(A free translation of the original in Portuguese)

IRB-Brasil Resseguros S.A.

Parent company and consolidated financial statements at December 31, 2015 and independent auditors' report



Management Report - 2015

Dear Shareholders,

We submit to your appreciation the management report, the financial statements of IRB Brasil RE for the year ended in December 31, 2015 and the independent auditor's report on the financial statements.

The Company's consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, issued by the Brazilian Accounting Pronouncements Committee (CPCs), associated with the standards and instructions of regulatory and oversight authorities applicable to reinsurance operations, and in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB).

Message from Management

In 2015, IRB Brasil RE fulfilled its mission to remain as the leader in the reinsurance market in Brazil and a benchmark in providing reinsurance services to its customers.

We completed changes in our management team, adjusted the profiles of the employees working in our main business fronts. We also established new processes in order to, proactively, improve compliance with governance and transparency requirements of our regulators, so as to prepare to the continuing growth we are seeking for in the coming years, in line with the interests and expectations of our shareholders.

The preparation for our Initial Public Offering in the second half of 2015 was, undoubtedly, a great learning experience for the company, which is poised to become a listed company and meet the highest corporate governance standards in capital markets.

We obtained material results from an operational viewpoint which, combined with our financial result, contributed positively for us to achieve a total recurring profit of R$ 764 million in accumulated figures in 2015, that is, an increase of 97% in comparison with the same period in the previous year. The return on equity (ROE) recorded in 2015 was 29%, almost double the return reported in 2014 (15%).

In 2015, in a challenging macroeconomic environment, we also recorded an increase of 35% in premiums issued, reaching R$ 4.3 billion, of which 76% from Brazil and 24% from foreign operations. This increase was mainly due to representative shares posted in Property, Rural and Life lines, which accounted for 62% of the premiums issued in Brazil and 74% of the premiums issued abroad.

Other highlights for such achievements in 2015 were (i) R$ 511 million in underwriting results, which accounted for about 85% of the reinsurance market in Brazil, according to eleven-month period data released by the Private Insurance Agency (SUSEP); and (ii) R$ 880 million in financial result , up 67% over 2014, with a return on our investment portfolio of 120% of the Interbank Deposit Certificate (CDI), which is higher than the average yield obtained by local insurance companies (about 96% of the CDI).

The expansion of our share in contracts of major clients and the discipline of our technical staff in underwriting risks were instrumental for us to reach a 34% share of the total reinsurance market in Brazil, and a 48% market share among local reinsurers, thus maintaining our leadership position in the country for another consecutive year, according to data from the last twelve months published by SUSEP.

As regards our efficiency in the reinsurance market in Brazil, our profit represented about 80% of the total profits of local reinsurers in the period from January to November 2015, according to SUSEP, thus keeping our Company in the leading position in several lines of business, particularly Housing, Marine, Special Risks, Rural, Property and Life.

Our international operations, measured by the changes in the share of premiums abroad and the contribution of services exported, also showed positive results. The main services exported by Brazil in 2015 comprised Reinsurance and Retrocession, corresponding to 11% of services exported, according to data of the first six-month period disclosed by the Ministry of Development, Industry and Trade (MDIC). Of these 11% of services exported by Brazil, our Company accounted for approximately 80%, thus confirming our significant share in the market segment.

In 2015, we managed to exceed our goals and, in addition to our financial result, we prioritized our support for social projects, and devoted special attention to our talents, which have always been of utmost importance in conducting our business.

We announced our support for six major social projects totaling approximately R$ 2.2 million, aimed at strengthening actions focusing on the health and well-being of children and the elderly, primarily in the regions where they were implemented, based on tax incentive laws. We established more objective evaluation processes for our more than 370 employees, with high level of meritocracy. In 2015, we also implemented the first Recent Graduate Program, with more than 18 thousand applicants, and were able to attract to the Company candidates graduated from leading universities in

Brazil and abroad. We intend to maintain those professionals aligned with our strategy and culture and the interests of our shareholders.

Even with the challenges posed by the macroeconomic environment throughout 2015, the results presented in the year-end show that we are well structured and positioned to satisfactorily generate value in face of adverse conditions, maintaining the profitability of our investments, the sustainability of our operating results and the efficiency of our expenditure management.

Highlights for 2015

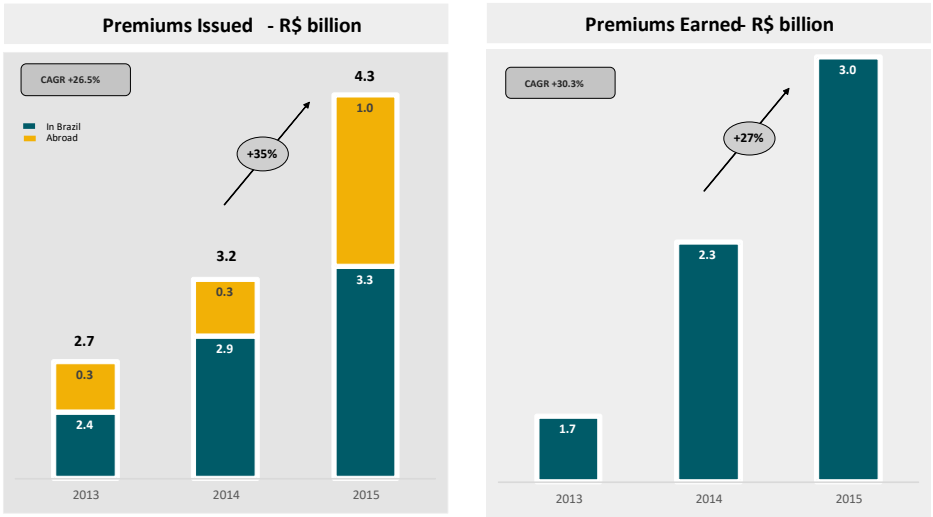
Revenues from Premiums

The total volume of premiums issued by IRB Brasil RE in 2015 totaled R$ 4.3 billion, an increase of 35% in comparison with 2014. Of this amount, R$ 3.3 billion related to premiums issued in Brazil and R$ 1.0 billion to premiums issued abroad, which increased our share of premiums issued from 11% to 24% in 2015.

The premiums issued in Brazil increased by 15%, with positive contributions from the Property, Rural and Life lines. As regards international operations, the increase was 203% in the volume of premiums issued, which is explained by the Company's strategy to expand its presence in Latin America and strengthen its presence in the global market, as well as by the positive variation in the foreign currency vis-à-vis the Brazilian real.

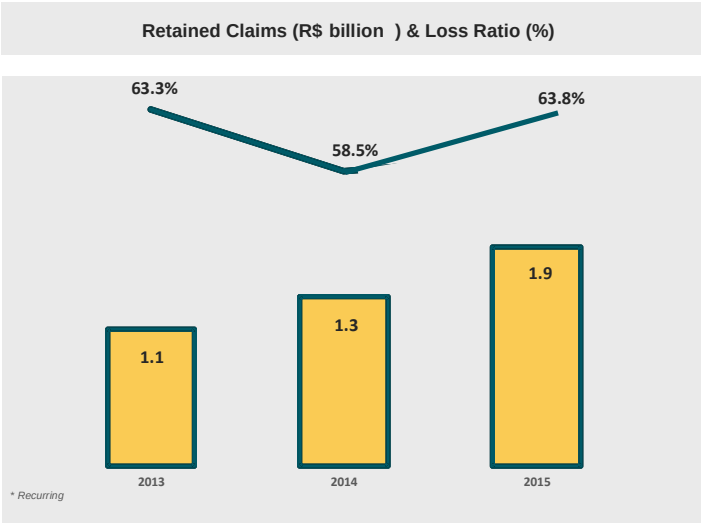
By the end of 2015, retained premiums increased by 38% as compared to 2014, totaling R$ 3.0 billion. Consequently, premiums earned followed the growth trend and increased by 27% over 2014, totaling R$ 3.0 billion in 2015.

The Company's focus on getting new businesses and maintaining its leadership position in Brazil's reinsurance market contributed to obtaining a vigorous growth.



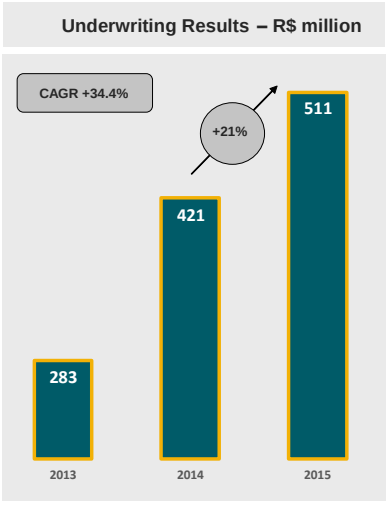
Retained Claims

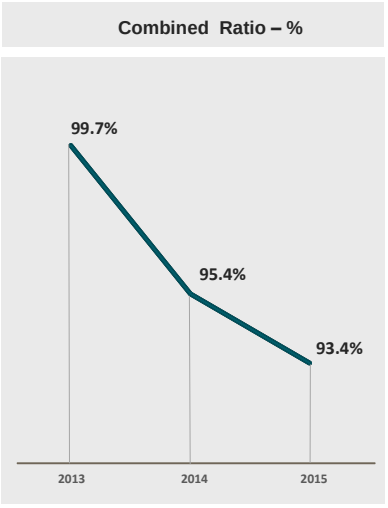
In 2015, we recorded R$ 1.9 billion in retained claims, an increase of 38% as compared to 2014. This increase reflects the occurrence of several claims during the year, but that did not affect the Company's underwriting results. Amidst this scenario, the loss ratio stood at 63.8%, an increase of 5.3 points. We expect to achieve a reduction in the loss ratio in the coming years based on (i) a continuous improvement in the management of the regulation of the claims; and (ii) the new protection contracts in force as from the second half of 2015.



Underwriting Results

Underwriting results totaled R$ 511 million in 2015, an increase of 21% over the same period in the previous year. This positive result was due to the growth in the volume of premiums earned, with the expansion of contributions to Property, Rural and Life business lines.



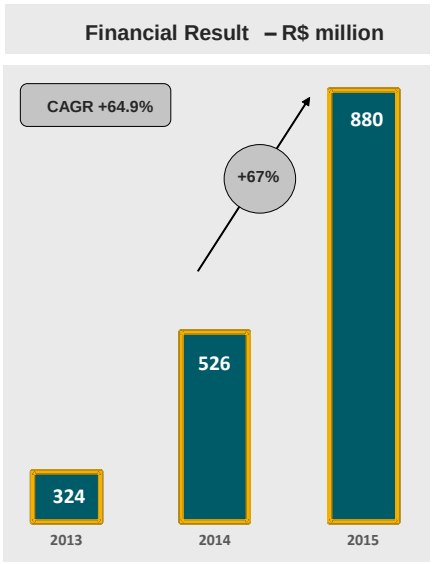


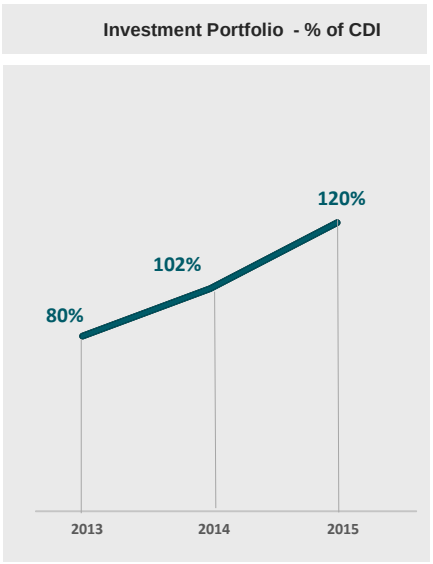
Financial result

The recurring financial result in 2015 amounted to R$ 880 million, an increase over 2014 of 67%, or about R$ 350 million in nominal values.

At the end of 2015, the investment portfolio totaled approximately R$ 6.2 billion, with a nominal return of 16% in the year in relation to a CDI rate of 13% in the same period, generating a performance equivalent to 120% of the Interbank Deposit Certificate (CDI).

The following actions contributed to this return over the CDI rate: (i) sale of the variable income position at the time the Ibovespa index was at 56,000 points; (ii) increased allocation to government bonds indexed to inflation (NTN-B - short-term vertices); and (iii) position in foreign currency (position to hedge the Company's operating exposures to losses) in sovereign bonds of the Federative Republic of Brazil, taking advantage of the arbitration opportunities between these assets and the CDI rate

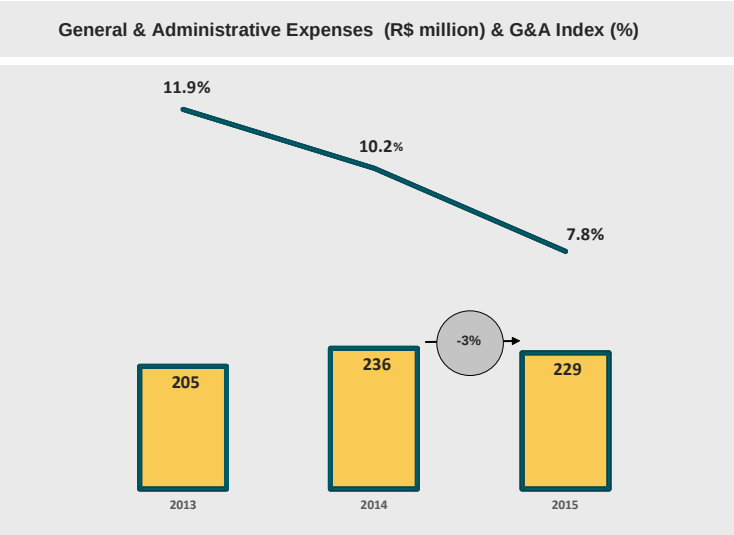




In compliance with the provisions of item IV of article 145 of SUSEP Circular No. 517 of July 30, 2015, IRB Brasil RE states that it has financial capacity commensurate with its operations and the intention to hold to maturity the marketable securities classified as "securities held to maturity".

General and Administrative Expenses

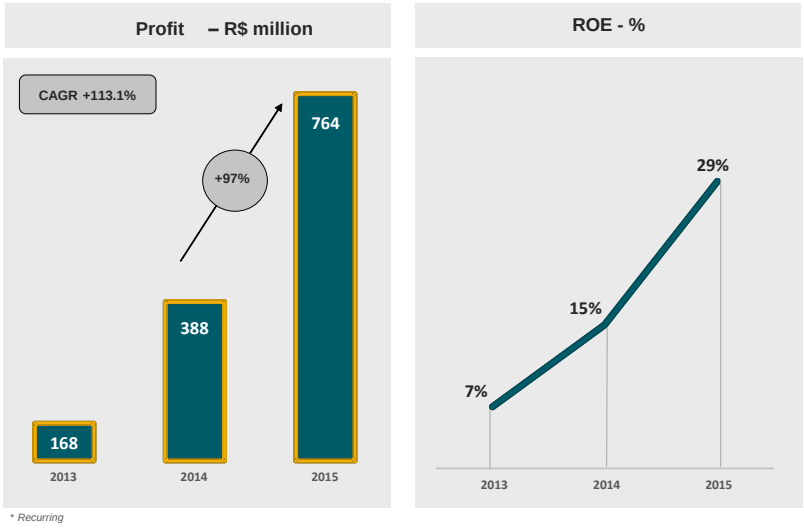
The increase in the number of premiums issued in 2015, even with a reduction in expenses, was the result of our special commitment to administrative efficiency. Administrative expenses had a nominal decrease of 3%, which is below the inflation recorded in the year (10%), as a result of the restructuring implemented throughout the year in search of more efficiency and value creation for shareholders. Consequently, the relationship between general and administrative expenses and premiums earned fell by 2.4 percentage points, from 10.2% to 7.8% at year-end.



Net Income

The recurring profit was the highest amount in the history of the Company, an increase of 97% over the prior year, totaling R$ 764 million. Return on equity of 29% was 14 percentage points over 2014 (15%). This result was achieved through a combination of the increase in operating result and finance income, coupled

with an efficient administrative management, focused on value creation. The solid results presented by IRB in 2015 strengthen its leading position in the reinsurance market in Brazil.



Dividends and interest on capital

During 2015, the Board of Directors of the Company approved the distribution of R$ 176 million as interest on capital to its shareholders. In addition, the Board of Directors proposed an additional distribution of R$ 454 million as dividends. The total gross distribution of dividends and interest on capital proposed by the Board for 2015 totaled R$ 643 million, representing 85% of profit for the period, which is higher than the distribution of 75% of the profit for the year in 2014. The proposed appropriation of the results for 2015 will be submitted to the approval of the shareholders at the Annual General Meeting (AGO) to be held in March.

Risk Management

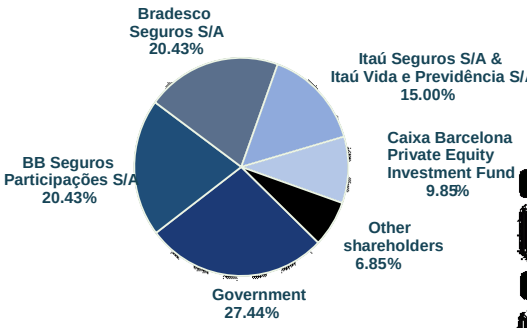
In 2015, the Company conducted the first phase of a major project for development and implementation of the Operational Loss Database (BDPO), in compliance with SUSEP Circular No. 492, which provides for the development of capture controls of operating losses that will populate the base.

In addition, for the fourth year in a row, IRB Brasil RE led the process of renewing its A rating by A.M. Best, a risk rating agency specializing in the insurance and reinsurance sector, which has been attesting the solid and robust financial position of IRB based on its balance sheet and considering its discipline in risk underwriting and financial management.

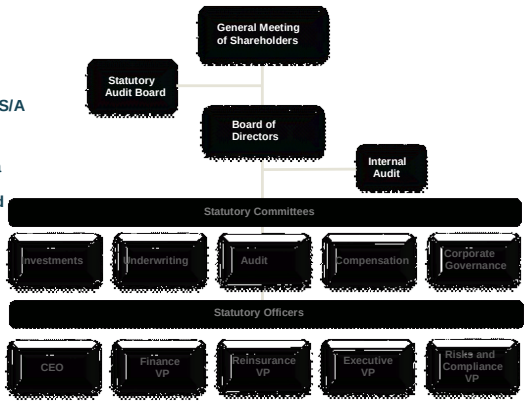
Corporate Governance

The Board of Directors of IRB Brasil RE consists of five members. The history and the market knowledge of our major shareholders, with whom we frequently interact, are an important support for management. Furthermore, the Board of Directors is assisted by one Statutory Audit Board, consisting of three members, and five statutory independent committees that assist our directors to better decide for minority interests.

Ownership Structure – 2015



Corporate Governance Structure



In 2015, the Company also implemented the Corporate Ethics channel and released its Handbook of Fraud Prevention to all employees and business partners, aiming at preventing money laundering and mitigating risks and fraud. In addition, IRB Brasil RE successfully complied with all the regulatory requirements and improved throughout the year its internal control program.

Significant Awards

In 2015, the Company featured in a leading position in relation to its competitors and received some important awards from its strategic partners, worth of mention being the Best Brazilian Reinsurer award, granted by Brazil Insurance Awards, and the Best Brazilian Reinsurer in connection with the award granted by Apólice Magazine's Best in Insurance award.

Relationship with Independent Auditors

In accordance with CVM Instruction No. 381/03, we inform that the Company and its subsidiaries adopt as a formal procedure to consult with PricewaterhouseCoopers (PwC) independent auditors to ensure that the provision of other services by them does not affect the independence and the objectivity necessary for the performance of independent audit services.

In the fiscal year ended December 31, 2015, PwC provided additional services amounting to R$ 2.6 million related to the audit in connection with the listing process.

PricewaterhouseCoopers Auditores Independentes believes that the provision of services was made in strict compliance with accounting standards addressing the independence of independent auditors for audit assignments and, therefore, did not represent a situation that could affect the independence and objectivity in the performance of their external audit services.

Management Statement

Pursuant to the requirements of the Brazilian Securities Commission (CVM) Instruction No. 480/09, Management states that it has discussed, reviewed and endorsed the financial statements for the fiscal year ended December 31, 2015 taken together with the independent auditors' report.

Acknowledgements

We express our gratitude and recognition to all employees, shareholders, clients, for choosing IRB Brasil RE as their priority reinsurer for protection, and to our partners and government representatives for their support and confidence in our mission to build a Company that can be a leader in Brazil, as well as to constantly search for value generation.

The Management

Board of Directors

Chairman

Marcelo Barbosa Saintive

Directors

Flavio Eduardo Arakaki

Marcelo Augusto Dutra Labuto

Osvaldo do Nascimento (Deputy)

Samuel Monteiro dos Santos Junior

Executive Board

CEO

José Carlos Cardoso

Vice-Presidents

Fernando Passos

Lucia Maria da Silva Valle

Mario Di Croce

Paul Conolly

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Independent auditor's report

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

We have audited the accompanying parent company financial statements of IRB - Brasil Resseguros S.A. ("Parent Company" or "Company), which comprise the balance sheet as at December 31, 2015 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of IRB - Brasil Resseguros S.A. ("Consolidated), which comprise the consolidated balance sheet as at December 31, 2015 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year 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 financial statements in accordance with the accounting practices adopted in Brazil applicable to the entities supervised by Private Insurance Agency ("Superintendência de Seguros Privados - SUSEP") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsability

Our responsibility is to express an opinion on these 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 consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 consolidated 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 consolidated financial statements..

PricewaterhouseCoopers, Av. José Silva de Azevedo Neto 200, 1º e 2º, Torre Evolution IV, Barra da Tijuca, Rio de Janeiro, RJ, Brasil 22775-056
T: (21) 3232-6112, F: (21) 3232-6113, www.pwc.com/br
PricewaterhouseCoopers, Rua da Candelária 65, 20º, Rio de Janeiro, RJ, Brasil 20091-020, Caixa Postal 949,
T: (21) 3232-6112, F: (21) 2516-6319, www.pwc.com/br

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IRB - Brasil Resseguros S.A. and of IRB - Brasil Resseguros S.A. and its subsidiaries as at December 31, 2015, and its financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the year then ended, in accordance with the accounting practices adopted in Brazil applicable to the entities supervised by Private Insurance Agency ("Superintendência de Seguros Privados - SUSEP").

Others matters

Supplementary information -
Statements of value added

We have also audited the parente company and consolidated statements of value added for the year ended Decemebr 31, 2015, which are the responsability of the Company's management, whose presentation is being made voluntarily by the Company. The statements were subject to the same audit procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Rio de Janeiro, February 5, 2016

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

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

IRB-Brasil Resseguros S.A.

