1Q14

MD&A

BB Seguridade Participações S.A

This report makes references and statements about planned synergies, growth estimates, earnings forecasts and future strategies regarding BB Seguridade. Such statements are based on current expectations, estimates and projections of the Management about future events and financial trends that may affect the businesses that the Group is involved in.

These forward looking statements are not guarantees of future performance and involve risks and uncertainties that could extrapolate the control of the management, and thus can result in balances and values different from those anticipated and discussed in this report. The expectations and projections depend on market conditions (technological changes, competitive pressure on products, prices, etc.), on the macroeconomic performance of the country (interest and exchange rates, political and economic changes, inflation, changes in tax legislation, etc.), and on international markets.

Future expectations based on this report should consider the risks and uncertainties that involve the businesses of BB Seguridade. BB Seguridade has no responsibility to update any estimate contained either in this report or in reports published previously.

Tables and charts in this report show, in addition to the accounting balances and values, financial and managerial figures. The changes of relative rates are calculated before rounding procedure in million of R$. The rounding method used follows the rules established by Resolution 886/66 of IBGE's Foundation: if the decimal number is equal or greater than 0.5, it increases by one unit, if the decimal number is less than 0.5, there is no increase.

PRESENTATION

The Management Discussion and Analysis – MD&A presents the economic and financial status of BB Seguridade Participações S.A. (BB Seguridade). Directed to financial analysts, shareholders and investors, this quarterly report provides an analysis of economic and financial indicators of BB Seguridade's, stocks behavior and other aspects considered relevant for the assessment of the company's performance.

Back in November 2012, Banco do Brasil S.A. (BB) announced its intention to create BB Seguridade, o wholly owned subsidiary responsible for consolidating, under a single holding company, all activities related to insurance, open-end private pension plans, premium bonds, brokerage, and other. In the same document, BB disclosed its intention to promote an IPO of the holding company BB Seguridade at BM&FBovespa S.A. – Bolsa de Valores, Mercadorias e Futuros.

The bookbuilding of this public offering was concluded on April 25th, 2013, and the shares were priced at R$17.00 per share. The shares started being traded on April 29, 2013. In the offering, the controlling shareholder (Banco do Brasil) sold 675 million shares, in a transaction that involved approximately R$11.5 billion, with 500 million shares sold in the base offering, 100 million in the hot issue, and 75 million in the greenshoe. The announcement of the offering closing was published on May 17th, 2013.

The consolidated financial statements were prepared in compliance with the International Financial Report Standards – IFRS issued by International Accounting Standards Board (IASB).

All the analyses in this report are based on IFRS Financial Statements, but are occasionally supplemented by managerial data, besides other information calculated based on accounting principles determined by the Superintendência de Seguros Privados – SUSEP (the regulator of the insurance industry in Brazil), also known as "SUSEP GAAP".

Market data disclosed on this report, which have SUSEP as source, consider figures published until November 2013, the last month provided by the regulator.

The numbers of 1Q14 are considering the IRB's financial statements of January and February.

ON-LINE ACCESS

This MD&A is available at BB Seguridade's IR website, where additional information about the Company is also available such as: corporate structure, corporate governance, historical series for download, among other important information for shareholders and investors. The company's website can be accessed through http://www.bancodobrasilseguridade.com.br.

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1. HIGHLIGHTS

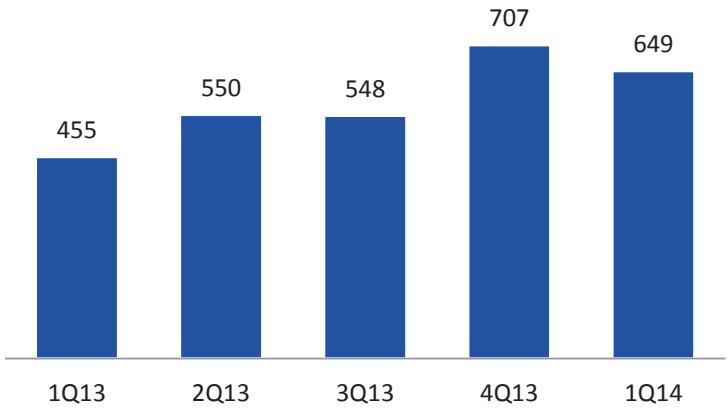
BB SEGURIDADE'S NET INCOME REACHES R$649 MILLION IN 1Q14

BB Seguridade reported a net income of R$ 648.7 million in 1Q14, 42.6% up yoy, equivalent to an ROAE of 46.7%[1]. There were no extraordinary items in 1Q14.

The performance in the 1Q14 compared to 1Q13, was boosted by the strong operating performance of the affiliates and by the strong recovery of the net investment income.

The following chart shows the evolution of the Company's quarterly earnings.

Figure 1 - Highlights | Adjusted net income (R$ million)



THE OPERATING RESULT OF THE AFFILIATES MANTAINS A STRONG PERFORMANCE

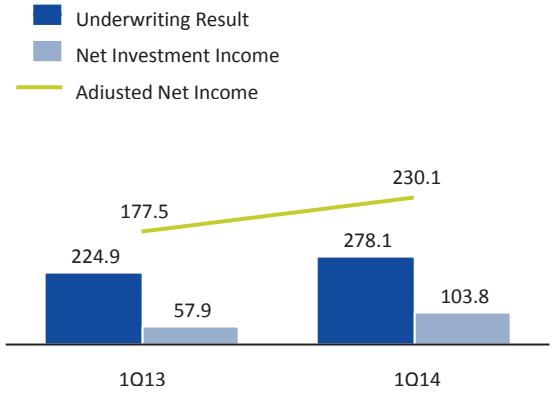
The operating result of the affiliates showed a strong growth in 1Q14 as compared to 1Q13. In the insurance segment, the underwriting result of BB Mapfre SH1 and Mapfre BB SH2 increased by 23.6% and 247.9%, respectively. Following the same trend, the result with pension plans and insurance of Brasilprev grew by 33.7% yoy. The only affiliate which did not presented growth in operating results as compared to 1Q13 was Brasilcap, due to the reversal of R$ 18.4 million in provisions in 1Q13. Excluding this effect, the result with premium bonds would have grown 7.7% on a yoy basis.

Cost control played an important role in the quarter's earnings. All the affiliates showed administrative expenses under control in the period, which contributed to the earnings expansion as compared to 1Q13.

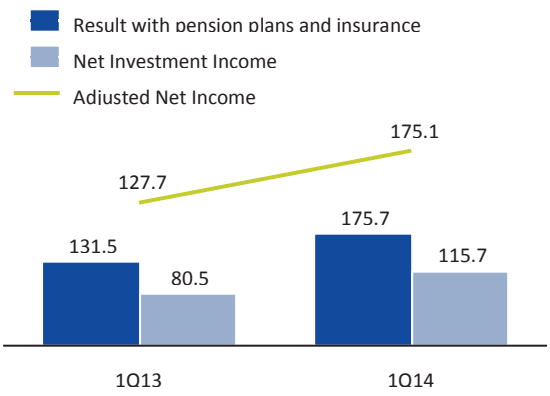
[1] The Adjusted ROAE was calculated with the equity from December 2013 reduced by the dividends paid in February, 2013, as can be seen in section 11 of Company Reference Form.

Figure 2 - Highlights | Affiliates earnings (R$ million)

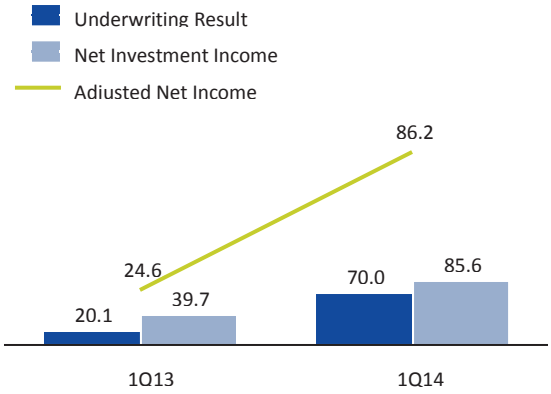
BB Mapfre SH1 (R$ million)



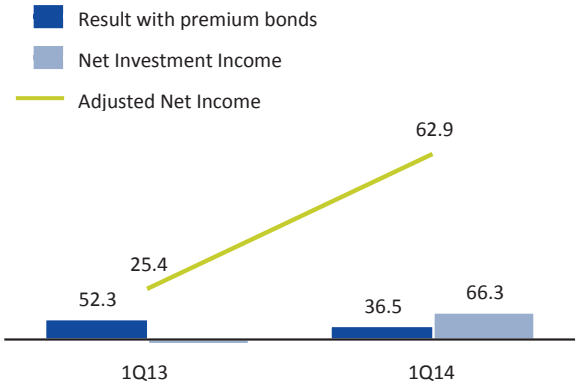
Brasilprev (R$ million)



BB Mapfre SH2 (R$ million)



Brasilcap (R$ million)



NET INVESTMENT INCOME SHOW STRONG RECOVERY

In 1Q14, all affiliates' net investment income showed strong recovery on a year-over-year basis. Highlights to Mapfre BB SH2 which grew 115.6%, and Brasilcap that recorded R$ 66.3 million, against a negative result of R$ 9.3 million in 1Q13.

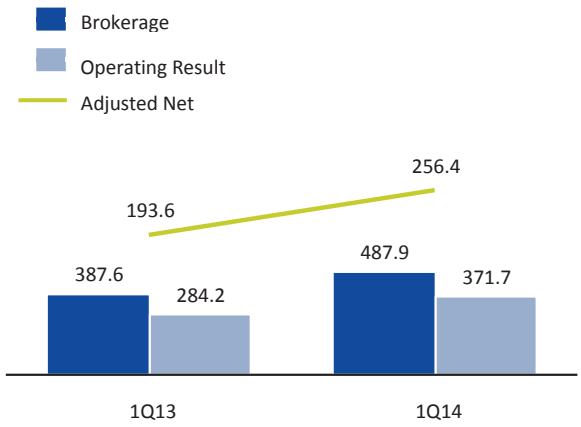
The performance was strong also in BB Mapfre SH1 (+79.2%), BB Corretora (+79.2%) and Brasilprev (+43.7%)

BUSINESS GROWTH BOOST BB CORRETORA'S REVENUES

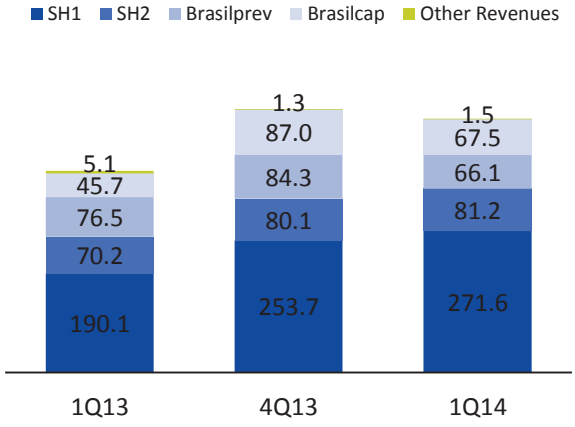
BB Corretora's revenues grew 25.9% yoy, boosted by the growth in brokerage income from BB Mapfre SH1 and Brasilcap. The operating result rose 30.8% yoy and the operating margin reached 76.2%, 2.9 p.p. up yoy.

Figure 3 - Highlights | BB Corretora's earnings (R$ million)

BB Corretora's Result (R$ million)



Brokerage Revenues (R$ million)



PREMIUMS WRITTEN REACH R$ 3.6 BILLION IN THE QUARTER

Premiums written by the affiliates in the insurance segment (BB Mapfre SH1 and Mapfre BB SH2), amounted to R$ 3.6 billion in 1Q14, 18.1% up yoy, driven mostly by the growth in rural (+88.8%), mortgage life (+64.1) and credit life (+24.1%) products in SH1 and casualties (+26.3%) in SH2.

BB Mapfre SH1, the company focused on life, credit life, mortgage life and rural insurance, reached R$ 1.6 billion in premiums written in 1Q14, an increase of 29.6% yoy. In the same period, the net income amounted to R$ 230.1 million, 29.6% up yoy.

Focused on the P&C segment, Mapfre BB SH2, achieved R$ 2.0 billion in premiums written, and adjusted net income of R$ 86.2 million, 250.6% higher yoy and 54.4% up qoq.

BB MAPFRE SH1 RECORDS STRONG OPERATING GROWTH

In 1Q14, the BB Mapfre SH1's underwriting result increased by 23.6% yoy, despite the drought that affected the agricultural production of primary country regions (PR, SP, MS, GO, MG e RS).

Due to the Company's strategy of sharing the risks from agro-business with reinsurers, part of occurred claims in rural segment was offset by the results with reinsurance which recorded R$ 147.8 million in 1Q14.

PENSION PLANS: BRASILPREV REACHS 95% OF THE MARKET NET INFLOWS IN 1Q14

Brasilprev's net inflows totaled R$ 2.5 billion in 1Q14, equivalent to 94.8% of the total net inflows in the market[2]. The performance in the quarter was driven by contributions of R$ 5.1 billion, with a controlled redemption rate, that allowed the Company to consolidate its market leadership in net inflows. Brasilprev's net income rose 37.2% yoy to R$ 175.1 million in 1Q14.

[2] Net inflow is the difference between the contributions and redemptions of the period. The market share is provided by Quantum Axis Consultancy, that maintain agreement with Brasilprev and supply information about investment funds available in market from public and private sources, as ANBIMA and CVM.

PREMIUM BONDS: COLLECTION GROWS AND REACHES R$1.3 BILLION IN 1Q14

The net income of Brasilcap rose 147.6% yoy and amounted to R$ 62.9 million in 1Q14. In the same basis of comparison, collection grew by 19.2% and reached R$ 1.3 billion. Highlights to the expenses control that has been implemented by the Company, as a result, in 1Q14 the G&A ratio reached 11.7%, 1.9 p.p. down yoy.

GUIDANCE 2014

Aligned with the best practices of the Market, BB Seguridade began in the 2Q13, to disclose estimates for its performance for the current year. The following table shows the Company's performance compared to its guidances for 2014.

Table 1 – 2014 Guidance

Ratio	2014 Estimates	Values observed 2014
BB Seguridade - Adjusted ROAE	44 - 49	46.7
Premiums written growth - BB Mapfre SH1	24 - 32	29.6
Premiums written growth - Mapfre BB SH2	19 - 26	10.6
Collection growth - Pensions Plans	33 - 47	-16.1
Collection growth - Premium Bonds	10 - 15	19.2

In 1Q14 , the following guidances were missed:

a) P&C premiums written:

The deviation came from the lower than expected sales performance in the auto segment in 1Q14. This performance was influenced mainly by the competitive environment of this segment, and by the behavior of the retail market of new cars.

The Company is going to follow the market to assess if there is any need to change the estimates.

b) Pension Plans Contribution

Brasilprev presented one of its biggest contributions in its history in 1Q13. Nonetheless, since that quarter, there was a beginning of a steepening movement in the forward yield curve, which impacted the profitability of investment funds from the 2Q13 on, bringing a more challenging scenario for new contributions.

In 1Q14, the adverse scenario is still observed in pension plans sector, nonetheless, the funds returns have been improving, and this may result in a contribution growth throughout the year.

Contributions observed in 1Q14 are also an outcome of the incentive model adopted in the period, which favored periodic contribution plans, which present higher recurrence, but smaller average ticket as compared to unique payment contributions.

The Company is going to follow the market to assess the need of changing estimates.

c) Premium Bonds Collection

The performance overcame the upper limit of the range provided due to a weaker basis for comparison represented by 1Q13, when Brasilcap concluded the revision of its products' portfolio. For the remainder of the year, the Company estimates that the collection of premium bonds will converge to the range of estimates provided in the Guidance for 2014.

2. SUMMARY

Table 2 – Key figures

	Quarterly Flow			Chg. %	
	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Earnings Summary (R$ thousand)					
Revenues	676,816	1,158,361	922,398	36.3	(20.4)
Expenses	(112,388)	(112,160)	(140,668)	25.2	25.4
Net income	471,970	903,611	648,723	37.5	(28.2)
Adjusted net income	454,934	707,359	648,723	42.6	(8.3)
Adjusted ROAE(%)	34.7	53.5	46.7	12.0 p.p.	-6.8 p.p.
Performance Ratios (%)					
Insurance - Life, mortgage life and rural					
Loss ratio	34.4	27.6	53.3	18.9 p.p.	25.7 p.p.
Comission ratio	24.6	25.9	24.2	-0.4 p.p.	-1.7 p.p.
Technical margin	36.7	38.9	33.0	-3.7 p.p.	-5.9 p.p.
Combined ratio	78.7	70.9	80.7	2.0 p.p.	9.8 p.p.
Expanded combined ratio	74.6	65.7	75.3	0.7 p.p.	9.6 p.p.
Adjusted ROAE	23.4	48.2	34.1	10.7 p.p.	-14.1p.p.
Insurance - Property & Casualty					
Loss ratio	56.0	58.4	55.4	-0.6 p.p.	-3.0 p.p.
Comission ratio	23.4	21.9	20.8	-2.6 p.p.	-1.1p.p.
Technical margin	18.3	18.8	18.6	0.2 p.p.	-0.2 p.p.
Combined ratio	98.8	99.8	96.5	-2.3 p.p.	-3.3 p.p.
Expanded combined ratio	96.6	95.7	92.6	-4.0 p.p.	-3.2 p.p.
Adjusted ROAE	4.0	8.5	12.5	8.5 p.p.	4.1p.p.
Pension plans					
Comission ratio	1.0	0.9	1.4	0.3 p.p.	0.4 p.p.
Adjusted ROAE	53.8	58.0	59.9	6.1p.p.	1.9 p.p.
Premium bonds					
Comission ratio	42.9	46.5	47.1	4.2 p.p.	0.6 p.p.
Premium bonds margin	30.4	13.8	17.0	-13.4 p.p.	3.3 p.p.
Adjusted ROAE	63.4	104.0	129.2	65.9 p.p.	25.2 p.p.
Brokerage					
Adjusted operating margin	73.3	76.7	76.2	2.8 p.p.	-0.6 p.p.
Adjusted net margin	49.9	53.2	52.6	2.6 p.p.	-0.7 p.p.

3. EARNINGS ANALYSIS

NET INCOME

BB Seguridade's adjusted net income amounted to R$ 648.7 million in 1Q14, 42.6% higher yoy, driven by:

(i) the growth of 25.9% in brokerage income, due to the business expansion;

(ii) the increase of 29.6% in equity income arising from operations with life, mortgage life and rural insurance (BB Mapfre SH1), as a result of the improvement of 79.2% in net investment income and of 23.6% in the underwriting result;

(iii) the growth of 37.2% in equity income from the pension plans segment, supported by the increase of 33.7% in the result with pension plans and insurance and of 43.7% in net investment income;

(iv) the increase of 250.7% in equity income arising from the P&C segment (Mapfre BB SH2), driven by the evolution of 247.9% of the underwriting result and of 115.6% in the net investment income;

(v) the increase of 147.6% in equity income from premium bonds, boosted by the improvement in net investment income which amounted to R$ 75.7 million;

(vi) the recognition of R$ 8.6 million in equity income arising from the stake acquired in the IRB.

On a qoq basis, the adjusted net income dropped 8.3%, which is explained by the seasonality in sales, which are highly concentrated in the end of every semester.

To provide a better understanding and comparability of BB Seguridade's earnings, the following items shows the adjusted income statement for each period under analysis. These statements were derived from the adjustments to the corporate law income statement of BB Seguridade, its subsidiaries and affiliates. These adjustments have the purpose of removing the extraordinary effects occurred in each period. All the analyses in this report are based on the adjusted income statement.

EXTRAORDINARY EVENTS

Table 3 – Extraordinary events

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Adjusted net income	**454,934**	**707,359**	**648,723**	**42.6**	**(8.3)**
SH1: Refis	-	82,711	-	-	-
SH1: IBNER	-	(21,510)	-	-	-
SH2: Refis	-	108,097	-	-	-
SH2: IBNER	-	(13,102)	-	-	-
Brasilcap: changes in the accounting method for unique payment plans	35,274	-	-	-	-
BB Corretora: new comissions	(29,923)	-	-	-	-
BB Corretora: tax expenses on new commissions	2,289	-	-	-	-
BB Corretora: Refis	-	74,051	-	-	-
BB Corretora : Refis - Financial Expenses	-	(67,852)	-	-	-
BB Corretora : Refis - Taxes	-	6,415	-	-	-
IRB: PIS/COFINS - Reassessment of provisions	-	27,443	-	-	-
Tax effects on extraordinary events	9,395	-	-	-	-
Net income	**471,970**	**903,611**	**648,723**	**37.5**	**(28.2)**

Refis: in November 2013 BB Corretora and the affiliates Mapfre Vida, a subsidiary of BB Mapfre SH1, and Mapfre Seguros Gerais, a subsidiary of Mapfre BB SH2, joined the "Programa de Recuperação Fiscal" ("REFIS"), in accordance with Law 12,865, dated October 9th, 2013. As provided in PGFN/RFB 08/2013, in accordance with the art. 92 of the Provisional Measure 627/2013, the cash payment, allowed a reduction of 100% in fines, 100% in isolated fines, and 100% in interest on fines, in addition to the reduction of 100% of the statutory fees. Since the volume of provisions was larger than the amount to be paid, there was a reversal of provisions which resulted in a net positive impact on BB Seguridade's net income being: R$ 82.7 million from SH1, R$ 108.1 million from SH2 and R$ 12.6 million from BB Corretora.

IBNER: Susep Circular No. 462/13 regulated the adjustment to the IBNER (claims incurred but not enough reported) defining it as a part of the provision for the payment of outstanding claims. This amount is considered as an aggregate adjustment of claims reported but not paid and it shall be used only when it is not possible to reassess each claim separately. In 4Q13 this provision was strengthened and negatively impacted BB Seguridade's net income in R$ 21.5 million, related to SH1, and in R$ 13.1 million related to SH2.

Brasilcap – Reversal of deferred revenues and expenses: until December 2012, Brasilcap used to defer, through the life cycle of the product (in IFRS), the revenues as well as the expenses with technical provision and acquisition costs arising from the sales of unique payment plans. As recommended by its external audit, based on a technical study

prepared by the Company, the accounting method was changed and began to recognize such revenues and expenses as they effectively occur since January 2013. Following this decision, Brasilcap reversed the balance of deferred revenues and expenses recognized on its 2012 balance sheet. This effect was segregated as an extraordinary item.

BB Corretora – new commissions: it refers to lower generated revenues under the contract in force during 2012, which no longer applies under the new method of compensation in force since February 2013. If the new parameters of the contract signed by Banco do Brasil, BB Corretora and BB Seguridade, were applied it would have generated for BB Corretora additional net revenues of R$ 27.6 million in 1Q13.

IRB - PIS/COFINS Reassessment of provisions: as a result of periodic reassessments of the equity impacts from lawsuits, in which IRB stands as defendant, plaintiff or interested part, it was booked in 4Q13 equity income of R$ 27.4 million to BB Seguridade, which refers to the reversal of provisions related to PIS/COFINS.

INCOME STATEMENT: CORPORATE LAW VS. ADJUSTED

Table 4 – Corporate law vs. adjusted income statement| 1Q14

R$ thousand	Quarterly Flow		
	1Q14	Adjustments	1Q14 adjusted
Operating revenues	**885,390**	**-**	**885,390**
Income from brokerage	487,903	-	487,903
Equity income	397,487	-	397,487
Insurance life, mortgage life and rural	172,536	-	172,536
Insurance auto and property & casualty	43,107	-	43,107
Pension plans	131,345	-	131,345
Premium bonds	41,925	-	41,925
Reinsurance	8,574	-	8,574
Other income (expenses)	**(103,660)**	**-**	**(103,660)**
Interest revenue	37,008	-	37,008
Personnel expenses	(8,363)	-	(8,363)
Administrative expenses	(78,633)	-	(78,633)
Other revenues/expenses	(53,672)	-	(53,672)
Earnings before taxes	**781,730**	**-**	**781,730**
Taxes	(133,007)	-	(133,007)
Net income	**648,723**	**-**	**648,723**

Table 5 – Corporate law vs. adjusted income statement| 4Q13

R$ thousand	Quarterly Flow 4Q13	Adjustments	4Q13 adjusted
Operating revenues	**1,129,098**	**(183,640)**	**945,458**
Income from brokerage	506,355	-	506,355
Equity income	622,743	(183,640)	439,103
Insurance life, mortgage life and rural	294,412	(61,201)	233,211
Insurance auto and property & casualty	122,913	(94,995)	27,918
Pension plans	124,898	-	124,898
Premium bonds	34,547	-	34,547
Reinsurance	45,973	(27,443)	18,530
Other income (expenses)	**(82,897)**	**(6,198)**	**(89,095)**
Interest revenue	29,263	-	29,263
Personnel expenses	(10,031)	-	(10,031)
Administrative expenses	(76,885)	-	(76,885)
Other revenues/expenses	(25,244)	(6,198)	(31,442)
Earnings before taxes	**1,046,201**	**(189,838)**	**856,363**
Taxes	(142,590)	(6,415)	(149,005)
Net income	**903,611**	**(196,252)**	**707,359**

Table 6 – Corporate law vs. adjusted income statement| 1Q13

R$ thousand	Quarterly Flow 1Q13	Adjustments	1Q13 adjusted
Operating revenues	**651,095**	**(5,351)**	**645,744**
Income from brokerage	357,709	29,923	387,632
Equity income	293,386	(35,274)	258,112
Insurance life, mortgage life and rural	133,137	-	133,137
Insurance auto and property & casualty	12,293	-	12,293
Pension plans	95,737	-	95,737
Premium bonds	52,219	(35,274)	16,945
Other income (expenses)	**(86,667)**	**(2,289)**	**(88,956)**
Interest revenue	25,721	-	25,721
Personnel expenses	(3,864)	-	(3,864)
Administrative expenses	(61,637)	-	(61,637)
Other revenues/expenses	(46,887)	(2,289)	(49,176)
Earnings before taxes	**564,428**	**(7,640)**	**556,788**
Taxes	(92,458)	(9,395)	(101,853)
Net income	**471,970**	**(17,036)**	**454,934**

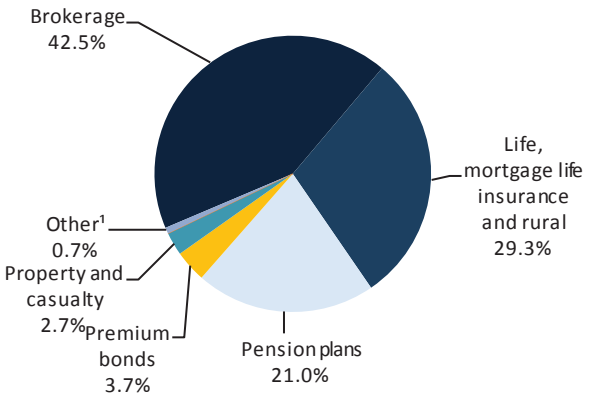
ADJUSTED INCOME STATEMENT

Table 7 – Adjusted income statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Operating revenues	**645,744**	**945,458**	**885,390**	**37.1**	**(6.4)**
Income from brokerage	387,632	506,355	487,903	25.9	(3.6)
Equity income	258,112	439,103	397,487	54.0	(9.5)
Insurance life, mortgage life and rural	133,137	233,211	172,536	29.6	(26.0)
Insurance auto and property & casualty	12,293	27,918	43,107	250.7	54.4
Pension plans	95,737	124,898	131,345	37.2	5.2
Premium bonds	16,945	34,547	41,925	147.4	21.4
Reinsurance	-	18,530	8,574	-	(53.7)
Other income (expenses)	**(88,956)**	**(89,095)**	**(103,660)**	**16.5**	**16.3**
Interest revenue	25,721	29,263	37,008	43.9	26.5
Personnel expenses	(3,864)	(10,031)	(8,363)	116.4	(16.6)
Administrative expenses	(61,637)	(76,885)	(78,633)	27.6	2.3
Other expenses	(49,176)	(31,442)	(53,672)	9.1	70.7
Earnings before taxes	**556,788**	**856,363**	**781,730**	**40.4**	**(8.7)**
Taxes	(101,853)	(149,005)	(133,007)	30.6	(10.7)
Adjusted net income	**454,934**	**707,359**	**648,723**	**42.6**	**(8.3)**

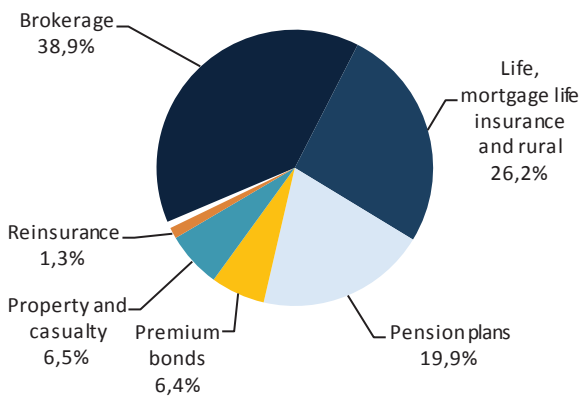
EARNINGS BREAKDOWN

Figure 4 – Earnings breakdown | 1Q13



[1] Including the individual results of BB Seguridades' holding, BB Seguros and BB Cor.

Figure 5 – Earnings breakdown | 1Q14



BROKERAGE INCOME

In 1Q14, brokerage income from BB Corretora reached R$ 487.9 million, up 25.9% yoy, driven mostly by the segments of premium bonds and life, mortgage life and rural.

The brokerage income dropped 3.6% qoq due to the decrease in income from sales of pension plans and premium bonds, performance explained by the seasonality observed in the second and the fourth quarters every year, which are the periods that concentrate a higher sales volume.

EQUITY INCOME

Equity income amounted to R$ 397.5 million in 1Q14, up 54.0% yoy, driven by the increase in the equity income arising from all BB Seguridade's segments, as well as the beginning of the accounting of equity income from IRB-Brasil Resseguros S.A. ("IRB") in September 2013. On a qoq basis, the equity income decreased by 9.5%, mainly due to the drop in the results from the segments of life, mortgage life and rural, and reinsurance.

a. **Life, mortgage life and rural:** equity income arising from life, mortgage life and rural amounted to R$ 172.5 million in 1Q14, up 29.6% yoy driven by the expansion of both, the underwriting result and the net investment income. On a qoq basis, the equity income decreased by 26.0%, driven by the increase in claims in the rural segment, due to the drought in the center-south region of Brazil.

b. **P&C:** equity income arising from the P&C segment amounted to R$ 43.1 million in 1Q14, up 250.7% yoy and 54.4% qoq. In both comparatives, the improvement is explained by the increase in both the underwriting result and the net investment income.

c. **Pension Plans:** equity income from the operations with pension plans reached R$ 131.3 million in 1Q14, 37.2% up yoy, boosted mainly by the increase in management fees and in the net investment income. On a qoq basis, the equity income from the pension plans segment grew by 5.2% due to the improvement in the net investment income.

d. **Premium Bonds:** the equity income from the premium bonds segment amounted to R$ 41.9 million in 1Q14, 147.4% up yoy and 21.4% up qoq due to the improvement of net investment income.

e. **Reinsurance:** the equity income from the reinsure segment reached R$ 8.6 million in 1Q14, 53.7% down qoq.

The following charts show the breakdown of the equity income. It is worth noting the increase in the representativeness of P&C, premium bonds and reinsurance segment. On the other hand, pension plans, life, mortgage life and rural have lost share in the total equity income.

Figure 6 – Equity income breakdown| 1Q13

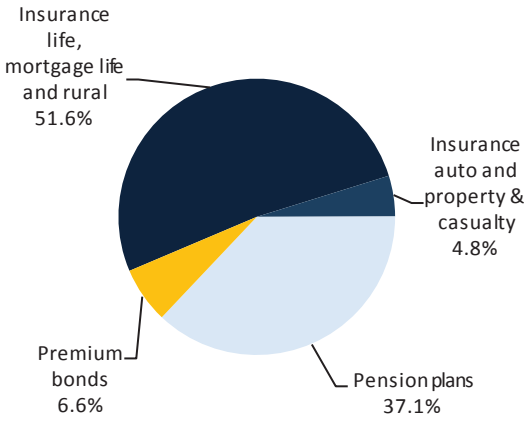
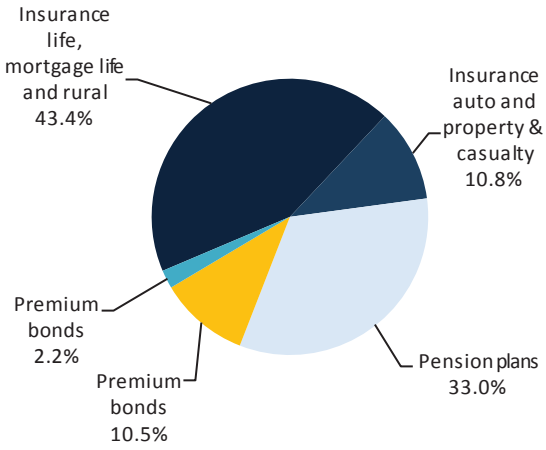


Figure 7 – Equity income breakdown| 1Q14



INTEREST REVENUES

Interest revenues from financial investments amounted to R$ 37.0 million in 1Q14, 43.9% up yoy and 26.5% up qoq. The changes observed in both comparatives are the result of the fluctuations in interest income with repo transactions, as a result of both the growth in the average balance of these investments and the increase in the average SELIC rate.

Table 8 – Interest revenue breakdown

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
Repo transactions	22,115	26,793	36,808	66.4	37.4
Financial assets designated at fair value through P/L	5	66	-	-	-
Other interest income	3,601	2,404	200	(94.4)	(91.7)
Interest revenue	**25,721**	**29,263**	**37,008**	**43.9**	**26.5**

Table 9 – Interest revenue breakdown by subsidiary

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
BB Seguros	12,621	7,778	13,101	3.8	68.4
BB Corretora	13,100	21,485	23,907	82.5	11.3
Interest revenue	**25,721**	**29,263**	**37,008**	**43.9**	**26.5**

ADMINISTRATIVE EXPENSES

Adjusted administrative expenses amounted to R$ 78.6 million in 1Q14, 27.6% up yoy, explained by the increase in expenses with operational support (+30.3%) and with administrative costs of products (+48.7%).

As compared to 4Q13, there was an increase of 2.3% in administrative expenses, driven by the growth in expenses with operational support (+8.7%) and with data processing (+23.0%).

Table 10 – Administrative expenses breakdown

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
Operational support	(28,805)	(34,519)	(37,538)	30.3	8.7
Data processing	(18,136)	(14,604)	(17,960)	(1.0)	23.0
Administrative cost of products	(13,802)	(25,115)	(20,524)	48.7	(18.3)
Third-party services	(196)	(5)	-	-	-
Communication	(236)	(413)	-	-	-
Other	(462)	(2,233)	(2,611)	465.2	16.9
Administrative expenses	**(61,637)**	**(76,887)**	**(78,633)**	**27.6**	**2.3**

Table 11 – Administrative expenses breakdown by subsidiary

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
BB Seguros	(588)	(309)	(2,324)	295.2	652.1
BB Corretora	(61,049)	(76,576)	(76,309)	25.0	(0.3)
Administrative expenses	**(61,637)**	**(76,885)**	**(78,633)**	**27.6**	**2.3**

■ OTHER OPERATING INCOME (EXPENSES)

Other operating income (expenses) amounted to R$ 53.7 million in the quarter, 9.1% up yoy, mainly due to higher tax expenses (in line with the increase in brokerage income) and to the interest accrual on dividends payable.

Other adjusted operating income (expenses) increased 70.7% qoq, due to the interest accrual on dividends payable.

Table 12 – Other operating income and expenses breakdown

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
Tax expenses	(27,533)	(41,120)	(35,718)	29.7	(13.1)
Expenses with payback of commissions	(10,874)	(1,905)	(1)	(100.0)	(99.9)
Accrual in liabilities	(9,260)	4,254	(17,998)	94.4	-
(Constitution)/reversal of provisions for labor, fiscal and civil contingencies	(1,498)	(1,365)	(2,597)	73.4	90.3
Other	(11)	8,694	2,642	-	(69.6)
Adjusted other operating income (expenses)	**(49,176)**	**(31,442)**	**(53,672)**	**9.1**	**70.7**
Extraordinary events	**2,289**	**6,198**	**-**	**-**	**-**
Tax expenses on new commissions and Sale Mapfre Nossa Caixa Vida e Previdência	2,289	-	-	-	-
BB Corretora - Refis	-	6,198	-	-	-
Other operating income (expenses)	**(46,887)**	**(25,244)**	**(53,672)**	**14.5**	**112.6**

Table 13 – Other operating income and expenses breakdown by subsidiary

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
Adjusted other operating income (expenses)	**(49,176)**	**(31,442)**	**(53,672)**	**9.1**	**70.7**
BB Seguros	(5,617)	64	(8,719)	55.2	-
BB Corretora	(43,559)	(31,506)	(44,953)	3.2	42.7
Extraordinary events	**2,289**	**6,198**	**-**	**-**	**-**
BB Seguros	-	-	-	-	-
BB Corretora	2,289	6,198	-	-	-
Other operating income (expenses)	**(46,887)**	**(25,244)**	**(53,672)**	**14.5**	**112.6**
BB Seguros	(5,617)	64	(8,719)	55.2	-
BB Corretora	(41,270)	(25,308)	(44,953)	8.9	77.6

4. BALANCE SHEET ANALYSIS

Table 14 – Balance sheet analysis | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Assets	**7,573,072**	**8,785,478**	**8,282,993**	**9.4**	**(5.7)**
Cash and cash equivalents	1,382,573	1,785,284	1,153,774	(16.5)	(35.4)
Financial assets	375	3,046	3,121	732.3	2.5
Investments	5,564,728	6,221,050	6,378,685	14.6	2.5
Tax assets	77,433	94,497	111,581	44.1	18.1
Other assets	547,963	681,601	635,832	16.0	(6.7)
Liabilities	**1,451,670**	**1,844,205**	**1,510,708**	**4.1**	**(18.1)**
Provision for fiscal, civil and tax contingencies	7,447	8,637	11,234	50.9	30.1
Dividends Payable	343,191	344,719	-	-	-
Tax liabilities	425,824	426,887	420,594	(1.2)	(1.5)
Other liabilities	675,208	1,063,962	1,078,880	59.8	1.4
Shareholders' Equity	**6,121,402**	**6,941,273**	**6,772,285**	**10.6**	**(2.4)**

ASSETS

Total assets amounted to R$ 8.3 billion in March 2014, an increase of 9.4% in 12 months, as a result of the growth in the balance of investments, given the equity income from affiliates, and the increase in other assets, mainly in the receivable commissions of BB Corretora. BB Seguridade's assets decreased 5.7% qoq, due to the reduction of cash, justified by the payment of dividends to shareholders in February 2014.

Figure 8 – Assets composition breakdown| Mar/13

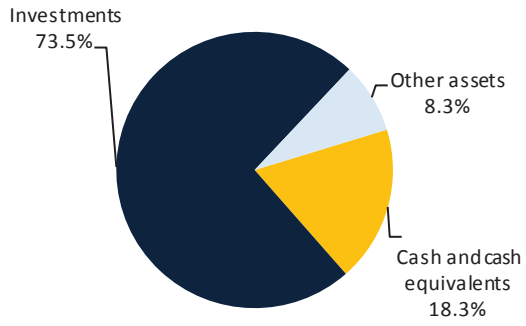
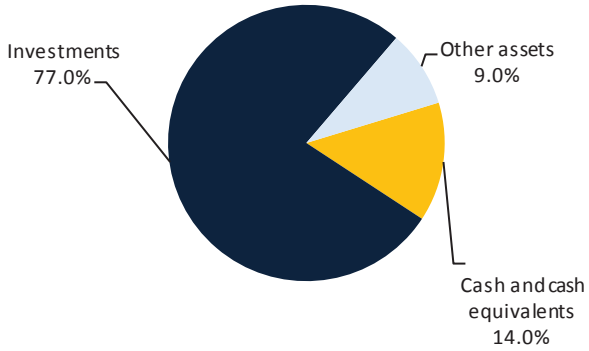


Figure 9 – Assets composition breakdown| Mar/14



CASH AND CASH EQUIVALENTS

By the end of March 2014, the balance of cash and cash equivalents reached R$ 1.2 billion, a decrease of 16.5% yoy and of 35.4% qoq. The balance of cash and cash equivalents is almost totally composed of repos backed by LFT (floating-rate government securities).

INVESTMENTS

Table 15 – Balance sheet analysis |Direct Investments

R$ thousand	Activity	Accounting treatment	Total Ownership - %	Investment Balance		
			Mar/14	Mar/13	Dec/13	Mar/14
Insurance, Private Pension and Premium Bonds						
BB Seguros Participações	*Holding*	(1)	100.0	5,897,400	5,982,187	6,378,729
Insurance brokerage						
BB Cor Participações	*Holding*	(1)	100.0	208,859	41,842	298,369

Note: (1) Controlled companies, fully consolidated

Table 16 – Balance sheet analysis | BB Seguros Participações' investments

R$ thousand	Activity	Accounting treatment	Total ownership - %	Investment balance		
			Mar/14	Mar/13	Dec/13	Mar/14
Insurance						
BB Mapfre SH1 Participações	***Holding***	**(2)**	**75.0**	**2,808,415**	**2,446,357**	**2,617,987**
Aliança Participações	*Holding*			-	-	-
Companhia de Seguros Aliança do Brasil	Insurance			-	-	-
Mapfre Participações	*Holding*			-	-	-
Mapfre Vida	Insurance			-	-	-
Vida Seguradora	Insurance			-	-	-
Mapfre BB SH2 Participações	***Holding***	**(2)**	**50.0**	**1,691,573**	**1,868,785**	**1,911,690**
Aliança Rev Participações	*Holding*			-	-	-
Aliança do Brasil Seguros	Insurance			-	-	-
Brasilveículos	Insurance			-	-	-
Mapfre Seguros Gerais	Insurance			-	-	-
Mapfre Affinity Seguradora	Insurance			-	-	-
Mapfre Assistência	Insurance			-	-	-
Private pension						
Brasilprev Seguros e Previdência	**Insurance/Private Pension**	**(2)**	**75.0**	**823,464**	**1,062,519**	**999,304**
Premium Bonds						
Brasilcap Capitalização	**Premium Bonds**	**(2)**	**66.7**	**241,276**	**290,429**	**287,726**
BB Capitalização	**Premium Bonds**	**(1)**	**100.0**	**5,511**	**5,510**	**5,552**
Reinsurance						
IRB	**Insurance**	**(2)**	**20.5**	**-**	**552,960**	**561,978**

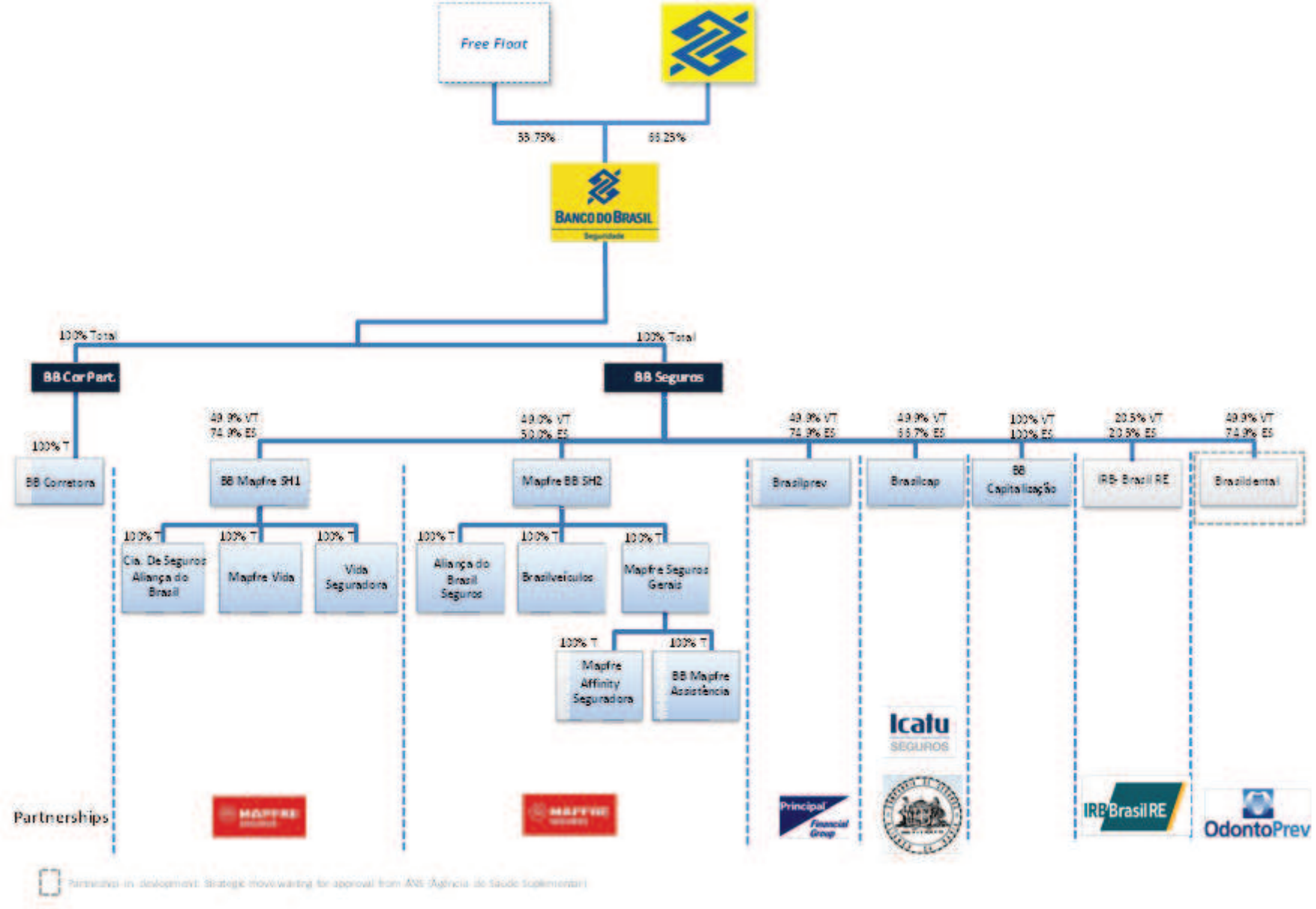
Note: (1) Controlled companies, fully consolidated
(2) Affiliated companies, booked by the equity method
* BB Capitalização = former Nossa Caixa Capitalização

Table 17 – Balance sheet analysis | BB Cor Participações' investments

R$ thousand	Activity	Accounting treatment	Total ownership - %	Investment balance		
			Mar/14	Mar/13	Dec/13	Mar/14
Insurance brokerage						
BB Corretora de Seguros e Adm. de Bens	**Insurance Broker**	**(1)**	**100.0**	**210,338**	**33,400**	**289,844**

Note: (1) Controlled companies, fully consolidated

Figure 10 – Balance sheet analysis | Ownership structure at 12/31/2013



TAX ASSETS

Tax assets amounted to R$ 111.6 million by the end of March 2014, up R$ 34.1 million yoy and R$ 17.1 million qoq, as a result of the increase in current tax assets.

OTHER ASSETS

In March 2014, the balance of other assets reached R$ 635.8 million, 16.0% up yoy and 6.7% down qoq, mainly due to the changes in BB Corretora's commissions receivable from BB Seguridade's affiliates.

LIABILITIES

By the end of March 2014, the balance of liabilities totaled R$ 1.5 billion, 4.1% higher yoy due to the increase in other liabilities. On a qoq basis, total liabilities decreased by 18.1%, explained by the write-down of the balance of dividends payable.

Figure 11 – Breakdown of liabilities & equity | Mar/13

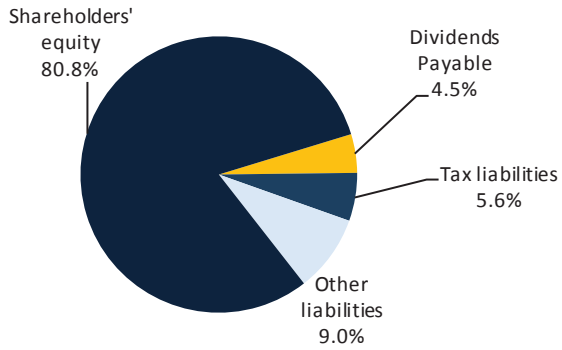
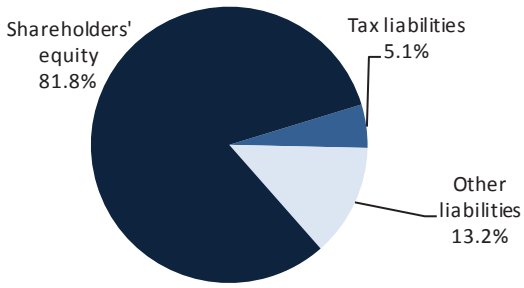


Figure 12 – Breakdown of liabilities & equity | Mar/14



TAX LIABILITIES

The balance of tax liabilities amounted to R$ 420.6 million in March 2014, 1.2% down yoy and 1.5% down qoq, explained, in both comparatives, by the decrease in current tax liabilities.

OTHER LIABILITIES

In March 2014, the balance of other liabilities totaled R$ 1.1 billion, 59.8% up yoy and 1.4% higher qoq. In both comparatives the increase was driven by the growth in BB Corretora's unearned commissions, which are generated by the deferral of part of the brokerage income, mainly related to the credit life, life, auto, and rural segments.

SHAREHOLDER'S EQUITY

Shareholder's equity reached R$ 6.8 billion at the end of March 2014, an increase of 10.6% yoy and a decrease of 2.4% qoq.

The paid-in capital, which amounts to R$ 5,646,768 thousand, is divided in 2 billion common shares, without par value. The shareholders' equity of R$ 6.8 billion is equivalent to a book value of R$3.39 per share.

Table 18 – Balance sheet analysis | Statement of changes in equity

	Capital	Legal and statutory reserves	Retained earnings (losses)	Accumulated other comprehensive income	Total
Balance in December 31, 2012	**5,633,268**	**-**	**-**	**5,106**	**5,638,374**
Capital payment	13,500	-	-	-	13,500
Accumulated other comprehensive income	-	-	-	(2,442)	(2,442)
Net income for the period	-	-	471,970	-	471,970
Balance in March 31, 2013	**5,646,768**	**-**	**471,970**	**2,664**	**6,121,402**
Changes in the Period	13,500	-	471,970	(2,442)	483,028
Balance in December 31, 2013	**5,646,768**	**1,311,186**	**-**	**(16,681)**	**6,941,273**
Dividends	-	(816,436)	-	-	(816,436)
Accumulated other comprehensive income	-	-	-	(1,275)	(1,275)
Net income for the period	-	-	648,723	-	648,723
Balance in March 30, 2013	**5,646,768**	**494,750**	**648,723**	**(17,956)**	**6,772,285**
Changes in the Period	-	(816,436)	648,723	(1,275)	(168,988)

Stocks

5. STOCKS

BB SEGURIDADE'S STOCK ANALYSIS

BB Seguridade's common shares (BBSE3) debuted in stock exchange on April 29, 2013, after the bookbuilding process which established the price per share at R$ 17.00. In the initial offering, Banco do Brasil sold 600 million stocks issued by BB Seguridade, through the base offering (500 million) and the hot issue (100 million). Additionally, Banco do Brasil sold 75 million stocks related to the greenshoe, concluding the offering and publishing its closing announcement on May 17, 2013.

After the offering closure, BB Seguridade's free float reached 33.75%, with Banco do Brasil keeping the company's control through a 66.25% ownership.

On January 06, 2014, BB Seguridade's shares were included in the theoretical portfolio of the IBOVESPA Index with 1.559% weight in the theoretical portfolio, which is considered the most important performance indicator of the Brazilian stock market. On March 31, 2014, BB Seguridade launched its Level 1 ADR program in the U.S. market under the ticker BBSEY.

On May 2, 2014, the IBOVESPA's theoretical portfolio was rebalanced, and since May 5, 2014, the weight of BBSE3 became 1.974%.

In 1Q14, the stocks BBSE3 showed a 5.0% appreciation discounting dividends, while IBOVESPA posted a 2.1% depreciation in the same period. The company's shares ended the first quarter trading at R$ 25.11, with the market cap reaching R$ 50.2 billion.

BREAKDOWN OF THE SHAREHOLDERS' BASIS

Table 19 – Stocks | Breakdown of the shareholders' basis

	Shareholders	Shares	Share %
Banco do Brasil	**1**	**1,325,000,000**	**66.25**
Free Float	**50,119**	**675,000,000**	**33.75**
Foreign	860	422,728,427	21.14
Companies	4,848	214,305,291	10.72
Individuals	44,411	37,966,282	1.90
Total	**50,120**	**2,000,000,000**	**100.00**

VOLUME

In 1Q14 BB Seguridade's shares traded R$ 8.0 billion, an average daily trading volume of R$ 131.2 million, which represents 2.2% of the average daily traded volume in BM&FBOVESPA.

