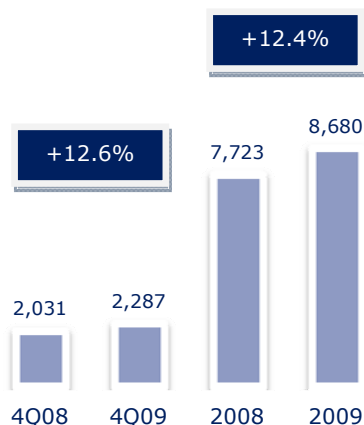


**Recurring net income grows 9.8% to a record R\$419.1 million in 2009. Premiums end period at R\$8.7 billion, for growth of 12.4%.**

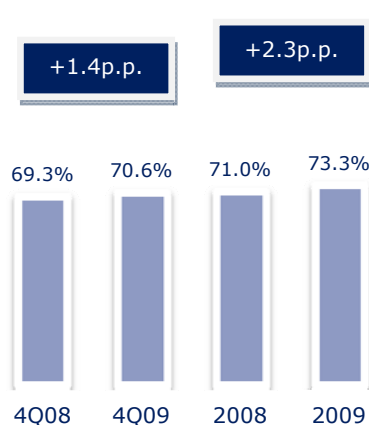
### Highlights

- ▶ In 4Q09, net income reaches R\$149.7 million, rising 68.1% from 4Q08. Net income of R\$419.1 million in 2009, up 9.8% in relation to recurring net income in 2008. Return on equity reaches 17.6% in 2009 and the Company ends the fiscal year with total assets of R\$12.4 billion.
- ▶ Insurance premiums in 4Q09 increase 12.6% from 4Q08 (up 1.9% from 3Q09) to R\$2.3 billion. In 2009, insurance premiums increase 12.4% to R\$8.7 billion. Health insurance premiums in 4Q09 increase 12.6% from 4Q08 (up 3.6% from 3Q09), with the group health portfolio expanding 16.7% (up 4.2% from 3Q09), led by small and mid-sized enterprises (SMEs), which grow 24.9%. In the year, health insurance premiums grow 10.2% in relation to 2008. Auto insurance premiums rise 35.2% in 4Q09 over 4Q08 (up 5.8% from 3Q09) and by 25.0% in the year. Insured fleet reaches 2.3 million vehicles at the end of 2009.
- ▶ Total loss ratio of 70.6% in 4Q09, up 140 bps from 4Q08 (down 340 bps on 3Q09). In 2009, total loss ratio increases 230 bps to end the period at 73.3%. Health insurance loss ratio reaches 79.1% in 4Q09, increasing 380 bps from 4Q08 (down 130 bps from 3Q09). Auto insurance loss ratio reaches 57.2% in 4Q09, down 340 bps over 4Q08 (down 540 bps from 3Q09).
- ▶ Combined ratio ends the quarter at 98.1%, down 40 bps from 4Q08 (down 260 bps from 3Q09). In the year, the combined ratio rises 100 bps to 99.4%.
- ▶ Return on the investment portfolio reaches R\$157.3 million in 4Q09, corresponding to an average yield of 114.5% of the CDI rate. In 2009, this return was equivalent to 115.9% of the CDI.

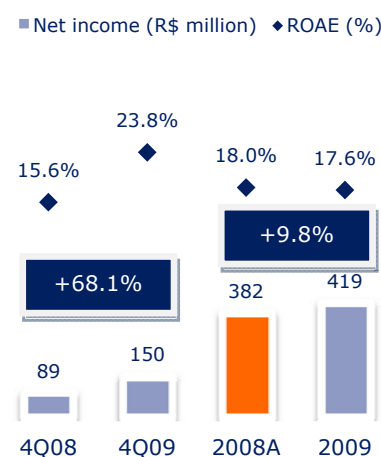
**Insurance premiums**  
R\$ million



**Loss ratio**  
% earned premiums



**Net income and ROAE**



## Insurance operations

Insurance premiums   R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Health insurance	1,198.8	1,064.4	12.6	1,157.3	3.6	4,515.3	4,099.0	10.2
Group health insurance	840.8	720.4	16.7	807.1	4.2	3,113.7	2,689.1	15.8
Individual health insurance	358.0	344.0	4.1	350.1	2.3	1,401.6	1,409.8	-0.6
Auto insurance	824.1	609.7	35.2	779.2	5.8	2,933.2	2,345.7	25.0
Other property & casualty insurance	129.8	230.8	-43.8	180.3	-28.0	733.4	782.0	-6.2
Life & personal accident insurance	134.1	126.4	6.1	127.5	5.2	497.6	496.6	0.2
<b>Total</b>	<b>2,286.8</b>	<b>2,031.3</b>	<b>12.6</b>	<b>2,244.3</b>	<b>1.9</b>	<b>8,679.6</b>	<b>7,723.2</b>	<b>12.4</b>

Earned premiums   R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Health insurance	1,199.2	1,065.6	12.5	1,150.9	4.2	4,506.4	4,097.2	10.0
Group health insurance	838.7	719.2	16.6	803.8	4.3	3,105.4	2,684.1	15.7
Individual health insurance	360.5	346.4	4.1	347.1	3.9	1,401.1	1,413.0	-0.8
Auto insurance	715.8	575.7	24.3	659.9	8.5	2,567.4	2,177.4	17.9
Other property & casualty insurance	75.2	95.4	-21.1	80.5	-6.5	335.5	367.9	-8.8
Life & personal accident insurance	96.5	87.6	10.1	91.8	5.1	367.8	342.7	7.4
<b>Total</b>	<b>2,086.8</b>	<b>1,824.3</b>	<b>14.4</b>	<b>1,983.0</b>	<b>5.2</b>	<b>7,777.2</b>	<b>6,985.1</b>	<b>11.3</b>

Loss ratio   %	4Q09	4Q08	Δ(bps)	3Q09	Δ(bps)	2009	2008	Δ(bps)
Health insurance	79.1%	75.3%	380	80.4%	-130	80.8%	76.3%	450
Group health insurance	76.2%	71.4%	480	76.7%	-50	77.9%	72.6%	530
Individual health insurance	85.9%	83.4%	250	89.0%	-320	87.1%	83.3%	380
Auto insurance	57.2%	60.6%	-340	62.6%	-540	61.5%	64.1%	-270
Other property & casualty insurance	86.9%	77.4%	940	100.8%	-1390	80.9%	67.7%	1320
Life & personal accident insurance	52.4%	43.6%	880	52.5%	-10	57.0%	54.4%	260
<b>Total</b>	<b>70.6%</b>	<b>69.3%</b>	<b>140</b>	<b>74.0%</b>	<b>-340</b>	<b>73.3%</b>	<b>71.0%</b>	<b>230</b>

Acquisition cost ratio   %	4Q09	4Q08	Δ(bps)	3Q09	Δ(bps)	2009	2008	Δ(bps)
Health insurance	6.1%	5.6%	50	6.0%	10	5.9%	5.4%	40
Group health insurance	8.3%	7.9%	40	8.2%	10	8.1%	7.8%	30
Individual health insurance	0.9%	0.9%	0	0.9%	0	0.9%	1.0%	0
Auto insurance	18.4%	18.6%	-30	18.2%	20	18.3%	18.9%	-50
Other property & casualty insurance	19.8%	19.4%	40	19.4%	40	18.6%	19.1%	-40
Life & personal accident insurance	23.1%	25.3%	-220	24.4%	-130	22.3%	21.1%	120
<b>Total</b>	<b>11.6%</b>	<b>11.4%</b>	<b>20</b>	<b>11.5%</b>	<b>10</b>	<b>11.3%</b>	<b>11.1%</b>	<b>20</b>

