

Quarterly Results – 1st quarter 2016

- Net income totaled **R\$105.9 million**
- Total operating revenues reached **R\$3.9 billion** (**R\$3.7 billion** in insurance operating revenues)
- Loss ratio of **76.7%**, an improvement of 80 BPS over 1Q15
- Return on average equity (ROAE) of **15.9%**, 90 BPS better than 1Q15

Conference Call

April 29, 2016 (Friday)

Portuguese (with simultaneous translation to English)

10 am (Brasília) / 9 am (US/EDT)

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SulAmérica
120years

MESSAGE FROM MANAGEMENT

We ended the first quarter of 2016 confident that the SulAmérica's strong franchise will be essential to pass through a year of instability. In a period largely impacted by strong economic slowdown, worsening unemployment rates, increased tax burden and troubled political environment, SulAmérica was able to expand its operating gross margin with robust investment income and bottom line growth.



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Net operating revenue reached R\$3.9 billion, an increase of 5.4% even after the divestment of two portfolios in the property and casualty segment, announced at the end of 2015. The ability to adapt and take advantage of opportunities offered by the different markets in which the Company operates strengthen our multiline model.

The health and dental insurance operation performed strongly. High levels of client retention and new sales, combined to adequate price readjustments, contributed to double-digit growth of net revenue in all portfolios, on top of a good performance posted by our Health ASO (Administrative Services Only) business. Continuous investments in health and claims management initiatives resulted in another quarter of improvement in the loss ratio for the group plans.

Performance for our auto insurance business, marked by shorter cycles, reflected the unstable macro scenario and an increasingly competitive environment, with revenue contraction and a worse loss ratio. To mitigate those effects, the Company maintained its underwriting policy, focused on profitability, incorporating the trends identified from the end of 2015. Our asset management operation, know as *SulAmérica Investimentos*, achieved a significant milestone of R\$31.7 billion in AuM, being R\$5.5 billion linked to our private pension business. Investment income provided an important contribution, growing by 11.4% in the quarter.

This earnings release has undergone structural changes from this quarter on. We adapted the document to the new format of the financial statements which the Company has adopted since 4Q15, to be better aligned to international standards recommended for similar types of companies. Our 2015 Annual Report was launched at the end of March. The Company continues to pioneer in different report formats and is bringing out an even more innovative report for this year - a webseries. SulAmérica's 2015 Annual Report followed the guidelines of the Global Reporting Initiative (GRI) and can be accessed at www.sulamerica.com.br/ir.

Despite the current uncertainties, we maintain our conviction of a great potential for developing the segments in which we operate. Even with a long-term, value-oriented view, we are aware of the challenges that 2016 present, but are confident in the solid base we have built to keep generating positive results. Again, I would also like to thank our employees for their commitment and trust, our insurance brokers for their dedication and contribution, and our business partners and other stakeholders for helping us to achieve another positive quarter.

Gabriel Portella
CEO

1. Main Highlights

Financial Highlights (R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Operating Revenues	3,709.4	3,522.7	5.3%	3,806.2	-2.5%
Health & Dental	2,924.0	2,575.6	13.5%	2,861.0	2.2%
Automobile	668.5	769.1	-13.1%	751.6	-11.1%
Other Property & Casualty	37.1	80.1	-53.7%	89.0	-58.3%
Life & Personal Accident	79.7	97.9	-18.6%	104.6	-23.8%
Other Operating Revenues	174.7	161.5	8.1%	233.5	-25.2%
Private Pension	118.5	112.5	5.3%	138.3	-14.3%
Savings Bonds	14.4	16.2	-11.0%	9.7	47.9%
Administrative Services Only	10.8	7.5	45.0%	8.9	22.2%
Asset Management	9.1	9.9	-8.2%	9.8	-7.4%
Other Revenues	21.8	15.4	41.5%	66.8	-67.3%
Total Operating Revenues	3,884.1	3,684.2	5.4%	4,039.8	-3.9%
Investment Income	202.0	181.3	11.4%	216.9	-6.9%
Net Income	106.7	104.4	2.2%	298.7	-64.3%
Net Income after non-Controlling Interest	105.9	103.5	2.4%	298.1	-64.5%
Net Income per unit (R\$)*	0.32	0.31	2.3%	0.89	-64.5%
Supplementary Information (R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Net Income after non-Controlling Interest	105.9	103.5	2.4%	298.1	-64.5%
Non-Recurring Items	0.0	0.0	NA	-51.4	NA
Recurring Net Income after non-Controlling Interest	105.9	103.5	2.4%	246.7	-57.1%
Recurring ROAE (% last 12 months)	15.9%	15.0%	90 BPS	16.4%	-40 BPS
Insurance Operational Ratios (%)	1Q16	1Q15	Δ	4Q15	Δ
Loss Ratio	76.7%	77.5%	80 BPS	69.9%	-680 BPS
Health & Dental	81.7%	84.4%	270 BPS	73.3%	-840 BPS
Automobile	64.9%	58.2%	-670 BPS	62.9%	-200 BPS
Other Property & Casualty	42.7%	70.2%	2750 BPS	61.5%	1880 BPS
Life & Personal Accident	37.6%	48.7%	1100 BPS	43.9%	620 BPS
Acquisition Cost	11.0%	11.0%	0 BPS	11.0%	0 BPS
Health & Dental	6.4%	6.3%	-10 BPS	6.2%	-20 BPS
Automobile	23.6%	23.2%	-40 BPS	23.8%	10 BPS
Other Property & Casualty	33.6%	24.9%	-880 BPS	22.3%	-1140 BPS
Life & Personal Accident	34.5%	30.0%	-450 BPS	26.5%	-800 BPS
Combined	101.9%	101.3%	-70 BPS	97.3%	-470 BPS
Operating	96.6%	96.2%	-40 BPS	91.6%	-490 BPS
Consolidated Ratios (% of total operating revenues)	1Q16	1Q15	Δ	4Q15	Δ
Operating Gross Margin	9.0%	8.3%	70 BPS	15.9%	-690 BPS
General & Administrative Expenses	9.6%	8.7%	-90 BPS	11.0%	150 BPS
Net Margin	2.7%	2.8%	-10 BPS	7.4%	-470 BPS
Operating Highlights	1Q16	1Q15	Δ	4Q15	Δ
Health & Dental Insured Members (thousand)	2,827	2,682	5.4%	2,816	0.4%
Health Insured Members	2,072	2,082	-0.5%	2,081	-0.4%
Dental Insured Members	755	600	25.8%	735	2.7%
Insured Fleet (thousand)	1,652	1,546	6.8%	1,692	-2.4%
Insured Lives (thousand)	2,367	2,365	0.1%	2,536	-6.7%
Assets under Management (R\$ billion)	31.7	27.9	13.6%	30.3	4.7%
Private Pension Reserves (R\$ million)	5,542	4,794	15.6%	5,340	3.8%