Table 20 - Stocks | Volume

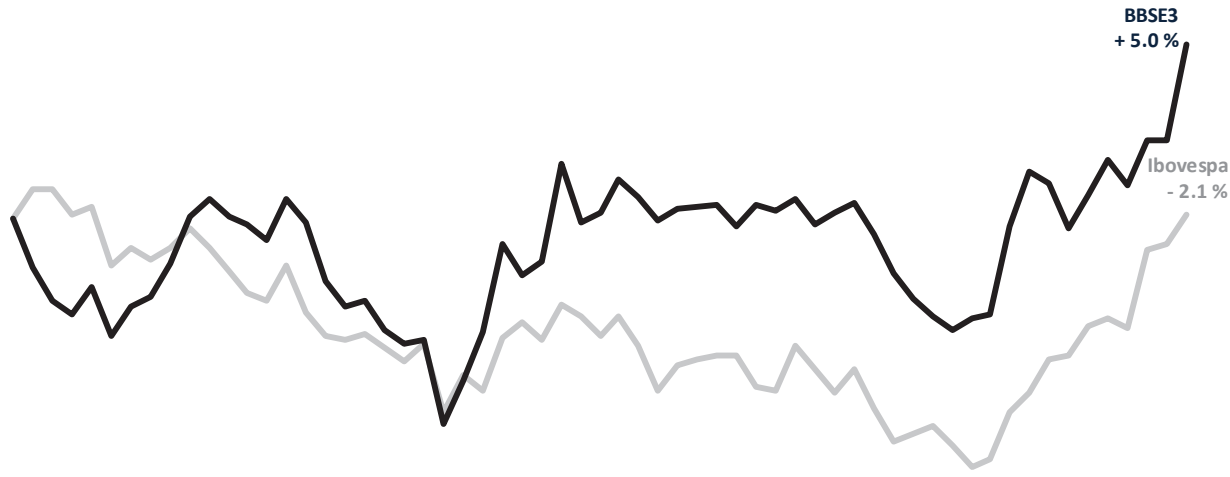
R$ thousand	4Q13	1Q14
Average daily volume traded BBSE3	90,853	131,204
Average daily volume traded BM&FBOVESPA	5,910,700	5,865.197
Percentage of BBSE3 in the average daily volume traded in the BM&FBOVESPA (%)	1.54	2.24

Source: BM&FBOVESPA

STOCKS PERFORMANCE

The following chart shows BB Seguridades' stocks daily performance in 1Q14 compared to IBOVESPA in the same period.

Figure 13 - Stocks | IBOVESPA vs. BBSE3



Source: BM&FBOVESPA

MARKET RATIOS

In 1Q14, the adjusted net income per share reached R$ 0.32. The book value per share reached R$ 3.39 at the end of March 2014. Considering the stock's price in the same date, the P/BV ratio ended March at 7.42x

Table 21 - Stocks | Ratios

	Mar/14
Earnings per share (R$)	0.32
Book Value (R$)	3.39
Market Value (R$ million)	50,220
Price/Book value	7.42
BBSE3 Closing Price - (R$)	25.11
Dividend yield (%)	3.94

*Dividend yield calculated considering the dividends distributed in previous 12 months divided by stocks price in 03/31/2014.

Insurance

6. LIFE, MORTGAGE LIFE AND RURAL

SEGMENT OVERVIEW

BB Seguridade offers insurance in life, mortgage life and rural segments through its affiliate company BB Mapfre SH1. This company was established by a 20-year term partnership with Mapfre in 2010, and the joint operations began in 2011. BB Seguridade holds, through BB Seguros, a 74.99% economic stake in BB Mapfre SH1, represented by 100% of the preferred shares and 49.99% of the common share. The segments in which BB Mapfre SH1 operates is dominated by banks, what reflects the association of this kind of products with the bancassurance channel in Brazil.

The following topics show a brief description of the main products offered by BB Mapfre SH1:

g. **Life insurance** is a product focused on individuals which assures financial protection to the beneficiaries chosen by the policyholder, in case of death (natural or accidental), or permanent disability of the insured. If a claim occurs, the insurance company pays to the beneficiary the amount agreed in the insurance policy. Differently from the products sold in other countries, the life insurance sold by BB Mapfre SH1 is a term life insurance without accumulation. If the customer fails to make the monthly payments, the coverage is suspended without any amount being reverted to the policyholder.

h. **Credit life insurance** is a life insurance policy intended to pay off a borrower's loan in case of death or permanent disability of the insured. This type of product is designed to protect both the lender and the insured dependents, preventing them to inherit this liability. This product is already quite widespread in Brazil and it is expected to grow with the expansion of the loan portfolio. The main beneficiary of this type of product is the loan grantor.

i. **Mortgage life insurance** is an insurance policy intended to pay off a mortgage in case of death or disability of the insured. The insurance policy gives the guarantee that his family will keep the property and the bank will receive the full payment of the mortgage debt. A mortgage life insurance can also protect against physical damage to the insured property. The premium is calculated on a monthly basis and varies according to the outstanding loan balance and the borrower age.

j. **Rural insurance** encompasses a group of three main products: (i) the agricultural insurance, which protects the farmers from weather hazards and falling in the market prices of the crop; (ii) the rural lien insurance, which protects the asset given as collateral for a rural loan; and (iii) the rural producer credit life insurance, which is an insurance designed for farmers intended to pay off the rural loan in case of death of the insured.

Table 22 – Life, Mortgage Life and Rural | Income Statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Premiums written	**1,200,885**	**1,739,497**	**1,556,172**	**29.6**	**(10.5)**
Contributions to cover risks	-	-	-	-	-
Changes in technical reserves - premiums	(145,750)	(523,002)	(113,338)	(22.2)	(78.3)
Earned premiuns	**1,055,135**	**1,216,495**	**1,442,834**	**36.7**	**18.6**
Revenue of policy issuance	2,052	1,009	3,006	46.5	197.9
Claims incurred	(362,772)	(335,323)	(768,744)	111.9	129.3
Acquisition costs	(259,174)	(314,620)	(349,305)	34.8	11.0
Result with reinsurance	(48,201)	(94,730)	147,774	-	-
Administrative expenses	(62,056)	(83,112)	(66,336)	6.9	(20.2)
Tax expenses	(37,880)	(37,140)	(50,818)	34.2	36.8
Other operating income (expenses)	(62,208)	896	(80,350)	29.2	-
Underwriting result	**224,896**	**353,475**	**278,061**	**23.6**	**(21.3)**
Net investment income	**57,933**	**97,429**	**103,839**	**79.2**	**6.6**
Financial income	83,200	131,545	135,905	63.3	3.3
Financial expenses	(25,267)	(34,116)	(32,066)	26.9	(6.0)
Equity income	(8,437)	(8,278)	(6,552)	(22.3)	(20.9)
Operating result	**274,392**	**442,626**	**375,348**	**36.8**	**(15.2)**
Gains or losses on non-current assets	78	78	40	(48.7)	(48.7)
Earnings before taxes and profit sharing	**274,470**	**442,704**	**375,388**	**36.8**	**(15.2)**
Taxes	(96,077)	(128,055)	(140,875)	46.6	10.0
Profit sharing	(853)	(3,659)	(4,435)	419.9	21.2
Adjusted net income	**177,540**	**310,990**	**230,078**	**29.6**	**(26.0)**
Extraordinary events	**-**	**81,612**	**-**	**-**	**-**
Refis: Tax expenses	-	(27,207)	-	-	-
Refis: Financial income	-	82,353	-	-	-
Refis: Financial expenses	-	(20,086)	-	-	-
Refis: Taxes	-	75,236	-	-	-
IBNER: Claims incurred	-	(42,340)	-	-	-
IBNER: Taxes	-	13,656	-	-	-
Net income	**177,540**	**392,602**	**230,078**	**29.6**	**(41.4)**

ADJUSTED NET INCOME

The segment of life, mortgage life and rural reached a net income of R$ 230.1 million in 1Q14, overcoming in 29.6% the observed in the same period of 2013, driven by both the underwriting results and the net investment income. The annualized return on average equity (ROAE) reached 34.2% in 1Q14.

Compared to 4Q13, the adjusted net income of life, mortgage life and rural segment decreased by 26.0%, explained by higher claims in rural insurance as a consequence of the drought in the south-central region of Brazil.

Table 23 – Life, Mortgage Life and Rural | Performance ratios

	Quarterly Flow			Abs. Chg. (p.p.)	
%	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Performance ratios					
Loss ratio	34.4	27.6	53.3	18.9	25.7
Comisssion ratio	24.6	25.9	24.2	(0.4)	(1.7)
Technical margin	36.7	38.9	33.0	(3.7)	(5.9)
G&A ratio	15.4	9.8	13.7	(1.7)	3.9
Combined ratio	78.7	70.9	80.7	2.0	9.8
Expanded combined ratio	74.6	65.7	75.3	0.7	9.6
Adjusted net margin	16.8	25.6	15.9	(0.9)	(9.6)
Adjusted ROAE	23.4	48.2	34.2	10.9	(14.0)

UNDERWRITING RESULT

In 1Q14, the underwriting result reached R$ 278.1 million, 23.6% higher yoy. This improvement is due to the increase of 36.7% in earned premiums and the drop of both the commission and G&A ratios, partly offset by the increase in the loss ratio due to the drought that affected the rural production in the quarter. A significant portion of claims incurred in this segment was borne by reinsurers, which explains the behavior of the line result with reinsurance this quarter.

Compared to the 4Q13, the underwriting result decreased 21.3%, as a result of the higher loss ratio.

The combined ratio reached 80.7% in 1Q14, 2.0 p.p. higher yoy and 9.8 p.p. higher qoq.

a. **Premiums written:** premiums written amounted to R$ 1.6 billion in 1Q14, 29.6% higher yoy. It's worth noting the performance of the rural (+88.8%) and the credit life (+24.1%) insurances. Regarding to the distribution channels, premiums written in the bancassurance channel grew by 35.0% yoy, and accounted for 81.0% of the premiums written in the quarter.

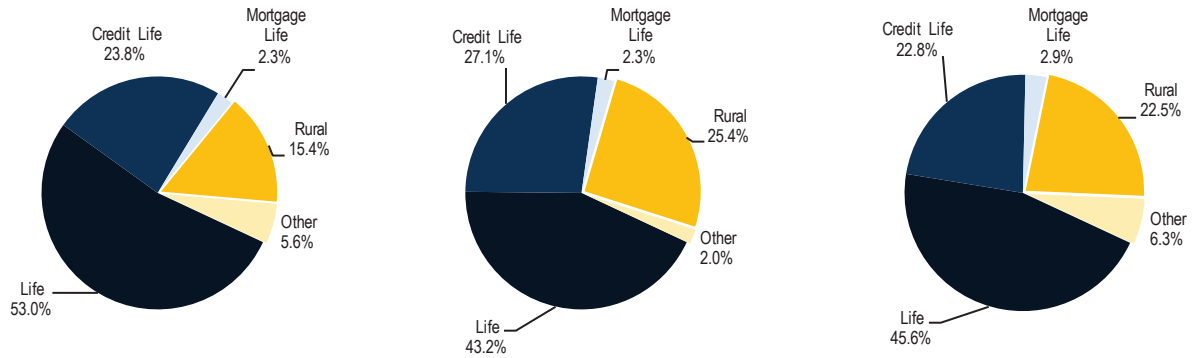
On a quarter-on-quarter basis, premiums written decreased by 10.5%, due to the seasonality that impacts the sales in the bancassurance channel.

The following table shows the breakdown of premiums written by quarter.

Table 24 – Life, Mortgage Life and Rural | Breakdown of premium written

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
Life	636,153	751,588	710,074	11.6	(5.5)
Credit Life	285,549	471,288	354,239	24.1	(24.8)
Mortgage Life	27,123	40,036	44,496	64.1	11.1
Rural	185,296	441,416	349,925	88.8	(20.7)
Other	66,765	35,168	97,440	45.9	177.1
Total	**1,200,885**	**1,739,496**	**1,556,172**	**29.6**	**(10.5)**
Channel					
Bancassurance Channel	933,709	1,652,008	1,260,159	35.0	(23.7)
Other Channel	267,176	87,488	296,013	10.8	238.3
Total	**1,200,885**	**1,739,496**	**1,556,172**	**29.6**	**(10.5)**

Figure 14 - Life, Mortgage Life and Rural | Breakdown of premiums written



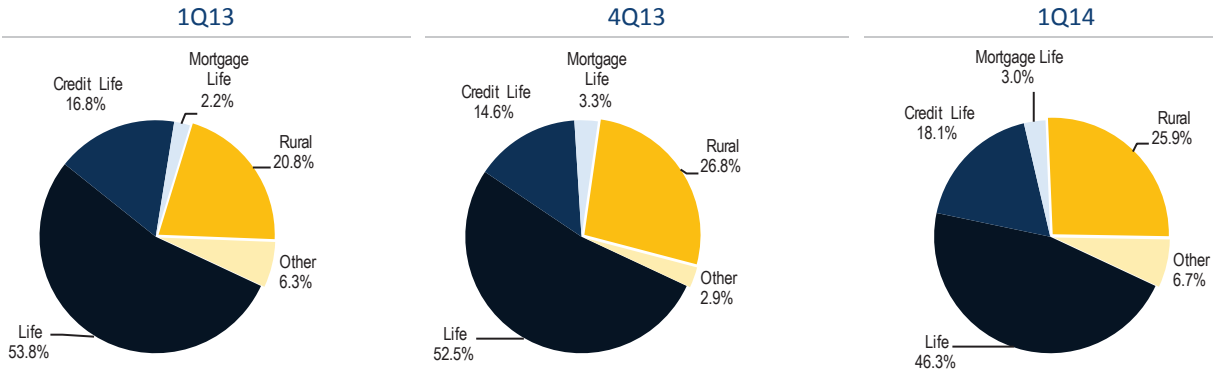
b. **Earned premiums:** earned premiums amounted to R$ 1.4 billion in 1Q14, growth of 36.7% yoy and 18.6% qoq, driven by the increase in rural, life and credit life segments.

The following table shows the breakdown of the premiums earned by quarter.

Table 25 – Life, Mortgage Life and Rural | Breakdown of earned premiums

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
Life	567,263	638,079	668,440	17.8	4.8
Credit Life	177,753	177,875	260,799	46.7	46.6
Mortgage Life	23,367	39,546	43,281	85.2	9.4
Rural	219,914	326,171	373,965	70.1	14.7
Other	66,839	34,822	96,348	44.1	176.7
Total	**1,055,135**	**1,216,494**	**1,442,834**	**36.7**	**18.6**
Channel					
Bancassurance Channel	798,632	1,020,760	1,185,045	48.4	16.1
Other Channel	256,504	195,735	257,788	0.5	31.7
Total	**1,055,135**	**1,216,494**	**1,442,834**	**36.7**	**18.6**

Figure 15 - Life, Mortgage Life and Rural | Breakdown of premiums earned



c. **Claims:** the loss ratio reached 53.3% in 1Q14, 18.9 p.p. higher yoy and 25.7 p.p. higher qoq. The growth in the loss ratio in both comparisons is explained by the drought in the major producing Brazilian States (Parana, São Paulo, Mato Grosso do Sul, Goiás, Minas Gerais and Rio Grande do Sul). On the other hand, many of these operations were reinsured, minimizing the effect of such losses.

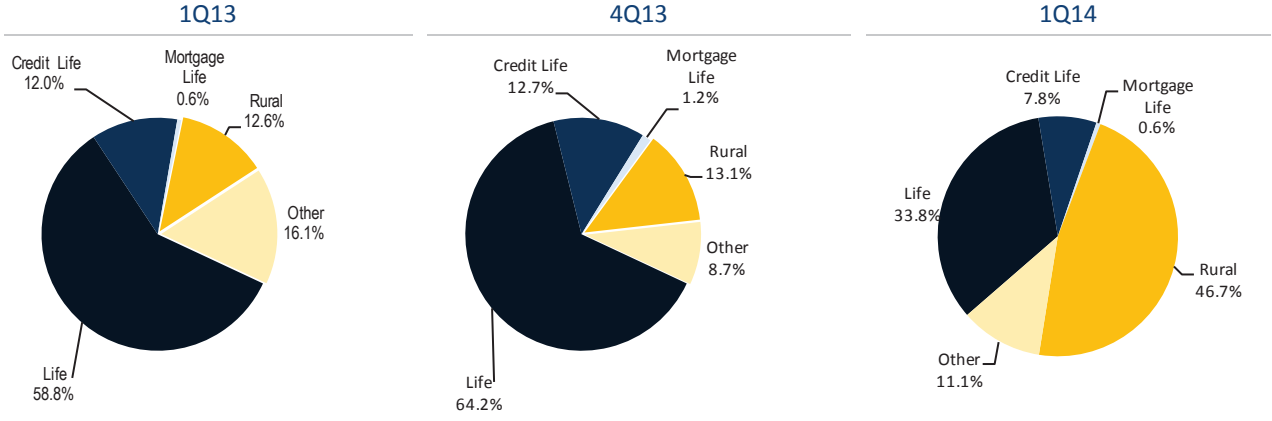
The loss ratio based on retained claims (incurred claims net of recovery of reinsured operations) reached 38.5% in 1Q14, 3.4 p.p. up yoy, and 10.8 higher qoq.

The following table shows the breakdown of the expense with claims.

Table 26 – Life, Mortgage Life and Rural | Breakdown of claims

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Life	(213,147)	(215,190)	(259,746)	21.9	20.7
Credit Life	(43,568)	(42,690)	(60,033)	37.8	40.6
Mortgage Life	(2,007)	(4,189)	(4,366)	117.5	4.2
Rural	(45,622)	(44,033)	(359,319)	687.6	716.0
Other	(58,426)	(29,220)	(85,280)	46.0	191.9
Total	**(362,771)**	**(335,322)**	**(768,744)**	**111.9**	**129.3**
Channel					
Bancassurance Channel	(231,848)	(231,035)	(635,148)	174.0	174.9
Other Channel	(130,923)	(104,287)	(133,596)	2.0	28.1
Total	**(362,771)**	**(335,322)**	**(768,744)**	**111.9**	**129.3**

Figure 16 - Life, Mortgage Life and Rural | Breakdown of claims



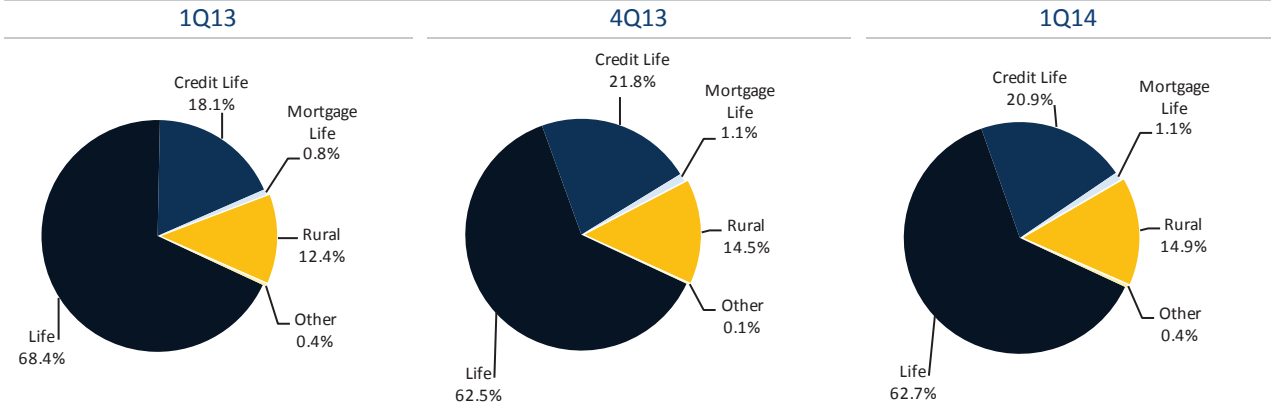
d. **Commission ratio:** in the 1Q14, the commission ratio reached 24.2%, decreasing 0.4 p.p. yoy, due to the increased significance of rural insurance in the sales mix, since this product shows the lowest commission ratio when compared to life and credit life.

The following table shows the breakdown of the acquisition costs:

Table 27 – Life, Mortgage Life and Rural | Breakdown of acquisition costs

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
Life	(177,211)	(196,768)	(218,893)	23.5	11.2
Credit Life	(46,992)	(68,452)	(73,005)	55.4	6.7
Mortgage Life	(2,009)	(3,455)	(3,872)	92.7	12.0
Rural	(32,034)	(45,548)	(52,167)	62.8	14.5
Other	(928)	(396)	(1,369)	47.5	246.1
Total	**(259,174)**	**(314,619)**	**(349,305)**	**34.8**	**11.0**
Channel					
Bancassurance Channel	(212,421)	(282,352)	(306,124)	44.1	8.4
Other Channel	(46,753)	(32,268)	(43,181)	(7.6)	33.8
Total	**(259,174)**	**(314,619)**	**(349,305)**	**34.8**	**11.0**

Figure 17 - Life, Mortgage Life and Rural | Breakdown of acquisition costs



e. Underwriting margin: the underwriting margin reached 33.0% in 1Q14, 3.7 p.p. down yoy and 5.9 p.p. lower qoq. This line was impacted mainly by losses in rural insurance due to drought that affected the rural production early 2014. These losses were partially offset by the reinsurance operations.

Table 28 – Life, Mortgage Life and Rural | Performance ratios by segment

	Quarterly Flow			Abs. Chg. (p.p.)	
%	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Life					
Loss ratio	37.6	33.7	38.9	1.3	5.1
Comisssion ratio	31.2	30.8	32.7	1.5	1.9
Credit life					
Loss ratio	24.5	24.0	23.0	(1.5)	(1.0)
Comisssion ratio	26.4	38.5	28.0	1.6	(10.5)
Mortgage life					
Loss ratio	8.6	10.6	10.1	1.5	(0.5)
Comisssion ratio	8.6	8.7	8.9	0.3	0.2
Rural					
Loss ratio	20.7	13.5	96.1	75.3	82.6
Comisssion ratio	14.6	14.0	13.9	(0.6)	(0.0)
Others					
Loss ratio	87.4	83.9	88.5	1.1	4.6
Comisssion ratio	1.4	1.1	1.4	0.0	0.3

Table 29 – Life, Mortgage Life and Rural | Performance ratios by distribution channel

	Quarterly Flow			Abs. Chg. (p.p.)	
%	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Bancassurance Channel					
Loss ratio	29.0	22.6	53.6	24.6	31.0
Comisssion ratio	26.6	27.7	25.8	(0.8)	(1.8)
Other Channel					
Loss ratio	51.0	53.3	51.8	0.8	(1.5)
Comisssion ratio	18.2	16.5	16.8	(1.5)	0.3

f. G&A ratio: the G&A ratio reached 13.7%, 1.7 p.p. down yoy and 3.9 p.p. higher qoq. On a quarterly basis, the G&A ratio was impacted by the "other operating income (expenses)" account which grew due to the increase in provisions for the "Fundo de Estabilidade do Seguro Rural (FESR)" in 1Q14.

INSURANCE PERFORMANCE – MANAGERIAL

The following table shows a managerial view, prepared distributing the account result with reinsurance among the other lines that comprise the income statement. This procedure allows the analysis of the behavior of the performance ratios considering the effect of the reinsured operations.

Table 30 – Life, Mortgage Life and Rural | Insurance Performance – Managerial

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Earned premiuns	964,221	1,119,505	1,278,669	32.6	14.2
Retained claims	(338,522)	(310,891)	(492,791)	45.6	58.5
Comission	(238,660)	(266,785)	(310,314)	30.0	16.3
G&A Expenses	(162,144)	(188,356)	(197,504)	21.8	4.9
Net investment income	57,933	97,429	103,839	79.2	6.6
%					
Loss ratio	35.1	27.8	38.5	3.4 p.p.	10.8 p.p.
Comission ratio	24.8	23.8	24.3	-0.5 p.p.	0.4 p.p.
G&A ratio	16.8	16.8	15.4	-1.4 p.p.	-1.4 p.p.
Combined ratio	76.7	68.4	78.3	1.6 p.p.	9.8 p.p.
Expanded combined ratio	72.3	62.9	72.4	-	9.4 p.p.

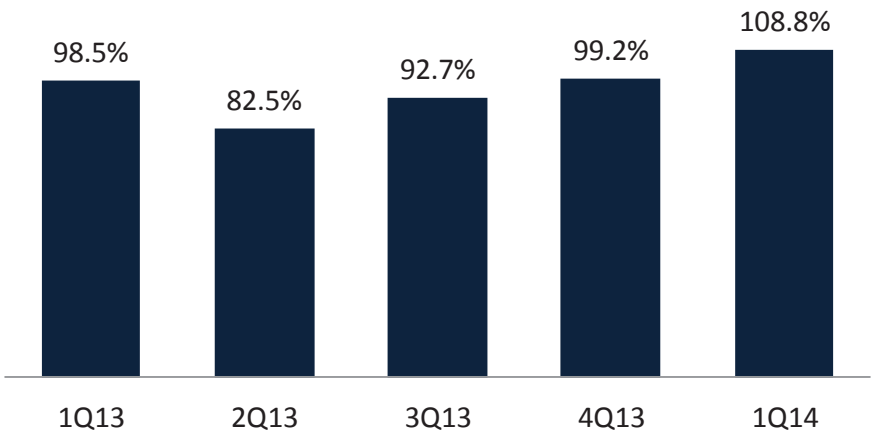
NET INVESTMENT INCOME

The net investment income reached R$ 103.8 million in 1Q14, 79.2% higher yoy, mainly due to the hike in the annualized average SELIC rate, from 7.13% to 10.48%, which impacted the income from floating rate bonds remunerated at CDI (55.8% of the total investments).

On a quarter-on-quarter basis, the net investment income grew 6.6%, also boosted by the increase in the average SELIC rate.

In this context, the return over the CDI of the financial investments reached 108.8% in 1Q14, while in 1Q13 it posted 98.5%.

Figure 18 – Life, Mortgage Life and Rural | Financial investment return over the CDI



Variation calculated based on the daily Selic rate and the daily return on the company´s financial investments, net of management fee.

Table 31 – Life, Mortgage Life and Rural | Breakdown of financial investment

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Available for trading					
Pre-Fixed	287,731	157,329	105,874	(63.2)	(32.7)
Interbank Deposit	2,014,590	922,491	1,252,283	(37.8)	35.8
Linked to inflation	196,610	168,341	155,477	(20.9)	(7.6)
Other	323,052	378,305	729,200	125.7	92.8
Total	**2,821,982**	**1,626,466**	**2,242,834**	**(20.5)**	**37.9**

BALANCE SHEET ANALYSIS

Table 32 – Life, Mortgage Life and Rural | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Assets	**9,660,525**	**11,037,504**	**12,005,825**	**24.3**	**8.8**
Cash and cash equivalents	136,514	1,180,207	299,935	119.7	(74.6)
Financial assets	4,568,857	3,354,662	4,841,862	6.0	44.3
Receivables from insurance and reinsurance operations	1,427,832	2,222,960	2,367,521	65.8	6.5
Reinsurance and retrocession - technical reserves	222,867	339,995	603,292	170.7	77.4
Securities and credits receivable	1,273,487	1,538,269	1,495,359	17.4	(2.8)
Other	3,928	6,506	5,562	41.6	(14.5)
Prepaid expenses	12,343	6,045	14,182	14.9	134.6
Deferred costs	618,038	984,675	998,995	61.6	1.5
Investments	655,879	657,747	635,566	(3.1)	(3.4)
Fixed assets	26,506	18,236	18,862	(28.8)	3.4
Intangible	714,279	728,202	724,689	1.5	(0.5)
Liabilities	**6,273,909**	**8,114,787**	**8,900,348**	**41.9**	**9.7**
Accounts Payable	817,854	684,518	583,499	(28.7)	(14.8)
Obligations with insurance and reinsurance operations	834,623	1,354,327	1,647,744	97.4	21.7
Technical reserves - insurance	3,773,803	5,356,475	6,027,374	59.7	12.5
Third party deposits	90,150	168,391	82,920	(8.0)	(50.8)
Other liabilities	757,478	551,076	558,811	(26.2)	1.4
Shareholders' Equity	**3,386,616**	**2,922,717**	**3,105,477**	**(8.3)**	**6.3**

SOLVENCY

Table 33 – Life, Mortgage Life and Rural | Solvency[1]

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Mapfre Vida					
Adjusted shareholders' equity (a)	**183,347**	**155,767**	**178,659**	**(2.6)**	**14.7**
Minimum Capital required (b)	**139,908**	**142,994**	**146,349**	**4.6**	**2.3**
Additional Capital for Underwritting Risk	121,312	128,620	127,887	5.4	(0.6)
Additional Capital for Credit Risk	30,865	23,174	29,631	(4.0)	27.9
Additional Capital for Operating Risk	575	1,358	1,358	135.9	(0.0)
Benefit of correlation between risks	(12,844)	(10,158)	(12,527)	(2.5)	23.3
Capital Adequacy (a) - (b)	**43,439**	**12,773**	**32,310**	**(25.6)**	**152.9**
Solvency ratio (a) / (b) - %	**131.0**	**108.9**	**122.1**	**-9.0 p.p.**	**13.1 p.p.**
Aliança do Brasil					
Adjusted shareholders' equity (a)	**991,569**	**1,215,484**	**1,085,221**	**9.4**	**(10.7)**
Minimum Capital required (b)	**840,642**	**1,012,905**	**1,111,463**	**32.2**	**9.7**
Additional Capital for Underwritting Risk	745,073	904,462	979,716	31.5	8.3
Additional Capital for Credit Risk	155,052	164,274	199,862	28.9	21.7
Additional Capital for Operating Risk	7,155	16,102	18,030	152.0	12.0
Benefit of correlation between risks	(66,638)	(71,933)	(86,145)	29.3	19.8
Capital Adequacy (a) - (b)	**150,927**	**202,580**	**(26,242)**	**-**	**-**
Solvency ratio (a) / (b) - %	**118.0**	**120.0**	**97.6**	**-20.3 p.p.**	**-22.4 p.p.**
Vida Seguradora					
Adjusted shareholders' equity (a)	**425,062**	**179,913**	**162,436**	**(61.8)**	**(9.7)**
Minimum Capital required (b)	**51,782**	**47,247**	**51,696**	**(0.2)**	**9.4**
Additional Capital for Underwritting Risk	40,543	40,395	41,424	2.2	2.5
Additional Capital for Credit Risk	16,965	9,927	14,912	(12.1)	50.2
Additional Capital for Operating Risk	602	1,081	1,139	89.2	5.4
Benefit of correlation between risks	(6,328)	(4,156)	(5,779)	(8.7)	39.1
Capital Adequacy (a) - (b)	**373,281**	**132,665**	**110,740**	**(70.3)**	**(16.5)**
Solvency ratio (a) / (b) - %	**820.9**	**380.8**	**314.2**	**-506.7 p.p.**	**-66.6 p.p.**
Total BB Mapfre SH1					
Adjusted shareholders' equity (a)	**1,599,979**	**1,551,164**	**1,426,316**	**(10.9)**	**(8.0)**
Minimum Capital required (b)	**1,032,332**	**1,203,146**	**1,309,508**	**26.8**	**8.8**
Additional Capital for Underwritting Risk	906,928	1,073,477	1,149,026	26.7	7.0
Additional Capital for Credit Risk	202,882	197,375	244,406	20.5	23.8
Additional Capital for Operating Risk	8,333	18,541	20,527	146.3	10.7
Benefit of correlation between risks	(85,811)	(86,246)	(104,450)	21.7	21.1
Capital Adequacy (a) - (b)	**567,647**	**348,019**	**116,808**	**(79.4)**	**(66.4)**
Solvency ratio (a) / (b) - %	**155.0**	**128.9**	**108.9**	**-46.1 p.p.**	**-20.0 p.p.**

[1] Information based on the accounting principles of SUSEP (SUSEP GAAP).

MANAGERIAL INFORMATION

Table 34 – Life, Mortgage Life and Rural | Managerial information[1]

	1Q13	4Q13	1Q14
Life			
Market share %	17.3	20.1	ND
Ranking	1º	1º	ND
Mortgage life			
Market share %	5.4	5.8	ND
Ranking	4º	3º	ND
Rural			
Market share %	64.4	70.6	ND
Ranking	1º	1º	ND

[1] Source: Susep

Market data: 4Q13 – actualized until November, 2013, last month provided by Susep

7. PROPERTY & CASUALTY

SEGMENT OVERVIEW

BB Seguridade offers insurance in the auto, property and casualties segments through its affiliate Mapfre BB SH2. This company was established by a 20-year term partnership with Mapfre Brasil signed in 2010, and the joint operations began in 2011. In this partnership BB Seguridade holds a 50.00% economic stake in Mapfre BB SH2, being 51.0% of the preferred shares and 49.0% of the common shares.

In this segment, the insurance policies for large risks and auto require a more customized assistance and selling process, which results in a higher concentration of sales in independent brokers than in the bancassurance channel.

The following paragraphs show a brief description of the main products offered by Mapfre BB SH2:

a. **Property insurance** is a type of insurance sold to individuals or companies that provides protection against risks to properties, linked or not to loans. The main products of this segment are: home insurance (covers the risks related to a private residence), businesses insurance (covers the risks related to a property that belongs to a company) and insurance for machinery and equipment (protection of property that belong either to individuals or companies).

b. **Auto insurance** is an insurance policy designed to provide protection for vehicles against theft, physical damage and/or bodily injury resulting from traffic collisions, besides other assistances provided to the policy holder. This product is quite popular in Brazil, but there is still room for growth as only 30% of the vehicles in Brazil have an insurance policy in force. The auto insurance market is dynamic and competitive, what benefit the client to shop around for the best price before closing the deal. Besides that, the renewal of this kind of policies occur on an yearly basis, what makes easier for the competitors to go after the clients and makes it difficult to establish and strengthen long term relationship with costumers, unlike other segments.

c. **DPVAT** is a mandatory insurance in Brazil that covers personal injury caused by vehicles to passengers, drivers or pedestrians. DPVAT offers coverage for three natures of damage: death, permanent disability, and reimbursement for medical and hospital expenses. DPVAT is funded by vehicles owners through annual payments. Out of the amount collected, 45% is transferred to the Ministry of Health (SUS), to fund the hospital care victims of traffic accidents across the country, and 5% are passed to the Ministry of Cities, for exclusive use in programs directed to the prevention of traffic accidents. The remaining 50% are directed to the payment of claims.

EARNINGS ANALYSIS

Table 35 – P&C | Income Statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Premiums written	**1,836,027**	**2,007,557**	**2,030,072**	**10.6**	**1.1**
Changes in technical reserves - premiums	(113,634)	(42,472)	(15,752)	(86.1)	(62.9)
Earned premiuns	**1,722,393**	**1,965,085**	**2,014,320**	**16.9**	**2.5**
Revenue of policy issuance	(568)	345	2,130	-	517.4
Claims incurred	(964,721)	(1,147,914)	(1,115,240)	15.6	(2.8)
Acquisition costs	(402,320)	(429,435)	(418,815)	4.1	(2.5)
Result with reinsurance	(39,108)	(19,162)	(108,188)	176.6	464.6
Administrative expenses	(198,961)	(218,025)	(213,358)	7.2	(2.1)
Tax expenses	(43,285)	(50,432)	(50,570)	16.8	0.3
Other operating income (expenses)	(53,311)	(96,582)	(40,288)	(24.4)	(58.3)
Underwriting result	**20,119**	**3,881**	**69,991**	**247.9**	**1,703.7**
Net investment income	**39,720**	**83,295**	**85,645**	**115.6**	**2.8**
Financial income	62,208	146,502	102,550	64.9	(30.0)
Financial expenses	(22,488)	(63,207)	(16,905)	(24.8)	(73.3)
Equity income	(8,098)	(1,581)	(1,625)	(79.9)	2.8
Operating result	**51,741**	**85,595**	**154,011**	**197.7**	**79.9**
Gains or losses on non-current assets	-	(139)	(1)	-	(99.3)
Earnings before taxes and profit sharing	**51,741**	**85,456**	**154,010**	**197.7**	**80.2**
Taxes	(17,017)	(18,224)	(62,157)	265.3	241.1
Profit sharing	(10,137)	(11,397)	(5,643)	(44.3)	(50.5)
Adjusted net income	**24,587**	**55,834**	**86,210**	**250.7**	**54.4**
Extraordinary events	**-**	**189,991**	**-**	**-**	**-**
Refis: Tax expenses	-	(67,786)	-	-	-
Refis: Financial income	-	167,604	-	-	-
Refis: Financial expenses	-	(5,611)	-	-	-
Refis: Taxes	-	121,988	-	-	-
IBNER: Claims incurred	-	(43,672)	-	-	-
IBNER: Taxes	-	17,469	-	-	-
Net income	**24,587**	**245,825**	**86,210**	**250.7**	**(64.9)**

ADJUSTED NET INCOME

The P&C segment reached a net income of R$ 86.2 million in 1Q14, 250.6% higher yoy and 54.4% up qoq, explained by the improvement in the underwriting result and in the net investment income.

The Company's adjusted ROAE reached 12.6% in 1Q14, 8.5 p.p. up yoy and 4.0 p.p. higher qoq.

Table 36 – P&C | Performance ratios

	Quarterly Flow			Abs. Chg. (p.p.)	
%	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Performance ratios					
Loss ratio	56.0	58.4	55.4	(0.6)	(3.0)
Comisssion ratio	23.4	21.9	20.8	(2.6)	(1.1)
Technical margin	18.3	18.8	18.6	0.2	(0.2)
G&A ratio	17.2	18.6	15.1	(2.1)	(3.5)
Combined ratio	98.8	99.8	96.5	(2.3)	(3.3)
Expanded combined ratio	96.6	95.7	92.6	(4.0)	(3.2)
Adjusted net margin	1.4	2.8	4.3	2.9	1.4
Adjusted ROAE	4.0	8.5	12.6	8.6	4.2

UNDERWRITING RESULT

In 1Q14, the underwriting result grew by R$ 49.9 million yoy to R$ 70.0 million, driven by the increase in earned premiums, cost control and the decrease in other operating income (expenses) due to the reversal of provisions for doubtful debts related to reinsurance which amounted to R$ 20.9 million.

On a quarter-on-quarter basis, the underwriting result grew by R$ 66.1 million, explained by better loss, commission and G&A ratios.

a. Premiums written: premiums written reached R$ 2.0 billion in 1Q14, 10.6% higher yoy, highlighting the 26.3% growth in the casualties segment. The non-bank distribution channel was responsible for 71.4% of the premiums written in 1Q14, against 68.7% in 1Q13.

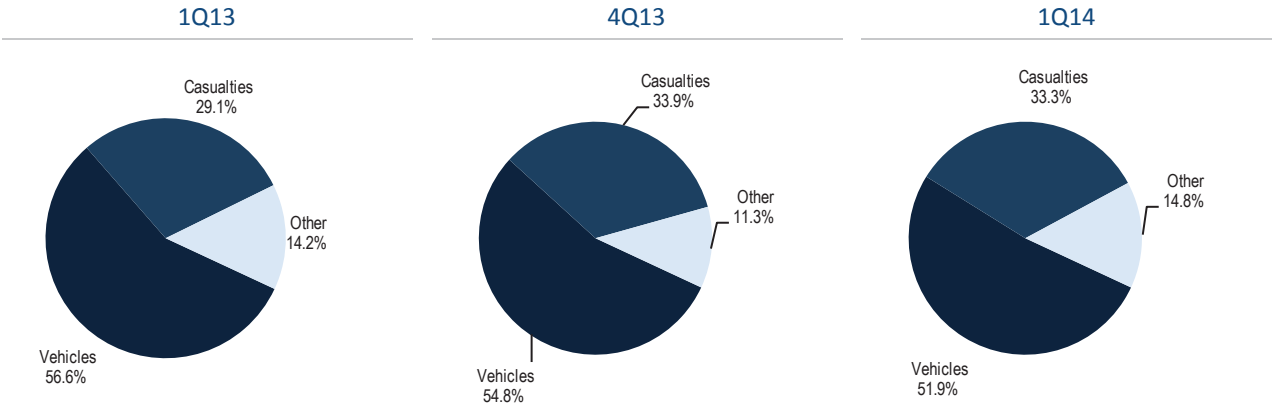
On a qoq basis, premiums written grew by 1.1%, mainly affected by the "other" segment (+32.6%).

The following table shows the breakdown of the premiums written for each quarter:

Table 37 – P&C | Breakdown of premiums written

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
Vehicles	1,039,965	1,100,723	1,054,004	1.3	(4.2)
Casualties	534,789	680,146	675,419	26.3	(0.7)
Other	261,273	226,688	300,650	15.1	32.6
Total	**1,836,027**	**2,007,556**	**2,030,073**	**10.6**	**1.1**
Channel					
Bancassurance Channel	575,213	575,611	580,975	1.0	0.9
Other Channel	1,260,814	1,431,945	1,449,098	14.9	1.2
Total	**1,836,027**	**2,007,556**	**2,030,073**	**10.6**	**1.1**

Figure 19 – P&C | Breakdown of premiums written



b. Earned premiums: earned premiums amounted to R$ 2.0 billion in 1Q14, 16.9% higher yoy, boosted by the growth of 25.6% in the casualties segment.

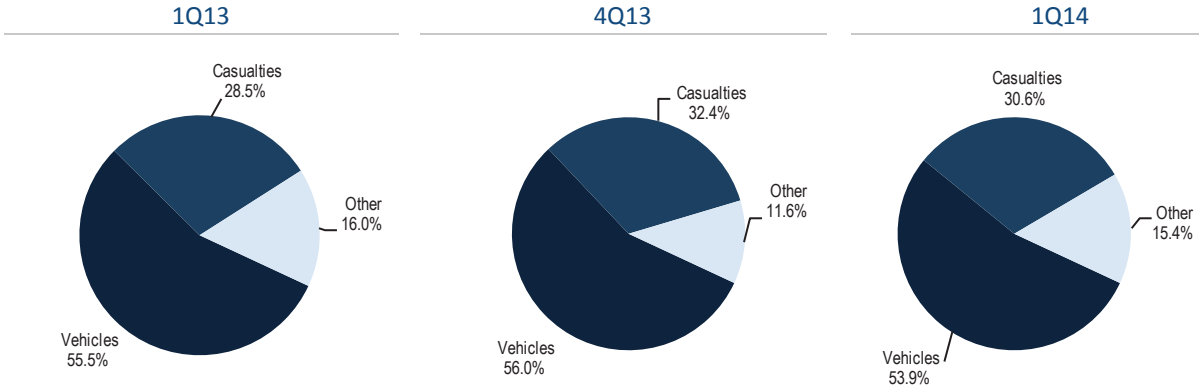
On a qoq basis earned premiums went up 2.5%, driven by the performance in the casualties segment, which grew 36.8%.

The table below shows the breakdown of earned premiums:

Table 38 – P&C | Breakdown of earned premiums

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Vehicles	955,826	1,100,757	1,086,620	13.7	(1.3)
Casualties	491,246	637,129	617,006	25.6	(3.2)
Other	275,321	227,199	310,695	12.8	36.8
Total	**1,722,393**	**1,965,085**	**2,014,321**	**16.9**	**2.5**
Channel					
Bancassurance Channel	535,709	594,548	594,550	11.0	0.0
Other Channel	1,186,684	1,370,536	1,419,770	19.6	3.6
Total	**1,722,393**	**1,965,085**	**2,014,321**	**16.9**	**2.5**

Figure 20 – P&C | Breakdown of earned premiums



c. **Claims:** the loss ratio reached 55.4% in 1Q14, 0.6 p.p. lower yoy and 3.0 p.p. down qoq. In both comparatives the improvement was due to lower claims in the casualties segment.

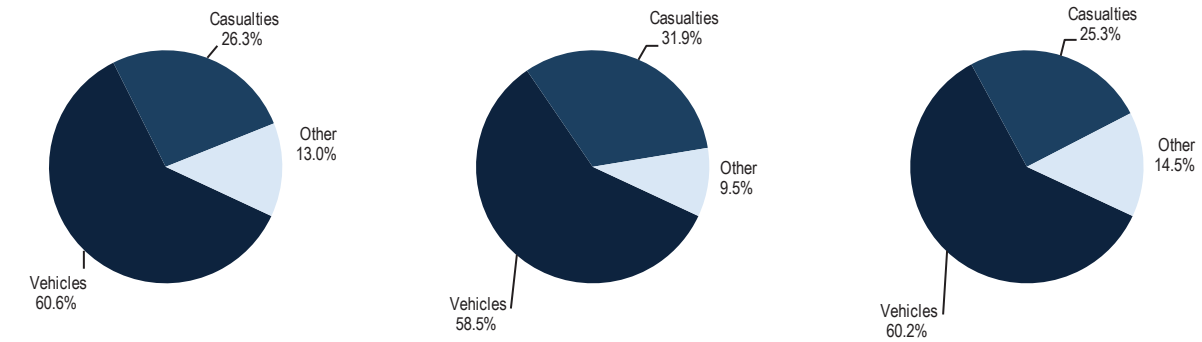
The loss ratio based on retained claims (claims incurred net of recoveries from reinsured operations) reached 56.1% in 1Q14, an increase of 1.0 p.p. yoy and of 1.9 p.p. qoq.

The table below shows the breakdown of claims:

Table 39 – P&C | Breakdown of claims

R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Vehicles	(585,099)	(671,862)	(670,881)	14.7	(0.1)
Casualties	(253,994)	(366,460)	(282,146)	11.1	(23.0)
Other	(125,627)	(109,592)	(162,212)	29.1	48.0
Total	**(964,720)**	**(1,147,914)**	**(1,115,239)**	**15.6**	**(2.8)**
Channel					
Bancassurance Channel	(274,043)	(319,983)	(322,006)	17.5	0.6
Other Channel	(690,677)	(827,931)	(793,233)	14.8	(4.2)
Total	**(964,720)**	**(1,147,914)**	**(1,115,239)**	**15.6**	**(2.8)**

Figure 21 – P&C | Breakdown of claims



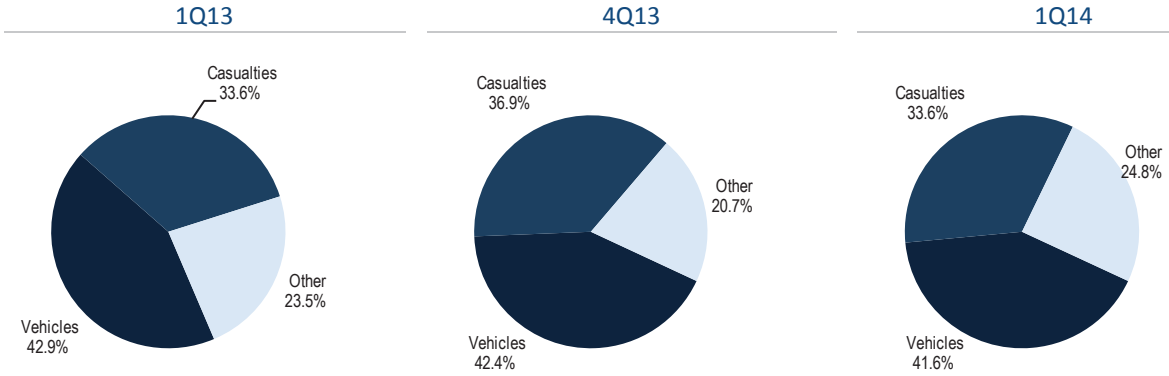
d. **Acquisition costs:** the commission ratio reached 20.8% in 1Q14, 2.6 p.p. lower yoy, as a result of the improvement observed in the ratio of the casualties segment. On a quarter-on-quarter basis the drop was of 1.1 p.p., due to better ratios in casualties and other segments.

The following table shows the breakdown of the acquisition costs.

Table 40 – P&C | Breakdown of acquisition costs

	Quarterly Flow			Chg. %	
R$ thousand	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
Vehicles	(172,630)	(182,177)	(174,102)	0.9	(4.4)
Casualties	(135,029)	(158,370)	(140,840)	4.3	(11.1)
Other	(94,660)	(88,887)	(103,872)	9.7	16.9
Total	**(402,319)**	**(429,434)**	**(418,815)**	**4.1**	**(2.5)**
Channel					
Bancassurance Channel	(98,641)	(112,031)	(110,284)	11.8	(1.6)
Other Channel	(303,678)	(317,403)	(308,531)	1.6	(2.8)
Total	**(402,319)**	**(429,434)**	**(418,815)**	**4.1**	**(2.5)**

Figure 22 – P&C | Breakdown of acquisition costs



e. **Underwriting margin:** the underwriting margin reached 18.6% in 1Q14, up 0.2 p.p. yoy and 0.2 p.p. down qoq.

Table 41 – P&C | Performance ratios by segment

	Quarterly Flow			Abs. Chg. (p.p.)	
%	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Vehicles					
Loss ratio	61.2	61.0	61.7	0.5	0.7
Comisssion ratio	18.1	16.6	16.0	(2.0)	(0.5)
Casualties					
Loss ratio	51.7	57.5	45.7	(6.0)	(11.8)
Comisssion ratio	27.5	24.9	22.8	(4.7)	(2.0)
Other					
Loss ratio	45.6	48.2	52.2	6.6	4.0
Comisssion ratio	34.4	39.1	33.4	(0.9)	(5.7)

Table 42 – P&C | Performance ratios by distribution channel

	Quarterly Flow			Abs. Chg. (p.p.)	
%	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Bancassurance Channel					
Loss ratio	51.2	53.8	54.2	3.0	0.3
Comisssion ratio	18.4	18.8	18.5	0.1	-0.3
Other Channel					
Loss ratio	58.2	60.4	55.9	(2.3)	(4.5)
Comisssion ratio	25.6	23.2	21.7	(3.9)	(1.4)

f. **G&A expenses:** the G&A ratio reached 15.1% in 1Q14, down 2.1 p.p. yoy and 3.5 p.p. qoq. The improvement in this ratio is a result of both keeping personnel and location expenses under control, and the decrease in the other operating income (expense) due to the reversal of provisions for doubtful debts of reinsurance which amounted to R$ 20.9 million.

INSURANCE PERFORMANCE – MANAGERIAL

The following table shows a managerial view, prepared distributing the line result with reinsurance among the other lines that comprise the income statement. This procedure allows the analysis of the behavior of the performance ratios considering the effect of the reinsured operations.

Table 43 – P&C | Insurance performance – Managerial

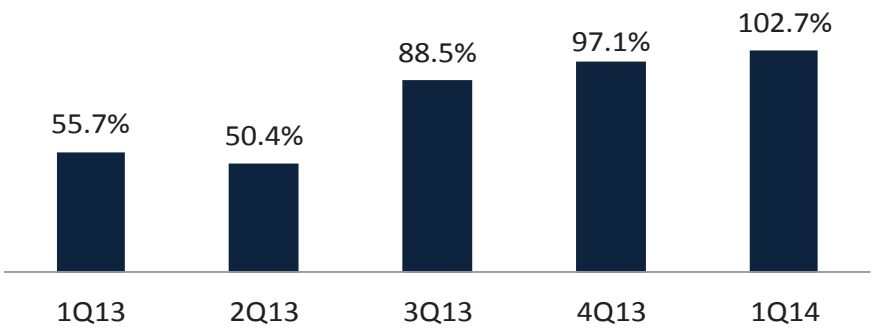
	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Earned premiuns	1,531,999	1,695,888	1,773,502	15.8	4.6
Retained claims	(844,739)	(920,026)	(995,649)	17.9	8.2
Comission	(371,584)	(406,772)	(403,646)	8.6	(0.8)
G&A Expenses	(295,557)	(365,039)	(304,216)	2.9	(16.7)
Net investment income	39,720	83,295	85,645	115.6	2.8
%					
Loss ratio	55.1	54.3	56.1	1.0 p.p.	1.9 p.p.
Comission ratio	24.3	24.0	22.8	-1.5 p.p.	-1.2 p.p.
G&A ratio	19.3	21.5	17.2	-2.1p.p.	-4.4 p.p.
Combined ratio	98.7	99.8	96.1	-2.6 p.p.	-3.7 p.p.
Expanded combined ratio	96.2	95.1	91.6	-4.6 p.p.	-3.5 p.p.

NET INVESTMENT INCOME

In 1Q14, the net investment income reached R$ 85.6 million, an increase of R$ 45.9 million yoy. This performance due to a higher concentration of the financial investments in floating rate bonds remunerated at CDI, which was positively impacted by the growth in the annualized average SELIC rate (from 7.13% in 1Q13 to 10.48% in 1Q14). When compared to 4Q13 the net investment income rose by 2.8%.

The return over the CDI of the financial investments reached 102.7% in 1Q14, while in 1Q13 it posted 55.7%.

Figure 23 – P&C | | Financial investment return over the CDI



Change calculated based on the daily Selic rate and the daily return measured on the total company's financial investments, net of management fee.