Gross margin   %	4Q09	4Q08	Δ(bps)	3Q09	Δ(bps)	2009	2008	Δ(bps)
Health insurance	14.8%	19.0%	-430	13.6%	120	13.3%	18.2%	-490
Group health insurance	15.4%	20.7%	-520	15.1%	30	13.9%	19.6%	-560
Individual health insurance	13.2%	15.7%	-240	10.0%	320	11.9%	15.7%	-380
Auto insurance	24.4%	20.7%	370	19.2%	520	20.2%	17.0%	320
Other property & casualty insurance	(6.6%)	3.1%	-980	(20.1%)	1350	0.4%	13.2%	-1280
Life & personal accident insurance	24.5%	31.1%	-660	23.1%	140	20.7%	24.5%	-380
<b>Total</b>	<b>17.8%</b>	<b>19.3%</b>	<b>-150</b>	<b>14.5%</b>	<b>330</b>	<b>15.4%</b>	<b>17.9%</b>	<b>-250</b>

Combined ratio   %	4Q09	4Q08	Δ(bps)	3Q09	Δ(bps)	2009	2008	Δ(bps)
Combined ratio	98.1%	98.5%	-40	100.7%	-260	99.4%	98.4%	100

## Net income and return on average equity (ROAE)

R\$ million	4Q09	4Q08	Δ	3Q09	Δ	2009	2008	Δ
Net income	149.7	89.1	68.1%	81.0	84.8%	419.1	415.9	0.8%
Net income adjusted	149.7	89.1	68.1%	81.0	84.8%	419.1	381.8	9.8%
ROAE	23.8%	15.6%	820bps	12.9%	1090bps	17.6%	19.6%	-200bps
ROAE adjusted	23.8%	15.6%	820bps	12.9%	1090bps	17.6%	18.0%	-40bps
Earnings per share (R\$)*	0.5352	0.3170	68.8%	0.2888	85.3%	1.4986	1.4796	1.3%
Earnings per share adjusted (R\$)*	0.5352	0.3170	68.8%	0.2888	85.3%	1.4986	1.3593	10.2%
Earnings per unit (R\$)*	1.6055	0.9510	68.8%	0.8665	85.3%	4.4958	4.4388	1.3%
Earnings per unit adjusted (R\$)*	1.6055	0.9510	68.8%	0.8665	85.3%	4.4958	4.0778	10.2%

(\*) Parent Company

Important note: certain percentages and other figures included in this performance report were rounded to facilitate presentation and therefore may present slight differences in relation to the tables and notes presented in the quarterly information. In addition, for the same reason, the totals presented in certain tables may not reflect the arithmetic sum of the preceding figures.

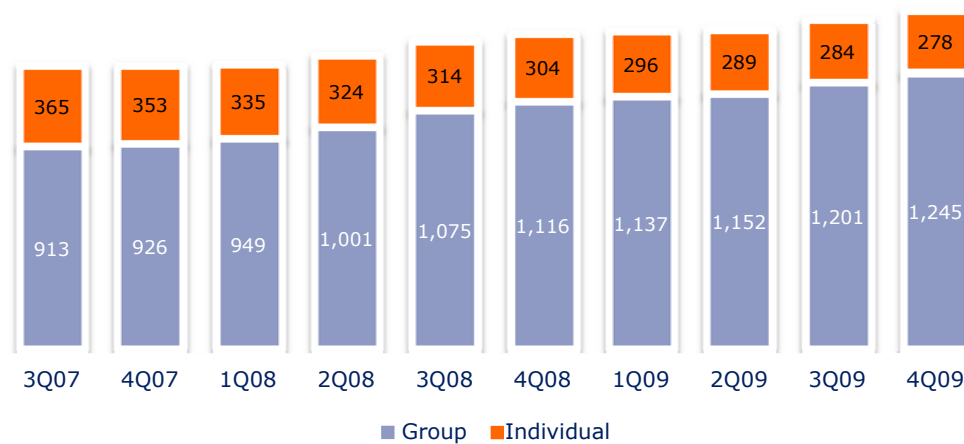
## Health insurance

**Insurance premiums** | Health insurance premiums reached R\$1.2 billion in 4Q09, increasing 12.6% from 4Q08 (up 3.6% from 3Q09). In the year, health insurance premiums totaled R\$4.5 billion, accounting for 52.0% of total insurance premiums and growing by 10.2% from 2008.

Group health insurance premiums totaled R\$840.8 million in 4Q09, increasing 16.7% on 4Q08 (up 4.2% over 3Q09). The group health insurance portfolio ended the quarter with 1,245,000 insured members, an increase of 11.5% over 4Q08 (up 3.7% on 3Q09). The increase in group health insurance premiums in 4Q09 was led by the higher number of insured members and by the price adjustments applied to policies in force. Health insurance premiums in the small and medium enterprises (SME) segment expanded by 24.9% in 4Q09 versus 4Q08 (up 5.3% on 3Q09) to R\$162.0 million. The expansion was driven by the 21.0% increase in the number of insured members, with the portfolio closing the quarter with 178,595 members (5.2% increase on 3Q09). The dental care portfolio ended the quarter with 167,621 members, 51.0% more than in 4Q08 (up 12.9% versus 3Q09), due to the positive results of the promotional campaigns and the cross-selling efforts in the insured base. In the year, group health insurance premiums accounted for 35.9% of total insurance premiums and 69% of total health insurance premiums.

In 4Q09, individual health insurance premiums reached R\$358.0 million, increasing 4.1% on 4Q08 (up 2.3% over 3Q09). In the year, premiums fell 0.6% to end the period at R\$1.4 billion. In 4Q09, the individual health insurance portfolio decreased by 8.5% over 4Q08 to 278,320 members (down 1.8% on 3Q09). The National Healthcare Agency (ANS) approved a 6.76% increase for individual health insurance policies issued after the enactment of Law 9,656/98 and the same proportional increase for policies issued prior to the law. In the year, individual health insurance premiums accounted for 16.2% of total insurance premiums and 31.0% of total health insurance premiums.

### Health insurance members thousand



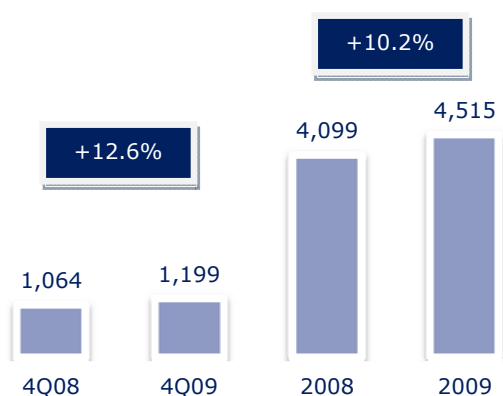
**Loss ratio** | The health insurance loss ratio reached 79.1% in 4Q09, increasing 380 bps over 4Q08 (down 130 bps on 3Q09). In the year, this loss ratio was 80.8%, 450 bps higher than in 2008.

In 4Q09, the group health insurance loss ratio increased 480 bps from 4Q08 (down 50 bps on 3Q09) to end the quarter at 76.2%. This increase in the group health insurance loss ratio in 4Q09 is explained by the higher cost of medical services and the more frequency of utilization observed industry wide, which it has already showed an improvement in relation to 3Q09. The decline observed in relation to 3Q09 is also explained by the price adjustments in group policies.

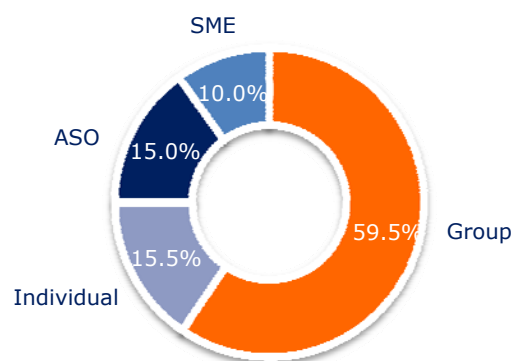
The individual health insurance loss ratio increased by 250 bps from 4Q08 to 85.9% (down 320 bps on 3Q09). This increase is partially due to the higher frequency of utilization observed industry wide and the higher healthcare costs, which later will constitute the base for future price adjustments.

