factors that have contributed to reduce our retrocession cost include: (i) the continued improvement in our pricing tool; (ii) the granularity of our underwriting guidelines; (iii) the IPO itself, with our listing in the Novo Mercado, which has raised our Corporate Governance level; and finally (iv) the quality of the investors composing our shareholder base, which has contributed to ratify our creditworthiness.

Retained Premiums

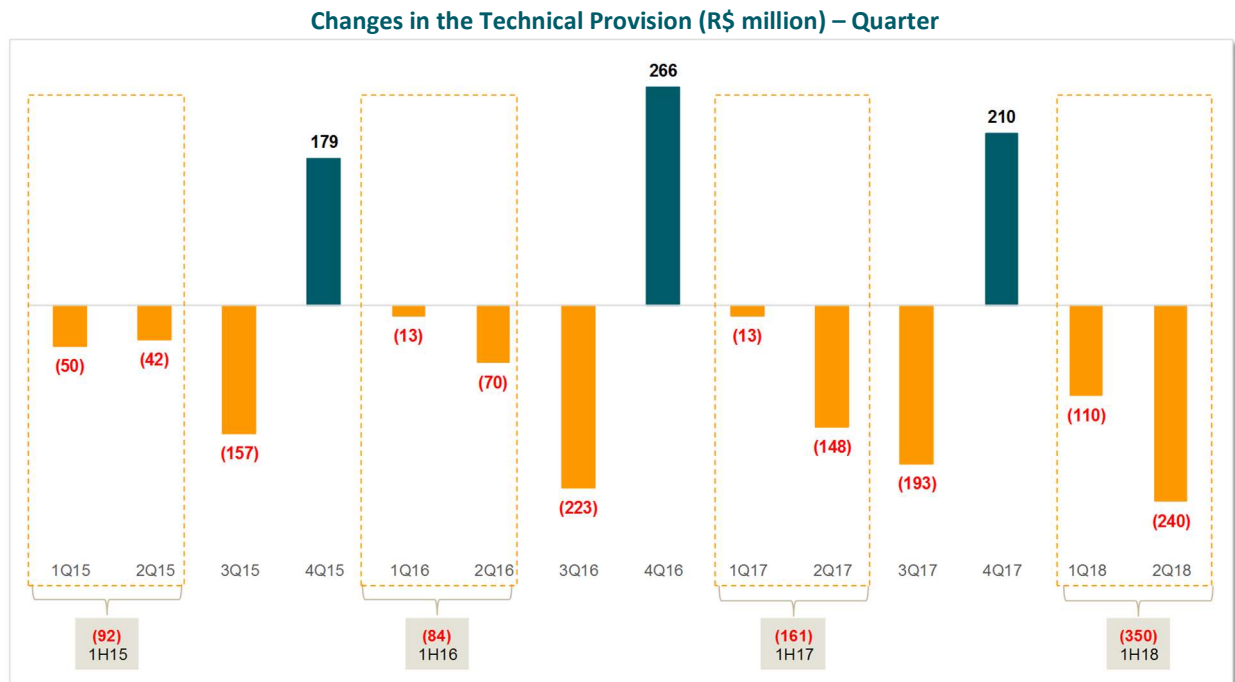
Due to the combined effect from the higher volume of premiums written and a lower retrocession ratio, **retained premiums** totaled R\$1.417,8 million in 2Q18, an increase of 37.4% year-over-year.

Changes in the Technical Provision

The **technical provision** is used to retain values that are the result of an increase in our retained premiums, in order to prevent all their value from being taken prematurely to earned premiums and consequently to our underwriting result.

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

The graph below shows the historical seasonality of the formation and reversal of technical provisions relative to written premiums. In 2015, 2016, and 2017 the provisions were formed in the first three quarters of the year, followed by an average reversal of around 60% to 80% in the fourth quarter, according to the following graph:



Earnings Release

2Q 2018

Earned Premiums

Earned premiums totaled R\$1,178.2 million in the second quarter, up 33.3% year-over-year.

Retained Claims

(R\$ million)	2Q17	2Q18	Chg. (18/17)	1H17	1H18	Chg. (18/17)
Retained Claims	(541.5)	(666.5)	23.1%	(1,015.3)	(1,133.7)	11.7%
<i>OCR</i>	(567.7)	(627.6)	10.6%	(968.2)	(1,089.1)	12.5%
<i>IBNR</i>	34.4	(44.1)	-228.2%	(35.3)	(43.1)	22.2%
<i>Other</i>	(8.2)	5.3	-164.3	(11.8)	(1.5)	-87.0%
Overall Loss Ratio	61.3%	56.6%	-5 p.p.	57.5%	53.5%	-4 p.p.
<i>Loss Ratio measured by OCR</i>	64.2%	53.3%	-11 p.p.	54.9%	51.4%	-4 p.p.
<i>Loss Ratio measured by IBNR</i>	-3.9%	3.7%	8 p.p.	2.0%	2.0%	0 p.p.

Our overall loss ratio improved by 4.7 percentage points, from 61.3% in 2Q17, to 56.6% in 2Q18, due to: (i) improved underwriting and pricing tools; (ii) improved Company guidelines; (iii) greater automation in the exchange of information with customers, in addition to marginal price adjustments.

The retained claims account has two main items: OCR (Outstanding Claims Reserve), or claims reported in the period, and IBNR (Incurred But Not Reported), which is an actuarial reserve based on statistics to prevent future claim reports.

In 2Q18, the loss ratio measured by OCR corresponded to 53.3% of premiums earned, down 11 percentage points versus 2Q17 (64.2%). In nominal terms, OCR (Outstanding Claims Reserve) went up from a net addition of R\$567.7 million in the second quarter of 2017 to a net addition of R\$627.6 million in the second quarter this year, an increase of only 10.6% as opposed to the rise of 33.3% in earned premiums.

In 2Q18, the loss ratio measured by IBNR corresponded to 3.7% of premiums earned. In nominal terms, IBNR went from a net reversal of R\$34,4 million in the second quarter of 2017 to a net addition of R\$44,1 million in 2018. This was due to the more aggressive reserve formation approach for the 90 new contracts the company executed in Brazil and abroad, as reported under written premiums.

Underwriting Result

The underwriting result rose 77.7% in the second quarter of 2018 year-over-year to R\$296.3 million. The combined effect of the growth of 27.8% in written premiums and the reduction in our loss ratio – which fell from 61.3% in the second quarter of 2017 to 56.6% in 2018 – was the key driver of the strong rise in our underwriting result.

Financial Investments

Our consolidated financial investments (parent company and subsidiaries/branches) totaled R\$176.6 million in the second quarter of 2018, down 19.1% over the R\$218.4 million reported in the same period last year. This reduction was lower than the decrease of 41.5% in the average Selic rate in the period, which went down from 10.92% in the second quarter of 2017 to 6.39% in 2018.



The consolidated performance in reais of the management of financial assets of the parent company and subsidiaries/branches reached 139% of CDI in the second quarter of 2018 versus 136% of CDI in the same period in 2017, an increase of 3 percentage points.

On June 30, 2018, fixed income investment fund IRB Brasil RE Absoluto Títulos Públicos, managed by IRB, had total assets (government bonds) of nearly R\$2.7 billion, corresponding to 44% of our overall financial assets portfolio. In the period, the fund's profitability was negative by 0.15% due to mark-to-market effects on government inflation-linked bonds and prefixed government bonds, which together represented an average of 16% of the fund's portfolio and 7% of our overall portfolio.

Our own portfolio had assets amounting to R\$3.4 billion as at June 30, 2018; and the two most important asset groups were post-fixed government bonds (LFTs) and US dollar assets.

US dollar assets totaled R\$964.6 million, R\$154.3 million of which constituted our position to hedge our passive operating exposure and, therefore, did not add to our result. The remaining amount, that is, R\$810.2 million, corresponded to a long US dollar exposure, and recorded a gain of 16%.

Our long US dollar exposure was made through the parent company itself and its subsidiaries/branches, observing the applicable law and our investment policy's limits, like we do with all our other financial investments.

The average daily balance of the financial investment portfolio, except for the real estate portfolio, was R\$5.4 billion in the second quarter of 2018.

Real Estate Investments

Our real estate investments result, that is, our net revenues/expenses from property for lease went up from R\$14.5 million in 2Q17 to R\$32 million in 2Q18, driven by (i) an increase in shopping mall revenue from lease; (ii) a significant decrease in shopkeepers' default; (iii) reduced expenses with maintenance and marketing; (iv) new leases of commercial floors that were vacant; and (v) lease of unused Company land to companies in the parking industry.

Administrative Expenses

Our administrative expense as a ratio of earned premiums fell approximately 1.0 percentage point, down from 6.3% in the second quarter of 2017 to 5.4% in 2Q18. In the first half of 2018, the administrative expense ratio fell 1.3 percentage point, down from 6.7% in 2017 to 5.4% in 2018. In nominal terms, our administrative expense dropped 3.9%, down from R\$118.5 million in the first half of 2017 to R\$113.9 million in 2Q18. The lower administrative expense ratio derived from renegotiations of major contracts, especially in the information technology sector, and also from a staff restructuring.

Net Income

Net income increased by 24%, from R\$231.7 million in the second quarter of 2017 to R\$287.3 million in the second quarter of 2018. Return on average equity (ROAE) rose by 3 percentage points, from 30% in the second quarter of 2017 to 33% in the second quarter of this year.



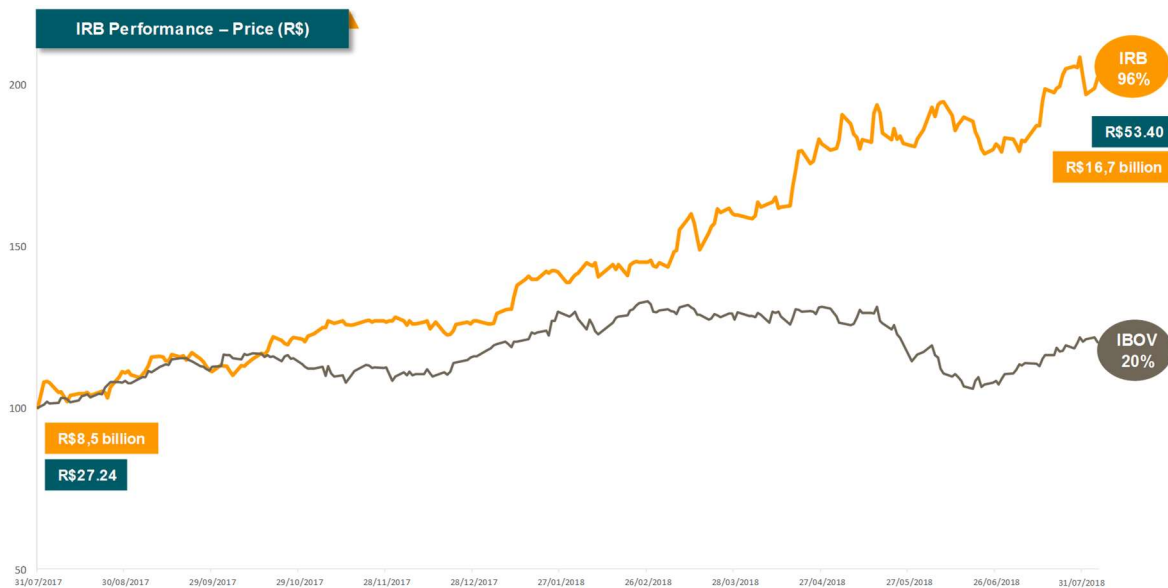
In the first half of the year, net income rose 19.1%, up from R\$454.4 million in 2017 to R\$541.3 million in 2018. Return on average equity (ROAE) rose by 2 percentage points, from 28% in the first half of 2017 to 30% this year, driven by the growth in our operating result, which more than offset the lower financial investments result for the period following a lower Selic rate.

Stock Performance

From July 31, 2017 (date of our IPO) to July 31, 2018, our stock (B3: IRBR3) reached an average daily traded volume of R\$46 million and 1.2 million trades. On July 31, 2018 our market capitalization was R\$16.7 billion, an increase of 96% in these first twelve months. On the date of our IPO, our market capitalization was R\$8.5 billion.

In the first half of 2018, our stock (B3:IRBR3) reached an average daily traded volume of R\$58.6 million and 1.3 million trades.

Given our stock's liquidity and traded volume, it has been included in the IBx-100, MSCI (Morgan Stanley Capital International), and FTSE Renaissance Latin America indexes in the first six months of 2018.



Source: Bloomberg

INCOME STATEMENT

(R\$ million)	2Q17	2Q18	Chg. (18/17)	1H17	1H18	Chg. (18/17)
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Net Income	231.7	287.3	24.0%	454.4	541.3	19.1%

Indicators	2Q17	2Q18	Chg. (p.p)	1H17	1H18	Chg. (p.p)
Combined Ratio	86.7%	83.8%	-3 p.p.	86.0%	82.6%	-3 p.p.
Extended Combined Ratio	68.6%	71.2%	3 p.p.	69.0%	70.6%	2 p.p.
Overall Loss Ratio	61.3%	56.6%	-5 p.p.	57.5%	53.5%	-4 p.p.
<i>Loss Ratio measured by OCR</i>	64.2%	53.3%	-11 p.p.	54.9%	51.4%	-4 p.p.
<i>Loss Ratio measured by IBNR</i>	-3.9%	3.7%	8 p.p.	2.0%	2.0%	0 p.p.
Administrative Expense Ratio	6.3%	5.4%	-1 p.p.	6.7%	5.4%	-1 p.p.
Portfolio profitability (%CDI)	136%	139%	3 p.p.	132%	141%	9 p.p.
ROAE	30%	33%	3 p.p.	28%	30%	2 p.p.

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IRB-Brasil Resseguros S.A.

Balance sheets In thousands of Reais

Assets	Note	Parent Company		Consolidated	
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Current		9,999,841	8,229,674	10,111,627	8,334,796
Cash		33,890	16,222	47,144	25,771
Cash and cash equivalents	5	33,890	16,222	47,144	25,771
Investments	6	2,334,651	1,547,657	2,399,332	1,596,357
Credits from reinsurance and retrocession transactions	7.1	4,163,440	3,219,998	4,163,457	3,220,012
Transactions with insurers	7.2.1	3,112,696	2,263,360	3,112,696	2,263,360
Transactions with reinsurers	7.2.2	1,041,214	949,586	1,041,214	949,586
Other operating credits		67,245	65,161	67,262	65,175
(-) Provision for credit risks	7.3	(57,715)	(58,109)	(57,715)	(58,109)
Retrocession assets - technical provisions		3,273,157	3,246,054	3,273,163	3,274,937
Premiums - retrocession	8.2	854,043	810,820	854,043	810,820
Claims - retrocession	8.1	2,410,328	2,423,673	2,410,334	2,452,556
Other provisions	8.3	8,786	11,561	8,786	11,561
Bills and credits receivable		97,656	131,702	129,344	149,678
Bills and credits receivable	9	28,373	11,373	56,367	25,676
Tax and social security credits	10.1	69,283	120,329	72,977	124,002
Prepaid expenses		18,078	6,103	20,218	6,103
Deferred acquisition costs	11	78,969	61,938	78,969	61,938
Non-current		5,075,943	6,063,863	5,001,350	6,008,414
Long-term receivables		4,284,259	5,303,129	4,324,311	5,399,596
Investments	6	3,028,529	4,111,301	3,087,424	4,219,705
Retrocession assets - technical provisions		73,481	49,473	73,481	49,473
Premiums - retrocession	8.2	73,481	49,473	73,481	49,473
Bills and credits receivable		1,182,249	1,142,355	1,163,406	1,130,418
Bills and credits receivable	9	142,010	107,333	148,644	108,544
Tax and social security credits	10.1	39,962	57,868	39,962	57,868
Deferred tax assets	10.1	361,025	348,918	335,548	335,770
Court and tax deposits	22	639,252	628,236	639,252	628,236
Investments		662,059	629,327	547,129	477,135
Equity Interest	1.3	653,267	623,352	-	-
Investment property	12	5,673	5,831	544,010	476,991
Other investments		3,119	144	3,119	144
Property, plant and equipment	13	76,111	77,310	76,195	77,385
Intangible assets	14	53,514	54,097	53,715	54,298
Total assets		15,075,784	14,293,537	15,112,977	14,343,210

The accompanying notes are an integral part of the financial statements

IRB-Brasil Resseguros S.A.

Balance sheets In thousands of Reais

Liabilities and shareholders' equity	Note	Parent Company		Consolidated	
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Current		10,437,202	9,681,833	10,473,693	9,730,998
Accounts Payable		289,938	218,825	325,337	238,462
Obligations payable	15.1	129,673	97,478	150,075	106,531
Taxes and social charges payable		22,808	23,898	24,589	23,898
Labor provisions	23	11,049	8,191	11,049	8,191
Provisions for post-employment benefits	15.2 and 26.4	40,490	38,655	40,490	38,655
Taxes and contributions payable	16	85,918	50,603	93,918	55,516
Provision for investment devaluation	1.3	-	-	5,216	5,671
Debits from reinsurance and retrocession transactions	17.1	1,280,822	1,251,895	1,281,138	1,252,165
Transactions with insurers	17.2.1	8,120	606	8,120	606
Transactions with reinsurers	17.2.1	1,135,686	1,137,443	1,135,686	1,137,443
Reinsurance and retrocession brokers	17.2.2	115,221	82,759	115,537	83,029
Other operating debits	17.2.2	21,795	31,087	21,795	31,087
Third-Party deposits	18	170,708	166,766	170,708	166,766
Technical provisions – reinsurance and retrocession		8,695,734	8,044,347	8,696,510	8,073,605
Property and casualty, and group life insurance		8,695,734	8,044,347	8,696,510	8,073,605
Provision for unearned premiums	19.1	2,175,091	1,836,237	2,175,091	1,836,237
Risks in force issued		1,941,731	1,622,914	1,941,731	1,622,914
Risks in force but not issued		233,360	213,323	233,360	213,323
Unsettled claims	19.2	4,582,548	4,343,294	4,583,324	4,372,552
Provision for claims incurred but not reported	19.2	1,679,161	1,687,480	1,679,161	1,687,480
Other provisions	19.3	258,934	177,336	258,934	177,336
Non-current		1,117,326	1,030,521	1,118,028	1,031,029
Long-term liabilities		1,117,326	1,030,521	1,118,028	1,031,029
Accounts Payable		830,222	839,788	830,924	840,296
Tax liabilities	22	426,791	418,208	426,791	418,208
Provisions for post-employment benefits	15.2 and 26.4	403,431	419,189	403,431	419,189
Obligations payable	15.1	-	2,391	702	2,899
Debits from reinsurance and retrocession transactions		789	789	789	789
Other operating debits	17.2.2	789	789	789	789
Technical provisions – reinsurance and retrocession		226,251	130,670	226,251	130,670
Property and casualty, and group life insurance		226,251	130,670	226,251	130,670
Provision for unearned premiums	19.1	226,251	130,670	226,251	130,670
Risks in force issued		205,495	115,739	205,495	115,739
Risks in force but not issued		20,756	14,931	20,756	14,931
Other debits	22	60,064	59,274	60,064	59,274
Civil and labor contingencies		60,064	59,274	60,064	59,274
Total liabilities		11,554,528	10,712,354	11,591,721	10,762,027
Shareholders' Equity		3,521,256	3,581,183	3,521,256	3,581,183
Capital stock		1,953,080	1,953,080	1,953,080	1,953,080
Profit reserves		1,149,631	1,277,821	1,149,631	1,277,821
Equity valuation adjustments	24.4	(109,837)	(76,161)	(109,837)	(76,161)
Proposal on distribution of additional dividends		-	439,399	-	439,399
Treasury shares	24.2	(12,956)	(12,956)	(12,956)	(12,956)
Retained earnings		541,338	-	541,338	-
Total liabilities and shareholders' equity		15,075,784	14,293,537	15,112,977	14,343,210

The accompanying notes are an integral part of the financial statements

IRB-Brasil Resseguros S.A.

Statements of income

In thousands of Reais, except where otherwise indicated

	Note	Quarter				Half-year			
		Parent Company		Consolidated		Parent Company		Consolidated	
		April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Net Premiums Written		1,736,610	1,374,071	1,736,610	1,374,071	2,927,892	2,546,561	2,927,892	2,546,561
Change in technical provisions		(326,709)	(288,908)	(326,709)	(288,908)	(346,497)	(351,555)	(346,497)	(351,555)
Premiums earned	25.1	1,409,901	1,085,163	1,409,901	1,085,163	2,581,395	2,195,006	2,581,395	2,195,006
Claims incurred	25.2	(739,972)	(676,065)	(739,972)	(676,065)	(1,056,259)	(1,111,792)	(1,056,259)	(1,111,792)
Direct claims		(884,311)	(807,387)	(884,311)	(807,387)	(1,378,545)	(1,368,404)	(1,378,545)	(1,368,404)
Salvages and reimbursements		178,741	34,986	178,741	34,986	196,192	52,355	196,192	52,355
Change in provision for claims incurred but nor reported		(34,402)	96,336	(34,402)	96,336	126,094	204,257	126,094	204,257
Acquisition costs	25.3	(36,874)	(40,239)	(36,874)	(40,239)	(66,196)	(66,559)	(66,196)	(66,559)
Commissions		(36,874)	(40,239)	(36,874)	(40,239)	(66,196)	(66,559)	(66,196)	(66,559)
Other operating revenues and expenses	25.5	(17,875)	(23,765)	(17,875)	(23,294)	(15,234)	(31,661)	(15,234)	(30,757)
Income from retrocession	25.4	(234,606)	(157,219)	(234,606)	(157,219)	(780,921)	(550,235)	(780,921)	(550,235)
Revenue from retrocession	25.4.1	161,479	174,286	161,479	174,286	31,305	157,282	31,305	157,282
Expenses for retrocession	25.4.2	(395,398)	(309,635)	(395,398)	(309,635)	(804,512)	(676,204)	(804,512)	(676,204)
Salvages and reimbursements to retrocessionaire		(3,869)	(25,088)	(3,869)	(25,088)	(11,492)	(36,124)	(11,492)	(36,124)
Other operating revenues and expenses		3,182	3,218	3,182	3,218	3,778	4,811	3,778	4,811
Administrative expenses	25.6	(62,244)	(55,863)	(66,690)	(61,073)	(117,594)	(135,522)	(126,448)	(142,128)
Tax expenses	25.7	(41,934)	8,039	(43,098)	6,525	(69,855)	(21,144)	(71,525)	(22,658)
Net financial income	25.8	46,055	189,427	86,875	196,280	117,270	350,780	203,149	371,249
Financial revenues		245,457	446,953	285,478	465,709	862,140	1,353,658	947,236	1,385,254
Financial revenues from investment portfolio		274,608	413,863	310,404	411,566	815,464	1,290,894	892,973	1,301,150
Other financial revenues		(29,151)	33,090	(24,926)	54,143	46,676	62,764	54,263	84,104
Financial expenses		(199,402)	(257,526)	(198,603)	(269,429)	(744,870)	(1,002,878)	(744,087)	(1,014,005)
Financial expenses from investment portfolio		(136,138)	(211,350)	(135,001)	(193,037)	(579,478)	(903,333)	(578,357)	(885,051)
Other financial expenses		(63,264)	(46,176)	(63,602)	(76,392)	(165,392)	(99,545)	(165,730)	(128,954)
Equity income	25.9	53,656	11,086	33,195	14,399	89,934	25,872	45,928	22,204
Revenues (expenses) from investment property, net		19,879	(79)	31,970	14,544	19,800	(158)	44,830	22,345
Adjustment of investments in subsidiaries		32,552	11,304	-	-	69,036	26,165	-	-
Other equity revenues (expenses), net		1,225	(139)	1,225	(145)	1,098	(135)	1,098	(141)
Operating income		376,107	340,564	390,856	344,477	682,540	654,745	713,889	664,330
Gains or losses on non-current assets		-	5	-	5	-	5	-	5
Income before taxes and profit sharing		376,107	340,569	390,856	344,482	682,540	654,750	713,889	664,335
Income tax	25.10	(30,626)	(53,446)	(41,465)	(56,074)	(45,435)	(98,595)	(68,475)	(105,634)
Social contribution tax	25.10	(58,151)	(55,418)	(62,061)	(56,703)	(95,767)	(101,775)	(104,076)	(104,321)
Net income for the period		287,330	231,705	287,330	231,705	541,338	454,380	541,338	454,380
Number of shares		310,698,900	310,698,900	310,698,900	310,698,900	310,698,900	310,698,900	310,698,900	310,698,900
Basic and diluted earnings per share	24.5	0.92	0.75	0.92	0.75	1.74	1.46	1.74	1.46

The accompanying notes are an integral part of the financial statements

IRB-Brasil Resseguros S.A.

Statements of comprehensive income In thousands of Reais

	Note	Quarter		Half-year	
		Parent Company and Consolidated		Parent Company and Consolidated	
		April 1 to June 30, 2018	April 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Net income for the period		287,330	231,705	541,338	454,380
Other comprehensive income					
Items to be recorded to income					
Foreign exchange differences on translation of transactions abroad	24.4	3,031	778	3,112	275
Financial assets available for sale	24.4				
Gains (losses) from the fair value valuation of financial assets available for sale in the half-year (*)		(77,107)	598	(59,248)	38,252
Non-realized gains (losses) from securities - Subsidiaries	24.4	(10,419)	(1,638)	(12,096)	1,525
Income and social contribution taxes	24.4	34,699	(269)	26,662	(17,213)
		(49,796)	(531)	(41,570)	22,839
Items not to be reclassified to income					
Post-employment benefits	24.4				
Re-measurement of post-employment benefits obligations (*)		22,020	15,132	13,377	(8,973)
Re-measurement of post-employment benefits obligations - Subsidiaries		(229)	(96)	(105)	(63)
Income and social contribution taxes	24.4	(8,852)	(6,809)	(5,378)	13,535
		12,939	8,227	7,894	4,499
Total other comprehensive income		(36,857)	7,696	(33,676)	27,338
Total comprehensive income for the period		250,473	239,401	507,662	481,718

(*) Peb

The accompanying notes are an integral part of the financial statements

IRB-Brasil Resseguros S.A.

Statements of changes in shareholder' equity In thousands of Reais

	Note	Profit reserves					Retained earnings	Proposal on distribution of additional dividends	Shareholders' equity of parent company shareholders
		Capital stock	Legal	Retained earnings	Treasury shares	Equity valuation adjustments			
Balances as of January 1, 2017		1,453,080	290,617	1,245,204	(12,956)	(65,289)	-	417,561	3,328,217
Adjustment to market value of securities	24.4	-	-	-	-	22,564	-	-	22,564
Cumulative conversion adjustments	24.4	-	-	-	-	275	-	-	275
Actuarial gains from post-employment benefits	24.4	-	-	-	-	4,499	-	-	4,499
Net income for the half-year		-	-	-	-	-	454,380	-	454,380
Total comprehensive income for the half-year		-	-	-	-	27,338	454,380	-	481,718
Total contributions from shareholders and distributions to shareholders									
Capital increase approved by Annual/Extraordinary Shareholders' Meeting held on March 24, 2017		500,000	(290,617)	(209,383)	-	-	-	-	-
Additional dividends paid for year 2016		-	-	-	-	-	-	(417,561)	(417,561)
Distribution of interest on shareholders' equity	24.3	-	-	(120,858)	-	-	-	-	(120,858)
Total contributions from shareholders and distributions to shareholders		500,000	(290,617)	(330,241)	-	-	-	(417,561)	(538,419)
Balances on June 30, 2017		1,953,080	-	914,963	(12,956)	(37,951)	454,380	-	3,271,516
Balances as of January 1, 2018		1,953,080	46,252	1,231,569	(12,956)	(76,161)	-	439,399	3,581,183
Adjustment to market value of securities	24.4	-	-	-	-	(44,682)	-	-	(44,682)
Cumulative conversion adjustments	24.4	-	-	-	-	3,112	-	-	3,112
Actuarial gains from post-employment benefits	24.4	-	-	-	-	7,894	-	-	7,894
Net income for the half-year		-	-	-	-	-	541,338	-	541,338
Total comprehensive income for the half-year		-	-	-	-	(33,676)	541,338	-	507,662
Total contributions from shareholders and distributions to shareholders									
Additional dividends paid for year 2017		-	-	(8,098)	-	-	-	(439,399)	(447,497)
Distribution of interest on shareholders' equity	24.3	-	-	(120,092)	-	-	-	-	(120,092)
Total contributions from shareholders and distributions to shareholders		-	-	(128,190)	-	-	-	(439,399)	(567,589)
Balances on June 30, 2018		1,953,080	46,252	1,103,379	(12,956)	(109,837)	541,338	-	3,521,256

The accompanying notes are an integral part of the financial statements

IRB-Brasil Resseguros S.A.

Cash flow statements – (Direct method)

Six-monthly periods ended June 30

In thousands of Reais

	Parent Company		Consolidated	
	2018	2017	2018	2017
Operations				
Receipt of insurance premiums, social security contributions, management fees and others	2,783,460	2,396,393	2,783,460	2,397,448
Claims recoveries and commissions	355,114	194,815	357,236	196,304
Other operating receipts (salvages, reimbursements and others)	41,533	116,376	42,586	116,376
Payment of claims, benefits, redemptions and commissions	(1,865,435)	(1,527,961)	(1,866,625)	(1,528,338)
Transfer of premiums on cession or risks	(888,385)	(668,126)	(888,385)	(668,126)
Payment of expenses and obligations	(125,406)	(190,344)	(142,035)	(205,497)
Other operating payments	(131,520)	(157,449)	(131,520)	(157,449)
Receipt of rents and sale of properties	-	4,928	26,038	28,211
Receipt of interest and dividends	904	11,884	1,169	12,078
Recording of court deposits	(1,115)	(10,893)	(1,115)	(10,893)
Cash from operations	169,150	169,623	180,809	180,114
Taxes and contributions paid	(145,079)	(173,058)	(149,021)	(180,057)
Financial investments				
Investments at fair value through profit or loss	(5,228,063)	(1,966,182)	(5,306,796)	(2,287,420)
Sales and redemption of investments at fair value through profit or loss	4,161,500	1,613,899	4,282,444	1,812,123
Net financial investments	(1,066,563)	(352,283)	(1,024,352)	(475,297)
Net cash used in operating activities	(1,042,492)	(355,718)	(992,564)	(475,240)
Investment activities				
Available for sale investments	(2,081,553)	(743,903)	(2,085,216)	(1,006,344)
Sales and redemption of investments available for sale	3,280,621	1,785,166	3,284,326	1,785,166
Redemption of investments held to maturity	288,440	5,119	288,440	5,119
Dividends – Equity interest	31,169	-	-	-
Payment on the purchase of:				
Investments	-	(381,441)	(15,695)	-
Property, plant and equipment	(2,696)	(20,024)	(2,696)	(20,024)
Intangible assets	(10,825)	(10,802)	(10,825)	(10,802)
Receipts from the sale of:				
Property, plant and equipment	-	5	-	5
Net Cash from investment activities	1,505,156	634,120	1,458,334	753,120
Financing activities				
Distribution of dividends and interest on shareholders' equity	(503,531)	(463,506)	(503,531)	(463,506)
Net cash used in financing activities	(503,531)	(463,506)	(503,531)	(463,506)
Decrease in cash and cash equivalents	(40,867)	(185,104)	(37,761)	(185,626)
Exchange variation on cash and cash equivalents	58,535	(6,657)	59,134	(6,610)
Increase (decrease) in cash and cash equivalents after exchange variation	17,668	(191,761)	21,373	(192,236)
Cash and cash equivalents at the beginning of the half-year	16,222	213,543	25,771	217,575
Cash and cash equivalents at the end of the half-year	33,890	21,782	47,144	25,339

The accompanying notes are an integral part of the financial statements

IRB-Brasil Resseguros S.A.