*Net income per unit is calculated by multiplying the basic earnings per share by three. Each unit is comprised of three shares, one common share and two preferred. The total number of shares in circulation for the years 2016 and 2015 are different. Please refer to Note 22.7 in the Financial Statements for the period details on the calculation of earnings per share.

2. Quarterly consolidated performance

The main components of the Company's result in the quarter are: (i) operating revenue grew 5.4% and reached R\$3.9 billion; (ii) overall loss ratio improved 80 BPS, to 76.7%, driven by the health and dental segment, which presented an improvement of 270 BPS; (iii) an increase of 14.1% in operating gross margin; and (iv) growth of 11.4% in investment income, which totaled R\$202.0 million for the quarter.

It should also be noted that, compared to the 1Q15, this quarter shows the following aspects which have to be observed: (i) the revenue, the gross margin and the net income do not include the contribution of the large risks and mortgage portfolios; (ii) the new CSLL rate (Social Contribution tax) of 20%, which became effective in September 2015, impacted negatively the bottom line in R\$ 10.0 million; (iii) the declaration of Interest on Shareholders' Equity (IoC or JCP) by some subsidiaries to the parent company.

Overall, the Company's management believes that the result was positive for the quarter, with the behavior of some business lines making up the other, not so favorable in the period, an advantage of the SulAmérica's multiline model.

3. Health and Dental, and Administrative Services Only (ASO)

Health and Dental Insurance

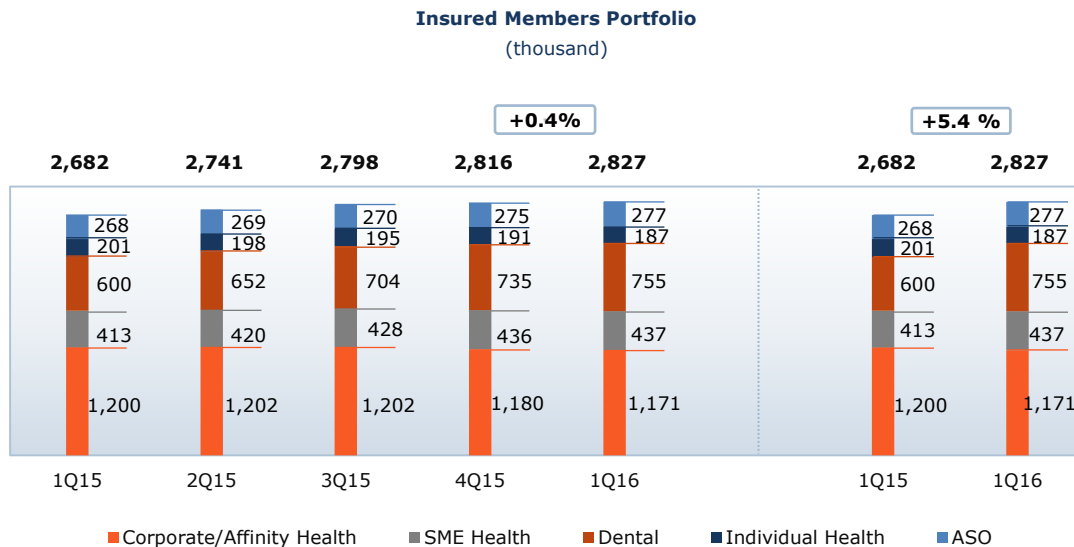
Health and Dental insurance operating revenues increased by 13.5% to R\$2.9 billion, with group plans performance being the highlight, growing 15.0% in the quarter, already accounting for 83.8% of total health and dental insurance revenues (110 BPS above 1Q15). Within the group plans, the SME (small and medium enterprises) and dental portfolios were the best performers, growing revenues by 18.9% and 24.5%, respectively.

