IRB-Brasil Resseguros S.A.

Consolidated and parent company interim financial statements for the semester ended June 30, 2015 and independent auditors' report

IRB-Brasil Resseguros S.A.

Management's report on the consolidated and parent company interim financial statements at June 30, 2015

To the Shareholders,

IRB-Brasil RE presents its Management's Report for the first semester of 2015, highlighting the main activities developed in the period.

The financial statements have been prepared and presented in accordance with the accounting practices adopted in Brazil, related to the standards and instructions issued by regulating and supervising bodies that are applicable to reinsurance operations.

1 Highlights

In the first semester of 2015, IRB Brasil RE delivered a more expressive result, consolidating a Net Income of R$ 342 million, with a 33% growth in relation to the 1st semester of 2014. The total Reinsurance Premiums amounted to R$ 1.8 billion in the semester, reflecting a strong demand in the different business lines, particularly in the business operations abroad, which recorded double-digit accelerated expansion, even facing the retraction in the national and international economic scenario. The performance of IRB Brasil RE in all the business lines and the commercial expansion strategy enlarged our client basis, reinforcing our prominent position in the Brazilian reinsurer market.

2 Insurance and reinsurance market in Brazil

In 2015, the Brazilian reinsurance market continues presenting a good performance, reaching up to May a 15% high compared to the same period of the previous years. The expectation for 2015, according to the National Confederation of General, Private, Life, Health and Capitalization Insurance Companies – Cnseg, is a growth around 16%[1] for the reinsurer market for 2015.

With regard to the reinsurable risks market, except for DPVAT and VGBL, the production of insurances reached R$ 35.3 billion, 6.0% higher than the R$ 33.3 billion for the same period of 2014. For 2015, CNseg estimates a growth around12%[2] for this market.

The local reinsurance market, up to May, according to the Private Insurance Agency ("Superintendência de Seguros Privados – SUSEP") reached R$ 2.2 billion in gross reinsurance premiums compared to the R$ 2.1 billion for the same period of the previous year, which means a 4% growth. The market share of the local reinsurers in the total premium has remained stable during the previous years (around 71% of the reinsurance market in April).

The projected growth of the total reinsurance market for 2015 is around 7%, even considering the adjustments in the economy, which are impacting the country's big projects, and the pressure in the rates due to the high competitiviness of the market. In June 2015, the Brazilian reinsurance market counts with 125 reinsurers, being 16 local, 35 admitted and 74 occasional.

Up to April 2015, IRB Brasil RE's market share was around 45% among the local reinsurers and 34% in the total reinsurer market.

[1] CNSeg's projection of 12/18/14
[2] CNSeg's projections of 12/18/14

3 International expansion

Aiming to strengthen its performance in the global scenario, IRB Brasil RE intensified its relationship with the main global partners, as well as the business reciprocity. It is possible to observe a growth trend in the Company's international portfolio, considering the results for the first quarter of the year, in which the foreign premiums represented around 20% of the total business portfolio.

In the African continent, IRB Brasil RE continues operating through its shareholding in the African Reinsurance Corporation, in which it holds 8% of the capital, as well as through insurers and reinsurer brokers.

In Latin America, IRB Brasil RE has maintained a more selective stance in Argentina, continuing the previous year strategy. The Company sees a higher number of opportunities in Colômbia, Mexico and Peru, due to the more favourable economic scenario of these countries.

4 Corporate governance

The first semester of 2015 was marked by the implantation of the Corporate Ethical Channel and by the disponibilização da Fraud Prevention Primer that was made available to all the business collaborators and partners, making it possible the mapping and mitigation of the fraud risks, the prevention to money laundry combat to the financing of the terrorism. In this period, it was also carried out the inventory of areas in contact with public agents, considering the Anticorruption Law. The good practives adopted reflect the commitment of IRB Brasil RE in reinforcing the corprate governance.

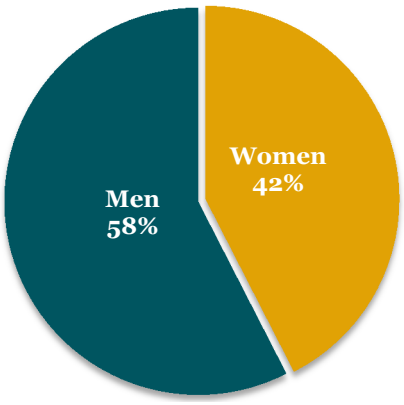
5 Staff

Continuing its strategy of attracting, developing and reatining its talents, IRB implemented programs and projects that show the continuous interest in the investment, training and life quality of its employees. Among them, we highlight:

- Readjustment of its organizational structure in order to reach high efficiency standards, improving its competitiviness against the market's main companies.
- Creation of complementary mechanisms of recognition and retention, such as the Outstanding Performance Awards Program, which awards the differentiated individual performance.
- Update of platforma and improvement of people management tools.
- Sponsor of actions of incentive to the sports practice and health care.
- Deployment of the results of the research of climate into action plans, maintaining the company in the way of trnaformation to become one of the best companies to work.

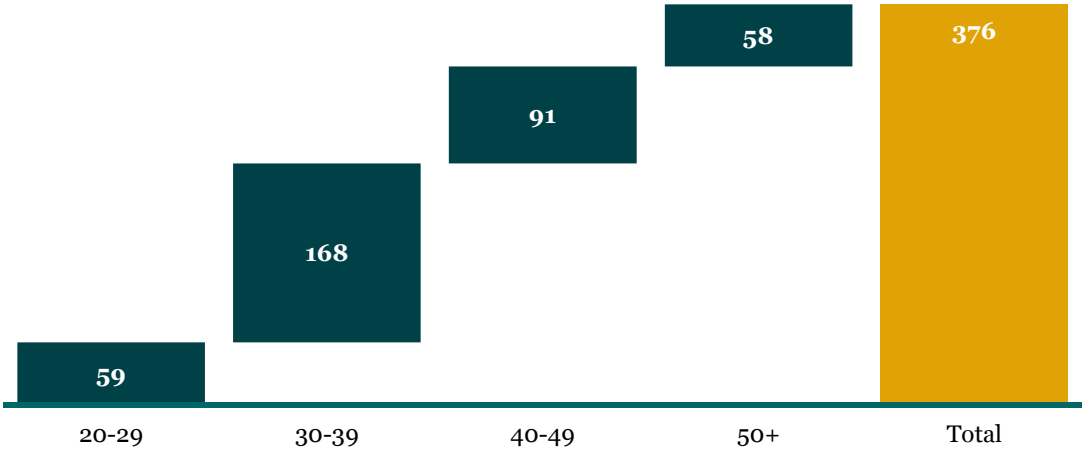
IRB Brasil RE ended the first semester of 2015 with 376 employees and leaders, with the following profile:

Percentage of employees – Genre



Source: IRB Brasil RE

Employees distribution - Age



Source: IRB Brasil RE

6 Information technology

In the first semester of 2015, the Information Technology Directory maintained, aligned with the corporate strategy, the implementation of solutions that support the growth, the economy and the agility in our business processes.

We highlight the main results/actions of the period:

Concluded implementations:

- Offers handling – implementation of the reinsurer quotations control module, facultative, ensuring more control and improvement of the comemrcial management.
- "Portal de compras" – it allows agility and control in the operation of supplies and contracts.
- "Telefonia IP" – integration of telephony, video conferencing and mobility, obtaining more economy and agility for the communication actions.

Implementations in course:

- Solution of data base in memory (Hana) – it aims to generate real time information of the business to the main decision makers.
- Success Factors – it aims to improve processes, procedures and actions in people management.
- Claims handling – it aims control of report of losses and recovery, allowing more control and management of the business process.

Other initiatives

- Structuring of Information Security Center – it aims to diffuse the culture of this theme in the organization, as well as structure a security plan and standards within IT, enlarging the general competences of the Information Technology team.
- Reorganization of the IT Governance – it aims to improve the IT management process, aligned with the best market practices and integrated to the Corporate Governance environment, which starts to act directly with the Technology Director, with initial focus on the following: management of the IT processes; strategic planning of the DITEC; budget monitoring and monitoring of IT projects; service to Audit and Compliance; elaboration of the IT metrics.

7 Supplies

Beginning of the adjustments in the building infrastructure, aiming to allocate the high management of IRB Brasil RE. With this, the ninth floor passed through improvements and now it has the setting that will be adopted upon the implantation of the renovation in the hearquarter building.

8 Marketing and Communication

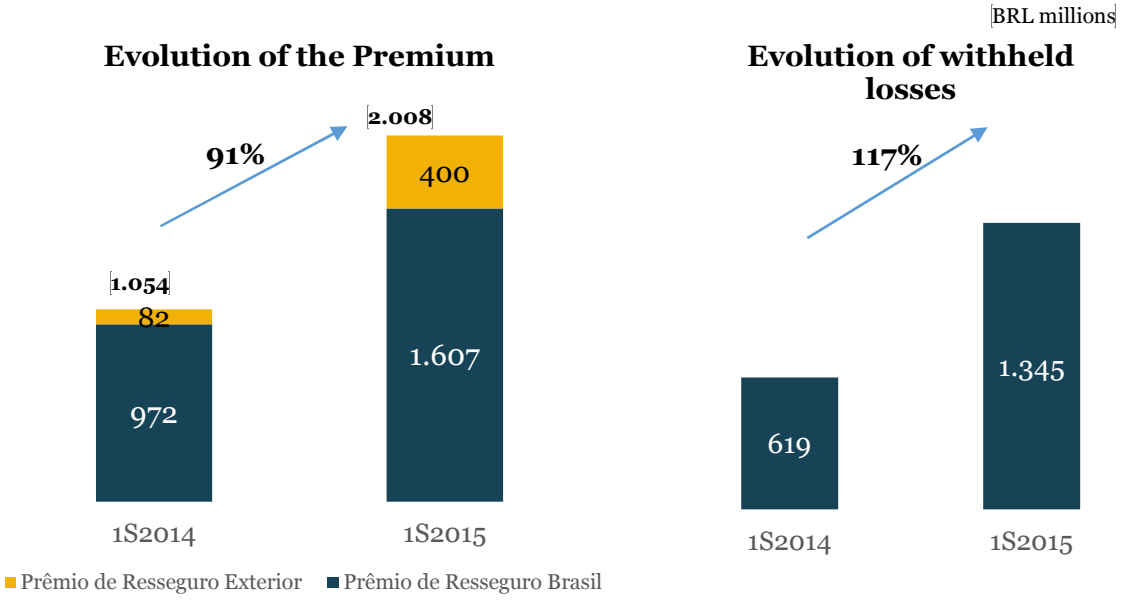
The marketing and communicationa ctions developed by IRB Brasil RE in the first semester of 2015 established a positive positioning of the brand and favored the overcoming of challenges and achievements. The internal marketing programs contributed to generate a motivating and productive work environment. Actionand events were also carried out, which promoted the approach to customers and business opportunities.

Benefiting from laws of incentive to culture and sports, with a deduction in Income Tax of 100% of the sponsered amount, IRB Brasil RE supported events and projects that value and stimulate the dissemination of the Brazilian culture wealth and foment the sports practice, among which we highlight: culture activities of "Museu Casa do Pontal"; the musical show "Ópera do Malandro"; musical show "Bilac Vê Estrelas"; the Lyric Season 2015 of "Theatro Municipal de São Paulo"; the exposition and facsimile publication of book referring to the project "A muito leal e heroica cidade de São Sebastião do Rio de Janeiro"; and the street competitions "Corrida das Estações", which occur in Rio de Janeiro.

In this first semester of 2015, IRB Brasil RE participated in projects that produce and disseminate information and knowledge in the Brazilian and foreign insurance and reinsurance markets, such as: the 4th Reinsurance Meeting of Rio de Janeiro; the 7th Latin American Seminar of Insurance and Reinsurance, promoted by the Argentine magazine "Mercado Asegurador", which occurs in Buenos Aires, Argentina; and the 42nd Conference of AIO, which occurs in Tunis, Tunisia, promoted by the Tunisian Federation of Insurance Companies (FTUSA) and Tunisian Reinsurance Company (Tunis Re).

9 Result with reinsurance operations

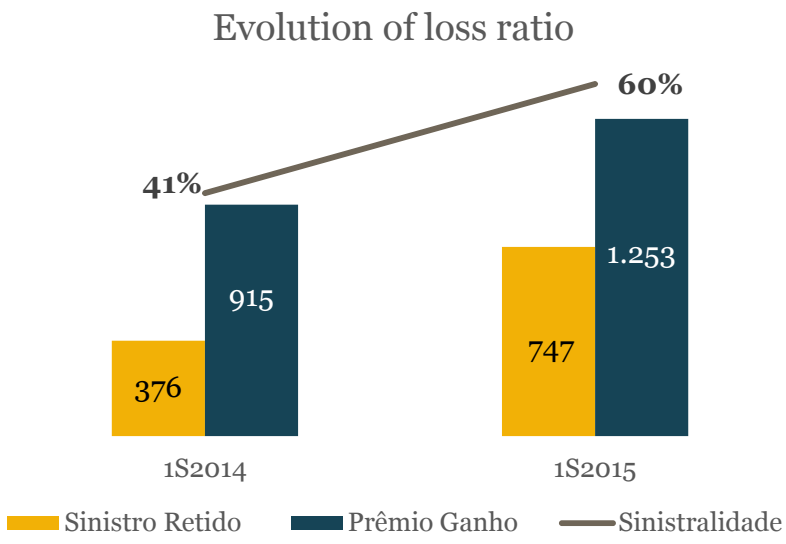
The good operating performance of IRB Brasil RE is demonstrated with the expressive growth in the earnings of the 1st Semester of 2015, when compared to the previous year. In the country, the highlights are the lines of Property, Rural, Oil & Gas, Guaantee and Housing, which corresponded to 69% of the premiums issued by IRB no Brasil. Regarding the IRB's issuance abroad, the highlights are the lines of Property and Life, which represented 50% of this portfolio. Furthermore, the expansion of the premiums abroad was also responsible for the 117% growth of the Withheld Premium, contributing to the 8% increase in the withholding index.



Source: IRB Brasil RE

The result of the 1st Semester of 2015 was impacted by material losses that occurred in the Property, Aviation and Agriculture lines. Therefore, the loss ratio increased 14% in relation to the 1st Semester of 2014, consolidating a Result with Reinsurance Operations of R$ 245 million.

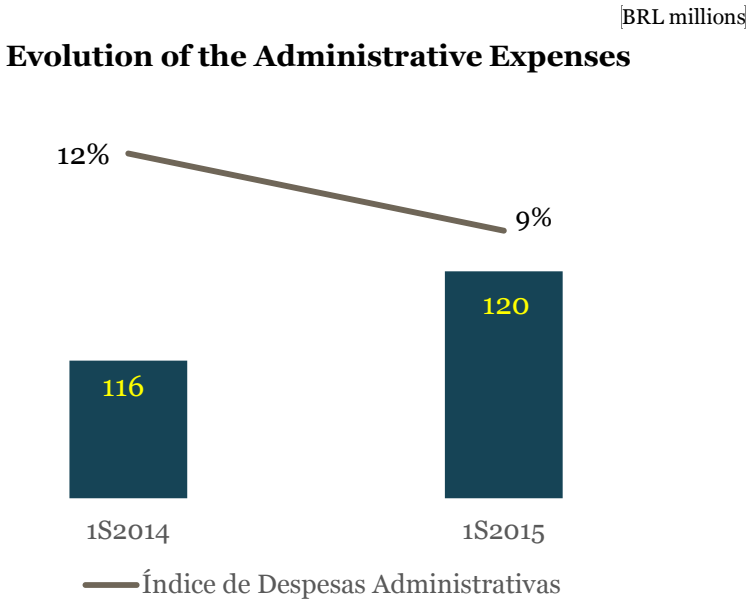
BRL millions



Source: IRB Brasil RE

10 Administrative performance

Aiming the improvement of the costs controls and identifying the operations synergies, IRB Brasil Re improved its administrative expenses index in 3%, compared to the 1st semester of 2014. In absolute terms, the administrative expenses increased 4%, less than the accumulated inflation recorded for the period, impacted by the annual readjustment of the employees' salaries (collective bargaining) and contracts.



Source: IRB Brasil RE

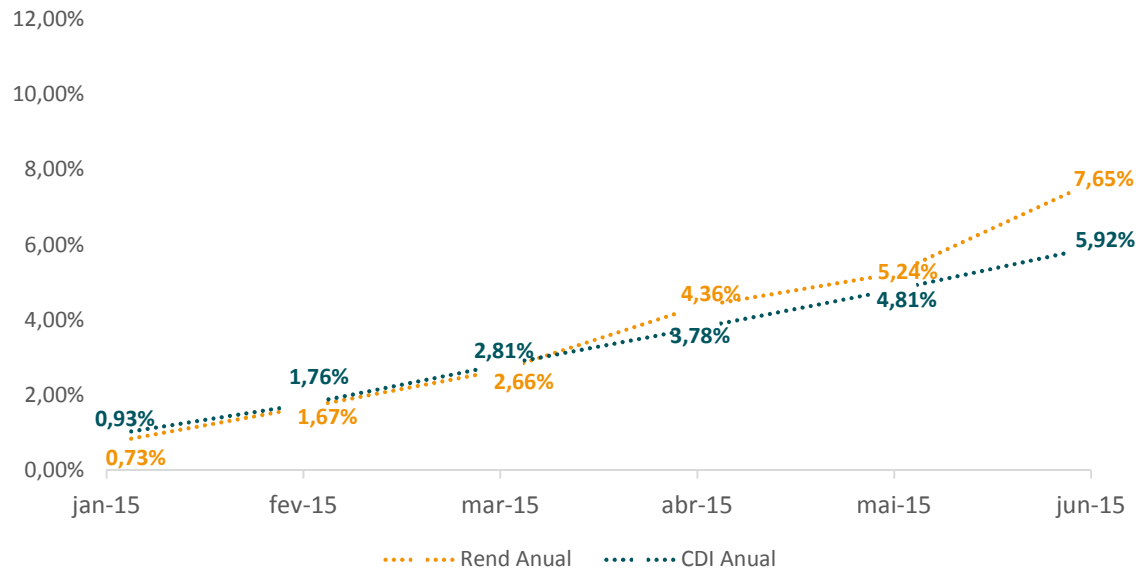
11 Finance performance

In the beginning of 2015, due to the exchange of the economic team, important changes were introduced, such as: the realignment of the administered prices, the adjustements in the public accounts and the continuation of the monetary adjustment, which directly impacted the internal economic scenario. Furthermore, the possibility of increase in the interest in the USA raises the uncertainties and increases the volatility of the international financial markets.

(i) In the face of this scenario, in managing the investments portfolio, we maintained a material position in post-fixed assets (Financial Treasury Bills and Committed) which avoided te volatility of the fixed curve and also contributed to the greater alignment of the portfolio to CDI. In managing higher risk assets, we maintained more allocation in assets linked to the inflation and a net purchased position in U.S. dollar on most part of the 1st Semester of 2015.

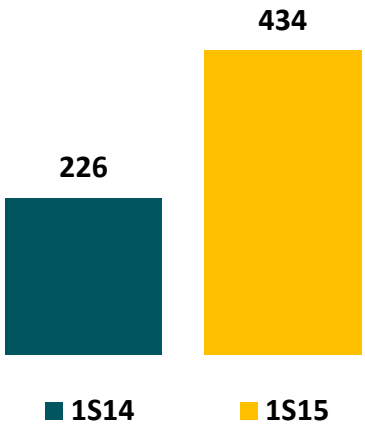
Between February and April 2015, we began our strategy of decrease in the allocation in variable income and of increase in bonds indexed to the inflation. These actions were right and decisively contributed so that the investments portfolio reached nominal rentability of 149% of CDI in the period.

Evolution of the profitability of the investments portfolio X CDI



Source: IRB Brasil RE

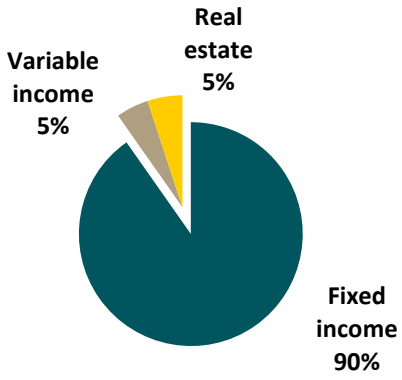
Result of the investments portfolio (R$ million)



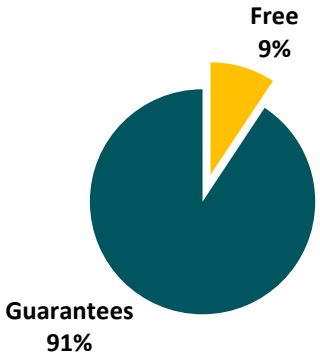
Source: IRB Brasil RE

At the endo f the 1st Semester of 2015, the IRB's investments portfolio amounted R$ 5.8 billion. From this total, R$ 5.0 billion refer to the investments in local currency and R$ 812 million in foreign currency. The company kept its conservative stance in the allocation of resources, as follows:

Allocation of the Investments - Jun/15



Allocation of the guarantee assets - Jun/15

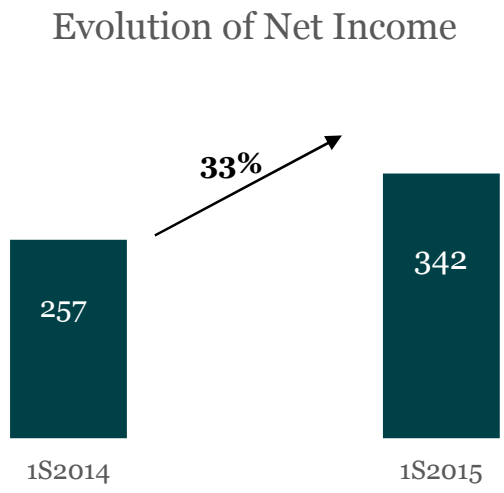


Source: IRB Brasil RE

According to the provisions of item IV of the Article 32 of the Attachment I of the SUSEP Circular letter No. 508, of January 9, 2015, IRB Brasil RE declared it has financial capacity compatible to its operations and the intention to hold to maturity, the securities classified as "Securities held to maturity".

12 Net income

The 33% growth in the Net Income for the 1st Semester of 2015, amounting R$ 342 million, reflects the managament's commitment with the operating and financial performance of IRB Brasil RE.



Source: IRB Brasil RE

13 Recognition awards

In the first semester of 2015, IRB Brasil RE was awarded as the best Brazilian reinsurer, promoted by the Reactions Magazine, during the 4th Annual Forum of Insurance and Reinsurance, which occurred in Miami, in theUnited States, in a cerimony that counted with the more important executives of the insurance ans reinsurance sector, representatives of the companies that operate in the Latin American markets.

Furthermore, the President of IRB Brasil RE, Leonardo Paixão, and the Underwriting Director – Property and Civil Responsibility Risks, José Farias de Sousa, were once more pointed in the list Power 50 by the LatAm Insurance Review 2014 magazine.

Acknowledgments

The Administration would like to thank the shareholders for putting their trust in us, the preference demonstrated by insurance societies and other market agents, as well as the decisive support of policyholders in the indication of IRB-Brasil Re as the priority reinsurer for their protection.

We also would like to thank our employees for their dedication in the work, which is fundamental for the good performance of the Company.

EXECUTIVE BOARD

Leonardo André Paixão
President

Mario Di Croce
Executive Vice-President

Fernando Passos
Executive Vice-President

José Carlos Cardoso
Executive Vice-President

Lucia Maria da Silva Valle
Executive Vice-President

ADVISORY BOARD

Marcelo Barbosa Saintive
President

Flavio Eduardo Arakaki

Marcelo Augusto Dutra Labuto

Alexsandro Broédel Lopes

Samuel Monteiro dos Santos Junior

AUDIT COMMITTEE

Maria Carmozita Bessa Maia
President

Haydewaldo R. Chamberlain da Costa

Carlos Henrique Donegá Aidar

(A free translation of the original in Portuguese)

Independent auditor's report

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

We have audited the parent company and consolidated interim financial statements of IRB - Brasil Resseguros S.A. ("Company" or "Parent Company") which comprise the balance sheet as at June 30, 2015 and the statements of income, comprehensive income, changes in equity and cash flows for the semester then ended, as well as the consolidated interim financial statements of IRB - Brasil Resseguros S.A. and its subsidiaries ("Consolidated") which comprise the consolidated balance sheet as at June 30, 2015 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the semester then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these interim financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the interim financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the interim financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the interim financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

IRB - Brasil Resseguros S.A.

Opinion

In our opinion, the interim financial statements present fairly, in all material respects, the financial position of IRB - Brasil Resseguros S.A. and IRB - Brasil Resseguros S.A. and its subsidiaries as at June 30, 2015, the financial performance and cash flows for the semester then ended, as well as the consolidated financial performance and cash flows for the semester then ended, in accordance with the the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Other matters

Supplementary information – Statements Value Added

We have also audited the parent company and consolidated Statements of Value Added for the semester ended June 30, 2015, prepared by the Company's Management, whose presentation is required by the Brazilian Corporation Law for listed companies, and as supplementary information by IFRS, which does not require the presentation of the Statements of Value Added. These statements were submitted to the same audit procedures previously described and, in our opinion, they present fairly, in all material respects, in relation to the overall interim financial statements.

Rio de Janeiro, July 31, 2015

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" RJ

Claudia Eliza Medeiros de Miranda
Contadora CRC 1RJ087128/O-0

IRB-Brasil Resseguros S.A.

