2Q13

Financial Statements

BB Seguridade Participações S.A

Contents

Company Information

Capital Breakdown 1

Cash Dividends 2

Parent Company Financial Statements

Balance Sheet - Assets 3

Balance Sheet - Liabilities 4

Statement of Income 5

Statement of Comprehensive Income 6

Statement of Cash Flows 7

Statements of Changes in Shareholders' Equity

1/1/2013 to 6/30/2013 8

Statement of Value Added 9

Consolidated Financial Statements

Balance Sheet - Assets 10

Balance Sheet - Liabilities 11

Statement of Income 12

Statement of Comprehensive Income 13

Statement of Cash Flows 14

Statements of Changes in Shareholders' Equity

1/1/2013 to 6/30/2013 15

Statement of Value Added 16

Management Comments on Performance 17

Notes to the Financial Statements 19

Report

Independent Auditor's Report 137

Company Information / Capital Breakdown

Number of Shares (Units)	Current Quarter 6/30/2013
Paid-in-Capital	
Common	2,000,000,000
Preferred	0
Total	2,000,000,000
Treasury Shares	
Common	0
Preferred	0
Total	0

Company Information / Cash Dividends

Event	Approval	Dividend	Payment	Share	Cash Dividends (R$ Reais/Share)
Board of Director	August 09, 2013	Dividend	August 30, 2013	Ordinary	0.40892

A free translation from Portuguese into English of individual interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and of consolidated interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board – IASB and specific CVM rules.

Parent Company Financial Statements/ Balance Sheet Assets

(Reais Thousand)

Code	Description	Second Quarter 06.30.2013	Last Year 12.31.2012
1	Total Assets	6,666,473	5,638,374
1.01	Current Assets	1,013,788	1,500
1.01.01	Cash and Cash Equivalents	14,184	1,500
1.01.09	Other Current Assets	999,604	0
1.01.09.03	Other Assets	999,604	0
1.01.09.03.01	Current Tax Assets	41	0
1.01.09.03.02	Receivables	999,563	0
1.02	Non-Current Assets	5,652,685	5,636,874
1.02.02	Investments	5,652,685	5,636,874
1.02.02.01	Equity Investments	5,652,685	5,636,874
1.02.02.01.01	Investments in Associates (Domestic)	5,652,685	5,636,874

Parent Company Financial Statements/ Balance Sheet Liabilities

(Reais Thousand)

Code	Description	Second Quarter 06.30.2013	Last Year 12.31.2012
2	Total Liabilities	6,666,473	5,638,374
2.01	Current Liabilities	637	0
2.01.05	Other Liabilities	637	0
2.01.05.02	Payable to related companies	637	0
2.03	Equity	6,665,836	5,638,374
2.03.01	Paid-in Capital	5,646,768	5,633,268
2.03.04	Profit Reverves	204,462	0
2.03.04.01	Legal Reverves	51,115	0
2.03.04.02	Estatutory Revervesl	153,347	5,633,268
2.03.05	Retained Earnings / Accumulated Losses	817,848	0
2.03.06	Equity Valuation Adjustments	-3,242	5,106

Parent Company Financial Statements/ Statement of Income

(Reais Thousand)

Code	Description	QTD Current Year 04.01.2013 to 06.30.2013	YTD Current Year 01.01.2013 to 06.30.2013	QTD Previous Year 04.01.2012 to 06.30.2012	YTD Previous Year 01.01.2012 to 06.30.2012
3.05	Other Operating income and Expenses	-540	-332	0	0
3.05.01	Interest earnings of financial instruments	263	471	0	0
3.05.02	Personnel costs	-796	-796	0	0
3.05.03	Administrative Expenses	-5	-5	0	0
3.05.04	Other Income (expenses)	-2	-2	0	0
3.06	Revenue from Equity Investments	550,815	1,022,642	0	0
3.06.01	Equity Income	550,815	1,022,642	0	0
3.07	Result before Financial Result and Taxes	550,275	1,022,310	0	0
3.09	Result before taxes on income	550,275	1,022,310	0	0
3.10	Income tax and Social Contribution	65	0	0	0
3.10.01	Current	65	0	0	0
3.11	Net Income from Continued Operations	550,340	1,022,310	0	0
3.13	Net Income/Loss for the Period	550,340	1,022,310	0	0
3.99	Earnings per share (R $/share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.27517	0.51116	0.00000	0.00000

Parent Company Financial Statements/ Statement of Comprehensive Income

(Reais Thousand)

Code	Description	QTD Current Year	YTD Current Year	YTD Ending Year	YTD Ending Year
		04.01.2013 to 06.30.2013	01.01.2013 to 06.30.2013	04.01.2012 to 06.30.2012	01.01.2012 to 06.30.2012
4.01	Net Income/Loss for the Period	550,340	1,022,310	0	0
4.02	Other Comprehensive Income	-5,906	-8,348	0	0
4.03	Comprehensive Income for the Period	544,434	1,013,962	0	0

Parent Company Financial Statements/ Statements Cash Flow – Indirect Method

(Reais Thousand)

Code	Description	YTD Current Year 01.01.2013 to 06.30.2013	YTD Ending Year 01.01.2012 to 06.30.2012
6.01	Net Cash From Operating Activities	264	0
6.01.01	Cash From Operations	-332	0
6.01.01.01	Earnings Before Income Taxes	-1,022,310	0
6.01.01.02	Equity In the Earnings of Subsidiaries and Associates	-1,022,642	0
6.01.02	Changes In Assets and Liabilities	-41	0
6.01.02.01	Current Tax Assets	-41	0
6.01.03	Other	637	0
6.02	Investment Activities net cash	-1,080	0
6.02.01	Increase of investment in subsidiary	-1,080	0
6.03	Net Cash from Financing Activities	13,500	0
6.03.01	Capital Subscription/Increase (Decrease)	13,500	0
6.05	Increase/(Decrease) In Cash and Cash Equivalents	12,684	0
6.05.01	Opening Balance of Cash and Cash Equivalents	1,500	0
6.05.02	Closing Balance of Cash and Cash Equivalents	14,184	0

Parent Company Financial Statements/ Statement of Changes in Equity - 01.01.2013 to 06.30.2013

(Reais Thousand)

Code	Description	Capital Stock	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (losses)	Accumulated Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	5,633,268	0	0	0	5,106	5,638,374
5.03	Adjusted Opening Balances	5,633,268	0	0	0	5,106	5,638,374
5.04	Equity Transactions With Partners	13,500	0	0	0	0	13,500
5.04.01	Subscribed Capital	13,500	0	0	0	0	13,500
5.05	Total Comprehensive Income	0	0	0	1,022,310	-8,348	1,013,962
5.05.01	Net Income for the Period	0	0	0	1,022,310	0	1,022,310
5.05.02	Other Comprehensive Income	0	0	0	0	-8,348	-8,348
5.06.	Allocation	0	0	204,462	-204,462	0	0
5.06.01	Reserves	0	0	204,462	-204,462	0	0
5.07	Closing Balances	5,646,768	0	204,462	817,848	-3,242	6,665,836

Parent Company Financial Statements/ Statement of Value Added

(Reais Thousand)

Code	Description	YTD Current Year 01.01.2013 to 06.30.2013	YTD Ending Year 01.01.2012 to 06.30.2012
7.05	Inputs acquired from third parties	-7	0
7.05.05	Other	-7	0
7.05.05.02	Administrative Expenses	-5	0
7.05.05.03	Other expenses	-2	0
7.06	Distribution of Added Value	-7	0
7.08	Net Added Value Produced	-7	0
7.09	Added Value Received Through Transfer	1,023,113	0
7.09.01	Financial Income	471	0
7.09.02	Equity In the Earnings of Associates	1,022,642	0
7.10	Total Added Value to Distribute	1,023,106	0
7.11	Distribution of Added Value	1,023,106	0
7.11.01	Personnel	796	0
7.11.04	Value Distributed to Shareholders	1,022,310	0
7.11.04.03	Retained Earnings / Accumulated Losses for the Period	1,022,310	0

Consolidated Financial Statements/ Balance Sheet Assets

(Reais Thousand)

Code	Description	Second Quarter 06.30.2013	Last Year 12.31.2012
1	Total Assets	8,352,337	7,292,611
1.01	Current Assets	2,472,223	1,901,306
1.01.01	Cash and Cash Equivalents	1,675,432	1,327,931
1.01.02	Financial Assets	393	398
1.01.02.01	Financial Assets at Fair Value	393	398
1.01.02.01.01	Trading Securities	301	291
1.01.02.01.02	Securities Available for Sale	92	107
1.01.09	Other Current Assets	796,398	572,977
1.01.09.03	Other Assets	796,398	572,977
1.01.09.03.01	Current Tax Assets	65,114	18,098
1.01.09.03.02	Receivable Income	598,816	381,550
1.01.09.03.03	Judicial Deposits	132,316	128,848
1.01.09.03.04	Prepaid Taxes	0	44,201
1.01.09.03.05	Sundry	152	280
1.02	Non-Current Assets	5,880,114	5,391,305
1.02.01	Long-Term Assets	6,307	5,762
1.02.01.09	Deferred Tax Assets	6,307	5,762
1.02.02	Investments	5,873,807	5,385,543
1.02.02.01	Equity Investments	5,873,807	5,385,543
1.02.02.01.01	Investments in Associates (Domestic)	5,873,807	5,385,543

Consolidated Financial Statements/ Balance Sheet Liabilities

(Reais Thousand)

Code	Description	Second Quarter 06.30.2013	Last Year 12.31.2012
2	Total Liabilities	8,352,337	7,292,611
2.01	Current Liabilities	1,416,022	1,384,583
2.01.01	Accounts Payable	349,442	624,698
2.01.01.01	Dividends Payable	349,442	624,698
2.01.05	Other Liabilities	1,066,580	759,885
2.01.05.01	Provisions for Labor, Fiscal and Civil Claims	7,624	5,718
2.01.05.02	Current Tax Liabilities	195,745	92,756
2.01.05.03	Commissions to Apportion	826,139	504,428
2.01.05.04	Sundry Creditors (Domestic)	37,072	146,635
2.01.05.05	Indirect Taxes	0	8,122
2.01.05.06	Labor Charges and Obligations	0	1,483
2.01.05.07	Sundry	0	743
2.02	Non-Current Liabilities	270,479	269,654
2.02.01	Long-Term Liabilities	270,479	269,654
2.02.01.05	Deferred Tax Liabilities	270,479	269,654
2.03	Consolidated Equity	6,665,836	5,638,374
2.03.01	Paid-in Capital	5,646,768	5,633,268
2.03.04	Profit Reverves	204,462	0
2.03.04.01	Legal Reserves	51,115	0
2.03.04.02	Estatutory Reserves	153,347	0
2.03.05	Retained Earnings / Accumulated Losses	817,848	0
2.03.06	Equity Valuation Adjustments	-3,242	5,106

Consolidated Financial Statements/ Statement of Income

(Reais Thousand)

Code	Description	QTD Current Year 04.01.2013 to 06.30.2013	YTD Current Year 01.01.2013 to 06.30.2013	QTD Previous Year 04.01.2012 to 06.30.2012	YTD Previous Year 01.01.2012 to 06.30.2012
3.05	Other Operating Income/Expenses	357,258	628,300	0	0
3.05.01	Commission Income	446,846	804,555	0	0
3.05.02	Income from financial instruments	29,183	54,904	0	0
3.05.03	Personnel costs	-5,050	-8,914	0	0
3.05.04	Administrative expenses	-73,556	-135,193	0	0
3.05.05	Other income/(expenses)	-40,165	-87,052		
3.06	Equity In The Earnings of Subsidiaries	314,986	608,372	0	0
3.06.01	Revenue from Equity Investments	314,986	608,372	0	0
3.07	Income before Financial Income And Taxes	672,244	1,236,672	0	0
3.09	Income before Taxes	672,244	1,236,672	0	0
3.10	Income Taxes	-121,904	-214,362	0	0
3.10.01	Current	-121,904	-214,362	0	0
3.11	Net Income from Continued Operations	550,340	1,022,310	0	0
3.13	Net Income/Loss for The Period	550,340	1,022,310	0	0
3.13.01	Attributable to Owners of the Parent	364,600	677,280	0	0
3.13.02	Attributed to non-controlling shareholders	185,740	345,030	0	0
3.99	Earnings per Share - (In Reais/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.27517	0.51116	0.00000	0.00000

Consolidated Financial Statements/ Statement of Comprehensive Income

(Reais Thousand)

Code	Description	QTY Current Year 04.01.2013 to 06.30.2013	YTD Current Year 01.01.2013 to 06.30.2013
4.01	Net Income/Loss for The Period	550,340	1,022,310
4.02	Other Comprehensive Income	-5,906	-8,348
4.03	Comprehensive Income for The Period	544,434	1,013,962
4.03.01	Attributable to Parent Company	544,434	1,013,962

Consolidated Financial Statements/ Statements Cash Flow – Indirect Method

(Reais Thousand)

Code	Description	YTD Current Year 01.01.2013 to 06.30.2013	YTD Previous Year 01.01.2012 to 06.30.2012
6.01	Net Cash From Operating Activities	219,365	0
6.01.01	Cash From Operations	628,300	0
6.01.01.01	Earnings Before Income Taxes	1,236,672	0
6.01.01.02	Equity In the Earnings Of Subsidiaries And Associates	-608,372	0
6.01.02	Changes In Assets And Liabilities	-408,935	0
6.01.02.01	Decrease Fair Value In Assets Through Profit Or Loss	-10	0
6.01.02.02	Decrease In Financial Assets Available For Sale	15	0
6.01.02.03	Increase In Assets For Current Taxes	-47,016	0
6.01.02.04	Increase In Other Assets	-391,313	0
6.01.02.05	Decrease In Other Liabilities	29,389	0
6.02	Net Cash From Investment Activities	114,636	0
6.02.01	Dividends Receivable	114,636	0
6.03	Net Cash From Financing Activities	13,500	0
6.03.01	Capital Subscription/Increase (Decrease)	13,500	0
6.05	Increase (Decrease) In Cash And Cash Equivalents	347,501	0
6.05.01	Opening Balance Of Cash And Cash Equivalents	1,327,931	0
6.05.02	Closing Balance Of Cash And Cash Equivalents	1,675,432	0

Consolidated Financial Statements/ Statement of Changes in Equity - 01.01.2013 to 06.30.2013

(Reais Thousand)

Code	Description	Capital Stock	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained earnings (losses)	Accumulated Other Comprehensive Income	Shareholders' Equity	Attributable to non-controlling interests	Shareholders' Equity Consolidated
5.01	Opening Balances	5,633,268	0	0	0	5,106	5,638,374	0	5,638,374
5.03	Adjusted Opening Balances	5,633,268	0	0	0	5,106	5,638,374	0	5,638,374
5.04	Equity Transactions With Partners	13,500	0	0	0	0	13,500	0	13,500
5.04.01	Subscribed Capital	13,500	0	0	0	0	13,500	0	13,500
5.05	Total Comprehensive Income	0	0	0	1,022,310	-8,348	1,013,962	0	1,013,962
5.05.01	Net Income for The Period	0	0	0	1,022,310	0	1,022,310	0	1,022,310
5.05.02	Other Comprehensive Income	0	0	0	0	-8,348	-8,348	0	-8,348
5.05.02.03	Adjustments of Financial Instruments	0	0	0	0	-8,348	-8,348	0	-8,347
5.06	Allocation	0	0	204,462	-204,462	0	0	0	0
5.06.01	Reserves	0	0	204,462	-204,462	0	0	0	0
5.07	Closing Balances	5,646,768	0	204,462	817,848	-3,242	6,665,836	0	6,665,836

Consolidated Financial Statements/ Statement of Value Added

(Reais Thousand)

Code	Description	YTD Current Year 01.01.2013 to 06.30.2013	YTD Previous Year 01.01.2012 to 06.30.2012
7.05	Input Acquired From Third Parties	582,310	0
7.05.05	Other	582,310	0
7.05.05.01	Revenue from comissions	804,555	0
7.05.05.02	Administrative Expenses	-135,192	0
7.05.05.03	Other Expenses	-87,053	0
7.06	Gross Added Value	582,310	0
7.08	Net Added Value Generated By The Entity	582,310	0
7.09	Added Value Received Through Transfer	663,276	0
7.09.01	Financial income	54,904	0
7.09.02	Equity In The Earnings of Associates	608,372	0
7.10	Total Added Value to Distribute	1,245,586	0
7.11	Distribution of Added Value	1,245,586	0
7.11.01	Personnel	8,914	0
7.11.02	Taxes, Fees And Contributions	214,362	0
7.11.04	Value Distributed to Shareholders	1,022,310	0
7.11.04.03	Retained Earnings / Accumulated Losses	1,022,310	0

ITR – Management comments on performance

Dear Shareholders,

In the first half of 2013 BB Seguridade recorded a net income of R$ 1.02 billion, which corresponds to a return on average equity annualized of 36.1% and basic earnings per share of R$ 0.51. Premiums written by affiliated insurance companies totaled R$ 6.65 billion in the period. In turn, the affiliates that act in the segments of pension plans and premium bonds, reported collection of R$ 11.93 billion and R$ 3.15 billion, respectively.

BB Seguridade pay to its shareholders the amount of R$ 817.8 million as dividends, equals R$ 0.41 per share, which refers to a 80% payout ratio.

Since the company went public until the end of the semester, the shares of BB Seguridade recorded appreciation of 3.5%, compared to a decline of 12.5% in the Índice Bovespa, the main index of the Brazilian stock market.

Presentation of the Company and its business segments

BB Seguridade Participações was created on 12.20.2012 and, since 12.31.2012, holds the stakes previously owned by Banco do Brasil in insurance, pension plan and premium bonds companies, besides a fully-owned insurance broker, that sells products through the branch network of Banco do Brasil S.A.

In its corporate structure, BB Seguridade has two holding companies: BB Seguros and BB Cor Participações, both wholly-owned subsidiaries.

The stakes in insurance, pension plan and premium bonds companies are held by BB Seguros.

In the insurance segment, BB Seguridade, through BB Seguros, has two partnerships with the spanish group MAPFRE:

- BB MAPFRE SH1 - Operates in the segment of life. Its main products are life insurance, credit insurance, rural and housing. BB Seguridade has 49.9% of its voting capital and 74.9% of its total capital.
- MAPFRE BB SH2 - Focused on the P&C segments. Its main products are auto insurance, besides others linked to P&C, as big risks. BB Seguridade owns 49.0% of its voting capital and 50% of its total capital.

In the open-end pension plans segment, BB Seguridade has a partnership with Principal Financial Group in Brasilprev Seguros e Previdência S.A. This Company sales private solutions for pension, with a highlight for PGBL and VGBL products. BB Seguridade owns 49.9% of the voting capital and 74.9% of the total capital.

BB Seguridade operates in the premium bonds segment through Brasilcap Capitalização S.A., which holds, also through BB Seguros, 49.9% of the voting capital and 66.7% of total capital.

Finally, BB Seguridade holds, through BB Cor Participações, the controlling stake of BB Corretora, which sells insurance products of the other companies described previously. BB Corretora has an exclusive contract that allows it to explore the bacassurance channel, through Banco do Brasil branch network.

New Businesses

Banco do Brasil S.A. and BB Seguridade Participações S.A. released a Material Fact in 05.24.2013, that reported the signing of an agreement (Contrato de Transferência de Ações) between BB Seguros Participações S.A., and the Federal Government, aiming to transfer 212,421 issued by IRB-Brasil Resseguros S.A. held by the Federal Government for BB Seguros, representing 21.24% of IRB's total capital. The transaction was approved by Conselho Administrativo da Defesa Econômica - CADE and awaits approval by the Tribunal de Contas de União – TCU, and subsequent capital raise approval by Superintendência de Seguros Privados – SUSEP.

Banco do Brasil S.A. and BB Seguridade Participações S.A., also published a Material Fact in 06.11.2013, which reported the signing of an agreement between Banco do Brasil S.A., BB Seguros Participações S.A., BB Corretora de Seguros e Administradora de Bens S.A., Odontoprev S.A. and Odontoprev Serviços Ltda., aiming to develop and disseminate, through a new corporation, called Brasildental Operadora de Planos Odontológicos S.A., and to distribute and sell, through BB Corretora, dental plans under the brand BB Dental, with exclusivity on all BB channels in the Brazilian territory. The agreement still needs to be reviewed and approved by the regulators, supervisors and inspectors. If approved, BB Seguros will hold 49.99% of the common shares and 74.99% of Brasildental total capital.

For further information about BB Seguridade, please refer to www.bancodobrasilseguridade.com.br

1 – Operations

BB Seguridade Participações S.A. ("Grupo BB Seguridade" or "Group") was incorporated as a wholly owned subsidiary of Banco do Brasil S.A. on December 20, 2012, in accordance with Brazilian law. The purpose of the Group is to participate in insurance companies, capitalization, open private pension funds as well as other companies whose corporate purpose is brokerage and facilitation of business involving personal, property and vehicle insurance, capitalization plans, private pension plans and asset management.

BB Seguridade Participações S.A., enrolled with the CNPJ (Brazilian equivalent of IRS Registry of Legal Entities) 17.344.597/0001-94, headquartered in Setor Bancário Sul, Quadra 1, Bloco A, Lote 31, Edifício Sede I, 15th Floor, Room 3, Brasilia, Distrito Federal, Brazil.

The Group's operations are conducted through its wholly owned subsidiaries BB Corretora de Seguros e Administradora de Bens S.A. and BB Seguros Participações S.A., which are under common administrative and corporate control.

2 – Acquisitions, Disposals and Corporate Restructuring

Increase in equity participation in Brasilprev Seguros e Previdência S.A. (Brasilprev)

In October 2009, for the purpose of redefining the terms of the existing partnership in the open private pension segment, BB Seguros Participações SA (BB Seguros) and Principal Financial Group do Brasil Ltda. (PFG), with the approval of Banco do Brasil, signed a Memorandum of Understanding for the trading of private pension plans for an additional 23-year period.

In April 2010, BB Seguros and PFG renewed their strategic partnership in development and commercialization of private pension plans in Brazil. Among the conditions agreed upon by the partners was the increasing in the participation of BB Seguros in Brasilprev to 74.995% of its capital, in return for the exclusivity granted to Brasilprev, over the term of the partnership, to trade private pension plans in the distribution channels of Banco do Brasil. The partnership agreement establishes that the company´s management model remains shared between the partners.

On that occasion, the Principal acquired 4% of the total shares of Brasilprev held by Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (Sebrae).

Corporate Structure of Brasilprev:

	Common stock		Preferred stock		Total	
	%	# stock	%	# stock	%	# stock
Principal	50.01	572,634	-	-	25.005	572,634
BB Seguros	49.99	572,406	100.00	1,145,040	74.995	1,717,446
Total	**100.00**	**1,145,040**	**100.00**	**1,145,040**	**100.00**	**2,290,080**

Additionally, on December 19, 2011, MAPFRE Brasil Participações, BB Seguros Participações and Brasilprev Seguros e Previdência celebrated a contract of sale of shares of MAPFRE Nossa Caixa Vida e Previdência (MNCVP). It was established in contract the purchase of 100% of the shares of the MNCVP by Brasilprev, with 49% of shares owned by BB Seguros and 51% of shares held by the participation of MAPFRE. The agreement was finalized on July 31, 2012, and the final values resulted in the payment of R$ 81,809 thousand and profit before tax in the amount of R$ 69,926 thousand.

Disposal of Brasilsaúde

In May 2010, BB Seguros and Sul América Seguro Saúde S.A. (SAS Saúde) entered into a Sale and Purchase Agreement for the acquisition by SAS Health of all shares held by BB Seguros (49.67% of the total share capital) in Brasilsaúde Companhia de Seguros. On July 08, 2010, after approval by the Agência Nacional de Saúde (ANS), the operation was closed for R$ 29,158 thousand.

Balances and results

	R$ thousand
Assets	137,807
Liabilities	93,270
Equity	44,537
Results until Disposal	(2,247)
Brasilsaúde adjusted equity	44,537
Value invested in the Group (49.67%)	22,121
Consideration received in the transaction	29,158
Disposal of gross profit	**7,037**

Shareholders´ restructuring - Brasilveículos Companhia de Seguros

In October 2010, after the approval of Brazil's Private Insurance Supervisory Office (Susep), BB Aliança REV acquired, by the amount of R$ 359,360 thousand, the entire participation held by Sul América in Brasilveículos Companhia de Seguros (Brasilveículos), according to the sale and purchase contract signed in May 2010 and respective amendment.

This acquisition meant to the group a business combination achieved in stages. According to IFRS 3, in a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss.

These procedures resulted in an after tax gain of R$ 554,727 thousand recorded in Other operating income as follows:

	R$ thousand
Fair value of held equity interest	815,600
Carrying amount of held equity interest	(260,873)
Gain on held equity interest	554,727
Deferred taxes	(188,607)
After tax gain	366,120

	R$ thousand
Consideration paid	359,360
Fair value of held equity interest	815,600
Total	1,174,960
Identified net assets	400,109
Goodwill	**774,851**

In November 2010, BB Seguros increased the capital of BB Aliança REV by R$ 260,186 thousand. Capital was paid in through transfer to BB Aliança REV of 26,018,646 common shares of Brasilveiculos, which represented 70% of the capital of Brasilveículos.

As such, BB Aliança REV now holds 100% of the total capital share of Brasilveículos, as follows:

	Previous position		After restructuring position	
	Common stock	Preferred stock	Common stock	Preferred stock
BB Seguros	40%	100%	-	-
BB Aliança REV	-	-	100%	100%
Sul América	60%	-	-	-

Increase in equity participation in Brasilcap Capitalização

In January 2011, BB Seguros entered into a Sale and Purchase Agreement for the acquisition of the entire participation (16.67%) held by Sul América Capitalização S.A. (Sulacap) in Brasilcap. The deal took effect in July 2011, and the participation of BB Seguros increased from 49.99% to 66.66%, however the joint control still remained.

The amount involved in the increase of Brasilcap participation is as follows:

R$ thousand

Brasilcap	
Acquisition price	145,224
Interest in equity acquired (16.67%)	34,475
Premium on acquisition	110,749

Partnership with MAPFRE

In May 2010, the Group announced that BB Seguros and Grupo Segurador MAPFRE (MAPFRE) had entered into a partnership agreement so as to form a strategic alliance in the segments of personal, casualties and vehicles insurance for a 20-year period.

Based on this agreement, as from June 2011, BB Seguros and MAPFRE started to operate jointly. Two holdings, with separate legal identities under private law, were organized: BB MAPFRE SH1 Participações S.A. (SH1), whose branch of activity aggregates personal, property and agricultural insurance, and MAPFRE BB SH2 Participações S.A. (SH2), focused on casualty and vehicle insurance.

The companies present the following structure:

	BB MAPFRE SH1 Participações S.A.			MAPFRE BB SH2 Participações S.A.		
	% of total capital	% Common stock	% Preferred stock	% of total capital	% Common stock	% Preferred stock
BB Seguros	74.99	49.99	100.0	50.00	49.00	51.00
MAPFRE	25.01	50.01	-	50.00	51.00	49.00

Capital subscription in SH1 by BB Seguros and MAPFRE was made through transfer of the investments in insurance companies Companhia de Seguros Aliança do Brasil, MAPFRE Vera Cruz Vida e Previdência S.A. and Vida Seguradora S.A., as well as holdings BB Aliança Participações S.A. and MAPFRE Participações Ltda. Capital subscription in SH2 by BB Seguros and MAPFRE was made through transfer of the investments in insurance companies Aliança do Brasil Seguros S.A., Brasilveículos Companhia de Seguros, MAPFRE Vera Cruz Seguradora S.A. and MAPFRE Riscos Especiais Seguradora S.A., as well as holding BB Aliança REV Participações S.A. and MAPFRE Assistência S.A.

In order to equalize the participation in the holding companies organized as a result of the agreement, BB Seguros paid up capital of R$ 332,614 thousand.

The contributed businesses deconsolidation process and the recognition of the new fair value participation were reconized in accordance with the effective accounting standards, which establishes that in applying the accounting standards to non-monetary contributions, in exchange for equity interest, a venturer shall recognize in profit or loss for the period the portion of gains or losses attributable to the equity interest of the other venturers.

These procedures resulted in an after tax gain of R$ 791,540 thousand recorded in Other operating income as follows:

R$ thousand

	BB MAPFRE SH1	MAPFRE BB SH2	Total
Fair value of participation in holdings	6,285,569	1,697,740	7,983,309
Carrying amount of the contributed net assets	(1,674,382)	(1,665,919)	(3,340,301)
Elimination of unrealized gains	(3,917,351)	(65,883)	(3,851,468)
Gain on holdings	**693,836**	**97,704**	**791,540**
Income taxes	(235,904)	(33,219)	(269,124)
Effects through equity method investments, net of taxes	62,301	(135,678)	(73,376)
After tax gain (loss)	**520,233**	**(71,193)**	**449,040**

Fair value of the assets and liabilities transferred to SH1 and SH2

R$ thousand

	Jun 30, 2011		
	BB MAPFRE SH1	MAPFRE BB SH2	Total
Cash and bank deposits	1,334	20,562	21,896
Securities purchased under resale agreements	19,387	1,912	21,299
Financial assets	2,514,893	1,179,188	3,694,081
Noncurrent assets available for sale	-	44,706	44,706
Investments in associates	698,797	861,934	1,560,731
Property and equipment	4,482	59,192	63,674
Intangible assets	486,767	1,091,228	1,577,995
Current tax assets	7,301	12,942	20,243
Deferred tax assets	186,101	299,575	485,676
Other assets	670,372	2,191,614	2,861,986
Fair value of assets	**4,589,434**	**5,762,853**	**10,352,287**
Provision for labor, tax and civil claims	18,318	270,158	288,476
Insurance contracts	1,966,436	1,892,218	3,858,654
Current tax liabilities	15,881	6,590	22,471
Deferred tax liabilities	-	238	238
Other liabilities	384,366	378,276	762,642
Fair value of liabilities	**2,385,001**	**2,547,480**	**4,932,481**
Fair value of net assets	**2,204,433**	**3,215,373**	**5,419,806**
BB Seguros participation - %	74.99%	50%	
BB Seguros participation	1,653,104	1,607,687	3,260,791
Fair value of the interest in the holdings	(2,346,940)	(1,705,391)	(4,052,331)
Allocated goodwill	**693,836**	**97,704**	**791,540**

Identified intangible assets from this acquisition

R$ thousand

	Jun 30, 2011
Pre-acquisition intangible assets	866,037
Distribution channels	517,241
Related to customer portfolios	170,508
Brands	24,209
Total	**1,577,995**

The identified intangible assets are amortized in accordance with their useful life out by a specialized and independent firm, corresponding 20 years on average. During the year 2012, the amounts amortized totaled R$ 21,840 thousand.

The effects concerning the constitution of the identified intangible assets and their amortization are presented in net income from SH1 and SH2 holdings' equity method investments.

Structuring of BB Seguridade and organization of subsidiaries BB Cor Participações S.A. and BB Seguridade Participações S.A.

As of December 2012, the Group established BB Seguridade Participações S.A. (BB Seguridade) and BB Cor Participações S.A. (BB Cor).

After establishment of BB Seguridade, the company holds the following participation:

a) 100% of the shares of BB Cor;

b) 100% of the shares of BB Seguros Participações S.A. (BB Seguros) which, in turn, holds interests in the followings companies:

(i) 74.9% of the total shares (49.9% common shares) of BB MAPFRE SH1 Participações S.A., which operates in the field of personal insurance in partnership with MAPFRE Group;

(ii) 50.0% of the total shares (49.0% common shares) of MAPFRE BB SH2 Participações S.A., which operates in the field of property insurance also in partnership with MAPFRE Group;

(iii) 74.9% of the total shares (49.9% common shares) of Brasilprev Seguros e Previdência S.A., which operates in private pension plans in partnership with Principal Financial Group;

(iv) 66.7% of the total shares (49.9% common shares) of Brasilcap Capitalização S.A., which operates in the capitalization Market in partnership with Icatu Seguros S.A. and Companhia de Seguros Aliança da Bahia.

(v) 100% of the shares of Nossa Caixa Capitalização S.A, which operates in the capitalization market.

The Group objectives with the establishment of BB Seguridade are as follows:

(i) to consolidate under a single company, all BB activities in the areas of insurance, capitalization, open private pension and related activities, including any future expansion of these activities in Brazil or abroad, either organic or not;

(ii) to provide gains of scale in these operations;

(iii) to reduce costs and expenses in the insurance segment.

The administration, backed by monitoring tools that align executives' behavior to the interests of shareholders and society in general, will be conducted with the best corporate governance practices, so as to allow BB Seguridade to be listed in a special segment of the market shares of BM&F Bovespa S.A. - Bolsa de Valores, Mercadorias e Futuros, called New Market.

As of December 2012, the Group established BB Cor Participações S.A. (BB Cor), which now holds 100% participation in BB Corretora de Seguros e Administradora de Bens S.A. (BB Corretora).

The Group's objective is to expand the market share of BB Corretora which will trade within and outside of the distribution channels of Banco do Brasil, third-party products in the fields in which the Group does not have exclusive agreements with partner companies.

BB Cor will also hold interest in the capital of other companies operating in the market as brokers in the commercialization of insurance, pension plans, capitalization and/or healthcare and dental plans in which the Group will participate in the future.

IPO

As of December 20, 2012, Banco do Brasil established BB Seguridade Participações S.A. (BB Seguridade), in order to consolidate under a single company, all BB activities in the areas of insurance, capitalization, open private pension and related activities; provide gains of scale in these operations; and to reduce costs and expenses in the insurance segment.

As of February 20, 2013, by Extraordinary General Meeting, Banco do Brasil decided by the Inicial Public Offering (IPO) of BB Seguridade. The minutes of the General Meeting was filed with the Junta Comercial do Distrito Federal (Commercial Registry of the Federal District) on March 14, 2013, under No. 20130248401, published in the Diário Oficial da União (Union Official Gazette) and in the Jornal de Brasília (Journal of Brasilia) on March 25, 2013.

The IPO occurred as of April 29, 2013, on the over-the-counter market, according CVM 400 Instruction. Simultaneously, there were efforts in order to issue shares abroad, in accordance with the Placement Facilitation Agreement ("International Placement agreement"), concluded between the company, the Shareholder Seller and International Placement Agents.

Final data about the IPO, considering the exercise of additional stock options, is released bellow:

Investor	Quantities of shares buyers	Number of shares acquired (1)
Individuals	103,359	105,448,951
Investiments Clubs	207	3,050,427
Investments Fund	586	152,701,554
Pension Plan Entities	16	1,431,673
Insurance Entities	2	1,494,600
Foreign Investors	473	393,949,671
Intermediary Institutions participants of distribution consortium	0	0
Financial Institutions linked to the company and/or participants of consortium	0	0
Other financial institutions	1	10,000
Other legal entities linked to the company and/or participants of consortium	9	8,740
Other legal entities	8,886	12,686,344
Partners, managers, employees, agentes and other individual linked to the company and/or other participants of consortium	794	4,215,644
Others	2	2,396
Total	**114,335**	**675,000,000**

(1) Includes 109,484,800 shares acquired for J.P Morgan, 2,500,000 shares acquired for BTG Pactual and 5,810,000 shares acquired for Citi and/or individuals that, directly or indirectly, control, are under control or are under common control of J.P. Morgan, BTG Pactual and Citi, respectively, acting on behalf of its customers, in order to do hedge with derivative transactions, including as a result of contracts of total return swap and/or other financial instruments signed overseas with the same effect.

Instituto de Resseguro do Brasil (IRB)

As of May 24, 2013, BB Seguros Participações S.A. (“BB Seguros”), wholly owned subsidiary of BB Seguridade, and the Federal Government signed an agreement (Contrato de Transferência de Ações) aiming to transfer 212,421 common shares issued by IRBBrasil Resseguros S.A. (“IRB”) held by the Federal Government to BB Seguros, representing 21.24% of IRB’s total capital, in the amount of R$ 2.5 thousand per share. The amount involved in this operation was R$ 547,409 thousand.

Moreover, today, a Shareholders Agreement was signed between BB Seguros, the Federal Government, Bradesco Auto Re – Companhia de Seguros S.A., Itaú Seguros S.A., Itaú Vida e Previdência S.A. and Fundo de Investimento em Participações Caixa Barcelona in order to create an IRB’s governance control group by regulating the relationship between the partners, as well as the company’s management structure and operation. Common shares were linked to the Shareholders Agreement, representing 20% of the total common shares held by BB Seguros; 15% of the total common shares held by the Federal Government; 15% of the total common shares held by Itaú Seguros Group; 20% of the total common shares held by Bradesco Seguros; and 3% of the total common shares held by FIP Caixa Barcelona.

Besides the Sheareholders Agreement celebration, the restructuring process of IRB involves the following steps:
a) conversion of IRB non-voting shares into common shares (1:1);
b) creation of a *golden share* held by the Federal Government (with the veto right to certain decisions), and;
c) capital increase of IRB by its current shareholders in the Extraordinary Shareholders Meeting of IRB, with the issuance of new shares, and the commitment of the Federal Government not to exercise its preference rights. Upon the conclusion of the capital raise, BB Seguros stake at IRB capital is expected to be diluted to 20.42%.

The transaction was approved by Conselho Administrativo de Defesa Econômica – CADE, and the effectiveness of above mentioned acts will be subject to Tribunal de Contas da União – TCU approval and subsequent capital raise approval by Superintendência de Seguros Privados – SUSEP.

BrasilDental

As of June 11, 2013, Banco do Brasil, BB Seguros Participações SA ("BB Seguros"), BB Corretora de Seguros e Administradora de Bens S.A. (“BB Corretora”), Odontoprev S.A. ("Odontoprev") and Odontoprev Serviços Ltda. ("Odontoprev Serviços") signed today an Agreement (Acordo de Associação e Outras

Avenças) aiming to develop and disseminate, by a new limited company named Brasildental Operadora de Planos Odontológicos S.A. ("Brasildental"), and to distribute and sell, by BB Corretora, dental plans under the brand BB Dental, exclusively through BB channels in the Brazilian territory.

