



## Quarterly Results – 2<sup>nd</sup> quarter 2019

- Total revenues of R\$5.4 billion (+7.0%) in 2Q19 and R\$10.7 billion (+8.5%) in 1H19
- Net income of R\$260.8 million (+92.6%) in 2Q19 and R\$484.3 million (+75.0%) in 1H19
- Administrative expenses ratio of 8.1% in the quarter, gain of 50 BPS
- Combined ratio of 98.6% in 2Q19, improvement of 30 BPS
- Health and dental group insured members grew 11.9%
- Return on average equity of 17.6% in the last 12 months

### Conference Call

**August 8, 2019** (Thursday)

**Portuguese** (with simultaneous translation to English)

**10am (Brasília) | 9am (US/DST)**

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## MESSAGE FROM MANAGEMENT

We finished the second quarter of 2019 with another set of positive results for SulAmérica. Consolidated revenues reached R\$5.4 billion, 7.0% above the figure reported in the same quarter of 2018. We presented gross margin of R\$560.3 million, an increase of 12.8%, on the back of our focus on risk management and expenses control. The Company's growth and operational evolution highlight our ability to continue to advance, combining an underwriting policy focused on profitability with efficiency gains while, at the same time, expanding the number of customers, improving their experience and increasing investments in technology and innovation.

The administrative expenses ratio also showed a positive performance, with a reduction of 50 BPS compared to the second quarter of 2018, even considering all investments focused on the growth and sustainability of the Company's operations, which are largely booked as expenses. Following these efficiency gains, the combined ratio improved 30 BPS in the quarter, reaching 98.6%, the best figure for a second quarter in over 10 years. Net income totaled R\$260.8 million, an increase of 92.6% over the same period of 2018. For comparison purposes, if we do not consider two one-off effects in the quarter, related to a tax reversal and the impacts of the agreement for the sale of the savings bonds operation, net income would have increased 46.0%. As a result of these positive results, return on average equity (ROAE) reached 17.6% in the last 12 months, 250 BPS better than in the 12-month period ended June 2018, or 16.6% if we do not consider the two abovementioned effects.

Health and dental operations showed solid results in yet another quarter. We kept the medical loss ratio under control, with a gain of 100 BPS, while sustaining an important organic growth pace in terms of insured lives, as a result of an accurate commercial strategy and the attractiveness of our products, leading to good performances in terms of the enrollment of new members and client retention. We also continue to evolve in the development of new solutions, seeking to combine excellence in quality assistance, conscious use of resources and care coordination to our beneficiaries. In June, we launched "*SulAmérica Direto Rio*", a regional product in partnership with highly recognized providers in Rio de Janeiro. The product was developed together with partners and customers and contributes to the sustainability of the private healthcare market, besides offering more options to clients and brokers. In the past few days, we also launched the new "*SulAmérica Direto Sampa*", with the same strategy and expectations.

The auto insurance business presented lower revenues in the second quarter, mainly following the current market conditions which have been reflecting lower risk levels in the first half of 2019. This is mostly related to the improvement in public safety indicators, notably lower levels of theft and robbery in the main regions. The segment's loss ratio was 130 BPS worse, essentially reflecting the rainy season, especially in southeastern Brazil, which was longer and more intense than in the second quarter of 2018. However, looking at the first half of 2019, we showed an improvement of 60 BPS in the loss ratio. Total insured fleet reached 1.6 million vehicles, 2.6% higher over the same period of the previous year and 1.4% lower than in the first quarter of 2019.

*SulAmérica Investimentos*, our asset management arm and one of the largest independent asset managers in Brazil, ended the quarter with a record R\$43.3 billion in AuM, growth of 15.1% compared to June of last year. It is worth highlighting that out of this amount, R\$27 billion are third-party assets. The segment also presented an increase of 49.4% in operating revenues and growth of more than 50% in the gross margin. In addition to the solid operating performance, in May we announced an investment in *Órama*, one of the pioneers in the segment of digital investment platforms in the country. When concluded, this transaction will grant us access to a segment which has an increasing penetration in the Brazilian financial market and considerable growth potential. Still in the wealth segment, private pension reserves continued to grow, reaching R\$7.5 billion, mainly propelled by the VGBL product, while the life and personal accidents portfolio continued to show growth in revenues.

Also in May, together with the announcement of the agreement to invest in *Órama*, we announced the arrangement to divest our savings bonds operation, as well as our minority stake in *Caixa Capitalização*, in a movement aimed at adapting our portfolio to the segments in which we perceive higher growth potential and more competitive advantages for the Company. Currently the transaction is awaiting approval from the competent bodies.

Innovation and digital transformation initiatives are being developed at a rapid pace. After successfully launching the Doctor House Calls service, recently expanded to even more cities, we just launched the in-app Doctor Video Calls feature, initially available for children up to 12 years old. Through this new service, insured members will have quick and easy access to a pediatrician for orientation about simple doubts and symptoms, at no additional cost to the beneficiary. Furthermore, we continue to evolve in other fronts of the Coordinated Care platform, advancing with investments and new features: we recently started a pilot project with our employees based in the city of São Paulo for the scheduling of medical appointments through the app, promoting efficiency and convenience for beneficiaries and medical providers.

Our operating and financial results together with the growing satisfaction levels of our customers continue to be a reason of constant pride, reinforcing SulAmérica's long and successful track record. With continuous focus on cost and expenses control, risk management and capital allocation, we seek to seize the best opportunities in the markets in which we operate and the competitive edge of our products and services has been evident in our good performance. We are confident that the Company is prepared to take advantage of the country's new development cycle and the opportunities provided by the maintenance of favorable macroeconomic conditions, the expectation of new investments and, above all, the recovery of the employment level and the economic activity as a whole.

Once again, I would like to thank our team of more than 5,000 employees and more than 36,000 insurance brokers, besides all business partners, service providers, shareholders, suppliers and other stakeholders for the professionalism, partnership, trust and contribution to our continuous development.