Cash flow statements – (Direct method)

Six-monthly periods ended June 30

In thousands of Reais

(continuation)

	Parent Company		Consolidated	
	2018	2017	2018	2017
Reconciliation between net income for the half-year and net cash used in operating activities				
Net income for the half-year	541,338	454,380	541,338	454,380
Adjustments to net income				
Depreciations and amortizations	24,208	15,065	25,805	17,424
Provision (reversal of provision) for doubtful debts	(652)	13,107	(652)	13,107
Reversal of loss on impairment of assets	(2,614)	-	(2,614)	-
Loss from disposal of property, plant and equipment and intangible assets	-	5	-	5
Equity accounting income	(69,036)	(26,165)	-	-
Exchange variation on cash and cash equivalents	(58,535)	(6,657)	(58,535)	(5,618)
Other adjustments	92	609	15,793	-
Variation in equity accounts				
Financial investments	(1,250,978)	(737,283)	(1,214,081)	(866,550)
Credit from insurance and reinsurance transactions	(942,789)	(572,388)	(942,789)	(570,074)
Retrocession assets	(51,112)	214,432	(48,738)	214,432
Investment property	-	-	(51,480)	-
Tax and social security credits	56,845	82,334	55,284	86,840
Prepaid expenses	(11,975)	(3,653)	(11,975)	(4,274)
Deferred acquisition costs	(17,031)	(55,064)	(17,031)	(55,064)
Other assets	(83,270)	(5,862)	(101,443)	(13,287)
Court and tax deposits	(11,016)	(35,836)	(11,016)	(38,273)
Suppliers	20,509	34,680	33,115	20,547
Taxes and contributions	39,602	(38,806)	56,799	(38,839)
Debits from insurance and reinsurance transactions	28,927	101,282	26,553	101,282
Third-Party deposits	3,942	14,151	3,942	14,151
Technical provisions - insurance and reinsurance	746,968	174,192	749,014	172,788
Other liabilities	(15,288)	-	(49,226)	24
Court provisions	9,373	21,759	9,373	21,759
Net cash used in operations	(1,042,492)	(355,718)	(992,564)	(475,240)

The accompanying notes are an integral part of the financial statements

IRB-Brasil Resseguros S.A.

Statements of value added Six-monthly periods ended June 30 In thousands of Reais

	Parent Company		Consolidated	
	2018	2017	2018	2017
Revenues				
Revenues from insurance transactions	2,927,892	2,546,561	2,927,892	2,546,561
Others	(59,817)	(85,168)	(33,190)	(59,402)
Provision/(reversal of provision) for doubtful debts	652	(13,107)	652	(13,107)
Change in technical provisions	(346,497)	(351,555)	(346,497)	(351,555)
Net operating revenues	2,522,230	2,096,731	2,548,857	2,122,497
Expenses				
Claims	(1,378,545)	(1,368,404)	(1,378,545)	(1,368,404)
Change in provision for claims incurred but not reported	126,094	204,257	126,094	204,257
Others	196,192	52,355	196,192	52,355
	(1,056,259)	(1,111,792)	(1,056,259)	(1,111,792)
Inputs purchased from third parties				
Materials, energy and others	(19,463)	(28,033)	(20,481)	(34,139)
Third-party services, net commissions	(9,585)	(16,082)	(17,709)	(16,581)
	(29,048)	(44,115)	(38,190)	(50,720)
Gross value added	1,436,923	940,824	1,454,408	959,985
Depreciation, amortization and depletion	(24,208)	(15,065)	(25,805)	(17,424)
Net value added produced by the Company	1,412,715	925,759	1,428,603	942,561
Value added received in transfer				
Financial result	117,270	350,780	203,149	370,631
Income from retrocession	(780,921)	(549,707)	(780,921)	(549,707)
Equity accounting income	69,036	26,165	-	-
Others	(1,208)	(612)	(1,208)	25,553
	(595,823)	(173,374)	(578,980)	(153,523)
Total value added to be distributed	816,892	752,385	849,623	789,038
Distribution of value added				
Personnel	64,497	76,488	64,894	76,488
Taxes, fees and contributions	211,057	221,517	243,391	232,617
Interest on shareholders' equity	120,092	120,857	120,092	120,857
Retained earnings for the half-year	421,246	333,523	421,246	359,076
Value added distributed	816,892	752,385	849,623	789,038

The accompanying notes are an integral part of the financial statements

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

Section A – General information

1.1 Operations

IRB-Brasil Resseguros S.A. ("IRB Brasil RE", "Reinsurer" or "the Company") is a publicly-held company of private law organized in 1939 by the then President Getúlio Vargas, headquartered at Avenida Marechal Câmara, 171, in the city of Rio de Janeiro, with offices in São Paulo, Buenos Aires, London and New York. Its business is reinsurance in Brazil and abroad. The Company shares are traded on B3 S.A - Brasil, Bolsa, Balcão (B3).

The individual and consolidated financial statements as at June 30, 2018 were approved by the Board of Directors on July 27, 2018.

1.2 Basis of preparation

The individual financial statements have been prepared and are presented in accordance with Technical Pronouncement CPC 21 (R1) – Interim Statements and the interim consolidated financial statements have been prepared and are presented in accordance with CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). These statements are also presented in accordance with the standards for the preparation of financial statements issued by the Brazilian Securities Commission, and they contain all the material information required for financial statements, and only this information, which is consistent with that used by management in operating the company.

The significant accounting policies applied in preparing these financial statements are shown in Note 27.

The financial statements have been prepared using historic cost as a value base, adjusted, in the case of financial assets available for sale and other financial assets and liabilities, to reflect measurement at fair value.

The preparation of individual and consolidated financial statements requires the use of certain critical accounting estimates and the exercise of judgment on the part of management in the process of applying the Company's accounting policies. Those areas requiring a greater degree of judgment and that are more complex, and those where assumptions and estimates are significant for the financial statements, are shown in Note 28.

IRB Brasil RE has a branch in London which is in run-off. On December 11, 2014, at its 209th Ordinary Meeting, the Board of Directors approved the valuation of the operations of this branch at market value for the subsequent consideration of possible purchase offers. This valuation did not create a book loss for IRB Brasil RE. Since the London operation does not represent a significant separate business line or geographic area of operations for the Company, the branch balances, in accordance with CPC 31, have not been shown as a discontinued line of business.

The Company also has a branch in Argentina which started operating on September 1, 2011. The book balances of this branch are registered and shown in the individual and consolidated financial statements of the Company.

1.3 Consolidation

The Company consolidates all the entities which it controls, i.e. where it is exposed or has rights to variable returns from its involvement with the subsidiary and can control its main activities.

The subsidiaries included in the consolidation are listed in Note 4.2 and the accounting policies applied in preparing the consolidated financial statements are described below:

Companies under control are all those entities for which the Company has the power to determine their financial and operating policies, generally accompanied by a share of more than half the voting rights (voting capital). The existence and the effect of any voting rights which can currently be exercised or converted are taken into account when assessing whether the Company controls another entity. Companies under control are fully consolidated as from the date when control is transferred to the Company. Consolidation is suspended as from the date when the Company ceases to have control.

As at June 30, 2018 and December 31, 2017, the Company had a subsidiary in the United States of America which is in run-off ("IRB International"). This subsidiary holds the real estate assets of the Reinsurer, and is an asset management company.

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

The Company contributed capital to IRB Asset Management in 2017. On July 16, 2018, the CVM - Brazilian Securities and Exchange Commission authorized the Company to provide Securities Portfolio Administration services (see Note 29).

As at June 30, 2018, the Company had a balance of R\$5,216 (R\$5,671 as at December 31, 2017) for impairment in the investment held in IRB International.

Information on the subsidiaries is shown below:

	June 30, 2018				
	IRB International Corporation & Subsidiaries	IRB Investimentos e Participações Imobiliárias S.A.	IRB Asset Management	Impairment	Total
Share in capital stock	100.0%	100.0%			
Number of shares held	5,000,000	168,465,949			
Assets	60,054	655,475			
Current and Non-current Liabilities	34,403	27,743			
Shareholders' equity at the end of the half-year	25,651	627,732	5,100	(5,216)	653,267
Net income (loss) for the half-year	(50)	69,086			69,036

	December 31, 2017				
	IRB International Corporation & Subsidiaries	IRB Investimentos e Participações Imobiliárias S.A.	IRB Asset Management	Impairment	Total
Share in capital stock	100.0%	100.0%			
Number of shares held	5,000,000	168,465,949			
Assets	52,007	627,588			
Current and Non-current Liabilities	29,797	25,875			
Shareholders' 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 the 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
- IRB FI Multimercado

The consolidated financial statements of the Company include IRB International Corporation & Subsidiaries, the exclusive investment funds shown above, the subsidiary IRB Investimentos e Participações Imobiliárias S.A and IRB Asset Management.

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

Section B – Risks

2 Risk management

Risk management is considered by IRB Brasil RE to be an essential instrument for the implementation of a strategy for optimizing the use of capital and for selecting the best business opportunities, with a view to obtaining the best risk/return ratio for its shareholders. The aim of risk-management is to protect the Company's solvency and long-term results by identifying, measuring and handling the risks to which it is exposed in the course of its business. It is also intended to meet the requirements of the regulator and to ensure that the internal control system is adequate, effective and functioning efficiently.

In the first quarter of 2014, in order to reinforce the importance given to this matter, a Vice-President for Risks and Compliance was appointed (heading the Corporate Risk and Compliance divisions), to have primary responsibility for supervising risk management in IRB Brasil RE. Nevertheless, the Joint Board, the Board of Directors, the Risk Management Committee and other consultative and deliberative bodies continue to be committed to supporting and fostering risk-management within the Company.

After the seventh review, in April 2018, the Company's A- (excellent) classification, with a positive outlook, was confirmed by the US-based rating agency A.M. Best, reflecting the agency's opinion that the Company's capitalization is entirely adequate in relation to its risks.

2.1 Lines of defense

IRB Brasil RE considers that risk-management is the responsibility of all employees and collaborators. Following the model of three lines of defense, IRB Brasil RE's Risk Management Policy and internal regulations define roles and responsibilities for risk-management for each of these lines.

- First line of defense: managers and staff directly responsible for procedures, in accordance with their attributes;
- Second line of defense: Corporate Risks Division and Compliance Division;
- Third line of defense: Internal Audit.

2.2 Principal types of risk

The management of corporate risks covers the following categories of risk: operating, underwriting, market, credit and liquidity risk, which in turn are divided into a number of subcategories.

The Company considers that these categories represent its principal types of exposure, but that the list is not exhaustive, since various risks can affect it.

2.3 Operating risks

Operating risk in IRB Brasil RE is the possibility that losses may be caused by failings, defects or inadequacies of internal processes, people or systems, or by external events.

Operating risks are managed in five stages: identification, analysis and measurement, handling, monitoring and reporting. In this process, the Corporate Risks Division works jointly with the owner of the risk, providing support and monitoring the management of operating risks by the business units of IRB Brasil RE.

IRB Brasil RE has a Business Continuity Management program which defines procedures in the event of a contingency. The program consists of four specific contingency plans: a Disaster Recovery Plan, Operations Continuity Plan, Incident Management Plan and Business Recovery Plan.

As required by SUSEP Circulars 517/2015 and 568/2018, IRB Brasil RE has an Operating Losses Database in which losses arising from this category of risk are recorded and managed.

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

2.4 Underwriting risks

Underwriting risk is the result of oscillations which can be caused by both internal and external factors contrary to the expectations of the Reinsurer in relation to the actuarial and financial assumptions used to price reinsurance contracts and to set up technical provisions.

One of the techniques available for minimizing and controlling underwriting risks is the transfer of risk by means of retrocession. Like reinsurance, retrocession can cover a group of contracts or single risks (also referred to as optional risks). IRB Brasil RE currently has retrocession (or portfolio protection) programs covering lines where there is the highest exposure, with a view to stabilizing results and limiting losses, and expanding its capacity to accept strategic business.

In addition, optional retrocession can be used for specific cases, subject to case-by-case analysis. Due to the nature of risk transfer, retrocession operations imply an underlying credit risk, which is handled as described in Note 2.6.

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

2.4.1 Monitoring of reinsurance liabilities by business line

The Company calculates its technical provisions as required by the regulator. The following table shows gross assets and liabilities (PSL, IBNR, IBNER, PET, PPNG, PDR) by business line:

	Parent Company			
	Reinsurance		Retrocession	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Aerospace	614,923	674,202	(521,229)	(559,445)
Motor	188,336	208,309	(8,613)	(6,609)
Housing	42,651	40,214	(55)	(193)
Maritime	229,063	175,449	(73,370)	(52,362)
Nuclear	7,237	13,288	(6,051)	(11,790)
Property	2,603,593	2,572,302	(1,596,680)	(1,496,003)
People	270,258	307,193	(42,920)	(53,145)
Oil	338,187	268,534	(262,503)	(223,238)
Liabilities	641,597	644,141	(303,659)	(315,362)
Financial risks	512,407	511,503	(134,805)	(152,746)
Rural	638,369	521,149	(47,793)	(80,799)
Transport	481,417	410,808	(250,774)	(210,240)
Acceptances from abroad	2,050,809	1,563,482	(77,803)	(120,034)
Offshore branches	115,262	97,528	(20,383)	(13,561)
Run-off	187,876	166,915	-	-
Total	8,921,985	8,175,017	(3,346,638)	(3,295,527)

	Consolidated			
	Reinsurance		Retrocession	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Aerospace	614,923	674,202	(521,229)	(559,445)
Motor	188,336	208,309	(8,613)	(6,609)
Housing	42,651	40,214	(55)	(193)
Maritime	229,063	175,449	(73,370)	(52,362)
Nuclear	7,237	13,288	(6,051)	(11,790)
Property	2,603,593	2,572,302	(1,596,680)	(1,496,003)
People	270,258	307,193	(42,920)	(53,145)
Oil	338,187	268,534	(262,503)	(223,238)
Liabilities	641,597	644,141	(303,659)	(315,362)
Financial risks	512,407	511,503	(134,805)	(152,746)
Rural	638,369	521,149	(47,793)	(80,799)
Transport	481,417	410,808	(250,774)	(210,240)
Acceptances from abroad	2,050,809	1,592,740	(77,809)	(148,917)
Offshore branches	116,038	97,528	(20,383)	(13,561)
Run-off	187,876	166,915	-	-
Total	8,922,761	8,204,275	(3,346,644)	(3,324,410)

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

2.4.2 Evolution of claims

The following tables show the evolution of the Company's claims, by year of underwriting.

Claims ignoring retrocession

- Ignoring retrocession

Underwriting year	June 30, 2018							
	Parent Company							Total
	2012	2013	2014	2015	2016	2017	2018	
Claims incurred in the year	342,520	1,107,829	293,187	656,095	330,900	346,916	13,331	
After 1 year	975,304	1,362,435	1,331,605	2,184,610	1,970,743	1,019,921		
After 2 years	1,813,805	2,039,277	1,709,391	2,588,521	2,686,285			
After 3 years	2,005,247	2,074,119	1,775,186	2,784,703				
After 4 years	1,994,059	2,049,767	1,781,324					
After 5 years	2,000,772	2,041,418						
After 6 years	2,004,551							
Current estimate of accrued claims	2,004,551	2,041,418	1,781,324	2,784,703	2,686,285	1,019,921	13,331	12,331,533
Payments accrued until base date	(1,814,455)	(1,867,293)	(1,549,256)	(2,233,667)	(1,855,156)	(461,508)	(2,778)	(9,784,113)
Liabilities recognized in the balance sheet	190,096	174,125	232,068	551,036	831,129	558,413	10,553	2,547,420
Liabilities regarding years before 2012								1,840,379
IBNER								194,749
Total liabilities included in the balance sheet								4,582,548

Underwriting year	December 31, 2017							
	Parent Company							Total
	2011	2012	2013	2014	2015	2016	2017	
Claims incurred in the year	200,595	342,520	1,107,829	293,187	656,095	330,900	346,916	
After 1 year	516,906	975,304	1,362,435	1,331,605	2,184,610	1,970,743		
After 2 years	765,358	1,813,805	2,039,277	1,709,391	2,588,521			
After 3 years	1,028,917	2,005,247	2,074,119	1,775,186				
After 4 years	972,769	1,994,059	2,049,767					
After 5 years	1,019,971	2,000,772						
After 6 years	1,022,918							
Current estimate of accrued claims	1,022,918	2,000,772	2,049,767	1,775,186	2,588,521	1,970,743	346,916	11,754,823
Payments accrued until 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 regarding years before 2011								1,578,650
IBNER								204,394
Total liabilities included in the balance sheet								4,343,294

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Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

Claims ignoring retrocession

- Ignoring retrocession

Underwriting year	June 30, 2018							
	Consolidated							
	2012	2013	2014	2015	2016	2017	2018	Total
Claims incurred in the year	342,520	1,107,829	293,187	656,095	330,900	346,916	13,331	
After 1 year	975,304	1,362,435	1,331,605	2,184,610	1,970,743	1,019,921		
After 2 years	1,813,805	2,039,277	1,709,391	2,588,521	2,686,285			
After 3 years	2,005,247	2,074,119	1,775,186	2,784,703				
After 4 years	1,994,059	2,049,767	1,781,324					
After 5 years	2,000,772	2,041,418						
After 6 years	2,005,327							
Current estimate of accrued claims	2,005,327	2,041,418	1,781,324	2,784,703	2,686,285	1,019,921	13,331	12,332,309
Payments accrued until base date	(1,814,455)	(1,867,293)	(1,549,256)	(2,233,667)	(1,855,156)	(461,508)	(2,778)	(9,784,113)
Liabilities recognized in the balance sheet	190,872	174,125	232,068	551,036	831,129	558,413	10,553	2,548,196
Liabilities regarding years before 2012								1,840,379
IBNER								194,749
Total liabilities included in the balance sheet								4,583,324

Underwriting year	December 31, 2017							
	Consolidated							
	2011	2012	2013	2014	2015	2016	2017	Total
Claims incurred in the year	200,595	342,520	1,107,829	293,187	656,095	330,900	346,916	
After 1 year	516,906	975,304	1,362,435	1,331,605	2,184,610	1,970,743		
After 2 years	765,358	1,813,805	2,039,277	1,709,391	2,588,521			
After 3 years	1,028,917	2,005,247	2,074,119	1,775,186				
After 4 years	972,769	1,994,059	2,049,767					
After 5 years	1,019,971	2,000,772						
After 6 years	1,052,176							
Current estimate of accrued claims	1,052,176	2,000,772	2,049,767	1,775,186	2,588,521	1,970,743	346,916	11,784,081
Payments accrued until 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	214,249	211,842	218,534	267,584	677,037	753,357	246,905	2,589,508
Liabilities regarding years before 2011								1,578,650
IBNER								204,394
Total liabilities included in the balance sheet								4,372,552

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

• Net of retrocession

Underwriting year	June 30, 2018							
	Parent Company and Consolidated							
	2012	2013	2014	2015	2016	2017	2018	Total
Claims incurred in the year	212,493	713,804	194,043	325,364	202,896	305,449	10,485	
After 1 year	588,287	802,663	981,979	1,506,852	1,508,804	765,959		
After 2 years	916,994	1,133,787	1,252,197	1,833,732	2,141,557			
After 3 years	1,016,375	1,233,167	1,234,278	1,962,471				
After 4 years	1,011,914	1,235,267						
After 5 years	1,027,774	1,222,552						
After 6 years	1,025,423							
Current estimate of accrued claims	1,025,423	1,222,552	1,225,510	1,962,471	2,141,557	765,959	10,485	8,353,957
Payments accrued until base date	(908,319)	(1,160,971)	(1,056,131)	(1,649,625)	(1,530,615)	(411,827)	(2,672)	(6,720,160)
Liabilities recognized in the balance sheet	117,104	61,581	169,379	312,846	610,942	354,132	7,813	1,633,797
Liabilities regarding years before 2012								852,556
IBNER								112,919
Total liabilities included in the balance sheet								2,599,272

Underwriting year	December 31, 2017							
	Parent Company and Consolidated							
	2011	2012	2013	2014	2015	2016	2017	Total
Claims incurred in the year	146,828	212,493	713,804	194,043	325,364	202,896	305,449	
After 1 year	283,846	588,287	802,663	981,979	1,506,852	1,508,804		
After 2 years	346,747	916,994	1,133,787	1,252,197	1,833,732			
After 3 years	589,538	1,016,375	1,233,167	1,234,278				
After 4 years	574,959	1,011,914	1,235,267					
After 5 years	587,398	1,027,774						
After 6 years	590,354							
Current estimate of accrued claims	590,354	1,027,774	1,235,267	1,234,278	1,833,732	1,508,804	305,449	7,735,658
Payments accrued until 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 regarding years before 2011								683,832
IBNER								108,125
Total liabilities included in the balance sheet								2,459,152

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2.4.3 Sensitivity analysis

The following table shows the possible effects on income and shareholders' equity as at June 30, 2018, assuming an increase of 10% in loss ratio.

Gross effects	Base	Scenario 10.0%	Impact
Shareholders' Equity	3,521,256	3,415,630	(105,626)
Income	541,338	435,712	(105,626)
Impact (%) on income			(19.5)
Impact (%) on shareholders' equity			(3.0)

Effects net of retrocession	Base	Scenario 10.0%	Impact
Shareholders' Equity	3,521,256	3,418,761	(102,495)
Income	541,338	438,843	(102,495)
Impact (%) on income			(18.9)
Impact (%) on shareholders' equity			(2.9)

Due to the nature of the operations accepted by IRB Brasil RE, there is no material exposure to convertibility, mortality or survival ratios. Other internal studies indicate that some non-operating liabilities, related to post-employment benefits, are indexed to inflation and covered by investments in securities with the same indexing (NTN-B), and that there is no significant exposure to this risk factor.

2.5 Market risk

This can be defined as risk arising from changes in prices and rates in the financial market which can cause impairment in a security or asset portfolio. The key variables affecting the market risk of IRB Brasil RE's investment portfolio are interest rates, currency rates and the liquidity of the assets. Managing the risk of these variables involves various organizational units and consists of a series of guidelines and strategies which management considers to be adequate, and which are part of the Company's governance. The following techniques are used for this purpose: VaR (value at risk) and the construction of stress scenarios, as preventative loss management.

2.5.1 Value at risk Analysis

There are policies that define limits, processes and tools for the effective management of market risk. The investment portfolio is monitored daily to ensure that limits are respected.

One of the methods used to manage market risk is value at risk (VaR). Measuring market risk through VaR estimates the maximum loss anticipated during a specific time horizon and for a certain confidence interval under normal market conditions. This measure considers the effect of diversification of risk in the total portfolio. It is a metric commonly used in the market to measure market risk. However, the model uses historical data to calculate portfolio losses and it is limited by the fact that it does not measure them above the confidence level.

Under the historical method, with a significance level of 95%, an observation window of 252 business days and daily returns, the daily VaR of the Company's asset portfolio estimated for June 29, 2018, was approximately R\$3,196, which represents a maximum estimated loss of 0.07% of the total portfolio of assets.

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2.5.2 Foreign currency sensitivity analysis

The Company's exposure is mainly in US dollars, but there is also a smaller exposure to other currencies, such as Sterling, Euros and Argentine Pesos.

The following scenarios were considered for a sensitivity analysis of the R\$/US\$ exchange rate. Both scenarios take place at the close of 2018, and the first considers a devaluation of 25% (Scenario I – exchange rate R\$/US\$2.76), the second a devaluation of 50% (Scenario II – exchange rate R\$/US\$1.84) in relation to the rate under the probable scenario defined by the Company. To define the probable scenario the Market Expectations System of the Central Bank of Brazil for June 29, 2018, was taken as a reference, which estimates the exchange rate at the end of 2018 to be R\$/US\$3.68. The following table gives the sensitivity of total assets and liabilities to variations in the exchange rate:

Group	June 30, 2018		Scenarios in December 31, 2018		
	Base	Impact (R\$ thousand)			Scenario II
		Probable	Scenario I	Scenario II	
Total assets in foreign currency (*)	5,406,220	(246,489)	(1,536,422)	(2,826,355)	
Total liabilities in foreign currency	(5,129,460)	233,871	1,457,768	2,681,665	
Net exposure	276,760	(12,618)	(78,654)	(144,690)	
Impact (%) on shareholders' equity		(0.4)	(2.2)	(4.1)	
Impact (%) on income		(2.3)	(14.5)	(26.7)	

(*) Including the foreign currency portion of local currency investment funds.

2.5.3 Interest-rate sensitivity analysis

The Company is exposed to an interest-rate risk, since it holds securities linked to this market risk factor.

The following scenarios were considered for a sensitivity analysis of variations in the SELIC interest rate. Both scenarios consider the close of 2018, with the first positing a variation of 25% (Scenario I – interest rate 8.3%) and the second a variation of 50% (Scenario II – interest rate 9.9%) in relation to the curve of the probable scenario defined by the Company. To define the probable scenario the Market Expectations System of the Central Bank of Brazil for June 29, 2018, was taken as a reference, which estimates the interest rate at the end of 2018 to be 6.6%. The following table gives the sensitivity of the portfolio of financial assets to variations in the interest rate:

Group	June 30, 2018		Scenarios in December 31, 2018		
	Base	Impact (R\$ thousand)			Scenario II
		Probable	Scenario I	Scenario II	
Total portfolio (*)	5,486,756	5,470,786	5,355,867	5,240,949	
Impact (%) on total portfolio		(0.3)	(2.4)	(4.5)	
Impact (R\$)		(15,970)	(130,889)	(245,807)	
Impact (%) on shareholders' equity		(0.5)	(3.7)	(7.0)	
Impact (%) on income		(3.0)	(24.2)	(45.4)	

(*) Total portfolio balance does not include current account balances (see Note 6.1).

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Consolidated analysis by economic stress tests

Management applied a selection of the main worldwide economic stress tests* to the assets using the predictive method, i.e. taking account of the correlations existing between the different risk factors. After this analysis, it was concluded that the most adverse economic scenario for the investment portfolio is the Asian Crisis, the financial crisis which affected Asia in 1997, when there was a sequence of currency devaluations, starting in Thailand and spreading rapidly to most of the Asian market. This in turn caused major falls in share markets, cuts in import revenues and political turbulence, leading to a loss of 2.2% in the portfolio.

* The worldwide economic stress tests analyzed were: Mexican Crisis (1995), Asian Crisis (1997), Russian Devaluation (1998), Tech Wreck (2000), Sept 11 (2001) and Fall 2008 (2008).

Currency futures contracts

The Company's investment policy includes the possibility of currency hedging at times when there is an excess of foreign currency assets. As of June 29, 2018, the Company held no forward currency contracts or other currency hedging instruments.

2.6 Credit risk

IRB Brasil RE considers that the primary source of credit risk is its retrocession operations. In order to minimize this risk, the Company has adopted a policy of undertaking retrocession operations with companies with proven recorded ratings of not less than A- (S&P, Fitch and AM Best) or A3 (Moody's), and the Company has its own method of classifying retrocessionaires. The Reinsurer's exposure is mitigated by the application of retrocession limits (individual and aggregate) for counterparties, which are reviewed and approved at least once a year by the Security Committee. The table below indicates the quality of the current retrocessionaires of IRB Brasil RE:

Retrocession assets

June 30, 2018				
Rating range (*)	% of reinsurers participating in the agreements and hedges in force			
	Local	Admitted	Occasional	Total
AAA or equivalent	-	4.6	0.4	5.0
AA or equivalent	0.2	33.3	4.5	38.0
A or equivalent	-	8.9	47.8	56.7
BBB or equivalent	0.1	-	-	0.1
Unrated	0.1	0.1	-	0.2
	0.4	46.9	52.7	100.0

December 31, 2017				
Rating range (*)	% of reinsurers participating in the agreements and hedges in force			
	Local	Admitted	Occasional	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
Unrated	0.2	0.1	-	0.3
	0.6	48.4	51.0	100.0

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

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Credit ratings for reinsurance operations are shown in the following table:

Credit ratings for operations

Rating range (*)	June 30, 2018			% of exposure with reinsurers By rating range	% of exposure with insurers By rating range
	Local	Admitted	Occasional	Total	Total
A or equivalent	0.1	0.8	35.1	36.0	39.0
B or equivalent	0.3	0.4	8.2	8.9	14.9
CCC+ or equivalent	0.3	0.9	27.9	29.1	16.3
CCC or equivalent	0.1	2.0	17.7	19.8	15.6
CC or equivalent	-	-	0.1	0.1	-
CCC- or equivalent	0.2	0.1	2.6	2.9	0.6
D or equivalent	-	-	3.2	3.2	13.6
	1.0	4.2	94.8	100.0	100.0

Rating range (*)	December 31, 2017			% of exposure with reinsurers By rating range	% of exposure with insurers By rating range
	Local	Admitted	Occasional	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

(*) The credit ratings for operations are measured according to the Company's internal criteria.

The credit risk for investment funds and financial instruments is limited because the counterparties are banks with high credit ratings awarded by the international agencies.

The following techniques are used to control and mitigate credit risk: definition of retrocession limits for each entity; monitoring of credit risk exposure; monitoring of changes and trends in the insurance and reinsurance markets and in the financial market; and preventative loss management.

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Exposure to credit risk

The Company is exposed to a concentration of reinsurer risks due to the nature of the reinsurance market. A risk classification by age of balances is shown below.

Portfolio breakdown by class and accounting category	Parent Company							Book balance December 31, 2017
	June 30, 2018							
	Assets not overdue and not impaired	Assets overdue and not impaired					Book value	
0 to 30 days		31 to 60 days	61 to 120 days	121 to 180 days	Above 180 days			
Cash and cash equivalents	33,890						33,890	16,222
At fair value through profit or loss								
Private	136,282						136,282	173,081
Public	1,207,366						1,207,366	320,096
Foreign	844,726						844,726	606,934
Available for sale								
Private	123,071						123,071	111,450
Public	2,946,416						2,946,416	4,033,902
Foreign	105,319						105,319	127,762
Held to maturity								
Private	-						-	285,733
Credits from transactions – insurer and reinsurer	3,255,008	480,610	133,745	102,196	106,784	172,566	4,250,909	3,307,861
Total financial assets, and assets from insurance and reinsurance agreements	8,652,078	480,610	133,745	102,196	106,784	172,566	9,647,979	8,983,041

Portfolio breakdown by class and accounting category	Consolidated							Book balance December 31, 2017
	June 30, 2018							
	Assets not overdue and not impaired	Assets overdue and not impaired					Book value	
0 to 30 days		31 to 60 days	61 to 120 days	121 to 180 days	Above 180 days			
Cash and cash equivalents	47,144						47,144	25,771
At fair value through profit or loss								
Private	193,850						193,850	266,969
Public	1,207,579						1,207,579	320,161
Foreign	844,726						844,726	606,934
Available for sale								
Private	171,488						171,488	289,406
Public	2,946,416						2,946,416	3,903,951
Foreign	122,697						122,697	142,908
Held to maturity								
Private	-						-	285,733
Credits from transactions – insurer and reinsurer	3,255,008	480,610	133,745	102,196	106,784	172,583	4,250,926	3,307,875
Total financial assets, and assets from insurance and reinsurance agreements	8,788,908	480,610	133,745	102,196	106,784	172,583	9,784,826	9,149,708

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2.7 Liquidity risk

Liquidity risk is the risk that the Company, although solvent, may not have the funds available to meet its obligations on time, or that it can only meet them by selling assets on unfavorable terms, resulting in financial loss. To manage this risk, a minimum reserve is held in highly liquid funds in order to meet short-term cash needs. This risk is constantly monitored by tracking the cash flows of assets and liabilities over time, as shown in the following table.

	June 30, 2018			
	Parent Company		Consolidated	
	Assets (*)	Liabilities (**)	Assets (*)	Liabilities (**)
Flow from 0 to 12 months	6,100,661	3,764,135	6,112,123	3,764,469
Flow from 12 to 24 months	1,556,676	2,438,767	1,556,817	2,438,981
Flow from 24 to 36 months	492,384	1,112,495	492,676	1,112,592
Flow from 36 to 48 months	225,182	579,739	225,290	579,790
Flow above 48 months	764,947	921,337	766,204	921,417
	9,139,850	8,816,473	9,153,110	8,817,249

(*) The flow of assets consists of the sum of cash flows arising from assets available for security, cash and cash equivalents, retrocession assets and receivables.

(**) The flow of liabilities consists of technical reinsurance provisions.

2.8 Valuation techniques and assumptions applied for calculating fair value

The determination of fair value of financial assets and liabilities is described below:

- Fair value of financial assets and liabilities with standard terms and conditions which are traded on active markets is determined on the basis of the prices observed in those markets.
- Fair value of derivative instruments is based on quoted prices. Currency futures contracts are measured on the basis of exchange rates and yield curves obtained for prices and for contracts with the same maturity dates.
- Fair value of other financial assets and liabilities (excepting those listed above) is determined according to generally accepted pricing models and based on discounted cash flow analysis.

2.9 Measurements at fair value recognized in the balance sheet

The following table gives an analysis of the financial instruments measured at fair value after initial recognition, grouped into Levels 1 and 2 according to the degree to which fair value is observable:

- Level 1 fair value measurement is obtained from quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 fair value measurement is obtained from variables, other than the quoted prices included in Level 1, which are observable for the asset or liability directly (i.e. as prices) or indirectly (i.e. based on prices).
- Level 3 fair value measurement are those obtained from valuation techniques, which include variables for the asset or liability, but not based on observable market data (non-observable data).