Balance sheets at December 31
In thousands of reais

(A free translation of the original in Portuguese)

Assets	Note	Parent Company 2015	Parent Company 2014	Consolidated 2015	Consolidated 2014
Current assets		**8,579,514**	**8,076,409**	**8,633,069**	**8,086,661**
Cash and cash equivalents		13,952	9,511	18,277	13,288
Cash and banks	5	13,952	9,511	18,277	13,288
Investments	6	2,060,711	2,410,608	2,066,856	2,414,646
Credits of reinsurance and retrocession	7.1	2,218,305	1,947,721	2,218,305	1,948,421
Operations with insurers	7.2.1	1,819,174	1,510,586	1,819,174	1,510,586
Operations with reinsurers	7.2.2	427,255	512,238	427,255	512,238
Other operating credits		120,492	76,822	120,492	77,522
(-) Reserve for credit risks		(148,616)	(151,925)	(148,616)	(151,925)
Retrocession assets - technical reserves		4,143,154	3,595,526	4,184,979	3,595,769
Premium - Retrocessium	8.2	646,462	548,832	646,462	548,832
Losses - Retrocessium	8.1	3,476,261	3,013,174	3,518,086	3,013,417
Other reserves	8.3	20,431	33,520	20,431	33,520
Securities and receivables		142,145	112,084	143,405	113,578
Securities and receivables	9	11,053	14,577	12,313	16,071
Tax and social security credits	10.1	131,092	97,507	131,092	97,507
Prepaid expenses		1,247	871	1,247	871
Deferred acquisition costs		-	88	-	88
Non-current assets		**5,719,014**	**4,561,258**	**5,735,379**	**4,554,734**
Long term receivables		5,445,207	4,277,129	5,362,425	4,289,003
Investments	6	4,186,565	3,135,797	4,103,783	3,147,671
Retrocession assets - technical reserves		69,601	59,023	69,601	59,023
Premium - Retrocessium	8.2	69,601	59,023	69,601	59,023
Securities and receivables		1,189,041	1,082,309	1,189,041	1,082,309
Securities and receivables	9	28,118	29,037	28,118	29,037
Tax and social security credits	10.1	206,190	249,992	206,190	249,992
Deferred tax assets	10.1	480,691	376,178	480,691	376,178
Judicial and fiscal deposits	21	474,042	418,354	474,042	418,354
Other credits receivable		-	8,748	-	8,748
Investments		174,545	194,067	273,676	175,650
Corporate shares			18,417		
Properties for sale	11	174,431	175,520	273,562	175,520
Other investments		114	130	114	130
Property and equipment	12	35,905	32,880	35,921	32,899
Properties		13,016	11,920	13,016	11,920
Movable assets		21,535	20,882	21,551	20,901
Other fixed assets		1,354	78	1,354	78
Intangible assets	13	63,357	57,182	63,357	57,182
Total Assets		**14,298,528**	**12,637,667**	**14,368,448**	**12,641,395**

Liabilities and Equity	Note	Parent Company 2015	Parent Company 2014	Consolidated 2015	Consolidated 2014
Current liabilities		**10,141,973**	**8,745,029**	**10,211,893**	**8,748,757**
Accounts payables		158,815	153,280	183,649	154,366
Payables	14.1	79,637	82,997	81,272	84,083
Taxes and social charges payable		22,113	24,528	22,113	24,528
Labor reserves	22	7,212	8,217	7,212	8,217
Reserves for post-employment benefits	14.2 e 25	35,582	33,717	35,582	33,717
Reserves for taxes and contributions	15	14,271	3,821	14,271	3,821
Reserves for devaluation of investments	24.9			23,199	
Debits of reinsurance and retrocession operations	16.1	1,024,987	855,120	1,025,310	855,351
Operations with insurers	16.2.1	156,082	53,943	156,082	53,943
Operations with insurers	16.2.2	676,759	589,805	676,759	590,022
Reinsurance and retrocession brokers		52,500	39,245	52,521	39,259
Other operating debits		139,646	172,127	139,948	172,127
Third-party deposits	17	45,958	59,459	45,958	59,459
Technical reserves - reinsurers and retrocessions		8,912,213	7,677,170	8,956,976	7,679,581
Elementary and life group lines		8,912,213	7,677,170	8,956,976	7,679,581
Unearned premium reserve	18.1	1,659,526	1,405,627	1,659,526	1,405,627
Current risks issued		1,502,237	1,245,477	1,502,237	1,245,477
Current risks not issued		157,289	160,150	157,289	160,150
Losses outstanding	18.2	5,922,313	5,381,192	5,923,334	5,383,377
Reserves for claims incurred but not reported	18.2	1,265,900	796,289	1,309,642	796,515
Other reserves	18.4	64,474	94,062	64,474	94,062
Non- current liabilities		**981,960**	**938,706**	**981,960**	**938,706**
Long term payables		981,960	938,706	981,960	938,706
Accounts payable		682,314	630,155	682,314	630,155
Reserves for taxes and contributions	21	353,107	286,867	353,107	286,867
Reserves for post-employment benefits	14.2 e 25	328,897	343,067	328,897	343,067
Other payables	14.1	310	221	310	221
Debits of reinsurance and retrocession operations		789	816	789	816
Other operating debits		789	816	789	816
Technical reserves - reinsurers and retrocessions		178,673	151,165	178,673	151,165
Elementary and life group lines		178,673	151,165	178,673	151,165
Unearned premium reserve	18.1	178,673	151,165	178,673	151,165
Current risks issued		161,738	133,942	161,738	133,942
Current risks not issued		16,935	17,223	16,935	17,223
Other contingent liabilities	21	120,184	156,570	120,184	156,570
Tax contingencies		66,053	62,708	66,053	62,708
Labor contingencies		50,379	47,914	50,379	47,914
Social security contingencies		-	40,296	-	40,296
Other reserves		3,752	5,652	3,752	5,652
Equity		3,174,595	2,953,932	3,174,595	2,953,932
Share capital	23.1	1,453,080	1,453,080	1,453,080	1,453,080
Revenue reserves	23.3	1,360,814	1,256,863	1,360,814	1,256,863
Carrying value adjustments	23.4	(80,405)	(28,788)	(80,405)	(28,788)
Adittional dividends proposed	23.6	454,062	285,733	454,062	285,733
Treasury shares	23.2	(12,956)	(12,956)	(12,956)	(12,956)
Total Libilities and equity		**14,298,528**	**12,637,667**	**14,368,448**	**12,641,395**

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

IRB-Brasil Resseguros S.A.

Statement of income
Years ended December 31
In thousands of reais (A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		2015	2014	2015	2014
Net premium earned		3,723,449	2,759,395	3,723,449	2,759,395
Changes in technical reserves		22,662	233,662	22,662	233,662
Premiums earned	24.1	**3,746,111**	**2,993,057**	**3,746,111**	**2,993,057**
Incurred claims	24.2	**(2,285,680)**	**(2,256,827)**	**(2,287,603)**	**(2,256,827)**
Direct claims		(1,971,754)	(2,201,008)	(1,973,677)	(2,201,008)
Salvages and reimbursements		74,953	60,053	74,953	60,053
Changes in reserve for claims incurred but not reported		(388,879)	(115,872)	(388,879)	(115,872)
Acquisition costs	24.3	**(95,430)**	**(79,548)**	**(95,430)**	**(79,548)**
Commission		(95,430)	(79,548)	(95,430)	(79,548)
Other operating revenue and expenses	24.5	**9,217**	**(103,132)**	**11,969**	**(100,839)**
Result with retrocession	24.4	**(792,310)**	**(117,941)**	**(792,310)**	**(117,941)**
Revenue with retrocession		547,442	945,368	547,442	945,368
Expenses with retrocession		(1,289,209)	(1,046,586)	(1,289,209)	(1,046,586)
Salvage and reimbursements		(54,388)	(20,884)	(54,388)	(20,884)
Other operating revenue and expenses		3,845	4,161	3,845	4,161
Administrative expenses	24.6	**(261,786)**	**(283,165)**	**(266,605)**	**(287,255)**
Expenses with taxes	24.7	**(111,018)**	**73,988**	**(111,018)**	**73,988**
Finance results	24.8	**798,114**	**627,626**	**799,423**	**629,788**
Finance income		1,947,141	1,010,119	1,947,155	1,299,165
Finance costs		(1,149,027)	(382,493)	(1,147,732)	(669,377)
Equity results	24.9	**12,651**	**45,963**	**15,450**	**45,762**
Net profit from leased properties		37,955	37,064	37,955	37,064
Adjustments to investments in subsidiaries		(2,798)	7,331	-	7,141
Other net equity revenue		(22,506)	1,568	(22,505)	1,557
Operating results		**1,019,869**	**900,021**	**1,019,987**	**900,185**
Income with non-current assets		**21**	**26**	**21**	**26**
Profit before income tax, social contribution and profit sharing		**1,019,890**	**900,047**	**1,020,008**	**900,211**
Income tax	24.10	(158,159)	(183,128)	(158,277)	(183,292)
Social contribution	24.10	(98,013)	(115,377)	(98,013)	(115,377)
Net profit for the year		**763,718**	**601,542**	**763,718**	**601,542**
Basic and diluted earnings per share		2,46	1,94	2,46	1,94

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

IRB-Brasil Resseguros S.A.

Statement of comprehensive income
Years ended December 31
In thousands of reais (A free translation of the original in Portuguese)

	Note	Parent Company and Consolidated 2015	2014
Profit for the year		**763,718**	**601,542**
Other comprehensive income			
Item to be recorded later in results			
Exchange differences in translation of operations abroad	**23.4**	8,537	2,270
Financial assets available-for-sale	**23.4**		
Net loss arising from reassessment of financial assets available-for-sale in the year		(122,322)	(6,522)
Realization of gains from sale of financial assets available-for-sale in the year			193
Unrealized gains and losses with marketable securities - subsidiaries		(23)	95
Income tax and social contribution		57,014	2531
		(56,794)	**(1,433)**
Items that will not be reclassified to results			
Post-employment benefits	**23.4**		
Remeasurement of post-employment liabilities		12,077	15,876
Remeasurement of post-employment liabilities - subsidiaries		(1,465)	(985)
Income tax and social contribution		**(5,435)**	**(6,350)**
		5,177	**8,541**
		(51,617)	**7,108**
Total comprehensive income for the year		**712,101**	**608,650**

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

IRB-Brasil Resseguros S.A.

Consolidated statement changes in equity
In thousands of reais

(A free translation of the original in Portuguese)

	Note	Share capital	Revenue reserve		Treasury shares	Carrying value adjustments	Retained earnings	Proposal for additional dividend distribution	Parent Company´s owner´s equity
			Legal	Reinvestment					
At January 1, 2014		**1,453,080**	**253,593**	**842,333**	**(10,531)**	**(35,896)**		**165,634**	**2,668,213**
Fair value adjustments of marketable securities	23.4					(3,703)			(3,703)
Accumulated translation adjustments	23.4					2,270			2,270
Actuarial gain in post-employment benefits	25					8,541			8,541
Net income for the year							601,542		601,542
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**7,108**	**601,542**	**-**	**608,650**
Total distributions to shareholders									
Acquisition of treasury shares					(2,425)				(2,425)
Proposal for profit -sharing									-
Additional dividend paid in 2014								(165,634)	(165,634)
Constitution of Legal reserve			30,077				(30,077)		-
Constitution of Reinvestment reserve	23.3			258,830			(258,830)		-
Distribution of dividends	23.6						(312,635)	285,733	(26,902)
Distribution of interest on net equity	23.6			(127,970)					(127,970)
Total distribution to shareholders		**-**	**30,077**	**130,860**	**(2,425)**	**-**	**(601,542)**	**120,099**	**(322,931)**
At December 31, 2014		**1,453,080**	**283,670**	**973,193**	**(12,956)**	**(28,788)**		**285,733**	**2,953,932**
At January 1, 2015		**1,453,080**	**283,670**	**973,193**	**(12,956)**	**(28,788)**		**285,733**	**2,953,932**
Fair value adjustments of marketable securities	23.4					(65,331)			(65,331)
Accumulated translation adjustments	23.4					8,537			8,537
Actuarial gain in post-employment benefits	25					5,177			5,177
Net income for the year							763,718		763,718
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(51,617)**	**763,718**	**-**	**712,101**
Total distributions to shareholders									
Acquisition of treasury shares									-
Proposal for profit -sharing									-
Additional dividend paid in 2014								(285,733)	(285,733)
Constitution of Legal reserve			6,947				(6,947)		-
Constitution of Reinvestment reserve	23.3			273,004			(273,004)		-
Distribution of dividends	23.6						(483,767)	454,062	(29,705)
Distribution of interest on net equity	23.6			(176,000)					(176,000)
Total distribution to shareholders		**-**	**6,947**	**97,004**	**-**	**-**	**(763,718)**	**168,329**	**(491,438)**
At December 31, 2015		**1,453,080**	**290,617**	**1,070,197**	**(12,956)**	**(80,405)**		**454,062**	**3,174,595**

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

IRB-Brasil Resseguros S.A.

Statements of cash flows (Direct Method)
Years ended December 31
In thousands of reais (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	2015	2014	2015	2014
Operating activities				
Receipt of insurance premiums, social security contributions and management fees and others	4,116,644	3,337,244	4,119,677	3,337,244
Loss and commission recovery	762,975	728,437	762,975	728,437
Other operating receipts (salvage, reimbursements and others)	105,263	242,580	109,137	242,580
Payments for losses, benefits, redemptions and commission	(2,560,435)	(2,207,505)	(2,563,188)	(2,207,505)
Transfer of premiums due to risk cession	(1,328,140)	(1,180,277)	(1,328,140)	(1,180,277)
Payments of expenses and liabilities	(312,203)	(262,585)	(318,086)	(262,293)
Other operating payments	(100,231)	(218,567)	(101,793)	(218,567)
Receipt of rental	39,068	31,853	39,068	31,853
Receipts of interest and dividends	15,193	1,951	15,798	1,953
Constitution of judicial deposits	(33,182)	(76,058)	(33,182)	(76,058)
Cash from operations	704,952	397,073	702,266	397,367
Taxes and contributions paid	(421,611)	(324,719)	(421,611)	(324,719)
Financial investments				
Investments at fair value through profit or loss	(4,036,468)	(2,911,847)	(4,036,468)	(2,914,726)
Sales and redemptions of investments at fair valuethrough profit or loss	4,183,682	3,863,746	4,183,682	3,866,863
Net financial investments	147,214	951,899	147,214	952,137
Net cash from operating activities	**430,555**	**1,024,253**	**427,869**	**1,024,785**
Investing activities				
Investments available-for-sale	(2,797,168)	(2,425,991)	(2,705,429)	(2,429,800)
Sales and redemptions of investments available-for-sale	2,354,096	1,259,847	2,362,950	1,263,337
Investments held to maturity	(1,718,172)	(5,703,981)	(1,718,172)	(5,703,981)
Sales and redemptions of investments held to maturity	2,226,048	6,135,643	2,226,048	6,135,643
Payment for the purchase of:				
Property and equipment	(10,548)	(7,330)	(10,548)	(7,330)
Intangible assets	(22,463)	(28,959)	(22,463)	(28,959)
Investments			(99,131)	
Receipt for the sale of:				
Property and equipment	256	26	256	26
Net cash used in investing activities	**32,049**	**(770,745)**	**33,511**	**(771,064)**
Financing activities				
Distribution of dividends and interest on capital	(478,670)	(296,790)	(478,670)	(296,790)
Acquisition of company´s shares		(2,424)		(2,424)
Net cash used in financing activities	**(478,670)**	**(299,214)**	**(478,670)**	**(299,214)**
Decrease in cash and cash equivalents	(16,066)	(45,706)	(17,290)	(45,493)
Exchange variation in cash and cash equivalents	20,507	199	22,279	522
Increase (decrease) in cash and cash equivalents after exchange variation	**4,441**	**(45,507)**	**4,989**	**(44,971)**
Cash and cash equivalents at the beginning of the year	**9,511**	**55,018**	**13,288**	**58,259**
Cash and cash equivalents at the end of the year	**13,952**	**9,511**	**18,277**	**13,288**

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

	Parent Company		Consolidated	
	2015	2014	2015	2014
Reconciliation between profit for the year and net cash from operating activities				
Profit for the year	**763,718**	**601,542**	**763,718**	**601,542**
Adjustments to profit				
Depreciation and amortization	27,088	17,081	27,114	17,263
Impairment of assets	3,931		3,917	
Reserve/reversal for impairment of trade receivables	(2,301)	47,640	(2,301)	47,640
Gain on disposal of property and equipment and intangible assets	(21)	(26)	(21)	(26)
Equity result	2,798	(190)		
Other adjustments	20,507	(199)	19,719	(407)
Changes in equity accounts				
Financial investments	(823,192)	413,044	(823,167)	413,323
Credits of insurance and reinsurance operations	(243,050)	54,696	(243,031)	54,699
Retrocession assets	(558,206)	(243,668)	(555,940)	(238,268)
Tax and social security credits	(93,502)	(163,623)	(93,502)	(163,623)
Prepaid expenses	(288)	101	(288)	101
Other assets	9,259	(103)	10,598	(166)
Judicial and fiscal deposits	(55,688)	(108,399)	(55,688)	(108,399)
Trade payables	2,298	21,945	2,298	21,604
Taxes and contributions	8,034	(75,252)	8,034	(75,252)
Debits of insurance and reinsurance operations	140,578	(119,610)	138,386	(119,610)
Thirty-party deposits	(14,071)	(12,099)	(14,071)	(12,099)
Technical reserves - insurance and reinsurance	1,262,551	538,036	1,262,207	533,134
Other liabilities	(49,742)	(19,041)	(51,438)	(19,049)
Judicial reserves	29,854	72,378	29,854	72,378
Net cash from operations	**430,555**	**1,024,253**	**426,398**	**1,024,785**

IRB-Brasil Resseguros S.A.

Statement of value added
Years ended December 31
In thousands of reais (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	2015	2014	2015	2014
Revenue				
Revenue from insurance operations	3,723,449	2,759,395	3,723,449	2,759,395
Others	(46,591)	(62,042)	(43,839)	(59,749)
Reserve/reversal for impairment of trade receivables	2,301	(47,640)	2,301	(47,640)
Changes in technical reserves	22,662	233,662	22,662	233,662
Net operating revenue	**3,701,821**	**2,883,375**	**3,704,573**	**2,885,668**
Benefits and losses				
Losses	(1,971,754)	(2,201,008)	(1,973,677)	(2,201,008)
Changes in reserve for claims incurred but not reported	(388,879)	(115,872)	(388,879)	(115,872)
Others	74,953	60,053	74,953	60,053
	(2,285,680)	**(2,256,827)**	**(2,287,603)**	**(2,256,827)**
Input acquired from third-parties				
Materials, energy and others	(39,054)	(29,857)	(39,226)	(29,965)
Third-party services, net of commission	(41,212)	(44,397)	(41,212)	(46,565)
	(80,266)	**(74,254)**	**(80,438)**	**(76,530)**
Gross value added	**1,335,875**	**552,294**	**1,336,532**	**552,311**
Depreciation, amortization and depletion	**(27,088)**	**(17,081)**	**(27,114)**	**(17,263)**
Net value added produced by the entity	**1,308,787**	**535,213**	**1,309,418**	**535,048**
Value added received in transfer				
Finance revenue	798,114	627,626	799,423	629,788
Results of reinsurance operations granted	(792,310)	(117,941)	(792,310)	(117,941)
Others	(26,038)	(27,709)	(27,375)	(28,225)
	(20,234)	**481,976**	**(20,262)**	**483,622**
Total value added to distribute	**1,288,553**	**1,017,189**	**1,289,156**	**1,018,670**
Distribution of the value added				
Staff	157,645	191,130	158,130	192,447
Taxes and contributions	367,189	224,517	367,307	224,681
Interest on capital	176,000	312,635	176,000	312,635
Retained earnings for the year	587,719	288,907	587,719	288,907
	1,288,553	**1,017,189**	**1,289,156**	**1,018,670**

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

1 General information

1.1 Operational context

IRB-Brasil Resseguros S.A. ("IRB Brasil RE", "Reinsurer" or "Company") is a closed capital semipublic private company established in 1939 by President Getúlio Vargas, with headquarters at Avenida Marechal Câmara 171 in the city of Rio de Janeiro and offices in São Paulo, Buenos Aires, London and New York. Its activities are focused on reinsurance operations in Brazil and abroad.

At the end of 2015, 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 38% (accumulated up to December 2015), 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 parent company and consolidated financial statements at December 31, 2015 were approved by Administrative Board on May 18, 2017.

1.2 Conformity declaration

The financial statements have been prepared in accordance with accounting practices adopted in Brazil, including pronouncements issued by the Accounting Pronouncements Committee (CPC) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and show all the relevant information specific to the financial statements, and only them, which are consistent with those used by Management in its management.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The preparation of 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 high degree of judgment or complexity, and where assumptions and estimates are significant to the financial statements, are disclosed in Note 26.

The Company has a branch in London, the activities of which were discontinued (run-off) on December 11, 2014. At its 209th General Meeting, the Board of Directors approved the valuation of the operations of this branch at market value for further consideration of proposals for its possible sale. This valuation did not generate losses in IRB Brasil RE's financial statements. As the London operations do not represent a separate major line of business or geographical area of operations of the Company, as required by CPC 31, the balances at that branch were not presented as discontinued operations.

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

(a) Parent Company financial statements

The Parent Company 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 consolidated financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC).

2.2 Consolidation

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

Subsidiaries are all the entities over which the Company has power to govern the financial and operating policies, and in which the Company generally has a shareholding of more than half of the voting rights (voting capital). The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date the Company ceases to have control.

The Company has only one subsidiary located in the United States of America, which is in the process of "run-off". Information on the subsidiary is presented as follows:

	International Corporation & Subisidiaries
Capital share	100%
Number os shares owned	5,000,000
Assets	68,950
Current and non-current liabilities	45,751
Equity at the end of the period	23,199
Loss for the period	(2,798)

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

- BB Ações 22 Investment Fund.
- BB Peabiru Fixed-income Investment Fund.
- Harbor Stock Investment Funds.
  - Bradesco Stock Investment Fund Safe IBRX-50
- Real Estate Investment Fund (FII)

The Company's consolidated financial statements were prepared in order to consolidate its results with those of its subsidiaries International Corporation & Subsidiaries and the whole-owned funds mentioned above.

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 individual and consolidated 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 year, 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 year. The results are translated using the year average exchange rates, unless these rates have significantly floated during the year; in this case, the rates prevailing at the transaction date is used. The exchange variation arising from these translations, if any, are classified under comprehensive results and accumulated in equity.

(c) Subsidiaries with different functional currency

The results and financial positions of all the consolidated entities that have 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 transaction dates).

(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 are acquired.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if 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 the credits and debits of reinsurance and retrocession operations receivable, judicial and fiscal deposits and others, are measured at amortized cost, using the effective interest rate method, less any loss for impairment. They are included in current assets, except for those with maturities more than 12 months after the end of the reporting period, which are classified as non-current assets.

Installment premiums are recorded as premiums receivable in current assets, and written off as 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 of 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 dates that the Company has the intention and capacity to hold to maturity.

2.5.2 Recognition and measurement

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 year 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 on the basis of translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. 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 expense".

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

Dividends 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 occurring 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) likelihood of the borrower entering bankruptcy or other financial reorganization;

(v) 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 compared with the initial recognition of those assets, even if the decrease cannot yet be identified with the individual financial assets in the portfolio, including national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of any impairment loss is measured as the difference between the asset's carrying

amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss 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 loss previously recorded is recognized in the statement of income.

(b) Assets classified as available for sale

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. For debt securities, the 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 agreements

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

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

2.7 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 asset's 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 that are acquired separately 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 benefit 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 revenue from the sale and the asset's carrying value, are recognized in the result when the asset is written off.