**Acquisition cost ratio** | The health insurance acquisition cost ratio was 6.1% in 4Q09, increasing 50 bps over 4Q08 (up 10 bps from 3Q09). The increase observed in 4Q09 is explained by the change in the portfolio's composition, with a higher share of group health insurance and the SME segment than in the individual health portfolio, which because it is inactive does not generate selling expenses.

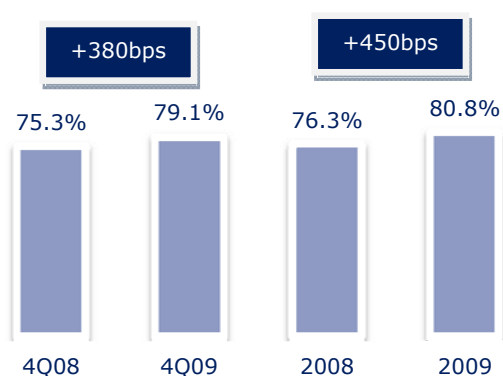
**Insurance premiums**  
R\$ million



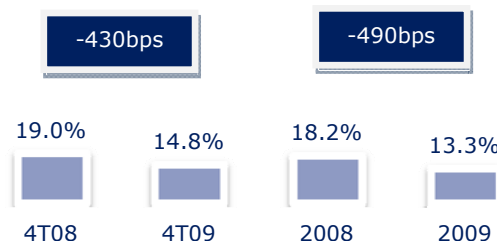
**Covered individuals 2009**  
Total | 1.8 million members



**Loss ratio**  
% earned premiums



**Gross margin**  
% earned premiums

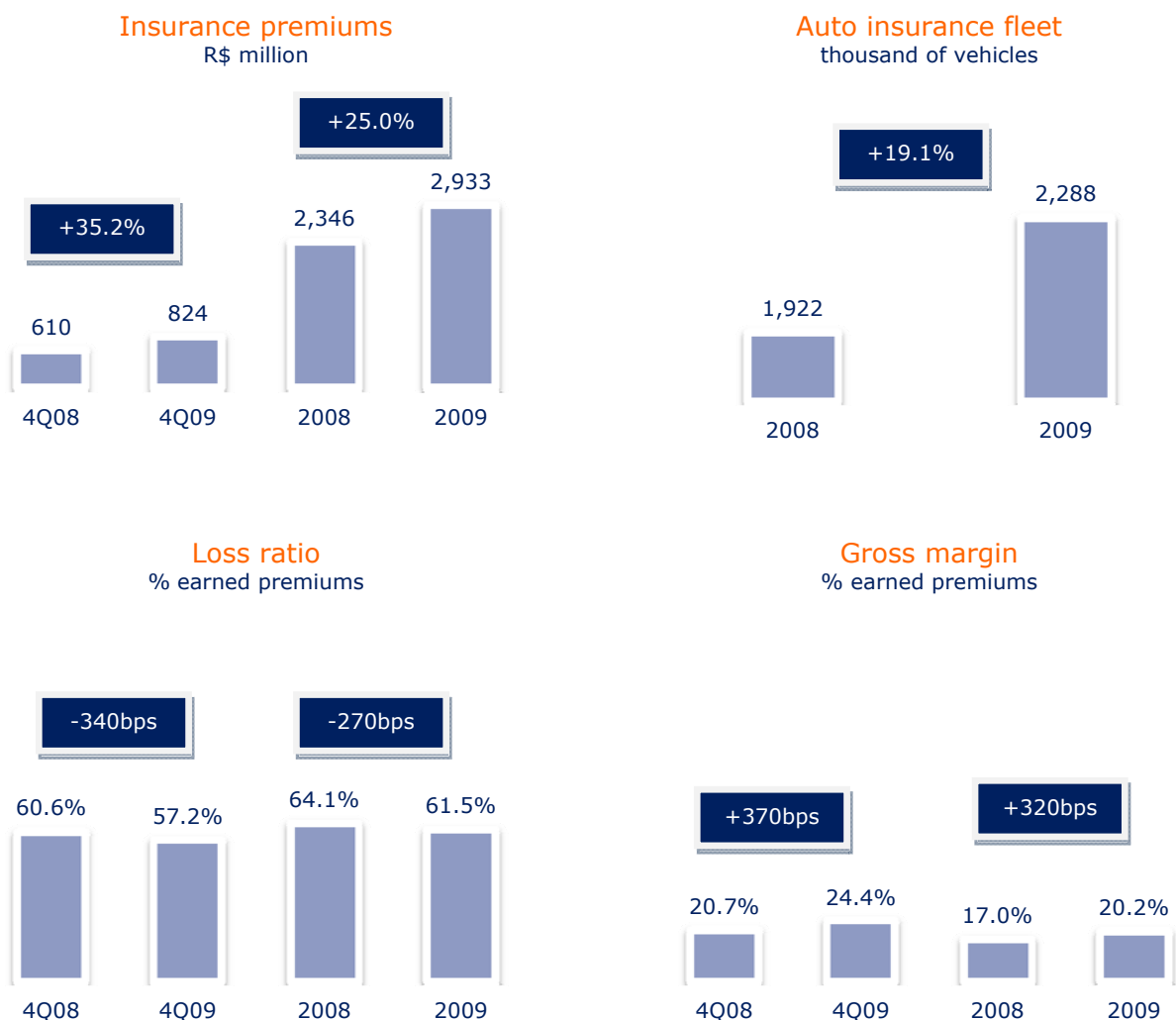


## Auto insurance

**Insurance Premiums** | For the third straight quarter, auto insurance premiums recorded strong growth to close 4Q09 at R\$824.1 million, for an increase of 35.2% in relation to 4Q08 (up 5.8% on 3Q09). Premiums written set a record high, and the number of policies issued in the quarter was the highest ever since the company's initial public offering in October 2007, increasing by 27.8% from 4Q08. In the year, auto insurance premiums (which accounted for 33.8% of the Company's total insurance premiums) increased by 25.0% from 2008, ending the period at R\$2.9 billion. The growth in premiums is mainly explained by the expansion in the insured fleet to 2,288,000 vehicles in 4Q09, for an increase of 19.1% on 4Q08 (6.5% on 3Q09), and by the increase in the average annual premium. This performance also reflects the positive response of the automobile market to the incentives implemented by the federal government, which led to growth of 11.4% in new vehicle sales in 2009 versus 2008, according to the National Association of Vehicle Manufacturers (Anfavea). The insurance industry continues to benefit from these measures, with the auto segment registering growth of 13.0% in the year, based on data released by the Private Insurance Superintendence (SUSEP). In the same period, SulAmérica grew by 25.0% and reached market share of 17.0%, 170 bps higher than at year-end 2008.

**Loss ratio** | The auto insurance loss ratio once again declined in the quarter, to 57.2%, decreasing 340 bps from 4Q08 (down 540 bps over 3Q09). The result in the quarter reflects the lowest loss ratio for this portfolio since the company's IPO. In 2009, the loss ratio decreased 270 bps to end the period at 61.5%. The decline is explained by the continued optimization pricing policy and a better acceptance policy adopted by the Company, as well as an increase in the average premium in line with market conditions, being partially offset by the increase in judicial reserves as a result of changes in estimates.

**Acquisition cost ratio** | The auto insurance acquisition cost ratio declined 30 bps in 4Q09 to 18.4% (up 20 bps in relation to 3Q09). In the year, the ratio improved by 50 bps from 2008 to end the period at 18.3%.



