

(Convenience translation into English from the original previously issued in Portuguese)

QUARTERLY INFORMATION - ITR - 6/30/2011

SUL AMÉRICA S/A

## Capital Stock

| Shares Number<br>(units) | Year-to-date of the current year<br>6/30/2011 |
|--------------------------|---|
| <b>Capital Stock</b>     |   |
| Common                   | 462.378.037                                   |
| Preferred                | 370.303.103                                   |
| <b>Total</b>             | <b>832.681.140</b>                            |
| <b>Treasury Stock</b>    |   |
| Common                   | 3.735.551                                     |
| Preferred                | 7.471.102                                     |
| <b>Total</b>             | <b>11.206.653</b>                             |

(Convenience translation into English from the original previously issued in Portuguese)

QUARTERLY INFORMATION - ITR - 6/30/2011 SUL AMÉRICA S/A

**CASH DIVIDENDS**

| EVENT                                      | APPROVAL          | TYPE             | DATE OF PAYMENT   | TYPE OF SHARE          | AMOUNT PER SHARE |
|--|-------------------|------------------|-------------------|------------------------|------------------|
| <b>Extraordinary Shareholders' Meeting</b> | <b>05/05/2011</b> | <b>Dividends</b> | <b>05/18/2011</b> | <b>Common share</b>    | <b>0,01200</b>   |
| <b>Extraordinary Shareholders' Meeting</b> | <b>05/05/2011</b> | <b>Dividends</b> | <b>05/18/2011</b> | <b>Preferred share</b> | <b>0,01200</b>   |

**Financial Statements Company / Assets****(in thousand of Reais)**

| Code          | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------------|---|---|-------------------------|
| 1             | Total Assets  | 3,206,654                                       | 3,376,002               |
| 1.01          | Current Assets  | 181,846   | 331,326                 |
| 1.01.01       | Cash and Cash Equivalents                               | 8,577   | 26,695                  |
| 1.01.01.01    | Cash and Banks  | 134   | 314                     |
| 1.01.01.02    | Cash Equivalents  | 8,443   | 26,381                  |
| 1.01.02       | Marketable Securities                                   | 140,342   | 143,496                 |
| 1.01.02.01    | Marketable Securities Valued at Fair Value              | 140,342   | 143,496                 |
| 1.01.02.01.01 | Securities Trading                                      | 45,612  | 56,248                  |
| 1.01.02.01.02 | Securities Available for Sale                           | 94,730  | 87,248                  |
| 1.01.02.02    | Marketable Securities Accounted for amortized cost      | -   | -                       |
| 1.01.02.02.01 | Securities Held to Maturity                             | -   | -                       |
| 1.01.03       | Accounts receivable                                     | 9,418   | 135,560                 |
| 1.01.03.01    | Customers   | -   | -                       |
| 1.01.03.01.01 | Premiums receivable                                     | -   | -                       |
| 1.01.03.01.02 | Insurance companies                                     | -   | -                       |
| 1.01.03.01.03 | Reinsurance companies                                   | -   | -                       |
| 1.01.03.01.04 | Other   | -   | -                       |
| 1.01.03.01.05 | (-) Allowance for doubtful accounts                     | -   | -                       |
| 1.01.03.01.06 | Private Pension Operations                              | -   | -                       |
| 1.01.03.02    | Other   | 9,418   | 135,560                 |
| 1.01.03.02.01 | Accounts receivable                                     | 6,927   | 135,535                 |
| 1.01.03.02.02 | Other   | 2,491   | 25                      |
| 1.01.03.02.03 | (-) Allowance for doubtful accounts                     | -   | -                       |
| 1.01.04       | Inventories   | -   | -                       |
| 1.01.05       | Biological Assets                                       | -   | -                       |
| 1.01.06       | Tax Recoverable   | 22,774  | 24,806                  |
| 1.01.06.01    | Current Tax Recoverable                                 | 22,774  | 24,806                  |
| 1.01.06.01.01 | Recoverable taxes and contributions                     | 22,774  | 24,806                  |
| 1.01.06.01.02 | Recoverable taxes and contributions - tax carryforwards | -   | -                       |
| 1.01.07       | Prepaid expenses  | 735   | 769                     |
| 1.01.08       | Other Current Assets                                    | -   | -                       |
| 1.01.08.01    | Non-current assets for sale                             | -   | -                       |
| 1.01.08.01.01 | Other Assets  | -   | -                       |
| 1.01.08.01.02 | Asset held for sale                                     | -   | -                       |
| 1.01.08.02    | Asset of Discontinued Operations                        | -   | -                       |