**Gabriel Portella**  
CEO

## 1. Main Highlights

Financial Highlights (R\$ million)	2Q19	2Q18	Δ	1Q19	Δ	1H19	1H18	Δ
<b>Operating Revenues</b>	<b>5,205.7</b>	<b>4,875.8</b>	<b>6.8%</b>	<b>5,038.0</b>	<b>3.3%</b>	<b>10,243.7</b>	<b>9,447.7</b>	<b>8.4%</b>
Health & Dental	4,205.8	3,793.7	10.9%	4,173.6	0.8%	8,379.4	7,511.4	11.6%
Automobile	825.7	910.0	-9.3%	696.9	18.5%	1,522.5	1,613.8	-5.7%
Other Property & Casualty	43.4	48.6	-10.8%	48.7	-11.0%	92.1	96.8	-4.9%
Life & Personal Accident	130.9	123.4	6.1%	118.9	10.1%	249.7	225.7	10.6%
<b>Other Operating Revenues</b>	<b>233.8</b>	<b>209.9</b>	<b>11.4%</b>	<b>216.6</b>	<b>8.0%</b>	<b>450.4</b>	<b>409.3</b>	<b>10.0%</b>
Private Pension	173.4	156.4	10.9%	162.8	6.5%	336.2	307.4	9.4%
Savings Bonds	15.4	14.0	10.4%	15.9	-2.6%	31.3	27.1	15.5%
Administrative Services Only	15.1	14.7	2.7%	15.0	0.4%	30.1	29.7	1.2%
Asset Management	19.8	13.2	49.4%	13.5	46.8%	33.2	24.2	37.2%
Other Revenues	10.1	11.5	-12.5%	9.4	7.0%	19.5	20.8	-6.3%
<b>Total Operating Revenues</b>	<b>5,439.5</b>	<b>5,085.6</b>	<b>7.0%</b>	<b>5,254.5</b>	<b>3.5%</b>	<b>10,694.0</b>	<b>9,857.0</b>	<b>8.5%</b>
Gross Operating Margin	560.3	496.5	12.8%	614.9	-8.9%	1,175.3	984.5	19.4%
Investment Income	159.4	168.2	-5.2%	171.3	-6.9%	330.7	313.1	5.6%
Net Income	260.5	135.2	92.6%	223.3	16.6%	483.8	277.2	74.5%
<b>Net Income after non-Controlling Interest</b>	<b>260.8</b>	<b>135.4</b>	<b>92.6%</b>	<b>223.5</b>	<b>16.7%</b>	<b>484.3</b>	<b>276.8</b>	<b>75.0%</b>
Net Income per unit (R\$)*	0.67	0.35	92.8%	0.58	16.7%	1.25	0.71	75.0%
ROAE (% last 12 months)	17.6%	15.1%	250 BPS	16.0%	160 BPS			
<b>Insurance Operational Information (R\$ million)</b>	<b>2Q19</b>	<b>2Q18</b>	<b>Δ</b>	<b>1Q19</b>	<b>Δ</b>	<b>1H19</b>	<b>1H18</b>	<b>Δ</b>
<b>Earned Premiums</b>	<b>5,239.8</b>	<b>4,799.8</b>	<b>9.2%</b>	<b>5,225.6</b>	<b>0.3%</b>	<b>10,465.5</b>	<b>9,493.0</b>	<b>10.2%</b>
Health & Dental	4,225.0	3,803.7	11.1%	4,202.1	0.5%	8,427.2	7,538.0	11.8%
Automobile	838.3	811.3	3.3%	844.6	-0.8%	1,682.9	1,604.1	4.9%
Other Property & Casualty	53.0	54.5	-2.8%	50.7	4.6%	103.7	104.9	-1.2%
Life & Personal Accident	123.5	130.2	-5.2%	128.2	-3.6%	251.7	245.9	2.3%
<b>Retained Claims</b>	<b>-4,053.8</b>	<b>-3,715.2</b>	<b>-9.1%</b>	<b>-3,928.7</b>	<b>-3.2%</b>	<b>-7,982.6</b>	<b>-7,300.3</b>	<b>-9.3%</b>
Health & Dental	-3,456.7	-3,148.3	-9.8%	-3,338.1	-3.6%	-6,794.8	-6,177.9	-10.0%
Automobile	-517.0	-489.7	-5.6%	-502.6	-2.9%	-1,019.6	-981.4	-3.9%
Other Property & Casualty	-18.7	-21.5	13.1%	-23.5	20.5%	-42.2	-39.4	-7.1%
Life & Personal Accident	-61.4	-55.7	-10.4%	-64.5	4.8%	-126.0	-101.6	-23.9%
<b>Insurance Operational Ratios (%)</b>	<b>2Q19</b>	<b>2Q18</b>	<b>Δ</b>	<b>1Q19</b>	<b>Δ</b>	<b>1H19</b>	<b>1H18</b>	<b>Δ</b>
<b>Loss Ratio</b>	<b>77.4%</b>	<b>77.4%</b>	<b>0 BPS</b>	<b>75.2%</b>	<b>-220 BPS</b>	<b>76.3%</b>	<b>76.9%</b>	<b>60 BPS</b>
Health & Dental	81.8%	82.8%	100 BPS	79.4%	-240 BPS	80.6%	82.0%	130 BPS
Automobile	61.7%	60.4%	-130 BPS	59.5%	-220 BPS	60.6%	61.2%	60 BPS
Other Property & Casualty	35.2%	39.4%	420 BPS	46.3%	1110 BPS	40.7%	37.5%	-320 BPS
Life & Personal Accident	48.9%	42.2%	-660 BPS	49.6%	80 BPS	49.3%	40.9%	-840 BPS
<b>Acquisition Cost</b>	<b>9.3%</b>	<b>9.6%</b>	<b>20 BPS</b>	<b>9.5%</b>	<b>20 BPS</b>	<b>9.4%</b>	<b>9.6%</b>	<b>20 BPS</b>
Health & Dental	6.2%	6.3%	10 BPS	6.4%	20 BPS	6.3%	6.4%	10 BPS
Automobile	20.8%	20.1%	-70 BPS	20.7%	-10 BPS	20.7%	20.4%	-30 BPS
Other Property & Casualty	30.6%	31.0%	40 BPS	31.4%	80 BPS	31.0%	31.6%	70 BPS
Life & Personal Accident	30.6%	29.2%	-140 BPS	29.8%	-80 BPS	30.2%	30.3%	10 BPS
<b>Combined</b>	<b>98.6%</b>	<b>98.9%</b>	<b>30 BPS</b>	<b>97.6%</b>	<b>-110 BPS</b>	<b>98.1%</b>	<b>98.8%</b>	<b>70 BPS</b>
<b>Operating</b>	<b>95.6%</b>	<b>95.5%</b>	<b>-10 BPS</b>	<b>94.2%</b>	<b>-140 BPS</b>	<b>94.9%</b>	<b>95.5%</b>	<b>60 BPS</b>
<b>Consolidated Ratios (% of total operating revenues)</b>	<b>2Q19</b>	<b>2Q18</b>	<b>Δ</b>	<b>1Q19</b>	<b>Δ</b>	<b>1H19</b>	<b>1H18</b>	<b>Δ</b>
Operating Gross Margin	10.3%	9.8%	50 BPS	11.7%	-140 BPS	11.0%	10.0%	100 BPS
General & Administrative Expenses	8.1%	8.5%	50 BPS	8.3%	20 BPS	8.2%	8.3%	10 BPS
Net Margin	4.8%	2.7%	210 BPS	4.3%	50 BPS	4.5%	2.8%	170 BPS
<b>Operating Highlights</b>	<b>2Q19</b>	<b>2Q18</b>	<b>Δ</b>	<b>1Q19</b>	<b>Δ</b>			
Health & Dental Insured Members (thousand)	3,580	3,227	10.9%	3,539	1.2%			
Health Insured Members	2,245	2,178	3.1%	2,241	0.2%			
Dental Insured Members	1,335	1,050	27.1%	1,298	2.8%			
Insured Fleet (thousand)	1,624	1,583	2.6%	1,647	-1.4%			
Insured Lives (thousand)	3,572	3,257	9.7%	3,562	0.3%			
Assets under Management (R\$ billion)	43.3	37.6	15.1%	40.8	6.2%			
Private Pension Reserves (R\$ billion)	7.5	6.6	14.5%	7.3	2.9%			

Main highlights in the 2<sup>nd</sup> quarter of 2019 (2Q19) are:

- total operating revenues of R\$5.4 billion (+7.0%), mainly propelled by the health and dental, asset management, life and private pension segments;
- growth of 11.9% in health and dental membership in group plans, combined with an increase of 10.9% in revenues and an improvement of 100 BPS in the loss ratio when compared to 2Q18;
- administrative expenses ratio improved 50 BPS in relation to 2Q18, reaching 8.1%, reflecting the continuous focus on efficiency gains combined with expenses in technology and innovation;
- invested assets in proprietary portfolio yielded 113.9% of the CDI (benchmark rate), maintaining the good profitability in 2019;
- reduction of the effective tax rate (IR/CSLL) due to a reversal of deferred tax liabilities of approximately R\$77 million, constituted over the yield on judicial deposits made during the process which discussed the increase of the CSLL rate in 2008, which had an unfavorable ruling;
- reversal of the equity income related to the stake in *Caixa Capitalização* recognized between Dec/18 and May/19, given the agreement for the sale of the investment, with a negative net impact of around R\$14 million; and
- increase of 92.6% in net income compared to 2Q18, totaling R\$260.8 million. For comparison purposes, excluding items (e) and (f) in 2Q19, the Company's net income would have increased 46.0%.