Table 44 – P&C | Breakdown of financial investment

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Available for trading					
Pre-Fixed	435,728	215,453	57,613	(86.8)	(73.3)
Floating - CDI	790,692	918,018	918,537	16.2	0.1
Linked to inflation	383,742	96,719	73,465	(80.9)	(24.0)
Other	1,022,839	615,220	786,015	(23.2)	27.8
Total	**2,633,001**	**1,845,411**	**1,835,630**	**(30.3)**	**(0.5)**

BALANCE SHEET ANALYSIS

Table 45 – P&C | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Assets	**10,932,145**	**11,622,148**	**12,098,526**	**10.7**	**4.1**
Cash and cash equivalents	114,028	702,947	257,979	126.2	(63.3)
Financial assets	3,809,617	3,046,554	3,701,683	(2.8)	21.5
Receivables from insurance and reinsurance operations	3,036,435	3,102,076	3,378,749	11.3	8.9
Reinsurance and retrocession - technical reserves	864,629	1,244,736	1,271,823	47.1	2.2
Securities and credits receivable	1,482,325	1,788,241	1,628,319	9.8	(8.9)
Other	200,628	254,619	413,105	105.9	62.2
Prepaid expenses	22,804	10,005	18,293	(19.8)	82.8
Deferred costs	834,549	849,612	835,319	0.1	(1.7)
Investments	265,959	265,176	225,645	(15.2)	(14.9)
Fixed assets	95,693	92,981	90,314	(5.6)	(2.9)
Intangible	205,478	265,201	277,297	35.0	4.6
Liabilities	**8,439,877**	**8,779,094**	**9,232,899**	**9.4**	**5.2**
Accounts Payable	650,728	785,491	617,903	(5.0)	(21.3)
Obligations with insurance and reinsurance operations	1,192,356	1,176,897	1,383,351	16.0	17.5
Technical reserves - insurance	5,448,956	6,099,743	6,384,204	17.2	4.7
Third party deposits	85,224	170,414	294,029	245.0	72.5
Other liabilities	1,062,611	546,549	553,412	(47.9)	1.3
Shareholders' Equity	**2,492,268**	**2,843,054**	**2,865,627**	**15.0**	**0.8**

SOLVENCY

Table 46 – P&C | Solvency[1]

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Brasilveículos					
Adjusted shareholders' equity (a)	**466,056**	**502,537**	**519,042**	**11.4**	**3.3**
Minimum Capital required (b)	**410,935**	**435,379**	**459,803**	**11.9**	**5.6**
Additional Capital for Underwritting Risk	362,851	382,562	393,997	8.6	3.0
Additional Capital for Credit Risk	66,074	64,263	79,981		
Additional Capital for Operating Risk	10,933	16,967	20,323	85.9	19.8
Benefit of correlation between risks	(28,923)	(28,414)	(34,498)	19.3	21.4
Capital Adequacy (a) - (b)	**55,121**	**67,158**	**59,239**	**7.5**	**(11.8)**
Solvency ratio (a) / (b) - %	**113.4**	**115.4**	**112.9**	**-0.5 p.p.**	**-2.5 p.p.**
Mapfre Affinity Seguradora					
Adjusted shareholders' equity (a)	**465,237**	**424,819**	**449,568**	**(3.4)**	**5.8**
Minimum Capital required (b)	**172,754**	**173,263**	**178,497**	**3.3**	**3.0**
Additional Capital for Underwritting Risk	153,003	153,227	155,906	1.9	1.7
Additional Capital for Credit Risk	32,657	30,746	34,767		
Additional Capital for Operating Risk	1,076	2,573	2,611	142.7	1.5
Benefit of correlation between risks	(13,983)	(13,284)	(14,787)	5.8	11.3
Capital Adequacy (a) - (b)	**292,484**	**251,557**	**271,071**	**(7.3)**	**7.8**
Solvency ratio (a) / (b) - %	**269.3**	**245.2**	**251.9**	**-17.4 p.p.**	**6.7 p.p.**
Aliança do Brasil Seguros					
Adjusted shareholders' equity (a)	**139,381**	**183,707**	**162,246**	**16.4**	**(11.7)**
Minimum Capital required (b)	**108,092**	**125,147**	**117,955**	**9.1**	**(5.7)**
Additional Capital for Underwritting Risk	86,898	99,756	100,763	16.0	1.0
Additional Capital for Credit Risk	17,156	23,831	21,795		
Additional Capital for Operating Risk	4,440	4,559	4,710	6.1	3.3
Benefit of correlation between risks	(7,429)	(10,024)	(9,313)	25.4	(7.1)
Capital Adequacy (a) - (b)	**31,290**	**58,560**	**44,291**	**41.6**	**(24.4)**
Solvency ratio (a) / (b) - %	**128.9**	**146.8**	**137.5**	**8.6 p.p.**	**-9.2 p.p.**
Mapfre Seguros Gerais					
Adjusted shareholders' equity (a)	**916,185**	**853,439**	**866,980**	**(5.4)**	**1.6**
Minimum Capital required (b)	**659,492**	**767,875**	**798,846**	**21.1**	**4.0**
Additional Capital for Underwritting Risk	578,234	678,872	692,444	19.8	2.0
Additional Capital for Credit Risk	95,896	108,142	137,104		
Additional Capital for Operating Risk	27,827	28,973	28,643	2.9	(1.1)
Benefit of correlation between risks	(42,465)	(48,112)	(59,345)	39.8	23.3
Capital Adequacy (a) - (b)	**256,693**	**85,565**	**68,134**	**(73.5)**	**(20.4)**
Solvency ratio (a) / (b) - %	**138.9**	**111.1**	**108.5**	**-30.4 p.p.**	**-2.6 p.p.**
Total Mapfre BB SH2					
Adjusted shareholders' equity (a)	**1,986,860**	**1,964,503**	**1,997,836**	**0.6**	**1.7**
Minimum Capital required (b)	**1,351,272**	**1,501,663**	**1,555,101**	**15.1**	**3.6**
Additional Capital for Underwritting Risk	1,180,986	1,314,416	1,343,110	13.7	2.2
Additional Capital for Credit Risk	211,783	226,983	273,647		
Additional Capital for Operating Risk	44,276	53,073	56,286	27.1	6.1
Benefit of correlation between risks	(92,800)	(99,834)	(117,943)	27.1	18.1
Capital Adequacy (a) - (b)	**635,587**	**462,839**	**442,735**	**(30.3)**	**(4.3)**
Solvency ratio (a) / (b) - %	**147.0**	**130.8**	**128.5**	**-18.6 p.p.**	**-2.4 p.p.**

[1] Information based on the accounting principles of SUSEP (SUSEP GAAP).

MANAGERIAL INFORMATION

Table 47 – P&C | Managerial information[1]

	1Q13	4Q13	1Q14
BB Mapfre SH2			
Retention ratio (%)	89.6	87.4	86.0
Vehicles			
Fleet (thousand)	2,431	2,411	2,383
Retention ratio (%)	74.2	68.6	72.7
Market share %	15.7	12.9	ND
Ranking	2º	2º	ND

[1]Source: SUSEP and managerial company data.

Market data: 4Q13 – actualized until November, 2013, the last month provided by Susep

1Q14 – not provided by SUSEP up to the 1Q14 earnings release

Pension Plans

8. PENSION PLANS

SEGMENT OVERVIEW

BB Seguridade operates in the private pension plans segment through its affiliate Brasilprev, in partnership with the American company Principal Financial Group (PFG). Brasilprev was established in 1993 as a partnership between Banco do Brasil and a group of insurance companies. After going through a series of corporate restructuring, within 1999-2000, PFG, through its subsidiary in Brazil, Principal Financial Group do Brasil, acquired an economic stake in the company and established a partnership with Banco do Brasil. In 2010, BB Seguros and PFG renewed their partnership, extending it for 23 years more. As a result of this new agreement, Banco do Brasil increased its stake in Brasilprev from 49.99% to 74.99%. On the other hand, PFG now holds 50.01% of the common shares.

Pension products are growing in popularity in Brazil, due to increasing life expectancy, level of financial education and tax benefits for individuals.

Brasilprev has three main sources of revenue: the load fee, charged on contributions paid by beneficiaries, the management fees on assets under management, and the premiums paid to cover risks.

Nowadays, there are three types of private pension plans in Brazil: Free Benefit Generator Plan (PGBL), Free Benefit Generator Life Plan (VGBL), and traditional plans, which are no longer sold. The private pension plans in Brazil are described as follows:

a. **Free Benefit Generator Plan (PGBL)**: is recommended for people who declare income tax in complete form, because the contributions are tax deductible up to the limit of 12% of the annual gross taxable income. In this modality, in case of redemption or benefit received, the IR is calculated on the amount redeemed or income received.

   In Brazil, there are two alternatives for an individual to present the tax statements, simple format or complete format. In the complet format, a Brazilian citizen can inform not only the income but also deductible expenses, such as costs of health insurance, education costs, investments in PGBL, besides other types of deductible expenses. In addition, the participant may elect to be taxed either as progressive or regressive when buying a pension plan.

   In progressive, the annuity is taxed when money is received according to the “Tabela Progressiva Mensal” (Montlhy Progressive Table) made available by the Brazilian Internal Revenue Service. The tax brackets can vary from zero to 27.5% according to the annual wages with adjustment in the income tax declaration. Redemptions are taxed at 15% regardless the amount redeemed, with adjustment in the income tax declaration according to the Monthly Progressive Table.

   In the regressive tax system, in the event of redemption or receipt of income, tax is withheld and is definitive, with no possibility of adjustment in the annual tax declaration. The rates are determined by the length of stay of each inflow in the plan, starting at 35%, with gradual reduction every two years, reaching a level of 10% at the end of a period of 10 years.

b. **Free Benefit Generator Life Plan (VGBL):** is recommended for those who declare income tax in the simplified format or is exempt, since the contributions are not tax deductible. As in PGBL, the customer can choose either the progressive or the regressive tax system. In this modality, the tax benefit is that in case of redemption or annuity received, income tax will be charged on interest earned only Another advantage of VGBL is the lack of spending for the transmission of inheritance, being suitable for customers who wish to make a succession planning. In this product, the customer can determine who will be the beneficiaries after his death and, unlike other assets, funds invested in VGBL are not part of the inventory. In inventories, the inheritance tax can reach

up to 8% depending on the State, in addition, court costs and attorney's fees can consume between 6% and 20% of the wealth received by the heirs.

c. **Traditional Plan:** guarantee fixed interest rates relative to inflation (IGP-M or TR), plus a rate of 6% per year. These plans are no longer sold and amounted to R$ 8.3 billion of the assets under management of Brasilprev.

The following analysis were made based on Brasilprev's Income Statement and Balance Sheet, considering possible adjustments and eliminations identified in Income Statement presentation of BB Seguridade Participações S.A in IFRS.

Table 48 – Pension Plans | Income Statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Income and premiums contribution	**6,037,706**	**7,414,165**	**5,064,003**	**(16.1)**	**(31.7)**
Provision for benefits to be granted	(6,008,175)	(7,375,681)	(5,032,055)	(16.2)	(31.8)
Net revenue with contributions and VGBL premiums	**29,531**	**38,484**	**31,948**	**8.2**	**(17.0)**
Management fee	233,652	271,448	268,495	14.9	(1.1)
Change in other technical reserves	(19,440)	(9,584)	(16,615)	(14.5)	73.4
Expenses with benefits, redemptions and claims	(10,949)	(19,700)	(728)	(93.4)	(96.3)
Acquisition costs	(62,343)	(69,309)	(68,860)	10.5	(0.6)
Earned Premiuns	**43,904**	**64,843**	**47,227**	**7.6**	**(27.2)**
Contributions to cover risks	45,740	48,295	48,292	5.6	(0.0)
Changes in technical reserves related to premiuns	(1,836)	16,548	(1,065)	(42.0)	-
Gross income	**214,355**	**276,182**	**261,467**	**22.0**	**(5.3)**
Administrative expenses	(59,710)	(72,992)	(57,532)	(3.6)	(21.2)
Tax expenses	(19,177)	(24,010)	(22,986)	19.9	(4.3)
Other operating income (expenses)	(4,006)	(2,690)	(5,213)	30.1	93.8
Result with pension plans and insurance	**131,462**	**176,490**	**175,736**	**33.7**	**(0.4)**
Net investment income	**80,485**	**93,802**	**115,656**	**43.7**	**23.3**
Financial income	380,685	1,212,592	1,800,540	373.0	48.5
Financial expenses	(300,200)	(1,118,790)	(1,684,884)	461.3	50.6
Equity income	**2,380**	**2,356**	**1,118**	**(53.0)**	**(52.5)**
Operating result	**214,327**	**272,648**	**292,510**	**36.5**	**7.3**
Gains or losses on non-current assets	(20)	21	(28)	40.0	-
Earnings before taxes	**214,307**	**272,669**	**292,482**	**36.5**	**7.3**
Taxes	(83,989)	(104,112)	(116,019)	38.1	11.4
Profit Sharing	(2,659)	(2,035)	(1,326)	(50.1)	(34.8)
Net income	**127,659**	**166,522**	**175,137**	**37.2**	**5.2**

NET INCOME

Brasilprev's net income reached R$ 175.1 million in 1Q14, 37.2% up yoy, driven mainly by the growth in management fees, by the drop in expenses with benefits, redemption and claims, and by the increase in the net investment income. As compared to 4Q13, Brasilprev's net income grew by 5.2% due to a better net investment income and to the decrease in both expenses with benefits, redemption and claims and administrative expenses.

Table 49 – Pension Plan | Performance ratios

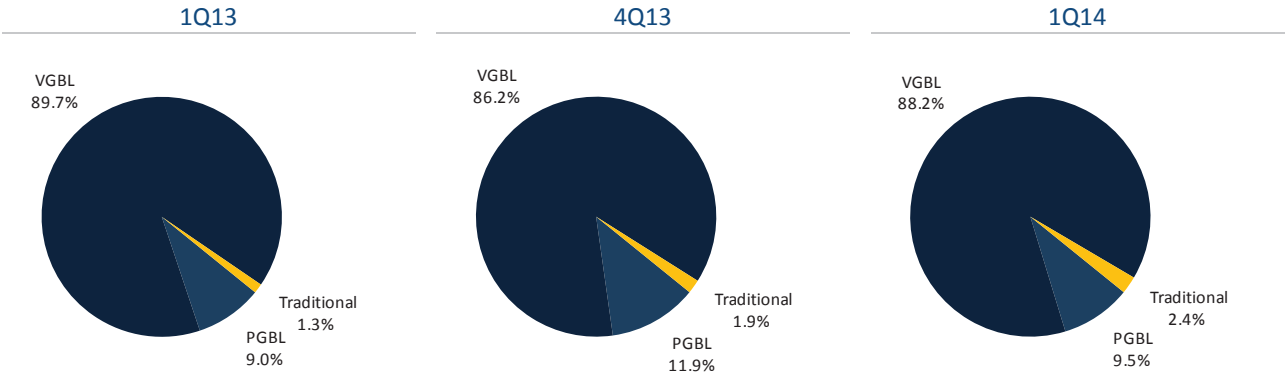
	Quarterly Flow			Abs. Chg. (p.p.)	
%	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Performance ratios					
Comisssion ratio	1.0	0.9	1.4	0.3	0.4
ROAE	53.8	58.0	59.9	6.1	1.9
ROE	54.7	61.9	57.8	3.1	(4.1)
ROAA	0.7	0.8	0.8	0.1	(0.0)
ROA	0.7	0.8	0.8	0.1	(0.0)

RESULT WITH PENSION PLANS AND INSURANCE

Result with pension plans and insurance in Brasilprev reached R$ 175.7 million in 1Q14, 33.7% up yoy and 0.4% down qoq. The performance in this line was driven by:

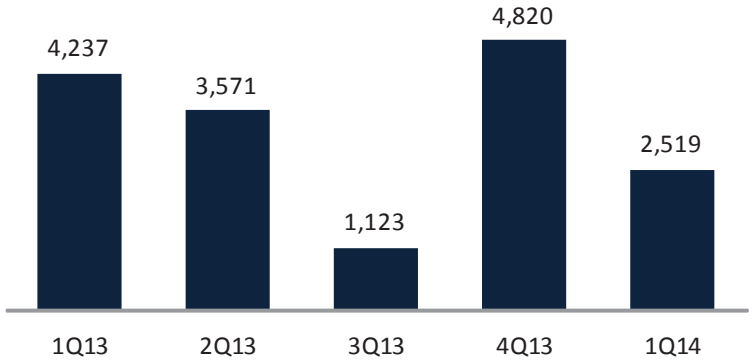
a. **Income and premiums contribution:** in 1Q14, contributions dropped 16.1% yoy to R$ 5.1 billion. The decrease was driven by the volatility in the forward yield curve which impacted the performance of investment funds and pension plans products, bringing a more challenging scenario for new contributions. Furthermore, in this quarter the sales mix was more concentrated on plans with periodic contributions, with higher recurrence but a lower average ticket when compared to the plans with sporadic contributions. The contribution decreased by 31.7% qoq, mainly due to the seasonality of the bancassurance channel.
   Despite the drop in contributions, Brasilprev remain as the main market player in terms of net inflows, with R$2.5 billion net inflow in 1Q14 , which is equivalent to 94.8% of the total net inflows in the market[3].
   VGBL plans remain as the main source of revenue to Brasilprev, with 88.2% share of the total contributions in 1Q14.

Figure 24 – Pension plans | Pension plans contributions breakdown



[3] Net inflows is the difference between the contributions and redemptions of the period. The market share in net inflows is provided by Consultoria Quantum Axis through an agreement to supply information available in the market from public or private sources, as ANBIMA and CVM.

Figure 25 – Pension Plans | Net inflows



Source: Quantum Axis

b. Management fees: management fees amounted to R$ 268.5 million, 14.9% up yoy and 1.1% down qoq. In both comparatives the growth in management fees is derived from the increase in the average balance of assets under management.

NET INVESTMENT INCOME

Net investment income reached R$ 115.7 million in 1Q14, 43.7% up yoy, and 23.3% up qoq. In both comparatives, the increase was driven by a softer upward sloping movement of the forward yield curve, with positive impact on mark-to-market.

The following table shows the mark to market effect related to traditional plans and Brasilprev's own portfolio, which have impacted the Company's net investment income.

Table 50 – Pension Plans | Investments performance

	Quarterly Flow		
R$ thousand	**1Q13**	**4Q13**	**1Q14**
Mark to Market	(17,557)	(7,475)	7,836

Table 51 – Pension Plans | Investments performance

	Balance			Chg. %	
R$ thousand	**Mar/13**	**Dec/13**	**Mar/14**	**On Mar/13**	**On Dec/13**
Held to maturity Securities	**7,588,812**	**8,314,707**	**8,436,695**	**11.2**	**1.5**
Pre-Fixed	95,644	100,193	98,838	3.3	(1.4)
Linked to inflation	7,493,168	8,214,514	8,337,857	11.3	1.5
Market to market Securities	**1,274,450**	**1,130,860**	**1,351,967**	**6.1**	**19.6**
Pre-Fixed	390,936	439,308	468,234	19.8	6.6
Floating - CDI	531,208	327,492	518,073	(2.5)	58.2
Linked to inflation	352,306	364,060	365,660	3.8	0.4
TOTAL	**8,863,262**	**9,445,567**	**9,788,663**	**10.4**	**3.6**

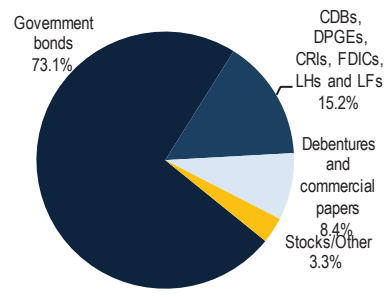
BALANCE SHEET ANALYSIS

Table 26 – Pension Plans | Balance sheet

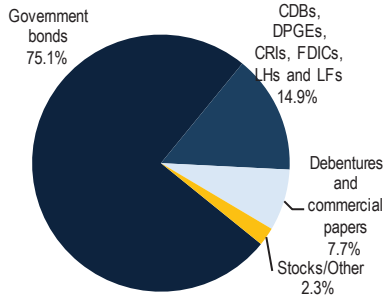
	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Assets	**73,579,760**	**85,479,009**	**89,677,657**	**21.9**	**4.9**
Cash and cash equivalents	4,292	181,549	5,172	20.5	(97.2)
Financial assets	72,731,787	84,386,959	88,670,465	21.9	5.1
Receivables from insurance and reinsurance operations	2,081	1,471	2,321	11.5	57.8
Securities and credits receivable	224,352	253,576	321,365	43.2	26.7
Prepaid expenses	6,624	386	556	(91.6)	44.0
Deferred costs	414,511	473,029	494,246	19.2	4.5
Credits from private pension transactions	6,999	4,181	3,064	(56.2)	(26.7)
Fixed assets	18,079	17,251	16,662	(7.8)	(3.4)
Intangible	171,035	160,607	163,806	(4.2)	2.0
Liabilities	**72,441,894**	**84,029,521**	**88,313,581**	**21.9**	**5.1**
Accounts Payable	155,188	285,039	141,428	(8.9)	(50.4)
Liabilities with insurance and reinsurance operations	4,233	2,880	8,253	95.0	186.6
Debits from private pension transactions	1,165	1,700	1,273	9.3	(25.1)
Third party deposits	167,767	23,885	160,645	(4.2)	572.6
Technical reserves - insurance	45,309,208	55,106,491	58,629,045	29.4	6.4
Technical provisions - private pension	26,628,010	28,436,537	29,140,233	9.4	2.5
Other liabilities	176,322	172,989	232,704	32.0	34.5
Shareholders' Equity	**1,137,865**	**1,449,488**	**1,364,076**	**19.9**	**(5.9)**

Figure 27 – Pension plans | Assets allocation

Mar/13



Dec/13



Mar/14

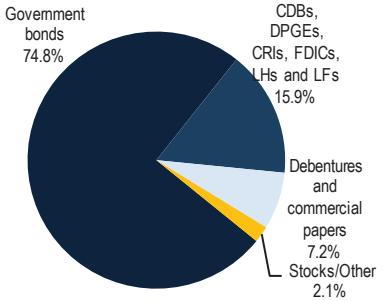
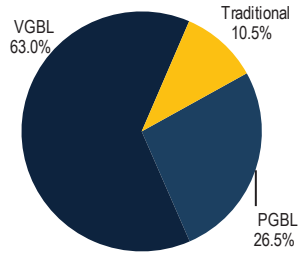
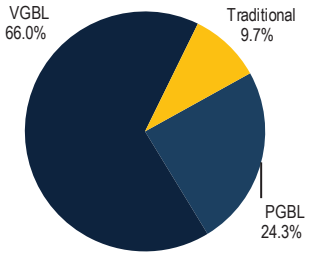


Figure 28 – Pension plans | Reserves breakdown

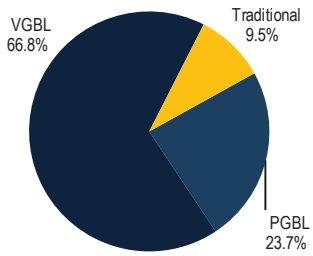
Mar/13



Dec/13



Mar/14



SOLVENCY

Brasilprev maintains its capital at levels considered adequate to sustain its future growth. The current capital corresponds to the higher value between the internal rule and the minimum capital required by the regulation in force. The minimum capital required is calculated based on the higher value between the base capital and the sum of the additional capitals, after the deduction of the risk correlation.

The internal rule corresponds to applying a weight of 6% on the Provision for Benefits Granted, 3% on the Provision for Accrued Benefits of traditional plans, and 1% on Provision for Accrued Benefits of PGBL and VGBL plans.

In March 2014, the excess between the minimum capital required and the adjusted shareholder´s equity reached R$ 140.0 million.

Table 52 – Pension Plans | Solvency[1]

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Adjusted Shareholder's Equity (a)	**937,044**	**1,288,495**	**1,199,715**	**28.0**	**(6.9)**
Minimum Capital Requirement (b)	**896,120**	**1,029,884**	**1,059,692**	**18.3**	**2.9**
Additional Capital for Underwritting Risk	809,859	935,735	961,665	18.7	2.8
Additional Capital for Credit Risk	45,077	52,484	53,466	18.6	1.9
Additional Capital for Operating Risk	62,807	66,834	70,210	11.8	5.1
Correlation risk reduction	(21,624)	(25,169)	(25,649)	18.6	1.9
Capital (6% -3% -1%)[2]	**858,387**	**1,012,573**	**1,060,563**	**23.6**	**4.7**
Capital Adequacy (a) - (b)	**40,924**	**258,611**	**140,023**	**242.2**	**(45.9)**
Solvency ratio (a) / (b) - %	**104.6**	**125.1**	**113.2**	**8.6 p.p.**	**-11.9 p.p.**

[1] Information based on the accounting principles of SUSEP (SUSEP GAAP);
[2] Internal rule of Brasilprev.

MANAGERIAL INFORMATION

Table 53 – Pension Plans | Managerial Information

	Mar/13	Dec/13	Mar/14
Redemptions ratio - % (quarter)	9.8	11.1	10.6
Active contracts - thousand	2,853	3,280	3,421
Market share - contributions (quarter)	32.0	33.5	-
Market share - reserves	21.4	22.6	-
Ranking - contributions (quarter)	1º	1º	-
Ranking - reserves	3º	3º	-

Source: SUSEP and company managerial information
Market data: Position of 4Q13 considers only October and November, last data base published by SUSEP.
SUSEP's March 2014 data not made available by the end of this report.

Premium Bonds

9. PREMIUM BONDS

SEGMENT OVERVIEW

BB Seguridade offers premium bonds through its affiliate Brasilcap, in a partnership with Icatu and Aliança da Bahia. Premium bonds are very peculiar to the Brazilian market, but there are also quite similar products in UK and Spain.

Premium bonds are mainly sold through the bancassurance channel and it is an alternative way to accumulate reserves, with term and interest previously determined, entitling the bondholder to a lottery component. Premiums are distributed through periodic draws, being most frequent the usage of a combination of numbers in a pre-determined series, based on the Brazilian Official Lottery.

In early 2013, SUSEP issued the rule "Circular 459" which changed the minimum interest on premium bonds, in order to adapt the product to the changes introduced by the Federal Government in 2012 on the interest on savings accounts. The minimum interest on premium bonds is now 0.35% per month for traditional plans and 0.08% per month for incentive plans and the popular unique payment plans.

Depending on the type of premium bond and the payment method chosen, the load fee and lottery quotas can exceed 10% of the amount collected. The amount intended to cover lottery, administrative expenses and operational and acquisition costs are covered by these quotas.

In case of early redemption, the bondholder must obey a grace period (12 months in most of the products). Beyond the grace period, penalties will be applied to the bondholder who decides for early redemption, which will decrease as the bond approaches to maturity.

EARNINGS ANALYSIS

Table 54 – Premium Bonds | Income Statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Premium bonds collection	**1,093,498**	**1,834,479**	**1,303,471**	**19.2**	**(28.9)**
Changes in provisions for redemption	(921,484)	(1,556,696)	(1,089,347)	18.2	(30.0)
Net revenue with premium bonds	**172,014**	**277,783**	**214,124**	**24.5**	**(22.9)**
Changes in technical reserves	14,329	(7,093)	(5,153)	-	(27.4)
Result with lottery	(36,758)	(74,010)	(46,475)	26.4	(37.2)
Acquisition costs	(73,783)	(129,154)	(100,850)	36.7	(21.9)
Gross income	**75,802**	**67,526**	**61,646**	**(18.7)**	**(8.7)**
Administrative expenses	(15,850)	(18,055)	(17,067)	7.7	(5.5)
Tax expenses	(7,550)	(11,529)	(8,245)	9.2	(28.5)
Other income/expenses	(95)	284	167	-	(41.2)
Result with premium bonds	**52,307**	**38,226**	**36,501**	**(30.2)**	**(4.5)**
Net investment income	**(9,315)**	**47,484**	**66,339**	**-**	**39.7**
Financial income	109,661	220,800	249,037	127.1	12.8
Financial expenses	(118,976)	(173,316)	(182,698)	53.6	5.4
Equity Income	42	59	31	(26.2)	(47.5)
Operating result	**43,034**	**85,769**	**102,871**	**139.0**	**19.9**
Gains or losses on non-current assets	-	-	-	-	-
Earnings before taxes	**43,034**	**85,769**	**102,871**	**139.0**	**19.9**
Taxes	(16,790)	(32,975)	(39,046)	132.6	18.4
Profit sharing	(825)	(957)	(890)	7.9	(7.0)
Adjusted net income	**25,419**	**51,837**	**62,935**	**147.6**	**21.4**
Extraordinary events	**52,916**	**-**	**-**	**-**	**-**
Premium bonds collection :changes in accounting method for unique payment plans	98,557	-	-	-	-
Tax expenses on changes in accounting method for unique payment plans	(10,364)	-	-	-	-
Income taxes on changes in accounting method for unique payment plans	(35,277)	-	-	-	-
Net income	**78,335**	**51,837**	**62,935**	**(19.7)**	**21.4**

ADJUSTED NET INCOME

Brasilcap reached a net income of R$ 62.9 million in 1Q14, up 147.6% yoy and 21.4% qoq. In both comparisons, the performance was driven mainly by the increase in the net investment income due to a higher average SELIC rate and to a lower mark to market impact on fixed-rate and inflation protected securities.

Table 55 – Premium Bonds | Performance ratios

	Quarterly Flow			Abs. Chg. (p.p.)	
%	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Performance ratios					
Lottery ratio	21.4	26.6	21.7	0.3	(4.9)
Comisssion ratio	42.9	46.5	47.1	4.2	0.6
G&A ratio	13.7	10.5	11.7	(1.9)	1.2
Premium bonds margin	30.4	13.8	17.0	(13.4)	3.3
Net margin	14.8	18.7	29.4	14.6	10.7
ROAE	63.4	104.0	129.2	65.9	25.2
ROAA	1.4	2.1	2.4	1.0	0.3

RESULT WITH PREMIUM BONDS

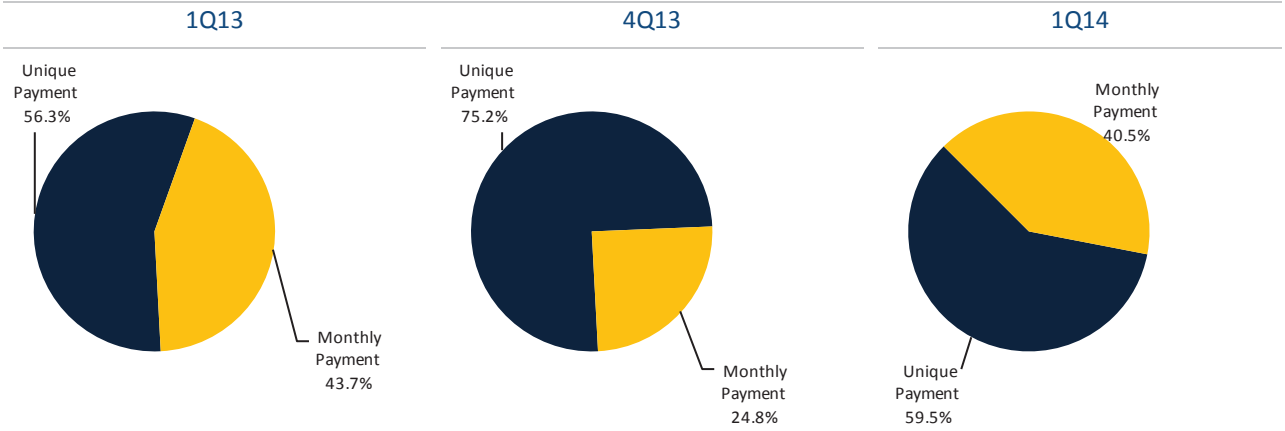
The result with premium bonds reached R$ 36.5 million in 1Q14, 30.2% down yoy due to the growth in acquisition costs and the changes in technical reserves, which were positively impacted in 1Q13 by the partial reversal of R$18.4 million of the provision for insufficiency of lottery reserves.

Compared to the 4Q13, the result with premium bonds dropped 4.5%, driven mainly by lower collections.

The performance of the premium bonds segment was driven by the following items:

a. **Premium bonds collection:** premium bonds collection reached R$ 1.3 billion in 1Q14, 19.2% higher yoy and 28.9% down qoq. This reduction is due to the seasonality in sales, which is concentrated in the second and fourth quarters every year.

Figure 29 – Premium Bonds | Premium bonds collection breakdown



b. **Changes in technical reserves:** this line is primarily composed of monthly changes of the provisions from products linked to the performance of the stock market, which has as counterpart the line "net investment income", since de funds' profitability belongs to the bondholder and does not affect the company's income statement. Another component of changes in technical reserves is the provision for insufficiency in lottery reserves. Since 1Q13, according to SUSEP, the provision for insufficiency in lottery reserves no longer receives contributions and its balance should be reversed to extinction, which must necessarily occur until late 2014. Brasilcap has gradually reversed these provisions during the year of 2013 and maintain the gradual reversal during the current year. In 1Q13 it was made the largest forecasted reversal in this line (R$ 18.4 million), which explains the positive change recorded in technical reserves in that period.

c. **Result with lottery:** this line is composed of changes in provision for lottery and by expenses with awarded bonds. In 1Q14, the result with lottery reached R$ 46.5 million, 26.4% up yoy and 37.2% down as compared to 4Q13. Expenses with awarded bonds use to be higher on odd quarters due to the big draws which happen every March and September. Nonetheless, part of expenses with big draws is offset by the reversal of provisions recorded in other periods in the year. In March, 2014, Brasilcap reverted R$ 15.4 million in provisions for lottery, which offset part of the growth in expenses and explains the qoq drop in result with draws.

d. **Acquisition costs:** in 1Q14 the commission ratio raised 0.6 p.p. qoq to 47.1%. The growth in this line is a result of the change in the mix of products sold, with higher concentration in monthly payment products, which have higher acquisition costs.

NET INVESTMENT INCOME

In 1Q14 the net investment income reached R$ 66.3 million, compared to the negative result of R$ 9.3 million reported in 1Q13. As compared to 4Q13, the net investment income grew by 39.7%. In both comparatives the increase in net investment income is a result of a higher average SELIC rate and a weaker negative mark to market on fixed-rate and inflation protected securities, due to a softer upward sloping movement of the forward yield curve in 1Q14. In addition, aiming at to smooth the mark to market impact caused by the volatility of the forward yield curve, Brasilcap has been increasing the relative share of bonds classified as held to maturity and kept its hedging strategy.

Table 56 – Premium Bonds | Investments performance

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Mark to Market	(48,854)	(19,807)	(4,743)	(90.3)	(76.1)
Derivatives	8,719	7,340	3,268	(62.5)	(55.5)
Net income	**(40,135)**	**(12,467)**	**(1,475)**	**(96.3)**	**(88.2)**

Figure 30 – Premium Bonds | Investment portfolio breakdown by category

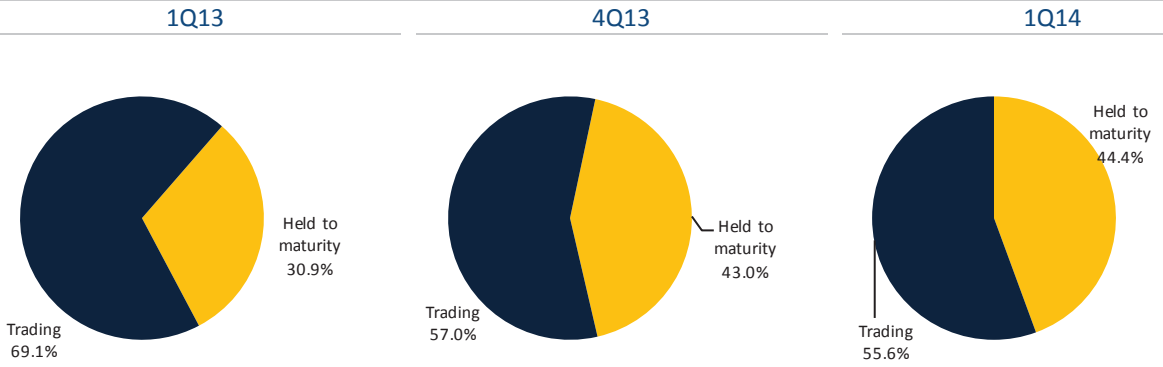
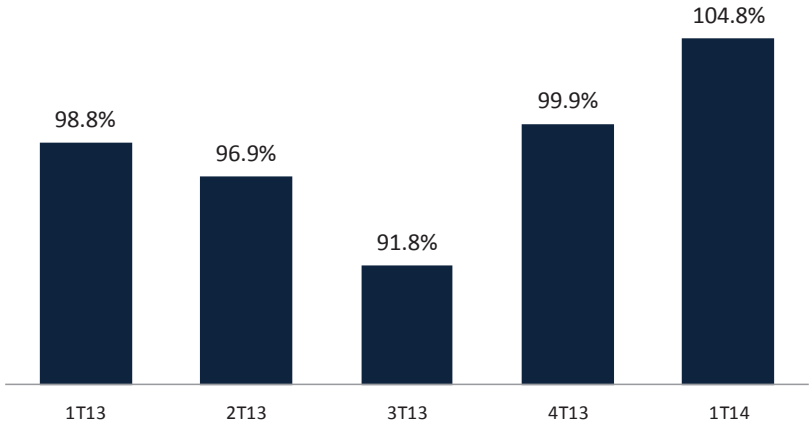


Figure 31 – Premium Bonds | Profitability (% CDI)



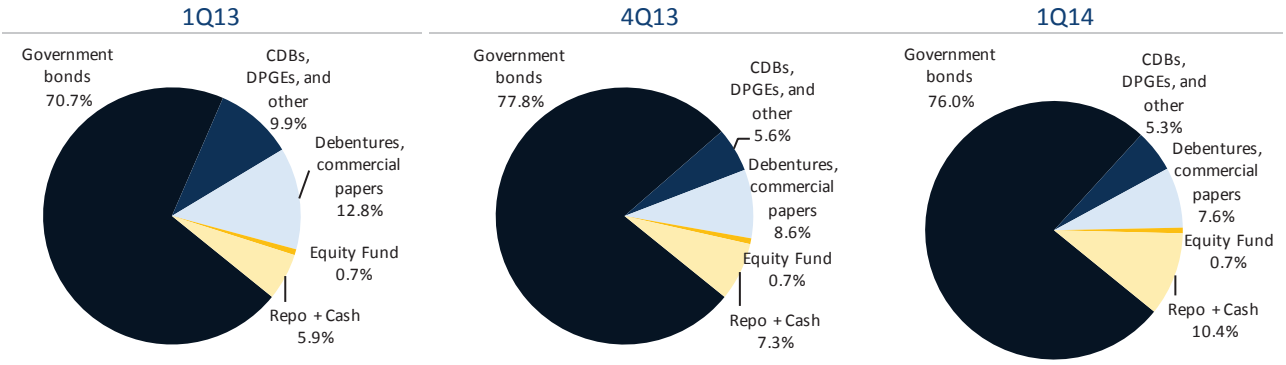
Performance of the financial investments. This volume is gross of the management fee.

BALANCE SHEET ANALYSIS

Table 57 – Premium Bonds | Balance Sheet

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Assets	**7,555,926**	**10,400,400**	**10,680,922**	**41.4**	**2.7**
Available	4,382	191	302	(93.1)	58.1
Financial assets	6,977,451	9,779,241	10,012,532	43.5	2.4
Securities and credits receivable	547,869	596,379	640,280	16.9	7.4
Prepaid expenses	7,904	2,570	8,839	11.8	243.9
Investments	1,287	1,272	1,267	(1.6)	(0.4)
Fixed assets	8,374	8,187	8,235	(1.7)	0.6
Intangible	8,659	8,625	7,383	(14.7)	(14.4)
Other assets	-	3,935	2,084	-	(47.0)
Liabilities	**7,354,605**	**10,125,342**	**10,409,876**	**41.5**	**2.8**
Accounts Payable	36,768	105,885	45,392	23.5	(57.1)
Premium bonds operations debits	2,330	2,385	2,707	16.2	13.5
Technical reserves - premium bonds	6,844,108	9,488,698	9,810,383	43.3	3.4
Other liabilities	471,399	528,374	551,394	17.0	4.4
Shareholders' Equity	**201,321**	**275,058**	**271,046**	**34.6**	**(1.5)**

Figure 32 – Premium Bonds | Investment portfolio breakdown



SOLVENCY

Table 58 – Premium Bonds | Solvency Ratios[1]

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Adjusted shareholders' equity (a)	**179,528**	**291,837**	**249,266**	**38.8**	**(14.6)**
Minimum Capital required (b)	**201,292**	**216,676**	**216,173**	**7.4**	**(0.2)**
Additional Capital for Underwritting Risk	44,072	48,969	48,996	11.2	0.1
Additional Capital for Credit Risk	163,302	165,564	164,588	0.8	(0.6)
Additional Capital for Operating Risk	12,065	21,953	22,385	85.5	2.0
Benefit of correlation between risks	(18,147)	(19,810)	(19,796)	9.1	(0.1)
Capital Adequacy (a) - (b)	**(21,764)**	**75,162**	**33,093**	-	(56.0)
Solvency ratio (a) / (b) - %	**89.2**	**134.7**	**115.3**	**26.1 p.p.**	**-19.4 p.p.**

[1] Information based on SUSEP GAAP

The concept for solvency is defined in the CNSP Resolution 302/13 and corresponds to the percentage of capital that exceeds the minimum established by that rule. In March 2014, Brasilcap reported a solvency ratio 15.3% above the minimum required.

MANAGERIAL INFORMATION

Table 59 – Premium Bonds | Managerial Information

	1Q13	4Q13	1Q14
Bonds outstanding (except incentive bonds) - thousand	4,693	5,894	6,062
Awarded bonds (except incentive bonds)	3,230	4,278	4,629
Amount of premiuns paid - R$ thousand	42,557	33,781	51,342
Market share - Collection - %	24.6	30.7	ND
Market share - Reserves - %	29.4	34.4	ND
Ranking - Collection	1º	1º	ND
Ranking - Reserves	1º	1º	ND

Source: SUSEP and company managerial information
Market data: Position of 4Q13 considers only October and November, last data base published by SUSEP.
SUSEP's March 2014 data not made available by the end of this report.

Reinsurance

10. IRB-BRASIL RE

SEGMENT OVERVIEW

The reinsurance sector in Brazil has grown substantially since the market became opened in April 2008. Currently, more than 100 reinsurers have operations in Brazil, of these, 14 are local (based in Brazil), 32 are admitted (headquartered abroad, with a representative office in Brazil) and 67 are eventual (headquartered abroad, without a representative office Brazil, but registered in Susep to operate). With the sanction of Complementary Law No. 126/2007, the state monopoly over reinsurance ceased to exist and a 40% market reserve for reinsurers based in Brazil became effective in March 2011.

In some cases, due to contract or regulation, reinsurance becomes mandatory, and according to SUSEP data, the main risks covered today are the P&C, financial, rural and transportation. The Brazilian reinsurance market turned approximately R$ 6.7 billion last year, and forecasts for 2014 are of an extremely competitive market with rates falling.

BB Seguridade operates in the reinsurance industry through the IRB-Brazil Reinsurance SA ("IRB"). Founded in 1939, the IRB used to have a monopoly over reinsurance in Brazil until 2007.

In 2013, BB Seguridade, through its subsidiary BB Seguros Participações acquired a stake in the IRB, entering the Brazilian reinsurance market. After that, IRB went through a process of privatization and capital increase. At the end of this process, BB Seguros became the holder of 20.51% of IRB's total economics, and became part of its control block, along with the Brazilian Federal Government, Bradesco Auto Re, Itaú Seguros, Itaú Vida e Previdência and Fundo de investimentos em Participações Caixa Barcelona.

This section presents the income statements, balance sheets and performance ratios of BB Seguridade's businesses in the reinsurance segment. It is noteworthy that, as in other segments presented in this report, the financial information is influenced by the investor company accounting entries attributed to the reinsurance segment, such as movement of goodwill. For this reason, the statements cannot be necessarily matched with those published by IRB.

Finally, the historical series prior to the investment in the IRB are presented exclusively to allow comparability. In this report, for the first quarter of 2014, it was considered the IRB income statements of January and February only.

EARNINGS ANALYSIS

Table 60 - IRB | Income Statement

	Quarterly Flow		
R$ thousand	**1Q13**	**4Q13**	**1Q14**
Premiums written	**600,305**	**735,520**	**258,503**
Changes in technical reserves - premiums	(589)	(36,044)	83,400
Earned premiuns	**599,716**	**699,476**	**341,903**
Claims incurred	(532,652)	(371,390)	(337,874)
Acquisition costs	(21,954)	(17,523)	(9,417)
Other operating income (expenses)	(7,853)	(69,087)	(54,107)
Administratives expenses	(55,666)	20,715	(42,687)
Tax expenses	(14,098)	(14,039)	(14,466)
Result with reinsurance	**18,663**	**(130,832)**	**109,593**
Net investment income	**26,811**	**104,220**	**44,995**
Financial income	78,291	206,588	604,672
Financial expenses	(51,480)	(102,367)	(559,677)
Equity income	8,680	(13,574)	14,010
Operating result	**21,649**	**207,966**	**51,950**
Gains or losses on non-current assets	2	8	-
Earnings before taxes and profit sharing	**21,650**	**207,974**	**51,950**
Taxes	(42,462)	(46,416)	(10,146)
Profit sharing	**-**	**(16,814)**	-
Net income	**(20,811)**	**144,744**	**41,804**
Extraordinary events	**-**	**133,804**	**-**
PIS/COFINS - Tax espenses	**-**	**121,384**	-
PIS/COFINS - Taxes	**-**	**(48,554)**	-
Interest PIS/COFINS - Financial Expenses	**-**	**101,623**	-
Interest PIS/COFINS - Taxes	**-**	**(40,649)**	-
Net income	**(20,811)**	**278,548**	**41,804**

In 1Q14 it was considered the income statements of January and February.

Table 61 – IRB | Performance ratios

	Quarterly Flow			Abs. Chg. (p.p.)	
%	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Performance ratios					
Loss ratio	88,8	53,1	98,8	10,0	45,7
Comisssion ratio	3,7	2,5	2,8	(0,9)	0,2
Technical margin	10,6	25,7	30,5	19,8	4,8
G&A ratio	12,9	8,9	32,5	19,6	23,6
Combined ratio	102,3	83,2	102,1	(0,2)	18,8
Expanded combined ratio	97,9	72,4	90,2	(7,7)	17,8
Net margin	(3,5)	20,7	12,2	15,7	(8,5)
ROAE	(3,3)	23,5	9,6	12,9	(13,9)

In 1Q14 it was considered the income statements of January and February.

BALANCE SHEET ANALYSIS

Table 62 – IRB | Balance Sheet

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Feb/14	On Mar/13	On Dec/13
Assets	**11,554,275**	**12,236,644**	**12,004,342**	**3.9**	**(1.9)**
Cash and cash equivalents	23,060	55,018	212,395	821.0	286.0
Securities	4,905,355	5,168,274	4,908,065	0.1	(5.0)
Receivables from insurance and reinsurance operations	2,542,941	2,251,692	2,012,659	(20.9)	(10.6)
Reinsurance and retrocession - technical reserves	3,060,377	3,410,252	3,512,745	14.8	3.0
Securities and credits receivable	719,798	952,269	1,029,401	43.0	8.1
Prepaid expenses	53	973	407	674.8	(58.2)
Investments	236,739	199,339	157,510	(33.5)	(21.0)
Property and equipment	33,032	32,109	31,139	(5.7)	(3.0)
intangible	32,920	166,718	140,021	325.3	(16.0)
Liabilities	**9,056,612**	**9,519,238**	**9,289,594**	**2.6**	**(2.4)**
Third party deposits	90,117	29,087	27,608	(69.4)	(5.1)
Technical reserves - Insurance	6,544,607	7,279,394	7,301,449	11.6	0.3
Accounts Payable	575,406	577,836	541,026	(6.0)	(6.4)
Obligations with insurance and reinsurance operations	1,500,635	1,229,859	1,036,375	(30.9)	(15.7)
Other liabilities	345,847	403,062	383,136	10.8	(4.9)
Shareholders' Equity	**2,497,663**	**2,717,406**	**2,714,749**	**8.7**	**(0.1)**

In 1Q14 it was considered the income statements of January and February.

Brokerage

11. BROKERAGE

SEGMENT OVERVIEW

The main role of the insurance broker (individual or entity) is to intermediate the insurance trade between insurance companies and their clients. The insurance intermediation in Brazil is not required by law, but the payment of brokerage is mandatory on all insurance contracts, regardless the involvement of a broker. In the case of no interference from a broker, the amount paid as commission brokerage shall be collected to the Insurance Educational Development Fund, administrated by the National Insurance School – Funenseg.

According to a socioeconomic study of the Insurance Brokerage Industry – ESECS-PJ ("Empresas Corretoras de Seguros") – published in August 2013 by the National Federation of Brokers for Private Insurance and Reinsurance, Premium Bonds and Pension Plans, of the Insurance and Reinsurance Brokerage Companies – Fenacor (Federação Nacional dos Corretores de Seguros Privados e de Resseguros, de Capitalização, de Previdência Privada, das Empresas Corretoras de Seguros e de Resseguros), there are in Brazil more than 80,000 brokers among individual professionals and entities.

In Brazil, there are basically three types of broker setups at bank branches: (i) own brokers (using branch employees); (ii) third-party brokers, with a broker desk inside the branch; and (iii) exclusive (third-party) outsourced brokers.

BB Seguridade distributes its products through its own broker, BB Corretora, which has an exclusivity contract with Banco do Brasil to explore the bancassurance channel.

The brokerage in the bancassurance channel is a low complexity business model, without underwriting risks and low capital needs. These factors are added to the capillary network and recognized brand of Banco do Brasil.

Since February 2013, the relationship between Banco do Brasil, BB Corretora and the other BB Seguridade affiliates has been regulated by new agreements that adjusted the brokerage paid by operating companies (SH1, SH2, Brasilprev and Brasilcap) and revoked the compensation that BB Corretora used to pay to Banco do Brasil for sharing its customer base.

In order to improve the comparison and assessment of future results of the company, the income statement was adjusted showing the effects of the revisions on these agreements over the results of the first quarter of 2013.

EARNINGS ANALISYS

Table 63 – Brokerage | Income Statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Brokerage revenues	**387,632**	**506,356**	**487,903**	**25.9**	**(3.6)**
Administrative expenses	(61,049)	(76,576)	(76,309)	25.0	(0.3)
Personal expenses	(2,490)	(2,144)	(1,973)	(20.8)	(8.0)
Other operating expenses	(39,876)	(39,012)	(37,928)	(4.9)	(2.8)
Operating result	**284,217**	**388,622**	**371,694**	**30.8**	**(4.4)**
Net investment income	**9,418**	**20,502**	**16,881**	**79.2**	**(17.7)**
Financial income	13,100	21,485	23,907	82.5	11.3
Financial expenses	(3,682)	(983)	(7,026)	90.8	614.9
Earnings before taxes	**293,634**	**409,125**	**388,575**	**32.3**	**(5.0)**
Taxes	(100,066)	(139,568)	(132,136)	32.0	(5.3)
Adjusted net income	**193,567**	**269,557**	**256,439**	**32.5**	**(4.9)**
Extraordinary events	**(18,238)**	**12,613**	**-**	**-**	**-**
Reversal of comissions paid to BB	-	-	-	-	-
Ajustment to the new brokerage fee	(29,923)	-	-	-	-
Tax expenses on the new brokerage fee	2,289	-	-	-	-
Taxes on extraordinary events	9,395	-	-	-	-
Refis - Operating Revenue	-	74,051	-	-	-
Refis - Financial Expenses	-	(67,852)	-	-	-
Refis - Taxes	-	6,415	-	-	-
Net income	**175,329**	**282,170**	**256,439**	**46.3**	**(9.1)**

ADJUSTED NET INCOME

BB Corretora's adjusted net income came at R$ 256.4 million in 1Q14, 32.5% up yoy, performance explained by the growth in both the brokerage revenues and the net investment income. As compared to 4Q13, the net income dropped by 4.9%, in line with seasonal behavior of the bancassurance channel, which shows higher concentration of sales in every second and fourth quarters.

BROKERAGE INCOME

In 1Q14, brokerage revenues reached R$ 487.9 million, 25.9% higher yoy. It's worth noting the performance of the premium bonds, and life, rural and mortgage life, which grew by 47.7% and 42.9%, respectively.

On a quarter-on-quarter basis, the brokerage income dropped by 3.6%, driven by the factors explained above.

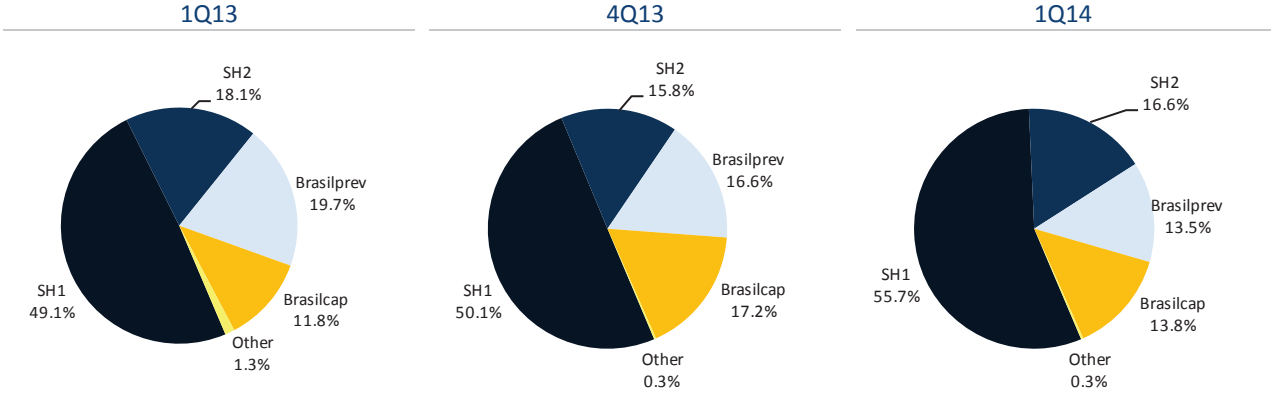
The following table shows the brokerage revenues by each BB Seguridade affiliate.

Table 64 – Brokerage | Brokerage income breakdown

	Quarterly Flow			Chg. %	
R$ thousand	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
SH1	190,136	253,674	271,643	42.9	7.1
SH2	70,177	80,084	81,220	15.7	1.4
Brasilprev	76,488	84,302	66,089	(13.6)	(21.6)
Brasilcap	45,706	86,981	67,488	47.7	(22.4)
Other	5,125	1,316	1,463	(71.5)	11.2
Total	**387,632**	**506,356**	**487,903**	**25.9**	**(3.6)**

The life, mortgage life and rural segments accounted for 55.7% of 1Q14 brokerage revenues, and remained as the primary source of revenue for BB Corretora. The highlight of the quarter was the premium bonds segment which presented the highest increase in its share of brokerage revenues compared to 1Q13.

Figure 33 – Brokerage | Brokerage income breakdown



GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to R$ 116.2 million in 1Q14, 12.4% higher yoy and 1.3% down qoq.

Administrative expenses grew 25.0% yoy due to higher variable expenses related to the reimbursement of costs to Banco do Brasil, following the growth in brokerage revenues.

Other operating expenses dropped by 4.9% yoy, driven mainly by lower expenses with refund of commissions related to pension plans cancelled. As compared to 4Q13, other operating expenses dropped 2.8% driven mainly by lower tax expenses over revenues, in line with seasonal smaller sales volume.

NET INVESTMENT INCOME

The net investment income reached R$ 16.9 million in 1Q14, an increase of 79.2% yoy. The financial income grew 82.5% in the period, as a result of the increase in the average balance of financial investments and a higher average SELIC rate.

Compared to 4Q13, the financial expenses grew faster than revenues, due to the interest accrual on dividends payable, which amounted to R$ 7.0 million, and contributed to the 17.7% drop in the net investment income.