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		Parent Company		Consolidated	
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Financial assets at fair value through income					
Financial Treasury Bills	Level 1	893,286	7,028	893,286	7,028
Repo transactions	Level 1	314,080	313,068	314,293	313,133
Investment fund units	Level 1	160,646	173,240	217,784	267,760
Fixed term deposits	Level 2	-	277,223	-	277,223
Units in variable income funds	Level 1	26,576	26,585	26,575	26,585
Shares in Brazilian companies	Level 1	-	9,228	-	9,228
Shares held abroad	Level 3	-	233,500	-	233,500
Debentures - Vale	Level 1	1,667	1,309	1,667	1,309
Debentures - Inepar	Level 3	11,858	11,798	11,858	11,798
Fixed term deposits	Level 2	720,851	46,500	720,851	46,500
Real Estate Funds	Level 1	9,528	-	9,528	-
Government Bonds held abroad	Level 1	50,313	-	50,313	-
Others	Level 2	(431)	632	-	-
Total		2,188,374	1,100,111	2,246,155	1,194,064
Financial assets available for sale					
Financial Treasury Bills	Level 1	2,237,301	3,363,989	2,237,301	3,363,989
National Treasury Bills	Level 1	-	219,820	-	219,820
National Treasury Notes	Level 1	674,491	401,155	674,491	401,155
Bank Deposit Certificates	Level 2	7,082	-	7,082	-
Real Estate Funds	Level 1	-	-	48,480	48,004
Debentures	Level 1	31,758	20,563	31,758	20,563
Financial Bills	Level 1	83,115	89,851	83,115	89,851
Repo transactions	Level 1	34,624	48,938	34,624	48,956
Trade bills	Level 1	1,053	1,019	1,053	1,019
Others	Level 2	63	17	-	-
Government Bonds held abroad	Level 1	67,153	93,990	67,153	93,990
American Depositary Receipts - ADR	Level 1	5,028	4,425	5,028	4,425
Fixed income securities held abroad	Level 1	33,138	29,347	33,138	29,347
U.S. Treasury securities Obligations of U.S.	Level 1	-	-	6,925	6,766
Obligations of U.S. Government corporations and agencies	Level 1	-	-	2,031	1,432
Non-U.S. Government	Level 1	-	-	251	1,019
Sec Issued by States & Terr.	Level 1	-	-	1,173	219
Corporate securities	Level 1	-	-	5,267	4,428
Short-term investments	Level 1	-	-	1,731	1,282
Total		3,174,806	4,273,114	3,240,601	4,336,265

2.9.1 Details of fair value of financial assets held to maturity

	Parent Company and Consolidated			
	June 30, 2018		December 31, 2017	
	Book value	Market value	Book value	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 used in estimating the fair value of an asset

All the methods and assumptions for valuation on the curve and at market, after defining the type of marking for each asset, are exclusively in line with the techniques detailed in IRB Brasil RE's asset-marking manuals, which correspond fully with the marking manuals of the custodians who provide services and are responsible for the calculation of marking, both to market and on the curve.

In the case of "marking on the curve" a purchase price is fixed for the financial instruments in question and is used as a reference to calculate an interest rate for the entire period of the financial investment, recognizing the appreciation of the asset on a pro-rata basis, i.e. taking into account the purchase price of the security and the addition of interest in proportion to the time elapsed since it was issued, appropriated daily. This type of marking, therefore, does not involve losses unless the asset is sold. Since the calculation is always based on purchase price plus a daily appropriation of interest, the yield is always positive. The end result of the rule for marking on the curve is similar to that for marking to market, provided that the security does not have to be sold before maturity.

For marking to market, it is necessary to use curves of expected future rates in order to calculate the present value of each asset. In these cases, when it is necessary to structure forward interest rates, the mapping is done in accordance with market expectations of rates for long periods, and the curves are constructed in line with the observation of prices of fixed-income instruments for specific periods, taking account of all the liquid vertices (traded on the latest business day) and making use primarily of the prices published by ANBIMA – the Brazilian Association of Financial and Capital Market Entities. This mapping, although continual, can only be observed for specific periods. Thus it is necessary to estimate the interest rate curve for periods with no related rates or rates traded in the market, which in IRB Brasil RE is done using exponential interpolation.

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

On July 15, 2015, the CNSP published new rules for the calculation of minimum capital for the authorization and functioning of local reinsurers. Risk capital is based on underwriting, credit, operating and market risks, adjusted shareholders' equity and a regulation and solvency plan, defined in CNSP Resolution No. 321/2015, which consolidated all previous resolutions on liquidity and solvency without altering the methodology. On December 20, 2017, CNSP Resolution No. 360 was published, amending Resolution No. 321.

The rules for calculating risk capital for credit risks were amended, reducing the weighting factor for portion 2 of this capital, to take effect on January 31, 2018.

These resolutions are based on the following concepts:

- I Minimum capital requirement: the amount of capital which local reinsurers must maintain at all times in order to operate, being the higher of base capital and risk capital.
- II Base capital: a fixed sum of capital, amounting to R\$60,000, which a local reinsurer must maintain at all times.
- III Risk capital: a variable amount of capital which a local reinsurer must maintain at all times, in order to guarantee the risks inherent in its operations, as provided for in the regulations.
- IV Net assets: All the assets accepted by the National Monetary Council in up to 100% of coverage for technical provisions.
- V Liquidity in relation to risk capital: a situation in which the total of net assets exceeds the amount required for covering provisions in more than 20% of the risk capital obtained on deducting the flow of unregistered transactions from the calculation of market-risk capital.

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2.10.1 Calculation of the minimum capital requirement

IRB Brasil RE's figures, calculated as described in these resolutions, do not indicate a need to inject more capital. As at June 30, 2018, the adjusted shareholders' equity was higher than the minimum capital requirement, as the following table shows:

	Parent Company and Consolidated	
	June 30, 2018	December 31, 2017
Risk capital based on underwriting risk	575,752	523,073
Risk capital based on credit risk	282,560	324,364
Risk capital based on operating risk	37,157	33,518
Risk capital based on market risk	87,619	82,900
Benefit from risk diversification	(158,978)	(161,909)
Total risk capital (***)	824,110	801,946
Base capital	60,000	60,000
Minimum capital required (**)	824,110	801,946
Adjusted shareholders' equity (*)	2,483,243	2,593,474
Sufficiency of adjusted shareholders' equity	1,659,133	1,791,528

(*) Shareholders' equity used for calculating solvency.

(**) The higher of total risk capital and base capital.

(***) The value of risk capital as at December 31, 2017, has been amended, due to adjustments in the calculation of capital based on credit risk.

	June 30, 2018	December 31, 2017
Shareholders' equity	3,521,256	3,581,183
Deductions		
Prepaid expenses	(18,078)	(6,103)
Equity Interest	(653,267)	(623,353)
Intangible assets	(53,514)	(54,097)
Rights/obligations of offshore branches	(105,009)	(103,312)
Tax credits (****)	(237,409)	(228,626)
Other deductions	(50)	(50)
Economic adjustments	29,315	27,832
Adjusted shareholders' equity	2,483,243	2,593,474

(****) The amount of tax credits (Note 10.1) deducted in calculating adjusted shareholders' equity is the surplus exceeding 15% of the minimum capital requirement (CMR).

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2.10.2 Liquidity in relation to risk capital

The calculation of liquidity in relation to the minimum capital requirement as at June 30, 2018, indicated no need for IRB Brasil RE to hold a level of liquid assets higher than the amount necessary to cover provisions.

	Parent Company	
	June 30, 2018	December 31, 2017
Eligible assets (*)	5,148,057	5,155,857
Technical provisions	(8,816,473)	(8,074,546)
Retrocession assets	3,346,638	3,295,527
Reducing assets	(703,086)	(701,966)
Credit rights	1,314,351	991,258
20.0% coverage of total risk capital (**)	(163,617)	(165,826)
Liquidity sufficiency	125,870	500,304

(*) Financial investments linked to technical provisions.

(**) As provided for in CNSP Resolution No. 321/15, the risk capital used to calculate liquidity should be net of the unregistered flows used to calculate risk capital based on market risk.

	Consolidated	
	June 30, 2018	December 31, 2017
Eligible assets (*)	5,148,057	5,155,857
Technical provisions	(8,817,249)	(8,103,804)
Retrocession assets	3,346,644	3,324,410
Reducing assets	(703,086)	(701,966)
Credit rights	1,314,351	991,258
20.0% coverage of total risk capital (**)	(163,617)	(165,826)
Liquidity sufficiency	125,100	499,929

(*) Financial investments linked to technical provisions.

(**) As provided for in CNSP Resolution No. 321/15, the risk capital used to calculate liquidity should be net of the unregistered flows used to calculate risk capital based on market risk.

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Section C – Information by segment

3 Information by business segment

3.1 Statements of income by segment

IRB Brasil RE's business segments are identified according to their executive structure, which takes into account the internal financial reports of operating performance in Brazil and abroad which management uses in conducting the business. Net income is the key factor used by management in monitoring results.

As at June 30, 2018 and 2017, IRB Brasil RE's income by geographical region was as shown below:

	Quarter			
	Parent Company		Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017
Premiums written	1,736,610	1,374,071	1,736,610	1,374,071
Premium written - country	1,088,270	961,409	1,088,270	961,409
Premium written - abroad	648,340	412,662	648,340	412,662
Premiums earned	1,409,901	1,085,163	1,409,901	1,085,163
Premium earned - country	792,667	745,899	792,667	745,899
Premium earned - abroad	617,234	339,264	617,234	339,264
Claims incurred	(739,972)	(676,065)	(739,972)	(676,065)
Claim incurred - country	(330,534)	(478,533)	(330,534)	(478,533)
Claim incurred - abroad	(409,438)	(197,532)	(409,438)	(197,532)
Acquisition cost	(36,874)	(40,239)	(36,874)	(40,239)
Acquisition cost - country	(18,307)	(20,161)	(18,307)	(20,161)
Acquisition cost - abroad	(18,567)	(20,078)	(18,567)	(20,078)
Income from retrocession	(234,606)	(157,219)	(234,606)	(157,219)
Income from retrocession - country	(214,841)	(146,354)	(214,841)	(146,354)
Income from retrocession - abroad	(19,765)	(10,865)	(19,765)	(10,865)
Gross margin	398,449	211,640	398,449	211,640
Gross margin - country	228,985	100,851	228,985	100,851
Gross margin - abroad	169,464	110,789	169,464	110,789
Other operating revenues and expenses	(17,875)	(23,765)	(17,875)	(23,294)
Administrative expenses	(62,244)	(55,863)	(66,690)	(61,073)
Tax expenses	(41,934)	8,039	(43,098)	6,525
Operating income	276,396	140,051	270,786	133,798
Financial income	46,055	189,427	86,875	196,280
Equity income	53,656	11,086	33,195	14,399
Gains or losses on non-current assets	-	5	-	5
Income before income and social contribution taxes	376,107	340,569	390,856	344,482
Income and social contribution taxes	(88,777)	(108,864)	(103,526)	(112,777)
Net income for the quarter	287,330	231,705	287,330	231,705

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

3.1 Statements of income by segment

	Half-year			
	Parent Company		Consolidated	
	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Premiums written	2,927,892	2,546,561	2,927,892	2,546,561
Premium written - country	1,821,081	1,733,240	1,821,081	1,733,240
Premium written - abroad	1,106,811	813,321	1,106,811	813,321
Premiums earned	2,581,395	2,195,006	2,581,395	2,195,006
Premium earned - country	1,540,637	1,521,134	1,540,637	1,521,134
Premium earned - abroad	1,040,758	673,872	1,040,758	673,872
Claims incurred	(1,056,259)	(1,111,792)	(1,056,259)	(1,111,792)
Claim incurred - country	(275,936)	(725,616)	(275,936)	(725,616)
Claim incurred - abroad	(780,323)	(386,176)	(780,323)	(386,176)
Acquisition cost	(66,196)	(66,559)	(66,196)	(66,559)
Acquisition cost - country	(32,052)	(32,598)	(32,052)	(32,598)
Acquisition cost - abroad	(34,144)	(33,961)	(34,144)	(33,961)
Income from retrocession	(780,921)	(550,235)	(780,921)	(550,235)
Income from retrocession - country	(730,403)	(512,001)	(730,403)	(512,001)
Income from retrocession - abroad	(50,518)	(38,234)	(50,518)	(38,234)
Gross margin	678,019	466,420	678,019	466,420
Gross margin - country	502,246	250,919	502,246	250,919
Gross margin - abroad	175,773	215,501	175,773	215,501
Other operating revenues and expenses	(15,234)	(31,661)	(15,234)	(30,757)
Administrative expenses	(117,594)	(135,522)	(126,448)	(142,128)
Tax expenses	(69,855)	(21,144)	(71,525)	(22,658)
Operating income	475,336	278,093	464,812	270,877
Financial income	117,270	350,780	203,149	371,249
Equity income	89,934	25,872	45,928	22,204
Gains or losses on non-current assets	-	5	-	5
Income before income and social contribution taxes	682,540	654,750	713,889	664,335
Income and social contribution taxes	(141,202)	(200,370)	(172,551)	(209,955)
Net income for the half-year	541,338	454,380	541,338	454,380

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

The Company management bases its decision-making on a set of accounts which differ from those shown in the statement of income, which is prepared in accordance with the accounting practices generally accepted in Brazil for reinsurers, as shown below:

	Quarter			
	Parent Company		Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017
Reinsurance premiums – country (a)	1,213,096	1,053,144	1,213,096	1,053,144
Reinsurance premiums – abroad (a)	721,271	460,043	721,271	460,043
Premiums ceded in retrocession (b)	(516,552)	(481,044)	(516,552)	(481,044)
Premiums retained	1,417,815	1,032,143	1,417,815	1,032,143
Change in technical provisions (c)	(239,642)	(148,320)	(239,642)	(148,320)
Premiums earned	1,178,173	883,823	1,178,173	883,823
Claims retained (d)	(666,457)	(541,515)	(666,457)	(541,515)
PSL	(627,620)	(567,614)	(627,620)	(567,614)
IBNR	(44,110)	34,362	(44,110)	34,362
Others	5,273	(8,263)	5,273	(8,263)
Acquisition cost (e)	(199,734)	(148,877)	(199,734)	(148,877)
Gross income	311,982	193,431	311,982	193,431
Other operating expenses (f)	(55,911)	(19,425)	(56,769)	(19,737)
Administrative expenses (g)	(63,140)	(53,296)	(64,005)	(55,871)
Financial and equity income (h)	192,126	226,104	208,598	232,904
Financial income	172,247	226,183	176,628	218,360
Equity income	19,879	(79)	31,970	14,544
Income before taxes	385,057	346,814	399,806	350,727
Taxes, contributions and profit sharing (i)	(97,727)	(115,109)	(112,476)	(119,022)
Net income for the quarter	287,330	231,705	287,330	231,705

	Half-year			
	Parent Company		Consolidated	
	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Reinsurance premiums – country (a)	2,062,381	1,929,202	2,062,381	1,929,202
Reinsurance premiums – abroad (a)	1,269,259	926,362	1,269,259	926,362
Premiums ceded in retrocession (b)	(862,216)	(929,761)	(862,216)	(929,761)
Premiums retained	2,469,424	1,925,803	2,469,424	1,925,803
Change in technical provisions (c)	(350,031)	(161,362)	(350,031)	(161,362)
Premiums earned	2,119,393	1,764,441	2,119,393	1,764,441
Claims retained (d)	(1,133,738)	(1,015,316)	(1,133,738)	(1,015,316)
PSL	(1,089,071)	(968,173)	(1,089,071)	(968,173)
IBNR	(43,129)	(35,303)	(43,129)	(35,303)
Others	(1,538)	(11,840)	(1,538)	(11,840)
Acquisition cost (e)	(408,065)	(311,984)	(408,065)	(311,984)
Gross income	577,590	437,141	577,590	437,141
Other operating expenses (f)	(93,089)	(71,510)	(94,761)	(72,098)
Administrative expenses (g)	(112,333)	(114,627)	(113,936)	(118,546)
Financial and equity income (h)	325,920	424,211	360,544	438,303
Financial income	306,120	424,369	315,714	415,958
Equity income	19,800	(158)	44,830	22,345
Income before taxes	698,088	675,215	729,437	684,800
Taxes, contributions and profit sharing (i)	(156,750)	(220,835)	(188,099)	(230,420)
Net income for the half-year	541,338	454,380	541,338	454,380

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Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

The table below shows a reconciliation between the balances appearing in the statement of income and the balances used for decision-making by the Company management.

	Quarter			
	Parent Company		Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017
Net premiums written	1,736,610	1,374,071	1,736,610	1,374,071
Gross premium written (a)	1,932,834	1,513,084	1,932,834	1,513,084
Reinsurance commission (e)	(196,224)	(139,013)	(196,224)	(139,013)
Variation in technical provisions	(326,709)	(288,908)	(326,709)	(288,908)
Variation in technical provisions – premiums (c)	(314,532)	(242,362)	(314,534)	(242,362)
Variation in technical provisions – commission (e)	16,081	(17,597)	16,081	(17,597)
Variation in technical provisions – other provisions (c)	(28,258)	(28,949)	(28,256)	(28,949)
Premiums earned	1,409,901	1,085,163	1,409,901	1,085,163
Claims incurred	(739,972)	(676,065)	(739,972)	(676,065)
Acquisition cost (e)	(36,874)	(40,239)	(36,874)	(40,239)
Income from retrocession	(234,606)	(157,219)	(234,606)	(157,219)
Recovery of claims incurred (d)	156,316	222,208	156,316	222,208
Salvages and reimbursements to retrocessionaire (d)	(3,865)	(25,088)	(3,865)	(25,088)
IBNR recovery (d)	5,159	(47,922)	5,159	(47,922)
Premiums ceded in retrocession (b)	(515,909)	(481,044)	(515,909)	(481,044)
Commission on premiums ceded in retrocession (e)	25,165	48,016	25,165	48,016
Variation in technical provisions – premium ceded (c)	103,148	122,991	103,148	122,991
Variation in technical provisions – commission ceded (e)	(7,802)	(127)	(7,802)	(127)
Variation in technical provisions – other provisions (c)	-	-	-	-
Other retrocession income (f)	3,258	3,660	3,258	3,660
Other income – acquisition cost (e)	(76)	87	(76)	87
Gross margin	398,449	211,640	398,449	211,640
Other operating revenues and expenses	(17,875)	(23,765)	(17,875)	(23,294)
Other operating revenues and expenses (f)	(20,372)	(25,043)	(20,372)	(24,572)
Provision for credit coverage (h)	(5)	(22)	(5)	(22)
Other financial income (h)	2,502	1,300	2,502	1,300
Administrative expenses	(62,244)	(55,863)	(66,690)	(61,073)
Profit sharing (i)	(648)	4,261	(648)	4,261
Tax expenses (f)	(56)	(161)	(58)	570
Other tax expenses (i)	213	(857)	213	(857)
Other administrative expenses (g)	(63,140)	(53,296)	(68,171)	(55,871)
Other financial income (h)	(5)	23	582	(3,343)
Other operating revenues and expenses (f)	1,392	(5,833)	1,392	(5,833)
Tax expenses	(41,934)	8,039	(43,098)	6,525
Taxes – subsidiaries and affiliates (i)	(2,486)	-	(2,486)	-
Tax expenses (f)	(39,448)	8,039	(40,305)	6,525
Other taxes (h)	-	-	(307)	-
Operating income	276,396	140,051	270,786	133,798
Financial income	46,055	189,427	86,875	196,280
Interest on acquisition cost (e)	(4)	(4)	(4)	(4)
Interest on premiums ceded (b)	(643)	-	(643)	-
Interest on premiums abroad (a)	76	82	76	82
Interest on premiums in the country (a)	1,457	21	1,457	21
Interest on claims (d)	(84,095)	(14,648)	(84,095)	(14,648)
Tax expenses (f)	(685)	(87)	(684)	(87)
Financial income (h)	135,978	213,712	176,797	220,565
Other financial income (i)	(6,029)	(9,649)	(6,029)	(9,649)
Equity income	53,656	11,086	33,195	14,399
Other equity income (h)	53,656	11,086	29,029	14,399
Other administrative expenses (g)	-	-	4,166	-
Gains from non-current assets (h)	-	5	-	5
Income before income and social contribution taxes	376,107	340,569	390,856	344,482
Income and social contribution taxes (i)	(88,777)	(108,864)	(103,526)	(112,777)
Net income for the quarter	287,330	231,705	287,330	231,705

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Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

	Half-year			
	Parent Company		Consolidated	
	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Net premiums written	2,927,892	2,546,561	2,927,892	2,546,561
Gross premium written (a)	3,330,049	2,855,423	3,330,049	2,855,423
Reinsurance commission (e)	(402,157)	(308,862)	(402,157)	(308,862)
Variation in technical provisions	(346,497)	(351,555)	(346,497)	(351,555)
Variation in technical provisions – premiums (c)	(290,517)	(292,464)	(290,517)	(292,464)
Variation in technical provisions – commission (e)	15,534	(16,487)	15,534	(16,487)
Variation in technical provisions – other provisions (c)	(71,514)	(42,604)	(71,514)	(42,604)
Premiums earned	2,581,395	2,195,006	2,581,395	2,195,006
Claims incurred (d)	(1,056,259)	(1,111,792)	(1,056,259)	(1,111,792)
Acquisition cost (e)	(66,196)	(66,559)	(66,196)	(66,559)
Income from retrocession	(780,921)	(550,235)	(780,921)	(550,235)
Recovery of claims incurred (d)	175,637	375,669	175,637	375,669
Salvages and reimbursements to retrocessionaire (d)	(11,488)	(36,124)	(11,488)	(36,124)
IBNR recovery (d)	(144,336)	(218,387)	(144,336)	(218,387)
Premiums ceded in retrocession (b)	(861,573)	(929,761)	(861,573)	(929,761)
Commission on premiums ceded in retrocession (e)	53,556	78,170	53,556	78,170
Variation in technical provisions – premium ceded (c)	11,990	173,706	11,990	173,706
Variation in technical provisions – commission ceded (e)	(8,495)	1,681	(8,495)	1,681
Variation in technical provisions – other provisions (c)	10	-	10	-
Other retrocession income (f)	4,074	4,724	4,074	4,724
Other income – acquisition cost (e)	(296)	87	(296)	87
Gross margin	678,019	466,420	678,019	466,420
Other operating revenues and expenses	(15,234)	(31,661)	(15,234)	(30,757)
Other operating revenues and expenses (f)	(24,774)	(36,247)	(24,774)	(35,343)
Provision for credit coverage (h)	(5)	(238)	(5)	(238)
Other financial income (h)	9,545	4,824	9,545	4,824
Administrative expenses	(117,594)	(135,522)	(126,448)	(142,128)
Profit sharing (i)	(648)	(739)	(648)	(739)
Tax expenses (f)	(196)	(1,862)	(198)	(1,840)
Other tax expenses (i)	(322)	(1,850)	(322)	(1,850)
Other administrative expenses (g)	(112,333)	(114,627)	(117,972)	(118,546)
Other financial income (h)	(15)	(20)	(3,228)	(2,729)
Other operating revenues and expenses (f)	(4,080)	(16,424)	(4,080)	(16,424)
Tax expenses	(69,855)	(21,144)	(71,525)	(22,658)
Taxes – subsidiaries and affiliates (i)	(2,486)	-	(2,486)	-
Tax expenses (f)	(67,369)	(21,144)	(69,039)	(22,658)
Operating income	475,336	278,093	464,812	270,877
Financial income	117,270	350,780	203,149	371,249
Interest on acquisition cost (e)	(11)	(14)	(11)	(14)
Interest on premiums ceded (b)	(643)	-	(643)	-
Interest on premiums abroad (a)	117	99	117	99
Interest on premiums in the country (a)	1,474	42	1,474	42
Interest on claims (d)	(97,292)	(24,682)	(97,292)	(24,682)
Tax expenses (f)	(744)	(557)	(744)	(557)
Financial income (h)	226,461	393,768	312,340	414,237
Other financial income (i)	(12,092)	(17,876)	(12,092)	(17,876)
Equity income	89,934	25,872	45,928	22,204
Other equity income (h)	89,934	25,872	41,892	22,204
Other administrative expenses (g)	-	-	4,036	-
Gains from non-current assets (h)	-	5	-	5
Income before income and social contribution taxes	682,540	654,750	713,889	664,335
Income and social contribution taxes (i)	(141,202)	(200,370)	(172,551)	(209,955)
Net income for the half-year	541,338	454,380	541,338	454,380

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

Section D – Group structure

4 Investments

4.1 Changes in investments

	Parent Company	
	June 30, 2018	December 31, 2017
Initial position	623,352	224,393
Capital increase (i)	-	386,541
Parent companies income	69,036	66,762
Equity valuation adjustment	(11,899)	-
Dividends paid	(31,169)	(54,861)
Foreign exchange variations	2,851	517
Impairment reversal (provision) (ii)	1,096	-
Final position	653,267	623,352

(i) On February 29, 2016, IRB Brasil RE incorporated IRB Investimentos e Participações Imobiliárias S.A., a wholly-owned subsidiary, for the purpose of structuring the system of management of interests in the shopping malls which it owns, incorporating wholly-owned subsidiaries and taking interests in the capital of companies involved in real estate business. In December 2016 its authorized capital was R\$168,466, fully paid in.

At an extraordinary shareholders' meeting held on February 17, 2017, the Company decided to increase capital by R\$400,000, by the issue of 400,000,000 new common shares. The sum of R\$381,441 has been paid in and the balance of R\$18,559 is still outstanding. As a result, the balance of capital stock as at December 31, 2017 was R\$549,907, made up of capital of R\$568,466 and capital to be paid in of R\$18,559.

A constituent shareholders' meeting of IRB Asset Management held on December 13, 2017 set the amount of capital at R\$5,100, to be paid in immediately.

(ii) On November 7, 2016, IRB Brasil RE received an offer to purchase its subsidiary located in the United States. The investment is in run-off, and a 100% provision for impairment has been set up. However, in view of the offer received, the Company has partially reversed this provision.

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Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

4.2 Corporate interests

				Consolidated	
				June 30, 2018	
				Percentage	
Name	Country	Business	Relationships	Direct interest on common shares	Indirect interest on common shares
IRB Internacional	USA	Holding	Subsidiary	100.0%	
IRB Asset Management	Brazil	Management of financial assets	Subsidiary	100.0%	
IRB Investimentos e Participações Imobiliárias	Brazil	Real estate management	Subsidiary	100.0%	
IRB Santos Dumont (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Chile (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Uso (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Renda (*)	Brazil	Real estate management	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 on common shares	Indirect interest on common shares
IRB Internacional	USA	Holding	Subsidiary	100.0%	
IRB Asset Management	Brazil	Management of financial assets	Subsidiary	100.0%	
IRB Investimentos e Participações Imobiliárias	Brazil	Real estate management	Subsidiary	100.0%	
IRB Santos Dumont (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Chile (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Uso (*)	Brazil	Real estate management	Indirect subsidiary		100.0%
IRB Renda (*)	Brazil	Real estate management	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.

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

Section E – Notes to the financial statements

5 Cash and cash equivalents

The balance of this account was as follows:

	Parent Company		Consolidated	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Cash and cash equivalents in Brazilian currency	1,166	210	8,377	6,141
Cash and cash equivalents in foreign currency	32,724	16,012	38,767	19,630
Total	33,890	16,222	47,144	25,771

6 Financial investments

6.1 Breakdown of investments

	Parent Company					
	June 30, 2018					
	Fair value through profit or loss		Available for sale		Average interest rate - %	Total
Amount assessed based on curve	Market/book value	Amount assessed based on curve	Market/book value			
Fixed income securities - public						
Financial Treasury Bills (i)	893,145	893,286	2,236,934	2,237,301	SELIC	3,130,587
National Treasury Notes	-	-	743,219	674,491	10.4% p.a.	674,491
Repo transactions	314,080	314,080	34,624	34,624	SELIC	348,704
Fixed income securities - private						
Debentures	13,525	13,525	31,686	31,758	109.3% CDI	45,283
Bank Deposit Certificates	-	-	7,075	7,082	108.5% CDI	7,082
Financial Bills	-	-	82,967	83,115	105.2% CDI	83,115
Trade Notes	-	-	1,053	1,053	106.8% CDI	1,053
Real Estate Funds	9,528	9,528	-	-	-	9,528
Units in Exclusive Funds	87,084	87,084	-	-	-	87,084
Others	83	83	63	63	-	146
Variable Income Securities	27,630	26,062				26,062
	1,345,075	1,343,648	3,137,621	3,069,487		4,413,135
Investments abroad						
Fixed Income Securities - public	50,313	50,313	78,241	67,153	5.5% p.a.	117,466
Fixed Income Securities - private						
<i>Units in non-exclusive Investment Funds</i>	73,562	73,562	-	-	23.1%	73,562
American Deposits Receipt (ii)	-	-	23,164	5,028	-	5,028
Fixed income securities (HSBC)	-	-	34,637	33,138	2.6% p.a.	33,138
Fixed term deposits abroad (iii)	720,851	720,851	-	-	2.0% p.a.	720,851
	844,726	844,726	136,042	105,319		950,045
Total	2,189,801	2,188,374	3,273,663	3,174,806		5,363,180
%		40.8%		59.2%		100.0%
Current		2,188,374		146,277		2,334,651
Non-current		-		3,028,529		3,028,529

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

6.1 Breakdown of investments

								Parent Company
								December 31, 2017
	Fair value through profit or loss		Available for sale		Held to maturity		Average interest rate - %	Total
	Amount assessed based on curve	Market/book value	Amount assessed based on curve	Market/book value	Amount assessed based on curve/accounting	Market value		
Fixed Income Securities - public								
Financial Treasury Bills (i)	7,028	7,028	3,360,541	3,363,989	-	-	SELIC	3,371,017
National Treasury Notes	-	-	420,569	401,155	-	-	IPCA + 3.8% p.a.	401,155
National Treasury Bills	-	-	221,137	219,820	-	-	9.2% p.a.	219,820
Repo transactions	313,068	313,068	48,938	48,938	-	-	SELIC	362,006
Fixed Income Securities - private								
Debentures	13,107	13,107	20,503	20,563	-	-	110.0% CDI	33,670
Fixed term deposits	46,500	46,500	-	-	-	-	-	46,500
Financial Bills	-	-	89,624	89,851	285,733	285,733	106.4% CDI	375,584
Trade Notes	-	-	1,018	1,019	-	-	106.8% CDI	1,019
Units in Exclusive Funds	77,029	77,029	-	-	-	-	-	77,029
Others	632	632	17	17	-	-	-	649
Variable income securities	32,571	35,813	-	-	-	-	-	35,813
	489,935	493,177	4,162,347	4,145,352	285,733	285,733		4,924,262
Investments abroad								
Fixed Income Securities - public	-	-	100,329	93,990	-	-	6.8% p.a.	93,990
Fixed Income Securities - private								
Units in non-exclusive Investment Fund	96,211	96,211	-	-	-	-	23.6%	96,211
American Deposits Receipt (ii)	-	-	19,873	4,425	-	-	-	4,425
Fixed income securities (HSBC)	-	-	30,175	29,347	-	-	2.5% p.a.	29,347
Fixed term deposits abroad (iii)	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

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

6.1 Breakdown of investments

Consolidated						
June 30, 2018						
	Fair value through profit or loss		Available for sale		Average interest rate - %	Total
	Amount assessed based on curve	Market/book value	Amount assessed based on curve	Market/book value		
Fixed Income Securities - public						
Financial Treasury Bills (i)	893,145	893,286	2,238,934	2,237,301	SELIC	3,130,587
National Treasury Notes	-	-	743,219	674,491	10.4% p.a.	674,491
Repo transactions	314,293	314,293	34,624	34,624	SELIC	348,917
Fixed Income Securities - private						
Debentures	13,525	13,525	31,686	31,758	109.3% CDI	45,283
Bank Deposit Certificates	-	-	7,075	7,082	108.5% CDI	7,082
Financial Bills	-	-	82,967	83,115	105.2% CDI	83,115
Trade Notes	-	-	1,053	1,053	106.8% CDI	1,053
Real Estate Funds	9,528	9,528	-	-		9,528
Units in Exclusive Funds	87,084	87,084	-	-		87,084
Units in non-exclusive Investment Funds	57,138	57,138	-	-		57,138
Financial Bills	-	-	-	-		-
Real Estate Funds	-	-	49,235	48,480		48,480
Variable income securities	27,630	26,575	-	-		26,575
	1,402,343	1,401,429	3,188,793	3,117,904		4,519,333
Investments abroad						
Fixed Income Securities - public	50,313	50,313	78,241	67,153	5.5% p.a.	117,466
Fixed Income Securities - private						
Units in non-exclusive Investment Funds	73,562	73,562	-	-	23.1%	73,562
<i>American Deposits Receipt (ii)</i>	-	-	23,164	5,028	-	5,028
Fixed income securities (HSBC)	-	-	34,637	33,138	2.6% p.a.	33,138
Fixed term deposits abroad (iii)	720,851	720,851	-	-	2.0% p.a.	720,851
U.S. Treasury securities Obligations of U.S. Agencies	-	-	6,938	6,925		6,925
Obligation of U.S. Government Corporations and Non-U.S. Government	-	-	2,032	2,031		2,031
Short-Term Investments	-	-	251	251		251
Sec Issued by States & Terr.	-	-	1,731	1,731		1,731
Corporate Securities	-	-	1,177	1,173		1,173
	-	-	5,283	5,267		5,267
	844,726	844,726	153,454	122,697		967,423
Total	2,247,069	2,246,155	3,342,247	3,240,601		5,486,756
%		40.9%		59.1%		100.0%
Current		2,246,155		153,177		2,399,332
Non-current		-		3,087,424		3,087,424

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

6.1 Breakdown of investments

Consolidated								
December 31, 2017								
	Fair value through profit or loss		Available for sale		Held to maturity		Average interest rate - %	Total
	Amount assessed based on curve	Market/book value	Amount assessed based on curve	Market/book value	Amount assessed based on curve/accounting	Market value		
Fixed Income Securities - public								
Financial Treasury Bills (i)	-	-	3,360,541	3,363,989	-	-	SELIC	3,363,989
National Treasury Notes	-	-	420,569	401,155	-	-	IPCA + 3.8% p.a.	401,155
National Treasury Bills	7,028	7,028	221,137	219,820	-	-	9.2% p.a.	226,848
Repo transactions	313,133	313,133	48,956	48,956	-	-	SELIC	362,089
Fixed Income Securities - private								
Debentures	13,107	13,107	-	-	-	-	110.0% CDI	13,107
Fixed term deposits	46,500	46,500	-	-	-	-	-	46,500
Financial Bills	-	-	89,624	89,851	285,733	285,733	105.4% CDI	375,584
Trade Notes	-	-	1,018	1,019	-	-	106.8% CDI	1,019
Real Estate Funds	-	-	50,044	48,004	-	-	-	48,004
Units in Exclusive Funds	77,029	77,029	-	-	-	-	-	77,029
Units in Exclusive Funds	94,520	94,520	-	-	-	-	-	94,520
Variable Income Securities	32,571	35,813	-	-	-	-	-	35,813
	583,888	587,130	4,191,889	4,172,794	285,733	285,733		5,045,657
Investments abroad								
Fixed Income Securities - public			100,329	93,990	-	-	6.8% p.a.	93,990
Fixed Income Securities - private								
Units in non-exclusive Investment Funds	96,211	96,211	-	-	-	-	23.6%	96,211
American Deposits Receipt (ii)	-	-	19,873	4,425	-	-	-	4,425
Fixed income securities (HSBC)	-	-	30,175	29,347	-	-	2.5% p.a.	29,347
Fixed term deposits abroad (iii)	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 Agencies	-	-	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) Financial Treasury Bills

These are government securities issued by the National Treasury which are held in IRB Brasil RE's own portfolio. Interest is paid at the Selic rate and the securities are held in custody by Banco do Brasil. In addition, these securities are adjusted to market value which is based on information published by ANBIMA.