\*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 2018 and 2019 are different. Please refer to Note 22.6 in the Financial Statements for the period details on the calculation of earnings per share.

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

(R\$ million)	2Q19	2Q18	Δ	1Q19	Δ	1H19	1H18	Δ
<b>Operating Revenues</b>	<b>4,221.8</b>	<b>3,808.4</b>	<b>10.9%</b>	<b>4,189.7</b>	<b>0.8%</b>	<b>8,411.5</b>	<b>7,541.1</b>	<b>11.5%</b>
Insurance	4,205.8	3,793.7	10.9%	4,173.6	0.8%	8,379.4	7,511.4	11.6%
Group	3,653.7	3,249.7	12.4%	3,614.3	1.1%	7,268.0	6,426.5	13.1%
Corporate/Affinity	2,313.6	2,117.5	9.3%	2,313.5	0.0%	4,627.2	4,207.5	10.0%
SME	1,268.5	1,075.4	18.0%	1,233.4	2.8%	2,501.8	2,105.7	18.8%
Dental	71.6	56.9	26.0%	67.3	6.4%	138.9	113.2	22.8%
Individual Health	552.0	544.0	1.5%	559.3	-1.3%	1,111.4	1,084.9	2.4%
Administrative Services Only	15.1	14.7	2.7%	15.0	0.4%	30.1	29.7	1.2%
Other Operating Revenues	1.0	0.0	NA	1.1	-13.9%	2.1	0.0	NA
<b>Changes in Technical Reserves</b>	<b>-16.9</b>	<b>-21.2</b>	<b>20.5%</b>	<b>-12.3</b>	<b>-37.3%</b>	<b>-29.2</b>	<b>-38.3</b>	<b>23.9%</b>
Insurance	-16.9	-21.2	20.5%	-12.3	-37.3%	-29.2	-38.3	23.9%
<b>Operating Expenses</b>	<b>-3,817.7</b>	<b>-3,489.9</b>	<b>-9.4%</b>	<b>-3,737.8</b>	<b>-2.1%</b>	<b>-7,555.5</b>	<b>-6,881.1</b>	<b>-9.8%</b>
Insurance	-3,812.1	-3,485.9	-9.4%	-3,734.3	-2.1%	-7,546.4	-6,874.5	-9.8%
Administrative Services Only	-5.6	-4.0	-39.4%	-3.6	-56.9%	-9.1	-6.6	-38.9%
<b>Gross Margin</b>	<b>387.2</b>	<b>297.3</b>	<b>30.3%</b>	<b>439.6</b>	<b>-11.9%</b>	<b>826.8</b>	<b>621.7</b>	<b>33.0%</b>
Insurance	376.8	286.6	31.5%	427.0	-11.8%	803.8	598.5	34.3%
Administrative Services Only	9.5	10.7	-11.1%	11.5	-17.2%	21.0	23.2	-9.5%
Other	1.0	0.0	NA	1.1	-13.9%	2.1	0.0	NA
<b>Loss Ratio</b>	<b>81.8%</b>	<b>82.8%</b>	<b>100 BPS</b>	<b>79.4%</b>	<b>-240 BPS</b>	<b>80.6%</b>	<b>82.0%</b>	<b>130 BPS</b>
<b>Acquisition Cost</b>	<b>6.2%</b>	<b>6.3%</b>	<b>10 BPS</b>	<b>6.4%</b>	<b>20 BPS</b>	<b>6.3%</b>	<b>6.4%</b>	<b>10 BPS</b>

### Health and Dental Insurance

Operating revenues for the health and dental insurance segment grew 10.9%, reaching R\$4.2 billion in the quarter. Group plans presented a positive performance in all portfolios: dental (+26.0%), SME – small and medium enterprises - (+18.0%) and corporate/affinity (+9.3%). The segment's gross margin was 30.3% higher than in the same quarter of last year, following the growth in revenues and the lower loss ratio in the period.

SulAmérica maintained a good growth pace in the number of insured members, with a high level of customer retention and a positive performance in terms of new client enrollment, mainly as a result of an efficient commercial strategy which has been showing not only the strength of SulAmérica's brand, but also of the products and solutions offered by the Company. Furthermore, SulAmérica's strategy remains focused on the expansion of its regional reach and its capacity to format adequate products, besides launching constant innovations, which are essential for the attraction and maintenance of clients with different needs.

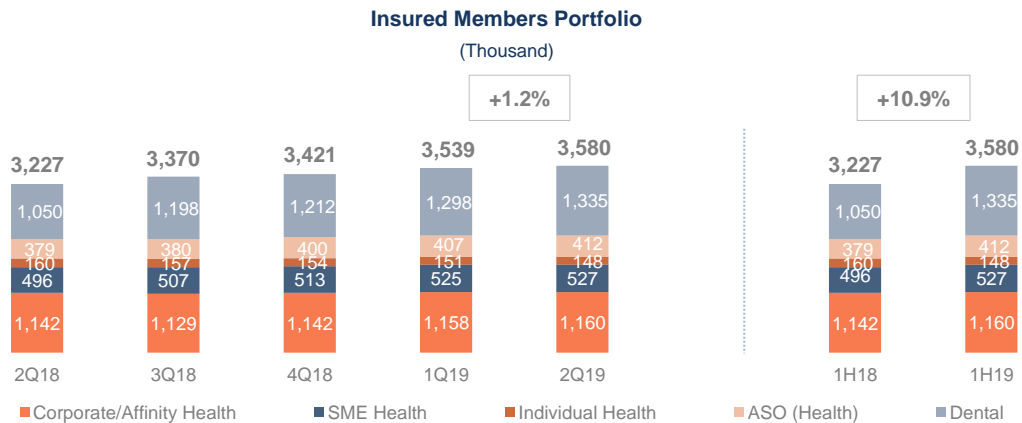
According to the most recent data released by ANS (National Supplementary Health Agency), SulAmérica was the third largest healthcare player in the country with a market share of 10.6% of total revenues in 1Q19, an increase of 30 BPS when compared to December 2018.

(Thousand members)	2Q19	2Q18	Δ	1Q19	Δ
<b>Group Health</b>	<b>2,098</b>	<b>2,017</b>	<b>4.0%</b>	<b>2,090</b>	<b>0.4%</b>
Corporate/Affinity Health	1,160	1,142	1.5%	1,158	0.2%
SME Health	527	496	6.3%	525	0.3%
Administrative Services Only	412	379	8.5%	407	1.0%
<b>Dental</b>	<b>1,335</b>	<b>1,050</b>	<b>27.1%</b>	<b>1,298</b>	<b>2.8%</b>
Dental	1,313	1,021	28.7%	1,274	3.1%
Administrative Services Only	21	29	-27.4%	24	-11.7%
<b>Group Total</b>	<b>3,432</b>	<b>3,067</b>	<b>11.9%</b>	<b>3,388</b>	<b>1.3%</b>
Individual Health	148	160	-7.8%	151	-2.2%
<b>Total</b>	<b>3,580</b>	<b>3,227</b>	<b>10.9%</b>	<b>3,539</b>	<b>1.2%</b>

The health and dental group plans portfolio recorded an increase of 11.9%, with net adds of 365 thousand lives in relation to 2Q18, totaling 3.4 million insured members. The group portfolios presented a good performance in the quarter, with dental (+28.7%) and SME (+6.3%) being the top performers. The corporate/affinity portfolio grew 1.5% compared to the same period of the previous year, growing on a year-over-year basis for the seventh quarter in a row.