2.8 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, and 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 buildings) is stated at historical cost re-evaluated on December 31, 2004 based on the opinions of independent experts. In accordance with the CPC, no new reassessments are carried out.

The historical cost of property and equipment comprises expenditure that is directly attributable to the acquisition of the capitalized items and to maintain them in usable condition.

Subsequent expenditure is included in 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 reevaluated.

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

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

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

2.9 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 CPC 06 (R1). The Reinsurer uses the depreciated cost model (cost method according to CPC 28) to assess such assets.

Real estate assets for investment are depreciated using the straight-line method, based on the estimated useful life of the asset. The majority of rental agreements have a three-year renewal option, and the rental prices are readjusted by the Market General Price Index (IGP-M)/FGV.

2.10 *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 in the result for the year as the difference between the carrying value and the recoverable value. The recoverable amount is defined by the CPC 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.

2.11 Reserves

(a) 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 agreements. Its objective is to estimate future claims that will be paid by IRB Brasil RE and it is operationally determined according to the expected exposure for each agreement. To complement this reserve, the unearned premium reserve for risk in force not issued is constituted, calculated based on actuarial estimates of the risks in force agreements for which have not been issued yet, and this amount is determined based on the actuarial methodology described in actuarial technical note.

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

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

- The incurred but not reported claims reserve, which relates to local and overseas operations, is made up based on actuarial assumptions defined in the 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 agreements operations.

- The related expenses reserve (PDR) relates to the expenses of settling claims and the coverage complementary reserve (PCC), which is made up when the Company's total liabilities are considered insufficient in the liabilities adequacy test (LAT).

(b) Liability adequacy test – LAT

The LAT is an economic test of 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 reinsurance agreements, in line with the requirements of CPC 11.

In order to carry out 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 insufficiency is

observed, it must be recognized in the PCC.

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

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

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

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, was not used.

The test carried out for December 31, 2015 presented no insufficiency.

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

(c) Judicial reserves, contingent assets and liabilities

Legal reserves of a civil, labor, social security and tax nature that are subject to 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 lawsuits on the balance sheet date. Legal reserves of a civil and operational nature that are subject to court litigation are calculated and accounted for based on specific percentages, which are calculated based on the historical analysis of the 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. The percentages of loss probability are applied to the civil contingencies that exist on the closing date of the consolidated financial statements.

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

The estimated loss amounts of 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 year in which the estimate change occurs. If it is probable that the economic benefit will occur, the Company discloses the contingent assets

2.12 Deferred and current income tax and social security

The reserve for income tax and social security is based on the taxable income for the year. The taxable income differs from the profit presented in the statements of income because it excludes the expenses and revenue 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 year.

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 tax assets are recognized on all the deductible temporary differences, only when it is probable that the Company will earn sufficient future taxable income that these deductible temporary differences can be used.

The recovery of the balance of the deferred tax 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 tax assets and liabilities are measured by the rates applicable in the period in which the settlement of the liability or the realization of the asset is expected, based on the rates provided by the tax law effective at the end of each year, or when a new law has been substantially approved, currently 25% for income tax and 20% for social contribution. The measurement of the deferred tax assets and liabilities reflects the tax consequences that would result from the manner in which the Company expects, at the end of each year, to recover or to settle the carrying value of these assets and liabilities

2.13 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 annual actuarial evaluation at the end of each year. The cost of past services is immediately recognized, as the benefits will have already been granted, or amortized by the straight-line method for the average period until the benefits have been acquired.

The obligations connected with retirement benefits, when recognized in the balance sheet, represent the present value of the obligation, adjusted by actuarial gains and losses and by the cost of past services that 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 and dental care coverage. The plan provides lifetime or temporary maintenance, as established by the applicable legislation. The expected costs of these benefits are accrued during the employment period using the same accounting methodology to be used for 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 recognized in equity, as established by CPC 33. These obligations are evaluated by qualified independent actuaries.

2.14 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 entity that holds shares in IRB Brasil RE purchases equity shares in 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 the respective income tax and social contribution effects is included in the equity to be assigned to the Company's shareholders.

2.15 Dividends

A dividend distribution proposal made by the Company's management, which is below the minimum mandatory dividend is recorded as a liability under "Obligations payable" because it is considered as a legal obligation provided by the Company's bylaws; however, a dividend installment that is higher than the minimum mandatory dividend, declared by the management after the financial year to which the financial statements refer, but before the date on which the issue of such statements is approved by the shareholders at a general meeting, is recorded under "Proposal of additional dividend distribution" in equity

2.16 Revenue recognition

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

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 have been met for each one of the activities described below. IRB Brasil RE bases its estimates on historical results, taking into consideration the kind of client and transaction and the specifications of each operation.

(a) Reinsurance premiums

Reinsurance premiums are accounted for as premiums issued as from their acceptance. 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 agreements, the premium issued is the amount agreed upon by the parties to ensure the reinsurance coverage, in the installments agreed by the reinsurer, for the risk term.

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

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

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

(b) Dividends and interest income

Dividend income is recognized when the shareholder's right to receive the 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).

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. Interest income is recognized by the straight-line method based on the time and effective interest rate on the principal outstanding amount, with the effective interest rate being 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.

2.17 Expenses of claims and commission

The expenses of claims are accounted for on an accrual basis and determined based on concepts and assumptions defined in the actuarial technical note, as described in Note 2.11(a).

Commission is deferred and amortized, except in the case of operations involving incurred risks, the commission of which is directly recorded in the results for the period, based on the term of the reinsurance agreement. Commission concerning effective risks, the reinsurance premiums of which have not been issued yet, are calculated on an actuarial basis.

2.18 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 CPC. As from 2013, the items of comprehensive income are presented considering whether or not they have potential to be subsequently reclassified to the result.

2.19 New standards, amendments and interpretations

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

(a) Amendments to standards adopted by the Company

The following amendments to standards have been adopted for the first time in the financial year beginning on January 1, 2015 and did not have material impacts on the Company.

CPC 33 / IAS 19 – Employee benefits: the amendments allow the employees and third parties contributions, when required in a defined benefit plan, to be recognized as a reduction of the service cost for the year, subject to certain conditions. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary.

Review of Technical Pronouncement 6/IFRS Annual Improvements Projects for 2010-2012 and 2011-2013:

(i) CPC 15/IFRS 3 – Business combination: the conflict between the standards for financial instruments and business combinations was eliminated; it has also been clarified that the contingent payment is a financial liability or an equity instrument and that it should be remeasured at fair value, when it is not an equity instrument.. In addition, it eliminated the reference to other pronouncements, such as IAS 37, for remeasurement of the contingent payment, and clarified the exceptions in the scope of the standard.

(ii) CPC 46/IFRS 13 – Fair value measurement: clarifies that the measurement of short-term financial assets without explicit interest at present value, when their effects are immaterial, is allowed, though not required. Additionally, it clarifies that the exception to the fair value measurement of a portfolio at the net value, which is an exception brought to IFRS 13, applies to all contracts under IAS 39 and IFRS 9.

(iii) CPC 05/IAS 24 - Related parties: clarifies that the entity providing administrative services equivalent to key management is also a related party and the reporting entity shall disclose expenses paid to such related party.

(iv) CPC 22/IFRS 8 – Segment reporting: improves the criteria for disclosure of operating segments and requires the reconciliation of segment assets to the entity's assets when segment assets are reported.

Other amendments which are effective for the financial year beginning on January 1, 2015 are not material to the Company.

(b) New standards that are not yet effective

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 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 replaces IAS 18 and IAS 11. This standard will replace all the existing licensing on the 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 existing orientation. The main changes are: (a) recognition in many cases is postponed; (b) the credit risk is not deducted from the gross revenue upon the sale, when applicable; (c) the concept of the present value adjustment for credit sales continues applicable; (d) there are requirements for specific disclosures on contracts with customers and significant judgments in applying the revenue recognition orientations, among others; (e) it is necessary to adjust the companies' processes in order to enable the capture of new information required by the standard. The Company is assessing the total impact of IFRS 15. The standard is applicable from January 1, 2018.

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

2.20 Reclassification of comparative balances

The Company reclassified the portion of asset and liability balances of the provision for unearned premiums as of December 31, 2014, for deferral over a period of more than twelve months, in the amounts of R $ 59,023 and R $ 151,165 , Respectively. The changes made did not materially impact the comparative information related to the balance sheets as of December 31, 2014 and January 1, 2014 (opening balances), consequently, the aforementioned comparative financial statements are not being restated in accordance with the requirements of the CPC 23, Accounting Policies, Change of Estimate and Error Rectification.

3 Critical accounting estimates and judgments

Accounting policies are 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 on inherently uncertain subjects.

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

In elaborating the parent company and consolidated financial statements, the Reinsurer has 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 and reserves for adjusting assets to their realization or recovery value; revenue from premiums and corresponding commercialization expenses relating to the effective risks the respective insurance policies of which have not been issued yet, as well as reserves that involve values under legal dispute. We mainly highlight 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 used in the determination of retirement benefits, described in item (e) below.

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

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

The estimates used in the constitution of the Reinsurer's reinsurance liabilities represent the areas in which the Reinsurer applies critical accounting judgements in the preparation of the consolidated financial statements according to CPC. There are several uncertainty sources that need to be considered in the estimate of the liabilities the Reinsurer will ultimately settle. The sensitivity analysis regarding this critical estimate is given in Note 4.3.3 and the assumptions used are indicated below.

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

The Reinsurer uses all the available internal and external information sources, past experience and indicators to define the actuarial assumptions and best estimate the loss settlement amount for agreements the reinsured events of which have already occurred. Consequently, the amounts provided may differ from the amounts effectively settled on future dates for these obligations.

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

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

(c) Estimates used to calculate impairment of financial assets

The Reinsurer applies the recoverability analysis rules for financial assets measured at amortized cost. In this area, the Reinsurer applies a 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 guidance of CPC 38 to determine when a financial asset available for sale is impaired. This determination requires significant judgment. For this judgment, the Reinsurer evaluates, among other factors, the duration of the time when 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 the 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 4.9, the fair values of quoted financial instruments are based on current bid prices. For 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 flow 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 sensitivity analysis of these assumptions.

(e) Estimates and judgments in determining 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, the expected rate of returned assets, future salary increases, mortality rates and future increases of retirement and the uptake of pension plans. The defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at the end each period. In determining the appropriate discount rate, management considers interest rates with no risk. The mortality rate is based on mortality tables available in the country. Future increases in salaries and retirement and pension benefits are based on future inflation rates expected for the country. The sensitivity analysis relating to this critical estimate is disclosed in Note 25, as well as more details on the assumptions used.

4 Risk management

The risk management in IRB Brasil RE is considered essential to optimum capital use and the maximization business opportunities, in order to obtain the best risk/return for shareholders.

In order to reinforce the emphasis given to risk management within the organizational context, in the first quarter of 2014 the Vice-Presidency of Risks and Compliance, to which Corporate Risk Management and Compliance Management are subordinated, was established, to take responsibility

for the management of risks in IRB Brasil RE. However, the Executive Board, the Administrative Board, the Risk Management Committee and of other advisory and deliberative bodies maintain their commitment risk management within the Company.

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

4.1 Main types of risk

Corporate risk comprises the following risk categories: operating, underwriting, market and liquidity, which in their turn are comprised of many subcategories. The Company understands that these categories represent its main forms of exposure, but they are not exhaustive.

4.2 Operating risks

In terms of operating risks, a business continuity management program has been developed and implemented, comprising plans that address scenarios in which operations are disrupted and the return to normality, maintaining service levels previously agreed upon. Regarding processes, the second cycle of the operating risk management program has been carried out, and has started to identify, assess, deal with and report potential threats to operations.

4.3 Underwriting risks

Underwriting risk arises from the variations that may arise both from internal and external factors, which contradict the Reinsurer's expectations in relation to actuarial and financial assumptions adopted in pricing the reinsurance agreements and in the constitution of technical reserves.

One of the techniques available to mitigate and control the underwriting risk is the transfer of risks through retrocession. Like reinsurance, 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 losses, as well as to expand its capacity to accept strategic businesses. For specific cases, it discretionary retrocessions may be used, which are analyzed individually. Due to the nature of the transfer of risk, the retrocession operations imply an underlying credit risk, which is dealt with as described in Note 4.5.

4.3.1 Monitoring of reinsurance liabilities by business line

The Company calculates its technical reserves according to the Standards of the CNSP. The gross liabilities, i.e. 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 PDR and their respective retrocession assets by business line are as follows:

	Parent company			
	Reinsurance		Retrocession	
Line groups	2015	2014	2015	2014
Property	3,361,049	3,075,672	(1,887,700)	(1,689,489)
Special risks	645,634	452,612	(470,335)	(304,076)
Casualty	686,881	621,592	(304,393)	(258,339)
Hull	672,707	598,506	(559,666)	(452,672)
Motor	251,306	241,795	(6,295)	(3,623)
Cargo	413,570	366,562	(243,290)	(190,975)
Financial risks	710,635	715,802	(367,277)	(379,931)
Credit	37,515	40,770	(27,715)	(16,511)
Life	203,075	183,348	(38,980)	(32,550)
Mortgage	52,307	44,175	(270)	(808)
Agriculture	442,205	431,704	(44,316)	(116,874)
Marine	176,366	137,602	(39,859)	(18,892)
Aviation	338,119	239,008	(166,654)	(149,937)
Run-off London Branch	217,661	172,206	-	-
Others	881,856	506,981	(56,005)	(39,872)
Total	**9,090,886**	**7,828,335**	**(4,212,755)**	**(3,654,549)**

	Consolidated			
	Reinsurance		Retrocession	
Line groups	2015	2014	2015	2014
Property	3,361,049	3,075,672	(1,887,700)	(1,689,489)
Special risks	645,634	452,612	(470,335)	(304,076)
Casualty	686,881	621,592	(304,393)	(258,339)
Hull	672,707	598,506	(559,666)	(452,672)
Motor	251,306	241,795	(6,295)	(3,623)
Cargo	413,570	366,562	(243,290)	(190,975)
Financial risks	710,635	715,802	(367,277)	(379,931)
Credit	37,515	40,770	(27,715)	(16,511)
Life	203,075	183,348	(38,980)	(32,550)
Mortgage	52,307	44,175	(270)	(808)
Agriculture	442,205	431,704	(44,316)	(116,874)
Marine	176,366	137,602	(39,859)	(18,892)
Aviation	338,119	239,008	(166,654)	(149,937)
Run-off London Branch	217,661	172,206	-	-
Others	926,619	509,392	(97,830)	(40,115)
Total	**9,135,649**	**7,830,746**	**(4,254,580)**	**(3,654,792)**

The nature of the reinsurance operations implies that the reinsurer receives the greater parcel of the information from the assignors in an aggregated way, usually with access to individualized data only on facultative businesses. Therefore, due to the lack of complete information regarding the geographical region, and following the guidance of SUSEP letter Circular No. 517/2015, it is not appropriate to disclose risk concentration by geographical area

4.3.2 Evolution of losses

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

Gross Retrocession Losses

- **Retrocession gross**

	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	656,095	
One year later	1,241,026	845,278	516,906	975,304	1,362,435	1,331,605		
Two years later	1,374,800	750,949	765,358	1,813,805	2,039,277			
Three years later	1,433,714	682,091	1,028,917	2,005,247				
Four years later	1,391,459	838,675	972,769					
Five years later	1,396,592	815,800						
Six years later	1,398,616							
Current estimate of accumulated losses	1,398,616	815,800	972,769	2,005,247	2,039,277	1,331,605	656,095	9,219,408
Accumulated payments up to the base date	(1,300,853)	(717,082)	(736,838)	(1,569,578)	(1,390,356)	(665,001)	(103,756)	(6,483,464)
Liabilities recognized in the balance sheet	**97,763**	**98,718**	**235,931**	**435,669**	**648,921**	**666,604**	**552,339**	**2,735,945**
Liabilities in relation to years previous to 2009								2,830,867
IBNER								355,501
Total liabilities included in the balance sheet								**5,922,313**

	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 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**	**417,438**	**591,145**	**757,453**	**236,469**	**2,729,875**
Liabilities in relation to years previous to 2008								2,254,708
IBNER								396,607
Total liabilities included in the balance sheet								**5,381,192**

	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	656,095	
One year later	1,241,026	845,278	516,906	975,304	1,362,435	1,331,605		
Two years later	1,374,800	750,949	765,358	1,813,805	2,039,277			
Three years later	1,433,714	682,091	1,028,917	2,005,247				
Four years later	1,391,459	838,675	972,769					
Five years later	1,396,592	815,800						
Six years later	1,398,616							
Current estimate of accumulated losses	1,398,616	815,800	972,769	2,005,247	2,039,277	1,331,605	656,095	9,219,408
Accumulated payments up to the base date	(1,300,853)	(717,082)	(736,838)	(1,569,578)	(1,390,356)	(665,001)	(103,756)	(6,483,464)
Liabilities recognized in the balance sheet	**97,763**	**98,718**	**235,931**	**435,669**	**648,921**	**666,604**	**552,339**	**2,735,945**
Liabilities in relation to years previous to 2009								2,831,888
IBNER								355,501
Total liabilities included in the balance sheet								**5,923,334**

	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 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	417,438	591,145	757,453	236,469	2,729,875
Liabilities in relation to years previous to 2008								2,256,895
IBNER								396,607
Total liabilities included in the balance sheet								**5,383,377**

- **Net of retrocession**

	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	325,364	
One year later	835,580	648,986	283,846	588,287	802,663	981,979		
Two years later	1,051,953	550,314	346,747	916,994	1,133,787			
Three years later	1,052,361	471,303	589,538	1,016,375				
Four years later	1,011,430	579,850	574,959					
Five years later	1,056,507	559,104						
Six years later	1,057,876							
Current estimate of accumulated losses	1,057,876	559,104	574,959	1,016,375	1,133,787	981,979	325,364	5,649,444
Accumulated payments up to the base date	(972,799)	(511,132)	(443,267)	(795,880)	(886,031)	(528,145)	(76,636)	(4,213,890)
Liabilities recognized in the balance sheet	**85,077**	**47,972**	**131,692**	**220,495**	**247,756**	**453,834**	**248,728**	**1,435,554**
Liabilities in relation to years previous to 2008								1,311,122
IBNER								230,399
Total liabilities included in the balance sheet								**2,977,075**

	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 accumulated losses	1,508,595	1,056,507	579,850	589,538	916,994	802,663	194,043	5,648,190
Accumulated payments 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	144,104	1,438,962
Liabilities in relation to years previous to 2008								980,952
IBNER								218,054
Total liabilities included in the balance sheet								**2,637,968**

	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	325,364	
One year later	835,580	648,986	283,846	588,287	802,663	981,979		
Two years later	1,051,953	550,314	346,747	916,994	1,133,787			
Three years later	1,052,361	471,303	589,538	1,016,375				
Four years later	1,011,430	579,850	574,959					
Five years later	1,056,507	559,104						
Six years later	1,057,876							
Current estimate of accumulated losses	1,057,876	559,104	574,959	1,016,375	1,133,787	981,979	325,364	5,649,444
Accumulated payments up to the base date	(972,799)	(511,132)	(443,267)	(795,880)	(886,031)	(528,145)	(76,636)	(4,213,890)
Liabilities recognized in the balance sheet	**85,077**	**47,972**	**131,692**	**220,495**	**247,756**	**453,834**	**248,728**	**1,435,554**
Liabilities in relation to years previous to 2008								1,270,318
IBNER								230,399
Total liabilities included in the balance sheet								**2,936,271**

	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 accumulated losses	1,508,595	1,056,507	579,850	589,538	916,994	802,663	194,043	5,648,190
Accumulated payments 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	144,104	1,438,962
Liabilities in relation to years previous to 2008								982,914
IBNER								218,054
Total liabilities included in the balance sheet								**2,639,930**

4.3.3 Sensitivity analysis

Possible impacts on the results and equity on December 31, 2015, considering a 10% increase in the loss ratio, are as follows.

Gross effects	Impact
Results and equity	(181,275)
Net results (%)	(23.74)
Equity (%)	(5.71)

Net effects	Impact
Results and equity	(147,354)
Net results (%)	(19.29)
Equity (%)	(4.64)

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 inflation, and are covered by investments in the same indexing securities (NTN-B), thus there is no significant exposure to this index.

4.4 Market risk

Market risk can be defined as the risk arising from changes in the financial market prices and rates, which may reflect a decrease in the value of a security or asset portfolio. The main variables linked to market risk are: interest rates, 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 the Company's administration, aiming to manage the risks arising from those variables. For this purpose, the following techniques are used: definition of maximum limits of Value at Risk (VaR) and construction of stress scenarios; market monitoring; and preventive loss management.

As from January 1, 2015, the management of Resseguradora began to monitor the portfolio’s market risk using Morgan Stanley Capital International (MSCI)’s RiskMetrics tool.

4.4.1 VaR analysis

The measurement of market risk, carried out though VaR, estimates the potential loss of profit before a certain time given an occurrence of specific probability, considering 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 Reinsurer's asset portfolio, recorded on December 31, 2015, was R$ 21,807, 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 lower exposure to other foreign currencies, such as the pound sterling, euro and Argentine peso.

The Company's management applied stress tests to the assets, using the predictive method, i.e. taking into account the existing correlations between the different currencies and other risk factors, considering absolute variations in which the real/U.S. dollar exchange rate is decreased by 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 December 31, 2015 (real/U.S. dollar exchange rate of 4.21 for December 31, 2016). The asset portfolio's sensitivity to the exchange rate fluctuation is as follows:

	2015	Scenario to December 31, 2016		
		Impact (R$ thousand)		
Group	Basis	Probable	Scenario I	Scenario II
Total foreign currency assets	3,842,699	29,589	(914,232)	(1,986.363)
Total liabilities	(3,460,099)	(250,837)	865,002	1,980.842
Net exposure	382,600	(221,248)	(49,230)	(5,521)
Impact (%) in the equity		(6.97)	(1.55)	(0.17)
Impact (%) in the net income		(28.97)	(6.45)	(0.72)

4.4.3 Interest rate sensitivity analysis

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

The Company's management applied two stress tests to the assets, using the predictive method, i.e. taking into account the existing correlations between the different risk factors, and considering absolute variations in which the on the DI Futuro curve are increased by (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 December 31, 2015 (rate of 15.25% for December 31, 2016). The asset portfolio's sensitivity to the interest rate fluctuation is as follows:

	2015	Scenarios for December 31, 2016		
Grupo	Basis	Probable	Scenario I	Scenario II
Impact (R$ thousand)		(193,666)	(512,277)	(431,186)
Total portfolio	6,247,276	6,053,610	5,734,999	5,813,090
Impact (%) in the equity		(6.10)	(16.14)	(13.58)
Impact (%) in the net income		(25.36)	(67.08)	(56.46)

Consolidated analysis of 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., taking into account the existing correlations between the many risk factors. After the analysis, the conclusion was that the most adverse scenario for the investment portfolio is the Fall 2008, related to the bankruptcy of Lehman Brothers followed by two consecutive cuts in interest rates by the Fed, and the federal takeover of Fannie Mae and Freddie Mac aiming at stabilizing the American mortgage market, giving rise, giving rise to a loss of 2.37% in the portfolio.

* The economic stress test analysis scenarios for 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 part of the Company's investment policy, it is expected that foreign currency exchange protection will be contracted for surplus assets in foreign currency. At the base date of December 31, 2015, the Company did not have forward contracts for currency or any other exchange protection instrument.

