

Quarterly Results – 4th quarter 2016

- Recurring net income totaled **R\$314.7 million (+27.5%)** in 4Q16 and **R\$695.3 million (+1.7%)** in 2016
- Total operating revenues reached **R\$4.3 billion (+6.8%)** in the quarter and **R\$16.8 billion (+6.5%)** in the year
- Total consolidated loss ratio of **73.1%** in the quarter
- Average return on equity of **14.7%** in 2016

Conference Call

February 22, 2017 (Wednesday)

Portuguese (with simultaneous translation to English)

10 am (Brasília) / 8 am (US/EST)

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MESSAGE FROM MANAGEMENT

The results we have presented in recent years, especially in the last two, in which the Brazilian economy presented one of the strongest deceleration courses in its history, are the outcome of several actions that were either initiated or intensified by the Company. The set of investments we are making allowed us to go through 2016, a particularly challenging period, with revenue growth, customer base expansion, loss ratio under control, processes improvements, greater automation, and increased productivity measured by our level of administrative expenses over our revenues. We ended 2016 with R\$16.8 billion of revenues demonstrating, once again, our prominent position in several markets. We continue to improve our operational processes, dedicating great efforts to risk control, always in defense of the interest of our customers and shareholders. Net income reached R\$314.7 million in the quarter, and R\$695.3 million in the year, an all-time record in recurring terms.

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Operating net revenue was R\$4.3 billion in the quarter, 6.8% above the total reported last year. The combined ratio of 97.0%, helped by an improvement in administrative expenses, was fundamental for the results in the period. In a year in which the supplementary health system strongly felt the effects of the crisis, losing 1.5 million insured

members, we intensified our efforts both in retention and in the performance of our distribution network to improve new sales. Thus, despite an increase in the unemployment rate in the period, we ended the year with no relevant losses in our health group portfolios. The continuous investments in health management, focusing on health promotion and wellness programs, and claims management, aiming at reducing costs and usage frequency, resulted in a quarter of improvement in the medical loss ratio. Dental plans continued its accelerated expansion and presented relevant performance both in revenue and in the number of insured members, with increases of 20.2% and 18.6%, respectively.

The performance of the auto insurance segment reflected an unstable macro scenario, with higher frequency of auto theft and robbery, lower new car sales, and unfavorable competitive conditions. It was our segment affected the most. With the purpose of increasing our competitiveness and attending the demand of the segment, we launched *SulAmérica Auto Compacto*, a product designed for customers who look for more accessible auto insurance with essential coverage. In the other business lines, we highlight the performance presented by the savings bonds segment, which in 4Q16 registered improvement in collections and gross margin, reflecting the initiatives and investments in product development and strategic partnerships built with the distribution network. In the life insurance segment, all efforts made in recent years to change the profile of our portfolio have resulted in of the lowest loss ratios in recent periods. Our pension business reached a record amount of reserves of R\$6.1 billion and an increase of 11.1% in revenue. *SulAmérica Investimentos*, our asset management business, reached the significant volume of more than R\$34.2 billion in AuM.

Our business is oriented by the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI), while we are also signatories to the Global Compact, all initiatives from the United Nations. In 2016, we also saw increased engagement of our different stakeholders in environmental issues, increasing our internal favorability in the matter. For the eighth consecutive year, SulAmérica was included in the Sustainability Index of BM&FBovespa (ISE), reinforcing our commitment to create value in a sustainable manner.

SulAmérica keeps evolving and looking ahead. We continue to be well positioned, focused on adequate risk underwriting and strong capital and costs discipline, adding value to our shareholders and clients. I would also like to thank the high level of engagement of our more than five thousand employees and the trust, dedication and fundamental contribution of insurance brokers, business partners and other stakeholders.