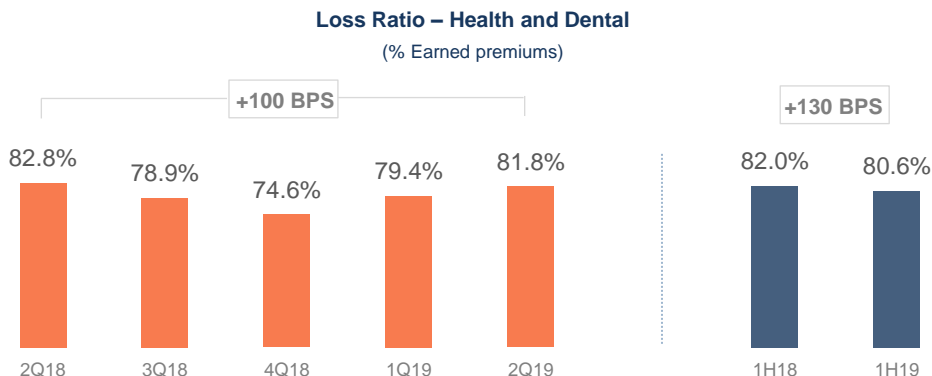
In October/18, SulAmérica announced an agreement for the acquisition of Prodent, one of the largest dental plan operators in Brazil. The closing of this acquisition was completed on July 31, 2019, and, therefore, its results did not contribute to the figures disclosed in 2Q19.

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



Recent available statistics from ANS show that, at the end of May 2019, the private system in Brazil reached 47.2 million beneficiaries in health plans and 24.6 million in dental plans, presenting growth in both health (+0.2%) and dental (+6.5%) segments, in comparison to the same period of the previous year. Considering only corporate health plans, growth reached 0.8% or 263 thousand lives. According to data from CAGED (General Register of Employees and Unemployed in Brazil), until June 2019 there was a positive balance of 408.5 thousand jobs created. Given the high correlation between the level of employment and the number of insured lives in the private healthcare market, even though the recovery of employment is not picking up at a fast pace, these numbers indicate better perspectives for the private healthcare market with the creation of new jobs.

The segment's loss ratio reached 81.8% in the quarter, an improvement of 100 BPS compared to 2Q18. In the first half of the year, the loss ratio presented a reduction of 130 BPS in relation to the same period of 2018, lowering to 80.6%. The continuity of the good performance in this indicator, not only in the first months of 2019 but also in a longer time frame, is mainly driven by long term initiatives focused on claims management, wellness and well-being promotion programs. The Company keeps investing and expanding its Coordinated Care initiatives, seeking the alignment of healthcare agents and a closer tracking of the beneficiaries' journey through the network of providers, promoting a more complete care with higher quality assistance. The evolution of this project also brings opportunities in terms of portfolio diversification, with the potential development of new products, always adherent to the needs of each client and with high quality care to the policyholders.



### Health Administrative Services Only (ASO)

In 2Q19, operating revenues from ASO plans presented an increase of 2.7% in relation to the same period of 2018, reaching R\$15.1 million. The number of beneficiaries of this portfolio grew 5.9% to 433 thousand lives, considering health and dental plans.

### 3. Auto and Other Property and Casualty Insurance

(R\$ million)	2Q19	2Q18	Δ	1Q19	Δ	1H19	1H18	Δ
<b>Operating Revenues</b>	<b>877.2</b>	<b>969.4</b>	<b>-9.5%</b>	<b>753.9</b>	<b>16.4%</b>	<b>1,631.1</b>	<b>1,730.4</b>	<b>-5.7%</b>
Insurance	869.0	958.6	-9.3%	745.6	16.6%	1,614.6	1,710.6	-5.6%
Automobile	825.7	910.0	-9.3%	696.9	18.5%	1,522.5	1,613.8	-5.7%
Other Property & Casualty	43.4	48.6	-10.8%	48.7	-11.0%	92.1	96.8	-4.9%
Other Operating Revenues	8.2	10.7	-23.8%	8.3	-1.2%	16.5	19.8	-16.6%
Automobile	8.2	9.0	-8.8%	8.2	-0.8%	16.4	18.0	-9.0%
Other Property & Casualty	0.0	1.8	-99.1%	0.1	-69.2%	0.1	1.7	-96.1%
<b>Changes in Technical Reserves</b>	<b>4.3</b>	<b>-111.0</b>	<b>NA</b>	<b>132.5</b>	<b>-96.8%</b>	<b>136.8</b>	<b>-36.2</b>	<b>NA</b>
Automobile	-3.9	-115.3	96.6%	131.9	NA	128.0	-41.0	NA
Other Property & Casualty	8.1	4.3	90.4%	0.6	NA	8.7	4.7	84.2%
<b>Operating Expenses</b>	<b>-753.9</b>	<b>-702.8</b>	<b>-7.3%</b>	<b>-743.9</b>	<b>-1.3%</b>	<b>-1,497.7</b>	<b>-1,410.6</b>	<b>-6.2%</b>
Insurance	-753.9	-702.8	-7.3%	-743.9	-1.3%	-1,497.7	-1,410.6	-6.2%
Automobile	-701.2	-664.5	-5.5%	-687.8	-1.9%	-1,389.1	-1,334.3	-4.1%
Other Property & Casualty	-52.7	-38.3	-37.7%	-56.0	6.0%	-108.7	-76.3	-42.4%
<b>Gross Margin</b>	<b>127.6</b>	<b>155.6</b>	<b>-18.0%</b>	<b>142.5</b>	<b>-10.4%</b>	<b>270.1</b>	<b>283.6</b>	<b>-4.8%</b>
Automobile	128.7	139.2	-7.5%	149.2	-13.7%	277.9	256.6	8.3%
Other Property & Casualty	-1.1	16.4	NA	-6.7	82.8%	-7.8	26.9	NA

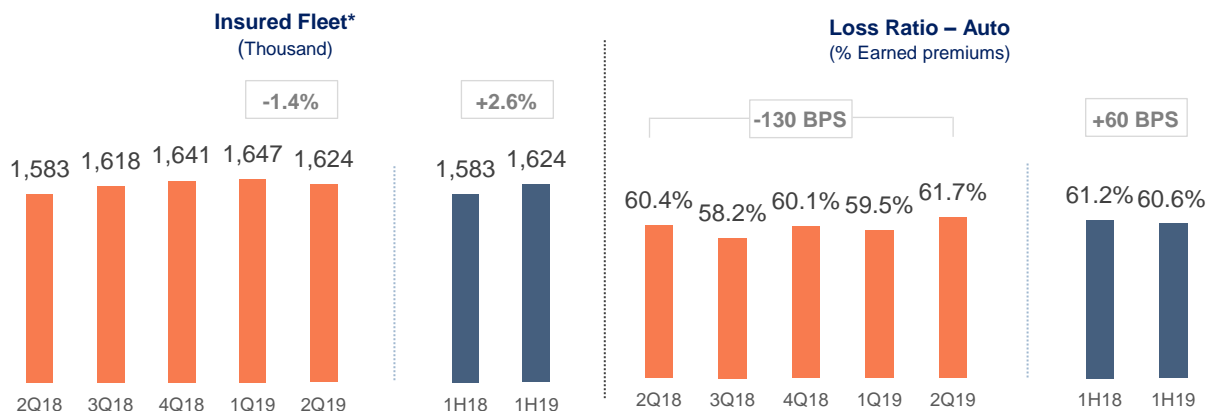
<b>Loss Ratio</b>	<b>60.1%</b>	<b>59.0%</b>	<b>-110 BPS</b>	<b>58.8%</b>	<b>-130 BPS</b>	<b>59.4%</b>	<b>59.7%</b>	<b>30 BPS</b>
Automobile	61.7%	60.4%	-130 BPS	59.5%	-220 BPS	60.6%	61.2%	60 BPS
Other Property & Casualty	35.2%	39.4%	420 BPS	46.3%	1110 BPS	40.7%	37.5%	-320 BPS
<b>Acquisition Cost</b>	<b>21.3%</b>	<b>20.8%</b>	<b>-60 BPS</b>	<b>21.3%</b>	<b>0 BPS</b>	<b>21.3%</b>	<b>21.1%</b>	<b>-20 BPS</b>
Automobile	20.8%	20.1%	-70 BPS	20.7%	-10 BPS	20.7%	20.4%	-30 BPS
Other Property & Casualty	30.6%	31.0%	40 BPS	31.4%	80 BPS	31.0%	31.6%	70 BPS

#### Auto Insurance

Auto insurance operating revenues totaled R\$825.7 million, 9.3% lower than in 2Q18, mostly explained by a market scenario of lower risk, notably with lower levels of theft and robbery of vehicles in the main regions. The segment's loss ratio was of 61.7%, 130 BPS worse when compared to the same quarter of last year, affected by higher claims related to the strong rainy season in Rio de Janeiro and São Paulo in the beginning of 2Q19. The loss ratio in 1H19 improved 60 BPS when compared to the same period in 2018, to 60.6%, reflecting the underwriting strategy focused on profitability, the further development of the new pricing tools and a continuous adequacy of exposure to the current levels of risk.