Brasildental will have R$ 5 million as initial capital, distributed in 100,000 common shares ("ON") and 100,000 preferred shares ("PN") with the following shareholding structure: (i) BB Seguros will hold 49.99% of common shares and 100% of preferred shares, representing 74.99% of total capital, and (ii) Odontoprev will hold 50.01% of the common shares, representing 25.01% of total capital. BB Seguros and Odontoprev will respond for Brasildental's initial capital constitution accordingly to their respective ownership stake.

The Agreement will be subject to the analysis and approval by regulators, supervisors and auditors, in accordance to applicable law and it will remain effective for 20 years, renewable for equal periods.

3 - Presentation of Financial Statements

a) Statement of Compliance

The individual financial statements have been prepared in accordance with the accounting guidelines derived from Brazilian corporation law and are released in compliance to Comitê de Pronunciamentos Contábeis – CPC (Accounting Pronouncements Committee), approved by Conselho Federal de Contabilidade – CFC (Federal Accounting Council).

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and its predecessor institutions.

These financial statements were approved by the Executive Board of Directors on August 09, 2013.

b) Continuity

Management evaluated the ability of the Group to operate normally and is convinced that the Group has the resources to continue their business in the future. Additionally, the Administration is not aware of any material uncertainty that might generate significant doubts about the companies' ability to continue as a going concern.

c) Measurement basis of assets and liabilities

These consolidated financial statements have been prepared using historical cost as a measurement basis, except for the following items: (i) financial assets and liabilities held for trading, (ii) financial assets and liabilities measured at fair value through profit or loss, and (iii) financial assets available for sale, which were measured at fair value.

d) Functional and presentation currency

The consolidated financial statements are presented in Brazilian Reais (R$), the functional and presentation currency of the Group. Except as otherwise indicated, the financial information is presented in quantitative thousands of Reais (R$ thousand). BB Seguridade did not do transactions in foreign currency.

e) Consolidation basis

The consolidated financial statements of the Group include the consolidation of assets and liabilities from BB Seguridade Participações S.A. and the controlled entities, as follows:

Company	Activity	% Share on Jun 30, 2013
BB Seguros Participações S.A.	*Holding*	100
BB Cor Participações S.A.	*Holding*	100
BB Corretora de Seguros e Administradora de Bens S.A.	Brokerage	100
BB Capitalização S.A. (1)	Capitalization Plans	100

(1) Previously called Nossa Caixa Capitalização S.A.

The intra-group balances and transactions, as any unrealized income or expenses on transactions between companies, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equitymethod investments are eliminated against the investment to the extent of Grupo BB Seguridade.

4 – Significant Accounting Practices

a) Revenue and expense recognition

Revenue and expenses are recognized on an accrual basis and recorded in the financial statements in the period when they were generated or incurred. This concept is applied to the main revenue streams generated by BB Seguridade and its subsidiaries' activities, namely:

a.1) Revenue from equity investments – The revenue from application of equity method of accounting for equity investments are recognized proportionally to the equity interest held by BB Seguridade in the investees results.

a.2) Commission revenue – Commissions revenues are recognized when their value, their associated costs and the transaction stage can be reliably measured and when it is probable that the economic benefits will occur.

a.3) Interest revenue – Interest revenue and expenses resulting from assets and liabilities that yield and pay interest are recognized in income for the period on an accrual basis, using the effective interest rate method.

The effective interest rate method is a method used to calculate the amortized cost of a financial asset or of a financial liability (or of a group of financial assets or financial liabilities) and to allocate the interest revenue or expense over the corresponding period.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability. The effective interest rate is established upon the initial recognition of the financial asset or liability and is not subject to subsequent reviews. In calculating the effective interest rate, BB Seguridade estimates the future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective rate includes all the commissions, the transaction costs and the discounts or premiums that are an integral part of the effective interest rate. The transaction costs correspond to incremental costs directly attributable to the acquisition, issuance or divestiture of a financial asset or liability.

In accordance with IAS 18, BB Seguridade appropriates revenues from finance charges when it is considered probable to receive the economic benefits related to the transaction.

b) Cash and cash equivalents

Cash and cash equivalents include funds available and investments immediately convertible into cash and subject to an insignificant risk of change in value.

c) Financial instruments

Financial instruments are classified in accordance with their nature and its intention for the instrument. All financial assets and liabilities are initially recognized on the trading date, i.e., the date on which the Group becomes party to the contractual provisions of the instrument. Classification of financial assets and liabilities is determined on the date of initial recognition.

All financial instruments are initially measured at fair value plus associated transaction costs, except in cases in which the financial assets and liabilities are recorded at fair value through profit or loss. The accounting practices applied to each class of financial instruments are presented below.

c.1) Financial assets at fair value through profit or loss – Financial instruments are classified in this category if held for trading on the origination or acquisition date, or if designated as such by Management upon initial recognition.

A financial asset is classified as held for trading if: (i) it is acquired mainly to be sold in the near term; or (ii) upon initial recognition it is part of a portfolio of identified financial instruments that are managed jointly and for which there is evidence of a recent actual pattern of short-term profit-taking.

The Group only measures a financial instrument at fair value through profit or loss upon initial recognition when the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would arise from measuring assets and liabilities or recognizing the corresponding gains and losses in different forms; or (ii) the assets and liabilities are part of a group of financial assets, financial liabilities or both, which are managed and have their performances evaluated on a fair value basis, pursuant to documented strategy of risk management or investment.

Financial assets classified into this category will not be transferred to other categories, with the exception of non-derivative financial assets held for trading, which can be reclassified after initial recognition when: (i) in rare circumstances, the financial instrument is no longer held with the purpose of sale in the near term; or (ii) it meets the definition of a loan and receivable, and if the Group has the intention and ability to hold the financial asset for the foreseeable future or until maturity.

Financial instruments recorded in this category are initially recognized at fair value and their yields (interest and dividends) are appropriated as interest revenue. Transaction costs, when incurred, are recognized immediately in the Consolidated Income Statement.

Realized and unrealized gains or losses related to fair value variations of these instruments are included in net gains/(losses) under financial assets/liabilities at fair value through profit or loss.

Financial assets recorded in this category comprise securities and derivative financial instruments held for trading.

c.2) Financial assets available for sale – Securities are classified as financial assets available-for-sale when, in the opinion of Management, they can be sold in response to or in anticipation of changes in market conditions or they are not classified as (i) loans and receivables, (ii) investments held to maturity, or (iii) financial assets at fair value through profit or loss.

These securities are initially accounted for at fair value, including direct costs and incremental transaction costs. Also, subsequent measuring of these instruments is recorded at fair value.

Unrealized gains or losses (net of taxes) are recorded in a separate component of equity (other accumulated comprehensive income) until their disposal. The yields (interest, dividends) of these assets are allocated as interest income. Gains and losses on disposal of financial assets available for sale are recorded as gains / (losses) on financial assets available for sale, in the date of disposition.

Occurring reclassification of financial assets available for sale to trading category, the unrealized gains or losses until the date of reclassification, which are recorded in Other accumulated comprehensive income should be deferred over the remaining term.

Financial assets available for sale are valued for the purpose of determining their recoverable amount as discussed in the section entitled "impairment of financial assets”. Losses due to reduction to the recoverable amount of these financial instruments are recognized in the consolidated statement of income, in gains/(losses) on financial assets available for sale, and written off from the amount recorded in other accumulated comprehensive income.

c.3) Financial assets held to maturity – Financial assets that the Group has a positive intention and proven financial ability to hold to maturity are classified as financial assets held to maturity and are initially accounted at fair value, including incremental transaction costs. These financial instruments are subsequently measured at amortized cost. Interest, including premiums and discounts, are recorded as financial assets interest, using the effective interest rate, less impairment (if applicable).

In accordance with IAS 39, is not classified any financial asset as held to maturity if it has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity, other than sales or reclassifications that: (i) are so close to maturity or to the call date of the financial asset that changes in the market rate of interest would not have a significant effect on the financial asset's fair value; (ii) occur after the Group has collected

substantially all of the financial asset's original principal through scheduled payments or prepayments; or (iii) are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably foreseen by the entity.

Whenever the sales or reclassifications of more than an insignificant amount of held-to-maturity investments do not meet any of the conditions previously mentioned, any remaining held-to-maturity investment should be reclassified as available for sale.

c.4) Determination of fair value – Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in a transaction without favoritism.

The fair value of financial instruments traded in active markets on the base date of the balance sheet is based on the quoted market price or on the quotation of the over-the-counter price (sale price for long positions or purchase price for short positions), without any transaction cost deduction.

In situations in which there is no market price for a particular financial instrument, its fair value is estimated based on valuation methods commonly used in financial markets, appropriate for the specific characteristics of the instrument and that capture the various risks to which it is exposed. Valuation methods include: the discounted cash flow method, comparison with similar financial instruments for which there is a market with observable prices, option pricing model, credit models and other known valuation models.

The aforesaid models are adjusted to capture the variation of purchase and sale prices, the cost of settlement of the position, to serve as a counter entry to credit and liquidity variations, and mainly, to overcome the theoretical limitations inherent in the models.

Internal pricing models may involve estimates and judgment of Management, whose intensity will depend, among other factors, on the complexity of the financial instrument.

c.5) Financial liabilities – An instrument is classified as a financial liability when there is a contractual obligation of its settlement through the delivery of cash or other financial asset, regardless of its legal form. Financial liabilities include short-term and long term debts issued which are initially measured at fair value, which is the amount received, net of incurred transaction costs, and subsequently at amortized cost.

Financial liabilities held for trading and those designated by Management as financial liabilities at fair value through profit or loss are recorded in the consolidated balance sheet at fair value.

When an existing financial liability is replaced by another from the same lender under substantially different terms, or the terms of the existing liability are substantially modified, such exchange or modification is treated as a write-off of the original liability and the recognition of a new liability, and the difference in the book value is recognized in net income of the period.

d) Derecognition of financial assets and liabilities

d.1) Financial assets – A financial asset is derecognized when (i) the contractual rights relating to the respective cash flows expire; (ii) the Group transfers to third parties all the risks and rewards associated with the operation; or (iii) when control over the asset is transferred, even with the Group having retained part of the risks and rewards associated with the transaction.

The rights and obligations retained in the transfer are recognized separately as assets and as liabilities, when appropriate. If control over the asset is retained, the Group continues to recognize it to the extent of its continuous involvement, which is determined by the extent to which it remains exposed to changes in the value of the asset transferred.

d.2) Financial liabilities – A financial liability is derecognized when the respective obligation is eliminated, cancelled or expired. If an existing financial liability is replaced by another from the same lender under substantially different terms, or the terms of the existing liability are substantially modified, such modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference between the respective carrying amounts is recognized in net income.

e) Impairment of financial assets

Annually, is valued whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset is considered impaired if, cumulatively: (i) there is objective evidence of reduction in its recoverable amount as a result of one or more events occurring after initial recognition of the asset; (ii) the loss event has an impact on the estimated future cash flows of the financial asset; and (iii) a reliable estimate of the loss amount can be made. Losses expected as a result of future events, no matter how likely, are not recognized.

In some cases, the observable data required to estimate the amount of an impairment loss on a financial asset may be limited or no longer fully relevant to the current circumstances. In such cases, BB Seguridade uses its judgment to estimate the amount of any impairment loss. The use of reasonable estimates is an essential part of the preparation of consolidated financial statements and does not undermine their reliability.

Financial assets subject to having their recoverable amounts tested are presented below.

e.1) Financial assets available for sale – For financial assets available for sale, at each reporting date the Group assesses whether there is any objective evidence that its financial assets are impaired.

To establish whether there is objective evidence of impairment of a financial asset, is verified the likelihood of recovery of its value, considering the following factors cumulatively: (i) duration and magnitude of the reduction of the asset's value below the book value; (ii) historical behavior of the value of the asset and the experience recovering such assets; and (iii) likelihood of non-receipt of the assets' principal and interest, due to difficulties relating to the issuer, such as application for bankruptcy or filing for chapter 11, deterioration of the credit risk rating and financial difficulties, related or not to the market conditions of the sector in which the issuer operates.

When a decline in the fair value of a financial asset available for sale has been recognized in other comprehensive income and there is objective evidence of impairment, the accumulated loss that has been recognized by BB Seguridade will be reclassified from equity to income for the period as a reclassification adjustment, even if the financial asset has not been written off.

The value of the accumulated loss reclassified to income for the period will be recorded in net gains/(losses) on financial assets available for sale and corresponds to the difference between the book value of the devalued asset and its fair value on the valuation date, less any loss due to impairment previously recognized in income.

Reversals of impairment losses on assets classified as available for sale are only recognized in equity when they consist of investments in equity instruments. In the case of investments in debt instruments, the reversal of the impairment loss will be recognized directly in income for the period.

e.2) Financial assets held to maturity – If there is objective evidence of impairment of financial assets held to maturity, is recognized a loss, the amount of which corresponds to the difference between the carrying amount of the asset and the present values of estimated future cash flows. If, in a subsequent period, the amount of the impairment loss decreases and this decrease can be objectively related to an event occurring after the impairment recognition, it is reversed in a contra entry to net income for the year.

f) Offsetting of financial assets and liabilities

Financial assets and liabilities are stated at net amount if, and only if, there is a legal right to offset one with the other and if there is an intention to settle them in this manner, or to realize an asset and to settle a liability simultaneously. In other situations they are presented gross.

g) Business combination – The acquisition of a subsidiary by means of a business combination is recorded on the acquisition date, which is the date on which control is transferred to BB Seguridade, applying the acquisition method. According to this method, identified assets (including intangible assets not previously recognized), assumed liabilities and contingent liabilities are recognized at fair value on the acquisition date. Possible positive differences between acquisition cost and fair value of identifiable net assets acquired are recognized as goodwill. In case of a negative difference (gain from a bargain purchase), the identified amount is recognized in the income statement under other non-interest income.

The transaction costs that BB Seguridade incurs in a business combination, except for the costs related to the issuance of debt or equity instruments, are recorded in profit or loss in the period incurred. Any contingent consideration payable is measured at its fair value on the acquisition date.

The results of subsidiaries acquired during the accounting period are included in the consolidated financial statements as from acquisition date until the end of the year. By contrast, the results of disposed subsidiaries during the year are included in consolidated financial statements as from the beginning of the year until the date of disposal, or up to the date that BB Seguridade no longer has control.

h) Change of equity interest in subsidiaries – Changes in the equity interest in a subsidiary that do not result in loss of control are accounted for as equity transactions (that is, transactions with owners in their capacity as owners). Consequently, no goodwill is recognized as a result of such transactions.

Under these circumstances, the book values of the controlling and non-controlling interest will be adjusted to reflect changes in their relative interests in the subsidiary. Any difference between the amount by which the

non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in stockholders' equity and attributed to the owners of the parent company.

i) Loss of control – In accordance with IAS 27, in the event of loss of control of a subsidiary, BB Seguridade derecognizes, in the date on which control is lost: (i) the assets, including goodwill, and the liabilities of the subsidiary at their book value; and (ii) the book value of any non-controlling interest in the former subsidiary, including any components of other comprehensive income attributed to it.

Moreover, BB Seguridade recognizes on the date of loss of control: (i) the fair value of the consideration received, if any, originating from the transaction, event or circumstances that resulted in the loss of control; (ii) the distribution of shares of the subsidiary to the owners, if the transaction that resulted in the loss of control involves a distribution of shares; (iii) any investment held in the former subsidiary at its fair value; and (iv) any difference resulting as a gain or loss in the result attributable to the parent company.

j) Non-monetary contributions to jointly controlled entities - In accordance with SIC 13, when the Group contributes with non-monetary assets in exchange for an equity interest in a jointly controlled entity, the gain or loss on this transaction is recognized according the assets is being sold to other entrepreneurs. No gain or loss is recognized if (i) the significant risks and rewards of ownership of the assets have not been transferred, (ii) the gain or loss cannot be measured reliably, or (iii) the transaction has no commercial substance.

k) Goodwill and other intangible assets

Goodwill on the acquisition of subsidiaries and joint ventures is accounted for by taking into consideration the fair value of the identifiable assets and liabilities of the acquired company on the acquisition date and, in accordance with IFRS 3, it is not amortized. However, it is tested at least annually for impairment. After initial recognition, goodwill is measured at the cost less any accumulated impairment losses.

Intangible assets are recognized separately from goodwill when they are separable or arise from contractual or other legal rights, their fair value can be reliably measured and estimated future economic benefits may flow to BB Seguridade. The cost of the intangible assets acquired in a business combination is the fair value on the acquisition date. Intangible assets acquired independently are initially measured at cost.

The useful life of the intangible assets is considered finite or indefinite. Intangible assets with a finite useful life are amortized over their economic life. They are initially stated at cost, less accumulated amortization and impairment losses. Intangible assets with an indefinite useful life are stated at cost, less any impairment losses.

Intangible assets with a finite useful life are amortized on a straight-line basis over their estimated useful life. Amortization period and method of an intangible asset with a defined useful life are reviewed at least on an annual basis. Changes to expected useful life or expected rate of use of future benefits incorporated to the asset are recognized through changing amortization period or method, when adequate, and treated as changes to accounting estimates.

The expenses from the amortization of intangible assets with a finite useful life are recognized in the income statement of the period, under "amortization of intangible assets". Impairment losses are recorded as an adjustment to recoverable amount expenses (other expenses) in the consolidated income statement.

l) Impairment of non-financial assets

Annually, is evaluated, based on internal and external sources of information, whether there is any indication that a non-financial asset may be impaired. If there is indication of impairment, is estimated the recoverable amount of the asset. The asset's recoverable amount is the higher of fair value less costs to sell it or its value in use.

Regardless of the existence of any indication of impairment, is performed annually the impairment testing of intangible assets with an indefinite useful life, including goodwill acquired in a business combination, or an intangible asset not yet available for use. This test may be performed at any time during the year, provided that it is carried out at the same time every year.

In case the recoverable amount of the asset is lower than its book value, the book value of the asset is reduced to its recoverable amount through a provision for impairment losses, whose contra-entry is recognized in income for the period in which is occurs, under other expenses.

Is also evaluated, annually, if there is any indication that an impairment loss recognized in prior periods for an asset, except for goodwill due to expected future earnings, may have ceased to exist or may have decreased. If there is indication of impairment, the recoverable amount of this asset is estimated. Reversal of

impairment losses of an asset will be immediately recognized in income for the period, rectifying other expenses balance.

m) Investments in associates

Under the equity method, investments are initially measured at cost and subsequently adjusted for the recognition of the investor's share in the investee's assets changes. Furthermore, the share which fits the results generated by the investee should appear in the income of the investor.

n) Provisions, contingent liabilities and legal liabilities

In accordance with IAS 37, provisions are recognized when conditions show that: (i) BB Seguridade has a present obligation (legal or constructive) resulting from past events; (ii) it is more probable than not that a disbursement of funds that incorporate economic benefits will be required to settle the obligation; and (iii) the value of the obligation is presented based on reliable estimates. Provisions are recorded based on our best estimate of probable losses.

There is continuous monitoring of the lawsuits in progress to evaluate, among other things: (i) their nature and complexity; (ii) the progress of proceedings; (iii) the opinion of BB Seguridade legal advisors; and (iv) BB Seguridade experience with similar proceedings. In determining whether a loss is probable are considered: (i) the likelihood of loss resulting from claims that occurred prior to or at the balance sheet date, but that were identified after that date, yet prior to its disclosure; and (ii) the need to disclose the claims or events that occur after the balance sheet date, but prior to its publication.

Also are recognized in its liabilities tax obligations subject to legal discussions on the constitutionality of laws that established them, up to the effective extinguishment of corresponding tax credits. In these situations, is considered that in fact there is a legal obligation to pay to the government. Accordingly, the legal obligation should be recorded, including interest and other charges, if applicable. Bookkeeping of these legal obligations results in judicial deposits being recorded.

o) Income taxes

o.1) Current taxes – current tax expense is the amount of income and social contribution taxes payable or recoverable in relation to taxable income for the period.

Current tax assets are the amounts of income and of social contribution taxes to be recovered in the next 12 months and deferred tax assets are the amounts to be recovered in future periods, including those arising from tax losses or tax credits not utilized.

Current taxes related to current and prior periods should, to the extent in which they are not paid, be recognized as liabilities. If the amount already paid for current and prior periods exceeds the amount owed for those periods, the excess should be recognized as an asset.

Current and prior taxable assets and liabilities are measured at expected recoverable amount or at recoverable amount paid to tax authorities. Tax rates and tax laws used for calculating this amount are those effective at the balance sheet date.

o.2) Deferred taxes – these are amounts of tax assets and liabilities to be recovered and paid in future periods, respectively. Deferred tax liabilities originate from taxable temporary differences and deferred tax assets from deductible temporary differences and from unused tax loss carry forwards.

Deferred tax assets from income and social contribution tax losses and from temporary differences are recognized to the extent that is probable the existence of taxable income against which deductible temporary differences may be used.

Book values of deferred tax assets will be reviewed at the end of each period. An entity will reduce the book value of deferred tax assets to the extent that it is no longer probable that it will obtain taxable income sufficient to allow the benefit from part of or the total deferred tax assets to be used. Any reduction will be reversed to the extent that the entity is likely to obtain sufficient taxable income.

Deferred tax assets and liabilities are measured at tax rates expectedly applicable in the year in which the asset or the liability is realized or settled, based on tax rates (or tax law) that were substantively enacted at balance sheet date.

o.3) Temporary differences – It is the differences that impact or may impact the calculation of income and social contribution taxes arising from temporary differences between the tax bases of an asset or liability and its carrying amount in the consolidated balance sheet.

Temporary differences can be taxable or deductible. Taxable temporary differences are temporary differences that will result in taxable amounts to determine taxable income (tax loss) for future periods when the book value of an asset or liability is recovered or settled. Deductible temporary differences are temporary differences that will result in deductible amounts to determine taxable income (tax loss) for future periods when the book value of the asset or liability is recovered or settled.

The tax base of an asset is the amount that will be deductible for tax purposes against any taxable economic benefits that will flow to the entity when it recovers that asset's book value. If those economic benefits are not taxable, the asset's tax base will be equal to its book value.

The tax base of a liability is its book value less any amount that will be deductible for tax purposes, in relation to that liability, in future periods. In case of revenue received in advance, the resulting liability tax base is its book value less any revenue amount that will not be taxable in future periods.

o.4) Offsetting income taxes

Assets from current taxes and liabilities from current taxes are offset if, and only if, the entity: (i) has the right, legally executable, of clearing recognized amounts; and (ii) intends to settle on net bases, or simultaneously realize the asset and settle the liability.

Assets from deferred taxes and liabilities from deferred taxes are offset if, and only if: (i) the company has the right, legally executable, of offsetting current tax assets against current tax liabilities; and (ii) deferred tax assets and deferred tax liabilities are related to taxes on income owed to the same tax authority: (a) in the same taxable entity; or (b) in different taxable entities that intend to settle liabilities and current tax assets on net bases, or simultaneously realize assets and settle liabilities, in each future period in which significant deferred tax assets or liabilities are expected to be settled or recovered.

p) Segment reporting

IFRS 8 requires the report of information related to operating segments consistent with the internal reports used by management to allocate resources and assess their performance.

q) Deferred costs

Include commissions on the cost of insurance policies that the allocation in income results performed according to the risk period coverage. The direct and indirect costs incurred during the financial maturity, from subscription or renewal of insurance contracts and/or investments contracts with discretionary benefit rights that are deferred to the extent that such costs, are recoverable from futures premiums. All other acquisition costs are recognized as expenses when incurred. The deferred costs are written off whenever the sale or liquidation of the respective contracts.

r) Liabilities from insurance contracts

The subsidiaries and associates issues contracts that contain insurance risks, financial risks or a combination of both. Contracts according to which is accepted a significant non-financial risk from an insured person, committing to compensate him/her upon uncertain future events, are characterized as insurance contracts, in accordance with IFRS 4.

Insurance risk is significant if, and only if, the insured event produces effects on the insurance company, like significant additional benefit payments in any scenario, except for those that do not have commercial substance. Additional benefits refer to amounts that exceed those that would be paid if the insured event did not occur. Contracts classified as insurance contracts are not subsequently reclassified, even if the insurance risk is significantly reduced.

The reinsurance contracts are also treated from the perspective of IFRS 4 because they represent significant risk transfer.

Private pension plans represent the current amount of obligatins for life coverage annuity, disability, pension an lump-sump death benefits, determined by means of actuarial calculations and assumptions under actuarial notes, for the capitalization, lifetime annuity and pay-as-you-go systems, respectively.

Liabilities from insurance contracts are substantially comprised of technical and mathematical provisions, recognized when the contract is recorded and the respective premium is issued, in case of insurance contracts, and charged, in case of pension plans. On the other hand, a liability is written-off at the end of contract effectiveness, in case of cancellation, among other applicable situations.

Technical and mathematical provisions are recognized in accordance with standards established by the Conselho Nacional de Seguros Privados – CNSP (Brazilian National Council of Private Insurance) for

insurance and pension plans. Amounts are determined based on methods and hypotheses defined by the actuary and validated by Management, reflecting the best estimate current value, on calculation base date, of future obligations deriving from insurance and pension plan contracts.

r.1) Mathematical provisions for future benefit and for vested benefit – correspond, respectively, to the commitments assumed by insurance companies with the insured, while the indemnity and/or benefit payment generating event has not started, and otherwise, after the start of the indemnity and/or benefit payment generating event. They are calculated according to methodology described in actuarial technical note of the plan or the product.

r.2) Provision for unearned premiums – formed by the insurance premium corresponding to the period of risk not yet elapsed. The measurement is individual by policy or endorsement of the current contracts, on the date of formation, by the pro rata method with a basis on the validity start and end dates of the insured risk. The generating factor of the formation of this provision is the issuance of the policy or endorsement.

r.3) Provision for claims – calculated by estimate of probable payments, gross of reinsurance and net of recovery of coinsurance, based on the notifications and notices of claims received up to the balance sheet date, and include provisions for claims under litigation calculated according to the criteria defined and documented in an actuarial technical note. The accrued amounts are restated under the terms of the applicable legislation.

r.4) Provision for claims incurred but not reported – IBNR – calculated in accordance with the expected amount of claims incurred in risks assumed in the portfolio and not reported.

r.5) Provision for premium insufficiency – its purpose is to assess the sufficiency or insufficiency of premium reserves for coverage of future obligations related to the insurance contracts. The estimates are based on discounted cash flow of rights and future obligations of each contract, considering hypotheses and assumptions according to each type of risk.

r.6) Provision for redemptions and other values to be regularized – includes amounts relating to the redemptions to be regularized, the repayments of contributions or premiums and the portability requested, which for any reason have not yet been executed.

r.7) Other provisions – mainly include provisions for administrative expenses, additional investment returns payable on pension funds and for benefits to be regularized.

The provisions of Risks Oscillation, Insufficient Contributions, Lack of Awards and Financial Oscillation have been maintained since February, 2013 and transferred to the account "Other Technical Provisions", according to Circular SUSEP 462/13, and are under review by the administration of the entities.

In accordance with IFRS 4, at each presentation period, is analyzed the adequacy of its liabilities in all contracts that meet an insurance contract definition and are effective on execution date. This procedure, called liability adequacy test, considers insurance contract liabilities less deferred trading expenses and related intangible assets as the net book value.

In case the analysis demonstrates that insurance liabilities' book value is lower than expected contract future cash flows, this insufficiency should be recorded as an expense in net income for the period and additional provisions for insurance liabilities should be recorded on reporting date.

All the valuation methods used are based on the general principle that the carrying amount of net liabilities needs to be sufficient to fulfill any foreseeable obligation resulting from the insurance contracts.

Investment assumptions are also determined by the local regulatory agency or based on future expectations of Management. In the latter case, the anticipated return on future investment is defined considering available market information and economic indicators. A significant assumption related to the estimate of gross income in variable annuities is the annual long-term growth rate of the underlying assets.

s) Interest on equity capital and dividends

Brazilian companies are allowed to assign a nominal interest expense, deductible for fiscal purposes, on their equity capital. The amount of interest on equity capital is considered a dividend and, when applicable, is presented in the consolidated financial statements as a direct reduction in equity.

Dividends distributed are calculated on adjusted net income. The Group's present policy is to pay dividends and interest on equity capital equivalent to 25% on adjusted net income, which are recognized as liabilities and deducted from net equity upon approval by the Board of Directors.

t) Seasonality of operations

The Group, its subsidiaries and jointly controlled consider the nature of their business to be non-cyclic and non-seasonal, taking into account the activities performed by the Group. Consequently, there are no specific disclosures related to such matters provided in these notes to the consolidated financial statements for the period ended at June 30, 2013.

u) Improvements to IFRS and pronouncements recently issued

Improvements to IFRS are amendments issued by the IASB and comprise amendments that result in accounting changes for recognition, measurement and disclosure related to several IFRS standards. A summary of certain amendments, as well as interpretations and pronouncements recently issued by the IASB which will become effective after June 30, 2013.

IFRS 7 – Financial instruments: Disclosures – On December 22, 2011, was issued an amendment to the rule requiring disclosures about compensation balances of assets and liabilities (offsetting) and related agreements (such as collateral requirements) for similar financial instruments or similar contracts.

IFRS 7 is effective for annual periods beginning as of January 01, 2013. It is allowed to aplicate this amendment previously.

IFRS 9 – Financial instruments: recognition and measurement – IFRS 9 is the first standard issued as part of a larger project to replace IAS 39, as many financial statements' users and other stakeholders considered that requirements included in IAS 39 were difficult to understand, apply and interpret. To answer several requests to quickly improve financial instruments' accounting, IAS 39 replacement project was divided into three main stages: (i) classification and measuring of financial assets; (ii) impairment; and (iii) hedge accounting.

Accordingly, in November 2009, IFRS 9 chapters related to the classification and measurement of financial assets were issued and, in October 2010, requirements related to the classification and measurement of financial liabilities were added.

IFRS 9 simplifies the model of measurement for financial assets and establishes two main categories of measurement: (i) amortized cost and (ii) fair value. Classification basis depends on the business model of the entity and the contractual characteristics of financial asset cash flows. In relation to financial liabilities measurement and classification requirements, the most significant effect refers to the accounting of variations in the fair value of a financial liability measured at fair value through income. Changes to fair values of said liabilities attributable to changes in credit risks are now recognized in other comprehensive income, unless the recognition of these changes increases or create an income accounting mismatch.

Guidance included in IAS 39 on impairment of financial assets and hedge accounting continues to be applied. IFRS 9 is effective for annual periods beginning as of January 01, 2015.

IFRS 10 – Consolidated financial statements – Replaces consolidation guidelines in IAS 27 and SIC 12, introducing a single consolidation model to be applied in the control analysis of all investees. In accordance with IFRS 10, control is based on the evaluation of whether the investor has (i) power over the investee, (ii) exposure or rights on variable returns from its involvement with the investee, and (iii) the capacity to use its power on the investee to affect return.

IFRS 10 is effective for annual periods beginning as of January 01, 2013.

IFRS 11 – Joint ventures – Replaces the IAS 31 and SIC 13. In accordance with IFRS 11, the equity method is mandatory and the method of proportional consolidation of jointly-owned subsidiaries is prohibited. IFRS 11 derives from the principle that the parties to a joint enterprise agreement should determine the type of common enterprise based on the evaluation of rights and obligations, conducting accounting recognition according to the type of joint enterprise. There are two kinds of Joint Ventures: (i) joint operations: rights and obligations on assets and liabilities concerning the agreement. The parties recognize their assets, liabilities and corresponding revenues and expenses proportionally to their interest in the operation; (ii) joint venture: the right about the net assets agreed. The parties recognize their investments at the equity method.

IFRS 11 is effective for annual periods beginning as of January 01, 2013.

IFRS 12 – Disclosure of involvement with other entities – Contain large disclosure requirements for entities that have interest in subsidiaries, joint ventures, associates and/or non-consolidated entities. The purpose of IFRS 12 is to allow that financial statements users evaluate: (i) the nature and risks associated to interests of one entity in other entities; (ii) the exposure to risks arising from the involvement with non-consolidated structured entities and the involvement of minority interest in the activities of consolidated

entities; (iii) expanded disclosures on subsidiaries, joint agreements and associates; and (iv) the effects of interests in the entity's financial position, financial performance and cash flows.

IFRS 12 is effective for annual periods beginning as of January 01, 2013.

IFRS 13 – Measurement at fair value – This standard provides a review of fair value definition and guidelines on how it should be measured, together with a set of disclosure requirements. However, IFRS 13 does not change requirements regarding items that should be measured or disclosed at fair value.

IFRS 13 application is required for periods starting as of January 1, 2013. The anticipated application of the rule is allowed.

Amendments to IAS 32 – Financial Instruments: Presentation –The changes to IAS 32 clarify that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes.

Amendments to IAS 32 are effective for annual periods starting as of January 1, 2014.

The Group has decided not to adopt these changes in advance, and based on preliminary evaluation, were not identified potential impacts on its financial statements from the adoption of these standards.

5 – Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires that the Management make judgments and estimates affecting the recognized amounts referring to assets, liabilities, income and expenses. Estimates and assumptions adopted are analyzed on a continuous basis, and revisions are carried out and recognized in the period in which the estimate is reevaluated, with prospective effects. The actual results obtained may be different from estimates used herein.

Taking into consideration that there are certain alternatives to accounting treatments, the results which are disclosed could be different, in the event a different treatment would have been chosen. Management considers that the choices made are appropriate and that the consolidated financial statements fairly present the consolidated financial position of BB Seguridade and the result of its operations in all material aspects.

Significant assets and liabilities subject to these estimates and assumptions encompass items for which measurement at fair value is necessary. The most relevant applications of the exercise on estimates judgments and usage occur in:

a) Fair value of financial instruments

When the fair value of financial assets and liabilities cannot be derived from an active market, it is determined through valuation techniques that include the use of mathematical models. These model variables are derived from data verifiable in the market whenever possible, but when market data is not available, judgment is necessary to determine fair value.

b) Impairment of financial assets available for sale

It is considered impairment of its financial assets available for sale exists when there is a significant or prolonged decline in its fair value to below cost. Such determination of what is significant or prolonged requires judgment in which is evaluated, among other factors, the ordinary volatility of prices of financial instruments. In addition, the recognition of impairment may be appropriate whenever there is evidence of a negative impact in the financial health of the investee, the performance of the relevant economic sector, changes in technology and in financing and operating cash flows.

Additionally, the preparation of impairment valuations take into consideration market prices (mark to market) or valuation models (mark to model), which require use of certain assumptions or judgments in establishing fair value estimates.

c) Impairment of non-financial assets

Annually, is evaluated, based on internal and external sources of information, whether there is any indication that a non-financial asset may be impaired. If this indication exists, are used estimates to define the asset's recoverable value.

It is also evaluated, annually, if there is any indication that an impairment loss recognized in prior periods for an asset, except for goodwill due to expected future earnings, may not exist anymore or may have decreased. If there is indication of impairment, the recoverable amount of this asset is estimated.

Regardless of the indication of impairment losses, annually are conducted impairment tests on indefinite-lived intangible assets, including goodwill acquired in a business combination or on intangible assets not yet available for use.

Determining the recoverable amount upon valuation of non-financial assets impairment requires estimates based on market-quoted prices, present value calculations or other pricing techniques, or a combination of them, requiring that Management make subjective judgments and adopt assumptions.

d) Income taxes

Since the corporate object of the Group is to obtain profits, the income generated is subject to income tax payment in the various jurisdictions where performs its operating activities. Determination of the global amount of income taxes requires certain interpretations and estimates. There are several transactions and calculations for which determination of the final value of tax payable is uncertain during the ordinary cycle of business. Other interpretations and estimates could result in a different value of income taxes recognized in the period.

The Brazilian tax authorities may review the procedures adopted by the Group during a period of five years from the date in which taxes are deemed to be due. Hence, it is likely that such tax authorities may question procedures adopted by the Group, mainly those arising from differences in interpreting tax legislation. However, Management believes that there will be no significant adjustments in the income taxes stated in the consolidated financial statements.

e) Deferred taxes

Deferred tax assets are calculated on temporary differences and on tax loss carryforwards, and are accounted for whenever BB Seguridade expects to generate taxable profit in subsequent years in amounts sufficient to off-set such values. The expected realization of BB Seguridade tax credit is based on the projection of future income and on technical analysis, in line with prevailing tax legislation.

The estimates considered by BB Seguridade for the recognition and valuation of deferred taxes are reviewed based on current expectations and projections of future events and trends. Major assumptions identified by BB Seguridade that may affect these estimates are related to factors such as: (i) changes in government regulation related to fiscal matters; (ii) changes in interest rates; (iii) changes in inflation rates; (iv) lawsuits or legal disputes with an adverse impact; (v) credit and market risks, as well as other risks arising from investment activities; and (vi) changes in internal and external economic conditions.

f) Provisions and contingent liabilities

Contingent liabilities are recognized in the financial statements when, based on the opinion of legal counsel and Management, the risk of loss of a judicial or administrative proceeding is considered probable, with a probable outflow of resources to settle the obligations and the amounts involved can be reliably measured, quantified when the citation/notice is received, and reviewed monthly.

6 – Risk Management

The Corporate Risk Management covers the following categories: Underwriting, Market, Credit, Legal and Operations. BB Seguridade has corporate governance that manages the risks mentioned above. Each subsidiary and affiliate also has governance bodies that manage their risks in the same way that the BB Seguridade. In this context, although the Group has a distinct risk management, there is uniformity among the Group, subsidiaries and affiliates, to obtain the same criteria in the management of these risks as a whole. The following describes the main risks of BB Seguridade and how they are administered, as well as risk management, sensitivity analysis and risk assessments in the context of other subsidiaries and affiliates.

Underwriting Risk

It is the risk arising from an adverse economic situation which is contrary to the Company's expectations as of the preparation of their underwriting policy and the uncertainties in estimating provisions.