Gabriel Portella
 CEO

1. Main Highlights

Financial Highlights (R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Operating Revenues	4,040.0	3,806.2	6.1%	4,280.3	-5.6%	15,986.2	14,993.6	6.6%
Health & Dental	3,155.2	2,861.0	10.3%	3,155.4	0.0%	12,243.7	10,891.2	12.4%
Automobile	744.0	751.6	-1.0%	972.1	-23.5%	3,197.9	3,362.7	-4.9%
Other Property & Casualty	45.0	89.0	-49.4%	50.9	-11.5%	169.9	337.6	-49.7%
Life & Personal Accident	95.8	104.6	-8.4%	102.0	-6.1%	374.7	402.1	-6.8%
Other Operating Revenues	273.1	233.5	16.9%	164.4	66.1%	779.8	753.1	3.5%
Private Pension	206.0	138.3	49.0%	116.5	76.9%	565.3	508.7	11.1%
Savings Bonds	14.6	9.7	50.1%	13.4	9.5%	54.6	54.4	0.4%
Administrative Services Only	11.1	8.9	25.3%	11.8	-5.8%	43.3	32.9	31.6%
Asset Management	9.4	9.8	-4.4%	9.6	-2.5%	37.5	39.5	-5.0%
Other Revenues	31.9	66.8	-52.3%	13.2	141.9%	79.0	117.7	-32.8%
Total Operating Revenues	4,313.1	4,039.8	6.8%	4,444.8	-3.0%	16,766.0	15,746.7	6.5%
Investment Income	273.1	216.9	25.9%	238.7	14.4%	946.1	820.8	15.3%
Net Income	315.7	298.7	5.7%	148.9	112.0%	698.4	737.7	-5.3%
Net Income after non-Controlling Interest	314.7	298.1	5.5%	148.3	112.2%	695.3	734.3	-5.3%
Net Income per unit (R\$)*	0.94	0.89	5.4%	0.44	112.3%	2.08	2.20	-5.4%
Recurring ROAE (% last 12 months)	14.7%	16.4%	-170 BPS	13.7%	100 BPS			
Supplementary Information (R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Net Income after non-Controlling Interest	314.7	298.1	5.5%	148.3	112.2%	695.3	734.3	-5.3%
Non-Recurring Items	0.0	-51.4	NA	0.0	NA	0.0	-50.5	NA
Recurring Net Income after non-Controlling Interest	314.7	246.7	27.5%	148.3	112.2%	695.3	683.8	1.7%
Insurance Operational Information (R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Earned Premiums	4,159.4	3,955.5	5.2%	4,116.9	1.0%	16,150.4	14,921.9	8.2%
Health & Dental	3,194.7	2,894.3	10.4%	3,162.1	1.0%	12,319.5	10,949.6	12.5%
Automobile	816.7	853.9	-4.4%	810.1	0.8%	3,269.1	3,189.5	2.5%
Other Property & Casualty	42.4	91.5	-53.6%	40.9	3.7%	159.7	349.7	-54.3%
Life & Personal Accident	105.6	115.8	-8.8%	103.8	1.7%	402.0	433.2	-7.2%
Retained Claims	-3,038.7	-2,766.0	-9.9%	-3,165.6	4.0%	-12,274.0	-11,138.5	-10.2%
Health & Dental	-2,423.6	-2,120.3	-14.3%	-2,558.8	5.3%	-9,866.3	-8,811.3	-12.0%
Automobile	-554.8	-538.1	-3.1%	-545.9	-1.6%	-2,187.9	-1,931.9	-13.3%
Other Property & Casualty	-17.1	-56.1	69.5%	-13.6	-26.3%	-61.6	-193.5	68.1%
Life & Personal Accident	-43.2	-51.5	16.2%	-47.4	8.8%	-158.2	-201.8	21.6%
Insurance Operational Ratios (%)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Loss Ratio	73.1%	69.9%	-310 BPS	76.9%	380 BPS	76.0%	74.6%	-140 BPS
Health & Dental	75.9%	73.3%	-260 BPS	80.9%	510 BPS	80.1%	80.5%	40 BPS
Automobile	67.9%	63.0%	-490 BPS	67.4%	-50 BPS	66.9%	60.6%	-640 BPS
Other Property & Casualty	40.4%	61.3%	2090 BPS	33.2%	-720 BPS	38.6%	55.3%	1670 BPS
Life & Personal Accident	40.7%	44.5%	380 BPS	45.3%	460 BPS	39.1%	46.6%	740 BPS
Acquisition Cost	10.6%	11.0%	40 BPS	10.7%	10 BPS	10.7%	11.0%	30 BPS
Health & Dental	6.4%	6.2%	-20 BPS	6.5%	10 BPS	6.4%	6.3%	-10 BPS
Automobile	23.1%	23.8%	70 BPS	23.3%	20 BPS	23.4%	23.6%	20 BPS
Other Property & Casualty	34.9%	22.3%	-1260 BPS	30.0%	-490 BPS	34.1%	23.9%	-1020 BPS
Life & Personal Accident	30.6%	26.5%	-410 BPS	32.4%	170 BPS	31.9%	28.4%	-350 BPS
Combined	97.0%	97.3%	30 BPS	99.8%	280 BPS	99.9%	99.7%	-20 BPS
Operating	90.3%	91.6%	130 BPS	94.3%	400 BPS	94.1%	94.3%	20 BPS
Consolidated Ratios (% of total operating revenues)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Operating Gross Margin	13.2%	15.9%	-270 BPS	8.7%	450 BPS	9.9%	10.7%	-80 BPS
General & Administrative Expenses	9.3%	11.0%	180 BPS	8.1%	-120 BPS	8.9%	9.4%	40 BPS
Net Margin	7.3%	7.4%	-10 BPS	3.3%	400 BPS	4.1%	4.7%	-50 BPS
Operating Highlights	4Q16	4Q15	Δ	3Q16	Δ			
Health & Dental Insured Members (thousand)	2,904	2,817	3.1%	2,930	-0.9%			
Health Insured Members	2,031	2,082	-2.4%	2,079	-2.3%			
Dental Insured Members	873	736	18.6%	851	2.6%			
Insured Fleet (thousand)	1,689	1,692	-0.2%	1,704	-0.9%			
Insured Lives (thousand)	2,344	2,536	-7.6%	2,584	-9.3%			
Assets under Management (R\$ billion)	34.2	30.3	13.0%	32.2	6.4%			
Private Pension Reserves (R\$ million)	6,105	5,340	14.3%	5,834	4.7%			

*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 outstanding 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.

1. Main Highlights (cont.)

Main highlights in the period were:

- a) growth in total operating revenues, reaching R\$4.3 billion in the quarter, 6.8% higher than in 4Q15, propelled by the performances of health and dental, private pension and savings bonds segments;
- b) total consolidated loss ratio remained under control, reaching 73.1% in the quarter and 76.0% in the year, reflecting mainly the good performance of the health and dental loss ratio, which remained stable, offsetting the deterioration in the auto segment. In the quarter, the worsening of 260 BPS in the health and dental loss ratio can be explained, among other reasons, by the higher number of business days in December of 2016, in comparison with 2015;
- c) improvement of 10.4% in administrative expenses (in absolute terms), impacted in 4Q15 by extraordinary marketing expenses and expenses related to the decommissioning of the former headquarters in São Paulo, which did not repeat in 4Q16. The ratio in relation to operating revenues improved 180 BPS, reaching 9.3%; and
- d) combined ratio improvement, reaching 97.0%, 30 BPS better than in 4Q15.

The following aspects should be noted when comparing this year's results with 2015:

- (i) in 4Q15, we concluded the sale of the large risks portfolio to AXA Corporation and the sale of the Mortgage Insurance Portfolio for Market Policies to PAN Seguros, impacting that quarter. These two sales, together, were primarily responsible for the positive non-recurring impact of R\$51.4 million, after tax, in 4Q15;
- (ii) results for this quarter do not include the contribution of the divested portfolios mentioned in item (i) above. Those portfolios impacted revenue, gross margin and net income positively throughout 2015;
- (iii) the new CSLL rate (Social Contribution tax) increased from 15% to 20% since September 1st 2015. This increase generated a positive bottom line impact of R\$25.9 million in 3Q15 when tax credits were revaluated, net of higher taxes due to the new rate in September;
- (iv) the divestment of properties owned by some of the Company's subsidiaries, which positively affected after-tax net income by R\$6.9 million in 3Q15.

The effect of item (i) above was highlighted in the earnings release of 4Q15 as supplementary information since it was considered of non-recurring nature, as the table below shows:

Supplementary Information (R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Net Income after non-Controlling Interest	314.7	298.1	5.5%	148.3	112.2%	695.3	734.3	-5.3%
Non-Recurring Items (considering item (i) above)	0.0	-51.4	NA	0.0	NA	0.0	-50.5	NA
Recurring Net Income after non-Controlling Interest	314.7	246.7	27.5%	148.3	112.2%	695.3	683.8	1.7%

The effects of items (iii) and (iv) above were highlighted in the earnings release of 3Q15 as supplementary information as they were considered of non-recurring nature in that quarter. Considering these two items in the annual net income comparison, we would have the following table:

Supplementary Information (R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Net Income after non-Controlling Interest	314.7	298.1	5.5%	148.3	112.2%	695.3	734.3	-5.3%
Non-Recurring Items (considering items (i), (iii) & (iv) above)	0.0	-51.4	NA	0.0	NA	0.0	-83.2	NA
Recurring Net Income after non-Controlling Interest	314.7	246.7	27.5%	148.3	112.2%	695.3	651.1	6.8%

We understand that this table represents a more appropriate measure of the Company's performance in the year, considering the non-recurring effects which impacted both 4Q15 and 3Q15. The comparisons are still not adjusted for the CSLL rate difference between the quarters. The effect of the divested business portfolios commented in item (ii) above was also not adjusted.