The insured fleet, at the end of June 2019, totaled 1.6 million vehicles, growth of 2.6% in relation to 2Q18, or net adds of 41 thousand vehicles.

Recent data from SUSEP (Private Insurance Commission) show that in the last twelve months ended on May 2019, SulAmérica had a market share of 9.4% of the total written premiums, being the fifth largest auto insurer in Brazil.



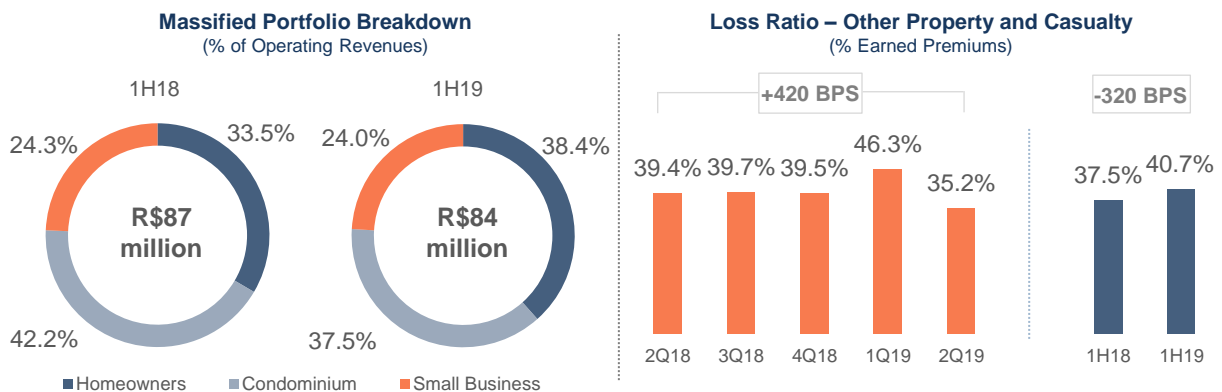
\*Insured fleet net of technical cancellations

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

#### Other Property and Casualty Insurance

The other property & casualty insurance revenues totaled R\$43.4 million, a reduction of 10.8% over 2Q18. The segment's loss ratio presented an improvement of 420 BPS in 2Q19, reaching 35.2%. In the first half of the year, the loss ratio reached 40.7%, 320 BPS worse than in 1H18, mainly due to a higher frequency and severity in claims related to the rainy season in the beginning of the year, which affected the portfolio more significantly in 1Q19.

Considering only the massified segment (homeowners/households, condominium and small businesses) – which represented approximately 91% of this portfolio in the first half of the year – operating revenues totaled R\$38.3 million, a decrease of 10.5% in comparison to 2Q18. The loss ratio in the segment reached 36.2% in the quarter, improving 390 BPS year-over-year, mainly driven by a better loss ratio in the small businesses and condominium portfolios.



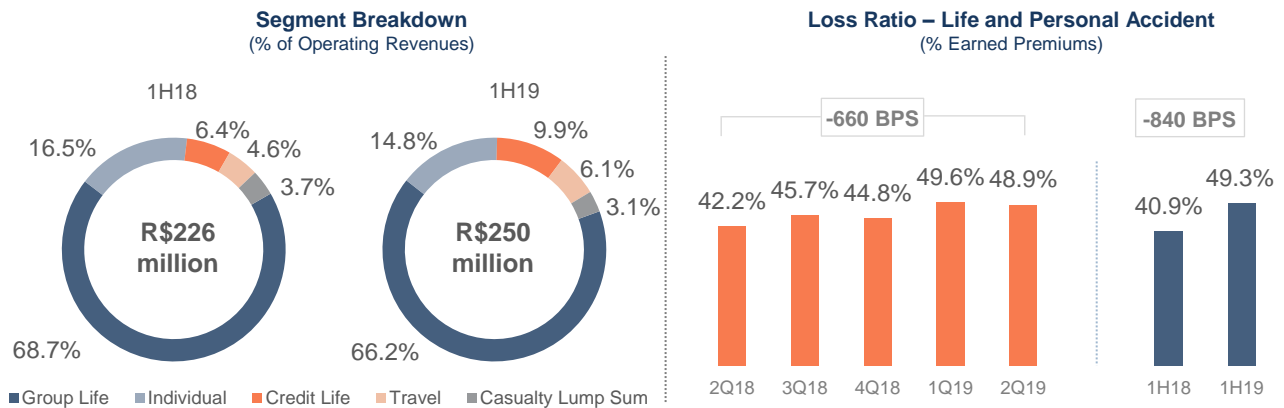
### 4. Life and Personal Accident Insurance and Private Pension

(R\$ million)	2Q19	2Q18	Δ	1Q19	Δ	1H19	1H18	Δ
<b>Operating Revenues</b>	<b>305.3</b>	<b>280.6</b>	<b>8.8%</b>	<b>281.7</b>	<b>8.4%</b>	<b>586.9</b>	<b>534.2</b>	<b>9.9%</b>
Insurance	130.9	123.4	6.1%	118.9	10.1%	249.7	225.7	10.6%
Private Pension	173.4	156.4	10.9%	162.8	6.5%	336.2	307.4	9.4%
Other Operating Revenues	0.9	0.8	21.1%	0.0	NA	1.0	1.1	-8.2%
<b>Changes in Technical Reserves</b>	<b>-148.3</b>	<b>-124.6</b>	<b>-19.0%</b>	<b>-124.1</b>	<b>-19.5%</b>	<b>-272.4</b>	<b>-236.3</b>	<b>-15.3%</b>
Insurance	-11.1	3.0	NA	5.9	NA	-5.2	12.8	NA
Private Pension	-137.2	-127.6	-7.5%	-130.0	-5.6%	-267.2	-249.1	-7.3%
<b>Operating Expenses</b>	<b>-139.7</b>	<b>-121.3</b>	<b>-15.2%</b>	<b>-146.7</b>	<b>4.8%</b>	<b>-286.4</b>	<b>-243.6</b>	<b>-17.6%</b>
Insurance	-109.7	-89.0	-23.3%	-114.8	4.5%	-224.6	-181.5	-23.7%
Private Pension	-30.0	-32.3	7.1%	-31.8	5.8%	-61.8	-62.1	0.4%
<b>Gross Margin</b>	<b>17.2</b>	<b>34.7</b>	<b>-50.4%</b>	<b>10.9</b>	<b>57.9%</b>	<b>28.1</b>	<b>54.3</b>	<b>-48.2%</b>
Insurance	10.0	37.5	-73.2%	9.9	1.3%	19.9	57.0	-65.0%
Private Pension	6.3	-3.5	NA	1.0	534.3%	7.2	-3.8	NA
Other	0.9	0.8	21.1%	0.0	NA	1.0	1.1	-8.2%
<b>Loss Ratio</b>	<b>48.9%</b>	<b>42.2%</b>	<b>-660 BPS</b>	<b>49.6%</b>	<b>80 BPS</b>	<b>49.3%</b>	<b>40.9%</b>	<b>-840 BPS</b>
<b>Acquisition Cost</b>	<b>30.6%</b>	<b>29.2%</b>	<b>-140 BPS</b>	<b>29.8%</b>	<b>-80 BPS</b>	<b>30.2%</b>	<b>30.3%</b>	<b>10 BPS</b>