(ii) Sovereign debt and Brazilian state-owned companies' securities (ADR's)

These are fixed-income securities issued abroad in US dollars by the federal government.

(iii) Time deposits held abroad

These are time deposits placed with Citibank (98.0%) and Banco Patagonia (2.0%), with maturities of between 12 and 120 days. The investments are denominated in US dollars and Argentinean Pesos.

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

6.1.1 Breakdown of investments by type and maturity date

	Parent Company				
	June 30, 2018				
	No maturity date	1 to 180 days	181 to 365 days	Above 365 days	Total
Fair value through profit or loss					
Fixed Income Securities - public					
Financial Treasury Bills	-	96	6,906	886,284	893,286
Repo transactions	-	314,080	-	-	314,080
Fixed Income Securities - private					
Debentures	13,525	-	-	-	13,525
Units in Exclusive Investment Funds	87,084	-	-	-	87,084
Real Estate Funds	9,528	-	-	-	9,528
Others	83	-	-	-	83
Variable Income Securities					
Shares in Brazilian companies	26,576	-	-	-	26,576
Others	(514)	-	-	-	(514)
Investments abroad					
Fixed Income Securities - public					
Fixed Income Securities - private					
Units in non-exclusive Investment Funds	73,562	-	-	-	73,562
Fixed term deposits abroad	-	720,851	-	-	720,851
	209,844	1,079,771	12,475	886,284	2,188,374
Available for sale					
Fixed Income Securities - public					
Financial Treasury Bills	-	25,518	2,720	2,209,063	2,237,301
National Treasury Notes	-	-	-	674,491	674,491
Repo transactions	-	34,624	-	-	34,624
Fixed Income Securities - private					
Debentures	-	1,008	-	30,750	31,758
Bank Deposit Certificates	-	7,082	-	-	7,082
Financial Bills	-	57,928	3,871	21,316	83,115
Trade bills	-	-	-	1,053	1,053
Others	63	-	-	-	63
Investments abroad					
Fixed Income Securities - public					
Fixed Income Securities - private					
Investments abroad					
American Deposits Receipt	5,028	-	-	-	5,028
Fixed income securities (HSBC)	-	1,425	7,010	24,703	33,138
	5,091	127,585	13,601	3,028,529	3,174,806
Total					5,363,180

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

6.1.1 Breakdown of investments by type and maturity date

	Parent Company				
	December 31, 2017				
	No maturity date	1 to 180 days	181 to 365 days	Above 365 days	Total
Fair value through profit or loss					
Fixed Income Securities - public					
Financial Treasury Bills	-	6,768	-	260	7,028
Repo transactions	-	313,068	-	-	313,068
Fixed Income Securities - private					
Debentures	13,107	-	-	-	13,107
Fixed term deposits	46,500	-	-	-	46,500
Units in Exclusive Investment Funds	77,029	-	-	-	77,029
Others	368	-	-	-	368
Variable Income Securities					
Shares in Brazilian companies	35,813	-	-	-	35,813
Others	264	-	-	-	264
Investments abroad					
Units in non-exclusive Investment Funds	96,211	-	-	-	96,211
Fixed term 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					
Financial Treasury Bills	-	16,227	19,254	3,328,508	3,363,989
National Treasury Notes	-	-	-	401,155	401,155
National Treasury Bills	-	-	-	219,820	219,820
Repo transactions	-	48,938	-	-	48,938
Fixed Income Securities - private					
Debentures	-	1,664	607	18,292	20,563
Financial Bills	-	9,343	56,103	24,405	89,851
Trade bills	-	-	-	1,019	1,019
Others	17	-	-	-	17
Investments abroad					
Fixed Income Securities - public	-	742	-	93,248	93,990
Fixed Income Securities - private					
Investments abroad					
<i>American Deposits Receipt</i>	4,425	-	-	-	4,425
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
Total					5,658,958

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

6.1.1 Breakdown of investments by type and maturity date

	Consolidated				
	June 30, 2018				
	No maturity date	1 to 180 days	181 to 365 days	Above 365 days	Total
Fair value through profit or loss					
Fixed Income Securities - public					
Financial Treasury Bills	-	96	6,906	886,284	893,286
Repo transactions	-	314,293	-	-	314,293
Fixed Income Securities - private					
Debentures	13,525	-	-	-	13,525
Units in Exclusive Investment Funds	87,084	-	-	-	87,084
Real Estate Funds	9,528	-	-	-	9,528
Units in non-exclusive Investment Funds	57,138	-	-	-	57,138
Variable Income Securities	26,575				26,575
Investments abroad					
Fixed Income Securities - public		44,744	5,569		50,313
Fixed Income Securities - private					
Units in non-exclusive Investment Funds	73,562	-	-	-	73,562
Fixed term deposits abroad	-	720,851	-	-	720,851
	267,412	1,079,984	12,475	886,284	2,246,155
Available for sale					
Fixed Income Securities - public					
Financial Treasury Bills	-	25,518	2,720	2,209,063	2,237,301
National Treasury Notes	-	-	-	674,491	674,491
Repo transactions	-	34,624	-	-	34,624
Fixed Income Securities - private					
Real Estate Funds	-	-	-	48,480	48,480
Debentures	-	1,008	-	30,750	31,758
Bank Deposit Certificates	-	7,082	-	-	7,082
Financial Bills	-	57,928	3,871	21,316	83,115
Trade bills	-	-	-	1,053	1,053
Investments abroad					
Fixed Income Securities - public				67,153	67,153
Fixed Income Securities - private					
Units in non-exclusive Investment Funds					
<i>American Deposits Receipt</i>	5,028	-	-	-	5,028
Fixed income securities (HSBC)	-	1,425	7,010	24,703	33,138
U.S. Treasury Securities Obligations of U.S.	-	481	2,161	4,283	6,925
Obligation of U.S. Government Corporations and Agencies	-	-	297	1,734	2,031
Non-U.S. Government	-	251	-	-	251
Short-Term Investments	-	481	1,250	-	1,731
Sec Issued by States & Terr.	-	154	115	904	1,173
Corporate Securities	-	308	1,465	3,494	5,267
	5,028	129,260	18,889	3,087,424	3,240,601
Total					5,486,756

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of *Reais*, except where otherwise indicated

6.1.1 Breakdown of investments by type and maturity date

	Consolidated				
	December 31, 2017				
	No maturity date	1 to 180 days	181 to 365 days	Above 365 days	Total
Fair value through profit or loss					
Fixed Income Securities - public					
Financial Treasury Bills	-	6,768	-	260	7,028
Repo transactions	-	313,133	-	-	313,133
Fixed Income Securities - private					
Debentures	13,107	-	-	-	13,107
Fixed term deposits	46,500	-	-	-	46,500
Units in Exclusive Investment Funds	77,029	-	-	-	77,029
Units in non-exclusive Investment Funds	94,520	-	-	-	94,520
Variable Income Securities	35,813				35,813
Investments abroad					
Units in non-exclusive Investment Funds	96,211	-	-	-	96,211
Fixed term 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					
Financial Treasury Bills	-	9,343	56,103	2,212,677	2,278,123
National Treasury Notes	-	16,227	19,254	1,541,391	1,576,872
Repo transactions	-	-	-	48,956	48,956
Fixed Income Securities - private					
Non-exclusive Real Estate Funds	-	-	-	48,004	48,004
Debentures	-	1,664	607	18,292	20,563
Financial Bills	-	-	-	219,820	219,820
Trade bills	-	-	-	1,019	1,019
Investments abroad					
Fixed Income Securities - public	-	742	-	93,248	93,990
Fixed Income Securities - private					
<i>American Deposits Receipt</i>	4,425	-	-	-	4,425
Papéis de renda fixa (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
Total					5,816,062

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

In thousands of Reais, except where otherwise indicated

6.2 Changes in financial investments

	Parent Company			
	Fair value through profit or loss	Available for sale	Held to maturity	Total
Balances as of December 31, 2016	653,503	4,854,044	263,551	5,771,098
Investments	3,241,822	1,411,516	-	4,653,338
Earnings - redemption	(23,768)	(402,140)	-	(425,908)
Principal - redemption	(2,864,049)	(2,048,652)	(5,118)	(4,917,819)
Financial income	89,426	425,534	27,467	542,427
Adjustment to market value	-	34,817	-	34,817
Foreign exchange variation	3,177	(2,005)	(167)	1,005
Balances as of 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
Balances as of December 31, 2017	1,100,111	4,273,114	285,733	5,658,958
Investments	5,228,063	2,081,553	-	7,309,616
Earnings - redemption	(10,203)	(441,874)	(88,440)	(540,517)
Principal - redemption	(4,151,297)	(2,838,747)	(200,000)	(7,190,044)
Financial income	54,605	141,171	2,707	198,483
Adjustment to market value	-	(59,248)	-	(59,248)
Foreign exchange variation	(32,905)	18,837	-	(14,068)
Balances as of June 30, 2018	2,188,374	3,174,806	-	5,363,180

	Consolidated			
	Fair value through profit or loss	Available for sale	Held to maturity	Total
Balances as of December 31, 2016	673,464	4,659,626	263,551	5,596,641
Investments	3,670,561	1,637,234	-	5,307,795
Earnings - redemption	(23,768)	(402,140)	-	(425,908)
Principal - redemption	(3,218,796)	(2,053,536)	(5,118)	(5,277,450)
Financial income	89,426	462,269	27,467	579,162
Adjustment to market value	-	34,817	-	34,817
Foreign exchange variation	3,177	(2,005)	(167)	1,005
Balances as of 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
Balances as of December 31, 2017	1,194,064	4,336,265	285,733	5,816,062
Investments	5,306,796	2,085,216	-	7,392,012
Earnings - redemption	(10,203)	(441,874)	(88,440)	(540,517)
Principal - redemption	(4,272,241)	(2,842,452)	(200,000)	(7,314,693)
Financial income	60,644	143,857	2,707	207,208
Adjustment to market value	-	(59,248)	-	(59,248)
Foreign exchange variation	(32,905)	18,837	-	(14,068)
Balances as of June 30, 2018	2,246,155	3,240,601	-	5,486,756

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7 Credits for reinsurance and retrocession operations

Accounts for reinsurance and retrocession credits mainly consist of balances receivable from the operations of Brazilian and foreign insurers and reinsurers, plus premiums receivable, commissions, claim indemnities receivable and credits arising from past transactions by the London branch, as follows:

7.1 Breakdown

	Parent Company		Consolidated	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Current				
Transactions with insurers (7.2.1)	3,112,696	2,263,360	3,112,696	2,263,360
Transactions with reinsurers (7.2.2)	1,041,214	949,586	1,041,214	949,586
Other operating credits	67,245	65,161	67,262	65,175
Provision for doubtful debts	(57,715)	(58,109)	(57,715)	(58,109)
	4,163,440	3,219,998	4,163,457	3,220,012
Non-current				
Transactions with insurers (7.2.1)	29,754	29,754	29,754	29,754
Provision for doubtful debts	(29,754)	(29,754)	(29,754)	(29,754)
	-	-	-	-
Total	4,163,440	3,219,998	4,163,457	3,220,012

7.2 Variation

7.2.1 Transactions with insurance companies

	Parent Company and Consolidated				
	Actual Premium	Estimated Premium	RVNE Premium	Claim	Total
Balances as of 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
Payments received	(787,298)	(573,425)	(119,172)	-	(1,479,895)
Salvages, reimbursements and advances for settlement of claims	-	-	-	92,113	92,113
Exchange rate variation	23,663	8,284	2,481	1,633	36,061
Balances as of 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				
	Actual Premium	Estimated Premium	RVNE Premium	Claim	Total
Balances as of December 31, 2017	1,081,629	630,719	352,740	228,026	2,293,114
Premiums receivable	952,669	502,834	47,146	-	1,502,649
Payments received	(715,233)	(216,215)	(2,978)	-	(934,426)
Salvages, reimbursements and advances for settlement of claims	-	-	-	141,519	141,519
Exchange rate variation	52,967	45,577	34,602	6,448	139,594
Balances as of June 30, 2018	1,372,032	962,915	431,510	375,993	3,142,450
Current					3,112,696
Non-current					29,754
Total					3,142,450

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7.2.2 Transactions with reinsurers

	Parent Company and Consolidated			
	Premium	Claims	Others	Total
Balances as of December 31, 2016	294,121	167,532	4,041	465,694
Premiums receivable	708,978	-	-	708,978
Payments received	(230,651)	-	-	(230,651)
Recovery of claims	-	(29,481)	-	(29,481)
Exchange rate variation	32,082	266	(42)	32,306
Other credits	-	-	2,740	2,740
Balances as of December 31, 2017	804,530	138,317	6,739	949,586
	Premium	Claims	Others	Total
Balances as of December 31, 2017	804,530	138,317	6,739	949,586
Premiums receivable	335,907	-	-	335,907
Payments received	(244,217)	-	-	(244,217)
Recovery of claims	-	(106,356)	-	(106,356)
Exchange rate variation	112,885	-	1,038	113,923
Other credits	-	-	(7,629)	(7,629)
Balances as of June 30, 2018	1,009,105	31,961	148	1,041,214

7.3 Aging of credits for reinsurance and retrocession operations

An analysis of maturities of credits for reinsurance and retrocession operations is shown below:

Aging	Parent Company			
	Transactions credit	Transactions debit	PDD	Total
Falling due	3,255,008	(1,019,194)	(28,550)	2,207,264
Overdue up to 30 days	480,610	(61,571)	(3,857)	415,182
Overdue from 31 to 60 days	133,745	(76,470)	(1,863)	55,412
Overdue from 61 to 120 days	102,196	(18,333)	(1,066)	82,797
Overdue from 121 to 180 days	106,784	(20,926)	(1,240)	84,618
Overdue from 181 to 365 days	53,148	(18,159)	(3,384)	31,605
Overdue for more than 365 days	119,418	(66,958)	(47,509)	4,951
Total	4,250,909	(1,281,611)	(87,469)	2,881,829

Aging	Consolidated			
	Transactions credit	Transactions debit	PDD	Total
Falling due	3,255,008	(1,019,194)	(28,550)	2,207,264
Overdue up to 30 days	480,610	(61,571)	(3,857)	415,182
Overdue from 31 to 60 days	133,745	(76,470)	(1,863)	55,412
Overdue from 61 to 120 days	102,196	(18,333)	(1,066)	82,797
Overdue from 121 to 180 days	106,784	(20,926)	(1,240)	84,618
Overdue from 181 to 365 days	53,148	(18,159)	(3,384)	31,605
Overdue for more than 365 days	119,435	(67,274)	(47,509)	4,652
Total	4,250,926	(1,281,927)	(87,469)	2,881,530

A provision of R\$87,469 has been set up to cover doubtful debts in accounts payable and receivable, overdue and not yet maturing, for a total of R\$2,969,298 in the parent company and R\$2,968,999 in the consolidated accounts, taking into account past default by clients. The provision is calculated according to the Company's own methodology, based on segregating business partners between Brazilian operators, foreign operators and related parties, and rating classifications based on past default, clients with liabilities not settled and special treatment for clients in negotiations.

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8 Retrocession assets – technical provisions

8.1 Claims – retrocession (breakdown)

Outstanding claims and claims incurred but not reported, were as shown below:

	Parent Company			
	June 30, 2018			
	Unsettled claims	Unsettled claims under judicial dispute	Claims incurred but not reported	Total
Aerospace	355,914	10,464	120,123	486,501
Motor	3,649	35	1,106	4,790
Housing	46	-	9	55
Maritime	31,778	1,417	5,879	39,074
Nuclear	33	-	-	33
Property	851,715	70,841	194,863	1,117,419
People	17,073	1,421	11,642	30,136
Oil	57,352	287	4,701	62,340
Liabilities	196,518	25,000	17,385	238,903
Financial risks	80,892	4,941	40,557	126,390
Rural	22,827	4,018	10,789	37,634
Transport	197,568	364	10,925	208,857
Acceptances from abroad	40,730	-	7,937	48,667
Offshore branches	8,393	-	1,136	9,529
Total	1,864,488	118,788	427,052	2,410,328

	Parent Company			
	December 31, 2017			
	Unsettled claims	Unsettled claims under judicial dispute	Claims incurred but not reported	Total
Aerospace	326,728	8,228	179,557	514,513
Motor	2,357	37	646	3,040
Housing	145	-	45	190
Maritime	23,252	1,796	5,080	30,128
Property	796,084	63,877	218,535	1,078,496
People	21,869	1,387	13,044	36,300
Oil	53,261	237	10,539	64,037
Liabilities	210,750	30,398	21,599	262,747
Financial risks	77,138	4,790	59,556	141,484
Rural	40,281	4,193	9,602	54,076
Transport	168,611	1,084	4,739	174,434
Acceptances from abroad	38,196	-	15,687	53,883
Offshore branches	9,443	-	902	10,345
Total	1,768,115	116,027	539,531	2,423,673

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In thousands of *Reais*, except where otherwise indicated

8.1 Claims – retrocession (breakdown)

	Consolidated			
	June 30, 2018			
	Unsettled claims	Unsettled claims under judicial dispute	Claims incurred but not reported	Total
Aerospace	355,914	10,464	120,123	486,501
Motor	3,649	35	1,106	4,790
Housing	46	-	9	55
Maritime	31,778	1,417	5,879	39,074
Nuclear	33	-	-	33
Property	851,715	70,841	194,863	1,117,419
People	17,073	1,421	11,642	30,136
Oil	57,352	287	4,701	62,340
Liabilities	196,518	25,000	17,385	238,903
Financial risks	80,892	4,941	40,557	126,390
Rural	22,827	4,018	10,789	37,634
Transport	197,568	364	10,925	208,857
Acceptances from abroad	41,506	-	7,944	49,450
Offshore branches	8,393	-	359	8,752
Total	1,865,264	118,788	426,282	2,410,334

	Consolidated			
	December 31, 2017			
	Unsettled claims	Unsettled claims under judicial dispute	Claims incurred but not reported	Total
Aerospace	326,728	8,228	179,557	514,513
Motor	2,357	37	646	3,040
Housing	145	-	45	190
Maritime	23,252	1,796	5,080	30,128
Property	796,084	63,877	218,535	1,078,496
People	21,869	1,387	13,044	36,300
Oil	53,261	237	10,539	64,037
Liabilities	210,750	30,398	21,599	262,747
Financial risks	77,138	4,790	59,556	141,484
Rural	40,281	4,193	9,602	54,076
Transport	168,611	1,084	4,739	174,434
Acceptances from abroad	38,196	-	15,687	53,883
Offshore branches	38,701	-	527	39,228
Total	1,797,373	116,027	539,156	2,452,556

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8.1.1 Variation

	Parent Company		
	Unsettled claims	Claims incurred but not reported	Total
Balances as of December 31, 2016	2,292,696	724,582	3,017,278
Settlement of claims	(3,895,258)	(273,372)	(4,168,630)
Recording of provision for claims	3,486,704	88,321	3,575,025
Balances as of December 31, 2017	1,884,142	539,531	2,423,673

	Parent Company		
	Unsettled claims	Claims incurred but not reported	Total
Balances as of December 31, 2017	1,884,142	539,531	2,423,673
Settlement of claims	(379,926)	(160,999)	(540,925)
Recording of provision for claims	479,060	48,520	527,580
Balances as of June 30, 2018	1,983,276	427,052	2,410,328

	Consolidated		
	Unsettled claims	Claims incurred but not reported	Total
Balances as of December 31, 2016	2,322,398	724,582	3,046,980
Settlement of claims	(3,866,000)	(273,372)	(4,139,372)
Recording of provision for claims	3,457,002	87,946	3,544,948
Balances as of December 31, 2017	1,913,400	539,156	2,452,556

	Consolidated		
	Unsettled claims	Claims incurred but not reported	Total
Balances as of December 31, 2017	1,913,400	539,156	2,452,556
Settlement of claims	(409,185)	(160,999)	(570,184)
Recording of provision for claims	479,837	48,125	527,962
Balances as of June 30, 2018	1,984,052	426,282	2,410,334

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8.2 Deferred retrocession premiums

Parent Company and Consolidated							
June 30, 2018							
	Provision for unearned premiums			Deferred reinsurance commission			Total
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	
Aerospace	27,308	5,346	424	(126)	(20)	(16)	32,916
Motor	2,536	1,311	-	(58)	(17)	-	3,772
Maritime	30,078	4,425	1,116	(1,068)	(220)	(38)	34,293
Nuclear	5,182	-	1,323	(389)	-	(99)	6,017
Property	410,477	57,753	31,736	(15,407)	(5,604)	(1,819)	477,136
People	9,056	2,931	1,258	(253)	(141)	(77)	12,774
Oil	178,138	16,077	15,683	(8,494)	(402)	(839)	200,163
Liabilities	42,086	24,308	1,648	(1,889)	(4,037)	(107)	62,009
Financial risks	4,591	-	2,434	(242)	-	(172)	6,611
Rural	7,077	5,287	733	(958)	(1,855)	(127)	10,157
Transport	17,759	19,159	12,010	(1,921)	(1,853)	(3,468)	41,686
Acceptances from abroad	26,673	1,545	2,369	(768)	(504)	(179)	29,136
Offshore branches	6,236	5,869	-	(247)	(1,004)	-	10,854
Total	767,197	144,011	70,734	(31,820)	(15,657)	(6,941)	927,524
Current							854,043
Non-current							73,481

Parent Company and Consolidated							
December 31, 2017							
	Provision for unearned premiums			Deferred reinsurance commission			Total
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	
Aerospace	34,133	3,938	2,007	(115)	(16)	(50)	39,897
Motor	2,287	999	398	(80)	(35)	(17)	3,552
Housing	-	-	5	-	-	(1)	4
Maritime	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
People	4,561	11,923	1,737	(676)	(475)	(232)	16,838
Oil	140,273	15,751	8,805	(4,609)	(394)	(625)	159,201
Liabilities	35,224	19,063	3,049	(1,760)	(3,022)	(317)	52,237
Financial risks	8,146	-	1,284	(68)	-	(277)	9,085
Rural	25,172	5,101	1,022	(2,553)	(1,804)	(215)	26,723
Transport	15,261	13,660	10,749	(449)	(1,521)	(2,069)	35,631
Acceptances from abroad	61,176	3,910	3,255	(1,116)	(869)	(207)	66,149
Offshore branches	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

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8.2.1 Variation

	Parent Company and Consolidated						
	Provision for unearned premiums			Deferred reinsurance commission			Total
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	
Balances as of December 31, 2016	520,801	110,060	89,898	(28,455)	(11,801)	(7,522)	672,981
Deferral based on risk	(395,795)	(124,779)	(39,838)	16,289	13,383	1,460	(529,280)
Incorporation	546,521	166,061	30,345	(12,303)	(13,475)	(557)	716,592
Balances as of December 31, 2017	671,527	151,342	80,405	(24,469)	(11,893)	(6,619)	860,293
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	Total
Balances as of December 31, 2017	671,527	151,342	80,405	(24,469)	(11,893)	(6,619)	860,293
Deferral based on risk	(205,819)	(83,606)	(18,118)	4,993	4,941	437	(297,172)
Incorporation	301,489	76,275	8,447	(12,344)	(8,705)	(759)	364,403
Balances as of June 30, 2018	767,197	144,011	70,734	(31,820)	(15,657)	(6,941)	927,524

8.3 Other technical provisions

The provision for technical surpluses guarantees the amounts intended for the distribution of technical surpluses arising from contracts, and the provision for related costs covers claim-related expenses.

	Parent Company and Consolidated	
	June 30, 2018	December 31, 2017
Aerospace	1,812	5,035
Motor	52	17
Maritime	3	-
Property	2,126	3,770
People	10	6
Liabilities	2,746	380
Financial risks	1,803	2,177
Rural	3	1
Transport	231	175
Total	8,786	11,561

9 Bills and credits receivable

	Parent Company		Consolidated	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Current				
Amounts receivable from shopping centers/real estat	-	-	22,272	9,977
Amounts receivable from court agreements	24,119	3,939	24,119	3,939
Advances to suppliers	1,114	6,147	1,114	6,147
Advances to employees	2,582	442	2,582	442
Others	558	845	6,280	5,171
Total current	28,373	11,373	56,367	25,676
Non-current				
Amounts receivable from Caixa Econômica Federal	16,117	16,098	16,117	16,098
Amounts receivable from court agreements	8,129	7,878	8,129	7,878
Amounts receivable Previrb	75,312	46,853	75,312	46,853
Amounts receivable from agreements	42,452	36,504	49,086	37,715
Total non-current	142,010	107,333	148,644	108,544
	170,383	118,706	205,011	134,220

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10 Tax and social security credits

10.1 Tax and social security credits

	Parent Company	
	June 30, 2018	December 31, 2017
Current		
Contributions and overpaid taxes recoverable (*)	64,647	114,844
Withholding income tax	70	59
Taxes to offset/recoverable	4,566	5,426
	69,283	120,329
Non-current		
Contributions and overpaid taxes recoverable	39,962	57,868
Tax credits on temporary differences (**)	361,025	348,918
	400,987	406,786
	470,270	527,115

	Consolidated	
	June 30, 2018	December 31, 2017
Current		
Contributions and overpaid taxes recoverable (*)	64,647	114,844
Withholding income tax	3,764	3,732
Taxes to offset/recoverable	4,566	5,426
	72,977	124,002
Non-current		
Contributions and overpaid taxes recoverable	39,962	57,868
Tax credits on temporary differences (**)	335,548	335,770
	375,510	393,638
	448,487	517,640

(*) Refer to overpayments of PIS (R\$64,647) arising from a case relating to a broadening of the tax base, which was finally decided on October 29, 2013, and an application for reimbursement entered on December 19, 2013. To determine and recognize these amounts, only credits for which no doubt or dispute existed on the composition of their calculation base were included. These credits were used by the Company to settle monthly direct tax debits (PIS and COFINS). During the period a total of R\$51,804 was offset.

(**) Provisional Measure No. 675 of May 21, 2015 ("MP"), increased the rate for Social Contribution tax to 20% to take effect on September 1, 2015.

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10.1.1 Tax credits on temporary differences

Deferred income and social contribution taxes on temporary differences consisted of the following:

	Parent Company			
	June 30, 2018		December 31, 2017	
	IRPJ	CSLL	IRPJ	CSLL
Non-current				
Tax credits - temporary differences				
Labor provisions (a)	443,921	443,921	457,853	457,853
Provision for investment devaluation	-	-	140,763	140,763
Provision for doubtful debts (b)	257,512	257,512	237,209	237,209
Provision for tax and social security contingencies (c)	169,600	169,600	161,017	161,017
Adjustment to market value - securities available for sale	98,857	98,857	39,609	39,609
Actuarial gains and losses – post-employment benefits	(38,624)	(38,624)	(36,880)	(36,880)
Provision for labor contingencies (c)	59,730	59,730	56,274	56,274
Adjustment to market value - investment	5,351	5,351	(41,882)	(41,882)
Updated of tax/labor court deposits	(214,914)	(214,914)	(200,854)	(200,854)
Other provisions (*)	116,364	337	3,003	3,003
Calculation base	897,797	781,770	816,112	816,112
Nominal tax rate in force	25.0%	20.0%	25.0%	20.0%
Tax credits - temporary differences	224,449	136,576	204,028	144,890

	Consolidated			
	June 30, 2018		December 31, 2017	
	IRPJ	CSLL	IRPJ	CSLL
Non-current				
Tax credits - temporary differences				
Labor provisions (a)	443,921	443,921	457,853	457,853
Provision for investment devaluation	-	-	140,763	140,763
Provision for doubtful debts (b)	257,512	257,512	237,209	237,209
Provision for tax and social security contingencies (c)	169,600	169,600	161,017	161,017
Adjustment to market value - securities available for sale	24,374	24,374	938	938
Actuarial gains and losses – post-employment benefits	(38,624)	(38,624)	(36,880)	(36,880)
Provision for labor contingencies (c)	59,730	59,730	56,274	56,274
Adjustment to market value - investment	5,351	5,351	(41,882)	(41,882)
Updated of tax/labor court deposits	(214,914)	(214,914)	(200,854)	(200,854)
Other provisions (*)	116,364	337	3,003	3,003
Calculation base	823,314	707,287	777,441	777,441
Nominal tax rate in force	25.0%	20.0%	25.0%	20.0%
Tax credits - temporary differences	205,829	129,719	194,360	141,410

(*) Tax deferral shown in accordance with article 38 of Normative Ruling 1.520 of 2014.

Deferred income and social contribution tax credits arising from temporary differences are calculated at the rates of 25% and 20%, respectively. For temporary differences to be realized on or after January 1, 2019, the Company has used a rate of 15% to calculate the deferred social contribution tax.

(a) The use of tax credits is based on an actuarial calculation of the realization of labor provisions and takes into account management's expectations of the realization of the asset.

(b) The realization of tax credits on the provision for doubtful debts is related to the administrative or judicial recovery of debts, or a resolution of management to write them off as a loss.

(c) The realization of tax credits on the provisions for labor, tax and social security contingencies depends on a definitive ruling and on the date when the litigation is settled.