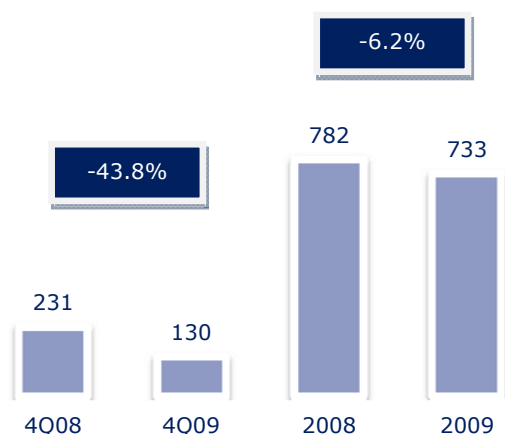
## Other property and casualty insurance

**Insurance premiums** | Premiums for other property and casualty insurance reached R\$129.8 million in 4Q09, representing a 43.8% decrease on 4Q08 (down 28.0% on 3Q09). In 2009, insurance premiums in this segment, which accounts for 8.5% of the Company's total insurance premiums, decreased by 6.2% from 2008 to end the period at R\$733.4 million. This decrease is partially explained by the revision of the risk acceptance policy adopted in the portfolio, which led the company to adopt a more selective approach.

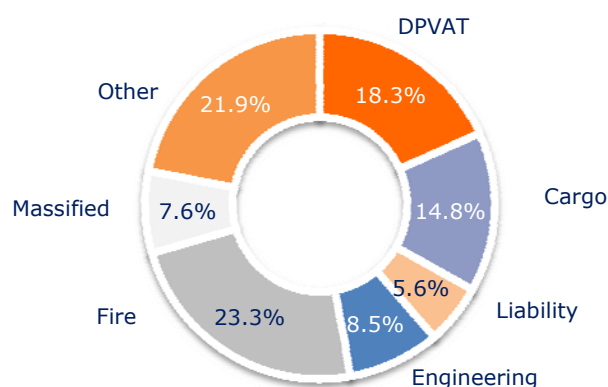
**Loss ratio** | The other property and casualty insurance loss ratio reached 86.9% in 4Q09, up 940 bps from 4Q08 (down 1390 bps from 3Q09). The upward move is explained by the increase in technical provisions in line with the portfolio's experience and by the revision in contingencies for judicial claims. In the year, the loss ratio was 80.9%, increasing 1,320 bps on 2008, primarily led by higher claims in 3Q09 and the build in provisions in 4Q09.

**Acquisition cost ratio** | The portfolio's acquisition cost ratio increased 40 bps in 4Q09 from 4Q08 to 19.8% (up 40 bps over 3Q09). In 2009, this loss ratio fell 40 bps from 2008 to 18.6%.

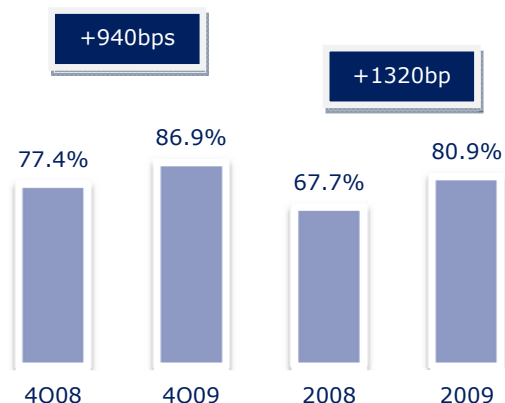
Insurance premiums  
R\$ million



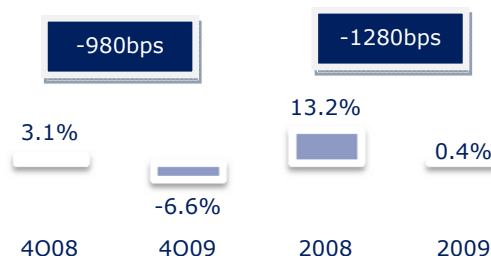
Segment breakdown in 12M09  
Total | R\$733.4 million



Loss ratio  
% earned premiums



Gross margin  
% earned premiums



## Life and personal accident insurance

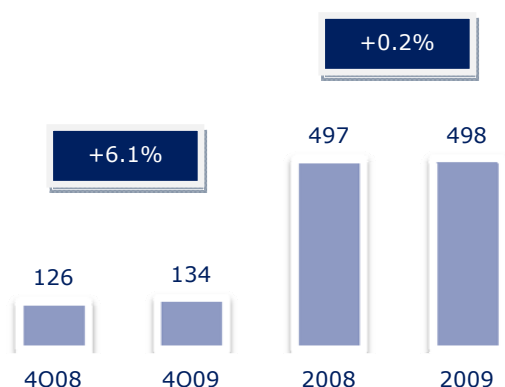
**Insurance premiums** | Premiums for life and personal accident insurance grew 6.1% in 4Q09 from 4Q08 (up 5.2% on 3Q09) to R\$134.1 million. In the year, the portfolio's insurance premiums, which account for 5.7% of the Company's total insurance premiums, grew by 0.2% over 2008 to R\$497.6 million. The growth in life and personal accident insurance premiums in 4Q09 is basically explained by the 38.6% increase in VGBL premiums against 4Q08 and by the performance of the group life and personal accident insurance portfolio. The portfolio ended 2009 with 2,484 thousand covered individuals, expanding by 4.3% from 2008.

**Loss Ratio** | The life and personal accident loss ratio was 52.4% in 4Q09, up 880 bps from 4Q08 (down 10 bps from 4Q08). The increase was due to the benefits generated by the revaluation of judicial liabilities in 4Q09, which had a lower impact in 4Q09. The revaluation is based on historical data for payments and favorable decisions for lawsuits. In the year, the loss ratio decreased 260 bps from 2008 to end the period at 57.0%, due to the build in reserves for judicial claims caused by changes in estimates.

**Acquisition cost ratio** | The life and personal accident acquisition cost ratio decreased 220 bps in 4Q09 to 23.1% (down 130 bps from 3Q09), mainly due to the commercial conditions of new policies. In the year, the acquisition cost ratio rose 120 bps to close the period at 22.3%.

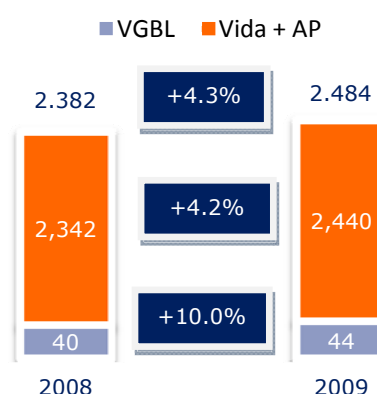
### Insurance premiums

R\$ million



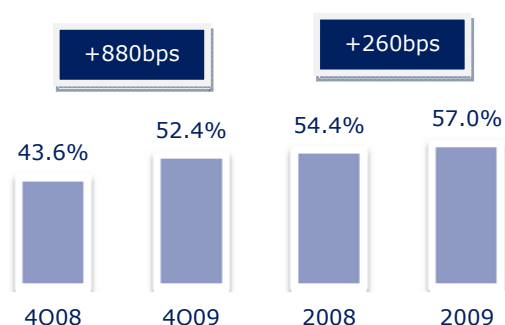
### Covered individuals

thousand



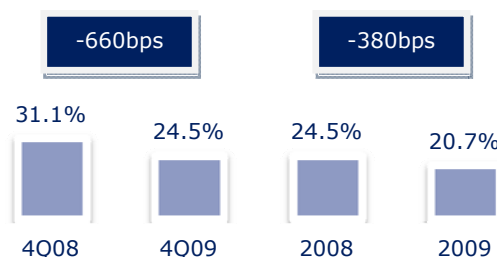
### Loss ratio

% earned premiums



### Gross margin

% earned premiums





## Other insurance operating income and expenses

R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Other insurance operating income and expenses	(51.2)	(56.7)	-9.8	(42.5)	20.5	(105.9)	(83.9)	26.2

The increase in operating expenses observed in 2009 in relation to 2008 was chiefly due to the reversal of the provision for bad debt made in 2008 as a result of retroactive charging of health insurance premiums, the increase in expenses with risk, claims and other inspections related to insurance operations and the increase in provisions for lawsuits not related to coverage, which were partially offset by the higher revenue from policy costs.