#### Life and Personal Accident Insurance

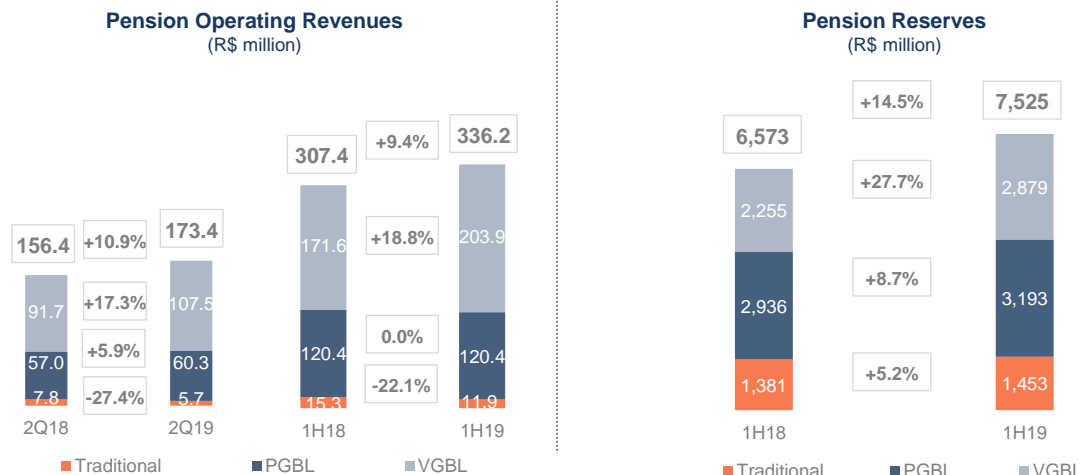
Life and personal accident revenues totaled R\$130.9 million in the quarter, an increase of 6.1% in comparison to 2Q18. In the first half of 2019, revenues grew 10.6% in relation to 1H18, mainly boosted by travel insurance and credit life portfolios. The loss ratio worsened 660 BPS in the quarter and 840 BPS in 1H19, influenced by a greater severity of claims. It is worth noting that the gross margin analysis for both periods is compromised by a positive effect in the Insurance Operating Expenses line in 2Q18, related to a favorable decision in a legal lawsuit in that quarter which resulted in a contingency liability reversal of approximately R\$18 million.

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



#### Private Pension

Pension reserves reached R\$7.5 billion in June 2019, an increase of 14.5% compared to the same period of last year. This growth is primarily explained by a greater volume of contributions in the VGBL and PGBL products, as well as the accumulated returns of the underlying pension funds. Operating revenues registered an increase both in the quarter and in the first half of the year, mostly driven by the good performance in VGBL, which more than offset the drop in the traditional product.



#### 5. Savings Bonds

(R\$ million)	2Q19	2Q18	Δ	1Q19	Δ	1H19	1H18	Δ
Operating Revenues	15.4	14.0	10.4%	15.9	-2.6%	31.3	27.1	15.5%
Operating Expenses	-8.2	-19.3	57.3%	-8.2	-0.2%	-16.4	-27.8	40.9%
<b>Gross Margin</b>	<b>7.2</b>	<b>-5.3</b>	<b>NA</b>	<b>7.7</b>	<b>-5.5%</b>	<b>14.9</b>	<b>-0.7</b>	<b>NA</b>
Savings Bonds Reserves	685.1	638.3	7.3%	696.3	-1.6%			

In the second quarter of 2019, the savings bonds segment reached R\$15.4 million in operating revenues, an increase of 10.4% when compared to 2Q18. In the first half of 2019 there was an increase of 15.5% in revenues, mostly propelled by SulAmérica Garantia de Aluguel, the main product of the portfolio, which presented growth despite the still adverse market scenario. In 2Q19, operating expenses improved by 57.3%, a result largely explained by higher contingent liabilities of approximately R\$12 million which impacted 2Q18. Such improvement, coupled with higher revenues, contributed to a gross margin of R\$7.2 million in the quarter, R\$12.5 million above 2Q18. Savings bonds reserves totaled R\$685.1 million in June 2019, 7.3% greater than in the same period of 2018.



## 6. Asset Management

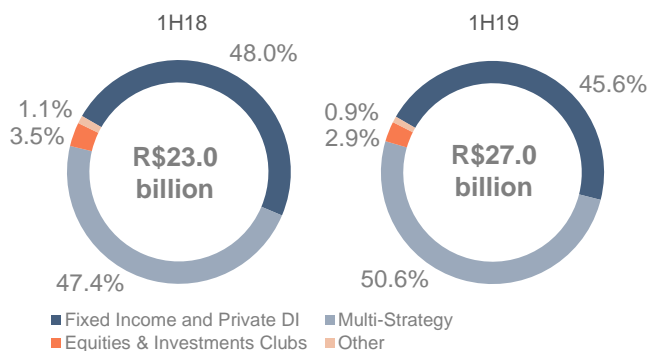
(R\$ million)	2Q19	2Q18	Δ	1Q19	Δ	1H19	1H18	Δ
<b>Operating Revenues</b>	<b>19.8</b>	<b>13.2</b>	<b>49.4%</b>	<b>13.5</b>	<b>46.8%</b>	<b>33.2</b>	<b>24.2</b>	<b>37.2%</b>
Management Fee	13.8	11.9	15.8%	13.4	3.4%	27.2	22.7	19.8%
Performance Fee	5.9	1.3	355.3%	0.1	NA	6.1	1.5	294.8%
Operating Expenses	-1.1	-0.9	-15.2%	-1.2	8.6%	-2.2	-1.8	-23.8%
<b>Gross Margin</b>	<b>18.7</b>	<b>12.3</b>	<b>51.9%</b>	<b>12.3</b>	<b>52.0%</b>	<b>31.0</b>	<b>22.4</b>	<b>38.3%</b>

*SulAmérica Investimentos* ended the first half of 2019 with a record volume of R\$43.3 billion in assets under management, growth of 15.1% compared to 1H18. This increase was mostly driven by higher volumes in third-party assets (+17.5% to R\$27.0 billion), as well as in the proprietary portfolio – insurance float (+9.1% to R\$8.8 billion) and private pension reserves (+14.5% to R\$7.5 billion).

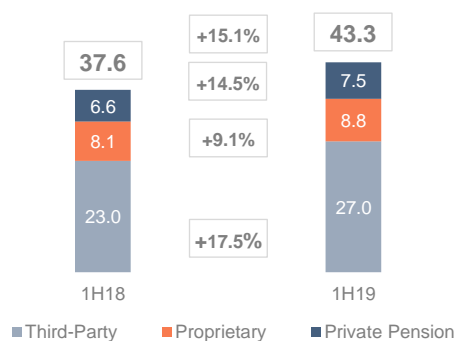
In the quarter, gross margin grew 51.9% over 2Q18, as a result of higher performance (+355.3%) and management (+15.8%) fees.

Multi-strategy funds already represent more than 50% of third-party assets under management, consolidating its stake in the portfolio and surpassing the share allocated in fixed income funds, which currently corresponds to 45.6%. This migration from fixed income to multi-strategy funds is mainly driven by the lower average benchmark interest rate (Selic) and, consequently, the lower yield of securities linked to the CDI (Brazil's Interbank Certificate of Deposit), thus favoring assets with higher potential yields.