Insurance contracts that transfer significant risk are those where insurers have the obligation to pay a significant additional benefit to its policyholders in scenarios that have commercial substance, classified by comparing scenarios in which the event occurs, affecting policyholders adversely and scenarios where the event does not occur. Due to the nature of an insurance contract, your risk is somewhat accidental and therefore subject to fluctuations.

For a group of insurance contracts where the theory of probability is applied to pricing and provisioning, insurers understand that the main risk transferred to them is the risk that reported claims and benefit payments resulting from these events exceed the carrying value of liabilities of insurance contracts. Such situations arise in practice when the frequency and severity of claims and benefits to policyholders are larger than previously estimated, according to the methodology of calculating these liabilities.

To reduce these risks, strategies are used to diversify risks and reinsurance programs with reinsurers that have credit risk rating of high quality, so that the adverse outcome of atypical and major events is minimized. Nevertheless, part of the credit risk and underwriting to which insurers are exposed is minimized due to the smaller portion of the risks accepted has high insured value.

Market risk

Market risk is defined as the possibility of financial or economic losses occurring as a result of fluctuations in the market values of positions held by the Company. Includes the risks of transactions subject to foreign exchange, interest rate (which includes the risk of fluctuations in the pre-fixed interest rates, foreign currency coupons, price indices coupons and other interest rates coupons), stock prices, inflation rates and commodities prices.

Credit risk

It is defined as a measure of uncertainty related to the probability of the counterparty to a transaction, or a debt issuer, not honor, wholly or partially, its financial commitments.

Credit risk can arise through the following facts:

(i) Losses arising from default, failure to pay premiums or installments thereof by the policyholders;

(ii) The possibility of an issuer of private securities failing to make payment as expected on the maturity date;

(iii) The inability or impossibility of recouping commissions paid to brokers when policies are canceled; and

(iv) The collapse or deterioration in the credit capacity of co-insurers, reinsurers, intermediaries or other counterparties.

For the classification of this risk, each institution or fund that conducts financial transactions with BB Seguridade receives a rating (score) in relation to their credit risk.

For each business segment are set maximum exposure limits for investments in institutions or private funds, and maximum exposure limits for each of the scores.

In the insurance business, risk acceptance limits are established considering the credit history of the insured and risk exposure in each operation. And for reinsurance transactions were certain rules of cession, exposure limits for each consolidated business, cession limits by rating and credit limits per reinsurer, within the regulatory limits. Finally, the conclusion of any contract of reinsurance follows internal rules established by the Finance and Risk Committee.

Legal Risk

Legal risk is the level of uncertainty related to the returns of an institution for lack of a comprehensive legal foundation of its operations, loss of reputation and poorly formalized operations.

To reduce these risks, the companies belonging to the Group BB Seguridade have legal structure responsible for reviewing insurance contracts in order to mitigate legal risk, and provide support for the lawsuits.

Operacional Risk

Operational risk is defined as the possibility of losses resulting from failure, deficiency or inadequacy of internal processes, people and systems or from external events, except those related to market risks, credit, legal and underwriting.

In insurance, private pension plans and capitalization plans companies, the operational risk management is carried out with focus on the control, monitoring, and reducing internal and external threats, strategic objectives and operations. Thus, societies keep updated control activities to prevent unacceptable risks and detection of residual risks.

With the use of specific tools and methodologies, various risk factors are previously identified, distributed by type of risk, by risk areas and operational processes and subprocesses. Each of the risk factors is evaluated

regularly by most managers, through a process of control self-assessment, resulting in risk maps that let you see variables as probability of occurrence, relative importance and degree of control of each risk assessed.

From there, stocks are set to keep in balance the levels of the three variables, set in five steps (from very low to very high). Besides being obtained by risk type, by process or sub-process, risk maps can also be viewed from a business segment (Auto, Life, Casualty, Warranty, Private Pension Plans, etc..), an activity backoffice (Human Resources, Legal, Accounting, Investments, etc..) or even a consolidated position of the group, passing in each of the companies within the Group.

Risk Management

The Management of BB Seguridade adopts a conservative policy in its risk management process. Cash, cash equivalents and financial investments are entered into with its related party, BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A., which carries on its business in accordance with the policies and guidelines established by BB Seguridade. In addition, the Financial Committee periodically monitors the situation so as to evaluate the need for occasional adjustments to the risk management process. The risk management process involving transactions with financial instruments and insurance contracts are published in the financial statements of its joint ventures.

Risk management is essential in all business activities, and it is used in order to add value to the business insofar as it provides support to the business areas in their activities planning, maximizing the use of in-house and third-party resources.

The risk management process counts on the participation of all layers covered within the scope of the corporate governance, which extends from the senior management, to the different business and products areas in detecting, dealing with and monitoring those risks.

The management of all risks inherent to the activities of an integrated mode is included in a process supported on Internal Controls and Risk Management structure. This approach enables the risk management models to be continually enhanced, minimizing the existing gaps that might adversely affect the proper detection and correction of the risks.

Corporate risk management is based on statistical tools such as adequacy testing of liabilities, sensitivity analysis, calculation of VaR and capital adequacy indicators, among others. Added to these tools is the qualitative aspect of risk management, using the results risk self-evaluation, the gathering of information about losses and the analyses of the results of testing and controls, and audits. Integrating these tools enables a complete and across-the-board analysis of the corporate risks.

In the case of a group of insurance contracts where probability theory is applied to pricing and provisioning, BB Seguridade understands that the principal risk transferred to insurance companies is the risk that advised claims and payments of benefits resulting from such events exceed the book value of the liabilities of the insurance contracts. In practice these situations occur when the frequency and severity of claims and benefits to policyholders exceed previous estimates, according to the methodology for calculating these liabilities. The track record shows that the greater the group of contracts with similar risks, the lower the variability of the cash flows that insurance companies would incur in order to meet claim events.

Insurance companies employ risk diversification strategies and reinsurance programs from reinsurance companies with a high-quality credit rating, so as to mitigate the adverse effect of atypical big-ticket events. This notwithstanding, part of the credit and underwriting risks to which insurance companies are exposed is mitigated due to the fact that the smaller portion of accepted risks represent large insured amounts.

The Group relies on a risk management system that is being constantly improved and which adheres to the guidelines of international models. In line with current regulations and the global corporate policies of the shareholders, the system is based on the integrated management of each business process and on the adaptation of the level of risk to the established strategic objectives.

For purposes of risk management assets were considered the statutory accounting (individual). The main differences with respect to the accounting standards applicable to companies supervised by SUSEP, as well as to international accounting standards, are presented in Note 6.

In order to ensure a unified approach to the risk management process, BB Seguridade has the following committees:

- *Finance and Risk Committee*: Will be created when the Board of Directors are established. Constituted with the lead character of the analysis and evaluation of issues relating to financial aspects. This Committee is responsible for monitoring financial performance and proposing, for consideration by the Board of Directors, among others, policies and limits for management of financial risks.

- *Audit Committee*: Will be created when the Board of Directors are established. Statutory body to advise the Board of Directors whose function, inter alia, review the financial statements in light of the accounting practices; assess the quality of the internal control system in the light of current regulations and internal codes; evaluate the effectiveness of internal and independent audits, and recommend to the Board the improvement of policies, practices and procedures identified in the course of their duties.

The relationship of the committees with senior management respects the hierarchical levels defined under the normative system, but with due regard for the level of autonomy required for technical analyses. The internal rules of the committees define their responsibilities and reporting lines.

Also with a view to managing the risks to which the Grupo BB Seguridade is exposed, the internal audit department plays an important role. The independence of its activities and the continuous nature of the examinations it undertakes ensure that risk management is appropriate for the Group's profile. Internal audits produce analyses, reports, recommendations, opinions and information regarding the activities it examines, leading to effective control at a reasonable cost.

The scope of internal audits is to examine and evaluate the adequacy and efficacy of the internal control system, in addition to the quality of the performance in complying with attributions and responsibilities.

BB MAPFRE SH1 and MAPFRE BB SH2

Insurance Risk Management

In the case of a group of insurance contracts where probability theory is applied to pricing and provisioning, it is understood that the principal risk transferred to Grupo BB Seguridade is the risk that advised claims and payments of benefits resulting from such events exceed the book value of the liabilities of the insurance contracts. In practice these situations occur when the frequency and severity of claims and benefits to policyholders exceed previous estimates, according to the methodology for calculating these liabilities. The track record shows that the greater the group of contracts with similar risks, the lower the variability of the cash flows that the Group would incur in order to meet claim events.

The BB MAPFRE SH1 and MAPFRE BB SH2 insurance companies' line employs risk diversification strategies and reinsurance programs from reinsurance companies with a high-quality credit rating, so as to mitigate the adverse effect of atypical big-ticket events. This notwithstanding, part of the credit and underwriting risks to which the companies is exposed is mitigated due to the fact that the smaller portion of accepted risks represents large insured amounts.

Concentration of risk

Potential exposures to concentration of risk are monitored by analyzing certain concentrations in certain geographical regions, using a series of assumptions regarding the potential characteristics of the threat. The tables below illustrate concentration of risk within the scope of the business by region and insurance products, based on the net amount of the companies' reinsurance premium, according to the regulator.

Companhia de Seguros Aliança do Brasil

Reinsurance Gross

R$ thousand

Geographical region	Jun 30, 2013							
	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	177,030	7%	4,882	0%	275,642	11%	**457,554**	**18%**
Northeast	43,983	2%	9,907	1%	331,424	13%	**385,314**	**16%**
North	14,443	1%	2,512	0%	94,548	4%	**111,503**	**5%**
Southeast	156,243	5%	30,260	1%	817,890	32%	**1,004,393**	**38%**
South	270,475	11%	9,400	0%	305,491	12%	**585,366**	**23%**
Total	**662,174**	**26%**	**56,961**	**2%**	**1,824,995**	**72%**	**2,544,130**	**100%**

R$ thousand

Geographical region	Dec 31, 2012							
	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	203,341	5%	7,983	0%	455,756	12%	**667,080**	**17%**
Northeast	48,004	2%	14,241	0%	515,472	13%	**577,717**	**15%**
North	17,718	0%	4,732	0%	136,130	4%	**158,580**	**4%**
Southeast	235,528	6%	39,428	1%	1,292,639	33%	**1,567,595**	**40%**
South	386,575	10%	16,662	0%	533,822	14%	**937,059**	**24%**
Total	**891,166**	**23%**	**83,046**	**1%**	**2,933,819**	**76%**	**3,908,031**	**100%**

Reinsurance Net

R$ thousand

Geographical region	Jun 30, 2013							
	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	108,112	5%	4,882	0%	275,160	12%	**388,154**	**17%**
Northeast	31,343	1%	9,907	1%	331,356	14%	**372,606**	**16%**
North	12,475	1%	2,512	0%	94,497	4%	**109,484**	**5%**
Southeast	126,884	5%	30,260	1%	816,163	35%	**973,307**	**41%**
South	170,995	8%	9,400	0%	306,055	13%	**486,450**	**21%**
Total	**449,809**	**20%**	**56,961**	**2%**	**1,823,231**	**78%**	**2,330,001**	**100%**

R$ thousand

Geographical region	Dec 31, 2012							
	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	136,642	4%	7,983	0%	455,465	12%	**600,090**	**16%**
Northeast	37,707	1%	14,241	0%	515,551	14%	**567,499**	**15%**
North	16,259	0%	4,732	0%	136,027	4%	**157,018**	**4%**
Southeast	199,854	5%	39,428	1%	1,292,507	36%	**1,531,789**	**42%**
South	278,390	9%	16,662	0%	534,042	14%	**829,094**	**23%**
Total	**668,852**	**19%**	**83,046**	**1%**	**2,933,592**	**80%**	**3,685,490**	**100%**

Vida Seguradora S.A.

Reinsurance Gross

R$ thousand

Geographical region	Jun 30, 2013					
	DPVAT	%	LIFE	%	Total	%
Mid-west	535	0%	1,216	1%	**1,751**	**1%**
Northeast	1,991	1%	889	1%	**2,880**	**2%**
North	241	0%	263	0%	**504**	**0%**
Southeast	28,301	17%	121,049	73%	**149,350**	**90%**
South	2,402	1%	9,533	6%	**11,935**	**7%**
Total	**33,470**	**19%**	**132,950**	**81%**	**166,420**	**100%**

R$ thousand

Geographical region	Dec 31, 2012					
	DPVAT	%	LIFE	%	Total	%
Mid-west	3,007	1%	1,864	1%	**4,871**	**2%**
Northeast	6,453	3%	1,507	1%	**7,960**	**4%**
North	941	0%	418	0%	**1,359**	**0%**
Southeast	23,317	10%	181,061	74%	**204,378**	**84%**
South	8,059	3%	17,720	7%	**25,779**	**10%**
Total	**41,777**	**17%**	**202,570**	**83%**	**244,347**	**100%**

Reinsurance Net

R$ thousand

Geographical region	Jun 30, 2013					
	DPVAT	%	LIFE	%	Total	%
Mid-west	535	0%	1,165	1%	**1,700**	**1%**
Northeast	1,991	1%	848	1%	**2,839**	**2%**
North	241	0%	255	0%	**496**	**0%**
Southeast	28,301	17%	119,583	73%	**147,884**	**90%**
South	2,402	1%	9,124	6%	**11,526**	**7%**
Total	**33,470**	**19%**	**130,975**	**81%**	**164,445**	**100%**

R$ thousand

Geographical region	Dec 31, 2012					
	DPVAT	%	LIFE	%	Total	%
Mid-west	3,007	1%	1,792	1%	**4,799**	**2%**
Northeast	6,453	3%	1,436	1%	**7,889**	**4%**
North	941	0%	407	0%	**1,348**	**0%**
Southeast	23,317	10%	178,658	74%	**201,975**	**84%**
South	8,059	3%	16,965	7%	**25,024**	**10%**
Total	**41,777**	**17%**	**199,258**	**83%**	**241,035**	**100%**

MAPFRE Vida S.A.

Reinsurance Gross

R$ thousand

Geographical region	Jun 30, 2013					
	DPVAT	%	LIFE	%	LIFE	%
Mid-west	150	0%	9,466	4%	**9,616**	**4%**
Northeast	294	0%	7,516	3%	**7,810**	**3%**
North	101	0%	--	0%	**101**	**0%**
Southeast	24,897	10%	191,747	78%	**216,644**	**88%**
South	1,014	0%	11,588	5%	**12,602**	**5%**
Total	**26,456**	**10%**	**220,317**	**90%**	**246,773**	**100%**

R$ thousand

Geographical region	Dec 31, 2012							
	DPVAT	%	VGBL	%	LIFE	%	Total	%
Mid-west	3,253	1%	332	0%	67,572	13%	**71,157**	**14%**
Northeast	5,328	1%	1,505	0%	24,840	5%	**31,673**	**6%**
North	2006	0%	--	0%	--	0%	**2,006**	**0%**
Southeast	31,070	6%	36,373	7%	315,565	60%	**383,008**	**73%**
South	7,235	1%	4,152	1%	23,217	5%	**34,604**	**7%**
Total	**48,892**	**9%**	**42,362**	**8%**	**431,194**	**83%**	**522,448**	**100%**

Reinsurance Net

R$ thousand

Geographical region	Jun 30, 2013					
	DPVAT	%	LIFE	%	LIFE	%
Mid-west	150	0%	8,111	3%	**8,261**	**3%**
Northeast	294	0%	7,503	4%	**7,797**	**4%**
North	101	0%	--	0%	**101**	**0%**
Southeast	24,897	10%	184,851	78%	**209,748**	**88%**
South	1,014	0%	11,557	5%	**12,571**	**5%**
Total	**26,456**	**10%**	**212,022**	**90%**	**238,478**	**100%**

R$ thousand

Geographical region	Dec 31, 2012							
	DPVAT	%	VGBL	%	LIFE	%	Total	%
Mid-west	3,253	1%	332	0%	67,572	13%	**71,157**	**14%**
Northeast	5,328	1%	1,505	0%	24,840	5%	**31,673**	**6%**
North	2,006	0%	--	0%	--	0%	**2,006**	**0%**
Southeast	31,070	6%	36,373	7%	302,373	61%	**369,816**	**74%**
South	7,235	1%	4,152	1%	20,583	4%	**31,970**	**6%**
Total	**48,892**	**9%**	**42,362**	**8%**	**415,368**	**83%**	**506,622**	**100%**

Brasilveículos Companhia de Seguros

Reinsurance Gross

R$ thousand

Geographical region	Jun 30, 2013					
	AUTO	%	DPVAT	%	Total	%
Mid-west	117,105	13%	3,037	0%	**120,142**	**13%**
Northeast	161,807	18%	6,239	1%	**168,046**	**19%**
North	35,985	4%	1,572	0%	**37,557**	**4%**
Southeast	404,774	45%	19,923	2%	**424,697**	**47%**
South	144,808	16%	5,980	1%	**150,788**	**17%**
Total	**864,479**	**96%**	**36,751**	**4%**	**901,230**	**100%**

R$ thousand

Geographical region	Dec 31, 2012					
	AUTO	%	DPVAT	%	Total	%
Mid-west	415,993	32%	5,290	0%	**421,283**	**32%**
Northeast	220,293	16%	9,364	1%	**229,657**	**17%**
North	46,165	4%	3,160	0%	**49,325**	**4%**
Southeast	392,637	30%	25,022	2%	**417,659**	**32%**
South	184,592	14%	11,020	1%	**195,612**	**15%**
Total	**1,259,680**	**96%**	**53,856**	**4%**	**1,313,536**	**100%**

Reinsurance Net

R$ thousand

Geographical region	Jun 30, 2013					
	AUTO	%	DPVAT	%	Total	%
Mid-west	117,105	13%	3,037	0%	**120,142**	**13%**
Northeast	161,807	18%	6,239	1%	**168,046**	**19%**
North	35,985	4%	1,572	0%	**37,557**	**4%**
Southeast	404,774	45%	19,923	2%	**424,697**	**47%**
South	144,808	16%	5,980	1%	**150,788**	**17%**
Total	**864,479**	**96%**	**36,751**	**4%**	**901,230**	**100%**

R$ thousand

Geographical region	Dec 31, 2012					
	AUTO	%	DPVAT	%	Total	%
Mid-west	415,993	32%	5,290	0%	**421,283**	**32%**
Northeast	220,293	16%	9,364	1%	**229,657**	**17%**
North	46,165	4%	3,160	0%	**49,325**	**4%**
Southeast	392,628	30%	25,022	2%	**417,650**	**32%**
South	184,592	14%	11,020	1%	**195,612**	**15%**
Total	**1,259,671**	**96%**	**53,856**	**4%**	**1,313,527**	**100%**

Aliança do Brasil Seguros S.A.

Reinsurance Gross

R$ thousand

Geographical region	Jun 30, 2013					
	Others	%	DPVAT	%	Total	%
Mid-west	42,192	11%	1,810	1%	**44,002**	**12%**
Northeast	66,644	18%	3,737	1%	**70,381**	**19%**
North	22,699	6%	939	0%	**23,638**	**6%**
Southeast	151,130	41%	12,157	3%	**163,287**	**44%**
South	65,881	18%	3,597	1%	**69,478**	**19%**
Total	**348,546**	**94%**	**22,240**	**6%**	**370,786**	**100%**

R$ thousand

Geographical region	Dec 31, 2012					
	Others	%	DPVAT	%	Total	%
Mid-west	62,693	12%	3,308	1%	**66,001**	**13%**
Northeast	94,100	17%	5,869	1%	**99,969**	**18%**
North	32,694	6%	1,972	0%	**34,666**	**6%**
Southeast	230,164	42%	15,750	3%	**245,914**	**45%**
South	91,230	17%	6,896	1%	**98,126**	**18%**
Total	**510,881**	**94%**	**33,795**	**6%**	**544,676**	**100%**

Reinsurance Net

R$ thousand

Geographical region	Jun 30, 2013					
	Others	%	DPVAT	%	Total	%
Mid-west	39,784	12%	1,810	1%	**41,594**	**13%**
Northeast	63,666	18%	3,737	1%	**67,403**	**19%**
North	21,748	6%	939	0%	**22,687**	**6%**
Southeast	142,727	41%	12,157	3%	**154,884**	**44%**
South	60,306	17%	3,597	1%	**63,903**	**18%**
Total	**328,231**	**94%**	**22,240**	**6%**	**350,471**	**100%**

R$ thousand

Geographical region	Dec 31, 2012					
	Others	%	DPVAT	%	Total	%
Mid-west	55,592	11%	3,308	1%	**58,900**	**12%**
Northeast	88,756	18%	5,869	1%	**94,625**	**19%**
North	31,007	6%	1,972	0%	**32,979**	**6%**
Southeast	203,439	41%	15,750	3%	**219,189**	**44%**
South	83,313	17%	6,896	2%	**90,209**	**19%**
Total	**462,107**	**93%**	**33,795**	**7%**	**495,902**	**100%**

MAPFRE Seguros Gerais S.A.

Reinsurance Gross

R$ thousand

Geographical region	Jun 30, 2013									
	AUTO	%	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	73,728	4%	39,081	2%	1,042	0%	59	0%	113,910	6%
Northeast	104,642	5%	29,232	1%	1,945	0%	9,603	0%	145,422	6%
North	18,332	1%	5,071	0%	458	0%	16	0%	23,877	1%
Southeast	776,747	39%	540,235	27%	51,956	3%	5,892	0%	1,374,830	69%
South	254,415	13%	90,725	5%	3,974	0%	165	0%	349,279	18%
Total	**1,227,864**	**62%**	**704,344**	**35%**	**59,375**	**3%**	**15,735**	**0%**	**2,007,318**	**100%**

R$ thousand

Geographical region	Dec 31, 2012									
	AUTO	%	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	199,641	4%	66,981	1%	6,897	0%	475	0%	**273,994**	**5%**
Northeast	298,017	6%	47,862	1%	12,313	0%	18,981	0%	**377,173**	**7%**
North	59,497	1%	11,937	0%	3,712	0%	71	0%	**75,217**	**1%**
Southeast	2,658,207	51%	1,176,250	23%	45,166	1%	14,393	0%	**3,894,016**	**75%**
South	485,069	9%	184,367	3%	14,335	0%	397	0%	**684,168**	**12%**
Total	**3,700,431**	**71**	**1,487,397**	**2**	**82,423**	**1%**	**34,317**	**0%**	**5,304,568**	**100%**

Reinsurance Net

R$ thousand

Geographical region	Jun 30, 2013									
	AUTO	%	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	73,692	4%	13,300	1%	1,042	0%	47	0%	88,081	5%
Northeast	104,604	6%	18,257	1%	1,945	0%	9,586	0%	134,392	8%
North	18,329	1%	3,972	0%	458	0%	13	0%	22,772	1%
Southeast	774,923	47%	290,567	17%	51,956	4%	5,298	0%	1,122,744	68%
South	254,343	15%	62,487	4%	3,974	0%	125	0%	320,929	19%
Total	**1,225,891**	**73%**	**388,583**	**22%**	**59,375**	**4%**	**15,069**	**0%**	**1,688,918**	**100%**

R$ thousand

Geographical region	Dec 31, 2012									
	AUTO	%	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	199,289	4%	24,857	1%	6,897	0%	462	0%	**231,505**	**5%**
Northeast	297,746	7%	27,929	1%	12,313	0%	18,971	0%	**356,959**	**8%**
North	59,469	1%	6,912	0%	3,712	0%	70	0%	**70,163**	**1%**
Southeast	2,653,444	59%	521,322	12%	45,166	1%	12,748	0%	**3,232,680**	**72%**
South	484,848	11%	121,899	3%	14,335	0%	352	0%	**621,434**	**14%**
Total	**3,694,796**	**82%**	**702,919**	**17%**	**82,423**	**1%**	**32,603**	**0%**	**4,512,741**	**100%**

MAPFRE Affinity Seguradora S.A.

Reinsurance Gross

R$ thousand

Geographical region	Jun 30, 2013							
	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	3,693	1%	765	0%	3,569	1%	**8,027**	**2%**
Northeast	4,439	1%	2,287	1%	4,749	1%	**11,475**	**3%**
North	--	0%	482	0%	--	0%	**482**	**0%**
Southeast	27,902	8%	30,199	8%	283,313	76%	**341,414**	**92%**
South	4,734	1%	2,760	1%	1,895	1%	**9,389**	**3%**
Total	**40,768**	**11%**	**36,493**	**10%**	**293,526**	**79%**	**370,787**	**100%**

R$ thousand

Geographical region	Dec 31, 2012							
	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	4,021	1%	2,916	0%	5,204	1%	**12,141**	**2%**
Northeast	8,826	1%	4,931	1%	9,355	1%	**23,112**	**3%**
North	--	0%	2,190	0%	--	0%	**2,190**	**0%**
Southeast	58,166	8%	32,131	4%	602,477	81%	**692,774**	**93%**
South	3,022	0%	5,911	1%	3,490	1%	**12,423**	**2%**
Total	**74,035**	**10%**	**48,079**	**6%**	**620,526**	**84%**	**742,640**	**100%**

Reinsurance Net

R$ thousand

Geographical region	Jun 30, 2013							
	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	3,693	1%	765	0%	3,569	1%	**8,027**	**2%**
Northeast	4,439	1%	2,287	1%	4,749	1%	**11,475**	**3%**
North	--	0%	482	0%	--	0%	**482**	**0%**
Southeast	27,902	8%	30,199	8%	282,709	76%	**340,810**	**92%**
South	4,734	1%	2,760	1%	1,895	1%	**9,389**	**3%**
Total	**40,768**	**11%**	**36,493**	**10%**	**292,922**	**79%**	**370,183**	**100%**

R$ thousand

Geographical region	Dec 31, 2012							
	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	4,021	1%	2,916	0%	5,204	1%	**12,141**	**2%**
Northeast	8,826	1%	4,931	1%	9,355	1%	**23,112**	**3%**
North	--	0%	2,190	0%	--	0%	**2,190**	**0%**
Southeast	58,166	8%	32,131	4%	602,265	82%	**692,562**	**94%**
South	3,022	0%	5,911	1%	3,490	0%	**12,423**	**1%**
Total	**74,035**	**10%**	**48,079**	**6%**	**620,314**	**84%**	**742,428**	**100%**

Insurance risk sensitivity

The sensitivity test was developed to present how the *Result* and *Equity* shall be affected in case of reasonable possible changings on the risk variables regarding the Statement date.

The technical provisions account for a significant amount of the liabilities, representing the various future financial commitments of the insurance companies to their clients.

Given the magnitude of the financial amount and the uncertainties involving the calculation of provisions, the analysis took into account the most relevant variables for each type of business.

The following variables were chosen as risk factors for each of the insurance companies as shown below:

Companhia de Seguros Aliança do Brasil

June 30, 2013

a) *Technical provisions*

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of Jun 30, 2013. The sensitivity parameter used took into account deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this company based on the studies carried out was 7,87%.

ii) Provision for PIP premium deficiency for long-term insurance – Ouro Vida Revisado – Provision made to withstand the expected claims, given the aging of the insured group and sealing of new entrants (discontinued marketing).

We simulated how a deterioration of 5% in the mortality table used for calculating the PIP might have affected the PIP balance and consequently income and shareholders' equity as of June 30, 2013.

We simulated how a deterioration of 1% in the discount rate used for calculating the PIP might have affected the PIP balance and consequently income and shareholders' equity as of June 30, 2013.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of June 30, 2013.

December 31, 2012

a) *Technical provisions*

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of December 31, 2012. The sensitivity parameter used took into account deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this company based on the studies carried out was 10.44%.

ii) Provision for PIP premium deficiency for long-term insurance – Ouro Vida Revisado – Provision made to withstand the expected claims, given the aging of the insured group and sealing of new entrants (discontinued marketing).

We simulated how a deterioration of 5% in the mortality table used for calculating the PIP might have affected the PIP balance and consequently income and shareholders' equity as of December 31, 2012.

We simulated how a deterioration of 1% in the discount rate used for calculating the PIP might have affected the PIP balance and consequently income and shareholders' equity as of December 31, 2012.

iii) Provision for PIP Premium Deficiency for short-term insurance (a3): we simulated how a deterioration of 5% in the assumed PIP loss ratio would affect income and shareholders' equity as of December 31, 2012. The results obtained showed that even with an increase of 5% in the

loss ratio, the Provision for Unearned Premiums – PPNG is more than sufficient to cover future claims and expenses.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of December 31, 2012.

Bearing in mind the assumptions described above, the amounts obtained were:

R$ thousand

Risk Factor	Sensitivity		Impact on Shareholders' Equity / Profit	
			Jun 30, 2013	Dec 31, 2012
a. Technical provisions	Total	Change in the principal assumptions for technical provisions	(162,055)	(7,066)
a1. IBNR	Increase	Coefficient of variation in IBNR Factors	(15,201)	(17,900)
a2. Long-term PIP	Increase	5% deterioration in the Mortality Table	(33,809)	(32,138)
	Reduction	1% reduction in the PIP discount rate	(113,044)	(112,601)
b. Loss ratio	Increase	5% increase in loss ratio	(46,161)	(40,586)

Vida Seguradora S.A.

June 30, 2013

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the date when the claims occurred and the report date could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of June 30, 2013. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 11,41%.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of June 30, 2013.

December 31, 2012

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the date when the claims occurred and the report date could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of December 31, 2012. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 13.35%.

ii) Provision for PIP Premium Deficiency for short-term insurance. We simulated how 5% deterioration in the assumed loss ratio for PIP would affect shareholders' equity and income as of December 31, 2012. The results obtained showed that even with an increase of 5% in the loss ratio, the provision for unearned premiums - PPNG is sufficient to cover future claims and expenses.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity and result as of December 31, 2012.

Bearing in mind the assumptions described above, the amounts obtained were:

R$ thousand

Risk Factor	Sensitivity		Impact on Shareholders' Equity/Profit	
			Jun 30, 2013	Dec 31, 2012
a. Technical provisions	Total	Change in the principal assumptions for technical provisions	(3,235)	(2,098)
a1. IBNR	Increase	Coefficient of variation in IBNR Factors	(3,235)	(2,098)
b. Loss ratio	Increase	5% increase in loss ratio	(6,897)	(6,403)

MAPFRE Vida S.A.

June 30, 2013

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of Jun 30, 2013. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 7.67%.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of June 30, 2013.

December 31, 2012

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of December 31, 2012. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 11.70%.

ii) Provision for PIP Premium Deficiency for short-term insurance: We simulated how 5% deterioration in the assumed loss ratio for PIP would affect shareholders' equity and income as of December 31, 2012. The results obtained showed that even with an increase of 5% in the loss ratio, the Provision for Unearned Premiums – PPNG is more than sufficient to cover future claims and expenses.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of December 31, 2012.

Bearing in mind the assumptions described above, the amounts obtained were:

R$ thousand

Risk Factor	Sensitivity		Impact on Shareholders' Equity/Profit	
			Jun 30, 2013	Dec 31, 2012
a. Technical provisions	Total	Change in principal assumptions for technical provisions	(4,258)	(6,531)
a1. IBNR	Increase	Coefficient of variation of the IBNR factors	(4,258)	(6,531)
b. Loss ratio	Increase	How an increase of 5% in the loss ratio would affect income for the year	(15,838)	(14,044)

Brasilveículos Companhia de Seguros

June 30, provisions:

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of Jun 30, 2013. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 8.78%.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of June 30, 2013.

December 31, 2012

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of December 31, 2012. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 7.54%.

ii) Provision for PIP Premium Deficiency for short-term insurance: We simulated how 5% deterioration in the assumed loss ratio for PIP would affect shareholders' equity and income as of December 31, 2012. The results obtained showed that even with an increase of 5% in the loss ratio, the Provision for Unearned Premiums – PPNG is more than sufficient to cover future claims and expenses.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of December 31, 2012.

Bearing in mind the assumptions described above, the amounts obtained were:

R$ thousand

Risk Factor	Sensitivity		Impact on Shareholders' Equity/Profit	
			Jun 30, 2013	Dec 31, 2012
a. Technical provisions	Total	Change in principal assumptions for technical provisions	(4,585)	(1)
a1. IBNR	Increase	Coefficient of variation of the IBNR factors	(4,585)	(1)
b. Loss ratio	Increase	How an increase of 5% in the loss ratio would affect income for the year	(38,841)	(22,714)

Aliança do Brasil Seguros S.A.

June 30, 2013

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of Jun 30, 2013. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 13,82%.

ii) Provision for PIP Premium Deficiency for short-term insurance (a3): We simulated how 5% deterioration in the assumed loss ratio for PIP would affect shareholders' equity and income as of Jun 30, 2013. The results obtained showed that even with an increase of 5% in the loss ratio, the Provision for Unearned Premiums – PPNG is more than sufficient to cover future claims and expenses.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of June 30, 2013.

December 31, 2012

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of December 31, 2012. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 15.18%.

ii) Provision for PIP Premium Deficiency for short-term insurance (a3): We simulated how 5% deterioration in the assumed loss ratio for PIP would affect shareholders' equity and income as of December 31, 2012. The results obtained showed that even with an increase of 5% in the loss ratio, the Provision for Unearned Premiums – PPNG is more than sufficient to cover future

claims and expenses.

b) *Loss Ratio*: We simulated how an increase of 5% in the loss ratio of the portfolio would have impacted Income and Shareholders' Equity as of December 31, 2012.

Using the assumptions described above, the amounts calculated are:

R$ thousand

Risk Factor	Sensitivity		Impact on Shareholders' Equity / Profit	
			Jun 30, 2013	Dec 31, 2012
a. Technical provisions	Total	Change in principal assumptions for technical provisions	(2,320)	(2,695)
a1. IBNR	Increase	Coefficient of variation of the IBNR factors	(2,320)	(2,695)
b. Loss ratio	Increase	How an increase of 5% in the loss ratio	(7,896)	(7,880)

MAPFRE Seguros Gerais S.A.

June 30, 2013

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of June 30, 2013. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 17.03%.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of June 30, 2013.

December 31, 2012

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of December 31, 2012. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 22.31%.

ii) Provision for PIP Premium Deficiency for short-term insurance (a3): We simulated how 5% deterioration in the assumed loss ratio for PIP would affect shareholders' equity and income as of December 31, 2012. The results obtained showed that even with an increase of 5% in the loss ratio, the Provision for Unearned Premiums – PPNG is more than sufficient to cover future claims and expenses.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of December 31, 2012.

Using the assumptions described above, the amounts calculated are:

R$ thousand

Risk Factor	Sensitivity		Impact on Shareholders' Equity / Profit	
			Jun 30, 2013	Dec 31, 2012
a. Technical provisions	Total	Change in principal assumptions for technical provisions	(14,927)	(21,366)
a1. IBNR	Increase	Coefficient of variation of the IBNR factors	(14,927)	(21,366)
b. Loss ratio	Increase	Increase of 5% in the loss ratio	(96,408)	(103,848)

MAPFRE Affinity Seguradora S.A.

June 30, 2013

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of Jun 30, 2013. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development

of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 16.36%.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of Jun 30, 2013.

December 31, 2012

a) *Technical provisions*:

i) Provision for IBNR: We simulated how a possible and reasonable increase in the delay between the report date and the date when the claims occurred could affect the balance of the provision for IBNR and consequently income and shareholders' equity as of December 31, 2012. The sensitivity parameter used took into account a deterioration in the IBNR factors regarding the development of claims, based on the average variability of those factors. The factor used for this Group based on the studies carried out was 15.99%.

ii) Provision for PIP Premium Deficiency for short-term insurance: We simulated how 5% deterioration in the assumed loss ratio for PIP would affect shareholders' equity and income as of December 31, 2012. The results obtained showed that even with an increase of 5% in the loss ratio, the Provision for Unearned Premiums – PPNG is more than sufficient to cover future claims and expenses.

b) *Loss ratio*: We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity as of December 31, 2012.

Using the assumptions described above, the amounts calculated are:

R$ thousand

Risk Factor	Sensitivity		Impact on Shareholders' Equity / Profit	
			Jun 30, 2013	Dec 31, 2012
a. Technical Provisions	Total	Change in principal assumptions for technical provisions	(5,765)	(5,441)
a1. IBNR	Increase	Coefficient of variation of the IBNR factors	(5,765)	(5,441)
b. Loss ratio	Increase	Increase of 5% in the loss ratio	(10,948)	(10,111)

Exposure to insurance credit risk

Exposure to credit risk for premiums receivable differs as between the lines of risk in the future and in the past, in the sense that for past lines of risk the exposure is greater since cover precedes payment of the insurance premium.

Management is of the view that, in relation to insurance transactions, there is a significant credit risk exposure, since the Group offers a wide range of different products. Management adopts conservative control policies in analyzing credit.

In respect of reinsurance operations, the Group is exposed to risk concentration for individual reinsurers, due to the nature of the reinsurance market and the narrow range of reinsurers with acceptable credit ratings. The Group's policy is to manage exposure to counterparties for reinsurance, working only with reinsurance companies of high credit quality as reflected in the ratings attributed by rating agencies. Some operations have been undertaken with reinsurance company of the MAPFRE Group.

As of June 30, 2013, the Group's reinsurance partners were:

Companhia de Seguros Aliança do Brasil

Reinsurer Name	Ceded Premium	
	Jun 30, 2013	Dec 31, 2012
IRB BRASIL RESSEGUROS S.A.	98%	98%
MAPFRE RE DO BRASIL CIA DE RESSEGURO	2%	2%
Total	**100%**	**100%**

Group of Lines	Insurance Code of Lines	Jun 30, 2013 Retention Limit (R$)
People Group	29	2,400,000
	36, 69, 90	800,000
	77, 82, 84	3,000,000
	93	3,200,000
Mortgage	61, 65	3,000,000
Rural	3, 4, 5, 6, 8, 9, 64	800,000
	1,7	2,500,000
	30,62,98	3,000,000
	2	3,200,000
People Individual	29,84,91	1,100,000
	36,69,77,80,83,86	800,000
	81	950,000

R$ thousand

	Jun 30, 2013		
Group of Lines	Written Premium [1]	Ceded Reinsurance	Retention
People	1,825,003	1,763	100%
Rural	604,528	206,409	66%
Mortgage	57,638	5,957	90%
Others	--	--	--
	2,487,169	**214,129**	**91%**

(1) Coinsurance and Cancellations Written Premium

R$ thousand

	Dec 31, 2012		
Group of Lines	Written Premium [1]	Ceded Reinsurance	Retention
People	2,933,819	227	100%
Rural	814,282	222,312	73%
Mortgage	76,884	3	100%
Others	--	--	--
	3,824,985	**222,542**	**94%**

(1) Coinsurance and Cancellations Written Premium

In Jun 30, 2013 total reinsurance recoverable assets is R$ 160.091 thousand (R$ 92,631 thousand in Dec 31, 2012) of which the relevant part of that balance had as counterpart IRB-Brasil Resseguros S.A.

