Financial Statements

1st Half 2018

BANCO DO BRASIL
Seguridade

INDEX

Management comments on performance 01

Consolidated Financial Statements 03
Statement of Income 03
Statement of Comprehensive Income 04
Balance Sheet 05
Statement of Cash Flows 06
Statement of Changes in Equity 07
Statement of Value Added 08

Notes to the Consolidated Financial Statements 09
Note 1 – Operations 09
Note 2 – Acquisitions, Disposals and Corporate Restructurings 09
Note 3 – Presentation of Financial Statements 10
Note 4 – Description of Significant Accounting Policies 11
Note 5 – Risk Management 17
Note 6 – Information by Segment 22
Note 7 – Cash and Cash Equivalents 29
Note 8 – Financial Instruments 29
Note 9 – Investment in Associates 31
Note 10 – Dividends/Interest on Equity Capital Receivable 42
Note 11 – Taxes 43
Note 12 – Commissions receivable 45
Note 13 – Other Assets 46
Note 14 – Dividends Payable 46
Note 15 – Provisions and Contingent Liabilities 46
Note 16 – Unearned Commissions 48
Note 17 – Other Liabilities 48
Note 18 – Equity 49
Note 19 – Financial Result 52
Note 20 – Personnel Expenses 53
Note 21 – Administrative Expenses 53
Note 22 – Other Operating Income/(Expense) 54
Note 23 – Commissions Income 55
Note 24 – Related Party Transactions 55
Note 25 – Other Information 58

Report of Independent Auditors for Financial Statements
Declaration of the Members of the Executive Board about the Financial Statements
Statement of the Members of the Executive Board on the Report of the Independent Auditors

Members of the Management Bodies

BANCO DO BRASIL
Seguridade

ITR – Management Comments on Performance

Dear Shareholders,

BB Seguridade Participações S.A. reported a net income of R$1,062.4 million in the second quarter of 2018, up 11.1% year-over-year driven by the increase in equity income. Setting apart the extraordinary effects amounting to R$152.4 million, which positively impacted the equity income, as detailed below, the adjusted net income reached R$910.0 million, down 4.8% year-over-year.

Equity Income

	Parent		
	2Q17	**2Q18**	**Var%**
EQUITY INCOME	**940,707**	**1,038,404**	**10.4**
BB MAPFRE SH1	306,043	510,693	66.9
MAPFRE BB SH2	30,314	(66,788)	(320.3)
Brasilprev	195,129	222,896	14.2
Brasilcap	29,769	(436)	-
IRB Brasil-RE	42,322	42,978	1.6
BB Corretora	345,412	334,712	(3.1)
Brasildental	740	2,336	215.7
Other	(9,022)	(7,987)	-11.5

Extraordinary effects

	Parent		
	2Q17	**2Q18**	**Var%**
EQUITY INCOME	**940,707**	**1,038,404**	**10.4**
(+) EXTRAORDINARY EFFECTS	**-**	**(152,422)**	**-**
BB MAPFRE SH1: compliance with the SUSEP Rule 543/16	-	(231,771)	-
MAPFRE BB SH2: receivables from reinsurance and third party deposits	-	79,349	-
(=) ADJUSTED EQUITY INCOME	**940,707**	**885,982**	**(5.8)**

In the second quarter of 2018, the equity income adjusted by the one-offs amounted to R$886.0 million, down 5.8% year-over-year, mainly explained by:

(i) the contraction in the equity income from Brasilcap, given the deterioration in the net investment income and the increase in the acquisition costs, partially offset by the growth in premium bonds collection and the lower G&A expenses;

(ii) the 8.9% reduction in the adjusted equity income from BB MAPFRE SH1, mainly explained by the reduction in the net investment income as well as by the deterioration in the loss ratio, which were partially offset by the lower G&A ratio;

(iii) the 58.6% decrease in the adjusted equity income from MAPFRE BB SH2, mainly explained by the contraction in the net investment income; and

(iv) the 3.1% drop in the equity income from BB Corretora, justified mainly by the reduction in the net investment income, partially offset by the improvement in the operating result, which was helped by the growth in brokerage revenues.

On the other hand, the aforementioned negative effects were partially offset by the 14.2% growth in the equity income from Brasilprev, given the increase in revenues with management fee, as consequence of the expansion in the assets under management, and the improvement in the cost to income ratio.

RELATIONSHIP WITH INDEPENDENT AUDITORS

According to the CVM Rule 381/03, we hereby inform that, during the second quarter of 2018, BB Seguridade used the independent audit services provided by KPMG Auditores Independentes through a contract maintained by its controlling shareholder Banco do Brasil S.A.

When hiring services not related to the external audit, BB Seguridade adopts procedures based on the applicable law and on internationally accepted principles that preserve the auditor's independence. Such principles consist of: (i) the auditor should not audit its own work; (ii) the auditor should not perform managerial activities at his client administrative structure; and (iii) the auditor should not promote the interests of its client.

In the second quarter of 2018, there were no changes related to audit and non-audit services contracts between Banco do Brasil and KPMG Auditores Independentes.

Regarding to BB Seguridade's affiliates and controlled companies, Brasilprev Seguros e Previdência S.A. has signed non-audit services contracts with KPMG Auditores Independentes, as provided below:

Company	Start	End	Services	Total Fee (R$)
Brasilprev Seguros e Previdência S.A.	05/31/2018	06/30/2018	Compilation of the reimbursement calculation related to the distribution of pension plans.	73,521.58
Brasilprev Seguros e Previdência S.A.	05/31/2018	06/30/2018	Compilation of the calculation of fee paid related to the share in management fee for the administration of exclusive mutual fund.	82,045.82

There were no changes to audit services contracts between controlled and affiliated companies and KPMG Auditores Independentes.

For more information about the performance of BB Seguridade, please refer to the MD&A, available at www.bbseguridaderi.com.br/en, section Financial Information.

STATEMENT OF INCOME

R$ thousand (except earnings per share)

	Note	Parent				Consolidated			
		2nd Quarter 2018	1st Half 2018	2nd Quarter 2017	1st Half 2017	2nd Quarter 2018	1st Half 2018	2nd Quarter 2017	1st Half 2017
OPERATING INCOME		**1,038,404**	**1,917,304**	**940,707**	**1,938,564**	**1,336,707**	**2,527,282**	**1,206,390**	**2,492,311**
Equity income	[09]	1,038,404	1,917,304	940,707	1,938,564	711,681	1,204,977	604,317	1,198,435
Commissions income	[23]	--	--	--	--	625,026	1,322,305	602,073	1,293,876
COST OF SERVICES PROVIDED	[21]	--	--	--	--	(57,412)	(93,718)	(40,749)	(79,041)
GROSS PROFIT		**1,038,404**	**1,917,304**	**940,707**	**1,938,564**	**1,279,295**	**2,433,564**	**1,165,641**	**2,413,270**
OTHER INCOME AND EXPENSES		**5,122**	**(708)**	**(8,019)**	**(22,954)**	**(86,441)**	**(189,583)**	**(95,619)**	**(205,022)**
Personnel expenses	[20]	(3,347)	(6,367)	(4,235)	(9,303)	(13,521)	(27,014)	(13,161)	(25,708)
Administrative expenses	[21]	(1,325)	(2,243)	(2,592)	(9,908)	(5,185)	(8,309)	(5,868)	(14,556)
Tax expenses	[11]	(2,672)	(4,523)	(1,364)	(3,842)	(78,588)	(164,537)	(76,317)	(163,415)
Other	[22]	12,466	12,425	172	99	10,853	10,277	(273)	(1,343)
INCOME BEFORE FINANCIAL REVENUE AND EXPENSES		**1,043,526**	**1,916,596**	**932,688**	**1,915,610**	**1,192,854**	**2,243,981**	**1,070,022**	**2,208,248**
FINANCIAL RESULT		**31,278**	**48,694**	**29,060**	**38,941**	**61,094**	**107,814**	**81,113**	**148,679**
Financial revenue	[19]	31,467	71,287	29,077	73,769	61,346	130,535	81,186	183,618
Financial expenses	[19]	(189)	(22,593)	(17)	(34,828)	(252)	(22,721)	(73)	(34,939)
INCOME BEFORE TAXES AND EQUITIES		**1,074,804**	**1,965,290**	**961,748**	**1,954,551**	**1,253,948**	**2,351,795**	**1,151,135**	**2,356,927**
INCOME TAX AND SOCIAL CONTRIBUTION	[11]	(12,416)	(16,403)	(5,442)	(5,442)	(191,560)	(402,908)	(194,829)	(407,818)
NET INCOME FOR THE PERIOD		**1,062,388**	**1,948,887**	**956,306**	**1,949,109**	**1,062,388**	**1,948,887**	**956,306**	**1,949,109**
EARNINGS PER SHARE	[18]								
Number of shares		2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Weighted average number of shares - basic and diluted		1,996,600,299	1,996,598,192	1,996,596,245	1,996,601,779	1,996,600,299	1,996,598,192	1,996,596,245	1,996,601,779
Basic and diluted earnings per share (R$)		0.53	0.98	0.48	0.98	0.53	0.98	0.48	0.98

See the accompanying notes to the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

R$ thousand

	Parent				Consolidated			
	2nd Quarter 2018	1st Half 2018	2nd Quarter 2017	1st Half 2017	2nd Quarter 2018	1st Half 2018	2nd Quarter 2017	1st Half 2017
NET INCOME FOR THE PERIOD	**1,062,388**	**1,948,887**	**956,306**	**1,949,109**	**1,062,388**	**1,948,887**	**956,306**	**1,949,109**
Share of comprehensive income/(loss) of associates and joint ventures	**(32,594)**	**(22,151)**	**(3,437)**	**3,974**	**(32,594)**	**(22,151)**	**(3,437)**	**3,974**
Gains/(losses) on financial assets available for sale	(59,951)	(41,038)	(6,397)	7,076	(59,951)	(41,038)	(6,397)	7,076
Other comprehensive income	839	862	289	102	839	862	289	102
Tax effect	26,518	18,025	2,671	(3,204)	26,518	18,025	2,671	(3,204)
TOTAL COMPREHENSIVE INCOME	**1,029,794**	**1,926,736**	**952,869**	**1,953,083**	**1,029,794**	**1,926,736**	**952,869**	**1,953,083**

See the accompanying notes to the financial statements.

BALANCE SHEET

R$ thousand

	Note	Parent		Consolidated	
		Jun 30, 2018	Dec 31, 2017	Jun 30, 2018	Dec 31, 2017
CURRENT ASSETS		**2,844,708**	**2,832,935**	**4,730,845**	**4,994,784**
Cash and cash equivalents	[07]	2,322,028	2,429,600	3,285,491	3,644,179
Financial assets measured at amortised cost	[08]	--	--	489,960	474,365
Dividends/interest on equity receivable	[10]	451,179	341,547	18,291	12,209
Current tax assets		66,747	56,033	229,111	129,370
Commissions receivable	[12]	--	--	707,881	734,490
Other assets	[13]	4,754	5,755	111	171
NON-CURRENT ASSETS		**8,001,574**	**7,969,037**	**8,544,524**	**8,339,629**
Financial assets at fair value through profit or loss	[08]	565	567	423,608	412,304
Investments in associates	[09]	7,972,328	7,934,919	7,830,521	7,633,361
Intangible	[25]	5,608	5,545	5,608	5,545
Deferred tax assets	[11]	23,073	27,997	93,624	97,315
Other assets	[13]	--	9	191,163	191,104
TOTAL ASSETS		**10,846,282**	**10,801,972**	**13,275,369**	**13,334,413**
CURRENT LIABILITIES		**1,580,186**	**1,903,502**	**2,813,796**	**3,277,734**
Dividends payable	[14]	1,559,735	1,890,775	1,559,735	1,890,775
Contingent liabilities	[15]	--	--	17,510	18,794
Current tax liabilities		13,260	3,169	425,826	558,200
Unearned commissions	[16]	--	--	762,870	771,596
Other liabilities	[17]	7,191	9,558	47,855	38,369
NON-CURRENT LIABILITIES		**--**	**--**	**1,195,477**	**1,158,209**
Deferred tax liabilities	[11]	--	--	273,333	273,333
Unearned commissions	[16]	--	--	922,144	884,876
TOTAL LIABILITIES		**1,580,186**	**1,903,502**	**4,009,273**	**4,435,943**
EQUITY	[18]				
Capital		5,646,767	5,646,767	5,646,767	5,646,767
Capital reserves		1,263	1,277	1,263	1,277
Income reserves		3,726,975	3,337,198	3,726,975	3,337,198
Other accumulated comprehensive income		(25,445)	(3,294)	(25,445)	(3,294)
Treasury shares		(83,464)	(83,478)	(83,464)	(83,478)
TOTAL EQUITY		**9,266,096**	**8,898,470**	**9,266,096**	**8,898,470**
TOTAL LIABILITIES AND EQUITY		**10,846,282**	**10,801,972**	**13,275,369**	**13,334,413**

See the accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

R$ thousand

	Parent		Consolidated	
	1st Half 2018	1st Half 2017	1st Half 2018	1st Half 2017
Cash From Operations				
Earnings before income taxes	**1,965,290**	**1,954,551**	**2,351,795**	**2,356,927**
Adjustments to income (loss) before income taxes				
Equity in the earnings of subsidiaries and joint ventures	(1,917,304)	(1,938,564)	(1,204,977)	(1,198,435)
Expenses with civil and tax provisions	(8)	--	(1,292)	1,312
Commissions income deferred	--	--	(512,076)	(388,127)
Other adjustments	19,262	8,030	31,002	11,872
Income adjusted before income taxes	**67,240**	**24,017**	**664,452**	**783,549**
Changes in assets and liabilities				
Net change in financial assets at fair value through profit	2	(194)	(11,304)	(18,668)
Net change in financial assets at fair value through other comprehensive income	--	--	--	33
Income and social contribution taxes paid	(517)	--	(584,410)	(564,157)
Net change in current taxes	(12,945)	(4,185)	(51,726)	(46,659)
Net change in commissions receivable	--	--	26,609	48,287
Net change in unearned commissions	--	--	540,618	292,767
Net change in other assets and liabilities	(1,357)	(2,079)	9,487	(10,159)
Net cash from operating activities	**52,423**	**17,559**	**593,726**	**484,993**
Cash from investment activities				
Dividends received	1,752,062	2,342,800	946,058	1,559,479
Interest on equity received	--	--	29,181	26,751
Acquisition of intangible assets	(63)	(826)	(63)	(826)
Interest in financial assets held to maturity	--	--	(15,595)	(25,204)
Net cash from investment activities	**1,751,999**	**2,341,974**	**959,581**	**1,560,200**
Cash from financing activities				
Dividends paid	(1,912,009)	(1,704,594)	(1,912,009)	(1,704,594)
Acquisition of Treasury shares	(562)	(738)	(562)	(738)
Disposals of Treasury shares	576	465	576	465
Net cash from financing activities	**(1,911,995)**	**(1,704,867)**	**(1,911,995)**	**(1,704,867)**
Net change in cash and cash equivalents	**(107,572)**	**654,666**	**(358,688)**	**340,326**
Opening balance	2,429,600	665,538	3,644,179	2,174,914
Closing balance	2,322,028	1,320,204	3,285,491	2,515,240
Increase (decrease) in cash and cash equivalents	**(107,572)**	**654,666**	**(358,688)**	**340,326**

See the accompanying notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

R$ thousand

Event	Note	Capital	Capital Reserves	Profit Reserves		Treasury Shares	Retained Earnings/ Accumulated Losses	Other Accumulated Comprehensive Income	Total
				Legal Reserve	Statutory Reserve				
Balances at Dec 31, 2016		**5,646,767**	**1,004**	**707,586**	**2,029,777**	**(83,206)**	**--**	**(12,864)**	**8,289,064**
Share-based payment transactions	[18.g]	--	272	--	--	(272)	--	--	--
Other accumulated comprehensive income	[18.e]	--	--	--	--	--	--	3,974	3,974
Expired dividends	[18.d]	--	--	--	--	--	32	--	32
Net income for the period		**--**	**--**	**--**	**--**	**--**	**1,949,109**	**--**	**1,949,109**
Destinations - Profit Reserves	[18.b]	--	--	97,455	292,366	--	(389,821)	--	--
- Proposed dividends 1st half 2017	[18.d]	--	--	--	--	--	(1,559,320)	--	(1,559,320)
Balances at Jun 30, 2017		**5,646,767**	**1,276**	**805,041**	**2,322,143**	**(83,478)**	**--**	**(8,890)**	**8,682,859**
Changes in the Period		**--**	**272**	**97,455**	**292,366**	**(272)**	**--**	**3,974**	**393,795**
Balances at Dec 31, 2017		**5,646,767**	**1,277**	**910,048**	**2,427,150**	**(83,478)**	**--**	**(3,294)**	**8,898,470**
Share-based payment transactions	[18.g]	--	(14)	--	--	14	--	--	--
Other accumulated comprehensive income	[18.e]	--	--	--	--	--	--	(22,151)	(22,151)
Expired dividends	[18.d]	--	--	--	--	--	30	--	30
Net income for the period		--	--	--	--	--	1,948,887	--	1,948,886
Destinations - Profit Reserves	[18.b]	--	--	97,444	292,333	--	(389,777)	--	--
- Proposed dividends 1st half 2018	[18.d]	--	--	--	--	--	(1,559,140)	--	(1,559,139)
Balances at Jun 30, 2018		**5,646,767**	**1,263**	**1,007,492**	**2,719,483**	**(83,464)**	**--**	**(25,445)**	**9,266,096**
Changes in the Period		**--**	**(14)**	**97,444**	**292,333**	**14**	**--**	**(22,151)**	**367,626**

See the accompanying notes to the financial statements.

STATEMENT OF VALUE ADDED

R$ thousand

	Note	Parent		Consolidated	
		1st Half/2018	1st Half/2017	1st Half/2018	1st Half/2017
Income		**--**	**--**	**1,322,305**	**1,293,876**
Commissions income	[23]	--	--	1,322,305	1,293,876
Input Acquired from Third Parties		**10,182**	**(9,809)**	**(91,750)**	**(94,940)**
Administrative expenses diverse	[21]	(2,243)	(9,908)	(8,309)	(14,556)
Cost of services provided		--	--	(93,718)	(79,041)
Other income/(expenses)	[22]	12,425	99	10,277	(1,343)
Gross Added Value		**10,182**	**(9,809)**	**1,230,555**	**1,198,936**
Net Added Value Generated by the Entity		**10,182**	**(9,809)**	**1,230,555**	**1,198,936**
Added Value Received Through Transfer		**1,988,591**	**2,012,333**	**1,335,512**	**1,382,053**
Equity in the earnings of associates	[09]	1,917,304	1,938,564	1,204,977	1,198,435
Financial income	[19]	71,287	73,769	130,535	183,618
Total Added Value to Distribute		**1,998,773**	**2,002,524**	**2,566,067**	**2,580,989**
Distribution of Added Value		**1,998,773**	**2,002,524**	**2,566,067**	**2,580,989**
Personnel	[20]	6,367	9,303	27,014	25,708
Taxes, fees and contributions	[11]	20,926	9,284	567,445	571,233
Profit Reserves	[18]	389,777	389,821	389,777	389,821
Financial expenses	[19]	22,593	34,828	22,721	34,939
Remuneration of equity	[18]	1,559,110	1,559,288	1,559,110	1,559,288

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 to broker and facilitate business involving personal, health, property and vehicle insurance, offer 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, is headquartered in Setor de Autarquias Norte, Quadra 05, Bloco B, 3rd Floor, Banco do Brasil Building, Asa Norte, Brasilia, Distrito Federal, Brazil. It is a publicly traded corporation and its shares are traded in the Novo Mercado segment of B3 SA (Brasil, Bolsa, Balcão), under the code "BBSE3" and its ADRs (American Depositary Receipts) in the USA over-the-counter market, under the code "BBSEY".