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

Health and Dental Insurance

Operating revenues for this segment increased by 10.3% to R\$3.2 billion in the quarter, with group plans performance being the. Top performers were the SME (small and medium enterprises) and dental portfolios, growing top line by 16.3% and 20.2%, respectively. Initiatives to boost cross sell and maintain retention levels have proven right, positively impacting the performance of these portfolios and sustaining the growth pace of the segment.

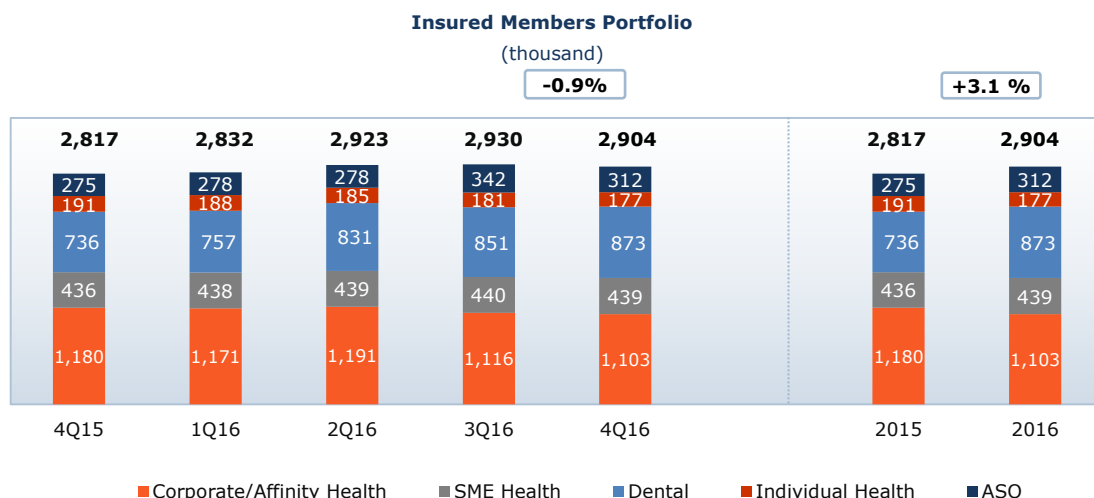
(R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Operating Revenues	3,182.6	2,869.8	10.9%	3,169.0	0.4%	12,308.3	10,924.7	12.7%
Insurance	3,155.2	2,861.0	10.3%	3,155.4	0.0%	12,243.7	10,891.2	12.4%
Group	2,659.7	2,397.1	11.0%	2,657.1	0.1%	10,301.0	9,070.5	13.6%
Corporate/Affinity	1,818.3	1,674.9	8.6%	1,831.6	-0.7%	7,115.1	6,369.4	11.7%
SME	795.3	683.9	16.3%	780.7	1.9%	3,013.4	2,560.7	17.7%
Dental	46.0	38.3	20.2%	44.9	2.5%	172.5	140.4	22.9%
Individual Health	495.5	463.9	6.8%	498.3	-0.5%	1,942.6	1,820.8	6.7%
Administrative Services Only	11.1	8.9	25.3%	11.8	-5.8%	43.3	32.9	31.6%
Other Operating Revenues	16.3	-0.1	NA	1.8	793.3%	21.3	0.5	NA
Changes in Technical Reserves	2.4	-1.6	NA	-22.5	NA	-43.7	-39.4	-10.7%
Insurance	2.4	-1.6	NA	-22.5	NA	-43.7	-39.4	-10.7%
Operating Expenses	-2,711.6	-2,385.8	-13.7%	-2,850.6	4.9%	-10,984.4	-9,793.8	-12.2%
Insurance	-2,709.1	-2,383.5	-13.7%	-2,848.6	4.9%	-10,975.7	-9,786.2	-12.2%
Administrative Services Only	-2.6	-2.3	-10.6%	-2.0	-26.4%	-8.7	-7.6	-15.1%
Gross Margin	473.4	482.4	-1.9%	295.9	60.0%	1,280.2	1,091.4	17.3%
Insurance	448.5	475.9	-5.8%	284.3	57.8%	1,224.3	1,065.6	14.9%
Administrative Services Only	8.5	6.5	30.5%	9.8	-12.5%	34.6	25.3	36.6%
Other	16.3	-0.1	NA	1.8	793.3%	21.3	0.5	NA
Loss Ratio	75.9%	73.3%	-260 BPS	80.9%	510 BPS	80.1%	80.5%	40 BPS
Group	72.7%	69.4%	-320 BPS	77.9%	520 BPS	77.0%	77.0%	0 BPS
Individual Health	93.1%	93.1%	0 BPS	97.3%	420 BPS	96.7%	98.0%	130 BPS
Acquisition Cost	6.4%	6.2%	-20 BPS	6.5%	10 BPS	6.4%	6.3%	-10 BPS
Group	7.6%	7.3%	-30 BPS	7.7%	10 BPS	7.6%	7.5%	-10 BPS
Individual Health	0.2%	0.2%	0 BPS	0.2%	0 BPS	0.2%	0.2%	0 BPS

Regional expansion and the capacity to adapt its products to different types of clients confirm that the Company was well positioned to take advantage of market opportunities arising from the current consolidation process taking place in the private healthcare industry in Brazil.

(Thousand members)	4Q16	4Q15	Δ	3Q16	Δ
Group Health	1,854	1,890	-1.9%	1,899	-2.3%
Corporate/Affinity Health	1,103	1,180	-6.5%	1,116	-1.1%
SME Health	439	436	0.7%	440	-0.3%
Administrative Services Only	312	275	13.6%	342	-8.9%
Dental	873	736	18.6%	851	2.6%
Group Total	2,727	2,626	3.9%	2,749	-0.8%
Individual Health	177	191	-7.7%	181	-2.2%
Total	2,904	2,817	3.1%	2,930	-0.9%

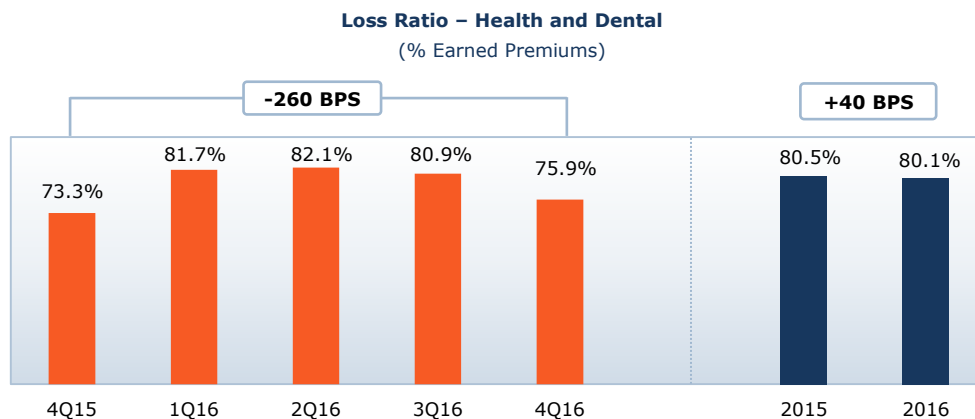
Thereby, the total number of members in health and dental group plans grew by 3.9%, or net adds of 101 thousand lives since 4Q15. The highlight was the dental portfolio, growing 18.6%. There was some migration of customers from the pre-payment (risk) plans to the post-payment product, on top of new sales in the ASO segment. Thus, this portfolio also grew significantly its number of beneficiaries, by 13.6%, offsetting the decrease of 6.5% in the corporate/affinity segment.