Vida Seguradora S.A.

Reinsurer Type	Reinsurer Name	Jun 30, 2013 % of Ceded	*Rating*
Local[1]	IRB BRASIL RESSEGUROS S.A.	28%	-
Local[1]	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGUROS	72%	-
		100%	

(1) The Local reinsurer has no rating, however, is made a credit analysis. The reinsurance ratings are accompanied by reinsurance area, whose main source is the S&P rating agency.

Reinsurer Type	Reinsurer Name	Dec 31, 2012 % of Ceded	Rating
Local[1]	IRB BRASIL RESSEGUROS S.A.	4%	-
Local[1]	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGUROS	91%	-
Admitted	SCOR REINSURANCE COMPANY	5%	A+
		100%	

(1) The Local reinsurer has no rating, however, is made a credit analysis. The reinsurance ratings are accompanied by reinsurance area, whose main source is the S&P rating agency.

Group of Lines	Insurance Code of Lines	Jun 30, 2013 Retention Limit (R$)
Vehicles	88	1,200,000
People Group	29, 77, 82, 84, 90, 93	1,500,000
	80	500,000
People Individual	29, 77, 81, 90, 91	1,500,000

Exposure to insurance credit risk

R$ thousand

Group of Lines	Written Premium [1]	Jun 30, 2013 Ceded Reinsurance	Retention
People Group	53,157	1,975	96%
People Individual	79,793	--	100%
Total	**132,950**	**1,975**	**99%**

(1) Coinsurance and Cancellations Written Premium

R$ thousand

Group of Lines	Written Premium [1]	Dec 31, 2012 Ceded Reinsurance	Retention
People Group	175,774	6,627	96%
People Individual	229,368	--	100%
Total	**405,142**	**6,627**	**98%**

(1) Coinsurance and Cancellations Written Premium

MAPFRE Vida S.A.

Reinsurer Type	Reinsurer Name	Jun 30, 2013 % of Ceded	Rating
Local[1]	IRB BRASIL RESSEGUROS S.A.	70%	-
Local[1]	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGUROS	30%	-
Total		**100%**	

(1) The Local reinsurer has no rating, however, is made a credit analysis. The reinsurance ratings are accompanied by reinsurance area, whose main source is the S&P rating agency.

Reinsurer Name	% of Ceded	Dec 31, 2012 Rating
MAPFRE DO BRASIL COMPANHIA DE RESSEGUROS.	100%	No Rating
IRB BRASIL RESSEGUROS S.A	0.14%	No Rating

		Jun 30, 2013
Group of Lines	**Insurance Code of Lines**	**Retention Limit (R$)**
Vehicle	88	1,413,000
People Group	29, 69, 83, 84, 86, 87, 94	1,413,000
	77, 82	1,993,289
	80	2,391,947
	93	2,790,604
People Individual	29, 69, 83, 84, 86, 87, 91, 92	1,413,000
	81	1,594,631
	77	1,993,289
	80	2,391,947

Exposure to insurance credit risk

R$ thousand

			Jun 30, 2013
Group of Lines	**Written Premium [1]**	**Ceded Reinsurance**	**Retention**
People Group	220,317	8,143	96%
Total	**220,317**	**8,143**	**96%**

(1) Coinsurance and Cancellations Written Premium

R$ thousand

			Dec 31, 2012
Group of Lines	**Written Premium [1]**	**Ceded Reinsurance**	**Retention**
People Group	431,194	15,823	96%
People Individual	--	--	0%
Total	**431,194**	**15,823**	**96%**

(1) Coinsurance and Cancellations Written Premium

Brasilveículos Companhia de Seguros

		Jun 30, 2013
Group of Lines	**Insurance Code of Lines**	**Retention Limit (R$)**
Vehicle	20	2,000,000
	25	1,800,000
	31,42,88	1,250,000
	53	3,600,000
Property	14	1,250,000
People Group	29	1,250,000

Aliança do Brasil Seguradora S.A.

		Jun 30, 2013	
Reinsurer Type	**Reinsurer Name**	**% of Ceded**	**Rating**
Local[1]	IRB BRASIL RESSEGUROS S.A.	43%	-
Local[1]	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGUROS	42%	-
Local[1]	SWISS RE BRASIL RESSEGUROS	0%	-
Admitted	MAPFRE RE COMPAÑIA DE REASEGUROS, S.A.	14%	A
Admitted	LLOYDS	1%	A+
	TOTAL	**100.00%**	

(1) The Local reinsurer has no rating, however, is made a credit analysis. The reinsurance ratings are accompanied by reinsurance area, whose main source is the S&P rating agency.

Reinsurer Type	Reinsurer Name	Dec 31, 2012 % of Ceded	Rating
Local[1]	IRB BRASIL RESSEGUROS S.A.	31.62%	-
Local[1]	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGUROS	47.65%	-
	TOTAL	**79.27%**	
Admitted	LLOYDS	2.44%	A+
Admitted	CATLIN INSURANCE COMPANY (UK) LTD	0.52%	A
Admitted	MAPFRE RE COMPAÑIA DE REASEGUROS, S.A.	15.58%	A
Admitted	HANNOVER RÜCKVERSICHERUNG AG	0.88%	AA-
Admitted	LIBERTY MUTUAL INSURANCE COMPANY	1.30%	A-
	TOTAL	**20.72%**	

(1) The Local reinsurer has no rating, however, is made a credit analysis. The reinsurance ratings are accompanied by reinsurance area, whose main source is the S&P rating agency.

Group of Lines	Insurance Code of Lines	Jun 30, 2013 Retention Limit (R$)
Property	12,15,41,73,95	500,000
	14,16,18,67,71,96	3,000,000
Special Risks	34,72,74	500,000
Responsabilities	10,13,78	500,000
	51	3,000,000
Transportation	21,22	2,885,000
	23,28,32,38,44,52,54,55,56,58	500,000
Financial Risks	43,46,48	500,000
	75,76	3,400,000
	35	2,000,000
Aviation	28,37,97	500,000
Marine	17,28,57	500,000
	33	2,500,000

Reinsurance

R$ thousand

	Jun 30, 2013		
Group of Lines	**Written Premium [1]**	**Ceded Reinsurance**	**Retention**
Property	313,597	15,629	95%
Financial Risks / Credit	21,529	3,957	82%
Responsabilities	4,024	304	92%
Transportation	7,494	47	99%
Marine / Aviation / Vessel	1,902	378	80%
Total	**348,546**	**20,315**	**94%**

(1) Coinsurance and Cancellations Written Premium

R$ thousand

	Dec 31, 2012		
Group of Lines	**Written Premium (1)**	**Ceded Reinsurance**	**Retention**
Property	440,028	36,661	92%
Financial Risks / Credit	48,257	8,160	83%
Responsabilities	5,912	427	93%
Transportation	8,633	222	97%
Marine / Aviation / Vessel	8,053	3,306	59%
Total	**510,883**	**48,776**	**90%**

(1) Coinsurance and Cancellations Written Premium

As of June 30, 2013, the total amount of reinsurance assets recoverable was R$ 77.548 thousand (R$ 60,007 thousand at Dec 31, 2012), with a significant part of this balance having IRB-Brasil Resseguros S.A. as the counterparty.

MAPFRE Seguros Gerais S.A.

	Jun 30, 2013	
Group of Lines	**Insurance Code of Lines**	**Retention Limit (R$)**
Property	73,95	2,500,000
	12,14,15,16,18,41,67,71	3,000,000
	96	6,000,000
Special Risks	34	2,500,000
Responsabilities	10,78	2,500,000
	13,51	3,000,000
Vehicle	20,24,25,31,88	2,500,000
	42,53	3,000,000
Transportation	21,22,32,38,44,52,54,55,56	5,000,000
	28	3,000,000
Financial Risks	46	2,500,000
	48,75,76	10,000,000
People Group	29,93	2,500,000
	82	3,000,000
	84,87	800,000
Mortgage	61,65	3,000,000
Rural	1,7	2,500,000
	3	2,000,000
	30,62	3,000,000
People Individual	29,81	2,500,000
	84,87	800,000
Marine	17,33	2,500,000
	28	3,000,000
Aviation	28	3,000,000
	35,37,97	2,500,000

R$ thousand

	Jun 30, 2013		
Group of Lines	**Written Premium (1)**	**Ceded Reinsurance**	**Retention**
Vehicle	1,227,864	1,973	100%
Property	338,669	155,655	54%
Transportation	125,350	14,136	89%
Marine / Aviation	105,718	84,320	17%
Rural	88,514	37,062	58%
Others	61,828	25,254	57%
Total	**1,947,943**	**318,400**	**84%**

(1) Coinsurance and Cancellations Written Premium

R$ thousand

Group of Lines	Written Premium (1)	Ceded Reinsurance	Retention
	Dec 31, 2012		
Vehicle	3,700,430	5,635	100%
Property	743,933	413,234	44%
Transportation	275,951	38,720	86%
Marine / Aviation	28,274	27,987	1%
Rural	161,375	78,405	51%
Others	161,242	100,414	38%
Total	**5,071,205**	**664,395**	**87%**

(1) Coinsurance and Cancellations Written Premium

MAPFRE Affinity Seguradora S.A.

Jun 30, 2013

Type of Reinsurer	Reinsurer Name	Ceded (%)
Local	IRB Brasil Resseguros S.A.	30%
Local	MAPFRE Re do Brasil Companhia de Resseguro	70%
	Total	**100%**

Dec 31, 2012

Type of Reinsurer	Reinsurer Name	Ceded (%)
Local	IRB Brasil Resseguros S.A.	32%
Local	MAPFRE Re do Brasil Companhia de Resseguro	68%
	Total	100%

Jun 30, 2013

Group of Lines	Insurance Code of Lines	Retention Limit (R$)
Property	71	1.500.000
Vehicle	88	1.500.000
Financial Risks	46,48	2.200.000
	76	1.500.000
People Group	98	1.500.000
	80	500.000
	29,77,82,84,87,93	1.500.000
Rural	98	1.500.000
People Individual	29,77,84,87	1.500.000
Trasnportation	51	3.000.000

R$ thousand

Group of Lines	Written Premium (1)	Ceded Reinsurance	Retention
		Jun 30, 2013	
People	293.526	604	100%
Credit / Financial Risks	40.768	--	100%
Total	**334.294**	**604**	**100%**

(1) Coinsurance and Cancellations Written Premium

R$ thousand

Group of Lines	Written Premium (1)	Ceded Reinsurance	Retention
		Dec 31, 2012	
People	(556)	--	100%
Credit / Financial Risks	696,291	212	100%
Total	**695,735**	**212**	**100%**

(1) Coinsurance and Cancellations Written Premium

Management of credit risk

Reinsurance companies are subject to a process of credit risk analysis on a continuous basis to ensure that the objectives of minimizing insurance and credit risk are attained.

The financial policy provides for diversification of the investment portfolio (financial assets), with the setting of exposure limits for each issuer and the requirement of a minimum “A” rating for allocation.

Some aspects of credit risk that require care are: avoiding a concentration of business with reinsurance companies, with groups of customers, with a single business group or even in geographic regions.

Credit risk management for financial instruments includes the monitoring of credit risk exposure on the part of individual counterparties in relation to credit classifications by risk assessors, such as Fitch Ratings, Standard & Poor’s and Moody’s.

The reinsurance guidelines also help to monitor insurance credit risk and are determined by internal rules.

The companies use a variety of sensitivity analyses and stress tests as tools for managing financial risks. The results of such analyses are used to minimize risk and to understand the impact on the Group’s income and shareholders’ equity under normal conditions and under conditions of stress. These tests take into account past scenarios and scenarios of market conditions that are forecast for future periods. Their results are used in the planning and decision-making process and also to identify specific risks arising from the financial assets and liabilities held by the Group.

Companhia de Seguros Aliança do Brasil

Rating of Credit Risks

Jun 30, 2013			
Issuer	Bond	Book Value/ Fair Value	Rating
BRASIL TELECOM	Debentures	35,502	Aaa.br (Moody´s)
BNDESPAR	Debentures	28,337	brAAA (S & P)
BR MALLS PARTICIPAÇÕES S.A	Debentures	20,268	brAA (S& P)
CONCES. DA ROD PRES DUTRA	Debentures	16,757	AA-(bra) (Fitch Ratings)
CIA TRANS ENERG. ELET. PAULISTA	Debentures	10,757	AA+ (bra) (Fitch Ratings)
BANDEIRANTE ENERGIA	Debentures	10,482	AA+ (bra) (Fitch Ratings)
BROOKFIELD	Debentures	10,330	Aa3.br (Moody’s)
AES SUL DISTR. GAÚCHA DE ENERGIA	Debentures	10,305	brAA- (S & P)
EVEN	Debentures	10,302	A2.br(Moody´s)
CSN	Debentures	10,125	brAAA (S& P)
ANHANGUERA-BANDEIRANTES	Debentures	10,037	brAAA (S & P)
TELEMAR NORTE LESTE	Debentures	9,191	brAAA (S&P)
SABESP	Debentures	7,213	brAA+ (S & P)
AES TIETÊ	Debentures	6,833	Aa1.br (Moody's)
COPASA	Debentures	6,071	Aa2.br (Moody's)
INTERVIAS	Debentures	4,154	Aa1.br (Moody´s)
LOCALIZA RENT CAR	Debentures	4,802	Aa1.br (Moody’s)
AUTOVIAS	Debentures	4,153	Aa2.br (Moody´s)
CONCEPA	Debentures	3,448	AA-.bra (Moody´s)
AMPLA	Debentures	1,676	brAA- (S & P)
CEMIG	Debentures	333	brAA- (S & P)
BCO ABC BRASIL	Financial Securities	32,720	brAA+/Estável/brA-1 (S&P)
BCO HSBC	Financial Securities	30,946	Baa2 (S&P)
BCO SANTANDER	Financial Securities	28,391	Aaa.br (Moody´s)
BCO ITAU UNIBANCO	Financial Securities	28,110	Aaa.br (Moody´s)
BCO DAYCOVAL	Financial Securities	25,269	Aa1 (Moody's)
BCO BRADESCO	Financial Securities	17,236	Aaa.br (Moody´s)
CAIXA ECONOMICA FEDERAL	Financial Securities	11,462	Aaa.br (Moody´s)
BCO BONSUCESSO	Certificates of Deposit (CDB-DPGE)	15,873	A3.br (Moody´s)
BCO TRICURY	Certificates of Deposit (CDB-DPGE)	15,857	BBB+ (Austin Ratings)

BCO MERCANTIL DO BRASIL	Certificates of Deposit (CDB-DPGE)	23,343	Aa3.br (Moody´s)
BCO INDUSVAL	Certificates of Deposit (CDB-DPGE)	12,669	A2.br (Moody´s)
BCO PINE	Certificates of Deposit (CDB-DPGE)	25,124	A1.br(Moody´s)
BIC BANCO	Certificates of Deposit (CDB-DPGE)	11,955	Baa3 (Moody's)
BCO FIBRA	Certificates of Deposit (CDB-DPGE)	23,820	Aa3.br (Moody´s)
BCO BIC	Certificates of Deposit (CDB-DPGE)	11,903	Aa1.br (Moody´s)
BCO SOFISA	Certificates of Deposit (CDB-DPGE)	11,888	Ba2 (Moody's)
BCO PARANA	Certificates of Deposit (CDB-DPGE)	11,885	brAA (S & P)
BCO DO NORDESTE DO BRASIL	Certificates of Deposit (CDB)	21,253	AAA (bra) (Fitch Ratings)
CHEMICAL VII	Credit Receivables Investment Funds	30,713	Aaa.br/Baa3 (Moody's)
PETROQUÍMICA	Credit Receivables Investment Funds	27,782	brAAA (S & P)
CHEMICAL VI	Credit Receivables Investment Funds	8,011	Ba1.br (Moody's)
CHEMICAL V - BRASKEM S/A.	Credit Receivables Investment Funds	1,682	Ba1.br (Moody's)
TOTAL		**648,968**	

Mapfre Seguros Gerais

Rating of reinsurers of optional contracts

		Jun 30, 2013	
Type of Reinsurer	**Reinsurer Name**	**% of Ceded**	***Rating***
Local	IRB - INSTITUTO DE RESSEGUROS DO BRASIL	68.32%	-
Local	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGU	29.00%	-
Local	ACE RESSEGURADORA S/A	1.43%	-
Local	MUNICH RE DO BRASIL RESSEGURADORA SA	0.82%	-
Local	TERRA BRASIS RESSEGUROS S.A.	0.17%	-
Local	AUSTRAL RESSEGURADORA S.A.	0.12%	-
Local	ALLIANZ GLOBAL RESSEGUROS BRASIL S.A.	0.10%	-
	TOTAL	**100.00%**	
Admited	MITSUI SUMITOMO INSURANCE COMPANY, LIMIT	18.45%	A+
Admited	FACTORY MUTUAL INSURANCE COMPANY	16.67%	A
Admited	MAPFRE RE COMPANIA DE REASEGUROS S.A	10.48%	A
Admited	AMERICAN HOME ASSURANCE COMPANY	7.16%	A+
Admited	HANNOVER RÜCKVERSICHERUNG AG	6.66%	AA-
Admited	CATLIN UNDERWRITING AGENCIES L - 2003	3.01%	A+
Admited	ALLIANZ GLOBAL CORPORATE & SPECIALTY AG	3.00%	AA
Admited	SWISS REINSURANCE COMPANY	2.22%	AA-
Admited	TRAVELERS SYNDICATE MANAGEMENT L (5000)	2.17%	A+
Admited	TORUS SPECIALITY INSURANCE COMPANY	2.10%	A-
Admited	ACE UNDERWRITING AGENCIES LTD - 2488	2.00%	A+
Admited	LIBERTY SYNDICATE MANAGEMENT LTD - 4472	1.96%	A+
Admited	RJ KILN AND CO LTD - 510	1.92%	A+
Admited	TALBOT UNDERWRITING LTDA - 1183	1.71%	A+
Admited	AMLIN UNDERWRITING LIMITED - 2001	1.40%	A+
Admited	ASPEN MANAGING AGENCY LTD - 4711	1.32%	A+
Admited	QBE UNDERWRITING LIMITED - 1886	1.22%	A+
Admited	PARTNER REINSURANCE EUROPE LIMITED	1.16%	A+
Admited	XL LONDON MARKET LIMITED - 1209	1.15%	A+
Admited	STARR MANAGING AGENTS LIMITED - 1919	0.99%	A+
Admited	HISCOX SYNDICATES LIMITED - 33	0.91%	A+
Admited	ARGO MANAGING AGENCY LTD - 1200	0.72%	A+
Admited	LIBERTY MUTUAL INSURANCE COMPANY	0.70%	A-
Admited	CHAUCER SYNDICATES LTD - 1084	0.69%	A+
Admited	NAVIGATORS UNDERWRITING AGENCY - 1221	0.62%	A+
Admited	FARADAY UNDERWRITING LIMITED - 435	0.62%	A+
Admited	QBE UNDERWRITING LIMITED - 5555	0.57%	A+

Admited	STARR MANAGING AGENTS LTD - 2243	0.56%	A+
Admited	ZURICH INSURANCE COMPANY	0.54%	AA-
Admited	BRIT SYNDICATES LIMITED - 2987	0.50%	A+
Admited	BEAZLEY FURLONGE LTD - 2623	0.46%	A+
Admited	ASCOT UNDERWRITING LIMITED - 1414	0.37%	A+
Admited	MUNICH RE UNDERWRITING LTD - 457	0.37%	A+
Admited	TRAVELERS SYNDICATE MANAGEMENT - LLOYDS	0.36%	A+
Admited	ANTARES MANAGING AGENCY LTD - 1274	0.35%	A+
Admited	MITSUI SUMITOMO INSURANCE UTG AT - 3210	0.33%	A+
Admited	FLAGSTONE SYNDICATE MANAGEMENT LTD 1861	0.33%	A+
Admited	ODYSSEY AMERICA REINSURANCE CORPORATION	0.29%	A-
Admited	ARGENTA SYNDICATE MANAGEMENT - 1965	0.29%	A+
Admited	FEDERAL INSURANCE COMPANY	0.27%	AA
Admited	HARDY (UNDERWRITING AGENCIES) LTD - 382	0.26%	A+
Admited	AMLIN UNDERWRITING LIMITED - 6106	0.23%	A+
Admited	SWISS REINSURANCE AMERICA CORPORATION	0.21%	AA-
Admited	ATRIUM UNDERWRITERS LIMITED - 570	0.21%	A+
Admited	ATRIUM UNDERWRITERS LIMITED - 609	0.21%	A+
Admited	SCOR REINSURANCE COMPANY	0.20%	A+
Admited	ALTERRA AT LLOYDS LTF - 1400	0.20%	A+
Admited	ARCH UNDERWRITING AT LLOYDS LTD - 2012	0.19%	A+
Admited	AEGIS MANAGING AGENCY LIMITED - 1225	0.16%	A+
Admited	QBE UNDERWRITING LTD - 386	0.15%	A+
Admited	BEAUFORT UNDERWRITING AGENCY LTD - 318	0.14%	A+
Admited	TRANSATLANTIC REINSURANCE COMPANY	0.13%	A+
Admited	HISCOX SYNDICATES LTD - 3624	0.13%	A+
Admited	CHAUCER SYNDICATES LTD - 1301	0.12%	A+
Admited	ARGENTA SYNDICATE MANAGEMENT LMI - 2121	0.11%	A+
Admited	CANOPIUS MANAGING AGENTS LTD - 4444	0.10%	A+
Admited	MARKEL SYNDICATE MANAGEMENT LTD - 3000	0.10%	A+
Admited	BEAZLEY FURLONGE LTD - 623	0.08%	A+
Admited	PEMBROKE MANAGING AGENCY LTD - 4000	0.08%	A+
Admited	SCOR GLOBAL LIFE U.S. REINSURANCE COMPAN	0.06%	A
Admited	FLAGSTONE SYNDICATE MANAGEMENT LTD 1969	0.06%	A+
Admited	ARK SYNDICATE MANAGEMENT LTD - 4020	0.05%	A+
Admited	ARK SYNDICATE MANAGEMENT LTD - 3902	0.04%	A+
Admited	WHITTINGTON CAPITAL MANAGEMENT LTD 2015	0.04%	A+
Admited	HISCOX SYNDICATES LTD - 6104	0.04%	A+
Admited	HCC UNDERWRITING AGENCY LIMITED - 4040	0.03%	A+
Admited	ACE TEMPEST REINSURANCE LTD.	0.02%	AA-
Admited	ARGENTA SYNDICATE MANAGEMENT LTD - 1110	0.02%	A+
Admited	NOVAE SYNDICATES LTD - 2007	0.02%	A+
Admited	R J KILN AND CO LTD - 308	0.01%	A+
Admited	R J KILN AND CO LTD - 557	0.01%	A+
Admited	WHITTINGTON CAPITAL MANAGEMENT LTD 1967	0.01%	A+
Admited	ARK SYNDICATE MANAGEMENT LTD - 6105	0.01%	A+
Admited	CANOPIUS MANAGING LTD - 260	0.00%	A+
Admited	WHITTINGTON CAPITAL MANAGEMENT L - 1910	0.00%	A+
Admited	CATLIN INDERWRITING AGENCIES LT 3002	0.00%	A+
Admited	HCC UNDERWRITING AGENCY LIMITED - 4141	-0.07%	A+
	TOTAL	**100.00%**	
Eventual	GENERAL INSURANCE CORPORATION OF INDIA	21.45%	A-
Eventual	HOUSTON CASUALTY COMPANY	19.45%	AA
Eventual	AXA CORPORATE SOLUTIONS ASSURANCE	13.88%	A+
Eventual	MUNCHENER RUCKVERSICHERUNGS-GESELLSCHAFT	12.19%	AA-
Eventual	LIBERTY MUTUAL INSURANCE EUROPE LIMITED	6.26%	A-
Eventual	NATIONAL LIABILITY & FIRE INSURANCE COMP	5.00%	AA+
Eventual	ASPEN INSURANCE UK LIMITED	4.30%	A
Eventual	SIRIUS INTERNATIONAL INSURANCE CORPORATI	4.00%	A-
Eventual	HDI-GERLING INDUSTRIE VERSICHERUNG AG	2.98%	A+

Eventual	TOKIO MARINE & NICHIDO FIRE INSURANCE CO	2.28%	AA-
Eventual	ZURICH INSURANCE PUBLIC LIMITED COMPANY	2.27%	AA-
Eventual	MITSUI SUMITOMO INSURANCE COMPANY OF AME	1.85%	A+
Eventual	ASSICURAZIONI GENERALI S.P.A.	1.27%	A
Eventual	XL INSURANCE COMPANY LIMITED	1.09%	A
Eventual	KOREAN REINSURANCE COMPANY	0.64%	A-
Eventual	NAVIGATORS INSURANCE COMPANY	0.63%	A
Eventual	SCOR SWITZERLAND AG	0.29%	A+
Eventual	AXIS REINSURANCE COMPANY	0.10%	A+
Eventual	MAPFRE RE CIA. DE RESSEGUROS S/A	0.03%	A
Eventual	TOKIO MARINE GLOBAL LTD.	0.02%	AA-
Eventual	SOMPO JAPAN INSURANCE INC.	0.01%	A+

Insured and Reinsured Limits

R$ thousand

					jun/13
Insurance Code of Line	**Type of Reinsurance**	**Terms of Contract**	**Priority**	**Faixa**	**moeda**
01	automatic	Stop loss	150%	300%	BRL
30, 61, 62, 63, 65, 68	automatic	Catastrophe	10,000	90,000	BRL
11, 14, 16, 18, 41, 71, 96	automatic	Excess of damages per risk	3,000	15,750	BRL
11, 14, 16, 18, 30, 41, 61, 62, 63, 65, 67, 68, 71, 96	automatic	Catastrophe	10,000	90,000	BRL
35	automatic	Excess of damages per risk	250	750	USD
67	automatic	Excess of damages per risk	3,000	1,000	BRL
51	automatic	Excess of damages per risk	1,500	2,000	BRL
21, 22, 32, 38, 52, 54, 55, 56, 33	automatic	Excess of damages per risk	1,000	49,000	USD
48	automatic	Excess of damages per risk	500	2,000	BRL
49	automatic	Excess of damages per risk	100	400	USD
75, 76	automatic	Excess of damages per risk	3,500	6,500	BRL

Liquidity risk exposure

Liquidity risk is limited by reconciling the cash flow of our investment portfolio with the corresponding liabilities. For this purpose, actuarial methods are used to estimate the liabilities arising from insurance contracts.

Liquidity risk management

Liquidity risk management involves a set of controls, principally in regard to the establishment of technical limits, with the positions taken and financial instruments used being under constant assessment. Each year the Executive Board approves minimum liquidity levels to be maintained, and the instruments that may be used to manage liquidity, on the basis of the assumptions contained in the Investment Policy, which is approved by the Board of Directors.

The management of liquidity risk is designed to control the different mismatched settlement terms of rights and obligations. Are monitored through assets and liabilities management (ALM), the entries and disbursements future, in order to maintain the liquidity risk at acceptable levels and, if necessary, point out in advance of any need redirection of investment.

Another important aspect of liquidity risk management is the matching of cash flows of assets and liabilities. For a significant proportion of life insurance contracts, the cash flow is linked both directly and indirectly with the assets underlying these contracts. For other insurance contracts, the aim is to select assets and securities with maturities compatible with the cash flow expected to be required for claims/benefits of these lines.

All revenue from holdings in which BB Seguridade has ownership interest comes from dividends and equity. Events that cause reductions in earnings of subsidiaries or suspensions in the payment of dividends may eventually affect the financial condition of the holding companies and their ability to meet the payment obligations.

Estimates used to determine the approximate amounts and periods for paying indemnities and benefits are revised monthly.

These estimates are by their nature subjective, and may have a direct impact on the capacity to maintain a balance between assets and liabilities.

Companhia de Seguros Aliança do Brasil

R$ thousand

Jun 30, 2013	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	202,778	--	--	202,778
Fair value through income	486,738	532,536	446,210	1,465,484
Available for sale	99,352	294,786	261,572	655,710
Held to maturity	188,990	230,655	386,183	805,828
Insurance and reinsurance operations credits	1,343,460	544,257	--	1,887,717
Other assets	73,904	97	--	74,001
Total financial assets	**2,395,222**	**1,602,331**	**1,093,965**	**5,091,518**

Financial assets related to court and tax deposits, R$ 633.604 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

R$ thousand

Dec 31, 2012	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	123,931	--	--	123,931
Fair value through income	484,855	395,209	347,587	1,227,651
Available for sale	81,004	279,388	169,974	530,366
Held to maturity	190,149	411,075	214,703	815,927
Insurance and reinsurance operations credits	584,981	367,038	--	952,019
Other assets	155,514	96	--	155,610
Total financial assets	**1,620,434**	**1,452,806**	**732,264**	**3,805,504**

Financial assets related to court and tax deposits, R$ 623,007 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

Vida Seguradora S.A.

R$ thousand

Jun 30, 2013	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	361	--	--	361
Fair value through income	277,835	33,908	53,001	364,744
Available for sale	--	--	--	--
Held to maturity	78,808	--	121,882	200,690
Insurance and reinsurance operations credits	62,064	--	--	62,064
Other assets	4,351	190	--	4,541
Total financial assets	**423,419**	**34,098**	**174,883**	**632,400**

Financial assets related to court and tax deposits, R$ 9.678 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

R$ thousand

Dec 31, 2012	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	783	--	--	783
Fair value through income	355,719	42,202	--	397,921
Available for sale	--	--	--	--
Held to maturity	--	198,441	--	198,441
Insurance and reinsurance operations credits	28,876	--	--	28,876
Other assets	10,891	--	--	10,891
Total financial assets	**396,269**	**240,643**	**--**	**636,912**

Financial assets related to court and tax deposits, R$ 8,123 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

MAPFRE Vida S.A.

R$ thousand

Jun 30, 2013	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	4,936	--	--	4,936
Fair value through income	141,652	33,037	55,466	230,155
Available for sale	--	--	--	--
Held to maturity	57,465	7,765	194,875	260,105
Insurance and reinsurance operations credits	116,897	--	--	116,897
Other assets	54,216	660	--	54,876
Total financial assets	**375,166**	**41,462**	**250,341**	**666,969**

Financial assets related to court and tax deposits, R$ 358 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

R$ thousand

Dec 31, 2012	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	24,946	--	--	24,946
Fair value through income	206,437	19,567	--	226,004
Available for sale	--	--	--	--
Held to maturity	17,957	251,341	--	269,298
Insurance and reinsurance operations credits	141,742	--	--	141,742
Other assets	35,253	487	--	35,740
Total financial assets	**426,335**	**271,395**	**--**	**697,730**

Financial assets related to court and tax deposits, R$ 358 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

Brasilveículos Companhia de Seguros

R$ thousand

Jun 30, 2013	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	5	--	--	5
Fair value through income	256,846	290,712	437,861	985,419
Available for sale	43,462	76,612	72,747	192,821
Held to maturity	--	--	47,866	47,866
Insurance and reinsurance operations credits	590,074	--	--	590,074
Other assets	165,582	--	--	165,582
Total financial assets	**1,055,969**	**367,324**	**558,474**	**1,981,767**

Financial assets related to court and tax deposits, R$ 432,835 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

R$ thousand

Dec 31, 2012	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	2,062	--	--	2,062
Fair value through income	231,069	--	--	231,069
Available for sale	106,972	33,710	--	140,682
Insurance and reinsurance operations credits	9,038	--	--	9,038
Other assets	78,035	--	--	78,035
Total financial assets	**427,176**	**33,710**	**--**	**460,886**

Financial assets related to court and tax deposits R$ 412,471 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

Aliança do Brasil Seguros S.A.

R$ thousand

Jun 30, 2013	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	44,962	--	--	44,962
Fair value through income	95,009	39,521	85,148	219,678
Available for sale	11,494	37,762	39,366	88,622
Held to maturity	16,602	23,417	37,199	77,218
Insurance and reinsurance operations credits	293,066	--	--	293,066
Other assets	17,046	--	--	17,046
Total financial assets	**478,179**	**100,700**	**161,713**	**740,592**

Financial assets related to court and tax deposits, R$ 17,496 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

R$ thousand

Dec 31, 2012	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	39,214	--	--	39,214
Fair value through income	99,331	41,638	67,095	208,064
Available for sale	21,321	5,154	50,078	76,553
Held to maturity	32,794	39,191	--	71,985
Insurance and reinsurance operations credits	187,769	--	--	187,769
Other assets	9,026	--	--	9,026
Total financial assets	**389,455**	**85,983**	**117,173**	**592,611**

Financial assets related to court and tax deposits, R$ 18,496 thousand, and financial liabilities related to Legal provisions, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

MAPFRE Seguros Gerais S.A.

R$ thousand

Jun 30, 2013	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	40,392	--	--	40,392
Fair value through income	844,828	162,315	147,291	1,154,434
Available for sale	--	--	--	--
Held to maturity	178,313	21,213	532,147	731,673
Insurance and reinsurance operations credits	1,980,556	138,934	--	2,119,490
Other assets	277,204	13,488	--	290,692
Total financial assets	**3,321,293**	**335,950**	**679,438**	**4,336,681**

Financial assets related to court and tax deposits, R$ 10,369 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

R$ thousand

Dec 31, 2012	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	42,623	--	--	42,623
Fair value through income	1,913,047	--	--	1,913,047
Available for sale	--	--	--	--
Held to maturity	25,439	663,802	--	689,241
Insurance and reinsurance operations credits	2,168,762	129,656	--	2,298,418
Other assets	296,097	688	--	296,785
Total financial assets	**4,445,968**	**794,146**	**--**	**5,240,114**

Financial assets related to court and tax deposits, R$ 8,970 thousand have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

MAPFRE Affinity Seguradora S.A.

R$ thousand

Jun 30, 2013	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	3,383	--	--	3,383
Fair value through income	161,245	24,151	40,716	226,112
Available for sale	--	--	--	--
Held to maturity	51,720	3,266	89,925	144,911
Insurance and reinsurance operations credits	203,234	4,225	--	207,459
Other assets	115,509	269	--	115,778
Total financial assets	**535,091**	**31,911**	**130,641**	**697,643**

Financial assets related to court and tax deposits, R$98,500 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

R$ thousand

Dec 31, 2012	Maturing in up to 1 year	Maturing between 1 and 3 years	Maturing more than 3 years	Total
Cash and cash equivalents	7,201	--	--	7,201
Fair value through income	198,460	17,329	--	215,789
Available for sale	--	--	--	--
Held to maturity	1,496	130,340	--	131,836
Insurance and reinsurance operations credits	199,467	4,225	--	203,692
Other assets	126,196	760	--	126,956
Total financial assets	**532,820**	**152,654**	**--**	**685,474**

Financial assets related to court and tax deposits, R$ 84,131 thousand, have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

Market Risk management

Companhia de Seguros Aliança do Brasil and Aliança do Brasil Seguros S.A manage market risk exposure prudently. Market risk is calculated by the Banco do Brasil Risk Department on the basis of stress scenarios, past experience and the Value at Risk (VaR) methodology. The Financial Department and BB-DTVM monitor the VaR result each day and make regular reports to meetings of the Finance Committee, so as to identify reallocation needs. The method adopted for calculating VaR uses the past 150-day series, with a 95% confidence level and a time horizon of 1 business day.

In both cases, financial investments assets are subject to active management with an approach that strikes a balance between quality, diversification, liquidity and return on investment. The main purpose of the investment process is to perfect the relationship between rate, risk and return, aligning investments with the cash flow of liabilities. For this purpose strategies are used that take into consideration acceptable risk levels, terms, profitability, sensitivity, liquidity and assets concentration limits by issuer and credit risk.

In the case of Companhia de Seguros Aliança do Brasil, taking into account the effect of diversification between risk factors, the possibility of loss estimated by the VaR model for a 1-day interval is R$ 5,468 thousand. In the year under analysis, the positions that contributed most in terms of risk were related to paper indexed to price indices.

At Aliança do Brasil Seguros S.A, for its part, taking into account the effect of diversification between risk factors, the possibility of loss estimated by the VaR model for a 1-day interval is R$ 673 thousand. In the year under analysis, the positions that contributed most in terms of risk were related to paper indexed to price indices and pre-fixed interest rates.

In case of Brasilveículos Companhia de Seguros, taking into account the effect of diversification between risk factors, the possibility of loss estimated by the VaR model for a 1-day interval is R$ 2,821 thousand. In the year under analysis, the positions that contributed most in terms of risk were related to paper indexed to price indices and pre-fixed interest rates.

For MAPFRE Vida S.A., taking into account the effect of diversification between risk factors, the possibility of loss estimated by the VaR model for a 1-day interval is R$ 1,058 thousand. In the year under analysis, the positions that contributed most in terms of risk were related to paper indexed to pre-fixed interest rates.

In case of Vida Seguradora S.A., taking into account the effect of diversification between risk factors, the possibility of loss estimated by the VaR model for a 1-day interval is R$ 1,180 thousand. In the year under analysis, the positions that contributed most in terms of risk were related to paper indexed to pre-fixed interest rates.

At MAPFRE Seguros Gerais S.A., taking into account the effect of diversification between risk factors, the possibility of loss estimated by the VaR model for a 1-day interval is R$ 3,420 thousand. In the year under analysis, the positions that contributed most in terms of risk were related to paper indexed to price indices and pre-fixed interest rates.