PERFORMANCE RATIOS

The performance ratios of BB Corretora improved in 1Q14 as compared to the same period of the previous year. In this quarter, the operating margin of BB Corretora reached 76.2%, 2.9 p.p. up yoy. The net margin showed a similar trend, reaching 52.6%, an increase of 2.6 p.p. yoy. As compared to 4Q13, the company reported a reduction in both, operating and net margins, by 0.6 p.p. and 0.7 p.p., respectively.

Table 65 – Brokerage| Performance ratios

	Quarterly Flow			Abs. Chg. (p.p.)	
%	1Q13	4Q13	1Q14	On 1Q13	On 4Q13
Adjusted ratios					
Operating margin	73.3	76.7	76.2	2.9	(0.6)
Net margin	49.9	53.2	52.6	2.6	(0.7)

BALANCE SHEET ANALYSIS

Table 66 – Brokerage | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/13	Dec/13	Mar/14	On Mar/13	On Dec/13
Assets	**1,042,277**	**1,745,887**	**1,517,447**	**45.6**	**(13.1)**
Cash and cash equivalents	543,095	1,020,061	792,603	45.9	(22.3)
Securities	373	3,048	3,121	736.7	2.4
Tax assets	20,166	76,618	88,248	337.6	15.2
Receivables	297,185	509,216	493,542	66.1	(3.1)
Other assets	181,458	136,944	139,933	(22.9)	2.2
Liabilities	**833,539**	**1,712,487**	**1,227,603**	**47.3**	**(28.3)**
Dividends payable	-	499,986	-	-	-
Provision	7,215	7,884	10,192	41.3	29.3
Tax liabilities	144,009	147,232	145,743	1.2	(1.0)
Unearned commissions	627,402	1,022,104	1,039,289	65.6	1.7
Other liabilities	54,913	35,281	32,379	(41.0)	(8.2)
Shareholders' Equity	**208,738**	**33,400**	**289,844**	**38.9**	**767.8**

ASSETS

Total assets amounted to R$ 1.5 billion at the end of March, 2014, 45.6% up in 12 months, supported by the lines "Cash and cash equivalents" and "Receivables". By the end of March, the balance of receivables totaled R$ 493.5 million, 66.1% up yoy, and 3.1% down qoq.

As compared to December, 2013, the assets balance decreased by 13.1%, mainly due to the changes in "Cash and cash equivalents", driven by the payment of dividends in this quarter.

LIABILITIES

In March, 2014, the liabilities reached R$ 1.2 billion, 47.3% higher yoy, driven by the increase of 65.6% in unearned commissions. This balance is originated by the deferral of part of brokerage revenues, mainly in auto, rural, life and part of the credit life portfolio.

As compared to December, there was a reduction of 28.3% in the quarter, driven by the dividends distribution occurred in February.

Definitions

12. DEFINITIONS

COMMON RATIOS

Adjusted ROAE = Adjusted net income / Average Equity;

Adjusted ROE = Adjusted net income / Previous period Equity;

Adjusted ROAA = Adjusted net income / Average Assets;

Adjusted ROA = Adjusted net income / Previous period Assets;

Note: All above ratios are annualized.

INSURANCE

Loss Ratio = Claims incurred / Earned Premiums;

Commission Ratio = Acquisition costs / Earned Premiums;

Technical Margin = (Earned Premiums + Policies issuance revenue + Claims incurred + Acquisition costs + Result with reinsurance) / Earned Premiums;

G&A Ratio = (Administrative expenses + Tax expenses + Other operating income (expenses)) / Earned Premiums;

Combined Ratio = (Policies issuance revenue + Claims incurred + Acquisition costs + Result with reinsurance + Administrative expenses + Tax expenses + Other operating income (expenses)) / Earned Premiums;

Expanded combined ratio = (Policies issuance revenue + Claims incurred + Acquisition costs + Result with reinsurance + Administrative expenses + Tax expenses + Other operating income (expenses)) / (Earned Premiums + Net investment income).

MANAGERIAL

Earned Premiums = Premiums written – Premiums ceded in raw reinsurance – Changes in technical reserves – Changes in expenses with Reinsurance Provisions + Policies issuance revenue;

Retained claims = Claims incurred – Indemnity Claims (Recovery) – Claims expenses (Recovery) – Changes in claims provision IBNR – Salvages assets – Changes in claim provision IBNER PSL – Change of expenses related of IBNR;

Commission = Acquisition costs – Commission return;

G&A expenses = Administrative expenses + Tax expenses + Other operating income (expenses);

PENSION PLANS

Commission Ratio = Acquisition cost / Income and Premiums Contributions

PREMIUM BONDS

Lottery Ratio = Lottery Results / Net revenue with premium bonds;

Commission Ratio = Acquisition costs / Net revenue with premium bonds;

G&A Ratio = (Administrative expenses + Tax expenses + Other operating income (expenses)) / Net revenue with premium bonds;

Premium Bond Margin = Result with premium bonds / Net revenue with premium bonds;

Net Margin = Adjusted Net Income / Net revenue with premium bonds.

REINSURANCE

Claim Ratio = Claims incurred / Earned Premiums;

Commission Ratio = Acquisition costs / Earned Premiums;

Technical Margin = (Claims incurred + Acquisition costs + Result with reinsurance) / Earned Premiums;

G&A Ratio = (Administrative expenses + Tax expenses + Other operating income (expenses)) / Earned Premiums;

Combined Ratio = (Claims incurred + Acquisition costs + Result with reinsurance + Administrative expenses + Tax expenses + Other operating income (expenses)) / Earned Premiums;

Expanded combined ratio = (Claims incurred + Acquisition costs + Result with reinsurance + Administrative expenses + Tax expenses + Other operating income (expenses)) / (Earned Premiums + Net investment income).

BROKERAGE

Adjusted Operational Margin = Operational Results / Brokerage Revenues;

Adjusted Net Margin = Adjusted Net Income / Brokerage Revenues.

CEO

Marcelo Augusto Dutra Labuto

CFO

Werner Romera Suffert

Controller

Pedro Bramont

IR Managers

Daniel Henrique de Sousa Diniz

Rafael Augusto Sperendio

IR Analysts

Eliezer Moises Sherique

Felipe Monteiro Peres

Lucas Leão da Silva

Lucas Leonardo Domingos Teixeira

Marcelo Oliveira Alexandre

Sérgio Adriano da Silva

Simone de Paiva Caltabiano

Suzi Hayashi

Washington Martins Muniz

BB Seguridade Participações S.A.

Financial Statements
1st quarter/2014



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ITR – Management comments on performance

Dear Shareholders,

BB Seguridade recorded a net income of R$648.7 million in the quarter, which corresponds to an annualized return on average equity of 46.7% and basic earnings per share of R$0.32. On 03.31.2014, the Company's shares reached a price of R$25.11, and the market capitalization reached R$50.2 billion. In the quarter, its shares rose 5.0%, while the Índice Bovespa (the main index of the Brazilian stock market) decreased by 2.1%, both adjusted for the dividends distribution.

On 01.06.2014, the BBSE3 were included in the Índice Bovespa, accounting for 1.559% of the theoretical portfolio. On 03.31.2014, BB Seguridade launched its Level I ADR program in the U.S. market. The depositary receipts are traded under the ticker BBSEY.

BB Seguridade at a glance

BB Seguridade operates in the Insurance market through its affiliates BB Mapfre SH1 (life insurance, mortgage life and rural), Mapfre BB SH2 (P&C), IRB Brasil RE (reinsurance), Brasilprev (private pension plans) and Brasilcap (premium bonds).

The Company also operates in the distribution of Insurance products through BB Corretora de Seguros, which has an exclusivity agreement with Banco do Brasil to explore the bancassurance channel, the most important distribution channel for the products of BB Seguridade's affiliates.

In its corporate structure, BB Seguridade also has two wholly owned subsidiaries: BB Seguros Participações and BB Cor Participações. BB Seguros centralizes the investments in affiliates companies of insurance, reinsurance, pension plan and premium bond. BB Cor holds the total capital of BB Corretora.

Earnings

In the first quarter of 2014, the revenues from affiliated companies reached R$397.5 million, 35.5% higher yoy. The revenues provided by each affiliated are highlighted in the table below:

	Quarterly Flow			Chg. %	
R$ mil	**1Q13**	**4Q13**	**1Q14**	**On 1Q13**	**On 4Q13**
Equity income	**293,386**	**622,743**	**397,487**	**35.5**	**(36.2)**
Insurance life, mortgage life and rural	133,137	294,412	172,536	29.6	(41.4)
Insurance auto and property & casualty	12,293	122,913	43,107	250.7	(64.9)
Pension plans	95,737	124,898	131,345	37.2	5.2
Premium Bonds	52,219	34,547	41,925	(19.7)	21.4
Reinsurance	-	45,973	8,574	-	(81.3)

BB Corretora de Seguros provided R$487.9 million in brokerage revenues, 25.9% higher yoy.

Boosted by investment revenues and brokerage fees, the BB Seguridade's earnings reached R$648.7 million, 37.5% on yoy.

New Businesses

In 2013, was signed an agreement between BB Seguros, BB Corretora, Banco do Brasil and Odontoprev, aiming to create a new Company called Brasildental Operadora de Planos Odontológicos S.A. The new company will operate in the dental care segment, with BB Seguros holding 74.99% of its total share capital and 49.99% of voting capital. Brasildental was formed on 03.12.2014 and is waiting obtaining registration with the Conselho Regional de Odontologia (CRO) and authorization to operate in the private dental care plan market by the Agência Nacional de Saúde Complementar (ANS).

For further information about BB Seguridade, please refer to:

www.bancodobrasilseguridade.com.br

BB SEGURIDADE PARTICIPAÇÕES S.A.

STATEMENTS OF INCOME

Reais thousand (except earnings per share)

	Note	Parent		Consolidated	
		1st Quarter 2014	1st Quarter 2013	1st Quarter 2014	1st Quarter 2013
Operating income		**654.345**	**471.827**	**885.390**	**651.095**
Commissions income	[23]	--	**--**	487.903	357.709
Equity income	[10]	654.345	471.827	397.487	293.386
Other operating income/expenses		**(5.622)**	**208**	**(103.660)**	**(86.667)**
Interest earnings of financial instruments	[19]	5.328	208	37.008	25.721
Personnel expenses	[20]	(5.946)	**--**	(8.363)	(3.864)
Administrative expenses	[21]	(2.017)	**--**	(78.633)	(61.637)
Other income/(expenses)	[22]	(2.987)	**--**	(53.672)	(46.887)
Income Before Taxes and Equities		**648.723**	**472.035**	**781.730**	**564.428**
Income Tax and Social Contribution	[12]	**--**	**(65)**	**(133.007)**	**(92.458)**
Net income for the period		**648.723**	**471.970**	**648.723**	**471.970**
Number of shares		2.000.000.000	2.000.000.000	2.000.000.000	2.000.000.000
Earnings per share (R$)		0,32436	0,23599	0,32436	0,23599

Statement of Comprehensive Income

	Note	Parent		Consolidated	
		1st Quarter 2014	1st Quarter 2013	1st Quarter 2014	1st Quarter 2013
Net income for the period		**648.723**	**471.970**	**648.723**	**471.970**
Comprehensive income in the period		(2.125)	4.440	(2.125)	4.440
Taxes in comprehensive income		850	(1.776)	850	(1.776)
Comprehensive income for the period net of tax		**647.448**	**474.634**	**647.448**	**474.634**

See the accompanying notes to the financial statements.

BB SEGURIDADE PARTICIPAÇÕES S.A.

BALANCE SHEET

Reais thousand

	Note	Parent		Consolidated	
		Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Assets					
Current Assets					
Cash and cash equivalents	[8]	92.474	186.615	1.153.774	1.785.284
Financial assets at fair value through profit or loss	[9]	--	--	3.035	2.966
Financial assets available for sale	[9]	--	--	86	80
Dividends receivable	[11]	--	1.077.382	2.054	35.356
Current tax assets	[12]	6.734	1.439	104.422	88.120
Other assets	[13]	217	--	633.778	646.245
Non-Current Assets					
Investments in associated	[10]	6.677.099	6.024.029	6.378.685	6.221.050
Deferred tax assets	[12]	--	--	7.159	6.377
Total Assets		**6.776.524**	**7.289.465**	**8.282.993**	**8.785.478**

	Note	Parent		Consolidated	
		Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Liabilities					
Current Liabilities					
Dividends payable	[14]	--	344.719	--	344.719
Contingent liabilities	[15]	--	--	11.234	8.637
Current tax liabilities	[12]	--	--	146.268	152.910
Unearned commissions	[16]	--	--	518.934	526.085
Other liabilities	[17]	4.239	3.473	39.493	42.009
Non-Current Liabilities					
Deferred tax liabilities	[12]	--	--	274.326	273.977
Unearned commissions	[16]	--	--	520.453	495.868
Total Liabilities		**4.239**	**348.192**	**1.510.708**	**1.844.205**
Equity	[18]				
Capital		5.646.768	5.646.768	5.646.768	5.646.768
Income reserves		494.750	1.311.186	494.750	1.311.186
Other accumulated comprehensive income		(17.956)	(16.681)	(17.956)	(16.681)
Retained earnings		648.723	--	648.723	--
Total Equity		**6.772.285**	**6.941.273**	**6.772.285**	**6.941.273**
Total Liabilities and Equity		**6.776.524**	**7.289.465**	**8.282.993**	**8.785.478**

See the accompanying notes to the financial statements.

BB SEGURIDADE PARTICIPAÇÕES S.A.

STATEMENTS OF CASH FLOWS

Reais thousand

	Parent		Consolidated	
	1st Quarter 2014	1st Quarter 2013	1st Quarter 2014	1st Quarter 2013
Cash From Operations				
Earnings before income taxes	**648.723**	**472.035**	**781.730**	**564.428**
Adjustments to income (loss) before income taxes				
Equity in the earnings of subsidiaries and associates	(654.345)	(471.827)	(397.487)	(293.386)
Other revenues/(expenses)	2.987	--	24.673	--
Income adjusted before income taxes	**(2.635)**	**208**	**408.916**	**271.042**
Changes in assets and liabilities				
Net change in financial assets at fair value through profit	--	--	(69)	7
Net change in available for sale financial assets	--	--	(6)	16
Income and social contribution taxes paid	(655)	--	(655)	(53.059)
Net change in current taxes	(5.295)	(11)	(22.941)	--
Net change in deferred taxes	--	--	(433)	
Net change in contingent liabilities	--	--	2.597	--
Net change in other assets and liabilities	3.990	--	(112.146)	(291.492)
Net cash from operating activities	**(4.595)**	**197**	**275.263**	**(73.486)**
Cash from investment activities				
Dividends received	1.089.100	--	271.873	114.628
Net cash from investiment activities	**1.089.100**	**--**	**271.873**	**114.628**
Cash from financing activities				
Capital subscription/increase	--	13.500	--	13.500
Dividends paid	(1.178.646)	--	(1.178.646)	--
Net cash from financing activities	**(1.178.646)**	**13.500**	**(1.178.646)**	**13.500**
Net change in cash and cash equivalents	**(94.141)**	**13.697**	**(631.510)**	**54.642**
Opening balance	186.615	1.500	1.785.284	1.327.931
Closing balance	92.474	15.197	1.153.774	1.382.573
Increase (decrease) in cash and cash equivalents	**(94.141)**	**13.697**	**(631.510)**	**54.642**

See the accompanying notes to the financial statements.

BB SEGURIDADE PARTICIPAÇÕES S.A.

STATEMENTS OF CHANGES IN EQUITY

Reais thousand

EVENTS	Note	Capital	Income Reserves			Retained earnings/ accumulated losses	Accumulated other Comprehensive Income	Total
			Legal Reserve	Estatutory Reserve	Proposed Additional Dividend			
Balances at Dec 31, 2012		**5.633.268**	**--**	**--**	**--**	**--**	**5.106**	**5.638.374**
Paid-up capital	[18.a]	13.500	--	--	--	--	--	13.500
Accumulated other comprehensive income		**--**	**--**	**--**	**--**	**--**	**(2.442)**	**(2.442)**
Net income for the period	**[18.d]**	**--**	**--**	**--**	**--**	**471.970**	**--**	**471.970**
Balances at Mar 31, 2013		**5.646.768**	**--**	**--**	**--**	**471.970**	**2.664**	**6.121.402**
Changes in the Period		**13.500**	**--**	**--**	**--**	**471.970**	**(2.442)**	**483.028**
Balances at Dec 31, 2013		**5.646.768**	**123.688**	**371.062**	**816.436**	**--**	**(16.681)**	**6.941.273**
Dividends	[18.c]	--	--	--	(816.436)	--	--	(816.436)
Accumulated other comprehensive income		**--**	**--**	**--**	**--**	**--**	**(1.275)**	**(1.275)**
Net income for the period	**[18.d]**	**--**	**--**	**--**	**--**	**648.723**	**--**	648.723
Balances at Mar 31, 2014		**5.646.768**	**123.688**	**371.062**	**--**	**648.723**	**(17.956)**	**6.772.285**
Changes in the Period		**--**	**--**	**--**	**(816.436)**	**648.723**	**(1.275)**	**(168.988)**

See the accompanying notes to the financial statements.

BB SEGURIDADE PARTICIPAÇÕES S.A.

STATEMENT OF VALUE ADDED

Reais thousand

	Parent		Consolidated	
	1st Quarter 2014	1st Quarter 2013	1st Quarter 2014	1st Quarter 2013
Income	--	--	**487.903**	**357.709**
Commissions income	--	--	487.903	357.709
Input Acquired From Third Parties	**(5.004)**	--	**(132.305)**	**(108.524)**
Administrative expenses	(2.017)	--	(78.633)	(61.637)
Other expenses	(2.987)	--	(53.672)	(46.887)
Gross Added Value	**(5.004)**	--	**355.598**	**249.185**
Net Added Value Generated By The Entity	**(5.004)**	--	**355.598**	**249.185**
Added Value Received Through Transfer	**659.673**	**472.035**	**434.495**	**319.107**
Equity in the earnings of associates	654.345	471.827	397.487	293.386
Financial income	5.328	208	37.008	25.721
Total Added Value to Distribute	**654.669**	**472.035**	**790.093**	**568.292**
Distribution of Added Value	**654.669**	**472.035**	**790.093**	**568.292**
Personnel	5.946	--	8.363	3.864
Taxes, fees and contributions	--	65	133.007	92.458
Retained earnings	648.723	471.970	648.723	471.970

See the accompanying notes to the financial statements.

1 – OPERATIONS

BB Seguridade Participações S.A. ("BB Seguridade" or "Group") was incorporated as a 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, health insurance companies, reinsurance companies, as well as other companies whose corporate purpose is brokerage and facilitation of business involving personal, health, 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 Cor Participações S.A. (BB Cor) and BB Seguros Participações S.A. (BB Seguros), 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 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 BB Seguros participation 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**	**100.000**	**2,290,080**

Additionally, on December 19, 2011, MAPFRE Brasil Participações, BB Seguros and Brasilprev 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.

On November 30, 2013, Brasilprev incorporated Brasilprev Nosso Futuro Seguros e Previdência S.A. (Brasilprev Nosso Futuro), current corporate name of MNCVP, getting all its net assets in the amount of R$ 23,020 thousand. The Brasilprev capital was not increased due to the incorporation because the amount of the net assets of the incorporated company was already represented in its equity, since Brasilprev Nosso Futuro was a wholly-owned subsidiary of Brasilprev.

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 Saúde 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 Suplementar (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 gross profit	**7,037**

CORPORATE RESTRUCTURING - BRASILVEÍCULOS

In October 2010, after the approval of Brazil's Private Insurance Supervisory Office (Susep), BB Aliança REV Participações S.A. (BB Aliança REV), a wholly-owned subsidiary of BB Seguros, acquired, by the amount of R$ 359,360 thousand, the entire participation held by Sul América Companhia Nacional de Seguros (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, 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 a 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**

The acquisition resulted in goodwill as shown below:

	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 Participações S.A.	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
Goodwill 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 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	100.00	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 recognized 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)	(269,123)
Effects through equity method investments, net of taxes	62,301	(135,678)	(73,377)
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 cash equivalents	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%	50.00%	--
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. From Jan 01, 2014 to Mar 31, 2014, the amounts amortized totaled R$ 4,438 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 SEGURIDADE PARTICIPAÇÕES S.A. AND BB COR 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, property and rural 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 BB Capitalização S.A. (formerly 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&FBovespa S.A. - Bolsa de Valores, Mercadorias e Futuros, called New Market.

As of December 2012, BB Cor now holds 100% participation in the capital of 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 S.A., 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

On December 20, 2012, Banco do Brasil S.A. 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.

On February 20, 2013, by Extraordinary General Meeting, Banco do Brasil S.A. decided by the Initial Public Offering (IPO) of BB Seguridade. The minutes of the General Meeting was filed in 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 on April 26, 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, concluded between the Company, the Shareholder Seller and International Placement Agents.

Final data about the IPO, closed as of May 17, 2013, considering the exercise of additional stock batches, 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, agents 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 RESSEGUROS DO BRASIL (IRB)

On May 24, 2013, BB Seguros Participações S.A. and the Federal Government signed an agreement (Contrato de Transferência de Ações) aiming to transfer 212,421 common shares issued by IRB–Brasil Resseguros S.A. (IRB) held by the Federal Government to BB Seguros.

Moreover, on the same date, 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 Shareholders' 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, with the issuance of new shares, and the commitment of the Federal Government not to exercise its preference rights.

On August 20, 2013, an Extraordinary Shareholders Meeting occurred for approval of the capital increase of the IRB, which was a condition for payment, by BB Seguros, the acquisition of common shares.

On August 27, 2013, BB Seguros holds 20.5% of the capital of IRB through the transfer of shares and the payment made to the Union as follows:

FAIR VALUE OF ASSETS AND LIABILITIES OF THE IRB - BRASIL RESSEGUROS S.A.

	R$ thousand
	Sep 30, 2013
Cash and bank deposits	15,541
Financial assets	5,465,934
Property and equipment	168,898
Identifiable intangible assets	127,236
Current tax assets	27,742
Deferred tax assets	236,626
Insurance and reinsurance operations	2,515,534
Other assets	4,362,013
Fair value of assets	**12,919,524**
Provision for labor, tax and civil claims	278,239
Liabilities for insurance contracts and pension plan	7,523,585
Current tax liabilities	73,011
Deferred tax liabilities	54,657
Insurance and reinsurance debts	1,568,776
Other liabilities	716,068
Fair value of liabilities	**10,214,336**
Fair value of net assets	**2,705,188**
BB Seguros participation - %	20.51%
BB Seguros participation	554,853
Acquisiton share price (20,51%)	(547,409)
Acquisition purchase gain	**(7,444)**

IDENTIFIED INTANGIBLE ASSETS IN THE TRANSACTION

	R$ thousand
	Sep 30, 2013
Related to customer portfolios	119,030
Brands	8,206
Total	**127,236**

The identified intangible assets are being amortized in accordance with the terms contained in the study of PPA, which were defined based on study of paid price allocation prepared by a specialized and independent company. In the first quarter, the amortized amounts totaled R$ 1,281 thousand.

The transaction was approved by Conselho Administrativo de Defesa Econômica (CADE) on April 16, 2013 and by Superintendência de Seguros Privados (SUSEP) on September 16, 2013.

Regarding the nature of the transaction and the contractual conditions, the accounting standards were analyzed by the group to establish which standard was more appropriate for this transaction. In this sense, the acquisition of the shares from IRB is qualified by an associate investment, due to the significant influence of BB Seguros in IRB.

BRASILDENTAL

On June 11, 2013, Banco do Brasil S.A., BB Seguros Participações S.A. (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 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 was created on March 12, 2014, with an R$ 5 million initial capital, distributed in 100,000 common shares (ON) and 100,000 preferred shares (PN) with the following shareholding structure:

	Brasildental Operadora de Planos Odontológicos S.A.		
	% of Total Capital	% Common stock	% Preferred stock
BB Seguros	74.99	49.99	100.00
Odontoprev	25.01	50.01	--

On Brasildental's constitution day It was payed R$ 1 thousand of its initial capital and subscribed R$ 4,999 thousand, which will be paid no more than 120 days from March 12, 2014. The BB Seguros and the Odontoprev will respond for Brasildental's initial capital payment accordingly to their respective ownership stake.

The Agreement was approved by Conselho Administrativo de Defesa Econômica (CADE) on August 02, 2013 and on September 19, 2013, Banco Central do Brasil (BACEN) authorized the indirect participation of Banco do Brasil S.A. in the capital of Brasildental.

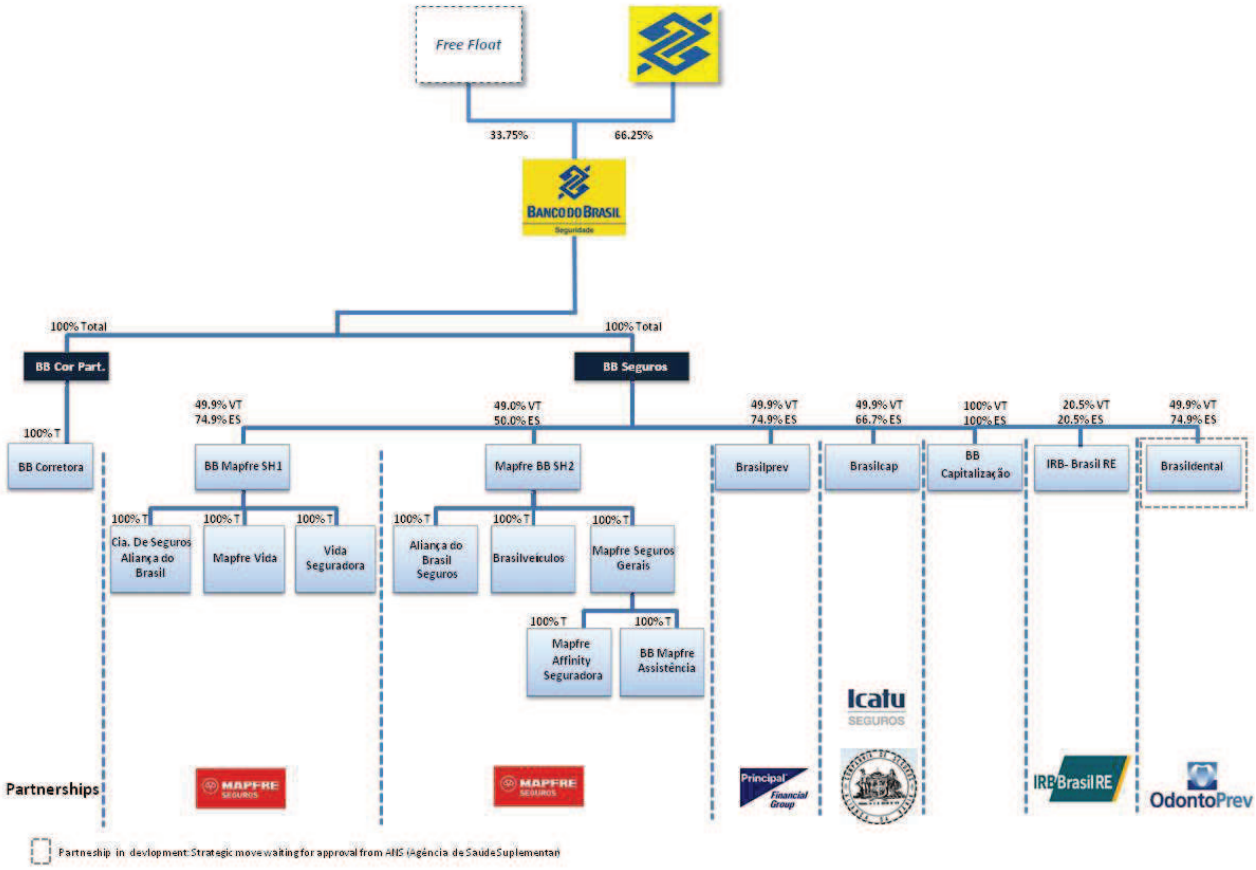
The next stages to be completed are:

a) the register of the company in the Conselho Regional de Odontologia (CRO); and

b) the approval by Agência Nacional de Saúde Suplementar (ANS) to Brasildental operate and offer their products in the Brazilian market of dental plans.

The Agreement will remain effective for 20 years, renewable for equal periods.

SHAREHOLDING CONFIGURATION ON MARCH 31, 2014:



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 presented in compliance with accounting practices adopted in Brazil, including pronouncements issued by the 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 May 05th, 2014.

b) Continuity

Management evaluated that the Group has the resources to continue their business in the future. The Management 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 individual and 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 financial statements are presented in Brazilian Reais (R$), the functional and presentation currency of the BB Seguridade. Except as otherwise indicated, the quantitative financial informations are presented in thousands of Reais (R$ 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 and the controlled entities, as follows:

Company	Activity	Country of constitution	% Share	
			Mar 31, 2014	Dec 31, 2013
BB Seguros Participações S.A.	Holding	Brazil	100%	100%
BB Cor Participações S.A.	Holding	Brazil	100%	100%
BB Corretora de Seguros e Administradora de Bens S.A.	Brokerage	Brazil	100%	100%
BB Capitalização S.A.(1)	Capitalization Plans	Brazil	100%	100%

(1) Formerly 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 equity method investments are eliminated against the investment to the extent of the BB Seguridade equity interest in the investee.

f) Changes in Accounting Policies

The accounting policies and methods used in preparing these consolidated financial statements are equivalent to those applied to the consolidated financial statements for the year ended Dec 31, 2013.

g) Seasonality of Operations

BB Seguridade and its subsidiaries consider the nature of your transactions as non-seasonal and non-cyclical, taking into account the activities carried out by the Group. Consequently, no specific disclosures are provided in these notes for the first quarter of 2014.

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 towards 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 disposal.

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,it 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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 to 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, it 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's Management uses its judgment to estimate the amount of any impairment loss. The use of reasonable estimates is an essential part of the preparation of 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, it 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, it 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. These assets are presented net of impairment losses. 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 counter entry to net income for the period.

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 operational 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 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 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 IFRS 11, 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 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, it 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, it is estimated the recoverable amount of the asset. The recoverable amount of the asset 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, it 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 reduction account of impairment losses, whose counter-entry is recognized in income for the period in which is occurs, under Other expenses.

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 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 to the recognition of the investor's share in the investee's assets changes. Furthermore, the share which comprises 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 derived from IAS 37 application 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.

Tax obligations subject to legal discussions on the constitutionality of laws that established them, up to the effective extinguishment of corresponding tax credits are recognized as liabilities. In these situations, it 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 record of judicial deposits.

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 used.

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 basis 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 basis will be equal to its book value.

The tax basis 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 basis 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 financial and economic performance. The information of the segments and sub-segments of the Group BB Seguridade are described in note 7.

q) Deferred costs

They 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 issue 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.

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

At the contract date, the retirement benefit contracts guarantee the calculation basis for the benefits that will be received after the contribution period. These contracts are classified as insurance contracts because they specify annuity rates, which means that the insurance risk is transferred to the issuer.

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) and by Superintendência de Seguros Privados – SUSEP (Brazilian Superintendence of Private Insurance) for insurance, pension plans, capitalization and reinsurance. Amounts are determined based on methods and hypotheses defined by the actuary and validated by Management, the best estimate, on calculation basis 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. It includes IBNeR (provision for incurred but not sufficiently reported claims), when needed, as a complement to PSL (provision for unsettled claims), and considers adjustments for aggregated deployment of reported but not yet paid claims, whose values can be changed throughout process until their final settlement.

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 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.6) Provision for unearned premiums of current risks but not issued (PPNG-RVNE) – represents the adjustment of PPNG given the existence of risks in force but not operationally issued. It is calculated based on historical experience and methodology provided for in actuarial technical note, involving the construction of triangles that consider the interval between the date of effectiveness of the risk and date of issuance of policies and endorsements.

r.7) Other provisions – mainly include provisions for related expenses of additional investment returns, of technical surplus and of benefits to be regularized and were made accordance with the provisions of Circular SUSEP 462/13.

Semiannually is made the liability adequacy test for all contracts that meet the definition of an insurance contract and that are in force on the date of execution. This test is designed considering the net book value of liabilities for insurance contracts, net of deferred acquisition costs and related intangible assets.

If the analysis shows that the carrying amount of insurance liabilities is less than the expected future cash flows of the contracts, record the failure as an expense in the income statement and provide the supplementary provision coverage (PCC) at the reporting date (Circular SUSEP 457/12).

s) Capitalization

s.1) Mathematical provision for capitalization: is calculated on the nominal value of the securities, restated according to the index and the interest rate defined in the plan.

s.2) Provision for redemptions: recognized by securities with maturities of finalized and rescinded capitalization, restated for the period between the date of the right of redemption and effective settlement.

s.3) Provision for raffles and raffles payable: are formed to meet premiums in future drawings (unrealized) and also prizes in sweepstakes where customers have already been covered (to pay).

t) 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 of minimum 25% on adjusted net income, which are recognized as liabilities and deducted from net equity upon approval by the Board of Directors.

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 March 31, 2014:

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 measurement of financial assets and liabilities; (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 was 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 creates 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.

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.

Not were identified potential impacts on the Group's financial statements.

5 – MAIN JUDGMENTS AND ACCOUNTING ESTIMATES

The preparation of the financial statements in accordance with CPCs and 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 had been chosen. Management considers that the choices made are appropriate and that the 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 an evaluation 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, it 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, estimates are used 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 objective of the Group is to obtain profits, the income generated is subject to income tax payment in the various jurisdictions where it 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 possible 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, aligned 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

Provisions 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.

The contingent liabilities classified as probable loss are not recognized in the financial statements, only being disclosed in its notes, while the one classified as remote do not require any sort of provision or disclosure.

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 organs that manage their risks in the same way that 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 text describes the main risks of BB Seguridade and how they are managed, as well as risk management, sensitivity analysis and assessments of other risks in the context of subsidiaries and affiliates.

Underwriting Risk

It is the risk arising from an adverse economic situation which is as much contrary to the Company's expectations in the preparation of their underwriting policy as 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 their insured's in scenarios that have commercial substance, classified by the comparison between scenarios in which the event occurs, affecting insured´s adversely, and scenarios where the event does not occur. By the very nature of an insurance contract, its risk is somewhat accidental and therefore subject to fluctuations.

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

To reduce these risks, risk´s diversity strategies and reinsurance programs are used with reinsurers with high quality credit risk rating, so that the adverse outcome of atypical and major events is minimized. Nevertheless, part of the credit and underwriting risks which insurance companies are exposed is minimized due to the fact that the minority of accepted risks represents large insured amounts.

Market Risk

It is the possibility of financial or economic losses occurring as a result of fluctuations in the market values of positions held by the Company. It also consider the risks of transactions subject to foreign exchange, of interest rate (that encompasses the fluctuations risks in the pre-fixed interest rates, foreign currency coupons, price index 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, nonpayment of premiums or its installments by the insureds;

(ii) the possibility of some private securities issuer not makes the expected payment on the maturity date;

(iii) the incapacity or nonviability by recouping commissions paid to brokers when policies are canceled and;

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

For the risk qualification, 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 is 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 determined cession rules, consolidated exposure limits for each business, cession limits by rating and credit limits per reinsurer, within the regulatory limits. Finally, the conclusion of any reinsurance contract 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, reputation´s loss and poorly formalized operations.

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

Operational 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 insurers, private pension plan´s companies and capitalization, the operational risk management is carried out with focus on the control, monitoring, and reducing internal and external threats, strategic objectives and operations. In this way, societies keep updated control activities to prevent unacceptable risks and detection of residual risks.

Many risk factors are previously identified, distributed by type of risk, by risk areas and operational processes and sub processes by using specific tools and methodologies. Each risk factor is evaluated regularly by most of managers, through a process of control self-assessment, resulting in risk maps that allow viewing variables as occurrence probability, relative importance and assessed risk control degree.

Posteriorly, actions are established to maintain balance in the levels of the three variables, set in five degrees (from very low to very high). In addition to being obtained by risk type, by process or sub-process, risk maps can also be visualized from a business segment (auto, life, casualty, warranty, private pension plans, etc..), an activity back office (human resources, legal, controller department, investments, etc..) or even a group consolidated position, passing through all the group´s companies.

Risk Management

BB Seguridade Management adopts a conservative policy in its risk management process. Cash equivalents and financial investments are held with its related part, BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A., which carries out its activities in accordance with the policies and guidelines established by BB Seguridade. In addition, the Financial and Risk Management Committee periodically monitors the situation in order 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 associated.

Risk management is essential in all business activities and it is used in order to add value to the business once it provides support to the business areas in their activities planning, maximizing the use of own 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 inherent risks 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, Value at Risk (VaR) calculation 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.

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.

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).

In order to ensure a unified approach to the risk management process, BB Seguridade is in final stage constitution of the following committees:

- Financial and Risk Management Committee: 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: 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 the level of required autonomy for technical analyses is always respected. The internal rules of the committees define their responsibilities and reporting lines.

Also with a view to managing the risks to which BB Seguridade is exposed, the internal audit department plays an important role. The independence of its activities and the continuous nature of the examinations undertake to 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

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. Nevertheless, 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 gross and net amount of the companies' reinsurance premium, according to the regulator.

Companhia de Seguros Aliança do Brasil

Reinsurance Gross

R$ thousand

Geographical Region	Others	%	DPVAT	%	LIFE	%	Total	Mar 31, 2014 %
Mid-west	122,282	9%	2,262	0%	121,646	10%	246,190	19%
Northeast	25,542	2%	5,853	0%	135,873	11%	167,268	13%
North	9,232	1%	1,481	0%	37,400	3%	48,113	4%
Southeast	94,130	7%	33,280	3%	403,140	32%	530,550	42%
South	128,748	10%	8,662	1%	143,672	11%	281,082	22%
Total	**379,934**	**29%**	**51,538**	**4%**	**841,731**	**67%**	**1,273,203**	**100%**

R$ thousand

Geographical Region	Others	%	DPVAT	%	LIFE	%	Total	Mar 31, 2013 %
Mid-west	61,129	7%	1,121	0%	110,166	12%	172,416	19%
Northeast	9,944	1%	3,350	0%	118,716	13%	132,010	14%
North	3,661	0%	707	0%	29,838	3%	34,206	3%
Southeast	55,909	6%	22,660	2%	324,355	34%	402,924	42%
South	78,917	8%	4,042	1%	125,929	13%	208,888	22%
Total	**209,560**	**22%**	**31,880**	**3%**	**709,004**	**75%**	**950,444**	**100%**

REINSURANCE NET

R$ thousand

Geographical Region	Others	%	DPVAT	%	LIFE	%	Total	Mar 31, 2014 %
Mid-west	72,342	6%	2,262	0%	129,722	11%	204,326	17%
Northeast	19,949	2%	5,853	1%	135,846	12%	161,648	15%
North	8,424	1%	1,481	0%	37,389	3%	47,294	4%
Southeast	74,734	6%	33,280	3%	401,652	34%	509,666	43%
South	91,736	8%	8,662	1%	143,626	12%	244,024	21%
Total	**267,185**	**23%**	**51,538**	**5%**	**848,235**	**72%**	**1,166,958**	**100%**

R$ thousand

Geographical Region	Others	%	DPVAT	%	LIFE	%	Total	Mar 31, 2013 %
Mid-west	33,913	4%	1,121	0%	109,856	12%	144,890	16%
Northeast	8,592	1%	3,350	0%	118,690	13%	130,632	14%
North	3,405	0%	707	0%	29,811	3%	33,923	3%
Southeast	43,706	5%	22,660	3%	323,208	37%	389,574	45%
South	56,013	7%	4,042	1%	125,681	14%	185,736	22%
Total	**145,629**	**17%**	**31,880**	**4%**	**707,246**	**79%**	**884,755**	**100%**

Vida Seguradora S.A.

REINSURANCE GROSS

R$ thousand

Geographical Region	DPVAT	%	LIFE	%	Total	Mar 31, 2014 %
Mid-west	--	0%	653	1%	653	1%
Northeast	--	0%	597	1%	597	1%
North	--	0%	131	0%	131	0%
Southeast	27,497	23%	83,381	71%	110,878	94%
South	--	0%	5,205	4%	5,205	4%
Total	**27,497**	**23%**	**89,967**	**77%**	**117,464**	**100%**

R$ thousand

Geographical Region	DPVAT	%	LIFE	%	Total	Mar 31, 2013 %
Mid-west	535	1%	607	1%	1,142	2%
Northeast	1,991	2%	409	0%	2,400	2%
North	241	0%	129	0%	370	0%
Southeast	13,768	13%	81,379	77%	95,147	90%
South	2,402	2%	4,566	4%	6,968	6%
Total	**18,937**	**18%**	**87,090**	**82%**	**106,027**	**100%**

REINSURANCE NET

R$ thousand

Geographical Region	DPVAT	%	LIFE	%	Total	Mar 31, 2014 %
Mid-west	--	0%	637	1%	637	1%
Northeast	--	0%	590	0%	590	0%
North	--	0%	129	0%	129	0%
Southeast	27,497	24%	82,965	71%	110,462	95%
South	--	0%	5,118	4%	5,118	4%
Total	**27,497**	**24%**	**89,439**	**76%**	**116,936**	**100%**

R$ thousand

Geographical Region	DPVAT	%	LIFE	%	Total	Mar 31, 2013 %
Mid-west	535	1%	607	1%	1,142	2%
Northeast	1,991	2%	409	0%	2,400	2%
North	241	0%	129	0%	370	0%
Southeast	13,768	13%	80,469	77%	94,237	90%
South	2,402	2%	4,566	4%	6,968	6%
Total	**18,937**	**18%**	**86,180**	**82%**	**105,117**	**100%**

MAPFRE Vida S.A.

REINSURANCE GROSS

R$ thousand

Geographical Region	DPVAT	%	LIFE	%	Total	Mar 31, 2014 %
Mid-west	394	0%	1,280	1%	1,674	1%
Northeast	2,082	1%	2,551	2%	4,633	3%
North	527	0%	--	0%	527	0%
Southeast	12,250	8%	135,117	83%	147,367	91%
South	3,082	2%	5,657	3%	8,739	5%
Total	**18,335**	**11%**	**144,605**	**89%**	**162,940**	**100%**

R$ thousand

Geographical Region	DPVAT	%	LIFE	%	Total	Mar 31, 2013 %
Mid-west	150	0%	4,741	4%	4,891	4%
Northeast	294	0%	4,177	3%	4,471	3%
North	101	0%	--	0%	101	0%
Southeast	14,385	12%	93,448	75%	107,833	87%
South	1,014	1%	5,716	5%	6,730	6%
Total	**15,944**	**13%**	**108,082**	**87%**	**124,026**	**100%**

Reinsurance Net

R$ thousand

Geographical Region	DPVAT	%	LIFE	%	Total	Mar 31, 2014 %
Mid-west	--	0%	2,052	2%	2,052	2%
Northeast	--	0%	2,558	2%	2,558	2%
North	--	0%	--	0%	--	0%
Southeast	18,335	14%	98,804	77%	117,139	91%
South	--	0%	6,569	5%	6,569	5%
Total	**18,335**	**14%**	**109,983**	**86%**	**128,318**	**100%**

R$ thousand

Geographical Region	DPVAT	%	LIFE	%	Total	Mar 31, 2013 %
Mid-west	150	0%	4,029	3%	4,179	3%
Northeast	294	0%	4,170	4%	4,464	4%
North	101	0%	--	0%	101	0%
Southeast	14,385	12%	90,148	75%	104,533	87%
South	1,014	1%	5,768	5%	6,782	6%
Total	**15,944**	**13%**	**104,115**	**87%**	**120,059**	**100%**

Brasilveículos Companhia de Seguros

REINSURANCE GROSS

R$ thousand

Geographical Region										Mar 31, 2014
	AUTO	%	DPVAT	%	LIFE	%	Other	%	Total	%
Mid-west	68,077	15%	2,029	1%	142	0%	14	0%	70,262	16%
Northeast	93,505	21%	3,080	1%	195	0%	20	0%	96,800	22%
North	17,307	4%	777	0%	36	0%	4	0%	18,124	4%
Southeast	159,989	36%	18,710	4%	334	0%	33	0%	179,066	40%
South	77,205	17%	4,429	1%	161	0%	16	0%	81,811	18%
Total	**416,083**	**93%**	**29,025**	**7%**	**868**	**0%**	**87**	**0%**	**446,063**	**100%**

R$ thousand

Geographical Region								Mar 31, 2013
	AUTO	%	DPVAT	%	LIFE	%	Total	%
Mid-west	59,300	14%	758	0%	127	0%	60,185	14%
Northeast	82,779	19%	2,264	1%	178	0%	85,221	20%
North	16,954	4%	478	0%	36	0%	17,468	4%
Southeast	179,519	42%	15,317	3%	384	0%	195,220	45%
South	69,568	16%	2,732	1%	149	0%	72,449	17%
Total	**408,120**	**95%**	**21,549**	**5%**	**874**	**0%**	**430,543**	**100%**

REINSURANCE NET

R$ thousand

Geographical Region										Mar 31, 2014
	AUTO	%	DPVAT	%	LIFE	%	Other	%	Total	%
Mid-west	68,077	15%	2,029	1%	142	0%	14	0%	70,262	16%
Northeast	93,505	21%	3,080	1%	195	0%	20	0%	96,800	22%
North	17,307	4%	777	0%	36	0%	4	0%	18,124	4%
Southeast	159,989	36%	18,710	4%	334	0%	33	0%	179,066	40%
South	77,205	17%	4,429	1%	161	0%	16	0%	81,811	18%
Total	**416,083**	**93%**	**29,025**	**7%**	**868**	**0%**	**87**	**0%**	**446,063**	**100%**

R$ thousand

Geographical Region								Mar 31, 2013
	AUTO	%	DPVAT	%	LIFE	%	Total	%
Mid-west	59,300	14%	758	0%	127	0%	60,185	14%
Northeast	82,779	19%	2,264	1%	178	0%	85,221	20%
North	16,954	4%	478	0%	36	0%	17,468	4%
Southeast	179,519	42%	15,317	3%	384	0%	195,220	45%
South	69,568	16%	2,732	1%	149	0%	72,449	17%
Total	**408,120**	**95%**	**21,549**	**5%**	**874**	**0%**	**430,543**	**100%**

Aliança do Brasil Seguros S.A.

REINSURANCE GROSS

R$ thousand

Geographical Region						Mar 31, 2014
	Other	%	DPVAT	%	Total	%
Mid-west	44,021	21%	--	0%	44,021	21%
Northeast	30,614	15%	--	0%	30,614	15%
North	10,430	5%	--	0%	10,430	5%
Southeast	77,356	38%	14,782	7%	92,138	45%
South	28,687	14%	--	0%	28,687	14%
Total	**191,108**	**93%**	**14,782**	**7%**	**205,890**	**100%**

R$ thousand

Geographical Region						Mar 31, 2013
	Other	%	DPVAT	%	Total	%
Mid-west	21,392	11%	467	0%	21,859	11%
Northeast	34,026	19%	1,396	1%	35,422	20%
North	10,216	6%	295	0%	10,511	6%
Southeast	72,662	40%	9,444	5%	82,106	45%
South	30,499	17%	1,685	1%	32,184	18%
Total	**168,795**	**93%**	**13,287**	**7%**	**182,082**	**100%**

REINSURANCE NET

R$ thousand

Geographical Region						Mar 31, 2014
	Other	%	DPVAT	%	Total	%
Mid-west	19,727	11%	--	0%	19,727	11%
Northeast	28,893	17%	--	0%	28,893	17%
North	9,840	6%	--	0%	9,840	6%
Southeast	67,339	40%	14,782	9%	82,121	49%
South	28,484	17%	--	0%	28,484	17%
Total	**154,283**	**91%**	**14,782**	**9%**	**169,065**	**100%**

R$ thousand

Geographical Region						Mar 31, 2013
	Other	%	DPVAT	%	Total	%
Mid-west	20,033	12%	467	0%	20,500	12%
Northeast	32,330	19%	1,396	1%	33,726	20%
North	9,597	6%	295	0%	9,892	6%
Southeast	67,022	39%	9,444	6%	76,466	45%
South	27,932	16%	1,685	1%	29,617	17%
Total	**156,914**	**92%**	**13,287**	**8%**	**170,201**	**100%**

MAPFRE Seguros Gerais S.A.

REINSURANCE GROSS

R$ thousand

Geographical Region										Mar 31, 2014
	AUTO	%	Others	%	DPVAT	%	LIFE	%	Total	%
Mid-west	30,361	3%	9,641	1%	--	0%	20	0%	40,022	4%
Northeast	31,407	3%	3,657	0%	--	0%	259	0%	35,323	3%
North	5,239	0%	1,499	0%	--	0%	3	0%	6,741	0%
Southeast	477,084	43%	384,586	35%	53,637	5%	3,125	0%	918,432	83%
South	83,873	8%	27,493	2%	--	0%	48	0%	111,414	10%
Total	**627,964**	**57%**	**426,876**	**38%**	**53,637**	**5%**	**3,455**	**0%**	**1,111,932**	**100%**

R$ thousand

Geographical Region										Mar 31, 2013
	AUTO	%	Other	%	DPVAT	%	LIFE	%	Total	%
Mid-west	37,378	4%	28,394	3%	1,042	0%	26	0%	66,840	7%
Northeast	54,543	5%	10,969	1%	1,945	0%	4,887	0%	72,344	6%
North	9,355	1%	2,522	0%	458	0%	8	0%	12,343	1%
Southeast	386,573	38%	280,676	28%	25,956	3%	2,854	0%	696,059	69%
South	121,780	12%	46,397	5%	3,974	0%	75	0%	172,226	17%
Total	**609,629**	**60%**	**368,958**	**37%**	**33,375**	**3%**	**7,850**	**0%**	**1,019,812**	**100%**

REINSURANCE NET

R$ thousand

Geographical Region										Mar 31, 2014
	AUTO	%	Other	%	DPVAT	%	LIFE	%	Total	%
Mid-west	30,362	3%	7,515	1%	--	0%	17	0%	37,894	4%
Northeast	31,407	3%	2,811	0%	--	0%	253	0%	34,471	3%
North	5,239	1%	1,244	0%	--	0%	2	0%	6,485	1%
Southeast	476,960	52%	209,267	23%	53,637	6%	2,991	0%	742,855	81%
South	83,869	9%	20,933	2%	--	0%	40	0%	104,842	11%
Total	**627,837**	**68%**	**241,770**	**26%**	**53,637**	**6%**	**3,303**	**0%**	**926,547**	**100%**

R$ thousand

Geographical Region										Mar 31, 2013
	AUTO	%	Other	%	DPVAT	%	LIFE	%	Total	%
Mid-west	37,356	5%	6,848	1%	1,042	0%	22	0%	45,268	6%
Northeast	54,524	7%	8,231	1%	1,945	0%	4,880	1%	69,580	9%
North	9,355	1%	1,994	0%	458	0%	7	0%	11,814	1%
Southeast	385,834	46%	143,216	17%	25,956	3%	2,556	0%	557,562	66%
South	121,738	14%	35,520	4%	3,974	0%	57	0%	161,289	18%
Total	**608,807**	**73%**	**195,809**	**23%**	**33,375**	**3%**	**7,522**	**1%**	**845,513**	**100%**

REINSURANCE GROSS

R$ thousand

Geographical Region	Other	%	DPVAT	%	LIFE	%	Total	Mar 31, 2014 %
Mid-west	1,970	1%	--	0%	1,925	1%	3,895	2%
Northeast	2,269	1%	--	0%	2,427	1%	4,696	2%
North	--	0%	--	0%	--	0%	--	0%
Southeast	14,697	7%	27,939	14%	143,937	72%	186,573	93%
South	3,025	2%	--	0%	1,067	1%	4,092	3%
Total	**21,961**	**11%**	**27,939**	**14%**	**149,356**	**75%**	**199,256**	**100%**

R$ thousand

Geographical Region	Other	%	DPVAT	%	LIFE	%	Total	Mar 31, 2013 %
Mid-west	1,819	1%	765	0%	1,764	1%	4,348	2%
Northeast	2,176	1%	2,287	1%	2,328	1%	6,791	3%
North	--	0%	482	0%	--	0%	482	0%
Southeast	13,637	8%	15,473	9%	134,961	74%	164,071	91%
South	2,272	1%	2,760	2%	928	1%	5,960	4%
Total	**19,904**	**11%**	**21,767**	**12%**	**139,981**	**77%**	**181,652**	**100%**

REINSURANCE NET

R$ thousand

Geographical Region	Other	%	DPVAT	%	LIFE	%	Total	Mar 31, 2014 %
Mid-west	1,970	1%	--	0%	1,925	1%	3,895	2%
Northeast	2,269	1%	--	0%	2,427	1%	4,696	2%
North	--	0%	--	0%	--	0%	--	0%
Southeast	14,680	7%	27,939	14%	143,937	72%	186,556	93%
South	3,025	2%	--	0%	1,067	1%	4,092	3%
Total	**21,944**	**11%**	**27,939**	**14%**	**149,356**	**75%**	**199,239**	**100%**

R$ thousand

Geographical Region	Other	%	DPVAT	%	LIFE	%	Total	Mar 31, 2013 %
Mid-west	1,819	1%	765	0%	1,764	1%	4,348	2%
Northeast	2,176	1%	2,287	1%	2,328	1%	6,791	3%
North	--	0%	482	0%	--	0%	482	0%
Southeast	13,637	8%	15,473	9%	134,666	74%	163,776	91%
South	2,272	1%	2,760	2%	928	1%	5,960	4%
Total	**19,904**	**11%**	**21,767**	**12%**	**139,686**	**77%**	**181,357**	**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 commitments of the insurance companies to their clients.