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

2 – ACQUISITIONS, DISPOSALS AND CORPORATE RESTRUCTURINGS

a) Partnership Restructuring of Grupo Segurador Mapfre

Pursuant to Material Fact released on June 26, 2018, BB Seguros Participações S.A. (“BB Seguros”) and Banco do Brasil S.A., signed of a Partnership Restructuring Agreement (“Agreement”) with MAPFRE S.A., MAPFRE Internacional S.A. and MAPFRE Brasil Participações S.A. (“MAPFRE Brasil”), which comprises the following corporate acts:

(i) Partial spin-off of BB MAPFRE SH1 ("SH1") through the segregation of the equity corresponding to the investment in MAPFRE Vida S.A. to be then incorporated by MAPFRE BB SH2 ("SH2").

(ii) Partial spin-off of SH2 through the segregation of the equity corresponding to the investment in Aliança do Brasil Seguros S.A. (“ABS”) to be then incorporated by SH1. After the incorporation, ABS should refrain from renewing and selling large risks insurance policies, remaining only with the run-off portfolio.

(iii) At the closing, immediately after the corporate reorganization described in the items (i) and (ii) aforementioned, BB Seguros will sell to MAPFRE Brasil the totality of its investment in SH2 for R$2.4 billion, to be adjusted by any dividend and/or interest on capital paid until the closing date.

The closing of the deal is subject to the fulfillment of some preconditions including the applicable regulatory approvals, when all the points mentioned herein will take effects.

b) Ciclic Corretora de Seguros S.A.

BB Corretora de Seguros e Administradora de Bens S.A. ("BB Corretora"), a wholly-owned subsidiary of the Company, and PFG do Brasil 2 Participações Ltda. ("PFG2"), a subsidiary of PFG do Brasil Ltda. ("PFG"), signed an Investment Agreement ("Agreement") on November 30, 2017 for joint action focused initially on the distribution of private pension products in the digital channel, through a new company called Ciclic Corretora de Seguros SA ("Ciclic"), with initial share capital composed of common shares ("ON") fully paid up by PFG2.

Said agreement provides for the signing of a Shareholders' Agreement, effective until October 27, 2032, and the increase of capital of Ciclic up to the amount of R $ 27 million, of which R $ 6.750 million to be contributed by PFG 2 and R $ 20.250 million to be contributed by BB Corretora, through the issuance of new ON and PN shares, fully paid in by the said companies, after approval by the regulatory, supervisory and supervisory bodies. It should be noted that the Investment Agreement has suspensive effect until the approvals of said bodies are issued.

After the termination of the prior approval process, the Shareholders' Agreement will be signed and a capital contribution will be executed on the terms already described, and BB Corretora will hold 49.99% of the ON shares and 100.00% of the preferred shares ("PN ") of Ciclic, accounting for 74.99% of the total capital of the new company.

c) Corporate Restructuring – IRB Brasil Re

The Extraordinary Shareholders Meeting (“ESM”) of IRB-Brasil Re, held on May 19, 2017, within the scope of its Initial Public Offering, ratified the decision of the ESM held in August 21, 2015, to approve (i) the application for public traded company to be registered in the ‘A’ category at the CVM (Brazilian Securities and Exchange Commission), (ii) the application to be authorized by the CVM to make a public offer and (iii) the application to join the Novo Mercado, a high-level governance segment of B3 – Brasil, Bolsa Balcão (“B3”).

The IPO was registered at CVM on July 28, 2017 and the stocks started to be traded at the São Paulo Stock Exchange (“BOVESPA”) on July 31, 2017.

On August 29, 2017, the public offering for the secondary distribution of 73,554,000 nominative, book-form common shares, with no par value, issued by IRB Brasil-RE and owned by the Selling Shareholders, all free and clear of any lien or encumbrance, came to its closure. 21,505,355 common shares held by FGEDUC, 16,206,387 common shares held by BB Seguros, 16,206,387common shares held by Bradesco Seguros, 11,166,019 common shares held by Itaú Seguros, 677,400 common shares held by Itaú Vida and 7,792,452 common shares held by FIP Caixa Barcelona were sold, taking into account the exercise of the Option on the Over-allotment, at R$27.24 per Share, making a total of R$ 2,003,610 thousand.

The sale of 16,206,387 shares in the scope of the public offering produced a gain in the amount of R $ 269,246 thousand, without considering the tax effects and distribution costs.

After the Public Offering, BB Seguros, a wholly-owned subsidiary of BB Seguridade, started to hold 47,520,213 common shares of IRB Brasil-RE, equivalent to 15.2% of the Company's total capital stock.

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 and authorized for issue by the Board of Directors on August 03, 2018.

b) Continuity

Management evaluated that the Group has the resources to continue their business in the future and normally operate. 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, and (ii) financial assets at amortized cost.

d) Functional and Presentation Currency

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

e) Consolidation Basis

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

Company	Activity	Country of constitution	% Share	
			Jun 30, 2018	Dec 31, 2017
BB Seguros Participações S.A.	Holding	Brazil	100%	100%
BB Corretora de Seguros e Administradora de Bens S.A.	Brokerage	Brazil	100%	100%

The intra-group balances and transactions, such as any unrealized income or expenses on transactions between companies of the consolidated, 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) Seasonality of Operations

BB Seguridade and its owned subsidiaries consider the nature of their 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.

g) Main Judgments and Accouting 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 that 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: Fair value of Financial Instruments, Impairment of Financial Assets Available for Sale, Impairment of Non-Financial Assets, Income Taxes, Deferred Taxes and Provisions and Contingent Liabilities.

4 – DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are the basics, principles, conventions, rules and the specific practices applied by BB Seguridade when preparing and presenting financial statements. BB Seguridade applied the policies described below in a consistent manner to all the financial statements prepared.

The accounting polices applied to the preparation of these financial statements are the same applied to the statements of the fiscal year up to 12/31/2017, except for the CPC 47 – Revenue from contracts with customers and CPC – 48 – Financial Instruments (in force since January 1st of 2018).

a) Revenue and Expense Recognition

The profits and losses are assessed by an accrual basis and reported in the financial statements of the related fiscal years. The profits represent the financial income during the year, originated during from the regular activities of the company as cash flow and increase of the assets or decrease of the liabilities that generate increase of the net equity of the company, and that are not related to contributions of the parties included in such equity.

This concept is applied to the main forms of revenue originated from the activities of BB Seguridade and its subsidiary companies, as follows:

a.1) Revenue from investments of corporate interests – Income from the equity accounting method for evaluation of the investments in corporate interests are incorporated according to the investment interest of BB Seguridade in the results originated from the companies in which it was invested, according to CPC 18 (R2) – Investment in Controlled Companies and Affiliated and Joint Ventures.

a.2) Commission Revenue – The income originated from commissions are incorporated when its amount and the related costs and process of conclusion of the operation can be measured in reliable manner and when its related economic benefits are likely to be made, according to CPC 47 – Client Agreement Revenue.

In order to assess its revenue, BB Seguridade uses a five-stage model concept to determine when to incorporate a type of revenue: i) identification of the agreement; ii) identification of the performance obligations; iii) evaluation of the price of the operation; iv) measurement of the operation price and v) revenue assessment

The commission revenue are incorporated when the Company meets (or as the Company meets) its performance obligation when transferring goods and services (in other words, assets) agreed with the client. The commission income comes from the segments of people insurance, basic lines, vehicles, pension plans, capitalization and health insurance. These revenues are recognized over time (annual products), where the performance obligation is diluted linearlu over the lifetime of the product / insurance, or at a specific time (monthly products), where the performance obligation occurs monthly , according to the characteristics of the products.

In cases of return of premium to the insured, the broker returns to the insurer the commission received in proportion to the amount returned or not received by the insurer in function of the remaining period of the policy.

For insurance whose expiry is not objectively defined (monthly insurance), the monthly payment of the payments is decisive for the continuity of the policies, and, in general, there are no refund of commissions.

a.3) Financial income and expenses – Income and expenses from financial instruments originated from assets and liabilities that generate and pay interest are incorporated, as well as the amounts related to the fair value adjustment, in the revenue for that fiscal year on the accrual basis, using the effective interest rate method, according to CPC 48 - Financial Instruments.

In the case of instruments measured at fair value through profit or loss (in accordance with item c.3 below), the fair value is determined as described in item c.4.

The effective interest rate method is the rate that discounts estimated future cash receipts or cash payments over the expected life of the financial asset or financial liability in relation to the gross carrying amount of the financial asset or the amortized cost of the financial liability. When calculating the effective interest rate, the company should estimate the expected cash flows, taking into account all contractual terms of the financial instrument, but should not consider expected credit losses.

b) Cash and cash equivalents

Cash and cash equivalents are represented by cash equivalents in local currency, short-term fund investments, investments of sales and purchase agreements with high net value and insignificant risk of change in value, with a maturity of 90 days or less.

c) Financial instruments

The financial instruments are classified according to the business model and the contractual characteristics of the cash flows of the instruments according to CPC 48 - Financial Instruments.

Financial assets and liabilities are initially incorporated on the trade date, i.e., the date on which the Group becomes a party to the provisions of the instrument. The classification of the financial assets and liabilities is determined on the date of initial recognition.

Financial instruments are initially measured at fair value plus the transaction cost, except when financial assets and liabilities are recorded at fair value through profit or loss.

Financial assets and liabilities can be classified into one of the categories: i) financial instrument measured at fair value through profit or loss, financial instrument measured at amortized cost and financial instrument measured at fair value through other comprehensive income. BB Seguridade currently does not use derivative financial instruments.

The main financial instruments of Group BB Seguridade are securities mainly held by Banco do Brasil (short- and long-term investment funds, financial bills and sales and purchase agreements).

After assessing CPC 48 - Financial Instruments and the current financial assets of Grupo BB Seguridade, there were no impacts with the adoption of the new standard. The table below shows the measurement categories adopted up to 12.31.2017 for financial instruments in accordance with CPC 38 (IAS 39) and the new categories as of 01.01.2018 in accordance with CPC 48 (IFRS 09):

R$ thousand

Financial Instruments	Note	Category according to CPC 38 (IAS 39)	Category according to CPC 48 (IFRS 09)	Book value CPC 38 (IAS 39)	Book value CPC 48 (IFRS 09)
Cash and cash equivalents	[7]	Fair value through profit or loss	Fair value through profit or loss	2,322,001	2,322,001
Short-Term Financial bills	[8]	Held-to-maturity investments	Amortised cost	482,172	482,172
Long-term fund	[8]	Fair value through profit or loss	Fair value through profit or loss	419,594	419,594
Comissions receivable	[12]	Loans and receivables	Amortised cost	684,760	684,760
Total				**3,908,527**	**3,908,527**

The BB Seguridade Group holds interests in insurance companies, for which CPC 48 is not applied. When there is a divergence in accounting practice in investments in equity investments, it is necessary to adjust the accounting practices for standardization. However, the CPC Technical Pronouncements Review no. 12/2017 allowed, subject to an exemption for insurers, that the entity apply the CPC without need for standardization in relation to the affiliated companies (until January 1, 2021).

c.1) Amortized Cost - These are financial assets held by BB Seguridade (i) for the purpose of receiving their agreed cash flow rather than for sale with profit or loss and (ii) whose terms of the agreement generates cash flows at specified dates exclusively for primary payments and interest payments on the primary amount outstanding.

Short-term financial instruments are recognized as financial assets measured at amortized cost. Changes in these assets are recognized in income for the period in financial income or expense, depending on the result obtained.

c.2) Fair value through other comprehensive income - VJORA - These are financial assets held by BB Seguridade (i) both for the receipt of its cash flow by agreement and for disposal with realization of profits or losses and (ii) the agreement terms of which generates cash flows at specified dates exclusively for primary payments and interest payments on the primary amount outstanding

BB Seguridade currently does not have financial assets classified in this category.

c.3) Fair value through profit or loss (VJR) - Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are classified in this category.

c.4) Determination of fair value - Fair value is the price that would be received for the sale of an asset or would be paid by the transfer of a liability in a non-forced transaction between market participants at the measurement date.

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

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

These models are adjusted to encapsulate the variation of the purchase and sale prices, the settlement cost of the position, to serve as counterpart of the credit and liquidity variations, and, mainly, to overcome the theoretical limitations inherent in the models.

The internal pricing models may involve some level of estimation and judgment by the Administration 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 that its settlement is made through the delivery of money or other financial asset, regardless of its legal form. Financial liabilities include short-term and long-term debt that are initially measured at fair value, which is the amount received net of costs incurred in the transaction and subsequently at amortized cost.

d) Write-off of Financial Assets and Financial Liabilities

d.1) Financial assets - A financial asset is written off when: (i) the contractual rights related to the respective cash flows expire; (ii) the Group transfers most of the risks and benefits associated with the asset to third parties; or (iii) when control over the asset is transferred, even the Group having withheld part of the risks and benefits associated with its detention.

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

d.2) Financial liabilities - A financial liability is written off when its obligation is eliminated, canceled or prescribed. If an existing financial liability is replaced by another of the same creditor in substantially different terms, or the terms of the existing liability are substantially modified, such modification is treated as a write-off of the original liability and recognition of a new liability, and the difference between the accounting values is recognized in profit or loss.

e) Reduction in the recoverable value of financial assets - Impairment

For impairment of financial assets (impairment), CPC 48 - Financial Instruments, considers the expected credit losses, which are a weighted estimate of the probability of credit losses (that is, the present value of all cash deficits) over the expected life of the financial instrument.

The cash deficit is the difference between the cash flows due to the entity under the contract and the cash flows that the entity expects to receive. As the expected credit losses consider the value and timing of the payments, the credit loss occurs even if the entity expects to be paid in full, but after the due date stipulated by the contract.

For the impairment of commissions receivable, the simplified approach allowed by CPC 48 was used for commercial receivables in which the recognition of expected credit losses follows the model for the entire life of the instrument.

Annually is assessed at BB Seguridade if there is any objective evidence of impairment of its financial assets, according to CPC 48 - Financial Instruments.

f) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented at net value if, and only if, there is a legal right to compensate them with one another and if there is an intention to liquidate them in this way, or to realize an asset and settle a liability simultaneously. In other situations they are presented separately.

g) Business Combination

The acquisition of a subsidiary company through a business combination is registered on the date of acquisition, that is, on the date the control is transferred to BB Seguridade, by applying the acquisition method. Under this method, identified assets (including intangible assets not previously recognized), liabilities assumed and contingent liabilities are recognized at fair value at the date of acquisition. Any positive differences between the acquisition cost and the fair value of the net identifiable assets acquired are recognized as goodwill (goodwill). In the event of a negative difference (a gain on an advantageous purchase), the amount identified is incorporated in the income statement for the period in Other operating income.

The transaction costs incurred by BB Seguridade in a business combination, except for costs related to the issuance of debt or equity instruments, are registered in the income statement for the period when incurred. Any contingent consideration payable will be measured at fair value on the date of acquisition.

The profits and losses of the subsidiary companies acquired during the accounting period are included in the financial statements from the date of acquisition until the end of the period. Accordingly, the profits and losses of subsidiary companies sold during that period are included in the financial statements from the beginning of the period up to the date of disposal, or until the date on which BB Seguridade ceases to exercise control.

h) Change of Corporate Interest in Subsidiaries

Changes in corporate interest in a subsidiary that do not result in loss of control are accounted for as equity transactions (ie, transactions with owners in the capacity of owners). Consequently, no premium is recognized as a result of such transactions.

In such circumstances, the carrying amounts of the interests of the parent and subsidiary companies will be adjusted to reflect changes in their relative interests in the subsidiary company. Any difference between the value by which the interests of subsidiary companies are adjusted and the fair value of the consideration paid or received will be recognized directly in equity and attributed to the owners of the parent company.

i) Loss of Control

In accordance with CPC 36 (IFRS 10), in the event of loss of control of a subsidiary company, BB Seguridade no longer recognizes, at the date control is lost: (i) assets, including premiuns, and liabilities of the subsidiary company at its book value; and (ii) the carrying amount of any interests of subsidiries in the former subsidiary, including any components of other comprehensive income attributed to it.

In addition, BB Seguridade recognizes at the date of loss of control: (i) the fair value of the consideration received, if any, originated 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 retained in the former subsidiary at its fair value; and (iv) any resulting difference as a gain or loss in profit or loss attributable to the parent.

j) Non-Monetary Contributions to Associates and Joint Ventures

Pursuant to CPC 18 (IAS 28), when BB Seguridade contributes non-monetary assets in exchange for a shareholding in a related or joint venture, the gain or loss in the transaction is recognized to the extent of investors in the associate or joint venture. No gain or loss is incorporated if the transaction has no commercial substance.

k) Goodwill and Other Intangible Assets

The goodwill generated on the acquisition of investments of corporate interests is accounted considering the fair value of the identifiable assets and the assumed liabilities of the acquiring company on the acquisition date and, in accordance with the applicable standards, is not amortized. However, it is tested, at least annually, for impairment purposes. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets are incorporated separately from goodwill when they are separable or arise from contractual rights or other legal rights, their fair value can be measured reliably and it is probable that the expected future economic benefits will be transferred to BB Seguridade. The cost of intangible assets acquired in a business combination is its fair value at the acquisition date. The intangible assets acquired independently are initially measured at cost.

The useful life of intangible assets is considered to be definite or indefinite. Intangible assets with defined useful lives are amortized over the course of their economic life. They are initially registered at cost, less accumulated amortization and impairment losses. Intangible assets with indefinite useful lives are recorded at cost less any impairment losses.

The costs incurred related to the acquisition, production and development of software are capitalized and registered as intangible assets. Expenses from the research phase are registered as expenses.

Intangible assets with definite useful lives are amortized on a straight-line basis over the estimated useful life. The amortization method and period of an intangible asset with a definite useful life are reviewed at least annually. Changes in the expected useful life or proportion of expected use of the future benefits incorporated in the asset are recognized through changes in the amortization period or method, when appropriate, and treated as changes in accounting estimates.