Balance sheets

In thousands of reais **(A free translation of the original in Portuguese)**

Assets	Note	Parent Company June 30, 2015	Parent Company December 31, 2014	Consolidated June 30, 2015	Consolidated December 31, 2014
Current assets		7,760,348	8,135,432	7,771,491	8,145,684
Cash and cash equivalents		7,758	9,511	11,643	13,288
Cash and banks	5	7,758	9,511	11,643	13,288
Investments	6	1,415,453	2,410,608	1,419,928	2,414,646
Credits of reinsurance and retrocession operations	7.1	2,398,381	1,947,721	2,398,892	1,948,421
Operations with insurers	7.2.1	2,111,211	1,510,586	2,111,211	1,510,586
Operations with reinsurers	7.2.2	404,014	512,238	404,014	512,238
Other operating credits		59,418	76,822	59,929	77,522
(-) Reserve for credit risks		(176,262)	(151,925)	(176,262)	(151,925)
Retrocession assets – technical reserves		3,853,604	3,654,549	3,853,882	3,654,792
Premiums - Retrocession	8.1	637,761	607,855	637,761	607,855
Losses – Retrocession	8.2	3,192,761	3,013,174	3,193,039	3,013,417
Other reserves	8.3	23,082	33,520	23,082	33,520
Securities and receivables		81,782	112,084	83,775	113,578
Securities and receivables	9	12,704	14,577	14,697	16,071
Tax and social security credits	10.1	69,078	97,507	69,078	97,507
Prepaid expenses		3,370	871	3,371	871
Deferred acquisition costs			88		88
Non-current asets		5,741,028	4,502,235	5,754,588	4,495,711
Long-term receivables		5,474,226	4,218,106	5,487,769	4,229,980
Investments	6	4,330,278	3,135,797	4,343,821	3,147,671
Securities and receivables		1,143,948	1,082,309	1,143,948	1,082,309
Securities and receivables	9	30,132	29,037	30,132	29,037
Tax and social security credits	10.1	249,992	249,992	249,992	249,992
Deferred tax asset	10.1	398,059	376,178	398,059	376,178
Judicial and fiscal deposits	21	457,017	418,354	457,017	418,354
Other credits receivable		8,748	8,748	8,748	8,748
Investments		175,079	194,067	175,079	175,650
Corporate shares			18,417		
Properties for sale	11	174,965	175,520	174,965	175,520
Other Investments		114	130	114	130
Property and equipment	12	35,760	32,880	35,777	32,899
Properties		11,730	11,919	11,730	11,919
Movable assets		23,042	20,918	23,059	20,937
Other fixed assets		988	43	988	43
Intangible assets	13	55,963	57,182	55,963	57,182
Total assets		13,501,376	12,637,667	13,526,079	12,641,395

Liabilities	Note	Parent Company June 30, 2015	Parent Company December 31, 2014	Consolidated June 30, 2015	Consolidated December 31, 2014
Current liabilities		9,748,874	8,896,194	9,773,577	8,899,922
Accounts payables		179,783	153,280	202,059	154,366
Payables	14.1	104,221	82,997	104,762	84,015
Taxes and social charges payable		16,934	24,528	16,934	24,528
Labor reserves	22	10,140	8,217	10,140	8,217
Reserves for post-employment benefits	14.2 and 26	30,691	33,717	30,691	33,785
Reserves for taxes and contributions	15	17,797	3,821	17,797	3,821
Reserves for devaluation of investment				21,735	
Debits of reinsurance and retrocession operations	16	1,098,483	897,591	1,098,753	897,822
Operations with insurers	16.1.1	119,945	53,943	119,945	53,943
Operations with reinsurers	16.1.2	769,757	589,805	770,010	590,022
Reinsurance and retrocession brokers		52,388	39,245	52,405	39,259
Other operating debits		156,393	214,598	156,393	214,598
Third-parties' deposits	17	13,882	16,988	13,882	16,988
Anticipated premium collection		13,882	16,988	13,882	16,988
Technical reserves – reinsurers and retrocessions		8,456,726	7,828,335	8,458,883	7,830,746
Elementary and life group lines		8,456,726	7,828,335	8,458,883	7,830,746
Unearned premium reserve	18.1	1,731,598	1,556,792	1,731,598	1,556,792
Current risks issued		1,561,318	1,379,419	1,561,318	1,379,419
Current risks not issued		170,280	177,373	170,280	177,373
Losses outstanding	18.2	5,582,221	5,381,192	5,584,121	5,383,377
Reserve for incurred but not reported claims	18.2	1,072,078	796,289	1,072,335	796,515
Other reserves	18.4	70,829	94,062	70,829	94,062
Non-current liabilities		807,638	787,541	807,638	787,541
Long-term payables		807,638	787,541	807,638	787,541
Accounts payable		640,632	630,155	640,632	630,155
Reserve for taxes and contributions	21	328,560	286,867	328,560	286,867
Reserves for post-employment benefits	14.2 and 26	311,762	343,067	311,762	343,067
Other payables	14.1	310	221	310	221
Debits of the reinsurance and retrocession operations		816	816	816	816
Other operating debits		816	816	816	816
Other contingent liabilities	21	166,190	156,570	166,190	156,570
Tax contingencies		64,340	62,708	64,340	62,708
Labor contingencies		54,287	47,914	54,287	47,914
Social security contingencies		41,890	40,296	41,890	40,296
Other reserves		5,673	5,652	5,673	5,652
Equity		2,944,864	2,953,932	2,944,864	2,953,932
Share capital	23.1	1,453,080	1,453,080	1,453,080	1,453,080
Revenue reserves	23.3	1,157,614	1,522,347	1,157,614	1,522,347
Carrying value adjustments	23.4	4,765	(8,539)	4,765	(8,539)
Treasury shares	23.2	(12,956)	(12,956)	(12,956)	(12,956)
Retained earnings		342,361		342,361	
Total liabiltiies and equity		13,501,376	12,637,667	13,526,079	12,641,395

The accompanying notes are an integral part of these financial statements.

IRB-Brasil Resseguros S.A.

Statements of income
Semesters ended June 30
In thousands of reais **(A free translation of the original in Portuguese)**

	Note	Parent Company 2015	Parent Company 2014	Consolidated 2015	Consolidated 2014
Net premiums issued		1,760,455	952,813	1,760,455	952,814
Changes in technical reserves		(65,212)	351,683	(65,212)	351,682
Earned premiums	24.1	1,695,243	1,304,496	1,695,243	1,304,496
Incurred losses	24.2	(919,425)	(667,282)	(919,425)	(667,282)
Direct losses		(686,719)	(647,042)	(686,719)	(647,042)
Salvage and reimbursements		21,219	26,749	21,219	26,749
Changes in reserve for incurred but not reported claims		(253,925)	(46,989)	(253,925)	(46,989)
Acquisition costs	24.3	(49,963)	(28,358)	(49,963)	(28,358)
Commissions		(49,963)	(28,358)	(49,963)	(28,358)
Other operating revenues and expenses	24.5	(31,057)	(62,737)	(29,718)	(61,771)
Result with retrocession	24.4	(441,095)	(213,658)	(441,095)	(213,658)
Revenue with retrocession		196,844	319,919	196,844	319,919
Expense with retrocession		(628,367)	(529,631)	(628,367)	(529,631)
Revenue with profit-sharing		1,796		1,796	
Salvage and reimbursements		(11,368)	(3,946)	(11,368)	(3,946)
Administrative expenses	24.6	(132,566)	(115,528)	(134,292)	(117,328)
Expenses with taxes	24.7	(46,756)	(24,808)	(46,756)	(24,808)
Operating result		74,381	192,125	73,994	191,291
Equity result	24.9	(1,886)	30,132	(2,140)	30,011
Net profit from leased properties		19,393	22,706	19,393	22,706
Adjustments to investments in subsidiaries		(21,444)	261	(21,698)	
Other net equity revenues		165	7,165	165	7,305
Finance result	24.8	423,755	190,209	424,443	191,266
Finance income		905,402	364,124	905,406	365,181
Finance costs		(481,647)	(173,915)	(480,963)	(173,915)
Profit before income tax and social contribution		496,250	412,466	496,297	412,568
Income tax and social contribution	24.10	(153,889)	(155,798)	(153,936)	(155,900)
Current		(182,709)	(181,798)	(182,756)	(181,900)
Deferred		28,820	26,000	28,820	26,000
Net profit for the semester		342,361	256,668	342,361	256,668
Basic and diluted earnings per share		1.10	0.83	1.10	0.83

The accompanying notes are an integral part of these financial statements.

IRB-Brasil Resseguros S.A.

Statements of comprehensive income
Semesters ended June 30
In thousands of reais **(A free translation of the original in Portuguese)**

	Note	Parent Company and Consolidated 2015	2014
Profit for the semester		342,361	256,668
Other comprehensive income			
Items to be later recorded in result			
Exchange differences in translation of operations abroad	**23.4**	**3,073**	**(1,007)**
Financial assets available-for-sale	23.4		
Net loss arising from reassessment of financial assets available-for-sale in the semester		(19,791)	9,270
Realization gains from sale of financial assets available-for-sale in the semester			97
Unrealized gains and losses with marketable securities - Subsidiaries		15	
Income tax and social contribution		**7,916**	**(3,747)**
Items that will not be reclassified to result		(8,787)	4,613
Post-employment benefis			
Remeasurement of post-employments liabilities	23.4	37,144	(3,376)
Remeasurement of post-employments liabilities - Subsidiaries		(196)	
Income tax and social contribution		**(14,857)**	**1,351**
		22,091	(2,025)
		13,304	2,588
Total comprehensive income for the semester		355,665	259,256

The accompanying notes are an integral part of these financial statements.

IRB-Brasil Resseguros S.A.

Statements of changes in equity

In thousands of reais, and dividends per common share **(A free translation of the original in Portuguese)**

	Parent Company and Consolidated							
		Revenue reserve						
	Share capital	Legal	Reinvestment	Treasury shares	Carrying value adjustment	Retained earnings	Proposal for additional dividends distribution	Parent Company's owner's equity
At January 1, 2014	1,453,080	253,593	822,084	(10,531)	(15,647)		165,635	2,668,214
Total comprehensive income for the year								
Market value adjustments of marketable securities					5,621			5,621
Accumulated translation adjustments					(1,007)			(1,007)
Actuarial gain in post-employment benefit					(2,026)			(2,026)
Net income for the semester						256,668		256,668
Total comprehensive income for the year					2,588	256,668		259,256
Total distributions to shareholders								
Proposal for profit-sharing								
Additional dividend paid in 2013							(165,635)	(165,635)
Total distributions to shareholders							(165,635)	(165,635)
At June 30, 2014	1,453,080	253,593	822,084	(10,531)	(13,059)	256,668		2,761,835
At January 1, 2015	1,453,080	283,670	952,944	(12,956)	(8,539)		285,733	2,953,932
Total comprehensive income for the year								
Market value adjustments of marketable securities					(11,860)			(11,860)
Accumulated translation adjustments					3,073			3,073
Actuarial gain in post-eployment benefit					22,091			22,091
Net income for the semester						342,361		342,361
Total comprehensive income for the year					13,304	342,361		355,665
Total distributions to shareholders								
Proposal for profit-sharing								
Interest on capital (Note 23)			(79,000)					(79,000)
Additional dividend paid in 2014							(285,733)	(285,733)
Total distributions to shareholders			(79,000)				(285,733)	(364,733)
At June 30, 2015	1,453,080	283,670	873,944	(12,956)	4,765	342,361		2,944,864

IRB-Brasil Resseguros S.A.

Statements of cash flows - (Direct method)
Semesters ended June 30
In thousands of reais **(A free translation of the original in Portuguese)**

	Parent Company		Consolidated	
	2015	**2014**	**2014**	**2015**
Operating activities				
Receipt of insurance premium, social security contributions	1,457,966	1,356,200	1,457,966	1,356,200
and management fees and others	383,218	285,468	384,441	285,468
Loss and commission recovery	43,805	148,005	45,367	148,477
Other operating receipts (salvage, reimbursements and others)	(966,546)	(851,899)	(967,384)	(851,899)
Payments of losses, benefits, redemptions and commissions	(488,894)	(441,751)	(488,894)	(441,765)
Transfer of premiums due to risk cession	(142,607)	(129,260)	(145,125)	(129,621)
Payments of expenses and liabilities	(75,482)	(89,869)	(75,482)	(89,869)
Other operating payments	20,498	16,641	20,498	16,641
Receipt of rental	949	346	1,185	350
Constitution of judicial deposits	(24,182)	(53,588)	(24,182)	(53,588)
Cash from operations	208,725	240,293	208,390	240,394
Taxes and contributions paid	(186,519)	(153,927)	(186,519)	(153,927)
Financial investments				
Investments at fair value through profit or loss	(1,579,562)	(995,716)	(1,579,562)	(995,716)
Sales and redemptions of investments at fair value through profit or loss	1,930,308	1,238,418	1,930,308	1,238,418
Net financial investments	350,746	242,702	350,746	242,702
Net cash from operating activities	372,952	329,068	372,617	329,169
Investing activity				
Financial investments				
Investments available-for-sale	(1,516,528)	(525,850)	(1,518,843)	(525,850)
Sales and redemptions of investments available-for-sale	1,123,583	367,913	1,125,697	370,779
Investments held to maturity	(1,633,966)	(4,307,815)	(1,633,966)	(4,310,680)
Sales and redemptions of investments held to maturity	1,978,958	4,290,736	1,978,958	4,290,737
Payment for the purchase of:				
Property and equipment	(6,585)	(869	(6,585)	(869)
Intangible assets	(6,312)	(12,900)	(6,312)	(12,900)
Receipt for the sale of:				
Investments	48	24	48	24
Property and equipment				
Net cash used in investing activities	(60,802)	(188,761)	(61,003)	(188,759)
Financing activities				
Distribution of dividends and interest on capital	(320,534)	(180,906)	(320,534)	(180,906)
Net cash used in financing activities	(320,534)	(180,906)	(320,534)	(180,906)
Decrease in cash and cash equivalents	(8,384)	(40,599)	(8,920)	(40,496)
Exchange variation in cash and cash equivalents	6,631	(517)	7,275	(815)
Decrease in cash and cash equivalents after exchange variation	(1,753)	(41,116)	(1,645)	(41,311)
Cash and cash equivalents at the beginning of the semester	9,511	55,018	13,288	58,259
Cash and cash equivalents at the end of the semester	7,758	13,902	11,643	16,948

	Parent Company		Consolidated	
	2015	2014	2014	2015
Reconciliation between profit for the semester and net cash from operating activities				
Profit for the semester	342,361	256,668	342,361	256,668
Adjustments to profit				
Depreciations and amortizations	12,866	5,592	12,875	5,726
Impairment of assets	21,735		21,735	
Reserve/reversal for impairment of trade receivables	24,741	47,908	24,741	47,908
Gain in the disposal of property and equipment and intangible assets	(16)	(24)	(16)	(24)
Equity result	(291)	(261)		
Other adjustments	7,206	(517)	6,386	(134)
Changes in equity accounts				
Financial investments	(171,164)	79,288	(171,164)	77,374
Credits of insurance and reinsurance operations	(511,618)	277,532	(512,130)	276,833
Retrocession assets	(199,055)	243,765	(199,333)	241,314
Tax and social security credits	(171,359)	(18,423)	(171,359)	(18,424)
Prepaid expenses	(2,498)	(61,624)	(2,499)	(61,624)
Other assets	539	(1,816)	(1,454)	(1,816)
Judicial and fiscal deposits	(38,663)	1,063	(38,663)	(1,682)
Trade payables	(49,670)	(6,276)	(49,129)	(3,206)
Taxes and contributions	192,206	54,616	192,206	54,616
Debits of insurance and reinsurance operations	237,110	(1,687)	237,380	(1,495)
Third-parties' deposits	(3,105)	(3,610)	(3,105)	(3,610
Technical reserves – insurance and reinsurance	628,390	(570,727)	630,548	(566,856)
Other liabilities	1,923	(1,493)	1,923	(1,493)
Judicial reserves	51,314	29,094	51,314	29,094
Net cash from operations	372,952	329,068	372,617	329,169

The accompanying notes are an integral part of these financial statements.

IRB-Brasil Resseguros S.A.

Statements of value added
Semesters ended June 30
In thousands of reais **(A free translation of the original in Portuguese)**

	Parent Company		Consolidated	
	2015	**2014**	**2014**	**2015**
Revenues				
Revenue with insurance operation	1,760,455	952,813	1,760,455	952,814
Others	7,103	180	7,103	180
Reserve/reversal for impairment of trade receivables	(24,741)	(47,908)	(24,741)	(47,908)
Changes in technical reserves	(65,212)	351,683	(65,212)	351,682
Net operating revenue	1,677,605	1,256,768	1,677,605	1,256,768
Benefits and losses				
Losses	(686,719)	(647,042)	(686,719)	(647,042)
Changes in reserve for incurred but not reported claims	(253,925)	(46,989)	(253,925)	(46,989)
Others	7,800	11,740	9,139	12,706
	(932,844)	(682,291)	(931,505)	(681,325)
Input acquired from third-parties				
Material, energy and others	(4,107)	(5,993)	(4,258)	(5,859)
Third-parties' services, net commissions	(72,707)	(53,514)	(72,742)	(53,514)
	(76,814)	(59,507)	(77,000)	(59,373)
Gross value added	667,947	514,970	669,100	516,070
Depreciation, amortization and depletion	(12,866)	(5,592)	(12,875)	(5,726)
Net value added produced by the entity	655,081	509,378	656,225	510,344
Value added received in transfer				
Finance revenue	423,755	190,209	424,443	191,266
Result with reinsurance operations granted	(441,095)	(213,658)	(441,095)	(213,658)
Others	(7,538)	26,131	(8,748)	24,210
	(24,878)	2,682	(25,400)	1,818
Total value added to distribute	630,203	512,060	630,825	512,162
Distribution of the value added				
Staff	87,197	74,786	87,772	74,786
Taxes and contributions	200,645	180,606	200,692	180,708
Interest on capital	79,000		79,000	
Retained earning for the semester	263,361	256,668	263,361	256,668
	630,203	512,060	630,825	512,162

The accompanying notes are an integral part of these financial statements.

1 General information

IRB-Brasil Resseguros S.A. ("IRB Brasil RE", "Reinsurer" or "Company") is a closed capital semi-public private company established in 1939 by President Getúlio Vargas, with headquarters at Avenida Marechal Câmara 171 in the municipality of Rio de Janeiro and offices in São Paulo, Buenos Aires, London and New York. Its activities are focused on reinsurance operations in Brazil and abroad. Furthermore, it operates in the management of consortia and funds to ensure certain activities, mainly in the exploration and agricultural areas. It was privatized on October 1, 2013, after the issuance of 40,000 common shares (12 million shares after the deployment described in Note 23.1), subscribed and paid off by private and semi-public companies and the Federal State waiver of its subscription right. As a result, the Federal State diluted its shareholding in IRB, but kept the "Golden Share", special class preferred share that grants special rights in the deliberations.

IRB-Brasil Resseguros S.A, according to the provisions of Article 22 of Complementary Law No. 126/2007, which set forth the participation of new reinsurers in the national market, is qualified as a local reinsurer and authorized to continue to carry out its reinsurance and retrocession activities without interrupting its business operations, regardless of any requirements or government authorization. It should be pointed out that, since March 31, 2011 with the implementation of the amendment prompted by Article 15 of the National Council of Private Insurances (CNSP) Resolution No. 168, dated December 17, 2007 and through publication of the CNSP Resolution No. 225 on December 6, 2010, all reinsurance contracts must have, at least, 40% (forty percent) of each cession contracted with local reinsurers.

At the end of 2014, based on information from IRB Brasil RE and SUSEP, IRB-Brasil Resseguros S.A maintained its position as leader of the Brazilian reinsurance market, with market share about 34% (accumulated up to November 2014), focusing on its performance in the generation of value for the clients through reinsurance efficient solutions, aiming for reliable results and sustainable growth perspectives.

The Company's Administrative Board approved the issuance of the consolidated interim financial statements on July 31, 2015.

2 Summary of significant accounting policies

The financial statements were prepared in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee ("Comitê de Pronunciamentos Contábeis – CPC") and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, which, in the case of the financial assets available-for-sale and other financial assets and liabilities, is adjusted to reflect the measurement at fair value.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

O IRB-Brasil Resseguros S.A. has a branch office in London, whose operations are being discontinued ("run-off"), at December 11, 2014 on its 209th Ordinary Meeting, the Reinsurer's Administrative Board approved that a consultancy was hired to valuate this branch with posterior appreciation of the proposal for sale of the unit. The Company also has a branch in Argentina whose operations started on September 1, 2011. The corresponding accounting balances of these branches are recorded and presented in the Company's parent company and consolidated accounting balances.

(a) Parent company's financial statements

The individual parent company's financial statements were prepared in accordance with the accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee (CPC). Because the accounting practices adopted in Brazil used in the individual financial statements, as from 2014, do not differ from the IFRS applicable to the separate financial statements, once it started to allow the use of the equity in results of subsidiaries, associates and joint ventures in the separate financial statement, they are also in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). These individual financial statements are disclosed together with the consolidated financial statements.

(b) Consolidated financial statements

The individual parent company's financial statements were prepared in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC) and according to the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

The presentation of the parent company and consolidated Statement of Value Added is required by the Brazilian Corporation Law and by the accounting practices adopted in Brazil applicable to public companies. The IFRS does not require the presentation of this statement. As a consequence, for IFRS, this statement is presented as supplementary information, with no harm to the set of the financial statements.

2.2 Consolidation

The following accounting policies are applied in the preparation of the consolidated financial statements.

Subsidiaries are all entities over which the Company has the power to determine the financial and operation policies, usually accompanied by share of more than half of the voting capital.
The existence and the effect of possible voting rights current exercisable or convertible are considered when it is assessed if the Company controls other entity Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company has a subsidiary located in the United States of America, which is in process of discontinuation of operation. The information on the subsidiary is as follows:

	IRB Internacional Corporation & Subsidiaries
Capital share	100%
Number of shares owned	5,000,000
Assets	58,045
Current and non-current liabilities	(36,291)
Equity at the endo f the period	21,754
Loss for the year	254

The Company also has all the quotas of the following investments funds:

- BB Ações 22 Investment Fund.
- BB Peabiru Fixed-income Investment Fund .
- Harbor Investment Fund in Shares.
- Bradesco Investment Fund in Shares Safe IBRX-50.

The Company's consolidated interim financial statements were prepared in order to consolidate its subsidiary and the mentioned funds.

2.3 Foreign currency translation

(a) Functional and presentation currency

The items included in the Reinsurer's parent company and consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Brazilian reais (R$), which is the Company's functional currency.

(b) Transactions and balances

In the preparation of the Company's parent company's and consolidated interim financial statements, the foreign currency transactions, i.e., in any other currency but the company's functional currency, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each period, the monetary items in foreign currency are translated again using the exchange rates prevailing at the end of the year. The non-monetary items recorded at fair value determined in foreign currency are translated again using the rates on the date the fair value was determined. The non-monetary items measured at historical cost in a foreign currency should be translated using the exchange rate on the transaction date.

For the purpose of presentation of the parent company and consolidated financial statements, the assets and liabilities of the Company's operations abroad are translated into Brazilian reais, using the rates prevailing at the end of the period. The results are translated using the period average exchange rates, unless these rates have significantly floated during the period; in this case, the rates prevailing at the transaction date is used. The exchange variation arising from these translation, if any, are classified under comprehensive results and accumulated in equity.

(c) Subsidiaries with different functional currency

The results and financial position of all the consolidated entity that has a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

(iii) all resulting exchange differences are recognized as a separate component of equity, in the account "Carrying value adjustments".

2.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks with immaterial risk of change in value. The balance is presented net of bank overdrafts in the statement of cash flows, when applicable. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.5 Financial assets

2.5.1 Classification

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. All financial assets in this category are classified as current assets.

Derivatives are also categorized as held for trading unless they are designated as hedges.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
The loans and receivables, including credits and debits of the reinsurance and retrocession operations receivable, judicial and fiscal deposits and others, are measured at amortized cost value, using the effective interest rate method, less any loss for impairment. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

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

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the previous categories.

They are included in non-current assets unless management intends to dispose them within 12 months of 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 date, which the Company has the intention and capacity to hold to maturity.

2.5.2 Recognition and measure

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

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the statement of income within "Finance income and costs" in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analyzed between translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security.
The translation differences on monetary securities are recognized in profit or loss; translation differences on non-monetary securities are recognized in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in equity.

When securities classified as available for sale are sold or become impaired, the accumulated fair value adjustments recognized in equity are included in the statement of income as "Finance income and costs".

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

Dividends on financial assets carried at fair value through profit or loss and available-for-sale equity instruments, such as shares, are recognized in the statement of income as part of other income when the Company's right to receive dividends is established.

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

2.5.3 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.5.4 Impairment of financial assets

(a) Assets carried at amortized cost

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

(i) significant financial difficulty of the issuer or debtor;

(ii) a breach of contract, such as a default or delinquency in interest or principal payments;

(iii) the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that a lender would not otherwise consider;

(iv) it becomes probable that the borrower will enter bankruptcy or other financial reorganization;

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

(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- national or local economic conditions that correlate with defaults on the assets in the portfolio.

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

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

(b) Assets classified as available for sale

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of investments in equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss -, is removed from equity and recognized in the statement of income. Impairment losses on equity instruments recognized in the statement of income are not reversed through the statement of income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the statement of income.

2.6 Classification of reinsurance treaties

The Reinsurer's treaties are classified at the risk coverage begin for the purposes of accounting as reinsurance treaties. A contract is classified as reinsurance treaty and maintains this classification until all the rights and obligations extinguish or expire. Reinsurance treaty is a contract under which the reinsurer accepts a significant insurance risk from another party (reinsurer or insurer), accepting to indemnify the other party if a specific event, future and uncertain (insured event), adversely affects the other party.

Accordingly, the reinsurance treaty is classified as an insurance contract because it is defined as an operation under which an issuer accepts a significant insurance risk from another party, by agreeing to compensate it if a specified uncertain future event adversely affects it.