4.5 Credit risk

IRB Brasil RE understands that the main source of credit risk - risk that a counterparty will not fulfill its contractual obligations with financial losses - is 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 retrocession policyholders through its own system of 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 agreements of IRB Brasil RE is as follows:

	% of reinsurers partipating in protection contracts in force			
Rating range (*)	**Local**	**Admitted**	**Eventual**	**Total**
AA or equivalent		41.39	0.26	41.65
A or equivalent		49.85	8.35	58.20
Without rating	0.15			0.15
	0.15	91.24	8.61	100

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

In addition, the quality of the counterparties related to the credits of the reinsurance operations can be verified in the table below:

Operations Credit

	December 31 , 2015				
Rating range (*)	Local	Admitted	Eventual	Total	Total
A or equivalent	0.15	-	26.85	27.0	38.4
B or equivalent	0.44	0.58	24.38	25.4	16.4
CCC+ or equivalent	-	-	-	-	15.8
C or equivalent	-	-	-	-	13.0
CCC- or equivalent	0.87	4.06	38.03	43.0	9.6
D or equivalent	-	-	-	-	3.4
	-	-	4.64	4.6	3.4
	1.5	4.6	93.9	100.0	100.0

* The credit ratings of operations are measured by internal criteria of the Company.

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

Exposure to credit risk

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

	Parent company							
	2015							
		Overdue and unimpaired assets						
Breakdown of portfolio by and 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 ans cash equivalents	13,952						13,952	9,511
At fair value through profit or loss								
Private	43,592						43,592	179,406
Public	277,396						277,396	515,833
Abroad	669,533						669,533	158,277
Available for sale								
Private	168,466						168,466	
Public	4,435,653						4,435,653	3,799,408
Abroad	402,374						402,374	195,811
Held to maturity								
Private	224,661						224,661	
Public							0	290,153
Abroad	25,601						25,601	407,517
Credits on insurer and reinsurer operations	1,622,473	89,333	54,665	48,822	2,472	550,966	2,368,731	2,130,281
Total financail assets and assets of insurance and reinsurance agreements	**7,883,701**	**89,333**	**54,665**	**48,822**	**2,472**	**550,966**	**8,629,959**	**7,686,197**

	Consolidated							
	2015							
		Overdue and unimpaired assets						
Breakdown of portfolio by and 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 ans cash equivalents	18,277						18,277	13,288
At fair value through profit or loss							0	
Private	43,841						43,841	178,944
Public	277,549						277,549	516,070
Abroad	669,533						669,533	158,277
Available for sale								
Private	69,411						69,411	
Public	4,435,669						4,435,669	3,799,408
Abroad	424,374						424,374	211,948
Held to maturity								
Private	224,661						224,661	
Public								290,153
Abroad	25,601						25,601	407,517
Credits on insurer and reinsurer operations	1,622,473	89,333	54,665	48,822	2,472	550,983	2,368,748	2,130,981
Total financail assets and assets of insurance and reinsurance agreements	**7,811,389**	**89,333**	**54,665**	**48,822**	**2,472**	**550,983**	**8,557,664**	**7,706,586**

4.6 Liquidity risk

Liquidity risk is the risk that the Company, although solvent, will not have resources available to comply with its obligations in good time, or will only be able to comply with them through the sale of assets in unfavorable conditions, implying in financial assets. To manage this risk, the Company allocates a minimum reserve in high-liquidity funds (committed operations backed by federal bonds) to cope with the short-term need for cash. This risk is continuously monitored by the follow-up of the actual and expected cash flows and by the management of the maturity profiles of the financial assets and liabilities over time.

	Parent company					
	Maturity of the liabilities at December 31, 2015					
	Zero to one year	One to three years	Three to five years	Five to tem years	More than tem years	Carrying amount
Reinsurance liabilities (technical reserves)	**1,553,116**	**2,241,300**	**418,110**	**1,174,587**	**1,865,574**	**7,252,687**
PSL Total	934,396	1,670,702	366,899	873,863	1,720,953	5,566,813
IBNR + IBNER	605,682	538,241	48,887	294,506	134,084	1,621,400
PET	5,276	20,564	-	-	-	25,840
PDR	7,762	11,793	2,324	6,218	10,537	38,634

	Consolidated					
	Maturity of the liabilities at December 31, 2015					
	Zero to one year	One to three years	Three to five years	Five to tem years	More than tem years	Carrying amount
Reinsurance liabilities (technical reserves)	**1,553,116**	**2,241,300**	**418,110**	**1,174,587**	**1,910,337**	**7,297,450**
PSL Total	934,396	1,670,702	366,899	873,863	1,722,244	5,568,104
IBNR + IBNER	605,682	538,241	48,887	294,506	177,556	1,664,872
PET	5,276	20,564	-	-	-	25,840
PDR	7,762	11,793	2,324	6,218	10,537	38,634

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

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

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

(b) The fair value of the derivative instruments is calculated using quoted prices. Exchange futures contracts are measured based on the exchange rates and on the earning curves obtained based on quotations and for the same maturity terms as the contracts.

(c) The fair value of other financial assets and liabilities is determined according to pricing models usually accepted based on the analysis of discounted cash flows.

4.8 Fair value measurements recognized in the balance sheet

The table below offers an analysis of the financial instruments that are measured at fair value after

initial recognition, grouped in Levels 1, 2 and 3 based on the fair value observable:

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

(b) Level 2 fair value measurements are obtained through variables other than the quoted prices included in Level 1, 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	
		2015	2014	2015	2014
Financial assets at fair value through profit or loss					
Financial Treasury Bills	Level 1	607	484	607	484
National Treasury Bills	Level 1		120,110		120,136
National Treasury Notes	Level 1		3,583		3,583
Committed Operations	Level 1	276,789	391,656	276,942	391,867
Investment Fund Quotas	Level 1	74,832	39,254	75,077	39,254
Variable Income Fund Quotas	Level 1	43,428	178,944	43,432	178,944
Shares Abroad	Level 2	275,626	119,023	275,626	119,023
Debentures	Level 1	409		409	
Time Deposits Abroad	Level 2	312,029		312,029	
Sovereign debt securities	Level 1	6,801		6,801	
Others	Level 2		462		
		990,521	**853,516**	**990,923**	**853,291**
Financial assets available-for-sale					
Financial Treasury Bills	Level 1	2,572,790	3,316,061	2,572,790	3,316,061
National Treasury Bills	Level 1	1,127,107	355,589	1,127,107	355,589
National Treasury Notes	Level 1	590,585	127,758	590,585	127,758
Real estate funds	Level 1	39,570		39,570	
Bank deposit certificates	Level 2	10,815		10,815	
Debentures	Level 1	18,482		18,482	
Financial Treasury	Level 1	123,163		123,163	
Committed Operations	Level 1	22,008		22,024	
FII Real Estate Investment Fund	Level 2	99,131			
Fixed Income Fund Quotas	Level 1	468		544	
Others	Level 2				
Sovereign debt securities	Level 1	360,925	162,953	360,925	162,953
American Depositary Receipts - ADR	Level 1	2,183	2,521	2,183	2,521
Corporate Bonds -Nova Iorque	Level 1				
Títulos de Renda Fixa no exterior	Level 1	39,266	30,337	39,266	30,337
U.S. Treasury securities Obligations of U.S.	Level 1			6,811	7,600
Obligations of U.S. Government corporations and agencies	Level 1			3,115	2,237
Non-U.S. Government	Level 1			278	195
Corporate *securities*	Level 1			9,467	5,751
Short-term investiments	Level 1			2,329	354
		5,006,493	**3,995,219**	**4,929,454**	**4,011,356**

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

	Parent Company and Consolidated			
	2015		2014	
	Account value	Market Value	Account value	Market value
Financial Assets to maturity				
National Treasury Notes			290,153	295,006
Financional Letters- Private	224,661	224,661		
Bank Deposit Certificates			373,935	373,935
Fixed Income Securities Abroad			1,391	1,391
Eueobonds/Term Notes	25,601	25,492	32,191	32,191
	250,262	**250,153**	**6,976,790**	**702,523**

4.9 Minimum and risk capital

The CNSP, on July 15, 2015, published a new regulation about the calculation of minimum capital required for the authorization and operation of local reinsurers and the calculation of risk capital, based on underwriting, credit, operational and market risks, adjusted equity and regulation and solvency plan, combined with the CNSP Resolution 321/2015, which consolidated all resolutions relating to liquidity and solvency without methodological change.

The effects of these resolutions are as follows:

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

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

III Risk capital: a variable capital amount that a local reinsurer shall maintain at all times in order to be able to ensure the risks inherent to its operations, as provided in specific regulations.

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

V Liquidity in relation to 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.

4.9.1 Regulatory capital

The calculation carried out by IRB Brasil RE, as provided by the resolutions mentioned, has not identified the need for additional capital investment. On the base date of December 31, 2015, it was observed that the adjusted equity value was higher than the minimum capital amount required:

	Parent company and Consolidated	
	2015	2014
Risk capital based on underwriting risk	619,354	476,048
Risk capital based on credit risk	460,566	392,777
Risk capital based on operating risk	37,282	32,096
Benefit of the diversification of risks	(141,318)	(115,249)
Total risk capital	**975,884**	**785,672**
Base capital	60,000	60,000
Minimum capital required	975,885	785,672
Adjusted equity (*)	3,010,331	2,798,385
Suficiência de patrimônio líquido ajustado	**2,034,446**	**2,012,713**

* Calculation of the adjusted equity

	2015	2014
Equity	3,174,595	2,953,932
Deductions		
Prepaid expenses	(1,247)	(871)
Corporate shares	-	(18,417)
Intangible assets	(63,357)	(57,182)
Rights/obligations of branches abroad	(99,610)	(79,027)
Other deductions	(50)	(50)
Adjusted equity	**3,010,331**	**2,798,385**

4.9.2 Liquidity in relation to risk capital

The calculation of liquidity in relation to the minimum capital required for the base date of December 31, 2015 has not identified the need for IRB Brasil RE to have a higher level of net assets than that necessary to cover the reserves.

	Parent company	
	2015	2014
Net assets (*)	**5,380,285**	**5,044,699**
Technical reserves for reinsurance net of reducing assets	(5,507,676)	(4,574,016)
Credit rights	512,833	361,889
Coverage of 20% of risk capital	(195,177)	(157,134)
Sufficiency of liquidity	**190,265**	**675,438**

	Consolidated	
	2015	2014
Net assets (*)	**5,380,285**	**5,044,699**
Technical reserves for reinsurance net of reducing assets	(5,510,614)	(4,576,427)
Credit rights	512,833	361,889
Coverage of 20% of risk capital	(195,177)	(157,134)
Sufficiency of liquidity	**187,327**	**673,027**

(*)Financial investments linked to technical reserves.

5 Cash and cash equivalents

The balance of this account is as follows:

	Parent company		Consolidated	
Description	2015	2014	2015	2014
Cash	5	7	5	7
Local bank current account	2,849	3,476	2,881	3,482
Bank current account abroad	11,098	6,028	15,391	9,799
	13,952	**9,511**	**18,277**	**13,288**

6 Financial investments

6.1 Breakdown of the investments

	Parent company							
	2015							
	Fair value through profit or loss		Available-for-sale		Held to maturity			
	Marketable security evaluated by the curve	Carrying amount	Marketable security evaluated by the curve	Carrying amount	Marketable security evaluated by the curve	Carrying amount	Interest average rate - %	Total
Government fixed-income securities								
Financial Treasury Bills (i)			2,538,572	2,537,937			13,24%	2,537,937
National Treasury Bills			1,131,418	1,127,107			13,26%	1,127,107
National Treasury Notes - series B			627,661	590,585			17,44%	590,585
Fixed income securities - Private								
Debentures	886	409						409
Treasury Bills					224,661	224,661		224,661
Real estate investment funds quotas								
Real estate funds			40,044	39,570			8,21%	39,570
Exclusives Real estate funds			99,232	99,131			0,15%	99,131
Fixed-income securities quotas			544	544			2,63%	544
Other			-58	-58				-58
Investment Fund quotas								
Certificate of deposit			10,815	10,815			13,38%	10,815
Debentures			18,442	18,482			14,41%	18,482
National Treasury Bills			123,679	123,163			13,95%	123,163
National Treasury Notes	148	148	34,853	34,853			13,25%	35,001
Repurchase Agreements	274,780	274,780	22,008	22,008			14,22%	296,788
Other	16	16	-18	-18				-2
Equity Security Investment Funds quotas							-4,12	
Shares - Brazilian Companies	46,231	43,428						43,428
Financial Treasury Bills	449	459					13,25%	459
Repurchase Agreements	2,009	2,009					14,14%	2,009
Other	-267	-261						-261
	324,252	**320,988**	**4,647,192**	**4,604,119**	**224,661**	**224,661**		**5,149,768**
Investments - Overseas								
Investment Fund quotas								
Not wholly-owned	75,077	75,077					23,68%	75,077
American Deposits Receipt (ii)			23,459	2,183				2,183
Sovereign Debt Securities (ii)	6,801	6,801	457,014	360,925			5,57%	367,726
Brazilian Corporate Bonds (iii)					25,601	25,601	4,29%	25,601
Fixed-income securities (HSBC)			40,537	39,266			2,39%	39,266
Time Deposits - Overseas (v)	312,029	312,029					20,96%	312,029
Other foreign investments	275,626	275,626						275,626
	669,533	**669,533**	**521,010**	**402,374**	**25,601**	**25,601**		**1,097,508**
	993,785	**990,521**	**5,168,202**	**5,006,493**	**250,262**	**250,262**		**6,247,276**
%		16%		80%		4%		100%
Current		990,521		1,049,709	20,481			2,060,711
Non-current				3,956,784	229,781			4,186,565

	Parent company							
	2014							
	Fair value through profit or loss		Available for sale		Held to maturity			
	Marketable security evaluated by the curve	Carrying amount	Marketable security evaluated by the curve	Carrying amount	Marketable security evaluated by the curve	Carrying amount	Interest average rate - %	Total
Government fixed-income securities								
Financial Treasury Bills (i)	484	484	3,317,271	3,316,061			10,86%	3,316,061
National Treasury Bills	120,142	120,136	359,673	355,589			11,99%	355,589
National Treasury Notes - series B	3,583	3,583	140,840	127,758	290,153	290,153	12,39%	417,911
Repurchase agreements	391,867	391,867						
Variable income securities							10,34	
Shares - Brazilian Corporations	178,944	178,944						120,110
								3,583
								390,909
								15
	695,020	**695,014**	**3,817,784**	**3,799,408**	**290,153**	**290,153**		**4,604,178**
Investments - Overseas								
Investment fund quotas								
Not wholly-owned	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 Deposits - Overseas (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-U.S. Government			192	195				195
Corporate Securities			5,690	5,751				5,751
Short-term Investments			354	354				354
Other foreign investments	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**		**5,381,920**
%		**15%**		**72%**		**13%**		**100%**
Current		**853,291**		**1,152,982**		**408,373**		**2,414,646**
Non-Current				**2,858,374**		**289,297**		**3,135,797**

	Consolidated							
	2015							
	Fair value through profit or loss		Available for sale		Held to maturity			
	Marketable security evaluated by the curve	Carrying amount	Marketable security evaluated by the curve	Carrying amount	Marketable security evaluated by the curve	Carrying amount	Average interest rate - %	Total
Government fixed-income securities								
Financial Treasury Bills (i)			2,538,572	2,537,937			13,24%	2,537,937
National Treasury Bills			1,131,418	1,127,107			13,26%	1,127,107
National Treasury Notes - series B			627,661	590,585			17,44%	590,585
Private fixed income securities								0
Debentures	886	409						409
Financial bills					224,661	224,661	14,22%	224,661
Real Estate Investment Fund quotas								
Real Estate Investment Funds			40,044	39,570			8,21%	39,570
Fixed-income Fund quotas			544	544			2,63%	544
Investment Fund quotas								
Bank Deposit Certificates			10,815	10,815			13,38%	10,815
Debentures			18,442	18,482			14,41%	18,482
Financial Bills			123,679	123,163			13,95%	123,163
Financial Treasury Bills (i)	148	148	34,853	34,853			13,25%	35,001
Repurchase Agreements	274,810	274,810	22,024	22,024			14,22%	296,834
Quotas of Equity Security Investment Funds								
Shares - Brazilian Corporations	46,230	43,432						43,432
Financial Treasury Bills	449	459					13,25%	459
Repurchase Agreements	2,132	2,132					14,14%	2,132
	324,655	**321,390**	**4,548,052**	**4,505,080**	**224,661**	**224,661**		**5,051,131**
Investments - Overseas								
Investment Fund quotas								
Not wholly-owned	75,077	75,077					23,68%	75,077
American Deposits Receipt (ii)			23,459	2,183				2,183
Sovereign Debt Securities (ii)	6,801	6,801	457,014	360,925			5,57%	367,726
Brazilian Corporate Bonds (iii)					25,601	25,601	4,29%	25,601
Fixed-income securities (HSBC)			40,537	39,266			2,39%	39,266
Time Deposits - Overseas (v)	312,029	312,029					20,96%	312,029
U.S. Treasury Securities Obligations of U.S.			6,811	6,811				6,811
Obligations of U.S. Government Corporations and Agencies			3,115	3,115				3,115
Non-U.S. Government			278	278				278
Corporate Securities			9,467	9,467				9,467
Short-term Investments			2,329	2,329				2,329
Other foreign investments	275,626	275,626						275,626
	669,533	**669,533**	**543,010**	**424,374**	**25,601**	**25,601**		**1,119,508**
	994,188	**990,923**	**5,091,062**	**4,929,454**	**250,262**	**250,262**		**6,170,639**
%		**16%**		**80%**		**4%**		**100%**
Current		**990,923**		**1,054,999**		**20,934**		**2,066,856**
Non-Current				**3,874,455**		**229,328**		**4,103,783**

	Consolidated							
	2014							
	Fair value through profit or loss		Available for sale		Held to maturity			
	Marketable security evaluated by the curve	Carrying amount	Marketable security evaluated by the curve	Carrying amount	Marketable security evaluated by the curve	Carrying amount	Interest average rate - %	Total
Government fixed-income securities								
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
Repurchase agreements	391,867	391,867						391,867
Variable income securities								
Shares - Brazilian Corporations	178,944	178,944					-4,12%	178,944
	695,020	**695,014**	**3,817,784**	**3,799,408**	**290,153**	**290,153**		**4,784,575**
Investments - Overseas								
Investment fund quotas								
Not wholly-owned	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 Deposits - Overseas (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-U.S. Government			192	195				195
Corporate Securities			5,690	5,751				5,751
Short-term Investments			354	354				354
Other foreign investments	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**

(i) Financial Treasury Bills

These are government securities of the Brazilian National Treasury that are part of IRB Brasil RE's portfolio. Their income is updated by the Selic rate and the securities are under custody in Banco do Brasil. 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

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, are planned for the international market. They are 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 the 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 the losses in their value as permanent.

(v) Time Deposits Abroad

These represent investments in time deposits responsibility for which lies with Banco do Brasil S.A. and Bradesco in New York and the maturities of which vary between 12 and 120 days. The origin currencies of these investments are the pound, U.S. dollar and euro.

6.1.1 Opening of investments by type and maturity

	Parent company				
	2015				
	No stated maturity	From 1 to 180 days	From 181 to 365 days	Over 365 days	Total
Fair value through profit or loss					
Private Fixed-income Securities					
Debentures	409				409
Investment Fund quotas					
Exclusive investment fund quotas					
Financial Treasury Bills				148	148
Repurchase Agreements		268,715		6,065	274,780
Other		16			16
Quotas of Equity Security Investment Funds					
Shares - Brazilian Companies	43,428				43,428
Financial Treasury Bills				459	459
Repurchase Agreements		2,009			2,009
Other		(261)			(261)
Investments - Overseas					
Not Wholly-owned investment fund quotas	75,077				75,077
Sovereign Debt Securities				6,801	6,801
Time Deposits - Overseas		312,029			312,029
Other foreign investments	275,626				275,626
	394,540	**582,508**		**13,473**	**990,521**
Available-for-sale					
Government Fixed-income Securities					
Financial Treasury Bills				2,537,937	2,537,937
National Treasury Notes			28,339	562,246	590,585
National Treasury Bills		434,456	528,359	164,292	1,127,107
Investment Fund quotas					
Long-term Wholly-owned Investment Fund quotas					
Bank Deposit Certificates		2,025	8,790		10,815
Debentures		1,922	1,602	14,958	18,482
Financial Bills			12,165	110,998	123,163
Financial Treasury Bills				34,853	34,853
Repurchase Agreements		22,008			22,008
Other	(18)				(18)
Real Estate Investment Fund quotas					
Real Estate Investment Funds				39,570	39,570
Wholly-owned Real Estate Investment Funds					
Property				99,131	99,131
Fixed-income Fund quotas	544				544
Other	(58)				(58)
Investments - Overseas					
American Deposits Receipt	2,183				2,183
Sovereign Debt Securities				360,925	360,925
Fixed-income securities (HSBC)		2,901	4,491	31,874	39,266
	2,651	**463,312**	**583,746**	**3,956,784**	**5,006,493**
Held-to-maturity					
Private Fixed-income Securities				224,661	224,661
Financial Bills					
Investments - Overseas					
Brazilian Corporate Bonds		14,118	6,363	5,120	25,601
Time Deposits - Overseas					
		14,118	**6,363**	**229,781**	**250,262**

	Parent company				
	2014				
	No stated maturity	From 1 to 180 days	From 181 to 365 days	Over 365 days	Total
Fair value through profit or loss					
Investment Fund quotas					
Wholly-owned investment fund quotas					
National Treasury Bills		120,110			120,110
National Treasury Notes		3,583			3,583
Repurchase Agreements		390,909			390,909
Other	15				15
Quotas of Equity Security Investment Funds					
Shares - Brazilian Corporations	178,944				178,944
Financial Treasury Bills			484		484
Repurchase Agreements	747				747
Other	447				447
Investments - Overseas					
Not Wholly-owned investment fund quotas	158,277				158,277
	338,430	**514,602**	**484**		**853,516**
Available-for-sale					
Government Fixed-income Securities					
Financial Treasury Bills		780,945	315,210	2,219,906	3,316,061
National Treasury Notes			45,665	309,924	355,589
National Treasury Bills				127,758	127,758
Variable income securities					
Real Estate Investment Funds					
Investments - Overseas					
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-maturity					
Private Fixed-income Securities					
National Treasury Notes		34,438		255,715	290,153
Investments - Overseas					
Brazilian Corporate Bonds				32,191	32,191
Corporate Bonds - New York				1,391	1,391
Time Deposits - Overseas		373,935			373,935
		408,373		**289,297**	**697,670**