The amortization expense of intangible assets with defined useful lives is incorporated in the statement of income for amortization of intangible assets. Losses due to reduction to the recoverable amount are incorporated as adjustment expenses to recoverable amount (Other expenses) in the Consolidated Income Statement.

l) Decrease in the recoverable value of non-financial assets - Impairment

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

Whether there was any indication of loss in the recoverable amount the impairment test of intangible assets with indefinite useful life is annually performed, including premium acquired in a business combination, or an intangible asset not yet available for use. This test can be performed at any time during an annual period, provided it is performed at the same time each year.

In the event that the recoverable value of the asset is lower than its carrying amount, the carrying amount of the asset is reduced to its recoverable value by an impairment loss, the consideration of which is incorporated in the income statement for that year, in Other (expenses) / operating revenues.

Annually, it is assessed whether there is any indication that a loss by reduction to recoverable value incorporated in prior periods for an asset other than premium for expected future profitability, it might no longer exist or may have decreased. If there is such indication, the asset's recoverable amount is estimated. The reversal of a loss for impairment of an asset will be registered immediately in the income statement for the period, as a rectifier of the balance of Other (expenses) / operating income.

m) Investments in Corporate Interests

Under the equity method, the investment is initially measured at cost and subsequently adjusted by the investor's recognition of changes in the net assets of the invested company. In addition, the portion of the investor's income in the results generated by the invested company must be included in the profit and losses of the investor's period, according to CPC 18 (R2) - Investment in Affiliate, Subsidiary and Joint Venture.

n) Provisions, Contingent Liabilities and Legal Obligations

The incorporation, measurement and disclosure of contingent liabilities and legal obligations are carried out in accordance with the criteria defined in CPC 25 - Provisions, Contingent Liabilities and Contingent Assets.

Contingent liabilities are recognized in the financial statements when, based on the analysis of legal advisers and the Administration, the risk of loss of a legal or administrative action is considered probable, with a probable outflow of funds for the settlement of the obligations and when the amounts involved are measured with sufficient certainty, being quantified at the time of service and reviewed monthly in an individualized manner, thus considering the cases related to cases considered unusual or whose value is considered relevant under the analysis of legal counsel, considering the amount of indemnity estimated.

Contingent liabilities classified as possible losses are not recognized in the accounting statements, and they should only be disclosed in the explanatory notes, and those classified as remote do not require provision or disclosure.

Tax legal obligations are derived from tax obligations under the law, irrespective of the probability of success of lawsuits in progress and their amounts are fully recognized in the financial statements.

o) Taxes

Taxes are calculated based on the rates shown in the table below:

Taxes	Tax Rate
Income Tax (IRPJ) (1)	25%
Social Contribution on Net Income (CSLL)	9%
Contribution to PIS (Social Integration Program) / Pasep (Investment Program for Civil Servants)	1.65%
Contribution for the financing of Social Security (COFINS)	7.60%
Contribution to PIS / Pasep(2)	0.65%
Contribution for the financing of Social Security (COFINS)(2)	4%
Municipal services tax- ISS	Up to 5%

(1) Includes basic rate (15%) and additional (10%)
(2) Interest rate on financial investments.

The deferred tax assets and deferred tax liabilities are constituted by the application of the current tax rates on their respective bases. For constitution, maintenance and write-off of deferred tax assets, the criteria established by CPC 32 - Taxes on Profit are observed, and are supported by a realization capacity study.

p) Segment Disclosure

CPC 22 - Information by Segment (IFRS 8) requires the disclosure of financial information of the entity's operating segments based on the internal disclosures that are used by Management to allocate resources and to evaluate its financial and economic performance

q) Interest on Shareholder's Capital and Dividends

Brazilian companies may assign a nominal interest expense, deductible for tax purposes, on their own capital. The amount of interest on shareholders 'equity is considered as a dividend and, when applicable, presented in these consolidated financial statements as a direct reduction in stockholders' equity.

Under the current dividends policy, BB Seguridade distributes to shareholders as mandatory dividend a portion corresponding to at least 25% of adjusted net income with the deductions and increases provided for in Art. 202 of Law 6,404 / 76, which are recognized as a liability and deducted from shareholders' equity when allocating the result of the period.

r) Earning per share

The earnings per share disclosure is made in accordance with the criteria defined in CPC 41 - Earning per Share, approved by Deliberation of CVM 636/2010. The basic and diluted earning per share of BB Seguridade was calculated by dividing net income attributable to shareholders by the weighted average number of total common shares, excluding treasury shares. BB Seguridade has no option, subscription bonus or its equivalents that give its holder the right to acquire shares. Thus, basic and diluted earnings per share are the same.

s) Improvements to IFRS and Recently Issued Pronouncements

Improvements to IFRS are amendments issued by the IASB - International Accounting Standards Board and comprise changes in recognition, measurement and disclosure rules related to various IFRS. We present a summary of some amendments as well as the interpretations and pronouncements recently issued by the IASB and CPC - Accounting Pronouncements Committee, which will come into effect after this period:

IFRS 17 - Insurance Contracts - In May 2017, the IASB issued a new standard aimed at the insurance market with the aim of standardizing globally the accounting of insurance contracts.

IFRS 17 replaces IFRS 4, which was brought as an intermediary standard in 2004. IFRS 4 provided the waiver of companies to continue accounting for insurance contracts using national accounting standards, resulting in different approaches. The new standard requires all insurance contracts to be accounted for consistently, benefiting both investors and insurance companies.

The IFRS becomes effective on January 1, 2021, with anticipated application permitted.

To this date, the CPC has not issued an equivalent standard.

The possible impacts resulting from its adoption in the group companies will be evaluated and concluded by the date of entry into force of the standard.

Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures - In September 2014, the IASB issued amendments to IFRS 10 and IAS 28 that address the inconsistencies generated by the two standards in accounting for transactions between investors and their associates and joint ventures.

The date for implementation of these amendments to IFRS 10 and IAS 28 has been postponed, even without a date defined by the IASB.

5 – RISK MANAGEMENT

The risk management at BB Seguridade respects the guidelines established in its Risk Management, Internal Control and Compliance Policy, approved by the Board of Directors and available to the public at the investors relations website.

The Company understands that its risk exposure is originated as well in its affiliated Companies, hence the Policy contemplates two dimensions: risks arising from BB Seguridade and its subsidiaries operations and risks originated from the affiliates (risk governance).

By means of its Risk Appetite Statement, approved by the Board of Directors, the Company defines the maximum levels of risks that it accepts to incur in the fulfillment of its objectives.

The risk management process at BB Seguridade is based on the steps of setting the context, identifying, analyzing, evaluating, treating, monitoring, and communicating and consulting the risks. This process is internally documented in the Company’s Risk Management Model. For managing the risks considered relevant, the Company establishes specific procedures and standards.

BB Seguridade has a technical area dedicated to risk management, Internal Control and Compliance, segregated from business areas and Internal Audit. The area is responsible for providing fundamentals and supporting the execution of the risk management process at the Company and its subsidiaries, as well as for the achievement of risk governance concerning the affiliates.

a) Risk management at BB Seguridade and its subsidiaries

The risk management framework adopted by BB Seguridade, as defined in its Risk Management, Internal Control and Compliance Policy, is structured in a three-line of defense model: in the first line, the process managers (risk owners) are responsible for implementing actions that ensure the compliance of its processes and the adequate management of associated risks and respective controls; in the second line, the Superintendence of Risk and Controls assists and monitors the risk owner in managing risks, internal controls and compliance in order to adjust them to the Company's risk appetite; and in the third line, Internal Audit, provides governance bodies assessments of the risk management and internal controls effectiveness.

Risk management framework and processes in the Company still include, among others: segregation of duties; joint decisions; Information Security Policy, Preventing and Combating Money Laundering, Terrorist Financing and Corruption Policy, Code of Ethics and Conduct and an Integrity Program in line with Law 12,846/2013 (Anti-Corruption Law) and Decree 8,420/2015 (documents disclosed internally and also to the public, available at the investors relations website); internal standardization of risk management, internal controls and compliance, in addition to internal communication program on risk management, internal controls and compliance, continuously promoting the acculturation of the whole company in these subjects.

The Executive Board counts on two non-statutory technical committees: the Reputational Risk Committee and the Finance and Investment Committee, which advise on issues concerning the management and control, respectively, of the reputational risk and the risks arising from the financial asset portfolio of the Company and its subsidiaries.

The governance structure of the Company also includes the Audit Committee, a statutory body advising the Board of Directors, which is responsible for evaluating and monitoring the Company's risk exposures.

Information related to risk management are periodically reported to the Executive Board and to the Board of Directors and are also taken to the attention of the Fiscal Council.

a.1) Risks associated with investments in financial assets

In addition to the Risk Management Policy, the Company has a Financial Investment Policy, approved by the Board of Directors and applicable to its subsidiaries, that sets out the criteria relating to the nature, duration and acceptable risks of the financial investments. The current policy allows the investment of funds only in fixed income securities and, in case of corporate bonds, the counterparty must have a minimum rating classification of "investment grade", issued by at least one of the following agencies: Moody's, Standard & Poor's and Fitch Ratings. Operations with assets that result in foreign currency risk, equity risk or leverage are prohibited, as well as the trading of derivative securities, unless through mutual funds and for the sole purpose of protection (hedge).

The financial investments of the Company and its subsidiaries, categorized as cash equivalents, are concentrated in repurchase agreements backed by Federal Government Bonds and Corporate Bonds, with Banco do Brasil as the seller (Note 7). Financial assets categorized as financial instruments are fixed income long-term mutual fund and financial bills (Note 8).

a.2) Market Risk

Market risk is defined by the Company as the possibility of negative impacts resulting from fluctuation of market values of positions held, including the risks of transactions subject to foreign exchange rate, interest rates, stock prices and commodity prices. At BB Seguridade and its subsidiaries, the exposure to this risk arises from the investment portfolio in financial assets.

The management of the market risk is executed based in the Financial Investment Policy, that defines which assets may compose the portfolio and the VaR (Value at Risk) limit, calculated for 21 working days, with the portfolio volatility estimated using exponentially weighted moving average (EWMA) and 95% confidence level, monitored by the Finance and Investment Committee and by the Executive Board.

BANCO DO BRASIL Seguridade

Market risk exposure in financial assets

R$ thousand

	Impact on the portfolio							
	Parent				Consolidated			
	Jun 30, 2018	%	Dec 31,2017	%	Jun 30, 2018	%	Dec 31,2017	%
Value at Risk (VaR)	0	0.00	0	0.00	27	0.00	14	0.00

Sensitivity analysis on market risk factors

On June 30, 2017, BB Seguridade and its subsidiaries did not hold derivative instruments directly. Its exposure and of its subsidiaries to market risk factors was due to its financial assets, almost totality CDI or Selic postfixed financial instruments. Based on this, there is no relevant exposure to market risk factors.

a.3) Credit Risk

The credit risk is defined by the Company as the possibility of negative impacts associated to non-fulfillment, by a borrower or a counterparty, of its corresponding financial obligations according to negotiated terms, and/or to the devaluation of receivables due to a drop in the borrower or counterparty's risk rating. At BB Seguridade and its subsidiaries, the exposure to this risk arises from the investment portfolio in financial assets, which is composed by Corporate Bonds.

Due to the nature of the Company's operation, there is no relevant credit risk coming from the payment of brokerage for products distributed by BB Corretora, because these values are received by Banco do Brasil and passed on directly to BB Corretora.

Credit risk exposure in financial assets

R$ thousand

Financial securities [1]	Parent				Consolidated			
	Jun 30, 2018	%	Dec 31, 2017	%	Jun 30, 2018	%	Dec 31, 2017	%
Federal Government Bonds [2]	2,322,030	100.00	2,429,600	100.00	3,424,840	81.57	3,766,697	83.14
Corporate Bonds	--	--	--	--	773,677	18.43	763,589	16.86
Other[3]	(2)	(0.00)	--	--	(23)	(0.00)	(5)	(0.00)
Total	**2,322,028**	**100.00**	**2,429,600**	**100.00**	**4,198,494**	**100.00**	**4,530,281**	**100.00**

(1) Does not include the amount invested at Brasil Aceleradora de Startups fund.
(2) Includes repurchase agreements backed by Federal Government Bonds.
(3) Includes cash, cash equivalents, amounts payable and receivable from mutual funds.

R$ thousand

Corporate Bonds– Rating[1]	Consolidated											
	Jun 30, 2018						Dec 31, 2017					
	Debentures	Financial bills	Repurchase Agreements[2]	FIDC[3]	Other[4]	Total	Debentures	Financial bills	Repurchase Agreements[2]	FIDC[3]	Other[4]	Total
AAA	9,123	1,334	--	--	--	**10,457**	6,567	570	--	--	--	**7,137**
AA+ / AA / AA-	12,962	570,319	166,598	--	2,226	**752,105**	10,620	565,472	164,163	--	2,496	**742,751**
A+ / A / A-	2,427	889	--	--	637	**3,953**	2,622	2,580	--	--	979	**6,181**
BBB+ / BBB / BBB-	280	--	--	--	--	**280**	536	--	--	--	--	**536**
BB+ / BB / BB-	202	--	--	--	52	**254**	17	--	--	--	149	**166**
B+ / B / B-	843	--	--	--	21	**864**	2,000	--	--	--	56	**2,056**
CCC+ / CCC / CCC-	--	--	--	--	--	**--**	347	--	--	--	--	**347**
CC / C / D[5]	--	--	--	--	--	**--**	43	--	--	--	--	**43**
No Rating	1,144	--	--	4,603	17	**5,764**	580	--	--	3,718	74	**4,372**
Total	**26,981**	**572,542**	**166,598**	**4,603**	**2,953**	**773,677**	**23,332**	**568,622**	**164,163**	**3,718**	**3,754**	**763,589**

(1) Standard & Poor's was used as the basis for conversion of ratings from other agencies, all national scale ratings.
(2) Considers investment in Repurchase agreements backed by corporate bonds (leasing companies' debentures) and the rating considered is of the bank which has the repurchase commitment.

(3) Receivables Investment Funds (FDIC).

(4) Includes Guaranteed Time-Deposit assets (DPGE), mortgage bills, time-deposits (CDB) and Commercial Papers.

(5) It is not included amount invested in debentures emitted by Oi Sa, present in mutual funds, because these amounts are fully provisioned by the fund due to the judicial reorganization of this company. The amount for this provision is R$978 thousand on Jun 30, 2018 (R$1,174 thousand on Dec 31, 2017).

a.4) Liquidity Risk and capital management

The liquidity risk is defined by the Company as the possibility of the company not be able to efficiently meet its expected and unexpected obligations, current and future, without affecting its daily operations and without incurring significant losses; or not be able to negotiate a position at the market price, due to its sheer size in relation to the volume usually transacted or due to any discontinuity in the market.

BB Seguridade and its subsidiaries maintain assets with a high degree of conversion in cash to cover liabilities and other planned destinations for consumption in the short term. The parameters used are stated in Financial Investment Policy, Capital Management Policy and the Capital Plan.

The Capital Plan, elaborated for a three-year horizon, presents the financial fluxes projected from the operational activity, such as remuneration from received commissions, equity stakes, expenses inherent to the Company's activities and those resulting from strategic movements, as strategic investments, divestitures and disposals. The elaboration of Capital Plan considers maintenance of liquidity margin in order to keep the financial balance in case of non-predictive events.

The Company and its subsidiaries' main liabilities are administrative costs, tribute and dividends payment, as presented below.

R$ thousand

	Parent			
Liquidity Risk	**Jun 30, 2018**		**Dec 31, 2017**	
	Until 1 year	**More than 1 year**	**Until 1 year**	**More than 1 year**
ASSETS				
Cash and cash equivalents	2,322,028	--	2,429,600	--
Financial assets measured at amortised cost	--	--	--	--
Financial assets at fair value through profit or loss	--	565	--	567
Commissions receivable	--	--	--	--
LIABILITIES				
Dividends payable	1,559,735	--	1,890,775	--
Current tax liabilities	13,260	--	3,169	--
Unearned commissions	--	--	--	--
Other liabilities	7,191	--	9,558	--

R$ thousand

Liquidity Risk	Consolidated			
	Jun 30, 2018		Dec 31, 2017	
	Until 1 year	More than 1 year	Until 1 year	More than 1 year
ASSETS				
Cash and cash equivalents	3,285,491	--	3,644,179	--
Financial assets measured at amortised cost	489,960	--	474,365	--
Financial assets at fair value through profit or loss	--	423,608	--	412,304
Commissions receivable	707,881	--	734,490	--
LIABILITIES				
Dividends payable	1,559,735	--	1,890,775	--
Current tax liabilities	425,826	--	558,200	--
Unearned commissions	762,870	922,144	771,596	884,876
Other liabilities	47,855	--	38,369	--

b) Risk Governance applied to affiliated Companies

The affiliated companies have own risk management framework. The results of the work performed by these structures provide inputs to the achievement of continuous assessment and monitoring performed by BB Seguridade over the relevant risks at the affiliated companies. BB Seguridade seeks, through governance, ensure the adoption of best risk management practices by the affiliates.

The risk management framework in the companies regulated by Superintendence of Private Insurance (Susep) is based in regulatory statements, according to Susep Circular 521/2015.

b.1) Liquidity, solvency and capital management

For the companies regulated by Susep, the main indicator for capital management is the Solvency Capital Requirement (CMR), which represents the total amount a company must maintain, at any time, to operate, and intends to assure the risks inherent of their operations, as regulated by CNSP Resolution 321/2015.

CMR is composed of portions relating to underwriting, credit, operational and market risks and the solvency capital requirement adequacy is measured using the Adjusted Net Equity (PLA) of the entity, which must be equal to or above the calculated CMR.

For Brasildental, National Agency of Supplementary Health (ANS) sets rules for establishment of technical provisions, Minimum Adjusted Equity (PMA) criteria and Solvency Margin criteria according to Normative Resolution 209/09.

On June 30, 2018, all affiliated companies in which BB Seguridade holds interest presented capital and solvency adequacy, in accordance with applicable regulation.

6 – 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, health and capitalization) and (ii) brokerage.

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, dental 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, contributions for dental plans, capitalization bonds and investments in securities, net of commercialization expenses, technical provisions and expenses related to claims.