2.7 Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The Company uses derivative financial instruments to manage its exposure to exchange and interest rates risks, including forward foreign exchange contracts, future contracts of interest rates and of indexes. No derivative financial instruments operations were contracted during the year covered by these consolidated financial statements.

2.8 Intangible assets

(a) Intangible assets separately acquired

Defined useful life intangible assets are recorded at cost, less amortization and accumulated losses for impairment. The amortization is recognized on a straight-line basis based on the assets' estimated useful life. The estimated useful life and the amortization method are reviewed at the end of each period and the effect of any changes in the estimates is prospectively accounted for. Undefined useful life intangible assets which were separately acquired are recorded at cost, less accumulated losses for impairment and are not amortized.

(b) Write-off of intangible assets

An intangible asset is written-off when sold or when there is no future economic benefits arising from its use or sale. The gains or losses arising from the write-off of an intangible asset, measured as the difference between net revenues of the sale and the asset's carrying value, are recognized in the result when the asset is written-off.

2.9 Property and equipment

Property and equipment for own use

Property and equipment for own use comprise real estate for own use, equipment, furniture, machinery and utensils, vehicles used in the Reinsurer's business operations. Property and equipment for own use is usually stated at historical cost. Real estate for own use (land and building) are stated at historical cost re-evaluated on December 31, 2004 based on the expert opinions of independent experts. In accordance with the IFRS, new reassessments were not carried out.

The historical cost of property and equipment comprises expenditures that are directly attributable to the acquisition of the capitalized items and to maintain them at use conditions.

Subsequent expenditures are included at the carrying value of the property and equipment or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated to the asset will flow to the Reinsurer and the asset's cost may be reliably re-evaluated.

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

	Depreciation rate (p.a.) - %	Years
Buildings	4	25
Furniture and utensils	10	10
Computer equipment	20	5
Vehicles	20	5

The assets' residual values and useful life are reviewed and adjusted, if appropriate, at each balance date. The carrying value of an item of property and equipment is immediately written-off if the asset's recoverable value is lower than its carrying value.

2.10 Real estate properties for investment

The Reinsurer owns certain commercial properties, which are leased to third parties, under contracts classified as operating lease contracts, according to the International Accounting Standard (IAS) 17 . The Reinsurer uses the depreciated cost model (cost method according to IAS 40) to assess such assets.

Real estate assets for investment are depreciated by the straight-line method, based on the estimated useful life of the asset. The majority of rental agreements has a 3-year renewal option, and the rental prices are readjusted by the IGP-M/FGV.

2.11 Impairment of non-financial assets

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

2.12 Reserves

Technical reserves

- The unearned premium reserve for risks in force issued includes the part of the premiums issued in the period, corresponding to the risks not arising from the treaties. Its objective is to estimate future occurrence of claims that will be paid by IRB Brasil RE and it is operationally determined according to the expected exposure for each treaty. To complement this reserve, the unearned premium reserve for risk in force not issued (PPNG-RVNE) is constituted, calculated based on actuarial estimate for the risks in force whose treaties had not been issued yet, and this amount is determined based on the actuarial methodology, described in actuarial technical note.

- The losses outstanding reserve (PSL) is constituted by the estimate of the amount to indemnify indicated in the losses reports received from the reinsurers and insurers and it is periodically adjusted based on the analyses carried out by the operation areas. The losses outstanding reserve also has the volume related to incurred but not sufficiently reported losses, described below.

- The reserve for incurred but not sufficiently reported losses, related to the local and overseas operations, is made up based on actuarial assumptions defined in technical note and/or independent actuarial reports, for coverage of the development of the reported losses outstanding, at the calculation base date, whose amounts may be changed during the process up to its final settlement, at the calculation base date.

- The incurred but nor reported losses reserve, related to local and overseas operations, is made up based on actuarial assumptions defined in technical note and/or independent actuarial reports.

- The technical surplus reserve is made up to ensure the amounts for the distribution of surplus arising from technical surplus in the treaties operations.

- The related expenses reserve (PDR) refers to the expenses with regulation of losses and the coverage complementary reserve (PCC), which shall be made up when the Company's total liabilities is considered insufficient in the liabilities adequacy test.

(a) Liability adequacy test - LAT

The liability adequacy test is an economic test on the amount accounted for in the Company's liabilities and its objective is to capture possible deficiencies in the amounts of the liabilities arising from the reinsurance treaties, aligned with the requirements of CPC 11 and IFRS 4.

In order to measure the test, current estimates of gross retrocession cash flows must be compared with the sum of the book balance of technical reserves on the calculation base date, less the deferred acquisition costs and intangible assets directly related to the technical reserves. If an insufficiency is observed, it must be recognized in the Coverage Complementary Reserve (PCC).

Cash flows were separated in groups of lines, according to their similarities, plus the discrimination of the treaties in local and foreign currency, observing the divisions between registered and future premiums and past and future losses.

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

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

It was not used the assumption of deduction of the difference between the market value and the value accounted for of the securities classified as held to maturity, linked to ensure the technical reserves.

The test carried out for June 30, 2015 presented no insufficiency.

IRB Brasil RE periodically accompanies its loss ratio, combined index and liability adequacy test in order to maintain the technical actuarial balance of its treaties.

(b) Judicial resevres, contingent assets and liabilities

Legal reserves of civil, labor, social security and tax nature, which are object of court litigation are periodically reassessed and are accounted for based on the opinions issued by the Company's legal department , by independent legal consultants and by the management on the probable outcome of the lawsuits on the balance sheets date. Legal reserves of civil and operational nature, object of court litigation, are calculated and accounted for based on specific percentages, which are calculated based on the analysis of the conclusion history of corresponding lawsuits, which considers the relation of amounts spent with closed lawsuits by positive outcome, court agreement or court sentence and their corresponding estimates of risk exposures. These percentages of loss probability were applied to the operation civil contingencies that existed on the closing date of the consolidated financial statements.

Legal reserves of labor, social security and tax nature are accounted for under "Other contingent liabilities", in non-current liabilities. The civil contingencies are accounted for under "Losses outstanding" in current liabilities. The estimated loss amounts of the civil and labor contingencies are updated according to update criteria and interest that are historically imputed to the suits, considering its nature and court where the suit is being assessed.

The estimated loss amounts of the tax and social security contingencies are updated by the Selic rate. The corresponding judicial deposits, when required, are accounted for under Judicial and Tax Deposits in non-currents assets and updated by the Selic rate. Contingent assets are periodically assessed to ensure that the developments are appropriately reflected in the consolidated financial statements. If it is virtually certain that economic benefits will occur, the asset and corresponding gain are recognized in the consolidated financial statements for the period in which the estimate change occurs. If it is probable that the economic benefit will occur, the Company discloses the contingent assets.

2.13 Deferred and current income tax and social security

The reserve for income tax and social security is based on the taxable income for the period. The taxable income differs from the profit presented in the statements of income because it excludes the expenses and revenues taxable or deductible in other years, and it also excludes non-taxable or not permanently deductible items.

The reserve for income tax and social security is individually calculated based on the tax rates in force at the end of the period.

Deferred income tax and social security ("deferred tax") are recognized at the end of each period on the temporary differences between the assets and liabilities balance recognized in the consolidated financial statements and the corresponding tax bases used in the determination of the taxable income, including tax losses, when applicable. The deferred taxes liabilities are usually recognized on all the taxable temporary differences and the deferred taxes assets are recognized on all the deductible temporary differences, just when it is probable that the Company will present future taxable income enough so that these deductible temporary differences can be used.

The recovery of the balance of the deferred taxes assets is reviewed at the end of each period and, when it is not probable that future taxable income will be available to allow the recovery of all assets, or part of them, the assets balance is adjusted by the amount expected to be recovered.

Deferred taxes assets and liabilities are measured by the rates applicable in the period in which the settlement of the liability is expected or the realization of the asset, based on the rates provided by the tax law effective at the end of each period, or when a new law has been substantially approved, currently 25% for income tax and 15% for social contribution. The measure of the deferred taxes assets and liabilities reflect the tax consequences that would result from the manner the Company expects, at the end of each period, to recover or to settle the carrying value of these assets and liabilities.

2.14 Benefits to employees

(a) Retirement obligations

In the case of retirement plans with defined benefits, the cost of the granting of the benefits is determined by the projected unit credit method based on actuarial annual evaluation at the end of each period. The cost of the past services is immediately recognized, as the benefits had already been granted, or amortized by the straight-line method for the average period until the benefits have been acquired.

The obligations with retirement benefits, when recognized in the balance sheet, represent the present value of the obligation with the defined benefits, adjusted by actuarial gains and losses and by the cost of past services which have not been recognized, less the fair value of the plan's assets.

(b) Other post-employment obligations

The Company offers a contributory health plan for employees hired up to October 1, 2013, with outpatient and inpatient coverage, besides dental care coverage. The Plan provides lifetime or temporary maintenance, as established by the applicable legislation. The costs expected with these benefits are accrued during the employment period using the same accounting methodology to be used in the pension plans with defined benefits. The actuarial gains and losses generated from adjustments based on experience and on changes of actuarial assumptions are immediately acknowledged in equity, as established by CPC 33 and IAS 19. These obligations are evaluated by qualified independent actuaries.

2.15 Share capital

Common shares are classified as equity.

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

When any company that holds shares of the Company purchases equity shares of the Company (treasury shares), the value paid, including any additional costs directly incurred (net of income tax) is deducted from the equity to be assigned to the Company's shareholders, until the shares are canceled or reissued. When these shares are subsequently reissued, any value received, net of any additional transaction costs directly incurred and from the respective income tax and social contribution effects, is included in the equity to be assigned to the Company's shareholders.

2.16 Dividends

The dividend distribution proposal made by the Company's management, which is within the installment corresponding to the minimum mandatory dividend, is recorded as liability under "Obligations payable" because it is considered as a legal obligation provided by the Company's bylaws; however, the dividend installment that is higher than the minimum mandatory dividend, declared by the management after the financial period to which the consolidated financial statements refer, but before the date in which the issue of such statements is authorized, is registered under "Proposal of additional dividends distribution" in equity.

2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the activities. Revenue is shown net of cancels.

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

(a) Reinsurance premiums

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

In the case of facultative reinsurance treaties, the issued premium is considered the amount agreed upon by the parties to ensure the reinsurance coverage, in the installment accepted by the reinsurer, for the risk term.

In the case of automatic reinsurance treaties, the issued premium will be considered as follows:

- Non-proportional reinsurance treaties - the issued premium is considered the amount agreed upon by the parties to ensure the reinsurance coverage, in the installment accepted by the reinsurer, for the reinsurance treaty term.

- Proportional treaties - issued premium is considered the premium amount estimated by the cedant for all the policies that will be covered by the reinsurance treaty during its effectiveness. This estimate is proportional to the reinsurer share and weighted by a performance percentage established by the reinsurer experience. These premiums are adjusted whenever the accountability is forwarded by the cedant, usually on a three-month basis.

(b) Dividends and interest income

The dividends income is recognized when the shareholder's right to receive these dividends is established (since it is probable that the future economic benefits will flow to the Reinsurer and the revenue amount can be reliably measured).

The interest income is recognized when it is probable that the future economic benefits will flow to the Reinsurer and the revenue amount can be reliably measured. The interest income is recognized by the straight-line method based on the time and effective interest rate on the principal outstanding amount, being the effective interest rate the one that discounts the receipts of future cash estimated during the estimated life of the financial asset in relation to the initial net carrying value of this asset.

2.18 Expenses with claims and commissions

The expenses with claims are accounted on an accrual basis and determined based on concepts and assumptions defined in actuarial technical note, as described in Note 2.12(a).

Commissions are deferred and amortized, except in case of operations involving incurred risks, whose commissions are directly recorded in the results for the period, based on the term of the reinsurance treaty. Commissions concerning effective risks, but whose reinsurance premiums had not been issued yet, are calculated on an actuarial basis.

2.19 Statement of comprehensive income

The statements of comprehensive income are presented separately, being comprised of revenue and expense items (including reclassification adjustments) which are not recognized in the statements of income, as required by the IFRS. As from 2013, the items of the comprehensive income are being presented considering whether or not they have potential to be subsequently reclassified to the result.

2.20 New standards amendments and interpretations to existing standards that are not yet effective

The following new standards and interpretations to existing standards were issued by IASB but are not effective for 2015:

- IFRS 9, "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial instruments. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of income, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact. The standard is applicable as from January 1, 2018.

- IFRS 15 – "Revenue from contracts with customers", addresses the recognition of revenue, focusing on the transfer of the control of the product or service, against the concept of risks and benefits. IFRS 15 was issued on May 28, 2014 and substitutes IAS 18 and IAS 11. This standard will substitute all the existing licensing on recognition of revenue (standards and interpretations). The level of detail on the use of the concepts, mainly in more complex transactions, is higher than the current existing orientation. The main changes are: (a) postponement of the recognition, in many cases is postponed; (b) the credit risk is not deduced from the gross revenue upon the sale, when applicable; (c) the concept of the present value adjustment for credit sales (longer) continues applicable; (d) there are requirements of specific disclosures on contracts with customers, significant judgments in applying the revenue recognition orientations, among others; (e) it is necessary to adequate the companies' processes in order to enable the catchment of new information required by the standard. The Company is assessing the total impact of IFRS 15. The standard is applicable as from January 1, 2017.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

3 Critical accounting estimates and judgments

Accounting policies are those important to demonstrate the financial condition and the results. Some of those policies require more subjective or complex judgments by management frequently as a result of the need for estimates that impact the issues that are inherently uncertain.

As the number of variables and assumptions that affect the future possible solution of these uncertainties increases, these judgments become even more subjective and complex.

In elaborating the parent company and consolidated financial statements, the Reinsurer adopted variables and assumptions based on its historical experience and many other factors that it understands as reasonable and relevant. Significant items whose values are determined based on estimates include: marketable securities evaluated at their market value, reserves for adjusting assets to their realization or recovery value; revenues from premiums and corresponding commercialization expenses, related to the effective risks whose respective insurance policies have not been issued yet, as well as reserves that involve values under legal dispute.

We highlight mainly the use of estimates in the evaluation of reinsurance liabilities, described in item (a) below, the estimates and judgments used in the evaluation of the reserves for tax, civil and labor contingencies, described in item (b) below, the estimates used to calculate the impairment of financial assets, described in item (c) below, the estimates of financial instruments fair value, described in item (d) below and the estimates and judgments in the determination of the retirement benefits, described in item (e) below.

Changes or differences in these assumptions due to reality may impact the current estimates and judgments. These estimates and assumptions are periodically reviewed. The review of the accounting estimates are recognized in the period the estimates are being reviewed, as well as in affected future periods.

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

The estimates used in the constitution of the Reinsurer's reinsurance liabilities represent the area in which the Reinsurer applies more critical accounting estimates in the preparation of the consolidated financial statements according to IFRS. There are several uncertainty sources that need to be considered in the estimate of the liabilities the Reinsurer will ultimately settle. The sensibility analysis regarding this critical estimate is demonstrated in Note 4.2.3 and the used assumptions are indicated below.

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

The Reinsurer uses all the available internal and external information sources on the past experience and indicators that may influence the decision taking of the Reinsurer's management and actuaries to define the actuarial assumptions and best estimate of the losses settlement amount for treaties whose reinsured event had already occurred. Consequently, the provided for amounts may differ from the amounts effectively settled on future dates for these obligations.

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

The Reinsurer is a party to open labor, tax and civil lawsuits at the date of the elaboration of the financial statements. In determining and recording accounting estimates, the Reinsurer takes as a basis the opinion of its legal advisors expert in each area, evolution of the lawsuits and judgment status in each specific case. The Reinsurer also uses the best judgment on these cases.

(c) Estimates used to calculate impairment of financial assets

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

The Reinsurer follows the orientations of IAS 39to determine when a financial asset available for sale is impaired. This determination requires a significant judgment. For this judgment, the Reinsurer evaluates, among other factors, the duration and the proportion in which the fair value of an investment is lower than its cost, the counterparty's financial health and short-term business perspective, including factors such as: performance of the sector and of the segment and operating and financing cash flows.

(d) Estimate of fair value of financial instruments

As described in Note 4.7, the fair values of quoted financial instruments are based on current bid prices. For the financial assets with no active market or public quotation, the fair value is established through evaluation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and the pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. Note 6 offers detailed information on the main assumptions used in the determination of the fair value of the financial instruments, as well as the sensibility analysis of these assumptions.

(e) Estimates and judgments in determining the retirement benefits

The cost of retirement plans with post-employment benefits defined and the present value of the retirement obligation are determined using actuarial evaluation methods. The actuarial evaluation involves the use of assumptions on discount rates, expected rate of returned assets, future salary increases, mortality rates and future increases of retirement and pension plans. The defined benefit obligation is highly sensible to changes in these assumptions. All the assumptions are reviewed at the end each period. In determining the adequate discount rate, management considers the interest rates with no risk. The mortality rate is based on mortality tables available in the country. Future increase in salaries and retirement and pension benefits are based on future inflation rates expected for the country. The sensibility analyses refering to this critical estimate are disclosed in Note 25, as well as more details on the used assumptions.

4 Risks management

The risks management in IRB Brasil RE is considered an essential instrument to the implementation of an optimization strategy of the capital use and the choice of the best business opportunities, in order to obtain the best risk/return to its shareholders.

In order to reinforce the relevance given to the theme within the organizational context, in the first quarter of 2014, it was established the Vice-Presidency of Risks and Compliance, to which the Management of Corporate Risks and the Management of Compliance are subordinated, and which is the first responsible for the supervision of the management of risks of IRB Brasil RE. However, it is maintained the commitment of the Executive Board, of the Administrative Board, of the Risk Management Committee and of other advisory or deliberative bodies on the support and promotion of the risk management within the Company.

After 3rd review, in December 2014, it was confirmed the classification A- (excellent), with stable bias, by the rating agency A.M. Best, headquartered in the United States, which reflects, according to their opinion, a capitalization strongly adequate to the Company's risk.

4.1 Main types of risk

The corporate risks management comprises the following risks categories: Operating, Underwriting, Market and Liquidity, which in their turn are comprised by many subcategories. The Company understands that these categories represent its main exposures, but they are not comprehensive because many risks may affect it.

4.2 Operating risks

In terms of operating risks, it was developed and implemented a business continuity management program, comprising plans that address since the moment of the rupture of the operation until it is back to normality, maintaining service levels previously agreed upon. Regarding processes, the second cycle of the operating risks management program was carried out, and it starts to identify, assess, deal with and report potential threats to the activities.

4.3 Underwriting risks

The underwriting risk arises from the oscillations that may arise both from internal and external factors, which contradict the Reinsurer's expectation in relation to the actuarial and financial assumptions adopted in pricing the reinsurance treaties and in the constitution of technical reserves. As a way to decrease the risk exposure, IRB Brasil RE works with a diversified reinsurance portfolio. Furthermore, the evolution of the risks is monitored, and the actuarial assumptions, underwriting and risks acceptance policies and technical reserves accompaniment are constantly reviewed.

One of the techniques available to mitigate and control the underwriting risk is the transfer of risks through retrocession. Like the reinsurance, the retrocession may cover a group of businesses or just specific risks (also called facultative). Currently, IRB Brasil RE has retrocession programs that cover the line groups where there is more exposure, in order to stabilize the results and to limit the losses, as well as to expand its capacity to accept strategic businesses. Besides, for specific cases, it may be used facultative retrocessions, which are individually analyzed. Due to the own nature of the transfer of risk, the retrocession operations imply an underlying credit risk, which is dealt as described in Note e.3.

4.3.1 Monitoring of reinsurance liabilities by business lines

The Company calculates its technical reserves according to the Standards of the National Council of Private Insurances ("Conselho Nacional de Seguros Privados – CNSP") and of SUSEP. The gross liabilities (Reserve for claims to settle - PSL, Reserve for claims incurred but not reported - IBNR, Reserve for claims incurred but not sufficiently reported - IBNER, Reserve for technical surplus - PET, Reserve for earned premiums - PPNG, and reserve for related expenses - PDR) and their respective retrecession assets by business line are as follows:

	Parent Company			
	Reinsurance		Retrocession	
Lines groups	June 30, 2015	Deceber 31, 2014	June 30, 2015	December 31, 2014
Equity	3,223,147	3,075,672	(1,734,657)	(1,689,489)
Special risks	539,155	452,612	(371,547)	(304,076)
Responsibilities	645,407	621,592	(285,715)	(258,339)
Hulls	688,780	598,506	(424,306)	(452,672)
Vehicles	246,018	241,795	(3,975)	(3,623)
Transports	407,290	366,562	(228,534)	(190,975)
Financial risks	658,007	715,802	(343,500)	(379,931)
Credit	43,882	40,770	(16,533)	(16,511)
Staff	193,898	183,348	(39,717)	(32,550)
Housing	47,256	44,175	(930)	(808)
Rural	470,486	431,704	(110,637)	(116,874)
Maritime	149,926	137,602	(19,627)	(18,892)
Aviation	313,954	239,008	(243,133)	(149,937)

Run-off (London)	195,859	172,206		
Others	633,661	506,981	(30,793)	(39,872)
Total	8,456,726	7,828,335	(3,853,604)	(3,654,549)

	Consolidated			
	Reinsurance		Retrocession	
Lines groups	**June 30, 2015**	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Equity	3,223,148	3,075,672	(1,734,656)	(1,689,489)
Special risks	539,155	452,612	(371,548)	(304,076)
Responsibilities	650,780	621,592	(287,384)	(258,339)
Hulls	688,779	598,506	(424,306)	(452,672)
Vehicles	246,018	241,795	(3,975)	(3,623)
Transports	407,291	366,562	(228,534)	(190,975)
Financial risks	658,007	715,802	(343,500)	(379,931)
Credit	43,882	40,770	(16,534)	(16,511)
Staff	193,899	183,348	(39,719)	(32,550)
Housing	47,254	44,175	(929)	(808)
Rural	470,488	431,704	(110,635)	(116,874)
Maritime	149,926	137,602	(19,627)	(18,892)
Aviation	313,953	239,008	(243,133)	(149,937)
Run-off (London)	195,859	172,206	-	-
Others	630,444	509,392	(29,402)	(40,115
Total	8,458,883	7,830,746	(3,853,882)	(3,654,792)

The nature of the reinsurance operations implies that the reinsurer receives the greater parcel of the information from the assignors on an aggregated way, usually with access to individualized data only on facultative businesses. Therefore, due to the lack of complete information regarding the segregation of geographical region, it is not appropriate the disclosure of risk concentration by geographical area.