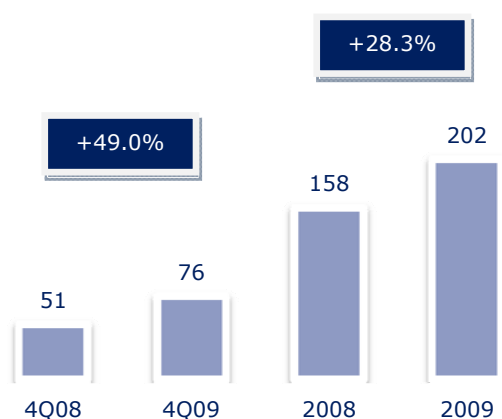
## Income from private pension

R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Income from private pension	6.6	1.8	271.1	15.9	-58.8	27.4	14.7	87.0

Income from the private pension operations increased by R\$12.7 million or 87.0% in 2009 from the previous year, mainly due to the lower provisions for the financial variation in plans pegged to inflation indexes. In 2009, income from private pension operations grew by 28.3% on the previous year to R\$202.1 million. Private pension provisions increased by 14.1% on the previous year to R\$1,904 million.

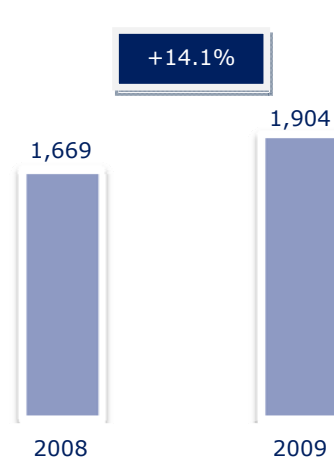
### Pension Contributions

R\$ million



### Reserves

R\$ million



## Income from Administrative Services Only

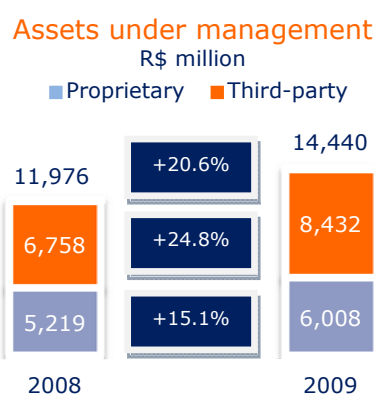
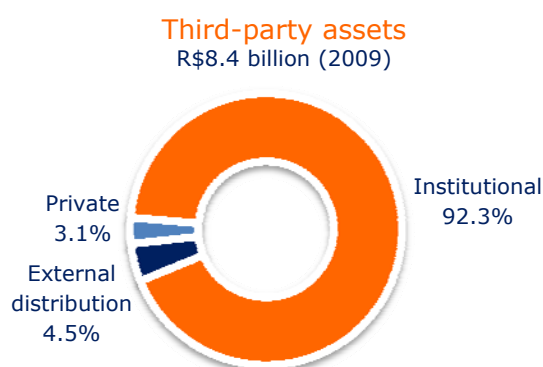
R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Net operating income from ASO business	8.4	3.5	138.4	7.5	11.4	30.9	28.6	8.0

Income from the administrative services only (ASO) grew by 8.0% over 2008 to R\$30.9 million, impacted by the increase in the average fee per member. The portfolio ended the period with 268,500 covered individuals, which represents contraction of 1.5%.

## Income from asset management

R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Income from asset management	4.6	4.4	6.1	4.7	-1.9	19.5	23.4	-16.7

Assets managed by Sul América Investimentos D.T.V.M. S.A. increased by 20.6% to end 2009 at R\$14.4 billion (based on National Association of Investment Banks - ANBIMA criteria). Income from the asset management business declined R\$3.9 million in 2009, in line with the higher allocation of clients' funds to more conservative funds, resulting in lower management fees.

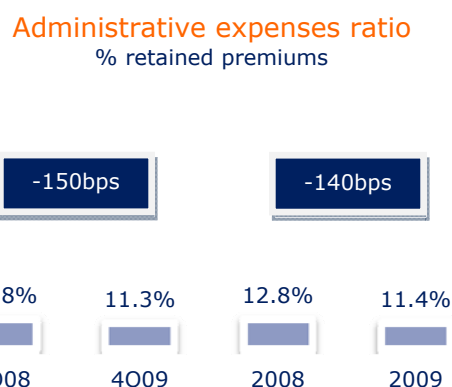
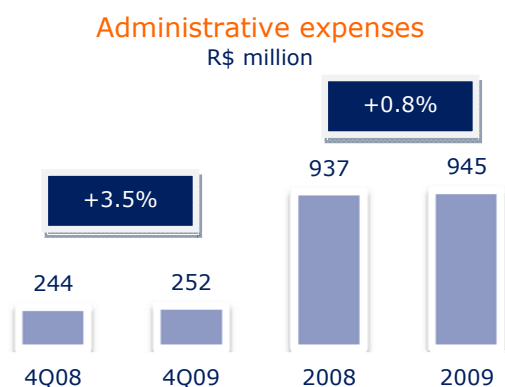


## Administrative expenses

R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Personnel expenses	(125.7)	(119.6)	5.1	(119.6)	5.1	(474.6)	(469.5)	1.1
Third-party services	(49.3)	(45.6)	8.1	(43.0)	14.7	(184.1)	(173.2)	6.3
Building and maintenance	(49.0)	(50.0)	-1.9	(52.4)	-6.4	(197.2)	(184.5)	6.9
Marketing and advertising	(24.5)	(20.5)	19.5	(23.6)	3.8	(72.5)	(67.6)	7.4
Other administrative expenses	(3.6)	(7.9)	-54.4	(4.8)	-25.0	(16.1)	(42.1)	-61.8
<b>Total</b>	<b>(252.1)</b>	<b>(243.6)</b>	<b>3.5</b>	<b>(243.4)</b>	<b>3.6</b>	<b>(944.5)</b>	<b>(936.9)</b>	<b>0.8</b>

Administrative expenses ratio (% retained premiums)	11.3%	12.8%	-150bps	11.3%	0bps	11.4%	12.8%	-140bps
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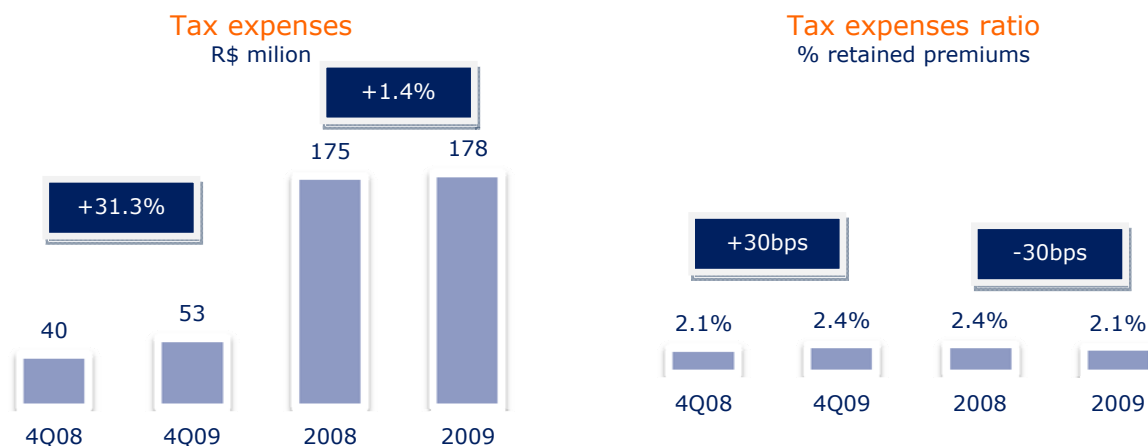
Administrative expenses increased only 0.8% in 2009 from the previous year, while the ratio of these expenses fell by 140 bps to end the period at 11.4% of retained premiums. The improvement in the ratio demonstrates the positive results of the Company's programs to improve operational efficiency.