**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 DTVM S.A.*

## 7. Administrative Expenses

(R\$ million)	2Q19	2Q18	Δ	1Q19	Δ	1H19	1H18	Δ
Personnel Expenses	-206.4	-196.3	-5.1%	-205.9	-0.2%	-412.3	-384.4	-7.3%
Third-Party Services	-113.7	-93.9	-21.1%	-101.5	-12.0%	-215.2	-184.4	-16.7%
Buildings and Maintenance	-51.7	-49.8	-3.8%	-54.5	5.2%	-106.2	-99.7	-6.5%
Other Administrative Expenses	-27.3	-54.0	49.5%	-35.3	22.8%	-62.6	-78.3	20.0%
Profit Sharing	-20.0	-17.8	-12.2%	-20.1	0.3%	-40.1	-35.7	-12.4%
Tax Expenses	-20.6	-22.2	7.2%	-17.9	-14.9%	-38.5	-32.0	-20.4%
<b>Total</b>	<b>-439.6</b>	<b>-434.0</b>	<b>-1.3%</b>	<b>-435.3</b>	<b>-1.0%</b>	<b>-874.9</b>	<b>-814.4</b>	<b>-7.4%</b>
General & Administrative Expenses Ratio (% operating revenues)	8.1%	8.5%	50 BPS	8.3%	20 BPS	8.2%	8.3%	10 BPS

The administrative expenses ratio (measured by the ratio of total administrative expenses to total operating revenues) reached 8.1% in 2Q19, a gain of 50 BPS over the same period of last year. Such improvement is a result of the Company's constant focus on costs and expenses control and operating efficiency gains, achieved despite the strategic investments essential to the Company's development, which are in part booked as expenses. Additionally, it is worth mentioning the improvement in the other administrative expenses line, mostly explained by a higher volume in contingent liabilities expenses in 2Q18, which did not repeat in 2Q19. In the first half of the year, the ratio remained under control, presenting a slight improvement to 8.2%.

## 8. Investment Income

(R\$ million)	2Q19	2Q18	Δ	1Q19	Δ	1H19	1H18	Δ
<b>Investment Income ex-Private Pension</b>	<b>156.0</b>	<b>166.7</b>	<b>-6.4%</b>	<b>156.9</b>	<b>-0.6%</b>	<b>312.8</b>	<b>312.4</b>	<b>0.1%</b>
Return on Investment Portfolio	174.6	156.7	11.4%	180.4	-3.2%	355.0	317.2	11.9%
Debt Service Cost	-35.0	-27.7	-26.2%	-26.9	-30.3%	-61.9	-57.4	-7.8%
Other Investment Income	16.4	37.7	-56.6%	3.3	397.7%	19.6	52.5	-62.7%
<b>Investment Income from Private Pension</b>	<b>3.4</b>	<b>1.5</b>	<b>126.2%</b>	<b>14.4</b>	<b>-76.4%</b>	<b>17.9</b>	<b>0.7</b>	<b>NA</b>
Return on Investment Portfolio of Private Pension	177.9	104.9	69.7%	173.4	2.6%	351.3	249.4	40.9%
Change in Liabilities of Private Pension	-174.5	-103.4	-68.8%	-159.0	-9.8%	-333.4	-248.7	-34.1%
<b>Total Investment Income</b>	<b>159.4</b>	<b>168.2</b>	<b>-5.2%</b>	<b>171.3</b>	<b>-6.9%</b>	<b>330.7</b>	<b>313.1</b>	<b>5.6%</b>

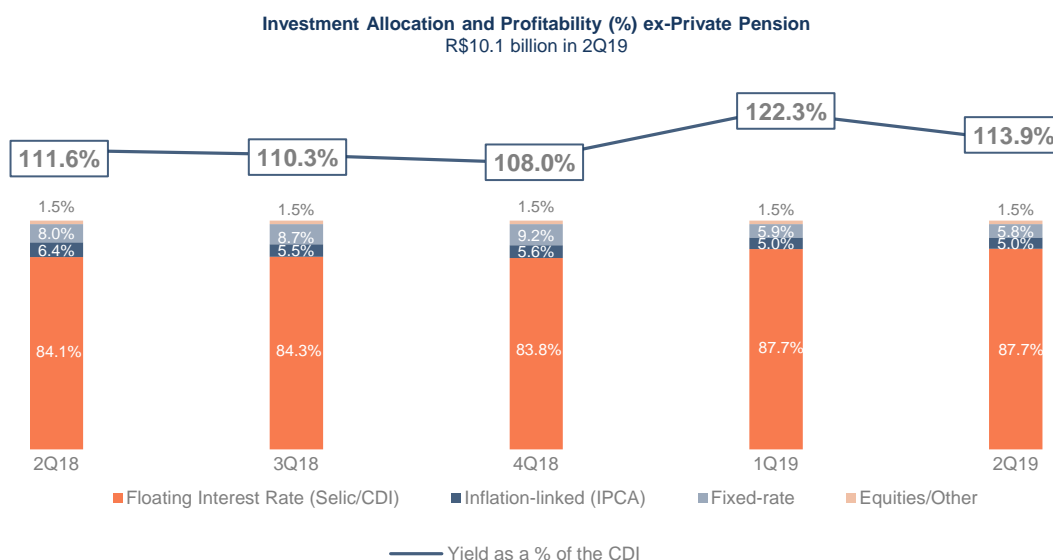
### Balance

(R\$ million)	2Q19	2Q18	Δ	1Q19	Δ
Balance Excluding Private Pension	10,139.5	9,046.4	12.1%	9,709.9	4.4%
Private Pension Operations Balance	7,525.3	6,572.6	14.5%	7,315.2	2.9%
<b>Total Balance</b>	<b>17,664.8</b>	<b>15,619.0</b>	<b>13.1%</b>	<b>17,025.0</b>	<b>3.8%</b>

Total net investment income reached R\$159.4 million in 2Q19, 5.2% lower than in the same period of last year. The return on investment portfolio, the main driver for the investment income, presented an increase of 11.4% in relation to 2Q18, partially offsetting the negative results in other lines, following the Company's return on the insurance float (proprietary portfolio ex-private pension) which yielded 113.9% of the CDI (benchmark rate) in the quarter, in comparison to 111.6% in 2Q18. The return on the investment portfolio was also helped by the increase of 12.1% in proprietary assets. The positive yield in the quarter is primarily explained by the return of funds exposed to fixed-rate securities and variable income assets.

In 2Q19, the debt service cost line worsened 26.2%, mainly due to the increase in expenses related to the sixth debenture issuance, completed in April 2019.

The Company has 99% of its proprietary assets (ex-private pension) allocated in fixed income and 1% held in equities and other asset classes. Approximately 89% of the fixed income allocation (ex-PGBL and VGBL) is invested in AAA-rated or sovereign risk securities (Brazilian government bonds).