Given the magnitude of the 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:

a) Technical provisions

i) Provision for incurred but not reported (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. 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 each company based on the studies listed in the following table:

Risk Factor	Used Factor	
	Mar 31, 2014	Dec 31, 2013
Companhia de Seguros Aliança do Brasil	5.79%	7.52%
Vida Seguradora S.A.	8.96%	10.11%
Mapfre Vida S.A.	33.24%	5.07%
Brasilveículos Companhia de Seguros	17.35%	9.42%
Aliança do Brasil Seguros S.A.	14.69%	15.51%
Mapfre Seguros Gerais S.A.	15.32%	9.78%
Mapfre Affinity Seguradora S.A.	6.06%	18.87%

ii) Supplementary Provision Coverage – SPC (Provision for premium deficiency – PPD in 2012) for long-term insurance (Ouro Vida Revisado): Provision made at Companhia de Seguros Aliança do Brasil 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 and a deterioration of 1% in the discount rate used for calculation of SPC/PPD might have affected its balance and consequently income and shareholders' equity as of the company.

b) Loss ratio

We simulated how a 5% increase in the portfolio loss ratio would have affected income and shareholders' equity of each company.

Considering the assumptions described above, the values recorded in Mar 31, 2014 and Dec 31, 2013 are:

COMPANHIA DE SEGUROS ALIANÇA DO BRASIL

R$ thousand

Risk Factor		Sensitivity	Impact on Shareholders' Equity / Profit	
			Mar 31, 2014	Dec 31, 2013
a. Technical Provisions	Total	Change in the principal assumptions for technical provisions	(146,780)	(156,260)
a1. IBNR	Increase	Coefficient of variation in IBNR Factors	(11,206)	(15,259)
a2. Long-term	Increase	Increase of 5% in Mortality	(29,126)	(31,885)
SPC/PPD	Reduction	1% reduction in the PIP discount rate	(106,448)	(109,116)
b. Loss ratio	Increase	Increase of 5% in the loss ratio	(56,365)	(48,923)

Vida Seguradora S.A.

R$ thousand

Risk Factor		Sensitivity	Impact on Shareholders' Equity/Profit	
			Mar 31, 2014	Dec 31, 2013
a. Technical Provisions	Total	Change in the principal assumptions for technical provisions	(2,598)	(2,964)
a1. IBNR	Increase	Coefficient of variation in IBNR Factors	(2,598)	(2,964)
b. Loss ratio	Increase	Increase of 5% in the loss ratio	(7,036)	(6,730)

MAPFRE Vida S.A.

R$ thousand

Risk Factor		Sensitivity	Impact on Shareholders' Equity/Profit	
			Mar 31, 2014	Dec 31, 2013
a. Technical Provisions	Total	Change in principal assumptions for technical provisions	(19,003)	(2,844)
a1. IBNR	Increase	Coefficient of variation of the IBNR factors	(19,003)	(2,844)
b. Loss ratio	Increase	Increase of 5% in the loss ratio	(17,939)	(17,948)

Brasilveículos Companhia de Seguros

R$ thousand

Risk Factor		Sensitivity	Impact on Shareholders' Equity/Profit	
			Mar 31, 2014	Dec 31, 2013
a. Technical Provisions	Total	Change in principal assumptions for technical provisions	(11,676)	(5,812)
a1. IBNR	Increase	Coefficient of variation of the IBNR factors	(11,676)	(5,812)
b. Loss ratio	Increase	Increase of 5% in the loss ratio	(57,591)	(56,065)

Aliança do Brasil Seguros S.A.

R$ thousand

Risk Factor		Sensitivity	Impact on Shareholders' Equity / Profit	
			Mar 31, 2014	Dec 31, 2013
a. Technical Provisions	Total	Change in principal assumptions for technical provisions	(2,052)	(2,218)
a1. IBNR	Increase	Coefficient of variation of the IBNR factors	(2,052)	(2,218)
b. Loss ratio	Increase	Increase of 5% in the loss ratio	(5,626)	(5,981)

MAPFRE Seguros Gerais S.A.

R$ thousand

Risk Factor		Sensitivity	Impact on Shareholders' Equity / Profit	
			Mar 31, 2014	Dec 31, 2013
a. Technical Provisions	Total	Change in principal assumptions for technical provisions	(15,171)	(9,884)
a1. IBNR	Increase	Coefficient of variation of the IBNR factors	(15,171)	(9,884)
b. Loss ratio	Increase	Increase of 5% in the loss ratio	(109,558)	(100,558)

MAPFRE Affinity Seguradora S.A.

R$ thousand

Risk Factor		Sensitivity	Impact on Shareholders' Equity / Profit	
			Mar 31, 2014	Dec 31, 2013
a. Technical Provisions	Total	Change in principal assumptions for technical provisions	(2,305)	(7,024)
a1. IBNR	Increase	Coefficient of variation of the IBNR factors	(2,305)	(7,024)
b. Loss ratio	Increase	Increase of 5% in the loss ratio	(13,309)	(12,592)

Exposure to insurance credit risk

Exposure to credit risk for premiums receivable differs as between the lines of to elapse risk and elapsed risk, in the sense that for lines of elapsed 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 for credit analysis.

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.

In Mar 31, 2014 and Dec 31, 2013, the Group's reinsurance partners were:

Companhia de Seguros Aliança do Brasil

		Mar 31, 2014		Dec 31, 2013	
Reinsurer Type	Reinsurer Name	% of Ceded	Rating	% of Ceded	Rating
LOCAL[(1)]	IRB BRASIL RESSEGUROS S.A.	53%	--	54%	--
LOCAL[(1)]	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGUROS	2%	--	25%	--
ADMITTED	MAPFRE RE COMPAÑIA DE REASEGUROS, S.A.	45%	A-	21%	A-
Total		**100%**		**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.

R$ thousand

Group of Lines	Insurance Code of Lines	Mar 31, 2014 Retention Limit (R$)
Life Group	29	2,400,000
	36, 69, 80	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
Life Individual	29, 84, 91	1,100,000
	36, 69, 77, 80, 83, 86	800,000
	81	950,000

R$ thousand

	Mar 31, 2014			Mar 31, 2013		
Group of Lines	Net Written Premium [(1)]	Ceded Reinsurance	Retention	Net Written Premium [(1)]	Ceded Reinsurance	Retention
Life	841,731	(6,504)	100,8%	709,004	1,757	99,8%
Rural	340,774	105,863	68,9%	186,791	63,931	65,8%
Mortgage	39,160	6,886	82,4%	22,769	--	100,0%
Total	**1,221,665**	**106,245**	**91,3%**	**918,564**	**65,688**	**92,8%**

(1) Coinsurance and Cancellations Written Premium

In Mar 31, 2014, total reinsurance recoverable assets is R$ 422,870 thousand (R$ 257,048 thousand in Dec 31, 2013) of which the relevant part of that balance having IRB Brasil Resseguros S.A. as counterpart.

Vida Seguradora S.A.

		Mar 31, 2014		Dec 31, 2013	
Reinsurer Type	**Reinsurer Name**	**% of Ceded**	**Rating**	**% of Ceded**	**Rating**
Local[1]	IRB BRASIL RESSEGUROS S.A.	--	--	30%	--
Local[1]	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGUROS	100%	--	70%	--
Admitted	SCOR REINSURANCE COMPANY	--	--	--	--
Total		**100%**	--	**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.

R$ thousand

Group of Lines	**Insurance Code of Lines**	**Mar 31, 2014 Retention Limit (R$)**
Vehicles	88	1,200,000
Life Group	29, 77, 82, 84, 90, 93	1,500,000
	80	500,000
Life Individual	29, 77, 81, 90, 91	1,500,000

R$ thousand

	Mar 31, 2014			Mar 31, 2013		
Group of Lines	**Net Written Premium[1]**	**Ceded Reinsurance**	**Retention**	**Net Written Premium[1]**	**Ceded Reinsurance**	**Retention**
Life Group	31,962	528	98%	26,926	910	97%
Life Individual	58,005	--	100%	60,164	--	100%
Total	**89,967**	**528**	**99%**	**87,090**	**910**	**99%**

(1) Coinsurance and Cancellations Written Premium

MAPFRE Vida S.A.

		Mar 31, 2014		Dec 31, 2013	
Reinsurer Type	**Reinsurer Name**	**% of Ceded**	**Rating**	**% of Ceded**	**Rating**
Local[1]	IRB BRASIL RESSEGUROS S.A.	30%	--	30%	--
Local[1]	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGUROS	70%	--	70%	--
Total		**100%**		**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.

R$ thousand

Group of Lines	**Insurance Code of Lines**	**Mar 31, 2014 Retention Limit (R$)**
Vehicle	88	1,413,000
Life Group	29,69,83,84,86,87,94	1,413,000
	77,82	1,993,289
	80	2,391,947
	93	2,790,604
Life Individual	29,69,83,84,86,87,91,92	1,413,000
	81	1,594,631
	77	1,993,289
	80	2,391,947

R$ thousand

		Mar 31, 2014			Mar 31, 2013	
Group of Lines	**Net Written Premium[1]**	**Ceded Reinsurance**	**Retention**	**Net Written Premium[1]**	**Ceded Reinsurance**	**Retention**
Life Group	144,605	16,285	89%	108,082	3,967	96%
Total	**144,605**	**16,285**	**89%**	**108,082**	**3,967**	**96%**

(1) Coinsurance and Cancellations Written Premium.

Brasilveículos Companhia de Seguros

R$ thousand

Group of Lines	Insurance Code of Lines	Mar 31, 2014 Retention Limit
Vehicle	20	2,000,000
	25	1,800,000
	31,42,88	1,250,000
	53	3,600,000
Property	14	1,250,000
Life Group	29	1,250,000

R$ thousand

Grupo de Ramos	Mar 31, 2014			Mar 31, 2013		
	Net Written Premium[1)]	Ceded Reinsurance	Retention	Net Written Premium[1)]	Ceded Reinsurance	Retention
Vehicle	416,083	--	100%	408,120	--	100%
Life	868	--	100%	874	--	100%
Property	87	--	100%	--	--	--
Total	**417,038**	**--**	**100%**	**408,994**	**--**	**100%**

Aliança do Brasil Seguradora S.A.

Reinsurer Type	Reinsurer Name	Mar 31, 2014		Dec 31, 2013	
		% of Ceded	Rating	% of Ceded	Rating
Local[(1)]	IRB BRASIL RESSEGUROS S.A.	47.74%	--	43.45%	--
Local[(1)]	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGUROS	36.68%	--	31.43%	--
Local[(1)]	SWISS RE BRASIL RESSEGUROS	2.43%	--	0.07%	--
Local[(1)]	AUSTRAL RESSEGURADORA S.A.	--	--	0.04%	--
Admitted	LLOYDS	0.40%	--	2.08%	A+
Admitted	MAPFRE RE COMPAÑIA DE RESSEGUROS S.A.	12.75%	--	10.14%	A-
Admitted	AMERICAN HOME ASSURANCE COMPANY	--	--	11.20%	A+
Admitted	HANNOVER RE	--	--	0.07%	AA-
Admitted	LIBERTY MUTUAL INSURANCE COMPANY	--	--	0.04%	A-
Eventual	HOUSTON CASUALTY COMPANY	--	--	1.44%	AA
Eventual	KOREAN REINSURANCE COMPANY	--	--	0.04%	A-
Total		**100.00%**		**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.

R$ thousand

Group of Lines	Insurance Code of Lines	Mar 31, 2014 Retention Limit
Property	12,73,95	500.000
	15	1.000.000
	14	5.000.000
	16,18,41,67,71,96	7.500.000
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	500.000
	48	960.000
	75,76	3.500.000
Aviation	28,37,97	500.000
	35	2.000.000
Marine	17,28,57	500.000
	33	2.500.000

Reinsurance

R$ thousand

Group of Lines	Mar 31, 2014 Net Written Premium[1]	Mar 31, 2014 Ceded Reinsurance	Mar 31, 2014 Retention	Mar 31, 2013 Net Written Premium[1]	Mar 31, 2013 Ceded Reinsurance	Mar 31, 2013 Retention
Property	169,622	28,781	83%	149,766	8,198	95%
Financial Risks / Credit	7,228	6,636	8%	11,327	2,325	80%
Responsibilities	1,622	638	61%	2,099	198	91%
Transportation	10,016	28	100%	5,157	17	100%
Marine / Aviation / Vessel	2,620	742	72%	446	1,143	-156%
Total	**191,108**	**36,825**	**81%**	**168,795**	**11,881**	**93%**

(1) Coinsurance and Cancellations Written Premium

In Mar 31, 2014, total amount of recordable reinsurance assets is R$ 158,502 thousand (R$ 147,593 thousand in Dec 31, 2013), with a significant part of this balance having IRB Brasil Resseguros S.A. as the counterparty.

MAPFRE Seguros Gerais S.A.

Reinsurer Type	Reinsurer Name	% of Ceded	Mar 31. 2014 Rating
Local	ACE RESSEGURADORA S/A	0.60%	-
Local	AIG RESSEGUROS BRASIL	0.30%	-
Local	ALLIANZ GLOBAL RESSEGUROS BRASIL S.A.	0.41%	-
Local	AUSTRAL RESSEGURADORA S.A.	0.10%	-
Local	IRB - INSTITUTO DE RESSEGUROS DO BRASIL	15.10%	-
Local	ACE RESSEGURADORA S/A	0.84%	-
Local	AIG RESSEGUROS BRASIL	0.10%	-
Local	ALLIANZ GLOBAL RE BRASIL S.A.	0.10%	-
Local	AUSTRAL RESSEGURADORA S.A.	0.10%	-
Local	IRB INST DE RESSEG DO BRASIL	0.60%	-
Local	MAPFRE RE DO BRASIL CIA DE RESSEGU	1.24%	-
Local	MUNICH RE DO BRASIL RESSEG SA	0.10%	-
Local	SWISS RE BRASIL RESSEGURADORA S.A.	0.10%	-
Local	TERRA BRASIS RESSEGUROS S.A.	7.11%	-
Local	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGU	5.33%	-
Local	MUNICH RE DO BRASIL RESSEGURADORA SA	14.21%	-
Local	SWISS RE BRASIL RESSEGURADORA S.A.	9.80%	-
Local	TERRA BRASIS RESSEGUROS S.A.	0.00%	-
Admitted	ACE TEMPEST RE LTD.	0.02%	AA-
Admitted	ACE UNDER AGENCIES LTD	0.60%	A+
Admitted	ADVENT UNDERWRITING LIMITED - 780	0.00%	A+
Admitted	AEGIS MANAGING AGENCY LIMITED - 1225	0.03%	A+
Admitted	ALLIANZ GLOBAL CORP & SPECIALTY AG	0.90%	BBB+
Admitted	ALTERRA AT LLOYDS LTF - 1400	0.03%	A+
Admitted	AMERICAN HOME ASSURANCE COMPANY	1.64%	A+
Admitted	AMLIN UNDERWRITING LIMITED	0.64%	A-
Admitted	ANTARES MANAGING AGENCY LTD	0.10%	A+
Admitted	ANV SYNDICATE MANAGEMENT	0.10%	A+
Admitted	ARCH UNDER AT LLOYDS LTD	0.00%	A+
Admitted	ARGENTA SYNDICATE MANAGEMENT	0.20%	A+
Admitted	ARGO MANAGING AGENCY LTD	0.30%	A+
Admitted	ARK SYNDICATE MANAGEMENT LTD	0.10%	A+
Admitted	ASCOT UNDERWRITING LIMITED	0.10%	A+
Admitted	ASPEN MANAGING AGENCY LTD	0.30%	A+
Admitted	ASTA MANAGING AGENCY LTD	0.00%	A+
Admitted	ATRIUM UNDERWRITERS LIMITED	0.10%	A+
Admitted	BEAUFORT UNDERWRITING AGENCY LTD - 1318	0.10%	A+
Admitted	BEAZLEY FURLONGE LTD	0.20%	A+
Admitted	BRIT SYNDICATES LIMITED	0.10%	A+
Admitted	CANOPIUS MANAGING AGENTS LTD	0.00%	A+
Admitted	CAPITA MANAGEMENT AGENCY	0.00%	A+
Admitted	CATHEDRAL UNDERWRITING LIMITED - 2010	0.00%	A+
Admitted	CATLIN INSURANCE COMPANY (UK)	0.00%	A
Admitted	CATLIN UNDERWRITING AG	0.80%	A+
Admitted	CHAUCER SYNDICATES LTD	0.20%	A+
Admitted	CHUBB MANAGING AGENCY LTD	0.00%	A+
Admitted	FACTORY MUTUAL INSURANCE COMPANY	7.10%	A+
Admitted	FARADAY UNDERWRITING LIMITED	0.30%	A+
Admitted	FEDERAL INSURANCE COMPANY	0.10%	AA
Admitted	FLAGSTONE SYNDICATE MANAGEMENT LTD 1861	0.20%	A+
Admitted	GARD MARINE	0.00%	A+
Admitted	HANNOVER R_CKVERSICHERUNG AG	1.70%	AA-
Admitted	HARDY (UNDERWRITING AGENCIES) LTD - 382	0.30%	A+

Reinsurer Type	Reinsurer Name	% of Ceded	Mar 31. 2014 Rating
Admitted	HCC UNDERWRITING AGENCY LIMITED - 4040	0.00%	A+
Admitted	HISCOX SYNDICATES LIMITED - 33	0.40%	A+
Admitted	LIBERTY MUTUAL INSURANCE COMPANY	0.10%	A-
Admitted	LIBERTY SYND MANAGEMENT LTD	0.40%	A+
Admitted	LLOYDS 9128 - SYNDICATE	0.00%	A+
Admitted	MANAGING AGENCY PARTNERS LTD - 2791	0.00%	A+
Admitted	MAPFRE RE CIA DE REASEGUROS S.A	8.50%	A
Admitted	MARKEL SYND MANAGEMENT LTD	0.00%	A+
Admitted	MITSUI SUMITOMO INSUR UTG AT	9.20%	A+
Admitted	MONTPELIER UNDER AGENCIES	0.00%	A+
Admitted	MUNICH RE UNDERWRITING LTD	0.10%	AA-
Admitted	NAVIGATORS UNDERWRITING AG	0.10%	A+
Admitted	NOVAE SYNDICATES LTD - 2007	0.00%	A+
Admitted	ODYSSEY AMERICA RE CORPORATION	0.10%	A-
Admitted	PARTNER REINSURANCE EUROPE LIMITED	0.30%	A+
Admitted	PEMBROKE MANAGING AG LTD	0.00%	A+
Admitted	QBE UNDERWRITING LIMITED	0.40%	A+
Admitted	R J KILN AND CO LTD	0.00%	A+
Admitted	R&O MANAGING AGENCY LTD	0.00%	A+
Admitted	RJ KILN AND CO LTD	0.60%	A+
Admitted	ROYAL & SUN ALLIANCE INSURANCE PLC	0.00%	A
Admitted	SCOR GLOBAL LIFE U.S. REINSURANCE COMPAN	0.00%	A+
Admitted	SCOR REINSURANCE COMPANY	0.20%	A+
Admitted	STARR MANAGING AGENTS LIMITED - 1919	0.90%	A+
Admitted	SWISS RE AMERICA CORPORATION	0.50%	AA-
Admitted	TALBOT UNDERWRITING LTDA	0.50%	A+
Admitted	TOKIO MARINE & NICHIDO FIRE INS	0.00%	AA-
Admitted	TORUS SPECIALITY INSURANCE COMPANY	0.60%	A+
Admitted	TRANSATLANTIC REINSURANCE COMPANY	0.00%	A+
Admitted	TRAVELERS SYNDICATE MANAG	0.60%	A+
Admitted	WHITTINGTON CAPITAL MANAG LTD	0.20%	A+
Admitted	XL LONDON MARKET LIMITED	0.50%	A+
Admitted	XL RE LATIN AMERICA LTDA	0.00%	A+
Admitted	ZURICH INSURANCE COMPANY	0.10%	AA-
Eventual	ADM - AXIS RE PLC	0.00%	A+
Eventual	ASPEN INSURANCE UK LIMITED	0.00%	A+
Eventual	ASSICURAZIONI GENERALI S.P.A.	0.00%	A+
Eventual	AXA CORPORATE SOLUTIONS ASSURANCE	0.30%	A+
Eventual	AXIS RE LIMITED	0.20%	A+
Eventual	AXIS REINSURANCE COMPANY	0.00%	A+
Eventual	GENERAL INSURANCE CORP OF INDIA	0.50%	A+
Eventual	HCC INTERNAT INSURANCE COMPANY	0.00%	A+
Eventual	HDI-GERLING INDUSTRIE VERS AG	0.30%	A+
Eventual	HOUSTON CASUALTY COMPANY	0.30%	A+
Eventual	INFRASSURE LTD	0.10%	A+
Eventual	KOREAN REINSURANCE COMPANY	0.00%	A+
Eventual	LIBERTY MUTUAL INSURANCE EUROPE LIMITED	0.10%	A+
Eventual	MAPFRE EMPRESAS, COMPAÐIA DE SEG	0.00%	A+
Eventual	MITSUI SUMITOMO INSURANCE COMPANY	0.00%	A+
Eventual	MUNCHENER RUCK GESELLSCHAFT	0.50%	A+
Eventual	NATIONAL LIABILITY & FIRE	0.40%	A+
Eventual	NAVIGATORS INSURANCE COMPANY	0.10%	A+
Eventual	SAMSUNG FIRE & MARINE INSURANCE	0.00%	A+
Eventual	SCOR SWITZERLAND AG	0.00%	A+
Eventual	SIRIUS INTERNATIONAL INSURANCE CO	0.10%	A+
Eventual	SOMPO JAPAN INSURANCE INC.	0.00%	A+
Eventual	SWISS RE EUROPE S.A.	0.00%	A+
Eventual	TOKIO MARINE & NICHIDO FIRE	0.00%	A+
Eventual	TOKIO MARINE GLOBAL LTD.	0.10%	A+
Eventual	W.R. BERKLEY INSURANCE (EUROPE) LIMITED	0.00%	A+
Eventual	XL INSURANCE COMPANY LIMITED	0.00%	A+
Eventual	ZURICH INSURANCE PUBLIC LIMITED COMPANY	0.30%	A+
Total		**100.00%**	

R$ thousand

Group of Lines	Insurance Code of Lines	Mar 31, 2014 Retention Limit
	12,15	3,000,000
Property	14	5,000,000
	73,95	2,500,000
	16,18,41,67,71,96	7,500,000
Special Risks	34	2,500,000
Responsibilities	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
Life 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
Life 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

	Mar 31, 2014			Mar 31, 2013		
Group of Lines	Net Written Premium[1]	Ceded Reinsurance	Retention	Net Written Premium[1]	Ceded Reinsurance	Retention
Vehicle	627,964	127	100%	609,629	822	100%
Property	222,448	124,437	44%	175,131	81,168	54%
Transportation	58,264	--	100%	69,329	13,644	80%
Marine / Aviation	63,974	33,611	47%	67,775	57,009	16%
Rural	51,088	8,338	84%	36,299	10,489	71%
Others	34,557	18,872	45%	28,274	11,167	61%
Total	**1,058,295**	**185,385**	**82%**	**986,437**	**174,299**	**82%**

(1) Coinsurance and Cancellations Written Premium

MAPFRE Affinity Seguradora S.A.

		Mar 31, 2014		Dec 31, 2013	
Reinsurer Type	Reinsurer Name	% of Ceded	Rating	% of Ceded	Rating
Local[1]	IRB BRASIL RESSEGUROS S.A.	30%	--	30%	--
Local[1]	MAPFRE RE DO BRASIL COMPANHIA DE RESSEGUROS	70%	--	70%	--
Total		**100%**		**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.

R$ thousand

Group of Lines	Insurance Code of Lines	Mar 31, 2014 Retention Limit
Property	71	1,500,000
Vehicle	88	1,500,000
	46,48	2,200,000
Financial Risks	76	1,500,000
	98	1,500,000
Life Group	80	500,000
	29,77,82,84,87,93	1,500,000
Rural	98	1,500,000
Life Individual	29,77,84,87	1,500,000
Responsibilities	51	3,000,000

R$ thousand

	Mar 31, 2014			Mar 31, 2013		
Group of Lines	Net Written Premium[1]	Ceded Reinsurance	Retention	Net Written Premium[1]	Ceded Reinsurance	Retention
Life	149,356	--	100%	139,980	295	100%
Credit / Financial Risks	22,005	17	100%	19,905	--	100%
Total	**171,361**	**17**	**100%**	**159,885**	**295**	**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.

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

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

The Financial Policy provides the diversification of the investment portfolio (financial assets), with the setting of exposure limits for each issuer with high credit quality, reflected in the ratings assigned by rating agencies for allocation.

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 assessment companies , such as Fitch Ratings, Standard & Poor's and Moody's.

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

Credit Risk Rating

R$ thousand

		Mar 31, 2014	
Issuer	Financial Security	Accounting Value / Fair Value	Rating
AES SUL DISTR. GAÚCHA DE ENERGIA S.A.	Debentures	10,125	brAA- (S & P)
AES TIETÊ	Debentures	7,035	Aa1.br (Moody's)
AMPLA ENERGIA E SERVIÇOS S/A	Debentures	1,724	brAA (S & P)
BANDEIRANTE ENERGIA S/A	Debentures	10,307	brAA+ (S & P)
BCO ABC BRASIL	Financial Bills	35,352	brAA+ (S&P)
BCO ALFA	Financial Bills	6,757	Aaa.br (Moody's)
BCO BANRISUL	Financial Bills	10,169	brAAA (S&P)
BCO BONSUCESSO	Time Deposit (CDB-DPGE)	17,103	Ba1..br (Moody´s)
BCO BRADESCO S.A	Financial Bills	39,719	brAAA (S & P)
BCO BTG PACTUAL S.A	Financial Bills	2,908	brAA+ (S & P)
BCO DAYCOVAL	Financial Bills	49,47	brAA (S&P)
BCO DO NORDESTE DO BRASIL S/A	Time Deposit (CDB)	22,857	brAAA (S& P)
BCO HSBC	Financial Bills	9,53	--
BCO HSBC	Financial Bills	33,195	--
BCO ITAU UNIBANCO	Financial Bills	17,92	brAAA (S&P)
BCO MERCANTIL DO BRASIL	Time Deposit (CDB-DPGE)	17,034	brA- (S& P)
BCO SANTANDER	Financial Bills	12,036	brAAA (S&P)
BCO TRICURY	Time Deposit (CDB-DPGE)	17,079	brA (Austin Ratings)
BIC BANCO	Time Deposit (CDB-DPGE)	12,918	brAA- (S& P)
BNDES PARTICIPAÇÕES S/A BNDESPAR	Debentures	29,462	brAAA (S & P)
BR MALLS PARTICIPAÇÕES S.A	Debentures	20,857	AA (Fitch)
BRASIL TELECOM	Debentures	34,6	Aaa.br (Moody´s)
BROOKFIELD INCORPORAÇÕES S.A.	Debentures	10,144	A3.br (Moody's)
CAIXA ECONÔMICA FEDERAL	Financial Bills	9,55	brAAA (S & P)
CEMIG GERACAO E TRANSMISSAO	Debentures	327	brAA+ (S & P)
CHEMICAL VI - BRASKEM S/A.	Receivables Investment	8,233	Aaa.br (Moody's)
CHEMICAL VII - BRASKEM S/A.	Receivables Investment	30,169	Aaa.br (Moody's)
COMPANHIA DE SANEAMENTO DE MINAS GERAIS COPASA MG	Debentures	5,216	Aa2.br (Moody's)
COMPANHIA SIDERURGICA NACIONAL	Debentures	10,191	brAAA (S& P)
CONC. SISTEMA ANHANGUERA-BANDEIRANTES S/A	Debentures	10,05	Aaa.br (Moody´s)
CONCESS. DA RODOV. OSORIO PORTO ALEGRE – CONCEPA	Debentures	3,73	AA (Fitch)
EVEN CONSTRUTORA E INCORPORADORA S/A	Debentures	5,047	brA (S & P)

Issuer	Financial Security	Accounting Value / Fair Value	Mar 31, 2014 Rating
FIBRA	Time Deposit (CDB-DPGE)	12,87	brBBB (S& P)
INSUMOS BÁSICO DA INDÚSTRIA PETROQUÍMICA III	Receivables Investment	17,269	Aaa.br (Moody's)
LOCALIZA RENT CAR	Debentures	1,709	brAAA (S & P)
NOVA DUTRA - CONCESSIONÁRIO ROV. PRES. DUTRA	Debentures	13,765	brAAA (S & P)
PETROQUÍMICA.	Receivables Investment	10,026	Aaa.br (Moody's)
SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO – SABESP	Debentures	7,097	brAA+ (S & P)
SOFISA	Time Deposit (CDB-DPGE)	12,734	Aa3 (Moody's)
TELEMAR NORTE LESTE S/A.	Debentures	9,446	Aa2.br (Moody´s)
TOTAL		**595,730**	

Vida Seguradora S.A.

Credit Risk Rating

R$ thousand

Issuer	Financial Security	Accounting Value / Fair Value	Mar 31, 2014 Rating
BANIF	Exchange Traded Funds/Others	(2,502)	AAA
BEM	Exchange Traded Funds/Others	20,556	--
Total		**18,054**	

MAPFRE Vida S.A.

Credit Risk Rating

R$ thousand

Issuer	Financial Security	Accounting Value / Fair Value	Mar 31, 2014 Rating
BANIF	Exchange Traded Funds/Others	(1,545)	AAA
BEM	Exchange Traded Funds/Others	51,343	--
BNDESPAR	Debentures	5,691	AAA
HSBC	Time Deposit (CDBPS)	4,289	AA
SANT MER	Time Deposit (CDBPS)	106,509	AA
Total		**166,287**	

Brasilveículos Companhia de Seguros

Credit Risk Rating

R$ thousand

Issuer	Financial Security	Accounting Value / Fair Value	Mar 31, 2014 Rating
BCO MERIDIONAL	Time Deposit (CDB)	4,358	brAAA (S&P)
BCO BONSUCESSO	Time Deposit (CDB-DPGE)	12,953	Ba1.br (Moody´s)
CEMIG GERACAO E TRANSMISSAO	Debentures	20,200	brAA+ (S&P)
AES SUL DISTR. GAÚCHA DE ENERGIA S.A.	Debentures	10,125	brAA- (S&P)
BR MALLS PARTICIPAÇÕES S.A	Debentures	10,431	AA (Fitch)
SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO - SABESP	Debentures	15,326	brAA+ (S&P)
BROOKFIELD INCORPORAÇÕES S.A.	Debentures	5,091	A3.br (Moody's)
SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO - SABESP	Debentures	3,042	brAA+ (S & P)
SULAMERICA	Debentures	5,105	brAA+ (S&P)
COMPANHIA DE SANEAMENTO DE MINAS GERAIS COPASA MG	Debentures	1,735	Aa2.br (Moody's)
CHEMICAL VII - BRASKEM S/A.	Receivables Investment	25,141	Aaa.br (Moody's)
INSUMOS BÁSICO DA INDÚSTRIA PETROQUÍMICA III	Receivables Investment	5,013	Aaa.br (Moody's)
BCO DAYCOVAL	Financial Bills	25,273	brAA (S&P)
BCO SANTANDER	Financial Bills	21,164	brAAA (S&P)
BCO HSBC	Financial Bills	22,144	--
BCO ABC BRASIL	Financial Bills	16,275	brAA+ (S&P)
BCO SAFRA S.A	Financial Bills	2,907	brAAA (S&P)
TOTAL		**206,283**	

Aliança do Brasil Seguradora S.A.

Credit Risk Rating

R$ thousand

Issuer	Financial Security	Accounting Value / Fair Value	Mar 31, 2014 Rating
BCO DO NORDESTE DO BRASIL S/A	Time Deposit (CDB)	11,428	brAAA (S& P)
BCO PINE	Time Deposit (CDB-DPGE)	12,634	brAA (S&P)
BRASIL TELECOM	Debentures	12,693	Aaa.br (Moody´s)
SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO - SABESP	Debentures	7,097	brAA+ (S&P)
SULAMERICA	Debentures	5,105	brAA+ (S&P)
EVEN CONSTRUTORA E INCORPORADORA S/A	Debentures	2,523	brA (S&P)
COMPANHIA DE SANEAMENTO DE MINAS GERAIS COPASA MG	Debentures	1,739	Aa2.br (Moody's)
CHEMICAL VII - BRASKEM S/A	Receivables Investment	10,056	Aaa.br (Moody's)
INSUMOS BÁSICO DA INDÚSTRIA PETROQUÍMICA III	Receivables Investment	7,585	Aaa.br (Moody's)
CHEMICAL VII - BRASKEM S/A.	Receivables Investment	2,058	Aaa.br (Moody's)
BCO ABC BRASIL	Financial Bills	23,568	brAA+ (S&P)
BCO BRADESCO S.A	Financial Bills	10,134	brAAA (S&P)
TOTAL		**106,620**	

Mapfre Seguros Gerais S.A.

Credit Risk Rating

R$ thousand

Issuer	Financial Security	Accounting Value / Fair Value	Mar 31, 2014 Rating
BANIF	Exchange Traded Funds/Others	(18,113)	AAA
BEM	Exchange Traded Funds/Others	36,009	--
BNDESPAR	Debentures	24,983	AAA
BANESE	Time Deposit (CDB)	8,028	--
HSBC	Time Deposit (CDBPS)	28,239	AA
SANT MER	Time Deposit (CDBPS)	101,785	AA
Total		**180,931**	

MAPFRE Affinity Seguradora S.A.

Credit Risk Rating

R$ thousand

Issuer	Financial Security	Accounting Value / Fair Value	Mar 31, 2014 Rating
BANIF	Exchange Traded Funds/Others	(3,930)	AAA
BEM	Exchange Traded Funds/Others	11,940	--
BNDESPAR	Debentures	5,024	AAA
HSBC	Time Deposit (CDBPS)	2,446	AA
SANT MER	Time Deposit (CDBPS)	3,651	AA
Total		**19,131**	

Insured and Reinsured Limits

Companhia de Seguros Aliança do Brasil

R$ thousand

Insurance Code of Lines	Reinsurance Type	Type of contract	Priority	Range	Mar 31, 2014 Currency
1	Automatic	Stop loss	150%	250%	Real
1, 29, 69, 77, 80, 81, 82, 84, 91, 93, 98	Automatic	Excess Risk Damage	500	4,500	Real
29, 61, 65, 68, 69, 77, 80, 81, 82, 84, 91, 93, 98	Automatic	Catastrophe	2,000	40,000	Real
30, 61, 62, 63, 65, 68	Automatic	Catastrophe	10,000	90,000	Real

Vida Seguradora S.A.

R$ thousand

Insurance Code of Lines	Reinsurance Type	Type of contract	Priority	Range	Mar 31, 2014 Currency
1, 29, 69, 77, 80, 81, 82, 84, 91, 93, 98	Automatic	Excess Risk Damage	500	4,500	Real
29, 69, 77, 80, 81, 82, 84, 91, 93, 98	Automatic	Catastrophe	2,000	40,000	Real

MAPFRE Vida S.A.

R$ thousand

Insurance Code of Lines	Reinsurance Type	Type of contract	Priority	Range	Mar 31, 2014 Currency
1, 29, 69, 77, 80, 81, 82, 84, 91, 93, 98	Automatic	Excess Risk Damage	500	4,500	Real
29, 69, 77, 80, 81, 82, 84, 91, 93, 98	Automatic	Catastrophe	2,000	40,000	Real

Aliança do Brasil Seguros

R$ thousand

Insurance Code of Lines	Reinsurance Type	Type of contract	Priority	Range	Mar 31, 2014 Currency
14, 16, 18, 41, 71, 96	Automatic	Excess Risk Damage	3,000	15,750	Real
11, 14, 16, 18, 30, 41, 67, 71, 96	Automatic	Catastrophe	10,000	90,000	Real
51	Automatic	Excess Risk Damage	1,500	2,000	Real
21, 22, 32, 38, 52, 54, 55, 56, 33	Automatic	Excess Risk Damage	1,000	49,000	Dollar
48	Automatic	Excess Risk Damage	500	2,000	Real
75, 76	Automatic	Excess Risk Damage	3,500	11,500	Real

MAPFRE Seguros Gerais S.A.

R$ thousand

Insurance Code of Lines	Reinsurance Type	Type of contract	Priority	Range	Mar 31, 2014 Currency
01	Automatic	Stop loss	150%	250%	Real
30, 61, 62, 63, 65, 68	Automatic	Catastrophe	10,000	90,000	Real
11, 14, 16, 18, 41, 71, 96	Automatic	Excess Risk Damage	3,000	15,750	Real
11, 14, 16, 18, 30, 41, 62, 63, 67, 71, 96	Automatic	Catastrophe	10,000	90,000	Real
01, 29, 69, 77, 80, 81, 82, 84, 91, 93, 98	Automatic	Excess Risk Damage	500	4,500	Real
01, 29, 69, 77, 80, 81, 82, 84, 91, 93, 98	Automatic	Catastrophe	2,000	40,000	Real
35	Automatic	Excess Risk Damage	500	1,500	Dollar
51	Automatic	Excess Risk Damage	1,500	2,000	Real
21, 22, 32, 38, 52, 54, 55, 56, 33	Automatic	Excess Risk Damage	1,000	49,000	Real
48	Automatic	Excess Risk Damage	500	2,000	Dollar
75, 76	Automatic	Excess Risk Damage	3,500	11,500	Real

MAPFRE Affinity Seguradora S.A.

R$ thousand

Insurance Code of Lines	Reinsurance Type	Type of contract	Priority	Range	Mar 31, 2014 Currency
1, 29, 69, 77, 80, 81, 82, 84, 91, 93, 98	Automatic	Excess Risk Damage	500	4,500	Real
29, 69, 77, 80, 81, 82, 84, 91, 93, 98	Automatic	Catastrophe	2,000	40,000	Real

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 ongoing evaluation of the taken positions and financial instruments used. Each year the Executive Board approves minimum liquidity levels to be maintained, as well as 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 future disbursements, 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 reviewed 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

	Mar 31, 2014 – Maturing in				Dec 31, 2013 – Maturing in			
	Up to 1 year	Between 1 and 3 years	More than 3 years	Total	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Cash and cash equivalents	625,221	--	--	625,221	818,771	--	--	818,771
Fair value through income	241,894	406,320	176,608	824,822	97,582	221,119	479,543	798,244
Available for sale	63,152	424,451	187,437	675,040	34,244	198,818	371,521	604,583
Held to maturity	217,646	321,639	960,090	1,499,375	93,298	1,130,970	274,955	1,499,223
Insurance and reinsurance operations credits	1,019,825	743,683	--	1,763,508	1,504,316	544,257	--	2,048,573
Other assets	273,424	--	--	273,424	293,072	70	--	293,142
Total financial assets	**2,441,162**	**1,896,093**	**1,324,135**	**5,661,390**	**2,841,283**	**2,095,234**	**1,126,019**	**6,062,536**

Financial assets related to court and tax deposits, amounting to R$ 664,613 thousand in 2014 (R$ 655,478 thousand in 2013), 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

	Mar 31, 2014 – Maturing in				Dec 31, 2013 – Maturing in			
	Up to 1 year	Between 1 and 3 years	More than 3 years	Total	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Cash and cash equivalents	167,639	--	--	167,639	156,209	2,029	--	158,238
Fair value through income	2,200	17,482	12,350	32,032	--	18,255	15,114	33,369
Available for sale	--	--	32,844	32,844	--	--	22,958	22,958
Held to maturity	--	77,378	41,679	119,057	--	--	125,349	125,349
Insurance and reinsurance operations credits	84,647	--	--	84,647	45,253	--	--	45,253
Other assets	3,282	194	--	3,476	4,468	225	--	4,693
Total financial assets	**257,768**	**95,054**	**86,873**	**439,695**	**205,930**	**20,509**	**163,421**	**389,860**

Financial assets related to court and tax deposits, amounting to R$ 10,032 thousand in 2014 (R$ 10,057 thousand in 2013), 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

	Mar 31, 2014 – Maturing in				Dec 31, 2013 – Maturing in			
	Up to 1 year	Between 1 and 3 years	More than 3 years	Total	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Cash and cash equivalents	154,152	--	--	154,152	161,175	1,589	--	162,764
Fair value through income	2,505	7,169	5,073	14,747	--	10,397	8,021	18,418
Available for sale	--	--	85,630	85,630	--	--	50,942	50,942
Held to maturity	4,289	138,159	32,023	174,471	--	112,664	72,210	184,874
Insurance and reinsurance operations credits	102,693	--	--	102,693	100,302	--	--	100,302
Other assets	28,480	889	--	29,369	45,797	889	--	46,686
Total financial assets	**292,119**	**146,217**	**122,726**	**561,062**	**307,274**	**125,539**	**131,173**	**563,986**

Financial assets related to court and tax deposits, amounting to R$ 396 thousand in 2014 (R$ 339 thousand in 2013), 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

	Mar 31, 2014 – Maturing in				Dec 31, 2013 – Maturing in			
	Up to 1 year	Between 1 and 3 years	More than 3 years	Total	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Cash and cash equivalents	221,057	--	--	221,057	221,341	--	--	221,341
Fair value through income	5,013	155,453	74,968	235,434	--	152,205	73,041	225,246
Available for sale	29,380	98,190	45,652	173,222	--	101,372	57,991	159,363
Held to maturity	--	48,117	371,216	419,333	--	--	416,550	416,550
Insurance and reinsurance operations credits	558,788	1	--	558,789	574,399	--	--	574,399
Other assets	249,427	--	--	249,427	200,051	--	--	200,051
Total financial assets	**1,063,665**	**301,761**	**491,836**	**1,857,262**	**995,791**	**253,577**	**547,582**	**1,796,950**

Financial assets related to court and tax deposits, amounting to R$ 468,924 thousand in 2014 (R$ 459,458 thousand in 2013), 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

	Mar 31, 2014 – Maturing in				Dec 31, 2013 – Maturing in			
	Up to 1 year	Between 1 and 3 years	More than 3 years	Total	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Cash and cash equivalents	107,945	--	--	107,945	210,948	--	--	210,948
Fair value through income	21,125	30,680	17,642	69,447	19,078	46,199	--	65,277
Available for sale	2,523	71,705	12,692	86,920	--	51,674	27,837	79,511
Held to maturity	24,271	7,370	87,253	118,894	--	24,335	94,259	118,594
Insurance and reinsurance operations credits	403,235	--	--	403,235	348,778	--	--	348,778
Other assets	42,429	--	--	42,429	37,945	--	--	37,945
Total financial assets	**601,528**	**109,755**	**117,587**	**828,870**	**616,749**	**122,208**	**122,096**	**861,053**

Financial assets related to court and tax deposits, amounting to R$ 17,713 thousand in 2014 (R$ 18,100 thousand in 2013), 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

	Mar 31, 2014 – Maturing in				Dec 31, 2013 – Maturing in			
	Up to 1 year	Between 1 and 3 years	More than 3 years	Total	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Cash and cash equivalents	715,562	--	--	715,562	109,757	--	--	109,757
Fair value through income	140,710	79,293	150,412	370,415	497,050	339,154	155,726	991,930
Available for sale	--	--	221,148	221,148	--	--	158,510	158,510
Held to maturity	28,239	227,807	406,304	662,350	--	147,017	511,061	658,078
Insurance and reinsurance operations credits	2,148,596	36,514	--	2,185,110	1,729,560	70,970	--	1,800,530
Other assets	345,390	13,743	--	359,133	472,939	13,742	--	486,681
Total financial assets	**3,378,497**	**357,357**	**777,864**	**4,513,718**	**2,809,306**	**570,883**	**825,297**	**4,205,486**

Financial assets related to court and tax deposits, amounting to R$ 13,822 thousand in 2014 (R$ 10,390 thousand in 2013), 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

	Mar 31, 2014 – Maturing in				Dec 31, 2013 – Maturing in			
	Up to 1 year	Between 1 and 3 years	More than 3 years	Total	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Cash and cash equivalents	176,627	--	--	176,627	157,787	2,465	--	160,252
Fair value through income	1,242	11,221	6,743	19,206	--	8,655	6,737	15,392
Available for sale	--	--	52,092	52,092	--	--	45,144	45,144
Held to maturity	2,446	58,513	66,178	127,137	--	8,351	100,519	108,870
Insurance and reinsurance operations credits	171,687	--	--	171,687	180,283	--	--	180,283
Other assets	183,655	90	--	183,745	186,637	10	--	186,647
Total financial assets	**535,657**	**69,824**	**125,013**	**730,494**	**524,707**	**19,481**	**152,400**	**696,588**

Financial assets related to court and tax deposits, amounting to R$ 119,707 thousand in 2014 (R$ 113,156 thousand in 2013), have not been classified in the above table due to the uncertain forecast of the timing of the corresponding court decisions.

Market Risk Management

Daily the Financial Board of Insurance Group BB and Mapfre monitors the VaR results on a daily basis, which are regularly presented on its Finance Comitee, in order to identify relocation requirement. The methodology adopted to calculate VaR is the historical series of 150 days, with a 95% confidence level and 1 business day time horizon.

The VaR is calculated by Banco do Brasil Board of Risks for the companies Companhia de Seguros Aliança do Brasil, Aliança do Brasil Seguros S.A. and Brasilveículos Companhia de Seguros. Regarding Mapfre Affinity Seguradora S.A., Mapfre Seguros Gerais S.A., Mapfre Vida S.A. and Vida Seguradora S.A., Mapfre DTVM Risks and Compliance Superintendence calculate the VaR.

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 improve the relationship between rate, risk and return, aligning investments with the cash flow of liabilities. For this purpose strategies that take into consideration acceptable risk levels, terms, profitability, sensitivity, liquidity and assets concentration limits by issuer and credit risk are used.

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$ 8,778 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.

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$ 615 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$ 2,572 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.

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$ 1,345 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$ 1,199 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$ 6,250 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$ 1,135 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 and MAPFRE Insurance Group 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 adopted policy. BB Seguridade monitors the VaR of the investment portfolio on a daily basis, using information supplied by MAPFRE DTVM and BB 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

Mar 31, 2014

Out of the total of R$ 3,624,459 thousand in financial assets, R$ 1,499,375 thousand were extracted from the sensitivity analysis base because they were categorized as "held to maturity" and R$ 155,843 thousand were related to DPVAT positions. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 1,969,241 thousand.

Dec 31, 2013

Out of the total of R$ 3,524,979 thousand in financial assets, including repo transactions, R$ 1,691,700 thousand were extracted from the sensitivity analysis base because they were categorized as "held to maturity" and R$ 101,887 thousand were related to DPVAT positions. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 1,731,392 thousand.

In order to develop the sensitivity analysis, the financial assets existing on Mar 31, 2014 and Dec 31, 2013 were taken into account.

R$ thousand

Risk Factor	Impact on Shareholders' Equity	
Interest Rate	Mar 31, 2014	Dec 31, 2013
Rate Increase	(16,595)	(17,412)
Rate Reduction	16,842	17,944

Parameters:
a) 100 basis points for interest rate structures existing as in the base date.
b) 100 basis points for coupon rate structures existing as in the base date.

Vida Seguradora S.A.

Mar 31, 2014

Out of a total of R$ 354,146 thousand in financial assets, R$ 119,057 thousand were extracted from the sensitivity analysis base because they were classified as "held to maturity," R$ 83,145 were related to DPVAT positions and R$ 35,630 thousand relating to assets that were allocated in the managed portfolio. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 116,314 thousand.

Dec 31, 2013

Out of a total of R$ 339,174 thousand in financial assets, including repo transactions, R$ 206,695 thousand were extracted from the sensitivity analysis base because they were classified as "held to maturity," R$ 25,007 thousand relating to assets that were allocated in the managed portfolio and R$ 59,187 thousand were related to DPVAT positions. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 48,285 thousand.

In order to develop the sensitivity analysis, the financial assets existing on Mar 31, 2014 and Dec 31, 2013 were taken into account.

R$ thousand

Risk Factor	Impact on Shareholders' Equity	
Interest Rate	Mar 31, 2014	Dec 31, 2013
Rate Increase	(511)	(631)
Rate Reduction	559	445

Parameters:

a) 100 basis points for interest rate structures existing as in the base date.
b) 100 basis points for coupon rate structures existing as in the base date.

MAPFRE Vida S.A.

Mar 31, 2014

Out of a total of R$ 430,760 thousand in financial assets, R$ 174,470 thousand were extracted from the sensitivity analysis base because they were classified as “held to maturity,” R$ 55,442 thousand were related to DPVAT positions and R$ 25,700 thousand relating to assets that were allocated in the managed portfolio. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 175,148 thousand.

Dec 31, 2013

Out of a total of R$ 413,956 thousand in financial assets, including repo transactions, R$ 227,743 thousand were extracted from the sensitivity analysis base because they were classified as “held to maturity,” R$ 54,852 thousand relating to assets that were allocated in the managed portfolio and R$ 42,915 thousand were related to DPVAT positions. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 88,446 thousand.

In order to develop the sensitivity analysis, the financial assets existing on Mar 31, 2014 and Dec 31, 2013 were taken into account.

R$ thousand

Risk Factor	Impact on Shareholders’ Equity	
Interest Rate	Mar 31, 2014	Dec 31, 2013
Rate Increase	(263)	(267)
Rate Reduction	286	190

Parameters:
a) 100 basis points for interest rate structures existing as in the base date.
b) 100 basis points for coupon rate structures existing as in the base date.

Brasilveículos Companhia de Seguros

Mar 31, 2014

Out of a total of R$ 1,049,046 thousand in financial assets, R$ 419,333 thousand were extracted from the sensitivity analysis base because they were classified as “held to maturity” and R$ 87,766 thousand were related to DPVAT positions. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 541,947 thousand.

Dec 31, 2013

Out of a total of R$ 1,022,495 thousand in financial assets, including repo transactions, R$ 416,550 thousand were extracted from the sensitivity analysis base because they were classified as “held to maturity”, R$ 61,901 thousand were related to DPVAT positions. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 544,044 thousand.

In order to develop the sensitivity analysis, the financial assets existing on Mar 31, 2014 and Dec 31, 2013 were taken into account.

R$ thousand

Risk Factor	Impact on Shareholders’ Equity	
Interest Rate	Mar 31, 2014	Dec 31, 2013
Rate Increase	(3,374)	(6,359)
Rate Reduction	3,707	6,958

Parameters:
a) 100 basis points for interest rate structures existing as in the base date.
b) 100 basis points for coupon rate structures existing as in the base date.

Aliança do Brasil Seguros S.A.

Mar 31, 2014

Out of a total of R$ 383,206 thousand in financial assets, R$ 118,894 thousand were extracted from the sensitivity analysis base because they were classified as “held to maturity” and R$ 44,698 thousand refer to the DPVAT Investments. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 219,614 thousand.

Dec 31, 2013

Out of a total of R$ 434,605 thousand in financial assets, including repo transactions, R$ 79,511 thousand were extracted from the sensitivity analysis base because they were classified as “held to maturity,” R$ 36,605 thousand refer

to the DPVAT Investments. Therefore, the sensitivity analysis was carried out for a financial volume of R$ 318,489 thousand.

In order to develop the sensitivity analysis, the financial assets existing on Mar 31, 2014 and Dec 31, 2013 were taken into account.

R$ thousand

Risk Factor	Impact on Shareholders' Equity	
Interest Rate	Mar 31, 2014	Dec 31, 2013
Rate Increase	(730)	(964)
Rate Reduction	777	997

Parameters:
a) 100 basis points for interest rate structures existing as in the base date.
b) 100 basis points for coupon rate structures existing as in the base date.

MAPFRE Seguros Gerais S.A.

Mar 31, 2014

Out of the total amount of R$ 1,836,686 thousand in financial assets, R$ 662,350 thousand were extracted from the base of the sensitivity analysis because they are classified as "held to maturity", R$ 162,191 thousand refer to the DPVAT Agreement and R$ 30,515 thousand relating to assets that were allocated in the managed portfolio. Therefore, the sensitivity analysis was carried out for the financial amount of R$ 981,630 thousand.

Dec 31, 2013

Out of the total amount of R$ 1,809,209 thousand in financial assets, including repo transactions, R$ 843,837 thousand were extracted from the base of the sensitivity analysis because they are classified as "held to maturity", R$ 169,722 thousand relating to assets that were allocated in the managed portfolio and R$ 105,614 thousand refer to the DPVAT Agreement. Therefore, the sensitivity analysis was carried out for the financial amount of R$ 690,036 thousand.

In order to develop the sensitivity analysis, the financial assets on Mar 31, 2014 and Dec 31, 2013 were taken into account.

R$ thousand

Risk Factor	Impact on Shareholders' Equity	
Interest Rate	Mar 31, 2014	Dec 31, 2013
Rate Increase	(1,904)	(1,903)
Rate Reduction	2,167	1,390

Parameters:
a) 100 basis points for interest rate structures existing as in the base date.
b) 100 basis points for coupon rate structures existing as in the base date.

MAPFRE Affinity Seguradora S.A.

Mar 31, 2014

Out of the total amount of R$ 378,061 thousand in financial assets, R$ 127,136 thousand were extracted from the base of the sensitivity analysis because they are classified as "held to maturity", R$ 84,483 thousand refer to the DPVAT Agreement and R$ 58,938 thousand relating to assets that were allocated in the managed portfolio. Therefore, the sensitivity analysis was carried out for the financial amount of R$ 107,504 thousand.

Dec 31, 2013

Out of the total amount of R$ 329,672 thousand in financial assets, including repo transactions, R$ 171,773 thousand were extracted from the base of the sensitivity analysis because they are classified as "held to maturity", R$ 48,436 thousand relating to assets that were allocated in the managed portfolio and R$ 59,972 thousand refer to the DPVAT Agreement. Therefore, the sensitivity analysis was carried out for the financial amount of R$ 49,491 thousand.

In order to develop the sensitivity analysis, the financial assets existing on Mar 31, 2014 and Dec 31, 2013 were taken into account.

R$ thousand

Risk Factor	Impact on Shareholders' Equity	
Interest Rate	Mar 31, 2014	Dec 31, 2013
Rate Increase	(336)	(275)
Rate Reduction	373	195

Parameters:
a) 100 basis points for interest rate structures existing as in the base date.
b) 100 basis points for coupon rate structures existing as in the base date.