4.3.2 Development of losses

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

Gross Retrocession Losses

- **Retrocession gross**

	June 30,2015							
	Parent Company							
Underwriting year	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**Total**
Losses incurred in the year	738,882	340,142	200,595	342,520	1,107,829	293,187	90,712	
One year later	1,241,026	845,278	516,906	975,304	1,362,435	759,547		
Two years later	1,374,800	750,949	765,358	1,813,805	1,794,685			
Three years later	1,433,714	682,091	1,028,917	1,939,960				
Four years later	1,391,459	838,675	1,010,420					
Five years later	1,396,592	843,446						
Six years later	1,400,121							
Current estimate of the accumulated losses	1,400,121	843,446	1,010,420	1,939,960	1,794,685	759,547	90,712	7,838,891
Accumulated payments up to the base date	1,298,434	698,357	691,607	1,434,555	873,042	229,393	5,231	(5,230,619)
Liabilities recognized in the balance sheet	101,686	145,090	318,813	505,405	921,643	530,154	85,481	2,608,272
Liabilities in relation to years previous to 2008								2,610,639
IBNER								363,310
Total liabilities included in the balance sheet								5,582,221

	December 31, 2014							
	Parent Company							
Underwriting year	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
Losses incurred in the year	777,939	738,882	340,142	200,595	342,520	1,107,829	293,187	
One year later	1,782,336	1,241,026	845,278	516,906	975,304	1,362,435		
Two years later	1,833,735	1,374,800	750,949	765,358	1,813,805			
Three years later	1,858,580	1,433,714	682,091	1,028,917				
Four years later	2,180,920	1,391,459	838,675					
Five years later	2,043,347	1,396,592						
Six years later	2,265,476							
Current estimate of the accumulated losses	2,265,476	1,396,592	838,675	1,028,917	1,813,805	1,362,435	293,187	8,999,087
Accumulated payments up to the base date	1,820,988	1,289,101	663,284	611,479	1,222,660	604,982	56,718	(6,269,212)
Liabilities recognized in the balance sheet	444,488	107,491	175,391	417,439	591,145	757,454	236,469	2,729,877
Liabilities in relation to years previous to 2008								2,254,708
IBNER								396,607
Total liabilities included in the balance sheet								5,381,192

	June 30,2015							
	Consolidated							
Underwriting year	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**Total**
Losses incurred in the year	738,882	340,142	200,595	342,520	1,107,829	293,187	90,712	
One year later	1,241,026	845,278	516,906	975,304	1,362,435	759,547		
Two years later	1,374,800	750,949	765,358	1,813,805	1,794,685			
Three years later	1,433,714	682,091	1,028,917	1,939,960				
Four years later	1,391,459	838,675	1,010,420					
Five years later	1,396,592	843,446						
Six years later	1,400,121							
Current estimate of the accumulated losses	1,400,121	843,446	1,010,420	1,939,960	1,794,685	759,547	90,712	7,838,891
Accumulated payament up to the base date	1,298,434	698,357	691,607	1,434,555	873,042	229,393	5,231	(5,230,619)
Liabilities recognized in the balance sheet	101,686	145,090	318,813	505,405	921,643	530,154	85,481	2,608,272
Liabilities in relation to years previous to 2008								2,612,539
IBNER								363,310
Total liabilities included in the balance sheet								5,584,121

	December 31, 2014							
	Consolidated							
Underwriting year	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
Losses incurred in the year	777,939	738,882	340,142	200,595	342,520	1,107,829	293,187	
One year later	1,782,336	1,241,026	845,278	516,906	975,304	1,362,435		
Two years later	1,833,735	1,374,800	750,949	765,358	1,813,805			
Three years later	1,858,580	1,433,714	682,091	1,028,917				
Four years later	2,180,920	1,391,459	838,675					
Five years later	2,043,347	1,396,592						
Six years later	2,265,476							
Current estimate of the accumulated losses	2,265,476	1,396,592	838,675	1,028,917	1,813,805	1,362,435	293,187	8,999,087
Accumulated payament up to the base date	1,820,988	1,289,101	663,284	611,479	1,222,660	604,982	56,718	(6,269,212)
Liabilities recognized in the balance sheet	444,488	107,491	175,391	417,439	591,145	757,454	236,469	2,732,062
Liabilities in relation to years previous to 2008								2,254,708
IBNER								396,607
Total liabilities included in the balance sheet								5,383,377

- **Net of retrocession**

	June 30,2015							
	Parent Company							
Underwriting year	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**Total**
Losses incurred in the year	458,107	257,280	146,828	212,493	713,804	194,043	79,096	
One year later	835,580	648,986	283,846	588,287	802,663	521,511		
Two years later	1,051,953	550,314	346,747	916,994	1,051,609			
Three years later	1,052,361	471,303	589,538	989,472				
Four years later	1,011,430	579,850	584,350					
Five years later	1,056,507	585,757						
Six years later	1,060,634							
Current estimate of the accumulated losses	1,060,634	585,757	584,350	989,472	1,051,609	521,511	79,096	4,872,429
Accumulated payament up to the base date	970,965	499,433	423,432	746,978	629,600	160,529	5,134	(3,436,071)
Liabilities recognized in the balance sheet	89,669	86,324	160,918	242,494	422,009	360,981	73,962	1,436,357
Liabilities in relation to years previous to 2008								1,188,117
IBNER								219,933
Total liabilities included in the balance sheet								2,844,407

	December 31, 2014							
	Parent Company							
Underwriting year	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
Losses incurred in the year	500,531	458,107	257,280	146,828	212,493	713,804	194,043	
One year later	1,088,423	835,580	648,986	283,846	588,287	802,663		
Two years later	1,209,256	1,051,953	550,314	346,747	916,994			
Three years later	1,237,117	1,052,361	471,303	589,538				
Four years later	1,380,918	1,011,430	579,850					
Five years later	1,378,820	1,056,507						
Six years later	1,508,595							
Current estimate of the accumulated losses	1,508,595	1,056,507	579,850	589,538	916,994	802,663	194,043	5,648,190
Accumulated payament up to the base date	1,281,909	964,458	480,594	373,834	603,592	454,902	49,939	(4,209,228)
Liabilities recognized in the balance sheet	226,686	92,049	99,256	215,704	313,402	347,761	144,103	1,438,961
Liabilities in relation to years previous to 2008								980,953
IBNER								218,054
Total liabilities included in the balance sheet								2,637,968

	June 30,2015							
	Consolidated							
Underwriting year	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**Total**
Losses incurred in the year	458,107	257,280	146,828	212,493	713,804	194,043	79,096	
One year later	835,580	648,986	283,846	588,287	802,663	521,511		
Two years later	1,051,953	550,314	346,747	916,994	1,051,609			
Three years later	1,052,361	471,303	589,538	989,472				
Four years later	1,011,430	579,850	584,350					
Five years later	1,056,507	585,757						
Six years later	1,060,634							
Current estimate of the accumulated losses	1,060,634	585,757	584,350	989,472	1,051,609	521,511	79,096	4,872,429
Accumulated payament up to the base date	970,965	499,433	423,432	746,978	629,600	160,529	5,134	(3,436,071)
Liabilities recognized in the balance sheet	89,669	86,324	160,918	242,494	422,009	360,981	73,962	1,436,357
Liabilities in relation to years previous to 2008								1,189,997
IBNER								219,933
Total liabilities included in the balance sheet								2,846,287

	December 31, 2014							
	Consolidated							
Underwriting year	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Total**
Losses incurred in the year	500,531	458,107	257,280	146,828	212,493	713,804	194,043	
One year later	1,088,423	835,580	648,986	283,846	588,287	802,663		
Two years later	1,209,256	1,051,953	550,314	346,747	916,994			
Three years later	1,237,117	1,052,361	471,303	589,538				
Four years later	1,380,918	1,011,430	579,850					
Five years later	1,378,820	1,056,507						
Six years later	1,508,595							
Current estimate of the accumulated losses	1,508,595	1,056,507	579,850	589,538	916,994	802,663	194,043	5,648,190
Accumulated payament up to the base date	1,281,909	964,458	480,594	373,834	603,592	454,902	49,939	(4,209,228)
Liabilities recognized in the balance sheet	226,686	92,049	99,256	215,704	313,402	347,761	144,103	1,438,961
Liabilities in relation to years previous to 2008								982,915
IBNER								218,054
Total liabilities included in the balance sheet								2,639,930

4.3.3 Sensitivity analysis

Possible impacts in the result and equity, considering a 10% (ten percent) increase in the reported claims, are as follows:

	R$ thousand	
	June 30,2015	
	Gross effects	Net effects
Result and equity	(79,108)	(56,695)
Result (%)	(23,11)	(16,56)
Equity (%)	(2,69)	(1,93)

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

4.4 Market risk

It can be defined as the risk arising from changes in the financial market prices and rates, and that may reflect decrease in the value of a security or assets portfolio. The main variable linked to the market risk are: the interest rates, the foreign exchange rates and the assets liquidity. The risk management arising from these variables involves different organization units and contemplates a series of guidelines and strategies considered adequate by its Management, aiming the management of the risks arising from those variables. For this purpose, the following techniques are used: definition of maximum limits of VaR and construction of stress scenarios; market monitoring; and preventive loss management.

As from January 1, 2015, the Company started to monitor the portfolio's Market Risk using the MSCI's RiskMetrics tool.

4.4.1 Value at Risk analysis

The measure of the market risk, carried out though VaR, estimates the potential loss in the profit before a certain time given an occurrence specific probability, considering the market volatilities and the diversification of the risks through the recognition of compensatory positions and correlations between product and market. On a historical basis, with a 5% significance level (252--day mobile observation window and EWMA of 0.94) the daily VaR of the Reunsurer's assets portfolio, recorded on June 30,2015, was R$ 20,074, which represents a loss of 0.35% of the total assets portfolio. .

4.4.2 Sensitivity analysis of foreign currencies

The Reinsurer is mainly exposed to the U.S. dollar, but there is also a lower exposure to other foreign currencies, such as pound sterling, euro and Argentine peso.

The Company's applied Stress Tests to the assets, using the Predictive method, i.e., contemplating the existing corelations between the different currencies and other risk factors, considering absolute variations in which the R$/US$ exchange rate is increased in 25% (Scenario I) and 50% (Scenario II) in relation to the rate of the probable scenario listed by the Company, based on the FOCUS market report disclosed by the Brazilian Central Bank on June 26, 2015 (R$/US$ exchange rate of 3.20 for December 31, 2015). The assets portfolio's sensibility to the exchange rate fluctuation is as follows:

	June 30, 2015	Scenarios for December 31, 2015		
Group	**Basis**	**Probable**	**Scenario I**	**Scenario II**
Impact (%)		(0.85)	1.27	3.33
Impact (R$ thousand)		(48,938)	72,805	191,275
Total portfolio	5,749,542	5,700,604	5,822,347	5,940,817

4.4.3 Interest rate sensitivity analysis

The Company is exposed to the interest rate risk, once it mostly has marketable securities linked to the interest rate fluctuation.

The Company's applied Stress Tests to the assets, using the Predictive method, i.e., contemplating the existing corelations between the many risk factors, considering absolute variations in which the rates in the DI Future curve are increased in 25% (Scenario I) and 50% (Scenario II) in relation to the rates of the probable scenario listed by the Company, based on the FOCUS market report disclosed by the Brazilian Central Bank on June 26, 2015 (14.50% rate for December 31, 2015). The assets portfolio's sensibility to the interest rate fluctuation is as follows:

	June 30,2015	Scenarios for December 31, 2015		
Group	**Basis**	**Probable**	**Scenario I**	**Scenario II**
Impact (%)		(0,56)	(3,56)	(3,14)
Impact (R$ thousand)		(31.911)	(204.453)	(180.436)
Total portfolio	5.749.542	5.717.631	5.545.089	5.569.106

Consolidated analysis by Economic Stress Tests

The Company's management applied a selection of the main Economic Stress Tests in the world* to the assets, using the Predictive method, i.e., contemplating the existing corelations between the many risk factors. After the analysis, the conclusion was that the most adverse scenario for the investments portfolio is the WaMu collapse, which corresponds to the bankrupcy on September 25, 2008 of the largest loan and savings American institution, the Washington Mutual, Inc., giving rise to a loss of 2.67% in the portfolio.

* The Economic Stress Test analyzes in the world are: Asian Crisis (1997), Black Monday (1987), Fall 2008 (2008), Gulf War (1990), Mexican Crisis (1995), Rate Rise 94 (1994), Russian Devaluation (1998), Sept 11th (2011),Tech Wreck (2000), WaMu collapse (2008).

Currency future contracts

As a part of the Company's investment policy, it is expected that foreign currency exchange protection is contracted for the occurrence of assets surplus in foreign currency. At the base date June 30, 2015, the Company did not have forward contract of currency or other exchange protection instrument.

Interest rate future contracts - Fixed income

The funds' managers can adopt as hedge policy the use of derivative financial instruments in order to protect the equity value in relation to unexpected changes in the interest rates. On June 30,2015, the Itáu HARBOR investment fund in shares had derivatives, representing an immaterial value in the portfolio.

4.4.4 Management of the correlated risks

The Company considers that there is no independent movement in the economic variables , existing correlation between the main risk factors associated to the investments. Considering these variables, as well as their correlations, the conclusion is that the associated risks are partially mitigates, once the analyzed variables act in compensatory movement and may generate a maximum loss of 23% in the analyzed period. Regarding the analyzed stress scenarios, considering the big world crises in the last fifteen years, the conclusion is that the maximum loss of its portfolio would be 0.2%.

4.5 Credit risk

IRB Brasil RE understands that the main origin to its credit risk are the retrocession operations. In order to mitigate this risk, the Company adopted a policy of having retrocession operations with companies that have, at least, half of the recorded ratings equal or higher than A- (S&P, Fitch and AM Best) or A3 (Moody's) and evaluates its retrocessionaires through an own classification. The Reinsurer's exposure is mitigated by the adoption of retrocession limits for the counterparties, which are reviewed and approved at least annually by the Security Committee. The quality of the retrocession partners of the protection treaties of IRB Brasil RE is as follows:

	(%) of reinsurers participating in protection contracts in force on June 30,2015			
Rating rage	**Local**	**Admitted**	**Eventual**	**Total**
AA ou equivalente - %		29.41	11.76	41.18
A ou equivalente - %			52.94	52.94
BBB+ ou equivalente - %	5.88			5.88
Total	5.88	29.41	64.71	100.00

The credit risk in funds and derivative financial instruments is limited because the counterparties are represented by banks with credit high rating evaluated by international agencies. The following techniques are used to control and mitigate the credit risk: establishment of retrocession limits by entity; monitoring of credit risk exposure; follow-up of the changes and trends of the insurance and reinsurance market and of the financial market; and preventive loss management.

Exposure to credit risk

A The Company is exposed to risk concentration with reinsurances, due to the nature of the reinsurance market. The classification of the risk by aging is as follows:

	Parent Company							
	June 30,2015							
		Overdue and unimpaired assets						
Breakdown of portfolio by class by accounting category	**Unvested and impaired assets**	**0 to 30 days**	**31 to 60 days**	**61 to 120 days**	**121 to 180 days**	**More than 180 days**	**Carrying amount**	**Carrying amount December 31, 2014**
Cash and cash equivalent	7,758						7,758	9,511
At fair value through profit or loss								
Private	54,720						54,720	179,406
Public	313,068						313,068	515,833
Abroad	278,372						278,372	158,277
Available for sale								
Private	39,754						39,754	
Public	4,235,464						4,235,464	3,799,408
Abroad	369,498						369,498	195,811
Held to maturity								
Private	209,248						209,248	
Public								290,153
Abroad	245,607						245,607	407,517
Credits wit insurer and reinsurer operations	1,868,690	83,467	20,429	92,693	38,556	501,846	2,605,681	2,130,281
Total financial assets and assets of insurance and reinsurance treaties	7,622,179	83,467	20,429	92,693	38,556	501,846	8,359,170	7,686,197

	Consolidated							
	June 30,2015							
		Overdue and unimpaired assets						
Breakdown of portfolio by class by accounting category	**Unvested and impaired assets**	**0 to 30 days**	**31 to 60 days**	**61 to 120 days**	**121 to 180 days**	**More than 180 days**	**Carrying amount**	**Carrying amount December 31, 2014**
Cash and cash equivalent	11,643						11,643	13,288
At fair value through profit or loss								
Private	53,605						53,605	178,944
Public	313,222						313,222	516,070
Abroad	278,372						278,372	158,277
Available for sale								
Private	39,754						39,754	
Public	4,235,464						4,235,464	3,799,408
Abroad	388,477						388,477	211,948
Held to maturity								
Private	209,248						209,248	
Public								290,153
Abroad	245,607						245,607	407,517
Credits wit insurer and reinsurer operations	1,869,203	83,467	20,429	92,693	38,556	501,844	2,606,192	2,130,981
Total financial assets and assets of insurance and reinsurance treaties	7,644,595	83,467	20,429	92,693	38,556	501,844	8,381,584	7,706,586

4.6 Liquidity risk

Liquidity risk is associated to the risk that the Company, although solvent, does not have available resources to timely comply with its obligations, or only can comply with them through sale of assets in unfavorable conditions, implying in financial assets. To manage this risk, the Company allocates a minimum reserve in high liquidity funds (Commited Operations backed by federal bonds) to cope with the short-term needs for cash. This risk is continuously monitored by the follow-up of the actual and expected cash flows and by the combination of the maturities profiles of the financial assets and liabilities over time.

	Parent Company					
	Maturity of the liabilities in the semester ended June 30,2015					
	Zero to one year	One to three years	Three to five years	Five to ten years	More than ten years	Carrying amount
Reinsurance liabilities (technical reserves)	2,096,615	2,867,033	606,994	1,325,815	1,560,269	8,456,726
PSL Total	715,231	1,665,583	417,718	1,026,958	1,393,421	5,218,911
PPNG RVE	500,905	619,509	58,949	1,237		1,180,600
PPNG-EPI	170,393	210,325				380,718
IBNR + IBNER	524,481	340,009	126,649	288,664	155,585	1,435,388
PPNG RVNE	165,001	5,279				170,280
PET	13,151	12,285				25,436
PDR	7,453	14,043	3,678	8,956	11,263	45,393

	Consolidated					
	Maturity of the liabilities in the semester ended June 30,2015					
	Zero to one year	One to three years	Three to five years	Five to ten years	More than ten years	Carrying amount
Reinsurance liabilities (technical reserves)	2,096,615	2,867,033	606,994	1,325,815	1,562,426	8,458,883
PSL Total	715,231	1,665,583	417,718	1,026,958	1,395,321	5,220,811
PPNG RVE	500,905	619,509	58,949	1,237		1,180,600
PPNG-EPI	170,393	210,325				380,718
IBNR + IBNER	524,481	340,009	126,649	288,664	155,842	1,435,645
PPNG RVNE	165,001	5,279				170,280
PET	13,151	12,285				25,436
PDR	7,453	14,043	3,678	8,956	11,263	45,393

4.7 Interest rate future contracts

Fixed income

The Company had the totality of the quotas of the Investment Fund "BB PEABIRU - Renda Fixa". The funds' managers can adopt as hedge policy the use of derivative financial instruments in order to protect the equity value in relation to unexpected changes in the interest rates. The fund does not have operations with interest rate future contracts on the mentioned date.

4.8 Evaluation techniques and assumptions applied for determination of fair value purposes

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

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

(b) The fair value of the derivative instruments is calculated using quoted prices. The exchange future contracts are measures based on the exchange rates and on the earning curves obtained based on quotation and for the same maturity terms of the contracts.

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

4.9 Fair value measurements recognized in the balance sheet

The table below offers an analyse of the financial instruments that are measured at fair value after the initial recognition, grouped in the Levels 1 and 2 based on the fair value observable grade:

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

(b) Level 2 fair value measurements are obtained through other variables besides 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).

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

		Parent Company		Consolidated	
		June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Financial assets at fair value through profit or loss					
Financial Treasury Bills	Level 1	567	484	567	484
National Treasury Bills	Level 1		120,110	62	120,136
National Treasury Notes	Level 1		3,583		3,583
Committed operations	Level 1	312,500	391,656	312,592	391,867
Investment Funds Quotas	Level 1	59,371	39,254	59,371	39,254
Variable Income Funds Quotas	Level 1	52,796	178,944	52,797	178,944
Shares Abroad	Level 2	219,001	119,023	219,001	119,023
Debentures	Level 1	809		809	
Others	Level 2	1,116	462		
		646,160	853,516	645,199	853,291
Financial assets available-for-sale					
Financial Treasury Bills	Level 1	2,965,203	3,316,061	2,965,203	3,316,061
National Treasury Bills	Level 1	490,218	355,589	490,218	355,589
National Treasury Notes	Level 1	780,043	127,758	780,043	127,758
Real estate funds	Level 1	39,754		39,754	
Sovereign debt securities	Level 1	329,785	162,953	329,785	162,953
American Depositary Receipts - ADR	Level 1	3,650	2,521	3,650	2,521
Corporate Bonds –New York	Level 1	1,533		1,533	
Fixed income securities abroad	Level 1	34,530	30,337	34,530	30,337
U.S. Treasury securities Obligations of U.S.	Level 2			7,888	7,600
Obligations of U.S. Government corporations and agencies	Level 2			3,313	2,237
Non-U.S. Government	Level 2			226	195
Corporate securities	Level 2			6,986	5,751
Short-term investments	Level 1			566	354
		4,644,716	3,995,219	4,663,695	4,011,356

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

		Parent Company and Consolidated			
		June 30, 2015	June 30, 2015	December 31, 2014	December 31, 2014
Financial assets held to maturity					
National Treasury Notes	Level 1			290,153	295,006
Financial Treasury Bills	Level 2	209,248	209,248		
Bank deposit certificates	Level 2	216,153	216,153	373,935	373,935
Fixed income securities abroad	Level 1			1,391	1,391
Eurobonds/Term Notes	Level 2	29,454	29,454	32,191	32,191
		454,855	454,855	97,670	702,523

4.10 Minimum and risk capital in relation to the capital

The National Council of Private Insurances (CNSP), on September 25, 2014, published new regulation about the calculation of minimum capital required for authorization and operation of the local reinsurers and the calculation of risk capital, consolidated in the CNSP Resolutions No. 316/2014, which consolidated all the parcel of risk capital, extinguishing the concept of "solvency margin".

It was also introduced regulation, presented in the CNSP Resolution No. 317/2014, of December 12, 2014, relates to the calculation of the risk capital based on the market risk. According to Articles 3, paragraph 4 of this Resolution, the amount effectively required from the risk capital based on the market risk up to December 30, 2016 is zero, being this amount increased in 50% of the total calculated between December 31, 2016 and December 30, 2017, and reaching the totality (100%) as from December 31, 2017.

For the purpose of calculation of risk capital based on underwriting risk, the CNSP Resolution No. 280/2013, which was complemented by SUSEP Circular Letter No. 486/2014, of January 23, 2014; for the risk capital based on credit risk, the CNSP Resolution No. 228/2010; and for the risk capital based on operating risk, CNSP Resolution No. 283/2013 are still in force.

The effecs of the mentioned resolutions are as follows:

I Minimum capital required: capital amount that a local reinsurer shall maintain, at any moment, in order to be able to operate, being equivalent to the highest amount between the base capital and the risk capital.

II Base capital: fixed capital amount of R$ 60,000, which a local reinsurer shall maintain, at any moment.

III Risk capital: variable capital amount that a local reinsurer shall maintain, at any moment, in order to be able to ensure the risks inherent to its operation, as provided in specific regulation.

IV Net assets: all the assets accepted by the National Monetary Council up to 100% (one hundred per cent) in the coverage of technical reserves.

V Liquidity in relation to the risk capital: situation featured by the presentation of a total of net assets, higher than the need of coverage of the reserves, 20% (twenty per cent) higher than the risk capital.

4.10.1 Regulatory capital

The calculation carried out by IRB Brasil RE, as provided by the mentioned resolutions, has not identified the need for additional capital investment. On the base date June 30, 2015, it was observed that the adjusted equity value is higher than the minimum capital amount required.

	2nd quarter 2015	2nd quarter 2014
Risk capital based on underwriting risk	605,408	476,048
Risk capital based on credit risk	505,974	392,777
Risk capital based on operating risk	34,673	32,096
Risk capital based on market risk	-	-
Benefit of the diversification of risks	(147,614)	(115,249)
Total risk capital	998,441	785,672
Base capital	60,000	60,000
Minimum capital required	998,441	785,672
Adjusted equity (*)	2,779,462	2,798,385
Sufficiency of adjusted equity	1,781,021	2,012,710

(*) Calculation of the adjusted equity:

	2nd quarter 2015	2nd quarter 2014
Equity	2,944,864	2,953,932
Deductions		
Prepaid expenses	(3,370)	(871)
Corporate shares		(18,418)
Intangible assets	(55,963)	(57,182)
Rights/obligations of branches abroad	(106,020)	(79,027)
Other deductions	(50)	(50)
Adjusted equity	2,779,462	2,798,385

4.10.2 Liquidity in relation to the risk capital

The calculation of the liquidity in relation to the minimum capital required for the base date June 30, 2015 have not identified the need that IRB Brasil RE has higher level of net assets than the necessary to cover the reserves.

	2nd quarter 2015	2nd quarter 2014
Net assets	5,150,639	5,044,699
Technical reserves	(4,641,470)	(4,173,786)
Coverage of 20% of risk capital	(199,688)	(160,228)
Sufficiency of liquidity	309,481	710,685

5 Cash and cash equivalents

The balance of this account is as follows:

	Parent Company		Consolidated	
Description	**June 30, 2015**	**December 31, 2014**	**June 30, 2015**	**December 31,2014**
Cash	3	7	3	7
Local bank current account	866	3,476	877	3,482
Bank current account abroad	6,889	6,028	10,763	9,799
	7,758	9,511	11,643	13,288

6 Financial investments

6.1 Breakdown of the investments

	Parent Company							
	June 30,2015							
	Fair value through profit or loss		Available-for-sale		Held to maturity			
	Securities assessed by the curve	Carrying value	Securities assessed by the curve	Carrying value	Securities assessed by the curve	Carrying value	Average interest rate - %	Total
Fixed-income securities - Public			2,966,271	2,965,203			(0.002286)	2,965,203
Financial Treasury Bills (i)			495,729	490,218			12.344285	490,218
National Treasury Bills			792,691	780,043			IPC + 5.988950	780,043
National Treasury Notes - Series B								
FIxed income securities – Private								
Debentures	886	809						809
Financial bills					209,248	209,248	106.4375 CDI	209,248
Variable income securities								
Real estate funds			40,044	39,754				39,754
Investment funds quotas								
Operações Compromissadas	311,430	311,430						
Others	86	86					100 TMS	311,430
								86
Quotas de Fundos de Investimento em Ações								
Ações de Empresas Nacionais	50,865	52,796						52,796
Letras Financeiras do Tesouro	565	567					13.64%	567
Committed operations	1,070	1,070					0.000074%	1,070
Others	1,030	1,030						1,030
	365,046	366,979						366,979
Investments abroad								
Investment funds quotas								
Non-exclusive	59,371	59,371					10.18	59,371
American Deposits Receipt (ii)			18,639	3,650				3,650
Sovereign debt securities (ii)			353,183	329,785			5.6131	329,785
Brazilian Corporate Bonds (iii)			1,881	1,533			4.2886	1,533
Corporate Bonds – New York (iv)					29,454	29,454	0.5634	29,454
Fixed income securities (HSBC)			35,456	34,530			2.4987	34,530
Time deposit abroad (v)					216,153	216,153	0.1334	216,153
Other investments abroad	219,001	219,001						219,001
	278,372	278,372	409,159	369,498	245,607	245,607		893,477
	644,304	646,160	4,703,894	4,644,716	454,855	454,855		5,745,731
%		11%		81%		8%		100%
Current		646,160		535,907		233,386		1,415,453
Non-current				4,108,809		221,469		4,330,278

	Parent Company							
	December 31, 2014							
	Fair value through profit or loss		Available-for-sale		Held to maturity			
	Securities assessed by the curve	Carrying value	Securities assessed by the curve	Carrying value	Securities assessed by the curve	Carrying value	Average interest rate - %	Total
Fixed-income securities - Public								
Financial Treasury Bills (i)			3,317,271	3,316,061			10.86	3,316,061
National Treasury Bills			359,673	355,589			11.99	355,589
National Treasury Notes - Series B			140,840	127,758	290,153	290,153	12.39	417,911
Investment Funds Quotas							10.34	
National Treasury Bills	120,116	120,110						120,110
National Treasury Notes	3,583	3,583						3,583
Commited operations	390,909	390,909						390,909
Others	15	15						15
Investment Funds Quotas in Exclusive Shares							(4.12)	
Local companies' shares	178,944	178,944						178,944
Financial Treasury Bills	484	484						484
Commited operations	747	747						747
Others	447	447						447
	695,245	695,239						695,239
Investments abroad								
Investment funds quotas								
Non-exclusive	39,254	39,254					19.01	39,254
American Deposits Receipt (ii)			15,958	2,521			(39.93)	2,521
Sovereign debt securities (ii)			169,792	162,953			25.38	162,953
Brazilian Corporate Bonds (iii)					32,191	32,191	16.84	32,191
Corporate Bonds – New York (iv)					1,391	1,391	17.52	1,391
Fixed income securities (HSBC)			31,072	30,337			15.78	30,337
Time Deposit Abroad (v)					373,935	373,935	13.61	373,935
Other investments abroad	119,023	119,023						119,023
	158,277	158,277	216,822	195,811	407,517	407,517		761,605
	853,522	853,516	4,034,606	3,995,219	697,670	697,670		5,546,405
%		15%		72%		13%		100%
Current		853,516		1,148,719		408,373		2,410,608
Non-current				2,846,500		289,297		3,135,797