(R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Operating Revenues	2,937.3	2,583.2	13.7%	2,869.8	2.4%
Insurance	2,924.0	2,575.6	13.5%	2,861.0	2.2%
Group	2,450.3	2,130.9	15.0%	2,397.1	2.2%
Corporate/Affinity	1,701.7	1,502.8	13.2%	1,674.9	1.6%
SME	709.3	596.6	18.9%	683.9	3.7%
Dental	39.3	31.6	24.5%	38.3	2.7%
Individual Health	473.8	444.7	6.5%	463.9	2.1%
Administrative Services Only	10.8	7.5	45.0%	8.9	22.2%
Other Operating Revenues	2.5	0.1	NA	-0.1	NA
Changes in Technical Reserves	-7.8	-10.5	25.5%	-1.6	-379.4%
Insurance	-7.8	-10.5	25.5%	-1.6	-379.4%
Operating Expenses	-2,676.9	-2,406.2	-11.3%	-2,385.8	-12.2%
Insurance	-2,675.0	-2,404.4	-11.3%	-2,383.5	-12.2%
Administrative Services Only	-1.9	-1.8	-6.8%	-2.3	16.6%
Gross Margin	252.6	166.5	51.7%	482.4	-47.6%
Insurance	241.2	160.7	50.1%	475.9	-49.3%
Administrative Services Only	8.9	5.7	57.2%	6.5	35.9%
Other	2.5	0.1	NA	-0.1	NA
Loss Ratio	81.7%	84.4%	270 BPS	73.3%	-840 BPS
Group	78.6%	81.8%	320 BPS	69.4%	-910 BPS
Individual Health	97.9%	97.2%	-70 BPS	93.1%	-480 BPS
Acquisition Cost	6.4%	6.3%	-10 BPS	6.2%	-20 BPS
Group	7.6%	7.5%	-10 BPS	7.3%	-20 BPS
Individual Health	0.2%	0.2%	0 BPS	0.2%	0 BPS

Our performance in the quarter shows not only the resilience of our existing portfolio, but also the strength of our sales force, which drives the growth in insured members. As an example, the initiatives implemented in the SME portfolio proved to be right, with a significant share of new sales in this portfolio being performed by brokers doing it for the first time. The dental portfolio continues to grow in members, making it the second largest in the segment.

3. Health and Dental, and Administrative Services Only (ASO) (cont.)

SulAmérica's members in health and dental group plans, including those of ASO, grew 6.4% for the period, representing more than 158 thousand net new lives in comparison to 1Q15. Once again, the highlights were the SME and dental portfolios, growing 5.7% and 25.8%, respectively. ASO also posted an important growth of 3.5%, reaching 277 thousand lives.



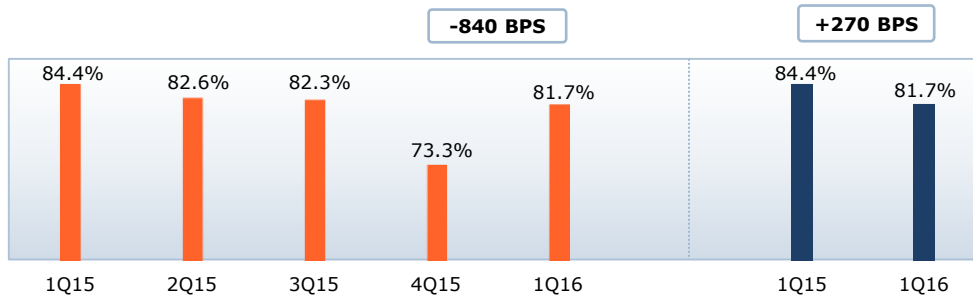
(Thousand members)	1Q16	1Q15	Δ	4Q15	Δ
Group Health	1,885	1,882	0.2%	1,891	-0.3%
Corporate/Affinity Health	1,171	1,200	-2.4%	1,180	-0.8%
SME Health	437	413	5.7%	436	0.1%
Administrative Services Only	277	268	3.5%	275	0.9%
Dental	755	600	25.8%	735	2.7%
Group Total	2,640	2,482	6.4%	2,626	0.5%
Individual Health	187	201	-6.8%	191	-1.8%
Total	2,827	2,682	5.4%	2,816	0.4%

Recent available statistics from ANS (National Agency of Supplemental Health) for 2015 show that the number of insured lives reached 49.7 million in health and 22.0 million in dental, representing, respectively, a decline of 1.5% and an increase of 3.8% compared to the previous year. SulAmérica continued its growth trend, increasing insured members in both health and dental plans.

Furthermore, in line with the trend observed throughout 2015, the Company was able to show improvement in its operating costs, reducing the loss ratio by 270 BPS for the period, a result of the continuity of the several initiatives in claims management and health promotion, both internally and with our service providers, combined with an adequate underwriting policy. The group plans showed a loss ratio improvement of 320 BPS in 1Q16 compared to 1Q15. The individual portfolio, although impacted by some adjustments related to the allocation of costs and expenses to claims, reached a loss ratio of 97.9%, 70 BPS above 1Q15.

3. Health and Dental, and Administrative Services Only (ASO) (cont.)

Loss Ratio – Health and Dental
(% Earned Premiums)



Health Administrative Services Only (ASO)

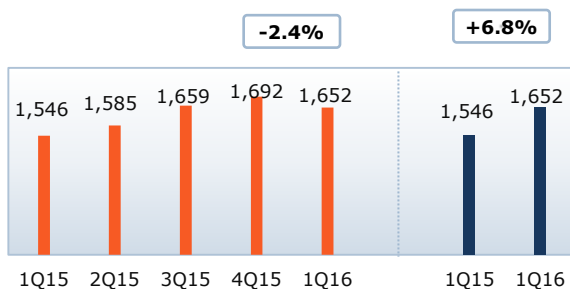
Operating revenues from ASO plans grew 45.0% in 1Q16, with an increase of 3.5% in the number of beneficiaries. Operating gross margin totaled R\$8.9 million, 57.2% higher when compared to 1Q15.