## Tax expenses

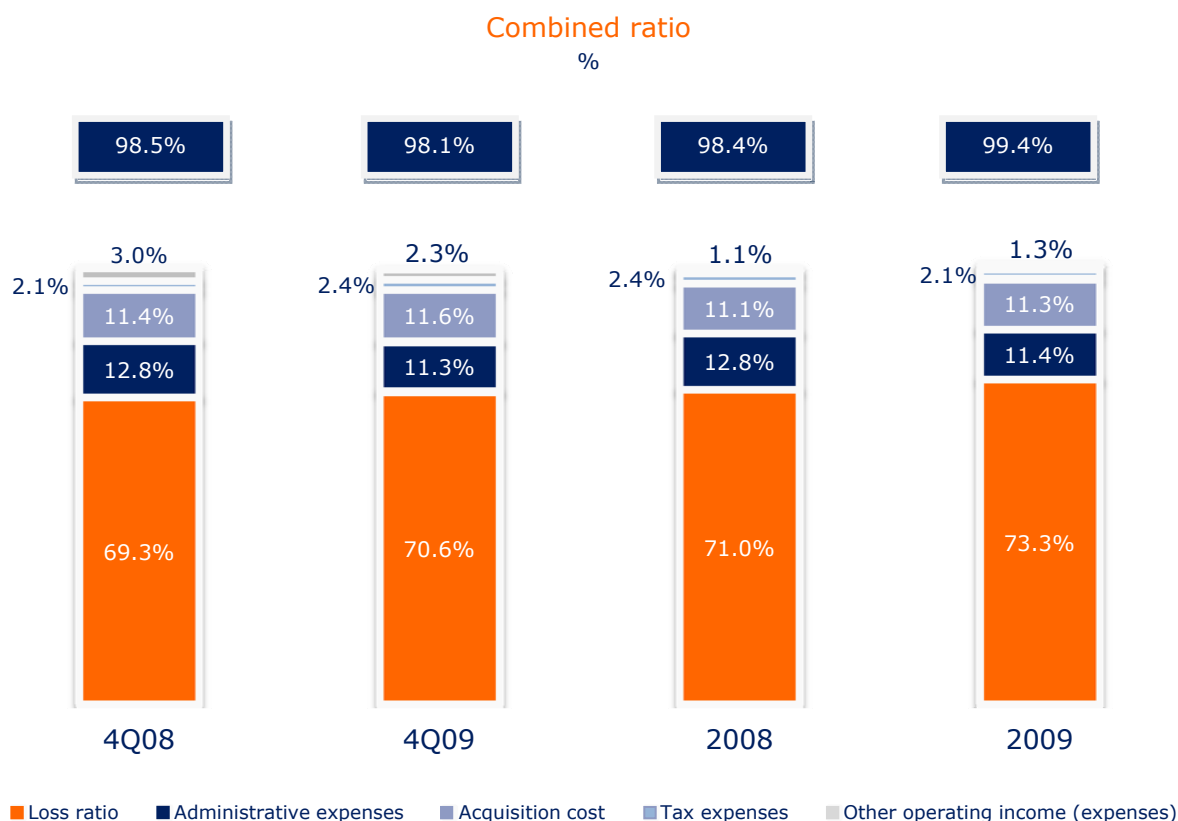
R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Tax expenses	(52.8)	(40.2)	31.3	(40.9)	29.1	(177.9)	(175.4)	1.4

Tax expenses increased 1.4% in 2009, representing 2.1% of retained premiums. The R\$2.5 million increase primarily reflects the higher expenses with PIS and COFINS taxes in the period and the adjustment in the provision for tax contingencies.



## Combined ratio

%	4Q09	4Q08	Δ(bps)	3Q09	Δ(bps)	2009	2008	Δ(bps)
Índice combinado	98.1%	98.5%	-40	100.7%	-260	99.4%	98.4%	100



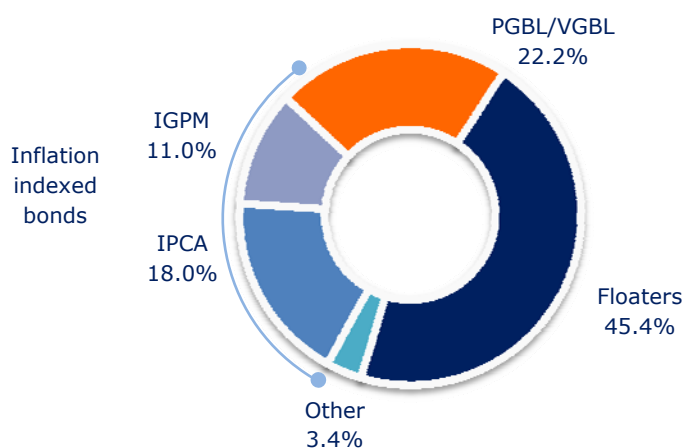
## Net financial income

R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Return on investment portfolio	157.3	147.8	6.4	165.7	-5.1	678.9	606.4	12.0
Debt servicing costs	(9.7)	(15.4)	37.2	(9.6)	0.9	(43.3)	(47.5)	-8.9
Changes in pension reserves	(48.1)	(29.6)	62.3	(53.6)	-10.2	(197.1)	(154.6)	27.5
Other	30.2	32.8	-8.0	36.8	-17.8	125.9	92.7	35.8
<b>Total</b>	<b>129.7</b>	<b>135.7</b>	<b>-4.4</b>	<b>139.3</b>	<b>-6.9</b>	<b>564.4</b>	<b>497.0</b>	<b>13.6</b>

In 2009, the balance of the company's investments in securities increased by 17.2% on the previous year to R\$6.8 billion. Of this total, approximately 97.0% is allocated to fixed-income investments and 3% to equity investments. The return on these investments corresponded to 114.5% of the CDI overnight rate in 4Q09, while in 2009 this return corresponded to 115.9% of the CDI. Total net financial income in 2009 registered a 13.6% increase on the previous year, reflecting the higher average balance of financial investments, the gains from fixed-rate securities, the lower financial charges on judicial liabilities and the positive variation from the discounts given in 1Q08 for complementary individual health premiums. The increase was partially offset by the revaluation of the contingent liability base.

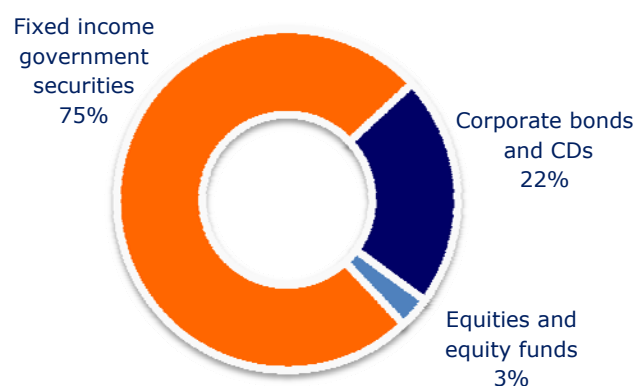
### Investment per security/index-linked

Total | R\$6.8 billion



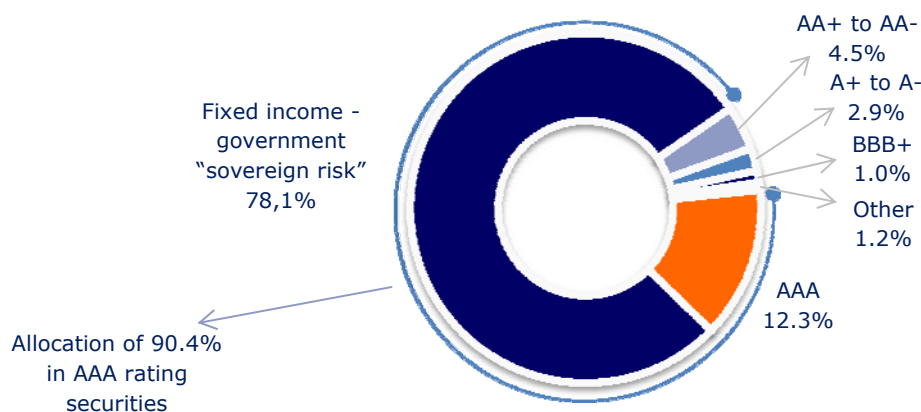
### Investment allocation

Total | R\$6.8 billion



### Investments per rating

Total | R\$6.6 billion



(\*) Excludes equity investments, senior notes, mutual funds and time deposits with special guarantee.