	Consolidated							
	June 30,2015							
	Fair value through profit or loss		Available-for-sale		Held to maturity			
	Securities assessed by the curve	Carrying value	Securities assessed by the curve	Carrying value	Securities assessed by the curve	Carrying value	Average interest rate - %	Total
Fixed-income securities – Public	565	567	2,966,271	2,965,203			(0.002286)	2,9656,770
Financial Treasury Bills (i)	62	62	495,729	490,218			12.344285	490,280
National Treasury Bills			792,691	780,043			IPC + 5.988950	780,043
National Treasury Notes							13.64%	312,592
Committed operations	312,591	312,592						
Fixed income securities – Private								
Debentures	886	809						809
Financial bills					209,248	209,248	106.4375 CDI	209,248
Variable income securities								
Real estate funds			40,044	39,754				39,754
Shares in local companies	50,865	52,797						52,797
Investments abroad								
Non-exclusive Investment Funds Quotas	59.371	59,371					10,18	59,371
American Depositary Receipts (ii)			18,639	3,650				3,650
Sovereign debt securities (ii)			353,183	329,785			5.6131	329,785
Brazilian Corporate Bonds (iii)			1,881	1,533			0.5634	1,533
Corporate Bonds – New York (iv)					29,454	29,454	4.2886	29,454
Fixed income securities (HSBC)			35,456	34,530			2.4987	34,530
U.S. Treasury securities Obligations of U.S.			7,888	7,888				7,888
Obligations of U.S. Government corporations and agencies			3,313	3,313				3,313
Non-US Government			226	226				226
Corporate securities			6,986	6,986				6,986
Short-term investiments			566	566				566
Time deposit abroad (v)					216,153	216,153	0.1334	216,153
Other investmens (vii)	219,001	219,001						219,001
	278,372	278,372	428,138	388,477	245,607	245,607		912,456
	643,341	645,199	4,722,873	4,663,695	454,855	454,855		5,763,749
%		11%		81%		8%		100%
Current		645,199		541,344		233,385		1,419,928
Non-current				4,122,351		221,470		4,343,821

	Consolidated							
	December 31, 2014							
	Fair value through profit or loss		Available-for-sale		Held to maturity			
	Securities assessed by the curve	Carrying value	Securities assessed by the curve	Carrying value	Securities assessed by the curve	Carrying value	Average interest rate - %	Total
Fixed-income securities - Public								
Financial Treasury Bills (i)	484	484	3,317,271	3,316,061			10.86	3,316,545
National Treasury Bills	120,142	120,136	359,673	355,589			11.99	475,725
National Treasury Notes - Series B	3,583	3,583	140,840	127,758	290,153	290,153	12.39	421,494
Committed operations	391,867	391,867						391,867
Variable income securities							(4.12)	178,944
Shares in local companies	178,944	178,944						
	695,020	695,014	3,817,784	3,799,408	290,153	290,153		4,784,575
Investments abroad								
Non-exclusive Investment Funds Quotas	39,254	39,254					19,01	39,254
American Depositary Receipts (ii)			15,958	2,521			(39.93)	2,521
Sovereign debt securities (ii)			169,792	162,953			25.38	162,953
Brazilian Corporate Bonds (iii)					32,191	32,191	16.84	32,191
Corporate Bonds – New York (iv)					1,391	1,391	17.52	1,391
Fixed income securities (HSBC)			31,072	30,337			15.78	30,337
Time Deposit Abroad (v)					373,935	373,935	13.61	373,935
U,S, Treasury securities Obligations of U,S,			7,567	7,600				7,600
Obligations of U,S, Government corporations and agencies			2,223	2,237				2,237
Non-US Government			192	195				195
Corporate securities			5,690	5,751				5,751
Short-term investiments			354	354				354
Other investments abroad	119,023	119,023						119,023
	158,277	158,277	232,848	211,948	407,517	407,517		777,742
	853,297	853,291	4,050,632	4,011,356	697,670	697,670		5,562,317
%		15%		72%		13%		100%
Current		853,291		1,152,982		408,373		2,414,646
Non-current				2,858,374		289,297		3,147,671

(ii) Financial Treasury Bills

These refer to government securities of the Brazilian National Treasury that are part of the IRB Brasil RE's portfolio. Their income is updated by the Selic rate and the securities are under custody in Banco do Brasil. Additionally, these securities are adjusted to their market values, obtained through information published by ANBIMA - Brazilian Association of Financial and Capital Market Operators.

(ii) Sovereign debt securities and debts of Brazilian state-owned Companies (ADRs)

These represent fixed income securities issued abroad, in U.S. dollars, by the Union.

(iii) Brazilian Corporate Bonds

These represent fixed income securities issued by subsidiaries of Brazilian companies, headquartered abroad. These bonds, denominated in U.S. dollars, have been planned in the international market. They are being managed by BB Securities in London. In June 2011, the reserve was accounted for at a ratio of 100% of the due and outstanding securities, except in case of renegotiated securities, due to the fulfillment of financial obligations by the debt holders.

(iv) Corporate Bonds

These are mortgage-backed securities issued by U.S. private companies, based on real estate loans. The Company constituted reserve for devaluation because it considers permanent the losses in its value.

(v) Time Deposit Abroad

These represent investment in time deposits whose responsibility is of Banco do Brasil S.A. and Bradesco, in New York and whose maturities vary between 12 and 120 days. The origin currency of these investments is pound, U.S. dollar and euro.

6.1.1 Opening of investments by type and maturity

	Parent Company				
	June 30,2015				
	No maturity	From 1 to 180 days	From 181 to 365 days	More than 365 days	Total
Fair vaue through profit or loss					
Fixed income securities – Private					
Debentures	809				809
Investment funds quotas					
Exclusive investment funds quotas					
Committed operations		311,430			311,430
Others	86				86
Investment funds quotas in shares					
Shares of local companies	52,796				52,796
National Treasury Bills		312		255	567
Committed operations		1,070			1,070
Others	1,030				1,030
Investments abroad					
Non-eExclusive investment funds quotas	59,371				59,371
Other investments abroad	219,001				219,001
	333,093	312,812		255	646,160
Available-for-sale					
Fixed income securities - Public					
Financial Treasury Bills		156,630		2,808,573	2,965,203
National Treasury Bills		101,440	267,810	120,968	490,218
National Treasury Notes				780,043	780,043
Variable income securities					
Real estate funds				39,754	39,754
Investments abroad					
American Deposits Receipt	3,650				3,650
Sovereign debt securities				329,785	329,785
Corporate Bonds – New York				1,533	1,533
Fixed income securities (HSBC)		1,893	4,484	28,153	34,530
	3,650	259,963	272,294	4,108,809	4,644,716
Held to maturity					
Fixed income securities – Private					
Financial bills				209,248	209,248
Investments abroad					
Brazilian Corporate Bonds			17,233	12,221	29,454
Time deposit abroad		216,153			216,153
		216,153	17,233	221,469	454,855

	Parent Company				
	December 31, 2014				
	No maturity	From 1 to 180 days	From 181 to 365 days	More than 365 days	Total
Fair value through profit or loss					
Investment Funds Quotas					
Exclusive Investment Funds Quotas					
National Treasury Bills		120,110			120,110
National Treasury Notes		3,583			3,583
Commited operations		390,909			390,909
Others	15				15
Exclusive Investment Funds Quotas in Shares					178,944
Local companies' shares	178,944				
National Treasury Bills			484		484
Commited operations	747				747
Others	447				447
Investments abroad					
Non-exclusive Investment Funds Quotas	158,277				158,277
	338,430	514,602	484		853,516
Available-for-sale					
Fixed-income securities - Public					
Financial Treasury Bills		780,945	315,210	2,219,906	3,316,061
National Treasury Bills			45,665	309,924	355,589
National Treasury Notes				127,758	127,758
Variable income securities					
Real estate funds					
Investment abroad					
American Deposits Receipt	2,521				2,521
Sovereign debt securities				162,953	162,953
Fixed income securities (HSBC)		373	4,005	25,959	30,337
	2,521	781,318	364,880	2,846,500	3,995,219
Held to maturiry					
Fixed-income securities - Public					
National Treasury Notes		34,438		255,715	290,153
Fixed-income securities – Private					
Financial bills					
Investments abroad					
Brazilian Corporate Bonds				32,191	32,191
Corporate Bonds – New York				1,391	1,391
Time Deposit Abroad		373,935			373,935
		408,373		289,297	697,670

	Consolidated				
	June 30,2015				
	No maturity	From 1 to 180 days	From 181 to 365 days	More than 365 days	Total
Fair value through profit or loss					
Fixed income securities - Publics					
Financial Treasury Bills		312		255	567
National Treasury Bills		62			62
Commited operations		312,592			312,592
Fixed income securities – Private					
Debentures	809				809
Variable income securities					
Shares in local companies	52,797				52,797
Investments abroad					
Non-exclusive Investment Funds Quotas	59,371				59,371
Other investments abroad	219,001				219,001
	331,978	312,966		255	645,199
Available-for-sale					
Fixed income securities - Publics					
Financial Treasury Bills		156,630		2,808,573	2,965,203
National Treasury Bills		101,440	267,810	120,968	490,218
National Treasury Notes				780,043	780,043
Variable income securities					
Real estate funds				39,754	39,754
Investments abroad					
American Depositary Receipt	3,650				3,650
Sovereign debt securities				329,785	329,785
Brazilian Corporate Bonds				1,533	1,533
Fixed income securities (HSBC)		1,893	4,484	28,153	34,530
U.S. Treasury securities Obligations of U.S.		3,029	756	4,104	7,889
Obligations of U.S. Government corporations and agencies		140	552	2,620	3,312
Non-U.S.Government				226	226
Corporate securities		93	300	6,593	6,986
Short-term investments	566				566
	4,216	263,225	273,902	4,122,352	4,663,695
Held to maturity					
Fixed income securities – Private					
Financial bills				209,248	209,248
Investments abroad					
Corporate Bonds – New York (iv)		17,233		12,221	29,454
Fixed time deposit abroad		216,153			216,153
		233,386		221,469	454,855

	Consolidated				
	June 30,2004				
	No maturity	From 1 to 180 days	From 181 to 365 days	More than 365 days	Total
Fair value through profit or loss					
Fixed income securities - Public					
Financial Treasury Bills		484			484
National Treasury Bills		120,136			120,136
National Treasury Notes		3,583			3,583
Committed operations		391,867			391,867
Variable income securities					
Shares in local companies	178,944				178,944
Investments abroad					
Non-exclusive Investment Funds Quotas	39,254				39,254
Other investments abroad	119,023				119,023
	337,221	516,070			853,291
Available-for-sale					
Fixed income securities - Public					
Financial Treasury Bills		780,945	315,210	2,219,906	3,316,061
National Treasury Bills			45,665	309,924	355,589
National Treasury Notes				127,758	127,758
Variable income securities					
Real estate funds					
Investments abroad					
American Deposits Receipts (ii)	2,521				2,521
Sovereign debt securities				162,953	162,953
Fixed income securities (HSBC)		373	4,005	25,959	30,337
U.S. Treasury securities Obligations of U.S.		951	2,596	4,053	7,600
Obligations of U.S. Government corporations and agencies			123	2,114	2,237
Non-U.S.Government				195	195,
Corporate securities		159	80	5,512	5,751
Short-term investments	354				354
	2,875	782,428	367,679	2,858,374	4,011,356
Held to maturity					
Fixed income securities - Public					
National Treasury Notes- Series B			34,438	255,715	290,153
Fixed income securities – Private					
Financial bills					
Investments abroad					
Brazilian Corporate Bonds (iii)				32,191	32,191
Corporate Bonds – New York (iv)				1,391	1,391
Fixed time deposit abroad		373,935			373,935
		373,935	34,438	289,297	697,670

6.2 Changes in financial investments

	Subsidiary			
Changes in financial investments	**Fair value through profit or loss**	**Available-for-sale**	**Held to maturity**	**Total**
At December 31, 2014	853,516	3,995,219	697,670	5,546,405
Investments	1,579,562	1,516,528	1,633,966	4,730,056
Redemption earnings	(24,923)	(10,528)	(12,130)	(47,581)
Redemption principal	(1,905,385)	(1,113,055)	(1,966,828)	(4,985,268)
Financial result	87,640	236,306	38,628	362,574
Market value adjustment		(19,791)		(19,791)
Exchange fluctuation	55,750	40,037	63,382	159,169
Others			167	167
At June 30,2015	646,160	4,644,716	454,855	5,745,731

Changes in financial investments	**Fair value through profit or loss**	**Available-for-sale**	**Held to maturity**	**Total**
At December 31, 2013	1,711,061	2,500,127	1,013,829	5,225,017
Investments	2,911,847	2,425,991	5,703,981	11,041,819
Redemption earnings	(287,135)	(23,397)	(23,491)	(334,023)
Redemption principal	(3,576,611)	(1,236,450)	(6,112,152)	(10,925,213)
Financial result	94,354	310,076	65,165	469,595
Market value adjustment		(6,329)		(6,329)
Exchange fluctuation		25,201	50,338	75,539
At December 31, 2014	853,516	3,995,219	697,670	5,546,405

	Consolidated			
Changes in financial investments	**Fair value through profit or loss**	**Available-for-sale**	**Held to maturity**	**Total**
At December 31, 2014	853,291	4,011,356	697,670	5,562,317
Investments	1,579,562	1,518,843	1,633,966	4,732,371
Redemption earnings	(24,923)	(10,528)	(12,130)	(47,581)
Redemption principal	(1,905,385)	(1,115,169)	(1,966,828)	(4,987,382)
Financial result	86,904	236,312	38,628	361,844
Market value adjustment		(19,791)		(19,791)
Exchange fluctuation	55,750	42,672	63,382	161,804
Others			167	167
At June 30,2015	645,199	4,663,695	454,855	5,763,749

Changes in financial investments	**Fair value through profit or loss**	**Available-for-sale**	**Held to maturity**	**Total**
At December 31, 2013	1,710,910	2,514,124	1,013,829	5,238,863
Investments	2,914,726	2,429,800	5,703,981	11,048,507
Redemption earnings	(287,135)	(23,397)	(23,941)	(334,023)
Redemption principal	(3,579,728)	(1,239,940)	(6,112,152)	(10,931,820)
Financial result	94,355	310,141	65,165	469,661
Market value adjustment		(6,234)		(6,234)
Exchange fluctuation	163	26,862	50,338	77,363
At December 31, 2014	853,291	4,011,356	697,670	5,562,317

7 Credits of the reinsurance and retrocession operations

The credit accounts of the reinsurance and retrocession operations represent, mainly, the balances receivable arising from the operating changes in the local reinsurers and in the reinsurers abroad, plus the premiums issued receivable, the respective commissions, the indemnities from losses receivable and the credits from business arising from past operations of the London branch, as follows:

7.1 Breakdown

	Parent Company		Consolidated	
	2015	**2014**	**2015**	**2014**
Current				
Operations with insurers (7.2.1)	2,111,211	1,510,586	2,111,211	1,510,586
Operations with reinsurers (7.2.2)	404,014	512,238	404,014	512,238
Other operating credits	59,418	76,822	59,418	77,522
Reserve for impairment of trade receivables	(176,262)	(151,925)	(176,262)	(151,925)
	2,398,381	1,947,721	2,398,892	1,948,421
Non-current				
Operations with insurers (7.2.1)	31,038	30,635	31,038	30,635
Reserve for impairment of trade receivables	(31,038)	(30,635)	(31,038)	(30,635)
	2,398,381	1,947,721	2,398,892	1,948,421

7.2 Changes

7.2.1 Operations with insurers

	Parent Company and Consolidated				
Operations with insurers	**Effective premium**	**Estimated premium**	**Premium RVNE**	**Loss**	**Total**
At December 31, 2014	661,569	487,385	231,824	160,442	1,541,221
Premiums receivable	3,527,303	1,673,240	113,915		5,314,458
Receipts	(3,155,109)	(1,614,459)	(126,453)		(4,896,021)
Salvage, reimbursements and prepayments for settlement of losses				141,678	141,678
Exchange variation	62,700	(37,806)	16,051	(32)	40,913
At June 30,2015	1,096,463	508,360	235,337	302,088	2,142,249
Current					2,111,211
Non-current					31,038
					2,142,249

	Parent Company and Consolidated				
Operations with insurers	**Effective premium**	**Estimated premium**	**Premium RVNE**	**Loss**	**Total**
At December 31, 2013	868,186	610,762	198,450	121,410	1,798,808
Premiums receivable	461,696	1,455,527	110,545		2,027,768
Receipts	(687,188)	(1,582,950)	(90,910)		(2,361,048)
Salvage, reimbursements and prepayments for settlement of losses				38,773	38,773
Exchange variation	18,875	4,046	13,739	259	36,920
At December 31, 2014	661,569	487,385	231,824	160,442	1,541,221
Current					1,510,586
Non-current					30,635
					1,541,221

7,2,2 Operations with reinsurers

	Parent Company and Consolidated			
	Effective premium	**Loss**	**Others**	**Total**
At December 31, 2014	81,744	426,275	4,219	512,238
Premiums receivable	662,793			662,793
Receipts	(625,965)			(625,965)
Recovery of loss		(197,039)		(197,039)
Exchange variation	36,444	26,637	337	63,418
Other credits			(11,431)	(11,431)
At June 30,2015	155,016	255,873	(6,875)	404,014

	Effective premium	**Loss**	**Others**	**Total**
At December 31, 2013	212,294	283,167		495,461
Premiums receivable	74,782			74,782
Receipts	(212,287)			(212,287)
Recovery of loss		113,661		113,661
Exchange variation	6,955	29,447	181	36,583
Other credits			4,038	4,038
At December 31, 2014	81,744	426,275	4,219	512,238

7.3 Credits aging of the operations with reinsurance and retrocessions

The analysis of credit maturities of the operations with reinsurance and retrocession is as follows:

Aging	Parent Company	Consolidated
Falling due	933,043	933,043
Overdue up to 30 days	83,467	83,467
Overdue between 31 and 60 days	20,429	20,429
Overdue between 61 e 120 days	92,693	92,693
Overdue between 121 e 180 days	38,556	38,556
Overdue between 181 e 365 days	86,017	86,017
Overdue for more than 365 days	415,829	415,829
With no maturity (*)	935,647	936,158
	2,605,681	2,606,192

(*)Basically comprised by estimated reinsurance premium and current risk not issued in the amount of R$ 851,866.

Part of the overdue and falling due accounts receivable, in the amount of R$ 692,262, refers to operations with insurers and reinsurers with no default historical and whose payment is in negotiation stage. For the remaining balance overdue and falling due, in the amount of R$ 586,853, a reserve for impairment of trade receivables of R$ 207,300 was constituted, considering the use of own methodology by the Company, based on the segregation of business partners by origin and operations country, local or abroad, rating by fulfillment of financial obligation historical, clients with unsettled liabilities and special treatment for clients in negotiation.

8 Retrocession assets - technical reserves

8.1 Breakdown

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

	Parent Company		
	June 30,2015		
Lines group	**Outstanding losses**	**Incurred but not reported losses**	**Total**
Equity	1,301,619	169,136	1,470,755
Special risks	129,638	5,460	135,099
Responsibilities	239,925	24,310	264,235
Hulls	394,569	26,168	420,737
Vehicles	1,076	420	1,496
Transports	189,365	30,067	219,433
Financial risks	194,657	117,685	312,342
Credit	12,893	3,638	16,531
Staff	22,891	8,023	30,915
Housing	377	546	924
Rural	27,919	60,499	88,418
Maritime	7,964	1,398	9,362
Aviation	205,922	6,287	212,209
Others	8,998	1,310	10,308
	2,737,814	454,948	3,192,761

			December 31, 2014
Lines group	**Outstanding losses**	**Incurred but not reported losses**	**Total**
Equity	1,335,837	83,032	1,418,869
Special risks	108,904	2,081	110,985
Responsibilities	218,266	13,994	232,260
Hulls	441,329	10,042	451,371
Vehicles	967	454	1,421
Transports	153,304	23,492	176,796
Financial risks	290,149	68,004	358,153
Credit	14,131	2,031	16,162
Staff	24,273	7,038	31,311
Housing	224	572	796
Rural	20,195	55,160	75,355
Maritimes	11,034	568	11,602
Aviations	111,990	2,506	114,496
Others	12,621	976	13,597
	2,743,224	269,950	3,013,174

	Consolidated		
	June 30,2015		
Lines group	**Outstanding losses**	**Incurred but not reported losses**	**Total**
Equity	1,301,619	169,136	1,470,755
Special risks	129,638	5,460	135,098
Responsibilities	239,925	24,310	264,235
Hulls	394,569	26,168	420,737
Vehicles	1,076	420	1,496
Transports	189,365	30,067	219,432
Financial risks	194,657	117,685	312,342
Credit	12,893	3,638	16,531
Staff	22,891	8,023	30,914
Housing	377	546	923
Rural	27,919	60,499	88,418
Maritime	7,964	1,398	9,362
Aviation	205,922	6,287	212,209
Others	9,019	1,568	10,587
	2,737,834	455,205	3,193,039

	December 31, 2014		
Lines group	**Outstanding losses**	**Incurred but not reported losses**	**Total**
Equity	1,335,837	83,032	1,418,869
Special risks	108,904	2,081	110,985
Responsibilities	218,266	13,994	232,260
Hulls	441,329	10,042	451,371
Vehicles	967	454	1,421
Transports	153,304	23,492	176,796
Financial risks	290,149	68,004	358,153
Credit	14,131	2,031	16,162
Staff	24,273	7,038	31,311
Housing	224	572	796
Rural	20,195	55,160	75,355
Maritimes	11,034	568	11,602
Aviations	111,990	2,506	114,496
Others	12,844	996	13,840
	2,743,447	269,970	3,013,417

8.1.1 Changes

	Parent Company		
	June 30,2015		
	Outstanding losses	Incurred but not reported losses	Total
At December 31, 2014	2,743,225	269,949	3,013,174
Settlement of losses	(1,616,611)	(281,569)	(1,898,180)
Constitution of reserve for losses	1,611,200	466,567	2,077,767
At June 30,2015	2,737,814	454,947	3,192,761

	December 31, 2014		
	Outstanding losses	Incurred but not reported losses	Total
At December 31, 2013	2,474,493	235,408	2,709,901,
Settlement of losses	(9,836,320)	(48,093)	(9,884,413)
Constitution of reserve for losses	10,105,052	82,634	10,187,686
At December 31, 2014	2,743,225	269,949	3,013,174

	Consolidated		
	June 30,2015		
	Outstanding losses	Incurred but not reported losses	Total
At December 31, 2014	2,743,225	269,949	3,013,174
Settlement of losses	(1,616,611)	(281,569)	(1,898,180)
Constitution of reserve for losses	1,611,200	466,567	2,077,767
At June 30,2015	2,737,814	454,947	3,192,761

	December 31, 2014		
	Outstanding losses	Incurred but not reported losses	Total
At December 31, 2013	2,474,493	235,408	2,709,901
Settlement of losses	(9,836,320)	(48,093)	(9,884,413)
Constitution of reserve for losses	10,105,052	82,634	10,187,686
At December 31, 2014	2,743,225	269,949	3,013,174

8.2 Deferred retrocession premiums

Parent Company and Consolidated

June 30,2015

	Unearned premium reserve			Deferred acquisition costs			
Lines group	**Effective**	**Estimated**	**RVNE**	**Effective**	**Estimated**	**RVNE**	**Total**
Equity	189,853	61,248	25,331	(17,670)	(5,023)	(2,816)	250,923
Special risks	217,618	8,479	31,276	(17,401)	(424)	(3,841)	235,707
Responsibilities	15,497	6,875	4,992	(2,536)	(5,169)	(804)	18,855
Hulls	6						6
Vehicles	637	1,902	52	(44)	(105)	(3)	2,439
Transports		2,444	7,820	(104)	(147)	(1,189)	8,824
Financial risks	27,177	1,428	6,520	(2,461)	(472)	(1,098)	31,094
Credit							
Staff	6,415	2,581	45	(320)		(3)	8,718
Housing							
Rural	6,978	23,577	320	(1,956)	(6,667)	(89)	22,163
Maritimes	2,176	2,609	6,027	(200)	(132)	(295)	10,185
Aviations	18,502	6,262	6,524	(652)	(313)	(292)	30,031
Others	16,991	5,156		(788)	(2,543)		18,816
	501,850	122,561	88,907	(44,132)	(20,995)	(10,430)	637,761

December 31, 2014

	Unearned premium reserve			Deferred acquisition costs			
Lines group	**Effective**	**Estimated**	**RVNE**	**Effective**	**Estimated**	**RVNE**	**Total**
Equity	238,883	12,113	27,890	(21,028)	(96)	(2,389)	255,373
Special risks	177,251	23	32,626	(16,040)	(1)	(2,486)	191,373
Responsibilities	10,842	7,723	4,036	(906)	(17)	(395)	21,283
Hulls	14		455				469
Vehicles	2,264		45	(125)			2,184
Transports	6,861	2,403	5,396	(611)		(497)	13,551
Financial risks	13,403	1,888	9,662	(1,896)		(1,346)	21,711
Credit			349			(1)	348
Staff	1,149	53	24	(107)		(1)	1,117
Housing							
Rural	6,667	36,183	416	(1,805)		(70)	41,391
Maritimes	4,998	468	2,277	(438)	(12)	(72)	7,222
Aviations	23,986	777	2,727	(1,825)	(34)	(75)	25,557
Others	25,320	5,783		(1,887)	(2,940)		26,276
	511,638	67,414	85,903	(46,668)	(3,100)	(7,332)	607,855

8.2.1 Changes

	Parent Company and Consolidated						
	June 30,2015						
	Unearned premium reserve			Deferred acquisition costs			
	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
At December 31, 2014	511,638	67,414	85,903	(46,668)	(3,100)	(7,332)	607,855
Deferral for risk	(818,310)	(195,896)	(26,376)	77,503	23,389	475	(939,215)
Constitution	808,522	251,043	29,380	(74,967)	(41,284)	(3,573)	969,121
At June 30,2014	501,850	122,561	88,907	(44,132)	(20,995)	(10,430)	637,761

	December 31, 2014						
	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
At December 31, 2013	558,419	163,998	42,880	(56,410)	(17,367)	(4,957)	686,563
Deferral for risk	(819,060)	(159,203)	(8,001)	39,964	17,854	4,058	(924,388)
Constitution	772,279	62,619	51,024	(30,222)	(3,587)	(6,433)	845,680
At December 31, 2014	511,638	67,414	85,903	(46,668)	(3,100)	(7,332)	607,855

8.3 Other technical reserves

The reserve for technical surplus ensures the amounts for distribution of surplus due to technical surplus in the operation of treaties, and the reserve for related expenses constitutes coverage of the expenses related to losses.