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11 Deferred acquisition costs

	Parent Company and Consolidated							
	June 30, 2018				December 31, 2017			
	Actual	Estimated	RVNE	Total	Actual	Estimated	RVNE	Total
Aerospace	2,029	132	312	2,472	2,219	34	294	2,547
Motor	70	26	54	150	115	10	26	151
Housing	376	20	74	469	76	10	10	96
Maritime	2,402	2	911	3,315	1,445	1	317	1,763
Property	8,794	748	2,265	11,807	8,600	345	1,402	10,347
People	680	37	375	1,092	1,118	4	95	1,217
Oil	6,897	-	1,462	8,359	4,925	-	1,258	6,183
Liabilities	1,753	83	216	2,052	1,256	36	215	1,507
Financial risks	726	211	35	972	441	223	24	688
Rural	115	367	147	629	176	166	13	355
Transport	3,540	92	2,732	6,365	3,232	33	1,474	4,739
Acceptances from abroad	24,197	7,773	8,128	40,098	18,929	4,613	7,211	30,753
Offshore branches	732	457	-	1,189	1,538	54	-	1,592
Total	52,311	9,948	16,711	78,969	44,070	5,529	12,339	61,938

12 Investment properties

	Shopping Centers	Total
Gross cost of investment property		
Balance as of December 31, 2016	7,879	7,879
Balance as of December 31, 2017	7,879	7,879
Accumulated depreciation		
Balance as of December 31, 2016	(1,733)	(1,733)
Devaluation	(315)	(315)
Balance as of December 31, 2017	(2,048)	(2,048)
Net book balance	5,831	5,831
Gross cost of investment property		
Balance as of December 31, 2017	7,879	7,879
Balances as of June 30, 2018	7,879	7,879
Accumulated depreciation		
Balance as of December 31, 2017	(2,048)	(2,048)
Devaluation	(158)	(158)
Balances as of June 30, 2018	(2,206)	(2,206)
Net book balance	5,673	5,673

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12 Investment properties

	Consolidated			
	Land	Buildings	Shopping Centers	Total
Gross cost of investment property				
Balance as of December 31, 2016	16,447	763	385,406	402,616
Acquisition (*)	-	1,574	97,489	99,063
Disposal	-	-	(275)	(275)
Balance as of December 31, 2017	16,447	2,337	482,620	501,404
Accumulated depreciation				
Balance as of December 31, 2016	-	(763)	(17,192)	(17,955)
Devaluation	-	(1)	(6,732)	(6,733)
Disposal	-	-	275	275
Balance as of December 31, 2017	-	(764)	(23,649)	(24,413)
Net book balance	16,447	1,573	458,971	476,991
Gross cost of investment property				
Balance as of December 31, 2017	16,447	2,337	482,620	501,404
Acquisition (*)	-	15,695	54,984	70,679
Disposal	-	(1,520)	(383)	(1,903)
Balances as of June 30, 2018	16,447	16,512	537,221	570,180
Accumulated depreciation				
Balance as of December 31, 2017	-	(764)	(23,649)	(24,413)
Devaluation	-	(1)	(1,756)	(1,757)
Balances as of June 30, 2018	-	(765)	(25,405)	(26,170)
Net book balance	16,447	15,747	511,816	544,010

(*) Amounts of R\$97,489 and 54,982 refer to the purchase of an interest in the Estacionamento do Internacional Shopping Guarulhos – Fundo de Investimento Imobiliário *Parking Partners* and purchases of Shopping Malls made during the period.

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(a) Below is a breakdown of investments in shopping malls, with the percentage holdings of IRB Investimentos e Participações Imobiliárias S.A. and improvements completed during the six-month period ended June 30, 2018:

	Percentage investment	Improvements made	
		June 30, 2018	December 31, 2017
		Improvements made	Improvements made
Park Shopping - Brasília	20.0%	14,144	14,148
Esplanada - Sorocaba	15.0%	31	63
Praia de Belas - Porto Alegre	20.0%	58	609
Minas Shopping - Belo Horizonte	19.0%	189	57
Shopping Barra - Salvador	20.0%	72	-
Book balance of improvements made in active shopping centers		14,494	14,877
Depreciation of improvements made			
Park Shopping - Brasília		(3,533)	(3,430)
Net book balance of improvements made in active shopping centers		10,961	11,447

Investments in shopping malls, with a market value of R\$615,303 as at June 30, 2018, are recorded at cost, and the Company makes an annual calculation of the estimated cash flow from these investments, setting up provisions for losses when necessary.

Below we show the present value of minimum commercial leasing payments receivable by the Company in the following periods:

	June 30, 2018	December 31, 2017
Up to 1 year	41,717	43,715
From one to five years	145,725	152,005
Above five years	142,038	147,303
Total	329,480	343,023

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13 Property and equipment

	Land and buildings	Data Processing Equipment	Telecommunication equipment	Furniture, machines and fixtures	Other property, plant and equipment	Parent Company	
						Vehicles	Total
Gross cost of property, plant and equipment							
Balance as of 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)	-	-
Balance as of December 31, 2017	62,362	56,979	3,586	6,428	4,976	115	134,446
Accumulated depreciation							
Balance as of 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
Balance as of December 31, 2017	(10,984)	(40,723)	(2,356)	(2,492)	(545)	(36)	(57,136)
Accounting balances, net	51,378	16,256	1,230	3,936	4,431	79	77,310
Gross cost of property, plant and equipment							
Balance as of December 31, 2017	62,362	56,979	3,586	6,428	4,976	115	134,446
Additions	-	682	10	37	3,372	104	4,205
Write-offs	-	(54)	-	(46)	-	-	(100)
Balances as of June 30, 2018	62,362	57,607	3,596	6,419	8,348	219	138,551
Accumulated depreciation							
Balance as of December 31, 2017	(10,984)	(40,723)	(2,356)	(2,492)	(545)	(36)	(57,136)
Depreciation	(1,158)	(3,325)	(299)	(299)	(257)	(20)	(5,358)
Write-offs	-	54	-	-	-	-	54
Balances as of June 30, 2018	(12,142)	(43,994)	(2,655)	(2,791)	(802)	(56)	(62,440)
Accounting balances, net	50,220	13,613	941	3,628	7,546	163	76,111

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13 Property and equipment

	Land and buildings	Data Processing Equipment	Telecommunication equipment	Furniture, machines and fixtures	Other property, plant and equipment	Consolidated	
						Vehicles	Total
Gross cost of property, plant and equipment							
Balance as of 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)	-	-
Balance as of December 31, 2017	62,362	56,979	3,586	6,430	5,049	115	134,521
Accumulated depreciation							
Balance as of 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
Balance as of December 31, 2017	(10,984)	(40,723)	(2,356)	(2,492)	(545)	(36)	(57,136)
Accounting balances, net	51,378	16,256	1,230	3,938	4,504	79	77,385
Gross cost of property, plant and equipment							
Balance as of December 31, 2017	62,362	56,979	3,586	6,430	5,049	115	134,521
Additions	-	682	8	46	3,372	104	4,212
Write-offs	-	(54)	-	(46)	-	-	(100)
Balances as of June 30, 2018	62,362	57,607	3,594	6,430	8,421	219	138,633
Accumulated depreciation							
Balance as of December 31, 2017	(10,984)	(40,723)	(2,356)	(2,492)	(545)	(36)	(57,136)
Depreciation	(1,158)	(3,325)	(297)	(299)	(257)	(20)	(5,356)
Write-offs	-	54	-	-	-	-	54
Balances as of June 30, 2018	(12,142)	(43,994)	(2,653)	(2,791)	(802)	(56)	(62,438)
Accounting balances, net	50,220	13,613	941	3,639	7,619	163	76,195

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In thousands of *Reais*, except where otherwise indicated

14 Intangible assets

	Parent Company		
	Software development cost	Software under development	Total
Gross cost of intangible assets			
Balance as of December 31, 2016	127,977	2,073	130,050
Additions	13,039	2,699	15,738
Transfers	(1,428)	1,428	-
Balance as of December 31, 2017	139,588	6,200	145,788
Accumulated amortization			
Balance as of December 31, 2016	(67,774)	-	(67,774)
Amortization	(23,917)	-	(23,917)
Balance as of December 31, 2017	(91,691)	-	(91,691)
Net book balance	47,897	6,200	54,097
Gross cost of intangible assets			
Balance as of December 31, 2017	139,588	6,200	145,788
Additions	16,239	1,870	18,109
Transfers	5,085	(5,085)	-
Balances as of June 30, 2018	160,912	2,985	163,897
Accumulated amortization			
Balance as of December 31, 2017	(91,691)	-	(91,691)
Amortization	(18,692)	-	(18,692)
Balances as of June 30, 2018	(110,383)	-	(110,383)
Net book balance	50,529	2,985	53,514

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In thousands of *Reais*, except where otherwise indicated

14 Intangible assets

	Consolidated		
	Software development cost	Software under development	Total
Gross cost of intangible assets			
Balance as of December 31, 2016	127,977	2,073	130,050
Additions	13,039	2,900	15,939
Transfers	(1,428)	1,428	-
Balance as of December 31, 2017	139,588	6,401	145,989
Accumulated amortization			
Balance as of December 31, 2016	(67,774)	-	(67,774)
Amortization	(23,917)	-	(23,917)
Balance as of December 31, 2017	(91,691)	-	(91,691)
Net book balance	47,897	6,401	54,298
Gross cost of intangible assets			
Balance as of December 31, 2017	139,588	6,401	145,989
Additions	16,239	1,870	18,109
Transfers	5,085	(5,085)	-
Balances as of June 30, 2018	160,912	3,186	164,098
Accumulated amortization			
Balance as of December 31, 2017	(91,691)	-	(91,691)
Amortization	(18,692)	-	(18,692)
Balances as of June 30, 2018	(110,383)	-	(110,383)
Net book balance	50,529	3,186	53,715

15 Liabilities and provisions for post-employment benefits

15.1 Liabilities

	Parent Company		Consolidated	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Suppliers	4,474	6,396	23,758	14,479
Dividends	1,788	2,854	1,788	2,854
Interest on shareholders' equity	120,969	61,753	120,969	61,753
Profit sharing	-	23,137	-	23,137
Compensation of key management personnel	-	4,264	-	4,264
Others	2,442	1,465	4,262	2,943
Total	129,673	99,869	150,777	109,430
Current	129,673	97,478	150,075	106,531
Non-current	-	2,391	702	2,899

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15.2 Provision for post-employment benefits

	Parent Company and Consolidated	
	June 30, 2018	December 31, 2017
Post-employment benefit – Retirement (i)	150,457	154,270
Post-employment benefit – Medical plan (ii)	290,029	300,371
Post-employment benefit – Life insurance (iii)	1,890	1,556
Post-employment benefit – Funeral allowance (iv)	1,545	1,647
	443,921	457,844
Current	40,490	38,655
Non-current	403,431	419,189
	443,921	457,844

(i) Post-employment benefit – retirement pension

The Company pays for supplementary pension benefits and death benefits for staff hired up to December 31, 1968, improved pension benefits for staff who retired up to February 28, 1975, and improved pensions for the beneficiaries of staff deceased on or before February 28, 1975.

(ii) Post-employment benefit – medical and dental insurance

Self-managed medical insurance plans (out-patients), surgical plans (in-patients), obstetric and dental plans, in addition to reimbursements and pharmaceutical benefits for active staff, retired staff and pensioners and their dependents: for employees hired before May 31, 2004. Dependents are spouses, children (up to 24 years old) and parents who earn less than one minimum salary. Only spouses and children (up to 24 years old) can be considered as dependents of staff admitted as from June 1, 2004. For staff admitted on or after October 14, 1996, IRB Brasil RE meets 50% of the cost of the plan, i.e. of the amounts for tables I and II (items 5.1.4 and 5.1.5 of section 1 of the Regulations of the PCAM (Medical Assistance Contribution Plan); the employees and beneficiaries pay the remaining 50%. For staff admitted on or before October 13, 1996, the contribution of the employee and dependents varies from 0.3% to 2% of the items that make up the reference base for salary. Contributions are deducted from salary monthly, varying according to the date of admission, the amount of base salary (%) and the age bracket (tables).

(iii) Post-employment benefit – life insurance

For staff admitted up to 1998, IRB Brasil RE pays 100% of the premium, and 50% for staff admitted from 1999 onwards. Participation by employees is optional. Staff who retire for time of contribution may remain in the plan, but must pay the full premium themselves. IRB Brasil RE pays the entire premium for staff who retire due to disability.

(iv) Post-employment benefit – funeral allowance

This benefit is available only to staff admitted in or before October 31, 1996. The allowance 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	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
IRPJ payable	32,491	25,713	38,248	28,690
CSLL payable	38,127	21,927	40,209	23,064
PIS/ COFINS payable	15,300	2,963	15,461	3,762
Total	85,918	50,603	93,918	55,516

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17 Debits for reinsurance and retrocession transactions

Accounts for reinsurance and retrocession debits mainly consisted of balances payable for operations of Brazilian and foreign insurers and reinsurers, plus premiums payable, commissions, claim indemnities payable and debits arising from past transactions by London branch, as follows:

17.1 Breakdown

	Parent Company		Consolidated	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Current				
Transactions with insurers (17.2.1)	8,120	606	8,120	606
Transactions with reinsurers (17.2.1)	1,135,686	1,137,443	1,135,686	1,137,443
Reinsurance brokers, retrocession and other (17.2.2)	115,221	82,759	115,537	83,029
Other operating debits (17.2.2)	21,795	31,087	21,795	31,087
	1,280,822	1,251,895	1,281,138	1,252,165
Non-current				
Other operating debits	789	789	789	789
	1,281,611	1,252,684	1,281,927	1,252,954

17.2 Variation

17.2.1 Transactions with insurers and reinsurers

	Parent Company and Consolidated			
	Premiums	Claims	Others	Total
Balance as of December 31, 2016	743,944	39,335	17,905	801,184
Premiums, commissions and retrocession interest payable	905,540	-	-	905,540
Premiums, commissions and retrocession interest paid	(594,740)	-	-	(594,740)
Reinsurance claim payable	-	6,856	-	6,856
Reinsurance claim paid	-	(46)	-	(46)
Other payables	-	-	22,066	22,066
Other amounts paid	-	-	(14,258)	(14,258)
Exchange rate variation	11,914	(626)	159	11,447
Balance as of December 31, 2017	1,066,658	45,519	25,872	1,138,049
Balance as of December 31, 2017	1,066,658	45,519	25,872	1,138,049
Premiums, commissions and retrocession interest payable	640,369	-	-	640,369
Premiums, commissions and retrocession interest paid	(664,620)	-	-	(664,620)
Reinsurance claim payable	-	6,750	-	6,750
Reinsurance claim paid	-	(42,811)	-	(42,811)
Other payables	-	-	14,577	14,577
Other amounts paid	-	-	(10,522)	(10,522)
Exchange rate variation	57,906	3,430	678	62,014
Balance as at June 30, 2018	1,100,313	12,888	30,605	1,143,806

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17.2.2 Transactions with brokers and other debits

	Parent Company		
	Commissions	Other debits	Total
Balance as of December 31, 2016	49,117	30,555	79,672
Brokerage commission payable	48,891	-	48,891
Brokerage commission paid	(17,698)	-	(17,698)
Other debits payable	-	808	808
Exchange rate variation	2,449	513	2,962
Balance as of December 31, 2017	82,759	31,876	114,635

	Commissions	Other debits	Total
Balance as of December 31, 2017	82,759	31,876	114,635
Brokerage commission payable	69,148	-	69,148
Brokerage commission paid	(45,380)	-	(45,380)
Other debits paid	-	(5,942)	(5,942)
Exchange rate variation	8,694	(3,350)	5,344
Balance as at June 30, 2018	115,221	22,584	137,805

	Consolidated		
	Commissions	Other debits	Total
Balance as of December 31, 2016	49,117	30,555	79,672
Brokerage commission payable	48,891	-	48,891
Brokerage commission paid	(17,698)	-	(17,698)
Other debits payable	-	808	808
Exchange rate variation	2,719	513	3,232
Balance as of December 31, 2017	83,029	31,876	114,905

	Commissions	Other debits	Total
Balance as of December 31, 2017	83,029	31,876	114,905
Brokerage commission payable	69,148	-	69,148
Brokerage commission paid	(45,380)	-	(45,380)
Other debits paid	-	(5,942)	(5,942)
Exchange rate variation	8,740	(3,350)	5,390
Balance as at June 30, 2018	115,537	22,584	138,121

18 Third party deposits

Below is a breakdown of the balance of the account, by age of deposit.

	Parent Company and Consolidated	
	June 30, 2018	December 31, 2017
up to 30 days	85,930	47,424
From 31 to 60 days	31,685	94,002
From 61 to 120 days	36,992	14,520
From 121 to 180 days	3,999	2,574
From 181 to 365 days	12,102	8,246
	170,708	166,766

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19 Technical provisions

19.1 Provision for unearned premiums and acquisition costs

							Parent Company and Consolidated
							June 30, 2018
	Provision for unearned premiums			Deferred reinsurance commission			Total
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	
Aerospace	32,619	12,259	4,729	(1,356)	(2,205)	(50)	45,996
Motor	4,618	2,905	765	(413)	(436)	(1)	7,438
Housing	5,241	3,727	1,221	(107)	(425)	-	9,657
Maritime	53,459	8,349	12,168	(872)	(890)	(309)	71,905
Nuclear	5,598	-	1,388	-	-	-	6,986
Property	621,204	137,364	75,830	(18,513)	(24,669)	(1,315)	789,901
People	17,906	8,560	9,809	-	(1,516)	-	34,759
Oil	212,624	16,923	22,293	(2,804)	(11)	(271)	248,754
Liabilities	59,881	29,330	3,890	(1,670)	(5,334)	(56)	86,041
Financial risks	153,799	59,653	5,346	(59,540)	(25,677)	(314)	133,267
Rural	81,042	168,090	10,312	(18,526)	(42,081)	(257)	198,580
Transport	54,264	29,648	38,445	(5,550)	(4,223)	(3,471)	109,113
Acceptances from abroad	288,339	359,882	75,237	(24,284)	(74,583)	(1,273)	623,318
Offshore branches	20,473	25,483	-	(3,632)	(6,697)	-	35,627
	1,611,067	862,173	261,433	(137,267)	(188,747)	(7,317)	2,401,342
Current							2,175,091
Non-current							226,251

							Parent Company and Consolidated
							December 31, 2017
	Provision for unearned premiums			Deferred reinsurance commission			Total
	Actual	Estimated	RVNE	Actual	Estimated	RVNE	
Aerospace	31,581	7,723	5,123	(1,201)	(1,219)	(292)	41,715
Motor	5,656	2,297	1,464	(736)	(390)	(290)	8,001
Housing	4,353	1,749	1,444	(164)	(259)	(259)	6,864
Maritime	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
People	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
Rural	157,162	103,457	10,409	(37,620)	(24,793)	(2,454)	206,161
Transport	44,042	21,986	28,822	(2,689)	(3,445)	(2,865)	85,851
Acceptances from abroad	271,203	206,586	69,567	(32,379)	(41,323)	(2,411)	471,243
Offshore branches	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

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19.1.1 Variation

	Parent Company and Consolidated					
	Provision for unearned premiums			Deferred reinsurance commission		
	Actual	Estimated	RVNE	Actual	Estimated	RVNE
Balances as of December 31, 2016	1,325,957	453,976	220,386	(170,993)	(95,562)	(31,466)
Deferral based on risk	(582,824)	(323,798)	(88,312)	115,912	61,263	14,906
Incorporation	681,568	467,788	113,760	(105,871)	(88,763)	(1,020)
Balances as of December 31, 2017	1,424,701	597,966	245,834	(160,952)	(123,062)	(17,580)
	Provision for unearned premiums			Deferred reinsurance commission		
	Actual	Estimated	RVNE	Actual	Estimated	RVNE
	Actual	Estimated	RVNE	Actual	Estimated	RVNE
Balances as of December 31, 2017	1,424,701	597,966	245,834	(160,952)	(123,062)	(17,580)
Deferral based on risk	(218,349)	(89,163)	(24,020)	53,968	9,501	11,595
Incorporation	404,715	353,370	39,619	(30,283)	(75,186)	(1,332)
Balances as of June 30, 2018	1,611,067	862,173	261,433	(137,267)	(188,747)	(7,317)

19.2 Provisions for unsettled claims and claims incurred but not reported

	June 30, 2018					
	Parent Company			Consolidated		
	Unsettled claims	Unsettled claims under judicial dispute	Claims incurred but not reported	Unsettled claims	Unsettled claims under judicial dispute	Claims incurred but not reported
	Reinsurance	Reinsurance	Reinsurance	Reinsurance	Reinsurance	Reinsurance
Aerospace	392,746	14,262	156,644	392,746	14,262	156,644
Motor	129,181	23,837	26,066	129,181	23,837	26,066
Housing	12,754	855	7,419	12,754	855	7,419
Maritime	129,036	2,500	25,402	129,036	2,500	25,402
Nuclear	2	-	-	2	-	-
Property	1,271,128	142,980	376,525	1,271,128	142,980	376,525
People	102,951	7,843	80,124	102,951	7,843	80,124
Oil	81,983	339	7,111	81,983	339	7,111
Liabilities	415,712	85,851	42,841	415,712	85,851	42,841
Financial risks	178,292	12,201	131,562	178,292	12,201	131,562
Rural	180,139	10,980	182,348	180,139	10,980	182,348
Transport	331,820	3,016	33,141	331,820	3,016	33,141
Acceptances from abroad	905,675	-	488,935	906,451	-	488,935
Offshore branches	66,802	-	12,830	66,802	-	12,830
Run-off (*)	79,663	-	108,213	79,663	-	108,213
	4,277,884	304,664	1,679,161	4,278,660	304,664	1,679,161

	December 31, 2017					
	Parent Company			Consolidated		
	Unsettled claims	Unsettled claims under judicial dispute	Claims incurred but not reported	Unsettled claims	Unsettled claims under judicial dispute	Claims incurred but not reported
	Reinsurance	Reinsurance	Reinsurance	Reinsurance	Reinsurance	Reinsurance
Aerospace	408,154	14,514	201,658	408,154	14,514	201,658
Motor	149,481	27,084	22,317	149,481	27,084	22,317
Housing	14,207	831	11,371	14,207	831	11,371
Maritime	109,859	-	21,666	109,859	-	21,666
Property	1,375,778	138,856	397,360	1,375,778	138,856	397,360
People	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
Rural	96,328	11,047	166,971	96,328	11,047	166,971
Transport	279,600	2,280	37,098	279,600	2,280	37,098
Acceptances from abroad	626,256	-	435,709	655,514	-	435,709
Offshore branches	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

(*) Includes a reserve for the risk of environmental pollution, diseases and other damage caused by spillage of asbestos. These estimates are subject to a higher level of uncertainty than for other risks, because of the greater difficulty in foreseeing the occurrence and progress of this type of claim.

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19.2.1 Variation

	Parent Company		Consolidated	
	Unsettled claims	Claims incurred but not reported	Unsettled claims	Claims incurred but not reported
Balances as of 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)
Recording of provision for claims	1,183,770	493,933	1,212,676	493,933
Balances as of December 31, 2017	4,343,294	1,687,480	4,372,552	1,687,480
	Unsettled claims	Claims incurred but not reported	Unsettled claims	Claims incurred but not reported
Balances as of December 31, 2017	4,343,294	1,687,480	4,372,552	1,687,480
Settlement of claims	(824,972)	(200,835)	(824,972)	(200,835)
Recording of provision for claims	1,064,226	192,516	1,035,744	192,516
Balances as of June 30, 2018	4,582,548	1,679,161	4,583,324	1,679,161

19.2.2 Claims being challenged in court

On June 30, 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.

Below are the percentages calculated actuarially, according to the probability of loss, and the corresponding provision:

Parent Company and Consolidated						
June 30, 2018						
Probability	Quantity	Total value of exposure	%	Unsettled claim	Retrocession	Net
Probable	653	342,833	39%	133,705	(39,535)	94,170
Possible	547	421,350	36%	151,686	(65,869)	85,817
Remote	195	385,460	5%	19,273	(13,384)	5,889
	1,395	1,149,643		304,664	(118,788)	185,876

Parent Company and Consolidated						
December 31, 2017						
Probability	Quantity	Total value of exposure	%	Unsettled claim	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 claims are booked as liabilities under the heading of unsettled claims and amounts recoverable under retrocession are classified in the "retrocession assets – technical provisions" group, under the heading of claims - retrocession.

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19.2.2.1 Aging of court claims

Aging	Parent Company and Consolidated		
	June 30, 2018		
	Gross of retrocession	Retrocession	Net of retrocession
From 0 to 60 days	10	-	10
From 61 to 90 days	80	-	80
From 91 to 120 days	-	-	-
From 121 to 180 days	25,676	(13,451)	12,225
From 181 to 365 days	8,343	(3,638)	4,705
Above 365 days	270,555	(101,699)	168,856
	304,664	(118,788)	185,876

19.3 Other provisions

The provision for technical surpluses was set up in 2009 to guarantee the amounts intended for the distribution of technical surpluses arising from contracts, and the provision for related costs covering claim-related expenses.

	Parent Company and Consolidated	
	June 30, 2018	December 31, 2017
	Aerospace	5,274
Motor	1,815	1,427
Housing	11,968	6,941
Maritime	220	218
Nuclear	250	11
Property	23,059	15,460
People	44,580	36,777
Oil	2	215
Liabilities	11,150	2,352
Financial risks	57,086	28,894
Rural	66,322	40,641
Transport	4,328	5,982
Acceptances from abroad	32,880	30,257
	258,934	177,336

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20 Guarantee for technical provisions

Under CMN Resolution No. 4.444, of November 13, 2015, as amended by CMN Resolution 4.633 of February 22, 2018, the technical provisions of the Reinsurer were secured as follows:

	Parent Company		Consolidated	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Technical reinsurance provisions	8,921,985	8,175,017	8,922,761	8,204,275
(-) Technical Provisions – Argentina Branch	105,512	100,471	105,512	100,471
(-) Retrocession assets (*)	3,346,638	3,295,527	3,346,644	3,324,410
(+) Reducing asset - PPNG(*)	706,428	702,539	706,428	702,539
(-) Reducing asset – acquisition cost (*)	3,342	573	3,342	573
(-) Credit rights (*)	1,314,351	991,258	1,314,351	991,258
Amount to be secured	4,858,570	4,489,727	4,859,340	4,490,102
Assets available for guarantee:				
Units in exclusive investment funds	3,423,996	2,316,060	3,423,996	2,316,060
Shares in other companies	-	9,228	-	9,228
Financial Treasury Bills	886,265	2,164,602	886,265	2,164,602
Financial Bills	-	285,733	-	285,733
National Treasury Notes	64,928	65,362	64,928	65,362
Time deposits	704,049	219,634	704,049	219,634
Sovereign debt securities	67,152	93,989	67,152	93,989
Debentures	1,667	1,249	1,667	1,249
Total assets	5,148,057	5,155,857	5,148,057	5,155,857

(*) To calculate the balance of technical provisions to be covered by these assets, subtract the asset balance of the group "Retrocession Assets – Technical Provisions (reducers)", relating to the portion of risk retroceded, from the liability balance of the group "Technical Provisions - Reinsurance and Retrocession".

21 Related parties

The principal transactions between the Reinsurer and related parties (shareholders) under normal market conditions were as follows:

	Parent Company and Consolidated					
	June 30, 2018		December 31, 2017		June 30, 2018	June 30, 2017
	Receivable	Payable	Receivable	Payable	Income	Income
With equity interest in the Reinsurer						
Premiums	510,503	-	18,884	-	996,280	1,030,697
Retrocessions	-	245,412	-	120,822	(481,533)	(420,216)
Premiums retained					514,747	610,481
Change in technical provisions	-	-	-	-	(118,909)	(26,869)
Premiums earned					395,838	583,612
Indemnities and claims expenses	8,682	10,954	5,949	25,925	(253,496)	(449,656)
Commissions	-	23,161	-	5,337	(94,386)	(103,915)
Others	-	1,207	-	8,096	(1,002)	(5,182)
	519,185	280,734	24,833	160,180	46,954	24,859

These are reinsurance and retrocession transactions with insurance companies which are shareholders of the Reinsurer, and the balances are included in the groups "credits for reinsurance and retrocession transactions" and "debits for reinsurance and retrocession transactions" in the balance sheet and in the corresponding income statement accounts.

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21.1 Compensation of key management personnel

Total compensation for officers and members of the Company's other boards and committees, as at June 30, 2018 and December 31, 2017, was as follows:

Parent Company and Consolidated				
	Short-term benefits to management	Long-term benefits to management	Post-employment benefits	Total
Accounts Payable				
December 31, 2017	1,873	2,391	-	4,264
June 30, 2018	-	-	-	-
Income				
June 30, 2017	2,993	-	173	3,166
June 30, 2018	8,841	-	-	8,841

22 Court and tax deposits, other lawsuits and tax obligations

Parent Company and Consolidated			
June 30, 2018			
	Court and tax deposits	Other debits	Tax liabilities
Tax	476,429	-	426,791
COFINS	8,216	-	-
PIS	4,217	-	-
Social contribution	449,634	-	426,791
Income tax	13,186	-	-
ISS	1,176	-	-
Social Security	119,675	-	-
INSS	118,495	-	-
FGTS	1,180	-	-
Labor and civil	43,148	60,064	-
Labor claims	31,929	59,727	-
Civil Actions	11,219	337	-
Non-current	639,252	60,064	426,791

Parent Company and Consolidated			
December 31, 2017			
	Court and tax deposits	Other debits	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 claims	30,789	56,271	-
Civil Actions	13,429	3,003	-
Non-current	628,236	59,274	418,208

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22.1 Civil, labor, tax and social security-related court cases

The Company was involved in the following court cases, separated according to their nature, the probability of loss, amounts at risk and amounts provisioned:

	Parent Company and Consolidated			
	June 30, 2018			
	Quantity	Value at risk	Balance of other debits (*)	Balance of tax obligations (*)
Tax				
Probable	1	426,791	-	426,791
Possible	17	293,675	-	-
Remote	1	200	-	-
	19	720,666	-	426,791
Social Security				
Possible	12	72,718	-	-
Remote	1	10,569	-	-
	13	83,287	-	-
Labor and civil				
Probable	68	60,064	60,064	-
Possible	124	61,673	-	-
Remote	3	2,174	-	-
	195	123,911	60,064	426,791

(*) The sum of R\$426,791 (R\$418,208 as at December 31, 2017) is registered as accounts payable – provision for taxes and contributions, and the sum of R\$60,064 (R\$59,274 as at December 31, 2017) is registered as a contingent liability.

	Parent Company and Consolidated			
	December 31, 2017			
	Number	Value at risk	Balance of other debits	Balance of tax obligations
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	-

The provisions shown as “tax liabilities” were legal obligations of the Company amounting to R\$426,791 (R\$418,208 in 2017) which were the subject of court cases. Their settlement depended on court rulings which could be appealed. For these legal obligations the Company provisioned 100% of the amounts at risk, irrespective of the loss classification by the law firms handling the cases.

The amount of R\$293,875, which is the difference between the provision for legal liabilities and the total value of tax cases involving the Company, was not provisioned, in accordance with CPC 25. This technical pronouncement states that liabilities for losses classified as possible or remote are not provided for, since it is yet to be confirmed whether the entity has a liability or not, or because they cannot be estimated with sufficient accuracy to become an obligation.

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Provisions shown as "other debits" are related to issues of interpretation and are included as contingent liabilities as required by "CPC 25 – provisions, contingent liabilities and contingent assets". Accordingly, the values at risk are only recognized for cases where the risk of loss is regarded as probable. For cases where a loss is possible, this pronouncement requires only that they should be disclosed in the notes to the accounts. Remote risks of loss do not need to be disclosed.

22.2 Changes in provisions for legal proceedings

	Parent Company and Consolidated				
	December 31, 2016	Additions	Monetary adjustments	Write- offs	December 31, 2017
Tax	389,427	-	28,781	-	418,208
Social contribution (22.3.3)	389,427	-	28,781	-	418,208
Labor and civil	58,173	3,606	7,878	(10,383)	59,274
Labor claims (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	Monetary adjustments	Write- offs	June 30, 2018
Tax	418,208	-	8,583	-	426,791
Social contribution (22.3.3)	418,208	-	8,583	-	426,791
Labor and civil	59,274	2,767	3,509	(5,486)	60,064
Labor claims (22.3.2)	56,271	2,378	3,402	(2,324)	59,727
Civil	3,003	389	107	(3,162)	337
Balance at the end of the period	477,482	2,767	12,092	(5,486)	486,855

22.3 Tax proceedings

22.3.1 INSS and ISS

As a result of inspections undertaken by the National Institute of Social Security (INSS) and the Attorney's Office of the Municipality of Rio de Janeiro (ISS – Service Tax), assessments were issued and tax execution actions were filed in the years 1999 and 1989, respectively, based on alleged differences in the tax and social security classifications adopted by the Company.

The Company filed administrative appeals to cancel such penalties. The amount claimed and restated is R\$51,303 related to the Claims brought by the INSS regarding the additional 2.5% due by companies that are equivalent to financial institutions.

In respect of these assessments, the Company was ordered on April 30, 2010, to pay into court the amounts under discussion at the time (R\$23,291), and subsequently, on May 28, 2010, the deposit was increased by the amount of legal charges (R\$4,666). The current adjusted value of court deposits for INSS issues is R\$51,303.

In March 2016 the Federal Supreme Court ruled on the leading case (RE No. 598.572), relating to the constitutionality of Article 22, paragraph 1, of Law No. 8.212/91, which imposes the additional 2.5% of social security contributions on financial institutions and the other types of company listed in the Law.

It was unanimously held that the collection of the additional 2.5% in question was constitutional. However, the court ruled that this precedent should be subject to a time limit, and be applicable only to taxable events which occurred after Constitutional Amendment No. 20, of December 15, 1998, came into force; and that events prior to this would be analyzed under another appeal (RE No. 599.309/SP).

Accordingly, the STF ruled as follows: "The legal provision for differentiating between the rates for social security contributions on the payrolls of financial institutions and similar entities, after the enactment of Constitutional Amendment No. 20/1998, is constitutional".