## Income tax and social contribution

R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Income tax and social contribution	0.3	(36.8)	n.a.	(36.2)	n.a.	(129.8)	(211.9)	-38.8
Income tax and social contribution adjusted	0.3	(36.8)	n.a.	(36.2)	n.a.	(129.8)	(151.4)	-14.3

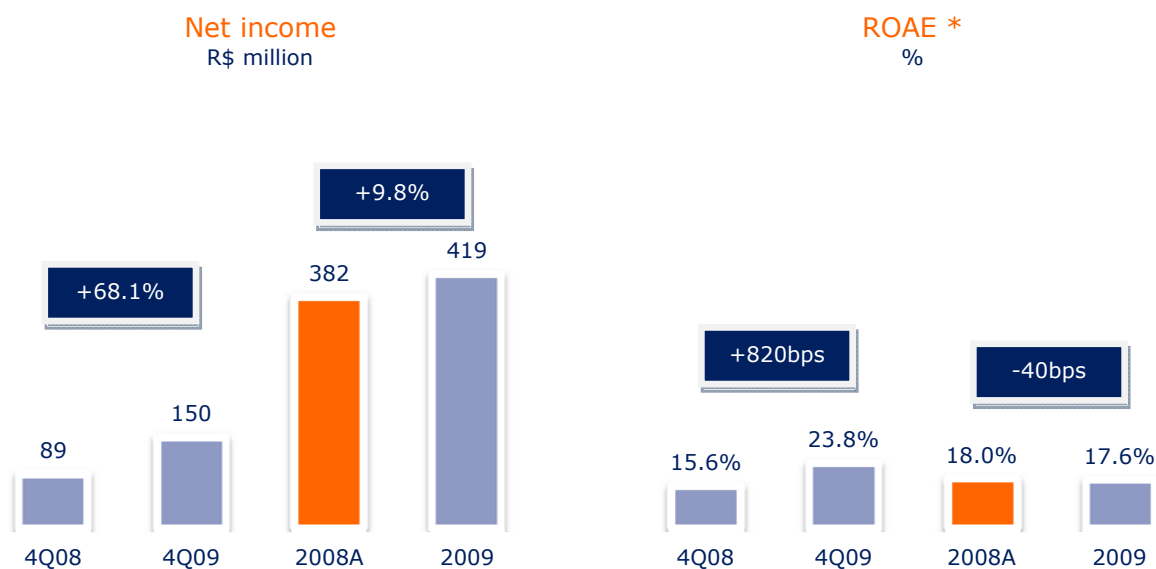
Expenses with income tax and social contribution tax declined by R\$82.1 million in 2009 from 2008 and by R\$37.1 million in 4Q09 from 4Q08, reflecting the Company's greater use of tax credits, due to the higher expectation for current and future tax results with the realization of assets available for sale.

## Net income and ROAE

R\$ million	4Q09	4Q08	Δ	3Q09	Δ	2009	2008	Δ
Net income	149.7	89.1	68.1%	81.0	84.8%	419.1	415.9	0.8%
Net income adjusted*	149.7	89.1	68.1%	81.0	84.8%	419.1	381.8	9.8%
ROAE	23.8%	15.6%	820bps	12.9%	1090bps	17.6%	19.6%	-200bps
ROAE adjusted*	23.8%	15.6%	820bps	12.9%	1090bps	17.6%	18.0%	-40bps

\* Adjustment excluding the result of R\$34 million from the sale of the interest in Telemar Participações S.A.

Net income was R\$419.1 million in 2009, up 9.8% from the recurring net income in 2008. Return on equity in the year was 17.6%, down 40 bps from 2008. Management submitted to the Shareholders' Meeting a proposal for the distribution of results that includes the payment of R\$199.1 million in dividends, which corresponds to 50% of adjusted net income in the fiscal year.



(\*) Return on average equity – annualized

## Main events in 4Q09 and subsequent events

**Brasilveículos and Brasilsaúde** | On October 6, 2009, SulAmérica published a “Material Fact” informing shareholders and the market that on this date it received a letter from Banco do Brasil S.A. expressing its interest in acquiring SulAmérica’s entire interest in Brasilveículos Companhia de Seguros (“Brasilveículos”), in which SulAmérica holds 60% of the voting capital and 30% of the total capital. The same material fact also disclosed the mutual interest of SulAmérica and Banco do Brasil in reviewing the business model and ownership structure of Brasilsaúde Companhia de Seguros (“Brasilsaúde”), in which SulAmérica holds 50.05% of the total and voting capital. At this date it is still not possible to project the conclusion date.

**Stock buyback program of Sul América S.A.** | On October 7, 2009, the Board of Directors of SulAmérica published a Material Fact announcing the approval of a program to repurchase the Company’s stock for holding in treasury and subsequent use in the company’s Stock Option Plan. The maximum number of units to be acquired is 1,046,872, representing 1,046,872 common shares and 2,093,744 preferred shares, and corresponding to 3% of the free-float units and approximately 1.1% of the company’s outstanding stock on September 30, 2009.

**Change in the management** | On December 4, 2009, the company announced to shareholders and the market that its CEO, Patrick de Larragoiti Lucas, informed the company’s Board of Directors of his decision to not run in the election for another term as Chief Executive Officer as of March 2010. As of that date, and once the matter has been approved by the corporate bodies, the executive will continue to serve as Chairman of the Board and will no longer accumulate the positions in which he currently serves of Chief Executive Officer and Chairman of the Board of Directors, a measure that strengthens SulAmérica’s commitment to corporate governance best practices.

**Sul América S.A. included in ISE and IBrX indexes** | In December 2009, SulAmérica S.A. was recognized by the importance its has dedicated to sustainability, being the first insurer to become a component of Corporate Sustainability Index (ISE). Also in December, the Company’s units became components, valid as of January, of the BM&FBovespa Financial Index (IFNC) and the Brasil Index (IBrX).

**Adjustment to individual health insurance premiums in Bahia state** | In July 2005, the National Private Health Insurance Agency (ANS) authorized SulAmérica to implement a 26.1% increase in the prices of its individual health insurance policies issued before January 1, 1999. The increase should have been applied in the period from July 2005 and July 2006, in accordance with the anniversary of the policies. The increase was suspended due to a preliminary injunction, with the same adjustment index used for new policies applied (11.69%). At the end of November 2009, the preliminary injunction was lifted, with SulAmérica once again obtaining the right to adjust its monthly premiums, as was the case in other Brazilian states. As of December 2009, insurers in Bahia state received an increase in premiums of 12.9% related to the increase applied in 2005, with the retroactive balances charged to beneficiaries since January 2010.