	Parent Company and Consolidated	
	June 30, 2015	December 31, 2014
Equity	12,979	15,249
Special risks	742	1,717
Responsibilities	4,294	4,796
Hulls	3,563	832
Vehicles	40	18
Transports	277	628
Financial risks	64	66
Credit	3	1
Staff	86	122
Housing	5	12
Rural	56	127
Maritimes	80	68
Aviations	893	9,884
Others		
	23,082	33,520

9 Securities and receivables

	Parent Company		Consolidated	
	June 30, 2015	December 31, 2014	June 30,2015	December 31, 2014
Current				
Trade receivables from malls	6,008	6,730	6,008	6,730
Receivables from judicial agreements(**)	2,926	5,642	2,926	5,642
Receivables – health care expenses/INSS/retired	874	799	874	799
Prepayments to employees	2,448	372	2,448	372
Others	448	1,034	2,441	2,528
Total current	12,704	14,577	14,697	16,071
Non-current				
Receivables from Caixa Econômica Federal (*)	15,502	14,426	15,502	14,426
Receivables from judicial agreements (**)	14,630	14,611	14,630	14,611
Total non-current	30,132	29,037	30,132	29,037
	42,836	43,614	44,829	45,108

(*)Amount arising from the recovery of amounts unduly paid on account of suit due to demand related to the Housing Insurance of the Financial System of Housing ("Seguro Housing do Sistema Financeiro de Habitação - SFH"), using the resources of FESA

(**)Amount from judicial agreements entered into with debtors.

10 Tax and social security credits

10.1 Tax and social security credits

	Parent Company and Consolidated	
	June 30, 2015	December 31,2014
Current		
Contributions and taxes over recoverable (*)	52,728	62,400
Income tax withheld at source	13,143	16,858
Taxes to offset/recover	3,207	1,176
	69,078	97,507
Non-current		
Contributions and taxes over recoverable (*)	249,992	249,992
Tax credits on temporary differences (**)	398,059	376,178
	648,051	626,170
	717,129	723,677

(*) It refers to overpayments for Social Integration Program ("Programa de Integração Social – PIS") (R$ 50,619) and Social Contribution on Revenues ("Contribuição para o Financiamento da Seguridade Social - COFINS") (R$ 252,101), arising from the operation to increase the basis, whose decision of the suit occurred on October 29, 2013, and the refund request on December 19, 2013 (Note 22.3.4). To determine and account for these amounts, it was considered the credits on which there is no doubt or discussion about the breakdown of its calculation basis.. These credits have been used by the Company to settle the monthly debts of the direct taxes (Income Tax (IRPJ), Social Security (CSLL), PIS and COFINS). During the semester R$ 25,580 were offset.

(**) The Provisional Measure No. 675 of May 21, 2015 ("MP") raised the rate of Social Contribution to 20%, which will be effective as from September 10, 2015. The MP has not yet been converted into Law, remaining to be appreciated and approved by the National Congress. Considering the many complementary amendments to the project to convert it into Law, increasing or decreasing the rate to levels different from the proposed by the Executive, it was not recognized any effect for the mentioned rate increase on the tax credits on June 30,2015.

10.1.1 Tax credits on temporary differences

The deferred income tax and social contribution on temporary differences are as follows:

	Parent Company and Consolidated			
	June 30, 2015		Dcember 31, 2014	
	IRPJ	CSLL	IRPJ	CSLL
Non-current				
Tax credits on temporary differences				
Labor reserves (a)	287,176	287,176	392,661	392,661
Reserve for devaluation of the investment (b)	257,391	257,391	188,587	188,587
Reserve for impairment of trade receivables (c)	286,698	286,698	251,930	251,930
Reserve for tax and social security contingencies (d)	196,912	196,912	166,657	166,657
Market value adjustment - Securities available-for-sale	59,178	59,178	39,387	39,387
Actuarial gains and losses – post-employment benefits	(53,020)	(53,020)	(15,876)	(15,876)
Reserve for labor contingencies (d)	54,483	54,483	48,078	48,078
Market value adjustment - investment	47,234	47,234	(14,921)	(14,921)
Reserve for tax/labor contingencies – liability	(95,582)	(95,582)	(79,289)	(79,289)
Other reserves	6,013	6,013	11,193	11,193
Calculation basis	1,046,483	1,046,483	988,407	988,407
Rate	25%	15%	25%	15%
Tax credit on temporary differences	261,621	156,972	247,102	148,260
Reserve for losses on tax credit realizations over 10 years (a)	(12,834)	(7,700)	(11,990)	(7,194)
Total tax credits on temporary differences	248,787	149,272	235,112	141,066

The deferred income tax and social security tax credits arising from temporary differences are being constituted based on the 25% and 15% rates, respectively.

(a) The realization of the tax credit is based on actuarial calculation of the realization of the labor reserves and it considers the management's expectation regarding the realization of the asset in a period up to 10 years ("Foresseable future").

(b) These refer to the reserve for losses of the financial investments Brazilian Bonds and BB Securities and Banco Econômico, being the former in default and the latter exceeds in 20 years its realization and the investment in Banco Econômico is in dispute.

(c) The realization of the tax credit on reserve for impairment of trade receivable is related to the administrative of judicial recovery of the credit or management decision to write-off the loss.

(d) The realization of the tax credit on the reserve for tax, social security and labor contingencies depends on the final decision and closing date of these lawsuits.

11 Properties to lease

			Improvements	
	Land	**Buildings**	**Malls**	**Total**
Cost of properties to lease - gross				
Balance in 2014	16,489	672	169,395	186,556
Acquisition			1,068	1,068
At June 30,2015	16,489	672	170,463	187,624
Accumulated depreciation				
Balance in 2014		(672)	(10,364)	(11,036)
Depreciation			(1,623)	(1,623)
On June 30, 2015		(672)	(11,987)	(12,659)
Net book value	16,489		158,476	174,965
Cost of properties to lease - gross				
Balance in 2013	16,489	672	161,645	178,806
Acquisition			7,750	7,750
At December 31, 2014	16,489	672	169,395	186,556
Accumulated depreciation				
Balance in 2013		(672)	(7,260)	(7,932)
Depreciation			(3,104)	(3,104)
At December 31, 2014		(672)	(10,364)	(11,036)
Net book value	16,489		159,031	175,520

(a) The breakdown of the investments in the malls, with the Company's share percentage and respective improvements made IRB in the year ended June 30,2015 , is as follows:

		Improvements	
		June 30, 2015	**December 31,2014**
	Investment Percentage	**Improvements**	**Improvements**
Casa Shopping - Rio de Janeiro	20%		
Park Shopping - Brasília	12%	40	458
Esplanada - Sorocaba	15%	114	366
Praia de Belas - Porto Alegre	20%	725	2.293
Minas Shopping - Belo Horizonte	19.13%	25	3.123
Shopping Barra - Salvador	20%	164	1.510
Book value of the improvements in active malls		1.068	7.750

The investments in malls are recorded at cost and the Company annually determines the cash flow value expected for these investments and constitutes reserve for losses, when applicable, whose market value is estimated in R$ 594,695.

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

	June 30,2015	December 31, 2014
Up to one year	46,191	37,067
Between one and five years	160,046	147,269
More than five years	192,307	179,355

12 Property and equipment

	Parent Company						
	Land and buildings	**Data processing equipment**	**Telecommunication equipment**	**Furniture, machinery and utensils**	**Other properties and equipment**	**Vehicles**	**Total**
Cost property and equipment - gross							
At December 31, 2014	22,141	40,309	3,667	7,469	78	603	74,267
Additions	124	5,016	262	185	1,005		6,592
Transfers							
Disposals		(2,050)	(429)	(92)			(2,571)
At June 30,2015	22,265	43,275	3,500	7,562	1,083	603	78,288
Depreciação acumulada							
At December 31, 2014	(10,221)	(25,633)	(765)	(4,733)		(35)	(41,387)
Depreciation	(314)	(2,739)	(321)			(60)	(3,680)
Disposals		2,027	421	91			2,539
At June 30,2015	(10,535)	(26,345)	(665)	(4,888)		(95)	(42,528)
Net book value	11,730	16,930	2,835	2,674	1,083	508	35,760
Cost property and equipment - gross							
At December 31, 2013	21,998	38,726	572	7,048	2,389		70,733
Additions	143	2,522	3,080	550	423	603	7,321
Transfers		2,509	15	238	(2,734)		28
Disposals		(3,448)		(367)			(3,815)
At December 31, 2014	22,141	40,309	3,667	7,469	78	603	74,267
Accumulated depreciation							
At December 31, 2013	(9,600)	(24,027)	(457)	(4,540)			(38,624)
Depreciation	(621)	(5,054)	(308)	(547)		(35)	(6,565)
Disposals		3,448		354			3,802
At December 31, 2014	(10,221)	(25,633)	(765)	(4,733)		(35)	(41,387)
Net book value	11,920	14,676	2,902	2,736	78	568	32,880

	Consolidated						
	Land and buildings	**Data processing equipment**	**Telecommunication equipment**	**Furniture, machinery and utensils**	**Other properties and equipment**	**Vehicles**	**Total**
Cost property and equipment - gross							
At December 31, 2014	22,141	40,309	3,667	7,661	78	603	74,459
Additions	124	5,016	262	185	1,005		6,592
Transfers							
Disposals		(2,050)	(429)	(208)			(2,687)
At June 30,2015	22,265	43,275	3,500	7,638	1,083	603	78,364
Accumulated depreciation							
At December 31, 2014	(10,221)	(25,633)	(765)	(4,906)		(35)	(41,560)
Depreciation	(314)	(2,739)	(321)	(255)		(60)	(3,689)
Disposals		2,027	421	214			2,662
At June 30,2015	(10,535)	(26,345)	(665)	(4,947)		(95)	(42,587)
Net book value	11,730	16,930	2,835	2,691	1,083	508	35,777
Custo imobilizado bruto							
Saldo em December 31, 2013	21,998	38,726	572	7,217	2,389		70,902
Adições	143	2,522	3,080	582	423	603	(7,353)
Transferências		2,509	15	229	(2,734)		19
Disposals		(3,448)		(367)			(3,815)
At December 31, 2014	22,141	40,309	3,667	7,661	78	603	74,459
Accumulated depreciation							
At December 31, 2014	(9,600)	(24,027)	(457)	(4,664)			(38,748)
Depreciation	(621)	(5,054)	(308)	(596)			(6,614)
Disposals		3,448		354			3,802
At December 31, 2014	(10,221)	(25,633)	(765)	(4,906)		(35)	(41,560)
Net book value	11,920	14,676	2,902	2,755	78	568	32,899

13 Intangible assets

	Parent Company and Consolidated		
	Software development cost	**Software in progress**	**Total**
Cost intangible assets - gross			
At December 31, 2014	85,694	1,439	87,133
Additions	4,435	1,909	6,344
Transfers	730	(730)	
At June 30, 2015	90,859	2,618	93,477
Accumulated amortization			
At December 31, 2014	(29,951)		(29,951)
Amortization	(7,563)		(7,563)
At June 30,2015	(37,514)		(37,514)
Net book value	53,345	2,618	55,963
Gross intangible cost			
At December 31, 2013	32,832	25,383	58,215
Additions	21,007	7,952	28,959
Transfers	31,855	(31,896)	(41)
At December 31, 2014	85,694	1,439	87,133
Accumulated amortization			
At December 31, 2013	(18,737)		(18,737)
Amortization	(11,214)		(11,214)
At December 31, 2014	(29,951)		(29,951)
Net book value	55,743	1,439	57,182

14 Obligations payable and reserves for post-employment benefits

14.1 Obligations payable

	Parent Company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Trade payables	5,471	5,165	5,471	5,165
Dividends	4,454	30,739	4,454	30,739
Interest on capital	80,658	1,657	80,658	1,657
Profit sharing	12,920	44,878	12,920	44,878
Others	1,028	779	1,569	1,797
	104,531	83,218	105,072	84,236
Current	104,221	82,997	104,762	84,015
Non-current	310	221	310	221

14.2 Reserve for post-employment benefit

	Parent Company		Consolidated	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Post-employment benefit - Retirement (i)	134,745	147,905	134,745	147,973
Post-employment benefit – Health Care (ii)	204,965	225,798	204,965	225,798
Post-employment benefit – Life Insurance (iii)	1,224	1,348	1,224	1,348
Post-employment benefit - Funeral Assistance (iv)	1,519	1,733	1,519	1,733
	342,453	376,784	342,453	376,852
Current	30,691	33,717	30691	33,785
Non-current	311,762	343,067	311,762	343,067
	342,453	376,784	342,453	376,852

(i) Post-employment benefit - Retirement

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

(ii) Post-employment benefit - Health and dental care

Self-management plans for health care coverage (first aid post), surgical (hospital confinement), obstetric and dental care, besides reimbursements and pharmacy benefit for active employees, retired employees and pensioners, as well as their dependents: for employees hired up to May 31, 2004, the dependents can be spouse, children and parents, with revenue lower than one Brazilian minimum wage. For employees hired as from June 1, 2004, it is only considered as dependents spouse and children. For those whose entered the company as from October 14, 1996, IRB Brasil RE pays 50% of the plan, i.e., of the amounts of tables I and II (items 5.1.4 and 5.1.5 of section 1 of the PCAM Standards) and the employees and beneficiaries, with another installment equal to the other 50%. For those who entered the Company up to October 13, 1996, the contribution of the employee and its dependents varies from 0.25% to 2% of the amount of the items that compose the reference wage basis. The contributions are monthly discounted of its salary, varying according to the hiring date, wage basis amount (%) and age (tables).

(iii) Post-employment benefit - Life insurance

In the case of employees hired up to 1998, IRB-Brasil RE bears 100% of the premium and, in the case of employees hired after that year, 50% of the premium. The participation of the employee is optional. The retired employees for contribution that desire to remain in the policy when retire pay the full premium. IRB fully bears with the cost of the premium of the disability retirees.

(iv) Post-employment benefit - Funeral assistance

This benefit is only available for employees hired up to October 31, 1996. The assistance is limited to R$ 1,384.38 for simple funeral, R$ 1,630.36 for cremation and R$ 2,739.07 for funeral with cremation.

15 Reserves for taxes and contributions

	Parent Company and Consolidated	
	June 30, 2015	December 31, 2014
Current liabilities		
IRPJ payable	10,868	
CSLL payable	4,204	
PIS/COFINS payable	2,725	3,821
	17,797	3,821

16 Debits of reinsurance and retrocession operations

The debits accounts of the reinsurance and retrocession operations represent, mainly, the balances payable arising from the operating changes in the local reinsurers and in the reinsurers abroad, plus the premiums payable, the respective commissions, the indemnities from losses payable and the debits from business arising from past operations of the London branch, as follows:

16.1 Breakdown

	Parent Company		Consolidated	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Operations with insurers	119,945	53,943	119,945	53,943
Operations with reinsurers	769,757	589,805	770,010	590,022
Reinsurance, retrocession brokers and others	52,388	39,245	52,405	39,259
Other operating debts (*)	156,393	214,598	156,393	214,598
	1,098,483	897,591	1,098,753	897,822

(*)These refer to the Company's debits arising from operations with the Funds and Consortia.

16.2 Changes

16.2.1 Operation with insurers

	Parent Company and Consolidated			
	Premiums	**Losses**	**Others**	**Total**
At December 31, 2014	908	52,861	174	53,943
Premiums, commissions and retrocession interest payable				
Premiums, commissions and retrocession interest paid				
Reinsurance loss payable		419,106		419,106
Reinsurance loss paids		(354,547)		(354,547)
Other payables			125	125
Other paid			(32)	(32)
Exchange variation	153	1,184	13	1,350
At June 30,2015	1,061	118,604	280	119,945

	Premiums	**Losses**	**Others**	**Total**
At December 31, 2013	202,647	114,652	18,964	336,263
Premiums and retrocession interest payable	33			33
Premiums and retrocession interest paids	(201,926)			(201,926)
Reinsurance loss payable		1,956,954		1,956,954
Reinsurance loss paids		(2,018,921)		(2,018,921)
Other payables			14,045	14,045
Other paid			(32,866)	(32,866)
Exchange variation	154	176	31	361
At December 31, 2014	908	52,861	174	53,943

16,2,2 Operation with reinsurers

	Parent Company			
	Premiums	**Losses**	**Others**	**Total**
At December 31, 2014	606,011	(16,409)	203	589,805
Premiums, commissions and retrocession interest payable	1,067,906			1,067,906
Premiums, commissions and retrocession interest paid	(893,641)			(893,641)
Reinsurance loss payable		39,922		39,958
Reinsurance loss paids		(47,743)		(47,743)
Other payables			17,019	17,019
Other paid			(15,292)	(15,292)
Exchange variation	16,219	(4,422)	(16)	11,781
At June 30,2015	796,495	(28,652)	1,914	769,757

	Premiums	**Losses**	**Others**	**Total**
At December 31, 2013	766,368	18,589		784,957
Premiums, commissions and retrocession interest payable	1,036,753			1,036,753
Premiums, commissions and retrocession interest paid	(1,236,194)			(1,236,194)
Reinsurance loss payable		205,063		205,063
Reinsurance loss paids		(235,214)		(235,214)
Other payables			6,375	6,375
Other paid			(6,186)	(6,186)
Exchange variation	39,084	(4,847)	14	34,251
At December 31, 2014	606,011	(16,409)	203	589,805

	Consolidated			
	Premiums	**Losses**	**Others**	**Total**
At December 31, 2014	606,190	(16,372)	204	590,022
Premiums, commissions and retrocession interest payable	1,067,906	-	-	1,067,906
Premiums, commissions and retrocession interest paids	(893,641)	-	-	(893,641)
Reinsurance loss payable	-	39,958	-	39,958
Reinsurance loss paids	-	(47,743)	-	(47,743)
Other payables	-	-	17,019	17,019
Other paids	-	-	(15,292)	(15,292)
Exchange variation	16,219	(4,422)	(16)	11,781
At June 30,2015	796,674	(28,579)	1,915	770,010

	Premiums	**Losses**	**Others**	**Total**
At December 31, 2013	766,547	18,615	1	785,163
Premiums, commissions and retrocession interest payable	1,036,753	-	-	1,036,753
Premiums, commissions and retrocession interest paids	(1,236,194)	-	-	(1,236,194)
Reinsurance loss payable	-	205,074	-	205,074
Reinsurance loss paids	-	(235,214)	-	(235,214)
Other payable	-	-	6,375	6,375
Other paids	-	-	(6,186)	(6,186)
Exchange variation	39,084	(4,847)	14	34,251
At December 31, 2014	606,190	(16,372)	204	590,022

17 Third-parties' deposits

The breakdown of the account balance by deposit age is as follows:

Anticipated premium collection

	Parent Company and Consolidated	
	June 30, 2015	**December 31, 2014**
Up to 30 days	468	1,397
From 30 to 60 days		
From 61 to 90 days		
From 91 to 120 days		
More than 120 days	13,415	15,591
	13,883	16,988

18 Technical reserves

18.1 Reserve for earned premiums and acquisition costs

	Parent Company and Consolidated						
	June 30,2015						
	Unearned premium reserve			Deferred acquisition costs			Total
Lines group	**Effective**	**Estimated**	**RVNE**	**Effective**	**Estimated**	**RVNE**	
Equity	458,741	117,662	66,364	(35,511)	(11,985)	(7,078)	588,193
Special risks	345,627	8,946	43,344	(36,272)	(5)	(7,121)	354,519
Responsibilities	32,977	10,026	8,125	(2,993)	(1,474)	(1,008)	45,653
Hulls	358		11	(18)		(1)	350
Vehicles	7,728	8,983	391	(2,232)	(2,337)	(107)	12,426
Transports	39,325	5,664	18,956	(7,279)	(662)	(2,075)	53,929
Financial risks	110,456	35,494	22,199	22,725)	(14,677)	(6,075)	119,690
Credit							
Staff	28,291	7,861	250	(1,327)	(602)	(10)	34,463
Housing	3,018	6,765	67	(391)	(2,156)	(13)	7,290
Rural	54,629	146,567	2,436	(13,601)	(35,636)	(581)	153,814
Maritimes	35,919	5,629	15,562	(2,237)	(175)	(1,230)	53,468
Aviations	47,104	11,087	19,695	(4,679)	(1,910)	(1,839)	69,458
Others	173,415	115,393		(22,723)	(27,740)		238,345
	1,337,588	480,077	197,400	(156,988)	(99,359)	(27,120)	1,731,598

	Parent Company and Consolidated						
	December 31, 2014						
	Unearned premium reserve			Deferred acquisition costs			Total
Lines group	**Effective**	**Estimated**	**RVNE**	**Effective**	**Estimated**	**RVNE**	
Equity	498,619	62,563	77,163	(36,014)	(14,223)	(4,854)	583,254
Special risks	275,306	62	51,026	(30,323)	(9)	(4,820)	291,242
Responsibilities	26,567	11,443	6,904	(2,622)	(2,366)	(494)	39,432
Hulls	736		627	(37)		(13)	1,313
Vehicles	5,878	8,835	397	(1,054)	(3,585)	(70)	10,401
Transports	37,241	11,835	14,158	(5,169)	(2,918)	(1,301)	53,846
Financial risks	70,846	50,920	19,209	(15,845)	(20,030)	(3,499)	101,601
Credit			564			(53)	511
Staff	11,931	3,950	112	(298)	(145)	(1)	15,549
Housing	2,155	530	34	(208)	(125)	(5)	2,381
Rural	87,967	181,865	1,807	(20,074)	(44,013)	(296)	207,256
Maritimes	32,812	2,866	9,396	(2,273)	(190)	(610)	42,001
Aviations	54,056	3,577	12,800	(3,944)	(778)	(808)	64,903
Others	127,217	48,942		(17,778)	(15,279)		143,102
	1,231,331	387,388	194,197	(135,639)	(103,661)	(16,824)	1,556,792

18.1.1 Changes

	Parent Company and Consolidated					
	June 30,2015					
	Unearned premium reserve			Deferred acquisition costs		
	Effective	**Estimated**	**RVNE**	**Effective**	**Estimated**	**RVNE**
At December 31, 2014	1,231,331	387,388	194,197	(135,639)	(103,661)	(16,824)
Deferred for the risk	(258,593)	(136,757)	(35,504)	22,727	34,933	910
Constitution	364,850	229,446	38,707	(44,076)	(30,631)	(11,206)
At June 30,2015	1,337,588	480,077	197,400	(156,988)	(99,359)	(27,120)

	December 31, 2014					
	Unearned premium reserve			Deferred acquisition costs		
	Effective	**Estimated**	**RVNE**	**Effective**	**Estimated**	**RVNE**
At December 31, 2013	1,227,125	618,428	175,223	(147,302)	(152,112)	(8,019)
Deferred for the risk	(443,485)	(429,517)	(149,589)	209,193	103,293	20,701
Constitution	447,691	198,478	168,563	(197,530)	(54,842)	(29,506)
At December 31, 2014	1,231,331	387,388	194,197	(135,639)	(103,661)	(16,824)

18.2 Outstanding reserve and reserve for incurred but not reported losses

	June 30,2015			
	Parent Company		Consolidated	
Lines group	Losses outstanding Reinsurance	Incurred but not reported losses Reinsurance	Losses outstanding Reinsurance	Incurred but not reported losses Reinsurance
Equity	2,297,832	310,790	2,297,832	310,790
Special risks	175,238	8,366	175,238	8,366
Responsibilities	547,251	44,675	547,251	44,675
Hulls	648,095	36,350	648,095	36,350
Vehicles	193,128	39,323	193,128	39,323
Transports	297,273	55,269	297,273	55,269
Financial risks	334,016	193,568	334,016	193,568
Credit	31,361	12,478	31,361	12,478
Staff	120,828	30,873	120,828	30,873
Housing	27,489	12,190	27,489	12,190
Rural	187,287	127,607	187,287	127,607
Maritime	80,181	15,524	80,181	15,524
Aviation	227,089	15,582	227,089	15,582
Run-off (London) (*)	108,157	87,702	108,157	87,702
Others	306,996	81,781	308,896	82,038
	5,582,221	1,072,078	5,584,121	1,072,335

	December 31, 2014			
	Parent Company		Consolidated	
Lines group	Losses outstanding Reinsurance	Incurred but not reported losses Reinsurance	Losses outstanding Reinsurance	Incurred but not reported losses Reinsurance
Equity	2,272,953	194,574	2,272,953	194,574
Special risks	154,395	3,331	154,395	3,331
Responsibilities	538,414	30,790	538,414	30,790
Hulls	580,790	15,445	580,790	15,445
Vehicles	188,263	42,695	188,263	42,695
Transports	264,356	46,551	264,356	46,551
Financial risks	490,706	111,736	490,706	111,736
Credit	32,676	7,100	32,676	7,100
Staff	119,725	27,419	119,725	27,419
Housing	25,535	12,768	25,535	12,768
Rural	92,661	131,480	92,661	131,480
Maritime	87,164	8,208	87,164	8,208
Aviation	155,243	7,333	155,243	7,333
Run-off (London) (*)	90,867	81,339	90,867	81,339
Others	287,444	75,520	289,629	75,746
	5,381,192	796,289	5,383,377	796,515

(*) This includes the reserve for risk of environmental pollution, diseases and other damages arising from the leakage of asbestos. These estimates comprise a higher level of uncertainty in relation to those related to the other risks, because the occurrence and development of this type of loss is more unpredictable. Accordingly, the final amounts may significantly vary, for more or less, upon its effective realization in subsequent years.