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

b) Brokerage

In this segment, products and services offered are related to brokerage and management, fulfillment, promotion and facilitation of business insurance and reinsurance casualty and life and capitalization, private pension plans, dental plans and health insurance. Includes the balances of BB Corretora and BBCor (incorporated on 12.27.2016)

c) Financial Information by Reportable Segment

R$ thousand

	2nd Quarter 2018				2nd Quarter 2017			
	Insurance	Brokerage	Intersegment transactions	Total	Insurance	Brokerage	Intersegment transactions	Total
OPERATING INCOME	**1,750,087**	**625,025**	**(1,038,405)**	**1,336,707**	**1,545,024**	**602,073**	**(940,707)**	**1,206,390**
Equity income	1,750,086	--	(1,038,405)	711,681	1,545,024	--	(940,707)	604,317
Commissions income	--	625,026	--	625,026	--	602,073	--	602,073
COST OF SERVICES PROVIDED	--	(57,412)	--	(57,412)	--	(40,749)	--	(40,749)
GROSS PROFIT	**1,750,087**	**567,613**	**(1,038,405)**	**1,279,295**	**1,545,024**	**561,324**	**(940,707)**	**1,165,641**
OTHER INCOME AND EXPENSES	(1,095)	(85,346)	--	(86,441)	(15,102)	(80,517)	--	(95,619)
Personnel expenses	(6,270)	(7,251)	--	(13,521)	(6,811)	(6,350)	--	(13,161)
Administrative expenses	(2,179)	(3,006)	--	(5,185)	(3,016)	(2,852)	--	(5,868)
Tax expenses	(5,171)	(73,417)	--	(78,588)	(5,373)	(70,944)	--	(76,317)
Other	12,525	(1,672)	--	10,853	98	(371)	--	(273)
INCOME BEFORE FINANCIAL REVENUE AND EXPENSES	**1,748,991**	**482,268**	**(1,038,405)**	**1,192,854**	**1,529,922**	**480,807**	**(940,707)**	**1,070,022**
FINANCIAL RESULT	37,690	23,404	--	61,094	41,620	39,493	--	81,113
Financial revenue	37,882	23,464	--	61,346	41,637	39,549	--	81,186
Financial expenses	(192)	(60)	--	(252)	(17)	(56)	--	(73)
INCOME BEFORE TAXES AND EQUITIES	**1,786,681**	**505,672**	**(1,038,405)**	**1,253,948**	**1,571,542**	**520,300**	**(940,707)**	**1,151,135**
INCOME TAX AND SOCIAL CONTRIBUTION	(20,600)	(170,960)	--	(191,560)	(19,941)	(174,888)	--	(194,829)
NET INCOME FOR THE PERIOD	**1,766,081**	**334,712**	**(1,038,405)**	**1,062,388**	**1,551,601**	**345,412**	**(940,707)**	**956,306**

R$ thousand

	1st Half 2018				1st Half 2017			
	Insurance	Brokerage	Intersegment transactions	Total	Insurance	Brokerage	Intersegment transactions	Total
OPERATING INCOME	**3,122,281**	**1,322,305**	**(1,917,304)**	**2,527,282**	**3,136,999**	**1,293,876**	**(1,938,564)**	**2,492,311**
Equity income	3,122,281	--	(1,917,304)	1,204,977	3,136,999	--	(1,938,564)	1,198,435
Commissions income	--	1,322,305	--	1,322,305	--	1,293,876	--	1,293,876
COST OF SERVICES PROVIDED	--	(93,718)	--	(93,718)	--	(79,041)	--	(79,041)
GROSS PROFIT	**3,122,282**	**1,228,586**	**(1,917,304)**	**2,433,564**	**3,136,999**	**1,214,835**	**(1,938,564)**	**2,413,270**
OTHER INCOME AND EXPENSES	(12,735)	(176,848)	--	(189,583)	(34,723)	(170,299)	--	(205,022)
Personnel expenses	(12,298)	(14,716)	--	(27,014)	(14,274)	(11,434)	--	(25,708)
Administrative expenses	(3,746)	(4,563)	--	(8,309)	(10,582)	(3,974)	--	(14,556)
Tax expenses	(9,138)	(155,399)	--	(164,537)	(9,764)	(153,651)	--	(163,415)
Other	12,448	(2,171)	--	10,277	(104)	(1,239)	--	(1,343)
INCOME BEFORE FINANCIAL REVENUE AND EXPENSES	**3,109,547**	**1,051,738**	**(1,917,304)**	**2,243,981**	**3,102,276**	**1,044,536**	**(1,938,564)**	**2,208,248**
FINANCIAL RESULT	**62,205**	**45,609**	**--**	**107,814**	**60,173**	**88,506**	**--**	**148,679**
Financial revenue	84,804	49,682	(3,951)	130,535	102,398	105,544	(24,324)	183,618
Financial expenses	(22,599)	(4,073)	3,951	(22,721)	(42,225)	(17,038)	24,324	(34,939)
INCOME BEFORE TAXES AND EQUITIES	**3,171,752**	**1,097,347**	**(1,917,304)**	**2,351,795**	**3,162,447**	**1,133,043**	**(1,938,563)**	**2,356,927**
INCOME TAX AND SOCIAL CONTRIBUTION	(31,643)	(371,265)	--	(402,908)	(25,062)	(382,756)	--	(407,818)
NET INCOME FOR THE PERIOD	**3,140,110**	**726,082**	**(1,917,305)**	**1,948,887**	**3,137,385**	**750,287**	**(1,938,563)**	**1,949,109**

d) Balance sheet by segment

	Jun, 30.2018				Dec 31, 2017			
	Insurance	Brokerage	Intersegment transactions	Total	Insurance	Brokerage	Intersegment transactions	Total
Current assets	3,302,386	1,884,367	(455,908)	4,730,845	3,342,113	1,999,908	(347,236)	4,994,785
Non-current assets	15,895,544	621,308	(7,972,328)	8,544,524	15,665,777	608,770	(7,934,919)	8,339,628
Total assets	**19,197,931**	**2,505,674**	**(8,428,236)**	**13,275,369**	**19,007,890**	**2,608,678**	**(8,282,155)**	**13,334,413**
Current liabilities	1,733,247	1,536,457	(455,908)	2,813,796	1,948,243	1,676,728	(347,237)	3,277,734
Non-current liabilities	273,333	922,144	--	1,195,477	273,333	884,876	--	1,158,209
Equity	17,191,350	47,074	(7,972,328)	9,266,096	16,786,314	47,074	(7,934,918)	8,898,470
Total liabilities and equity	**19,197,931**	**2,505,674**	**(8,428,236)**	**13,275,369**	**19,007,890**	**2,608,678**	**(8,282,155)**	**13,334,413**

e) Insurance Segment Subdivision

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

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 - Life, mortgage life and rural comprise the products offered by BB Mapfre SH1 (personal, property and rural insurance). Income arises mainly from insurance premiums revenues and investments in securities, net of selling expenses, technical provisions and claims expenses.

Insurance – Property and Casualty - Property and casualty insurance comprise 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 - Reinsurance comprises the products offered by IRB Brasil Re (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 - Brasilcap primarily responsible for offering 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.

Health - Reinsurance comprises the products offered by Brasildental Operadora de Planos Odontológicos S.A., (operation of private dental plans). Income and expenses are recorded by the equity method and arise, mainly, from health dental plans/ retained premiums and investments in securities, net of selling expenses and technical provisions.

f) Combined Statement of Income by Sub Segment

R$ thousand

	2nd Quarter 2018					
	Life, Mortgage and Rural	Property and Casualty	Reinsurance	Private Pension Plans	Capitalization Plans	Health
Insurance income						
Earned premiums	**2,486,904**	**2,046,824**	**1,409,903**	**--**	**--**	**--**
Retained premiums	2,162,712	2,074,623	1,736,610	--	--	--
Change in technical provisions	324,192	(27,799)	(326,707)	--	--	--
Income/expenses insurance	3,003	4,414	--	--	--	--
Retained claims	(694,887)	(1,480,131)	(739,973)	--	--	--
Costs acquisition	(475,811)	(435,005)	(36,874)	--	--	--
Result from reinsurance income	**(53,373)**	**(33,678)**	**(234,608)**	**--**	**--**	**--**
Reinsurance income	216,962	292,238	156,320	--	--	--
Reinsurance expenses	(270,335)	(325,916)	(390,928)	--	--	--
Private pension plans income	**--**	**--**	**--**	**57,786**	**--**	**--**
Retained contributions	--	--	--	7,880,280	--	--
Benefits provision	--	--	--	(7,822,494)	--	--
Change in technical provisions	--	--	--	(13,372)	--	--
Income from management fees	--	--	--	657,689	--	--
Benefits and redemption expenses	--	--	--	(3,129)	--	--
Retained benefits	--	--	--	492	--	--
Risk contributions	--	--	--	47,313	--	--
Selling expenses	--	--	--	(157,983)	--	--
Capitalization plans income						
Net securities capitalization	**--**	**--**	**--**	**--**	**145,258**	**--**
Fundraising with bonds	--	--	--	--	1,150,042	--
Change in provision for redemption	--	--	--	--	(1,004,784)	--
Change in technical provisions	--	--	--	--	6,375	--
Raffle results	--	--	--	--	(16,347)	--
Selling expenses	--	--	--	--	(96,860)	--
Health income						
Health dental plans income	--	--	--	--	--	15,450
Other operation income (expenses)						
Other operation income (expenses)	(36,330)	(141,397)	(8,924)	(11,869)	567	--
Administrative expenses	(97,711)	(217,681)	(64,271)	(89,405)	(19,118)	(9,436)
Taxes expenses	(96,310)	(45,501)	(39,056)	(50,705)	(7,143)	(1,265)
Result from interest income	**104,327**	**79,271**	**77,557**	**87,963**	**(11,696)**	**92**
Interest income	132,978	184,620	140,379	637,361	181,493	486
Interest expenses	(28,651)	(105,349)	(62,822)	(549,398)	(193,189)	(394)
Equity in earnings	**57**	**352**	**31,494**	**--**	**(14)**	**--**
Operating results	**1,139,869**	**(222,532)**	**395,248**	**524,780**	**1,022**	**4,841**
Non-current assets results	**387**	**(214)**	**--**	**(26)**	**--**	**--**
Income before taxes	1,140,256	(222,746)	395,248	524,754	1,022	4,841
Interest taxes	(457,987)	100,101	(106,011)	(224,364)	(413)	(1,726)
Results participation	(3,351)	(10,493)	--	(3,175)	(1,263)	--
Net income	**678,918**	**(133,138)**	**289,237**	**297,215**	**(654)**	**3,115**
Attributable to Group BB Seguridade	**509,122**	**(66,569)**	**44,053**	**222,896**	**(436)**	**2,336**
Other adjustements	1,571	(219)	(1,075)	--	1	--
Equity income	**510,693**	**(66,788)**	**42,978**	**222,896**	**(435)**	**2,336**
Attributable to other stockholders'	169,796	(66,569)	245,184	74,319	(218)	779
Total assets	**13,907,402**	**14,379,512**	**15,140,892**	**246,896,549**	**11,001,049**	**41,672**
Total liabilities	**10,891,429**	**11,172,569**	**11,619,638**	**244,085,110**	**10,636,243**	**24,320**
Total Equity	**3,015,973**	**3,206,943**	**3,521,254**	**2,811,439**	**364,806**	**17,352**
Attributable to Group BB Seguridade	2,261,678	1,603,472	536,316	2,108,439	243,180	13,014
Other adjustements	644,976	331,383	145	(22,831)	110,749	--
Book balance of investment	**2,906,654**	**1,934,855**	**536,461**	**2,085,608**	**353,929**	**13,014**

R$ thousand

	1st Half 2018					
	Life, Mortgage and Rural	Property and Casualty	Reinsurance	Private Pension Plans	Capitalization Plans	Health
Insurance income						
Earned premiums	**4,331,085**	**4,134,236**	**2,581,396**	**--**	**--**	**--**
Retained premiums	3,872,955	4,313,056	2,927,892	--	--	--
Change in technical provisions	458,130	(178,820)	(346,496)	--	--	--
Income/expenses insurance	8,833	12,985	--	--	--	--
Retained claims	(1,350,060)	(2,868,566)	(1,056,259)	--	--	--
Costs acquisition	(1,010,349)	(875,136)	(66,196)	--	--	--
Result from reinsurance income	**(73,382)**	**(89,808)**	**(780,922)**	**--**	**--**	**--**
Reinsurance income	435,391	600,720	175,641	--	--	--
Reinsurance expenses	(508,773)	(690,528)	(956,563)	--	--	--
Private pension plans income	**--**	**--**	**--**	**109,676**	**--**	**--**
Retained contributions	--	--	--	15,512,169	--	--
Benefits provision	--	--	--	(15,402,493)	--	--
Change in technical provisions	--	--	--	(24,204)	--	--
Income from management fees	--	--	--	1,285,718	--	--
Benefits and redemption expenses	--	--	--	(5,482)	--	--
Retained benefits	--	--	--	(9,712)	--	--
Risk contributions	--	--	--	95,105	--	--
Selling expenses	--	--	--	(319,923)	--	--
Capitalization plans income						
Net securities capitalization	**--**	**--**	**--**	**--**	**306,428**	**--**
Fundraising with bonds	--	--	--	--	2,301,276	--
Change in provision for redemption	--	--	--	--	(1,994,848)	--
Change in technical provisions	--	--	--	--	(4,120)	--
Raffle results	--	--	--	--	(29,204)	--
Selling expenses	--	--	--	--	(193,864)	--
Health income						
Health dental plans income	--	--	--	--	--	31,117
Other operation income (expenses)						
Other operation income (expenses)	(92,257)	(229,038)	(15,233)	(25,080)	1,546	--
Administrative expenses	(193,185)	(443,309)	(118,979)	(185,630)	(37,856)	(17,073)
Taxes expenses	(153,356)	(84,090)	(69,041)	(99,354)	(14,552)	(2,722)
Result from interest income	**186,591**	**147,302**	**199,936**	**173,751**	**75,635**	**197**
Interest income	265,517	293,598	361,928	5,494,922	455,054	930
Interest expenses	(78,926)	(146,296)	(161,992)	(5,321,171)	(379,419)	(733)
Equity in earnings	**62**	**542**	**41,674**	**--**	**(40)**	**--**
Operating results	**1,653,982**	**(294,882)**	**716,376**	**994,865**	**103,973**	**11,519**
Non-current assets results	**367**	**(152)**	**--**	**(32)**	**--**	**--**
Income before taxes	**1,654,349**	**(295,034)**	**716,376**	**994,833**	**103,973**	**11,519**
Interest taxes	(635,278)	136,405	(175,038)	(427,817)	(46,607)	(4,056)
Results participation	(4,281)	(18,351)	--	(6,141)	(2,500)	--
Net income	**1,014,790**	**(176,980)**	**541,338**	**560,875**	**54,866**	**7,463**
Attributable to Group BB Seguridade	**760,992**	**(88,490)**	**82,450**	**420,628**	**36,574**	**5,597**
Other adjustements	(2,377)	(4,819)	(956)	--	(4,623)	--
Equity income	**758,615**	**(93,309)**	**81,494**	**420,628**	**31,951**	**5,597**
Attributable to other stockholders'	253,798	(88,490)	458,888	140,247	18,292	1,866
Total assets	**13,907,402**	**14,379,512**	**15,140,892**	**246,896,549**	**11,001,049**	**41,672**
Total liabilities	**10,891,429**	**11,172,569**	**11,619,638**	**244,085,110**	**10,636,243**	**24,320**
Total Equity	**3,015,973**	**3,206,943**	**3,521,254**	**2,811,439**	**364,806**	**17,352**
Attributable to Group BB Seguridade	2,261,678	1,603,472	536,316	2,108,439	243,180	13,014
Other adjustements	644,976	331,383	145	(22,831)	110,749	--
Book balance of investment	**2,906,654**	**1,934,855**	**536,461**	**2,085,608**	**353,929**	**13,014**

R$ thousand

	2nd Quarter 2017					
	Life, Mortgage and Rural	Property and Casualty	Reinsurance	Private Pension Plans	Capitalization Plans	Health
Insurance income						
Earned premiums	**1,902,096**	**2,044,989**	**1,031,829**	**--**	**--**	**--**
Retained premiums	1,934,723	2,167,138	1,374,071	--	--	--
Change in technical provisions	(32,627)	(122,149)	(342,242)	--	--	--
Income/expenses insurance	3,305	4,859	--	--	--	--
Retained claims	(620,210)	(1,172,903)	(676,065)	--	--	--
Costs acquisition	(466,619)	(426,976)	12,569	--	--	--
Result from reinsurance income	**(58,362)**	**(128,211)**	**(156,776)**	**--**	**--**	**--**
Reinsurance income	230,314	239,014	217,091	--	--	--
Reinsurance expenses	(288,676)	(367,225)	(373,867)	--	--	--
Private pension plans income	**--**	**--**	**--**	**55,994**	**--**	**--**
Retained contributions	--	--	--	9,120,673	--	--
Benefits provision	--	--	--	(9,064,679)	--	--
Change in technical provisions	--	--	--	(15,812)	--	--
Income from management fees	--	--	--	574,198	--	--
Benefits and redemption expenses	--	--	--	(4,175)	--	--
Retained benefits	--	--	--	(15,789)	--	--
Risk contributions	--	--	--	49,415	--	--
Selling expenses	--	--	--	(148,917)	--	--
Capitalization plans income						
Net securities capitalization	**--**	**--**	**--**	**--**	**135,110**	**--**
Fundraising with bonds	--	--	--	--	958,774	--
Change in provision for redemption	--	--	--	--	(823,664)	--
Change in technical provisions	--	--	--	--	(1,871)	--
Raffle results	--	--	--	--	(20,836)	--
Selling expenses	--	--	--	--	(68,020)	--
Health income						
Health dental plans income	--	--	--	--	--	7,995
Other operation income (expenses)						
Other operation income (expenses)	(83,673)	(71,990)	(22,463)	(6,988)	(910)	--
Administrative expenses	(97,754)	(223,768)	(61,451)	(94,836)	(20,544)	(6,108)
Taxes expenses	(58,352)	(46,742)	8,214	(44,905)	(6,309)	(556)
Result from interest income	**127,954**	**135,317**	**175,292**	**93,830**	**66,940**	**311**
Interest income	168,588	195,432	487,620	3,909,944	263,645	414
Interest expenses	(40,634)	(60,115)	(312,328)	(3,816,114)	(196,705)	(103)
Equity in earnings	**308**	**90**	**10,621**	**--**	**(8)**	**--**
Operating results	**648,693**	**114,665**	**321,770**	**442,015**	**83,552**	**1,642**
Non-current assets results	**(53)**	**32**	**5**	**(1)**	**--**	**--**
Income before taxes	**648,640**	**114,697**	**321,775**	**442,014**	**83,552**	**1,642**
Interest taxes	(232,890)	(42,273)	(106,678)	(178,198)	(37,477)	(656)
Results participation	(2,321)	(11,364)	4,260	(3,627)	(1,417)	--
Net income	**413,429**	**61,060**	**219,357**	**260,189**	**44,658**	**986**
Attributable to Group BB Seguridade	**310,030**	**30,530**	**44,804**	**195,129**	**29,769**	**740**
Other adjustements	(3,987)	(216)	(2,482)	--	--	--
Equity income	**306,043**	**30,314**	**42,322**	**195,129**	**29,769**	**740**
Attributable to other stockholders'	103,399	30,530	174,553	65,060	14,889	246
Total assets	**13,619,212**	**13,871,252**	**13,960,823**	**219,268,063**	**11,268,007**	**23,862**
Total liabilities	**10,929,826**	**10,187,744**	**10,701,569**	**216,679,977**	**10,834,642**	**11,362**
Total Equity	**2,689,386**	**3,683,508**	**3,259,254**	**2,588,086**	**433,365**	**12,500**
Attributable to Group BB Seguridade	2,016,771	1,841,754	665,709	1,940,935	288,881	9,375
Other adjustements	655,327	332,256	(82)	(22,830)	110,749	--
Book balance of investment	**2,672,098**	**2,174,010**	**665,627**	**1,918,105**	**399,630**	**9,375**