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



Recent available statistics from ANS (National Agency of Supplemental Health) for December 2016 show that the total number of insured lives in the country reached 47.8 million in health and 22.0 million in dental, representing, respectively, a decline of 3.0% and an increase of 4.0% compared to the previous year. In 2016 alone, the private healthcare system lost 1.5 million lives. Since the beginning of 2015, this figure reaches around 2.7 million lives, mostly from group plans, which are the ones most negatively impacted by the increase in the unemployment rate.

The control of the health and dental loss ratio achieved by the Company is one of 2016' highlights. The segment's loss ratio improved 40 BPS, reaching 80.1%. The loss ratio for group plans remained stable at 77.0%. The loss ratio for the individual portfolio reached 96.7%, 130 BPS better than in 2015. The improvement is a result of several initiatives in claims management and health promotion programs being implemented by the Company, such as: medical second opinions, sourcing of drugs and special materials, predictive analysis of claims, and management of complex and chronic cases, combined with the necessary price readjustments. In the quarter, the segment's loss ratio reached 75.9%, or 260 BPS worse than in 4Q15, due to, among other reasons, the fact that the month of December had more business days in 2016 than in 2015.



Health Administrative Services Only (ASO)

Operating revenues from ASO plans grew 25.3% in 4Q16, with an increase of 13.6% in the number of beneficiaries. Operating gross margin totaled R\$8.5 million, 30.5% higher than in the same period of 2015. In addition to new sales, there was some migration of customers from the pre-payment plans to the post-payment products.

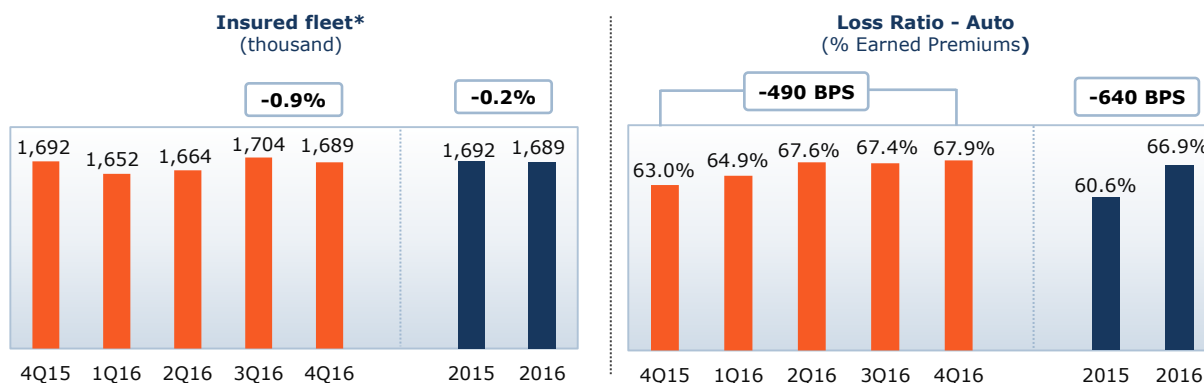
3. Auto and Other Property and Casualty Insurance

Auto Insurance

Operating revenues for this segment decreased 1.0%, totaling R\$744.0 million. The Company prioritized the recovery of profitability in this portfolio which was affected, among other factors, by the deterioration in theft and robbery indicators in large urban centers and the increase in the frequency of total losses in case of collision. In September 2016, the Company expanded its portfolio and launched the *Auto Compacto*, which is a more affordable product with essential coverage. At the end of 2016, the new product was already marketed in all regions of the country.

At the end of 4Q16, our insured fleet remained stable compared to the same period of last year and 0.9% lower than in 3Q16. The segment's loss ratio worsened 490 BPS, reaching 67.9%, negatively impacted by the inflation of auto parts and increased frequency of auto theft and robbery in all regions of the country. Acquisition costs represented 23.1% of premiums, an improvement of 70 BPS in the quarter.

Recent data from the Brazilian P&C regulator (SUSEP; Superintendence of Private Insurance) shows that market revenues in 2016 fell by 2.3% and loss ratios worsened 350 BPS, at 64.9%. In the same period, SulAmérica showed a decrease of 5.0% in written premiums and a loss ratio of 66.9%.



*Insured fleet net of technical cancellations.

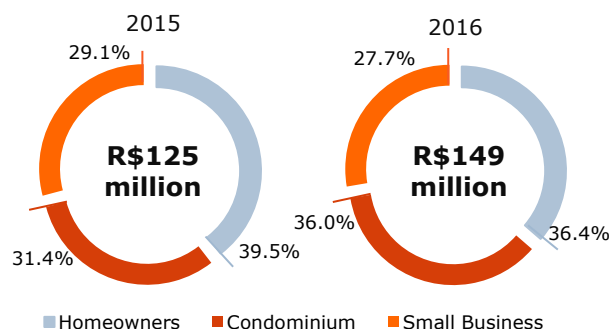
Other Property and Casualty Insurance

Other property and casualty operating revenues declined 49.4%, impacted by 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. It is worth noting that the transaction with PAN Seguros had a positive impact of R\$54.7 million, before taxes, in the other operating revenues line. Excluding the effect of the divested portfolios, on a comparable basis, revenues for the segment would have increased 40.3% in the quarter, reaching R\$45.0 million, and 19.9% in the year, for a total of R\$169.9 million. The segment's loss ratio in the quarter reached 40.4%, 2,090 BPS better than in the same period of the previous year, while acquisition costs totaled 34.9%, 1,260 BPS above 4Q15, due to the change in the portfolio mix.

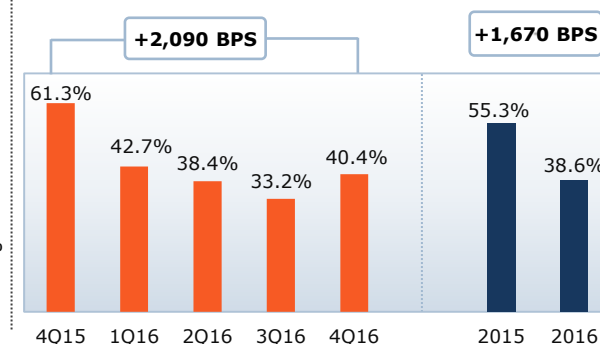
The revenues of the mass market insurance portfolio (homeowner's comprehensive, condominiums, and small businesses) presented growth of 45.6% in the quarter, reaching R\$40.2 million, while the loss ratio in the period reached 40.8%.