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 operational 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, Banco do Brasil and MAPFRE Insurance Group 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 Conselho Nacional de Seguros Privados (CNSP) and Superintendência de Seguros Privados (SUSEP), and to optimize shareholders return.

The Minimum Required Capital - MRC - is the total capital that companies must maintain, at any time to operate, and aims to ensure the inherent risks of the operations. The Underwriting Risk Capital is regulated by CNSP Resolution 280/2013, which was complemented by SUSEP Circular 486/2014 on Jan 23, 2014; the Credit Risk Capital by CNSP Resolution 228/2010; and the Operational Risk Capital by CNSP Resolution 283/2013 issued by SUSEP.

CNSP Resolution 302/2013 requires, among other and in addition to the above requisites that insurers present amounts of liquid assets in excess of need for provisions coverage at 20% of CMR. According the Resolution, an eventual lack of liquidity during the year will have a period of reorganization until December 2014 not occasioning the administrative sanctions or measures described in the resolution.

Due of excess profit reserve front of Law and Statute, on March 31, 2014 the Companhia de Seguros Aliança do Brasil paid dividends, resulting in momentary lack in minimum required capital, fact that will be regularized at subsequent month considering business projections.

The Groups 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

	Mar 31, 2014	Dec 31, 2013
Stockholders' Equity	**1,131,390**	**1,252,059**
(-) Equity in associated and subsidiary companies	(6,162)	(5,925)
(-) Prepaid expenses not related to reinsurance	(6,720)	(204)
(-) Intangible Assets	(33,282)	(30,441)
(-) Works of art	(5)	(5)
Adjusted Stockholders' Equity (a)	**1,085,221**	**1,215,484**
Minimum required stockholders' equity – per premium	--	994,732
Minimum required stockholders' equity – per claim	--	283,234
Solvency Margin (b)	--	**994,732**
Basis Capital – BC	15,000	15,000
Credit Risk Capital	199,862	164,274
Underwriting Risk Capital	979,716	904,462
Operational Risk Capital	18,030	16,102
Others (Benefits Correlation between Capitals)	(86,145)	(71,933)
MRC (c)	**1,111,463**	**1,012,905**
Capital Adequacy (d = a - c)	**(26,242)**	**202,579**
Capital Adequacy (d/c)	**(2%)**	**20%**

Vida Seguradora S.A.

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Stockholders' Equity	**163,902**	**182,387**
(-) Equity in associated and subsidiary companies	(459)	(459)
(-) Prepaid expenses not related to reinsurance	(15)	--
(-) Deferred Tax Assets from Tax Losses	(254)	(1,267)
(-) Intangible Assets	(732)	(740)
(-) Works of art	(7)	(7)
Adjusted Stockholders' Equity (a)	**162,435**	**179,914**
Minimum required stockholders' equity – per premium	--	33,460
Minimum required stockholders' equity – per claim	--	33,333
Solvency Margin (b)	--	**33,460**
Basis Capital – BC	15,000	15,000
Credit Risk Capital	14,912	9,927
Underwriting Risk Capital	41,424	40,395
Operational Risk Capital	1,139	1,081
Others (Benefits Correlation between Capitals)	(5,779)	(4,156)
MRC (c)	**51,696**	**47,247**
Capital Adequacy (d = a - c)	**110,739**	**132,667**
Capital Adequacy (d/c)	**214%**	**281%**

MAPFRE Vida S.A.

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Stockholders' Equity	**364,163**	**353,940**
(-) Equity in associated and subsidiary companies	(236)	(189)
(-) Prepaid expenses not related to reinsurance	(289)	(81)
(-) Deferred Tax Assets from Tax Losses	(172,973)	(174,479)
(-) Intangible Assets	(12,002)	(10,386)
(-) Works of art	(3)	(3)
Adjusted Stockholders' Equity (a)	**178,660**	**168,802**
Minimum required stockholders' equity – per premium	--	90,695
Minimum required stockholders' equity – per claim	--	103,090
Solvency Margin (b)	--	**103,090**
Basis Capital – BC	15,000	15,000
Credit Risk Capital	29,631	23,174
Underwriting Risk Capital	127,887	128,620
Operational Risk Capital	1,358	1,358
Others (Benefits Correlation between Capitals)	(12,527)	(10,158)
MRC (c)	**146,349**	**142,994**
Capital Adequacy (d = a - c)	**32,311**	**25,808**
Capital Adequacy (d/c)	**22%**	**18%**

Brasilveículos Companhia de Seguros

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Stockholders' Equity	**545,379**	**530,139**
(-) Equity in associated and subsidiary companies	(378)	(269)
(-) Prepaid expenses not related to reinsurance	(7,688)	(164)
(-) Deferred Tax Assets from tax losses	(1,691)	(8,765)
(-) Deferred Assets	--	--
(-) Intangible Assets	(16,579)	(18,402)
(-) Works of art	(1)	(1)
Adjusted Stockholders' Equity (a)	**519,042**	**502,538**
Minimum required stockholders' equity – per premium	--	362,787
Minimum required stockholders' equity – per claim	--	354,175
Solvency Margin (b)	--	**362,787**
Basis Capital – BC	15,000	15,000
Credit Risk Capital	79,981	64,263
Underwriting Risk Capital	393,997	382,562
Operational Risk Capital	20,323	16,967
Others (Benefits Correlation between Capitals)	(34,498)	(28,414)
MRC (c)	**459,803**	**435,378**
Capital Adequacy (d = a - c)	**59,239**	**67,160**
Capital Adequacy (d/c)	**13%**	**15%**

Aliança do Brasil Seguros S.A.

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Stockholders' Equity	**167,582**	**187,651**
(-) Equity in associated and subsidiary companies	(359)	(332)
(-) Prepaid Expenses not related to reinsurance	(763)	--
(-) Intangible Assets	(4,214)	(3,613)
(-) Works of Art	--	--
Adjusted Stockholders' Equity (a)	**162,246**	**183,706**
Minimum required stockholders' equity – per premium	**--**	125,147
Minimum required stockholders' equity – per claim	**--**	44,509
Solvency Margin (b)	--	**125,147**
Basis Capital – BC	15,000	15,000
Credit Risk Capital	21,795	23,831
Underwriting Risk Capital	100,763	99,756
Operational Risk Capital	4,710	4,559
Others (Benefits Correlation between Capitals)	(9,313)	(10,024)
MRC (c)	**117,955**	**125,147**
Capital Adequacy (d = a - c)	**44,291**	**58,559**
Capital Adequacy (d/c)	**38%**	**47%**

MAPFRE Seguros Gerais S.A.

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Stockholders' Equity	**1,859,767**	**1,809,446**
(-) Equity in associated and subsidiary companies	(454,885)	(430,669)
(-) Prepaid Expenses not related to reinsurance	(4,466)	(3,705)
(-) Deferred Tax Assets from tax Losses	(344,106)	(345,647)
(-) Intangible Assets	--	(175,840)
(-) Deferred Asset	(189,182)	--
(-) Works of art	(148)	(148)
Adjusted Stockholders' Equity (a)	**866,980**	**853,437**
Minimum required stockholders' equity – per premium	--	741,827
Minimum required stockholders' equity – per claim	--	601,418
Solvency Margin (b)	--	**741,827**
Basis Capital – BC	15,000	15,000
Credit Risk Capital	137,104	108,142
Underwriting Risk Capital	692,444	678,872
Operational Risk Capital	28,643	28,973
Others (Benefits Correlation between Capitals)	(59,345)	(48,112)
MRC (c)	**798,846**	**767,875**
Capital Adequacy (d = a - c)	**68,134**	**85,562**
Capital Adequacy (d/c)	**9%**	**11%**

MAPFRE Affinity Seguradora S.A.

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Stockholders' Equity	**452,315**	**427,715**
(-) Equity in associated and subsidiary companies	(181)	(283)
(-) Prepaid Expenses not related to reinsurance	(17)	(6)
(-) Deferred tax assets from tax losses	--	--
(-) Intangible Assets	(2,566)	(2,607)
Adjusted Stockholders' Equity (a)	**449,551**	**424,819**
Minimum required stockholders' equity – per premium	--	151,955
Minimum required stockholders' equity – per claim	--	68,459
Solvency Margin (b)	**--**	**151,955**
Basis Capital – BC	15,000	15,000
Credit Risk Capital	34,767	30,746
Underwriting Risk Capital	155,906	153,227
Capital de Risco Operacional	2,611	2,573
Others (Benefits Correlation between Capitals)	(14,787)	(13,284)
MRC (c)	**178,497**	**173,262**
Capital Adequacy (d = a - c)	**271,054**	**251,557**
Capital Adequacy (d/c)	**152%**	**145%**

Capitalization Plans (Special Savings) Line

Brasilcap Capitalização S.A.

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 counts with 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.

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: phase of collection and analysis data. At this stage, the risks are analyzed and mitigation actions are 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 Risks Area or Internal Controls;

Monitoring/Management: control carried out by the Risks Area 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

The market risk Policy for all financial assets and 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, which includes hedging policy and diversification.

The Risks Area 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. Reports on risk management are presented at the monthly meetings of the Financial Committee.

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 on the "Sensitivity Analysis" item in this note.

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	Mar 31, 2014		Dec 31, 2013	
Pre-fixed Interest Rate	5,255,639	53%	5,312,519	55%
Derivatives for Hedging (Adjustments)	209	--	(1,118)	--
Post-fixed Interest Rate	3,059,665	31%	2,771,422	28%
IPCA Coupon	1,617,806	16%	1,616,510	17%
Assets TR	1,897	--	2,173	--
Cash / 1-day Repos	287	--	294	--
Total	**9,935,503**	**100%**	**9,701,800**	**100%**

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	Mar 31, 2014		Dec 31, 2013	
Pre-fixed Interest Rate	5,255,639	53%	5,312,519	55%
Hedge effects on Pre-fixed exposure	(1,355,853)	(14%)	(1,355,147)	(14%)
Total Exposure to Pre Risk	**3,899,786**	**39%**	**3,957,372**	**41%**
Post-fixed Interest Rate	3,059,665	31%	2,771,422	28%
Hedge effects on Post-fixed exposure	1,355,853	14%	1,355,147	14%
Total Exposure to Post Risk	**4,415,518**	**45%**	**4,126,569**	**42%**

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

In order to prepare the sensitivity analysis of the company assets and liabilities, we considered a possible scenario in which the basic interest rate and interest rate coupons of securities indexed to inflation rates would increase or reduce by 100 basis points. The test results of the last periods are shown in the following table:

R$ thousand

	Mar 31, 2014				Dec 31, 2013			
	Increase by 1 p.a. in Interest Rate		Reduction by 1 p.a. in Interest Rate		Increase by 1 p.a. in Interest Rate		Reduction by 1 p.a. in Interest Rate	
	Shareholders Equity after income taxes	Results for the period before income taxes	Shareholders Equity after taxes	Results for the period before income taxes	Shareholders Equity after taxes	Results for the period before income taxes	Shareholders Equity after taxes	Results for the period before income taxes
Pre-fixed Interest Rate	(25,215)	(42,024)	25,856	43,093	(26,141)	(43,569)	26,840	44,733
Post-fixed Interest Rate	78	130	(80)	(134)	82	136	(100)	(167)
IPCA Coupon	(19,344)	(32,240)	20,224	33,706	(21,178)	(35,297)	22,111	36,851
Liabilities TR (Bank Saving Certificates)	45,718	76,196	(53,846)	(89,744)	66,015	110,026	(46,468)	(77,447)
Total	**1,237**	**2,062**	**(7,846)**	**(13,079)**	**18,778**	**31,296**	**2,383**	**3,970**

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 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

	Mar 31, 2014				Dec 31, 2013			
	Increase by 1 p.a. in Interest Rate		Reduction by 1 p.a. in Interest Rate		Increase by 1 p.a. in Interest Rate		Reduction by 1 p.a. in Interest Rate	
	Shareholders Equity after income taxes	Results for the period before income taxes	Shareholders Equity after taxes	Results for the period before income taxes	Shareholders Equity after taxes	Results for the period before income taxes	Shareholders Equity after taxes	Results for the period before income taxes
Pre-fixed Interest Rate	(6,198)	(10,330)	6,368	10,614	(6,796)	(11,326)	6,988	11,647
Post-fixed Interest Rate	78	130	(80)	(134)	82	136	(100)	(167)
IPCA Coupon	(5,037)	(8,395)	5,314	8,856	(5,521)	(9,201)	5,832	9,721
Liabilities TR (Bank Saving Certificates)	45,718	76,196	(53,846)	(89,744)	66,015	110,026	(46,468)	(77,447)
Total	**34,561**	**57,601**	**(42,244)**	**(70,408)**	**53,780**	**89,635**	**(33,748)**	**(56,246)**

The table below describes the composition of assets and liabilities:

R$ thousand

	Mar 31, 2014		Dec 31, 2013	
Total Assets	**10,675,339**	**100%**	**10,433,592**	**100%**
Investments	9,935,503	93%	9,701,800	93%
"Fundo BB CAP Ações" + BB600mil [1]	71,450	1%	71,856	1%
Court Deposits - Taxes [2]	532,493	5%	495,378	5%
Other Assets [2]	135,893	1%	164,558	1%
Total Liabilities	**10,675,339**	**100%**	**10,433,592**	**100%**
Technical Provisions	9,810,383	92%	9,488,698	91%
Tax Litigation Liabilities	550,757	5%	527,726	5%
Other Liabilities [3]	48,706	1%	114,568	1%
Shareholders' Equity	265,493	2%	302,600	3%

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. In this particular case, the risk that presents itself is the mismatch between the value of the reserves bonus of titles Ourocap Flex R$ 70,195 thousand and the value of collateral assets, represented by investment in shares R$ 70,835 thousand, value of Mar 31, 2014, is not material.

The Company evaluated the risk exposure of other assets [2] and liabilities [3] and concluded that there was no need for effecting testing sensitivity analysis, given the small representation in both the ownership structure and business operations.

Liquidity Risk

Liquidity Risk Management

The company liquidity risk management uses the Asset Liability Management - ALM analysis as a tool to assess the level of maturity mismatch and exposure between the assets and liabilities. Also notes the recommendations of SUSEP Circular 272/2004, about Actuarial Calculation, which considers Company in run off, operating regime which the products cease to be traded and the Company continues to operate until the total extinction of the obligations assumed.

The redemption terms of capitalization securities issued by the Company are compared with the terms of the assets included in the portfolio that guarantees these certificates, identifying possible mismatching points. For this purpose of liquidity risk, the early projected redemptions were considered as the same distributions observed in the history of each capitalization product.

In this Note, the analysis presented considers the projection of all the flows of all financial assets, as well as the accounts of expenditure necessary to maintain the Company under the run off.

Addressing the sources, most of the financial collateral assets of the capitalization securities operations have an active market that allows its sale before maturity, allowing the company to meet any cash requirements. Although realistic, the hypothesis of anticipated sales of financial assets was not considered in the analysis shown in this Note. Conservatively, the assets were considered liquid in their respective maturities.

In this analysis, any cash surpluses were paid by the term structure of interest rates based on projected scenarios relating to the DI market.

Flow base date: Mar 31, 2014 **R$ thousand**

Flow description	Jan-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2016	Jan-Jun 2017	Jul-Dec 2017	Jan-Jun 2018	Jul-Dec 2018
Cash Flow Assets	1,475,608	1,580,873	1,886,187	938,347	1,600,608	1,457,222	772,157	143,233	155,852	1,732,146
Cash Receipts of Other Plots	445,313	756,227	565,330	424,273	283,929	204,348	132,943	94,468	51,546	21,661
Cashflow Liabilities	(983,245)	(1,802,596)	(2,306,385)	(1,671,257)	(2,715,822)	(2,148,591)	(1,258,959)	(360,429)	(550,298)	(315,508)
Net Cash - Primary	**937,676**	**534,504**	**145,132**	**(308,637)**	**(831,285)**	**(487,021)**	**(353,859)**	**(122,728)**	**(342,900)**	**1,438,299**
Previous Cash + Remuneration	20,793	1,025,620	1,636,464	1,893,384	1,703,817	923,327	461,159	108,604	36	25,672
Cash Balance	**958,469**	**1,560,124**	**1,781,596**	**1,584,747**	**872,532**	**436,306**	**107,300**	**(14,124)**	**(342,864)**	**1,463,971**

Flow base date: Dec 31, 2013 **R$ thousand**

Flow description	Jan-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2016	Jan-Jun 2017	Jul-Dec 2017	Jan-Jun 2018	Jul-Dec 2018
Cash Flow Assets	1,792,910	1,578,797	1,832,349	807,239	1,430,483	1,397,163	771,771	144,495	155,583	1,752,850
Cash Receipts of Other Plots	746,934	578,689	415,264	302,012	194,691	129,292	74,845	45,588	25,710	6,959
Cashflow Liabilities	(1,889,772)	(1,664,136)	(1,846,972)	(1,475,105)	(2,324,988)	(1,999,288)	(475,061)	(286,840)	(327,308)	(237,033)
Net Cash - Primary	**650,072**	**493,350**	**400,641**	**(365,854)**	**(699,814)**	**(472,833)**	**371,555**	**(96,757)**	**(146,015)**	**1,522,776**
Previous Cash + Remuneration	37,164	735,509	1,291,229	1,793,483	1,540,190	887,854	477,029	860,026	800,049	722,043
Cash Balance	**687,236**	**1,228,859**	**1,691,870**	**1,427,629**	**840,376**	**415,021**	**848,584**	**763,269**	**654,034**	**2,244,819**

Credit Risk

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 also assesses any expected losses regarding the asset portfolio, based on rating grades and the terms of private securities, as per its own methodology. The table below shows the percentages used by the company for assessing these risks:

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 for existing corporate bonds in the investment portfolio of the Company by base date:

R$ thousand

Rating	Mar 31, 2014		Dec 31, 2013	
	Exposure	Credit Risk	Exposure	Credit Risk
AAA	610,034	738	680,676	782
AA	497,277	1,801	519,101	2,055
A	180,500	1,575	188,093	1,650
Total	**1,287,811**	**4,114**	**1,387,870**	**4,487**

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, 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 the operational activities. The 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 the 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:

	Mar 31, 2014	Dec 31, 2013
Federal Government Bonds	87%	86%
Corporate Bonds	13%	14%

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	Mar 31, 2014	Dec 31, 2013
AAA	6%	7%
AA	5%	5%
A	2%	2%

Operational Risk

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 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 Management – BCM.

With regard to the Business Continuity Management (BCM), it is maintained 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, and in order to mitigate such risks, protecting participants and shareholders, it monitors 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 the private pension plans.

The Company also carries out capital management through monitoring of required limits (Minimum Required Capital). The Underwriting Risk Capital is regulated by CNSP Resolution 280/2013, which was complemented by SUSEP Circular 486/2014 on Jan 23, 2014; the Credit Risk Capital by CNSP Resolution 228/2010; and the Operational Risk Capital by CNSP Resolution 283/2013 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 the Company, whether under normal market conditions or in extreme situations.

a) Credit Risk

Credit risk is the possibility of incurring losses arising out of any breach by the counterparty of their financial obligations under the agreed terms, or deterioration of their credit conditions.

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 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, repurchase agreement transactions, and other receivable and payable amounts recorded in the investment funds.

The next tables show the ratings of the positions taken according to the sectorial profile:

R$ thousand

	Mar 31, 2014						
	Federal Bonds	AAA	AA	A	BBB	Others [1]	Total
Exclusive Investment Funds - FIE	**5,777,749**	**85,295**	--	--	--	**485,149**	**6,348,193**
Mortgage Backed Securities (CRI)	--	37,278	--	--	--	--	37,278
DI Futures Contracts	--	--	--	--	--	102	102
Debentures	--	4,992	--	--	--	--	4,992
Brazilian Treasury Bills (LTN)	485,037	--	--	--	--	--	485,037
Mortgage (LH)	--	43,025	--	--	--	--	43,025
Brazilian Treasury Notes (NTN-B)	1,968,456	--	--	--	--	--	1,968,456
Brazilian Treasury Notes (NTN-C)	3,242,221	--	--	--	--	--	3,242,221
Brazilian Treasury Notes (NTN-F)	82,035	--	--	--	--	--	82,035
Committed Operation	--	--	--	--	--	493,983	493,983
Others [1]	--	--	--	--	--	(8,936)	(8,936)
FIFES linked to PGBL and VGBL	**31,825,495**	**14,998,177**	**4,751,973**	**348,945**	**30,352**	**26,955,441**	**78,910,383**
Stocks	--	--	--	--	--	1,823,459	1,823,459
Certificate of Deposit (CDB)	--	1,421,191	203,807	--	--	--	1,624,998
Mortgage Backed Securities (CRI)	--	4,615	--	--	--	--	4,615
DI Futures Contracts	--	--	--	--	--	7,390	7,390
Bovespa Index Futures Contracts	--	--	--	--	--	1,408	1,408
Debentures	--	1,836,122	4,172,055	311,332	5,160	--	6,324,669
Deposits with Special Guarantee (DPGEs)	--	--	20,571	37,613	25,192	--	83,376
Brazilian Treasury Bills (LTN)	18,027,643	--	--	--	--	--	18,027,643
Financial Treasury Bills (LFT)	3,884,022	--	--	--	--	--	3,884,022
Brazilian Treasury Notes (NTN-B)	6,019,052	--	--	--	--	--	6,019,052
Brazilian Treasury Notes (NTN-F)	3,894,778	--	--	--	--	--	3,894,778
Committed Operation	--	--	--	--	--	25,094,604	25,094,604
Others [1]	--	--	--	--	--	28,580	28,580
Shares of other FDIC Banks	--	633,672	250,329	--	--	--	884,001
Promissory Note (PN)	--	152,291	27,314	--	--	--	179,605
Financial Bill (LF)	--	10,950,286	77,897	--	--	--	11,028,183
Own Portfolio	**3,169,317**	**215,868**	**46,349**	**--**	**--**	**--**	**3,431,534**
Mortgage Backed Securities (CRI)	--	49,485	--	--	--	--	49,485
Debentures	--	2,639	46,349	--	--	--	48,988
Mortgage (LH)	--	139,755	--	--	--	--	139,755
Brazilian Treasury Notes (NTN-B)	1,152,506	--	--	--	--	--	1,152,506
Brazilian Treasury Notes (NTN-C)	2,016,811	--	--	--	--	--	2,016,811
Financial Bill (LF)	--	23,989	--	--	--	--	23,989
Total	**40,772,561**	**15,299,340**	**4,798,322**	**348,945**	**30,352**	**27,440,590**	**88,690,110**

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

R$ thousand

	Federal Bonds	AAA	AA	A	BBB	Others [1]	Dec 31, 2013 Total
Exclusive Investment Funds - FIE	**5,677,464**	**89,859**	**--**	**--**	**--**	**471,319**	**6,238,642**
Mortgage Backed Securities (CRI)	--	39,676	--	--	--	--	39,676
DI Futures Contracts	--	--	--	--	--	(217)	(217)
Debentures	--	4,816	--	--	--	--	4,816
Brazilian Treasury Bills (LTN)	439,469	--	--	--	--	--	439,469
Mortgage (LH)	--	41,291	--	--	--	--	41,291
Brazilian Treasury Notes (NTN-B)	1,910,782	--	--	--	--	--	1,910,782
Brazilian Treasury Notes (NTN-C)	3,227,181	--	--	--	--	--	3,227,181
Brazilian Treasury Notes (NTN-F)	100,032	--	--	--	--	--	100,032
Committed Operation	--	--	--	--	--	300,245	300,245
Financial Bill (LF)	--	4,076	--	--	--	--	4,076
Others [1]	--	--	--	--	--	171,291	171,291
FIFES linked to PGBL and VGBL	**42,966,338**	**13,408,624**	**4,967,650**	**359,209**	**35,547**	**13,202,703**	**74,940,071**
Stocks	--	--	--	--	--	1,944,641	1,944,641
Certificate of Deposit (CDB)	--	1,551,506	100,096	--	--	--	1,651,602
Mortgage Backed Securities (CRI)	--	4,900	--	--	--	--	4,900
DI Futures Contracts	--	--	--	--	--	(14,518)	(14,518)
Bovespa Index Futures Contracts	--	--	--	--	--	382	382
Debentures	--	1,698,586	4,440,826	322,546	10,990	--	6,472,948
Deposits with Special Guarantee (DPGEs)	--	--	37,556	36,663	24,557	--	98,776
Brazilian Treasury Bills (LTN)	22,507,565	--	--	--	--	--	22,507,565
Financial Treasury Bills (LFT)	3,822,219	--	--	--	--	--	3,822,219
Brazilian Treasury Notes (NTN-B)	9,450,824	--	--	--	--	--	9,450,824
Brazilian Treasury Notes (NTN-F)	7,185,730	--	--	--	--	--	7,185,730
Repo Transactions	--	--	--	--	--	11,273,519	11,273,519
Shares of other FDIC Banks	--	650,975	253,808	--	--	--	904,783
Promissory Note (PN)	--	148,568	26,637	--	--	--	175,205
Financial Bill (LF)	--	9,354,089	108,727	--	--	--	9,462,816
Others [1]	--	--	--	--	--	(1,321)	(1,321)
Own Portfolio	**3,118,299**	**212,092**	**47,825**	**--**	**--**	**--**	**3,378,216**
Mortgage Backed Securities (CRI)	--	50,880	--	--	--	--	50,880
Debentures	--	2,524	47,825	--	--	--	50,349
Mortgage (LH)	--	135,300	--	--	--	--	135,300
Brazilian Treasury Notes (NTN-B)	1,117,870	--	--	--	--	--	1,117,870
Brazilian Treasury Notes (NTN-C)	2,000,429	--	--	--	--	--	2,000,429
Financial Bill (LF)	--	23,388	--	--	--	--	23,388
Total	**51,762,101**	**13,710,575**	**5,015,475**	**359,209**	**35,547**	**13,674,022**	**84,556,929**

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

R$ thousand

	Federal Bonds	AAA	AA	A	BBB	Others [1]	Mar 31, 2014 Total
Exclusive Investment Funds - FIE	**5,777,749**	**85,295**	**--**	**--**	**--**	**485,149**	**6,348,193**
Electric power	--	4,415	--	--	--	--	4,415
Structured Finance	--	37,278	--	--	--	--	37,278
Financial	--	43,025	--	--	--	--	43,025
Infrastructure and Transportation	--	577	--	--	--	--	577
Without Rating	--	--	--	--	--	485,149	485,149
Government Bonds	5,777,749	--	--	--	--	--	5,777,749
FIFES linked to PGBL and VGBL	**31,825,495**	**14,998,177**	**4,751,973**	**348,945**	**30,352**	**26,955,441**	**78,910,383**
Administration and Participation	--	451,270	--	--	--	--	451,270
Aviation and Transportation	--	120,208	--	17,655	--	--	137,863
Foods and Beverages	--	--	--	--	5,160	--	5,160
Construction and Incorporation	--	23,539	209,766	115,661	--	--	348,966
Consumer and Retail	--	60,568	420,068	--	--	--	480,636
Education	--	--	1,679	--	--	--	1,679
Electric power	--	298,452	1,363,307	125,807	--	--	1,787,566
Structured Finance	--	638,287	250,329	--	--	--	888,616
Financial	--	12,371,478	302,275	37,612	25,192	--	12,736,557
Infrastructure and Logistics	--	--	252,321	52,210	--	--	304,531
Infrastructure and Transportation	--	284,688	86,558	--	--	--	371,246
Without Rating	--	--	--	--	--	26,955,441	26,955,441
Water services	--	--	372,442	--	--	--	372,442
Steel and Metallurgy	--	229,222	256,073	--	--	--	485,295
Telecommunications	--	520,465	990,271	--	--	--	1,510,736
Health / Pharmaceutical	--	--	175,045	--	--	--	175,045
Financial Services	--	--	25,139	--	--	--	25,139
Government Bonds	31,825,495	--	--	--	--	--	31,825,495
Heavy Construction	--	--	46,700	--	--	--	46,700
Own Portfolio	**3,169,317**	**215,868**	**46,349**	**--**	**--**	**--**	**3,431,534**
Electric power	--	--	30,483	--	--	--	30,483
Structured Finance	--	49,485	--	--	--	--	49,485
Financial	--	163,744	--	--	--	--	163,744
Infrastructure and Transportation	--	2,385	--	--	--	--	2,385
Mining	--	254	--	--	--	--	254
Telecommunications	--	--	15,866	--	--	--	15,866
Government Bonds	3,169,317	--	--	--	--	--	3,169,317
Total Applications	**40,772,561**	**15,299,340**	**4,798,322**	**348,945**	**30,352**	**27,440,590**	**88,690,110**

(1) Represent cash, receivables and payables of investment funds, shares, repo transactions and other financial instruments without specific rating of the issue.

R$ thousand

	Federal Bonds	AAA	AA	A	BBB	Others [1]	Dec 31, 2013 Total
Investment Fund - FIF	**5,677,464**	**89,859**	**--**	**--**	**--**	**471,319**	**6,238,642**
Electric power	--	4,264	--	--	--	--	**4,264**
Structured Finance	--	39,676	--	--	--	--	**39,676**
Financial	--	45,368	--	--	--	--	**45,368**
Infrastructure and Transportation	--	551	--	--	--	--	**551**
Oil and Gas	--	--		--	--	--	**--**
Without Rating	--	--	--	--	--	471,319	**471,319**
Government Bonds	5,677,464	--	--	--	--	--	**5,677,464**
FIFES linked to PGBL and VGBL	**42,966,338**	**13,408,624**	**4,967,650**	**359,209**	**35,547**	**13,202,703**	**74,940,071**
Administration and Participation	--	474,012	--	--	--	--	**474,012**
Aviation and Transport	--	--	117,911	19,256	--	--	**137,167**
Foods and Beverages	--	--	--	--	10,990	--	**10,990**
Construction and Incorporation	--	24,109	225,500	129,434	--	--	**379,043**
Consumer and Retail	--	--	415,375	--	--	--	**415,375**
Education	--	--	1,611	--	--	--	**1,611**
Electric power	--	289,429	1,487,940	122,533	--	--	**1,899,902**
Structured Finance	--	655,876	253,808	--	--	--	**909,684**
Financial	--	10,905,596	246,378	36,663	24,557	--	**11,213,194**
Infrastructure and Logistics	--	--	248,284	51,323	--	--	**299,607**
Infrastructure and Transportation	--	279,909	87,758	--	--	--	**367,667**
Mining	--	--	--	--	--	--	**--**
Without Rating	--	--	--	--	--	13,202,703	**13,202,703**
Water services	--	--	376,130	--	--	--	**376,130**
Steel and Metallurgy	--	255,175	262,281	--	--	--	**517,456**
Telecommunications	--	524,518	1,004,044	--	--	--	**1,528,562**
Health / Pharmaceutical	--	--	170,589	--	--	--	**170,589**
Financial Services	--	--	24,510	--	--	--	**24,510**
Government Bonds	42,966,338	--	--	--	--	--	**42,966,338**
Heavy Construction	--	--	45,531	--	--	--	**45,531**
Own Portfolio	**3,118,299**	**212,092**	**47,825**	**--**	**--**	**--**	**3,378,216**
Electric power	--	--	31,191	--	--	--	**31,191**
Structured Finance	--	50,880	--	--	--	--	**50,880**
Financial	--	158,688	--	--	--	--	**158,688**
Infrastructure and Transportation	--	2,274	--	--	--	--	**2,274**
Mining	--	250	--	--	--	--	**250**
Telecommunications	--	--	16,634	--	--	--	**16,634**
Government Bonds	3,118,299	--	--	--	--	--	**3,118,299**
Total Applications	**51,762,101**	**13,710,575**	**5,015,475**	**359,209**	**35,547**	**13,674,022**	**84,556,929**

(1) Represent cash, receivables and payables of investment funds, shares, repo transactions and other financial instruments without specific rating of the issue.

b) Liquidity Risk

Liquidity risk is the possibility of incurring losses arising from the lack of sufficient resources to comply, on the scheduled dates, the commitments agreed.

To mitigate this risk, studies are often conducted about the financial transactions flow expected in various scenarios, being evaluated conservatively the minimum limits to be maintained of net funds. In addition to this strategy, the best reinvestment options are analyzed in order to maximize the funds available.

The table below presents the financial assets and liabilities held by the Company and classified according to contractual maturity terms of cash flows:

R$ thousand

	Mar 31, 2014				Dec 31, 2013			
	Up to 1 year	From 1 to 5 years	Above 5 years	Total	Up to 1 year	From 1 to 5 years	Above 5 years	Total
Asset								
Investments	43,120,835	32,671,948	12,897,327	88,690,110	76,210,781	567,805	7,778,343	84,556,929
Credits from insurance and reinsurance transactions	2,102	--	--	2,102	1,471	--	--	1,471
Credits from private pension transactions	21	--	--	21	21	--	--	21
Reinsurance and Retrocession Assets	219	--	--	219	--	222	--	222
Other operating credits	3,043	--	--	3,043	3,937	--	--	3,937
Securities and credits receivable	25,003	256,981	--	281,984	26,308	219,251	--	245,559
Prepaid Expenses not related to reinsurance	555	--	--	555	386	--	--	386
Deferred acquisition costs	230,529	263,717	--	494,246	220,573	252,457	--	473,030
Total asset	**43,382,307**	**33,192,646**	**12,897,327**	**89,472,280**	**76,463,477**	**1,039,735**	**7,778,343**	**85,281,555**
Liability								
Technical provisions - insurance and private pension	9,060,624	78,708,654	--	87,769,278	8,604,740	18,512,367	56,425,922	83,543,029
Accounts payable	121,646	--	--	121,646	265,891	108	--	265,999
Debts from insurance transactions	8,254	--	--	8,254	2,880	--	--	2,880
Debts of operations with private pension	1,273	--	--	1,273	1,700	--	--	1,700
Third party deposits	160,645	--	--	160,645	23,885	--	--	23,885
Other debits (court provisions)	--	232,704	--	232,704	--	172,989	--	172,989
Total liability	**9,352,442**	**78,941,358**	**--**	**88,293,800**	**8,899,096**	**18,685,464**	**56,425,922**	**84,010,482**

c) Underwriting Risk

Underwriting risk consists on 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 through 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 272/2004, 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 on 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 accumulated reserves 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 accumulated reserves 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 Mar 31, 2014		Impact in Mar 31, 2013	
Risk Factors	**Sensitivity**	**Equity**	**Income**	**Equity**	**Income**
Cancellation	+100 bps	4,570	4,570	18,866	18,866
Cancellation	-100 bps	(5,415)	(5,415)	(21,729)	(21,729)
Annuitization	+ 10%	(16,198)	(16,198)	(23,440)	(23,440)
Annuitization	- 10%	12,365	12,365	23,440	23,440
Longevity	+ 5%	(1,289)	(1,289)	(27,068)	(27,068)
Longevity	- 5%	7,331	7,331	25,680	25,680

The table above demonstrates the sensitivity analysis calculated by the Company for the principal assumptions used in the actuarial calculations of the liabilities involved in the insurance contracts. The 'sensitivity' column indicates a variation rate reasonably expected by Management for the selected assumptions. 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 include the index combination, 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 index (IGP-M and IPCA) due to their importance for the 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 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 considers 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 equity:

R$ thousand

		Impact in Mar 31, 2014		Impact in Mar 31, 2013	
Risk Factor	**Sensitivity**	**Equity**	**Income**	**Equity**	**Income**
Interest rate (1)	+100 bps	1	1	4	4
Interest rate (1)	-100 bps	(1)	(1)	(4)	(4)
Coupon	+100 bps	(13,559)	(13,559)	(18,051)	(18,051)
Coupon	-100 bps	14,796	14,796	24,237	24,237

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

e) Operational Risk

The operational risk 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

The legal risk consists of the possibility of loss arising from non-compliance of 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.

IRB Brasil Resseguros

Risk Management

Risk Management in IRB Brasil Re is considered an essential tool for optimizing the use of capital and selecting the best business opportunities in order to obtain better risk/return for its shareholders. The supervision activity of Risk Management in IRB Brasil Re is made by the Board and by the Board of Directors, with the support of the Risk Management Committee and other advisory or deliberative bodies.

After review, happened in December 2013, the rating A- (excellent) was confirmed by AM Best rating agency, headquartered in the United States, which reflects, in the opinion of that agency, a level of capital strongly appropriate to the Company risks.

Main Risk Types

The Corporate Risk Management covers the following risk categories: Conjuncture, Operational, Reputation, Subscription, Market, Credit and Liquidity, which in turn are composed of several subcategories. The Company believes that these categories represents its main exhibitions, but are not exhaustive, since many risks can affect it.

To dealing with these risks, the Company uses several methodologies and strategies, such as Balanced Scorecard (BSC), development of a Business Continuity Program, the creation of a Risk Management Plan – aimed to the identification, analysis, measurement, addressing and reporting, focused on operational risks – addressing of operational incident, monitoring of counterparties credit risk and the VaR (Value at risk) of the investment portfolio, among others.

Underwriting Risk

The underwriting risk comes from fluctuations that may arise from internal and external factors to the Company, contrary to the expectations of the Reinsurance in relation to financial and actuarial assumptions adopted in the pricing of reinsurance contracts and the establishment of technical provisions.

In order to reduce exposure to risk, the IRB Brasil Re works with a diversified reinsurance portfolios. Additionally, the evolution of risks is monitored, as the actuarial assumptions and underwriting and accepting risks policies and monitoring of technical provisions are constantly reviewed.

One of available techniques for underwriting risk mitigation and control is risk transfer through retrocession. Just as reinsurance, retrocession can cover a group of business or only specific risks (also called optional). The IRB Brasil Re currently has retrocession programs that cover groups of branches where there is greater exposure by seeking to stabilize the results and limit losses, as well as enhance your capacity for acceptance of strategic business. In addition, for specific cases can be used optional retrocession that are analyzed individually. Due to the nature of risk transfer, retrocession operations imply in credit risk underlying, treated as described below.

Monitoring of Reinsurance Liabilities by Business Line

The Company calculates its technical provisions following the standards of the Conselho Nacional de Seguros Privados (CNSP) and the Superintendência de Seguros Privados (SUSEP). The table below shows liabilities (PSL, IBNR, IBNER, PET, PPNG, PDR) gross and net by business line, according to the new division adopted by the company**.**

R$ thousand

Group	Mar 31, 2014		Dec 31, 2013	
	Reinsurance Liabilities	Retrocession Assets	Reinsurance Liabilities	Retrocession Assets
Aviation	650,693	(497,667)	682,214	(504,321)
Financial Risks	832,718	(432,399)	925,383	(445,998)
Civil Liability	628,413	(222,358)	721,047	(264,949)
Marine	515,584	(220,158)	512,313	(241,545)
Vehicle	314,571	(6,958)	298,949	(5,794)
Rural	402,911	(96,664)	474,579	(101,815)
Property	3,195,962	(1,549,382)	3,017,151	(1,491,062)
Special Risks	505,918	(399,681)	443,240	(315,215)
Life	194,797	(39,382)	203,701	(39,553)
Total	**7,241,567**	**(3,464,649)**	**7,278,577**	**(3,410,252)**

The nature of reinsurance transactions implies that the reinsurer receives most of information from transferor in aggregated form, usually having access to individualized data on facultative business only. Therefore, due to the absence of complete information about the geographical region segregation, and following the guidance of SUSEP Circular No. 486/2014, is not applicable disclosure of concentration risk by geographical area.

Sensitivity Analysis

The table below shows possible impact on result and shareholders' equity, considering a 10% increase in claims.

R$ thousand

Impact	Gross effects	Net effects
Income and shareholders' equity	(71,726)	(43,779)
Income (%)	(146)	(89)
Shareholders' equity (%)	(3)	(2)

The studies of liabilities development and ALM identified that due to the nature of the accepted operations by IRB Brasil Re, so that there is no exposure to convertibility, mortality or survival indexes. The same studies indicated that part of non-operating liabilities related to post-employment benefits are indexed to inflation, which are covered by securities with same index (NTN-B), so that there is no exposure to this index.

Market Risk

Can be defined as the arising risk from prices and rates changes in the financial market, which may reflect the reduction in value of a financial security or assets portfolio. The main variables linked to market risk are: interest rates, exchange rates and the liquidity of assets.

Risk management from these variables involves different organizational units and includes a series of guidelines and strategies considered appropriate by management, aiming at risk management arising from those variables. For this purpose the following techniques are used: definition of maximum limits of VaR (Value at Risk) and construction of stress scenarios, market monitoring, and preventive management of losses.

Value at Risk Analysis (VaR)

The measurement of market risk, made through the VaR, estimates the potential loss in profit before income tax for a given time horizon given a specific probability of occurrence, considering the market volatilities and the risk diversification by recognizing compensatory positions and correlations between the product and the market. The daily VaR of the portfolio of assets of the Reinsurer, registered on March 31, 2014, was R$ 10.5 million, which represents a loss of 0.19% of the total portfolio of assets, according to the not-parametric method – historical daily VaR with significance level of 5% and mobile observation period of 150 business days.

Sensitivity Analysis for Foreign Currency

The reinsurer is mainly exposed to the currency of the United States, however having exposure to a lesser extent the Euro. The following table details the sensitivity of Reinsurer to the change rates for the two currencies, considering the prognosis of the U.S. dollar to December 31, 2014, presented by Focus Report published by the Bacen on March 28, 2014 (R$ 2.26 / U.S. $ 1.00), and for the Euro, it was decided to apply the same percentage change in the dollar, which represents the most likely scenarios:

	Probable scenario – Dec 31, 2014
Change in dollars surplus	42,130
Change in Euro surplus	1,190

Consonant the scenario highlighted above, it is possible to conclude that the Dollar appreciation converge in a positive surplus for the Company. Considering the same movement to the Euro currency, there would be a positive surplus. The consolidation of the surplus, in this scenario, would result in a non-material financial gain for the Reinsurer.

Sensitivity Analysis to Interest Rate

The Company is exposed to interest rate risk, as it has, mainly, securities tied to change in interest rates. The following table details the sensitivity of the Reinsurer to the variation of 1% (100bps) in the Selic rate:

R$ thousand

	Mar 31, 2014	
Impacts	**+1%**	**-1%**
Change in pre-fixed securities	(33,306)	33,937
Change in post-fixed securities	24,387	(24,387)
Result	**(8,919)**	**9,550**

Parameters:
a) 100 *basis points* for interest rate structures existing as in the date of base.
b) Assuming for conservatism that the real interest rate (NTN-B coupon) evolved proportionally to the Selic rate.

After analysis, it is possible to conclude that the sensitivity to interest rate by 100bps implies a change in the value of securities exposed to about 0.24% for the rate reduction and -0.22% for the rate increase.

Correlated Risk Management

The Company considers that the economic variables have no independent movement, correlation between the main risk factors associated with investments. Considering these variables, well as their correlations, concluded that the associated risks are partially mitigated, given that the variables analyzed act in compensatory movement, which can generate a maximum loss of 8.4% in the period. About the stress scenarios analyzed, considering large global crises that have occurred in the last fifteen years, it was concluded that the maximum loss of your portfolio would be 9.7%.

Credit Risk

The IRB Brasil Re understands that the main source of its credit risk - risk that a counterpart will not fulfill its contractual obligations with financial losses - are retrocession operations. To mitigate this risk, the Company adopted a policy of having retrocession transactions with companies that have at least half of the ratings on record, demonstrably, equal or higher than A- (S & P, Fitch and AM Best) or A3 (Moody's), and evaluates its retrocessionaires through an own classification. The Reinsurer's exposure is continuously monitored, being controlled by counterpart limits, which are reviewed and approved, at least annually, by the Security Committee. The quality of the current retrocession partners of protection contracts IRB Brasil Re can be seen in the table below:

Range rating	(%) of reinsurance contracts and protection of participants into force			
	Local	Admitted	Eventual	Total
AAA or equivalent	--	--	--	--
AA or equivalent	--	31.58	10.53	42.11
A or equivalent	--	5.26	42.10	47.36
BBB+ or equivalent	--	--	--	--
No rating	10.53	--	--	10.53
Total	**10.53**	**36.84**	**52.63**	**100.00**

The credit risk on funds and derivative financial instruments is limited because the counterparts are represented by banks with high credit rating attributed by international rating agencies. The following techniques are used to control and mitigate credit risk: setting limits for retrocession by entity; monitoring changes and trends in the insurance and reinsurance market and financial market; and preventive management of losses.

Liquidity Risk

Liquidity risk is associated with the risk that the Company, although solvent, does not have resources available to fulfill its obligations in a timely manner, or that can fulfill them only through assets sale in unfavorable conditions, resulting in financial losses. To manage this risk, is used a model that combines the needs of funding and liquidity management in the short, medium and long term. This risk is continuously tracked by monitoring of expected and real cash flows, and by combination of the maturity profiles of financial assets and liabilities.

Currency Futures Contracts

As part of the investment policy of the Company, is expected the hiring hedge for the occurrence of surplus assets in foreign currency. On base date March 31, 2014, the Company had no forward currency contracts or other hedging instrument.

Future Contracts on Interest Rates – Fixed Income

On March 31, 2014, the Company owned all the quotes of the BB PEABIRU – Renda Fixa Fund. The fund managers can adopt as hedge policy using derivative financial instruments, in order to protect the asset value in relation to unexpected movements in interest rates.

On the referred date, the fund had operations with future contracts on interest rates (DI's), used to protect paper indexed to pre-fixed interest rates (LTN's and NTN-F's) in order to obtain yield over 100% of CDI. Those pre-fixed paper with derivative contract operations amount a post-fixed operation increased of a spread. The fund managers use such structure in order to obtain yield over 100% of CDI, BB Peabiru – Renda Fixa Fund benchmark.

Minimum Capital and Additional

CNSP, on December 16, 2013, published new regulations about to the calculation of minimum required capital for authorization and operation of local reinsurers and risk capital, consubstantiated in the Resolutions CNSP 302/2013. The main changes were as follows:

1. Introduction of the "liquidity relative to the minimum required capital" concept, situation characterized by the presentation of total net assets in excess of the need of coverage provisions, exceeding 20% (twenty percent) of the minimum capital requirements;
2. Introduction of new parameters for determining when a company needs to present "regularization plan solvency" to SUSEP, which replaces the old concepts of "corrective plan solvency" and "recovery plan solvency."

Continue in force, to evaluate the Underwriting Risk Capital CNSP Resolution 280/2013, which was complemented by SUSEP Circular 486/2014 on Jan 23, 2014; the Credit Risk Capital CNSP Resolution 228/2010; and the Operational Risk Capital CNSP Resolution 283/2013 issued by SUSEP. The IRB Brasil Re, on March 31, 2014, had not submitted its own model of market risk capital for SUSEP approval.

Are considered, for the purposes of the aforementioned resolutions, the following concepts:

I – Minimum required capital: amount of capital that a local reinsurer must maintain at any time to operate, being equivalent to the higher of the base capital, risk capital, and the solvency margin.
II – Base capital: fixed amount of capital, in the amount of R $ 60 million, a local reinsurer shall have, at any time.
III – Risk capital: variable amount of capital a local reinsurer shall have, at any time, in order to ensure the risks inherent in its operations, pursuant to specific regulation.
IV – Solvency margin: the greater of the following amounts: (a) 20.0% of the total retained premiums in the past 12 months, and (b) 33.0% of the annual average of total retained losses in the last 36 months.
V – Liquid Assets: all assets accepted by Conselho Monetário Nacional up to 100% (one hundred percent) in the coverage of technical provisions.

Minimum Required Capital

The calculation made by IRB Brasil Re, as provided in the aforementioned resolutions, did not identify the need for additional capital contribution. In March 31, 2014, it was observed that the value of adjusted equity is higher than the value of the minimum required capital.

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Risk capital based on underwriting risk	365,376	374,162
Risk capital based on credit risk	311,888	324,721
Risk capital based on operational risk	29,865	29,802
Benefit of diversification	(73,366)	(93,128)
Total risk capital	**633,763**	**635,557**
Base capital	60,000	60,000
Solvency margin	294,209	294,711
Minimum required capital	**633,763**	**635,557**
Adjusted equity (*)	2,410,788	2,520,623
Sufficiency of adjusted equity	**1,777,025**	**1,885,066**

R$ thousand

* Calculation of adjusted shareholders' equity	Mar 31, 2014	Dec 31, 2013
Equity	2,553,836	2,668,213
Deductions	(143,048)	(147,590)
Prepaid expenses	(125)	(972)
Shareholdings	(73,218)	(73,591)
Intangible	(43,860)	(39,478)
Rights/obligations of foreign branches	(25,795)	(33,499)
Other deductions	(50)	(50)
Adjusted equity	**2,410,788**	**2,520,623**

Liquidity in relation to Minimum Required Capital

Liquidity calculation over the minimum capital required for the base date March 31, 2014 identified no need for IRB Brasil Re go on to have higher levels of liquid assets in excess to need for provisions coverage.

R$ thousand

	Mar 31, 2014
Net assets	4,357,603
Technical provisions	(2,718,056)
Covering 20% of the minimum capital required	(126,753)
Excess of net assets	1,512,794

.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 operations of BB Seguridade are divided into two segments: (i) insurance (insurance and reinsurance 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, property and vehicle insurance, rural, special risks and financial, transport, hooves, and housing people private pension plans and capitalization plans, private pension plans and capitalization plans- reinsurance.

The profit of this segment comes mainly from revenues of insurance and reinsurance issued premiums, 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 and reinsurance casualty and life and capitalization plans, pension and health insurance.

c) Financial Information by Reportable Segment

R$ thousand

	1 st quarter/2014		
	Insurance	**Brokerage**	**Total**
Operating income	**397,530**	**487,903**	**885,433**
Commissions income	--	487,903	487,903
Share of profit of associate companies	397,530	--	397,530
Other income and expenses	**1,113**	**(99,328)**	**(98,215)**
Interest income from financial instruments	10,004	23,907	33,911
Personnel expenses	(370)	(1,973)	(2,343)
Administrative expenses	(191)	(76,309)	(76,500)
Other operating expenses	(8,330)	(44,953)	(53,283)
Income before taxes	**398,643**	**388,575**	**787,218**
Income taxes	**(820)**	**(132,136)**	**(132,956)**
Net income [(1)]	**397,823**	**256,439**	**654,262**
Total assets	**6,657,530**	**1,517,447**	**8,174,977**
Total liabilities	**278,801**	**1,227,603**	**1,506,404**
Total Equity	**6,378,729**	**289,844**	**6,668,573**

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

R$ thousand

	1 st quarter/2013		
	Insurance	Brokerage	Total
Operating income	**293,376**	**357,709**	**651,085**
Commissions income	--	357,709	357,709
Share of profit of associate companies	293,376	--	293,376
Other income and expenses	**4,841**	**(91,709)**	**(86,868)**
Interest income from financial instruments	12,322	13,100	25,422
Personnel expenses	(1,325)	(2,490)	(3,815)
Administrative expenses	(575)	(61,049)	(61,624)
Other operating expenses	(5,581)	(41,270)	(46,851)
Income before taxes	**298,217**	**266,000**	**564,217**
Income taxes	**(1,719)**	**(90,672)**	**(92,391)**
Net income [(1)]	**296,498**	**175,328**	**471,826**
Total assets	**6,480,177**	**1,042,277**	**7,522,454**
Total liabilities	**618,050**	**833,538**	**1,451,588**
Total Equity	**5,862,127**	**208,739**	**6,070,866**

(1) The financial income and taxes expenses 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) Reinsurance, (iii) Private Pension Plans and (iv) 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). Income arise mainly from insurance premiums 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 revenues and investments in securities, net of selling expenses, technical provisions and claims expenses.

Reinsurance

It comprises the products offered by IRB Brasil Resseguros S,A, (reinsurance operations), Income and expenses are recorded by the equity method and arise, mainly, from reinsurance premiums issued in the country and abroad revenues and investments in securities, net of selling expenses, technical provisions and claims expenses.