18.2.1 Changes

	Parent Company		Consolidated	
				June 30,2015
	Losses outstanding	Incurred but not reported losses	Losses outstanding	Incurred but not reported losses
At December 31, 2014	5,381,192	796,289	5,383,377	796,515
Settlement of losses	(197,860)	(88,403)	(198,145)	(88,403)
Constitution of reserve for losses	398,889	364,192	398,889	364,223
At June 30,2015	5,582,221	1,072,078	5,584,121	1,072,335

				December 31, 2014
	Losses outstanding	Incurred but not reported losses	Losses outstanding	Incurred but not reported losses
At December 31, 2013	4,880,918	647,204	4,882,406	647,410
Settlement of losses	(672,728)	(577,378)	(672,729)	(577,378)
Constitution of reserve for losses	1,173,002	726,463	1,173,700	726,483
At December 31, 2014	5,381,192	796,289	5,383,377	796,515

18.3 Losses under litigation

Em 30 de junho 2015 e de December 31, 2014, the section Outstanding losses includes payable balances concerning losses under litigation related, mainly, to issues involving the scope of coverage under treaties' conditions or the discrepancies between the amounts demanded by the insured parties and the evaluation of legal advisors, internal lawyers and/or technical department of the Reinsurer.

The percentages calculated on an actuarial basis, by loss probability, and the corresponding constituted reserve are as follows:

	Parent Company and Consolidated					
						June 30,2015
Probability	Number	Total exposure value	%	Losses outstanding	Retrocession	Net
Probable	831	433,805	44	190,875	(60,548)	130,327
Possible	701	629,092	29	182,437	(97,644)	84,793
Remote	252	239,917	6	14,395	(9,112)	5,283
	1,784	1,302,815		387,707	(167,304)	220,403

	Parent Company and Consolidated					
	December 31, 2014					
	Number	Total Exposure value	%	Losses outstanding	Retrocession	Net
Probable	869	407,248	44	179,189	(84,462)	94,727
Possible	729	442,120	34	150,321	(70,855)	79,466
Remote	265	546,433	10	54,643	(25,757)	28,886
	1,863	1,395,801		384,153	(181,074)	203,079

These court claims are recorded, gross of retrocession, as liabilities under Outstanding losses, and the recoverable values concerning the retrocession are classified under "Retrocession Assets - Technical Reserves", under Outstanding losses.

18.3.1 Court losses aging

	Parent Company and Consolidated		
Aging	Gross of retrocession	Retrocession	Net of retrocession
From 31 to 60 days	2		2
From 61 to 90 days	97		97
From 91 to 120 days			
From 121 to 180 days			
From 181 to 365 days	3,084	(1,501)	1,583
More than 365 days	384,524	(165,802)	218,722
	387,707	(167,303)	220,404

18.4 Other reserves

In 2009, the reserve for technical surplus began to be constituted in order to ensure the amounts for distribution of surplus due to technical surplus in the operationalization of treaties, and reserve for related expenses, constituted for the coverage of the expenses related to losses.

	Parent Company and Consolidated	
Lines group	June 30, 2015	December 31, 2014
Equity	26,333	24,895
Special risks	1,032	3,644
Responsibilities	13,201	12,957
Hulls	3,984	958
Vehicles	1,141	436
Transports	820	1,808
Financial risks	10,733	11,758
Credit	43	483
Staff	7,735	20,654
Housing	285	3,492
Rural	1,780	305
Maritime	753	228
Aviation	1,824	11,529
Others	1,165	915
	70,829	94,062

19 Guarantee of technical reserves

According to National Monetary Council ("Conselho Monetário Nacional - CMN) Resolution No. 3,543, dated February 28, 2008, the Reinsurers' technical reserves on June 30,2015 and December 31, 2014 had the following coverage:

	Parent Company		Consolidated	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Insurance technical reserves	8,456,725	7,828,335	8,458,883	7,830,746
(-) Retrocession assets - reducers	3,332,118	3,254,319	3,332,118	3,254,319
(-) Credit rights (*)	483,138	361,889	483,138	361,889
Amount to be guaranteed	4,641,469	4,212,127	4,643,627	4,214,538
Assets given as collateral:				
Exclusive investment funds quotas	91,063	20,000		
Fixed income investment fund			91,063	20,000
Financial Treasury Bills	2,942,924	3,295,031	2,942,924	3,295,031
Financial bills	209,248		209,248	
National Treasury Notes	780,043	417,910	780,043	417,910
National Treasury Bills	490,218	355,589	490,218	355,589
Sovereign debt securities	329,785	150,479	329,785	150,479
Time deposit		130,451		130,451
Total assets	4,843,282	4,369,460	4,843,282	4,369,460

(*)For the purpose of identification of the technical reserves balance to be covered by these assets, it should be considered the liabilities balance of the group “Technical Reserves – Reinsurance and Retrocessions” net of the assets balance of the group "Retrocession assets – Technical Reserves", referring to the parcel of risk retrocession.

20 Related parties

The main transactions carried out by the Reinsurer with related parties in normal market conditions are as follows:

	Parent Company and Consolidated					
	June 30, 2015		December 31, 2014		June 30, 2015	December 31, 2014
	Receivable	Payable	Receivable	Payable	Result	Result
With shareholding in the Reinsurer						
Premiums	486,983	2,660	295,936	2,779	469,875	542,450
Indemnities and expenses with losses	30,912	46,078	34,035	21,538	(152,212)	(197,735)
Commissions		45,637		19,893	(76,211)	(85,334)
Others	298	6,948	870	6,695	(42,460)	(1,473)
	518,193	101,323	330,841	50,905	198,993	257,908

These refer to reinsurance and retrocession operations carried out with insurers that hold shares of this Reinsurer, whose amounts are includes in the items "Credits of the reinsurance and retrocession operations" and "Debits of the reinsurance and retrocession operations" in the balance sheets and in the respective accounts recorded in the statements of income.

20.1 Key management compensation

The total compensation of directors and other boards and committees of the Company, at June 30,2015, is as follows:

	Parent Company and Consolidated	
	Accounts payable	**Result**
Short-term compensation to management	23	1,123
Post-employment benefits		190
At June 30,2015	23	1,313
At December 31, 2014	6,049	5,504
At June 30,2014	1,187	2,581

21 Judicial and fiscal deposits, other lawsuits and tax obligations

	Parent Company and Consolidated		
	June 30,2015		
	Fiscal and judicial deposits	**Other lawsuits**	**Tax obligations**
Tax			
COFINS	6,339	6,339	
PIS	3,254	3,254	
Social contribution	341,898		328,560
Income tax	1,367	54,747	
Service tax (ISS)	946		
Social security			
INSS	41,890	41,890	
FGTS	1,135		
Labor and civil			
Labor lawsuits	43,805	54,287	
Civil Lawsuits	16,383	1,921	
Fees		3,752	
Non-current	457,017	166,190	328,560

	Parent Company and Consolidated		
	December 31, 2014		
	Fiscal and judicial deposits	Other lawsuits	Tax obligations
Tax			
COFINS	6,021	6,021	
PIS	3,091	3,091	
Social contribution	303,005		286,867
Income tax	1,299	53,597	
Service tax (ISS)	914		
IPTU			
Social security			
INSS	40,296	40,296	
FGTS	1,127		
Labor and civil			
Labor lawsuits	42,025	47,914	
Civil lawsuts	20,576	1,900	
Fees		3,751	
Non-current	418,354	156,570	286,867

21.1 Civil, labor, tax and social security lawsuits

The Company is a party in the following lawsuits, classified by nature, loss probability, value at risk and reserved:

	Parent Company and Consolidated		
	June 30,2015		
	Number	Value at risk	Accounting balance
Tax			
Probable	2	381,941	381,941
Possible	16	249,185	10,959
Remote	1	200	
	19	631,326	392,900
Social security			
Possible	11	62,895	41,890
Remote	2	18,912	
	13	81,807	41,890
Labor and civil			
Probable	79	59,960	59,960
Possible	58	6,278	
Remote	28	5,171	
	165	71,409	59,960

	Parent Company and Consolidated		
	December 31, 2014		
	Number	Value at risk	Accounting balance
Tax			
Probable (*)	1	52,299	52,299
Possible	15	550,506	297,277
Remote	1	200	
	17	603,005	349,576
Social security			
Possible	10	61,309	40,296
Remote	2	18,516	
	12	79,825	40,296
Labor and civil			
Probable	90	53,565	53,565
Possible	94	8,187	
Remote	30	4,825	
	214	66,577	53,565

(*) The amount of R$ 328,560 (R$ 286,867 in 2014) is recorded as accounts payable – reserve for taxes and contributions.

21.2 Changes in reserves for lawsuits

	Parent Company and Consolidated				
	2014	**Additions**	**Monetary updates**	**Disposals**	**2015**
Tax					
COFINS (Note 21.3.2)	6,021		318		6,339
PIS (Note 21.3.2)	3,091		162		3,253
Social contribution (Note 21.3.5)	286,867	27,583	14,110		328,560
Income tax (Note 21.3.2)	53,597		1,151		54,748
Social security					
INSS (21.3.1)	40,296	1,594			41,890
Labor and Civil					
Labor suits (21.3.3)	47,914	6,373			54,287
Civil	1,900	21			1,921
Fees	3,752				3,752
	443,438	35,571	15,741		494,750

	2013	**Additions**	**Monetary updates**	**Disposals**	**2014**
Tax					
COFINS (Note 21.3.2)	13,081	5,574	447	(13,081)	6,021
PIS (Note 21.3.2)	2,934	2,861	230	(2,934)	3,091
Social contribution (Note 21.3.5)	213,404	52,396	21,067		286,867
Social contribution (Note 21.3.5)	3,286			(3,286)	
Income tax (Note 21.3.2)	50,355	1,202	2,040		53,597
IPTU	2,949			(2,949)	
Social security					
INSS (21.3.1)	37,436		2,860		40,296
Labor and Civil					
Labor suits (21.3.3)	44,096	3,818			47,914
Civil		1,900			1,900
Fees	2,725	1,033		(7)	3,751
	370,266	68,784	26,644	(22,257)	443,437

21.3 Tax lawsuits

21.3.1 Brazilian Institute of Social Security - INSS and Service Tax – ISS

Due to the inspections made by the Brazilian Institute of Social Security - INSS and by the Attorney General of the City of Rio de Janeiro (Service Tax - ISS), notices of assessment were drawn up and tax proceedings were filed in 1999 and 1989, respectively, based on supposed discrepancies of tax and social security classifications adopted by the Company.

The Company filed administrative proceedings in order to cancel the penalties in question, maintaining reserved the amount of R$ 41,890 (in June 2014) concerning the cases brought by the INSS regarding the additional 2.5% due by companies compared to financial institutions.

In relation to the court dispute regarding the INSS additional 2.5%, on April 30, 2010, the Company was required to pay the judicial deposit of the values claimed at the time (R$ 23,291) and, then, on May 28, 2010, it complemented the deposit with the inclusion of legal charges (R$ 4,666). The challenged amounts concerning the INSS have been judicially deposited, amounting to R$ 41,890, updated, and the same amount reserved, according to the management's expectation of disbursement / loss.

With regard to the ISS tax enforcement and considering the important conclusions found in the aforementioned expert's report about the matter, issued in November 2012, which seems extremely favorable to the Company's interests, the lawyers defending the case classify as possible the loss probability. The Company's legal advisors classify as possible the loss probability on both legal claims (INSS and ISS).

21.3.2 Offset of Tax on Net Income (ILL) and Social Investment Fund (Finsocial) credits

In October 2001, the Company filed Refund/Compensation Requests regarding the ILL amounts paid in the period between December 31, 1988 and December 31, 1992, and FINSOCIAL, in the period between October 1989 and December 1991, whose unconstitutionality had already been acknowledged by the Supreme Federal Court.

During 2001 and 2002, the Company offset these tax credits with federal tax debts falling due. In November 2001, the Federal Revenue dismissed the aforementioned requests for refund, claiming the extinction of the right to tax credits. Later, the Company appealed against the decision with the Tax Board obtaining, in both cases, favorable decisions in the appeal trial from the aforementioned Counsel.

In relation to the ILL administrative proceedings specifically, the Company was successful in the discussion of merits involved and, now, only the discussion regarding the adjustment of the tax credits is pending, with the Company obtaining partial victory of the credit right to the ILL amounts (the historical value of the offset accepted by the Federal Revenue amounts to R$ 20,291 in March 2002), being ratified as part of the offsets carried out.

In this context, before the definitive decision in the administrative sphere in February 2014, recognizing a parcel of the mentioned tax credits, the Company reversed the accounting reserve it had constituted with the mentioned Administrative Proceeding, which was about R$ 19,000, for R$ 9,000, with positive effect in the result of IRB Brasil RE. Following, the Company filed a suit, on March 2014, to judicially claim the parcel of the credits amount that were not recognized by Brazilian Federal Revenue. Accordingly, on March 28, 2014, the Company judicially deposited the amounts charged through the mentioned debts, for the cease of their liability, in the amounts of R$ 8,434 and R$ 1,202 for PIS. The mentioned deposits, updated up to June 2015, amount to R$6,330 and R$ 3,253, respectively, fully reserved.

In relation to the FINSOCIAL administrative proceedings, the Company received, in February 2007, a notification to pay the approximate amount of R$ 33,836, having filed a Writ of Mandamus, obtaining the suspension of the obligation of such tax, until a definitive decision has been made in the administrative sphere. Currently the Company awaits final trial by the High Court of Appeals for Fiscal Matters. The income tax amount currently reserved is R$ 54,748.

The Company's external legal advisors classify as probable loss the claim regarding FINSOCIAL, and as possible loss of the claim related to ILL.

21.3.3 Labor lawsuits

The Company is a party to labor suits filed by active, retired and dismissed employees, which aim, among other claims equally relevant, the standardization of Career and Salary Plans, with consequent payment of the salary differences. Company's management, after individual analysis of these suits, constituted a reserve for probable loss, being considered for effects of labor reserve those in the stages of settlement and enforcement of judgment.

The Company's external legal advisors estimate an updated mount of R$ 54,287 and classify the chances for loss in these lawsuits as probable. The labor suits classified as possible amount to R$ 6,278.

21.3.4 PIS/PASEP and COFINS

It is a suit in which the Company requests the acknowledgment of the unconstitutionality of Paragraph 1 of Article 3 of Law No. 9,718/98, pertaining to the increase of the PIS and COFINS calculation basis, involving a tax credit amount of R$ 272,213, original value, related to the period between May 2001 and May 2006 (date the lawsuit was filed). This lawsuit was distributed on June 1, 2006, originally to the 6th Federal Court/RJ.

On October 29, 2013, this lawsuit had a final decision and, on December 19, 2013, the Company filed the Authorization Request of the mentioned tax credits before Brazilian Federal Revenue. The tax authorities presented some demands, which Company duly met, addressing the information and documents required.

With the acknowledgment of the unconstitutionality of paragraph 1 of Article 3 of the Law No. 9,718 of November 27, 1998, PIS and COFINS should levy only on operating income. Considering that, up to May 2009, the Company had been monthly calculating and paying to the government these contributions based on its gross revenue, including, consequently, the non-operating income, such as finance income and rental, the Company, with the formal final decision of the lawsuit, has the right to a tax credit of R$ 509,234, corresponding to the PIS and COFINS amounts overpaid from May 2001 to May 2009, when paragraph 1, of Article 3 of the Law No. 9,718/98 was extinct through the item XII of Article 79 of the Law No. 11,941 of May 28, 2009.

On December 19, 2013, the company requested the enablement to the Federal Revenue, and the mentioned request to enable the credit was fully deferred by the tax authorities in February 2014 (RFB Communication No. 068/2014), once it is a tax credit recognized by final judicial decision. In December 2013, the Company recognized R$ 223,007 regarding the installment of PIS and COFINS calculated considering the revenue on which there are no discussions or uncertainties related to their non-operating nature. After many analyses and understandings by the Company's relevant areas (Accounting and Legal) and by some external law offices about the accounting and legal aspects referring to the accounting of the remaining balance of the mentioned tax credits (definition of the operating and non-operating revenues) in November 2014, the Company recorded the mentioned balance of R$ 312,866, once all the involved parties understood there were no more challenges about the mentioned tax credits.

21.3.5 Social contribution on income

With publication of the Provisional Measure - MP 413/08, which became Law No. 11,727 of June 23, 2008, there was an increase in the CSLL tax rate from 9% to 15% for private corporations, financial institutions and equivalent societies, as from May 2008.

In June 2008, the Company lodged a Writ of Mandamus, challenging the constitutionality of such tax rate increase, constituting a reserve and a judicially depositing the challenged amounts. At June 30, 2010, the amount judicially deposited updated for payment of the CSLL is R$ 341,898 (Note 21).

Due to decision by the 4th Specialized Group of Federal Regional Court (TRF) – 2nd Region, in October 2014, rejecting the Appeal previously filed by IRB Brasil RE, the Company filed an Extraordinary Appeal, in December 2014, to the Supreme Court, which is still to be judged.

Considering the lawsuit progress mentioned above, the lawyers defending the lawsuit classify as

probable the loss probability.

22 Labor reserves

	Parent Company and Consolidated	
	June 30, 2015	**December 31, 2014**
Reserve for vacancies	9,944	7,637
Reserve for premium license and private social security	196	580
	10,140	8,217

23 Equity

23.1 Capital

On December 29, 2014, the 47th Extraordinary General Meeting of IRB Brasil RE approved the stock split, in the proportion of 300 (three hundred) common shares for each current common share issued by the Company, with no change in the value of the share capital, as approved by the Administrative Board on the meeting at October 24, 2014 making the share capital up, represented by 312,000,000 (three hundred and twelve million) common shares and 1 (one) special class preferred share owned by the Union.

On June 30,2015, the shareholding of IRB Brasil RE was as follows:

Shareholder	**ON**	**% % interest in voting capital**
Ministry of Finance	85,620,000	27.56%
Banco do Brasil	63,726,600	20.51%
Bradesco	63,726,600	20.51%
Itaú	46,605,000	15.00%
FIP - Caixa Barcelona	30,743,700	9.90%
Others	20,277,000	6.52%
	310,698,900	

23.2 Treasury shares

In September 2013 , the Company acquired 1,301,100 (one million, three hundred and one thousand and one hundredshares of its own issuance, which represent R$ 10,531, owned by the then shareholder Companhia de Seguros de São Paulo - COSESP. On July 31, 2014 the Company acquired 283,500 (two hundred and eighty three thousand and five hundred) shares of its own issuance, which was owned by the then shareholder Caixa Geral S.A. – Seguradora, which together become 1,584,600 shares that represent R$ 12,956.

23.3 Revenue reserves

The legal reserve is constituted at 5% of net income for the year, with a limit of 20% of share capital, according to the provisions of Law No. 6,404 of December 16, 1976. The objective of the legal reserve is to ensure the integrity of the share capital and it just can be used to offset losses or to increase the capital.

The reinvestment reserve is constituted based on the proposal of the Company's management bodies based on budget forecast, and determined by general meeting for reserve of net profit based on Article 196, paragraph 1 of the Law 6,404 of December 15, 1976. The balance of this reserve is limited to the Company's share capital and it is for investment projects.

The Company distributed in the period R$ 79,000 as dividends anticipation through interest on capital, reducing the revenue reserve. This anticipated distribution was approved by the shareholders on June 30, 2015.

23.4 Carrying value adjustments

The changes are as follows:

	Parent Company and Consolidated	
	June 30, 2015	**June 30, 2014**
At the beginning of the semester	(8,539)	(15,647)
Net gain (loss) arising from fair value of financial assets available-for-sale in the period	(19,791)	9,271
Realization of loss arising from the sale of finalcial assets Available-for-sale in the year		97
Unrealized gains with marketable securities - Subsidiaries	15	
Remeasurement of obligations of post-employment benefits	37,144	(3,376)
Remeasurement of obligations of post-employment benefits - Subsidiaries	(196)	
Income tax and social contribution on the variation of the assessment of the financial assets available-for-sale at fair value	7,916	(3,747)
Income tax and social contribution on the variation of the Remeasurement obligations of post-employment benefits	(14,857)	1,350
Eschange differences due to translation of the assets of Operations abroad	3,073	(1,007)
At the end of the semester	4,765	(13,059)

The exchange differences related to the translation of the net assets of the Company's operations abroad fromtheir functional currencies into the Company's presentation currency are recognized in equity and accumulated in the translation accumulated adjustments.

23.5 Earnings per share - basic and diluted

According to the provisions of the CPC Technical Pronouncement 41/IAS 33, the tables below conciliate the net profit for the year with the amounts used to calculate the basic diluted result per share.

The basic earnings per share are calculated by dividing the net profit for the year by the weighted average of the outstanding shares in the period. The calculation of the basic earnings per share is as follows:

	Parent Company and Consolidated	
	June 30, 2015	**June 30, 2014**
Numerator		
Net income for the semester	342,361	256,668
Denominator (number of shares in units)		
Weighted average of number of outstanding common shares	310,698,900	310,698,900
	1.10	0.83

The Reinsurer has not issued and/or granted equity instruments that should be considered for the purpose of calculation of the diluted earnings per share, according to CPC Technical Pronouncement 41/IAS 33. Accordingly, the diluted earnings per share do not present difference in relation to the calculation of the basic earnings per share showed above.