MAPFRE Affinity Seguradora S.A., taking into account the effect of diversification between risk factors, the possibility of loss estimated by the VaR model for a 1-day interval is R$ 721 thousand. In the year under analysis, the positions that contributed most in terms of risk were related to paper indexed to pre-fixed interest rates.

It should be stressed that the Banco do Brasil Insurance Group and MAPFRE adopt strict control policies and strategies approved in advance by the Finance Committee and Management, which make it possible to reduce market risk exposure. Operations are controlled with the use of Stress Testing and Value At Risk tools and subsequently compared with the Stop Loss risk control policy adopted. The Insurance Group monitors the VaR of the investment portfolio on a daily basis, using information supplied by MAPFRE DTVM. Portfolio risk is submitted to meetings of the Finance Committee, in order to identify any need for reallocating portfolio assets.

Sensitivity to interest rate

In this sensitivity analysis, the following risk factors are taken into account: (i) interest rates, and (ii) securities indexed to inflation indices (INPC, IGP-M, and IPCA), due to their relevance in the Group's asset and liability positions.

The quantitative parameters used in the sensitivity analysis (100 basis points for interest rate and inflation coupons) were defined based on an analysis of recent historical variations of interest rates and the assumption of maintenance of inflation expectations curves, which affect these securities as much as the interest rates.

Historically, companies do not redeem assets in advance, and such assets are held to maturity. Accordingly, securities placed in this category were excluded from the base for sensitivity analysis, as Management considers that it is not sensitive to interest rate variations in the case of these securities, given its policy of holding them to maturity.

Companhia de Seguros Aliança do Brasil

Jun 30, 2013

Out of the total of R$ 2,927,022 thousand in financial assets, including repo transactions, R$ 805,828 thousand derived from the sensitivity analysis base because they were categorized as "held to maturity," R$ 104,796 thousand were related to DPVAT positions. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 2,016,398 thousand.

In order to develop the sensitivity analysis, the financial assets existing as of the balance sheet base date were taken into account.

R$ thousand

Risk Factor	Jun 30, 2013
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(22,492)
Rate Reduction	23,429

Parameters:

a) 100 *basis points* for interest rate structures existing as of June 30, 2013.

b) 100 *basis points* for coupon rate structures existing as of June 30, 2013.

Dec 31, 2012

Out of the total of R$ 2,573,944 thousand in financial assets, including repo transactions, R$ 815,927 thousand derived from the sensitivity analysis base because they were categorized as "held to maturity," R$ 80,847 thousand and R$ 22 million were related to DPVAT positions and non-exclusive funds, respectively. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 1,655,317 thousand, of which R$ 986,889 thousand are pre- and post-fixed federal government securities, as well as securities indexed to price indexes. Considering the total amount analyzed, pre-fixed securities (NTN-F and LTN) represent 37.5%, while price indexes (IPCA) represent 12.1%, and post-fixed, 10.0%, totaling 59.6% of government securities out of the total analyzed. Based on the assumptions adopted, it became clear that income is negatively affected whenever interest rates increase, bearing in mind that most of the Group's portfolio is based on pre-fixed assets and price indexes (and these were considered pre-fixed assets in the sensitivity analysis). Nevertheless, a decrease in interest rates leads to a positive income considering the concentration in pre-fixed rates.

In order to develop the sensitivity analysis, the financial assets existing as of the balance sheet base date were taken into account.

R$ thousand

Risk Factor	Dec 31, 2012
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(17,413)
Rate Reduction	18,519

Parameters:

a) 100 *basis points* for interest rate structures existing as of December 31, 2012.
b) 100 *basis points* for coupon rate structures existing as of December 31, 2012.

Vida Seguradora S.A.

Jun 30, 2013

Out of a total of R$ 565,434 thousand in financial assets, including repo transactions, R$ 200,689 thousand derived from the sensitivity analysis base because they were classified as "held to maturity," R$ 60,721 thousand were related to DPVAT positions. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 304,024 thousand.

In order to develop the sensitivity analysis, the financial assets existing as of the balance sheet base date were taken into account.

R$ thousand

Risk Factor	Jun 30, 2013
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(535)
Rate Reduction	699

Parameters:
a) 100 *basis points* for interest rate structures existing as of June 30, 2013.
b) 100 *basis points* for coupon rate structures existing as of June 30, 2013.

Dec 31, 2012

Out of a total of R$ 597,377 thousand in financial assets, including repo transactions, R$ 198,441 thousand derived from the sensitivity analysis base because they were classified as "held to maturity," R$ 48,302 thousand were related to DPVAT positions and R$ 1,016 thousand derived from investments in non-exclusive funds. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 349,618 thousand.

In order to develop the sensitivity analysis, the financial assets existing as of the balance sheet base date were taken into account.

R$ thousand

Risk Factor	Dec 31, 2012
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(260)
Rate Reduction	290

Parameters:
a) 100 *basis points* for interest rate structures existing as of December 31, 2012.
b) 100 *basis points* for coupon rate structures existing as of December 31, 2012.

MAPFRE Vida S.A.

June 30, 2013

Out of a total of R$ 490,259 thousand in financial assets, including repo transactions, R$ 260,161 thousand derived from the sensitivity analysis base because they were classified as "held to maturity," R$ 43,925 thousand were related to DPVAT positions and R$ 123 thousand derived from investments in non-exclusive funds. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 186,050 thousand.

In order to develop the sensitivity analysis, the financial assets existing as of the balance sheet base date were taken into account:

R$ thousand

Risk Factor	Jun 30, 2013
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(514)
Rate Reduction	598

Parameters:
a) 100 *basis points* for interest rate structures existing as of June 30, 2013.
b) 100 *basis points* for coupon rate structures existing as of June 30, 2013.

Dec 31, 2012

Out of the total of R$ 449,334 thousand in financial assets, including repo transactions, R$ 269,298 thousand derived from the sensitivity analysis base because they were classified as “held to maturity,” and investments related to DPVAT Agreement. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 185,230 thousand.

In order to develop the sensitivity analysis, the financial assets existing as of the balance sheet base date were taken into account:

R$ thousand

Risk Factor	Dec 31, 2012
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(144)
Rate Reduction	154

Parameters:

a) 100 *basis points* for interest rate structures existing as of December 31, 2012.

b) 100 *basis points* for coupon rate structures existing as of December 31, 2012.

Brasilveículos Companhia de Seguros

Jun 30, 2013

Out of a total of R$ 1,226,106 thousand in financial assets, including repo transactions, R$ 47,866 thousand derived from the sensitivity analysis base because they were classified as “held to maturity,” R$ 63,523 thousand were related to DPVAT positions. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 1,114,717 thousand.

In order to develop the sensitivity analysis, the financial assets existing as of the balance sheet base date were taken into account:

R$ thousand

Risk Factor	Jun 30, 2013
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(19,032)
Rate Reduction	19,672

Parameters:

a) 100 *basis points* for interest rate structures existing as of June 30, 2013.

b) 100 *basis points* for coupon rate structures existing as of June 30, 2013

Dec 31, 2012

Of the total assets of R$ 371,826 thousand, are considered assets categorized as “Financial assets at fair value through income” and “Financial assets available for sale”, which are marked to market in accordance with the pricing methodologies and risk calculation used by Banco do Brasil, less R$ 54,867 thousand regarding investments related to DPVAT Agreement. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 316,959 thousand.

The quantitative parameters used in the sensitivity analysis (100 basis points for interest rate and inflation coupons) were defined based on an analysis of recent historical variations for interest rates and the assumption of maintenance of inflation expectations curves, which affect these securities as much as the interest rates.

Considering the assumptions adopted, the amounts calculated are:

R$ thousand

Risk Factor	Dec 31, 2012
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(2,599)
Rate Reduction	2,777

Parameters:

a) 100 *basis points* for interest rate structures existing as of December 31, 2012.
b) 100 *basis points* for coupon rate structures existing as of December 31, 2012.

Aliança do Brasil Seguros S.A.

Jun 30, 2013

Out of a total of R$ 385,518 thousand in financial assets, including repo transactions, R$ 50,686 thousand derived from the sensitivity analysis base because they were classified as “held to maturity,” R$ 37,412 thousand were related to DPVAT positions. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 297,420 thousand.

In order to develop the sensitivity analysis, the financial assets existing as of the balance sheet base date were taken into account.

R$ thousand

Risk Factor	Jun 30, 2013
Interest Rate	Impact on Shareholders’ Equity
Rate Increase	(2,403)
Rate Reduction	2,534

Parameters:

a) 100 *basis points* for interest rate structures existing as of June 30, 2013

b) 100 *basis points* for coupon rate structures existing as of June 30, 2013.

Dec 31, 2012

Out of the total of R$ 356,602 thousand in financial assets, including repo transactions, R$ 71,986 thousand derived from the sensitivity analysis base because they were classified as “held to maturity,” as well as R$ 34,091 thousand related to investments in DPVAT and R$ 11,691 thousand related to non-exclusive funds. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 238,834 thousand, so that R$ 152,574 thousand are pre- and post-fixed federal government securities, as well as securities indexed to price indexes. As shown in the table below, Shareholders’ Equity is negatively affected whenever interest rates increase, which can be explained basically by the exposure to securities with payment linked to price indexes and pre-fixed rates.

In order to develop the sensitivity analysis, the financial assets existing as of the balance sheet base date were taken into account.

R$ thousand

Risk Factor	Dec 31, 2012
Interest Rate	Impact on Shareholders’ Equity
Rate Increase	(2,279)
Rate Reduction	2,419

Parameters:

a) 100 *basis points* for interest rate structures existing as of December 31, 2012.

b) 100 *basis points* for coupon rate structures existing as of December 31, 2012.

MAPFRE Seguros Gerais S.A.

Jun 30, 2013

Of the total amount of R$ 1,886,107 thousand in financial assets, including repo transactions, R$ 731,674 thousand derived from the base of the sensitivity analysis since they are classified as “held to maturity” and R$ 108,644 thousand refer to investments relating to the DPVAT Agreement and R$ 871 thousand refer to investment in others applications. Therefore, the sensitivity analysis was carried out for the financial amount of R$ 1,044,918 thousand.

R$ thousand

Risk Factor	Jun 30, 2013
Interest Rate	Impact on Shareholders’ Equity
Rate Increase	(3,172)
Rate Reduction	3,664

Parameters:

a) 100 *basis points* for interest rate structures existing as of June 30, 2013.

b) 100 *basis points* for coupon rate structures existing as of June 30, 2013.

Dec 31, 2012

Of the total amount of R$ 2,455,669 thousand in financial assets, including repo transactions, R$ 689,241 thousand derived from the base of the sensitivity analysis since they are classified as “held to maturity”, R$ 84,607 thousand refer to the DPVAT Agreement and R$ 1,805 thousand refer to investment in non-exclusive fund. Therefore, the sensitivity analysis was carried out for the financial amount of R$ 1,680,016 thousand.

In order to develop the sensitivity analysis, the financial assets existing as of the balance sheet base date were taken into account:

R$ thousand

Risk Factor	Dec 31, 2012
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(16,945)
Rate Reduction	18,454

Parameters:

a) 100 *basis points* for interest rate structures existing as of December 31, 2012.
b) 100 *basis points* for coupon rate structures existing as of December 31, 2012.

MAPFRE Affinity Seguradora S.A.

Jun 30, 2013

Of the total amount of R$ 371,021 thousand in financial assets, including repo transactions, R$ 144,910 thousand derived from the base of the sensitivity analysis since they are classified as "held to maturity" and R$ 61,532 thousand refer to investments relating to the DPVAT Agreement and R$ 52 thousand refer to investment in others applications. Therefore, the sensitivity analysis was carried out for the financial amount of R$ 164,527 thousand.

To prepare the sensitivity analysis, financial assets existing as of the date of the closing of the financial statements were taken into consideration.

R$ thousand

Risk Factor	Jun 30, 2013
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(361)
Rate Reduction	428

Parameters:

a) 100 *basis points* for interest rate structures existing as of June 30, 2013.
b) 100 *basis points* for coupon rate structures existing as of June 30,2013

Dec 31, 2012

Of the total amount of R$ 369,713 thousand in financial assets, including repo transactions, R$ 131,837 thousand derived from the base of the sensitivity analysis since they are classified as "held to maturity", R$ 55,415 thousand refer to investments relating to the DPVAT Agreement and R$ 22,089 thousand refer to investment in non-exclusive fund. Therefore, the sensitivity analysis was carried out for the financial amount of R$ 160,372 thousand.

To prepare the sensitivity analysis, financial assets existing as of the date of the closing of the financial statements were taken into consideration.

R$ thousand

Risk Factor	Dec 31, 2012
Interest Rate	Impact on Shareholders' Equity
Rate Increase	(81)
Rate Reduction	87

Parameters:

a) 100 *basis points* for interest rate structures existing as of December 31, 2012.
b) 100 *basis points* for coupon rate structures existing as of December 31, 2012.

Operational risk management – BB MAPFRE SH1 and MAPFRE BB SH2

The main responsibility for the development and implementation of controls to address operational risks is assigned to senior management within each business unit. The responsibility is supported by the development of general standards for operational risks management in the following areas:

- requirements for proper segregation of duties, including independent authorization for transactions;
- requirements for transactions reconciliation and monitoring;
- compliance with legal and regulatory requirements;
- documentation of controls and procedures;
- requirements for periodic assessment of existing operational risks and adequacy of controls and procedures to address identified risks;
- requirements to report operating losses and corrective actions proposed;
- preparation of contingency plans;
- professional development and training;

- ethical and business standards; and
- risk mitigation, including insurance, when effective.

Within such scenario, Grupo Segurador Banco do Brasil and MAPFRE have mechanisms to assess their internal compliance system in order to avoid any losses caused by breach, violation or non-compliance with the internal instructions and rules.

The internal control environment also contributes for operational risk management whereby the corporate risk matrix is updated regularly based on self-assessments of risks and controls, internal and external audits, control review system tests and improvements implemented in several areas. Additionally, a program of periodic analyses under the responsibility of Internal Audit is approved annually by the Board of Directors jointly with the Audit Committee. The analyses of the Internal Audit results are submitted to the Audit Committee and the Board of Directors.

Limitations of sensitivity analysis

It is worth mentioning that for Companhia de Seguros Aliança do Brasil, Aliança do Brasil Seguros S.A. and MAPFRE Seguros Gerais S.A., the sensitivity analyses does not take into account the fact that assets and liabilities are highly managed and controlled. Additionally, the financial position may vary upon the occurrence of any variation in the market. As investment markets move on through different levels, management actions may include selling investments and changing portfolio allocation, among other protective measures.

Other limitations on sensitivity analyses include the use of hypothetical market variations to demonstrate a potential risk that only represents the Group's view of possible changes in the market in the near future, which cannot be forecast with any certainty, and the assumption that all interest rates vary on an identical basis.

Capital management – BB MAPFRE SH1 and MAPFRE BB SH2

The main purpose of the Group in relation to capital management is to maintain sufficient capital levels to meet the regulatory requirements established by CNSP and SUSEP, and to optimize shareholders return.

During this year and in prior years, the Group did not report capital level below the minimum regulatory requirements.

The Minimum Required Capital for the Group operation is composed of base capital (a fixed amount of capital) and additional capital (variable amount) which, together, aim to protect the risks inherent to the operations.

The Group calculate the Minimum Required Capital (MRC) in accordance with the regulations issued by CNSP and SUSEP, as per the tables below:

Companhia de Seguros Aliança do Brasil

	R$ thousand
	Jun 30, 2013
Common Equity	**1,128,933**
Investments in Associates	(4,113)
Prepaid Expenses not related to reinsurance	(5,677)
Intangible Assets	(27,960)
Works of art	(5)
Adjusted Common Equity (a)	**1,091,178**
Common Equity needed - per premium	878,120
Common Equity needed - per claim	262,181
Solvency margin (b)	**878,120**
Base Capital – CB	15,000
Risk Capital (Subscribing, Credit and Operational) (RC)	902,627
Subscribing Additional Capital – CAS	793,702
Credit Additional Capital – CAC	171,972
Correlation between Additional Capitals	(73,468)
Operational Additional Capital - OAC	10,421
Minimum required capital - CMR (c)	**902,627**
Capital Adequacy (a - c)	**188,551**
Capital Adequacy (% from d)	**20.89%**

	R$ thousand
	Dec 31, 2012
Common Equity	**974,565**
Investments in Associates	(4,067)
Prepaid Expenses not related to reinsurance	(1,191)
Intangible Assets	(14,306)
Works of art	(5)
Adjusted Common Equity (a)	**954,996**
Common Equity needed - per premium	742,993
Common Equity needed - per claim	242,601
Solvency margin (b)	**742,993**
Base capital – CB	15,000
Risk Capital (subscription, credit and operational) (CR)	760,927
Subscribing Additional Capital – CAS	691,637
Credit Additional Capital – CAC	123,478
Correlation between Additional Capitals	(54,188)
Minimum required capital - CMR (c)	**775,927**
Capital Requirement (d) - higher among (b) e (c)	775,927
Capital Adequacy (a - c)	**179,069**
Capital Adequacy (% from d)	**23,08%**

Vida Seguradora S.A.

	R$ thousand
	Jun 30, 2013
Common Equity	**414,527**
Investments in Associates	(417)
Prepaid Expenses not related to reinsurance	(13)
Deferred Tax Assets	(7,459)
Intangible Assets	(765)
Works of art	(7)
Adjusted Common Equity (a)	**405,866**
Common Equity needed - per premium	31,018
Common Equity needed - per claim	31,799
Solvency margin (b)	**31,799**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) - CA	47,745
Subscribing Additional Capital – CAS	41,242
Credit Additional Capital – CAC	9,373
Correlation between Additional Capitals	(3,975)
Operational Risk Capital	1,104
Minimum required capital - CMR (d) (higher among (b) e (c))	**47,745**
Capital Adequacy (e = a – d)	**358,121**
Capital Adequacy (e/d)	**750.07%**

	R$ thousand
	Dec 31, 2012
Common Equity	**421,331**
Investments in Associates	(401)
Prepaid Expenses not related to reinsurance	(27)
Deferred Tax Assets	(13,167)
Intangible Assets	-
Works of art	(7)
Adjusted Common Equity (a)	**407,729**
0,2 times the revenues of premium issued in the last 12 months	48,331
0,33 times the revenues of retained losses in the last 36 months	30,261
Solvency margin (b)	**48,331**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) - CA	34,757
Subscribing Additional Capital – CAS	24,112
Credit Additional Capital – CAC	15,728
Correlation between Additional Capitals	(5,084)
Base Capital + Adicional Capital (c)	49,757
Minimum required capital - CMR (d) (higher among (b) e (c))	**49,757**
Capital Adequacy (e = a – d)	**357,972**
Capital Adequacy (e/d)	**719.44%**

MAPFRE Vida S.A.

	R$ thousand
	Jun 30, 2013
Common Equity	**191,655**
Investments in Associates	(186)
Prepaid Expenses not related to reinsurance	(137)
Deferred Tax Assets	(10,221)
Intangible Assets	(11,265)
Works of art	(3)
Adjusted Common Equity (a)	**169,843**
Last 12 months (a1)	92,489
Retained last 36 months (a2)	96,904
Solvency margin (b)	96,904
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) - CA	143,445
Subscribing Additional Capital – CAS	124,782
Credit Additional Capital – CAC	29,899
Correlation between Additional Capitals	(12,571)
Operational Risk Capital	1,335
Minimum required capital - CMR (d) (higher among (b) e (c))	**143,445**
Capital Adequacy (e = a – d)	**26,398**
Capital Adequacy (e/d)	**18.40%**

	R$ thousand
	Dec 31, 2012
Common Equity	**209,574**
Investments in Associates	(205)
Prepaid Expenses not related to reinsurance	(60)
Intangible Assets	(10,131)
Works of art	(3)
Adjusted Common Equity (a)	**199,175**
Last 12 months (a1)	94,450
Retained last 36 months (a2)	94,041
Solvency margin (b)	**94,450**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) - CA	140,740
Subscribing Additional Capital – CAS	120,775
Credit Additional Capital – CAC	33,781
Correlation between Additional Capitals	(13,816)
Base capital + Additional Capital (c)	**155,740**
Capital Adequacy (e = a – d)	**43,435**
Capital Adequacy (e/d)	**27,89%**

Brasilveículos Companhia de Seguros

	R$ thousand
	Jun 30, 2013
Common Equity	**472,072**
Investments in Associates	(266)
Prepaid Expenses not related to reinsurance	(3,880)
Deferred Tax Assets	(9,901)
Deferred Assets	(127)
Intangible Assets	(22,046)
Works of art	(1)
Adjusted Common Equity (a)	**435,851**
0.2 times the revenues of premium issued in the last 12 months (a1)	355,762
0.33 times the average annual total claims retained the last 36 months (a.2)	348,952
Solvency margin (b) (higher among (b1) e (b2))	**355,762**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) - CA	424,718
Subscribing Additional Capital – CAS	378,417
Credit Additional Capital – CAC	71,607
Correlation between Additional Capitals	(31,187)
Operational Risk Capital	5,881
Minimum Capital Required (c)	**424,718**
Capital Adequacy (d = a – c)	**11,133**
Capital Adequacy (d/c)	**2.62%**

	R$ thousand
	Dec 31, 2012
Common Equity	**469,608**
Investments in Associates	(275)
Prepaid Expenses not related to reinsurance	(2,242)
Deferred Tax Assets	(18,121)
Deferred Tax	(127)
Intangible Assets	(6,331)
Works of art	(1)
Adjusted Common Equity (a)	**442,511**
0.2 times the revenues of premium issued in the last 12 months (a1)	2,798
0.2 times the revenues of retained losses in the last 36 months (a2)	282,786
Solvency margin (b) (higher among (b1) e (b2))	**282,786**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) - CA	91,237
Subscribing Additional Capital – CAS	76,462
Credit Additional Capital – CAC	24,534
Correlation between Additional Capitals	(9,759)
Base capital + Additional Capital (c)	**106,237**
Minimum Capital Required (d) (higher among (b) e (c))	**282,786**
Capital Adequacy (e = a – d)	**159,725**
Capital Adequacy (e/d)	**56,48%**

Aliança do Brasil Seguros S.A.

	R$ thousand
	Jun 30, 2013
Common Equity	**159,685**
Investments in Associates	(288)
Prepaid Expenses not related to reinsurance	(919)
Intangible Assets	(2,584)
Works of Art	--
Adjusted Common Equity (a)	**155,894**
Common Equity needed - per premium	118,102
Common Equity needed - per claim	41,827
Solvency margin (b)	**118,102**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) - CA	113,872
Subscribing Additional Capital – CAS	99,268
Credit Additional Capital – CAC	19,446
Correlation between Additional Capitals	(8,430)
Operational Risk Capital	3,588
Minimum Capital Required (c)	**118,102**
Capital Adequacy (d = a – c)	**37,792**
Capital Adequacy (d/c)	**32.00%**

	R$ thousand
	Dec 31, 2012
Common Equity	**120,197**
Investments in Associates	(303)
Prepaid Expenses not related to reinsurance	--
Intangible Assets	(1,594)
Adjusted Common Equity (a)	**118,300**
Common Equity needed - per premium	100,626
Common Equity needed - per claim	33,501
Solvency margin (b)	**100,626**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) - CA	93,511
Subscribing Additional Capital – CAS	83,546
Credit Additional Capital – CAC	17,467
Correlation between Additional Capitals	(7,502)
Base capital + Additional Capital (c)	**108,511**
Minimum Capital Required (d) (higher among (b) e (c))	**108,511**
Capital Adequacy (e = a – d)	**9,789**
Capital Adequacy (e/d)	**9,02%**

MAPFRE Seguros Gerais S.A.

	R$ thousand
	Jun 30, 2013
Common Equity	**1,614,899**
Investments in Associates	(483,332)
Prepaid Expenses not related to reinsurance	(5,290)
Deferred Tax Assets	--
Intangible Assets	(150,308)
Works of art	(148)
Adjusted Common Equity (a)	**975,821**
Common Equity needed - per premium	683,013
Common Equity needed - per claim	550,886
Solvency margin (b)	**683,013**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) – CA	713,402
Subscribing Additional Capital – CAS	623,086
Credit Additional Capital – CAC	108,186
Correlation between Additional Capitals	(47,642)
Operational Risk Capital	29,773
Minimum Capital Required (c)	**713,402**
Capital Adequacy (d = a – c)	**262,419**
Capital Adequacy (d/c)	**36.78%**

	R$ thousand
	Dec 31, 2012
Common Equity	**1,545,498**
Investments in Associates	(422,335)
Prepaid Expenses not related to reinsurance	(1,778)
Intangible Assets	(118,463)
Works of art	(148)
Adjusted Common Equity (a)	**1,002,775**
Common Equity needed - per premium	929,920
Common Equity needed - per claim	574,879
Solvency margin (b)	**929,920**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) – CA	961,359
Subscribing Additional Capital – CAS	887,269
Credit Additional Capital – CAC	134,099
Correlation between Additional Capitals	(60,009)
Base capital + Additional Capital (c)	**976,359**
Minimum Capital Required (c)	**976,359**
Capital Requirement - CR higher among (b) e (c)	976,359
Capital Adequacy (a - c)	**26,416**
Capital Adequacy (% of CR)	**2,71%**

MAPFRE Affinity Seguradora S.A.

	R$ thousand
	Jun 30, 2013
Common Equity	**480,511**
Investments in Associates	(280)
Prepaid Expenses not related to reinsurance	(8)
Deferred Tax Assets	(1,171)
Intangible Assets	(2,654)
Adjusted Common Equity (a)	476,398
0.2 times the revenues of premium issued in the last 12 months (a.1)	148,585
0.33 times the average annual total claims retained the last 36 months (a.2)	62,297
Solvency margin (b) (higher among (b1) e (b2))	**148,585**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) - CA	171,273
Subscribing Additional Capital – CAS	150,781
Credit Additional Capital – CAC	31,261
Correlation between Additional Capitals	(13,443)
Operational Risk Capital	2,673
Minimum Capital Required (c)	**171,273**
Capital Adequacy (d = a – c)	**305,126**
Capital Adequacy (d/c)	**178.15%**

	R$ thousand
	Dec 31, 2012
Common Equity	**420,126**
Investments in Associates	(300)
Prepaid Expenses not related to reinsurance	--
Deferred Tax Assets	(1,171)
Intangible Assets	(1,416)
Adjusted Common Equity (a)	**417,239**
0.2 times the revenues of premium issued in the last 12 months (a.1)	150,980
0.2 times the revenues of retained loss in the last 36 months (b2)	34,914
Solvency margin (b) (higher among (b1) e (b2))	**150,980**
Base capital – CB	15,000
Total Additional Capital (subscribing and credit) - CA	171,099
Subscribing Additional Capital – CAS	155,861
Credit Additional Capital – CAC	27,659
Correlation between Additional Capitals	(11,976)
Base capital + Additional Capital (c)	**186,099**
Minimum Capital Required (d) (higher among (b) e (c))	**186,099**
Capital Adequacy (e = a – d)	**231,140**
Capital Adequacy (e/d)	**124,20%**

Capitalization Plans (Special Savings) Line

Brasilcap Capitalização S.A.

Risk governance

Risk management in the Group includes credit, market, liquidity, legal and operational risks.

The corporate risk governance model adopted by the company involves a structure of committees that, together, include representatives of the partners, President, Chief Financial Officer and Managers of various areas of the company. Currently, such structure comprises the following bodies:

a. Financial Committee

b. Audit Committee

c. Product Committee

In principle and subject to the best practices of risk management, governance processes and structure include the following aspects:

- Segregation of duties: business x risk;
- Special structure for assessment and monitoring of risks;
- Joint decisions;
- Investment Management Rules and Risk Management Rules in an internal institutional document; and
- Reference to the best management practices.

All risk management-related decisions are taken jointly and in accordance with the internal guidelines and rules of the company.

The competencies and authority levels for positions and functions are defined through internal regulations approved by the Joint Executive Board.

The decisions are communicated to the intervening areas by means of minutes, and consolidated into internal regulations, so as to disseminate the positioning taken by Management, and thus ensure its implementation at all levels of the company.

Risk management process

The company considers risk and capital management as the main vectors for the decision-making process.

The risk management process involves a continuous flow of information, in compliance with the following phases:

Preparation: of data collection and analysis. At this stage, measures on the risks are analyzed and proposed for discussion and resolution by the Financial Committee and, if necessary, the Board of Directors;

Decision: decisions are taken jointly by the competent levels and communicated to the intervening areas;

Enforcement: the areas involved enforce the decisions taken under the coordination of the Risk Management;

Monitoring/Management: control carried out by the Risk Department by assessing compliance with the decisions and their impact on the Group and communicating the status of such actions to the competent forum (Chief Financial Officer or Financial Committee). Daily control and monthly reports on risks provide greater speed and efficiency to the decision-making process, as well as improving the Group's management process.

Internal Audit is responsible for analyzing and issuing regular reports on the company processes and risks. Aspects identified by the Auditors may generate administrative and management measures for addressing the causes and effects of each risk observed, correcting and improving processes.

Action, Contingency and Business Continuity Plans: The Company Internal Controls Department is responsible for monitoring the milestones and audit points requiring regular periodic or extraordinary actions. It is the main body responsible for the preparation and maintenance of the contingency and business continuity plans.

Market risk policy

The market risk policy and the policy on the use of derivative financial instruments approved by the Board of Directors are part of the strategic documents relating to the management of financial assets held by the company.

These documents establish the guidelines to be followed by the company in business decisions, and they address quantitative and qualitative aspects such as hedging policy, diversification and legal compliance.

The Risk Department is in charge of monitoring and checking compliance of the portfolio with internal and external standards, as well as with risk exposure limits approved by the company. The information used for monitoring risk exposure, as well as any noncompliance, is reported to investment portfolio managers and directly informed to the Senior Management, being also presented during the meetings of the Financial Committee on a monthly basis. Market risks are monitored on a daily basis through the VaR – Value-at-Risk, which is calculated based on historical simulations for one business day and offers a confidence level of 95%.

In addition to daily monitoring, stress tests are carried out each month for marked-to-market assets, while sensitivity analyses are performed on a half-yearly basis and detailed herein in the "Sensitivity Analysis" item.

Exposure

The demonstration of exposure to market risks of the Company in recent periods can be seen in the table below:

R$ thousand

Risk Factors	Jun 30, 2013		Dec 31, 2012	
Pre-fixed Interest Rate	3,961,593	50.1%	3,101,112	46.3%
Derivatives for Hedging (Adjustments)	7,164	0.1%	(49)	-
Post-fixed Interest Rate	2,337,839	29.5%	1,891,519	28.3%
IPCA Coupon	1,607,038	20.3%	1,696,599	25.3%
Assets TR	2,904	-	3,712	0.1%
Cash / 1-day Repos	312	-	298	-
Total	**7,916,850**	**100.0%**	**6,693,191**	**100.0%**

Part of the Assets exposed to pre-fixed interest rates is hedged against market changes through derivative transactions. Exposure variations are shown in the table below:

Hedge effects on Market Risk Exposure

R$ thousand

Risk Factors	Jun 30, 2013		Dec 31, 2012	
Pre-fixed Interest Rate	3.961.593	50.1%	3,101,112	46.3%
Hedge effects on Pre-fixed exposure	(2.255.212)	(28.5)%	(656,765)	(9.8)%
Total Exposure to Pre Risk	**1.706.381**	**21.6%**	**2,444,347**	**36.5%**
Post-fixed Interest Rate	2.337.839	29.5%	1,891,519	28.3%
Hedge effects on Post-fixed exposure	2.255.212	28.5%	656,765	9.8%
Total Exposure to Post Risk	**4.593.051**	**58.0%**	**2,548,284**	**38.1%**

The other market risk factors, such as those relating to commodity prices and foreign exchange, are not included in the portfolio of financial assets that are used as collateral by the company.

Sensitivity Analysis

Based on portfolio pricing and on the integral calculus of the value of assets, we simulate the effects on the value of exposures resulting from variations in the level of market risk factors.

In order to prepare the sensitivity analysis of the company assets and liabilities, we considered a possible scenario in which the base interest rate and interest rate coupons of securities indexed to inflation rates would increase or reduce by 100 basis points (+/- 1 percentage point).

The results of the tests applied to all our assets and liabilities in recent periods are described in the table below, in which all estimated earnings and losses take into account the effects of future DI contracts (pre-fixed interest rates hedge).

R$ thousand

	Jun 30, 2013			
	Increase by 1 p.a. in Interest Rate		Reduction by 1 p.a. in Interest Rate	
	Share holders' Equity after income tax (IR)	Income for the period before income tax (IR)	Share holders' Equity after income tax (IR)	Income for the period before income tax (IR)
Pre-fixed Interest Rate	(15,424)	(25,707)	15,902	26,504
Post-fixed Interest Rate	120	200	(124)	(207)
IPCA Coupon	(25,633)	(42,721)	26,928	44,881
Asset TR	-	-		-
Liabilities TR (Bank Saving Certificates)	42,872	71,453	(51,498)	(85,830)
Total	**1,935**	**3,225**	**8,792**	**(14,652)**

R$ thousand

	Dec 31, 2012			
	Increase by 1 p.a. in Interest Rate		Reduction by 1 p.a. in Interest Rate	
	Share holders' Equity	Income for the period before	Share holders' Equity	Income for the period before income tax (IR)
Pre-fixed Interest Rate	(25,660)	(42,767)	26,543	44,238
Post-fixed Interest Rate	472	786	(480)	(801)
IPCA Coupon	(28,539)	(47,564)	29,994	49,990
Asset TR	(1)	(1)	1	1
Liabilities TR (Bank Saving Certificates)	42,301	70,501	(50,255)	(83,758)
Total	**(11,427)**	**(19,045)**	**5,803**	**9,670**

Part of the financial assets of the Company's investment portfolio is marked on the curve, classified as Held to Maturity, according to Banco Central do Brasil (Central Bank of Brazil) Circular 3068/2001. Thus, the registry values of these assets on the balance sheet of the Company are unchanged from changes in interest rates and market prices.

The table below shows the results of the sensitivity test, considering only the assets classified as Category I - Trading securities:

R$ thousand

	Jun 30, 2013			
	Increase by 1 p.a. in Interest Rate		Reduction by 1 p.a. in Interest Rate	
	Share holders' Equity after income tax (IR)	Income for the period before	Share holders' Equity after income tax (IR)	Income for the period before income tax (IR)
Pre-fixed Interest Rate	(1,136)	(1,894)	1,171	1,951
Post-fixed Interest Rate	120	200	(124)	(207)
IPCA Coupon	(6,641)	(11,069)	7,046	11,744
Asset TR	-	-		-
Liabilities TR (Bank Saving Certificates)	42,872	71,453	(51,498)	(85,830)
Total	**35,215**	**58,690**	**43,405**	**(72,342)**

R$ thousand

	Dec 31, 2012			
	Increase by 1 p.a. in Interest Rate		Reduction by 1 p.a. in Interest Rate	
	Share holders' Equity after income tax (IR)	Income for the period before income tax (IR)	Share holders' Equity after income tax (IR)	Income for the period before income tax (IR)
Pre-fixed Interest Rate	(11,938)	(19,897)	12,349	20,582
Post-fixed Interest Rate	472	786	(480)	(801)
IPCA Coupon	(18,119)	(30,199)	19,102	31,836
Asset TR	(1)	(1)	1	1
Liabilities TR (Bank Saving Certificates)	42,301	70,501	(50,255)	(83,758)
Total	**12,715**	**21,190**	**(19,283)**	**(32,140)**

The table below describes the composition of assets and liabilities:

R$ thousand

Jun 30, 2013					
Total Assets	**8,654,694**	**100.0%**	**Total Liabilities**	**8,654,694**	**100%**
Investments	7,916,850	91.5%	Technical Provisions	7,866,347	90.6%
"Fundo BB CAP Ações" + BB600mil (1)	55,737	0.6%	Tax Litigation Liabilities	493,680	5.0%
Court Deposits - Taxes (2)	459,758	5.3%	Other Liabilities (3)	70,542	1.7%
Other Assets (2)	222,349	2.6%	Shareholders' Equity	224,125	2.6%

R$ thousand

Dec 31, 2012					
Total Assets	**7,280,738**	**100.0%**	**Total Liabilities**	**7,280,738**	**100.0%**
Investments	6,693,192	91.9%	Technical Provisions	6,458,577	88.7%
“Fundo BB CAP Ações” + BB600mil (1)	56,194	0.8%	Tax Litigation Liabilities	456,511	6.3%
Court Deposits - Taxes (2)	413,037	5.7%	Other Liabilities (3)	130,260	1.8%
Other Assets (2)	118,315	1.6%	Shareholders' Equity	235,390	3.2%

The returns from “Fundo BB Cap Ações (1)” did not affect the Company income, given that the profitability of this portfolio is entirely transferred to holders of Ourocap Flex products as bonuses. As a result, any changes in asset prices do not constitute a risk for the Company.

The Company evaluated the risk exposure of other assets (2) and liabilities (3) and concluded that there was not need for effecting testing sensitivity analysis, given the small representation in both the ownership structure and business operations.

Liquidity risk management

The company liquidity risk management uses the actuarial analysis to assess the exposure levels and the mismatch of maturities of asset and liabilities, which are monitored on a quarterly basis by the Senior Management.

The terms for redemption of special savings bonds issued by the Company are regularly compared with the terms for securities included in the portfolio that guarantees said certificates, and any mismatching points that may lead to liquidity risks are identified. Due to the possibility of early redemptions, these are considered in future liability flows based on the same distributions observed in the history of each funding product.

On the other hand, most collateral assets have an active market that enables their sale prior to maturity dates, as a result of which the company is able to meet its cash needs. Although realistic, the possibility of early sales of these assets was not considered in this analysis. According to a conservative approach, assets are deemed to be liquid on their relevant maturity dates.

Future cash flow amounts were calculated based on the interest rates and coupons extracted from their respective market term structures. The tests presented use only a portion of our portfolio of financial assets, which is sufficient to guarantee our future obligations.