## 9. Summary Income Statement

(R\$ million)	2Q19	2Q18	Δ	1Q19	Δ	1H19	1H18	Δ
<b>Operating Revenue</b>	<b>5,439.5</b>	<b>5,085.6</b>	<b>7.0%</b>	<b>5,254.5</b>	<b>3.5%</b>	<b>10,694.0</b>	<b>9,857.0</b>	<b>8.5%</b>
Insurance	5,205.7	4,875.8	6.8%	5,038.0	3.3%	10,243.7	9,447.7	8.4%
Private Pension	173.4	156.4	10.9%	162.8	6.5%	336.2	307.4	9.4%
Saving Bonds	15.4	14.0	10.4%	15.9	-2.6%	31.3	27.1	15.5%
ASO	15.1	14.7	2.7%	15.0	0.4%	30.1	29.7	1.2%
Asset Management	19.8	13.2	49.4%	13.5	46.8%	33.2	24.2	37.2%
Other	10.1	11.5	-12.5%	9.4	7.0%	19.5	20.8	-6.3%
<b>Changes in Premium Technical Reserves</b>	<b>-160.9</b>	<b>-256.8</b>	<b>37.3%</b>	<b>-3.9</b>	<b>NA</b>	<b>-164.8</b>	<b>-310.8</b>	<b>47.0%</b>
Insurance	-23.7	-129.2	81.6%	126.1	NA	102.4	-61.8	NA
Private Pension	-137.2	-127.6	-7.5%	-130.0	-5.6%	-267.2	-249.1	-7.3%
<b>Operating Expenses</b>	<b>-4,718.3</b>	<b>-4,332.2</b>	<b>-8.9%</b>	<b>-4,635.7</b>	<b>-1.8%</b>	<b>-9,354.0</b>	<b>-8,561.7</b>	<b>-9.3%</b>
<b>Insurance</b>	<b>-4,673.4</b>	<b>-4,275.7</b>	<b>-9.3%</b>	<b>-4,591.0</b>	<b>-1.8%</b>	<b>-9,264.4</b>	<b>-8,463.4</b>	<b>-9.5%</b>
Claims	-4,053.8	-3,715.2	-9.1%	-3,928.7	-3.2%	-7,982.6	-7,300.3	-9.3%
Acquisition Costs	-489.7	-458.5	-6.8%	-496.4	1.3%	-986.2	-915.6	-7.7%
Other	-129.8	-102.0	-27.2%	-165.8	21.7%	-295.6	-247.5	-19.5%
<b>Private pension</b>	<b>-30.0</b>	<b>-32.3</b>	<b>7.1%</b>	<b>-31.8</b>	<b>5.8%</b>	<b>-61.8</b>	<b>-62.1</b>	<b>0.4%</b>
Benefits and Redemptions Expenses	-19.9	-24.1	17.5%	-21.8	9.1%	-41.7	-45.2	7.8%
Acquisition Costs	-8.6	-7.7	-11.7%	-9.3	7.1%	-17.9	-15.6	-14.4%
Other	-1.5	-0.5	-199.8%	-0.7	-105.8%	-2.3	-1.2	-80.7%
<b>Saving Bonds</b>	<b>-8.2</b>	<b>-19.3</b>	<b>57.3%</b>	<b>-8.2</b>	<b>-0.2%</b>	<b>-16.4</b>	<b>-27.8</b>	<b>40.9%</b>
ASO	-5.6	-4.0	-39.4%	-3.6	-56.9%	-9.1	-6.6	-38.9%
Asset Management	-1.1	-0.9	-15.2%	-1.2	8.6%	-2.2	-1.8	-23.8%
<b>Operating Gross Margin</b>	<b>560.3</b>	<b>496.5</b>	<b>12.8%</b>	<b>614.9</b>	<b>-8.9%</b>	<b>1,175.3</b>	<b>984.5</b>	<b>19.4%</b>
<b>General and Administrative Expenses</b>	<b>-439.6</b>	<b>-434.0</b>	<b>-1.3%</b>	<b>-435.3</b>	<b>-1.0%</b>	<b>-874.9</b>	<b>-814.4</b>	<b>-7.4%</b>
<b>Net Investment Income</b>	<b>159.4</b>	<b>168.2</b>	<b>-5.2%</b>	<b>171.3</b>	<b>-6.9%</b>	<b>330.7</b>	<b>313.1</b>	<b>5.6%</b>
Equity Interest Income	-9.0	7.5	NA	10.5	NA	1.5	16.9	-91.2%
Other Equity Income / (Expenses)	-0.3	2.5	NA	2.0	NA	1.7	6.1	-72.4%
<b>Income before tax and social contribution</b>	<b>270.8</b>	<b>240.6</b>	<b>12.5%</b>	<b>363.4</b>	<b>-25.5%</b>	<b>634.2</b>	<b>506.2</b>	<b>25.3%</b>
Income Tax and Social Contribution	-10.3	-105.4	90.3%	-140.1	92.7%	-150.4	-228.9	34.3%
<b>Net Income</b>	<b>260.5</b>	<b>135.2</b>	<b>92.6%</b>	<b>223.3</b>	<b>16.6%</b>	<b>483.8</b>	<b>277.2</b>	<b>74.5%</b>
Attributable to Non-Controlling Shareholders	0.3	0.2	87.4%	0.1	133.2%	0.5	-0.4	NA
<b>Net Income After Non-Controlling Interests</b>	<b>260.8</b>	<b>135.4</b>	<b>92.6%</b>	<b>223.5</b>	<b>16.7%</b>	<b>484.3</b>	<b>276.8</b>	<b>75.0%</b>

## 10. Summary Balance Sheet

### ASSETS

(R\$ million)	1H19	2018	Δ
<b>Current Assets</b>	<b>19,418.5</b>	<b>18,712.4</b>	<b>3.8%</b>
Cash, cash equivalents and marketable securities	16,402.1	15,601.2	5.1%
Receivables	2,018.2	2,164.2	-6.7%
Taxes	200.0	182.1	9.9%
Reinsurance assets	34.1	35.8	-4.8%
Salvages for sale	67.4	44.8	50.3%
Deferred acquisition costs	658.9	663.3	-0.7%
Other	37.7	20.9	80.3%
<b>Non-current assets</b>	<b>7,636.2</b>	<b>6,991.4</b>	<b>9.2%</b>
Marketable securities	1,314.7	1,260.8	4.3%
Receivables	1,137.2	908.4	25.2%
Judicial deposits	2,865.1	2,837.2	1.0%
Reinsurance assets	8.8	8.1	8.7%
Deferred acquisition costs	624.9	582.9	7.2%
Taxes	1,078.4	965.3	11.7%
Other	16.3	4.5	259.9%
Leasing assets	189.5	0.0	NA
Investments, property and equipment, and intangible assets	401.4	424.3	-5.4%
<b>Total Assets</b>	<b>27,054.7</b>	<b>25,703.8</b>	<b>5.3%</b>

### LIABILITIES

(R\$ million)	1H19	2018	Δ
<b>Current Liabilities</b>	<b>9,609.7</b>	<b>9,881.1</b>	<b>-2.7%</b>
Accounts payable	1,681.9	1,934.9	-13.1%
Loans and financing	381.8	447.8	-14.7%
Insurance and reinsurance liabilities	328.7	359.2	-8.5%
Technical reserves - Insurance	7,122.9	7,041.0	1.2%
Judicial provisions	75.0	73.2	2.5%
Other	19.5	25.0	-22.1%
<b>Non-current Liabilities</b>	<b>10,671.1</b>	<b>9,535.2</b>	<b>11.9%</b>
Accounts payable	195.7	36.9	430.3%
Loans and financing	1,668.8	1,023.2	63.1%
Technical reserves - Insurance	6,434.2	6,131.2	4.9%
Judicial provisions	2,362.9	2,330.6	1.4%
Other	9.5	13.3	-28.5%
<b>Shareholders' Equity</b>	<b>6,773.8</b>	<b>6,287.5</b>	<b>7.7%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>27,054.7</b>	<b>25,703.8</b>	<b>5.3%</b>

## 11. Analyst Coverage

Firm	Analyst	Phone
Ágora	Aloísio Lemos	+55 (21) 2529-0807
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Citi	Felipe Salomão	+55 (11) 4009-2650
JP Morgan	Domingos Falavina	+1 (212) 622 3602
Merrill Lynch	Mario Pierry	+1 (646) 743 0047
Safra	Luis Azevedo	+55 (11) 3175-9341
Santander	Henrique Navarro	+55 (11) 3012-5756
UBS	Mariana Taddeo	+55 (11) 3513-6512
XP Investimentos	André Martins	+55 (11) 3075-0429

## 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.

**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; (vi) 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:** is 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.

Other data can be found in the fundamentals spreadsheet, available at the Investor Relations website ([www.sulamerica.com.br/ir](http://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.