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

Massified Portfolio Breakdown
(% of Operating Revenues)



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



(R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Operating Revenues	803.5	907.1	-11.4%	1,034.0	-22.3%	3,424.3	3,811.6	-10.2%
Insurance	789.0	840.6	-6.1%	1,022.9	-22.9%	3,367.9	3,700.3	-9.0%
Automobile	744.0	751.6	-1.0%	972.1	-23.5%	3,197.9	3,362.7	-4.9%
Other Property & Casualty	45.0	89.0	-49.4%	50.9	-11.5%	169.9	337.6	-49.7%
Massified and Others	45.0	32.1	40.3%	50.9	-11.5%	169.9	141.8	19.9%
Divested Portfolios	-	56.9	NA	-	NA	-	195.8	NA
Other Operating Revenues	14.5	66.5	-78.2%	11.1	30.6%	56.4	111.4	-49.3%
Automobile	5.9	10.5	-44.1%	4.6	27.7%	24.3	44.1	-44.9%
Other Property & Casualty	8.6	56.0	-84.6%	6.5	32.6%	32.1	67.2	-52.2%
Changes in Technical Reserves	55.9	85.7	-34.9%	-186.7	NA	2.5	-236.1	NA
Automobile	59.8	86.0	-30.5%	-175.4	NA	17.5	-237.8	NA
Other Property & Casualty	-3.9	-0.3	NA	-11.3	65.2%	-15.0	1.7	NA
Operating Expenses	-804.2	-848.6	5.2%	-779.8	-3.1%	-3,176.2	-3,115.9	-1.9%
Insurance	-804.0	-847.7	5.2%	-779.5	-3.1%	-3,174.7	-3,107.8	-2.2%
Automobile	-757.3	-751.5	-0.8%	-745.8	-1.5%	-3,001.6	-2,739.7	-9.6%
Other Property & Casualty	-46.6	-96.2	51.5%	-33.7	-38.2%	-173.1	-368.1	53.0%
Other Operating Expenses	-0.2	-0.9	72.9%	-0.3	5.1%	-1.5	-8.1	81.7%
Automobile	-0.2	-0.9	72.9%	-0.3	4.7%	-1.5	-8.1	81.8%
Other Property & Casualty	0.0	0.0	NA	0.0	NA	0.0	0.0	NA
Gross Margin	55.1	144.3	-61.8%	67.6	-18.4%	250.6	459.6	-45.5%
Automobile	52.1	95.8	-45.6%	55.2	-5.7%	236.8	421.2	-43.8%
Other Property & Casualty	3.1	48.4	-93.7%	12.3	-75.2%	13.9	38.4	-63.8%
Loss Ratio	66.6%	62.9%	-370 BPS	65.7%	-80 BPS	65.6%	60.1%	-560 BPS
Automobile	67.9%	63.0%	-490 BPS	67.4%	-50 BPS	66.9%	60.6%	-640 BPS
Other Property & Casualty	40.4%	61.3%	2090 BPS	33.2%	-720 BPS	38.6%	55.3%	1670 BPS
Acquisition Cost	23.6%	23.6%	0 BPS	23.6%	0 BPS	23.9%	23.6%	-30 BPS
Automobile	23.1%	23.8%	70 BPS	23.3%	20 BPS	23.4%	23.6%	20 BPS
Other Property & Casualty	34.9%	22.3%	-1260 BPS	30.0%	-490 BPS	34.1%	23.9%	-1020 BPS

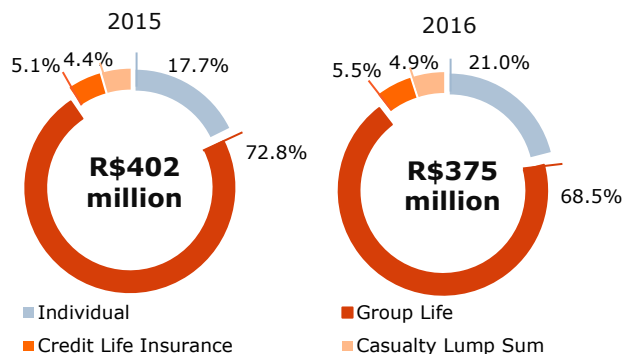
4. Life and Personal Accident Insurance and Private Pension

Life and Personal Accident Insurance

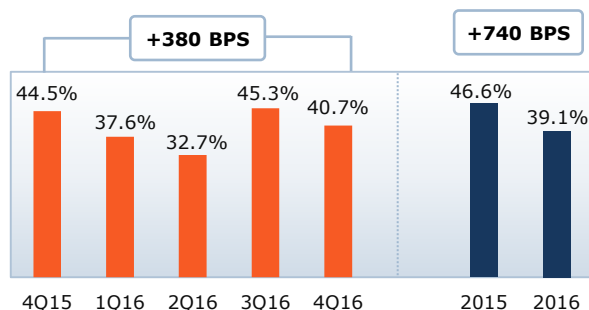
Life and personal accident revenues decreased by 8.4% in 4Q16, reaching R\$95.8 million, reflecting the repositioning of the portfolio which has been underway for some quarters, resulting in a significant improvement in the segment's loss ratio. The loss ratio reached 40.7% in the quarter and 39.1% in the year, with improvements of 380 BPS and 740 BPS, respectively, in comparison to 2015, a result of the repositioning of the portfolio. The segment's gross margin followed these improvements, growing by 248.3% in the quarter and 5.1% in the year.

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

Segment Breakdown
(% of Operating Revenues)



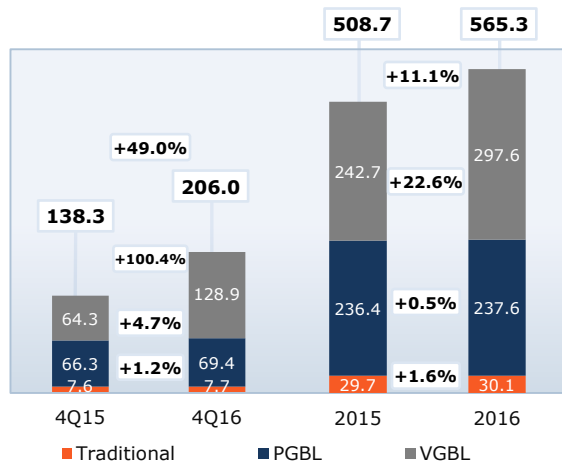
Loss Ratio – Life and Personal Accident
(% Earned Premiums)



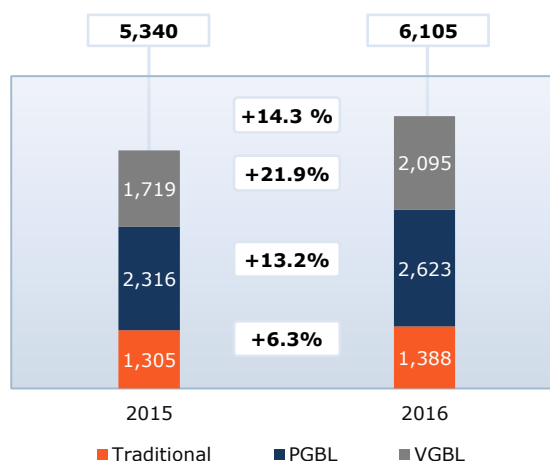
Private Pension

Pension reserves grew 14.3% to R\$6.1 billion as a result of accumulated returns of the pension funds. Operating revenues increased 49.0% compared to 4Q15, mainly as a result of the increase in contributions made to the VGBL plans. For the full year, operating revenues grew by 11.1%.