R$ thousand

	1st Half 2017					
	Life, Mortgage and Rural	Property and Casualty	Reinsurance	Private Pension Plans	Capitalization Plans	Health
Insurance income						
Earned premiums	**3,782,304**	**4,142,565**	**2,141,672**	**--**	**--**	**--**
Retained premiums	3,567,547	4,377,547	2,546,561	--	--	--
Change in technical provisions	214,757	(234,982)	(404,889)	--	--	--
Income/expenses insurance	8,979	12,998	--	--	--	--
Retained claims	(1,370,427)	(2,532,478)	(1,111,792)	--	--	--
Costs acquisition	(923,054)	(843,208)	(13,751)	--	--	--
Result from reinsurance income	**77,225**	**(160,475)**	**(549,788)**	**--**	**--**	**--**
Reinsurance income	628,387	582,885	367,911	--	--	--
Reinsurance expenses	(551,162)	(743,360)	(917,699)	--	--	--
Private pension plans income	**--**	**--**	**--**	**111,221**	**--**	**--**
Retained contributions	--	--	--	19,128,880	--	--
Benefits provision	--	--	--	(19,017,659)	--	--
Change in technical provisions	--	--	--	(22,546)	--	--
Income from management fees	--	--	--	1,146,751	--	--
Benefits and redemption expenses	--	--	--	(8,183)	--	--
Retained benefits	--	--	--	(37,593)	--	--
Risk contributions	--	--	--	100,995	--	--
Selling expenses	--	--	--	(295,760)	--	--
Capitalization plans income						
Net securities capitalization	--	--	--	--	276,298	--
Fundraising with bonds	--	--	--	--	1,892,774	--
Change in provision for redemption	--	--	--	--	(1,616,476)	--
Change in technical provisions	--	--	--	--	(11,335)	--
Raffle results	--	--	--	--	(40,040)	--
Selling expenses	--	--	--	--	(134,756)	--
Health income						
Health dental plans income	--	--	--	--	--	16,776
Other operation income (expenses)						
Other operation income (expenses)	**(285,860)**	**(201,891)**	**(30,359)**	**(14,268)**	**(3,909)**	**--**
Administrative expenses	(188,082)	(449,948)	(135,843)	(186,055)	(39,501)	(11,616)
Taxes expenses	(111,826)	(91,035)	(21,678)	(90,978)	(12,799)	(1,139)
Result from interest income	**288,349**	**216,668**	**350,017**	**200,931**	**239,568**	**635**
Interest income	376,956	329,855	1,406,921	10,467,774	652,909	859
Interest expenses	(88,607)	(113,187)	(1,056,904)	(10,266,843)	(413,341)	(224)
Equity in earnings	**318**	**102**	**18,427**	**--**	**41**	**--**
Operating results	**1,277,926**	**93,298**	**646,905**	**904,515**	**273,567**	**4,656**
Non-current assets results	**(46)**	**664**	**5**	**(2,200)**	**--**	**--**
Income before taxes	**1,277,880**	**93,962**	**646,910**	**902,315**	**273,567**	**4,656**
Interest taxes	(461,674)	(22,037)	(203,856)	(384,394)	(122,632)	(1,700)
Results participation	(5,914)	(15,001)	(739)	(9,346)	(2,639)	--
Net income	**810,292**	**56,924**	**442,315**	**508,575**	**148,296**	**2,956**
Attributable to Group BB Seguridade	**607,638**	**28,462**	**90,344**	**381,406**	**98,854**	**2,217**
Other adjustements	(7,976)	(433)	(2,077)	--	--	--
Equity income	**599,662**	**28,029**	**88,267**	**381,406**	**98,854**	**2,217**
Attributable to other stockholders'	202,654	28,462	351,971	127,169	49,442	739
Total assets	**13,619,212**	**13,871,252**	**13,960,823**	**219,268,063**	**11,268,007**	**23,862**
Total liabilities	**10,929,826**	**10,187,744**	**10,701,569**	**216,679,977**	**10,834,642**	**11,362**
Total Equity	**2,689,386**	**3,683,508**	**3,259,254**	**2,588,086**	**433,365**	**12,500**
Attributable to Group BB Seguridade	2,016,771	1,841,754	665,709	1,940,935	288,881	9,375
Other adjustements	655,327	332,256	(82)	(22,830)	110,749	--
Book balance of investment	**2,672,098**	**2,174,010**	**665,627**	**1,918,105**	**399,630**	**9,375**

7 – CASH AND CASH EQUIVALENTS

R$ thousand

	Parent		Consolidated	
	Jun 30, 2018	Dec 31, 2017	Jun 30, 2018	Dec 31, 2017
Short-term fund	1,470	1,402	11,449	10,784
Repurchase agreements[1]	2,320,557	2,428,198	3,274,042	3,633,395
Total	**2,322,028**	**2,429,600**	**3,285,491**	**3,644,179**

(1) Refers to investments in repurchase agreements with Banco do Brasil S.A., backed by federal government securities or corporate bonds issued by BB Leasing S.A. (Consolidated), company of Banco do Brasil's conglomerate, with daily liquidity and insignificant risk of change in fair value .

Financial investments in short-term funds and cash equivalents are classified as financial assets at fair value through profit or loss.

8 – FINANCIAL INSTRUMENTS

a) Financial Assets at Fair Value through Profit or Loss

R$ thousand

	Parent						
	Dec 31, 2017					Jun 30, 2018	
	Cost Value	Market Value/ Book Value	Applications	Redemptions	Profitability[2]	Cost Value	Market Value/Book Value
Long-term fund [1]	559	567	495	(208)	(289)	845	565
Total	**559**	**567**	**495**	**(208)**	**(289)**	**845**	**565**

R$ thousand

	Consolidated						
	Dec 31, 2017					Jun 30, 2018	
	Cost Value	Market Value/ Book Value	Applications	Redemptions	Profitability	Cost Value	Market Value/Book Value
Long-term fund [2]	333,408	412,304	495	(208)	11,017	332,092	423,608
Total	**333,408**	**412,304**	**495**	**(208)**	**11,017**	**332,092**	**423,608**

(1) Refers to the "Brasil Aceleradora de Startups" fund whose policy provides for investments of at least 90% of its Shareholders'Equity in the acquisition of shares and debentures issued by Startups companies convertible into shares.

(2) Of the total of R$ 423,608 thousand, R$ 423,043 thousand refers to the investment fund "BB Renda Fixa Longo Prazo Corporativo 10 Milhões", whose investment policy provides for investments in investment funds with a portfolio composed, alone or cumulatively, of securities, public or Private, pre-fixed and / or post-fixed, repurchase operations, any and all financial assets and / or operating modalities available in the financial market, according to regulation. The fund must maintain 80% of the portfolio in federal government securities and / or assets with low credit risk related to the domestic interest rate, price indices or both. Strategies that imply foreign currency, variable income or leverage risk are not allowed.

b) Financial Assets Available Held to Amortized Costs

R$ thousand

		Consolidated					
		Jun 30,2018			Dec 31,2017		
	Counterparty rating	Cost Value	Book Value	Market Value	Cost Value	Book Value	Market Value
Short-Term Financial bills[1]	AA	415,000	489,960	490,157	415,000	474,365	474,934
Total		**415,000**	**489,960**	**490,157**	**415,000**	**474,365**	**474,934**

(1) Financial bills registered with the CETIP - Central of Custody and Financial Settlement of Securities, with maximum maturity of 2 year.

There is no balance of financial assets available held to maturity securities in the Parent.

c) Fair Value Hierarchy

The Company classifies financial instruments into three levels of subjectivity in determining fair value. The different levels are defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices);

• Level 3: Assumptions for the asset or liability that are not based on observable market data (unobservable inputs).

R$ thousand

	Parent					
	Jun 30, 2018			Dec 31, 2017		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Long-term fund	565	--	565	567	--	567
Cash and cash Equivalents	2,322,028	--	2,322,028	2,429,600	--	2,429,600
Short-Term Financial bills	--	--	--	--	--	--
Total	**2,322,593**	**--**	**2,322,593**	**2,430,167**	**--**	**2,430,167**

R$ thousand

	Consolidated					
	Jun 30, 2018			Dec 31, 2017		
	Nível 1	Nível 2	Total	Nível 1	Nível 2	Total
Long-term fund	423,608	--	423,608	412,304	--	412,304
Cash and cash Equivalents	3,285,491	--	3,285,491	3,644,179	--	3,644,179
Short-Term Financial bills	--	490,157	490,157	--	474,934	474,934
Total	**3,709,098**	**490,157**	**4,199,256**	**4,056,483**	**474,934**	**4,531,417**

9 – INVESTMENTS IN ASSOCIATES

a) Information about Investment in Associates

R$ thousand

Company	Capital	Stockholders' equity adjusted[1]	Parent						Consolidated			
			Carrying amount	Moviments from Jan 01, 2018 to Jun 30, 2018				Carrying amount	Share of profit		Carrying amount	
			Dec 31, 2017	Dividends	Equity valuation adjustments	Other events	Share of profit	Jun 30, 2018	2nd Quarter/2018	1st Half/2018	Jun 30, 2018	Dec 31, 2017
BB Seguros Participações S.A.	**4,210,872**	**7,925,254**	**7,887,845**	**(1,131,662)**	**(22,151)**	**--**	**1,191,222**	**7,925,254**	**--**	**--**	**--**	**--**
BB Mapfre SH1 Participações S.A. [2]	2,050,198	3,036,786	2,697,271	(537,851)	(11,381)	--	758,615	2,906,654	510,693	758,615	2,906,654	2,697,271
Mapfre BB SH2 Participações S.A. [3]	1,968,380	3,206,942	2,050,969	(17,760)	(5,045)	--	(93,309)	1,934,855	(66,788)	(93,309)	1,934,855	2,050,969
Brasilprev Seguros e Previdência S.A.	1,193,539	2,811,439	1,974,632	(308,995)	(657)	--	420,628	2,085,608	222,896	420,628	2,085,608	1,974,632
IRB-Brasil RE S.A. [4]	1,953,080	3,521,256	545,855	(85,821)	(5,068)	--	81,494	536,461	42,978	81,494	536,461	545,855
Brasilcap Capitalização S.A. [5]	231,264	364,806	352,293	(30,315)	--	--	31,950	353,929	(436)	31,950	353,929	352,293
Brasildental Operadora de Planos Odontológicos S.A.	9,500	17,352	12,341	(4,924)	--	--	5,597	13,014	2,336	5,597	13,014	12,341
BB Corretora de Seguros e Administradora de Bens S.A.	**36,211**	**47,074**	**47,074**	**(726,082)**	**--**	**--**	**726,082**	**47,074**	**--**	**--**	**--**	**--**
Total			**7,934,919**	**(1,857,744)**	**(22,151)**	**--**	**1,917,304**	**7,972,328**	**711,681**	**1,204,977**	**7,830,521**	**7,633,361**

R$ thousand

Company	Capital	Stockholders' equity adjusted[1]	Parent						Consolidated			
			Carrying amount	Moviments from Jan 01, 2017 to Jun 30, 2017				Carrying amount	Share of profit		Carrying amount	
			Dec 31, 2016	Dividends	Equity valuation adjustments	Other events	Share of profit	Jun 30, 2017	2nd Quarter/2017	1st Half/2017	Jun 30, 2017	Dec 31, 2016
BB Seguros Participações S.A.	**4,210,872**	**7,975,724**	**7,912,353**	**(1,128,864)**	**3,958**	**--**	**1,188,277**	**7,975,724**	--	--	--	--
BB Mapfre SH1 Participações S.A. [2]	2,050,198	2,689,386	3,165,316	(1,095,977)	3,097	--	599,662	2,672,098	306,043	599,662	2,672,098	3,165,316
Mapfre BB SH2 Participações S.A. [3]	1,968,380	3,683,508	2,198,335	(51,485)	(869)	--	28,029	2,174,010	30,314	28,029	2,174,010	2,198,335
Brasilprev Seguros e Previdência S.A.	1,193,539	2,588,086	1,777,217	(240,800)	282	--	381,406	1,918,105	195,129	381,406	1,918,105	1,777,217
IRB-Brasil RE S.A. [4]	1,953,080	3,259,254	683,710	(107,798)	1,448	--	88,267	665,627	42,322	88,267	665,627	683,710
Brasilcap Capitalização S.A. [5]	231,264	433,365	411,447	(110,671)	--	--	98,854	399,630	29,769	98,854	399,630	411,447
Brasildental Operadora de Planos Odontológicos S.A.	9,500	12,500	7,778	(620)	--	--	2,217	9,375	740	2,217	9,375	7,778
BB Corretora de Seguros e Administradora de Bens S.A.	**36,211**	**47,069**	**61,966**	**(765,200)**	**16**	**--**	**750,287**	**47,069**	--	--	--	--
Total			**7,974,319**	**(1,894,064)**	**3,974**	**--**	**1,938,564**	**8,022,793**	**604,317**	**1,198,435**	**7,838,845**	**8,243,803**

(1) Stockholders' equity not adjusted by the percentage of equity interest held by the Group.
(2) This Includes in the value of the investment as of June 30, 2018 intangible assets in the net amount of amortizations of R$ 266,884 thousand and goodwill allocated in the amount of R$ 372.570 thousand. arising from the partnership agreement with Mapfre.
(3) This includes in the value of the investment as of June 30, 2018 intangible assets in the net amount of amortizations of R$ 18,442 thousand and goodwill allocated in the amount of R$ 489.042 thousand resulting from the partnership agreement with Mapfre, in addition to the impairment of assets in value of R$ 176,100 thousand.
(4) This includes in the value of the investment at June 30, 2018 intangible assets in the net amount of amortizations of R$ 5,563 thousand.
(5) Includes the goodwill of the investment on June 30, 2018 the goodwill on the acquisition of the Sulacap stake in BB Seguros, held on july 22, 2011.

b) Other Information

Dividends/Interest on equity capital receivable and interest on equity received from investments were R$ 980,674 thousand as of June 30, 2018 (R$ 2,329,811 thousand as of December 31, 2017).

The shares of the investments mentioned above are not regularly traded on stock exchanges, except for the investment in IRB-Brasil RE S.A, due to the IPO (Note 2.c).

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

There are no discontinued operations in investment in associates.

c) Description of the Operational Context of Equity Investments, by Business Segment

Segment/Line of business	Description	% of total share Jun 30, 2018 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
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
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 RE S.A.[1]	Acting in the reinsurance segment in the country and abroad.	15.23	15.23
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
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
Health Segment			
Brasildental Operadora de Planos Odontológicos S.A.	Selling plans of odontological assistance.	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) In 12.31.2016, participation was 20.43%, as a result of the public offering in 2017.

d) Summarised Income Information of Investments 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

2nd quarter 2018	Mapfre Vida S.A.	Cia, de Seguros Aliança do Brasil	BB Mapfre SH1[(1)]
Income	**207,586**	**1,955,126**	**2,162,712**
Interest income	4,191	29,754	33,945
Interest expense	(4,503)	(4,402)	(8,905)
Depreciation and amortization	(2,220)	(11,877)	(14,097)
Income tax and social contribution	(15,178)	(441,017)	(457,987)
Net income for the period	**18,465**	**656,956**	**678,918**
Other comprehensive income	(4,618)	(19,867)	(48,970)
Comprehensive income in the period	**13,847**	**637,089**	**629,948**
Net income attributable to BB Seguridade	**13,847**	**492,651**	**509,121**
Adjustments of the business combination	--	--	1,572
Equity income	**13,847**	**492,651**	**510,693**

(1) It presents the consolidated balances of BB Mapfre SH1.

R$ thousand

1st half 2018	Mapfre Vida S.A.	Cia, de Seguros Aliança do Brasil	BB Mapfre SH1[(1)]
Income	**453,074**	**3,419,881**	**3,872,955**
Interest income	8,540	52,019	60,559
Interest expense	(8,624)	(13,935)	(22,559)
Depreciation and amortization	(4,207)	(22,738)	(26,945)
Income tax and social contribution	(25,354)	(606,543)	(635,278)
Net income for the period	**30,701**	**977,490**	**1,014,790**
Other comprehensive income	(3,069)	(12,110)	(30,358)
Comprehensive income in the period	**27,632**	**965,380**	**984,432**
Net income attributable to BB Seguridade	**23,023**	**733,020**	**760,991**
Adjustments of the business combination	--	--	(2,376)
Equity income	**23,023**	**733,020**	**758,615**

(1) It presents the consolidated balances of BB Mapfre SH1.

R$ thousand

2nd quarter 2017	Mapfre Vida S.A.	Cia, de Seguros Aliança do Brasil	BB Mapfre SH1[(1)]
Income	**175,698**	**1,759,025**	**1,934,723**
Interest income	12,060	26,119	49,379
Interest expense	(14,668)	(11,295)	(25,963)
Depreciation and amortization	(2,119)	(12,603)	(14,722)
Income tax and social contribution	(5,555)	(222,531)	(232,889)
Net income for the period	**18,104**	**397,184**	**413,429**
Other comprehensive income	28	(5,356)	(5,328)
Comprehensive income in the period	**18,132**	**391,828**	**408,101**
Net income attributable to BB Seguridade	**13,576**	**297,848**	**310,030**
Adjustments of the business combination	--	--	(3,987)
Equity income	**13,576**	**297,848**	**306,043**

(1) It presents the consolidated balances of BB Mapfre SH1.

R$ thousand

1st half 2017	Mapfre Vida S.A.	Cia, de Seguros Aliança do Brasil	BB Mapfre SH1(1)
Income	**407,549**	**3,159,999**	**3,567,548**
Interest income	24,452	57,738	93,390
Interest expense	(18,304)	(19,742)	(38,045)
Depreciation and amortization	(4,144)	(20,868)	(25,012)
Income tax and social contribution	(12,845)	(440,366)	(461,674)
Net income for the period	**27,144**	**777,884**	**810,292**
Other comprehensive income	(1,356)	5,486	4,130
Comprehensive income in the period	**25,788**	**783,370**	**814,422**
Net income attributable to BB Seguridade	**20,355**	**583,335**	**607,638**
Adjustments of the business combination	--	--	(7,976)
Equity income	**20,355**	**583,335**	**599,662**

(1) It presents the consolidated balances of BB Mapfre SH1.