**Dividends distribution policy for fiscal years 2009, 2010 and 2011** | In a meeting held on February 23, 2010, the Board of Directors approved a proposal for the distribution of dividends related to the financial results reported for fiscal years 2009, 2010 and 2011 contemplating the amount 50% of adjusted net income. In each of the cases, the distributions are subject to the respective proposals for the allocation of net income made by the Company’s management and the approval by the Annual Shareholders’ Meeting, and may be revised based on the Company’s plans and needs on that occasion, such as relevant acquisitions and investments and complying with regulatory requirements, among other factors. In any case, any interim distributions of dividends or interest on equity made in the fiscal year in question will be calculated at these percentages.

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This release may contain forward-looking statements concerning the business outlook, estimates of operating and financial results and growth prospects of Sul América S.A. These statements are based exclusively on the expectations of the management of Sul América S.A. regarding the prospects of the business and its continued ability to access capital markets to finance its business plan. These forward-looking statements are highly sensitive to changes in the capital markets, government regulations, competitive pressures, the performance of the industry and the Brazilian economy and other factors, as well as to the risk factors highlighted in documents previously filed by Sul América S.A., and therefore are subject to change without prior notice.

## Appendix I – Income statement summary

R\$ million	4Q09	4Q08	Δ%	3Q09	Δ%	2009	2008	Δ%
Insurance premiums	2,286.8	2,031.3	12.6%	2,244.3	1.9%	8,679.6	7,723.2	12.4%
Premiums ceded to reinsurance, retrocession, consortiums and funds	(47.0)	(123.4)	-61.6%	(96.7)	-51.4%	(390.4)	(406.7)	-4.0%
Retained premiums	2,239.8	1,907.9	17.4%	2,147.6	4.3%	8,289.2	7,316.5	13.3%
Changes in insurance and retained technical reserves	(153.0)	(83.6)	83.0%	(164.5)	-7.0%	(512.0)	(331.4)	54.5%
Earned premiums	2,086.8	1,824.3	14.4%	1,983.0	5.2%	7,777.2	6,985.1	11.3%
Retained claims and benefits expenses	(1,474.1)	(1,263.6)	16.7%	(1,467.8)	0.4%	(5,700.1)	(4,958.1)	15.0%
Acquisitions costs	(242.0)	(208.1)	16.3%	(227.1)	6.6%	(880.7)	(776.4)	13.4%
<b>Gross margin</b>	<b>370.7</b>	<b>352.6</b>	<b>5.1%</b>	<b>288.2</b>	<b>28.6%</b>	<b>1,196.4</b>	<b>1,250.5</b>	<b>-4.3%</b>
Other insurance operating income (expenses)	(51.2)	(56.7)	-9.8%	(42.5)	20.5%	(105.9)	(83.9)	26.2%
Net operating income from private pension business	6.6	1.8	271.1%	15.9	-58.8%	27.4	14.7	87.0%
Net operating income from ASO business	8.4	3.5	138.4%	7.5	11.4%	30.9	28.6	8.0%
Net operating income from asset management business	4.6	4.4	6.1%	4.7	-1.9%	19.5	23.4	-16.7%
Administrative expenses	(252.1)	(243.6)	3.5%	(243.4)	3.6%	(944.5)	(936.9)	0.8%
Tax expenses	(52.8)	(40.2)	31.3%	(40.9)	29.1%	(177.9)	(175.4)	1.4%
Net financial income	129.8	135.7	-4.3%	139.3	-6.8%	564.5	497.0	13.6%
Equity income from non-consolidated subsidiaries	4.7	0.0	n.a.	0.5	882.4%	10.0	187.5	-94.7%
<b>Income before income tax, social contribution and profit sharing</b>	<b>168.7</b>	<b>157.4</b>	<b>7.2%</b>	<b>129.2</b>	<b>30.5%</b>	<b>620.4</b>	<b>805.4</b>	<b>-23.0%</b>
Income tax and social contribution	0.3	(36.8)	n.a.	(36.2)	n.a.	(129.8)	(211.9)	-38.8%
Profit sharing	(14.5)	(24.2)	-40.1%	(3.3)	335.7%	(34.9)	(47.4)	-26.3%
Minority interest	(4.8)	(7.3)	-34.2%	(8.7)	-45.0%	(36.6)	(130.2)	-71.9%
<b>Net income</b>	<b>149.7</b>	<b>89.1</b>	<b>68.1%</b>	<b>81.0</b>	<b>84.8%</b>	<b>419.1</b>	<b>415.9</b>	<b>0.8%</b>



## Appendix II – Balance sheet summary

Assets   R\$ million	2009	2008	Δ%
<b>Current assets</b>	<b>7,791.7</b>	<b>6,395.6</b>	<b>21.8%</b>
Cash, cash equivalents and marketable securities	5,030.4	4,019.3	25.2%
Receivables from insurance and reinsurance operations	1,765.8	1,468.1	20.3%
Reinsurance and retrocession expenses	108.8	151.0	-28.0%
Deferred acquisition costs	370.8	298.1	24.4%
Other current assets	515.9	459.0	12.4%
<b>Long-term assets</b>	<b>4,451.5</b>	<b>4,269.6</b>	<b>4.3%</b>
Marketable securities	1,887.6	1,883.8	0.2%
Judicial and fiscal deposits	1,655.2	1,617.7	2.3%
Deferred acquisition costs	140.9	142.8	-1.3%
Other long-term assets	767.8	625.4	22.8%
<b>Permanent assets</b>	<b>190.2</b>	<b>216.7</b>	<b>-12.2%</b>
<b>Total assets</b>	<b>12,433.4</b>	<b>10,881.8</b>	<b>14.3%</b>
<b>Liabilities   R\$ million</b>	<b>2009</b>	<b>2009</b>	<b>Δ%</b>
<b>Current liabilities</b>	<b>5,544.9</b>	<b>4,658.2</b>	<b>17.0%</b>
Loans and financing	5.8	10.0	-42.1%
Other payable obligations	725.8	589.9	7.0%
Insurance, reinsurance and private pension debts	424.1	365.7	16.0%
Technical reserves – insurance and reinsurance	3,898.0	3,254.5	19.8%
Technical reserves – private pension	431.2	378.9	13.8%
Accrued liabilities for contingencies	60.0	59.2	1.3%
<b>Non-current liabilities</b>	<b>4,156.8</b>	<b>3,716.6</b>	<b>11.8%</b>
Accounts payable	1,008.9	913.5	10.4%
Loans and financing	278.3	254.8	9.2%
Other accounts payable	195.4	167.4	16.7%
Technical reserves – insurance and reinsurance	753.8	655.0	15.1%
Technical reserves – private pension	1,475.4	1,274.5	15.8%
Accrued liabilities for contingencies	445.0	451.4	-1.4%
<b>Minority interest</b>	<b>249.2</b>	<b>221.3</b>	<b>12.6%</b>
<b>Shareholder's equity</b>	<b>2,482.5</b>	<b>2,285.6</b>	<b>8.6%</b>
<b>Total liabilities</b>	<b>12,433.4</b>	<b>10,881.8</b>	<b>14.3%</b>

## Appendix III – Glossary

Term	Definition
Loss ratio	Retained claims and benefit expenses divided by earned premiums.
Acquisition cost ratio	Acquisition costs divided by earned premiums.
Gross margin ratio	Gross margin divided by earned premiums.
Administrative expenses ratio	Administrative expenses divided by retained premiums
Tax expenses ratio	Tax expenses divided by retained premiums.
Other insurance operating income (expenses) ratio	Other insurance operating income (expenses), divided by retained premiums.
Combined ratio	Operating efficiency ratio of insurance companies, which is measured as the sum of the division of expenses with claims plus commissions by earned premiums plus tax expenses plus the result of the division of administrative expenses by retained premiums.
Debt/equity ratio	Sum of loans and financing, divided by shareholders' equity.
Return on average equity (ROAE)	Net income (loss) divided by average shareholders' equity in the period. Annualized indicator for interim periods.
Average equity	Average of shareholders' equity at the end and start of the period.