4. Auto and Other Property and Casualty Insurance

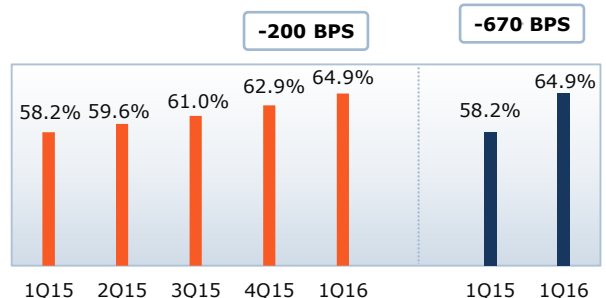
Auto Insurance

Operating revenues for this segment totaled R\$668.5 million, a decrease of 13.1% for the quarter, due to an environment characterized by strong increase in competition. The Company maintained its underwriting policy focused on profitability, incorporating in it the trends identified since the end of 2015. In 1Q16, insured fleet reached 1.7 million vehicles, 6.8% above 1Q15 and 2.4% lower than 4Q15. The segment's loss ratio was negatively impacted by factors such as price increases of auto parts and labor costs for repairs of partial losses, along with an increase in the frequency of auto theft and robbery and higher total losses impacting the portfolio since 4Q15. In the quarter, the loss ratio worsened 670 BPS, reaching 64.9%, while acquisition maintained its level at 23.6%.

Insured fleet*
(thousand)



Loss Ratio - Auto
(% Earned Premiums)



*Insured fleet net of technical cancellations.

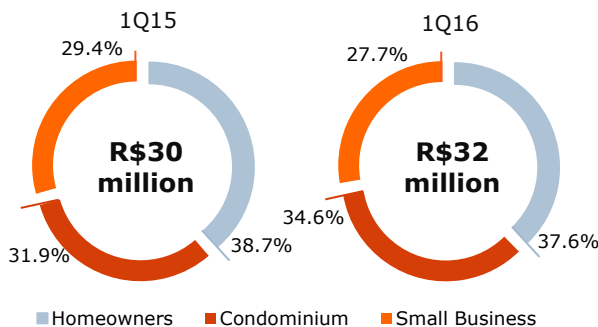
4. Auto and Other Property and Casualty Insurance (cont.)

Other Property and Casualty Insurance

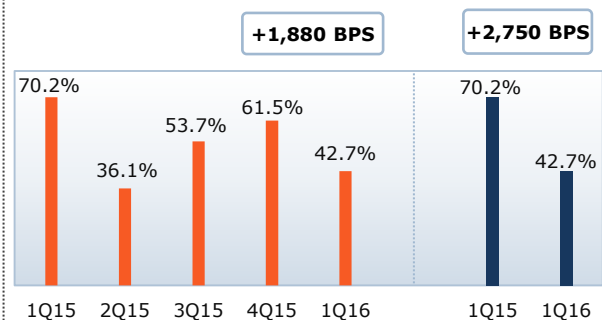
Other property and casualty operating revenues declined 53.7%, totaling R\$37.1 million, due to the sale of the large risks portfolio to AXA Corporation and the sale of the Mortgage Insurance Portfolio for Market Policies to PAN Seguros, both concluded in December 2015. The segment's loss ratio in the quarter reached 42.7%, 2,750 BPS better than in the same period of the previous year, while acquisition costs totaled 33.6%, 880 BPS above 1Q15, explained by the change in the portfolio mix.

Considering only the massified segment, which represents 86.1% of the remaining portfolio in this segment, revenues grew by 6.7%, reaching R\$32.0 million, with a loss ratio of 48.7%, 2,040 BPS below 1Q15, due to an increase in the severity of claim levels in the portfolio last year, which was not repeated in 2016.

Massified Portfolio Breakdown
(% of Total Revenues)



Loss Ratio – Other Property and Casualty
(% Earned Premiums)



(R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Operating Revenues	725.4	864.0	-16.0%	907.1	-20.0%
Insurance	705.7	849.2	-16.9%	840.6	-16.1%
Automobile	668.5	769.1	-13.1%	751.6	-11.1%
Other Property & Casualty	37.1	80.1	-53.7%	89.0	-58.3%
Other Operating Revenues	19.8	14.8	33.1%	66.5	-70.3%
Changes in Technical Reserves	155.0	-39.4	NA	85.7	80.8%
Automobile	155.2	-42.3	NA	86.0	80.5%
Other Property & Casualty	-0.2	2.9	NA	-0.3	25.7%
Operating Expenses	-799.8	-715.7	-11.8%	-848.6	5.7%
Insurance	-799.3	-713.0	-12.1%	-847.7	5.7%
Automobile	-754.3	-617.9	-22.1%	-751.5	-0.4%
Other Property & Casualty	-45.0	-95.1	52.7%	-96.2	53.3%
Other Operating Expenses	-0.6	-2.7	78.4%	-0.9	36.6%
Gross Margin	80.6	108.9	-26.0%	144.3	-44.1%
Automobile	69.5	108.8	-36.1%	86.2	-19.4%
Other Property & Casualty	-8.1	-12.1	33.4%	-7.5	-6.8%
Other	19.2	12.2	57.6%	65.6	-70.8%
Loss Ratio	63.9%	59.5%	-450 BPS	62.7%	-120 BPS
Automobile	64.9%	58.2%	-670 BPS	62.9%	-200 BPS
Other Property & Casualty	42.7%	70.2%	2750 BPS	61.5%	1880 BPS
Acquisition Cost	24.1%	23.4%	-70 BPS	23.6%	-40 BPS
Automobile	23.6%	23.2%	-40 BPS	23.8%	10 BPS
Other Property & Casualty	33.6%	24.9%	-880 BPS	22.3%	-1140 BPS