Pension Operating Revenues
(R\$ million)



Pension Reserves
(R\$ million)



(R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Operating Revenues	302.9	243.3	24.5%	218.7	38.5%	941.3	916.6	2.7%
Insurance	95.8	104.6	-8.4%	102.0	-6.1%	374.7	402.1	-6.8%
Private Pension	206.0	138.3	49.0%	116.5	76.9%	565.3	508.7	11.1%
Other Operating Revenues	1.1	0.4	164.6%	0.3	306.8%	1.3	5.8	-77.4%
Changes in Technical Reserves	-169.6	-109.8	-54.5%	-89.7	-89.0%	-450.8	-406.8	-10.8%
Insurance	6.3	6.1	2.9%	-1.0	NA	15.0	20.5	-26.7%
Private Pension	-175.9	-115.9	-51.7%	-88.7	-98.2%	-465.8	-427.3	-9.0%
Operating Expenses	-107.2	-128.8	16.8%	-122.0	12.2%	-423.8	-440.5	3.8%
Insurance	-80.6	-104.5	22.9%	-97.4	17.3%	-339.6	-374.9	9.4%
Private Pension	-26.6	-24.2	-9.9%	-24.6	-8.3%	-84.2	-65.6	-28.5%
Gross Margin	26.2	4.7	453.4%	7.0	274.0%	66.7	69.4	-3.9%
Insurance	21.5	6.2	248.3%	3.6	501.6%	50.1	47.7	5.1%
Private Pension	3.6	-1.9	NA	3.1	13.1%	15.2	15.9	-4.0%
Other	1.1	0.4	164.6%	0.3	306.8%	1.3	5.8	-77.4%
Loss Ratio	40.7%	44.5%	380 BPS	45.3%	460 BPS	39.1%	46.6%	740 BPS
Acquisition Cost	30.6%	26.5%	-410 BPS	32.4%	170 BPS	31.9%	28.4%	-350 BPS

5. Savings Bonds

The Company continues to implement structural initiatives in the savings bonds segment. In the second half of 2016, the Company entered into a partnership with Brazil's largest real estate portal for our Rental Guarantee product, the main focus of our operation. This action is expanding the product's communication channel, strengthening the relationship with the distribution network and expanding our access to clients, bringing advantages to all parties involved: insurance brokers, real estate agents, property owners and tenants.

Initiatives and investments carried out throughout the year resulted in R\$14.6 million in operating revenues, an increase of 50.1% compared to 4Q15. Gross margin improved by 241.7% in the quarter. Reserves totaled R\$602.5 million at the end of the year, 1.1% lower than 3Q16.

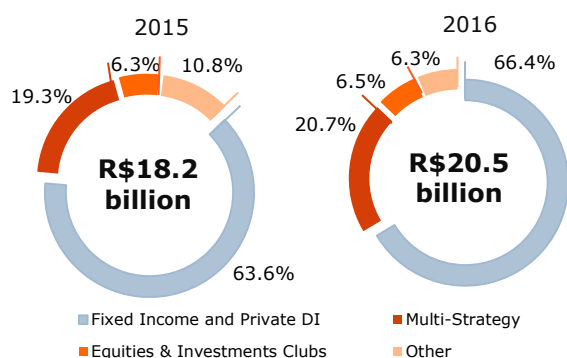
(R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Operating Revenues	14.6	9.7	50.1%	13.4	9.5%	54.6	54.4	0.4%
Operating Expenses	-8.1	-7.8	-3.0%	-7.3	-10.7%	-32.5	-31.8	-2.3%
Gross Margin	6.6	1.9	241.7%	6.1	7.9%	22.1	22.6	-2.2%
Savings Bonds Reserves	602.5	626.0	-3.8%	609.0	-1.1%			

6. Asset Management

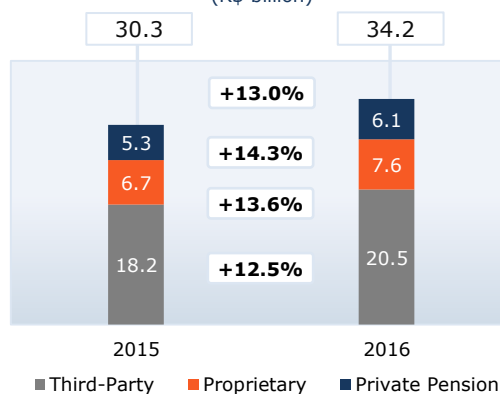
SulAmérica Investimentos, our asset management arm, finished the year with \$34.2 billion in AuM, 13.0% higher than the total managed by the end of 2015, with increases in third-party assets, in our proprietary portfolio and in private pension reserves. Gross operating margin decreased by 5.1% in the quarter and 6.8% in the year, as a result of the migration of assets to fixed income funds with lower average management fees than other types of funds.

(R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Operating Revenues	9.4	9.8	-4.4%	9.6	-2.5%	37.5	39.5	-5.0%
Management Fee	9.3	9.4	-1.2%	9.4	-1.2%	36.9	38.4	-4.0%
Performance Fee	0.1	0.5	-70.4%	0.3	-49.3%	0.6	1.1	-42.4%
Operating Expenses	-0.9	-0.9	-2.7%	-1.1	11.1%	-4.1	-3.6	-12.4%
Gross Margin	8.5	8.9	-5.1%	8.6	-1.5%	33.4	35.9	-6.8%

Third-Party Assets Under Management
(% of Total AuM)



Assets Under Management*
(R\$ billion)



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

7. Administrative Expenses

The general and administrative (G&A) expenses ratio represented 9.3% of operating revenues, 180 BPS better than 4Q15. Total expenses for the quarter, in absolute terms, were 10.4% lower than 4Q15, reflecting the Company's permanent efforts in cost reduction and operational efficiency gains. In addition, 4Q15 administrative expenses had one-time negative impacts from extraordinary marketing expenses and from expenses related to the decommissioning of the former headquarters in São Paulo, which did not repeat in 4Q16, contributing to the comparison.