Under Writ of Mandamus No. 99.0023782-0 referred to above, IRB Brasil RE questions the collection of the additional 2.5%, both before and after the enactment of EC No. 20/1998.

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This EC No. 20/1998 legitimized the use of different rates and calculation bases, depending on the type of business activity, by adding this provision to Article 195 of the Federal Constitution.

Thus, a time limit having been expressly defined by this ruling, it was argued that the ruling did not apply to the full amount covered by Writ of Mandamus No. 99.0023782-0, since the debits listed in NFLD No. 32.711.075-9 referred to a period (from January 1993 to September 1998) preceding the enactment of Constitutional Amendment No. 20/1998 (December 1998).

Accordingly, on June 9, 2017, IRB Brasil RE submitted a petition for dismissal of the case until a ruling on RE No. 599.309/SP was rendered.

In spite of the above, the external law firm responsible for this case and IRB Brasil RE's own internal counsel continue to think that this is a possible loss. Accordingly the Company considers that it is not obliged to maintain a provision, and that the deposits were not made under a court order, but only so as to obtain social security clearance for IRB Brasil RE at the time.

In respect of the ISS tax execution action and taking into account the important conclusions of the expert report on the matter, issued in November 2012, which upheld the Company's arguments, the lawyers handling the case consider that the risk of loss is possible be lost.

The Company's legal advisors therefore classify both cases as possible losses.

22.3.2 Labor/civil cases

The Company is a party to labor claims filed by active, retired and dismissed employees. Among other claims of similar magnitude the plaintiffs are asking for uniform plans for salaries and positions, with the consequent payment of salary differences, and also claiming salary equivalence and readmission. The Company management, after analyzing each case individually, has set up provisions for those where a loss is considered probable and where the proceedings are at the stage of settlement and enforcement of judgment.

The Company's external advisors estimate the adjusted value of these proceedings, where losses are classified as probable, to be R\$59,727. Labor cases where a loss is possible amount to R\$43,206.

The 75th Labor Court of Rio de Janeiro is hearing a public civil action filed by the National Reinsurance Workers' Union – SINTRES and the National Federation of Insurance Professionals – FENESPIC against the Company, claiming the reinstatement of all the benefits and costing methods under the Company's previous health plan, operated by self-management, based on the argument that unilateral changes were allegedly introduced prejudicial to the Company's employees and pensioners. In addition to reinstating the original conditions, they are claiming moral damages to the employees concerned and the unions themselves. In 2014 the proceeding was stayed since attempts to reach an agreement had failed, and in November 2016 it was placed on the agenda again and a hearing scheduled for November 2017. At this hearing the National Federation of Insurance Professionals was excluded as a plaintiff, and the court ordered a letter to be sent to ANS requesting information as to whether or not the PCAM had been definitively canceled. This case is currently with the Labor Prosecutor's Office for an opinion, and then a date will be set for the court to issue its ruling.

The Company's legal advisors estimate that a sum of R\$15,773 is at risk and regard a loss as possible.

22.3.3 Social contribution on income

With the publication of Provisional Measure No. 413/08, converted into Law No. 11.727 of June 23, 2008, the CSLL rate was increased from 9% to 15% for private insurance companies, financial institutions and similar entities, with effect from May 2008.

In June 2008, the Company filed a Writ of Mandamus questioning the constitutionality of this rate increase, provisioning the amounts in question and paying them into court. The adjusted amount of the court deposit for payment of the CSLL as at June 30, 2018, totaled R\$442,931 (Note 22).

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Writ of Mandamus filed on October 30, 2015 (CSLL Rate increase from 15% to 20%):

On October 30, 2015, the Company filed another Writ of Mandamus questioning Provisional Measure No. 675, of May 21, 2015, converted into Law No. 13.169 of October 7, 2015, which amended the provisions of Article 3, section I, of Law No. 7.689, of December 15, 1988, and with effect from September 2015 increased the rate of Social Contribution on Net Income (CSLL) for private insurance companies, financial institutions and similar, from 15% to 20%. In November 2015, a ruling was handed down refusing the application for an injunction, arguing that the discussion about increases in the rate of CSLL for financial institutions and similar was not new, in view of the previous enactment of Provisional Measure No. 413/2008, subsequently converted into Law No. 11.727/2008, which was awaiting judgment by the STF (ADI No. 4101). A Motion for Clarification was filed against this ruling, on the basis that arguments presented in the complaint as to the unequivocal difference between the economic capacity of financial institutions and insurance companies had been omitted.

Nevertheless, the motion was rejected. In parallel, on June 15, 2016, a decision was published ruling the Interlocutory Appeal filed by IRB Brasil RE to be groundless, in view of the judgment. On July 1, 2016, the Company appealed. On February 14, 2017, the Company's appeal was rejected, and IRB Brasil RE filed again for a Motion for Clarification, which is pending judgment. In October of the same year, the Company's allegations on which the motion for clarification was based were rejected, and an extraordinary appeal was filed against the decision.

The Company opted not to make any further court deposits for the amount in controversy as from September 2015 but has made a monthly payment to the government of the full amount of contribution payable (20%), i.e. both the undisputed portion (9%) and the disputed portion (11%).

23 Labor provisions

	Parent Company and Consolidated	
	June 30, 2018	December 31, 2017
Provision for vacation pay	8,373	8,109
Provision for 13th salary	2,673	79
Provision for bonus leave and private pension	3	3
	11,049	8,191

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24 Shareholders' equity

24.1 Capital

On December 29, 2014, the 47th Extraordinary Shareholders' Meeting of IRB Brasil RE approved a share split in the ratio of 300 common shares for each existing common share, without altering the amount of capital stock, on terms approved by the Board of Directors at a meeting on October 24, 2014, after which the capital stock was represented by 312,000,000 common shares and one preferred share of a special class, belonging to the federal government.

As at June 30, 2018, the shareholding structure of IRB Brasil RE was as follows:

Shareholder	Common Shares	Interest % in stock outstanding
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 [Education Credit Fund]	27,656,408	8.9%
Others	93,831,000	30.2%
	310,698,900	100.0%

24.2 Treasury shares

The Company held 1,301,100 shares in treasury, representing a total of R\$12,956.

24.3 Profit reserves

The legal reserve is set up from 5% of net income for the year, limited to 20% of capital stock, pursuant to Law No. 6.404 of December 15, 1976. The purpose of the legal reserve is to ensure the integrity of the capital stock, and it may only be used to absorb losses or increase capital.

Pursuant to Law 6.404/76 (the Corporate Law), Article 199, the balance of profit reserves, except those for contingencies, tax incentives and unrealized income, cannot exceed the amount of capital stock.

24.4 Equity valuation adjustment

Changes were as follows:

	Parent Company and Consolidated	
	June 30, 2018	June 30, 2017
Balance at the beginning of the half-year	(76,161)	(65,289)
Gains (losses) from the fair value of financial assets available for sale in the half-year	(59,248)	38,252
Non-realized gains (losses) from securities - Subsidiaries	(12,096)	1,525
Re-measurement of post-employment benefits obligations	13,377	(8,973)
Re-measurement of post-employment benefits obligations - Subsidiaries	(105)	(63)
Income and social contribution taxes on the variation in the assessment of financial assets available for sale at fair value	26,662	(17,213)
Income and social contribution taxes on the variation of re-measurement of post-employment benefit obligations	(5,378)	13,535
Foreign exchange differences from translation of assets in transactions abroad	3,112	275
Balance at the end of the half-year	(109,837)	(37,951)

Currency differences arising from the translation of the Company's offshore net assets from their functional currencies to the Company's presentation currency, are recognized in shareholders' equity and included in translation adjustments.

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24.5 Earnings per share - basic and diluted

As required by Technical Pronouncement CPC 41, the follow tables show a reconciliation between net income for the period and the amounts used to calculate basic and diluted earnings per share.

Basis earnings per share are calculated by dividing net income for the period by the weighted average number of shares in circulation during the period. Basic earnings per share are calculated as follows:

	Quarter		Half-year	
	Parent Company and Consolidated		Parent Company and Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Numerator				
Net income for the period	287,330	231,705	541,338	454,380
Denominator (quantity of shares in units)	310,698,900	310,698,900	310,698,900	310,698,900
Weighted average of the quantity of common shares outstanding				
Earnings per share	0.92	0.75	1.74	1.46

The Reinsurer has not issued or granted equity instruments which should be taken into account in the calculation of diluted earnings per share, as defined in Technical Pronouncement CPC 41. Accordingly, diluted earnings per share are the same as the basic earnings per share indicated above.

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25 Details of income accounts

As at June 30, 2018 and 2017, premiums earned, loss ratio and commissions paid for the main types of insurance were as follows:

25.1 Premiums earned – principal insurance groups

								Quarter
								Parent Company and Consolidated
								April 1 to June 30, 2018
	Gross premiums written	Reinsurance commission	Variation in technical provisions – Premium	Variation in technical provisions – Commission	Other technical provisions	Premiums earned	Loss ratio %	Commissions %
Aerospace	18,362	(1,937)	5,355	91	(118)	21,753	47.1%	37.1%
Motor	5,507	(188)	(276)	(345)	47	4,745	83.0%	18.9%
Housing	7,240	(171)	179	20	(281)	6,987	47.7%	5.9%
Maritime	41,343	40	(20,639)	(465)	(4)	20,275	72.9%	10.5%
Nuclear	(981)	20	4,214	-	(242)	3,011	0.0%	60.7%
Property	471,281	(10,093)	(174,701)	781	(1,000)	286,268	42.7%	9.1%
People	69,711	(6,753)	15,654	(5,327)	(1,283)	72,002	76.4%	18.8%
Oil	125,779	(768)	(3,907)	787	181	122,072	10.5%	11.2%
Liabilities	49,228	(2,228)	(17,101)	48	(34)	29,913	195.5%	8.2%
Financial risks	79,886	(27,412)	(13,173)	2,762	(6,266)	35,797	7.0%	44.0%
Rural	279,105	(66,801)	(57,215)	12,372	(17,048)	150,413	95.7%	27.3%
Transport	64,920	(6,820)	(21,462)	2,354	439	39,431	47.5%	16.2%
Acceptances from abroad	693,101	(66,434)	(33,961)	1,796	(2,651)	591,851	35.1%	12.9%
Offshore branches	28,354	(6,681)	2,500	1,210	-	25,383	78.1%	16.2%
Total	1,932,836	(196,226)	(314,533)	16,084	(28,260)	1,409,901	56.6%	17.0%

								Half-year
								Parent Company and Consolidated
								January 1 to June 30, 2018
	Gross premiums written	Reinsurance commission	Variation in technical provisions – Premium	Variation in technical provisions – Commission	Other technical provisions	Premiums earned	Loss ratio %	Commissions %
Aerospace	43,470	(3,692)	1,690	446	(320)	41,594	91.9%	28.5%
Motor	8,469	(674)	1,129	(565)	164	8,523	234.3%	21.9%
Housing	25,447	(828)	(2,643)	(149)	(5,028)	16,799	-3.1%	8.4%
Maritime	66,544	(2)	(22,062)	(789)	26	43,717	40.3%	8.9%
Nuclear	824	21	7,660	-	(238)	8,267	-0.3%	138.5%
Property	729,567	(32,480)	(129,395)	5,043	(10,063)	562,672	30.3%	11.5%
People	139,905	(16,217)	9,212	(5,754)	(6,794)	120,352	54.7%	17.2%
Oil	290,028	(1,283)	(37,441)	319	226	251,849	3.9%	9.3%
Liabilities	76,958	(5,779)	(13,812)	587	(98)	57,856	202.0%	7.2%
Financial risks	135,765	(50,691)	(13,684)	3,914	(27,049)	48,255	3.4%	53.9%
Rural	420,975	(111,482)	11,612	(4,008)	(25,654)	291,443	55.9%	29.6%
Transport	122,697	(16,461)	(22,853)	3,910	2,017	89,310	3.5%	15.8%
Acceptances from abroad	1,202,588	(148,099)	(80,133)	10,513	1,297	986,166	54.2%	15.6%
Offshore branches	66,812	(14,490)	203	2,067	-	54,592	60.0%	19.1%
Total	3,330,049	(402,157)	(290,517)	15,534	(71,514)	2,581,395	53.5%	19.3%

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25.1 Premiums earned – principal insurance groups

Quarter								
Parent Company and Consolidated								
April 1 to June 30, 2017								
	Gross premiums written	Reinsurance commission	Variation in technical provisions – Premium	Variation in technical provisions – Commission	Other technical provisions	Premiums earned	Loss ratio %	Commissions %
Aerospace	25,719	(2,489)	(106)	525	1	23,650	213.9%	22.3%
Motor	6,660	(1,008)	(743)	99	(89)	4,919	334.9%	23.2%
Housing	1,447	(2)	4,841	(1,255)	(654)	4,377	63.2%	21.0%
Maritime	11,760	(1,784)	1,904	928	(19)	12,789	117.6%	16.0%
Nuclear	(2)	-	3,313	-	(2)	3,309	0.0%	-121.3%
Property	457,440	(18,357)	(149,944)	17,044	(2,369)	303,814	72.2%	-14.7%
People	86,115	25,146	(35)	(32,306)	(3,056)	75,864	67.1%	6.9%
Oil	33,958	1,645	17,228	(426)	(16)	52,389	37.4%	29.6%
Liabilities	42,863	(4,709)	(8,905)	2,377	(4)	31,622	76.7%	4.0%
Financial risks	59,291	(22,796)	(2,255)	2,359	(4,960)	31,639	-14.3%	46.0%
Rural	270,289	(63,658)	(58,484)	14,107	(7,207)	155,047	64.4%	24.5%
Transport	57,361	(3,480)	(9,833)	2,376	56	46,480	55.3%	6.2%
Acceptances from abroad	440,269	(42,768)	(49,280)	(21,837)	(10,612)	315,772	43.2%	23.9%
Offshore branches	19,916	(4,755)	9,935	(1,587)	(17)	23,492	140.9%	19.5%
Total	1,513,086	(139,015)	(242,364)	(17,596)	(28,948)	1,085,163	59.6%	16.9%

Half-year								
Parent Company and Consolidated								
January 1 to June 30, 2017								
	Gross premiums written	Reinsurance commission	Variation in technical provisions – Premium	Variation in technical provisions – Commission	Other technical provisions	Premiums earned	Loss ratio %	Commissions %
Aerospace	40,400	(1,929)	14,468	(553)	(284)	52,102	176.3%	18.7%
Motor	12,100	(2,070)	(1,164)	263	(106)	9,023	218.5%	24.1%
Housing	18,862	(2,059)	1,095	(710)	(601)	16,587	30.8%	16.4%
Maritime	47,208	(2,550)	(1,312)	819	(165)	44,000	135.8%	11.6%
Nuclear	(2)	-	6,453	-	2	6,453	0.0%	-119.1%
Property	802,218	(40,996)	(150,087)	16,031	(4,701)	622,465	57.7%	-1.2%
People	139,239	22,554	(5,109)	(33,192)	(9,027)	114,465	65.0%	7.6%
Oil	80,753	2,253	30,413	(3,087)	53	110,385	16.0%	16.8%
Liabilities	101,764	(6,890)	(34,163)	2,153	(13)	62,851	66.5%	3.7%
Financial risks	101,439	(40,004)	14,178	(1,445)	(6,082)	68,086	8.7%	44.1%
Rural	485,257	(115,491)	(11,289)	2,624	(7,237)	353,864	58.2%	25.5%
Transport	99,921	(8,738)	(14,969)	3,742	(54)	79,902	56.2%	8.0%
Acceptances from abroad	879,250	(102,894)	(152,481)	(2,039)	(14,375)	607,461	50.0%	20.0%
Offshore branches	47,014	(10,048)	11,502	(1,094)	(12)	47,362	87.1%	20.1%
Total	2,855,423	(308,862)	(292,465)	(16,488)	(42,602)	2,195,006	57.5%	17.7%

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25.2 Claims incurred - principal insurance groups

	Quarter			
	Parent Company and Consolidated			
	April 1 to June 30, 2018			
	Direct claims	Salvages and reimbursements	IBNR Variation	Claims incurred
Aerospace	(13,476)	493	(37,739)	(50,722)
Motor	(5,919)	1	1,581	(4,337)
Housing	(3,247)	-	(143)	(3,390)
Maritime	(16,799)	5	45	(16,749)
Nuclear	-	-	-	-
Property	(125,273)	161,392	22,434	58,553
People	(60,632)	-	(9,452)	(70,084)
Oil	(855)	-	6,914	6,059
Liabilities	(29,244)	-	932	(28,312)
Financial Risks	(2,712)	460	(1,747)	(3,999)
Rural	(187,688)	6	(6,327)	(194,009)
Transport	(36,270)	15,006	(2,280)	(23,544)
Acceptances from abroad	(383,719)	1,350	(10,780)	(393,149)
Offshore branches	(20,335)	28	-	(20,307)
Run-off	1,858	-	2,160	4,018
	(884,311)	178,741	(34,402)	(739,972)

	Half-year			
	Parent Company and Consolidated			
	January 1 to June 30, 2018			
	Direct claims	Salvages and reimbursements	IBNR Variation	Claims incurred
Aerospace	(265)	509	63,968	64,212
Motor	(11,727)	8	(3,907)	(15,626)
Housing	(3,274)	-	3,952	678
Maritime	(16,631)	15	(481)	(17,097)
Nuclear	(2)	-	-	(2)
Property	(161,849)	164,909	34,153	37,213
People	(70,011)	-	(2,453)	(72,464)
Oil	(1,194)	-	9,943	8,749
Liabilities	(33,380)	381	(1,302)	(34,301)
Financial Risks	(5,017)	2,881	16,349	14,213
Rural	(213,713)	1,755	(15,374)	(227,332)
Transport	(61,041)	23,644	3,218	(34,179)
Acceptances from abroad	(763,654)	2,063	14,528	(747,063)
Offshore branches	(37,808)	27	1,279	(36,502)
Run-off	1,021	-	2,221	3,242
	(1,378,545)	196,192	126,094	(1,056,259)

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25.2 Claims incurred - principal insurance groups

	Quarter			
	Parent Company and Consolidated			
	April 1 to June 30, 2017			
	Direct claims	Salvages and reimbursements	IBNR Variation	Claims incurred
Aerospace	(30,351)	757	(12,402)	(41,996)
Motor	(27,427)	34	11,402	(15,991)
Housing	(5,879)	-	2,491	(3,388)
Maritime	(35,043)	-	13,091	(21,952)
Property	(211,065)	20,136	18,564	(172,365)
People	(41,853)	-	(16,978)	(58,831)
Oil	(9,939)	-	1,628	(8,311)
Liabilities	(48,765)	-	27,812	(20,953)
Financial Risks	(20,801)	3,334	32,583	15,116
Rural	(139,258)	396	12,460	(126,402)
Transport	(43,281)	7,282	12,539	(23,460)
Acceptances from abroad	(156,422)	3,047	(6,752)	(160,127)
Offshore branches	(38,390)	-	(156)	(38,546)
Run-off	1,087	-	54	1,141
	(807,387)	34,986	96,336	(676,065)

	Half-Year			
	Parent Company and Consolidated			
	January 1 to June 30, 2017			
	Direct claims	Salvages and reimbursements	IBNR Variation	Claims incurred
Aerospace	(138,731)	873	103,841	(34,017)
Motor	(29,328)	49	10,289	(18,990)
Housing	(7,670)	-	1,840	(5,830)
Maritime	(61,532)	27	9,045	(52,460)
Property	(326,986)	21,960	62,919	(242,107)
People	(78,735)	-	(10,616)	(89,351)
Oil	(10,858)	-	1,432	(9,426)
Liabilities	(58,517)	12	35,408	(23,097)
Financial Risks	11,407	5,505	26,820	43,732
Rural	(271,175)	931	17,201	(253,043)
Transport	(69,717)	19,407	9,184	(41,126)
Acceptances from abroad	(284,221)	3,591	(64,810)	(345,440)
Offshore branches	(43,596)	-	(684)	(44,280)
Run-off	1,255	-	2,388	3,643
	(1,368,404)	52,355	204,257	(1,111,792)

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25.3 Acquisition costs

	Quarter					
	Parent Company and Consolidated					
	April 1 to June 30, 2018			April 1 to June 30, 2017		
	Acquisition Cost	Change in Deferred Acquisition Cost	Total	Acquisition Cost	Change in Deferred Acquisition Cost	Total
Aerospace	(839)	(288)	(1,127)	(963)	149	(814)
Motor	(133)	35	(98)	(184)	17	(167)
Housing	(258)	(14)	(272)	(84)	159	75
Maritime	(2,175)	1,193	(982)	(1,125)	21	(1,104)
Property	(5,536)	512	(5,024)	(4,723)	(2,039)	(6,762)
People	(789)	(330)	(1,119)	(263)	(797)	(1,060)
Oil	(7,549)	2,141	(5,408)	(342)	(4,298)	(4,640)
Liabilities	(1,015)	365	(650)	(738)	(909)	(1,647)
Financial Risks	(777)	325	(452)	(608)	66	(542)
Rural	(646)	217	(429)	(526)	(64)	(590)
Transport	(4,579)	1,836	(2,743)	(1,918)	(992)	(2,910)
Acceptances from abroad	(21,386)	3,928	(17,458)	(25,761)	9,241	(16,520)
Offshore branches	(563)	(549)	(1,112)	(3,962)	404	(3,558)
	(46,245)	9,371	(36,874)	(41,197)	958	(40,239)

	Half-year					
	Parent Company and Consolidated					
	January 1 to June 30, 2018			January 1 to June 30, 2017		
	Acquisition Cost	Change in Deferred Acquisition Cost	Total	Acquisition Cost	Change in Deferred Acquisition Cost	Total
Aerospace	(1,675)	(368)	(2,043)	(2,278)	149	(2,129)
Motor	(154)	(1)	(155)	(255)	17	(238)
Housing	(883)	373	(510)	(568)	159	(409)
Maritime	(3,197)	1,327	(1,870)	(2,477)	21	(2,456)
Property	(10,053)	1,261	(8,792)	(9,140)	(2,039)	(11,179)
People	(1,276)	(128)	(1,404)	(540)	(797)	(1,337)
Oil	(11,297)	1,223	(10,074)	(2,913)	(4,298)	(7,211)
Liabilities	(1,430)	424	(1,006)	(1,084)	(909)	(1,993)
Financial Risks	(972)	283	(689)	(703)	66	(637)
Rural	(1,225)	272	(953)	(989)	(64)	(1,053)
Transport	(5,879)	1,323	(4,556)	(2,964)	(992)	(3,956)
Acceptances from abroad	(36,097)	4,158	(31,939)	(38,089)	9,241	(28,848)
Offshore branches	(1,668)	(537)	(2,205)	(5,517)	404	(5,113)
	(75,806)	9,610	(66,196)	(67,517)	958	(66,559)

25.4 Income from retrocession

	Quarter		Half-year	
	Parent Company and Consolidated		Parent Company and Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Revenue from retrocession	161,479	174,286	31,305	157,282
Recovery of claims incurred	156,321	222,207	175,642	375,668
IBNR recovery	5,158	(47,921)	(144,337)	(218,386)
Expenses for retrocession	(395,398)	(309,635)	(804,512)	(676,204)
Premiums ceded in retrocession	(515,906)	(481,044)	(861,572)	(929,761)
Commission on premiums ceded in retrocession	25,166	48,545	53,557	78,170
Variation in technical provisions – premium ceded	103,144	122,992	11,998	173,707
Variation in technical provisions – commission ceded	(7,802)	(128)	(8,495)	1,680
Salvages and reimbursements to retrocessionaire	(3,869)	(25,088)	(11,492)	(36,124)
Other retrocession income	3,182	3,218	3,778	4,811
Total retrocession income	(234,606)	(157,219)	(780,921)	(550,235)

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25.4.1 Revenues from retrocession

	Quarter		
	Parent Company and Consolidated		
	April 1 to June 30, 2018		
	Recovery of claims incurred	IBNR Variation	Recovery of claims ceded
Aerospace	12,803	33,032	45,835
Motor	1,548	296	1,844
Housing	-	(17)	(17)
Maritime	9,968	(465)	9,503
Property	73,698	(22,790)	50,908
People	8,848	1,428	10,276
Oil	(2,697)	(4,789)	(7,486)
Liabilities	13,806	(1,692)	12,114
Financial Risks	199	168	367
Rural	12,407	533	12,940
Transport	12,929	587	13,516
Acceptances from abroad	13,503	(1,133)	12,370
Offshore branches	(691)	-	(691)
Total	156,321	5,158	161,479

	Half-year		
	Parent Company and Consolidated		
	January 1 to June 30, 2018		
	Recovery of claims incurred	IBNR Variation	Recovery of claims ceded
Aerospace	(9,833)	(73,973)	(83,806)
Motor	1,484	468	1,952
Housing	(98)	(36)	(134)
Maritime	9,208	(103)	9,105
Property	90,624	(36,737)	53,887
People	5,303	(1,404)	3,899
Oil	(2,823)	(7,093)	(9,916)
Liabilities	10,153	(4,338)	5,815
Financial Risks	4,258	(19,041)	(14,783)
Rural	17,323	1,187	18,510
Transport	32,743	5,866	38,609
Acceptances from abroad	17,873	(9,244)	8,629
Offshore branches	(573)	111	(462)
Total	175,642	(144,337)	31,305

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25.4.1 Revenues from retrocession

	Quarter		
	Parent Company and Consolidated		
	April 1 to June 30, 2017		
	Recovery of claims incurred	IBNR Variation	Recovery of claims ceded
Aerospace	11,857	7,975	19,832
Motor	1,430	(150)	1,280
Housing	(4)	(167)	(171)
Maritime	8,706	(2,095)	6,611
Property	112,585	(21,303)	91,282
People	6,599	3,812	10,411
Oil	6,291	(708)	5,583
Liabilities	24,436	(11,150)	13,286
Financial Risks	10,529	(17,436)	(6,907)
Rural	9,120	(566)	8,554
Transport	12,121	(3,984)	8,137
Acceptances from abroad	17,162	(2,150)	15,012
Offshore branches	1,373	3	1,376
Total	222,205	(47,919)	174,286

	Half-year		
	Parent Company and Consolidated		
	January 1 to June 30, 2017		
	Recovery of claims incurred	IBNR Variation	Recovery of claims ceded
Aerospace	112,068	(111,481)	587
Motor	1,911	(348)	1,563
Housing	(4)	(131)	(135)
Maritime	9,643	(908)	8,735
Property	156,369	(59,053)	97,316
People	19,365	1,330	20,695
Oil	6,902	(574)	6,328
Liabilities	28,687	(16,801)	11,886
Financial Risks	(25,908)	(21,378)	(47,286)
Rural	19,432	(2,793)	16,639
Transport	24,402	(2,108)	22,294
Acceptances from abroad	19,134	(4,636)	14,498
Offshore branches	3,667	495	4,162
Total	375,668	(218,386)	157,282

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25.4.2 Expenses for retrocession

	Quarter				
	Parent Company and Consolidated				
	April 1 to June 30, 2018				
	Premiums ceded in retrocession	Commission on premiums ceded in retrocession	Variation in technical provisions – premium ceded	Variation in technical provisions – commission ceded	Expenses for retrocession
Aerospace	(8,553)	(1,169)	(3,924)	20	(13,626)
Motor	(2,713)	47	440	18	(2,208)
Housing	10	(3)	(5)	1	3
Maritime	(20,295)	891	9,537	(532)	(10,399)
Nuclear	690	(52)	(4,141)	311	(3,192)
Property	(300,092)	6,897	125,673	(3,536)	(171,058)
People	(1,668)	(1,916)	(4,136)	413	(7,307)
Oil	(92,034)	6,036	(16,401)	(2,172)	(104,571)
Liabilities	(35,381)	2,638	11,572	(491)	(21,662)
Financial Risks	(5,679)	620	1,121	(97)	(4,035)
Rural	(9,071)	2,817	(6,646)	362	(12,538)
Transport	(18,393)	4,287	2,313	(1,591)	(13,384)
Acceptances from abroad	(13,739)	826	(17,284)	503	(29,694)
Offshore branches	(8,991)	3,246	5,029	(1,011)	(1,727)
Total	(515,909)	25,165	103,148	(7,802)	(395,398)

	Half-year				
	Parent Company and Consolidated				
	January 1 to June 30, 2018				
	Premiums ceded in retrocession	Commission on premiums ceded in retrocession	Variation in technical provisions – premium ceded	Variation in technical provisions – commission ceded	Expenses for retrocession
Aerospace	(11,489)	(939)	(11,649)	43	(24,034)
Motor	(4,088)	61	162	57	(3,808)
Housing	8	(2)	(5)	1	2
Maritime	(34,243)	1,578	9,575	(676)	(23,766)
Nuclear	(1,203)	90	(7,530)	565	(8,078)
Property	(402,909)	12,886	50,610	(3,889)	(343,302)
People	(12,077)	951	(4,993)	913	(15,206)
Oil	(238,881)	11,257	16,233	(3,011)	(214,402)
Liabilities	(57,009)	6,031	8,152	(853)	(43,679)
Financial Risks	(5,275)	468	(2,409)	(69)	(7,285)
Rural	(14,955)	4,314	(18,200)	1,632	(27,209)
Transport	(49,432)	10,785	6,853	(3,026)	(34,820)
Acceptances from abroad	(16,626)	2,086	(42,774)	965	(56,349)
Offshore branches	(13,393)	3,991	7,973	(1,147)	(2,576)
Total	(861,572)	53,557	11,998	(8,495)	(804,512)

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25.4.2 Expenses for retrocession

	Quarter				
	Parent Company and Consolidated				
	April 1 to June 30, 2017				
	Premiums ceded in retrocession	Commission on premiums ceded in retrocession	Variation in technical provisions – premium ceded	Variation in technical provisions – commission ceded	Expenses for retrocession
Aerospace	(12,668)	634	(2,568)	(167)	(14,769)
Motor	(1,520)	52	85	6	(1,377)
Maritime	8,977	(477)	(9,575)	344	(731)
Nuclear	-	-	(3,117)	234	(2,883)
Property	(317,344)	30,576	132,459	(2,044)	(156,353)
People	(17,694)	3,555	6,871	(305)	(7,573)
Oil	(34,653)	(850)	(9,222)	2,112	(42,613)
Liabilities	(31,560)	4,515	7,596	(938)	(20,387)
Financial Risks	(5,320)	996	(4,321)	484	(8,161)
Rural	(17,291)	5,532	(4,178)	(339)	(16,276)
Transport	(15,964)	2,123	2,255	(210)	(11,796)
Acceptances from abroad	(32,736)	543	6,891	663	(24,639)
Offshore branches	(3,271)	1,346	(186)	34	(2,077)
Total	(481,044)	48,545	122,990	(126)	(309,635)

	Half-year				
	Parent Company and Consolidated				
	January 1 to June 30, 2017				
	Premiums ceded in retrocession	Commission on premiums ceded in retrocession	Variation in technical provisions – premium ceded	Variation in technical provisions – commission ceded	Expenses for retrocession
Aerospace	(22,854)	1,262	(12,756)	(196)	(34,544)
Motor	(3,129)	114	274	7	(2,734)
Maritime	(12,149)	137	(1,376)	323	(13,065)
Nuclear	-	-	(6,071)	455	(5,616)
Property	(523,714)	38,827	161,427	823	(322,637)
People	(30,860)	4,430	11,379	(461)	(15,512)
Oil	(86,050)	1,641	(5,808)	3,159	(87,058)
Liabilities	(86,037)	7,669	35,307	(1,570)	(44,631)
Financial Risks	(7,223)	1,574	(12,725)	966	(17,408)
Rural	(69,517)	12,297	9,043	(1,861)	(50,038)
Transport	(39,806)	5,728	9,884	(1,151)	(25,345)
Acceptances from abroad	(39,882)	1,684	(10,951)	385	(48,764)
Offshore branches	(8,540)	2,807	(3,920)	801	(8,852)
Total	(929,761)	78,170	173,707	1,680	(676,204)

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25.5 Other operating revenues and expenses

	Quarter			
	Parent Company		Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017
Share in operating income – reinsurance and retrocession	(4,912)	(11,975)	(4,912)	(11,975)
Reversal (recording) of provision for credit risks	(6,184)	(11,078)	(6,184)	(11,078)
Recovery of other reinsurance revenues	401	262	401	46
Risk inspection expenses	(988)	(592)	(988)	(592)
Other operating revenues and expenses	(6,192)	(382)	(6,192)	305
	(17,875)	(23,765)	(17,875)	(23,294)

	Half-year			
	Parent Company		Consolidated	
	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Share in operating income – reinsurance and retrocession	(7,590)	(16,121)	(7,590)	(16,121)
Reversal (recording) of provision for credit risks	652	(13,332)	652	(13,332)
Recovery of other reinsurance revenues	460	95	460	95
Risk inspection expenses	(1,440)	(589)	(1,440)	(589)
Other operating revenues and expenses	(7,316)	(1,714)	(7,316)	(810)
	(15,234)	(31,661)	(15,234)	(30,757)

25.6 Administrative expenses

	Quarter				Half-year			
	Parent Company		Consolidated		Parent Company		Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Own personnel	(36,442)	(30,439)	(36,839)	(30,439)	(64,497)	(76,489)	(64,894)	(76,489)
Third-Party Services	(4,625)	(22,225)	(3,783)	(26,064)	(9,331)	(27,948)	(10,054)	(31,787)
Location and operation	(16,779)	(3,107)	(21,984)	(5,408)	(34,395)	(26,585)	(40,815)	(28,886)
Publicity and advertising	(189)	(2,002)	(173)	(2,002)	(2,088)	(4,275)	(2,088)	(4,275)
Legal expenses	(4,235)	(308)	(4,235)	(308)	(4,739)	(470)	(4,739)	(470)
Other expenses	26	2,218	324	3,148	(2,544)	245	(3,858)	(221)
	(62,244)	(55,863)	(66,690)	(61,073)	(117,594)	(135,522)	(126,448)	(142,128)

25.7 Tax expenses

	Quarter				Half-year			
	Parent Company		Consolidated		Parent Company		Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
PIS/ COFINS	(33,175) (*)	11,317	(33,654) (*)	11,317	(58,884) (*)	(13,916)	(59,869) (*)	(13,916)
Other taxes and fees	(8,759)	(3,278)	(9,444)	(4,792)	(10,971)	(7,228)	(11,656)	(8,742)
	(41,934)	8,039	(43,098)	6,525	(69,855)	(21,144)	(71,525)	(22,658)

(*) Includes PIS and COFINS on financial revenue.