The table below shows the analyses performed on the most recent base dates:

R$ thousand

At Future Value	Data base Flow Dec 31, 2012									
	1st/2013	2nd/2013	1st /2014	2nd/2014	1st/2015	2nd/2015	1st /2016	2nd/2016	As from 2017	Totals
Assets	1,322,063	345,015	753,180	851,435	1,046,001	116,115	639,565	1,180,441	256,936	**6,510,751**
Redemption Provisions	1,614,102	1,095,265	1,077,074	830,276	851,057	766,633	141,213	54,476	72,184	**6,502,280**
Mismatch	(292,039)	(750,250)	(323,894)	21,159	194,944	(650,518)	498,352	1,125,965	184,752	**8,471**
Accumulated	292,039	(1,042,289)	(1,366,183)	(1,345,024)	(1,150,080)	(1,800,598)	(1,302,246)	(176,281)	8,471	**(7,882,191)**

Credit risk policy

The policy approved by the Board of Directors applies to all transactions involving credit risk and complies with all legal restrictions, as well as with asset portfolio management. Currently, the credit risk exposure limit applicable to private entities is 30% of total assets, including securities of financial and non-financial institutions.

Measurement systems

The company complies with all solvency levels provided for in CNSP Resolutions No. 226, 227 and 228, and its capital exceeds the Minimum Required Capital (MRC), being sufficient to support the weighted credit risk of its assets, according to the table disclosed in said resolutions.

MRC amounts and solvency levels for the most recent periods are detailed in the "Capital Management" section.

In addition to complying with MRC requirements provided for in the law, the company also assesses any expected losses regarding the asset portfolio, based on rating grades and the terms of private securities, as per our own methodology.

The table below shows the percentages used by the company for assessing these risks:

Allocation table for probability of default by rating and term for fixed income securities private

Maturity (years) X Rating	AAA	AA	A	BBB	BB	B	CCC/C
1	0.02%	0.04%	0.10%	0.49%	0.74%	1.11%	1.66%
3	0.14%	0.28%	1.08%	3.88%	5.82%	8.73%	13.09%
5	0.34%	0.68%	2.27%	6.61%	9.91%	14.87%	22.30%
7	0.50%	1.00%	3.00%	7.92%	11.88%	17.82%	26.72%
30	0.92%	1.84%	4.44%	9.59%	14.38%	21.58%	32.36%

Local Rating Scale - The table above shows the local level risk scale (Brazil) used to evaluate the investment portfolio's private credit risk. The assignment of this classification is performed by BB DTVM, hired as administrator of the company investment funds and assets' portfolios.

The table below indicates the estimated default amounts by base date:

R$ thousand

Rating	Jun 30, 2013		Dec 31, 2012	
	Exposure	Credit Risk	Exposure	Credit Risk
AAA	685,792	973	921,765	1,042
AA	613,665	2,224	511,488	2,074
A	165,239	1,653	172,953	2,365
Total	**1,464,696**	**4,850**	**1,606,206**	**5,481**

The results of this analysis are monitored by the Investments Manager and disclosed during the meetings of the Financial Committee, being communicated to the Financial Department in a timely manner, upon the occurrence of any changes in the portfolio.

Mitigation policy

When engaging in any transaction subject to credit risk, the company adopts a conservative approach by using restrictive exposure and concentration limits in order to keep compliance with the limits established by SUSEP, based on the Minimum Required Capital and taking into account the best practices in asset management.

Concentration

Credit risk management strategies guide our operational activities. Our strategic decisions include, among other aspects, the materialization of the company risk appetite and the definition of limits for risk exposure, concentration and estimated losses.

As defined in our Investment Policy, the company establishes concentration limits for credit risk exposures based on the issuer or on the tranches issued. In the most recent base dates, the percentages of the companies' securities with credit risk were recorded as follows:

	Jun 30, 2013	Dec 31, 2012
Federal Government Bonds	81.4%	76.0%
Corporate Bonds	18.6%	24.0%

The company investment policy only considers financial investments in companies or securities that are classified in the national scale with rating grades ranging from AAA to BBB, that is, investment grade ratings, according to the standards in effect for the Brazilian private pension, insurance and savings plan sector.

The table below describes the distribution of private securities according to domestic ratings:

Private Risk Rating	Jun 30, 2013	Dec 31, 2012
AAA	8.7%	13.8%
AA	7.8%	7.6%
A	2.1%	2.6%
Total	**100%**	**100%**

Stages of operational risk management

The Risk Department accounts for the identification, analysis, measurement, mitigation, control and monitoring of all operational risks. The management process includes the use of a dedicated software that registers and analyses all operational risk records and controls by area and by process.

The Internal Control Department is responsible for maintaining the quality of internal controls and for accrediting practices and products according to external regulations and norms, and internal standards. The optimization of this management process relies on the use of various methodologies and tools, such as Compliance Tests and Agents, programs for dissemination of a culture of internal controls, Internal and External Audits, and a Business Continuity Plan, or BCP.

With regard to the Business Continuity Plan (BCP), we maintain a reserved physical space that is located outside the head office and furnished with computer hardware, furniture, files and training programs intended to mitigate the risk of involuntary interruptions in the operating systems of the head office or the lack of physical access to it, thus avoiding longer interruptions in major critical processes that may result in losses for the company.

Private Pension Plans Line

Brasilprev Seguros e Previdência S.A.

The company is exposed to all risks that are inherent to insurance and private pension plans activities. In order to mitigate such risks and protect the participants of pension plans and our shareholders, we monitor our exposure levels on a daily basis and maintain a regular analysis of the possible impacts from various scenarios and adverse events, adopting all the controls needed to permanently comply with the highest economic, financial and actuarial security standards, with the purpose of preserving the liquidity, the solvency and the balance of our private pension plans.

Capital management includes monitoring of the limits required (minimum required capital), as provided for in CNSP Resolutions No. 222/2010, 227/2010 and 228/2010 issued by SUSEP. Said monitoring is carried out periodically aiming at ensuring maintenance of a sound capital base that guarantees the operations and risks assumed by us, whether under normal market conditions or in extreme situations.

a) Credit risk

Credit risk management follows economic, financial and regulatory assessments, and the company’s cash and financial assets are only invested (or reinvested) in counterparties with high quality credit ratings.

The management of credit risk is determined by economic-financial and regulatory matters, and the resources of the Company's cash and financial assets invested (or reinvested) only counterparties with high quality credit rating.

The table below includes all financial assets held by the company distributed according to the credit ratings informed by renowned ratings agencies. The assets included in the “Other” category substantially include variable income assets, repo transactions, and other receivable and payable amounts recorded in the investment funds.

R$ thousand

	Jun 30, 2013						
	Federal Bonds	AAA	AA	A	BBB	Others [1]	Total
Investment Fund - FIF	**5,454,489**	**94,162**	-	-	-	**474,149**	**6,022,800**
Securitized Mortgage (CRI)	-	40,560	-	-	-	-	40,560
Future Contracts (DI-Futuro)	-	-	-	-	-	1,289	1,289
Debentures	-	5,091	-	-	-	-	5,091
Brazilian Treasury Contract (LTN)	423,762	-	-	-	-	-	423,762
Mortgage (LH)	-	41,058	-	-	-	-	41,058
Brazilian Treasury Contract (NTN-B)	1,820,787	-	-	-	-	-	1,820,787
Brazilian Treasury Contract (NTN-C)	3,108,459	-	-	-	-	-	3,108,459
Brazilian Treasury Contract (NTN-F)	101,481	-	-	-	-	-	101,481
Repo Transactions	-	-	-	-	-	481,790	481,790
Quotes of Securitization (FDIC)	-	3,560	-	-	-	-	3,560
Subordinated Debt (LF)	-	3,893	-	-	-	-	3,893
Others[1]	-	-	-	-	-	(8,930)	(8,930)
FIFES linked to PGBL and VGBL	**41,157,160**	**12,189,521**	**4,895,048**	**430,138**	**33,749**	**7,951,396**	**66,657,012**
Stocks	-	-	-	-	-	2,024,761	2,024,761
Time Deposit (CDB)	-	1,331,314	78,792	-	-	-	1,410,106
Securitized Mortgage (CRI)	-	5,145	-	-	-	-	5,145
Future (DI-Futuro)	-	-	-	-	-	111,567	111,567
Future (IBOVESPA)	-	-	-	-	-	(2,109)	(2,109)
Debenture	-	1,805,740	4,394,693	375,505	10,394	-	6,586,332
Garanteed Time Deposit (DPGE)	-	-	35,763	54,633	23,355	-	113,751
Brazilian Treasury Contract (LTN)	18,959,791	-	-	-	-	-	18,959,791
Brazilian Treasury Contract (LFT)	4,097,685	-	-	-	-	-	4,097,685
Brazilian Treasury Contract (NTN-B)	9,064,597	-	-	-	-	-	9,064,597
Brazilian Treasury Contract (NTN-F)	9,035,087	-	-	-	-	-	9,035,087
Repo Transactions	-	-	-	-	-	5,796,818	5,796,818
Quotes of Securitization (FDIC)	-	545,375	272,628	-	-	-	818,003
Promissory Note (NP)	-	101,022	85,527	-	-	-	186,549
Subordinated Debt (LF)	-	8,400,925	27,645	-	-	-	8,428,570
Others[1]	-	-	-	-	-	20,359	20,359
Own Portfolio	**2,844,273**	**180,465**	**16,631**	**-**	**-**	**-**	**3,041,369**
Securitized Mortgage (CRI)	-	18,122	-	-	-	-	18,122
Debenture	-	5,577	16,631	-	-	-	22,208
Mortgage (LH)	-	134,493	-	-	-	-	134,493
Brazilian Treasury Contract (NTN-B)	920,421	-	-	-	-	-	920,421
Brazilian Treasury Contract (NTN-C)	1,923,842	-	-	-	-	-	1,923,842
Brazilian Treasury Contract (TDA)	10	-	-	-	-	-	10
Subordinated Debt (LF)	-	22,273	-	-	-	-	22,273
Total	**49,455,922**	**12,464,148**	**4,911,679**	**430,138**	**33,749**	**8,425,545**	**75,721,181**

(1) Include cash, investment funds receivables and payables, stocks, repo transactions, and other financial instruments with no rating assignment.

R$ thousand

	Dec 31, 2012						
	Federal Bonds	AAA	AA	A	BBB	Others [1]	Total
Investment Fund - FIF	**5,377,144**	**105,488**	-	-	-	**121,950**	**5,604,582**
Securitized Mortgage (CRI)	-	45,508	-	-	-	-	**45,508**
Future Contracts (DI-Futuro)	-	-	-	-	-	(51)	**(51)**
Debentures	-	5,435	-	-	-	-	**5,435**
Brazilian Treasury Contract (LTN)	194,245	-	-	-	-	-	**194,245**
Mortgage (LH)	-	47,377	-	-	-	-	**47,377**
Brazilian Treasury Contract (NTN-B)	2,014,775	-	-	-	-	-	**2,014,775**
Brazilian Treasury Contract (NTN-C)	3,059,930	-	-	-	-	-	**3,059,930**
Brazilian Treasury Contract (NTN-F)	108,194	-	-	-	-	-	**108,194**
Repo Transactions	-	-	-	-	-	113,756	**113,756**
Quotes of Securitization (FDIC)	-	3,416	-	-	-	-	**3,416**
Subordinated Debt (LF)	-	3,752	-	-	-	-	**3,752**
Others[1]	-	-	-	-	-	8,245	**8,245**
FIFES linked to PGBL and VGBL	**39,106,660**	**9,483,831**	**4,397,857**	**523,863**	**69,576**	**5,484,317**	**59,066,104**
Stocks	-	-	-	-	-	2,247,014	2,247,014
Time Deposit (CDB)	-	1,737,404	193,801	70,711	13,560	-	2,015,476
Securitized Mortgage (CRI)	-	5,081	-	-	-	-	5,081
Future (DI-Futuro)	-	-	-	-	-	(7,323)	(7,323)
Future (IBOVESPA)	-	-	-	-	-	1,586	1,586
Debenture	-	1,770,499	3,679,444	406,022	16,516	-	5,872,481
Garanteed Time Deposit (DPGE)	-	-	34,429	47,130	39,500	-	121,059
Brazilian Treasury Contract (LTN)	14,490,199	-	-	-	-	-	14,490,199
Brazilian Treasury Contract (LFT)	6,817,511	-	-	-	-	-	6,817,511
Brazilian Treasury Contract (NTN-B)	8,120,672	-	-	-	-	-	8,120,672
Brazilian Treasury Contract (NTN-F)	9,678,278	-	-	-	-	-	9,678,278
Repo Transactions	-	-	-	-	-	3,198,362	3,198,362
Quotes of Securitization (FDIC)	-	447,004	318,304	-	-	-	765,308
Promissory Note (NP)	-	-	145,266	-	-	-	145,266
Subordinated Debt (LF)	-	5,523,843	26,613	-	-	-	5,550,456
Others[1]	-	-	-	-	-	44,678	44,678
Own Portfolio	**2,706,232**	**195,574**	**18,275**	**-**	**-**	**-**	**2,920,081**
Securitized Mortgage (CRI)	-	11,439	-	-	-	-	11,439
Debenture	-	7,571	18,275	-	-	-	25,846
Mortgage (LH)	-	155,100	-	-	-	-	155,100
Brazilian Treasury Contract (NTN-B)	815,193	-	-	-	-	-	815,193
Brazilian Treasury Contract (NTN-C)	1,891,030	-	-	-	-	-	1,891,030
Brazilian Treasury Contract (TDA)	9	-	-	-	-	-	9
Subordinated Debt (LF)	-	21,464	-	-	-	-	21,464
Total	**47,190,036**	**9,784,893**	**4,416,132**	**523,863**	**69,576**	**5,606,267**	**67,590,767**

(1) Include cash, investment funds receivables and payables, stocks, repo transactions, and other financial instruments with no rating assignment.

Bellow the table shows the ratings relates to the sectorial profile:

R$ thousand

	Jun 30, 2013						
	Federal Bonds	AAA	AA	A	BBB	Others [1]	Total
Investment Fund - FIF	**5,454,489**	**94,162**	-	-	-	**474,149**	**6,022,800**
Energy	-	4,585	-	-	-	-	4,585
Structured finances	-	44,120	-	-	-	-	44,120
Financial	-	44,951	-	-	-	-	44,951
Infraestructure and transportation	-	506	-	-	-	-	506
Without rating	-	-	-	-	-	474,149	474,149
Brazilian securities	5,454,489	-	-	-	-	-	5,454,489
FIFES linked to PGBL and VGBL	**41,157,160**	**12,189,519**	**4,895,048**	**430,140**	**33,749**	**7,951,396**	**66,657,012**
Management		580,443	-	-	-	-	580,443
Transportation		-	114,351	20,810	-	-	135,161
Foods		-	-	-	10,394	-	10,394
Building		23,952	328,423	128,578	-	-	480,953
Retail		-	321,082	52,360	-	-	373,442
Education		-	3,273	-	-	-	3,273
Energy	-	317,168	1,728,743	122,407	-	-	2,168,318
Structured finances	-	550,520	272,628	-	-	-	823,148
Financial	-	9,732,238	142,200	54,634	23,355	59,672	10,012,099
Infraestructure and logistcs	-	-	137,786	51,351	-	-	189,137
Infraestructure and transportation	-	179,558	109,021	-	-	-	288,579
Mining	-	29,254	-	-	-	-	29,254
Without rating	-	-	-	-	-	7,891,724	7,891,724
Water services	18,959,791	-	298,109	-	-	-	298,109
Steel and metalurgy	4,097,685	253,917	258,170	-	-	-	512,087
Telecommunication	9,064,597	522,469	990,346	-	-	-	1,512,815
Health and farmacy	9,035,087	-	156,322	-	-	-	156,322
Financial services	-	-	34,594	-	-	-	34,594
Brazilian securities	-	-	-	-	-	-	41,157,160
	-						
Own Portfolio	**2,844,273**	**180,465**	**16,631**	**-**	**-**	**-**	**3,041,369**
Structured finances	-	18,122	-	-	-	-	18,122
Financial	-	156,766	-	-	-	-	156,766
Infraestructure and transportation	-	5,341	-	-	-	-	5,341
Mining	-	236	-	-	-	-	236
Telecommunication	-	-	16,631	-	-	-	16,631
Brazilian securities	2,844,273	-	-	-	-	-	2,844,273
Total	**49,455,922**	**12,464,146**	**4,911,679**	**430,140**	**33,749**	**8,425,545**	**75,721,181**

(1) Include cash, investment funds receivables and payables, stocks, repo transactions, and other financial instruments with no rating assignment.

b) Liquidity risk

Liquidity risk management includes studies on the financial transaction flows expected for various scenarios, as well as a conservative analysis of the minimum limits to be maintained for net funds. In addition to this strategy, the best reinvestment options are analyzed so as to maximize the funds available.

To mitigate this risk, are often studies the flows of financial transactions expected in various scenarios, evaluating conservatively the minimum liquid funds to be maintained. Allied to this strategy, the best options are evaluated reinvestment in order to maximize available resources.

The table below includes the financial assets and liabilities held by the company and classified according to contractual maturity terms of cash flows.

R$ thousand

	Jun 30, 2013			
	Up to 1 year	From 1 to 5 years	Above 5 years	Total
Asset				
Investments	67,899,060	2,814,295	5,007,826	75,721,181
Credits from insurance and reinsurance transactions	2,200	-	-	2,200
Credits from private pension transactions	-	3,048	-	3,048
Securities and credits receivable	17,888	-	-	17,888
Total asset	**67,919,148**	**2,817,343**	**5,007,826**	**75,744,317**
Liability				
Technical provisions - insurance and private pension	7,702,688	16,544,232	50,602,445	74,849,365
Accounts payable	192,916	94	-	193,010
Debits from insurance transactions	2,133	-	-	2,133
Technical provisions - insurance and private pension	1,194	-	-	1,194
Third party deposits	103,170	-	-	103,170
Other debits (court provisions)		174,082		174,082
Total liability	**8,002,101**	**16,718,408**	**50,602,445**	**75,322,954**

R$ thousand

	Dec 31, 2012			
	Up to 1 year	From 1 to 5 years	Above 5 years	Total
Asset				
Investments	59,808,065	2,784,363	4,981,849	67,574,277
Credits from insurance and reinsurance transactions	1,439	-	-	1,439
Credits from private pension transactions	667	2,883	-	3,550
Securities and credits receivable	17,299	-	-	17,299
Total asset	**59,827,470**	**2,787,246**	**4,981,849**	**67,596,565**
Liability				
Technical provisions - insurance and private pension	6,873,383	14,773,150	45,302,658	66,949,191
Accounts payable	148,865	-	1,334	150,199
Debits from insurance transactions	5,595	-	-	5,595
Technical provisions - insurance and private pension	1,310	-	-	1,310
Third party deposits	19,549	-	-	19,549
Other debits (court provisions)	-	124,132	-	124,132
Total liability	**7,048,702**	**14,897,282**	**45,303,992**	**67,249,976**

c) Underwriting risk

This consists of the possibility of losses arising from the inadequacy of the methodologies or actuarial assumptions adopted, which includes failures in technical specifications of products and acceptance and pricing conditions.

The company monitors and evaluates underwriting risk exposures through underwriting standards that are reviewed on a regular basis and approved by management.

Mortality and morbidity risks, as well as the accumulation of such risks by participants and insured, are mitigated through the contracting of reinsurance for additional civil liability and catastrophe coverage.

Longevity risk is monitored through the assumption, in the calculations of technical provisions and products design, of improved life expectations for the population insured and assisted by BrasilPrev.

Cancellation risks are managed though the regular monitoring of BrasilPrev's experience, and the company established norms to improve, as the case may be, the retention of funds and clients.

Technical provisions are calculated according to the technical notes approved by SUSEP and the norms established by SUSEP and CNSP, being reviewed at least on a yearly basis, according to SUSEP Circular

No. 272 of 2004, and subject to consistency tests and actuarial recalculations. The purpose of the consistency test is to check the adequacy of the provisions recorded on a given date. Actuarial recalculations consist of the review of technical provisions on a given base date taking into account the calculation method, assumptions and current data.

Sensitivity analysis

The underwriting risks considered herein are those linked to the formation of liabilities (technical provisions) from operations.

The principal risk involved in supplementary pension products is the transformation of the reserves accumulated into continuing income. In this sense, the selection of risk factors sought to include the possibilities associated with the expectations of materialization of this risk, as follows:

a) Cancellation assumptions reflect the expectations of redemption of accumulated reserves by the participants before their expected retirement dates. So, lower cancellation rates imply greater probabilities of transforming the accumulated reserves into continuing income;

b) The possibility of annuitization reflects the expectations of transformation, by the participants, of the reserves accumulated into continuing income on their retirement dates. So, greater annuitization rates imply greater risks associated with the payment of continuing income;

c) The possibility of longevity reflects the expectations on the length of time during which continuing income is paid. Accordingly, greater survival rates imply greater risks associated with the payment of continuing income.

R$ thousand

		Impact in Jun 30, 2013		Impact in Dec 31, 2012	
Fatores de risco	Sensitivity	Equity	Income	Equity	Income
Cancellation	+100 bps	49,047	49,047	18,409	18,409
Cancellation	-100 bps	(57,758)	(57,758)	(21,202)	(21,202)
Annuitization	10%	(35,985)	(35,985)	(22,876)	(22,876)
Annuitization	-10%	35,978	35,978	22,876	22,876
Longevity	5%	(15,832)	(15,832)	(26,399)	(26,399)
Longevity	-5%	15,528	15,528	25,046	25,046

The table above includes the sensitivity analysis calculated by the company for the principal assumptions used in the actuarial calculations of the liabilities involved in the contracts. The ‘sensitivity’ column indicates a variation rate reasonably expected by Management for the assumptions selected. The preparation of the sensitivity analyses conducted by the company was based on the best estimates of changes in the assumptions considering usual market scenarios and conditions. The results shown in these analyses may be significantly different from the actual results obtained in future periods as a result of favorable or adverse situations during the course of company business.

d) Market Risk

In order to control market risks, the company uses the set of metrics that is more suitable for each portfolio or fund. This analysis includes Tracking Error and Duration limits, as well as an "ad hoc" analysis of the volatility of the Group's own funds and of competition in asset portfolios linked to the accumulation stage of PGBL and VGBL products.

Additionally, the portfolios with interest rate guarantees (income for life and traditional products) are supported by a structured asset and liability management (ALM) model and process that includes the combination of indices and short- and long-term cash flows, as well as reinvestment simulations that take into account variations in economic scenarios.

Sensitivity analysis

This analysis considers the following risk factors: (i) interest rates and (ii) coupons of securities linked to inflation indices (IGP-M and IPCA) due to their importance for our assets and liabilities of the company.

The definition of quantitative parameters used in the sensitivity analysis (100 basis points for interest rates and inflation coupons) was based on the analysis of the historical variations in interest rates in a recent period, as well as on the assumption of non-variation in inflation expectations curves, which affect the relevant coupons as much as the interest rates. International standards were also complied with.

This analysis takes into account only the securities classified as “fair value through income” and “trading securities”, which are marked-to-market according to the pricing and risk calculation methodologies used by Brasilprev. All active plans, except PGBL and VGBL plans in phase of accumulation, were considered in this analysis.

The sensitivity analysis considered the isolated effects of each risk factor. The “sensitivity’ column indicates a change index that was deemed to be possible for the assumptions selected. The preparation of the sensitivity analyses conducted by the Group was based on the best estimates of changes in these assumptions considering usual market scenarios and conditions.

The table below indicates the changes expected for these variables and their potential impacts on Brasilprev’s income for the period and shareholders’ equity:

R$ thousand

	Impact in Jun30, 2013			Impact in Dec 31, 2012		
Risk Factor	Sensitivity	Equity	Income	Sensitivity	Equity	Income
Interest rate (1)	+100 bps	13	13	+100 bps	4	4
Interest rate (1)	100 bps	(13)	(13)	100 bps	(4)	(4)
Coupon	+100 bps	(13,773)	(13,773)	+100 bps	(33,005)	(33,005)
Coupon	100 bps	15,195	15,195	100 bps	37,774	37,774

(1) The impact considered for the interest rate is equivalent to the effects of a tax adjustment of 100 Bps on earnings for one (1) day, especially due to the impact from this effect on assets with immediate liquidity.

e) Operational risk

This consists of possible losses arising from improper or deficient processes, failures in information technology systems, errors, fraud, interruptions in operations, or external events that may damage the normal activities of the company or its physical assets.

Operational risk management involves the conduction of a survey with managers based on the perception of existence or non-existence of risks and their consequences for the company. Measurement is based on the knowledge about the “impact” and “frequency” variables associated with loss events.

f) Legal Risk

This consists of the possibility of loss arising from non-compliance with legal aspects that involve products, agreements and regulatory, tax, labor, corporate, commercial, civil, criminal or other obligations.

Brasilprev’s conduct relies on the unrestricted respect for agreements and rights of the parties. The company has specific regulatory compliance standards that enable it to be in compliance with all laws and regulations applicable to all fields of its activities.

7 – Information by Segment

The information by segment was prepared considering the criteria used by the Administration to evaluate the performance in decision making regarding the allocation of funds for investment and other purposes, the regulatory environment and the similarities between goods and services.

The various management information used by Administration to evaluate performance and to make decision are prepared in accordance with the laws and standards applicable to insurance institutions, as determined by SUSEP.

The operations of BB Seguridade are divided into two segments: (i) insurance (insurance, pension plans and capitalization) and (ii) brokerage.

Intersegment transactions are conducted under normal market conditions, substantially under the terms and conditions for comparable transactions, including interest rates and collateral. These transactions do not involve abnormal payment risks.

a) Insurance

In this segment, products and services offered are related to life, property and vehicle insurance, private pension plans and capitalization plans.

The profit of this segment comes mainly from revenues of insurance premiums issued, contributions for private pension plans, capitalization bonds and investments in securities, net of commercialization expenses, technical provisions and expenses related to benefits and redemptions.

The recording of these results is made through equity investments in subsidiaries.

b) Brokerage

BB Corretora de Seguros e Administradora de Bens S.A (BB Corretora) is a wholly owned subsidiary of BB Seguridade, which aims at social brokerage and management, fulfillment, promotion and facilitation of business insurance casualty and life and capitalization plans, pension and health insurance.

c) Financial information by reportable segment

R$ thousand

	1 st half 2013		
	Insurance	Brokerage	Total
Operating income	**608,364**	**804,555**	**1,412,919**
Commissions income	--	804,555	804,555
Share of profit of associate companies	608,364	--	608,364
Other income and expenses	**11,471**	**(187,294)**	**(175,823)**
Interest income from financial instruments	27,091	27,143	54,234
Personnel expenses	(2,682)	(5,217)	(7,899)
Administrative expenses	(1,105)	(134,055)	(135,160)
Other operating expenses	(11,833)	(75,165)	(86,998)
Income before taxes	**619,835**	**617,261**	**1,237,096**
Income taxes	**(3,998)**	**(210,361)**	**(214,359)**
Net income [(1)]	**615,837**	**406,900**	**1,022,737**
Total assets	**6,837,831**	**1,499,156**	**8,336,987**
Total liabilities	**626,999**	**1,058,845**	**1,685,844**
Total Equity	**6,210,832**	**440,311**	**6,651,143**

(1) The financial income and taxes expenses from parente statement of BB Seguridade and BB Cor are not included.

R$ thousand

	2 nd quarter 2013		
	Insurance	Brokerage	Total
Operating income	**314,989**	**446,846**	**761,835**
Commissions income	--	446,846	446,846
Share of profit of associate companies	314,989	--	314,989
Other income and expenses	**6,630**	**(95,585)**	**(88,955)**
Interest income from financial instruments	14,769	14,043	28,812
Personnel expenses	(1,357)	(2,727)	(4,084)
Administrative expenses	(530)	(73,006)	(73,536)
Other operating expenses	(6,252)	(33,895)	(40,147)
Income before taxes	**321,619**	**351,261**	**672,880**
Income taxes	**(2,279)**	**(119,689)**	**(121,968)**
Net income [(1)]	**319,340**	**231,572**	**550,912**
Total assets	**6,837,831**	**1,499,156**	**8,336,987**
Total liabilities	**626,999**	**1,058,845**	**1,685,844**
Total Equity	**6,210,832**	**440,311**	**6,651,143**

(1) The financial income and taxes expenses from parente statement of BB Seguridade and BB Cor are not included.

d) Insurance Segment Subdivision

Insurance Segment results are evaluated considering the following lines of business: (i) Insurance, (ii) Private Pension Plans and (iii) Capitalization Plans.

Insurance

The sub segment comprises insurance products offered through BB MAPFRE SH1 Participações S.A and MAPFRE BB SH2 Participações S.A. It is formed by the life, mortgage life and rural insurance and property and casualty insurance.

Insurance – Life, Mortgage Life and Rural

It comprises the products offered by BB MAPFRE SH1 (personal, property and rural insurance) and by MAPFRE BB SH2 (casualty and vehicle insurance). Income and expenses are recorded by the equity method and raises, mainly, from insurance premiums issued revenues and investments in securities, net of selling expenses, technical provisions and claims expenses.

Insurance – Property and Casualty

It comprises the products offered by MAPFRE BB SH2 (casualty and vehicle insurance). Income and expenses are recorded by the equity method and arise, mainly, from insurance premiums issued revenues and investments in securities, net of selling expenses, technical provisions and claims expenses.

Private Pension Plans

Brasilprev pension plans are offered in this segment. Income and expenses are recorded by the equity method and arise, mainly, from administration fees and investments in securities, net of selling expenses, technical provisions and expenses with benefits and redemption.

Capitalization Plans

Primarily responsible for offering Brasilcap capitalization plans. Income and expenses are recorded by the equity method and arise, mainly, from insurance premiums issued revenues and investments in securities, net of selling expenses, technical provisions and expenses with benefits and redemption.

e) Combined Statement of income by sub segment

R$ thousand

	1 st half 2013			
	Insurance		Private Pension Plans	Capitalization Plans
	Life, Mortgage and Rural	Property and Casualty		
Insurance income				
Earned premiums	**2,228,557**	**3,528,716**	**-**	**-**
Retained premiums	2,984,051	3,664,150	-	-
Change in technical provisions	(755,494)	(135,434)	-	-
Income insurance	3,545	(599)		
Retained claims	(761,544)	(1,969,084)	-	-
Costs acquisition	(550,607)	(767,689)	-	
Reinsurance income	(138,828)	(63,110)	-	
Other operation income (expenses)	(115,056)	(107,633)	-	-
Administrative expenses	(124,915)	(408,982)	-	-
Taxes expenses	(74,756)	(89,009)	-	-
Interest income	**114,937**	**67,862**	**-**	**-**
Interest income	166,630	143,639	-	-
Interest expenses	(51,693)	(75,777)	-	-
Private Pension Plans income	**-**	**-**	**61,670**	**-**
Retained contributions			11,932,736	
Benefits provision			(11,871,066)	
Change in technical provisions	-	-	(33,274)	-
Income from management fees and products	-	-	488,841	-
Benefits and redemption expenses	-	-	(3,639)	-
Retained benefits			(20,205)	
Risk contributions			92,906	
Selling expenses	-	-	(116,744)	-
Other operation income (expenses)	-	-	(8,404)	-
Administrative expenses	-	-	(122,374)	-
Taxes expenses	-	-	(40,726)	-
Capitalization Plans income				
Net securities capitalization	**-**	**-**	**-**	**524,467**
Change in technical provisions	-	-	-	13,355
Raffle results				(113,023)
Selling expenses	-	-		(211,837)
Other operation income (expenses)				189
Administrative expenses	-	-	-	(36,336)
Taxes expenses	-	-	-	(18,700)
Interest income	**-**	**-**	**151,250**	**(12,989)**
Interest income	-	-	233,422	248,753
Interest expenses	-	-	(82,172)	(261,742)
Equity in earnings	**(10,952)**	**(1,932)**	**5,428**	**72**
Operating results	**570,381**	**188,541**	**454,730**	**145,199**
Non current assets results	**78**	**76**	**6**	**-**
Income before taxes	**570,459**	**188,617**	**454,736**	**145,199**
Interest taxes	(191,367)	(64,875)	(177,588)	(36,889)
Results participation	(4,334)	(19,552)	(4,928)	(1,660)
Net income	**374,758**	**104,190**	**272,220**	**106,650**
Attributable to Group BB Seguridade	281,031	52,095	204,152	71,094
Attributable to other stockholders'	93,727	52,095	68,068	35,556

R$ Thousand

	2 nd quarter 2013			
	Insurance			
	Life, Mortgage and Rural	Property and Casualty	Private Pension Plans	Capitalization Plans
Insurance income				
Earned premiums	**1,173,422**	**1,806,323**	**-**	**-**
Retained premiums	1,783,166	1,828,123	-	-
Change in technical provisions	(609,744)	(21,800)	-	-
Income insurance	1,493	(31)		
Retained claims	(398,772)	(1,004,363)	-	-
Costs acquisition	(291,433)	(365,369)	-	
Reinsurance income	(90,627)	(24,002)	-	
Other operation income (expenses)	(52,848)	(54,322)	-	-
Administrative expenses	(62,859)	(209,601)	-	-
Taxes expenses	(36,876)	(45,712)	-	-
Interest income	**57,003**	**28,001**	**-**	**-**
Interest income	83,430	81,288	-	-
Interest expenses	(26,427)	(53,287)	-	-
Private Pension Plans income	**-**	**-**	**32,139**	**-**
Retained contributions			5,895,030	
Benefits provision			(5,862,891)	
Change in technical provisions	-	-	(11,996)	-
Income from management fees and products	-	-	255,189	-
Benefits and redemption expenses	-	-	(1,282)	-
Retained benefits			(11,613)	
Risk contributions			47,166	
Selling expenses	-	-	(54,401)	-
Other operation income (expenses)	-	-	(4,398)	-
Administrative expenses	-	-	(62,664)	-
Taxes expenses	-	-	(21,546)	-
Capitalization Plans income				
Net securities capitalization	**-**	**-**	**-**	**299,548**
Change in technical provisions	-	-	-	(975)
Raffle results				(76,265)
Selling expenses	-	-		(138,053)
Other operation income (expenses)				275
Administrative expenses	-	-	-	(20,486)
Taxes expenses	-	-	-	(11,150)
Interest income	**-**	**-**	**70,765**	**(3,675)**
Interest income	-	-	218,028	139,092
Interest expenses	-	-	(147,263)	(142,767)
Equity in earnings	**(5,501)**	**5,440**	**3,046**	**31**
Operating results	**293,002**	**136,364**	**240,405**	**49,251**
Non current assets results	**-**	**76**	**26**	**-**
Income before taxes	**293,002**	**136,440**	**240,431**	**49,251**
Interest taxes	(92,303)	(47,421)	(93,600)	(20,101)
Results participation	(3,481)	(9,415)	(2,269)	(835)
Net income	**197,218**	**79,604**	**144,562**	**28,315**
Attributable to Group BB Seguridade	147,894	39,802	108,415	18,875
Attributable to other stockholders'	49,324	39,802	36,147	9,440

8 – Cash and cash equivalents

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Cash	--	1,500	15	1,624
Cash Equivalents[1]	14,184	--	1,675,417	1,326,307
Total	**14,184**	**1,500**	**1,675,432**	**1,327,931**

(1) Composed mainly for use in repurchase agreements backed by Brazilian Treasury securities (LFT), with Banco do Brasil S.A, with remuneration indexed to 99% of CDI (Interbank deposit rate) and daily liquidity. These investments are used in order to fulfill short financial commitments.

9 – Financial Instruments

a) Financial assets at fair value through profit or loss

R$ thousand

	Parent				Consolidated			
	Jun 30, 2013		Dec 31, 2012		Jun 30, 2013		Dec 31, 2012	
	Cost Value	Fair Value	Cost Value	Fair Value	Cost Value	Fair Value	Cost Value	Fair Value
Debt instruments								
Securities issued by financial companies	--	--	--	--	289	301	286	291

b) Financial assets available for sale

R$ thousand

	Parent				Consolidated			
	Jun 30, 2013		Dec 31, 2012		Jun 30, 2013		Dec 31, 2012	
	Cost Value	Fair Value	Cost Value	Fair Value	Cost Value	Fair Value	Cost Value	Valor de mercado/ Contábil
Debt instruments								
Investments in mutual funds	--	--	--	--	1,850	92	1,850	107

10 – Investment in Associates

a) Information about investment in associates

R$ thousand

Company	Capital	Stockholders' equity adjusted (1)	Parent						Consolidated		
			Carrying amount	Movements Jan 01, 2013 to Jun 30, 2013				Carrying amount	Share of profit	Carrying amount	Carrying amount
			Dec 31, 2012	Dividends	Equity Valuation Adjustments	Other events	Share of profit	Jun 30, 2013	1 st half/2013	Jun 30, 2013	Dec 31, 2012
BB Seguros Participações S.A.	**3,103,201**	**5,610,832**	**5,603,330**	**(600,000)**	**(8,335)**	**--**	**615,837**	**5,610,832**	**--**	**--**	**--**
BB MAPFRE SH1 Participações S.A. (2)	2,050,198	2,957,130	2,674,815	--	(7,953)	2,857	281,031	2,950,750	281,031	2,950,750	2,674,815
MAPFRE BB SH2 Participações S.A. (3)	1,968,380	2,407,445	1,679,323	--	(396)	--	52,095	1,731,022	52,095	1,731,022	1,679,323
Brasilprev Seguros e Previdência S.A.	409,498	1,280,055	799,019	(71,301)	14	--	204,152	931,884	204,152	931,884	799,019
Brasilcap Capitalização S.A. (4)	79,054	224,125	232,386	(43,329)	--	--	71,094	260,151	71,094	260,151	232,386
Nossa Caixa Capitalização S.A.	5,507	5,508	5,521	(6)	--	--	(7)	5,508	--	--	--
BB Cor Participações S.A.	**35,131**	**41,853**	**33,544**	**(399,563)**	**(13)**	**1,080**	**406,805**	**41,853**	**--**	**--**	**--**
BB Corretora de Seguros e Administradora de Bens S.A.	26,918	33,411	33,424	(406,900)	(13)	--	406,900	33,411	--	--	--
Total	**--**	**--**	**5,636,874**	**(999,563)**	**(8,348)**	**1,080**	**1,022,642**	**5,652,685**	**608,372**	**5,873,807**	**5,385,543**

R$ thousand

Company	Capital	Stockholders' equity adjusted (1)	Parent						Consolidated		
			Carrying amount	Movements April 01, 2013 to Jun 30, 2013				Carrying amount	Share of profit	Carrying amount	Carrying amount
			Mar 31, 2013	Dividends	Equity Valuation Adjustments	Other events	Share of profit	Jun 30, 2013	2 nd quarter/2013	Jun 30, 2013	Mar 31, 2012
BB Seguros Participações S.A.	**3,103,201**	**5,610,832**	**5,897,400**	**(600,000)**	**(5,907)**	**--**	**319,339**	**5,610,832**	**--**	**--**	**--**
BB MAPFRE SH1 Participações S.A. (2)	2,050,198	2,957,130	2,808,415	--	(5,559)	--	147,894	2,950,750	147,894	2,950,750	2,674,815
MAPFRE BB SH2 Participações S.A. (3)	1,968,380	2,407,445	1,691,573	--	(353)	--	39,802	1,731,022	39,802	1,731,022	1,679,323
Brasilprev Seguros e Previdência S.A.	409,498	1,280,055	823,464	--	5	--	108,415	931,884	108,415	931,884	799,019
Brasilcap Capitalização S.A. (4)	79,054	224,125	241,276	--	--	--	18,875	260,151	18,875	260,151	232,386
Nossa Caixa Capitalização S.A.	5,507	5,508	5,511	(6)	--	--	3	5,508	--	--	--
BB Cor Participações S.A.	**35,131**	**41,853**	**208,859**	**(399,563)**	**1**	**1,080**	**231,476**	**41,853**	**--**	**--**	**--**
BB Corretora de Seguros e Administradora de Bens S.A.	26,918	33,411	208,737	(406,900)	2	--	231,572	33,411	--	--	--
Total	**--**	**--**	**6,106,259**	**(999,563)**	**(5,906)**	**1,080**	**550,815**	**5,652,685**	**314,986**	**5,873,807**	**5,385,543**

(1) Stockholders' equity not adjusted by the percentage of equity interest held by the Group.