(R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Personnel Expenses	-158.7	-169.6	6.4%	-164.4	3.5%	-662.7	-616.4	-7.5%
Third-Party Services	-97.4	-109.1	10.8%	-91.8	-6.0%	-371.6	-359.9	-3.3%
Buildings and Maintenance	-48.4	-59.1	18.0%	-48.5	0.1%	-195.0	-204.5	4.6%
Other Administrative Expenses	-40.1	-56.6	29.1%	-14.9	-169.2%	-100.9	-119.2	15.3%
Expenses Recovery	0.6	1.4	-56.3%	0.6	7.1%	7.4	5.6	32.1%
Profit Sharing	-16.5	-20.1	17.8%	-15.9	-4.0%	-62.9	-64.6	2.6%
Tax Expenses	-26.5	-20.0	-32.5%	-9.5	-178.1%	-60.0	-62.4	3.9%
Depreciation & Amortization	-12.6	-13.1	3.5%	-15.1	16.3%	-54.1	-51.7	-4.7%
Total	-399.7	-446.2	10.4%	-359.5	-11.2%	-1,499.9	-1,473.1	-1.8%
General & Administrative Expenses Ratio (% operating revenues)	9.3%	11.0%	180 BPS	8.1%	-120 BPS	8.9%	9.4%	40 BPS

8. Investment Income

Total investment income reached R\$273.1 million in 4Q16, with growth of 25.9% compared to the same period of 2015, mainly due to the increase in assets under management. The return on the proprietary investment portfolio was impacted by a lower inflation rate in the period, which affected the performance of inflation-linked assets. The Company's proprietary portfolio (not linked to the private pension business) yielded 95.2% of the CDI benchmark for the quarter, and 95.7% for the full year.

(R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Investment Income ex-Private Pension	258.0	218.4	18.1%	235.8	9.4%	926.4	817.6	13.3%
Return on Investment Portfolio	228.0	233.6	-2.4%	249.5	-8.6%	923.9	872.2	5.9%
Debt Service Cost	-33.3	-33.1	-0.5%	-33.0	-0.7%	-135.9	-125.5	-8.3%
Other Investment Income	63.3	17.9	253.7%	19.4	226.4%	138.4	70.8	95.4%
Investment Income from Private Pension	15.1	-1.5	NA	2.9	423.8%	19.7	3.2	516.0%
Return on Investment Portfolio of Private Pension	183.9	179.5	2.4%	199.0	-7.6%	741.0	606.3	22.2%
Change in Liabilities of Private Pension	-168.8	-181.0	6.8%	-196.1	13.9%	-721.3	-603.1	-19.6%
Total Investment Income	273.1	216.9	25.9%	238.7	14.4%	946.1	820.8	15.3%

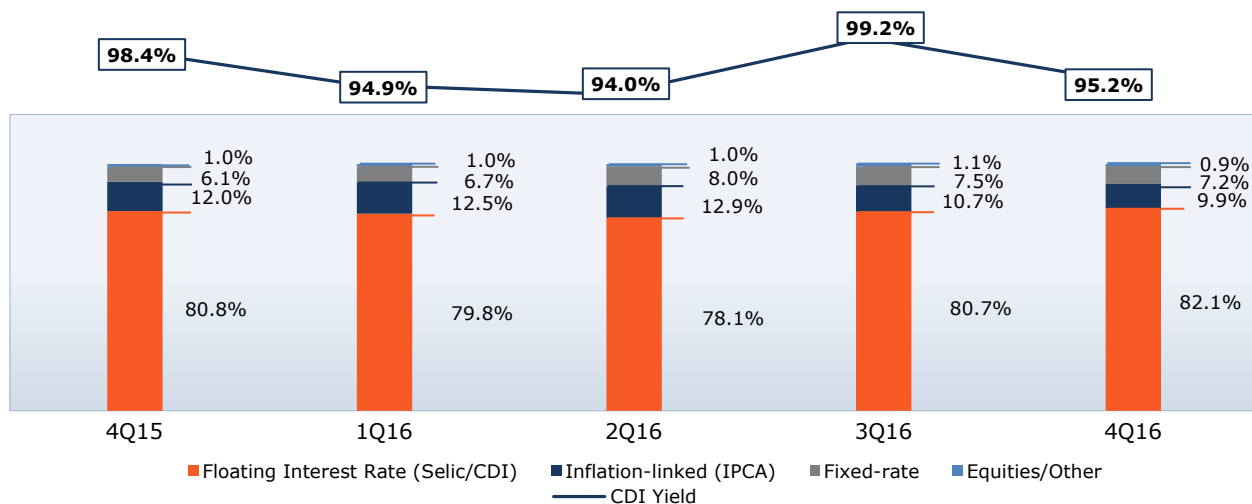
Balance

(R\$ million)	4Q16	4Q15	Δ	3Q16	Δ
Balance Excluding Private Pension	8,129.7	7,168.4	13.4%	7,494.0	8.5%
Private Pension Operations Balance	6,105.4	5,340.3	14.3%	5,833.8	4.7%
Total Balance	14,235.1	12,508.7	13.8%	13,327.8	6.8%

8. Investment Income (cont.)

Approximately 99% of the proprietary assets are allocated in fixed income, with nearly 1% held in equities and other asset classes. Approximately 89% of the fixed income allocation is invested in AAA-rated or sovereign risk (Brazilian government bonds).

Investment Allocation and Profitability (%) Ex-Private Pension
AuM 2016 (R\$8.1 billion)