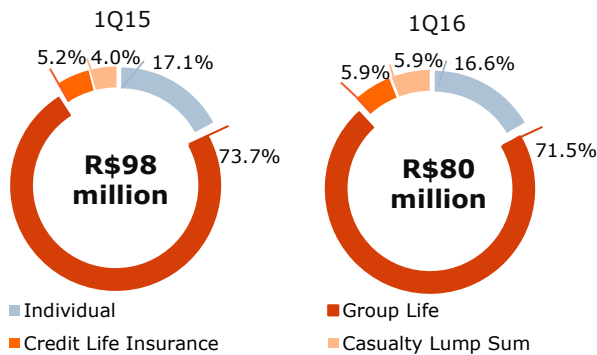
The Other Operating Revenues line refers mainly to the services provided by the Company to AXA Corporation, and *Caixa Seguros*, with which SulAmérica has a co-insurance agreement for the sale of auto insurance policies in *Caixa's* branches.

5. Life and Personal Accident Insurance and Private Pension

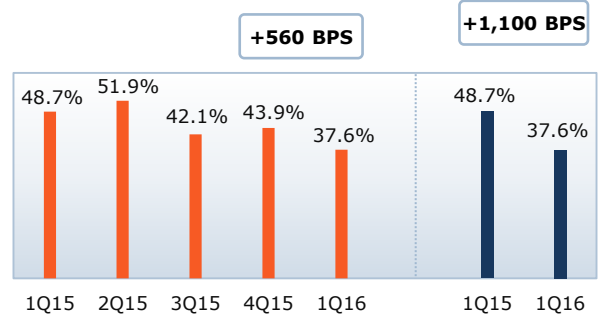
Life and Personal Accident Insurance

Life and personal accident revenues decreased by 18.6% in the quarter, reaching R\$79.7 million, reflecting the repositioning actions on this segment, such as the non-renewal of policies with profitability lower than expected. The group life insurance once again represented the largest part of the portfolio, 71.5%. As a consequence of the aforementioned repositioning process that includes a new distribution and client acquisition structure, along with operational processes enhancements, the segment's loss ratio continued to present significant improvement of 1,100 BPS over 1Q15, reaching 37.6%.

Segment Breakdown
(% of Total Revenues)



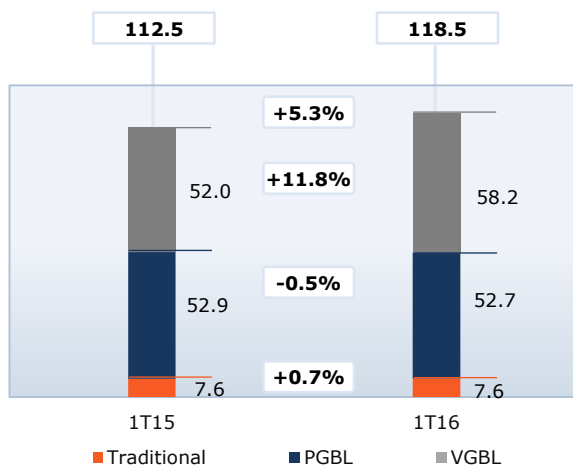
Loss Ratio – Life and Personal Accident
(% Earned Premiums)



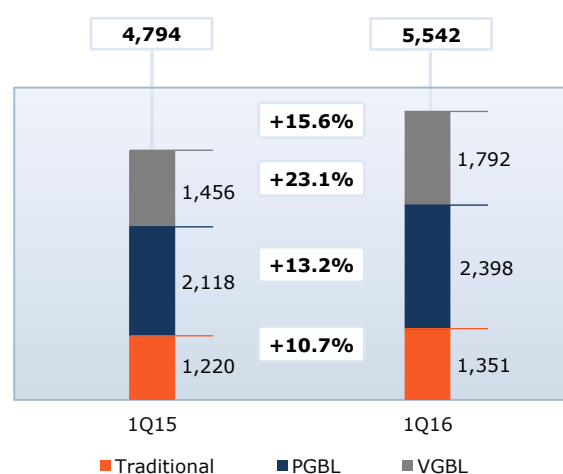
Private Pension

Private pension operating revenues grew 5.3% in comparison to 1Q15, with the highlight being the VGBL plan, which saw its revenues increasing by 11.8% in the quarter. The Company also recorded an important growth of 15.6% in pension reserves, which totaled R\$5.5 billion, a result of higher revenues as well as the net positive inflows from migrations in the period.

Pension Operating Revenues
(R\$ million)



Pension Reserves
(R\$ million)



5. Life and Personal Accident Insurance and Private Pension (cont.)

(R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Operating Revenues	197.8	210.9	-6.2%	243.3	-18.7%
Insurance	79.7	97.9	-18.6%	104.6	-23.8%
Private Pension	118.5	112.5	5.3%	138.3	-14.3%
Other Operating Revenues	-0.4	0.5	NA	0.4	NA
Changes in Technical Reserves	-96.8	-91.0	-6.3%	-109.8	11.9%
Insurance	6.8	3.7	86.7%	6.1	12.5%
Private Pension	-103.6	-94.7	-9.5%	-115.9	10.6%
Operating Expenses	-98.0	-105.1	6.7%	-128.8	23.9%
Insurance	-82.2	-90.4	9.1%	-104.5	21.4%
Private Pension	-15.8	-14.7	-7.8%	-24.2	34.6%
Gross Margin	3.0	14.8	-79.8%	4.7	-36.6%
Insurance	4.4	11.2	-60.8%	6.2	-29.0%
Private Pension	-1.0	3.2	NA	-1.9	47.7%
Other	-0.4	0.5	NA	0.4	NA
Loss Ratio	37.6%	48.7%	1100 BPS	43.9%	620 BPS
Acquisition Cost	34.5%	30.0%	-450 BPS	26.5%	-800 BPS

6. Savings Bonds

The segment maintained its focus on the Rental Guarantee and incentive products. Operating revenues totaled R\$14.4 million, a 11.0% decrease in comparison to 1Q15, due to the adverse macroeconomic environment. However, both the operating net revenue and the gross margin showed strong recovery compared to the 4Q15, a growth of 47.9% and 156.3%, respectively. Reserves totaled R\$629.2 million at the end of period, in line with 1Q15.