Private Pension Plans

Pension plans are offered in plans marketed by Brasilprev. Income 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 redemption and Lottery.

e) Combined Statement of Income by Sub Segment

R$ thousand

	1 st quarter/2014				
	Insurance				
	Life, Mortgage and Rural	Property and Casualty	Reinsurance	Private Pension Plans	Capitalization Plans
Insurance income					
Earned premiums	**1,442,834**	**2,014,320**	**341,903**	**--**	**--**
Retained premiums	1,556,172	2,030,072	258,503	--	--
Change in technical provisions	(113,338)	(15,752)	83,400	--	--
Income insurance	3,006	2,130	--	--	--
Retained claims	(768,744)	(1,115,240)	(337,874)	--	--
Costs acquisition	(349,305)	(418,815)	(9,417)	--	--
Result from Reinsurance income	**147,774**	**(108,188)**	**109,593**	**--**	**--**
Reinsurance income	313,938	145,441	241,052	--	--
Reinsurance expenses	(166,164)	(253,629)	(131,459)	--	--
Other operation income (expenses)	(80,350)	(40,288)	(54,107)	--	--
Administrative expenses	(66,336)	(213,358)	(42,687)	--	--
Taxes expenses	(50,818)	(50,570)	(14,466)	--	--
Result from interest income	**103,839**	**85,645**	**44,996**	**--**	**--**
Interest income	135,905	102,550	604,672	--	--
Interest expenses	(32,066)	(16,905)	(559,677)	--	--
Private Pension Plans income	**--**	**--**	**--**	**31,948**	**--**
Retained contributions	--	--	--	5,064,003	--
Benefits provision	--	--	--	(5,032,055)	--
Change in technical provisions	--	--	--	(17,680)	--
Income from management fees	--	--	--	268,495	--
Benefits and redemption expenses	--	--	--	(482)	--
Retained benefits	--	--	--	(246)	--
Risk contributions	--	--	--	48,292	--
Selling expenses	--	--	--	(68,860)	--
Other operation income (expenses)	--	--	--	(5,213)	--
Administrative expenses	--	--	--	(57,532)	--
Taxes expenses	--	--	--	(22,986)	--
Capitalization Plans income					
Net securities capitalization	**--**	**--**	**--**	**--**	**214,124**
Fundraising with bonds	--	--	--	--	1,303,471
Change in provision for redemption	--	--	--	--	(1,089,347)
Change in technical provisions	--	--	--	--	(5,153)
Raffle results	--	--	--	--	(46,475)
Selling expenses	--	--	--	--	(100,850)
Other operation income (expenses)	--	--	--	--	167
Administrative expenses	--	--	--	--	(17,067)
Taxes expenses	--	--	--	--	(8,245)
Result from interest income	**--**	**--**	**--**	**115,656**	**66,339**
Interest income	--	--	--	1,800,540	249,037
Interest expenses	--	--	--	(1,684,884)	(182,698)
Equity in earnings	**(6,552)**	**(1,623)**	**14,010**	**1,118**	**31**
Operating results	**375,348**	**154,013**	**51,950**	**292,510**	**102,871**
Non-current assets results	**40**	**(1)**	**--**	**(28)**	**--**
Income before taxes	**375,388**	**154,012**	**51,950**	**292,482**	**102,871**
Interest taxes	(140,875)	(62,157)	(10,146)	(116,019)	(39,046)
Results participation	(4,435)	(5,643)	--	(1,326)	(890)
Net income	**230,078**	**86,212**	**41,803**	**175,138**	**62,935**
Attributable to Group BB Seguridade	172,536	43,107	8,574	131,345	41,967
Attributable to other stockholders'	57,542	43,105	33,229	43,793	20,968
Total assets	**12,028,270**	**12,137,995**	**12,004,343**	**89,677,657**	**10,680,922**
Total liabilities	**8,900,348**	**9,232,899**	**9,289,594**	**88,313,581**	**10,409,876**
Total Equity	**3,127,922**	**2,905,096**	**2,714,749**	**1,364,076**	**271,046**

R$ thousand

	1 st quarter/2013			
	Life, Mortgage and Rural	Property and Casualty	Private Pension Plans	Capitalization Plans
Insurance income				
Earned premiums	**1,055,136**	**1,722,393**	--	--
Retained premiums	1,200,885	1,836,027	--	--
Change in technical provisions	(145,749)	(113,634)	--	--
Income insurance	2,052	(568)	--	--
Retained claims	(362,772)	(964,721)	--	--
Costs acquisition	(259,174)	(402,320)	--	--
Result from Reinsurance income	**(48,201)**	**(39,108)**	--	--
Reinsurance income	80,778	166,489	--	--
Reinsurance expenses	(128,979)	(205,597)	--	--
Other operation income (expenses)	(62,204)	(53,311)	--	--
Administrative expenses	(62,056)	(198,961)	--	--
Taxes expenses	(37,880)	(43,285)	--	--
Result from interest income	**57,933**	**39,720**	--	--
Interest income	83,200	62,208	--	--
Interest expenses	(25,267)	(22,488)	--	--
Private Pension Plans income			**29,531**	**--**
Retained contributions	**--**	**--**	6,037,706	**--**
Benefits provision	--	--	(6,008,175)	--
Change in technical provisions	--	--	(21,276)	--
Income from management fees	--	--	233,652	--
Benefits and redemption expenses	--	--	(2,357)	--
Retained benefits	--	--	(8,592)	--
Risk contributions	--	--	45,740	--
Selling expenses	--	--	(62,343)	--
Other operation income (expenses)	--	--	(4,006)	--
Administrative expenses	--	--	(59,710)	--
Taxes expenses	--	--	(19,177)	--
Capitalization Plans income	--	--	**--**	--
Net securities capitalization	--	--	--	**270,571**
Fundraising with bonds	--	--	--	1,192,055
Change in provision for redemption	--	--	--	(921,484)
Change in technical provisions	--	--	--	14,329
Raffle results	--	--	--	(36,758)
Selling expenses	--	--	--	(73,783)
Other operation income (expenses)	--	--	--	(95)
Administrative expenses	--	--	--	(15,850)
Taxes expenses	--	--	--	(17,914)
Result from interest income	--	--	**80,485**	**(9,315)**
Interest income	--	--	380,685	109,661
Interest expenses	--	--	(300,200)	(118,976)
Equity in earnings	**(8,441)**	**(8,099)**	**2,380**	**42**
Operating results	**274,392**	**51,740**	**214,327**	**131,226**
Non-current assets results	**78**	**--**	**(20)**	**--**
Income before taxes	**274,470**	**51,740**	**214,307**	**131,226**
Interest taxes	(96,077)	(17,017)	(83,989)	(52,067)
Results participation	(853)	(10,137)	(2,659)	(825)
Net income	**177,540**	**24,586**	**127,659**	**78,334**
Attributable to Group BB Seguridade	133,137	12,293	95,737	52,219
Attributable to other stockholders'	44,403	12,293	31,922	26,115
Total asset [(1)]	**11,037,504**	**11,622,148**	**85,479,010**	**10,400,400**
Total liabilities [(1)]	**8,114,787**	**8,779,094**	**84,029,522**	**10,125,342**
Total Equity [(1)]	**2,922,717**	**2,843,054**	**1,449,488**	**275,058**

(1) Balances relate to the year ended Dec 31, 2013.

8 – CASH AND CASH EQUIVALENTS

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Cash	1	6	108	12
Financial Applications[1]	92,473	186,609	1,153,666	1,785,272
Total	**92,474**	**186,615**	**1,153,774**	**1,785,284**

(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			
	Mar 31, 2014		Dec 31, 2013		Mar 31, 2014		Dec 31, 2013	
	Cost Value	Fair Value	Cost Value	Fair Value	Cost Value	Fair Value	Cost Value	Fair Value
Debt instruments								
Securities issued by financial companies	--	--	--	--	2,876	3,035	2,879	2,966

b) Financial Assets Available for Sale

R$ thousand

	Parent				Consolidated			
	Mar 31, 2014		Dec 31, 2013		Mar 31, 2014		Dec 31, 2013	
	Cost Value	Fair Value	Cost Value	Fair Value	Cost Value	Fair Value	Cost Value	Fair Value
Debt instruments								
Investments in mutual funds	--	--	--	--	1,850	86	1,850	80

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, 2014 to Mar 31, 2014				Carrying amount	Share of profit	Carrying amount	Carrying amount
			Dec 31, 2013	Dividends	Equity Valuation Adjustments	Other events	Share of profit	Mar 31, 2014	1 st quarter/2014	Mar 31, 2014	Dec 31, 2013
BB Seguros Participações S.A.	**3,103,201**	**6,378,729**	**5,982,187**	**--**	**(1,280)**	**--**	**397,823**	**6,378,730**	**--**	**--**	**--**
BB Mapfre SH1 Participações S.A. (2)	2,050,198	2,550,818	2,446,357	--	(906)	--	172,536	2,617,987	172,536	2,617,987	2,446,357
Mapfre BB SH2 Participações S.A. (3)	1,968,380	2,796,532	1,868,785	--	(202)	--	43,107	1,911,690	43,107	1,911,690	1,868,785
Brasilprev Seguros e Previdência S.A.	602,955	1,364,076	1,062,519	(193,944)	(616)	--	131,345	999,304	131,345	999,304	1,062,519
IRB Brasil Resseguros S.A. (4)	1,453,080	2,711,001	552,960	--	444	--	8,574	561,978	8,574	561,978	552,960
Brasilcap Capitalização S.A. (5)	79,054	265,493	290,429	(44,628)	--	--	41,925	287,726	41,925	287,726	290,429
BB Capitalização S.A.	5,400	5,552	5,510	--	--	--	42	5,552	--	--	--
BB Cor Participações S.A.	**36,211**	**298,369**	**41,842**	**--**	**5**	**--**	**256,522**	**298,369**	**--**	**--**	**--**
BB Corretora de Seguros e Administradora de Bens S.A.	26,918	289,844	33,400	--	5	--	256,439	289,844	--	--	--
Total das participações			**6,024,029**	**--**	**(1,275)**	**--**	**654,345**	**6,677,099**	**397,487**	**6,378,685**	**6,221,050**

(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 Mar 31, 2014, 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 Mar 31, 2014, the amount of R$ 97,704 thousand related to the goodwill arising from the partnership with Mapfre.

(4) The balance sheet used IRB - Brazil be delayed (February 2014).

(5) This includes, in the carrying amount of the investment as of Mar 31, 2014, the amount of R$ 110,749 thousand relating to the goodwill arising from the acquisition of Sulacap by BB Seguros, occurred in July 22, 2011.

R$ thousand

Company	Capital	Stockholders' equity adjusted (1)	Parent						Consolidated		
			Carrying amount	Movements Jan 01, 2013 to Mar 31, 2013				Carrying amount	Share of profit	Carrying amount	Carrying amount
			Dec 31, 2012	Dividends	Equity Valuation Adjustments	Other events	Share of profit	Mar 31, 2013	1 st quarter/2013	Mar 31, 2013	Dec 31, 2012
BB Seguros Participações S.A.	**3,103,201**	**5,862,126**	**5,603,330**	**--**	**(2,428)**	**--**	**296,498**	**5.897.400**	**--**	**--**	**--**
BB Mapfre SH1 Participações S.A. (2)	2,050,198	2,761,850	2,674,815	--	(2,393)	2,856	133,137	2,808,415	133,137	2,808,415	2,674,815
Mapfre BB SH2 Participações S.A. (3)	1,968,380	2,327,550	1,679,323	--	(43)	--	12,293	1,691,573	12,293	1,691,573	1,679,323
Brasilprev Seguros e Previdência S.A.	409,498	1,137,865	799,019	(71,301)	9	--	95,737	823,464	95,737	823,464	799,019
Brasilcap Capitalização S.A. (4)	79,054	231,084	232,386	(43,329)	--	--	52,219	241,276	52,219	241.276	232,386
BB Capitalização S.A.	5,507	5,511	5,521	--	--	--	(10)	5,511	--	--	--
BB Cor Participações S.A.	**35,131**	**33,544**	**33,544**	**--**	**(14)**	**--**	**175,329**	**208,859**	**--**	**--**	**--**
BB Corretora de Seguros e Administradora de Bens S.A.	26,918	208,738	33,424	--	1,586	--	175,329	210,338	--	--	--
Total das participações			**5,636,874**	**--**	**(2,442)**	**--**	**471,827**	**6.106.259**	**293,386**	**5,564,728**	**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 March 31, 2013, the amount of R$ 693,836 thousand related to the goodwill arising from the partnership with Mapfre (Note 2).

(3) This includes, in the carrying amount of the investment as of March 31, 2013, the amount of R$ 97,704 thousand related to the goodwill arising from the partnership with Mapfre (Note 2).

(4) This includes, in the carrying amount of the investment as of March 31, 2013, the amount of R$ 110,479 thousand relating to the goodwill arising from the acquisition of entity´s shares occurred in July 22, 2011.

b) Other Information

Dividends and interest on equity received from investments were R$ 271,873 thousand as of March 31, 2014 and $ 1,346,421 thousand as of Dezember 31, 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 2014.

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	
		Mar 31, 2014	
		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	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 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 S.A	Acting in the life insurance segment in general	50.00	49.00
Reinsurance			
IRB Brasil Resseguros S.A.	Acting in the reinsurance segment in the country and abroad	20.51	20.51
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
BB 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
Brasilprev Nosso Futuro Seguros e Previdência S.A.(1)	Focus of activity in the insurance people and benefit plans open private pension	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

(1) Company incorporated by Brasilprev Seguros e Previdência S.A. on November 30, 2013, as described in note 2.

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

1 st quarter/2014	Mapfre Vida S.A	Vida Seguradora	Cia. de Seguros Aliança do Brasil	BB Mapfre SH1	Adjustments/ Eliminations	Total
Issued premiums	127,019	117,455	1,311,698	--	--	1,556,172
Risk contribution	--	--	--	--	--	--
Technical provisions variation	(2,359)	(34,800)	(76,179)	--	--	(113,338)
Earned premiums	**124,660**	**82,655**	**1,235,519**	**--**	**--**	**1,442,834**
Income insurance	(12)	--	3,018	--	--	3,006
Retained claims	(82,064)	(51,532)	(635,148)	--	--	(768,744)
Costs acquisition	(33,837)	(9,344)	(306,124)	--	--	(349,305)
Reinsurance income	**2,636**	**(1,902)**	**147,040**	**--**	**--**	**147,774**
Reinsurance income	1,371	(1,074)	313,641	--	--	313,938
Reinsurance expenses	1,265	(828)	(166,601)	--	--	(166,164)
Other income/expenses	(3,049)	(3,067)	(74,234)	--	--	(80,350)
Administrative expenses	(7,297)	(5,208)	(53,402)	(429)	--	(66,336)
Taxes expenses	(4,022)	(3,553)	(43,147)	(96)	--	(50,818)
Interest income	**9,138**	**5,606**	**86,027**	**3,068**	**--**	**103,839**
Interest income	11,262	8,271	113,304	3,068	--	135,905
Interest expense	(2,124)	(2,665)	(27,277)	--	--	(32,066)
Equity in earnings	**(19)**	**--**	**372**	**224,473**	**(231,378)**	**(6,552)**
Operating results	**6,134**	**13,655**	**359,921**	**227,016**	**(231,378)**	**375,348**
Non-current assets results	40	--	--	--	--	40
Income/(loss) before taxes	**6,174**	**13,655**	**359,921**	**227,016**	**(231,378)**	**375,388**
Income tax	(1,431)	(3,387)	(78,028)	1,357	--	(81,489)
Social Contribution tax	(766)	(2,036)	(57,230)	646	--	(59,386)
Results participation	(1,109)	(83)	(3,243)	--	--	(4,435)
Net income/(loss)	**2,868**	**8,149**	**221,420**	**229,019**	**(231,378)**	**230,078**
Attributable to Group BB Seguridade	2,151	6,111	166,043	171,741	(173,510)	172,536
Attributable to other stockholders	717	2,038	55,377	57,278	(57,868)	57,542

R$ thousand

1 st quarter/2013	Mapfre Vida S.A	Vida Seguradora	Cia. de Seguros Aliança do Brasil	BB Mapfre SH1	Adjustments/ Eliminations	Total
Issued premiums	129,028	106,268	965,589	--	--	1,200,885
Risk contribution	--	--	--	--	--	--
Technical provisions variation	(1,813)	(8,933)	(135,003)	--	--	(145,749)
Earned premiums	**127,214**	**97,335**	**830,586**	**--**	**--**	**1,055,135**
Income insurance	(45)	--	2,097	--	--	2,052
Retained claims	(88,195)	(42,729)	(231,848)	--	--	(362,772)
Costs acquisition	(36,556)	(10,197)	(212,421)	--	--	(259,174)
Reinsurance income	**(1,822)**	**(468)**	**(45,911)**	**--**	**--**	**(48,201)**
Reinsurance income	2,107	460	78,211	--	--	80,778
Reinsurance expenses	(3,929)	(928)	(124,122)	--	--	(128,979)
Other income/expenses	**(6,449)**	**(2,072)**	**(53,683)**	**--**	**--**	**(62,204)**
Administrative expenses	(10,236)	(7,863)	(43,651)	(306)	--	(62,056)
Taxes expenses	(2,623)	(3,718)	(31,483)	(56)	--	(37,880)
Interest income	**4,137**	**7,806**	**37,144**	**8,846**	**--**	**57,933**
Interest income	7,836	9,279	56,617	9,468	--	83,200
Interest expense	(3,699)	(1,473)	(19,473)	(622)	--	(25,267)
Equity in earnings	(19)	--	37	166,743	(175,202)	(8,441)
Operating results	**(14,594)**	**38,094**	**250,867**	**175,227**	**(175,202)**	**274,392**
Non-current assets results	--	--	--	78	--	78
Income/(loss) before taxes	**(14,594)**	**38,094**	**250,867**	**175,305**	**(175,202)**	**274,470**
Income tax	4,408	(9,233)	(47,529)	(64)	--	(52,418)
Social Contribution tax	2,747	(5,543)	(41,004)	141	--	(43,659)
Results participation	(2,344)	--	1,491	--	--	(853)
Net income/(loss)	**(9,783)**	**23,318**	**163,825**	**175,382**	**(175,202)**	**177,540**
Attributable to Group BB Seguridade	(7,336)	17,486	122,852	131,519	(131,384)	133,137
Attributable to other stockholders	(2,447)	5,832	40,973	43,863	(43,818)	44,403

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

R$ thousand

1 st quarter/2014	Aliança do Brasil Seguros	Brasilveículos	Mapfre Seguros Gerais	Mapfre Affinity Seguradora	Mapfre Assistência	Mapfre BB SH2	Adjustments/ Eliminations	Total
Issued premium	174,248	450,533	1,206,628	198,663	--	--	--	2,030,072
Risk contribution	--	--	--	--	--	--	--	--
Technical provisions variation	(5,045)	18,315	(39,146)	10,124	--	--	--	(15,752)
Earned premiums	**169,203**	**468,848**	**1,167,482**	**208,787**	**--**	**--**	**--**	**2,014,320**
Income insurance	866	1,265	(1)	--	--	--	--	2,130
Retained claims	(67,091)	(281,111)	(691,997)	(75,041)	--	--	--	(1,115,240)
Costs acquisition	(60,581)	(50,310)	(221,610)	(86,314)	--	--	--	(418,815)
Reinsurance income	**1,159**	**--**	**(109,329)**	**(18)**	**--**	**--**	**--**	**(108,188)**
Reinsurance income	19,081	--	126,360	--	--	--	--	145,441
Reinsurance expense	(17,922)	--	(235,689)	(18)	--	--	--	(253,629)
Other income/expenses	(9,803)	(16,342)	(7,994)	(7,343)	1,194	--	--	(40,288)
Administrative expenses	(14,217)	(63,757)	(112,832)	(21,477)	(651)	(424)	--	(213,358)
Taxes expenses	(5,848)	(11,017)	(23,403)	(9,232)	(1,030)	(40)	--	(50,570)
Interest income	**14,252**	**27,916**	**34,963**	**7,179**	**50**	**1,285**	**--**	**85,645**
Interest income	15,092	40,067	33,753	12,303	50	1,285	--	102,550
Interest expense	(840)	(12,151)	1,210	(5,124)	--	--	--	(16,905)
Equity in earnings	**--**	**18**	**9,439**	**(1)**	**--**	**85,194**	**(96,273)**	**(1,623)**
Operating results	**27,940**	**75,510**	**44,718**	**16,540**	**(437)**	**86,015**	**(96,273)**	**154,013**
Non-current assets results	--	--	(1)	--	--	--	--	(1)
Income/(loss) before taxes	**27,940**	**75,510**	**44,717**	**16,540**	**(437)**	**86,015**	**(96,273)**	**154,012**
Income tax	(8,379)	(17,937)	(9,450)	(4,114)	189	170	--	(39,521)
Social Contribution tax	(5,031)	(10,570)	(4,709)	(2,472)	57	89	--	(22,636)
Results participation	(97)	(1,416)	(3,878)	(59)	(193)	--	--	(5,643)
Net income/(loss)	**14,433**	**45,587**	**26,680**	**9,895**	**(384)**	**86,274**	**(96,273)**	**86,212**
Attributable to Group BB Seguridade	7,217	22,794	13,340	4,948	(192)	43,137	(48,137)	43,107
Attributable to other stockholders	7,216	22,793	13,340	4,947	(192)	43,137	(48,136)	43,105

R$ thousand

1 st quarter/2013	Aliança do Brasil Seguros	Brasilveículos	Mapfre Seguros Gerais	Mapfre Affinity Seguradora	Mapfre Assistência	Mapfre BB SH2	Adjustments/ Eliminations	Total
Issued premium	179,147	430,901	1,041,600	184,379	--	--	--	1,836,027
Technical provisions variation	(37,931)	(1,542)	(88,610)	14,449	--	--	--	(113,634)
Earned premiums	**141,216**	**429,359**	**952,989**	**198,828**	**--**	**--**	**--**	**1,722,392**
Income insurance	719	(551)	(738)	2	--	--	--	(568)
Retained claims	(46,789)	(246,078)	(610,749)	(61,105)	--	--	--	(964,721)
Costs acquisition	(52,239)	(46,887)	(212,335)	(90,859)	--	--	--	(402,320)
Reinsurance income	**(8,975)**	**--**	**(29,887)**	**(246)**	**--**	**--**	**--**	**(39,108)**
Reinsurance income	9,078	--	157,362	49	--	--	--	166,489
Reinsurance expense	(18,053)	--	(187,249)	(295)	--	--	--	(205,597)
Other income/expenses	(9,846)	(16,425)	(21,981)	(5,990)	931	--	--	(53,311)
Administrative expenses	(11,364)	(47,134)	(117,036)	(22,452)	(555)	(420)	--	(198,961)
Taxes expenses	(4,966)	(8,885)	(20,089)	(8,581)	(752)	(12)	--	(43,285)
Interest income	**4,278**	**671**	**30,090**	**4,527**	**15**	**140**	**--**	**39,720**
Interest income	7,987	9,245	38,247	6,574	15	140	--	62,208
Interest expense	(3,710)	(8,574)	(8,157)	(2,047)	--	--	--	(22,488)
Equity in earnings	**--**	15	8,633	(1)	--	31,483	(48,229)	(8,099)
Operating results	**12,034**	**64,085**	**(21,103)**	**14,123**	**(361)**	**31,191**	**(48,229)**	**51,740**
Income/(loss) before taxes	**12,034**	**64,085**	**(21,103)**	**14,123**	**(361)**	**31,191**	**(48,229)**	**51,740**
Income tax	(2,891)	(15,321)	11,117	(3,505)	265	432	--	(9,903)
Social Contribution tax	(1,828)	(9,194)	5,735	(2,106)	95	184	--	(7,114)
Results participation	--	(1,271)	(8,786)	(80)	--	--	--	(10,137)
Net income/(loss)	**7,315**	**38,299**	**(13,037)**	**8,432**	**(1)**	**31,807**	**(48,229)**	**24,586**
Attributable to Group BB Seguridade	3,658	19,150	(6,519)	4,216	(1)	15,904	(24,115)	12,293
Attributable to other stockholders	3,657	19,149	(6,518)	4,216	(1)	15,903	(24,114)	12,293

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

R$ thousand

	IRB – Brasil Resseguros S.A.
	1 st quarter/2014
Issued premiums	258,503
Risk contribution	--
Technical provisions variation	83,400
Earned premiums	**341,903**
Income insurance	--
Retained claims	(337,874)
Costs acquisition	(9,417)
Reinsurance income	**109,593**
Reinsurance income	241,052
Reinsurance expense	(131,459)
Other income/expenses	(54,107)
Administrative expenses	(42,687)
Taxes expenses	(14,466)
Interest income	**44,996**
Interest income	604,672
Interest expense	(559,677)
Equity in earnings	**14,010**
Operating results	**51,950**
Non-current assets results	--
Income/(loss) before taxes	**51,950**
Income tax	(6,195)
Social Contribution tax	(3,951)
Results participation	--
Net income/(loss)	**41,803**
Attributable to Group BB Seguridade	8,574
Attributable to other stockholders	33,229

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

R$ thousand

1 st quarter/2014	Brasilcap Capitalização S.A.	BB Capitalização	Adjustments/ Eliminations	Total
Collection with savings bonds	1,303,471	--	--	1,303,471
Technical provisions variation to redemption	(1,089,347)	--	--	(1,089,347)
Net securities capitalization	**214,124**	**--**	**--**	**214,124**
Technical provision changes	(5,153)	--	--	(5,153)
Raffle results	(46,475)	--	--	(46,475)
Selling expenses	(100,850)	--	--	(100,850)
Results	**61,646**	**--**	**--**	**61,646**
Other income/(expenses)	167	--	--	167
Administrative expenses	(17,015)	(52)	--	(17,067)
Tax expenses	(8,228)	(17)	--	(8,245)
Capitalization results	**36,570**	**(69)**	**--**	**36,501**
Financial results	**66,210**	**129**	--	**66,339**
Interest income	248,907	130	--	249,037
Interest expense	(182,697)	(1)	--	(182,698)
Equity in earnings	**31**	**--**	**--**	**31**
Operating income	**102,811**	**60**	**--**	**102,871**
Non-current assets results	--	--	--	--
Income/(loss) before taxes	**102,811**	**60**	**--**	**102,871**
Income tax	(24,191)	(9)	--	(24,200)
Social Contribution tax	(14,837)	(9)	--	(14,846)
Results participation	(890)	--	--	(890)
Net income/(loss)	**62,893**	**42**	**--**	**62,935**
Attributable to Group BB Seguridade	41,925	42	--	41,967
Attributable to other stockholders	20,968	--	--	20,968

R$ thousand

1 st quarter/2013	Brasilcap Capitalização S.A.	BB Capitalização	Adjustments/ Eliminations	Total
Collection with savings bonds	1,192,055	--	--	1,192,055
Technical provisions variation to redemption	(921,484)	--	--	(921,484)
Net securities capitalization	**270,571**	**--**	**--**	**270,571**
Technical provision changes	14,329	--	--	14,329
Raffle results	(36,758)	--	--	(36,758)
Selling expenses	(73,783)	--	--	(73,783)
Results	**174,359**	**--**	**--**	**174,359**
Other income/(expenses)	(89)	--	(6)	(95)
Administrative expenses	(15,788)	(62)	--	(15,850)
Tax expenses	(17,893)	(21)	--	(17,914)
Capitalization results	**140,589**	**(83)**	**(6)**	**140,500**
Financial results	**(9,404)**	**89**	**--**	**(9,315)**
Interest income	109,572	89	--	109,661
Interest expense	(118,976)	--	--	(118,976)
Equity in earnings	**42**	**--**	**--**	**42**
Operating income	**131,226**	**6**	**(6)**	**131,226**
Non-current assets results	--	--	--	--
Income/(loss) before taxes	**131,226**	**6**	**(6)**	**131,226**
Income tax	(32,378)	(2)	--	(32,380)
Social Contribution tax	(19,687)	--	--	(19,687)
Results participation	(825)	--	--	(825)
Net income/(loss)	**78,336**	**4**	**(6)**	**78,334**
Attributable to Group BB Seguridade	52,219	4	(4)	52,219
Attributable to other stockholders	26,117	--	(2)	26,115

d.5) Insurance, Private Pension Plans and Capitalization Segment: Private Pension Plans

R$ thousand

1 st quarter/2014	Brasilprev Seguros e	Adjustments/Eliminations	Total
Retained contribution	5.064.003	--	5.064.003
Benefits provision	(5.032.055)	--	(5.032.055)
Private Pension Plans income	**31.948**	**--**	**31.948**
Income from management fees and products	268.495	--	268.495
Change in technical provisions	(16.615)	--	(16.615)
Retained benefits	(246)	--	(246)
Costs acquisition	(68.860)	--	(68.860)
Other income/expense	(3.345)	--	(3.345)
Risck contributions	48.292	--	48.292
Change in technical provisions from premiums	(1.065)	--	(1.065)
Results	**47.227**	**--**	**47.227**
Claims	(482)	--	(482)
Costs acquisition	--	--	--
Other income/expense	(1.868)	--	(1.868)
Administrative expenses	(57.532)	--	(57.532)
Taxes expenses	(22.986)	--	(22.986)
Financial results	**115.656**	**--**	**115.656**
Interest income	1.800.540	--	1.800.540
Interest expense	(1.684.884)	--	(1.684.884)
Equity in earnings	**--**	**1.118**	**1.118**
Operating results	**291.392**	**1.118**	**292.510**
Non-current assets income	(28)	--	(28)
Income/(loss) before taxes	**291.364**	**1.118**	**292.482**
Tax income	(72.153)	--	(72.153)
Social Contribution tax	(43.866)	--	(43.866)
Results participation	(1.326)	--	(1.326)
Net income	**174.020**	**1.118**	**175.138**
Attributable to Group BB Seguridade	130.506	838	131.345
Attributable to other stockholders	43.514	280	43.793

Brasilprev Nosso Futuro Seguros e Previdência S.A, was incorporated by Brasilprev Seguros e Previdência S.A. on November 30, 2013, as described in note 2.

R$ thousand

1 st quarter/2013	Brasilprev Seguros e Previdência S.A.	Brasilprev Nosso Futuro Seguros e Previdência S.A	Adjustments/ Eliminations	Total
Retained contribution	6,022,637	15,069	--	6,037,706
Benefits provision	(5,993,651)	(14,524)	--	(6,008,175)
Private Pension Plans income	**28,987**	**544**	**--**	**29,531**
Income from management fees and products	231,016	2,636	--	233,652
Change in technical provisions	(20,197)	757	--	(19,440)
Retained benefits	(7,983)	(609)	--	(8,592)
Costs acquisition	(62,148)	(195)	--	(62,343)
Other income/expense	(2,621)	(22)	--	(2,643)
Risck contributions	45,605	135	--	45,740
Change in technical provisions from premiums	(1,826)	(10)	--	(1,836)
Results	**43,779**	**125**	**--**	**43,904**
Claims	(2,318)	(39)	--	(2,357)
Costs acquisition	--	--	--	--
Other income/expense	(1,363)	--	--	(1,363)
Administrative expenses	(58,394)	(1,316)	--	(59,710)
Taxes expenses	(18,768)	(409)	--	(19,177)
Financial results	**80,532**	**(47)**	**--**	**80,485**
Interest income	379,639	1,046	--	380,685
Interest expense	(299,107)	(1,093)	--	(300,200)
Equity in earnings	**879**	**--**	**1,501**	**2,380**
Operating results	**211,401**	**1,425**	**1,501**	**214,327**
Non-current assets income	(20)	--	--	(20)
Income/(loss) before taxes	**211,381**	**1,425**	**1,501**	**214,307**
Tax income	(52,116)	(332)	--	(52,448)
Social Contribution tax	(31,327)	(214)	--	(31,541)
Results participation	(2,659)	--	--	(2,659)
Net income	**125,278**	**879**	**1,501**	**127,658**
Attributable to Group BB Seguridade	93,952	659	1,126	95,737
Attributable to other stockholders	31,326	220	375	31,921

d.6) Brokerage Segment

R$ thousand

	BB Corretora de Seguros e Adm. de Bens	
	1 st quarter/2014	1 st quarter/2013
Operating income	**487,903**	**357,709**
Brokerage income	487,903	357,709
Other income and expenses	**(116,209)**	**(101,127)**
Personnel expenses	(1,973)	(2,490)
administrative expenses	(114,236)	(98,637)
Operating income	371,694	**256,582**
Interest income	**16,881**	**9,418**
Interest income	23,907	13,100
Interest expense	(7,026)	(3,682)
Income/(loss) before taxes	**388,575**	**266,000**
Taxes	(132,136)	(90,671)
Net income	**256,439**	**175,329**
Attributable to Group BB Seguridade	256,439	175,329
Attributable to other stockholders	--	--

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

R$ thousand

Mar 31, 2014	Mapfre Vida S.A.	Vida Seguradora	Cia. de Seguros Aliança do Brasil	BB Mapfre SH1	Adjustments/ Eliminations	Total
Assets						
Cash and bank deposits	2,063	239	297,628	5	--	299,935
Securities	427,050	351,332	3,624,559	438,921	--	4,841,862
Insurance and coinsurance operations	108,220	84,647	2,174,654	--	--	2,367,521
Reinsurance assets – Technical provisions	18,839	2,180	582,273	--	--	603,292
Securities	211,299	76,137	1,206,297	1,626	--	1,495,359
Other	3,802	1,758	2	--	--	5,562
Prepaid expenses	289	87	13,600	206	--	14,182
Costs of acquisition	10,531	3,641	984,823	--	--	998,995
Investments	4,160	466	6,167	2,284,229	(1,659,456)	635,566
Property and equipment	534	7,539	10,789	--	--	18,862
Intangible assets	12,002	732	33,282	678,673	--	724,689
Total	**798,789**	**528,758**	**8,934,074**	**3,403,660**	**(1,659,456)**	**12,005,825**
Liabilities						
Accounts payable	44,274	10,688	230,355	298,182	--	583,499
Insurance and coinsurance operations	69,893	27,377	1,550,474	--	--	1,647,744
Insurance technical provisions	311,906	321,385	5,394,083	--	--	6,027,374
Deposits	7,665	4,777	70,478	--	--	82,920
Other liabilities	888	629	557,294	--	--	558,811
Equity	**364,163**	**163,902**	**1,131,390**	**3,105,478**	**(1,659,456)**	**3,105,477**
Attributable to Group BB Seguridade	273,086	122,910	848,429	2,328,798	(1,244,426)	2,328,797
Attributable to other stockholders	91,077	40,992	282,961	776,680	(415,030)	776,680
Total	**798,789**	**528,758**	**8,934,074**	**3,403,660**	**(1,659,456)**	**12,005,825**

R$ thousand

Dec 31, 2013	Mapfre Vida S.A.	Vida Seguradora	Cia. de Seguros Aliança do Brasil	BB Mapfre SH1	Adjustments/ Eliminations	Total
Assets						
Cash and bank deposits	162,763	158,238	818,772	40,434	--	1,180,207
Securities	254,347	181,676	2,902,120	16,519	--	3,354,662
Insurance and coinsurance operations	107,980	46,935	2,068,045	--	--	2,222,960
Reinsurance assets – Technical provisions	18,386	3,456	329,919	--	(11,766)	339,995
Securities	230,467	95,437	1,203,615	8,750	--	1,538,269
Others	4,925	1,573	8	--	--	6,506
Prepaid expenses	787	158	4,839	261	--	6,045
Costs of acquisition	11,222	3,592	969,861	--	--	984,675
Investments	4,133	466	5,930	2,435,603	(1,788,385)	657,747
Property and equipment	772	8,058	9,406	--	--	18,236
Intangible assets	10,386	740	30,441	686,635	--	728,202
Total	**806,168**	**500,329**	**8,342,956**	**3,188,202**	**(1,800,151)**	**11,037,504**
Liabilities						
Accounts payable	46,203	37,359	275,619	310,374	14,963	684,518
Insurance and coinsurance operations	81,875	24,644	1,247,808	--	--	1,354,327
Insurance technical provisions	293,585	249,035	4,863,029	--	(49,174)	5,356,475
Deposits	22,177	3,019	143,195	--	--	168,391
Other liabilities	1,084	861	549,131	--	--	551,076
Equity	**361,244**	**185,411**	**1,264,174**	**2,877,828**	**(1,765,940)**	**2,922,717**
Attributable to Group BB Seguridade	270,897	139,040	948,004	2,158,083	(1,324,278)	2,191,746
Attributable to other stockholders	90,347	46,371	316,170	719,745	(441,662)	730,971
Total	**806,168**	**500,329**	**8,342,956**	**3,188,202**	**(1,800,151)**	**11,037,504**

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

R$ thousand

Mar 31, 2014	Aliança do Brasil Seguros	Brasilveículos	Mapfre Seguros Gerais	MAPFRE Affinity Seguradora	Mapfre Assistência	Mapfre BB SH2	Adjustments/ Eliminations	Total
Assets								
Cash and bank deposits	92,729	20,541	144,334	242	133	--	--	257,979
Securities	383,440	1,049,155	1,825,832	374,862	973	67,421	--	3,701,683
Insurance and coinsurance operations	408,815	558,789	2,185,110	226,035	--	--	--	3,378,749
Reinsurance assets – Technical provisions	137,395	--	1,134,425	3	--	--	--	1,271,823
Securities	64,292	742,242	524,958	291,892	4,070	865	--	1,628,319
Others	278	132,509	276,696	3,622	--	--	--	413,105
Prepaid expenses	5,978	7,688	4,565	17	--	45	--	18,293
Costs of acquisition	75,925	103,747	414,172	241,475	--	--	--	835,319
Investments	359	1,842	446,962	203	--	2,803,414	(3,027,135)	225,645
Property and equipment	1,329	1,338	87,569	78	--	--	--	90,314
Intangible assets	4,214	16,578	189,183	2,583	--	64,739	--	277,297
Total	**1,174,754**	**2,634,429**	**7,233,806**	**1,141,012**	**5,176**	**2,936,484**	**(3,027,135)**	**12,098,526**
Liabilities								
Accounts payable	90,745	162,509	271,970	33,415	3,084	56,180	--	617,903
Insurance and coinsurance operations	263,221	62,240	946,615	111,275	--	--	--	1,383,351
Insurance technical provisions	593,470	1,396,043	3,979,863	414,828	--	--	--	6,384,204
Deposits	35,018	65,486	177,216	16,309	--	--	--	294,029
Other liabilities	24,718	402,772	13,052	112,870	--	--	--	553,412
Equity	**167,582**	**545,379**	**1,845,090**	**452,315**	**2,092**	**2,880,304**	**(3,027,135)**	**2,865,627**
Attributable to Group BB Seguridade	83,791	272,690	922,545	226,158	1,046	1,440,152	(1,513,568)	1,432,814
Attributable to other stockholders	83,791	272,689	922,545	226,157	1,046	1,440,152	(1,513,567)	1,432,813
Total	**1,174,754**	**2,634,429**	**7,233,806**	**1,141,012**	**5,176**	**2,936,484**	**(3,027,135)**	**12,098,526**

R$ thousand

Dec 31, 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	210,948	221,341	109,757	160,252	573	76	--	702,947
Securities	263,616	801,268	1,809,209	169,452	2,006	1,003	--	3,046,554
Insurance and coinsurance operations	355,610	581,642	1,928,312	236,512	--	--	--	3,102,076
Reinsurance assets – Technical provisions	142,782	--	1,119,376	3	--	--	(17,425)	1,244,736
Securities	67,343	749,276	642,560	324,265	3,886	911	--	1,788,241
Others	195	74,322	177,654	2,448	--	--	--	254,619
Prepaid expenses	4,972	164	4,857	12	--	--	--	10,005
Costs of acquisition	72,783	105,552	418,821	252,456	--	--	--	849,612
Risk diferred	--	--	--	--	--	--	--	--
Investments	332	1,756	437,494	306	--	2,782,716	(2,957,428)	265,176
Property and equipment	1,099	955	90,622	305	--	--	--	92,981
Intangible assets	3,613	18,402	175,840	2,607	--	64,739	--	265,201
Other assets	--	--	--	--	--	--	--	--
Total	**1,123,293**	**2,554,678**	**6,914,502**	**1,148,618**	**6,465**	**2,849,445**	**(2,974,853)**	**11,622,148**
Liabilities								
Accounts payable	94,719	164,919	374,910	74,449	3,989	55,976	16,529	785,491
Insurance and coinsurance operations	227,505	63,256	766,457	119,679	--	--	--	1,176,897
Insurance technical provisions	565,115	1,356,299	3,842,753	394,322	--	--	(58,746)	6,099,743
Deposits	22,561	41,003	99,018	7,832	--	--	--	170,414
Other liabilities	25,030	398,791	12,784	109,944	--	--	--	546,549
Equity	**188,363**	**530,410**	**1,818,580**	**442,392**	**2,476**	**2,793,469**	**(2,932,636)**	**2,843,054**
Attributable to Group BB Seguridade	94,182	265,205	909,290	221,196	1,238	1,396,735	(1,466,318)	1,421,528
Attributable to other stockholders	94,181	265,205	909,290	221,196	1238	1,396,734	(1,466,318)	1,421,526
Total	**1,123,293**	**2,554,678**	**6,914,502**	**1,148,618**	**6,465**	**2,849,445**	**(2,974,853)**	**11,622,148**

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

R$ thousand

	IBR – Brasil Resseguros S.A.	
	Feb 28, 2014	Dec 31, 2013
Assets		
Cash and bank deposits	212,395	55,018
Securities	4,908,065	5,168,274
Insurance and coinsurance operations	2,012,659	2,251,692
Reinsurance assets – Technical provisions	3,512,745	3,410,252
Receivables	1,029,401	952,269
Others properties	--	--
Prepaid expenses	407	972
Differred costs	--	--
Differred - risk	--	--
Investment	157,510	199,339
Property and equipment	31,140	32,110
Intangible assets	140,021	166,718
Others	--	--
Total	**12,004,343**	**12,236,644**
Liabilities		
Payable accounts	541,026	577,837
Insurance and reinsurance debts	1,036,375	1,229,859
Technical provision	7,301,449	7,279,394
Deposits	27,608	29,087
Other liabilities	383,136	403,061
Equity	**2,714,749**	**2,717,406**
Attributable to Group BB Seguridade	556,814	557,359
Attributable to other stockholders	2,157,935	2,160,047
Total	**12,004,343**	**12,236,644**

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

R$ thousand

Mar 31, 2014	Brasilcap Capitalização	BB Capitalização	Adjustments/ Eliminations	Total
Assets				
Cash and bank deposits	302	--	--	302
Securities	10,006,953	5,579	--	10,012,532
Insurance and coinsurance operations	640,280	--	--	640,280
Prepaid expenses	8,839	--	--	8,839
Investments and goodwill	1,267	--	--	1,267
Property and equipment	8,235	--	--	8,235
Intangible assets	7,383	--	--	7,383
Other assets	2,080	4	--	2,084
Total	**10,675,339**	**5,583**	**--**	**10,680,922**
Liabilities				
Tax liabilities	45,372	20	--	45,392
Capitalization technical provisions	2,707	--	--	2,707
Provisions	9,810,383	--	--	9,810,383
Other liabilities	551,384	10	--	551,394
Equity	**265,493**	**5,553**	**--**	**271,046**
Attributable to Group BB Seguridade	176,978	5,553	--	182,531
Attributable to other stockholders	88,515	--	--	88,515
Total	**10,675,339**	**5,583**	**--**	**10,680,922**

R$ thousand

Dec 31, 2013	Brasilcap Capitalização	BB Capitalização	Adjustments/ Eliminations	Total
Assets				
Cash and bank deposits	191	--	--	191
Securities	9,773,656	5,585	--	9,779,241
Insurance and coinsurance operations	596,379	--	--	596,379
Prepaid expenses	2,570	--	--	2,570
Investments and goodwill	1,272	--	--	1,272
Property and equipment	8,625	--	--	8,625
Intangible assets	8,187	--	--	8,187
Other assets	3,935	--	--	3,935
Total	**10,394,815**	**5,585**	**--**	**10,400,400**
Liabilities				
Tax liabilities	105,820	65	--	105,885
Capitalization technical provisions	2,385	--	--	2,385
Provisions	9,488,698	--	--	9,488,698
Other liabilities	528,364	10	--	528,374
Equity	**269,548**	**5,510**	**--**	**275,058**
Attributable to Group BB Seguridade	179,681	5,510	--	185,191
Attributable to other stockholders	89,867	--	--	89,867
Total	**10,394,815**	**5,585**	**--**	**10,400,400**

e.5) Insurance, Private Pension Plans and Capitalization segment: Private Pension Plans

R$ thousand

Mar 31, 2014	Brasilprev Seguros e Previdência S.A.	Adjustments/ Eliminations	Total
Assets			
Cash and bank deposits	5,172	--	5,172
Securities	88,670,465	--	88,670,465
Insurance and coinsurance operations	2,321	--	2,321
Receivables	321,365	--	321,365
Prepaid expenses	556	--	556
Costs acquisitions	494,246	--	494,246
Pension plan credits	3,064	--	3,064
Property and equipment	16,662	--	16,662
Intangible assets	163,806	--	163,806
Total	**89,677,657**	--	**89,677,657**
Liabilities			
Accounts payable	141,428	--	141,428
Insurance and reinsurance debts	8,253	--	8,253
Pension plan debts	1,273	--	1,273
Deposits	160,645	--	160,645
Technical provisions	58,629,045	--	58,629,045
Technical provisions - Pension plans	29,140,233	--	29,140,233
Other liabilities	232,704	--	232,704
Equity	**1,364,076**	--	**1,364,076**
Attributable to Group BB Seguridade	1,022,921	--	1,022,921
Attributable to other stockholders	341,155	--	341,155
Total	**89,677,657**	**--**	**89,677,657**

R$ thousand

Dec 31, 2013	Brasilprev Seguros e Previdência S.A.	Adjustments/ Eliminations	Total
Assets			
Cash and bank deposits	181,550	--	181,550
Securities	84,386,959	--	84,386,959
Insurance and coinsurance operations	1,471	--	1,471
Receivables	253,576	--	253,576
Prepaid expenses	386	--	386
Costs acquisitions	473,029	--	473,029
Pension plan credits	4,181	--	4,181
Property and equipment	17,251	--	17,251
Intangible assets	160,607	--	160,607
Total	**85,479,010**	**--**	**85,479,010**
Liabilities			
Accounts payable	285,039	--	285,039
Insurance and reinsurance debts	2,880	--	2,880
Pension plan debts	1,700	--	1,700
Deposits	23,885	--	23,885
Technical provisions	55,106,491	--	55,106,491
Technical provisions - Pension plans	28,436,537	--	28,436,537
Other liabilities	172,990	--	172,990
Equity	**1,449,488**	**--**	**1,449,488**
Attributable to Group BB Seguridade	1,086,971	--	1,086,971
Attributable to other stockholders	362,517	--	362,517
Total	**85,479,010**	**--**	**85,479,010**

e.6) Brokerage Segment

R$ thousand

	BB Corretora de Seguros e Administradora de Bens	
	Mar 31, 2014	Dec 31, 2013
Assets		
Cash and bank deposits	792,603	1,020,061
Securities	3,121	3,047
Tax assets	88,248	76,618
Other assets	633,475	646,161
Total	**1,517,447**	**1,745,887**
Liabilities		
Dividends payable	--	499,986
Povisions	10,192	7,884
Tax liabilities	145,743	147,232
Other liabilities	1,071,668	1,057,385
Equity	**289,844**	**33,400**
Attributable to Group BB Seguridade	289,844	33,400
Attributable to other stockholders	--	--
Total	**1,517,447**	**1,745,887**

f) Insurance and Reinsurance Receivables of Equity Method Investments

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Insurance business operations – Life, mortgage life and rural	**1,993,371**	**1,770,049**
Premiums	1,167,787	1,363,935
Insurance business operations	23,313	24,555
Reinsurance business operations	841,950	417,084
(-) Credit risk impairment losses	(39,679)	(35,525)
Insurance business operations – Property and casualty	**3,811,101**	**3,998,953**
Premiums	2,606,363	2,560,812
Insurance business operations	133,169	72,312
Reinsurance business operations	1,141,531	1,456,688
(-) Credit risk impairment losses	(69,962)	(90,859)
Reinsurance	**1,928,393**	**2,156,715**
Premiums	1,712,239	1,797,629
Insurance business operations	401,367	494,009
(-) Credit risk impairment losses	(185,213)	(134,923)
Other credits	**239,404**	**340,245**
Total	**7,972,269**	**8,265,962**
Attributable to the Group BB Seguridade	3,924,193	3,922,991
Attributable to other stockholders'	4,048,076	4,342,970

g) Balance of liabilities from Insurance Contracts and Technical Provisions for Capitalization of Equity Method Investments

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Insurance – Life, mortgage life, rural and life insurance with survivor coverag [1]	**64,053,129**	**60,160,381**
Mathematical provision for future benefits	58,407,223	54,878,803
Provision for unearned premiums	3,278,425	3,174,996
Provision for unsettled claims	1,225,037	1,058,678
Incurred but not reported reserve – IBNR	451,229	377,960
Provision for premium insufficiency	382,022	363,562
Mathematical provision for vested benefits	58,264	52,483
Other provisions	250,929	253,899
Insurance – Property and casualty [1]	**5,090,604**	**4,896,328**
Provision for unearned premiums	3,197,994	3,224,338
Provision for unsettled claims	1,178,016	1,198,121
Incurred but not reported reserve – IBNR	440,275	329,569
Other provisions	274,319	144,300
Reinsurance	**3,787,965**	**3,868,325**
Provision for unsettled claims	2,362,865	2,406,426
Provision for unearned premiums	986,594	1,026,780
Incurred but not reported reserve – IBNR	413,493	411,796
Other provisions	25,013	23,323
Private Pension Plans	**29,140,233**	**28,436,537**
Mathematical provision for future benefits	26,132,354	25,489,123
Mathematical provision for vested benefits	1,367,470	1,324,640
Provision for financial surplus	605,739	590,543
Incurred but not reported reserve – IBNR	10,550	11,152
Provision for insufficiency of contributions	11,002	--
Other provisions	1,013,118	1,021,079
Capitalization Plans	**9,810,383**	**9,488,698**
Mathematical provision for redemptions	9,304,008	9,245,415
Provision for sweepstakes and redemptions	424,422	160,766
Other provisions	81,953	82,517
Total	**111,882,314**	**106,850,269**
Attributable to the Group BB Seguridade	79,747,517	76,005,552
Attributable to other stockholders	32,134,797	30,844,717

(1) values are presented net of reinsurance.

h) Balance of Liabilities from Insurance Contracts and Technical Provisions for Capitalization by Products of Equity Method Investments

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Insurance – Life, Mortgage Life, Rural and life insurance with survivor coverag (1)	**64,053,129**	**60,160,381**
Living benefits life insurance – VGBL	58,629,045	55,106,491
Life	4,398,695	4,161,003
Property/casualty	731,043	688,983
DPVAT	294,346	203,904
Insurance – Property and casualty (1)	**5,090,604**	**4,896,328**
Auto	3,102,429	2,843,509
Life	315,258	411,210
Property/casualty	1,293,876	1,250,055
DPVAT	379,041	391,554
Reinsurance	**3,787,965**	**3,868,325**
Auto	311,087	174,017
Life	156,930	61,018
Property/casualty	3,319,948	3,578,690
DPVAT	--	54,600
Private Pension Plans	**29,140,233**	**28,436,537**
Free benefit generating plan – PGBL	20,837,024	20,337,357
Traditional plans	8,303,209	8,099,180
Capitalization Plans	**9,810,383**	**9,488,698**
Total	**111,882,314**	**106,850,269**
Attributable to the Group BB Seguridade	79,747,517	76,005,552
Attributable to other stockholders'	32,134,797	30,844,717

(1) values are presented net of reinsurance.

i) Guarantee of Liabilities from Insurance Contracts and Technical Provisions for Capitalization of Equity Method Investments

R$ thousand

	Mar 31, 2014					
	Life, Mortgage life Rural, life insurance with survivor coverag	Property and Casualty	Private Pension Plans	Capitalization Plans	Reinsurance	Total
Shares in investment funds (VGBL e PGBL)	52,711,441	--	26,199,023	--	--	78,910,464
Shares in investment funds (except VGBL e PGBL)	7,550,254	2,880,576	2,107,660	4,277,216	980,469	17,796,175
Federal Government bonds	2,543,293	284,785	1,052,243	4,443,173	2,968,339	11,291,833
Corporate bonds	760,484	376,156	87,059	1,198,408	--	2,422,107
Credit rights	1,047,204	1,224,514	--	87,542	--	2,359,260
Property	3,590	19,061	--	--	--	22,651
Deposits held at IRB and judicial deposits	10,168	1,485	--	--	--	11,653
Reducing the need for coverage	520,536	416,779	--	--	--	937,315
Total	**65,146,970**	**5,203,356**	**29,445,985**	**10,006,339**	**3,948,808**	**113,751,458**
Attributable to the Group BB Seguridade	48,853,712	2,601,678	22,083,016	6,670,225	809,901	81,018,532
Attributable to other stockholders'	16,293,258	2,601,678	7,362,969	3,336,114	3,138,907	32,732,926

R$ thousand

	Dec 31, 2013					
	Life, Mortgage life Rural, life insurance with survivor coverag	Property and Casualty	Private Pension Plans	Capitalization Plans	Reinsurance	Total
Shares in investment funds (VGBL e PGBL)	49,431,825	--	25,508,246	--	--	74,940,071
Shares in investment funds (except VGBL e PGBL)	7,352,991	3,002,958	2,123,521	4,180,894	--	16,660,364
Federal Government bonds	2,418,269	206,862	1,061,412	4,207,031	3,799,613	11,693,187
Corporate bonds	721,616	352,473	88,471	1,295,197	71,085	2,528,842
Credit rights	1,278,004	1,294,762	--	90,535	--	2,663,301
Property	3,941	19,280	--	--	--	23,221
Deposits held at IRB and judicial deposits	10,264	1,487	--	--	--	11,751
Reducing the need for coverage	518,863	437,116	--	--	--	955,979
Total	**61,735,773**	**5,314,938**	**28,781,650**	**9,773,657**	**3,870,698**	**109,476,716**
Attributable to the Group BB Seguridade	46,295,656	2,657,469	21,584,798	6,515,119	793,880	77,846,922
Attributable to other stockholders'	15,440,117	2,657,469	7,196,852	3,258,538	3,076,818	31,629,794

j) Coverage of Technical Provisions of Equity Investments Valued by Equity Method

R$ thousand

	Mar 31, 2014	Dec 31, 2013
Technical Provisions	107,485,421	102,385,743
Reinsurance assets and deferred [1]	(3,512,668)	(3,410,252)
Diferred Acquisiction Cost of PPNG	(982,623)	(955,980)
Reinsurance Contracted Part	(1,934,663)	(1,614,143)
Credit Receivable	(2,226,410)	(2,474,515)
Provisions Retained by IRB	(516)	(99,285)
Judicial Deposits	(267)	(8,955)
DPVAT	(673,371)	(467,885)
Total to be covered	**98,154,903**	**93,354,728**
Assets offered in covered:		
Investment funds	9,213,408	88,279,196
Federal Securities	69,939,494	6,458,168
Private Securities	20,563,023	1,100,650
Total	**99,715,925**	**95,838,014**
Sufficiency (insufficiency)	**1,561,022**	**2,483,286**

(1) Related to IRB

k) Changes in Liabilities for Insurance Contracts and Supplementary Pension of Equity Investments Valued by Equity Method