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25.8 Financial result

	Quarter			
	Parent Company		Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017
Financial income from investment portfolio	138,470	202,513	175,403	218,529
Financial income other than from investment portfolio	(92,415)	(13,086)	(88,528)	(22,249)
	46,055	189,427	86,875	196,280

Financial revenues	Quarter			
	Parent Company		Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017
Financial revenues from investment portfolio	274,608	413,863	310,404	411,566
Financial revenues other than from investment portfolio	(29,151)	33,090	(24,926)	54,143
	245,457	446,953	285,478	465,709

Financial expenses	Quarter			
	Parent Company		Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017
Financial expenses from investment portfolio	(136,138)	(211,350)	(135,001)	(193,037)
Financial expenses other than from investment portfolio	(63,264)	(46,176)	(63,602)	(76,392)
	(199,402)	(257,526)	(198,603)	(269,429)

	Half-year			
	Parent Company		Consolidated	
	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Financial income from investment portfolio	235,986	387,561	314,616	416,099
Financial income other than from investment portfolio	(118,716)	(36,781)	(111,467)	(44,850)
	117,270	350,780	203,149	371,249

Financial revenues	Half-year			
	Parent Company		Consolidated	
	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Financial revenues from investment portfolio	815,464	1,290,894	892,973	1,301,150
Financial revenues other than from investment portfolio	46,676	62,764	54,263	84,104
	862,140	1,353,658	947,236	1,385,254

Financial expenses	Half-year			
	Parent Company		Consolidated	
	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Financial expenses from investment portfolio	(579,478)	(903,333)	(578,357)	(885,051)
Financial expenses other than from investment portfolio	(165,392)	(99,545)	(165,730)	(128,954)
	(744,870)	(1,002,878)	(744,087)	(1,014,005)

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25.9 Equity result

	Quarter			
	Parent Company		Consolidated	
	April 1 to June 30, 2018	April 1 to June 30, 2017	April 1 to June 30, 2018	April 1 to June 30, 2017
Direct operating revenues (expenses) from investment properties	19,879	(79)	31,970	14,544
Equity pick-up	32,552	11,304	-	-
Provision for (reversal of) investment impairment	1,236	(195)	1,236	-
Other equity revenues (expenses)	(11)	56	(11)	(145)
	53,656	11,086	33,195	14,399

	Half-year			
	Parent Company		Consolidated	
	January 1 to June 30, 2018	January 1 to June 30, 2017	January 1 to June 30, 2018	January 1 to June 30, 2017
Direct operating revenues (expenses) from investment properties	19,800	(158)	44,830	22,345
Equity pick-up	69,036	26,165	-	-
Provision for (reversal of) investment impairment	1,122	(195)	1,122	-
Other equity revenues (expenses)	(24)	60	(24)	(141)
	89,934	25,872	45,928	22,204

25.10 Income and social contribution taxes - reconciliation

(a) Reconciliation of income and social contribution taxes

	Quarter			
	Parent Company			
	April 1 to June 30, 2018		April 1 to June 30, 2017	
	IRPJ	CSLL	IRPJ	CSLL
Income before IRPJ/CSLL provision	376,107	376,107	340,569	340,569
Nominal tax rates in force	25.0%	20.0%	25.0%	20.0%
IRPJ and CSLL at the nominal rate	(94,027)	(75,221)	(85,142)	(68,114)
Permanent additions and exclusions				
Interest on shareholders' equity	14,969	11,975	14,736	11,788
Tax Incentives	(9)	(7)	(300)	(240)
Deduction current IR – incentives/adjustments	504	-	1,918	-
Equity Interest	38,093	7,269	3,093	2,474
Provision for losses (pre-68 health plan)	107	64	133	107
Rural insurance	10,333	-	15,471	-
Other adjustments	(596)	(2,231)	(3,355)	(1,433)
IR and CS in the income statement	(30,626)	(58,151)	(53,446)	(55,418)
Current	(38,802)	(39,715)	(44,058)	(45,426)
Deferred	8,176	(18,436)	(9,388)	(9,992)

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25.10 Income and social contribution taxes - reconciliation

(a) Reconciliation of income and social contribution taxes

	Half-year			
	Parent Company			
	January 1 to June 30, 2018		January 1 to June 30, 2017	
	IRPJ	CSLL	IRPJ	CSLL
Income before IRPJ/ CSLL provision	682,540	682,540	654,750	654,750
Nominal tax rates in force	25.0%	20.0%	25.0%	20.0%
IRPJ and CSLL at the nominal rate	(170,635)	(136,508)	(163,688)	(130,950)
Permanent additions and exclusions	125,200	40,741	65,093	29,175
Interest on shareholders' equity	30,023	24,018	30,214	24,171
Tax Incentives	(143)	(114)	(542)	(434)
Deduction current IR – incentives/adjustments	923	-	2,595	-
Equity Interest	52,154	18,517	9,987	7,989
Provision for losses (pre-68 health plan)	(436)	(262)	1,074	860
Rural insurance	41,724	-	30,632	-
Other adjustments	955	(1,418)	(8,867)	(3,411)
IR and CS in the income statement	(45,435)	(95,767)	(98,595)	(101,775)
Current	(54,389)	(77,637)	(83,806)	(90,307)
Deferred	8,954	(18,130)	(14,789)	(11,468)

	Quarter			
	Consolidated			
	April 1 to June 30, 2018		April 1 to June 30, 2017	
	IRPJ	CSLL	IRPJ	CSLL
Income before IRPJ/ CSLL provision	390,856	390,856	344,482	344,482
Nominal tax rates in force	25.0%	20.0%	25.0%	20.0%
IRPJ and CSLL at the nominal rate	(97,714)	(78,171)	(86,121)	(68,896)
Permanent additions and exclusions	14,969	11,975	14,736	11,788
Interest on shareholders' equity	14,969	11,975	14,736	11,788
Tax Incentives	(9)	(7)	(300)	(240)
Deduction current IR – incentives/adjustments	504	-	1,918	-
Equity Interest	38,093	7,268	3,093	2,474
Provision for losses (pre-68 health plan)	107	64	133	107
Rural insurance	10,333	-	15,471	-
Other adjustments	(7,748)	(3,190)	(5,004)	(1,936)
IR and CS in the income statement	(41,465)	(62,061)	(56,074)	(56,703)
Current	(44,554)	(41,793)	(44,604)	(45,962)
Deferred	3,089	(20,268)	(11,470)	(10,741)

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25.10 Income and social contribution taxes - reconciliation

(a) Reconciliation of income and social contribution taxes

	Half-year			
	Consolidated			
	January 1 to June 30, 2018		January 1 to June 30, 2017	
	IRPJ	CSLL	IRPJ	CSLL
Income before IRPJ/ CSLL provision	713,889	713,889	664,335	664,335
Nominal tax rates in force	25.0%	20.0%	25.0%	20.0%
IRPJ and CSLL at the nominal rate	(178,472)	(142,778)	(166,084)	(132,867)
Permanent additions and exclusions	109,997	38,702	60,450	28,546
Interest on shareholders' equity	30,023	24,018	30,214	24,171
Tax Incentives	(143)	(114)	(542)	(434)
Deduction current IR – incentives/adjustments	923	-	2,595	-
Equity Interest	52,154	18,516	9,987	7,989
Provision for losses (pre-68 health plan)	(436)	(262)	1,074	860
Rural insurance	41,724	-	30,632	-
Other adjustments	(14,248)	(3,456)	(13,510)	(4,040)
IR and CS in the income statement	(68,475)	(104,076)	(105,634)	(104,321)
Current	(64,064)	(81,134)	(88,763)	(92,104)
Deferred	(4,411)	(22,942)	(16,871)	(12,217)

Law No. 13.169/2015

On October 6, 2015, Provisional Measure No. 675 was converted into Law No. 13,169/2015, raising the rate of CSLL for financial institutions and similar entities as defined in Article 22, paragraph 1, of Law No. 8,212/1991, namely, credit, financing and investment companies, real estate credit companies, brokerage firms, securities distributors, leasing companies, credit cooperatives, private insurance and savings bond companies, independent private insurance and credit agencies and open and closed private pension plans.

The CSLL rate was raised from 15% to 20% for the period from September 1, 2015 to December 31, 2018. On January 1, 2019, the rate will return to 15%.

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26 Retirement and pension plans and other employee benefits

The Company is a sponsor of the Brazilian Reinsurance Institute Staff Pension Foundation (PREVIRB), which provides members and dependents with benefits to supplement the basic government pension.

Defined benefit (closed) and variable contribution (open) plans are offered, and the capitalization regime is adopted for actuarial valuations of retirement income.

The Company offers the benefits listed in Note 15.2, namely:

- Payment of the full cost of supplementary pension benefits and death benefit.
- Contributory health plan for active and retired staff.
- Funeral allowance.
- Life insurance.

The following key actuarial assumptions were used:

Economic hypotheses	Post-employment benefits plan managed by PREVIRB		Post-employment benefits plan managed by IRB	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Actual discount rate (*)	5.5%	5.0%	5.5%	5.0%
Nominal rate of return expected from assets	INPC + 5.50% p.a.	INPC + 5.0% p.a.	INPC + 5.50% p.a.	INPC + 5.0% p.a.
Estimate on actual increase in salary	Plan A: Not adopted Plan B: 1%	Plan A: Not adopted Plan B: 1,0%	Medical Plan: 0% Other Plans: Not applicable	Medical Plan: Not applicable Other Plans: Not applicable
Estimate on actual growth in the highest salary received by INSS beneficiaries	Zero	Zero	Not applicable	Not applicable
Estimate on actual growth of plan benefits	Zero	Zero	Not applicable	Not applicable
Hypothesis of future generation from new participants	Not adopted	Not adopted	Not applicable	Not applicable
Hypothesis of turnover	Plan A: Not adopted Plan B: 2,5%	Plan A: Not adopted Plan B: 2,5%	Medical Plan: 2,5% Other Plans: Not applicable	Medical Plan: 2,5% Other Plans: Not applicable
Drivers for determining the actual value throughout time, INSS benefits and plan benefits	Not adopted	Not adopted	Not applicable	Not applicable
Demographic hypotheses				
Life table: Pre-68 Plan:	Not applicable	Not applicable	AT-2000 diluted by 10%	AT-2000 diluted by 10.0%
Life table: Other Plans	BR-EMSsb (segregated by gender)	BR-EMSsb (segregated by gender)	BR-EMSsb (segregated by gender)	BR-EMSsb (segregated by gender)
Disability Entry Table	MI 85	MI 85	MI 85	MI 85
Disability Entry Table	ÁLVARO VINDAS	ÁLVARO VINDAS	ÁLVARO VINDAS	ÁLVARO VINDAS

(*) The discount rate is calculated according to CVM Instruction 695, using the rate for federal government stock (NTN-B) as a base, with the indexation and periods expected for post-employment benefits obligations.

It has been assumed that medical costs will continue to rise in line with the experience of the plan over the last 4 years. The HCCTR (Health Care Cost Trend Rate) was 4.9% p.a., in addition to an Aging Factor of 2% p.a. and overall inflation 4% p.a.. This rate is applied uniformly over the first 9 years. As from year 10 the rate reduces to 1% p.a.

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26.1 Variable contribution plans

Since 2004 the Company has sponsored Pension Plan B (a variable contribution plan). The plan assets are held separately from the Company's in funds controlled by trustees.

The amount of contributions paid by the Company in this six-month period was R\$6,091 (R\$5,966 as at December 31, 2017), at the rates specified in the plan regulations.

The actuarial valuation identified a technical surplus of R\$42,977 (R\$37,132 as at December 31, 2017) in PREVIRB. In accordance with the BR GAAP and the IFRS, this surplus is not shown in the books of the sponsor.

As at June 30, 2018, PREVIRB set up a special reserve of R\$916 representing the surplus to be repaid to the sponsor of the defined benefit plans.

The Company accordingly recognized this sum in its financial statements, having met all the requirements of Private Pension Management Council (CGPC) Resolution No. 26, which deals with the conditions and procedures for the disposal and use of surpluses by private pension companies.

Changes in the present value of actuarial liabilities of Plan B during the half year were as follows:

	June 30, 2018	December 31, 2017
Present value of actuarial obligations at the beginning of the year	87,032	65,653
Cost of current services	40	123
Interest rate cost	2,034	2,089
Actuarial loss	15,259	22,784
Benefits paid	(4,231)	(3,617)
Present value of the actuarial obligations	100,134	87,032

Changes in the fair value of assets of Plan B during the half year were as follows:

	June 30, 2018	December 31, 2017
Initial fair value of plan assets	124,164	103,524
Return on investments	5,725	9,109
Employer contributions	6,091	5,966
Contributions from participants in the plan	6,091	5,966
Benefits paid	(4,231)	(3,617)
Return on assets	5,271	3,216
Final fair value of plan assets	143,111	124,164

The amount recognized in the balance sheet for the company's liabilities under this defined benefit plan is shown below:

	June 30, 2018	December 31, 2017
Present value of the obligation of defined benefits paid	(100,134)	(87,032)
Fair value of plan assets	143,111	124,164
Financial condition	42,977	37,132
Effect from assets ceiling	(42,977)	(37,132)
Net assets arising from defined benefits obligations	-	-

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26.2 Defined benefit plans

The Company provides defined benefit pension plans (Benefits Plan A and Pre-68 Plan) for eligible employees. Under these plans staff are entitled to supplementary benefits based on their monthly salary on retirement date.

Plan A

The amount of contributions paid by the Company in this six-month period was R\$19 (R\$19 as at December 31, 2017), at the rates specified in the plan regulations.

The actuarial valuation identified a technical surplus of R\$730,122 (R\$564,132 as at December 31, 2017). In accordance with the BR GAAP and the IFRS, this surplus is not shown in the books of the sponsor.

As at June 30, 2018, PREVIRB set up a special reserve of R\$74,395 representing the surplus to be repaid to the sponsor of the defined benefit plans.

The Company accordingly recognized this sum in its financial statements, having met all the requirements of Private Pension Management Council (CGPC) Resolution No. 26, which deals with the conditions and procedures for the disposal and use of surpluses by private pension companies.

	June 30, 2018	December 31, 2017
Present value of actuarial obligations at the beginning of the year	1,401,904	1,326,917
Interest rate cost	62,009	132,169
Actuarial loss	(81,835)	56,852
Benefits paid	(57,799)	(114,034)
Present value of the actuarial obligations	1,324,279	1,401,904

Changes in the fair value of assets of Plan A during the half year were as follows:

	June 30, 2018	December 31, 2017
Initial fair value of plan assets	1,966,036	1,939,573
Return on investments	90,644	204,103
Employer contributions	19	19
Contributions from participants in the plan	28	82
Benefits paid	(57,799)	(114,034)
Return on assets	55,473	(63,707)
Final fair value of plan assets	2,054,401	1,966,036

The amount recognized in the balance sheet for the company's liabilities under this defined benefit plan is shown below:

	June 30, 2018	December 31, 2017
Present value of the obligation of defined benefits paid	1,324,279	1,401,904
Fair value of plan assets	(2,054,401)	(1,966,036)
Financial condition	(730,122)	(564,132)
Effect from assets ceiling	730,122	564,132
Net assets arising from defined benefits obligations	-	-

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Details of the security for the PREVIRB Plan A Reserves are given below:

	June 30, 2018	December 31, 2017
Cash	96	40
Receivables from investments		
Government securities	1,421,598	1,392,241
Private credits and deposits	329,732	356,505
Shares	56,941	47,866
Investment funds	240,981	182,300
Real estate investment	84,656	85,387
Loans and financing	5,856	5,569
	2,139,860	2,069,908
Investment operating liabilities		
Other liabilities (IOF)/Rents and Earnings	(28)	(1)
	(28)	(1)
Investment contingent liabilities	(25,883)	(25,883)
Funds used for guarantee	2,113,949	2,044,024

Pre-68 Plan

The Company has a technical provision to cover liabilities under the abovementioned benefits, which applied to 234 members as at June 30, 2018 (240 as at December 31, 2017), consisting of 223 retirees with an average age of 84.09 years (83.97 years as at December 31, 2017) and 11 pensioners with an average age of 83.61 years (84.17 years as at December 31, 2017).

The amount of benefits paid by the Company to these participants/beneficiaries during the period, under the plan regulations, was R\$10,936 (R\$19,256 as at December 31, 2017).

The actuarial valuation defined the balance of provisions as R\$134,742 (R\$138,770 as at December 31, 2017), in line with the BR GAAP and the IFRS.

We should mention that the adjusted value of the debt contract signed between IRB Brasil RE and PREVIRB in December 2015, transferring administrative responsibility for payment of pension benefits under the Pre-68 Plan, is R\$150,457 (R\$154,270 as at December 31, 2017).

Since this group of participants are members of the Foundation's Plan A, the results of the Pre-68 Plan could be included with the results of Plan A. They are detailed in this note simply to facilitate understanding.

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Changes in the present value of actuarial liabilities of the defined benefit plan during the half year were as follows:

	June 30, 2018	December 31, 2017
Present value of actuarial obligations at the beginning of the year	138,770	142,609
Interest rate cost	5,962	13,525
Actuarial loss	946	1,892
Benefits paid	(10,936)	(19,256)
Present value of the actuarial obligations	134,742	138,770

Changes in the fair value of assets of the Plan during the half year were as follows:

	June 30, 2018	December 31, 2017
Employer contributions	10,936	19,256
Benefits paid	(10,936)	(19,256)
Final fair value of plan assets	-	-

The amounts shown in income for June 2018 and forecast for 2019 are as follows:

	June 30, 2019	June 30, 2018
Interest rate cost	12,192	13,042
Expense at the end of the period	12,192	13,042

The amount recognized in the balance sheet for the company's liabilities under this plan is shown below:

	June 30, 2018	December 31, 2017
Present value of the defined benefits obligation	134,742	138,770
Fair Value of the Assets	-	-
Financial condition	134,742	138,770
Restriction on contracted deficit	15,715	15,500
Net value of defined benefit liabilities	150,457	154,270

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26.3 Other staff benefits

Medical and dental assistance

Changes in the present value of liabilities for the medical plan during the half year were as follows:

	June 30, 2018	December 31, 2017
Present value of actuarial obligations at the beginning of the year	300,100	202,793
Cost of current services	58	442
Interest rate cost	12,993	21,811
Actuarial loss	(14,720)	97,618
Benefits paid	(8,766)	(22,564)
Present value of the actuarial obligations	289,665	300,100

Changes in the fair value of assets of the medical plan during the half year were as follows:

	June 30, 2018	December 31, 2017
Employer contributions	5,620	16,928
Contributions from participants in the plan	3,146	5,636
Benefits paid	(8,766)	(22,564)
Final fair value of plan assets	-	-

The amounts shown in income for June 2018 and forecast for 2019 are as follows:

	June 30, 2019	June 30, 2018
Cost of current services	102	102
Interest rate cost	26,300	22,554
Amount expected from employers' contributions	(12,897)	(5,636)
Expense at the end of the year	13,505	17,020

The amount recognized in the balance sheet for the company's liabilities under this plan is shown below:

	June 30, 2018	December 31, 2017
Present value of the obligation of defined benefits paid	(289,665)	(300,100)
Net assets arising from defined benefits obligations	(289,665)	(300,100)

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Funeral allowance

Changes in the present value of liabilities for the funeral allowance during the half year were as follows:

	June 30, 2018	December 31, 2017
Present value of actuarial obligations at the beginning of the year	1,646	1,464
Interest rate cost	74	148
Actuarial (gain) / loss	(169)	83
Benefits paid	(6)	(49)
Present value of the actuarial obligations	1,545	1,646

Changes in the fair value of assets of the funeral allowance during the half year were as follows:

	June 30, 2018	December 31, 2017
Employer contributions	6	49
Benefits paid	(6)	(49)
Final fair value of plan assets	-	-

The amounts shown in income for June 2018 and forecast for 2019 are as follows:

	June 30, 2019	June 30, 2018
Interest rate cost	146	147
Expense at the end of the year	146	147

The amount recognized in the balance sheet for the company's liabilities under this plan (funeral allowance) is shown below:

	June 30, 2018	December 31, 2017
Present value of the obligation of defined benefits paid	(1,545)	(1,646)
Net assets arising from defined benefits obligations	(1,545)	(1,646)

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Group life insurance

Changes in the present value of liabilities for life insurance during the half year were as follows:

	June 30, 2018	December 31, 2017
Present value of actuarial obligations at the beginning of the year	1,557	1,322
Interest rate cost	68	139
Actuarial loss	351	295
Benefits paid	(85)	(199)
Present value of the actuarial obligations	1,891	1,557

Changes in the fair value of assets of life insurance during the half year were as follows:

	June 30, 2018	December 31, 2017
Employer contributions	85	199
Benefits paid	(85)	(199)
Final fair value of plan assets	-	-

The amounts shown in income for June 2018 and forecast for 2019 were as follows:

	June 30, 2019	June 30, 2018
Interest rate cost	173	141
Expense at the end of the year	173	141

The amount recognized in the balance sheet for the company's liabilities under this plan is shown below:

	June 30, 2018	December 31, 2017
Present value of the obligation of defined benefits paid	(1,891)	(1,557)
Net assets arising from defined benefits obligations	(1,891)	(1,557)

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26.4 Total obligations of IRB Brasil RE

Below we show details of provisions for post-employment benefits for which IRB Brasil RE was liable, divided into current and non-current:

	June 30, 2018	December 31, 2017
Current		
Retirement and pensions supplement	21,108	20,500
Medical and dental assistance	18,714	17,623
Medical and dental assistance – provision for events incurred and not reported	363	271
Group life insurance	218	176
Funeral allowance	87	85
	40,490	38,655
Non-current		
Retirement and pensions supplement	129,349	133,770
Medical and dental assistance	270,951	282,477
Group life insurance	1,673	1,381
Funeral allowance	1,458	1,561
	403,431	419,189

26.5 Consolidation of effects – Post-employment benefit

Consolidated totals of employee benefits are shown below, and the accounting procedures applied.

The following amounts were recognized in income for the period and in shareholders' equity – other comprehensive income:

The total amount recognized in income for the period:

	Defined benefit		Other benefits		Other provisions (PEONA)		Total	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Cost of service	-	-	58	229	-	-	58	229
Interest rate cost	5,962	6,781	13,135	10,633	-	-	19,097	17,414
Contributions paid	19	19	6,091	5,966	-	-	6,110	5,985
Other moves	-	-	-	-	92	(2,135)	92	(2,135)
Total values recognized	5,981	6,800	19,284	16,828	92	(2,135)	25,357	21,493

The total recognized in the statement of comprehensive income:

	Defined benefit		Other benefits		Other provisions (PEONA)		Total	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Actuarial (gains)/losses	946	10,968	(14,538)	11,160	-	-	(13,592)	22,128
Other moves	215	(13,150)	-	-	-	-	215	(13,150)
Total values recognized	1,161	(2,182)	(14,538)	11,160	-	-	(13,377)	8,978

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26.6 Sensitivity analysis

As required by CPC33, we give below management's sensitivity analysis for the financial and actuarial assumptions considered to be critical:

Sensitivity to discount rate

PLAN A	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	1,536,595	1,389,277	1,264,286	1,157,378
	Impact from main scenario	212,314	64,996	(59,995)	(166,903)
PLAN B	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	103,897	101,277	99,087	97,238
	Impact from main scenario	3,763	1,143	(1,047)	(2,896)
PRE 68	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	148,040	138,933	130,771	123,425
	Impact from main scenario	13,297	4,191	(3,972)	(11,317)
Health Plan	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	338,918	304,700	275,803	251,186
	Impact from main scenario	49,252	15,034	(13,863)	(38,479)
Funeral allowance	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	1,891	1,648	1,452	1,292
	Impact from main scenario	346	103	(93)	(253)
Life insurance	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	2,108	1,958	1,827	1,710
	Impact from main scenario	217	68	(64)	(181)

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Sensitivity to mortality table – AT-2000 (Smoothed by 10%) (**)

PLAN A	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	1,477,452	1,340,908	1,224,386	1,124,193
	Impact from main scenario	153,171	16,627	(99,895)	(200,088)
PLAN B	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	103,242	100,748	98,655	96,881
	Impact from main scenario	3,108	614	(1,479)	(3,253)
PRE 68	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	156,335	146,226	137,208	129,129
	Impact from main scenario	21,593	11,484	2,466	(5,613)
Health Plan	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	319,954	288,821	262,380	239,737
	Impact from main scenario	30,289	(844)	(27,286)	(49,929)
Funeral allowance	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	1,974	1,734	1,540	1,380
	Impact from main scenario	429	189	(5)	(165)
Life insurance	Actual rate	4.0%	5.0%	6.0%	7.0%
	Nominal rate (*)	8.2%	9.2%	10.3%	11.3%
	Defined benefit obligation	2,017	1,878	1,756	1,647
	Impact from main scenario	126	(12)	(135)	(244)

(*) Takes inflation into account.

(**) Except the Pre-68 Plano, which shows sensitivity to the table "BR-EMSsb (segregated by gender)".

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Section F – Accounting policies

27 Significant accounting policies

The significant accounting policies applied in preparing these financial statements are shown below. These policies were been applied consistently for the periods shown, except as otherwise indicated.

27.1 Translation of foreign currency

(a) Functional currency and presentation currency

The items shown in the Company's individual and consolidated financial statements are measured in the currency of our main economic operating environment ("functional currency"). The consolidated financial statements are presented in Reais, the Company's functional currency.

(b) Transactions and balance

In preparing the Company's individual and consolidated financial statements, transactions in foreign currency, i.e. any currency other than the functional currency of each Company, are recorded at the exchange rate ruling on the transaction date. At the end of each year, monetary items in foreign currency are reconverted at the current rates. Non-monetary items in foreign currency registered at fair value are reconverted at the rates in force on the date when fair value is determined. Non-monetary items measured at historic cost in foreign currency are converted at the rate ruling on the transaction date.

For the purposes of presentation of the individual and consolidated financial statements, the Company's operating assets and liabilities abroad are converted into Reais at the exchange rates ruling at the end of the period. Income is converted at the average exchange rate for the period, unless exchange rates have fluctuated significantly, in which case the rates ruling on the transaction date are used. Any currency variations resulting from these translations are classified as comprehensive income and accumulated in shareholders' equity.

(c) Subsidiaries with a different functional currency

The results and financial position of entities consolidated which have a functional currency different from the presentation currency, are converted into the presentation currency as follows:

- (i) Assets and liabilities of each balance sheet presented are converted at the rate on the closing date.
- (ii) Revenues and expenses of each statement of income are converted at the average rate of exchange (unless this does not give a reasonable approximation of the cumulative effect of the rates in force on the dates of the transactions, in which case revenues and expenses are converted at the rate ruling on the date of the transactions).
- (iii) All resulting exchange differences are recognized as a separate component of shareholders' equity, in the "accumulated translation adjustments" account.

27.2 Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits with an insignificant risk of change in value. The balance is shown in the cash flow statements net of the balance of overdrawn accounts, if any. Overdraft balances, if any, are shown in the balance sheet as "loans", in current liabilities.

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27.3 Financial assets

27.3.1 Classification

The Company classifies its financial assets on initial recognition in the following categories: measured at fair value through income, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired.

(a) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it was acquired, principally, for sale in the short term. Assets in this category are classified as current assets.

Derivatives, when used, are also categorized as held for trading, unless they are designated as hedging instruments.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable maturities, not quoted on an active market. Loans and receivables (including credits and debits for reinsurance and retrocession operations, securities and credits receivable, court and tax deposits and similar) are measured at amortized cost using the effective interest rate method less any impairment losses. They are shown as current assets, except those maturing more than 12 months after the date of the balance sheet, which are classified as non-current assets.

Premiums payable in installments are booked as premiums receivable, in current assets, and written off as each installment is paid.

(c) Financial assets available for sale

Financial assets available for sale are non-derivatives designated in this category or not classified in any of the previous categories. They are shown as 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, which the Company has the intention and the capacity to hold to maturity.

27.3.2 Recognition and measurement

Purchases and sales of financial assets are normally recognized on the trading date. The investments are initially recognized at fair value plus transaction costs, in the case of all financial assets not classified as being at fair value through income. Financial assets at fair value through income are initially recognized at fair value, and the transaction costs are debited to the income statement. Financial assets are written off when the rights to receive cash flows have expired or have been transferred, in the latter case provided that the Company has transferred substantially all the risks and benefits of ownership. Financial assets available for sale or measured at fair value through income are subsequently recognized in the books at fair value. Loans and receivables are booked at amortized cost, using the effective interest rate method.

Gains and losses arising from variations in the fair value of financial assets measured at fair value through income are shown in the income statement as "Financial revenues and expenses" in the period in which they occur.

Changes in the fair value of monetary securities denominated in foreign currency and classified as available for sale are divided between translation differences arising from variations in the amortized cost of the security and other changes in its book value. Exchange variations on monetary securities are recognized in income. Exchange variations on non-monetary securities are recognized in shareholders' equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in shareholders' equity.

When securities classified as available for sale are sold or suffer impairment, the aggregate fair value adjustments recognized in shareholders' equity are included in the income statement as "financial revenues and expenses".

Interest on securities available for sale, calculated according to the effective interest rate method, are recognized in the income statement as "other revenues".

Dividends on financial assets measured at fair value through income and equity instruments available for sale, such as shares, are recognized in the income statement as "other revenues", when the Company has an established right to receive dividends.

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Fair value of quoted investments is based on current purchase prices. If there is no active market for a financial asset (including unlisted securities), the Company uses valuation techniques to determine fair value. These techniques include the use of recent transactions with third parties for other instruments which are substantially similar, analysis of discounted cash flows and options pricing models which use market information as far as possible, and with as little input from the Company management as possible.

27.3.3 Offsetting of financial Instruments

Financial assets and liabilities are offset and the net figure shown in the balance sheet when there is a legal right to do so and it is intended to settle them on a net basis or to realize the asset and settle the liabilities simultaneously.

27.3.4 Impairment of financial assets

(a) Assets measured at amortized cost

As at the date of each balance sheet, the Company determines whether there is objective evidence of impairment of a financial asset or group of financial assets. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events occurring since the initial recognition of the assets (a "loss event") and if this loss event (or events) has an effect on estimated future cash flows from the financial asset or group of financial assets, which can be reliably estimated.

The criteria which the Company uses to determine whether there is objective evidence of impairment include:

- (i) if the issuer or debtor incurs significant financial difficulties;
- (ii) if there is a breach of contract, such as default or delay in payment of interest or principal;
- (iii) if the Company, for economic or legal reasons involving the financial difficulties of a borrower, grants concessions which a creditor would normally not consider;
- (iv) if it is likely that the borrower will declare bankruptcy or other financial reorganization;
- (v) if an active market for a financial asset disappears due to financial difficulties; or
- (vi) if observable data indicate that there is a measurable reduction in estimated future cash flows from a portfolio of financial assets since their initial recognition, even though the decrease may not yet have been identified for individual financial assets in the portfolio, including national or local economic conditions affecting repayment of the portfolio assets.

The amount of the impairment loss is measured as being the difference between the book value of an asset and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the original interest rate applying to the financial asset. The book value of the asset is reduced and the amount of the loss is recognized in the income statement. If a loan or investment held to maturity has a variable interest rate, the discount rate used to measure an impairment loss is the current effective interest rate according to the contract. As a practical expedient, the Company may measure impairment on the basis of the fair value of an instrument using an observable market price.