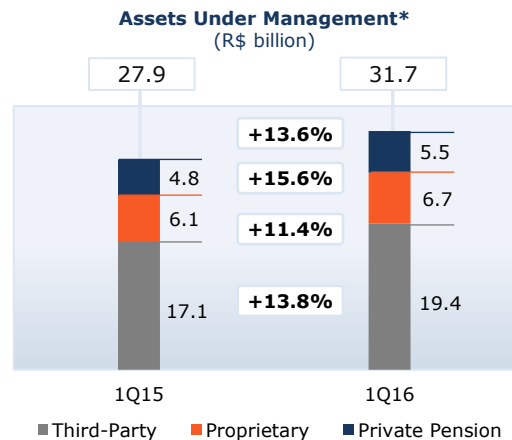
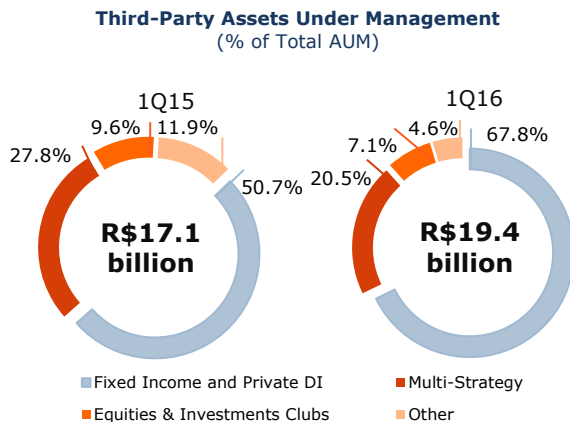
(R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Operating Revenues	14.4	16.2	-11.0%	9.7	47.9%
Operating Expenses	-9.5	-8.7	-8.8%	-7.8	-21.2%
Gross Margin	4.9	7.5	-34.1%	1.9	156.3%
Savings Bonds Reserves	629.2	630.7	-0.2%	626.0	0.5%

7. Asset Management

SulAmérica Investimentos, our asset management business, finished the quarter with \$31.7 billion in AuM, 13.6% above 1Q15, explained by the growth in both third-party assets, 13.8%, and proprietary portfolio (ex-pension), 11.4%. However, gross operating margin decreased by 11.9% in the quarter as a result of the migration of assets to fixed income funds which, in general, have lower average management fees than other types of funds.

(R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Operating Revenues	9.1	9.9	-8.2%	9.8	-7.4%
Management Fee	9.0	9.8	-7.4%	9.4	-3.6%
Performance Fee	0.1	0.2	-59.3%	0.5	-86.1%
Operating Expenses	-1.1	-0.8	-33.6%	-0.9	-17.5%
Gross Margin	8.0	9.1	-11.9%	8.9	-10.0%

7. Asset Management (cont.)



*The reported third-party assets under management include investment funds and portfolios that are managed or administered by *SulAmérica Investimentos S.A.*

8. Administrative Expenses

The general and administrative (G&A) expenses ratio represented 9.6% of operating revenues, a 90 BPS increase over 1Q15. This increase is primarily a result of salary adjustments (labor agreement) and increase in headcount, in addition to the aforementioned payments of dividends from subsidiaries to their parent companies in the form of interest on shareholders' equity (IoC or JCP), generating higher direct taxes (PIS/Cofins). The comparative basis also is not the same, since the operating revenues in the 1Q15 included the other property and casualty portfolios sold at the end of 2015.

(R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Personnel Expenses	-169.7	-140.2	-21.1%	-169.6	-0.1%
Third-Party Services	-88.0	-81.5	-7.9%	-109.1	19.4%
Buildings and Maintenance	-25.9	-31.3	17.2%	-59.8	56.7%
Other Administrative Expenses	-23.4	-19.4	-20.8%	-56.6	58.6%
Expenses Recovery	5.6	1.7	224.1%	1.4	311.2%
Profit Sharing	-14.6	-16.0	8.9%	-20.1	27.1%
Tax Expenses	-19.5	-9.2	-112.4%	-20.0	2.7%
Depreciation & Amortization	-36.6	-25.0	-46.6%	-12.4	-195.7%
Total	-372.2	-320.8	-16.0%	-446.2	16.6%
General & Administrative Expenses Ratio (% operating revenues)	9.6%	8.7%	-90 BPS	11.0%	150 BPS

9. Investment Income

Total investment income reached R\$202.0 million, a growth of 11.4% in relation to 1Q15, mainly due to the higher benchmark interest rate (Selic) in the period. The Company's proprietary portfolio (not linked to the private pension business) yielded 94.9% of the CDI benchmark for the quarter, negatively impacted by the market volatility in the period.

During the quarter, there was not a significant change in SulAmérica's proprietary portfolio allocation, with 99% concentrated in fixed income and less than 1% held in equities. Approximately 94% of the fixed income allocation is AAA-rated or sovereign risk (Brazilian government bonds).