	Consolidated				
	2015				
	No stated maturity	From 1 to 180 days	From 181 to 365 days	Over 365 days	Total
Fair value through profit or loss					
Private Fixed-income Securities					
Debentures	409				409
Investment Fund quotas					
Exclusive investment fund quotas					
Financial Treasury Bills				148	148
Repurchase Agreements		268,745		6,065	274,810
Quotas of Equity Security Investment Funds					
Shares - Brazilian Corporations	43,432				43,432
Financial Treasury Bills				459	459
Repurchase Agreements		2,132			2,132
Investments - Overseas					
Non-exclusive investment fund quotas	75,077				75,077
Sovereign Debt Securities				6,801	6,801
Time Deposits - Overseas		312,029			312,029
Other foreign investments	275,626				275,626
	394,544	**582,906**		**13,473**	**990,923**
Available-for-sale					
Government Fixed-income Securities					
Financial Treasury Bills				2,537,937	2,537,937
National Treasury Notes			28,339	562,246	590,585
National Treasury Bills		434,456	528,359	164,292	1,127,107
Investment Fund quotas					
Exclusive investment fund quotas					
Bank Deposit Certificates		2,025	8,790		10,815
Debentures		1,922	1,602	14,958	18,482
Financial Bills			12,165	110,998	123,163
Financial Treasury Bills				34,853	34,853
Repurchase Agreements		22,024			22,024
Real Estate Investment Fund quotas					
Real Estate Investment Funds				39,570	39,570
Fixed-income Fund quotas	544				544
Investments - Overseas					
American Deposits Receipt	2,183				2,183
Sovereign Debt Securities				360,925	360,925
Fixed-income securities (HSBC)		2,901	4,491	31,874	39,266
U.S. Treasury Securities Obligations of U.S.		942	392	5,477	6,811
Obligations of U.S. Government corporations and agencies		294	98	2,723	3,115
Non-U.S. Government				278	278
Corporate Securities		372	1,224	7,871	9,467
Short-term Investments	2,329				2,329
	5,056	**464,936**	**585,460**	**3,874,002**	**4,929,454**
Held-to-maturity					0
Private Fixed-income Securities				224,661	224,661
Financial Bills					
Investments - Overseas					
Brazilian Corporate Bonds		14,118	6,363	5,120	25,601
Time Deposits - Overseas					
		14,118	**6,363**	**229,781**	**250,262**

	Consolidated				
	2014				
	No stated maturity	From 1 to 180 days	From 181 to 365 days	Over 365 days	Total
Fair value through profit or loss					
Government Fixed-income Securities					
Financial Treasury Bills		484			484
National Treasury Bills		120,136			120,136
National Treasury Notes		3,583			3,583
Repurchase Agreements		391,867			391,867
Variable income securities					
Shares - Brazilian Companies	178,944				178,944
Investments - Overseas					
Not Wholly-owned investment fund quotas	39,254				39,254
Other foreign investments	119,023				119,023
	337,221	**516,070**			**853,291**
Available-for-sale					
Government Fixed-income Securities					
Financial Treasury Bills		780,945	315,210	2,219,906	3,316,061
National Treasury Notes			45,665	309,924	355,589
National Treasury Bills				127,758	127,758
Variable income securities					
Real Estate Investment Funds					
Investments - Overseas					
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
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					
Government Fixed-income Securities					
National Treasury Notes - series B			34,438	255,715	290,153
Private Fixed-income Securities					
Financial Bills					
Investments - Overseas					
Brazilian Corporate Bonds				32,191	32,191
Corporate Bonds - New York				1,391	1,391
Time Deposits - Overseas		373,935			373,935
		373,935	**34,438**	**289,297**	**697,670**

6.2 Changes in financial investments

	Parent company			
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	4,036,468	2,797,168	1,718,172	8,551,808
Yield - redemption	(45,208)	(31,176)	(10,336)	(86,720)
Principal - redemption	(4,138,474)	(2,322,920)	(2,215,712)	(8,677,106)
Finance result	120,191	547,219	48,343	715,753
Adjustment to market value		(122,322)		(122,322)
Foreign exchange fluctuation	164,028	143,305	12,125	319,458
Other				0
At December 31, 2015	**990,521**	**5,006,493**	**250,262**	**6,247,276**

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
Yield - redemption	(287,135)	(23,397)	(23,491)	(334,023)
Principal - redemption	(3,576,611)	(1,236,450)	(6,112,152)	(10,925,213)
Finance result	94,354	310,076	65,165	469,595
Adjustment to market value		(6,329)		(6,329)
Foreign 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	4,036,468	2,707,759	1,718,172	8,462,399
Yield - redemption	(45,208)	(31,176)	(10,336)	(86,720)
Principal - redemption	(4,138,474)	(2,327,369)	(2,215,712)	(8,681,555)
Finance result	120,818	547,901	48,343	717,062
Adjustment to market value		(122,322)		(122,322)
Foreign exchange fluctuation	164,028	143,305	12,125	319,458
Other				
At December 31, 2015	**990,923**	**4,929,454**	**250,262**	**6,170,639**

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
Yield - redemption	(287,135)	(23,397)	(23,491)	(334,023)
Principal - redemption	(3,579,728)	(1,239,940)	(6,112,152)	(10,931,820)
Finance result	94,355	310,141	65,165	469,661
Adjustment to market value		(6,234)		(6,234)
Foreign 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 mainly represent the balances receivable arising from operating changes among the local reinsurers and e reinsurers abroad, plus the premiums issued receivable, the respective commission, the indemnities from losses receivable and the credits from business arising from the 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)	1,819,174	1,510,586	1,819,174	1,510,586
Operations with reinsurers (7.2.2)	427,256	512,238	427,256	512,238
Other operating credits	90,658	76,822	90,675	77,522
Reserve for impairment of trade receivables	(148,616)	(151,925)	(148,616)	(151,925)
	2,188,472	**1,947,721**	**2,188,489**	**1,948,421**
Non-current				
Operations with insurers (7.2.1)	31,643	30,635	31,643	30,635
Reserve for impairment of trade receivables	(31,643)	(30,635)	(31,643)	(30,635)
	2,188,472	**1,947,721**	**2,188,489**	**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**	**160,443**	**1,541,221**
Premiums receivable	3,358,274	54,202	43,821		3,456,297
Receipts	(3,018,295)	(163,966)	(52,703)		(3,234,964)
Salvage, reimbursements and prepayments for settlement of claims				(7,118)	(7,118)
Exchange variation	19,715	21,080	52,489	2,097	95,381
At December 31, 2015	**1,021,263**	**398,701**	**275,431**	**155,422**	**1,850,817**
Current					1,819,174
Non-current					31,643
					1,850,817

	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 claims				38,773	38,773
Exchange variation	18,875	4,046	13,739	260	36,920
At December 31, 2014	**661,569**	**487,385**	**231,824**	**160,443**	**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	Claims	Others	Total
At December 31, 2014	81,744	426,275	4,219	512,238
Premiums receivable	318,307	-	-	318,307
Receipts	(228,109)	-	-	(228,109)
Recovery of loss	-	(231,702)	-	(231,702)
Exchange variation	17,947	41,949	7	59,903
Outros créditos	-	-	(3,382)	(3,382)
At December 31, 2014	**189,889**	**236,522**	**844**	**427,255**
	Effective premium	**Claims**	**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
Outros créditos	-	-	4,038	4,038
At December 31, 2014	**81,744**	**426,275**	**4,219**	**512,238**

7.3 Credit aging of reinsurance and retrocession operations

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

	Parent Company			
Aging	Credit Operations	Debit Operations	Reserve for credit risks	Total
Falling due	1,652,307	(628,078)	(10,296)	1,013,933
Overdue up to 30 days	89,333	(42,854)	(9,534)	36,945
Overdue between 31 and 60 days	54,665	(62,483)	(1,830)	(9,648)
Overdue between 61 and 120 days	48,822	(17,603)	(7,028)	24,191
Overdue between 121 and 180 days	2,472	(23,544)	(811)	(21,883)
Overdue between 181 and 365 days	59,883	(31,427)	(4,351)	24,105
Overdue for more than 365 days	491,083	(218,998)	(146,409)	125,676
	2,398,564	**(1,024,987)**	**(180,259)**	**1,193,319**

	Consolidated			
Aging	Credit Operations	Debit Operations	Reserve for credit risks	Total
Falling due	1,652,307	(628,078)	(10,296)	1,013,933
Overdue up to 30 days	89,333	(42,854)	(9,534)	36,945
Overdue between 31 and 60 days	54,665	(62,483)	(1,830)	(9,648)
Overdue between 61 and 120 days	48,822	(17,603)	(7,028)	24,191
Overdue between 121 and 180 days	2,472	(23,544)	(811)	(21,883)
Overdue between 181 and 365 days	59,883	(31,427)	(4,351)	24,105
Overdue for more than 365 days	491,082	(219,321)	(146,409)	125,352
	2,398,564	**(1,025,310)**	**(180,259)**	**1,192,995**

For the balances of accounts payable and accounts receivable overdue and falling due of R$ 1,330,213, a provision for impairment of trade receivables was recorded in the amount of R$ 180,259, considering the customers' history of default, using the Company's own methodology, based on the segregation of business partners by operating segment in the country and abroad and related parties, rating classification by payment capacity history, customers with unsettled liabilities and special treatment for clients under negotiation.

8 Retrocession assets - technical reserves

8.1 Breakdown

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

	Parent company		
	2015		
Line groups	Claims pending payment	Claims incurred but not reported	Total
Property	1,373,097	213,380	1,586,477
Special risks	222,571	22,409	244,980
Casualty	261,535	12,585	274,120
Hull	516,297	39,554	555,851
Motor	2,065	1,763	3,828
Cargo	187,764	26,863	214,627
Financial risks	205,773	141,036	346,809
Credit	21,603	6,109	27,712
Life	23,761	7,600	31,361
Mortgage	96	173	269
Agriculture	19,036	24,858	43,894
Marine	10,597	11,121	21,718
Aviation	86,432	23,283	109,715
Others	14,611	289	14,900
	2,945,238	**531,023**	**3,476,261**

	Parent company		
	2014		
Line groups	Claims pending payment	Claims incurred but not reported	Total
Property	1,335,837	83,032	1,418,869
Special risks	108,904	2,081	110,985
Casualty	218,266	13,994	232,260
Hull	441,329	10,042	451,371
Motor	967	454	1,421
Cargo	153,304	23,492	176,796
Financial risks	290,149	68,004	358,153
Credit	14,131	2,031	16,162
Life	24,273	7,038	31,311
Mortgage	224	572	796
Agriculture	20,195	55,160	75,355
Marine	11,034	568	11,602
Aviation	111,990	2,506	114,496
Others	12,621	976	13,597
	2,743,224	**269,950**	**3,013,174**

	Consolidated		
	2015		
Line groups	Claims pending payment	Claims incurred but not reported	Total
Property	1,373,097	213,380	1,586,477
Special risks	222,571	22,409	244,980
Casualty	261,535	12,585	274,120
Hull	516,297	39,554	555,851
Motor	2,065	1,763	3,828
Cargo	187,764	26,863	214,627
Financial risks	205,773	141,036	346,809
Credit	21,603	6,109	27,712
Life	23,761	7,600	31,361
Mortgage	96	173	269
Agriculture	19,036	24,858	43,894
Marine	10,597	11,121	21,718
Aviation	86,432	23,283	109,715
Others	56,436	289	56,725
	2,987,063	**531,023**	**3,518,086**

	Consolidated		
	2014		
Line groups	Claims pending payment	Claims incurred but not reported	Total
Property	1,335,837	83,032	1,418,869
Special risks	108,904	2,081	110,985
Casualty	218,266	13,994	232,260
Hull	441,329	10,042	451,371
Motor	967	454	1,421
Cargo	153,304	23,492	176,796
Financial risks	290,149	68,004	358,153
Credit	14,131	2,031	16,162
Life	24,273	7,038	31,311
Mortgage	224	572	796
Agriculture	20,195	55,160	75,355
Marine	11,034	568	11,602
Aviation	111,990	2,506	114,496
Others	12,844	996	13,597
	2,743,224	**269,970**	**3,013,174**

8.1.1 Changes

	Parent Company		
	2015		
	Claims pending payment	Claims incurred but not reported	Total
At December 31, 2014	2,743,224	269,950	3,013,174
Settlement of claims	(3,401,008)	(324,120)	(3,725,128)
Constitution of reserve for claims	3,603,022	585,193	4,188,215
At December 31, 2015	**2,945,238**	**531,023**	**3,476,261**

	2014		
	Claims pending payment	Claims incurred but not reported	Total
At December 31, 2013	2,474,493	235,408	2,709,901
Settlement of claims	(9,836,321)	(48,092)	(9,884,413)
Constitution of reserve for claims	10,105,052	82,634	10,187,686
At December 31, 2014	**2,743,224**	**269,950**	**3,013,174**

	Consolidated		
	2015		
	Claims pending payment	Claims incurred but not reported	Total
At December 31, 2014	2,743,447	269,970	3,013,417
Settlement of claims	(3,401,008)	(324,140)	(3,725,148)
Constitution of reserve for claims	3,644,624	585,193	4,229,817
At December 31, 2015	**2,987,063**	**531,023**	**3,518,086**

	2014		
	Claims pending payment	Claims incurred but not reported	Total
At December 31, 2013	2,474,511	235,612	2,710,123
Settlement of claims	(9,836,320)	(48,093)	(9,884,413)
Constitution of reserve for claims	10,105,256	82,451	10,187,707
At December 31, 2014	**2,743,447**	**269,970**	**3,013,417**

8.2 Deferred retrocession premiums

Parent Company and Consolidated

2015

	Unearned premium reserve			Deferred acquisition costs			
Line groups	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
Property	270,567	15,719	24,424	(15,233)	(1,865)	(2,406)	291,206
Special risks	198,827	1,354	42,441	(15,736)	(68)	(2,734)	224,084
Casualty	20,373	5,352	3,846	(2,075)	(888)	(625)	25,983
Hull	329	-	-	-	-	-	329
Motor	615	1,902	42	(34)	(105)	(2)	2,418
Cargo	17,924	3,843	8,372	(399)	(213)	(1,097)	28,430
Financial risks	17,029	3,184	3,092	(1,246)	(1,002)	(684)	20,373
Credit	-	-	(1)	-	-	-	(1)
Life	7,238	714	35	(390)	(51)	(5)	7,541
Agriculture	213	-	360	(63)	(12)	(100)	398
Marine	10,581	398	7,505	(143)	(20)	(301)	18,020
Aviation	39,236	8,685	8,737	(200)	-	(280)	56,178
Others	39,002	5,470	-	(682)	(2,686)	-	41,104
	621,934	**46,621**	**98,853**	**(36,201)**	**(6,910)**	**(8,234)**	**716,063**

Parent company and Consolidated

2014

	Unearned premium reserve			Deferred acquisition costs			
Line groups	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
Property	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
Casualty	10,842	7,723	4,036	(906)	(17)	(395)	21,283
Hull	14		455				469
Motor	2,264		45	(125)			2,184
Cargo	6,861	2,403	5,396	(611)		(497)	13,552
Financial risks	13,403	1,888	9,662	(1,896)		(1,346)	21,711
Credit			349			(1)	348
Life	1,149	53	24	(107)		(1)	1,118
Agriculture	6,667	36,183	416	(1,805)		(70)	41,391
Marine	4,998	468	2,277	(438)	(12)	(72)	7,221
Aviation	23,986	777	2,727	(1,825)	(34)	(75)	25,556
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						
	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	(1,197,174)	(288,017)	(43,974)	112,648	39,507	4,655	(1,372,355)
Constitution	1,307,470	267,224	56,924	(102,181)	(43,317)	(5,557)	1,480,563
At December 31, 2015	**621,934**	**46,621**	**98,853**	**(36,201)**	**(6,910)**	**(8,234)**	**716,063**
	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
Diferimento pelo risco	(819,060)	(159,203)	(8,001)	39,964	17,854	4,058	(924,388)
Constituição	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 agreements, and the provision for related expenses constitutes coverage of the expenses relating to losses.

	Parent company and Consolidated	
	2015	2014
Property	10,018	15,249
Special risks	1,271	1,717
Casualty	4,290	4,796
Hull	3,486	832
Motor	49	18
Cargo	233	628
Financial risks	95	66
Credit	4	1
Life	78	122
Mortgage	1	12
Agriculture	24	127
Marine	121	68
Aviation	761	9,884
	20,431	**33,520**

9 Notes and credits receivable

	Parent company		Consolidated	
	2015	2014	2015	2014
Current				
Trade receivables from malls	6,487	6,730	6,487	6,730
Receivables from judicial agreements (**)	3,108	5,642	3,108	5,642
Receivables - health care expenses/INSS/retired	457	799	457	799
Prepayments to employees	428	372	428	372
Others	573	1,034	1,833	2,528
Total current	**11,053**	**14,577**	**12,313**	**16,071**
Non-current				
Receivables from Caixa Econômica Federal (*)	15,686	14,426	15,686	14,426
Receivables from judicial agreements (**)	12,432	14,611	12,432	14,611
Total non-current	**28,118**	**29,037**	**28,118**	**29,037**
	39,171	**43,614**	**40,431**	**45,108**

(*) Amount arising from the recovery of amounts unduly paid on account of a suit relating to the Mortgage insurance of the Housing Financial System, using the resources of FESA.

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

10 Tax and social security credits

10.1 Tax and social security credits

	Parent company and Consolidated	
	2015	2014
Current		
Contributions and taxes over recoverable (*)	126,244	62,400
Income tax withheld at source	4,848	16,858
Taxes to offset/recover		18,249
	131,092	**97,507**
Non-current		
Contributions and taxes over recoverable (*)	206,190	249,992
Tax credits on temporary differences (**)	480,691	376,178
	686,881	**626,170**
	817,972	**723,677**

(*) Relates mainly to overpayments for Social Integration Program ("PIS") (R$ 53,733) and Social Contribution on Revenue ("COFINS") (R$ 249,574), arising from the operation to increase the basis, a decision in the suit of which occurred on October 29, 2013, and the refund request on December 19, 2013 (Note 21.3.4). To determine and account for these amounts, the credits on which there was no doubt or discussion were considered. These credits had been used by the Company to settle the monthly debts relating to direct taxes (Income Tax - IRPJ), Social Security (CSLL), PIS and COFINS). During the year R$ 43,409 were offset.

(**) The Provisional Measure (“MP”) 675 of May 21, 2015, increased the social contribution rate to 20% effective as from September 1, 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			
	2015		2014	
	IRPJ	CSLL	IRPJ	CSLL
Non-current				
Tax credits on temporary differences				
Labor provision (a)	313,815	313,815	392,661	392,661
Provision for devaluation of investment (b)	242,790	242,790	188,587	188,587
Provision for impairment of trade receivables (c)	302,154	302,154	251,930	251,930
Provision for tax and social security contingencies (d)	162,694	162,694	166,657	166,657
Market value adjustment - securities available-for-sale	161,709	161,709	39,387	39,387
Actuarial gains and losses - post-employment benefits	(22,390)	(22,390)	(63,838)	(63,838)
Provision for labor contingencies (d)	48,187	48,187	48,078	48,078
Market value adjustment - investment	(47,234)	(47,234)	(14,921)	(14,921)
Provision for tax/labor contingencies - liability	(108,491)	(108,491)	(79,289)	(79,289)
Other provision	14,968	14,968	11,193	11,193
Calculation basis	**1,068,203**	**1,068,203**	**940,445**	**940,445**
Rate	25%	20%	25%	15%
Tax credit on temporary differences	**267,051**	**213,640**	**235,111**	**141,067**

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

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

(b) These refer to the provision for losses on the financial investments "Brazilian Bonds", "BB Securities" and "Banco Econômico", the first being an investment in default, the second being expected to be realized over a period that exceeds 20 years and the investment in "Banco Econômico" being in dispute.

(c) The realization of the tax credit on provision for impairment of trade receivables is to be determined based on the judicial recovery of the credit or management decision to write off the loss.

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

11 Properties to lease

	Parent company			
	Land	Buildings	Malls	Total
Cost of properties to lease - gross				
Balance in 2014	16,489	672	169,395	186,556
Acquisition			2,166	2,166
At December 31, 2015	**16,489**	**672**	**171,561**	**188,722**
Accumulated depreciation				
Balance in 2014		(672)	(10,364)	(11,036)
Depreciation			(3,255)	(3,255)
At December 31, 2015		**(672)**	**(13,619)**	**(14,291)**
Net book value	**16,489**		**157,942**	**174,431**
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**

	Consolidade			
	Land	Buildings	Malls	Total
Cost of properties to lease - gross				
Balance in 2014	16,489	672	169,395	186,556
Acquisition			101,297	101,297
At December 31, 2015	**16,489**	**672**	**270,692**	**287,853**
Accumulated depreciation				
Balance in 2014		(672)	(10,364)	(11,036)
Depreciation			(3,255)	(3,255)
At December 31, 2015	**16,489**	**(672)**	**(13,619)**	**(14,291)**
Net book value	**32,978**		**257,073**	**273,562**
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 malls, with the Company's share percentage and respective improvements made by IRB Brasil RE in the year ended December 31,2015 , is as follows:

		Improvements	
		2015	2014
	Investiment Percentage	Improvements	Improvements
Park Shopping - Brasília	20%	1,352	458
Esplanada - Sorocaba	12%	292	366
Praia de Belas - Porto Alegre	15%	1,411	2,293
Minas Shopping - Belo Horizonte	19%	269	3,123
Shopping Barra - Salvador	20%	328	1,510
Book value of the improvements in active malls		**3,652**	**7,750**
Return of improvements			
Park Shopping - Brasília		(1,486)	
Net book value of the improvements in active malls		**2,166**	**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 reserves for losses, when applicable, the market value of which is estimated at R$ 557,257.