If in a subsequent period the amount of the impairment loss diminishes, and the decrease can be objectively related to an event which has taken place since the impairment was recognized (such as an upgrade in the debtor's credit rating), the loss previously recognized will be reversed and recognized in the income statement.

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(b) Assets classified as available for sale

As at the date of each balance sheet, the Company determines whether there is objective evidence of impairment of a financial asset or group of financial assets. For debt securities, the Company applies the criteria mentioned in item (a) above. In the case of investments in equity instruments classified as available for sale, a significant or prolonged fall in fair value to below cost is also evidence of impairment. If any evidence of this type exists for financial assets available for sale, the aggregate loss – measured as the difference between cost price and current fair value, less any impairment previously recognized in income – will be deducted from equity and recognized in the income statement. Impairment losses on equity instruments recognized in the income statement are reversed to the income statement. In the case of debt instruments classified as available for sale, if in a subsequent period the fair value rises, and the rise can be objectively related to an event occurring since the impairment loss was recognized in income, the loss is reversed to the income statement.

27.4 Classification of reinsurance contracts

The Reinsurer's contracts are classified for booking as reinsurance contracts when risk coverage starts. A contract classified as a reinsurance contract will remain classified as such until all rights and obligations have been extinguished or have expired. A reinsurance contract is a contract whereby the reinsurer accepts a material insurance risk from another party (reinsurer or insurer), and undertakes to indemnify the other party if a specific event occurring in the future (the event insured) adversely affects the latter.

Thus a reinsurance contract is classified as an insurance contract because it is defined as a transaction where the issuer accepts a material insurance risk from the other party and undertakes to compensate the latter if an uncertain, specific event occurs in the future which may have an adverse effect on it.

27.5 Intangible assets

(a) Intangible assets acquired separately

Intangible assets with a defined useful life and acquired separately are registered at cost, less amortization and aggregate impairment losses. Amortization is recognized on a straight-line basis over the estimated useful life of the assets. Estimated useful life and the method of amortization are reviewed at the end of each period, and the effect of any change in the estimates is booked prospectively. Intangible assets with a undefined useful life and acquired separately are registered at cost, less aggregate impairment losses, and are not amortized.

(b) Write-off of intangible assets

An intangible asset is written off when disposed of, or when there are no future economic benefits from its use or disposal. Gains or losses from the write-off of an intangible asset are measured as the difference between net revenues from disposal and the book value of the asset, and are recognized in income when the asset is written off.

27.6 Property and equipment

Property and equipment for own use

Property and equipment for own use consists of property, equipment, fittings and fixtures, vehicles, machines and utensils used in the Reinsurer's business. Property and equipment for own use is generally shown at historic cost. Properties for own use (land and buildings) are shown at historic cost revalued as at December 31, 2004, on the basis of the reports of independent experts. In accordance with CPC 01 (R1), no further revaluations have been undertaken.

The historic cost of property and equipment consists of expenses directly attributable to the acquisition of items which can be capitalized, and which are in a condition to be used.

Subsequent expenditure is included in the book value of the asset or recognized as a separate asset, as the case may be, only when it is likely that future financial benefits associated with the asset will accrue to the Reinsurer and the cost of the asset can be reliably estimated.

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Land is not depreciated. Depreciation of other assets is calculated on a straight-line basis, to allocate costs, less residual value, over their useful life, as follows:

	Depreciation Rate (p.a) - %	Years
Buildings	4,0	25
Furniture and fixtures	10,0	10
IT Equipment	20,0	5
Vehicles	20,0	5

Residual values and the useful life of assets are reviewed and adjusted, if necessary, at each balance sheet date. The book value of an item of property and equipment is written down immediately, in full or in part, if its recoverable value is lower than its book value.

27.7 Investment property

The Reinsurer holds 100% of the shares of IRB Investimentos e Participações Imobiliárias S.A., which owns certain commercial properties leased to third parties under operating leases, as defined in CPC 06 (R1). The Reinsurer uses the depreciated cost model (the cost method defined in CPC 28) to value these assets.

The investment properties owned by the subsidiary are depreciated on a straight-line basis over their estimated useful lives. The majority of the lease agreements have a 3-year renewal option. Rentals are adjusted in line with the IGP-M/FGV.

27.8 Impairment of non-financial assets

Non-financial assets (including intangible assets) are assessed for impairment on the occurrence of events or circumstances indicating that the book value may not be recoverable. An impairment loss is recognized in income for the period for the difference between book value and recoverable value. Recoverable value is defined by the CPC as the greater of value in use and the fair value of the asset (less selling costs). When testing non-financial assets for impairment, they are grouped at the lowest level for which the Reinsurer can identify individual cash flows, defined as a cash generating unit (CGU).

27.9 Provisions

(a) Technical provisions

- A provision for unearned premiums on risks in force and issued (PPNG-RVE) is set up to cover premiums issued during the period for unexpired risks under the contracts. The purpose is to cover future expenses, including claims to be paid by IRB Brasil RE. The provision is calculated on the basis of anticipated exposure for each contract. To supplement this provision, a further provision is set up for risks in force but not issued (PPNG-RVNE), calculated on the basis of an actuarial estimate (as described in a technical actuarial note) of existing risks for which contracts have not yet been issued.
- A provision for unsettled claims (PSL) is set up for the estimated sum to be indemnified indicated in claim reports received from the reinsurance and insurance companies. The provision is adjusted daily on the basis of analyses undertaken by the operating and legal areas. The balance of the PSL includes a provision for claims incurred but not enough reported, described below.
- The provision for claims incurred but not enough reported (IBNER), relating to operations in Brazil and abroad, is set up according to actuarial assumptions defined in a technical note or reports of independent actuaries, to cover developments under claims reported but not yet paid as at the date of the calculation. These amounts may be altered over the period of the process, until it is settled.
- The provision for claims incurred but not reported (IBNR), relating to operations in Brazil and abroad, is set up according to actuarial assumptions defined in a technical note or reports of independent actuaries.
- A provision for technical surpluses (PET) is set up to guarantee distribution of these surpluses under existing contracts.
- A provision must be set up for related expenses (PDR), to cover claims adjustment costs, and a provision for supplementary coverage (PCC), when the total liabilities of the Company are tested for adequacy and found to be insufficient.

IRB-Brasil Resseguros S.A.

Notes to the Quarterly Information - ITR as at June 30, 2018

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(b) Liability adequacy test (LAT)

The liability adequacy test is an economic test of the book value of the Company's liabilities. Its aim is to identify any errors in the values of the obligations arising from reinsurance contracts, as required by CPC 11.

The test compares current estimates of gross cash flows from retrocession with the book value of technical provisions, as at the date of the calculation, less deferred acquisition costs and intangible assets directly related to the provisions. If the figure is found to be inadequate, this must be recognized in the Supplementary Coverage Provision (PCC).

The cash flows are aggregated by groups of similar insurance lines, separating contracts in local and foreign currency, and observing the differences between registered and future premiums and between past and future claims.

To calculate the present value of estimated cash flows a discount rate is obtained from the Svensson model for IPCA coupon, fixed-rate and currency coupon curves.

IRB Brasil RE's life products are structured under a simple distribution regime, and so life expectancy tables are not used to project cash flows.

The Svensson model is frequently used in the financial market to estimate interest rate curves. This model is an extrapolation of the Nelson and Siegel model, with the addition of a new exponential component to the forward rates curve, taking into account two additional parameters.

The loss ratio assumption used in the TAP is calculated as shown in Note 25.1, for the period May 2014 to April 2018.

The test carried out as at June 30, 2018, found no inadequacies.

IRB Brasil RE regularly monitors its loss ratio, the combined ratio and the liability adequacy test, so as to ensure that its contracts remain technically and actuarially in balance.

(c) Legal provisions, contingent liabilities and contingent assets

Legal provisions for civil, labor, social security and tax litigation are reviewed regularly and booked according to the opinions of the Company's in-house legal department, our independent legal advisors and management on the probable outcome of each case, as at the balance sheet date. Legal provisions for civil proceedings of an operational nature are also calculated and booked for specific percentages, through an analysis of past experience of the outcome of similar cases, taking into account the ratio of amounts disbursed to cases closed which are won, or settled or lost, and the corresponding estimates of risk exposure. These percentages of probability of loss are applied to operational civil contingencies existing on the closing date of the consolidated financial statements.

Legal provisions for labor, social security and tax issues are booked as "other debits" in non-current liabilities. Civil contingencies are booked as "unsettled claims", in current liabilities. Estimated losses on civil and labor contingencies are monetarily adjusted, and interest is accrued at the rates which have been charged on similar cases in the past, taking into account their nature and the court where they are being heard. Estimated losses on tax and social security contingencies are adjusted and updated at the Selic rate. The corresponding court deposits, when required, are recorded as court and tax deposits in non-current assets, and adjusted at the Selic rate.

Contingent assets are assessed regularly to ensure that any changes are correctly reflected in the individual and consolidated financial statements. If it is practically certain that economic benefits will accrue, the asset and the corresponding gain are recognized in the individual and consolidated financial statements for the period in which the estimate is amended. If an inflow of economic benefits becomes likely, the Company reports the contingent asset.

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27.10 Current and deferred income and social contribution taxes

The provision for income and social contribution taxes is based on taxable income for the period. Taxable income is not the same as the figure shown in the statement of income, because it does not include revenues and expenses taxable or deductible in other periods, and it ignores permanently non-taxable and non-deductible items.

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

Deferred income and social contributes taxes ("deferred tax") are recognized quarterly on temporary differences between the balances of assets and liabilities recognized in the consolidated financial statements and the corresponding tax bases used for calculating taxable income, including the balance of tax losses if any. Deferred tax liabilities are generally recognized on all temporary taxable differences, and deferred tax assets are recognized on all temporary deductible differences only when it is probable that the company will show taxable profits in the future in sufficient amounts for these differences to be used.

Recovery of the balance of deferred tax assets is reviewed at the close of each period, and when it is no longer likely that future taxable profits will be available to cover the entire asset balance, or part of it, the balance is adjusted to the estimated recovery value.

Deferred tax assets and liabilities are measured at the rates applicable in the period when it is expected that the liability will be settled or the asset realized, based on the rates indicated in the tax legislation in force at the end of each period, or when new legislation has been substantially approved. Currently the rates are 25% for income tax and 20% for social contribution. The measurement of deferred tax assets and liabilities reflects the tax consequences resulting from the extent to which the Company expects to recover or settle their book value at the end of each period.

27.11 Employee benefits

Each quarter an actuarial exercise is undertaken to calculate the amounts to be booked for liabilities for post-employment benefits. This exercise also determines the components necessary for calculating the portions to be recognized in income and in other comprehensive income, such as costs, actuarial gains and losses, interest etc. IRB's post-employment benefits include retirement benefits and others such as life insurance, healthcare plans and funeral allowances.

(a) Retirement benefits

For pension plans classified as defined benefits the projected unit credit method is used to determine the present value of the obligations and their respective current and past servicing costs, as applicable.

For the variable contribution plan administered by PREVIRB, the sponsor's liability is represented by the amounts to be contributed during the period, in addition to the actuarial risk linked to the risk benefits.

The liability for retirement benefits, when recognized in the balance sheet, is the present value of the obligation for defined benefits, adjusted for actuarial gains and losses, the cost of services and interest costs, and benefits paid during the period.

(b) Other post-employment benefits

Healthcare plans, life insurance and funeral allowances may last for life or for a fixed period, as provided for by law.

Total liabilities under these plans is calculated actuarially in the same way as described above for defined benefits.

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27.12 Capital stock

Common and preferred shares are classified in shareholders' equity.

Incremental costs directly attributable to the issue of new shares or options are shown in shareholders' equity as a deduction from the amount raised, net of tax.

When the Company buys its own shares (treasury shares), the amount paid, including any directly attributable additional costs (net of income tax), is deducted from shareholders' equity until the shares are cancelled or reissued. If the shares are subsequently reissued, all amounts received, net of directly attributable additional costs and the effects of income and social contribution taxes, are added to the Company's shareholders' equity.

27.13 Dividends

The distribution of minimum mandatory dividends proposed by the Board of Directors is recorded as a liability under the heading of obligations payable, since this is a legal obligation under the bylaws; however any additional dividends proposed and declared by management after the end of the accounting period to which the consolidated financial statements refer, but not yet approved by a shareholders' meeting, are registered in shareholders' equity under the heading of proposed distribution of additional dividends.

27.14 Recognition of revenues

Revenues consist of the fair value of consideration received or receivable for the sale of products and services in the normal course of business. Revenues are shown net of cancellations.

The Reinsurer recognizes revenues when their value can be reliably measured; it is probable that future economic benefits will flow to the Company; and specific criteria have been met for each of the Company's activities, as described below. IRB Brasil RE bases its estimates on past results, taking into account the type of client, the type of transaction and the specific nature of each operation.

(a) Reinsurance premiums

Reinsurance premiums are booked as premiums issued when they have been accepted. Reinsurance premiums for current risks, but for which a contract has not yet been issued, are calculated actuarially.

In the case of optional reinsurance contracts the premium issued is taken to be the amount agreed between the parties to guarantee reinsurance cover, for the portion accepted by the reinsurer, for the period of validity of the risk.

In the case of automatic reinsurance contracts, the premium issued is calculated as follows:

- Non-proportional contracts - the premium issued is taken to be the amount agreed between the parties to guarantee reinsurance cover, for the portion accepted by the reinsurer, for the period of validity of the reinsurance contract.
- Proportional contracts - the premium issued is taken to be the amount estimated by the assignor for all the policies to be covered by the reinsurance contract while it is in force. This estimate is proportional to the percentage share of the reinsurer and weighted by a performance percentage determined by the reinsurer on the basis of experience. These premiums are adjusted each time the assignor renders accounts, normally on a quarterly basis.

(b) Revenue from dividends and interest

Revenue from dividends is recognized when the shareholder's right to receive them is established (provided that it is probable that future economic benefits will flow to the Reinsurer and the amount to be received can be reliably measured).

Revenue from interest is recognized when it is probable that future economic benefits will flow to the Reinsurer and the amount to be received can be reliably measured. Revenue from interest is recognized on a straight-line basis over time at the effective interest rate on the amount of principal outstanding. The effective interest rate is one that discounts receipts of future estimated cash flows during the estimated life of the financial asset, in relation to the initial net book value of this asset.

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27.15 Claims expenses and commissions

Claims expenses are booked on an accrual basis and are determined using concepts and assumptions defined in a technical actuarial note, as described in Note 27.9(a).

Commissions are deferred and amortized, except in the case of past risk transactions where commission is booked directly to income for the period, based on the period of validity of the reinsurance contracts. Commissions for current risks, but for which a reinsurance contract has not yet been issued, are calculated actuarially.

27.16 Statement of comprehensive income

Statements of comprehensive income are shown in a separate table. They consist of revenue and expense items (including reclassification adjustments) which are not recognized in the income statement as required by the CPC. An indication is given of whether or not they are potentially reclassifiable to income at a future time.

27.17 New standards, amendments and interpretations of standards

The following new standards and interpretations of standards were issued by the IASB to come into force on January 1, 2018.

IFRS 9/CPC 48 - In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments, to replace IAS 39 – Financial Instruments: Recognition and Measurement and all the previous versions of IFRS 9. IFRS 9 combines the three aspects of the accounting project for financial instruments: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods starting on or after January 1, 2018. With the exception of hedge accounting, it has to be applied retrospectively, but it is not mandatory to supply comparative information. The requirements for hedge accounting are generally applied prospectively, with a few limited exceptions.

In September 2016, the IASB issued amendments to IFRS 4/CPC 11 covering issues arising from the different effective dates of IFRS 9 and the new standard for insurance contracts (IFRS 17). In December 2017, the CVM issued CVM Resolution 788, introducing similar changes to CPC 11. SUSEP has so far not expressed an opinion on IFRS 9/CPC 48.

The amendments introduce two alternative options for the application of IFRS 9/CPC48 by entities issuing contracts under IFRS 4/CPC 11: one temporary exemption and one overlapping approach. The temporary exemption permits eligible entities to postpone the date of implementation of IFRS 9/CPC 48 to a year beginning before January 1, 2021, until when they may continue to apply IAS 39/CPC 38 for financial assets and liabilities. An entity may take advantage of temporary exemption from IFRS 9/CPC 48 if: (i) it has not previously applied any version of IFRS 9/CPC 48, other than the requirement to present gains and losses on financial liabilities designated at fair value through income; and (ii) its activities were predominantly related to insurance on the date of its annual report immediately preceding April 1, 2016. The overlapping approach allows an entity that is applying IFRS 9/CPC 48 to reclassify from the statement of income to other comprehensive income the amount obtained at the end of the period of the financial statements for designated financial assets, which gives the same result as if the insurer had applied IAS 39/CPC 38 to the designated financial assets.

An entity may apply the temporary exemption of IFRS 9/CPC 48 to annual periods beginning on or after January 1, 2018. The overlapping approach can start to be applied when IFRS 9/CPC 38 is applied for the first time.

In 2017, management assessed the effect of the amendments to IFRS 4/CPC 11 in the parent company and the consolidated accounts, and came to the conclusion that in both cases its activities were predominantly related to insurance as at December 31, 2015. There were no significant changes in the activities of the Company during 2016 or 2017 which would require a new assessment. Management verified that IRB Brasil RE meets the criteria of eligibility for a temporary exemption under IFRS 9/CPC 48 and opted to postpone application of IFRS 9/CPC 48 until the effective date of the new standard for insurance contracts (IFRS 17). IRB Brasil RE has therefore decided to apply the temporary exemption under IFRS 9/CPC 48 and will continue to apply IAS 39/CPC 48 to its financial assets and liabilities as from January 1, 2018, until IFRS 17 comes into force.

IFRS 9/CPC 48 requires financial assets to be subject to an evaluation of the business model and a test of contractual cash flow named "Solely Payment of Principal and Interest" (SPPI), which refers to financial assets with contractual terms giving rise, on specified dates, to cash flows consisting exclusively of payment of principal and interest on the outstanding principal.

The financial assets which do not pass the SPPI test will be measured at fair value through the income statement. For assets that pass the SPPI test, the business model is tested to determine the purpose of retaining the asset. The business model for financial assets is tested as follows:

- (i) Financial assets will be measured at amortized cost if they are held within a business model aimed at collecting contractual cash flows (the "Hold to collect" business model).

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- (ii) Financial assets will be measured at fair value through other comprehensive income if they are held within a business model aimed both at collecting contractual cash flows and at selling the financial assets (the "hold to collect and sell" business model).
- (iii) Financial assets will be measured at fair value through income if they do not meet the criteria for either the "hold to collect" or the "hold to collect and sell" business model.
- (iv) The entities also have the option of designating a financial asset as measured at fair value through income if this eliminates or significantly reduces an inconsistency of measurement or recognition (accounting inconsistency).

In order to create comparability between insurance companies that adopted IFRS 9/CPC 48 on January 1, 2018 and IRB, management, in accordance with the requirements for additional disclosure introduced by the amendments to IFRS 4/CPC 11, has analyzed all its financial assets with a view to identifying those with contractual terms that give rise, on specified dates, to cash flows consisting solely of payments of principal and interest on outstanding principal.

The table below shows separately the fair value at the end of the period of the financial statements and the amount of the change in fair value during this period for financial assets which passed the SPPI test and for the other financial assets, i.e. those which do not give rise, on specified dates, to cash flows consisting solely of payments of principal and interest on outstanding principal, satisfying CPC 48's definition of held for trading, or which are managed and assessed for performance on the basis of fair value.

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In thousands of Reals, except where otherwise indicated

Fair value of financial assets at the end of the period

	Fair value as of June 30, 2018	Change in fair value from December 31, 2017 to June 30, 2018
Financial assets - SPPIs	9,154,588	(53,151)
Cash and cash equivalents	47,144	
Transactions Credits		
Insurers and Reinsurers	4,250,926	2,942
Notes from Credits receivable	170,383	
Fixed Income Securities - public		
Financial Treasury Bills (i)	3,130,587	(4,940)
National Treasury Notes	674,491	(49,314)
Fixed Income Securities - private		
Financial Bills	83,115	(79)
Variable Income Securities		
Shares in Brazilian companies	26,575	(1,055)
Investments abroad		
Fixed income securities (HSBC)	33,138	(671)
Fixed term deposits abroad (iv)	720,851	(13)
U.S. Treasury Securities Obligations of U.S.	6,925	(1)
Obligation of U.S. Government Corporations and Agencies	2,031	-
Non-U.S. Government	251	-
Short-Term Investments	1,731	(4)
Sec Issued by States & Terr.	1,173	(16)
Corporate Securities	5,267	-
Other financial assets	800,621	(6,134)
Investment Fund Units		
Repo transactions	348,917	-
Units in Exclusive Funds	87,084	-
Units in Non Exclusive Funds	57,138	-
Fixed Income Securities - private		
Debentures	45,283	12
CDB	7,082	7
Trade Notes	1,053	(1)
Units in Real Estate Investment Funds		
Non-exclusive Real Estate Funds	48,480	1,285
Exclusive Real Estate Funds	9,528	-
Investments abroad		
Fixed Income Securities - public	117,466	(4,749)
American Deposits Receipt (ii)	5,028	(2,688)
Units in non-exclusive Investment Funds	73,562	-
Total	9,897,477	(59,285)

For all the financial assets which passed the SPPI test, management assessed credit-risk exposure, including significant credit-risk concentrations. The following table shows these assets, classified by credit risk, and their respective book values, and also the fair value of those for which management considers credit risk to be greater than "low".

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Classification of the degree of credit risk

	Credit Risk	Book value as of June 30, 2018
Financial assets - SPPIs		9,154,588
Cash and cash equivalents		47,144
Transactions Credits		
Insurers and Reinsurers		3,971,559
	moderate (*)	279,367
Notes from Credits receivable		170,383
Fixed Income Securities - public		
Financial Treasury Bills (i)	low	3,130,587
National Treasury Notes	low	674,491
Fixed Income Securities - private		
Financial Bills	low	83,115
Variable Income Securities		26,575
Investments abroad		-
Fixed income securities (HSBC)	low	33,138
Fixed term deposits abroad (iv)	low	720,851
U.S. Treasury Securities Obligations of U.S.	low	6,925
Obligation of U.S. Government Corporations and Agencies	low	2,031
Non-U.S. Government	low	251
Short-Term Investments	low	1,731
Sec Issued by States & Terr.	low	1,173
Corporate Securities	low	5,267

(*) The fair value of this asset as at June 30, 2018, was R\$318,542.

IFRS 15/ CPC 47 - "Revenue from Contracts with Customers" – This new standard contains the principles to be applied by a company to determine the measurement of this revenue, and when it is to be recognized. It came into force on January 1, 2018, and replaces IAS 11 - "Construction Contracts", IAS 18 - "Revenues" and the corresponding interpretations. The Company has completed its analysis and concluded that IFRS 15/CPC 47 will have no material effect on the financial statements.

The following new standards were issued by the IASB but are not yet in effect for the year 2018. Early adoption of standards, although encouraged by the IASB, is not permitted in Brazil by the Accounting Pronouncements Committee (CPC).

IFRS 16/ CPC 06 (R2) - "Leases" – With this new standard, lessees will have to recognize a liability for future payments and the right to use the leased asset for practically all leases, including operating leases. Certain short-term contracts, or contracts for small amounts, may be exempted from this new standard. The criteria for recognizing and measuring leases in the financial statements of lessors are substantially unchanged. IFRS 16 will apply to years starting on or after January 1, 2019, replacing IAS 17 – "Leases" and the corresponding interpretations. The Company is assessing the impact of adopting this standard.

IFRS 17 – "Insurance Contracts" – Issued by the IASB in May 2017. IFRS 17 defines clearly and consistently the accounting practices to be used by all insurers and reinsurers, and this is bound to increase comparability between their financial statements in different countries. The possible effects of applying IFRS 17 on financial statements and performance indicators of insurers and reinsurers are being assessed.

The basic model of IFRS 17 requires insurers and reinsurers to measure their insurance contracts initially at the total amount of estimated cash flow, adjusted by the value of money over time and by the explicit risk related to the non-financial risk, in addition to the contractual margin for the service. This estimated value is then measured again at each balance-sheet date. Unrealized earnings (corresponding to the contractual service margin) are recognized over the period of cover contracted. In addition to this general model, IFRS 17 describes how to allocate premium with a view to simplifying the

IRB-Brasil Resseguros S.A.

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process. This simplified model applies to certain insurance contracts, including those for periods not exceeding one year. In the case of direct-participation insurance contracts, the variable-commission approach applies. This approach is a variant of the general model.

Under the variable-commission approach, the insurer's share in changes in fair value of underlying items is included in the contractual service margin. As a consequence, changes in fair value are not recognized in income in the period in which they arise, but over the remaining life of the contract.

IFRS 17 applies to reporting periods starting on or after January 1, 2021. It may be applied retrospectively, according to IAS 8, but it also provides for the "modified retrospective approach" and the "fair value approach", depending on the availability of information. The Company is assessing the overall impact of adopting this standard.

There are no other IFRS standards or IFRIC interpretations still to come into force which are likely to have a significant impact on the Company's consolidated financial statements.

28 Critical accounting estimates and assumptions

Critical accounting policies are those which are important for presenting the Company's financial condition and results. Some of these policies require more subjective or complex judgment on the part of management, often because of the need for estimates affecting issues that are inherently uncertain.

These judgments become more subjective and complex as the number of variables and assumptions increases.

In preparing the individual and consolidated financial statements, the Reinsurer has adopted variables and assumptions based on past experience and various other factors which we believe to be reasonable and relevant. Significant items which are valued on the basis of estimates include: securities valued at market value, provisions for adjusting assets to realization or recovery value; premium revenues and the corresponding selling expenses for current risks for which policies have not yet been issued, technical provisions and provisions for amounts being argued in court. Special attention is drawn to the use of estimates in valuing the reinsurance liabilities described in item (a) below, the estimates and judgments used in valuing provisions for the tax, civil and labor contingencies described in item (b), the estimates used for calculating impairment of financial assets described in item (c), the estimates of fair value of financial instruments, described in item (d), and the estimates and judgments used to determine retirement benefits, described in item (e) below.

Changes in these assumptions, or the extent to which they differ from reality, can affect current estimates and judgments. These estimates and assumptions are reviewed periodically. Revisions of accounting estimates are recognized in the period when they take place and in the future periods affected.

(a) Estimates and judgments used in valuing reinsurance liabilities

The most critical accounting estimates used in preparing the Reinsurer's consolidated statements, in compliance with the CPC, are those for calculating its reinsurance liabilities. There are several areas of uncertainty that have to be taken into account in estimating the liabilities which the Reinsurer will ultimately have to settle. A sensitivity analysis for this critical estimate is shown in Note 2.4.3.

Critical assumptions for the Liability Adequacy Test are the forward interest rate structure used to discount current estimates of cash flows to present value, and the loss ratio estimates used for future claims flows.

Based on the Company's information and experience, the actuarial team defines assumptions which provide the best estimate of the liabilities to be booked. These estimates are reviewed regularly in order to ensure that when the Reinsurer's liabilities are settled the actual amounts differ as little as possible, from a statistical/actuarial point of view, from the amounts initially booked.

(b) Estimates and judgments used in determining provisions for tax, civil and labor contingencies

The Reinsurer is a party to labor, tax and civil lawsuits outstanding on the date of preparation of the consolidated financial statements. The Reinsurer determines and registers accounting estimates on the basis of the opinions of its specialist legal counsel, the progress of the cases and the status of judgment of each individual case. The Reinsurer also uses its best judgment in these cases.

IRB-Brasil Resseguros S.A.

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(c) Estimates used for calculating impairment of financial assets

The Reinsurer applies the rules for calculating impairment of financial assets measured at amortized cost. The Reinsurer uses a high degree of judgment in this area to determine the level of uncertainty associated with the realization of estimated contractual flows of financial assets, principally premiums receivable.

The Reinsurer follows the guidelines of CPC 38 to determine whether a financial asset available for sale is impaired. This process requires a significant level of judgment. In making this estimate, the Reinsurer considers a number of factors including the length of time and the amount for which the fair value of an investment is lower than its cost, and the financial health and short-term outlook for the counterparty's business, bearing in mind the performance of the sector and the segment and operating and financial cash flow.

(d) Estimate of fair value of financial instruments

As described in Note 2.8, the fair value of quoted financial instruments is based on current trading prices. For financial assets where there is no active market or public quotation, fair value is established using valuation techniques. These techniques include the use of recent deals arranged with third parties, reference to other instruments which are substantially similar, discounted cash flow analysis and pricing models which use as much market information as possible and as little input as possible from the Company management itself. Note 6 gives details of the key assumptions used in determining fair value of financial instruments, and of a sensitivity analysis of these assumptions.

(e) Estimates and judgments to determine retirement benefits

The cost of defined-benefit retirement plans and the present value of retirement liabilities are determined using actuarial methods of valuation. Actuarial valuations involve the use of assumptions on discount rates, expected rates of return on assets, future salary increases, mortality and disability rates, and future increases in retirement benefits and pensions. Defined benefit liabilities are highly sensitive to changes in these assumptions. All the assumptions are reviewed at the end of each reporting period. To determine the appropriate discount rate, management takes into account risk-free interest rates. The mortality rate is based on the mortality tables published in Brazil. Future increases in salaries and retirement and pension benefits are based on the inflation rates forecast for the country. Sensitivity analyses of these critical estimates are shown in Note 26, with more details of the assumptions used.

29 Subsequent events

On July 16, 2018, the CVM published in the Federal Gazette its authorization for IRB Asset Management S.A. to provide securities portfolio administration services as defined in CVM Instruction No. 558, of March 26, 2015.

* * *

José Carlos Cardoso
CEO

Fernando Passos
Executive Vice-President Finance and Investor Relations Officer

Lúcia Maria da Silva Valle
Executive Vice-President Risk and Compliance

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

Rodrigo de Valnisio
Actuary
MIBA 1573

IRB-Brasil Resseguros S.A.

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In thousands of Reais, except where otherwise indicated

OPINION OF THE FISCAL COUNCIL

The FISCAL COUNCIL OF IRB-BRASIL RESSEGUROS S.A., exercising its legal and statutory duties, has examined the interim individual and consolidated accounting information of IRB Brasil RE, contained in the Quarterly Information Form – ITR, for the quarter ended June 30, 2018. On the basis of this examination and in the light of the unqualified review report of PricewaterhouseCoopers Auditores Independentes, dated July 27, 2018, we are of the opinion that these documents fairly reflect the equity situation, financial position and business activities of the company for the period, in accordance with the provisions of Article 25 of CVM Instruction 480 of December 7, 2009.

Rio de Janeiro, July 27, 2018

Haydewaldo Roberto Chamberlain da Costa
Chairman

Reginaldo José Camilo
Councilor

Lísio Fábio de Brasil Camargo
Councilor

IRB-Brasil Resseguros S.A.

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OPINION OF THE AUDIT COMMITTEE

The AUDIT COMMITTEE OF IRB-BRASIL RESSEGUROS S.A., exercising its legal and statutory duties, has examined the interim individual and consolidated accounting information of IRB Brasil RE, contained in the Quarterly Information Form – ITR, for the quarter ended June 30, 2018. On the basis of this examination and in the light of the unqualified review report of PricewaterhouseCoopers Auditores Independentes, dated July 27, 2018, we are of the opinion that these documents fairly reflect the equity situation, financial position and business activities of the company for the period, in accordance with the provisions of Article 25 of CVM Instruction 480 of December 7, 2009.

Rio de Janeiro, July 27, 2018

Nelson Machado
Chairman

Paulo Pereira Ferreira
Member

Werner Romera Süffert
Member

Paulo Fontoura Valle
Member

Adriana Queiroz de Carvalho
Member

IRB-Brasil Resseguros S.A.

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In thousands of *Reais*, except where otherwise indicated

OPINION OF THE BOARD OF DIRECTORS

The BOARD OF DIRECTORS OF IRB-BRASIL RESSEGUROS S.A. has reviewed the interim individual and consolidated accounting information of IRB Brasil RE, contained in the Quarterly Information Form – ITR, for the quarter ended June 30, 2018, which was the subject of an unqualified Report by PricewaterhouseCoopers Auditores Independentes, the favorable opinion of the Fiscal Council and the favorable opinion of the Audit Committee, and has concluded that all the documents examined are accurate and unanimously approved them.

Rio de Janeiro, July 27, 2018

Otavio Ladeira de Medeiros
Chairman

Oswaldo do Nascimento
Board member

José Maurício Pereira Coelho
Board member

Flavio Eduardo Arakaki
Board member

Ney Ferraz Dias
Board member

Helio Lima Magalhães
Board member

Édson Soares Ferreira
Board member

Raimundo Lourenço Maria Christians
Board member