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

R$ thousand

2nd quarter 2018	Aliança do Brasil Seguros	Brasilveículos	Mapfre Seguros Gerais	Mapfre Assistência	Mapfre BB SH2(1)
Income	**161,575**	**354,490**	**1,558,557**	**--**	**2,074,622**
Interest income	6,478	3,687	29,981	10	48,156
Interest expense	(1,432)	(5,816)	(100)	--	(7,348)
Depreciation and amortization	(2,129)	(4,590)	(14,963)	--	(21,682)
Income tax and social contribution	(10,878)	(11,694)	125,267	6	100,101
Net income for the period	**12,462**	**22,692**	**(165,358)**	**4**	**(133,138)**
Other comprehensive income	(25)	(170)	(20,257)	--	(40,904)
Comprehensive income in the period	**12,437**	**22,522**	**(185,615)**	**4**	**(174,042)**
Net income attributable to BB Seguridade	**6,231**	**11,346**	**(82,679)**	**2**	**(66,569)**
Adjustments of the business combination	--		--		(219)
Equity income	**6,231**	**11,346**	**(82,679)**	**2**	**(66,788)**

(1) It presents the consolidated balances of Mapfre BB SH2.

R$ thousand

1st half 2018	Aliança do Brasil Seguros	Brasilveículos	Mapfre Seguros Gerais	Mapfre Assistência	Mapfre BB SH2(1)
Income	**311,095**	**713,120**	**3,288,840**	**--**	**4,313,055**
Interest income	12,220	7,588	57,000	20	89,728
Interest expense	(1,502)	(9,894)	(104)	--	(11,500)
Depreciation and amortization	(5,165)	(10,270)	(31,666)	--	(47,101)
Income tax and social contribution	(16,129)	(20,714)	177,853	(96)	136,405
Net income for the period	**18,826**	**38,846**	**(230,540)**	**222**	**(176,980)**
Other comprehensive income	(24)	(97)	(15,149)	--	(30,541)
Comprehensive income in the period	**18,802**	**38,749**	**(245,689)**	**222**	**(207,521)**
Net income attributable to BB Seguridade	**9,413**	**19,423**	**(115,270)**	**111**	**(88,490)**
Adjustments of the business combination	--		--		(4,819)
Equity income	**9,413**	**19,423**	**(115,270)**	**111**	**(93,309)**

(1) It presents the consolidated balances of Mapfre BB SH2.

R$ thousand

2nd quarter 2017	Aliança do Brasil Seguros	Brasilveículos	Mapfre Seguros Gerais	Mapfre Assistência	Mapfre BB SH2[(1)]
Income	**140,697**	**394,535**	**1,631,906**	**--**	**2,167,138**
Interest income	5,744	13,721	15,637	82	25,784
Interest expense	(694)	8,326	(277)	(1)	7,354
Depreciation and amortization	(2,129)	(3,247)	(16,031)	--	(21,407)
Income tax and social contribution	(15,759)	(9,094)	(13,996)	(171)	(42,273)
Net income for the period	**20,702**	**19,758**	**23,266**	**348**	**61,060**
Other comprehensive income	(62)	(103)	29	--	(136)
Comprehensive income in the period	**20,640**	**19,655**	**23,295**	**348**	**60,924**
Net income attributable to BB Seguridade	**10,351**	**9,879**	**11,633**	**174**	**30,530**
Adjustments of the business combination	--	--	--	--	(216)
Equity income	**10,351**	**9,879**	**11,633**	**174**	**30,314**

(1) It presents the consolidated balances of Mapfre BB SH2.

R$ thousand

1st half 2017	Aliança do Brasil Seguros	Brasilveículos	Mapfre Seguros Gerais	Mapfre Assistência	Mapfre BB SH2[(1)]
Income	**294,284**	**787,140**	**3,296,123**	**--**	**4,377,547**
Interest income	12,189	29,761	50,605	186	92,741
Interest expense	(725)	(2,822)	(6,063)	(1)	(9,611)
Depreciation and amortization	(3,911)	(6,487)	(32,476)	--	(42,874)
Income tax and social contribution	8,294	(14,162)	(8,887)	(335)	(22,037)
Net income for the period	**(8,918)**	**35,674**	**35,048**	**684**	**56,924**
Other comprehensive income	56	108	(1,901)	--	(1,737)
Comprehensive income in the period	**(8,862)**	**35,782**	**33,147**	**684**	**55,187**
Net income attributable to BB Seguridade	**(4,459)**	**17,837**	**17,524**	**342**	**28,462**
Adjustments of the business combination	--	--	--	--	(433)
Equity income	**(4,459)**	**17,837**	**17,524**	**342**	**28,029**

(1) It presents the consolidated balances of Mapfre BB SH2.

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

R$ thousand

IRB Brasil RE S.A.	2nd quarter 2018	1st half 2018	2nd quarter 2017	1st half 2017
Income	**1,390,114**	**2,581,396**	**969,182**	**2,141,672**
Interest income	140,379	361,928	487,619	1,406,921
Interest expense	(62,822)	(161,992)	(312,328)	(1,056,904)
Depreciation and amortization	(13,143)	(24,142)	(7,983)	(15,074)
Income tax and social contribution	(106,010)	(175,037)	(106,677)	(203,855)
Net income for the period	**289,237**	**541,338**	**219,357**	**442,315**
Other comprehensive income	(36,857)	(33,676)	7,696	27,338
Comprehensive income in the period	**252,380**	**507,662**	**227,053**	**469,653**
Net income attributable to BB Seguridade	**44,053**	**82,450**	**44,804**	**90,344**
Other adjustments	(1,075)	(956)	(2,482)	(2,077)
Equity income	**42,978**	**81,494**	**42,322**	**88,267**

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

R$ thousand

Brasilcap Capitalização S.A.	2nd quarter 2018	1st half 2018	2nd quarter 2017	1st half 2017
Income	**1,150,043**	**2,301,276**	**958,774**	**1,892,774**
Interest income	181,494	455,054	263,645	652,909
Interest expense	(193,189)	(379,418)	(196,705)	(413,341)
Depreciation and amortization	(437)	(887)	(503)	(1,040)
Income tax and social contribution	(413)	(46,607)	(37,477)	(122,632)
Net income for the period	**(654)**	**54,866**	**44,658**	**148,296**
Other comprehensive income	--	--	--	--
Comprehensive income in the period	**(654)**	**54,866**	**44,658**	**148,296**
Net income attributable to BB Seguridade	**(435)**	**36,575**	**29,769**	**98,854**
Other adjustments	--	(4,624)	--	--
Equity income	**(435)**	**31,951**	**29,769**	**98,854**

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

R$ thousand

Brasilprev Seguros e Previdência S.A.	2nd quarter 2018	1st half 2018	2nd quarter 2017	1st half 2017
Income	**1,258,688**	**2,339,172**	**800,501**	**1,772,189**
Interest income	536,333	928,016	159,336	491,674
Interest expense	(61,765)	(88,859)	(61,476)	(86,698)
Depreciation and amortization	(1,773)	(3,523)	(1,503)	(2,910)
Income tax and social contribution	(224,364)	(427,817)	(178,198)	(384,394)
Net income for the period	**297,215**	**560,875**	**260,189**	**508,575**
Other comprehensive income	(1,311)	(876)	(1,276)	375
Comprehensive income in the period	**295,904**	**559,999**	**258,913**	**508,950**
Net income attributable to BB Seguridade	**222,896**	**420,628**	**195,129**	**381,406**
Other adjustments	--	--	--	--
Equity income	**222,896**	**420,628**	**195,129**	**381,406**

d.6) Health Segment

R$ thousand

Brasildental Operadora de Planos Odontológicos S.A.	2nd quarter 2018	1st half 2018	2nd quarter 2017	1st half 2017
Income	**29,346**	**44,009**	**7,996**	**16,777**
Interest income	486	930	414	859
Interest expense	(394)	(733)	(103)	(224)
Depreciation and amortization	(11)	(22)	(12)	(19)
Income tax and social contribution	(1,726)	(4,056)	(656)	(1,700)
Net income for the period	**3,115**	**7,463**	**986**	**2,956**
Other comprehensive income	--	--	--	--
Comprehensive income in the period	**3,115**	**7,463**	**986**	**2,956**
Net income attributable to BB Seguridade	**2,336**	**5,597**	**740**	**2,217**
Other adjustments	--	--	--	--
Equity income	**2,336**	**5,597**	**740**	**2,217**

d.7) Brokerage Segment

R$ thousand

BB Corretora de Seguros e Administradora de Bens	2nd quarter 2018	1st half 2018	2nd quarter 2017	1st half 2017
Income	**650,733**	**1,376,642**	**602,073**	**1,293,876**
Interest income	23,464	49,682	39,549	105,544
Interest expense	(60)	(4,073)	(56)	17,038)
Depreciation and amortization	(119)	(227)	--	--
Income tax and social contribution	(371,266)	(371,266)	(174,888)	382,756)
Net income for the period	**334,712**	**726,082**	**345,412**	**750,287**
Other comprehensive income	--	--	10	16
Comprehensive income in the period	**334,712**	**726,082**	**345,422**	**750,303**
Net income attributable to BB Seguridade	334,712	726,082	345,412	750,287
Other adjustments	--	--	--	--
Equity income	**334,712**	**726,082**	**345,412**	**750,287**

e) Summarised Balance Sheet Information of Investments 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

Jun 30, 2018	Mapfre Vida S.A.	Cia, de Seguros Aliança do Brasil	BB Mapfre SH1
Current assets	**895,245**	**6,427,094**	**7,823,405**
Cash and cash equivalents	633	13,298	13,937
Financial applications	674,726	3,173,671	4,344,268
Other assets	219,886	3,240,125	3,465,200
Non-current assets	**356,826**	**5,275,632**	**6,083,997**
Current liabilities	**539,225**	**5,906,033**	**6,448,163**
Financial liabilities	14,219	574,397	591,521
Technical provisions	477,816	4,067,112	4,544,928
Other liabilities	47,190	1,264,524	1,311,714
Non-current liabilities	**277,758**	**4,165,508**	**4,443,266**
Financial liabilities	--	312	312
Technical provisions	251,133	3,466,974	3,718,107
Other non-current liabilities	26,625	698,222	724,847
Adjusted net equity	**435,088**	**1,631,185**	**3,015,973**
Attributable to BB Seguridade	326,272	1,223,226	2,261,678
Adjustments of the business combination	--	--	644,976
Book balance of investment	**--**	**--**	**2,906,654**

R$ thousand

Dec 31, 2017	Mapfre Vida S.A.	Cia, de Seguros Aliança do Brasil	BB Mapfre SH1
Current assets	**913,825**	**6,852,242**	**8,051,227**
Cash and cash equivalents	2,055	31,702	33,757
Financial applications	731,870	3,864,131	4,853,538
Other assets	179,900	2,956,409	3,163,932
Non-current assets	**342,831**	**5,251,602**	**6,045,973**
Current liabilities	**544,019**	**5,948,208**	**6,494,176**
Financial liabilities	39,260	647,906	689,115
Technical provisions	441,682	3,956,438	4,398,120
Other liabilities	63,077	1,343,864	1,406,941
Non-current liabilities	**267,601**	**4,601,831**	**4,869,432**
Financial liabilities	493	9,024	9,517
Technical provisions	240,821	3,896,842	4,137,663
Other non-current liabilities	26,287	695,965	722,252
Adjusted net equity	**445,036**	**1,553,805**	**2,733,592**
Attributable to BB Seguridade	333,732	1,165,198	2,049,920
Adjustments of the business combination	--	--	647,351
Book balance of investment	**--**	**--**	**2,697,271**

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

R$ thousand

Jun 30, 2018	Aliança do Brasil Seguros	Brasilveículos	Mapfre Seguros Gerais	Mapfre Assistência	Mapfre BB SH2
Current assets	**664,643**	**1,565,613**	**7,726,044**	**6,163**	**10,089,257**
Cash and cash equivalents	10,276	1,321	17,190	345	29,138
Financial applications	226,714	750,740	1,979,423	--	3,078,807
Other assets	427,653	813,552	5,729,431	5,818	6,981,312
Non-current assets	**337,015**	**1,199,861**	**2,603,660**	**50**	**4,290,255**
Current liabilities	**612,123**	**1,361,857**	**6,995,558**	**157**	**8,974,071**
Financial liabilities	27,287	96,060	344,694	157	472,575
Technical provisions	452,244	1,163,239	5,582,307	--	7,197,790
Other liabilities	132,592	102,558	1,068,557	--	1,303,706
Non-current liabilities	**148,689**	**918,721**	**1,131,088**	**--**	**2,198,498**
Financial liabilities	--	20	383	--	403
Technical provisions	115,441	394,355	943,795	--	1,453,591
Other non-current liabilities	33,248	524,346	186,910	--	744,504
Adjusted net equity	**240,846**	**484,896**	**2,203,058**	**6,056**	**3,206,943**
Attributable to BB Seguridade	120,423	242,448	1,101,529	3,028	1,603,472
Adjustments of the business combination	--	--	--	--	331,383
Book balance of investment	**--**	**--**	**--**	**--**	**1,934,855**

R$ thousand

Dec 31, 2017	Aliança do Brasil Seguros	Brasilveículos	Mapfre Seguros Gerais	Mapfre Assistência	Mapfre BB SH2
Current assets	**577,348**	**1,629,850**	**6,996,995**	**12,955**	**9,326,989**
Cash and cash equivalents	414	287	17,461	42	18,205
Financial applications	218,723	756,835	1,977,385	--	3,049,649
Other assets	358,211	872,728	5,002,149	12,913	6,259,135
Non-current assets	**338,975**	**1,179,249**	**2,382,032**	**45**	**4,050,193**
Current liabilities	**530,796**	**1,412,418**	**5,924,548**	**7,166**	**7,876,193**
Financial liabilities	30,651	135,861	327,567	7,166	502,510
Technical provisions	405,901	1,167,667	4,805,877	--	6,379,445
Other liabilities	94,244	108,890	791,104	--	994,238
Non-current liabilities	**152,883**	**901,890**	**1,010,840**	**--**	**2,065,613**
Financial liabilities	--	--	1,733	--	1,733
Technical provisions	125,629	387,244	832,489	--	1,345,362
Other non-current liabilities	27,254	514,646	176,618	--	718,518
Adjusted net equity	**232,644**	**494,791**	**2,443,639**	**5,834**	**3,435,376**
Attributable to BB Seguridade	116,322	247,396	1,221,820	2,917	1,717,688
Adjustments of the business combination	--	--	--	--	333,281
Book balance of investment	**--**	**--**	**--**	**--**	**2,050,969**

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

R$ thousand

IRB Brasil RE S.A.	Jun 30, 2018	Dec 31, 2017
Current assets	**10,101,968**	**8,295,127**
Cash and cash equivalents	41,907	20,591
Financial applications	2,269,494	1,503,043
Other assets	7,790,567	6,771,493
Non-current assets	**5,038,924**	**6,135,689**
Current liabilities	**10,501,853**	**9,853,625**
Financial liabilities	1,774,395	1,480,984
Technical provisions	8,727,458	8,211,545
Other liabilities	--	161,096
Non-current liabilities	**1,117,785**	**994,518**
Financial liabilities	891,534	994,518
Technical provisions	226,251	--
Other non-current liabilities	--	--
Adjusted net equity	**3,521,254**	**3,582,673**
Attributable to BB Seguridade	536,316	545,671
Other adjustments	145	184
Book balance of investment	**536,461**	**545,855**

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

R$ thousand

Brasilcap Capitalização	Jun 30, 2018	Dec 31, 2017
Current assets	**4,846,373**	**6,959,487**
Cash and cash equivalents	1,075	35
Financial applications	4,816,580	6,935,890
Other assets	28,718	23,562
Non-current assets	**6,154,676**	**4,521,355**
Current liabilities	**9,595,450**	**10,126,923**
Financial liabilities	86,996	--
Technical provisions	9,508,454	9,952,200
Other liabilities	--	174,723
Non-current liabilities	**1,040,793**	**991,567**
Financial liabilities	--	--
Technical provisions	--	--
Other non-current liabilities	1,040,793	991,567
Adjusted net equity	**364,806**	**362,352**
Attributable to BB Seguridade	243,181	241,545
Other adjustments	110,748	110,748
Book balance of investment	**353,929**	**352,293**

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

R$ thousand

Brasilprev Seguros e Previdência S.A.	Jun 30, 2018	Dec 31, 2017
Current assets	**234,237,372**	**226,610,394**
Cash and cash equivalents	6,529	177
Financial applications	233,557,306	225,886,565
Other assets	673,537	723,652
Non-current assets	**12,659,177**	**12,151,938**
Current liabilities	**31,286,821**	**30,390,089**
Financial liabilities	516,355	615,007
Technical provisions	30,701,339	29,671,428
Other liabilities	69,127	103,654
Non-current liabilities	**212,798,289**	**205,708,782**
Financial liabilities	--	--
Technical provisions	211,835,189	204,848,496
Other non-current liabilities	963,100	860,286
Adjusted net equity	**2,811,439**	**2,663,461**
Attributable to BB Seguridade	2,108,439	1,997,463
Other adjustments	(22,831)	(22,831)
Book balance of investment	**2,085,608**	**1,974,632**

e.6) Health Segment

R$ thousand

Brasildental Operadora de Planos Odontológicos S.A.	Jun 30, 2018	Dec 31, 2017
Current assets	**40,903**	**36,122**
Cash and cash equivalents	1,521	1,881
Financial applications	31,755	23,643
Other assets	7,627	10,598
Non-current assets	**769**	**459**
Current liabilities	**23,441**	**19,724**
Financial liabilities	--	--
Technical provisions	15,928	13,135
Other liabilities	7,513	6,589
Non-current liabilities	**879**	**402**
Financial liabilities	--	--
Technical provisions	--	--
Other non-current liabilities	879	402
Adjusted net equity	**17,352**	**16,455**
Attributable to BB Seguridade	13,014	12,341
Other adjustments	--	--
Book balance of investment	**13,014**	**12,341**

e.7) Brokerage Segment

R$ thousand

BB Corretora de Seguros e Adm. de Bens	Jun 30, 2018	Dec 31, 2017
Current assets	**1,884,367**	**2,000,020**
Cash and cash equivalents	533,311	743,746
Commissions receivable	707,881	734,490
Other current assets	643,174	521,784
Non-current assets	**621,308**	**608,658**
Financial applications	423,043	411,737
Other non-current assets	198,265	196,921
Current liabilities	**1,536,457**	**1,676,729**
Financial liabilities	--	--
Dividends payable	319,518	341,547
Unearned commissions	762,870	771,596
Other liabilities	454,070	563,585
Non-current liabilities	**922,144**	**884,876**
Financial liabilities	--	--
Unearned commissions	922,144	884,876
Adjusted net equity	**47,074**	**47,074**
Book balance of investment	**47,074**	**47,074**

10 – DIVIDENDS / INTEREST ON EQUITY CAPITAL RECEIVABLE

R$ thousand

	Parent(1)		Consolidated(2)	
	Jun 30, 2018	Dec 31, 2017	Jun 30, 2018	Dec 31, 2017
Dividends receivable	451,179	341,547	--	2,922
Interest on equity capital receivable	--	--	18,291	9,287
Total	**451,179**	**341,547**	**18,291**	**12,209**

(1) On Jun 30, 2018, R$ 131,661 thousand refers to dividends receivable from BB Seguros Participações S.A. e R$ 319,518 thousand refers to dividends receivable from BB Corretora de Seguros e Administradora de Bens S.A. On Dec 31, 2017, R$ 341,547 thousand refers to dividends receivable from BB Corretora de Seguros e Administradora de Bens S.A.