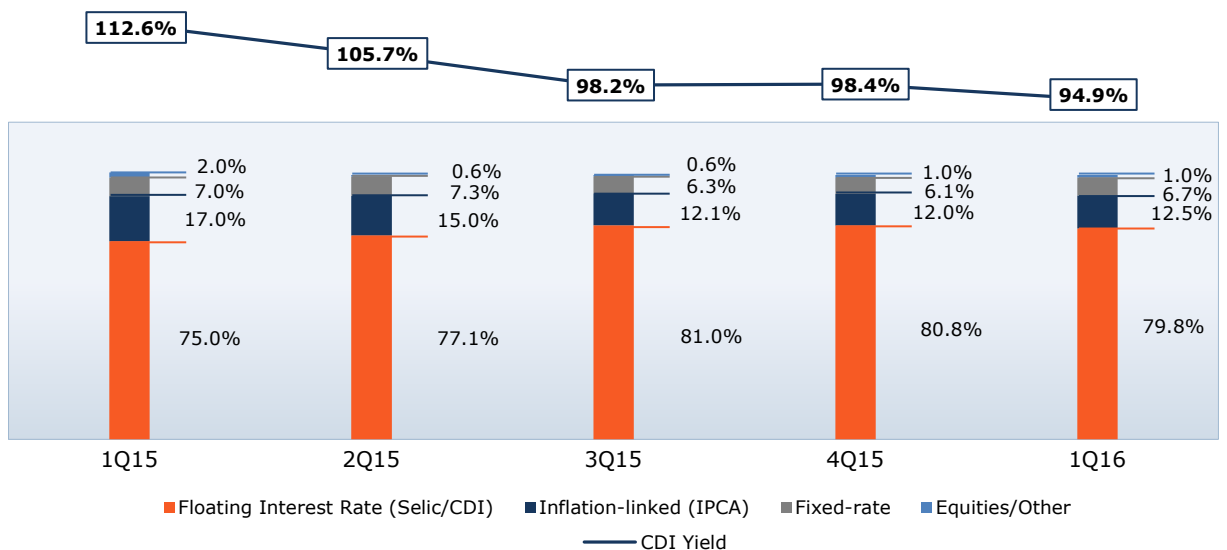
9. Investment Income (cont.)

(R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Investment Income ex-Private Pension	201.0	179.4	12.1%	218.4	-8.0%
Return on Investment Portfolio	224.5	207.9	8.0%	233.6	-3.9%
Debt Service Cost	-36.6	-31.5	-16.4%	-33.1	-10.8%
Other	13.1	3.0	341.8%	17.9	-26.6%
Investment Income from Private Pension	0.9	2.0	-53.1%	-1.5	NA
Return on Investment Portfolio of Private Pension	182.5	144.9	25.9%	179.5	1.7%
Change in Liabilities of Private Pension	-181.6	-142.9	-27.0%	-181.0	-0.3%
Total Investment Income	202.0	181.3	11.4%	216.9	-6.9%

Balance

(R\$ million)	1Q16	1T15	Δ	4Q15	Δ
Balance Excluding Private Pension	7,148.8	6,587.3	8.5%	7,168.4	-0.3%
Private Pension Operations Balance	5,541.5	4,793.8	15.6%	5,340.3	3.8%
Total Balance	12,690.3	11,381.1	11.5%	12,508.7	1.5%

Investment Allocation and Profitability (%) Ex-Private Pension AUM 1Q16 (R\$7.2 billion)



10. Income Statement

(R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Operating Revenue	3,884.1	3,684.2	5.4%	4,039.8	-3.9%
Insurance	3,709.4	3,522.7	5.3%	3,806.2	-2.5%
Private Pension	118.5	112.5	5.3%	138.3	-14.3%
Saving Bonds	14.4	16.2	-11.0%	9.7	47.9%
ASO	10.8	7.5	45.0%	8.9	22.2%
Asset Management	9.1	9.9	-8.2%	9.8	-7.4%
Other	21.8	15.4	41.5%	66.8	-67.3%
Changes in Premium Technical Reserves	50.4	-140.9	NA	-25.7	NA
Insurance	154.0	-46.2	NA	90.2	70.8%
Private Pension	-103.6	-94.7	-9.5%	-115.9	10.6%
Operating Expenses	-3,584.9	-3,236.9	-10.8%	-3,371.2	-6.3%
Insurance	-3,556.0	-3,208.2	-10.8%	-3,335.1	-6.6%
Claims	-2,997.1	-2,719.9	-10.2%	-2,764.2	-8.4%
Acquisition Costs	-429.4	-385.8	-11.3%	-433.2	0.9%
Other	-129.5	-102.4	-26.5%	-137.7	5.9%
Private pension	-15.8	-14.7	-7.8%	-24.2	34.6%
Benefits and Redemptions Expenses	-8.6	-6.1	-42.2%	-12.7	32.1%
Acquisition Costs	-6.8	-5.9	-16.3%	-6.7	-1.6%
Other	-0.4	-2.7	86.4%	-4.8	92.2%
Saving Bonds	-9.5	-8.7	-8.8%	-7.8	-21.2%
ASO	-1.9	-1.8	-6.8%	-2.3	16.6%
Asset Management	-1.1	-0.8	-33.6%	-0.9	-17.5%
Other	-0.6	-2.7	78.4%	-0.9	36.6%
Operating Gross Margin	349.5	306.4	14.1%	642.8	-45.6%
General and Administrative Expenses	-372.2	-320.8	-16.0%	-446.2	16.6%
Net Investment Income	202.0	181.3	11.4%	216.9	-6.9%
Equity Interest Income	10.3	9.7	6.3%	8.3	23.5%
Other Equity Income / (Expenses)	-0.3	9.3	NA	38.7	NA
Income before tax and social contribution	189.3	185.9	1.8%	460.6	-58.9%
Income Tax and Social Contribution	-82.7	-81.5	-1.4%	-161.8	48.9%
Net Income	106.7	104.4	2.2%	298.7	-64.3%
Attributable to Non-Controlling Shareholders	-0.8	-0.9	16.3%	-0.6	-22.4%
Net Income After Non-Controlling Interests	105.9	103.5	2.4%	298.1	-64.5%