9. Income Statement

(R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015 (Restated)	Δ
Operating Revenue	4,313.1	4,039.8	6.8%	4,444.8	-3.0%	16,766.0	15,746.7	6.5%
Insurance	4,040.0	3,806.2	6.1%	4,280.3	-5.6%	15,986.2	14,993.6	6.6%
Private Pension	206.0	138.3	49.0%	116.5	76.9%	565.3	508.7	11.1%
Saving Bonds	14.6	9.7	50.1%	13.4	9.5%	54.6	54.4	0.4%
ASO	11.1	8.9	25.3%	11.8	-5.8%	43.3	32.9	31.6%
Asset Management	9.4	9.8	-4.4%	9.6	-2.5%	37.5	39.5	-5.0%
Other	31.9	66.8	-52.3%	13.2	141.9%	79.0	117.7	-32.8%
Changes in Premium Technical Reserves	-111.4	-25.7	-333.3%	-299.0	62.7%	-491.9	-682.4	27.9%
Insurance	64.5	90.2	-28.5%	-210.2	NA	-26.1	-255.1	89.8%
Private Pension	-175.9	-115.9	-51.7%	-88.7	-98.2%	-465.8	-427.3	-9.0%
Operating Expenses	-3,633.8	-3,371.2	-7.8%	-3,759.6	3.3%	-14,620.1	-13,383.5	-9.2%
Insurance	-3,595.4	-3,335.1	-7.8%	-3,724.4	3.5%	-14,489.1	-13,266.9	-9.2%
Claims	-3,038.7	-2,766.0	-9.9%	-3,165.6	4.0%	-12,274.0	-11,138.5	-10.2%
Acquisition Costs	-440.9	-433.2	-1.8%	-440.3	-0.1%	-1,735.6	-1,645.3	-5.5%
Other	-115.8	-135.9	14.8%	-118.5	2.3%	-479.5	-483.1	0.8%
Private pension	-26.6	-24.2	-9.9%	-24.6	-8.3%	-84.2	-65.6	-28.5%
Benefits and Redemptions Expenses	-19.8	-12.7	-56.0%	-16.8	-17.9%	-55.3	-34.1	-61.9%
Acquisition Costs	-6.9	-6.7	-2.2%	-7.5	8.1%	-28.1	-22.0	-27.6%
Other	0.1	-4.8	NA	-0.3	NA	-0.9	-9.4	90.5%
Saving Bonds	-8.1	-7.8	-3.0%	-7.3	-10.7%	-32.5	-31.8	-2.3%
ASO	-2.6	-2.3	-10.6%	-2.0	-26.4%	-8.7	-7.6	-15.1%
Asset Management	-0.9	-0.9	-2.7%	-1.1	11.1%	-4.1	-3.6	-12.4%
Other	-0.2	-0.9	72.9%	-0.3	5.1%	-1.5	-8.1	81.7%
Operating Gross Margin	567.9	642.8	-11.7%	386.3	47.0%	1,653.9	1,680.9	-1.6%
General and Administrative Expenses	-399.7	-446.2	10.4%	-359.5	-11.2%	-1,499.9	-1,473.1	-1.8%
Net Investment Income	273.1	216.9	25.9%	238.7	14.4%	946.1	820.8	15.3%
Equity Interest Income	10.4	8.3	25.3%	9.9	5.1%	39.5	32.8	20.6%
Other Equity Income / (Expenses)	1.9	38.7	-95.2%	-1.4	NA	0.0	59.7	NA
Income before tax and social contribution	453.6	460.6	-1.5%	274.0	65.6%	1,139.6	1,121.1	1.6%
Income Tax and Social Contribution	-137.9	-161.8	14.8%	-125.1	-10.3%	-441.2	-383.5	-15.1%
Net Income	315.7	298.7	5.7%	148.9	112.0%	698.4	737.7	-5.3%
Attributable to Non-Controlling Shareholders	-1.1	-0.6	-72.0%	-0.6	-62.6%	-3.2	-3.4	6.3%
Net Income After Non-Controlling Interests	314.7	298.1	5.5%	148.3	112.2%	695.3	734.3	-5.3%
Supplementary Information (R\$ million)	4Q16	4Q15	Δ	3Q16	Δ	2016	2015	Δ
Net Income after non-Controlling Interest	314.7	298.1	5.5%	148.3	112.2%	695.3	734.3	-5.3%
Non-Recurring Items	0.0	-51.4	NA	0.0	NA	0.0	-50.5	NA
Recurring Net Income after non-Controlling Interest	314.7	246.7	27.5%	148.3	112.2%	695.3	683.8	1.7%

10. Balance Sheet

ASSETS			
(R\$ million)	2016	2015 (Restated)	Δ
Current Assets	15,953.9	14,254.5	11.9%
Cash, cash equivalents and marketable securities	13,168.0	11,256.5	17.0%
Receivables	1,908.3	2,141.5	-10.9%
Taxes	163.1	122.4	33.2%
Reinsurance assets	26.9	57.7	-53.4%
Salvages for sale	71.9	62.6	14.8%
Deferred acquisition costs	597.9	596.0	0.3%
Other	17.9	17.8	0.1%
Non-current assets	5,854.7	5,788.2	1.1%
Marketable securities	1,118.7	1,305.6	-14.3%
Receivables	512.0	567.4	-9.8%
Judicial deposits	2,648.4	2,427.9	9.1%
Reinsurance assets	7.4	69.1	-89.3%
Deferred acquisition costs	413.1	358.4	15.3%
Taxes	767.0	704.9	8.8%
Other	0.0	1.2	-99.2%
Investments, property and equipment, and intangible assets	388.0	353.7	9.7%
Total Assets	21,808.6	20,042.7	8.8%
LIABILITIES			
(R\$ million)	2016	2015 (Restated)	Δ
Current Liabilities	8,375.0	8,043.9	4.1%
Accounts payable	1,456.5	1,464.8	-0.6%
Loans and financing	336.9	217.8	54.7%
Insurance and reinsurance liabilities	323.4	381.2	-15.2%
Technical reserves - Insurance	6,159.2	5,873.5	4.9%
Judicial provisions	91.3	91.2	0.2%
Other	7.6	15.5	-50.5%
Non-current Liabilities	8,392.7	7,568.0	10.9%
Accounts payable	20.0	29.0	-30.9%
Loans and financing	1,063.5	860.5	23.6%
Deferred taxes	0.0	0.1	NA
Insurance and reinsurance liabilities	0.0	99.8	NA
Technical reserves - Insurance	5,159.2	4,612.9	11.8%
Judicial provisions	2,121.5	1,965.6	7.9%
Other	28.5	0.0	NA
Shareholders' Equity	5,040.9	4,430.9	13.8%
Total Liabilities and Shareholders' Equity	21,808.6	20,042.7	8.8%

11. Analyst Coverage

Firm	Analyst	Phone
Agora	Aloísio Lemos	+55 (21) 2529-0807
Bradesco	Rafael Frade	+55 (11) 2178-4056
Brasil Plural	Eduardo Nishio	+55 (11) 3206-8240
BTG Pactual	Eduardo Rosman	+55 (11) 3383-2772
Churchill Research	Michael Churchill	+1 (703) 241-0274
Credit Suisse	Lucas Lopes	+55 (11) 3701-6052
Goldman Sachs	Marcelo Cintra	+55 (11) 3371-0833
Haitong	Pedro Fonseca	+44 (203) 364-6773
JP Morgan	Domingos Falavina	+1 (212) 622-3602
Merrill Lynch	Mario Pierry	+1 (646) 743-0047
Santander	Henrique Navarro	+55 (11) 3012-5756
UBS	Mariana Taddeo	+55 (11) 3513-6512

12. 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, which are calculated over earned premiums, and the division of general and administrative expenses by 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)

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.

Some percentages and other figures included in this performance report have been rounded for ease of presentation and therefore may present small differences in the tables and notes of quarterly information. Additionally, for the same reason, the totals in certain tables may not reflect the arithmetic sum of the previous values. Consolidated net income, net income per unit, and ROAE figures consider results for the Company net of non-controlling interest.