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

	2015	2014
Up to one year	35,997	37,067
Between one and five years	131,183	147,269
More than five years	153,488	179,355
Total	320,668	363,691

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	150	5,678	302	649	3,504	265	10,548
Disposals		(1,891)	(429)	(261)		(239)	(2,820)
Transfers	1,576			652	(2,228)		-
At December 31, 2015	**23,867**	**44,096**	**3,540**	**8,509**	**1,354**	**629**	**81,995**
Accumulated depreciation							
At December 31, 2014	(10,221)	(25,633)	(765)	(4,733)		(35)	(41,387)
Depreciation	(630)	(5,656)	(664)	(471)		(124)	(7,545)
Disposals		2,137	421	239		45	2,842
At December 31, 2015	**(10,851)**	**(29,152)**	**(1,008)**	**(4,965)**	**-**	**(114)**	**(46,090)**
Net book value	**13,016**	**14,944**	**2,532**	**3,544**	**1,354**	**515**	**35,905**
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	150	5,678	302	649	3,504	265	10,548
Disposals		(1,891)	(429)	(377)		(239)	(2,936)
Transfers	1,576			652	(2,228)		
At December 31, 2015	**23,867**	**44,096**	**3,540**	**8,585**	**1,354**	**629**	**82,071**
Accumulated depreciation							
At December 31, 2014	(10,221)	(25,633)	(765)	(4,906)	-	(35)	(41,560)
Depreciation	(630)	(5,656)	(664)	(497)		(124)	(7,571)
Disposals		2,137	421	378		45	2,981
At December 31, 2015	**(10,851)**	**(29,152)**	**(1,008)**	**(5,025)**	**-**	**(114)**	**(46,150)**
Net book value	**13,016**	**14,944**	**2,532**	**3,560**	**1,354**	**515**	**35,921**
Cost property and equipment - gross							
At December 31, 2013	21,998	38,726	572	7,217	2,389		70,902
Additions	143	2,522	3,080	582	423	603	7,353
Transfers		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, 2013	(9,600)	(24,027)	(457)	(4,664)			(38,748)
Depreciation	(621)	(5,054)	(308)	(596)		(35)	(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 development in progress	Total
Cost of intangible assets - gross			
At December 31, 2014	85,694	1,439	87,133
Additions	15,226	7,237	22,463
Transfers	6,410	(6,410)	0
At December 31, 2015	**107,330**	**2,266**	**109,596**
Accumulated amortization			
At December 31, 2014	(29,951)		(29,951)
Amortization	(16,288)		(16,288)
At December 31, 2015	**(46,239)**	**-**	**(46,239)**
Net book value	**61,091**	**2,266**	**63,357**
Cost of intangible assets - gross			
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	
	2015	2014	2015	2014
Trade payables	7,457	5,165	7,457	5,165
Dividends	34,155	30,739	34,155	30,739
Interest on capital	2,643	1,657	2,643	1,657
Profit sharing	23,310	44,878	23,310	44,878
Others	12,382	779	13,707	1,865
	79,947	**83,218**	**81,272**	**84,304**
Current	**79,637**	**82,997**	**81,272**	**84,083**
Non-current	**310**	**221**	**310**	**221**

14.2 Reserve for post-employment benefit

	Parent company and Consolidated	
	2015	2014
Benefit - post employment - Retirement (i)	170,443	147,905
Benefit - post employment - Health Care Plan (ii)	191,707	225,798
Benefit - post employment - Life Insurance (iii)	969	1,348
Benefit - post employment - Funeral Assistance (iv)	1,360	1,733
	364,479	**376,784**
Current	**35,582**	**33,717**
Non-current	**328,897**	**343,067**
	364,479	**376,784**

(i) Post-employment benefit - retirement

The Company pays in full a complementary pension and amounts due to the death of employees hired up to December 31, 1968, enhanced complementary retirement benefits 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 benefits 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 from June 1, 2004, only spouse and children are considered as dependents. For those who have entered the Company from October 14, 1996, IRB Brasil RE pays 50% of the plan, i.e. of the amounts in tables I and II (items 5.1.4 and 5.1.5 of section 1 of the PCAM Standards) and the employees and beneficiaries pay the other installment equal to 50%. For those who entered the Company up to October 13, 1996, the contribution of the employee and their dependents varies from 0.25% to 2% of the amount of the items that compose the reference wage. The contributions are deducted monthly from 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. Retired employees that desire to remain in the policy pay the full premium. The Company fully bears the cost of the premium for disabled 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 a simple funeral, R$ 1,630.36 for cremation and R$ 2,739.07 for a funeral with cremation.

15 Reserves for taxes and contributions

	Parent company and Consolidated	
	2015	2014
CSLL payable	9,479	3,821
PIS/COFINS payable	4,792	
Total	**14,271**	**3,821**

16 Debits of reinsurance and retrocession operations

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

16.1 Breakdown

	Parent company		Consolidated	
	2015	2014	2015	2014
Operations with insurers	156,082	53,943	156,082	53,943
Operations with reinsurers	676,759	589,805	676,759	590,022
Reinsurance, retrocession brokers and others	52,500	39,245	52,521	39,259
Other operating debts (*)	139,646	172,127	139,948	172,127
	1,024,987	**855,120**	**1,025,310**	**855,351**

(*)These refer to the Company's debits arising from operations with 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 and retrocession interest paid	(342)			(342)
Reinsurance loss payable		1,890,438		1,890,438
Reinsurance loss paid		(1,792,016)		(1,792,016)
Other payables			103	103
Other paid			(97)	(97)
Exchange variation	185	3,854	14	4,053
At December 31, 2015	**751**	**155,137**	**194**	**156,082**

	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 paid	(201,926)			(201,926)
Reinsurance loss payable		1,956,954		1,956,954
Reinsurance loss paid		(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 Operations with reinsurers

	Parent company			
	Premiums	Losses	Others	Total
At December 31, 2014	606,011	(16,409)	203	589,805
Premiums, commission and retrocession interest payable	1,236,915			1,236,915
Premiums, commission and retrocession interest paid	(1,224,317)			(1,224,317)
Reinsurance loss payable		148,828		148,828
Reinsurance loss paid		(116,424)		(116,424)
Other payables			47,637	47,637
Other paid			(40,449)	(40,449)
Exchange variation	41,974	(7,324)	114	34,764
At December 31, 2015	**660,583**	**8,671**	**7,505**	**676,759**

	Premiums	Losses	Others	Total
At December 31, 2013	766,368	18,589		784,957
Premiums, commission and retrocession interest payable	1,036,753			1,036,753
Premiums, commission and retrocession interest paid	(1,236,194)			(1,236,194)
Reinsurance loss payable		205,063		205,063
Reinsurance loss paid		(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, commission and retrocession interest payable	1,236,915			1,236,915
Premiums, commission and retrocession interest paid	(1,224,317)			(1,224,317)
Reinsurance loss payable		148,828		148,828
Reinsurance loss paid		(116,424)		(116,424)
Other payables			47,739	47,739
Other paid			(40,449)	(40,449)
Exchange variation	41,974	(7,324)	114	34,764
At December 31, 2015	**660,762**	**8,708**	**7,289**	**676,759**

	Premiums	Losses	Others	Total
At December 31, 2013	766,547	18,615	1	785,163
Premiums, commission and retrocession interest payable	1,036,753			1,036,753
Premiums, commission and retrocession interest paid	(1,236,194)			(1,236,194)
Reinsurance loss payable		205,074		205,074
Reinsurance loss paid		(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	**606,190**	**(16,372)**	**204**	**590,022**

17 Third-party deposits

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

Anticipated premium collection

	Parent company and Consolidated	
	2015	2014
Up to 30 days	30,676	43,868
31 to 60 days	2,770	
61 to 90 days	3,985	
91 to 120 days	993	
More than 120 days	7,534	15,591
	45,958	**59,459**

18 Technical reserves

18.1 Reserve for earned premiums and acquisition costs

Parent Company and Consolidated

2015

Line groups	Unearned premium reserve			Deferred acquisition costs			Total
	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
Property	514,625	73,781	58,730	(37,788)	(14,602)	(5,859)	588,887
Special risks	291,668	1,432	54,832	(28,621)	(2)	(4,479)	314,830
Casualty	39,436	7,268	6,481	(4,696)	(1,007)	(843)	46,639
Hull	672	-	-	(25)	-	-	647
Motor	6,228	5,697	315	(1,888)	(1,142)	(87)	9,123
Cargo	47,133	8,084	17,706	(5,620)	(1,425)	(1,991)	63,887
Financial risks	110,831	42,029	15,343	(33,045)	(17,488)	(4,935)	112,735
Life	25,276	2,711	169	(1,127)	(177)	(12)	26,840
Mortgage	2,529	6,498	33	(181)	(1,753)	(6)	7,120
Agriculture	182,267	73,584	3,767	(44,019)	(17,788)	(903)	196,908
Marine	35,793	2,879	16,580	(3,408)	(559)	(1,275)	50,010
Aviation	57,855	10,476	22,497	(3,901)	(1,694)	(1,839)	83,394
Others	269,537	154,643	-	(49,276)	(37,725)	-	337,179
	1,583,850	**389,082**	**196,453**	**(213,595)**	**(95,362)**	**(22,229)**	**1,838,199**

Parent company and Consolidated

2014

Line groups	Unearned premium reserve			Deferred acquisition costs			Total
	Effective	Estimated	RVNE	Effective	Estimated	RVNE	Total
Property	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
Casualty	26,567	11,443	6,904	(2,622)	(2,366)	(494)	39,432
Hull	736		627	(37)		(13)	1,313
Motor	5,878	8,835	397	(1,054)	(3,585)	(70)	10,401
Cargo	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
Life	11,931	3,950	112	(298)	(145)	(1)	15,549
Mortgage	2,155	530	34	(208)	(125)	(5)	2,381
Agriculture	87,967	181,865	1,807	(20,074)	(44,013)	(296)	207,256
Marine	32,812	2,866	9,396	(2,273)	(190)	(610)	42,001
Aviation	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					
	At December 31, 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 risk	(460,731)	(410,551)	(73,441)	64,240	82,705	9,446
Constitution	813,250	412,245	75,697	(142,196)	(74,406)	(14,851)
At December 31, 2015	**1,583,850**	**389,082**	**196,453**	**(213,595)**	**(95,362)**	**(22,229)**

	At 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 risk	(43,485)	(429,518)	(149,589)	209,193	103,293	20,701
Constitution	47,691	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 claims incurred but not reported

	2015			
	Parent Company		Consolidated	
Line groups	Claims pending payment Reinsurance	Claims incurred but not reported Reinsurance	Claims pending payment Reinsurance	Claims incurred but not reported Reinsurance
Property	2,383,512	371,298	2,383,512	371,298
Special risks	297,889	31,188	297,889	31,188
Casualty	597,774	30,712	597,774	30,712
Hull	610,430	57,413	610,430	57,413
Motor	200,367	40,720	200,367	40,720
Cargo	293,830	55,195	293,830	55,195
Financial risks	350,056	233,104	350,056	233,104
Credit	27,360	10,114	27,360	10,114
Life	133,178	35,596	133,178	35,596
Mortgage	25,452	18,488	25,452	18,488
Agriculture	136,439	108,108	136,439	108,108
Marine	99,121	26,515	99,121	26,515
Aviation	214,195	39,231	214,195	39,231
Run-off London Branch (*)	119,299	98,361	119,299	98,361
Others	433,411	109,857	434,432	153,599
	5,922,313	**1,265,900**	**5,923,334**	**1,309,642**

	2014			
	Parent Company		Consolidated	
Line groups	Claims pending payment Reinsurance	Claims incurred but not reported Reinsurance	Claims pending payment Reinsurance	Claims incurred but not reported Reinsurance
Property	2,272,953	194,574	2,272,953	194,574
Special risks	154,395	3,331	154,395	3,331
Casualty	538,414	30,790	538,414	30,790
Hull	580,790	15,445	580,790	15,445
Motor	188,263	42,695	188,263	42,695
Cargo	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
Life	119,725	27,419	119,725	27,419
Mortgage	25,535	12,768	25,535	12,768
Agriculture	92,661	131,480	92,661	131,480
Marine	87,164	8,208	87,164	8,208
Aviation	155,243	7,333	155,243	7,333
Run-off London Branch (*)	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 the risk of environmental pollution, diseases and other damage arising from the leakage of asbestos. These estimates comprise a higher level of uncertainty in relation to those relating to the other risks, because the occurrence and development of this type of loss is more unpredictable. Accordingly, the final amounts may significantly vary upon its effective realization in subsequent years.

18.2.1 Changes

	Parent Company		Consolidated	
	2015			
	Claims pending payment	Claims incurred but not reported	Claims pending payment	Claims incurred but not reported
At December 31, 2014	5,381,192	796,289	5,383,377	796,515
Settlement of claims	(331,930)	(88,404)	(333,094)	(88,404)
Constitution of reserve for claims	873,051	558,015	873,051	601,531
At December 31, 2015	**5,922,313**	**1,265,900**	**5,923,334**	**1,309,642**

	Parent Company		Consolidated	
	2014			
	Claims pending payment	Claims incurred but not reported	Claims pending payment	Claims incurred but not reported
At December 31, 2013	4,880,918	647,204	4,882,406	647,410
Settlement of claims	(672,728)	(577,378)	(672,729)	(577,378)
Constitution of reserve for claims	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 Claims under litigation

At December 31, 2015 and 2014, the section "Claims pending payment" includes payable balances concerning claims under litigation relating, mainly, to issues involving the scope of coverage of agreements' conditions and discrepancies between the amounts demanded by the insured parties and the evaluation of legal advisors, internal lawyers and/or the technical department of the Reinsurer.

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

	Parent Company and Consolidated					
	2015					
Probability	Number	Total exposure value	%	Claims pending payment	Retrocession	Net
Probable	796	463,013	44%	203,726	(98,363)	105,363
Possible	675	595,716	29%	172,757	(83,411)	89,347
Remote	240	1,023,748	6%	61,425	(29,657)	31,768
	1,711	**2,082,477**		**437,908**	**(211,431)**	**226,477**

	Parent Company and Consolidated					
	2014					
Probability	Number	Total exposure value	%	Claims pending payment	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 "Claims pending payment", and the recoverable values concerning the retrocession are classified under "Retrocession assets - technical reserves".

18.3.1 *Aging* of court claims

	Parent Company and Consolidated		
Aging	Gross of retrocession	Retrocession	Net of retrocession
From 121 to 180 days	21,547	(19,923)	1,624
From 181 to 365 days	109	-	109
More than 365 days	416,252	(191,508)	224,744
	437,908	**(211,431)**	**226,477**

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 agreements, and a reserve for related expenses was constituted for the coverage of expenses relating to losses.

Line groups	Parent Company and Consolidated	
	2015	2014
Property	17,352	24,895
Special risks	1,728	3,644
Casualty	11,757	12,957
Hull	4,216	958
Motor	1,096	436
Cargo	658	1,808
Financial risks	14,739	11,758
Credit	42	483
Life	7,462	20,654
Mortgage	1,247	3,492
Agriculture	750	305
Marine	719	228
Aviation	1,300	11,529
Others	1,408	915
	64,474	**94,062**

19 Guarantee of technical reserves

According to National Monetary Council ("CMN") Resolution 3,543, of February 28, 2008, the Reinsurers' technical reserves on December 31, 2015 and 2014 had the following coverage:

	Parent Company		Consolidated	
	2015	2014	2015	2014
Insurance technical reserves	9,090,886	7,828,335	9,135,649	7,830,746
(-) Retrocession assets - reducers	3,583,210	3,254,319	3,625,035	3,254,319
(-) Credit rights (*)	512,833	361,889	512,833	361,889
Amount to be guaranteed	4,994,843	4,212,127	4,997,781	4,214,538
Eligible Assets:				
Exclusive investment fund quotas	529,885	695,239	529,885	695,239
Fixed-income investment funds	27,661		27,661	
Financial Treasury Bills	2,519,054	3,295,031	2,519,054	3,295,031
Financial bills	224,661		224,661	
National Treasury Notes	590,585	417,910	590,585	417,910
National Treasury Bills	1,127,106	355,589	1,127,106	355,589
Sovereign debt securities	360,923	150,479	360,923	150,479
Debentures	409		409	
Time deposits		130,451		130,451
Total assets	**5,380,285**	**5,044,699**	**5,380,285**	**5,044,699**

(*) For the purpose of identifying the technical reserves balance to be covered by these assets, the liabilities balance of the group "Technical reserves – reinsurance and retrocessions" should be considered net of the assets balance of the group "Retrocession assets –technical reserves", which relates to the risk parcel 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					
	2015		2014		2015	2014
	Receivable	Payable	Receivable	Payable	Result	Result
With shareholding in the Reinsurer						
Premiums	746,155	160,614	295,936	2,779	1,773,206	542,450
Indemnities and expenses of claims	29,520	79,912	34,035	21,538	(728,600)	(197,735)
Commission		96,749		19,893	(345,360)	(85,334)
Others		10,108	870	6,695	(14,559)	(1,473)
	775,675	**347,383**	**330,841**	**50,905**	**684,687**	**257,908**

These amounts relate to reinsurance and retrocession operations carried out with insurers that hold shares in the Reinsurer, the amounts of which are included in the items "Credits of reinsurance and retrocession operations" and "Debits of 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 December 31, 2015 and 2014, is as follows:

	Parent Company and Consolidated	
	Accounts payable	Result
Short-term compensation to management	**11,812**	**15,270**
Post-employment benefits		**382**
At December 31, 2015	**11,812**	**15,652**
At December 31, 2014	**6,049**	**5,504**

21 Judicial and fiscal deposits, other lawsuits and tax obligations

	Parent Company and Consolidated		
	2015		
	Fiscal and judicial deposits	Contingent liabilities	Tax obligations
Tax			
COFINS	6,709	6,709	
PIS	3,444	3,445	
Social contribution	369,247		353,107
Income tax	1,447	55,899	
Service tax (ISS)	986		
Social security			
National Institute of Social Security (INSS)	43,746		
FGTS	1,155		
Labor and civil			
Labor lawsuits	29,970	48,184	
Civil lawsuits	17,338	2,195	
Fees		3,752	
Non-current	**474,042**	**120,184**	**353,107**

	Parent Company and Consolidated		
	2014		
	Fiscal and judicial deposits	Contingent liabilities	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		
Social security			
National Institute of Social Security (INSS)	40,296	40,296	
FGTS	1,127		
Labor and civil			
Labor lawsuits	42,025	47,914	
Civil lawsuits	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 amounts provisioned:

	Parent Company and Consolidated		
	2015		
	Number	Value at risk	Accounting balance (*)
Tax			
Probable	2	407,561	407,561
Possible	14	194,543	11,600
Remote	1	200	
	17	**602,304**	**419,161**
Social security			
Possible	10	64,815	-
Remote	2	18,578	-
	12	**83,393**	**-**
Labor and civil			
Probable	79	50,379	50,379
Possible	83	34,701	3,751
Remote	22	7,786	0
	184	**92,866**	**54,130**

	Parent Company and Consolidated		
	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	95	20,687	
Remote	30	4,825	
	215	**79,077**	**53,565**

(*) The amount of R$ 353,107 (R$ 286,867 in 2014) is recorded as "Accounts payable – provision for taxes and contributions" and the amount of R$ 120,184 (R$ 156,570 in 2014) is recorded as contingent liabilities, of which R$ 66,054 related to tax risks (R$ 62,709 in 2014) and R$ 54,130 related to labor/civil risks (R$ 53,565 in 2014), see Note 21.

The provisions recorded in "Tax liabilities" relate to the Company's legal obligations, which are currently being discussed in court and, therefore, their settlement depends on not yet final decisions. For these legal obligations, the Company provides 100% of the value at risk, regardless of the classification of loss by the legal firms in charge of the actions.

The provisions recorded in "Other contingent liabilities" relate to interpretive matters that fall under the concept of contingent liability according to the "CPC 25 - Provisions, Contingent Liabilities and Contingent Assets" and, therefore, values at risk are only recorded for proceedings classified as probable risk. For the proceedings assessed as representing a possible risk, the mentioned standard requires only the disclosure in explanatory notes. The proceedings assessed as representing a remote risk are not required to be disclosed.

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		688		6,709
PIS (Note 21.3.2)	3,091		354		3,445
Social contribution (Note 21.3.5)	286,867	33,977	32,264		353,108
Income tax (Note 21.3.2)	53,597		2,302		55,899
Social security					
INSS (21.3.1)	40,296		2,533	(42,829)	
Labor and civil					
Labor suits (21.3.3)	47,914	29,862	3,132	(32,725)	48,184
Cível	1,900	19	276		2,195
Fees	3,751				3,751
	443,437	**63,858**	**41,549**	**(75,554)**	**473,291**

	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
Cível		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 INSS and by the Attorney General of the City of Rio de Janeiro (ISS), notices of assessment were drawn up and tax proceedings were filed in 1999 and 1989, respectively, based on supposed discrepancies in the tax and social security classifications adopted by the Company.

The Company filed administrative proceedings in order to cancel the penalties in question, reserving the amount of R$ 43,746 concerning the cases brought by the INSS regarding the additional 2.5% due by companies as opposed to financial institutions.

In relation to the court dispute regarding the additional INSS 2.5%, on April 30, 2010, the Company was required to make the judicial deposit of the amounts claimed at the time (totaling R$ 23,291) and, then, on May 28, 2010, it made a supplementary deposit including the related legal charges (R$ 4,666). The amounts challenged concerning the INSS, totaling R$ 43,746. Considering that the appeal to the Federal Supreme Court filed by IRB Brasil RE has been suspended since March 29,

2010, without any change in the procedural progress, and that the likelihood of loss in said proceeding remains as possible, based on the evaluation of the outside legal counsel, and on the assessment of the immaterial probability of loss evidenced by the facts and the procedural progress of the actions, the Company believes that there is no requirement to maintain a provision, and also that such deposits were not made by court order, but only for the issue of the social security certificate of IRB Brasil RE at the time.

With regard to the ISS tax enforcement measures and considering the important conclusions found in the 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 the loss probability as possible. 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 paid in the period between October 1989 and December 1991, the unconstitutionality of which 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 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 the facts involved and now only the discussion regarding the adjustment of the tax credits is pending, with the Company obtaining partial victory regarding 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), which have been ratified as part of the offsets carried out.

In this context, before the definitive decision in the administrative sphere in February 2014, which recognized a parcel of the tax credits, the Company reversed the accounting reserve it had constituted in relation to the mentioned administrative proceedings, which was about R$ 19,000, for R$ 9,000, which had a positive effect on the results of IRB Brasil RE. Following this, the Company filed a suit, on March 2014, to judicially claim the parcel of the credits that were not recognized by the Brazilian Federal Revenue. Accordingly, on March 28, 2014, the Company judicially deposited the amounts charged through the debts mentioned, in order to end liability, in the amounts of R$ 6,021 for COFINS and R$ 3,091 for PIS. These deposits, updated up to December 2015, amount to R$ 6,709 and R$ 3,445, respectively, and are 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 relating to such tax, until a definitive decision has been made in the administrative sphere. Currently the Company is awaiting a final trial at the High Court of Appeals for Fiscal Matters. The income tax amount currently reserved is R$ 55,899.

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

21.3.3 Labor lawsuits

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

The Company's external legal advisors estimate an updated amount of R$ 50,379 and classify the chances of loss in these lawsuits as probable. The labor suits classified as possible loss amount to R$ 3,751.

A civil class action was filed with the 75th Labor Court of Rio de Janeiro by the National Union of Workers in Reinsurance Entities (SINTRES) and the National Federation of Insurance Brokers (FENESPIC) against the Company, claiming the restoration of all benefits and funding method established in the health care plan maintained by the Company in the past, on a self-management basis, on the grounds that alleged unilateral changes that were detrimental to the Company's employees and retirees had been made to it. In addition to the restoration of the original conditions, they claim the payment of compensation for pain and suffering to employees who have been replaced and to unions. Considering that attempts to reach an agreement between the parties were not successful, the Court decided at the hearing held on October 14, 2014, to stay the proceedings pending final judgment related to the Consignment in Payment and the Declaratory Actions, both currently in progress at the 25th Labor Court of Rio de Janeiro, considering the existing discussion about the lack of registration of SINTRES with the Ministry of Labor. The total amount involved is R$ 12,500, and the Company's legal advisors consider the risk of loss in this matter as possible.

On November 25, 2014, a court order was issued, which maintained the stay of the action and determined that the Labor Prosecution Office (MPT) was notified considering its possible involvement in the case in order to enable the continuation of the action. At present, therefore, we are awaiting the pronouncement of the MPT

21.3.4 PIS/PASEP and COFINS

There is another suit in which the Company is requesting 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 at the original value, relating to the period between May 2001 and May 2006 (the date the lawsuit was filed). This lawsuit was launched on June 1, 2006, originally to the Sixth Federal Court/RJ.

On October 29, 2013, this lawsuit received a final decision, with the acknowledgment of the unconstitutionality of paragraph 1 of Article 3 of Law No. 9,718 of November 27, 1998, PIS and COFINS should be levied only on operating income. Considering that, up to May 2009, the Company had been calculating and paying monthly to the government contributions based on its gross revenue, including, consequently, 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 extinguished through item XII of Article 79 of Law No. 11,941 of May 28, 2009.