Supplementary Information (R\$ million)	1Q16	1Q15	Δ	4Q15	Δ
Net Income after non-Controlling Interest	105.9	103.5	2.4%	298.1	-64.5%
Non-Recurring Items	0.0	0.0	NA	-51.4	NA
Recurring Net Income after non-Controlling Interest	105.9	103.5	2.4%	246.7	-57.1%
Recurring ROAE (% last 12 months)	15.9%	15.0%	90 BPS	16.4%	-40 BPS

11. Balance Sheet

ASSETS

(R\$ million)	1Q16	2015	Δ
Current Assets	14,321.3	14,254.5	0.5%
Cash, cash equivalents and marketable securities	11,404.0	11,256.5	1.3%
Receivables	1,970.6	2,141.5	-8.0%
Taxes	108.9	122.4	-11.0%
Reinsurance assets	168.8	57.7	192.6%
Salvages for sale	77.8	62.6	24.2%
Deferred acquisition costs	566.7	596.0	-4.9%
Other	24.4	17.8	36.9%
Non-current assets	5,896.6	5,793.1	1.8%
Marketable securities	1,343.2	1,305.6	2.9%
Receivables	522.6	567.4	-7.9%
Judicial deposits	2,496.7	2,427.9	2.8%
Reinsurance assets	6.1	69.1	-91.2%
Deferred acquisition costs	372.2	358.4	3.9%
Taxes	805.1	709.8	13.4%
Other	0.8	1.2	-37.0%
Investments, property and equipment, and intangible assets	349.9	353.7	-1.1%
Total Assets	20,217.8	20,047.6	0.8%

LIABILITIES

(R\$ million)	1Q16	2015	Δ
Current Liabilities	8,151.8	8,048.0	1.3%
Accounts payable	1,358.2	1,468.9	-7.5%
Loans and financing	219.3	217.8	0.7%
Insurance and reinsurance liabilities	471.8	381.2	23.8%
Technical reserves - Insurance	5,991.8	5,870.7	2.1%
Judicial provisions	99.0	93.9	5.5%
Other	11.6	15.5	-24.8%
Non-current Liabilities	7,490.0	7,568.7	-1.0%
Accounts payable	29.0	29.0	0.1%
Loans and financing	698.8	860.5	-18.8%
Deferred taxes	0.1	0.1	8.7%
Insurance and reinsurance liabilities	0.1	99.8	-99.9%
Technical reserves - Insurance	4,715.9	4,602.3	2.5%
Judicial provisions	2,046.0	1,977.0	3.5%
Other	0.0	0.0	61.1%
Shareholders' Equity	4,576.0	4,430.9	3.3%
Total Liabilities and Shareholders' Equity	20,217.8	20,047.6	0.8%

12. Analyst Coverage

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Votorantim	Flavio Yoshida	+55 (11) 5171-5627

13. Glossary

Operating revenues: this account is comprised of (i) sum of net insurance retained premiums; (ii) contributions, management fees and other private pension revenues; (iii) collection revenues net of changes in technical provisions and other deductions; (iv) management fees and other revenues from Health Administrative Services Only (ASO) plans; (v) management and performance fees from the asset management operation; (vi) other revenues not directly linked to operations. All operating revenues presented in this account are net of direct tax expenses (ISS, PIS and Cofins).

Operating expenses: this account is comprised of (i) insurance expenses (claims, acquisition costs and other insurance expenses); (ii) private pension expenses (benefits and redemptions, acquisition costs and other operating expenses); (iii) savings bonds expenses (acquisition costs and other expenses); (iv) general expenses related to ASO plans, excluding payable events already deducted from revenues; (v) general expenses related to the asset management operation; (vii) other expenses not directly linked to the operations.

Operating gross margin: this account is comprised of operating revenues net of operating expenses and changes in insurance and private pension technical provisions.

Insurance Operational Ratios

Loss ratio: the ratio between retained claims and earned premiums.

Acquisition cost ratio: the ratio between insurance acquisition costs and earned premiums.

Combined ratio: equals the sum of the loss ratio, acquisition cost ratio, other insurance operating revenues and expenses ratio, insurance tax expenses ratio and insurance gross margin ratio, calculated over earned premiums, and general and administrative expenses ratio, calculated over retained premiums.

Operating ratio: equals the difference between the combined ratio and the investment income ratio, which is calculated over retained premiums.

Insurance operational ratios, as well as the breakdown of earned premiums and retained premiums, can be found in the fundamentals spreadsheet, available at the Investor Relations website (www.sulamerica.com.br/ir)

13. Glossary (cont.)

Other Consolidated Ratios

Operating gross margin: the ratio between operating gross margin and total operating revenues.

General and administrative expenses ratio: the ratio between general and administrative expenses and total operating revenues.

Net margin: the ratio between net income and total operating revenues.

Return on average equity (ROAE): considers net income in the last twelve months and average shareholders' equity in the period.