(2) This includes, in the carrying amount of the investment as of Jun 30, 2013 and as of December 31, 2012, the amount of R$ 693,836 thousand related to the goodwill arising from the partnership with MAPFRE.

(3) This includes, in the carrying amount of the investment as of Jun 30, 2013 and as of December 31, 2012, the amount of R$ 97,704 thousand related to the goodwill arising from the partnership with MAPFRE.

(4) This includes, in the carrying amount of the investment as of Jun 30, 2013 and as of December 31, 2012, the amount of R$ 110,479 thousand relating to the goodwill arising from the acquisition of Sulacap by BB Seguros, occurred in July 22, 2011.

b) Other information

Dividends and interest on equity received from investments were R$ 114,636 thousand as of June 30, 2013 received as of February and March 2013.

The shares of the investments mentioned above are not regularly traded on stock exchanges.

Any of investments mentioned above presented significant restrictions to transfer resources in dividends by cash or to repay loans or advances in the first quarter of 2013.

There are no discontinued operations in investment in associates.

c) Description of the operational context of equity investments, by business segment

Segment/Line of business	Description	% of total share	
		Jun 30, 2013	
		Total	Common
Insurance, Private Pension Plans and Capitalization Segment			
Insurance – Life, Mortgage life insurance and Rural			
BB MAPFRE SH1 Participações S.A.	Acting as a holding company for the other companies which deal with life, real state and agricultural insurance.	74.99	49.99
MAPFRE Vida S.A	Acting in the life insurance segment in general and private pension, income and annuity.	74.99	49.99
Vida Seguradora S.A	Acting in the life insurance segment in general.	74.99	49.99
Companhia de Seguros Aliança do Brasil	Acting in the personal risk segment, rural and housing insurance.	74.99	49.99
Insurance – Property and Casualty			
MAPFRE BB SH2 Participações S.A.	Acting as a holding company for other companies which deal with damage insurance, including vehicle insurance and excluding real state and agricultural insurance.	50.00	49.00
MAPFRE Affinity Seguradora S.A.	Acting in the insurance and coinsurance segment (life and non-life insurance).	50.00	49.00
Brasilveículos Companhia de Seguros	Acting in the damage insurance segment, skilled in vehicle modality.	50.00	49.00
MAPFRE Seguros Gerais S.A.	Acting in the insurance and coinsurance segment (life and non-life insurance)	50.00	49.00
MAPFRE Assistência S.A	24 hours assistance operator focused on damage insurance segment.	50.00	49.00
Aliança do Brasil Seguros	Acting in the life insurance segment in general.	50.00	49.00
Capitalization			
Brasilcap Capitalização S.A.	Deals with capitalization plans and other products and services that capitalization companies are allowed to provide.	66.66	49.99
Nossa Caixa Capitalização S.A.	Issue and trading of capitalization plans in accordance with the legislation	100.00	100.00
Private Pension Plans			
Brasilprev Seguros e Previdência S.A.	Deals with life insurance with survivor coverage and with private retirement and benefit plans.	74.99	49.99
MAPFRE Nossa Caixa Vida e Previdência S.A.	Business focus on life insurance and private retirement and benefits plans.	74.99	49.99
Brokerage Segment			
BB Corretora de Seguros e Adm. de Bens S.A	Brokerage of health, life and non-life insurance, capitalization plans, private retirement plans and asset management.	100.00	100.00

d) Breakdown of income by segment in accordance with International Financial Report Standards

d.1) Insurance, Private Pension Plans and Capitalization Segment: Insurance – Life, Mortgage life insurance and Rural

R$ thousand

1st half/2013	MAPFRE Vida S.A	Vida Seguradora	Cia. de Seguros Aliança do Brasil	BB MAPFRE SH1	Adjustments/ Eliminations	Total
Issued premiums	245,596	167,692	2,570,763	-	-	2,984,051
Risk contribution	-	-	-	-	-	-
Technical provisions variation	(1,075)	5,010	(759,429)	-	-	(755,494)
Earned premiums	**244,521**	**172,702**	**1,811,334**	**-**	**-**	**2,228,557**
Income insurance	(76)	-	3,621	-	-	3,545
Retainned claims	(174,615)	(85,041)	(501,888)	-	-	(761,544)
Costs acquisition	(70,285)	(19,331)	(460,991)	-	-	(550,607)
Other income/expenses	(8,398)	949	(107,607)	-	-	(115,056)
reinsurance income	(4,252)	(1,493)	(133,083)	-	-	(138,828)
Administrative expenses	(19,821)	(12,390)	(92,101)	(603)	-	(124,915)
Taxes expenses	(4,654)	(6,599)	(63,333)	(170)	-	(74,756)
Interest income	**10,286**	**15,164**	**67,678**	**21,809**	**-**	**114,937**
Interest income	17,856	19,458	106,885	22,431	-	166,630
Interest expense	(7,570)	(4,294)	(39,208)	(622)	-	(51,694)
Equity in earnings	(39)	-	73	352,859	(369,819)	(16,926)
Operating results	**(27,333)**	**63,961**	**523,703**	**373,895**	**(369,819)**	**564,407**
Non current assets results	-	-	-	78	-	78
Income/(loss) before taxes	**(27,333)**	**63,961**	**523,703**	**373,973**	**(369,819)**	**564,485**
Income tax	7,735	(16,161)	(92,389)	(1,127)	-	(101,942)
Social Contribution tax	4,743	(9,614)	(78,503)	(78)	-	(83,452)
Results participation	(2,947)	(57)	(1,330)	-	-	(4,334)
Net income/(loss)	**(17,802)**	**38,129**	**351,481**	**372,768**	**(369,819)**	**374,757**
Attributable to Grupo BB Seguridade	(13,350)	28,593	263,576	279,539	(277,327)	281,031
Attributable to other stockholders	(4,452)	9,536	87,905	93,229	(92,492)	93,726

R$ thousand

2nd quarter/2013	MAPFRE Vida S.A	Vida Seguradora	Cia. de Seguros Aliança do Brasil	BB MAPFRE SH1	Adjustments/ Eliminations	Total
Issued premiums	116,568	61,424	1,605,174	-	-	1,783,166
Risk contribution	-	-	-	-	-	-
Technical provisions variation	739	13,943	(624,426)	-	-	(609,744)
Earned premiums	**117,307**	**75,367**	**980,748**	**-**	**-**	**1,173,422**
Income insurance	(31)	-	1,524	-	-	1,493
Retainned claims	(86,420)	(42,312)	(270,040)	-	-	(398,772)
Costs acquisition	(33,729)	(9,134)	(248,570)	-	-	(291,433)
Other income/expenses	(1,945)	3,021	(53,924)	-	-	(52,848)
reinsurance income	(2,430)	(1,025)	(87,172)	-	-	(90,627)
Administrative expenses	(9,585)	(4,527)	(48,450)	(297)	-	(62,859)
Taxes expenses	(2,031)	(2,881)	(31,850)	(114)	-	(36,876)
Interest income	**6,149**	**7,358**	**30,534**	**12,963**	**-**	**57,004**
Interest income	10,020	10,179	50,268	12,963	-	83,430
Interest expense	(3,871)	(2,821)	(19,735)	-	-	(26,427)
Equity in earnings	(20)	-	36	186,116	(194,621)	(8,489)
Operating results	**(12,735)**	**25,867**	**272,836**	**198,668**	**(194,621)**	**290,015**
Non currents assets result	-	-	-	-	-	-
Income/(loss) before taxes	**(12,735)**	**25,867**	**272,836**	**198,668**	**(194,621)**	**290,015**
Income tax	3,327	(6,928)	(44,860)	(1,063)	-	(49,524)
Social Contribution tax	1,996	(4,071)	(37,499)	(219)	-	(39,793)
Results participation	(603)	(57)	(2,821)	-	-	(3,481)
Net income/(loss)	**(8,015)**	**14,811**	**187,656**	**197,386**	**(194,621)**	**197,217**
Attributable to Grupo BB Seguridade	(6,011)	11,107	140,724	148,020	(145,946)	147,894
Attributable to other stockholders	(2,004)	3,704	46,932	49,366	(48,675)	49,323

d.2) Insurance, Private Pension Plans and Capitalization Segment: Insurance – Property and Casualty

R$ thousand

1st half/2013	Aliança do Brasil Seguros	Brasilveículos	MAPFRE Seguros Gerais	MAPFRE Affinity Seguradora	MAPFRE Assistência	MAPFRE BB SH2	Adjustments/ Eliminations	Total
Issued premiums	368,320	903,398	2,018,170	374,262	-	-	-	3,664,150
	-	-	-	-	-	-	-	-
Technical provisions variation	(72,010)	(9,007)	(74,429)	20,012	-	-	-	(135,434)
Earned premiums	**296,310**	**894,391**	**1,943,742**	**394,273**	**-**	**-**	**-**	**3,528,716**
Income insurance	1,263	(769)	(1,095)	2	-	-	-	(599)
Retainned claims	(79,217)	(544,400)	(1,220,723)	(124,744)	-	-	-	(1,969,084)
Costs acquisition	(112,937)	(96,879)	(382,633)	(175,240)	-	-	-	(767,689)
Other income/expenses	(17,434)	(42,412)	(41,925)	(7,769)	1,907	-	-	(107,633)
reinsurance income	(21,989)	-	(40,567)	(554)	-	-	-	(63,110)
Administrative expenses	(25,207)	(130,985)	(205,813)	(44,574)	(1,665)	(738)	-	(408,982)
Taxes expenses	(10,394)	(19,230)	(41,893)	(15,853)	(1,567)	(72)	-	(89,009)
Interest income	**10,674**	**1,209**	**45,441**	**10,212**	**44**	**283**	**-**	**67,863**
Interest income	19,981	19,363	89,516	14,452	44	283	-	143,639
Interest expense	(9,306)	(18,154)	(44,075)	(4,240)	-	-	-	(75,775)
Equity in earnings	-	88	20,759	(1)	-	104,210	(128,044)	(2,988)
Operating results	**41,069**	**61,013**	**75,293**	**35,752**	**(1,281)**	**103,683**	**(128,044)**	**187,485**
Non current assets results	-	-	76	-	-	-	-	76
Income/(loss) before taxes	**41,069**	**61,013**	**75,369**	**35,752**	**(1,281)**	**103,683**	**(128,044)**	**187,561**
Income tax	(10,034)	(14,977)	(5,455)	(8,901)	320	852	-	(38,195)
Social Contribution tax	(6,117)	(8,994)	(5,646)	(5,348)	115	366	-	(25,624)
Results participation	(449)	(1,598)	(17,406)	(99)	-	-	-	(19,552)
Net income/(loss)	**24,469**	**35,444**	**46,862**	**21,404**	**(846)**	**104,901**	**(128,044)**	**104,190**
Attributable to Grupo BB Seguridade	12,235	17,722	23,431	10,702	(423)	52,451	(64,022)	52,096
Attributable to other stockholders	12,235	17,722	23,431	10,702	(423)	52,451	(64,022)	52,096

R$ thousand

2nd quarter/2013	Aliança do Brasil Seguros	Brasilveículos	MAPFRE Seguros Gerais	MAPFRE Affinity Seguradora	MAPFRE Assistência	MAPFRE BB SH2	Adjustments/ Eliminations	Total
Issued premiums	189,173	472,497	976,570	189,883	-	-	-	1,828,123
	-	-	-	-	-	-	-	-
Technical provisions variation	(34,079)	(7,465)	14,181	5,563	-	-	-	(21,800)
Earned premiums	**155,094**	**465,032**	**990,753**	**195,445**	**-**	**-**	**-**	**1,806,324**
Income insurance	544	(218)	(357)	-	-	-	-	(31)
Retainned claims	(32,428)	(298,322)	(609,974)	(63,639)	-	-	-	(1,004,363)
Costs acquisition	(60,698)	(49,992)	(170,298)	(84,381)	-	-	-	(365,369)
Other income/expenses	(7,588)	(25,987)	(19,944)	(1,779)	976	-	-	(54,322)
reinsurance income	(13,014)	-	(10,680)	(308)	-	-	-	(24,002)
Administrative expenses	(13,843)	(83,851)	(88,777)	(22,122)	(1,110)	(318)	-	(210,021)
Taxes expenses	(5,428)	(10,345)	(21,804)	(7,272)	(815)	(60)	-	(45,724)
Interest income	**6,396**	**538**	**15,351**	**5,685**	**29**	**143**	**-**	**28,142**
Interest income	11,994	10,118	51,269	7,878	29	143	-	81,431
Interest expense	(5,596)	(9,580)	(35,918)	(2,193)	-	-	-	(53,287)
Equity in earnings	-	73	12,126	-	-	72,727	(79,816)	5,110
Operating results	**29,035**	**(3,072)**	**96,396**	**21,629**	**(920)**	**72,492**	**(79,816)**	**135,744**
Non current assets results	-	-	76	-	-	-	-	76
Income/(loss) before taxes	**29,035**	**(3,072)**	**96,472**	**21,629**	**(920)**	**72,492**	**(79,816)**	**135,820**
Income tax	(7,143)	344	(16,572)	(5,396)	55	420	-	(28,292)
Social Contribution tax	(4,289)	200	(11,381)	(3,242)	20	182	-	(18,510)
Results participation	(449)	(327)	(8,620)	(19)	-	-	-	(9,415)
Net income/(loss)	**17,154**	**(2,855)**	**59,899**	**12,972**	**(845)**	**73,094**	**(79,816)**	**79,603**
Attributable to Grupo BB Seguridade	8,577	(1,428)	29,950	6,486	(422)	36,547	(39,908)	39,802
Attributable to other stockholders	8,577	(1,428)	29,950	6,486	(422)	36,547	(39,908)	39,802

d.3) Insurance, Private Pension Plans and Capitalization Segment: Capitalization

R$ thousand

1 st half/2013	Brasilcap Capitalização S.A.	BB Capitalização	Total
Collection with savings bonds	3,150,496	-	3,150,496
Technical provisions variation to redemption	(2,580,378)	-	(2,580,378)
Net securities capitalization	**570,118**	**-**	**570,118**
Technical provision changes	13,355	-	13,355
Raffle results	(113,023)	-	(113,023)
Selling expenses	(211,837)	-	(211,837)
Results	**258,613**	**-**	**258,613**
Other income/(expenses)	216	(27)	189
Administrative expenses	(36,222)	(114)	(36,336)
Tax expenses	(29,026)	(36)	(29,062)
Capitalization results	**193,581**	**(177)**	**193,404**
Financial results	**(13,176)**	**186**	**(12,990)**
Interest income	248,566	187	248,753
Interest expense	(261,741)	(1)	(261,742)
Equity in earnings	**72**	**-**	**72**
Operating income	**180,477**	**9**	**180,486**
Non current assets results	-	-	-
Income/(loss) before taxes	**180,477**	**9**	**180,486**
Income tax	(44,739)	(2)	(44,741)
Social Contribution tax	(27,427)	-	(27,427)
Results participation	(1,660)	-	(1,660)
Net income/(loss)	**106,651**	**7**	**106,658**
Attributable to Grupo BB Seguridade	71,094	7	71,101
Attributable to other stockholders	35,557	-	35,557

R$ Thousand

2nd quarter/2013	Brasilcap Capitalização S.A.	BB Capitalização	Ajustes/ Eliminação	Total
Collection with savings bonds	1,958,442	-	-	1,958,442
Technical provisions variation to redemption	(1,658,894)	-	-	(1,658,894)
Net securities capitalization	**299,547**	**-**	**-**	**299,547**
Technical provision changes	(975)	-	-	(975)
Raffle results	(76,265)	-	-	(76,265)
Selling expenses	(138,053)	-	-	(138,053)
Results	**84,255**	**-**	**-**	**84,255**
Other income/(expenses)	305	(27)	6	284
Administrative expenses	(20,434)	(52)	-	(20,486)
Tax expenses	(11,133)	(15)	-	(11,148)
Capitalization results	**52,992**	**(94)**	**6**	**52,904**
Financial results	**(3,772)**	**97**	**-**	**(3,675)**
Interest income	138,994	98	-	139,092
Interest expense	(142,766)	(1)	-	(142,767)
Equity in earnings	**31**	**-**	**-**	**31**
Operating income	**49,251**	**3**	**6**	**49,260**
Non current assets results	**-**	**-**	**-**	**-**
Income/(loss) before taxes	**49,251**	**3**	**6**	**49,260**
Income tax	(12,361)	-	-	(12,361)
Social Contribution tax	(7,740)	-	-	(7,740)
Results participation	(835)	-	-	(835)
Net income/(loss)	**28,315**	**3**	**6**	**28,324**
Attributable to Grupo BB Seguridade	18,875	3	4	18,882
Attributable to other stockholders	9,440	-	2	9,442

d.4) Insurance, Private Pension Plans and Capitalization Segment: Private Pension Plans

R$ thousand

1 st half/2013	Brasilprev Seguros e Previdência S.A.	Brasilprev Nosso Futuro Seguros e Previdência S.A	Adjustments/ Eliminations	Total
Retained contribution	11,903,113	29,623	-	11,932,736
Benefits provision	(11,842,516)	(28,550)	-	(11,871,066)
Private Pension Plans income	**60,598**	**1,073**	**-**	**61,671**
Income from management fees and products	483,474	5,367	-	488,841
Change in technical provisions	(32,558)	1,694	-	(30,864)
Retained benefits	(18,481)	(1,723)	-	(20,205)
Costs acquisition	(115,991)	(753)	-	(116,744)
Other income/expense	(6,297)	(24)	-	(6,320)
Risck contributions	92,634	273	-	92,906
Change in technical provisions from premiums	(1,735)	(7)	-	(1,742)
Results	**90,899**	**265**	**-**	**91,164**
Claims	(3,566)	(73)	-	(3,639)
Costs acquisition	-	-	-	-
Other income/expense	(2,084)	-	-	(2,084)
Admininistrative expenses	(119,824)	(2,550)	-	(122,374)
Taxes expenses	(39,894)	(829)	-	(40,724)
Financial results	**151,484**	**(234)**	**-**	**151,250**
Interest income	236,265	(2,843)	-	233,422
Interest expense	(84,781)	2,609	-	(82,172)
Equity in earnings	**1,352**	**-**	**3,430**	**4,782**
Operating results	**449,112**	**2,213**	**3,430**	**454,755**
Non current assets income	6	-	-	6
Income/(loss) before taxes	**449,118**	**2,213**	**3,430**	**454,761**
Tax income	(109,877)	(530)	-	(110,407)
Social Contribution tax	(66,849)	(332)	-	(67,181)
Results participation	(4,928)	-	-	(4,928)
Net income	**267,462**	**1,352**	**3,430**	**272,244**
Attributable to Grupo BB Seguridade	200,583	1,014	2,572	204,169
Attributable to other stockholders	66,879	338	858	68,075

R$ thousand

2nd quarter/2013	Brasilprev Seguros e Previdência S.A.	Brasilprev Nosso Futuro Seguros e Previdência S.A	Adjustments/ Eliminations	Total
Retained contribution	5,880,476	14,554	-	5,895,030
Benefits provision	(5,848,865)	(14,026)	-	(5,862,891)
Private Pension Plans income	**31,611**	**529**	**-**	**32,140**
Income from management fees and products	252,458	2,732	-	255,189
Change in technical provisions	(12,361)	937	-	(11,424)
Retained benefits	(10,498)	(1,113)	-	(11,613)
Costs acquisition	(53,843)	(558)	-	(54,401)
Other income/expense	(3,676)	(2)	-	(3,677)
Risck contributions	47,029	138	-	47,166
Change in technical provisions from premiums	91	3	-	94
Results	**47,120**	**140**	**-**	**47,260**
Claims	(1,248)	(34)	-	(1,282)
Costs acquisition	-	-	-	-
Other income/expense	(721)	-	-	(721)
Admininistrative expenses	(61,430)	(1,234)	-	(62,664)
Taxes expenses	(21,126)	(420)	-	(21,547)
Financial results	**70,952**	**(188)**	**-**	**70,765**
Interest income	(143,374)	(3,890)	-	(147,263)
Interest expense	214,326	3,702	-	218,028
Equity in earnings	**473**	**-**	**1,906**	**2,379**
Operating results	**237,711**	**789**	**1,906**	**240,406**
Non current assets income	26	-	-	26
Income/(loss) before taxes	**237,737**	**789**	**1,906**	**240,432**
Tax income	(57,761)	(198)	-	(57,959)
Social Contribution tax	(35,522)	(118)	-	(35,640)
Results participation	(2,269)	-	-	(2,269)
Net income	**142,184**	**473**	**1,906**	**144,563**
Attributable to Grupo BB Seguridade	106,631	355	1,429	108,415
Attributable to other stockholders	35,553	118	477	36,148

d.5) Brokerage Segment

R$ thousand

	BB Corretora de Seguros e Adm. de Bens	
	2nd quarter/2013	1st half/2013
Operating income	**446,846**	**804,555**
Brokerage income	480,646	802,351
Other operating income	(33,800)	2,204
Operating expenses	(111,094)	**(210,052)**
Administrative expenses	(67,364)	(141,098)
Other operating expenses	(43,730)	(68,954)
Operating income	**335,752**	**594,503**
Interest income	15,509	**22,758**
Interest income	16,159	27,143
Interest expense	(650)	(4,385)
Income/(loss) before taxes	**351,261**	**617,261**
Taxes	(119,689)	(210,361)
Net income/(loss)	**231,572**	**406,900**
Attributable to Grupo BB Seguridade	231,572	406,900

e) Breakdown of balance sheet by segment in accordance with International Financial Report Standards

e.1) Insurance, Private Pension Plans and Capitalization Segment: Insurance – Life, Mortgage life insurance and Rural

Jun 30, 2013	MAPFRE Vida S.A	Vida Seguradora	Cia .de Seguros Aliança do Brasil	BB MAPFRE SH1	Adjustments/ Eliminations	Total
Assets						
Cash and bank deposits	4,936	278,033	615,035	710,055	-	1,608,059
Securities	490,383	287,762	2,514,862	222,780	-	3,515,787
Insurance and coinsurance operations	116,897	57,978	1,831,184	-	-	2,006,059
Reinsurance assets – Technical provisions	11,058	2,424	255,219	-	(11,766)	256,935
Securities	167,767	100,448	1,016,906	4,866	-	1,289,987
Others	3,207	600	107	-	-	3,914
Prepaid expenses	201	45	10,089	11	-	10,346
Costs of acquisition	13,987	4,183	770,719	-	-	788,889
Risk diferred						
Investments	4,169	424	4,118	2,382,332	(1,735,114)	655,929
Property and equipment	913	9,248	6,008	-	-	16,169
Intangible assets	11,265	765	27,960	686,635	-	726,625
Other assets						
Total	**824,783**	**741,909**	**7,052,208**	**4,006,679**	**(1,746,881)**	**10,878,698**
Liabilities						
Accounts payable	60,992	28,460	262,912	1,180,189	14,963	1,547,516
Insurance and coinsurance operations	86,835	11,245	1,086,818	-	-	1,184,898
Insurance technical provisions	240,419	281,997	3,978,788	-	(49,174)	4,452,030
Deposits	3,573	1,783	47,191	-	-	52,547
Other liabilities	234,005	871	535,451	-	-	770,327
Equity	198,959	417,552	1,141,048	2,826,490	(1,712,669)	2,871,380
Attributable to Grupo BB Seguridade	149,199	313,122	855,672	2,119,585	(1,284,330)	2,153,248
Attributable to other stockholders	49,760	104,430	285,376	706,905	(428,339)	718,132
Total	**824,783**	**741,909**	**7,052,208**	**4,006,679**	**(1,746,881)**	**10,878,698**

R$ thousand

Dec 31, 2012	MAPFRE Vida S.A	Vida Seguradora	Cia. de Seguros Aliança do Brasil	BB MAPFRE SH1	Ajustes/ Eliminação	Total
Assets						
Cash and bank deposits	24,946	783	123,931	17	-	149,677
Securities	499,335	597,377	2,574,040	679,367	-	4,350,119
Insurance and coinsurance operations	141,743	36,164	952,020	-	-	1,129,927
Reinsurance assets – Technical provisions	11,323	2,229	213,047	-	(10,413)	216,186
Receivables	140,407	118,242	1,160,673	20,558	-	1,439,880
Others properties	3,432	8,785	211	-	-	12,428
Prepaid expenses	60	28	3,701	-	-	3,789
Differred costs	12,722	4,663	565,414	-	-	582,799
Differred - risk	-	-	-	-	-	-
Investment	4,226	408	4,072	2,252,687	(1,605,469)	655,924
Property and equipment	701	2,504	15,700	-	-	18,905
Intangible assets	10,131	-	14,306	686,635	-	711,072
Others	-	-	-	-	-	-
Total	**849,025**	**771,182**	**5,627,114**	**3,639,262**	**(1,615,882)**	**9,270,701**
Liabilities						
Payable accounts	57,836	73,200	404,836	472,553	12,601	1,021,026
Insurance and reinsurance debts	75,306	10,016	626,748	-	-	712,070
Technical provision	228,699	260,070	3,079,822	-	(41,916)	3,526,675
Deposits	44,616	4,007	9,254	-	-	57,877
Other liabilities	225,750	808	521,980	-	-	748,538
Equity	**216,818**	**423,081**	**984,473**	**3,166,709**	**(1,586,567)**	**3,204,514**
Attributable to Grupo BB Seguridade	162,592	317,268	738,256	2,374,715	(1,189,767)	2,403,064
Attributable to other stockholders	54,226	105,813	246,217	791,994	(396,800)	801,450
Total	**849,025**	**771,182**	**5,627,114**	**3,639,262**	**(1,615,882)**	**9,270,701**

e.2) Insurance, Private Pension Plans and Capitalization Segment: Insurance – Property and Casualty

R$ thousand

Jun 30, 2013	Aliança do Brasil Seguros	Brasilveículos	MAPFRE Seguros Gerais	MAPFRE Affinity Seguradora	MAPFRE Assistência	MAPFRE BB SH2	Adjustments/ Eliminations	Total
Assets								
Cash and bank deposits	117,995	5	777,627	164,531	7,361	2,906	-	1,070,425
Securities	312,718	1,226,215	1,149,754	209,925	3,276	1,413	-	2,903,301
Insurance and coinsurance operations	281,970	590,074	2,119,491	206,307	-	10	-	3,197,852
Reinsurance assets – Technical provisions	104,983	-	875,314	302	-	-	(17,425)	963,174
Securities	55,757	711,682	541,374	275,859	3,496	775	-	1,588,943
Others	13	64,949	127,778	517	-	-	-	193,257
Prepaid expenses	5,055	3,880	5,290	21	-	13	-	14,259
Costs of acquisition	83,252	104,458	406,127	273,167	-	-	-	867,004
Risk diferred								-
Investments	288	1,795	490,349	304	-	2,502,135	(2,729,514)	265,357
Property and equipment	561	1,599	98,210	298	-	-	-	100,668
Intangible assets	2,585	22,174	150,308	2,654	-	64,739	-	242,460
Other assets								-
Total	**965,176**	**2,726,829**	**6,741,622**	**1,133,886**	**14,134**	**2,571,991**	**(2,746,938)**	**11,406,700**
								-
Liabilities								-
Accounts payable	78,317	230,269	284,000	61,652	11,787	55,981	16,529	738,535
Insurance and coinsurance operations	137,889	297,284	714,106	88,873	-	-	-	1,238,152
Insurance technical provisions	555,669	1,319,532	3,465,596	380,206	-	-	(58,746)	5,662,257
Deposits	8,602	22,270	51,874	9,550	-	-	-	92,296
Other liabilities	24,302	385,132	602,012	98,418	-	-	-	1,109,864
Equity	**160,396**	**472,342**	**1,624,033**	**495,188**	**2,347**	**2,516,009**	**(2,704,721)**	**2,565,594**
Attributable to Grupo BB Seguridade	120,281	354,209	1,217,862	371,341	1,760	1,886,755	(2,028,270)	1,923,938
Attributable to other stockholders	40,115	118,133	406,171	123,847	587	629,254	(676,451)	641,656
Total	**965,176**	**2,726,829**	**6,741,622**	**1,133,886**	**14,134**	**2,571,991**	**(2,746,938)**	**11,406,700**

R$ thousand

Dec 31, 2012	Aliança do Brasil Seguros	Brasilveículos	MAPFRE Seguros Gerais	MAPFRE Affinity Seguradora	MAPFRE Assistência	MAPFRE BB SH2	Ajustes/ Eliminação	Total
Assets								
Cash and bank deposits	39,214	2,062	42,635	7,201	32	70	-	91,214
Securities	356,973	371,826	2,602,963	369,714	579	10,450	-	3,712,505
Insurance and coinsurance operations	197,688	9,038	2,298,418	203,691	-	-	-	2,708,835
Reinsurance assets – Technical provisions	114,942	-	767,286	308	-	-	(17,596)	864,940
Receivables	62,562	638,835	547,536	295,751	2,660	2,180	-	1,549,524
Others properties	153	17,897	162,792	620	-	-	-	181,462
Prepaid expenses	3,006	2,242	1,778	-	-	-	-	7,026
Differred costs	56,836	883	492,000	265,573	-	-	-	815,292
Differred - risk	-	-	-	-	-	-	-	-
Investment	303	2,087	429,433	325	-	2,390,783	(2,556,822)	266,109
Property and equipment	410	1,701	90,994	221	-	-	-	93,326
Intangible assets	1,594	6,457	118,463	1,416	-	64,739	-	192,669
Others	-	-	-	-	-	-	-	-
Total	**833,681**	**1,053,030**	**7,554,298**	**1,144,821**	**3,271**	**2,468,221**	**(2,574,418)**	**10,482,904**
								-
Liabilities								-
Payable accounts	91,129	23,641	464,841	139,338	1,879	58,197	16,917	795,942
Insurance and reinsurance debts	104,483	223	724,283	95,476	-	-	-	924,465
Technical provision	487,888	200,943	4,239,585	390,489	-	-	(59,878)	5,259,027
Deposits	8,057	10	20,412	1,050	-	-	-	29,529
Other liabilities	20,987	358,643	550,170	83,388	-	-	-	1,013,188
Equity	**121,137**	**469,571**	**1,555,008**	**435,080**	**1,392**	**2,410,023**	**(2,531,456)**	**2,460,755**
Attributable to Grupo BB Seguridade	90,841	352,131	1,166,100	326,266	1,044	1,807,276	(1,898,339)	1,845,319
Attributable to other stockholders	30,296	117,440	388,908	108,814	348	602,747	(633,117)	615,436
Total	**833,681**	**1,053,030**	**7,554,298**	**1,144,821**	**3,271**	**2,468,221**	**(2,574,418)**	**10,482,904**

e.3) Insurance, Private Pension Plans and Capitalization Segment: Capitalization

R$ thousand

Jun 30, 2013	Brasilcap Capitalização	BB Capitalização	Ajustes/ Eliminação	Total
Assets				
Cash and bank deposits	202	-	-	202
Securities	7,972,587	5,527	-	7,978,114
Insurance and coinsurance operations	653,889	-	-	653,889
Prepaid expenses	6,090	-	-	6,090
Investments and goodwill	1,283	-	-	1,283
Property and equipment	7,716	-	-	7,716
Intangible assets	8,506	-	-	8,506
Other assets	4,421	2	-	4,423
Total	**8,654,694**	**5,529**		**8,660,223**
	-			
Liabilities				
Tax liabilities	62,168	6	-	62,174
Capitalization technical provisions	7,962	4	-	7,966
Provisions	7,866,347	-	-	7,866,347
Other liabilities	494,092	11	-	494,103
Equity	**224,125**	**5,508**	-	**229,633**
Attributable to Grupo BB Seguridade	149,402	5,508	-	154,910
Attributable to other stockholders	74,723	-	-	74,723
Total	**8,654,694**	**5,529**	-	**8,660,223**

R$ thousand

Dec 31, 2012	Brasilcap Capitalização	BB Capitalização	Ajustes/ Eliminação	Total
Assets				
Cash and bank deposits	2,378	-	-	2,378
Securities	6,749,386	5,563	-	6,754,949
Insurance and coinsurance operations	668,032	-	-	668,032
Prepaid expenses	1,436	-	-	1,436
Investments and goodwill	1,293	-	-	1,293
Property and equipment	9,173	-	-	9,173
Intangible assets	8,638	-	-	8,638
Other assets	-	-	-	-
Total	**7,440,336**	**5,563**	**-**	**7,445,899**
Liabilities				
Tax liabilities	341,782	30	-	341,812
Capitalization technical provisions	493	-	-	493
Provisions	6,458,577	-	-	6,458,577
Other liabilities	457,010	26	-	457,036
Equity	182,474	5,507	-	187,981
Attributable to Grupo BB Seguridade	121,637	5,507	-	127,144
Attributable to other stockholders	60,837	-	-	60,837
Total	**7,440,336**	**5,563**	**-**	**7,445,899**

e.4) Insurance, Private Pension Plans and Capitalization Segment: Private Pension Plans

R$ thousand

Jun 30, 2013	Brasilprev Seguros e Previdência S.A.	MAPFRE Nossa Caixa Vida e Previdência	Ajustes/ Eliminação	Total
Assets				
Cash and bank deposits	5,165	565	-	5,730
Securities	75,708,906	410,861	-	76,119,767
Insurance and coinsurance operations	2,200	-	-	2,200
Receivables	264,997	4,619	(740)	268,878
Other properties	-	-	-	-
Prepaid expenses	4,387	-	-	4,387
Costs acquisitions	441,651	-	-	441,651
Pension plan credits	3,048	3,959	-	7,007
Investments	23,297	-	(23,297)	-
Property and equipment	17,776	-	-	17,776
Intangible assets	165,714	-	-	165,714
Total	**76,637,143**	**420,004**	**(24,037)**	**77,033,111**
Liabilities				
Accounts payable	294,008	7,537	(740)	300,805
Insurance and reinsurance debts	2,133	1,086	-	3,219
Pension plan debts	1,194	-	-	1,194
Deposits	103,170	669	-	103,840
Technical provisions	48,212,204	258,921	-	48,471,125
Technical provisions - Pension plans	26,637,161	128,215	-	26,765,377
Other liabilities	174,082	280	-	174,361
Equity	**1,213,190**	**23,297**	**(23,297)**	**1,213,190**
Attributable to Grupo BB Seguridade	909,771	17,470	(17,470)	909,771
Attributable to other stockholders	303,419	5,827	(5,827)	303,419
Total	**76,637,143**	**420,004**	**(24,037)**	**77,033,111**

R$ thousand

Dec 31, 2012	Brasilprev Seguros e Previdência S.A.	MAPFRE Nossa Caixa Vida e Previdência	Ajustes/ Eliminação	Total
Assets				
Cash and bank deposits	46	436	-	483
Securities	67,538,757	425,733	-	67,964,489
Insurance and coinsurance operations	1,439	-	-	1,439
Receivables	243,804	4,263	(1,796)	246,271
Tother properties	-	3,937	-	3,937
Prepaid expenses	313	-	-	313
Costs acquisitions	364,365	-	-	364,365
	3,543	21	-	3,564
Investments	24,954	-	(24,954)	-
Property and equipment	18,115	-	-	18,115
Intangible assets	176,452	-	-	176,452
Total	**68,371,789**	**434,390**	**(26,750)**	**68,779,429**
Liabilities				
Accounts payable	164,648	7,296	(1,796)	170,149
Insurance and reinsurance debts	5,595	-	-	5,595
Pension plan debts	1,309	298	-	1,607
Deposits	19,549	689	-	20,239
Technical provisions	40,786,803	267,594	-	41,054,397
Technical provisions - Pension plans	26,161,692	130,629	-	26,292,322
Other liabilities	124,132	2,929	-	127,060
Equity	**1,108,061**	**24,954**	**(24,954)**	**1,108,061**
Attributable to Grupo BB Seguridade	830,935	18,713	(18,713)	830,935
Attributable to other stockholders	277,126	6,241	(6,241)	277,126
Total	**68,371,789**	**434,390**	**(26,750)**	**68,779,429**

e.5) Brokerage Segment

R$ thousand

	BB Corretora de Seguros e Adm. de Bens	
	Jun 30, 2013	Dec 31, 2012
Assets		
Cash and bank deposits	824,003	622,848
Securities	390	398
Tax assets	60,300	17,815
Receivables	614,463	434,794
Other assets	**1,499,156**	**1,075,855**
Liabilities		
Dividends payable	406,900	287,101
Povisions	7,300	**5,718**
Tax liabilities	192,567	88,944
Other liabilities	858,978	660,668
Equity	**33,411**	**33,424**
Attributable to Grupo BB Seguridade	33,411	33,424
Attributable to other stockholders	--	--
Total	**1,499,156**	**33,424**

f) Insurance and reinsurance receivables of equity method investments.