On December 19, 2013, the Company requested that the Federal Revenue to activate the credit, and the request was fully deferred by the tax authorities in February 2014 (RFB Communication No. 068/2014), as the tax credit had been recognized by a final judicial decision. In the year ended December 2013, the Company recognized R$ 223,007 regarding the installments of PIS and

COFINS calculated considering the revenue on which there were no discussions or in terms of their non-operating nature. The Company recorded a balance of R$ 312,866, once all the involved parties agreed that there were no more challenges about the tax credits mentioned

21.3.5 Social contribution on income

With the publication of 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 a tax rate increase, constituting a reserve and judicially depositing the amounts challenged. At December 31, 2015, the amount judicially deposited, updated for payment of the CSLL, is R$ 369,247 (Note 21).

22 Labor provisions

	Parent Company and Consolidated	
	2015	2014
Provision for vacancies	7,209	7,637
Provision for premium license and private social security	3	580
	7,212	**8,217**

23 Equity

23.1 Capital

On December 29, 2014, the 47th Extraordinary General Meeting of IRB Brasil RE approved a 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 at a meeting on October 24, 2014, making the share capital up, represented by 312,000,000 common shares and one special class preferred share owned by the union.

On December 31, 2015, the shareholding of IRB Brasil RE was as follows:

Shareholders	ON	% interest in voting capital
Ministry of Finance	36,458,237	11,73%
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%
Educational Loan Operations Gurantee Fund	49,161,763	15,82%
Others	20,277,000	6,53%
	310,698,900	**100,00%**

23.2 Treasury shares

In September 2013, the Company acquired 1,301,100 shares of its own issuance, which represent R$ 10,531, owned by the then shareholder Companhia de Seguros de São Paulo. On July 31, 2014 the Company acquired 283,500 shares of its own issuance, which had been owned by the then shareholder Caixa Geral S.A. - Seguradora, which together become 1,584,600 shares representing R$ 12,956. The shares related to COSESP are in the process of transfer of ownership in custody, and are still in the name of the mentioned shareholder. Thus, these actions are included in the shareholding structure.

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 can only 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 a general meeting for a reserve of net profit based on Article 196, paragraph 1 of 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 prepaid in the year interest on capital to the shareholders in the amount of R$ 176,000 to the revenue reserve account.

23.4 Carrying value adjustments

The changes are as follows:

	Parent Company and Consolidated	
	2015	2014
At the beginning of the year	**(28,788)**	**(35,896)**
Net gain (loss) arising from fair value of financial assets available-for-sale in the period	(122,322)	(6,522)
Realization of gain arising from the sale of financial assets available-for-sale in the period		193
Unrealized gains with marketable securities - subsidiaries	(23)	95
Remeasurement of obligations of post-employment benefits	12,077	15,876
Remeasurement of obligations of post-employment benefits - subsidiaries	(1,465)	(985)
Income tax and social contribution on the variation of the assessment of the financial assets available-for-sale at fair value	57,014	2,531
Income tax and social contribution on the variation of the remeasurement obligations of post-employment benefits	(5,435)	(6,350)
Exchange differences due to translation of the assets of operations abroad	8,537	2,270
At the end of the year	**(80,405)**	**(28,788)**

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

23.5 Earnings per share - basic and diluted

According to the provisions of CPC Technical Pronouncement 41, the tables below reconcile the net profit for the year with the amounts used to calculate the basic diluted results 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 year. The calculation of the basic earnings per share is as follows:

	Parent Company and Consolidated	
	2015	2014
Numerator		
Net income	763,718	601,542
Denominator (number of shares in units)		
Weighted average of number of outstanding common shares	310,698,900	310,698,900
Earnings per share	**2,46**	**1,94**

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. Accordingly, the diluted earnings per share do not present a difference in relation to the calculation of the basic earnings per share shown above.

23.6 Dividends and interest on capital

	2015	2014
Net income for the year	763,718	601,542
*Constitution of legal reserve (5%)	(6,947)	(30,077)
Dividend calculation base	**756,771**	**571,465**
Minimum mandatory dividend (25%)	(189,194)	(142,866)
Additional dividend proposed to be paid	(454,062)	(285,733)
	(643,256)	**(428,599)**
Porcentage of net income for the year	**85%**	**75%**
(-)Interest on shareholders' equity to be considered in dividendsGrossIncome tax	**159,487**	**115,964**
Gross	176,000	127,970
Income tax	(16,513)	(12,006)
" Mandatory minumun dividend payable 2014 (R $ 0.09 for ON shares and Golden Share) "		26,903
"Mandatory minimum dividend payable 2015 (R $ 0.10 for ON shares and Golden Share) "	29,705	
"Additional proposed dividend 2014 (R $ 0.92 for ON shares and Golden Share) "		285,733
"Additional proposed dividend 2015 (R $ 1.46 for ON shares and Golden Share) "	454,062	
Constitution of the Reserve for Reinvestment	**273,004**	**258,830**

(*) Limited to 20% of capital.

24 Details of the statement of income

On December 31, 2015 and 2014, the earned premiums, loss ratio and commission for the main lines were as follows:

24.1 Earned premiums - main operation groups

	Parent Company and Consolidated					
	2015					
	Premiums issued gross amount	Reinsurance commission	Changes in technical reserves - premium	Changes in technical reserves - commission	Other technical reserves	Earned premiums
Property	1,260,082	(96,038)	34,418	1,583	(823)	1,199,222
Special risks	242,206	1,828	123,234	(18,520)	143	348,891
Casualty	96,593	(7,332)	(3,779)	539	-	86,021
Hull	2,229	22	1,074	(31)	10	3,304
Motor	28,431	(5,724)	2,870	(1,592)	58	24,043
Cargo	186,567	(25,369)	4,218	(1,527)	506	164,395
Financial risks	193,944	(67,456)	(18,808)	15,355	(2,153)	120,882
Credit	(872)	(407)	566	(54)	498	(269)
Life	209,848	(16,832)	(12,107)	871	13,325	195,105
Mortgage	111,154	(23,729)	(6,342)	1,603	2,414	85,100
Agriculture	687,828	(169,197)	12,022	(1,673)	(438)	528,542
Marine	111,177	(7,255)	5,202	1,018	27	110,169
Aviation	162,049	(9,781)	4,866	(359)	38	156,813
Others	1,045,115	(185,632)	(177,703)	42,116	(3)	723,893
Total	**4,336,351**	**(612,902)**	**(30,269)**	**39,329**	**13,602**	**3,746,111**

	Parent Company and Consolidated					
	2014					
	Premiums issued gross amount	Reinsurance commission	Changes in technical reserves - premium	Changes in technical reserves - commission	Other technical reserves	Earned premiums
Property	1,027,901	(86,614)	58,339	(13,177)	3,698	990,147
Special risks	235,728	(3,415)	47,748	(2,371)	(106)	277,584
Casualty	105,100	(12,086)	49,836	(7,583)	403	135,670
Hull	2,591	(15)	(1,185)	48	(1)	1,438
Motor	43,935	(12,293)	2,806	(372)	56	34,132
Cargo	171,389	(28,480)	21,600	(9,614)	(285)	154,610
Financial risks	169,364	(49,198)	307	(2,959)	(3,057)	114,457
Credit	606	77	(564)	53	(481)	(309)
Life	179,939	(7,274)	(9,125)	438	(4,951)	159,027
Mortgage	60,440	(12,304)	38,412	(4,627)	(2,500)	79,421
Agriculture	710,761	(172,363)	22,080	(11,673)		548,805
Marine	83,401	(3,606)	(3,266)	(323)	77	76,283
Aviation	76,884	(2,871)	13,505	(1,960)	(30)	85,528
Others	344,462	(62,664)	63,075	(5,745)	(2,864)	336,264
Total	**3,212,501**	**(453,106)**	**303,568**	**(59,865)**	**(10,041)**	**2,993,057**

24.2 Incurred claims - main operation groups

	Parent Company 2015			
	Direct claims	Salvage and reimbursements	IBNR variation	Incurred claims
Property	(735,281)	2,631	(150,649)	(883,299)
Special risks	(114,508)		(25,644)	(140,152)
Casualty	(92,265)	6	6,254	(86,005)
Hull	170,224	33	(33,592)	136,665
Motor	(68,477)	192	2,044	(66,241)
Cargo	(71,478)	14,785	7,393	(49,300)
Financial risks	70,424	11,436	(120,909)	(39,049)
Credit	5,050	5,408	(2,473)	7,985
Life	(145,615)		(8,161)	(153,776)
Mortgage	(13,839)		(5,717)	(19,556)
Agriculture	(436,236)	210	23,483	(412,543)
Marine	(40,362)	2,426	(16,544)	(54,480)
Aviation	(124,030)	34,910	(29,184)	(118,304)
Others	(375,361)	2,916	(35,180)	(407,625)
	(1,971,754)	**74,953**	**(388,879)**	**(2,285,680)**

	Consolidated 2015			
	Direct claims	Salvage and reimbursements	IBNR variation	Incurred claims
Property	(735,281)	2,631	(150,649)	(883,299)
Special risks	(114,508)		(25,644)	(140,152)
Casualty	(92,265)	6	6,254	(86,005)
Hull	170,224	33	(33,592)	136,665
Motor	(68,477)	192	2,044	(66,241)
Cargo	(71,478)	14,785	7,393	(49,300)
Financial risks	70,424	11,436	(120,909)	(39,049)
Credit	5,050	5,408	(2,473)	7,985
Life	(145,615)		(8,161)	(153,776)
Mortgage	(13,839)		(5,717)	(19,556)
Agriculture	(436,236)	210	23,483	(412,543)
Marine	(40,362)	2,426	(16,544)	(54,480)
Aviation	(124,030)	34,910	(29,184)	(118,304)
Others	(375,361)	2,916	(35,180)	(409,548)
	(1,971,754)	**74,953**	**(388,879)**	**(2,287,603)**

	Parent Company and Consolidated			
	2014			
	Direct claims	Salvage and reimbursements	IBNR variation	Incurred claims
Property	(1,115,878)	33,637	(78,383)	(1,160,624)
Special risks	(50,277)		1,573	(48,704)
Casualty	(112,323)	2	28,751	(83,570)
Hull	(36,898)	37	(13,510)	(50,371)
Motor	(59,202)	49	(1,388)	(60,541)
Cargo	(91,757)	12,548	286	(78,923)
Financial risks	(21,556)	7,195	(2,799)	(17,160)
Credit	(8,934)	5,626	(6,163)	(9,471)
Life	(113,040)		(18,051)	(131,091)
Mortgage	(16,671)		(5,583)	(22,254)
Agriculture	(279,317)	79	(63,048)	(342,286)
Marine	(46,572)	858	2,173	(43,541)
Aviation	(46,738)	22	15,867	(30,849)
Others	(201,845)		24,403	(177,442)
	(2,201,008)	**60,053**	**(115,872)**	**(2,256,827)**

24.3 Acquisition cost

	Parent Company and Consolidated	
	2015	2014
Property	(18,503)	(23,327)
Special risks	(13,874)	(22,367)
Casualty	(3,163)	(2,474)
Hull	(119)	(93)
Motor	(523)	(669)
Cargo	(5,183)	(5,011)
Financial risks	(833)	(890)
Life	(2,492)	(1,876)
Mortgage	(244)	(115)
Agriculture	(424)	(1,003)
Others	(41,705)	(9,157)
Marine	(3,714)	(3,435)
Aviation	(4,653)	(9,131)
	(95,430)	**(79,548)**

24.4 Results with retrocession

	Parent Company and Consolidated	
	2015	2014
Revenue with retrocessions	**547,442**	**945,368**
Recovery of expenses with claims	337,260	915,169
IBNR recovery	210,182	30,199
Expenses with retrocessions	**(1,289,209)**	**(1,046,586)**
Premium of retrocessions ceded	(1,345,865)	(1,039,948)
Commission on retrocessions ceded	90,537	129,885
Variation of the technical reserves - Premium ceded	(52,018)	(154,930)
Variation of the technical reserves - Comission ceded	18,137	25,973
Variation of the technical reserves - Others		(7,566)
Salvage and reimbursed to the retrocession	**(54,388)**	**(20,884)**
Others results with retrocession	**3,845**	**4,161**
Total result with retrocession	**(792,310)**	**(117,941)**

24.5 Other operating revenue and expenses

	Parent Company		Consolidated	
	2015	2014	2015	2014
Share in operating results - reinsurance and retrocession	(43,418)	(20,894)	(43,418)	(20,894)
Loss due to lower third-party deposits		(4,733)		(4,733)
Recovery of Agricultural Insurance Stability Fund (*)	71,620	(28,889)	71,620	(28,889)
Reversal (constitution) of reserve for credit risks	2,301	(47,640)	2,301	(47,640)
Recovery (loss) of other reinsurance revenue	1,242	(101)	1,242	(101)
Expenses with risk inspection	(2,440)		(2,440)	
Indemnities established in court	(11,636)		(11,636)	
Other operating revenue and expenses	(8,452)	(875)	(5,700)	1,418
	9,217	**(103,132)**	**11,969**	**(100,839)**

(*) Up to 2014, IRB Brasil RE, as a participant of the Rural Insurance Stability Fund (FESR), had a protection for the agricultural segment through its participation in FESR. Therefore, the Company had an obligation to the fund, referring to the assumption of risks on behalf of the reinsurer. In 2015, the Company opted for protection directly with its retrocession contracts, and did not participate in the Fund.

24.6 Administrative expenses

	Parent Company		Consolidated	
	2015	2014	2015	2014
Own staff	(127,461)	(169,057)	(127,461)	(170,374)
Reversal of post-employment benefits	(30,184)	(22,072)	(30,184)	(22,072)
Third-party services	(41,212)	(44,397)	(41,212)	(46,565)
Location and operation	(36,693)	(30,405)	(36,693)	(30,695)
Advertising and marketing	(13,128)	(8,845)	(13,128)	(8,845)
Judicial expenses	(522)	(2,080)	(522)	(2,080)
Fines	(366)	(627)	(366)	(627)
Other expenses	(12,220)	(5,682)	(17,039)	(5,997)
	(261,786)	**(283,165)**	**(266,605)**	**(287,255)**

24.7 Tax expenses

	Parent Company and Consolidated	
	2015	2014
COFINS	(57,419)	(66,269)
PIS/PASEP	(10,400)	(11,633)
Tax reserves - net	(3,344)	9,897
SUSEP inspection fees	(2,021)	(1,380)
Property taxes	(2,347)	
Taxes and contributions with branches abroad	(25,028)	(1,721)
Others	(10,459)	(5,735)
Subtotal	**(111,018)**	**(76,841)**
COFINS recovery - Basis increase (Note 21.3.4)		128,243
PIS recovery - Basis increase (Note 21.3.4)		22,586
	(111,018)	**73,988**

24.8 Financial results

	Parent Company		Consolidated	
Description	2015	2014	2015	2014
Marketable securities	1,035,211	545,134	1,036,520	547,296
Fair value through profit or loss	284,219	94,354	284,846	94,354
Available for sale	690,524	335,277	691,206	337,439
Held to maturity	60,468	115,503	60,468	115,503
Reinsurance operartions	(291,048)	(81,797)	(291,048)	(81,797)
Exchange variation on bank accounts	20,507	199	20,507	199
Monetary update and other financial charges	23,811	162,186	23,811	162,186
Interest	423	132	423	132
Others	9,210	1,772	9,210	1,772
	798,114	**627,626**	**799,423**	**629,788**

Financial revenue

Description	2015	2014	2015	2014
Valuation of investment fund quotas	92,469	156,957	92,483	446,003
Fixed-income securities - private	473,908	152,954	473,908	152,954
Fixed-income securities - public	541,351	405,819	541,351	405,819
Reinsurance operartions	693,556	9,360	693,556	9,360
Exchange variation on bank accounts	21,047	61,574	21,047	61,574
Monetary update and other financial charges	113,899	215,726	113,899	215,726
Interest	1,540	318	1,540	318
Others	9,371	7,411	9,371	7,411
	1,947,141	**1,010,119**	**1,947,155**	**1,299,165**

Financial costs

Description	2015	2014	2015	2014
Devaluation of investment fund quotas and of private and public securities	(72,517)	(170,596)	(71,222)	(457,480)
Reinsurance operartions	(984,604)	(91,157)	(984,604)	(91,157)
Exchange variation on bank accounts	(540)	(61,375)	(540)	(61,375)
Monetary update and other financial charges	(90,088)	(53,540)	(90,088)	(53,540)
Interest	(1,117)	(186)	(1,117)	(186)
Others	(161)	(5,639)	(161)	(5,639)
	(1,149,027)	**(382,493)**	**(1,147,732)**	**(669,377)**

24.9 Equity result

Description	Parent Company		Consolidated	
	2015	2014	2015	2014
Direct operating income arising from property for investment	43,368	42,447	43,368	42,447
Direct operating expenses arising from property for investment	(5,163)	(4,870)	(5,163)	(4,870)
Reversal (provision) the impairment of assets	(267)	(509)	(267)	(509)
Equity in results of subsidiaries	(2,798)	190		
Exchange variation - overseas branch		7,141	-	7,141
Reserve for impairment of investment (*)	(23,199)		(23,199)	
Other operating income	710	1,564	711	1,553
Other operating expenses				-
	12,651	**45,963**	**15,450**	**45,762**

(*) The Company accounted for the reserve for impairment of 100% of its share in IRB International, the carrying amount of which totaled R$ 23,199 on December 31, 2015, due to the low expectation of realizing the net assets at market value, according to a report prepared by an independent consulting company.

24.10 Income tax and social contribution

(a) Reconciliation of income tax and social contribution

	Parent Company			
	2015		2014	
	IRPJ	CSLL	IRPJ	CSLL
Profit before reserve for IRPJ/CSLL and profit sharing	1,019,890	1,019,890	900,047	900,047
Effective nominal rate	25%	20%	25%	20%
IRPJ and CSLL at nominal rate	(254,973)	(203,978)	(225,012)	(141,663)
Permanent additions and exclusions:				
Interest on capital	44,000	35,200	(31,993)	(19,196)
Interests abroad	8,510	6,808	-	-
Managers' compensation	1,116	893	2,583	1,550
Tax incentives	5,832	(1,726)	(6,978)	1,279
Labor (before 1968)	(2,804)	390	(1,811)	(1,087)
Agriculture insurance	38,095	-	-	-
Others additions and exclusions	2,064	64,400	(3,687)	(2,176)
IR and CS in the statement of income	**(158,159)**	**(98,013)**	**(183,128)**	**(115,377)**
Current	(167,046)	(142,058)	(209,199)	(131,020)
Deferred	8,887	44,045	26,071	15,643

	Consolidated			
	2015		2014	
	IRPJ	CSLL	IRPJ	CSLL
Profit before reserve for IRPJ/CSLL and profit sharii	1,020,008	1,020,008	900,211	900,211
Effective nominal rate	25%	20%	25%	15%
IRPJ and CSLL at nominal rate	(255,002)	(204,002)	(225,053)	(135,032)
Permanent additions and exclusions:				
Interest on capital	44,000	35,200	31,993	19,196
Interests abroad	8,510	6,808	-	-
Managers' compensation	1,116	893	(2,583)	(1,550)
Tax incentives	5,832	(1,726)	6,978	(1,279)
Labor (before 1968)	(2,804)	390	1,811	1,087
Agriculture insurance	38,095	-	-	-
Others additions and exclusions	1,976	64,424	3,562	2,201
IR and CS in the statement of income	**(158,277)**	**(98,013)**	**(183,292)**	**(115,377)**
Current	(167,163)	(142,058)	(209,363)	(131,020)
Deferred	8,887	44,045	26,071	15,643

Law 13,169/2015

On October 6, 2015, the Provisional Measure No. 675 was converted into Law 13,169, whereby the CSLL rate was increased for financial institutions and those considered as such, as defined in Article 22, paragraph 1, of Law 8,212/1991, namely, credit, financing and investment companies, real estate credit companies, brokerage firms, securities dealers, leasing companies, credit unions, private insurance and capitalization companies, self-employed credit and insurance agents, and open and closed pension fund entities.

Therefore, the CSLL rate increased from 15% to 20%, for the period from September 1, 2015 to December 31, 2018. As from January 1, 2019 the rate will return to the rate of 15%.

(b) Changes in the deferred IRPJ and CSLL accounts

	Parent Company and Consolidated					
	At December 31, 2014	Addition	Write-off	Recognized in the results	Recognized in comprehensive income	At December 31, 2015
Deferred tax assets						
Labor provision	150,046		(19,306)	(19,306)		130,740
Provision for devaluation of the investment	75,435	52,212	(18,391)	33,821		109,256
Provision for impairment of trade receivables	100,131	35,835		35,835		135,969
Provision for tax and social security contingencies	66,663	22,341	(16,118)	6,223		72,886
Provision for labor contingencies	19,231	2,453		2,453		21,684
Market value adjustment - securities available-for-sale	15,755	57,014			57,014	72,769
Market value adjustment - investment	3,828	15,019		15,019		18,847
Actuarial gains or losses - post-employment benefits	(25,533)	22,799	(30,648)	(2,414)	(5,435)	(33,382)
Other provision	2,337	1,991		1,991		4,328
Total deferred tax assets	**407,893**	**209,664**	**(84,463)**	**73,622**	**51,579**	**533,097**

	At December 31, 2014	Addition	Write-off	Recognized in the results	Recognized in comprehensive income	At December 31, 2015
Deferred tax liabilities						
Updated judicial deposits	(31,715)	(20,690)		(20,690)		(52,406)
Market value adjustment - trading securities						
Market value adjustment - securities available-for-sale						
Total deferred tax liabilities	**(31,715)**	**(20,690)**		**(20,690)**		**(52,406)**
Total net	**376,178**	**188,974**	**(84,463)**	**52,932**	**51,579**	**480,691**

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 ("PREVIRB"), which ensures to its participants and their dependents benefits complementary to the basic official social security. The plans offered are of defined benefit (closed) and of variable contribution (open) types, with the capitalization regime being adopted on actuarial evaluations for retirement income. The contribution made by the Company to PREVIRB in 2014, including the pre-68 plan (benefits paid to employees hired up to December 31, 1968) amounted to R$ 20,075 (R$ 24,130 on December 31, 2014).

Considering the amounts obtained in December 2014, based on the projected unit credit method, actuarial evaluations were recently carried out of the plan's assets and the present value of the defined benefit liabilities. The valuations of 2015 were made by IRB Brasil RE's actuaries Debora Pereira Tavares (MIBA 2011) and Fernanda Pinheiro Gomes (MIBA 1894).

The descriptions of the plans sponsored are as follows:

Variable contribution plans

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

The total expense incurred by the Company was R$ 4,475 (R$ 4,504 on December 31, 2014), recognized in the statement of income, refers to contributions paid by the Company at rates specified by this plan's rules.

In the actuarial evaluation made by IRB Brasil RE's actuaries, a technical surplus of R$ 20,645 (R$ 16,816 on December 31, 2014) was found in PREVIRB that, in line with IFRS, was not accounted for by the sponsor.

Defined benefit plans

The Company grants defined benefit retirement plans (Benefits Plan A and pre-68 Plan) for the employees who qualify. According to this plan, the employees are entitled to 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$ 64 (R$ 256 on December 31, 2014), recognized in the statement of income, relates 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$ 15,536 (R$ 19,370 paid by the Company at rates specified by this plan's rules).