(2) On Jun 30, 2018, R$ 18,291 thousand refers to interest on equity capital receivable from IRB Brasil Re S.A. On Dec 31, 2017, R$ 9,287 thousand refers to interest on equity capital receivable from IRB Brasil Re S.A. and R$ 2,922 thousand refers to dividends receivable from Mapfre BB SH2 Participações S.A.

11 – TAXES

a) Breakdown of income tax (IR) and social contribution expenses (CSLL)

R$ thousand

	Parent		Consolidated	
	2nd Quarter, 2018	2nd Quarter, 2017	2nd Quarter, 2018	2nd Quarter, 2017
Current values	**(12,416)**	**(5,442)**	**(192,022)**	**(194,758)**
Domestic income tax and social contribution	(12,416)	(5,442)	(192,022)	(194,758)
Deferred values	**--**	**--**	**462**	**(71)**
Deferred tax assets	**--**	**--**	**462**	**(71)**
Temporary differences	--	--	462	(71)
Total	**(12,416)**	**(5,442)**	**(191,560)**	**(194,829)**

R$ thousand

	Parent		Consolidated	
	1st Half, 2018	1st Half, 2017	1st Half, 2018	1st Half, 2017
Current values	**(16,403)**	**(5,442)**	**(404,143)**	**(408,602)**
Domestic income tax and social contribution	(16,403)	(5,442)	(404,143)	(408,602)
Deferred values	**--**	**--**	**1,235**	**784**
Deferred tax assets	**--**	**--**	**1,235**	**784**
Temporary differences	--	--	1,235	784
Total	**(16,403)**	**(5,442)**	**(402,908)**	**(407,818)**

b) Reconciliation of Income Tax and Social Contribution Expenses

R$ thousand

	Parent		Consolidated	
	2nd Quarter, 2018	2nd Quarter, 2017	2nd Quarter, 2018	2nd Quarter, 2017
Profit before tax and profit sharing	**1,074,804**	**961,748**	**1,253,948**	**1,151,135**
Total charges of IR (25%) and CSLL (9%)	(365,433)	(326,994)	(426,342)	(391,386)
Effect on the tax calculation:				
Equity in earnings of subsidiaries and associates - nontaxable	353,059	319,840	241,972	205,468
Other amounts – net non-deductible expenses of nontaxable income	(42)	1,712	(7,190)	(8,911)
Income tax and social contribution	**(12,416)**	**(5,442)**	**(191,560)**	**(194,829)**

R$ thousand

	Parent		Consolidated	
	1st Half, 2018	1st Half, 2017	1st Half, 2018	1st Half, 2017
Profit before tax and profit sharing	**1,965,290**	**1,954,551**	**2,351,795**	**2,356,927**
Total charges of IR (25%) and CSLL (9%)	(668,199)	(664,547)	(799,610)	(801,355)
Effect on the tax calculation:				
Equity in earnings of subsidiaries and associates - nontaxable	651,884	659,112	409,692	407,468
Other amounts – net non-deductible expenses of nontaxable income	(88)	(7)	(12,990)	(13,931)
Income tax and social contribution	**(16,403)**	**(5,442)**	**(402,908)**	**(407,818)**

c) Tax Expenses

R$ thousand

	Parent		Consolidated	
	2nd Quarter, 2018	2nd Quarter, 2017	2nd Quarter, 2018	2nd Quarter, 2017
Cofins	(2,203)	(1,153)	(52,699)	(51,783)
ISS	--	--	(14,522)	(13,440)
PIS/Pasep	(410)	(187)	(11,308)	(11,065)
IOF	(33)	--	(34)	(5)
Other	(26)	(24)	(25)	(24)
Total	**(2,672)**	**(1,364)**	**(78,588)**	**(76,317)**

R$ thousand

	Parent		Consolidated	
	1st Half, 2018	1st Half, 2017	1st Half, 2018	1st Half, 2017
Cofins	(3,785)	(2,892)	(110,059)	(110,338)
ISS	--	--	(30,736)	(28,779)
PIS/Pasep	(666)	(467)	(23,601)	(23,501)
IOF	(33)	(448)	(51)	(733)
Other	(39)	(35)	(90)	(64)
Total	**(4,523)**	**(3,842)**	**(164,537)**	**(163,415)**

d) Deferred Tax Assets

R$ thousand

	Parent			
	Jun 30, 2018	Addition	Derecognition	Dec 31, 2017
Temporary differences	**23,073**	**--**	**(4,924)**	**27,997**
Tax losses/negative bases	23,073	--	(4,924)	27,997
Total deferred tax assets	**23,073**	**--**	**(4,924)**	**27,997**
Income tax	16,966	--	(3,620)	20,586
Social contribution	6,107	--	(1,304)	7,411

R$ thousand

	Consolidated			
	Jun 30, 2018	Addition	Derecognition	Dec 31, 2017
Temporary differences	**93,624**	**2,815**	**(6,506)**	**97,315**
Impairment	59,875	--	--	59,875
Amortization of goodwill	23,073	--	(4,924)	27,997
Liabilities provision	7,623	2,815	(1,582)	6,390
Tax losses/negative bases	3,053	--	--	3,053
Total deferred tax assets	**93,624**	**2,815**	**(6,506)**	**97,315**
Income tax	69,649	2,070	(4,784)	72,363
Social contribution	23,975	745	(1,722)	24,952

e) Realization Expectative

R$ Thousand

	Parent		Consolidated	
	Non Value	Present Value	Non Value	Present Value
In 2018	--	--	--	--
In 2019	9,175	8,112	9,460	8,260
In 2020	7,453	6,084	21,802	17,584
In 2021	8,084	6,084	19,258	14,334
In 2022	3,285	2,335	14,851	10,288
In 2023	--	--	11,169	7,125
In 2024	--	--	9,473	5,590
In 2025	--	--	9,278	5,075
In 2026	--	--	2,024	1,042
Total	**27,997**	**22,615**	**97,315**	**69,298**

The expected realization of deferred tax assets (tax credits), is supported by a technical study approved on February 5, 2018, and is calculated based on the average funding rate present value.

During the first half of 2018, there was the realization of tax credits in the amount of R$ 6,506 thousand, surpassing the forecast for use in the period.

f) Deferred Tax Liabilities

R$ thousand

	Consolidated	
	Jun 30, 2018	Dec 31, 2017
Deferred tax liabilities		
From partnership with MAPFRE	262,882	262,882
Arising from amortization of Brasilcap's goodwill	7,502	7,502
Bargain purchase	2,531	2,531
Other timing differences	1,062	1,062
Total	**273,977**	**273,977**

There is no balance of deferred tax liabilities in the Controller.

12 – COMMISSIONS RECEIVABLE

R$ thousand

	Consolidated	
	Jun 30, 2018	Dec 31, 2017
BB Mapfre SH1	609,417	636,239
Mapfre BB SH2	94,230	89,300
Brasilprev	3,410	7,082
Others	824	1,869
Total	**707,881**	**734,490**

There are no amount of comissions receivable in parent.
Comissions Receivables are classified as financial assets at amortized cost, as described in Note 4.

13 – OTHER ASSETS

R$ thousand

	Parent		Consolidated	
	Jun 30, 2018	Dec 31, 2017	Jun 30, 2018	Dec 31, 2017
Judicial deposits	--	9	191,163	191,092
Receivables from related companies	4,728	5,690	--	--
Other	26	65	111	183
Total	4,754	5,764	191,274	191,275

14 – DIVIDENDS PAYABLE

R$ thousand

	Parent		Consolidated	
	Jun 30, 2018	Dec 31, 2017	Jun 30, 2018	Dec 31, 2017
Dividends payable (1)	1,559,735	1,890,775	1,559,735	1,890,775

(1) On Jun 30, 2018, the amount of R$ 595 thousand refers to unpaid dividends of previous years (R$ 652 thousand on Dec 31, 2017).

15 – PROVISIONS AND CONTINGENT LIABILITIES

Contingent assets

There are no contingent assets recognized in the consolidated financial statements.

Tax Lawsuits

Tax lawsuits derived mainly from assessments of municipal/district tax and refer to ISS (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.

Labor Lawsuits

The contingencies arise from actions in which the alleged labor rights related to business insurance distributed by BB Corretora are discussed.

a) Provision

In accordance with CPC 25 (IAS 37), the BB Seguridade recognizes provisions for civil, tax and labor lawsuits classified as "probable".

Provisions for civil, tax and labor lawsuits classified as probable

R$ thousand

	Consolidated[1][2]	
	1st half/2018	**1st half/2017**
Tax lawsuits		
Initial balance	881	73
Addition	29	5
Reversal of the provision	--	--
Derecognition of provisions	--	--
Closing balance	**910**	**78**
Civil lawsuits		
Initial balance	**17,720**	**13,806**
Addition	3,335	3,914
Reversal of the provision	(3,002)	(1,747)
Derecognition of provisions	(1,453)	(795)
Closing balance	16,600	**15,178**
Labor lawsuits		
Initial balance	**193**	**173**
Addition	2	36
Reversal of the provision	(195)	(26)
Derecognition of provisions	--	--
Closing balance	--	**183**
Total	**17,510**	**15,439**

(1) Related, mainly, to contingents recorded in BB Corretora.
(2)) On June 30, 2018 and Jun 30, 2017 there are no provisions for civil, tax and labor lawsuits classified as probable in Parent.

Expected outflows of economic benefits

R$ thousand

	Labor lawsuits	Tax lawsuits	Civil lawsuits	Total
Up to 5 years	--	488	13,519	14,007
More than 5 years and up to 10 years	--	318	3,010	3,328
Over 10 years	--	104	71	175
Total	**--**	**910**	**16,600**	**17,510**

Given the uncertainties regarding the duration of the proceedings, and the possibilities of changes in recurrent court decisions, the expected outflows of economic benefits have been estimated based on the best available information.

b) Contingent Liabilities

The tax and civil lawsuits classified as “possible” are not recorded in the balance sheet but disclosed based on CPC 25 (IAS 37),

Balances of contingent liabilities classified as possible

R$ thousand

	Consolidated	
	Jun 30, 2018	**Dec 31, 2017**
Labor lawsuits	43	41
Tax lawsuits[1]	180,613	172,996
Civil lawsuits	5,099	4,282
Total	**185,755**	**177,319**

(1) Refers, mainly, to tax lawsuit aiming to annul the administrative decision that not endorsed statements to offset negative average of IRPJ with owned taxes, There are deposits in guarantee for the mentioned tax lawsuit as shown in item “c” bellow.

There is no contingent liabilities classified as possible in the parent.

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

Guarantee deposits are deposits of amounts of money and are made at the Banco do Brasil or in another official financial institution as a means of payment or as a means of securing the payment of convictions, indemnities, agreements and other expenses created from lawsuits, The values are shown in the balance sheet in Other Assets.

Balances of escrow deposits formed for provisions and contingent liabilities

R$ thousand

	Parent		Consolidated	
	Jun 30, 2018	Dec 31, 2017	Jun 30, 2018	Dec 31, 2017
Labor lawsuits	--	--	10	9
Tax lawsuits [(1)]	--	--	185,739	186,532
Civil lawsuits	--	9	5,414	4,550
Total	**--**	**9**	**191,163**	**191,091**

(1) Refers, mainly, 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$ 142,078 thousand (R$ 139,468 thousand as of December 31, 2017), related to BB Corretora, updated by SELIC index.

16 – UNEARNED COMMISSIONS

R$ thousand

	Consolidated	
	Jun 30, 2018	Dec 31, 2017
BB Mapfre SH1	1,500,829	1,479,152
Mapfre BB SH2	183,785	177,320
Others	400	--
Total	**1,685,014**	**1,656,472**

There are no amount of unearned commissions in parent.

17 – OTHER LIABILITIES

R$ thousand

	Parent		Consolidated	
	Jun 30, 2018	Dec 31, 2017	Jun 30, 2018	Dec 31, 2017
Amounts payable to related companies	4,806	5,085	42,588	30,965
Annual variable remuneration program of the Executive Board	2,246	3,367	2,246	3,367
Other	139	1,106	3,021	4,037
Total	**7,191**	**9,558**	**47,855**	**38,369**

(1) On Dec 31, 2017, the amount of R$ 1,106 thousand (other) refers to amounts payable from the software purchase agreement (Enterprise Resource Planning – ERP).

18 – EQUITY

a) Capital

The capital of the Group BB Seguridade amounted to R$ 5,646,767 thousand as of Jun 30, 2018 and Dec 31, 2017 and it is divided into 2,000,000,000 (two billion) shares as of Jun 30, 2018 and Dec 31, 2017. The shareholders' equity amounted R$ 9,266,096 thousand (R$ 8,898,470 thousand as of Dec 31, 2017), corresponding a book value per share of R$ 4.63 (R$ 4.45 per share as of Dec 31, 2017).

b) Capital and Profit Reserves

R$ thousand

	Parent and Consolidated	
	Jun 30, 2018	Dec 31, 2017
Capital Reserves	1,263	1,277
Profit Reserves	3,726,975	3,337,198
Legal Reserve	1,007,492	910,048
Statutory reserve	2,719,483	2,427,150

c) Earnings per Share

	Parent and Consolidated	
	1st Half/2018	1st Half/2017
Net income attributable to shareholders of the Bank (R$ thousand)	1,948,887	1,949,109
Weighted average of ordinary and dilutive potencial ordinary shares outstanding	1,996,598,192	1,996,601,779
Earnings per share – basic and diluted (R$)	0.98	0.98

The basic earnings per share is calculated by dividing net income attributable to shareholders of the BB Seguridade by the weighted average number of common shares outstanding in each of the periods presented.

The diluted earnings per share is calculated by dividing net income attributable to shareholders of the BB Seguridade by the weighted average number of common shares outstanding, including the effect of all dilutive potential ordinary shares.

The BB Seguridade has no option, bonus of subscription or its equivalents which provide their holder the right to acquire shares. Thus, the basic and diluted earnings per share are equal.

d) Dividends

BB Seguridade follows the Dividend Policy available on the Investor Relations website of BB Seguridade.

The Policy is reviewed annually or, extraordinarily, at any time, and submitted to the Board of Directors of group for approval.

R$ thousand

	Parent and Consolidated	
	1st Half/2018	1st Half/2017
Calculation Basis:	**1,851,443**	**1,851,654**
Net Income	1,948,887	1,949,109
Legal reserve in the period	(97,444)	(97,455)
Minimum mandatory dividend	**462,861**	**462,914**
Additional dividend	**1,096,249**	**1,096,374**
Expired dividend	**30**	**32**
Statutory reserve	**292,333**	**292,366**
Balance of net income after allocation	--	--

In April 2018, a review of the BB Seguridade dividend policy was published, with a valid period until April 2019.

The dividends declared in the 2nd half of 2017 were paid March, 2018 restated by the Selic rate.

d1) Dividends per Share

	1st Half/2018		1st Half/2017	
	Amount (R$ thousand)	Amount per share (R$)	Amount (R$ thousand)	Amount per share (R$)
Dividends	1,559,140	0.781	1,559,320	0.781

e) 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.

Considering that the BB Seguridade does not have any securities classified as financial assets available for sale, other comprehensive income constant in his statements are a reflection of the existing values in associates and joint venture in which the BB Seguridade holds participation.

f) Shareholdings (number of shares)

	Jun 30, 2018		Dec 31, 2017	
Stockholders	**Shares**	**% Total**	**Shares**	**% Total**
Banco do Brasil	1,325,000,000	66.25	1,325,000,000	66.25
Other stockholders	671,596,633	33.58	671,596,485	33.58
Treasury shares	3,403,367	0.17	3,403,515	0.17
Total	**2,000,000,000**	**100.00**	**2,000,000,000**	**100.00**
Locals	1,444,867,964	72.24	1,466,386,643	73.32
Foreign	555,132,036	27.76	533,613,357	26.68

g) Treasury shares

g.1) Share-Based Payment – Variable Wage Program

The Variable Wage Program Board of BB Seguridade determined that, of the total amount allocated to the payment of variable compensation, 50% will be made in shares of BB Seguridade (BBSE3). From the total paid in shares, 20% will be immediately transferred to the beneficiary ownership and 80% will be deferred for a period of four years.

On November 13, 2014, the Brazilian Securities and Exchange Commission (CVM) authorized BB Seguridade to make annually the private trading of its own shares, in order to fund, through these shares, part of the payment of the variable remuneration compensation of its Executive Board members, without the need to submit, every year, that commission new requests, in the case therefore of permanent authorization.

We present the statement of acquired shares, its distribution and its transfer schedule:

	Total Program Shares	Minimum cost	Averege cost	Maximum cost	Shares Distributed	Shares to Distribute	Estimated Schedule Transfers
2013 Program	11,600	28.64	28.65	28.65	11,600	--	March 2018
Total shares to be distributed						**--**	
2014 Program	19,500	32.74	32.81	32.85	15,613	3,887	March 2019
Total shares to be distributed						**3,887**	
2015 Program	21,476	28.50	28.50	28.50	12,890	4,293	March 2019
						4,293	March 2020
Total shares to be distributed						**8,586**	
2016 Program	25,703	28.59	28.70	28.99	10,289	5,138	March 2019
						5,138	March 2020
						5,138	March 2021
Total shares to be distributed						**15,414**	
2017 Program	19,359	28.92	29.02	29.15	3,879	3,885	March 2019
						3,885	March 2020
						3,885	March 2021
						3,885	March 2022
Total shares to be distributed						**15,480**	

g.2) Repurcharse Program

On October 15, 2015, the Board of Directors approved the Repurchase Program of up to 10,000,000 shares the company itself issued for staying in treasury and subsequent disposal of or cancellation. The period of valid for up to 365 days from that date in accordance with the limit set forth by CVM Instruction 567. This program was in effect until October 15, 2016, and 3,360,000 shares were acquired, amounting to R$ 82,201 thousand, minimum, average and maximum cost per share are respectively R$ 21.09, R$ 24.46 e R$ 27.76.

On October 27, 2016, the Board of Directors approved the Repurchase Program of up to 10,000,000 shares the company itself issued for staying in treasury and subsequent disposal of or cancellation. The period of valid for up to 365 days from that date of approval. This program was concluded on October 26, 2017 and there was no acquisition of shares by said Program.

On October 26, 2017, the Board of Directors approved the Repurchase Program of up to 10,000,000 shares the company itself issued for staying in treasury and subsequent disposal of or cancellation. The period of valid for up to 365 days from that date of approval. Until June 30, 2018, there was no acquisition of shares by said Program.

g.3) Number of Treasury Shares

Descrição	Jun 30, 2018	Dec 31, 2017
Variable Wage Program	43,367	43,515
Repurcharse Program	3,360,000	3,360,000
Total	**3,403,367**	**3,403,515**

The market value of treasury shares, calculated based on the closing price of June 30, 2018, is R$ 83,246 thousand.