24 Details of the statement of income

On June 30,2015 and 2014, the earned premiums, loss ratio and the commissions for the main lines are as follows:

24.1 Earned premiums - Main operation groups

	Parent Company and Consolidated					
	June 30,2015			June 30,2014		
	Earned premiums	Loss ratio - %	Comission index - %	Earned premiums	Loss ratio - %	Comission index - %
Equity	577,074	65,9	6,3	450,150	76,8	9,3
Special risks	177,159	15,0	0,4	135,077	8,0	1,3
Responsibilities	40,271	64,0	5,9	65,105	(4,2)	16,1
Hulls	1,771	780,4	(1,3)	246	26,584,2	(2,1)
Vehicles	10,974	283,0	18,5	16,757	160,3	26,8
Transports	91,052	45,0	13,8	62,677	28,5	17,2
Financial risks	59,529	(92,6)	26,8	55,965	(52,4)	26,0
Credit	167	2,586,1	11,3	(23)	(54,082,5)	88,1
Staff	82,331	73,7	5,3	70,002	45,4	5,0
Housing	55,447	15,0	19,9	34,993	6,2	14,9
Rural	211,917	78,7	24,4	209,548	33,9	24,2
Maritime	57,370	31,0	4,7	25,306	31,3	5,5
Aviation	80,508	92,2	6,3	40,378	244,3	5,8
Others	249,673	49,6	18,5	138,315	6,4	16,4
	1,695,243	53,9	12,1	1,304,496	51,2	13,7

24,2 Incurred losses - Main operation groups

	Parent Company and Consolidated			
	June 30,2015			
	Direct loss	Salvage and reimbursements	IBNR variation	Incurred losses
Equity	(266,276)	1,804	(115,950)	(380,422)
Special risks	(21,973)		(4,602)	(26,575)
Responsabilidade	(12,750)		(13,019)	(25,769)
Hulls	5,666	33	(19,519)	(13,820)
Vehicles	(34,511)	13	3,446	(31,052)
Transports	(42,021)	4,498	(3,421)	(40,944)
Financial risks	126,735	10,106	(81,719)	55,122
Credit	(900)	1,916	(5,331)	(4,315)
Staff	(57,274)		(3,437)	(60,711)
Housing	(8,910)		600	(8,310)
Rural	(170,732)	11	3,961	(166,760)
Maritime	(10,801)	9	(7,015)	(17,807)
Aviation	(66,552)	117	(7,768)	(74,203)
Others	(126,420)	2,712	(151)	(123,859)
	(686,719)	21,219	(253,925)	(919,425)

	Parent Company and Consolidated			
	June 30,2014			
	Direct loss	Salvage and reimbursements	IBNR variation	Incurred losses
Equity	(308,769)	18,707	(55,454)	(345,516)
Special risks	(12,823)		2,032	(10,791)
Responsibilities	(24,974)	2	27,690	2,718
Hulls	(54,562)		(10,835)	(65,397)
Vehicles	(26,303)		(563)	(26,866)
Transports	(19,319)	4,006	(2,550)	(17,863)
Financial risks	28,942	2,321	(1,944)	29,319
Credits	(6,198)	1,637	(7,878)	(12,439)
Staff	(40,270)		8,479	(31,791)
Housing	240		(2,424)	(2,184)
Rural	(52,094)	62	(18,992)	(71,024)
Maritimes	(15,246)	13	6,361	(8,872)
Aviations	(26,642)	1	18,713	(7,928)
Others	(89,024)		(9,624)	(98,648)
	(647,042)	26,749	(46,989)	(667,282)

24.3 Acquisition cost

	Parent Company and Consolidated	
	June 30, 2015	June 30, 2014
Equity	(8,822)	(8,199)
Special risks	(14,781)	(6,964)
Responsibilities	(1,445)	(1,210)
Hulls	(31)	
Vehicles	(342)	(240)
Transports	(3,303)	(1,644)
Financial risk	(552)	(399)
Staff	(579)	(534)
Housing	(35)	
Rural	(100)	(249)
Others	(15,143)	(7,214)
Maritime	(2,254)	(759)
Aviation	(2,576)	(946)
	(49,963)	(28,358)

24.4 Result with retrocession

	Parent Company and Consolidated	
	June 30, 2015	**June 30, 2014**
Revenue with retrocessions	**198,640**	**319,919**
Recovery of indemnity with losses	34,092	325,853
Recovery of expenses with losses	(15,453)	3,426
Variation of the technical reserves – retrocessions ceded	178,205	(9,360)
Revenue with profit sharing	1,796	
Expenses with retrocessions	**(628,367)**	**(529,631)**
Premium of retrocessions ceded	(662,563)	(434,678)
Commission on retrocessions ceded	58,232	58,718
Variation of the retrocession expenses	(24,036)	(153,671)
Salvage and reimbursed to the retrocessionaire	**(11,368)**	**(3,946)**
Total result with retrocession	**(441,095)**	**(213,658)**

24.5 Other operating revenues and expenses

	Parent Company		Consolidated	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**Jume 30, 2014**
Share in operating results - reinsurance and retrocession	(22,279)	(7,876)	(22,279)	(7,876)
Recovery of Agricultural Insurance Stability Fund	33,061		33,061	
Reversal (Constitution) of reserve for Credit risks	(28,421)	(47,907)	(28,421)	(47,907)
Recovery of other reinsurance revenue	575	178	575	178
Expenses with risks inspection	(1,394)	(355)	(1,394)	(355)
Other oeprating revenue and expenses	(12,599)	(6,777)	(11,260)	(5,811)
	(31,057)	(62,737)	(29,718)	(61,771)

24.6 Administrative expenses

	Parent Company		Consolidated	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Own staff	(75,952)	(64,804)	(76,527)	(64,804)
Reversal post-employment benefits	(11,245)	(9,982)	(11,245)	(9,982)
Third-parties services	(22,744)	(25,156)	(22,779)	(25,156)
Location and operation	(16,973)	(11,585)	(17,133)	(11,585)
Judicial expenses	(185)	(134)	(185)	(134)
Fines	(48)	(232)	(48)	(232)
Other expenses	(5,419)	(3,635)	(6,375)	(5,435)
	(132,566)	(115,528)	(134,292)	(117,328)

24.7 Taxes expenses

	Parent Company and Consolidated	
	June 30, 2015	**June 30, 2014**
COFINS	(28,281)	(32,471)
PIS/PASEP	(5,011)	(5,581)
Tax reserves - Net	(1,632)	11,426
SUSEP inspection fees	(923)	(459)
Others	(10,909)	2,277
	(46,756)	(24,808)

24.8 Financial result

	Parent Company		Consolidated	
Description	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Marketable securities	**521,743**	**163,839**	**523,648**	**163,839**
Fair value through profit or loss	143,390	59,089	142,655	59,089
Available for sale	276,343	140,604	278,984	140,604
Held to maturity	102,010	(35,854)	102,009	(35,854)
Reinsurance operations	(104,514)	37,067	(104,514)	38,124
Exchange oscillation bank accounts	6,631	(3,174)	6,631	(3,174)
Monetary update and other financial charges	(2,014)	(7,542)	(3,231)	(7,542)
Interest	714	80	714	80
Others	1,195	(61)	1,195	(61)
	423,755	190,209	424,443	191,266

Financial revenues

Description	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Valuation of investment funds quotas	54,086	79,954	54,086	79,954
Fixed income securities – private	336,227	147,363	338,132	147,363
Fixed income securities - public	251,483	18,980	251,483	18,980
Reinsurance operations	195,835	53,604	195,835	54,661
Exchange oscillation bank accounts	22,096	35,629	22,096	35,629
Monetary update and other financial charges	43,520	28,219	41,619	28,219
Interest	902	105	902	105
Others	1,253	270	1,253	270
	905,402	364,124	905,406	365,181

Financial costs

Description	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Devaluation of investment funds quotas and of private and public securities	(120,053)	(82,458)	(120,053)	(82,458)
Reinsurance operations	(300,349)	(16,537)	(300,349)	(16,537)
Exchange oscillation bank accounts	(15,465)	(38,803)	(15,465)	(38,803)
Monetary update and other financial charges	(45,534)	(35,761)	(44,850)	(35,761)
Interest	(188)	(25)	(188)	(25)
Others	(58)	(331)	(58)	(331)
	(481,647)	(173,915)	(480,963)	(173,915)

24.9 Equity result

	Parent Company		Consolidated	
Description	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Direct operating income arising from property for investment	22,161	24,262	22,161	24,262
Direct operating expenses arising from property for investment	(2,768)	(1,556)	(2,768)	(1,556)
Equity in results of subsidiaries	291	261		
Reserve for impairment of investment	(21,735)		(21,735)	
Other operating income	197	7,165	234	7,305
Other operating expenses	(32)		(32)	
	(1,886)	30,132	(2,140)	30,011

The Company accounted for the reserve for impairment of 100% of its share in IRB International Corporation and Subsidiaries, whose accounting baçance on June 30,2015 is R$ 21,735, in report prepared by independent consulting company.

24.10 Income tax and social contribution

(a) Reconciliation of income tax and social contribution

	Parent Company			
	June 30,2015		June 30,2014	
	Corporate Income Tax (IRPJ)	**Social Contribution on Net Income (CSLL)**	**Corporate Income Tax (IRPJ)**	**Social Contribution on Net Income (CSLL)**
Profit before reserve for IRPJ/CSLL and profit sharing	496,250	496,250	412,466	412,466
Effective nominal rate	25%	15%	25%	15%
IRPJ and CSLL at nominal rate	(124,062)	(74,438)	(103,117)	(61,870)
Additions and exclusions:				
Incentive maternity leave	(13)	(8)	(22)	(14)
Interest on capital	19,750	11,850		
Managers compensation	(814)	(488)	(127)	(76)
Tax incentives	(207)	(124)	(281)	(169)
Depreciation and amortization charges	(406)	(243)	(389)	(233)
Losses in operations abroad	(20)	(12)	(59)	(35)
Other additions/exclusions	2,305	1,383	4,939	2,964
Corporate interest	7,388	4,433	(129)	(77)
Reserve for losses (health care – before 68)	(845)	(507)	906	544
Deduction current IR - incentive	1,190		1,449	
IR and CS in the statement of income	(95,734)	(58,154)	(96,830)	(58,967
Current	(113,747)	(68,922)	(113,080)	(68,718)
Deferred	18,012	10,808	16,250	9,750

	Consolidated			
	2015		2014	
	IRPJ	CSLL	IRPJ	CSLL
Profit before reserve for IRPJ/CSLL and profit sharing	496,297	496,297	412,568	412,568
Effective nominal rate	25%	15%	25%	15%
IRPJ and CSLL at nominal rate	(124,074)	(74,445)	(103,142)	(61,885)
Additions and exclusions:				
Incentive maternity leave	(13)	(8)	(22)	(14)
Interest on capital	19,750	11,850	-	-
Managers compensation	(814)	(488)	(127)	(76)
Tax incentives	(207)	(124)	(281)	(169)
Depreciation and amortization charges	(406)	(243)	(389)	(233)
Losses in operations abroad	(8)	(5)	(34)	(21)
Other additions/exclusions	2,305	1,383	4,939	2,964
Corporate interest	7,388	4,433	(129)	(77)
Reserve for losses (health care – before 68)	(845)	(507)	906	544
Deduction current IR - incentive	1,142	-	1,347	-
IR and CS in the statement of income	(95,782)	(58,154)	(96,932)	(58,967)
Current	(113,794)	(68,962)	(113,182)	(68,718)
Deferred	18,012	10,808	16,250	9,750

Adoption of the Law No. 12,973

On May 14, 2014 the Provisional Measure No. 627 became the Law No. 12,973, which revoked the Transition Tax System ("Regime Tributário de Transição – RTT") and brought other changes, such as: (i) amendments to the Decree-Law No. 1,598/77, which deals with corporate income tax, as well as amends the legislation regarding social contribution on net income; (ii) it includes specific treatment on potential tax on profit and dividends; (iii) it includes provisions on the calculation of interest on capital; and it also includes considerations on investments evaluated by the equity in the results of subsidiaries method.

The provisions of the Provisional Measure that became Law are effective as from 2015. Its early adoption may eliminate potential tax effects, mainly related to payment of dividends and interest on capital, effectively paid up to the date the Provisional Measure was published, as well as results of the equity results of subsidiaries. The Reinsurer elaborated a study of the possible effects that could arise from the use of this new standard and concluded that there are no relevant effects in the financial statements, thus it opted for the adoption of the mentioned Law on January 1, 2015.

(b) Changes in the deferred IRPJ and CSLL accounts

	Parent Company and Consolidated					
	At December 31, 2014	Addition	Write-off	Recognized in the result	Recognized in comprehensive income	At June 30,2015
Deferred tax assets						
Labor reserves	137,883	23,230	(23,021)	209		138,091
Reserve for devaluation of the investment	77,575	41,857	(16,475)	25,382		102,957
Reserve for impairment of trade receivables	100,772	14,892	(984)	13,908		114,680
Reserve for tax and social security contingencies	66,662	6,934		6,934		73,596
Reserve for labor contingencies	19,230	5,702	(3,140)	2,562		21,792
Market value adjustment - securities available-for-sale	15,756	12,163	(4,247)		7,916	23,672
Market value adjustment – Investment	(5,968)		(18,894)	(18,894)		(24,862)
Actuarial gains or losses – post-employment benefits	(6,351)		(14,857)		(14,857)	(21,208)
Reserve for employees' profit-sharing			5,168	5,168		5,168
Other reserves	2,336	68		68		2,404
Total deferred tax assets	407,895	104,846	(76,450)	35,337	(6,941)	436,290

	At December 31, 2014	Addition	Write-off	Recognized in the result	Recognized in comprehensive income	At June 30,2015
Deferred tax liabilities						
Update judicial deposits	31,716	6,517		6,517		38,233
Market value adjustment – Trading securities						
Market value adjustment - securities available-for-sale						
Total deferred tax liabilities	31,716	6,517		6,517		38,233
Total net	376,179	98,329	(76,450)	28,820	(6,941)	398,056

	Parent Company and Consolidated					
	At December 31, 2013	**Additions**	**Write-off**	**Recognized in the result**	**Recognized in comprehensive income**	**At June 30,2014**
Deferred tax assets						
Labor reserves	133,461	13,844	(11,783)	2,060		135,522
Reserve for devaluation of the investment	68,673	14,802	(18,785)	(3,983)		64,690
Reserve for impairment of trade receivables	63,776	103,228	(70,761)	32,466		96,242
Reserve for tax and social security contingencies	61,055	38,144	(38,105)	39		61,094
Reserve for labor contingencies	18,794	7,020	(7,191)	(170)		18,624
Market value adjustment - securities available-for-sale	13,224	278	(4,025)		(3,747)	9,477
Market value adjustment – Investment						
Actuarial gains or losses – post-employment benefits		2,204	(853)		1,350	1,350
Other reserves	1,111					1,111
Total deferred tax assets	360,094	179,520	(151,503)	30,412	(2,397)	388,110

	At December 31, 2013	**Additions**	**Write-off**	**Recognized in the result**	**Recognized in comprehensive income**	**At June 30,2014**
Deferred tax liabilities						
Update judicial deposits	21,810	4,412		4,412		26,222
Market value adjustment – Trading securities						
Market value adjustment - securities available-for-sale						
Total deferred tax liabilities	21,810	4,412		4,412		26,222
Total net	338,284	175,108	(151,503)	26,000	(2,397)	361,888

25 Retirement and pension plans and other benefits to employees

The Company sponsors the Social Security Foundation of the Employees of the Institute of Reinsurance of Brazil ("Fundação de Previdência dos Servidores do Instituto de Resseguros do Brasil - PREVIRB"), which ensures to its participants and dependents benefits complementary to the basic official social security. The plans offered are of defined benefit (closed) and of variable contribution (open), being adopted the capitalization regime on the actuarial evaluations, for the retirement income. The contribution made by the Company to PREVIRB in 2014, including the pre-68 plan (benefits paid to the employees hired up to December 31, 1968) amounted to R$ 11,543 (R$ 12,302 on June 30, 2014).

The most recent actuarial evaluation of the plan's assets and of the present value of the defined benefits was carried out on June 30, 2015 by the IRB Brasil RE's actuariesDebora Pereira Tavares, MIBA 2011, and Fernanda Pinheiro Gomes, MIBA 1894. With regard to the amounts obtained in June 2015, through the Projected Unit Credit Method , an update was carried out from the amounts of the benefits, contributions and financial hypothesis since then.

The descriptions of the sponsored plans are as follows:

Variable contribution plans

The Company is the sponsor of Social Security Plan B (variable contribution plan) as from 2004. The plan's assets are kept separately from those of the Company in funds controlled by trustees.

The total expense incurred by the Company of R$ 2,279 (R$ 2,066 on June 30, 2014), recognized in the statement of income, refers to contributions paid by the Company at rates specified by this plan's rules.

In this actuarial evaluation made by IRB Brasil RE's actuaries, it was determined a technical surplus of R$ 22,690 (R$ 16,816 on December 31, 2014) was found in PREVIRB that, aligned with the IFRS, was not accounted for in the sponsor.

Defined benefit plans

The Company grants defined benefit retirement plans (Benefits Plan A and pré-68 Plan) for the employees who qualify. According to this plan, the employees are entitled to a compensation calculated based on the monthly stipend, calculated on the date of their retirement.

The total expense incurred by the Company for plan A of R$ 50 (R$ 238 on June 30, 2014), recognized in the statement of income, refers to contributions paid by the Company at rates specified by this plan's rules.

The total expense incurred by the Company for plan pre-68 of R$ 9,214 (R$ 9,998 on June 30, 2014), recognized in the statement of income, refers to contributions paid by the Company at rates specified by this plan's rules.

In this actuarial evaluation for plan pre-68 made by IRB Brasil RE's actuaries, it was accounted in the sponsor a reserve of R$ 134,746 (R$ 147,906 on December 31, 2014), aligned with the accounting practices adopted in Brazil and approved by SUSEP.

In this actuarial evaluation made by IRB Brasil RE's actuaries, it was determined a technical surplus, for plan A, of R$ 653,424 (R$ 327,577 on December 31, 2014), which, aligned with the accounting practices adopted in Brazil and approved by SUSEP, was not accounted for in the sponsor.

The main actuarial assumptions used were as follows:

	Post-employment benefits plan managed by PREVIRB		Post-employment benefits plan managed by IRB	
Economic hypothesis	**2015**	**2014**	**2015**	**2014**
Discount real rate (*)	6.00%	4.00%	6.00%	5.00%
Nominal rate of expected return of the assets	INPC + 6.00% p.a.	INPC + 4.00% p.a.	INPC + 6.00% p.a.	INPC + 5.00% p.a.
Salary real growth projection	Not applicable	Not applicable	Not applicable	Not applicable
Real growth projection of the highest salary of INSS benefit	Zero	Zero	Not applicable	Not applicable
Real growth projection of the plan's benefits	Zero	Zero	Not applicable	Not applicable
Future generations of new entrants hypothesis	Not adopted	Not adopted	Not applicable	Not applicable
Turnover hypothesis	Plan A: Not adopted Plan B: 1% up to 60 years	Plan A: Not adopted Plan B: 1% up to 60 years	Health Care: 1% up to 60 years Other plans: Not applicable	Health Care: 1% up to 60 years Other plans: Not applicable
Factors to determine the real value Over time, benefits INSS and of the plan	Not adopted	Not adopted	Not applicable	Not applicable
Demographic hypothesis				
Survival table	AT-2000 MALE and FEMALE	AT-2000 MALE and FEMALE	AT-2000 MALE and FEMALE	AT-2000 MALE and FEMALE
Disability entries table	MI-85	MI-85	MI-85	MI-85
Disability entries table	ÁLVARO VINDAS	ÁLVARO VINDAS	ÁLVARO VINDAS	ÁLVARO VINDAS

(*) The discount rate was determined according to the CVM 695 instruction, based on the rate of the federal public securities (NTN-B) with the indexes and terms expected from the obligations of post-employment benefit.

The amounts determined in the result for June 2015 and the amounts estimated for the period between December 201 5 and December 2016, related to Plan A, whic is the defined plan sposored by IRB Brasil RE with PREVIRB, are as follows:

	December 31, 2016	December 31, 2015
Cost of current services	168	84
Interest cost	109,040	54,520
Interest on the plan's assets	(137,641)	(68,820)
Expected amount of employees' contributions	(4,530)	(2,072)
Expense (revenue) at the end of the year/semester	(32,963)	(16,288)

The amount recognized in the balance sheet arising from the Company's obligations related to this defined benefit plan (Plan A) is as follows:

	June 30,2015	December 31, 2014
Present value of the defined benefit liabilities funded	(1,025,030)	(1,303,641)
Fair value of the plan's assets	1,678,454	1,631,218
Net assets arising from the defined benefits liabilities	653,424	327,577

The change in the fair value of the plan A liability in the current semester/year is as follows:

	June 30, 2015	December 31, 2014
Present value of the actuarial liabilities at the beginning of the year	1,303,641	1,250,650
Cost of current services	84	378
Interest cost	54,520	104,706
Actuarial loss	(285,751)	37,542
Benefits paid	(47,464)	(89,635)
Present value of the actuarial liabilities	1,025,030	1,303,641

The resources to ensure the PREVIRB's reserves are as follows:

	June 30, 2015	December 31, 2014
Cash and cash equivalents	443	763
Investments realizable		
Public securities	1,079,445	1,043,629
Private credits and deposits	377,219	391,842
Shares	42,991	68,539
Investment funds	144,265	110,636
Real estate investments	88,784	89,646
Borrowings and financings	4,948	4,840
	1,738,095	1,709,132
Investments operating liabilities		
Private credits and deposits	(42)	(40)
Shares		
Real estate investments		(1)
Borrowings and financings	(208)	(298)
Other liabilities (IOF)	(9)	(7)
	(259)	(346)
Investments contingency liabilities	(20,523)	(2,716)
Guaranteeing funds	1,717,311	1,706,833

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

	June 30, 2015	December 31, 2014
Opening fair value of the plan's assets	1,631,218	1,516,708
Return in investments	68,820	127,999
Employer's contributions	50	256
Plan participants' contributions	2,072	3,747
Benefits paid	(47,464)	(89,635)
Earnings on assets	23,758	72,143
Closing fair value of the plan's assets	1,678,454	1,631,218

The expected return of the plan A assets on June 30,2015 was R$ 68,820 (R$ 127,999 on December 31, 2014).

The adjustments historical by experience are as follows:

	2015	2014
Present value of the liabilities of defined benefits	(1,025,030)	(1,303,641)
Fair value of the plan's assets	1,678,454	1,631,218
Surplus	653,424	327,577

The Company expects to contribute with R$ 90 with defined benefit plan A during next period.

According to CPC33/IAS 19, the sensibility analysis of the management in relation to the financial and actuarial assumptions considered critical is as follows:

Plan A		5.50%	5.75%	6.25%	6.50%
	Sensibility in the discount rate	10.25%	10.51%	11.03%	11.29%
1	Liability of defined benefit	1,080,741	1,052,885	997,175	969,320
2	Impact with the main scenario	55,710	27,855	(27,855)	(55,710)

Plan B		5.50%	5.75%	6.25%	6.50%
	Sensibility in the discount rate	10.25%	10.51%	11.03%	11.29%
1	Liability of defined benefit	55,793	53,923	50,183	48,313
2	Impact with the main scenario	3,740	1,870	(1,870)	(3,740)

Pré-68 Plan		5.50%	5.75%	6.25%	6.50%
	Sensibility in the discount rate	10.25%	10.51%	11.03%	11.29%
1	Liability of defined benefit	139,523	137,134	132,358	129,969
2	Impact with the main scenario	4,777	2,388	(2,388)	(4,777)

26 Other benefits to employees

	2015	2014
Current		
Complementation of retirement and pensions	17,494	19,212
Health and dental assistance	12,518	13,793
Health and dental assistance - reserve for incurred but not reported events	438	442
Group life insurance	149	164
Funeral assistance	92	106
	30,691	33,717
Non-current		
Complementation of retirement and pensions	117,252	128,694
Health and dental assistance	192,009	211,563
Group life insurance	1,075	1,183
Funeral assistance	1,426	1,627
	311,762	343,067

The Company pays in full benefits of complementary pension and pension due to death of employees hired up to December 31, 1968, of improvement to complementary retirement for employees retired up to February 28, 1975 and pension improvement benefits concerning the beneficiaries of employees who died up to February 28, 1975.

The Company has technical reserve to cope with the obligations related to the aforementioned benefits, which include 293 members, on June 30, 2015 (300 on December 31, 2014), being 280 retired and 13 pensioners, with average age of 82.5 years (82.1 years on December 31, 2014).

The company also offers the following benefits:

Health and dental assistance

This a self-management plan for active and retired employees. In the case of employees employed up to 2004, dependents may be spouses, children and parents whose income is lower than one Brazilian minimum wage. For employees hired as from that year, it is only considered as dependents spouse and children. For this group, IRB Brasil RE pays 50% of the plan and the employees the other 50%. The employee's contribution is monthly discounted from his/her salary and varies according to the hiring date and age group.

According to CPC33/IAS 19, the sensibility analysis of the management in relation to the financial and actuarial assumptions considered critical is as follows:

PCAM		5.50%	5.75%	6.25%	6.50%
	Sensibility in the discount rate	10.25%	10.51%	11.03%	11.29%
1	Liability of defined benefit	216,093	210,310	198,744	192,961
2	Impact with the main scenario	11,566	5,783	(5,783)	(11,566)

Funeral assistance

This benefit is only available for employees hired up to October 31, 1996. The assistance is limited to R$ 1,384.38 for simple funeral, R$ 1,630.36 for cremation and R$ 2,739.07 for funeral with cremation.

According to CPC33/IAS 19, the sensibility analysis of the management in relation to the financial and actuarial assumptions considered critical is as follows:

Funeral assistance		5.50%	5.75%	6.25%	6.50%
	Sensibility in the discount rate	10.25%	10.51%	11.03%	11.29%
1	Liability of defined benefit	1,623	1,571	1,467	1,415
2	Impact with the main scenario	104	52	(52)	(104)

Group life insurance

In the case of employees hired up to 1998, IRB-Brasil RE bears 100% of the premium and, in the case of employees hired after that year, 50% of the premium. The participation of the employee is optional.

According to CPC33/IAS 19, the sensibility analysis of the management in relation to the financial and actuarial assumptions considered critical is as follows:

Group life insurance		5.50%	5.75%	6.25%	6.50%
	Sensibility in the discount rate	10.25%	10.51%	11.03%	11.29%
1	Liability of defined benefit	1,271	1,247	1,200	1,176
2	Impact with the main scenario	47	24	(24)	(47)

27 Information by business segment

27.1 Statements of income by segment

The business segment of IRB Brasil RE are identified according to its executive structure, whick takes into account the internal financial reports for business performance in the country and abroad, where they are used by the Management in conducting the business. The Net Income is the main item used by the Management for the management of the results.

On December 31, 2014 and December 31, 2013, the results of IRB Brasil RE by geographic area are as follows:

Description	**Parent Company**		**Consolidated**	
	June 30,2015	**June 30,2014**	**June 30,2015**	**June 30,2014**
Issued premiums	**1,760,455**	**952,813**	**1,760,455**	**952,813**
Issued premium - Country	1,430,188	881,547	1,430,188	881,547
Issued premium - Abroad	330,267	71,266	330,267	71,266
Earned Premium	**1,695,243**	**1,304,496**	**1,695,243**	**1,304,496**
Earned premium - Country	1,444,136	1,166,180	1,444,136	1,166,180
Earned premium - Abroad	251,107	138,316	251,107	138,316
Incurred losses	**(919,425)**	**(667,282)**	**(919,425)**	**(667,282)**
Incurred losses - Country	(795,568)	(569,948)	(795,568)	(569,948)
Incurred losses - Abroad	(123,857)	(97,334)	(123,857)	(97,334)
Acquisition cost	**(49,963)**	**(28,358)**	**(49,963)**	**(28,358)**
Acquisition cost - Country	(34,820)	(21,144)	(34,820)	(21,144)
Acquisition cost - Abroad	(15,143)	(7,214)	(15,143)	(7,214)
Result with Retrocession	**(441,095)**	**(213,658)**	**(441,095)**	**(213,658)**
Result with retrocession - Country	(425,160)	(216,959)	(425,160)	(216,959)
Result with retrocession - Abroad	(15,935)	3,301	(15,935)	3,301
Gross margin	**284,760**	**395,198**	**284,760**	**395,198**
Gross margin - Country	188,588	358,129	188,588	358,129
Gross margin - Abroad	96,172	37,069	96,172	37,069
Other operating income and expenses	(31,057)	(62,737)	(29,718)	(61,771)
Administrative expenses	(132,566)	(115,528)	(134,292)	(117,328)
Tax expenses	(46,756)	(24,808)	(46,756)	(24,808)
Operating result	**74,381**	**192,125**	**73,994**	**191,291**
Equity result	(1,886)	30,132	(2,140)	30,011
Financial result	423,755	190,209	424,443	191,266
Profit before Income Tax and Social Contribution	**496,250**	**412,466**	**496,297**	**412,568**
Income Tax and Social Contribution	(153,889)	(155,798)	(153,936)	(155,900)
Net income for the Semester	**342,361**	**256,668**	**342,361**	**256,668**

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Accountant
CRC RJ - 095001/O-5

Debora Pereira Tavares
Actuary
MIBA 2011