R$ thousand

	1st Quarter/2014				
	Opening balance	Constitution	Reversals	Updates	Closing balance
Technical Provisions – Insurance and life insurance with survivor coverage	**66,670,629**	**8,006,541**	**(4,731,501)**	**1,094,955**	**71,040,624**
Mathematical provision for future benefits	54,886,048	2,399,378	--	1,092,316	58,377,742
Provision for unearned premiums	7,155,875	3,387,309	(3,292,611)	--	7,250,573
Provision for unsettled claims	3,069,162	1,875,239	(1,350,560)	1,121	3,594,962
Provision for claims incurred but not reported	781,391	199,497	--	--	980,888
Provision for premium insufficiency	301,958	18,461	--	--	320,419
Provision for redemption and other amounts to be regularized	105,843	61,400	(34,763)	19	132,499
Mathematical provision for vested benefits	52,483	37,182	(32,900)	1,499	58,264
Other provisions	317,869	28,075	(20,667)	--	325,277
Technical Provisions – Supplementary Pension	**28,436,536**	**356,793**	**(251,123)**	**598,027**	**29,140,233**
Mathematical provision for future benefits	25,489,123	134,607	(31,061)	539,685	26,132,354
Mathematical provision for vested benefits	1,324,640	100,126	(99,329)	42,033	1,367,470
Provision for unsettled claims	28,205	742	(2,184)	373	27,136
Provision for claims incurred but not reported	11,152	33,177	(33,779)	--	10,550
Provision for unearned premiums	9,940	31,699	(30,637)	--	11,002
Other provisions	1,573,476	56,442	(54,133)	15,936	1,591,721
Total Technical Provisions	**95,107,165**	**8,363,334**	**(4,982,624)**	**1,692,982**	**100,180,857**
Attributable to the Group BB Seguridade	69,781,858	5,452,888	(2,974,625)	1,270,091	73,530,212
Attributable to other stockholders'	25,325,307	2,910,446	(2,007,999)	422,891	26,650,645

R$ thousand

	1st Quarter/2014				
	Opening balance	Constitution	Reversals	Updates	Closing balance
Technical Provisions – Reinsurance	**3,868,325**	**2,214,340**	**(2,294,040)**	**(660)**	**3,787,965**
Provision for unsettled claims	2,406,426	1,610,786	(1,653,524)	(823)	2,362,865
Provision for unearned premiums	1,026,779	349,386	(389,754)	183	986,594
Provision for claims incurred but not reported	411,796	250,923	(249,213)	(12)	413,494
Other provisions	23,324	3,245	(1,549)	(8)	25,012
Attributable to the Group BB Seguridade	793,421	454,177	(470,524)	(135)	776,938
Attributable to other stockholders'	3,074,904	1,760,163	(1,823,516)	(525)	3,011,027

R$ thousand

	1st Quarter/2013				
	Opening balance	Constitution	Reversals	Updates	Closing balance
Technical Provisions – Insurance and life insurance with survivor coverage	**49,588,391**	**9,592,904**	**(5,048,310)**	**167,936**	**54,300,921**
Mathematical provision for future benefits	40,635,578	4,033,237	(1,638)	158,075	44,825,252
Provision for unearned premiums	5,319,245	3,834,665	(3,556,728)	--	5,597,182
Provision for unsettled claims	2,524,333	1,557,758	(1,455,144)	8,883	2,635,830
Provision for claims incurred but not reported	694,864	77,180	(21,496)	--	750,548
Provision for redemption and other amounts to be regularized	61,432	60,663	--	47	122,142
Mathematical provision for vested benefits	30,329	12,845	(11,879)	931	32,226
Other provisions	322,610	16,556	(1,425)	--	337,741
Technical Provisions – Supplementary Pension	**26,211,498**	**411,831**	**(201,737)**	**146,369**	**26,567,961**
Mathematical provision for future benefits	23,426,007	194,239	(16,225)	105,860	23,709,881
Mathematical provision for vested benefits	1,130,245	69,237	(74,078)	33,943	1,159,347
Financial fluctuation	374,942	26	--	--	374,968
Provision for unsettled claims	24,818	1,413	(1,065)	287	25,453
Provision for claims incurred but not reported	20,818	30,287	(28,975)	--	22,130
Provision for unexpired risks	16,012	39,866	(24,570)	--	31,308
Other provisions	1,218,656	76,763	(56,824)	6,279	1,244,874
Total Technical Provisions	**75,799,889**	**10,004,735**	**(5,250,047)**	**314,305**	**80,868,882**
Attributable to the Group BB Seguridade	55,522,023	6,525,741	(3,014,557)	233,993	59,267,200
Attributable to other stockholders'	20,277,866	3,478,994	(2,235,490)	80,312	21,601,682

I) Income from Operations with Insurance and Complementary Social Security of Equity Investments Valued by Equity Method

R$ thousand

	1st Quarter/2014		
	insurance	Pension plan	Total
Retained premiums and contributions	3,796,741	80,241	3,876,982
Change in technical provisions	20,006	(17,681)	2,325
Income from management fees and products	--	268,495	268,495
Retained claims	(1,981,360)	--	(1,981,360)
Expenses with benefits and redemptions	--	728	728
Selling expenses	(813,075)	(68,861)	(881,936)
Other Operating Income/Expense	(174,745)	(5,212)	(179,957)
Results of Operations	**847,567**	**257,710**	**1,105,277**
Financial income	843,077	1,800,540	2,643,617
Financial expenses	(608,598)	(1,684,884)	(2,293,482)
Financial results	**234,479**	**115,656**	**350,135**
Total	**1,082,046**	**373,366**	**1,455,412**
Attributable to the Group BB Seguridade	613,054	279,987	893,041
Attributable to other stockholders'	468,992	93,379	562,371

R$ thousand

	1st Quarter/2013		
	insurance	**Pension plan**	**Total**
Retained premiums and contributions	3,077,937	75,271	3,153,208
Change in technical provisions	(258,697)	(21,281)	(279,978)
Income from management fees and products	142,847	233,652	376,499
Retained claims	(1,327,491)	--	(1,327,491)
Expenses with benefits and redemptions	(2,594)	(10,949)	(13,543)
Selling expenses	(713,696)	(62,344)	(776,040)
Other Operating Income/Expense	(118,886)	(4,007)	(122,893)
Results of Operations	**799,420**	**210,342**	**1,009,762**
Financial income	145,410	378,546	523,956
Financial expenses	(47,755)	(298,061)	(345,816)
Financial results	**97,655**	**80,485**	**178,140**
Total	**897,075**	**290,827**	**1,187,902**
Attributable to the Group BB Seguridade	493,780	218,094	711,874
Attributable to other stockholders'	403,295	72,733	476,028

m) Claims Development of Equity Investments Valued by Equity Method

R$ thousand

	Year of Occurrence of the Sinister							
	2008	2009	2010	2011	2012	2013	Mar 31, 2014	Total
Gross Reinsurance Claims								
Estimated amount for claims								
During the occurrence	3,426,452	3,802,361	3,861,658	4,474,994	4,867,193	6,417,691	400,012	27,250,361
A period of the occurrence	4,631,422	4,350,763	4,585,546	5,042,214	5,767,060	6,808,205	--	31,185,210
Two periods after the occurrence	4,704,051	4,597,530	4,585,081	5,358,764	5,893,156	--	--	25,138,582
Three periods after the occurrence	4,755,870	4,681,328	4,562,098	5,311,147	--	--	--	19,310,443
Four periods after the occurrence	5,102,301	4,668,313	4,569,643	--	--	--	--	14,340,257
Five periods after the occurrence	4,974,921	4,884,462	--	--	--	--	--	9,859,383
Six periods after the occurrence	5,066,538	--	--	--	--	--	--	5,066,538
Estimates based on claims data (Mar 31, 2014)	**5,066,538**	**4,884,462**	**4,569,643**	**5,311,147**	**5,893,156**	**6,808,205**	**400,012**	**32,933,163**
Payments of claims	4,618,571	4,379,646	4,257,387	4,698,467	4,819,636	4,089,914	21,030	26,884,651
Liability recognized in the Balance Sheet	447,967	504,816	312,256	612,680	1,073,520	2,718,291	378,983	6,048,513
Liability in respect of periods prior to Dec 31,2007	--	--	--	--	--	--	--	2,534,534
Total liabilities	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**8,583,047**
Attributable to the Group BB Seguridade	--	--	--	--	--	--	--	3,401,599
Attributable to other stockholders'	--	--	--	--	--	--	--	5,181,446
Net Reinsurance claims								
Estimated amount for claims								
During the occurrence	3,000,335	3,227,469	3,546,181	3,975,696	4,111,716	5,291,976	302,778	23,456,151
A period of the occurrence	3,656,713	3,711,361	4,104,504	4,364,764	4,569,088	5,562,610	--	25,969,040
Two periods after the occurrence	3,801,981	4,003,541	4,077,243	4,390,440	4,595,271	--	--	20,868,476
Three periods after the occurrence	3,855,327	4,032,260	3,990,235	4,396,731	--	--	--	16,274,553
Four periods after the occurrence	4,022,204	3,992,522	3,991,037	--	--	--	--	12,005,763
Five periods after the occurrence	4,024,426	4,133,553	--	--	--	--	--	8,157,979
Six periods after the occurrence	4,122,940	--	--	--	--	--	--	4,122,940
Estimates based on claims data (Mar 31,2014)	**4,122,940**	**4,133,553**	**3,991,037**	**4,396,731**	**4,595,271**	**5,562,610**	**302,778**	**27,104,920**
Payments of claims	3,831,013	3,826,834	3,798,029	4,121,003	3,951,433	3,744,667	21,028	23,294,007
Liability recognized in the Balance Sheet	291,925	306,719	193,008	275,728	643,837	1,817,943	281,753	3,810,913
Liability in respect of periods prior to Dec 31,2007	--	--	--	--	--	--	--	1,321,379
Total liabilities	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**5,132,292**
Attributable to the Group BB Seguridade	--	--	--	--	--	--	--	2,277,036
Attributable to other stockholders'	--	--	--	--	--	--	--	2,855,254

n) Breakdown of Financial Assets by Maturity of Equity Investments Valued by Equity Method

R$ thousand

Mar 31, 2014	1 to 30	31 to 180	181 to 360	More than 360	Book value/ Fair value	Value Curve	Adjustment to fair value
Assets Designated at Fair Value Through Profit or Loss							
Federal Securities	**3,936,669**	**2,683,300**	**7,320,572**	**27,490,759**	**41,431,300**	**42,732,889**	**(1,301,589)**
National Treasury Bills	487,724	1,044,110	5,643,744	14,724,289	21,899,867	22,749,989	(850,122)
National Treasury Notes (NTN-B)	546,909	603,343	551,706	9,313,296	11,015,254	11,472,124	(456,870)
Financial Treasure Bills	833	1,034,846	980,918	3,229,714	5,246,311	5,241,973	4,338
National Treasury Bills (NTN-C)	1,359,527	--	--	--	1,359,527	1,359,527	--
Other Cash/ Accounts Payble/ Receive	826,794	--	306	22,245	849,345	849,039	306
Quotas in Investment Funds – DPVAT	673,568	--	--	--	673,568	673,568	--
Agrarian Debt Bonds	103	1,001	32,215	163,460	196,779	196,778	1
National Treasury Bills (NTN-F)	--	--	111,683	19,424	131,107	130,349	758
National Treasury Bills (NTN-O)	41,211	--	--	--	41,211	41,211	--
Foreign Bonds	--	--	--	18,331	18,331	18,331	--
Private Securities	**29,145,063**	**1,686,420**	**3,892,248**	**15,029,967**	**49,753,698**	**49,955,927**	**(202,229)**
Operations Compromised	25,588,586	--	--	--	25,588,586	25,588,586	--
Other Cash/ Accounts Payble/ Receive	2,785	103,536	3,330,029	8,042,051	11,478,401	11,515,351	(36,950)
Debentures	286,333	47,561	415,009	6,357,325	7,106,228	7,180,482	(74,254)
Shares	1,823,776	--	--	--	1,823,776	1,864,687	(40,911)
Certificate of Deposits	80,803	1,365,252	8,028	178,944	1,633,027	1,632,165	862
Shares in Investment Funds Credit Rights	884,001	35,091	21,436	146,565	1,087,093	1,137,893	(50,800)
Financial Bills	--	52,709	73,817	303,220	429,746	429,616	130
Shares in Investment Funds	264,961	--	--	--	264,961	264,961	--
Promissory Notes	27,314	108,362	43,929	--	179,605	179,606	(1)
Quotas in Investment Funds	186,504	(26,091)	--	1,862	162,275	162,580	(305)
Total	**33,081,732**	**4,369,720**	**11,212,820**	**42,520,726**	**91,184,998**	**92,688,816**	**(1,503,818)**
Attributable to the Group BB Seguridade	24,128,246	3,104,460	8,272,886	31,223,215	66,728,807	67,842,700	(1,113,893)
Attributable to other stockholders'	8,953,486	1,265,260	2,939,934	11,297,511	24,456,191	24,846,116	(389,925)

R$ thousand

Dez 31, 2013	1 to 30	31 to 180	181 to 360	More than 360	Book value/ Fair value	Value Curve	Adjustment to fair value
Assets Designated at Fair Value Through Profit or Loss							
Federal Securities	**6,179,643**	**415,985**	**3,049,658**	**41,644,166**	**51,289,452**	**52,904,898**	**(1,615,446)**
National Treasury Bills	2,598,042	351,482	914,974	22,934,281	26,798,779	27,752,681	(953,902)
National Treasury Notes (NTN-B)	2,027,767	--	1,116,700	14,287,421	17,431,888	18,099,147	(667,259)
Financial Treasure Bills	849	63,720	1,010,425	4,054,956	5,129,950	5,125,615	4,335
National Treasury Notes (NTN-C)	821,603	--	--	--	821,603	821,603	--
Quotas in Investment Funds – DPVAT	468,083	--	--	--	468,083	468,083	--
Other Cash/ Accounts Payble/ Receive	242,285	--	9	21,705	263,999	263,999	--
Agrarian Debt Bonds	46	783	7,550	191,365	199,744	199,744	--
National Treasury Notes (NTN-F)	20,968	--	--	134,614	155,582	154,202	1,380
Foreign Bonds	--	--	--	19,824	19,824	19,824	--
Private Securities	**15,464,646**	**2,127,240**	**1,249,021**	**16,109,489**	**34,950,396**	**35,218,479**	**(268,083)**
Other Cash/ Accounts Payble/ Receive	11,611,307	445,607	752,888	8,706,840	21,516,642	21,704,042	(187,400)
Debentures	82,256	459,718	53,117	6,745,433	7,340,524	7,392,141	(51,617)
Shares	1,944,641	--	--	--	1,944,641	1,944,641	--
Certificate of Deposits (CDB)	109,275	1,089,508	280,913	174,457	1,654,153	1,653,398	755
Shares in Investment Funds Credit Rights	904,783	--	23,432	184,959	1,113,174	1,143,191	(30,017)
Quotas in Investment Funds	530,527	46	(27,589)	2,138	505,122	505,122	--
Financial Bills	--	--	123,416	295,662	419,078	418,882	196
Shares in Investment Funds	281,857	--	--	--	281,857	281,857	--
Promissory Notes	--	132,361	42,844	--	175,205	175,205	--
Total	**21,644,289**	**2,543,225**	**4,298,679**	**57,753,655**	**86,239,848**	**88,123,377**	**(1,883,529)**
Attributable to the Group BB Seguridade	15,373,507	1,886,727	3,202,090	42,486,682	62,949,006	64,346,541	(1,397,535)
Attributable to other stockholders'	6,270,782	656,498	1,096,589	15,266,973	23,290,842	23,776,836	(485,994)

R$ thousand

Mar 31, 2014	1 to 30	31 to 180	181 to 360	More than 360	Book value/ Fair value	Value Curve	Adjustment to fair value
Asset Available for Sale							
Federal Securities	**329,782**	**25,350**	**810,084**	**2,126,093**	**3,291,309**	**3,343,069**	**(51,760)**
National Treasury Bills	329,549	--	808,955	1,281,302	2,419,806	2,419,790	16
National Treasury Notes (NTN-B)	--	23,201	--	367,637	390,838	422,935	(32,097)
Agrarian Debt Bonds	--	--	--	137,610	137,610	142,228	(4,618)
Brazilian External Debt Bonds	--	--	--	122,628	122,628	126,528	(3,900)
National Treasury Bills (NTN-C)	--	--	--	119,914	119,914	129,971	(10,057)
National Treasury Bills (NTN-F)	--	--	--	71,059	71,059	71,486	(427)
Foreign Bonds	233	2,149	1,129	29,453	29,454	30,131	(677)
Private Securities	**12,904**	**4,628**	**35,719**	**728,445**	**781,696**	**796,764**	**(15,068)**
Financial Bills	--	2,908	33,195	311,966	348,069	347,500	569
Debentures	9,446	1,709	2,524	308,103	321,782	326,941	(5,159)
Other Cash/ Accounts Payble/ Receive	(4)	--	--	69,733	69,729	69,751	(22)
Certificate of Deposits	--	--	--	38,644	38,644	38,477	167
Shares in Listed Companies	3,397	--	--	--	3,397	14,018	(10,621)
Bank Credit	65	--	--	--	65	65	--
Soybean Options	--	7	--	--	7	7	--
Corn Options	--	3	--	--	3	3	--
Coffee Options	--	1	--	--	1	1	--
Dolar Options							
Total	**342,686**	**29,978**	**845,803**	**2,854,538**	**4,073,005**	**4,139,833**	**(66,828)**
Attributable to the Group BB Seguridade	75,467	21,309	192,309	1,163,347	1,452,432	1,482,351	(29,919)
Attributable to other stockholders'	267,219	8,669	653,494	1,691,191	2,620,573	2,657,482	(36,909)

R$ thousand

Dez 31, 2013	1 to 30	31 to 180	181 to 360	More than 360	Book value/ Fair value	Value Curve	Adjustment to fair value
Asset Available for Sale							
Federal Securities	**--**	**327,030**	**821,313**	**1,840,968**	**2,989,311**	**2,997,053**	**(7,742)**
National Treasury Bills	--	324,220	795,812	1,113,078	2,233,110	2,233,189	(79)
National Treasury Notes (NTN-B)	--	--	23,214	438,720	461,934	469,181	(7,247)
National Treasury Notes (NTN-F)	--	--	--	142,900	142,900	151,538	(8,638)
Brazilian External Debt Bonds	--	--	--	119,814	119,814	112,513	7,301
Foreign Bonds	--	2,810	2,287	26,456	31,553	30,632	921
Private Securities	**14,070**	**52,204**	**1,747**	**671,226**	**739,247**	**731,321**	**7,926**
Debentures	--	9,205	1,744	324,255	335,204	337,959	(2,755)
Financial bills	--	5,877	--	246,789	252,666	252,000	666
Other Cash/ Accounts Payble/ Receive	**--**	37,045	**--**	62,486	99,531	99,566	(35)
Certificate of Deposits (CDB)	--	--	--	22,296	22,296	22,179	117
Bank Credit	--	--	--	15,400	15,400	15,342	58
Shares in Listed Companies	14,070	--	--	--	14,070	4,195	9,875
Soybean Options	--	67	--	--	67	67	--
Corn Options	--	7	--	--	7	7	--
Coffee Options	--	--	3	--	3	3	--
Dolar Options	--	3	--	--	3	3	--
Total	**14,070**	**379,234**	**823,060**	**2,512,194**	**3,728,558**	**3,728,374**	**184**
Attributable to the Group BB Seguridade	2,885	104,097	182,414	1,013,874	1,303,270	1,317,418	(14,148)
Attributable to other stockholders'	11,185	275,137	640,646	1,498,320	2,425,288	2,410,956	14,332

R$ thousand

Mar 31, 2014	1 to 30	31 to 180	181 to 360	More than 360	Book value/ Fair value	Value Curve	Adjustment to fair value
Asset Held to Maturity							
Federal Securities	**199,924**	**819,180**	**1,037,143**	**13,920,244**	**15,976,491**	**15,865,553**	**--**
National Treasury Notes (NTN-B)	--	484,495	31,047	11,333,584	11,849,126	11,782,319	--
Treasury Bills	199,924	334,685	889,337	1,766,851	3,190,797	3,160,050	--
National Treasury Bills (NTN-F)	--	--	116,759	801,998	918,757	906,391	--
National Treasury Bills (NTN-C)	--	--	--	16,462	16,462	15,444	--
Foreign Government Securities	--	--	--	1,349	1,349	1,349	--
Private Securities	**467,471**	**25,419**	**34,974**	**284,748**	**812,612**	**811,311**	**--**
Certificate of Deposits	467,471	25,419	34,974	211,944	739,808	739,808	--
Eurobonds	--	--	--	37,334	37,334	37,334	--
Debentures	--	--	--	35,470	35,470	34,169	--
Total	**667,395**	**844,599**	**1,072,117**	**14,204,992**	**16,789,103**	**16,676,864**	**--**
Attributable to the Group BB Seguridade	227,831	525,415	711,195	9,927,611	11,392,052	11,322,420	--
Attributable to other stockholders'	439,564	319,184	360,922	4,277,381	5,397,051	5,354,444	--

R$ thousand

Dez 31, 2013	1 to 30	31 to 180	181 to 360	More than 360	Book value/ Fair value	Value Curve	Adjustment to fair value
Asset Held to Maturity							
Federal Securities	**771,929**	**195,313**	**1,289,334**	**13,955,809**	**16,212,385**	**17,598,204**	**--**
National Treasury Notes (NTN-B)	152,018	--	483,505	11,219,195	11,854,718	13,304,847	--
Financial Treasure Bills	71,200	195,313	805,829	1,781,635	2,853,977	2,751,157	--
National Treasury Notes (NTN-F)	548,828	--	--	921,231	1,470,059	1,507,562	--
National Treasury Bills	--	--	--	17,522	17,522	17,522	--
National Treasury Notes (NTN-C)	--	--	--	14,872	14,872	15,879	--
Foreign Bonds	--	--	--	1,354	1,354	1,354	--
Quotas in Investment Funds	(117)	--	--	--	(117)	(117)	--
Private Securities	**499,652**	**200,857**	**--**	**314,046**	**1,014,555**	**1,015,164**	**--**
Certificate of Deposits (CDB)	497,220	200,857	**--**	240,752	938,829	938,468	--
Eurobonds	--	--	--	39,889	39,889	39,753	**--**
Debentures	--	--	--	33,405	33,405	34,511	**--**
Quotas in Investment Funds	2,432	--	--	--	2,432	2,432	--
Total	**1,271,581**	**396,170**	**1,289,334**	**14,269,855**	**17,226,940**	**18,613,368**	**--**
Attributable to the Group BB Seguridade	600,960	170,104	830,275	9,973,785	11,575,124	12,617,607	--
Attributable to other stockholders'	670,621	226,066	459,059	4,296,070	5,651,816	5,995,761	--

o) Fair Value of Equity Investments Valued by Equity Method

R$ thousand

	Mar 31, 2014			Dec 31, 2013		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets Designated at Fair Value Through Profit						
Shares	1,884,645	--	1,884,645	2.007.168	--	2.007.168
Certificate of Deposit (CDB)	--	1,633,026	1,633,026	--	1,654,152	1,654,152
Shares in Investment Funds	931,836	112,578	1,044,414	1,000,482	409,545	1,410,027
Shares in Investment Funds – DPVAT	673,568	--	673,568	468,083	--	468,083
Receivables Certificate Real Estate (CRI)	--	93,240	93,240	--	97,594	97,594
Agreements DI Future	7,492	--	7,492	(14,735)	--	(14,735)
Bovespa Index Futures Contracts	1,408	--	1,408	382	--	382
Foreign Government Bonds	--	18,331	18,331	--	19,824	19,824
Shares in Investment Funds Variable Income	194,126	--	194,126	210,608	--	210,608
Debentures	--	7,106,227	7,106,227	--	7,340,523	7,340,523
Time Deposits Special Guarantees (DPGE)	--	93,952	93,952	--	131,246	131,246
National Treasury Bills	19,883,123	2,038,557	21,921,680	24,669,882	2,128,890	26,798,771
Treasury Financial Bills	4,237,174	--	4,237,174	4,115,046	--	4,115,046
National Treasury Notes (NTN-B)	6,984,771	110,974	7,095,745	9,956,710	248,804	10,205,514
National Treasury Notes (NTN-C)	19,721	--	19,721	19,516	--	19,516
Mortgage (LH)	--	182,780	182,780	--	176,592	176,592
Operation Compromised	313,908	26,644,827	26,958,735	--	12,405,153	12,405,153
Agricultural Debt Securities	196,743	35	196,778	199,710	34	199,744
National Treasury Notes (NTN-F)	4,030,895	--	4,030,895	7,362,440	--	7,362,440
National Treasury Notes (NTN-O)	41,211	--	41,211	--	--	--
Other DPGE – Deposit Special Guarantee SPECIAL	--	51,216	51,216	--	63,127	63,127
Promissory Notes	--	179,606	179,606	--	175,205	175,205
Financial Bills	--	12,491,054	12,491,054	--	10,924,263	10,924,263
Shares in Investment Funds Credit rights	--	203,093	203,093	--	141,498	141,498
Other box / Payables / Receive	848,569	3,744	852,313	258,327	67,395	325,722
Total	**40,249,190**	**50,963,240**	**91,212,430**	**50,253,597**	**35,983,846**	**86,237,443**
Attributable to the Group BB Seguridade	28,990,462	34,908,559	63,899,020	36,649,415	23,512,639	60,162,054
Attributable to other stockholders'	11,258,728	16,054,681	27,313,410	13,604,182	12,471,207	26,075,389

R$ thousand

	Mar 31, 2014			Dec 31, 2013		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets Available for Sale						
National Treasury Notes (NTN-B)	503,166	--	503,166	461,935	--	461,935
National Treasury Notes (NTN-F)	185,367	--	185,367	142,900	--	142,900
National Treasury Notes (NTN-C)	30,888	--	30,888	--	--	--
Debentures	--	321,781	321,781	--	335,204	335,204
Certificate of Deposit	--	38,644	38,644	--	37,696	37,696
Financial Bills	2,419,790	--	2,419,790	2,233,110	--	2,233,110
Financial Bills (LF)	--	348,070	348,070	--	252,666	252,666
Other	--	64,109	64,109	--	99,531	99,531
Brazilian Foreign Debt Securities	--	122,628	122,628	--	119,814	119,814
ADRS	3,397	--	3,397	14,070	--	14,070
Fixed-income Securities Abroad	--	29,455	29,455	--	31,553	31,553
Soybean Options	1	--	1	3	--	3
Coffee Options	65	--	65	67	--	67
Corn Options	7	--	7	7	--	7
Dolar Options	3	--	3	3	--	3
Total	**3,142,699**	**924,687**	**4,067,386**	**2,852,095**	**876,464**	**3,728,558**
Attributable to the Group BB Seguridade	903,383	544,834	1,448,217	790,295	512,976	1,303,270
Attributable to other stockholders'	2,239,316	379,853	2,619,169	2,061,800	363,488	2,425,288

R$ thousand

	Mar 31, 2014			Dec 31, 2013		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Asset Held to Maturity						
Certificate of Deposit	--	739,808	739,808	--	938,829	938,829
Debentures	--	35,470	35,470	--	33,405	33,405
National Treasury Bills	82,127	2,982,874	3,065,001	254,304	2,600,637	2,854,942
National Treasury Notes (NTN-B)	5,072,491	1,460,299	6,532,790	4,976,717	1,606,394	6,583,110
National Treasury Notes (NTN-C)	5,255,773	--	5,255,773	5,222,965	--	5,222,965
National Treasury Notes (NTN-F)	995,782	--	995,782	1,550,855	--	1,550,855
Financial Treasury Bills	103,982	--	103,982	17,522	--	17,522
Shares in Investment Funds	--	--	--	2,432	--	2,432
Shares in Investment Funds	1,349	--	1,349	1,354	--	1,354
Eurobonds	--	37,334	37,334	--	39,889	39,889
Total	**11,511,504**	**5,255,785**	**16,767,289**	**12,026,150**	**5,219,155**	**17,245,304**
Attributable to the Group BB Seguridade	8,164,159	3,240,859	11,405,018	8,490,358	3,121,714	11,612,072
Attributable to other stockholders'	3,347,345	2,014,926	5,362,271	3,535,792	2,097,440	5,633,232

p) Liability Adequacy Test

As defined in IFRS 4, 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,

On Dec 31, 2013, the Liability Adequacy Test did not indicate adjustments in technical provisions.

11 – DIVIDENDS RECEIVABLE

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31, 2013[1]	Mar 31, 2014[2]	Dec 31, 2013[3]
Dividends receivable	--	1,077,382	2,054	35,356

(1) Refers to dividends receivable coming from BB Seguros Participações S.A (R$ 577,175 thousand) and BB Cor Participações S.A. (R$ 500,207 thousand).
(2) Refers to dividends receivable coming from IRB Brasil.
(3) Refers to dividends receivable coming from BrasilCap Capitalização S.A. (R$ 22,033 thousand) BrasilPrev Seguros e Previdência S.A. (R$ 11,269 thousand) and IRB Brasil (R$ 2,054 thousand).

12 – TAXES

a) Current and deferred tax assets

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Current tax assets	6,734	1,439	104,422	88,120
Deferred tax assets – Tax credit	--	--	7,159	6,377
Total	**6,734**	**1,439**	**111,581**	**94,497**

b) Deferred tax assets

Recorded

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Deferred tax assets				
Amortization of goodwill	--	--	3,052	3,052
Liabilities provision	--	--	3,465	2,681
Negative mark to market of securities	--	--	159	159
Others provisions	--	--	483	485
Total	**--**	**--**	**7,159**	**6,377**

Not recorded

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Deferred tax assets				
Temporary differences	--	--	15,722	13,519
Tax losses/negative bases	5,023	3,124	5,023	3,124
Total	**5,023**	**3,124**	**20,745**	**16,643**

c) Realization expectative

R$ thousand

	Nominal Value	Present Value
In 2015	2	2
In 2016	6	4
In 2017	780	553
In 2018	1,014	640
From 2019	4,575	3,144
Total	**6,377**	**4,343**

The expectation of realization of the deferred tax assets (tax credits), related to BB Seguros and BB Corretora is supported by a technical study prepared as of December 31, 2013, being the present value calculated based on the average funding rate.

During the first quarter of 2014, there was a realization of tax credits in the amount of R$ 8 thousand, surpassing the projected use in the period.

d) Current tax liabilities

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Current tax liabilities				
Income tax	--	--	98,109	101,888
Social contribution tax	--	--	35,332	35,198
COFINS	--	--	7,291	9,168
PASEP	--	--	1,185	1,558
ISS	--	--	4,351	5,098
Total	**--**	**--**	**146,268**	**152,910**

e) Deferred tax liabilities

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Deferred tax liabilities				
From partnership with MAPFRE	--	--	262,882	262,882
Arising from amortization of Brasilcap's goodwill	--	--	7,851	7,502
Bargain purchase	--	--	2,531	2,531
Other timing differences	--	--	1,062	1,062
Total	**--**	**--**	**274,326**	**273,977**

f) Reconciliation of income tax and social contribution charges

R$ thousand

	Parent		Consolidated	
	1º Quarter, 2014	1º Quarter, 2013	1º Quarter, 2014	1º Quarter, 2013
Profit before tax and profit sharing	**648,723**	**472,035**	**781,730**	**564,428**
Total charges of IR (25%) and CSLL (9%)	(220,566)	(160,492)	(265,788)	(191,906)
Equity in earnings of subsidiaries and associates	222,477	160,421	135,146	99,751
Deferred tax assets and liabilities - not recorded (Note 12.b)	(1,899)	--	(4,102)	--
Other amounts	(12)	6	1,737	(303)
Income tax and social contribution	--	**(65)**	**(133,007)**	**(92,458)**

g) Provisional Measure No. 627/2013

Provisional Measure No. 627 (MP 627/2013) of November 11, 2013, amending the federal tax law on income tax, social contribution, PIS / Pasep and COFINS, in particular with the aim of:

- revoke the Transitional Tax Regime (RTT);
- amend the rules relating to the taxation of foreign profits, and
- discipline the tax aspects regarding the accounting criteria and procedures determined by Law No. 11.638/07 and No. 11.941/09, in order to create mechanisms that would enable the alignment of the Brazilian accounting standards to international´s.

Whereas the MP 627/2013 may change significantly through its proposed amendments, BB Seguridade awaits their conversion into Law for a conclusive analysis.

However, according to preliminary studies and in light of the current text of MP 627/2013, any material impacts are not expected on BB Seguridade Financial Statements.

13 – OTHER ASSETS

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31,2013	Mar 31, 2014	Dec 31,2013
Receivable income [1]	--	--	493,305	509,216
Judicial deposits	--	--	139,874	136,774
Prepaid taxes	--	--	--	--
Other	217	--	599	255
Total	**217**	**--**	**633,778**	**646,245**

(1) This refers mainly to commissions received from affiliated companies. As of Dec 31,2013 includes dividends receivable.

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

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31,2013	Mar 31, 2014	Dec 31,2013
Aliança do Brasil	--	--	410,607	433,261
Mapfre Seguros Gerais[2]	--	--	51,727	53,047
Aliança do Brasil Seguros	--	--	30,969	22,906
Brasilveículos	--	--	2	2
Total	**--**	**--**	**493,305**	**509,216**

(2) Formerly Mapfre Vera Cruz.

14 – DIVIDENDS PAYABLE

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Dividends payable	--	344,719	--	344,719

15 – PROVISIONS AND CONTINGENT LIABILITIES

Tax Lawsuits

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

Civil Lawsuits

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

a) Provision

In accordance with IAS 37, the BB Seguridade recognizes provisions for civil and tax lawsuits classified as "probable".

Provisions for civil and tax lawsuits classified as probable

R$ thousand

	Parent		Consolidated [1]	
	1st Quarter/2014	Dec 31, 2013	1st Quarter/2014	Dec 31, 2013
Tax lawsuits				
Initial balance	--	--	2,767	1,245
Addition	--	--	6	1,522
Reversal of the provision	--	--	--	--
Closing balance	**--**	**--**	**2,773**	**2,767**
Civil lawsuits				
Initial balance	--	--	5,870	4,473
Addition	--	--	3,185	3,179
Reversal of the provision	--	--	(594)	(1,782)
Closing balance	**--**	**--**	**8,461**	**5,870**
Total	**--**	**--**	**11,234**	**8,637**

(1) Related, mainly, to contingents recorded in BB Corretora.

b) Contingent Liabilities

The tax and civil lawsuits classified as “possible” are not recorded in the balance sheet but disclosed based on IAS 37.

Balances of contingent liabilities classified as possible

R$ thousand

	Parent		Consolidated	
	1st Quarter/2014	Dec 31, 2013	1st Quarter/2014	Dec 31, 2013
Labor lawsuits	--	--	38	37
Tax lawsuits	--	--	832	811
Civil lawsuits	--	--	5,695	6,246
Total	**--**	**--**	**6,565**	**7,094**

BB Seguridade has no contingent liabilities of associates shared jointly with other investors and is not jointly liable for all or part of the liabilities of its affiliates.

c) Deposits in guarantee of funds

Balances of escrow deposits formed for provisions and contingent liabilities

R$ thousand

	Parent		Consolidated	
	1st Quarter/2014	Dec 31, 2013	1st Quarter/2014	Dec 31, 2013
Tax lawsuits (1)	--	--	132,869	130,446
Civil lawsuits	--	--	7,005	6,328
Total	**--**	**--**	**139,874**	**136,774**

(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$ 103,955 thousand (R$ 101,941 thousand as of December 31, 2013), related to BB Corretora, updated by SELIC index.

16 – UNEARNED COMMISSIONS

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Unearned commissions	--	--	1,039,387	1,021,953
Total	**--**	**--**	**1,039,387**	**1,021,953**

17 – OTHER LIABILITIES

R$ thousand

	Parent		Consolidated	
	1st Quarter/2014	1st Quarter/2013	1st Quarter/2014	1st Quarter/2013
Payable to related companies	2,561	1,798	28,608	29,301
Sundry creditors - domestic	--	--	6,282	8,110
Taxes	3	--	3	--
Other	1,675	1,675	4,600	4,598
Total	**4,239**	**3,473**	**39,493**	**42,009**

18 – EQUITY

a) Capital

The capital of the Group BB Seguridade on amounted R$ 5,646,768 thousand as of Mar 31, 2014 and Dec 31, 2013 and it is divided into 2,000,000,000 (two billions) of shares as of Mar 31,2014 and Dec 31, 2013. The shareholders' equity amounted R$ 6,772,285 thousand (R$ 6,941,273 thousand as of Dec 31, 2013), corresponding a book value per share of R$ 3.39 (R$ 3.47 per share as of Dec 31, 2013).

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	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Profit Reserves	**494,750**	**1,311,186**	**494,750**	**1,311,186**
Legal Reserve	123,688	123,688	123,688	123,688
Statutory reserve	371,062	371,062	371,062	371,062
Additional proposed dividend	--	816,436	--	816,436

c) Dividends

R$ thousand

	Parent		Consolidated	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Calculation Basis:	**--**	**2,350,064**	**--**	**2,350,064**
- Net Income	--	2,473,752	--	2,473,752
- Legal reserve in the period	--	123,688	--	123,688
Minimum mandatory dividend	**--**	**587,517**	**--**	**587,517**
Minimum mandatory dividend paid related to the 1st semester	--	242,799	--	242,799
Minimum mandatory dividend paid related to the 2st semester	--	344,718	--	344,718
Additional dividend	**--**	**1,391,485**	**--**	**1,391,485**
Additional proposed dividend paid related to the 1st semester	--	575,049	--	575,049
Additional dividend paid related to the 2st semester	--	816,436	--	816,436
Statutory reserve	**--**	**371,062**	**--**	**371,062**
Balance of net income after allocation	--	--	--	--

The dividends declared in the 2st half of 2013 were approved by the Board of Directors on February 07, 2014 and paid on February 26, 2014 restated by the Selic rate.

d) Other Accumulated Comprehensive Income

The other accumulated comprehensive income mainly 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.

e) Stockholdings (number of stocks)

	Mar 31, 2014		Dec 31, 2013	
Stockholders	**Stocks**	**% Total**	**Stocks**	**% Total**
Banco do Brasil	1,325,000,000	66.25	1,325,000,000	66.25
Other stockholders	675,000,000	33.75	675,000,000	33.75
Total	**2,000,000,000**	**100.00**	**2,000,000,000**	**100.00**
Locals	1,577,271,573	78.86	1,585,406,527	79.27
Foreign	422,728,427	21.14	414,593,473	20.73

19 – FINANCIAL INCOME

R$ thousand

	Parent		Consolidated	
	1st Quater/2014	**1st Quater/2013**	**1st Quater/2014**	**1st Quater/2013**
Financial investment operation	5,328	208	36,808	22,115
Other interest income	--	--	--	2,116
Judicial deposits income	--	--	--	1,396
Valuation of exclusive fund shares	--	--	130	89
Financial assets at fair value through profit or loss	--	--	70	5
Total	**5,328**	**208**	**37,008**	**25,721**

20 – PERSONNEL EXPENSES

a) Personnel expenses

R$ thousand

	Parent		Consolidated	
	1º Quarter/2014	**1º Quarter/2013**	**1º Quarter/2014**	**1º Quarter/2013**
Salaries	(3,791)	--	(5,271)	(2,207)
Social security costs	(1,833)	--	(2,605)	(1,496)
Counselors' fees	(178)	--	(333)	(119)
Benefits	(144)	--	(154)	(42)
Total	**(5,946)**	**--**	**(8,363)**	**(3,864)**

b) Share Based Payment

As of March 2013, BB Seguridade approved variable compensation payment in stocks or share-based instruments to the members of the Executive Board. They will receive, as a 2013 annual bonus, and according to the global amount approved at the Annual Meeting of Stockholders on March 28, 2013, an amount between six and twelve salaries, according to the achievement of Return on Equity – ROE target.

For the financial year 2013, in accordance with the global amount approved by Annual Meeting of Stockholders, on March 28, 2013, the BB Seguridade accrued R$ 1,849 thousand, which is equivalent to 12 fees per beneficiary, for the payment of variable remuneration to the members of the Executive Board.

Based on the result of the 1st half of 2013, on October 22, 2013, an advance of 2.5 fees was carried out for each member of the Executive Board. On January 28, 2014 the Brazilian Securities and Exchange Commission (CVM) authorized the BB Seguridade Participações S.A. to make the private trading of its own shares, in order to back, through these shares, part of the payment of the variable remuneration compensation of its Executive Board members.

On April 3, 2014, according to the total amount approved at the annual general meeting of 03.28.2013, the BB Seguridade made the payment on the second into cash portion of the variable remuneration of executive Directors.

21 – ADMINISTRATIVE EXPENSES

R$ thousand

	Parent		Consolidated	
	1º Quarter/2014	1º Quarter/2013	1º Quarter/2014	1º Quarter/2013
Operational support	--	--	(37,538)	(28,805)
Administrative cost of products	--	--	(20,524)	(13,802)
Data processing	--	--	(17,960)	(18,136)
Tax expenses - IOF	(1,248)	--	(1,270)	--
Other	(769)	--	(1,341)	(894)
Total	**(2,017)**	**--**	**(78,633)**	**(61,637)**

22 – OTHER OPERATING INCOME/EXPENSE

R$ thousand

	Parent		Consolidated	
	1st Quater/2014	1st Quater/2013	1st Quater/2014	1st Quater/2013
Restatement of assets	15,158	--	22,289	--
Restatement of liabilities	(18,145)	--	(40,287)	(9,260)
Taxes	--	--	(35,718)	(25,244)
(Recording)/Reversal of provisions for labor, tax and civil lawsuits	--	--	(2,597)	(1,498)
Expenses of commissions	--	--	(1)	(10,874)
Others	--	--	2,642	(11)
Total	**(2,987)**	**--**	**(53,672)**	**(46,887)**

23 – COMMISSIONS INCOME

R$ thousand

	Parent		Consolidated	
	1st Quarter/2014	1st Quarter/2013	1st Quarter/2014	1st Quarter/2013
BB Mapfre SH1	--	--	271,643	187,795
Mapfre BB SH2	**--**	**--**	81,220	70,045
Brasilcap	--	--	67,488	36,211
Brasilprev	--	--	66,089	58,533
Other companies	**--**	**--**	1,463	2,922
Provision of services for incentives to products sale	--	--	--	2,203
Total	**--**	**--**	**487,903**	**357,709**

24 – CURRENTS AND NON-CURRENTS ASSETS AND LIABILITIES

R$ thousand

	Mar 31, 2014[1]		
	Until 1 year	After 1 year	Total
Assets			
Cash and cash equivalents	1,153,774	--	1,153,774
Financial assets at fair value through profit or loss	3,035	--	3,035
Financial assets available for sale	86	--	86
Equity method investments	--	6,378,685	6,378,685
Dividends receivable	2,054	--	2,054
Current tax assets	104,422	--	104,422
Deferred tax assets	--	7,159	7,159
Other assets	633,778	--	633,778
Total	**1,897,149**	**6,385,844**	**8,282,993**
Liabilities			
Provisions for labor, tax and civil claims	11,234	--	11,234
Current tax liabilities	146,271	--	146,271
Deferred tax liabilities	--	274,326	274,326
Unearned commissions	518,934	520,453	1,039,387
Other liabilities	39,490	--	39,490
Equity	--	6,772,285	6,772,285
Total	**715,929**	**7,567,064**	**8,282,993**

(1) Consolidated position.

R$ thousand

	Dec 31, 2013[1]		
	Until 1 year	After 1 year	Total
Assets			
Cash and cash equivalents	1,785,284	--	1,785,284
Financial assets at fair value through profit or loss	2,966	--	2,966
Financial assets available for sale	80	--	80
Equity method investments	--	6,221,050	6,221,050
Dividends receivable	35,356	--	35,356
Current tax assets	88,120	--	88,120
Deferred tax assets	--	6,377	6,377
Other assets	646,245	--	646,245
Total	**2,558,051**	**6,227,427**	**8,785,478**
Liabilities			
Dividends payable	344,719	--	344,719
Provisions for labor, tax and civil claims	8,637	--	8,637
Current tax liabilities	152,910	--	152,910
Deferred tax liabilities	--	273,977	273,977
Unearned commissions	526,085	495,868	1,021,953
Other liabilities	42,009	--	42,009
Equity	**--**	**6,941,273**	**6,941,273**
Total	**1,074,360**	**7,711,118**	**8,785,478**

(1) Consolidated position.

25 – RELATED PARTY TRANSACTIONS

The costs of benefits granted to fiscal council of the Group were R$ 244 thousand (R$ 119 thousand in mar 31, 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 Fiscal Council members.

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

a) Summary of related party transactions

R$ thousand

	Mar 31, 2014			
	Parent[1]	Subsidiaries[2]	Associates[3]	Total
Assets				
Cash and cash equivalents	1,153,774	--	--	1,153,774
Other assests	**--**	**--**	**495,359**	**495,359**
Commissions to be received	--	--	493,305	493,305
Dividends to be received[6]	--	--	2,054	2,054
Liabilities				
Dividends payable	--	--	--	--
Other liabilities	**28,608**	**--**	**1,039,387**	**1,067,995**
Obligations with related parties	28,608	--	--	28,608
Unearned Commissions	--	--	1,039,387	1,039,387

R$ thousand

	1º Quarter/2014				
	Parent[1]	Subsidiaries[2]	Associates[3]	Other related parties [5]	Total
Income					
Income from financial instruments	36,878	130	--	--	37,008
Income from commission	--	--	487,903	--	487,903
Expenses from investments in associated	--	--	--	(15,940)	(15,940)
Personnel expenses	(8,363)	--	--	--	(8,363)
Administrative expenses [5]	(76,749)	--	--	--	(76,749)
Monetary liabilities changes	(40,287)	--	--	--	(40,287)

R$ thousand

	Dec 31, 2013			
	Parent[1]	Subsidiaries[2]	Associates[3]	Total
Assets				
Cash and cash equivalents	1,785,284	--	--	1,785,284
Other assests	**--**	**1,077,382**	**544,572**	**1,621,954**
Commissions to be received	--	--	509,216	509,216
Dividends to be received	--	1,077,382	35,356	1,112,738
Liabilities				
Dividends payable	769,265	--	--	769,265
Other liabilities	**29,301**	**--**	**1,021,953**	**1,051,254**
Obligations with related parties	29,301	--	--	29,301
Unearned Commissions	--	--	1,021,953	1,021,953

R$ thousand

	1º Quarter/2013				
	Parent[1]	Subsidiaries[2]	Associates[3]	Other related parties [5]	Total
Income					
Income from financial instruments	21,910	--	--	--	21,910
Income from commission	--	--	355,506	--	355,506
Expenses from investments in associated	--	--	--	(12,495)	(12,495)
Personnel expenses	(3,864)	--	--	--	(3,864)
Administrative expenses [5]	(61,292)	--	--	--	(61,292)
Monetary liabilities changes	(8,652)	--	--	--	(8,652)

(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 and IRB.

(4) This includes administration services of financial investments portfolio by the BB DTVM to associated companies of the Group BB Seguridade.

(5) Refers to expenses as sharing contract customer data, use of staff, distribution network and resource materials technological and administrative, between the Bank, BB Corretora and BB Seguros.

(6) Refers to dividends receivable from BB Seguros Participações S.A., BB Cor Participações S.A., BrasilPrev Seguros e Previdência S.A., BrasilCap Capitalização S.A. and IRB.

b) Compensation paid to employees and directors

On 03.15.2013, an agreement of assignment of employees of Banco do Brasil S.A. to BB Seguridade, for the office of Director levels, Management and other positions of trust was signed. The assignment is given in the form of availability without charge. The Banco do Brasil S.A. continues processing the payroll for the transferred employees through monthly recovery by BB Seguridade Participações S.A. of all current costs.

26 – OTHER INFORMATION

On May 2, 2014, the BB Seguridade released the celebration of the “Instrumento Particular de Cessão de Direitos e Obrigações e Outras Avenças” ("Agreement") between the BB Corretora, Banco do Brasil S.A. (BB), Icatu Capitalização S.A. (“Icatu Cap”), and Brasilcap Capitalização S.A. (“Brasilcap”) in order to allow the beginning of premium bonds’ sales in the branches of Banco do Brasil S.A. (“BB”) formerly owned by Banco Nossa Caixa (“BNC”)

This instrument formalizes:

(i) the transfer from Icatu Cap to Brasilcap of its rights and liabilities provided as a partner in the “Acordo Operacional para Comercialização de Títulos de Capitalização” (Operational Agreement for Selling Premium Bonds) signed on December 13th, 2007 by Icatu Cap and BNC;

(ii) the transfer from BB to BB Corretora of the rights to sell premium bonds in BB’s branches formerly owned by BNC, allowing BB Corretora to start selling Brasilcap’s premium bonds in those branches; and

(iii) the Brasilcap’s obligation of paying to Icatu Cap an amount of R$ 61,663,685.84 (sixty-one million, six hundred sixty-three thousand, six hundred eighty-five reais and eighty-four cents), which will be accrued by the CDI rate from February, 13th, 2014 until the debt settlement. The payment will be done through four annual installments according to the net income generated by the former BNC’s branches.

BB SEGURIDADE PARTICIPAÇÕES S.A.

MEMBERS OF THE MANAGEMENT BODIES

DIRECTOR-PRESIDENT

Marcelo Augusto Dutra Labuto

DIRECTORS

Leonardo Giuberti Mattedi

Ângela Beatriz de Assis

Werner Romera Suffert

BOARD OF DIRECTORS

Alexandre Corrêa Abreu (President)

Ivan de Souza Monteiro (Vice-President)

Isabel da Silva Ramos

Marcelo Augusto Dutra Labuto

Francisca Lucileide de Carvalho

José Henrique Paim Fernandes

FISCAL COUNCIL

Pablo Fonseca Pereira dos Santos

Antonio Pedro da Silva Machado

Paulo Roberto Franceschi

ACCOUNTING DEPT.

Eduardo Cesar Pasa

General Accountant

Accountant CRC-DF 017.601/O-5

CPF 541.035.920-87

Dear shareholders,

Guidance 2014

The following table presents a quarterly monitoring of 2014 Guidance (estimates x performance observed), calculated based on BB Seguridade first quarter financial statements. The indicators were measured upon the following methodologies:

ROAE is calculated considering the adjusted net income divided by average shareholders' equity, both in IFRS, pursuant the Company quarterly releases (MD&A).

Average equity is based on:

- Initial shareholders' equity: R$6,125 million, calculated as December/2013 equity, deducted from the dividends paid in February of 2014 (not considering interest);
- End of the period shareholders' equity: Shareholders' equity deducted from dividends to be paid.

Premiums written and collection are calculated upon the percentage growth, observed in comparison with same period of prior year.

Indicator	2014 Estimates - %	1Q14 Performance
Adjusted ROAE	44 - 49	46.7
Premiums Written Growth - Life, Rural and Housing - BB Mapfre SH1	24 - 32	29.6
Premiums Written Growth - P&C - Mapfre BB SH2	19 - 26	10.6
Contribution Growth - Pension Plans	33 - 47	-16.1
Collection Growth - Premium Bonds	10 - 15	19.2

As shown in the above table, the observed performance was below 2014 Guidance in the items "Premiums written growth – P&C" and "Collection Growth – Pension Plans". The performance was above the Guidance in the item "Collection Growth – Premium Bonds". The reasons behind the observed performance are detailed as follow.

a) P&C Premiums Written:
The deviation came from the lower than expected sales performance in the auto segment in 1Q14. This performance was influenced mainly by the competitive environment of this segment, and by the behavior of the retail market of new cars.

The Company is going to follow the market to assess if there is any need to change the estimates.

b) Pension Plans Contribution
Brasilprev presented one of its biggest contributions in its history in 1Q13. Nonetheless, since that quarter, there was a beginning of a steepening movement in the forward yield curve, which impacted the profitability of investment funds from the 2Q13 on, bringing a more challenging scenario for new contributions.

In 1Q14, the adverse scenario is still observed in pension plans sector, nonetheless, the funds returns have been improving, and this may result in a contribution growth throughout the year.

Contributions observed in 1Q14 are also an outcome of the incentive model adopted in the period, which favored periodic contribution plans, which present higher recurrence, but smaller average ticket as compared to sporadic contributions.

The Company is going to track the market to assess the need of changing estimates.

c) Premium Bonds Collection

The performance overcame the upper limit of the range provided due to a weaker basis for comparison represented by 1Q13, when Brasilcap concluded the revision of its products' portfolio. For the remainder of the year, the Company estimates that the collection of premium bonds will converge to the range of estimates provided in the Guidance for 2014.

Report on review of interim financial information

To
The Board of Directors, Shareholders and Management
BB Seguridade e Participações S.A.
Brasília - DF

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of BB Seguridade e Participações S.A. ("Company"), for the quarter ended March 31, 2014 , which comprises the balance sheet as of March 31, 2014 and the related statements of income, the statements of comprehensive income, the statement of changes in equity and the statements of cash flows for the quarter then ended, including the summary of significant accounting practices and others explanatory notes.

Company´s Management is responsible for the preparation of the individual interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) – Interim Financial Reporting and 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. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*). 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 standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, we are not aware of any fact that could lead us to believe that the accompanying individual interim information referred above has not been prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of individual interim financial information.

Conclusion on the consolidated interim financial information

Based on our review, we are not aware of any fact that could lead us to believe that the accompanying consolidated interim information referred above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of consolidated interim financial information.

Other matters

Interim Statement of Value Added

We have also reviewed the individual and consolidated interim statement of value added ("DVA"), for the quarter ended March 31, 2014, prepared under the responsibility of the Company's Management, the presentation of which is required by standards issued by the Brazilian Securities and Exchange Commission (CVM) , and as supplemental information under IFRS, which does not require the presentation of a DVA. These statements were subject to the same review procedures described above, and based on our review, we are not aware of any fact that could lead us to believe that they have not been prepared, in all material respects, consistently with individual and consolidated interim financial information taken as a whole.

Review of values presented for comparative purposes

The accompanying individual and consolidated interim financial information for the year ended December 31, 2013 and the quarter ended March, 31 2013, presented for comparative purposes, were previously audited and reviewed, respectively, by other independent auditors who issued their reports dated on February 7, 2014 and May 13, 2013, respectively, which did not contain any modification.

Brasília, May 5, 2014

KPMG Auditores Independentes
CRC SP014428/O-6F-DF

Original report in Portuguese signed by
Francesco Luigi Celso
Contador CRC 1SP175348/O-5