R$ thousand

	Jun 30, 2013	Dec 31, 2012
Insurance business operations – Life, Mortgage Life	**1,733,836**	**1,213,284**
Premiums	1,424,290	981,754
Insurance business operations	34,534	26,949
Reinsurance business operations	308,006	235,230
Credit risk impairment losses	(32,994)	(30,649)
Insurance business operations – Property and Casualty	**3,200,978**	**3,286,045**
Premiums	2,272,370	2,225,947
Insurance business operations	63,588	130,179
Reinsurance business operations	925,614	979,714
Credit risk impairment losses	(60,594)	(49,795)
Other credits	**336,069**	**150,935**
Total	**5,270,883**	**4,650,264**
Attributable to the Grupo BB Seguridade	3,086,165	2,743,655
Attributable to other stockholders'	2,184,718	1,906,609

g) Balance of liabilities from insurance contracts and technical provisions for capitalization of equity method investments.

R$ thousand

	Jun 30, 2013	Dec 31, 2012
Insurance – Life, Mortgage Life and Rural	**53,011,253**	**44,646,476**
Mathematical provision for future benefits	48,266,171	40,901,827
Provision for unearned premiums	2,715,830	1,993,954
Provision for unsettled claims	1,029,535	883,931
Incurred but not reported reserve – IBNR	403,805	378,499
Provision for premium insufficiency	275,605	313,700
Mathematical provision for vested benefits	41,208	30,331
Other provisions	279,099	144,234
Insurance – Property and Casualty	**5,701,264**	**5,421,188**
Provision for unearned premiums	3,501,607	3,325,292
Provision for unsettled claims	1,691,051	1,621,520
Incurred but not reported reserve – IBNR	442,440	323,476
Other provisions	66,166	150,900
Private Pension Plans	**26,831,702**	**26,343,788**
Mathematical provision for future benefits	23,308,367	23,555,210
Mathematical provision for vested benefits	1,197,468	1,684,912
Provision for financial surplus	580,285	571,022
Reserve for unexpired risks	26,718	16,023
Incurred but not reported reserve – IBNR	12,940	11,152
Provision for insufficiency of contributions	636,758	9,683
Other provisions	1,069,166	495,786
Capitalization Plans	**7,865,656**	**6,370,384**
Mathematical provision for redemptions	7,482,813	6,044,898
Provision for sweepstakes and redemptions	308,627	225,686
Other provisions	74,216	99,800
Total	**93,409,875**	**82,781,836**
Attributable to the Grupo BB Seguridade	67,971,872	60,195,738
Attributable to other stockholders'	25.438.003	22.586.098

h) Balance of liabilities from insurance contracts and technical provisions for capitalization by products of equity method investments.

R$ thousand

	Jun 30, 2013	Dec 31, 2012
Insurance – Life, Mortgage Life and Rural	**53,011,253**	**44,646,476**
Living benefits life insurance - VGBL	48,307,379	41,002,959
Life	3,866,929	2,756,584
Property/casualty	602,729	746,665
Dpvat	234,216	140,268
Insurance – Property and Casualty	**5,701,264**	**5,421,188**
Auto	3,236,459	3,163,390
Life	405,518	419,801
Property/casualty	1,736,183	1,560,700
Dpvat	323,104	277,297
Private Pension Plans	**26,831,702**	**26,343,788**
Free benefit generating plan - PGBL	19,076,359	18,846,829
Traditional plans	7,755,343	7,496,959
Capitalization Plans	**7,865,656**	**6,370,384**
Total	**93,409,875**	**82,781,836**
Attributable to the Grupo BB Seguridade	67,971,872	60,195,738
Attributable to other stockholders'	25,438,003	22,586,098

i) Guarantee of liabilities from insurance contracts and technical provisions for capitalization of equity method investments.

R$ thousand

	Jun 30, 2013				
	Life, Mortgage life and Rural	Property and Casualty	Private Pension Plans	Capitalization Plans	Total
Shares in investment funds (VGBL e PGBL)	42,524,767	--	24,159,653	--	66,684,420
Shares in investment funds (except VGBL e PGBL)	6,856,007	4,055,552	2,563,924	3,726,487	17,201,970
Federal Government bonds	2,078,224	6,347	1,029,730	2,784,171	5,898,472
Corporate bonds	709,955	597,214	71,356	1,363,059	2,741,584
Credit rights	938,959	1,365,174	--	98,870	2,403,003
Property	3,979	20,620	--	--	24,599
Deposits held at IRB and judicial deposits	322	1,258	--	--	1,580
Total	**53,112,213**	**6,046,165**	**27,824,663**	**7,972,587**	**94,955,628**
Attributable to the Grupo BB Seguridade	39,828,848	3,023,082	20,867,106	5,314,526	69,033,562
Attributable to other stockholders'	13,283,365	3,023,083	6,957,557	2,658,061	25,922,066

R$ thousand

	Dec 31, 2012				
	Life, Mortgage life and Rural	Property and Casualty	Private Pension Plans	Capitalization Plans	Total
Shares in investment funds (VGBL e PGBL)	35,961,427	--	23,500,099	--	59,461,526
Shares in investment funds (except VGBL e PGBL)	5,302,226	3,649,473	2,185,874	3,309,457	14,447,030
Federal Government bonds	2,421,331	89,895	1,088,899	1,837,304	5,437,429
Corporate bonds	534,509	610,557	83,651	1,500,107	2,728,824
Credit rights	607,356	1,321,589	--	102,517	2,031,462
Property	--	21,613	--	--	21,613
Deposits held at IRB and judicial deposits	--	2,726	--	--	2,726
Total	**44,826,849**	**5,695,853**	**26,858,523**	**6,749,385**	**84,130,610**
Attributable to the Grupo BB Seguridade	33,615,654	2,847,927	20,141,206	4,499,140	61,103,927
Attributable to other stockholders'	11,211,195	2,847,926	6,717,317	2,250,245	23,026,683

j) Liability Adequacy Test

The Group should perform the Liability Adequacy Test for all contracts that fulfill the definition of an insurance contract, which are effective on the execution date, in order to determine the sufficiency or insufficiency of the balances recorded in the balance sheet.

This test corresponds to the comparison of the net book value of technical and mathematics provisions, called Net Carrying Amount (NCA), net of deferred acquisition costs and intangible assets related, to the actuarial calculation of future cash flows' current estimates of insurance and pension plan contracts.

If there is a deficiency in this comparison, i.e., the value of future cash flows exceeds the NCA, these deficiencies will be recognized by a provision.

The assumptions used by the insurance subsidiaries and joint ventures are set out below:

a) discount rates used to discount the cash flows: risk-free interest rate, obtained from the extrapolated yield curve of government bonds, considered risk-free credit, available on the Brazilian financial market,
b) claims, administrative and operational costs, deferred acquisition costs, cancellation, future contributions, partial redemptions and conversions to income based on historical behavior, and
c) mortality and survival, following the biometric tables built considering the experience in the Brazilian insurance market.

The Liability Adequacy Test did not indicate adjustments in technical provisions.

11 – Tax

a) Current and Deferred Tax Assets

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Current Tax Assets	41	--	65,114	18,098
Deferred Tax Assets – Tax credit	--	--	6,307	5,762
Total	**41**	**--**	**71,421**	**23,860**

b) Deferred Tax Assets

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Deferred assets				
Amortization of goodwill	--	--	3,053	3,052
Liabilities provision	**--**	**--**	2,613	2,073
Negative mark to market of securities	**--**	**--**	158	157
Other provision	**--**	**--**	483	480
Total	**--**	**--**	**6,307**	**5,762**

c) Expected realization of deferred tax assets

R$ thousand

	Nominal Value	Present Value
2013	11	10
2014	396	342
2015	1,241	1,000
2016	1,823	1,368
2017	1,861	1,317
From 2018	975	673
Total	**6,307**	**4,710**

Expected realization of deferred tax assets (tax credits), related to BB Seguros and BB Corretora is supported by a technical study prepared as of December 31, 2012, being the present value calculated based on the average funding rate.

During 2012, there was a realization of tax credits in the amount of R$ 1,157 thousand, corresponding of 160.07% of the planned in the period.

d) Liabilities Current tax

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Current tax				
Income tax suspension	--	--	67,852	55,412
Income Tax	--	--	83,044	21,980
Social contribution tax	--	--	31,930	10,426
COFINS	--	--	6,954	4,248
PASEP	--	--	1,130	690
ISS	--	--	4,835	--
Total	**--**	**--**	**195,745**	**92,756**

e) Liabilities Deferred tax

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Deferred tax liabilities				
From partnership with MAPFRE	--	--	262,882	269,123
Positive mark to market of financial assets	--	--	6,535	(531)
Other timing differences	--	--	1,062	1,062
Total	--	--	**270,479**	**269,654**

f) Reconciliation of income tax expense

R$ thousand

	Parent		Consolidated	
	2nd quarter/2013	1 st half/2013	2nd quarter/2013	1st half/2013
Income before taxes and equities	550,275	1,022,310	672,244	1,236,672
Income taxes (40%)	(187,094)	(347,585)	(228,563)	(420,468)
Equity in earnings of subsidiaries and associates	187,277	347,698	107,093	206,844
Other	(119)	(113)	(434)	(1,007)
Income taxes expense	**65**	**--**	**(121,904)**	**(214,632)**

12 – Dividends receivable

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Dividends receivables [1]	999,563	--	--	--
Total	**999,563**	**--**	**--**	**--**

(1) R$ 600.000 thousand from BB Seguros and R$ 399.563 thousand from BB Cor.

13 – Other assets

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Receivable income [1]	--	--	598,816	381,550
Judicial deposits	--	--	132,316	128,848
Prepaid taxes	--	--	--	44,201
Other	--	--	152	280
Total	--	--	**731,284**	**554,879**

(1) This refers mainly to dividends and commissions received from affiliated companies.

Commissions receivable - Insurance - refer to segment of automobile, life and elementary, as demonstrated by company in the following table:

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Automobile – Brasilveículos	--	--	4	11
Aliança do Brasil	--	--	387,965	194,303
Aliança do Brasil Seguros	--	--	34,620	17,200
Automobile – MAPFRE Vera Cruz	--	--	56,138	50,052
Total	--	--	**478,727**	**261,566**

14 – Provisions and Contingent Liabilities

a) Provisions

Tax Lawsuits

Tax lawsuits derived mainly from assessments of municipal tax and refer to ISSQN (Service Tax).

Civil Lawsuits

The most significant civil lawsuits classified as probable losses are the indemnity claims (material damage, moral damage etc.), disputes regarding the payment of claims and applicability of the consumer's protection code.

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Tax lawsuits				
Initial balance	--	--	1,245	561
Constitution	**--**	**--**	1,475	1,246
Reversal of the provision	--	--	--	(562)
Balance at the end of period	**--**	**--**	**2,720**	**1,245**
Civil lawsuits				
Initial balance	--	--	4,473	1,610
Constitution	**--**	**--**	687	5,688
Reversal of the provision	--	--	(256)	(2,825)
Balance at the end of period	**--**	**--**	**4,904**	**4,473**
Total	**--**	**--**	**7,624**	**5,718**

b) Contingent Liabilities

Tax lawsuits

BB Security Group disputes the non-approval of claims for compensation for income tax, social contribution, PIS and COFINS made between the years 1999 and 2003, due to non-recognition of the negative balance of 1995 and 1997 and the deduction of social contribution values of the basis for calculation of income tax, decision issued by justice on a preliminary basis. There are deposits in guarantee of R$ 27,448 thousand. The possibility of success of demand is classified as possible, being unnecessary provisioning values.

Civil lawsuits

In civil lawsuits, classified with possible risk, we highlight the various indemnity claims (damage, moral, etc.), disputes regarding the payment of claims and applicability of consumer's protection code.

The balances of contingent liabilities classified as possible are the following:

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Tax lawsuits				
Initial balance	--	--	5	7
Input	--	--	--	668
Output	--	--	--	(670)
Balance at the end of period	**--**	**--**	**5**	**5**
Civil lawsuits				
Initial balance	--	--	6,035	5,719
Input	--	--	1,116	1,719
Output	--	--	(754)	(1,403)
Balance at the end of period	**--**	**--**	**6,397**	**6,035**
Total	**--**	**--**	**6,402**	**6,040**

c) Deposits in guarantee of funds

The balances of escrow deposits formed for contingencies probable, possible and/or remote are:

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Tax lawsuits [1]	--	--	126,177	122,783
Civil lawsuits	--	--	6,139	6,065
Total	**--**	**--**	**132,316**	**128,848**

(1) Refers to tax lawsuit aiming to annul the administrative decision that not endorsed statements to offset negative average of IRPJ with owned taxes. The value of this deposit is R$ 97,993 thousand (R$ 95,184 thousand as of December 31, 2012, related to BB Corretora and it is updated by SELIC index.

15 – Dividends payable

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Dividends payable [1]	--	--	349,442	624,698

(1) Dividends payable arising from BB Seguros Participações S.A.

16 – Other liabilities

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Unearned commissions	--	--	826,139	504,428
Sundry creditors - domestic	637	--	37,072	146,635
Taxes	--	--	--	8,122
Labor charges and obligations	--	--	--	1,483
Other	--	--	--	743
Total	**637**	**--**	**863,211**	**661,411**

17 – Equity

a) Capital

The capital of the Grupo BB Seguridade on Jun 30, 2013 amounted R$ 5,646,768 thousand (R$ 5,633,268 thousand as of Dec 31, 2012) and it is divided into 2,000,000,000 (two billions) of shares (470,563,927 shares as of Dec 31, 2012). The shareholders' equity amounted R$ 6,665,836 thousand (R$ 5,638,374 thousand as of Dec 31, 2012), corresponding a book value per share of R$ 3.33 (R$ 12.00 per share as of Dec 31, 2012).

The BB Seguridade was created through capital subscribed of R$ 15,000 thousand and 10% paid in (R$ 1,500 thousand). The capital increases made by Banco do Brasil S.A., by transfer of investment in BB Cor Participações S.A. and BB Seguros Participações S.A., amounting to R$ 5,631,768 thousand, were performed on Dec 31, 2012. As of January 2013, there was a paid in of R$ 13,500 thousand in the capital.

b) Profit Reserves

R$ thousand

	Parent		Consolidated	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
Profit Reserves	**204,462**	**--**	**204,462**	**--**
Legal Reserve	51,115	--	51,115	--
Statutory reserve	153,347	--	153,347	--

c) Dividends

R$ thousand

	Parent		Consolidated	
	30,06,2013	31,12,2012	30,06,2013	31,12,2012
Calculation Basis:	**971,195**		**971,195**	
- Net Income	1,022,310	--	1,022,310	--
- Legal reserve in the period	(51,115)	--	(51,115)	--
Dividends payable	817,848	--	817,848	--
Statutory reserve	153,347	--	153,347	--
Balance of net income after allocation	0		0	

The dividends of the first half 2013 were approved by the Board of Directors as of August 09, 2013 and will be corrected for by Selic rate until the day of effective payment and will be deducted from shareholders ' equity when actually paid.

d) Other accumulated comprehensive income

The other accumulated comprehensive income is derived from gains and losses related to fair value adjustments, net of tax effects, of available for sale financial assets, using in counterpart the appropriate asset account.

18 – Financial income

R$ thousand

	Parent		Consolidated	
	2nd quarter/2013	1 st half/2013	2nd quarter/2013	1 st half/2013
Financial investment operation	263	471	26,891	49,006
Financial assets at fair value through profit or loss	--	--	5	9
Financial assets available for sale	--	--	1,497	2,893
Valuation of exclusive fund shares	--	--	97	187
Other interest income	--	--	693	2,809
Total	**263**	**471**	**29,183**	**54,904**

19 – Personnel expenses

R$ thousand

	Parent		Consolidated	
	2nd quarter/2013	1 st half/2013	2nd quarter/2013	1 st half/2013
Wages and salaries	(443)	(443)	(2,951)	(5,158)
Social security costs	(207)	(207)	(1,683)	(3,179)
Benefits	(15)	(15)	(54)	(96)
Counselors fees	(131)	(131)	(362)	(481)
Total	**(796)**	**(796)**	**(5,050)**	**(8,914)**

20 – Administrative expenses

R$ thousand

	Parent		Consolidated	
	2nd quarter/2013	1st half/2013	2nd quarter/2013	1st half/2013
Operational support	--	--	(32,054)	(60,859)
Data processing	--	--	(16,854)	(34,990)
Administrative cost of products	--	--	(23,826)	(37,629)
Communication expenses	--		(278)	(290)
Operacional provision	--	--	(238)	(473)
Outsourced services	--	--	(105)	(336)
Class association entities	--	--	(54)	(250)
Promotion and public relations	--	--	(90)	(191)
Other	(5)	(5)	(57)	(175)
Total	**(5)**	**(5)**	**(73,556)**	**(135,193)**

21 – Other operating income / expenses

R$ thousand

	Parent		Consolidated	
	2nd quarter/2013	1st half/2013	2nd quarter/2013	1st half/2013
Taxes	--	--	(33,220)	(58,464)
Expenses of commissions	--	--	108	(10,766)
Restatement of liabilities	--	--	(6,958)	(16,218)
(Recording)/Reversal of provisions for labor, tax and civil lawsuits	--	--	(328)	(1,826)
Other	(2)	(2)	233	222
Total	**(2)**	**(2)**	**(40,165)**	**(87,052)**

22 – Commissions income

R$ thousand

	Parent		Consolidated	
	2nd quarter/2013	1st half/2013	2nd quarter/2013	1st half/2013
Commission	--	--	**446,846**	**802,351**
SH1	--	--	208,986	396,938
SH2	--	--	75,262	145,150
Brasilprev	--	--	71,727	130,260
Brasilcap	--	--	89,839	126,050
Outras companies	--	--	1,032	3,953
Provision of services for incentives to products sale	--	--	--	2,204
Total	--	--	**446,846**	**804,555**

23 – Currents and non-currents assets and liabilities

R$ thousand

	Jun 30, 2013		
	Until 1 year	After 1 year	Total
Assets			
Cash and cash equivalents	1,675,432	-	1,675,432
Financial assets at fair value through profit or loss	301	-	301
Financial assets available for sale	92	-	92
Equity method investments	-	5,873,807	5,873,807
Current tax assets	65,114	-	65,114
Deferred tax assets	-	6,307	6,307
Other assets	731,284	-	731,284
Total	**2,472,223**	**5,880,114**	**8,352,337**
Liabilities			
Provisions for labor, tax and civil claims	7,624	-	7,624
Dividends and pending bonuses	349,442	-	349,442
Current tax liabilities	195,745	-	195,745
Deferred tax liabilities	-	270,479	270,479
Other liabilities	863,211	-	863,211
Equity	**-**	**6,665,836**	**6,665,836**
Total	**1,416,022**	**6,936,315**	**8,352,337**

R$ thousand

	Dec 31, 2012		
	Until 1 year	After 1 year	Total
Assets			
Cash and cash equivalents	1,327,931	--	1,327,931
Financial assets at fair value through profit or loss	291	--	291
Financial assets available for sale	107	--	107
Equity method investments	--	5,385,543	5,385,543
Current tax assets	18,098	--	18,098
Deferred tax assets	--	5,762	5,762
Other assets	554,879	--	554,879
Total	**1,901,306**	**5,391,305**	**7,292,611**
Liabilities			
Provisions for labor, tax and civil claims	5,718	--	5,718
Dividends and pending bonuses	624,698	--	624,698
Current tax liabilities	92,756	--	92,756
Deferred tax liabilities	--	269,654	269,654
Other liabilities	661,411	--	661,411
Equity	**--**	**5,638,374**	**5,638,374**
Total	**1,384,583**	**5,908,028**	**7,292,611**

24 – Related party transactions

The costs of benefits granted to fiscal council of the Group were R$ 362 thousand in 2nd quarter of 2013 and R$ 482 thousand in the first half of 2013.

The Group has banking transactions with its Controller, Banco do Brasil S.A., such as non-interest bearing current accounts and short-term investments. There are also service agreements, guarantee agreements and refunds of direct and indirect costs.

These transactions are conducted under normal market conditions, mainly under the terms and conditions for comparable transactions, including interest rates and collateral. These transactions do not involve unusual payment risks.

The Group does not grant loans to its Executive Committee or Audit Committee members

The tables below show the main transactions between the Group and related parties.

a) Summary of related party transactions

R$ thousand

	Jun 30, 2013			
	Parent[1]	Subsidiaries[2]	Associates[3]	Total
Cash and cash equivalents	1,675,432	--	--	1,675,432
Other assests	**--**	**1,406,469**	**598,797**	**598,803**
Commissions to be received	--	--	478,727	478,727
Dividends to be received	--	1,406,469	119,984	119,990
Other credits [6]	--	--	86	86
Liabilities				
Dividends and bonuses to be paid	349,442	--	--	349,442
Other liabilities	**32,547**	**--**	**729,687**	**762,234**
Obligations with related parties	32,547	--	--	32,547
Unearned Commissions	--	--	729,687	729,687

R$ thousand

	1st half/2013				
	Parent[1]	Subsidiaries[2]	Associates[3]	Other related parties [4]	Total
Income					
Income from financial instruments	54,717	187	-	-	54,904
Income from commission	-	-	804,555	-	804,555
Income from investments in associated – Administrative expenses [7]	-	-	-	26,356	26,356
Personnel expenses	(8,914)	-	-	-	(8,914)
Administrative expenses [8]	(135,193)	-	-	-	(135,193)
Monetary liabilities changes	(14,917)	-	-	-	(14,917)

R$ thousand

	2nd quarter/2013				
	Parent[1]	Subsidiaries[2]	Associates[3]	Other related parties [4]	Total
Income					
Income from financial instruments	29,086	97	--	--	29,183
Income from commission	--	--	446,846	--	446,846
Income from investments in associated – Administrative expenses [7]	--	--	--	13,861	13,861
Personnel expenses	(5,050)	--	--	--	(5,050)
Administrative expenses [8]	(73,556)	--	--	--	(73,556)
Monetary liabilities changes	(6,265)	--	--	--	(6,265)

R$ thousand

	Dec 31, 2012			
	Parent[1]	Subsidiaries[2]	Associates[3]	Total
Cash and cash equivalents	1,327,931	--	--	1,327,931
Other assests	**--**	**14**	**381,639**	**381,653**
Commissions to be received	--	--	261,566	261,566
Dividends to be received	--	14	119,983	119,997
Other credits	--	--	90	90
Liabilities				
Dividends and bonuses to be paid	624,698	--	-	624,698
Other liabilities	**55,334**	**--**	**596,329**	**651,663**
Obligations with related parties	55,334	--	-	55,334
Unearned Commissions	--	--	596,329	596,329

(1) Banco do Brasil S.A.

(2) BB Seguros S.A, BB Corretora, BB Cor S.A. e BB Capitalização S.A. on the financial position.

(3) Related companies BB MAPFRE SH1 Participações S.A. and its subsidiaries, MAPFRE BB SH2 Participações S.A and its subsidiaries, Brasilprev Seguros e Previdência S.A. and Brasilcap Capitalização S.A.

(4) Wholly owned subsidiaries of Banco do Brasil S.A., mainly BB Gestão de Recursos – Distribuidora de Títulos e Valores Mobiliários S.A. (BB DTVM)

(5) Executive Committee and Audit Committee.

(6) Credit Rights of DPVAT agreement to be received from Brasilprev Seguros e Previdência S.A. due to the disposal of MAPFRE Nossa Caixa Vida e Previdência S.A.

(7) This includes administration services of financial investments portfolio by the BB DTVM to associated companies of the Group BB Seguridade.

(8) Refers to expenses as sharing contract customer data, use of staff, distribution network and resource materials technological and administrative, between the Bank and BB Corretora.

b) Benefits for Employees and Managers

The Group does not have its own staff, or remunerates its managers, since its activities are conducted directly by the administrative structure of the Banco do Brasil S.A.

Related Party	Transaction date	Amount involved	Existing balance	Amount	Duration	Loan or other debt	Interest rate charged
Brasilcap, BB Corretora and Banco do Brasil	Jul 14, 1999	R$ 124,393,885.51 (2nd Q 2013) R$ 193,871,103.16 (1st half 2013)	--	Not applicable	Within 5 years from the date of its signing. Automatically renewed for additional periods of five years.	No	No
Relationship with the issuer	Affiliates, Controled and Direct Controller, respectively.						
Purpose of the contract	Commercialization by BB Corretora of products from Brasilcap regarding the services of raising the OUROCAP bond plans and the reception of the respective parcels by the Brasicap, through the Banco do Brasil, within their respective mandates and in accordance with the conditions established in the contract. The OUROCAP products are commercialized exclusively by the BB Corretora, or by whom this indicate. The capitalization plans, their respective conditions, developed by Brasilcap, in agreement with the BB Corretora, operating agreements are subject to specific operating agrrements, integral parts of this contract, for each plan and are signed between the BB Corretora, the Banco do Brasil and the Brasilcap. In the 2nd of 2013, the volume transacted between Brasilcap and BB Corretora was R$ 89,839,181.12 and between Brasilcap and Banco do Brasil was R$ 34,977,716,14. In the first half of 2013 the volume transacted between Brasilcap BB Corretora, through this agreement, was R$ 126,049,839.84 and between Brasilcap and Banco do Brasil was R$ 67,821,263.32.						
Guarantee and insurance	No.						
Rescission or extinction	- The use by Brasilcap of the registration data of subscribers and holders of the plans marketed by BB Corretora, without prior written consent, except in the cases provided for in the contract; - The parties have the right to terminate the contract at any time, upon written notice at least 12 months in advance.						
Nature and reason for the operation	Operating agreement for the commercialization of goods and services						

Related Party	Transaction date	Amount involved	Existing balance	Amount	Duration	Loan or other debt	Interest rate charged
Brasilprev, BB Corretora and Banco do Brasil	Oct 06, 1999	R$ 75,817,960.41 (2nd Q 2013) R$ 182,001,160.09 (1st half 2013)	--	Not applicable	Within 5 years from the date of its signing. Automatically renewed for additional periods of five years.	No	No

Relationship with the issuer	Affiliates, Controled and Direct Controller, respectively.
Purpose of the contract	Commercialization and promotion by BB Corretora of the pension plans from Brasilprev and the provision of banking services through the Banco do Brasil, in the course of its atributions and in accordance with the conditions established in the contract. The plans and the regulations developed by Brasilprev are subject to specific operational agreements to each product, signed between Brasilprev, the BB Corretora and the Banco do Brasil. As part of the strategic realignment of the Company, on 30 April 2010, was signed an operational Agreement, supplementary to the terms of the Shareholders Agreement, in order to redefine the relevant aspects of the operationalization of the development and the commercialization of products of open private pension, aiming to maximize the results of Brasilprev, its sustainability and competitiveness. In this Agreement, the terms of this contract were kept. In the 2nd quarter of 2013, the volume transacted between Brasilprev and BB Corretora was R$ 71,727,332.86 and between Brasilprev and Banco do Brasil, R$ 4,090,627.55. In the first half 2013, the volume transacted between Brasilprev and BB Corretora was R$ 130,260,159.23 and between Brasilprev and Banco do Brasil R$ 51,741,000.86.
Guarantee and insurance	No
Rescission or extinction	The parties have the right to terminate the contract at any time, upon written notice at least 12 months in advance. The recission or denouncement does not oblige the promoter to any liens, damages or liabilities resulting from the measure, except for the subsistence of the obligation of Brasilprev with plan participants.
Nature and reason for the operation	Operating agreement for the commercialization of goods and services.

Related Party	Transaction date	Amount involved	Existing balance	Amount (Reais)	Duration	Loan or other debt	Interest rate charged
Brasilprev and BB-BI.	Nov 28, 1994	R$ 54,067,678.55 (2nd Q 2013) R$ 104,720,484.70 (1st half 2013)	--	Not applicable	Indefinite term	No	No

Relationship with the issuer	Affiliated and wholly owned subsidiary of the Banco do Brasil, respectively.
Purpose of the contract	The Provision by BB-BI to the Brasilprev of advisory services in financial management of the Brasilprev`s resources, according to the policy, guidelines and benefited segments defined by the Board of Directors of Brasilprev upon proposal from its Financial Committee. The remuneration of the BB-BI is calculated on the daily balance of the assets of the managed portfolio from the Traditional Plans and in accordance with regulations of the respective funds. The conditions of the contract and subsequent amendments were consolidated in a draft on May 20, 2009. As part of the strategic realignment of the Company, on April 30, 2010 was celebrated an Operatinal Agreement, complimentary to the terms of the Shareholders Agreement, in order to redefine the operational aspects related to the development and commercialization of Open Private Pension products, in order to maximize the

Related Party	Transaction date	Amount involved	Existing balance	Amount	Duration	Loan or other debt	Interest rate charged
	results of Brasilprev, its sustainability and its competitiveness. In this Agreement, the terms of this agreement were kept.						
Guarantee and insurance	No						
Rescission or extinction	The breach of contract may give rise to its immediate termination, besides causing the accountability of the defaulting party for damages, regardless of judicial and extrajudicial measures. The Agreement may be terminated at any time, by either party, upon written notice in advance of 360 days.						
Nature and reason for the operation	Not applicable.						

Related Party	Transaction date	Amount involved	Existing balance	Amount	Duration	Loan or other debt	Interest rate charged
Brasilcap and BB-BI	Oct 20, 1995	R$ 17,693,995.27 (2nd Q2013) R$ 33,313,143.83 (1st half 2013)	--	Not applicable	Indefinite term.	No	No
Relationship with the issuer	Affiliated and wholly owned subsidiary of the Banco do Brasil, respectively.						
Purpose of the contract	The provision by BB-BI to Brasilcap of the services of resources management from the securities portfolio, real state values and metal ("securities portfolio"), within their respective mandates and in accordance with the conditions established in the contract. The remuneration of the BB-BI is calculated from the management fee levied on the equity securities portfolio administered, calculated according to the methodology defined in the contract. It is also planned at the end of each semester, a bonus equivalent to 20% of the amount exceeding 100% of CDI accumulated in the period, by way of performance, according to the rules defined in the contract. It is allowed to BB-BI to sign agreements and contracts with brokers or dealers in securities and real state values, stock exchanges and financial institutions for execution or operationalization of the assignments granted to it. The terms of the contract and their additives were consolidated in December 7, 2012.						
Guarantee and insurance	No.						
Rescission or extinction	The breach of any terms of the contract may risk it`s immediate termination, besides causing defaulting party's liability for damages and regardless of judicial and extrajudicial measures. The contract may be terminated by mutual agreement, subject to the terms of validity of ongoing operations.						
Nature and reason for the operation	Not applicable						

Related Party	Transaction date	Amount involved	Existing balance	Amount	Duration	Loan or other debt	Interest rate charged
Banco do Brasil, BB Corretora, BB MAPFRE SH1, MAPFRE BB SH2, MAPFRE Participações, Vida Seguradora, Aliança do Brasil, Brasilveículos and AB Seguros.	Jun 30, 2011	R$ 284,247,565.79 (2nd Q 2013) R$ 609,604,717.29 (1st half 2013)	--	Not applicable	Within 20 years from the date of its signing. Automatically renewed for additional periods of five years.	No	No
Relationship with the issuer	Direct controller, controled and affiliates, respectively.						
Purpose of the contract	Regulate the rights and obligations of the parties with respect to the development, dissemination, distribution and marketing of insurance products in the segments of people and elementary as defined in current or future applicable legislation. The distribution of insurance products from the insurers will be made exclusively in the banking channels of the Bank of Brazil, through BB Brokerage, nationwide. In both cases, the receipt and transfer to the insurers of their insurance premiums will be paid by the Banco do Brasil. The parties authorize the use, by any of the signatories, of the brands of the other parts of this agreement. The remuneration of the BB Corretora and the Banco do Brasil was set at varying percentages of the liquid net premiums. In the 2nd of 2013, through this contract, BB Corretora handled with the Aliança do Brasil R$ 208,985,660.40, with BrasilVeículos R$ 48,895,79, with the Aliança do Brasil Seguros R$ 26,594,357.70 and with the MAPFRE Participações, R$ 48,618,651.90. In the 1st half 2013, by means of this agreement, the Aliança do Brasil transacted R$ 396,937,700.38 with the BB Corretora and R$ 18,570,884,97 with the Banco do Brasil. The Aliança do Brasil Seguros, in turn, transacted R$ 49,135,680.82 with the BB Corretora and R$ 48,945,902.37 with the Banco do Brasil. The Brasilveículos transacted R$ 98,810.84 with the BB Corretora. The MAPFRE Participações transacted R$ 95,915,737.91 with the Banco do Brasil. The Vida Seguradora do not transacted values through this contract.						
Guarantee and insurance	No						
Rescission or extinction	The operating agreement may be terminated earlier: (a) in relation to the Vida Seguradora and the Aliança do Brasil, if canceled or terminated the shareholders agreement related to the SH1, signed by MAPFRE Brazil and BB Seguros in 30.06.2011; (b) in relation to BrasilVeículos and AB Seguros, if canceled or terminated the shareholders agreement related to the SH2, signed between MAPFRE Brasil and BB Seguros in 30.06.2011. This Agreement may be terminated at the sole discretion of the other parties, regardless of an arbitration, in the event of either party incurring extrajudicial liquidation, revocation of the operating permit by the competent organ, bankruptcy, application for judicial recovery or similar proceeding or early extrajudicial recovery procedure or yet if the party has its intervention, bankruptcy or liquidation required and such situation is not remedied within 30 days from the date on which such party becomes aware of the event.						
Nature and reason for the operation	Operating agreement for the commercialization of goods and services.						

Related Party	Transaction date	Amount involved	Existing balance	Amount	Duration	Loan or other debt	Interest rate charged
Banco do Brasil and BB Corretora	Oct 25, 2011	R$ 72,915,165.96 (2nd Q 2013) R$ 133,863,680.09 (1st half 2013)	--	Not applicable	Period of 20 years. Automatically renewable for equal periods.	No	No
Relationship with the issuer	Direct controller and controlled, respectively.						
Purpose of the contract	To discipline the conditions, the calculation method and the frequency of reimbursements owed by the BB Corretora to the Banco do Brasil, related to costs and expenses arising from the use of staff, of material resources, and of technological and administrative assets from Banco do Brasil, needed for the BB Corretora to perform its own operational activities.						
Guarantee and insurance	No						
Rescission or extinction	No prediction						
Nature and reason for the operation	Apportionment and reimbursement of expenses and direct and indirect costs						

BB SEGURIDADE PARTICIPAÇÕES S.A.

PRESIDENT
Marcelo Augusto Dutra Labuto

DIRECTOR OF GOVERNANCE AND INVESTOR RELATIONS
Leonardo Giuberti Mattedi

DIRECTOR OF PRODUCTS AND COMMUNICATION
Ângela Beatriz de Assis

DIRECTOR OF MARKETING
André Luis Cortes Mussili

BOARD OF DIRECTORS
Alexandre Corrêa Abreu (President)
Ivan de Souza Monteiro (Vice-President)
Claudia Wehber
Francisca Lucileide de Carvalho
Guilherme Sodré Barros
José Henrique Paim

FISCAL COUNCIL
Adriano Meira Ricci
Antonio Pedro da Silva Machado
Sérgio Wulff Gobetti

ACCOUNTING DEPT.
Eduardo Cesar Pasa
General Accountant
Accountant CRC-DF 017601/O-5
CPF 541.035.920-87

Building a better working world

Condomínio São Luiz
Av. Pres. Juscelino Kubitschek, 1830
Torre I - 8º Andar - Itaim Bibi
04543-900 - São Paulo, SP, Brasil

Tel: (5511) 2573-3000
Fax: (5511) 2573-5780
ey.com.br

A free translation from Portuguese into English of independent auditor's review report on individual interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and on consolidated interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board – IASB and specific CVM rules

Independent Auditor's Report on Review of Quarterly Financial Information - ITR

The
The Board of Directors and Shareholders
BB Seguridade Participações S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of BB Seguridade Participações S.A. ("Company") contained in the Quarterly Information Form – ITR for the quarter ended June 30, 2013, which comprises the balance sheet as at June 30, 2013 and the related income statements and statements of comprehensive income for the three and six-month period then ended, and the statement of changes in equity and cash flow statement for the six-month period then ended, including explanatory information.

Management is responsible for the preparation of the individual interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) – Interim Financial Reporting, and of the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the fair presentation of these information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of the review

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

Uma empresa-membro da Ernst & Young Global Limited

Building a better working world

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Financial Information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission - CVM.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Financial Information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission - CVM.

Other matters

Interim value added information

We have also reviewed the individual and consolidated Interim Value Added Information for the six-month period ended June 30, 2013, prepared under the responsibility of the Company's management, the presentation of which in the interim information is required by the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR), and as supplemental information under IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, according to the overall individual and consolidated interim financial statements.

São Paulo, August 9, 2013

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC-2SP015199/O-6 "F" DF

Patricia di Paula da Silva Paz
Accountant CRC-1SP198827/O-3 – "S" – DF