In the actuarial evaluation for Plan pre-68 made by IRB Brasil RE's actuaries, a reserve of R$ 119,778 (R$ 147,906 on December 31, 2014), in line with the accounting practices adopted in Brazil.

In the actuarial evaluation made by IRB Brasil RE's actuaries, a technical surplus, for Plan A, of R$ 692,912 (R$ 327,577 on December 31, 2014) was identified, which, in line with the accounting practices adopted in Brazil, was not accounted for by 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	**At December 31, 2015**	**At December 31, 2014**	**At December 31, 2015**	**At December 31, 2014**
Discount real rate (*)	7,50%	4,00%	7,50%	5,00%
Nominal rate of expected return of the assets	INPC + 7,50% p.a.	INPC + 4,00% p.a.	INPC + 7,50% 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: 1,25% 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 suavizada em 10%	AT-2000 MALE and FEMALE	AT-2000 MALE and FEMALE suavizada em 10%	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 CVM instruction 695, based on the rate of the federal public securities (NTN-B) with the indexes and terms expected from of post-employment benefit obligations.

The amounts determined in the result for December 2015 and the amounts estimated for the period from January to December 2016, in relation to Plan A, which is the defined plan sponsored by IRB Brasil RE with PREVIRB, are as follows:

	2016	2015
Cost of current services	0	168
Interest cost	125,006	109,040
Interest on the plan's assets	(225,091)	(137,641)
Expected amount of employees' contributions	(62)	(2,545)
Revenue at the end of the year	**(100,147)**	**(30,978)**

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

	At December 31, 2015	At December 31, 2014
Present value of the defined benefit liabilities funded	(983,964)	(1,303,641)
Fair value of the plan's assets	1,676,876	1,631,218
Net assets arising from the defined benefits liabilities	**692,912**	**327,577**

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

	At December 31, 2015	At 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	168	378
Interest cost	109,040	104,706
Actuarial loss (gain)	(334,234)	37,542
Benefits paid	(94,650)	(89,635)
Present value of the actuarial liabilities	**983,964**	**1,303,641**

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

	At December 31, 2015	At December 31, 2014
Cash and cash equivalents	116	763
Realizable investments		
Public securities	1,208,647	1,043,629
Private credits and deposits	380,379	391,842
Shares	26,626	68,539
Investment funds	92,625	110,636
Real estate investments	87,747	89,646
Borrowings and financing	4,707	4,840
	1,800,847	**1,709,132**
Operating liability investments		
Private credits and deposits	-	(40)
Real estate investments		(1)
Borrowings and financings	(91)	(298)
Others liabilities (IOF) / Rent and Income	(5)	(7)
	(96)	**(346)**
Investment contingency liabilities	**(22,509)**	**(2,716)**
Guaranteeing funds	**1,778,242**	**1,706,833**

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

	At December 31, 2015	At December 31, 2014
Opening fair value of the plan's assets	1,631,218	1,516,708
Return on investments	137,641	127,999
Employer's contributions	64	256
Plan participants' contributions	3,282	3,747
Benefits paid	(94,650)	(89,635)
Earnings on assets	678	72,143
Closing fair value of the plan's assets	**1,676,876**	**1,631,218**

The expected return on the Plan A assets on December 31, 2015 was R$ 137,641 (R$ 127,999 on December 31, 2014).

The historical adjustments based on experience are as follows:

	At December 31, 2015	At December 31, 2014
Present value of the liabilities of defined benefits	(983,964)	(1,303,641)
Fair value of the plan's assets	1,676,876	1,631,218
Surplus	**692,912**	**327,577**

The Company expects to contribute R$ 24 to the defined benefit Plan A during next year.

The amounts determined in profit or loss in December 2015 and the projected amounts for the year from January to December 2016 concerning the Pre-68 Plan are as follows:

	2016	2015
Interest cost	14,855	13,457
Expenses at the end of the year	**14,855**	**13,457**

The amount recognized in the balance sheet arising from the Company's obligations related to the Pre-68 plan is as follows.

	2015	2014
Present value of the defined benefit liabilities funded	(119,778)	(147,906)
Fair value of the plan's assets	170,443	
Net assets arising from the defined benefits liabilities	**50,665**	**(147,906)**

Changes in the fair value of the obligation related to the Pre-68 Plan in current year is presented below:

	2015	2014
Present value of the actuarial liabilities at the beginning of the year	147,906	157,640
Interest cost	13,457	13,628
Actuarial loss (gain)	(26,049)	(3,992)
Benefits paid	(15,536)	(19,370)
Present value of the actuarial liabilities	**119,778**	**147,906**

Changes in the fair value of assets of the Pre-68 Plan in the current year is presented below:

	2015	2014
Employer's contributions	185,979	19,370
Benefits paid	(15,536)	(19,370)
Closing fair value of the plan's assets	**170,443**	

The history of the adjustments by experience is presented below:

	2015	2014
Present value of the liabilities of defined benefits	(119,778)	(147,906)
Fair value of the plan's assets	170,443	
Surplus (Deficit)	**50,665**	**(147,906)**

The Company expects to contribute R$ 12,428 to the Pre-68 defined benefit Plan during the next fiscal year for payment of pension benefits, and also any changes in the amounts determined with respect to the contract signed between IRB Brasil RE and PREVIRB for migration of the operation of payments of pension benefits under the Pre-68 plan.

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

Sensitivity in the discount rate

Plan A	**Effective rate**	6.50%	7.00%	8.00%	8.50%
	Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
	Liability of defined benefit	1,073,658	1,027,113	943,889	906,601
	Impact of the main scenario	89,693	43,148	(40,075)	(77,363)

Plan B	**Effective rate**	6.50%	7.00%	8.00%	8.50%
	Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
	Liability of defined benefit	55,690	54,811	53,269	52,591
	Impact of the main scenario	1,860	981	(561)	(1,240)
Pre-68	**Effective rate**	6.50%	7.00%	8.00%	8.50%
	Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
	Liability of defined benefit	127,125	123,354	116,385	113,161
	Impact of the main scenario	7,347	3,576	(3,393)	(6,617)

Sensitivity in the mortality table - AT-2000 (Basic)

Plan A	**Effective rate**	6.50%	7.00%	8.00%	8.50%
	Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
	Liability of defined benefit	1,053,999	1,009,219	928,970	892,937
	Impact of the main scenario	70,034	25,255	(54,994)	(91,027)
Plan B	**Effective rate**	6.50%	7.00%	8.00%	8.50%
	Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
	Liability of defined benefit	55,486	54,627	53,119	52,454
	Impact of the main scenario	1,655	797	(712)	(1,376)
Pre-68	**Effective rate**	6.50%	7.00%	8.00%	8.50%
	Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
	Liability of defined benefit	122,961	119,437	112,910	109,884
	Impact of the main scenario	3,182	(341)	(6,868)	(9,894)

(*)Considers inflation.

25.1 Other employee benefits

	2015	2014
Current		
Addition to retirement and pensions	20,431	19,212
Health and dental assistance	13,789	13,793
for events incurred but not reported	1,131	442
Group life insurance	130	164
Funeral assistance	101	106
	35,582	**33,717**
Non-current		
Addition to retirement and pensions	150,012	128,694
Health and dental assistance	176,787	211,563
Group life insurance	839	1,183
Funeral assistance	1,259	1,627
	328,897	**343,067**

The Company pays in full complementary pensions and pensions due to the death of employees hired up to December 31, 1968, enhanced complementary retirement benefits for employees retiring up to

February 28, 1975 and pension improvement benefits concerning the beneficiaries of employees who died up to February 28, 1975.

The Company has a technical reserve to cope with the obligations relating to the aforementioned benefits, which included 285 members on December 31, 2015 (300 on December 31, 2014), 272 being retired and 13 pensioners, with an average age of 82.8 years (82.1 years on December 31, 2014).

The Company also offers the following benefits:

Health and dental assistance

This is 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, only spouse and children are considered as dependents. For this group, IRB Brasil RE pays 50% of the plan and the employees the other 50%. The employee's contribution is deducted monthly from his/her salary and varies according to the hiring date and age group.

The amounts determined in profit or loss in December 2015 and the projected amounts for the year from January to December 2016 concerning the Healthcare Plan are as follows:

	2016	2015
Cost of current services	425	828
Interest cost	25,736	21,345
Revenue at the end of the year	**26,161**	**22,173**

The amount recognized in the balance sheet arising from the Company's obligations related to this plan (Healthcare Plan) is as follows.

	2015	2014
Present value of the defined benefit liabilities funded	(190,576)	(225,356)
Net assets arising from the defined benefits liabilities	**(190,576)**	**(225,356)**

Changes in the fair value of the obligation related to the Healthcare Plan in current six-month period/year is presented below:

	2015	2014
Present value of the actuarial liabilities at the beginning of the	225,356	227,289
Cost of current services	828	1,023
Interest cost	21,345	20,303
Actuarial loss (gain)	(35,851)	(14,281)
Benefits paid	(21,102)	(8,978)
Present value of the actuarial liabilities	**190,576**	**225,356**

	2015	2014
Employer's contributions	17,346	8,978
Plan participants' contributions	3,756	-
Benefits paid	(21,102)	(8,978)
Closing fair value of the plan's assets	**-**	**-**

Changes in the fair value of assets of the Healthcare Plan in the current year is presented below:
The history of the adjustments by experience is presented below:

	2015	2014
Present value of the liabilities of defined benefits	(190,576)	(225,356)
Surplus	**(190,576)**	**(225,356)**

The Company expects to contribute R$ 33,513 to the Healthcare defined benefit Plan during the next fiscal year.

According to CPC33 (R1), the sensitivity analysis of the management in relation to the financial and actuarial assumptions considered critical is as follows:

Sensitivity in the discount rate

PCAM	**Effective rate**	6.50%	7.00%	8.00%	8.50%
	Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
	Liability of defined benefit	246,187	200,178	181,729	173,560
	Impact of the main scenario	55,611	9,602	(8,847)	(17,016)

Sensitivity in the mortality table

PCAM	**Effective rate**	6.50%	7.00%	8.00%	8.50%
	Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
	Liability of defined benefit	203,005	193,158	175,726	167,991
	Impact of the main scenario	12,429	2,582	(14,850)	(22,585)

(*) Considers inflation.

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 a simple funeral, R$ 1,630.36 for cremation and R$ 2,739.07 for a funeral with cremation.

The amounts recorded in profit or loss in December 2015 and the projected amounts for the year from January to December 2016 related to the Funeral Grant are as follows:

	2016	2015
Interest cost	175	164
Expenses at the end of the year	**175**	**164**

The amount recognized in the balance sheet arising from the Company's obligations related to this plan (Funeral Grant) is presented below.

	2015	2014
Present value of the defined benefit liabilities funded	(1,360)	(1,733)
Net assets arising from the defined benefits liabilities	**(1,360)**	**(1,733)**

Changes in the fair value of the obligation related to the Funeral Grant in current year is presented below:

	2015	2014
Present value of the actuarial liabilities at the beginning of the year	1,733	1,832
Interest cost	164	164
Actuarial loss (gain)	(478)	(218)
Benefits paid	(59)	(45)
Present value of the actuarial liabilities	**1,360**	**1,733**

Changes in the fair value of the assets of the Funeral Grant in current year is presented below:

	2015	2014
Employer's contributions	59	45
Benefits paid	(59)	(45)
Closing fair value of the plan's assets	**-**	**-**

The history of the adjustments by experience is presented below:

	2015	2014
Present value of the liabilities of defined benefits	(1,360)	(1,733)
Surplus	(1,360)	(1,733)

The Company expects to contribute R$ 77 to the Funeral defined benefit Grant during the next fiscal year.
According to CPC 33, the sensitivity analysis of the management in relation to the financial and actuarial assumptions considered critical is as follows::

Sensitivity in the discount rate

Funeral assistance

Effective rate	6.50%	7.00%	8.00%	8.50%
Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
Liability of defined benefit	1,522	1,437	1,290	1,226
Impact of the main scenario	162	77	(70)	(134)

Sensitivity in the mortality table - AT-2000 (Basic)

Funeral assistance				
Effective rate	6.50%	7.00%	8.00%	8.50%
Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
Liability of defined benefit	1,577	1,492	1,344	1,279
Impact of the main scenario	217	132	(16)	(81)

(*)Considers inflation.

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.

The amounts recorded in profit or loss in December 2015 and the projected amounts for the year from January to December 2016 related to Life Insurance are as follows:

	2016	2015
Interest cost	121	123
Expenses (revenue) at the end of the year/semester	**121**	**123**

The amount recognized in the balance sheet arising from the Company's obligations related to this plan (Life Insurance) is presented below.

	2015	2014
Present value of the defined benefit liabilities funded	(969)	(1,347)
Net assets arising from the defined benefits liabilities	**(969)**	**(1,347)**

Changes in the fair value of the obligation related to Life Insurance in the six-month period/current year is presented below:

	2015	2014
Present value of the actuarial liabilities at the beginning of the year	1,347	2,092
Interest cost	123	182
Actuarial loss (gain)	(364)	(762)
Benefits paid	(137)	(165)
Present value of the actuarial liabilities	**969**	**1,347**

Changes in the fair value of the assets of the Life Insurance in current year is presented below:

	2015	2014
Employer's contributions	137	165
Benefits paid	(137)	(165)
Closing fair value of the plan's assets	**-**	**-**

The history of the adjustments by experience is presented below:

	2015	2014
Present value of the liabilities of defined benefits	(969)	(1,347)
Surplus	**(969)**	**(1,347)**

The Company expects to contribute R$ 114 to the Life Insurance during the next fiscal year.

According to CPC 33/IAS 19, the sensitivity analysis of the management in relation to the financial and actuarial assumptions considered critical is as follows:

Sensitivity in the discount rate

Group life insurance				
Effective rate	6.50%	7.00%	8.00%	8.50%
Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
Liability of defined benefit	1,032	1,000	940	912
Impact of the main scenario	63	31	(29)	(57)

Sensitivity in the mortality table - AT-2000 (Basic)

Group life insurance				
Effective rate	6.50%	7.00%	8.00%	8.50%
Nominal rate (*)	12.37%	12.90%	13.95%	14.48%
Liability of defined benefit	1,006	975	918	891
Impact of the main scenario	37	6	(51)	(78)

(*) Considers inflation.

26 Information by business segment

26.1 Statements of income by segment

The business segments of IRB Brasil RE are identified according to its executive structure, which 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, 2015 and 2014, the results of IRB Brasil RE by geographic area were as follows:

	Parent Company		Consolidated	
Dercription	2015	2014	2015	2014
Issued premiums	**3,723,449**	**2,759,395**	**3,723,449**	**2,759,395**
Issued premiums - Brazil	2,863,969	2,480,460	2,863,969	2,480,460
Issued premiums - Abroad	859,480	278,935	859,480	278,935
Earned premium	**3,746,111**	**2,993,057**	**3,746,111**	**2,993,057**
Earned premiums - Brazil	3,022,224	2,656,793	3,022,224	2,656,793
Earned premiums - Abroad	723,887	336,264	723,887	336,264
Incurred claims	**(2,285,680)**	**(2,256,827)**	**(2,287,603)**	**(2,256,827)**
Incurred claims - Brazil	(1,878,055)	(2,061,505)	(1,878,055)	(2,061,505)
Incurred claims - Abroad	(407,625)	(195,322)	(409,548)	(195,322)
Acquisition cost	**(95,430)**	**(79,548)**	**(95,430)**	**(79,548)**
Acquisition cost - Brazil	(53,724)	(54,971)	(53,724)	(54,971)
Acquisition cost - Abroad	(41,706)	(24,577)	(41,706)	(24,577)
Result with retrocession	**(792,310)**	**(117,941)**	**(792,310)**	**(117,941)**
Result with retrocession - Brazil	(777,325)	(93,818)	(777,325)	(93,818)
Result with retrocession - Abroad	(14,985)	(24,123)	(14,985)	(24,123)
Gross margin	**572,691**	**538,741**	**570,768**	**538,741**
Gross margin - Brazil	359,540	446,499	395,540	446,499
Gross margin - Abroad	211,228	92,242	211,228	92,242
Other operation income and expenses	9,217	(103,132)	11,969	(100,839)
Administrative expenses	(261,786)	(283,165)	(266,605)	(287,255)
Tax expenses	(111,018)	73,988	(111,018)	73,988
Operating result	**209,104**	**226,432**	**205,114**	**224,635**
Equity result	12,651	45,963	15,450	45,788
Financial result	798,114	627,626	799,423	629,788
Gains or losses on non-current assets	21	26	21	26
Profit before income tax and social contribution	**1,019,890**	**900,047**	**1,020,008**	**900,211**
Income tax and social contribution	(256,172)	(298,505)	(256,290)	(298,669)
Net income for the year	**763,718**	**601,542**	**763,718**	**601,542**

The Company's management uses for decision-making purposes an account grouping approach that is different from that presented in the statement of income, which was prepared in accordance with accounting practices adopted in Brazil for reinsurers, as follows:

Description	Parent Company		Consolidated	
	2015	2014	2015	2014
Reinsurance premiums - Brazil (a)	3,291,987	2,868,254	3,291,987	2,868,254
Reinsurance premiums - Abroad (a)	1,045,424	344,509	1,045,424	344,509
Retrocession premiums ceded (b)	(1,346,141)	(1,039,947)	(1,346,141)	(1,039,947)
Retained premium	**2,991,270**	**2,172,816**	**2,991,270**	**2,172,816**
Changes in technical reserves (c)	(68,684)	131,033	(68,684)	131,033
Premiums earned	**2,922,586**	**2,303,849**	**2,922,586**	**2,303,849**
Incurred claims (d)	(1,863,958)	(1,346,998)	(1,865,881)	(1,346,998)
Acquisition costs (e)	(560,399)	(436,701)	(560,399)	(436,701)
Gross result	**498,229**	**520,150**	**496,306**	**520,150**
Other operating results (f)	13,061	(98,986)	15,813	(96,693)
Administrative expenses (g)	(228,624)	(235,828)	(233,443)	(239,918)
Taxes expenses (j)	(89,084)	71,024	(89,084)	71,024
Financial and equity results (h)	879,874	688,061	883,982	690,021
Profit before taxes	**1,073,456**	**944,421**	**1,073,574**	**944,584**
Income tax, social contribution and profit sharing (i)	(309,738)	(342,879)	(309,856)	(343,042)
Net iincome for the year	**763,718**	**601,542**	**763,718**	**601,542**

The reconciliation between the balances presented in the statement of income and the balances used in the decision-making process presented above by the Company's management are presented below.

Description	Parent Company		Consolidated	
	2015	2014	2015	2014
Net issued premiums	**3,723,449**	**2,759,395**	**3,723,449**	**2,759,395**
Gross issued premiums (a)	4,336,351	3,212,501	4,336,351	3,212,501
Reinsurance commission (e)	(612,902)	(453,106)	(612,902)	(453,106)
Changes in technical reserves	**22,662**	**233,662**	**22,662**	**233,662**
Changes in technical reserves - Premiums (c)	(30,269)	303,568	(30,269)	303,568
Changes in technical reserves - Commission (e)	39,329	(59,865)	39,329	(59,865)
Changes in technical reserves - Others reserves (c)	13,602	(10,041)	13,602	(10,041)
Premiums earned	**3,746,111**	**2,993,057**	**3,746,111**	**2,993,057**
Incurred claims (d)	**(2,285,680)**	**(2,256,827)**	**(2,287,603)**	**(2,256,827)**
Acquisition cost (e)	**(95,430)**	**(79,548)**	**(95,430)**	**(79,548)**
Retrocession results	**(792,310)**	**(117,941)**	**(792,310)**	**(117,941)**
Recovery of claims incurred (d)	337,261	915,169	337,261	915,169
Salvage and reimbursements to retrocession policyholders (d)	(54,388)	(20,884)	(54,388)	(20,884)
Recovery of IBNR (d)	210,182	30,199	210,182	30,199
Retrocession Premiums (b)	(1,345,866)	(1,039,948)	(1,345,866)	(1,039,948)
Commission on Retrocession Premiums (e)	90,537	129,885	90,537	129,885
Changes in technical reserves - Premiums Ceded (c)	(52,018)	(154,930)	(52,018)	(154,930)
Changes in technical provisions - Commission Ceded (e)	18,137	25,973	18,137	25,973
Other retrocession results (f)	-	(7,566)	-	(7,566)
Other operating income and expenses (f)	3,845	4,161	3,845	4,161
Gross margin	**572,691**	**538,741**	**570,768**	**538,741**
Other operating income and expenses (f)	**9,217**	**(103,132)**	**11,969**	**(100,839)**
Other acquisition of costs (e)	-	15	-	15
Other operating income and expenses (f)	9,217	(103,147)	11,969	(100,854)
Administrative expenses	**(261,786)**	**(283,165)**	**(266,605)**	**(284,291)**
Profit sharing (i)	(23,000)	(44,373)	(23,000)	(44,373)
Other tributs admistratives (j)	-	(2,964)		(2,964)
Other tax expenses (j)	(8,632)	-	(8,632)	-
Other administrative expenses (g)	(229,028)	(235,828)	(233,847)	(239,918)
Finance costs (h)	(1,126)	-	(1,126)	-
Tax expenses (j)	**(111,018)**	**73,988**	**(111,018)**	**73,988**
Taxes - foreign branch (i)	(21,934)	-	(21,934)	-
Tax expenses (j)	(89,084)	73,988	(89,084)	73,988
Operating results	**209,103**	**226,432**	**205,114**	**224,635**
Equity results (h)	**12,651**	**45,963**	**15,450**	**45,762**
Other equity result (h)	12,247	45,963	15,046	45,762
Other administrative result (g)	404	-	404	-
Financial result	**798,114**	**627,626**	**799,423**	**629,788**
Interest on acquisition cost (e)	(70)	(54)	(70)	(54)
Interest on premiums ceded (b)	(276)	1	(276)	1
Interest on premiums abroad (a)	104	46	104	46
Interest on local premiums (a)	956	216	956	216
Interest on claims (d)	(71,332)	(14,655)	(71,332)	(14,655)
Other finance results (h)	868,732	642,072	870,041	644,234
Gains on non-current assets (h)	**21**	**26**	**21**	**26**
Profit before Income tax and social contribution	**1,019,889**	**900,047**	**1,020,008**	**900,211**
Income tax and social contribution (i)	(256,172)	(298,505)	(256,290)	(298,669)
Net income for the year	**763,718**	**601,542**	**763,718**	**601,542**

27 Subsequent events

At the Extraordinary General Meeting held on March 24, 2017, the payment of capital was approved through the capitalization of profit reserves, in the amount of R $ 500,000.

On February 29, 2016, the Company incorporated the subsidiary IRB Investimentos e Participações Imobiliárias SA ("IRB Investimentos" or "Company"), with the payment of capital with real estate interests in shopping centers and related accounting balances, as well as equity interests in Entities engaged in real estate activities and its corporate purpose is the structuring of the management system for the interests in shopping malls owned by them and the constitution of wholly owned subsidiaries and the participation in the capital of companies whose purpose is to carry out real estate activities.

* * *

Tarcísio José Massote de Godoy
President

Fenando Passos
Executive Vice President and Investor Relations

José Carlos Cardoso
Reinsurance Executive Vice President

Lúcia Maria da Silva Valle
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Accountant
CRC RJ - 095001/O-5

Rodrigo de Valnisio
Actuary
MIBA 1573