19 – FINANCIAL RESULT

R$ Thousand

	Parent		Consolidated	
	2nd Quarter/2018	2nd Quarter/2017	2nd Quarter/2018	2nd Quarter/2017
Financial Income	**31,467**	**29,077**	**61,346**	**81,186**
Financial investments	30,761	27,884	57,911	73,954
Monetary adjustment of judicial deposits	--	--	1,483	3,050
Monetary adjustment of dividends and Interest on equity capital	--	--	1,241	2,559
Monetary adjustment of taxes	706	1,193	706	1,621
Other financial income	--	--	5	2
Financial Expenses	**(189)**	**(17)**	**(252)**	**(73)**
Financial investments	(136)	--	(136)	--
Financial system services	(53)	(17)	(109)	(66)
Other financial expenses	--	--	(7)	(7)
Financial Result	**31,278**	**29,060**	**61,094**	**81,113**

R$ Thousand

	Parent		Consolidated	
	1st Half/2018	1st Half /2017	1st Half /2018	1st Half /2017
Financial Income	**71,287**	**73,769**	**130,535**	**183,618**
Financial investments	65,791	46,904	124,463	160,205
Monetary adjustment of judicial deposits	--	--	3,280	6,444
Monetary adjustment of taxes	1,537	2,541	1,537	14,404
Monetary adjustment of dividends and Interest on equity capital	3,951	24,324	1,241	2,559
Other financial income	8	--	14	6
Financial Expenses	**(22,593)**	**(34,828)**	**(22,721)**	**(34,939)**
Monetary adjustment of dividends and Interest on equity capital	(21,865)	(34,489)	(21,865)	(34,490)
Financial system services	(435)	(339)	(549)	(434)
Financial investments	(293)	--	(293)	--
Other financial expenses	--	--	(14)	(15)
Financial Result	**48,694**	**38,941**	**107,814**	**148,679**

20 – PERSONNEL EXPENSES

R$ thousand

	Parent		Consolidated	
	2nd Quarter/2018(1)	2nd Quarter/2017	2nd Quarter/2018	2nd Quarter/2017
Salaries	(1,645)	(1,911)	(7,290)	(7,445)
Social security costs	(1,031)	(1,252)	(4,179)	(4,080)
Fees	(408)	(534)	(1,015)	(941)
Benefits	(233)	(492)	(929)	(630)
Training	(30)	(46)	(108)	(65)
Total	**(3,347)**	**(4,235)**	**(13,521)**	**(13,161)**

R$ thousand

	Parent		Consolidated	
	1st Half/2018(1)	1st Half/2017	1st Half/2018	1st Half/2017
Salaries	(3,225)	(4,034)	(14,863)	(14,408)
Social security costs	(1,860)	(2,549)	(8,069)	(7,804)
Fees	(743)	(1,413)	(1,948)	(1,910)
Benefits	(479)	(1,211)	(1,895)	(1,412)
Training	(60)	(96)	(239)	(174)
Total	**(6,367)**	**(9,303)**	**(27,014)**	**(25,708)**

(1) The variation observed was mainly due to the implementation of the allocation and expense reimbursement model between BB Seguridade, BB Seguros and BB Corretora, which took place in May 2016, and the revisions implemented in May and November 2017 , resulting in decrease in the administrative expenses of BB Seguridade due to its allocation to BB Seguros and BB Corretora, which started to bear the expenses related to their respective consumption of the structure.

21 – ADMINISTRATIVE COSTS AND EXPENSES

a) Costs of provided services

R$ thousand

	Consolidated			
	2nd Quarter/2018	2nd Quarter/2017	1st Half/2018	1st Half/2017
Administrative cost of products	(30,582)	(10,932)	(43,079)	(22,040)
Operational support cost	(19,944)	(22,199)	(38,264)	(41,977)
Cost of data processing	(6,886)	(7,618)	(12,375)	(15,024)
Total	**(57,412)**	**(40,749)**	**(93,718)**	**(79,041)**

There are no service costs provided in Parent. Administrative cost of products

b) Administrative expenses various

R$ thousand

	Parent		Consolidated	
	2nd Quarter/2018(1)	2nd Quarter/2017	2nd Quarter/2018	2nd Quarter/2017
Donation and sponsorship expenses	--	(16)	(1,458)	(2,116)
Data processing	(215)	(46)	(1,177)	(88)
Specialized technical services	(597)	(1,103)	(1,007)	(1,207)
Rent expenses and Condominium fee	(138)	(472)	(489)	(1,253)
Travel service	(152)	(319)	(363)	(560)
Publications	(48)	(311)	(276)	(311)
Communication expenses	(50)	(160)	(102)	(160)
Promotions and public relations	(40)	(7)	(42)	(6)
Out sourced services	(11)	(46)	(36)	(50)
Other	(74)	(112)	(235)	(117)
Total	**(1,325)**	**(2,592)**	**(5,185)**	**(5,868)**

R$ thousand

	Parent		Consolidated	
	1st Half/2018[(1)]	1st Half/2017	1st Half/2018	1st Half/2017
Donation and sponsorship expenses	(11)	(34)	(1,927)	(2,934)
Data processing	(292)	(51)	(1,541)	(93)
Rent expenses and Condominium fee	(348)	(1,325)	(1,507)	(2,495)
Specialized technical services	(727)	(6,744)	(1,386)	(6,959)
Travel service	(276)	(588)	(696)	(829)
Communication expenses	(209)	(525)	(294)	(525)
Publications	(49)	(313)	(279)	(313)
Promotions and public relations	(126)	(35)	(128)	(35)
Out sourced services	(35)	(105)	(82)	(110)
Other	(170)	(188)	(469)	(263)
Total	**(2,243)**	**(9,908)**	**(8,309)**	**(14,556)**

(1) The variation observed was mainly due to the implementation of the allocation and expense reimbursement model between BB Seguridade, BB Seguros and BB Corretora, which took place in May 2016, and the revisions implemented in May and November 2017 , resulting in decrease in the administrative expenses of BB Seguridade due to its allocation to BB Seguros and BB Corretora, which started to bear the expenses related to their respective consumption of the structure.

22 – OTHER INCOME/EXPENSE

R$ thousand

	Parent		Consolidated	
	2nd Quarter/2018	2nd Quarter/2017	2nd Quarter/2018	2nd Quarter/2017
Income of ADR	12,499	228	12,499	228
(Addition)/Reversal/ Derecognition of provisions for labor, tax and civil lawsuits	--	--	281	(446)
Depreciation expense	(34)	(54)	(197)	(54)
Other	1	(2)	(1,730)	(1)
Total	**12,466**	**172**	**10,853**	**(273)**

(1) In the second quarter of 2018 - Consolidated, R$ 1,638 thousand refers to the expense of provision of brokerages to be returned.

R$ thousand

	Parent		Consolidated	
	1st Half/2018	1st Half/2017	1st Half/2018	1st Half/2017
Income of ADR	12,499	228	12,499	228
(Addition)/Reversal Derecognition of provisions for labor, tax and civil lawsuits	--	--	1,284	(1,387)
Depreciation expense	(81)	(110)	(393)	(110)
Other	7	(19)	(3,113)	(74)
Total	**12,425**	**99**	**10,277**	**(1,343)**

(1) In the first half of 2018 - Consolidated, R$ 247 thousand refers to income the tax benefit of BB Corretora as a result of joining the Programa Especial de Regularização Tributária (PERT) - Lei 13.496/2017 e Instrução Normativa RFB 1,711/2017 and R$ 3,276 thousand refers to the expense of provision of brokerages to be returned.

23 – COMMISSIONS INCOME

R$ thousand

	Consolidated			
	2nd Quarter 2018	1st half/2018	2nd Quarter 2017	1st half 2017
BB Mapfre SH1	404,065	873,770	369,828	795,906
Brasilprev	88,825	179,162	117,437	269,351
Mapfre BB SH2	68,713	136,031	71,395	143,713
Brasilcap	61,740	129,494	41,047	81,072
Other companies	1,683	3,848	2,366	3,834
Total	**625,026**	**1,322,305**	**602,073**	**1,293,876**

There are no amount of commissions income in parent. Revenues are presented by the net value of returns.

24 – RELATED PARTY TRANSACTIONS

The costs of salaries and other benefits granted to key management personnel of the BB Seguridade (Executive Board, Audit Committee, Board of Directors and Fiscal Council):

R$ thousand

	1st Half/2018	1st Half/2017
Short-term benefits	**3,287**	**2,919**
Fees and social charges	2,770	2,381
Executive Board	2,190	1,861
Audit Committee	244	260
Board of Directors	192	136
Fiscal Council	144	124
Variable Remuneration	344	369
Other(1)	173	169
Variable Wage Program(2)	**823**	**594**
Total	**4,110**	**3,513**

(1) Benefits considered: health care, health assessment and pension administrators.
(2) It refers to the cost of shares related to installments of payment programs based on 2013 actions, 2014 and 2015. In the first quarter/2018 were transferred to the beneficiaries of the actions of the 2013, 2015, 2014, 2015 and 2016 programs.

According to the variable remuneration policy of BB Seguridade, established in accordance with Law 6,404/1976, Article 152 and Accounting Pronouncements Committee 10 (CPC 10 - Share-based Payment), the part of variable remuneration of the Executive Board is paid in shares.

The Audit Committee – (COAUD) was established on Feb 12, 2015.

BB Seguridade does not provide post-employment benefits to its key management personnel, except for those that are part of the staff of Banco do Brasil S.A. (controller).

The Group trades banking transactions with its Controller, Banco do Brasil S.A., such as current account deposits (unpaid), corporate cards, financial applications, service deliveries and warranty in conditions equivalent to those available to other customers.

Additionally, BB Seguridade and its wholly owned subsidiaries have agreements signed with Banco do Brasil S.A. to apportion and/or reimbursement of expenses direct and indirect costs and resulting from the use of personnel, materials, technological and administrative resources required for maintenance of companies activities and, in particular, product marketing in the banking channel. The agreement aims to capture synergies resulting from the sharing of resources and its terms forecast that the reimbursement follows apportionment criterias according to the effective utilization of resources.

The Group does not grant loans to its Directors, Fiscal Council members, Board of Directors and Audit Committee.

The schedules below introduce the main transactions involving the companies within the effective utilization of resources:

a) Summary of related party transactions

BB Seguridade – Controller

R$ thousand

	Jun 30, 2018		Dec 31, 2017	
	Controller[1]	Subsidiaries[2]	Controller[1]	Subsidiaries[2]
Assets				
Cash and cash equivalents	2,322,028	--	2,429,600	--
Dividends/interest on equity receivable	--	451,179	--	341,547
Receive with related parties	--	4,728	--	5,690
Liabilities				
Dividends payable	1,033,324	--	1,252,638	--
Obligations with related parties	4,806	--	5,087	--

R$ thousand

	2nd Quarter/2018		2nd Quarter/2017	
	Controller[1]	Subsidiaries[2]	Controller[1]	Subsidiaries[2]
Income				
Interest earnings of financial instruments	30,761	--	27,884	--
Personnel expenses	(3,347)	--	(4,235)	--
Administrative expenses	(544)	--	(1,228)	--

R$ thousand

	1st Half/2018		1st Half/2017	
	Controller[1]	Subsidiaries[2]	Controller[1]	Subsidiaries[2]
Income				
Interest earnings of financial instruments	65,791	--	46,904	--
Personnel expenses	(6,367)	--	(9,303)	--
Administrative expenses	(938)	--	(2,437)	--
Monetary assets changes	--	3,951	--	24,324
Monetary liabilities changes	(14,485)	--	(22,850)	--

BB Seguridade – Consolidated

R$ thousand

	Jun 30, 2018		Dec 31, 2017	
	Controller [1]	Jointly controlled[3]	Controller [1]	Jointly controlled[3]
Assets				
Cash and cash equivalents	3,285,491	--	3,644,179	--
Financial assets held to maturity	117,744	--	114,049	--
Financial assets at fair value through profit or loss	423,608	--	412,304	--
Dividends/interest on equity receivable	--	18,291	--	12,209
Commissions to be received	--	707,881	--	734,490
Liabilities				
Dividends payable	1,033,324	--	1,252,638	--
Obligations with related parties	25,618	16,970	17,254	13,678
Unearned Commissions	--	1,685,014	--	1,656,472

R$ thousand

	2nd Quarter/2018		2nd Quarter/2017	
	Controller [1]	Jointly controlled[3]	Controller [1]	Jointly controlled[3]
Income				
Interest earnings of financial instruments	57,911	--	73,727	--
Income from commission	--	625,026	--	602,073
Personnel expenses	(13,521)	--	(13,161)	--
Administrative expenses/costs of services provided [4]	(59,571)	--	(43,034)	--
Monetary liabilities changes	--	1,241	--	2,559

R$ thousand

	1st Half/2018		1st Half/2017	
	Controller[1]	Subsidiaries[2]	Controller[1]	Subsidiaries[2]
Income				
Interest earnings of financial instruments	124,463	--	159,696	--
Income from commission	--	1,322,305	--	1,293,876
Personnel expenses	(27,014)	--	(25,708)	--
Administrative expenses	(98,201)	--	(83,070)	--
Monetary assets changes	--	1,241	--	2,559
Monetary liabilities changes	(14,485)	--	(22,850)	--

(1) Banco do Brasil S.A.

(2) BB Seguros S.A, BB Corretora.

(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. Brasildental S.A. and IRB-Brasil.

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

b) Compensation Paid to Employees and Directors

On April 15, 2016, 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 of employees are given in the form of availability, without charge. The Banco do Brasil S.A. continues to process the payroll of the transferred employees, receiving a monthly repayment of all current costs from BB Seguridade.

25 – Others Informations

a) Intangible Asset

R$ thousand

	Parent and Consolidated					
	Dec 31, 2017	1st Half/2018		Jun 30,2018		
	Book value	Acquisitions	Amortization	Cost value	Accumulated amortization	Book value
Software – ERP [1] [2]	5,545	358	(295)	5,903	(295)	5,608

(1) In January 2018, the amortization of Enterprise Resource Planning (ERP) began, according to CPC 04 (IAS 38) - Intangible Assets.

(2) The amortization period of intangible assets with a defined useful life is 10 years and amortization is calculated at the annual rate of 10% and recognized to the income statement on a straight-line method.

a.1) Estimate for amortization

R$ thousand

	2018	2019	2020	2021	After 2021	Total
Amounts to be amortized	590	590	590	590	3,543	5,903

b) Remuneration of employees and managers

Monthly wages paid to employees and Directors of the BB Seguridade S.A. (in Reais):

	Jun, 30 2018	Dec, 31 2017
Lowest salary	6,637,03	6,637.03
Highest salary	34,631,32	34,631.32
Average salary	18,579,13	18,579.13
Management		
Director-President	61,564,83	61,564.83
Director	52,177,45	52,177.45
Council members		
Board of Directors	5,906,80	5,452.43
Fiscal Council	5,906,80	5,452.43
Audit Committee - Member	9,868,90	9,868.90

BB Seguridade Participações S.A.

Interim Financial Information
June 30, 2018

(A free translation of the original report in Portuguese on individual interim financial information prepared in accordance with CPC 21(R1) - Interim Financial Reporting and on consolidated interim financial information prepared in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board - IASB)

KPMG Auditores Independentes
SBS Qd. 02 Bl. Q Lote 03 Salas 708 a 711
Edifício João Carlos Saad
70070-120 Brasília/DF Brasil
Caixa Postal 8587 - CEP 70312-970 Brasília/DF Brasil
Telefone +55 (61) 2104-2400, Fax +55 (61) 2104-2406
www.kpmg.com.br

Report on the review of the interim financial information

To
The Board of Directors, Shareholders and Management
BB Seguridade e Participações S.A.
Brasília - DF

Introduction
We have reviewed the individual and consolidated balance sheets of BB Seguridade e Participações S.A. ("Company") as of June 30, 2018, and the respective statement of income and comprehensive income for the three and six-month period then ended and changes in equity and cash flows for the six-month period then ended, including the summary of significant accounting practices and others selected explanatory notes.

The 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 (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 international standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information
Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information 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, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial 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

Statement of Value Added
The individual and consolidated interim statement of value added ("DVA"), for the six-month period then ended June 30, 2018, prepared under the responsibility of the Company's Management, whose presentation is required by Brazilian legislation for Publicly-held Companies, and as supplementary information under the IFRS that do not require the presentation of the statement of added value, was subjected to review procedures performed in conjunction with the review of Company financial statements. For the purposes of forming our opinion, we assess whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria set forth in Technical Pronouncement CPC 09 - Statement of Value Added. 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.

Brasília, August 3, 2018

KPMG Auditores Independentes
CRC SP-014428/O-6 F-DF
Original report in Portuguese signed by
Fernando Antonio Rodrigues Alfredo
Accountant CRC 1SP252419/O-0

Declaration of the Members of the Executive Board about the Financial Statements

In accordance with article 25 of CVM Rule 480, dated December 07, 2009, we declared that we have reviewed the Financial Statements for the period ended in June 30, 2018 of the BB Seguridade Participações S.A. and, based on subsequent discussions, I agree that such statements reflect fairly, in all material respects, the financial position for the period presented.

Brasília (DF), August 03, 2018.

Antônio Maurício Maurano

Chief Executive Officer

Antonio Rugero Guibo

Chief Risk Officer

Sérgio Augusto Kurovski

Chief Product Officer

Werner Romera Suffert

Chief Financial Officer

Statement of the Members of the Executive Board on the Report of the Independent Auditors

In accordance with Article 25 of CVM Rule No. 480, dated 12.07.2009, I declare that based on our knowledge, the planning submitted by the auditors and the subsequent discussions on the audit results, I agree with the opinions expressed in the KPMG Independent Auditors' report, dated 08.03.2018, related to the financial statements of BB Seguridade Participações S.A. for the fiscal year ended 06.30.2018 there being no disagreement.

Brasília (DF), August 03, 2018.

Antônio Maurício Maurano

Chief Executive Officer

Antonio Rugero Guibo

Chief Risk Officer

Sérgio Augusto Kurovski

Chief Product Officer

Werner Romera Suffert

Chief Financial Officer

BB SEGURIDADE PARTICIPAÇÕES S.A.

MEMBERS OF THE MANAGEMENT BODIES

DIRECTOR-PRESIDENT

Antônio Maurício Maurano

DIRECTORS

Antonio Rugero Guibo
Sérgio Augusto Kurovski
Werner Romera Süffert

BOARD OF DIRECTORS

Marcelo Augusto Dutra Labuto (President)
Carlos Hamilton Vasconcelos Araújo (Vice-President)
Isabel da Silva Ramos
José Maurício Pereira Coelho
Nerylson Lima da Silva
Arnaldo José Vollet
Adalberto Santos de Vasconcelos

FISCAL COUNCIL

Rafael Rezende Brigolini
Lucinéia Possar
Giorgio Bampi

AUDIT COMMITTEE

Luiz Claudio Moraes
Artemio Bertholini
Arnaldo José Vollet
Alexandre Magalhães da Silveira

ACCOUNTANT

Pedro Kiefer Braga
CRC-DF 020.786/O-0
CPF 027.782.029-43