**Financial Statements Company / Assets****(in thousand of Reais)**

| Code          | Description  | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------------|--|---|-------------------------|
| 1.01.08.03    | Other  | -   | -                       |
| 1.01.08.03.01 | Reinsurance and retrocession expense Deferred      | -   | -                       |
| 1.01.08.03.02 | Deferred Acquisition Costs - Insurance             | -   | -                       |
| 1.01.08.03.03 | Deferred Acquisition Costs - Private Pension       | -   | -                       |
| 1.02          | Non-current assets                                 | 3,024,808                                       | 3,044,676               |
| 1.02.01       | Long-term assets                                   | 1,112   | 1,060                   |
| 1.02.01.01    | Marketable Securities Valued at Fair Value         | -   | -                       |
| 1.02.01.01.01 | Securities Trading                                 | -   | -                       |
| 1.02.01.01.02 | Securities Available for Sale                      | -   | -                       |
| 1.02.01.02    | Marketable Securities Accounted for amortized cost | 10  | 10                      |
| 1.02.01.02.01 | Securities Held to Maturity                        | 10  | 10                      |
| 1.02.01.03    | Accounts receivable                                | 1,102   | 955                     |
| 1.02.01.03.01 | Customers  | -   | -                       |
| 1.02.01.03.02 | Other  | 1,102   | 955                     |
| 1.02.01.04    | Inventories  | -   | -                       |
| 1.02.01.05    | Biological Assets                                  | -   | -                       |
| 1.02.01.06    | Deferred Tax                                       | -   | -                       |
| 1.02.01.06.01 | Income Tax and Social Contribution                 | -   | -                       |
| 1.02.01.06.04 | Allowance for doubtful accounts                    | -   | -                       |
| 1.02.01.07    | Prepaid Expenses                                   | -   | 95                      |
| 1.02.01.08    | Loans to Related Parties                           | -   | -                       |
| 1.02.01.08.01 | Loans to Affiliates                                | -   | -                       |
| 1.02.01.08.02 | Loans to Subsidiaries                              | -   | -                       |
| 1.02.01.08.03 | Credits with Controllers                           | -   | -                       |
| 1.02.01.08.04 | Loans to Others Related Parties                    | -   | -                       |
| 1.02.01.09    | Others Non-Current Assets                          | -   | -                       |
| 1.02.01.09.01 | Non-current assets for sale                        | -   | -                       |
| 1.02.01.09.02 | Asset of Discontinued Operations                   | -   | -                       |
| 1.02.01.09.03 | Reinsurance and retrocession expense Deferred      | -   | -                       |
| 1.02.01.09.04 | Deferred Acquisition Costs - Insurance             | -   | -                       |
| 1.02.01.09.05 | Deferred Acquisition Costs - Private Pension       | -   | -                       |
| 1.02.02       | Investments  | 3,020,322                                       | 3,039,863               |
| 1.02.02.01    | Equity in associated companies                     | 3,020,322                                       | 3,039,863               |
| 1.02.02.01.01 | Investments in affiliates                          | 1,209,286                                       | 1,177,781               |
| 1.02.02.01.02 | Investments in Subsidiaries                        | 1,809,067                                       | 1,860,113               |
| 1.02.02.01.03 | Investments in Jointly Controlled                  | -   | -                       |

## Financial Statements Company / Assets

(in thousand of Reais)

| Code          | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------------|---|---|-------------------------|
| 1.02.02.01.04 | Others Equity in associated companies                     | 1,969   | 1,969                   |
| 1.02.02.02    | Properties for Investments                                | -   | -                       |
| 1.02.02.02.01 | Property for rent   | -   | -                       |
| 1.02.02.02.02 | (-) Depreciation  | -   | -                       |
| 1.02.03       | Property and Equipment                                    | 43  | -                       |
| 1.02.03.01    | Property and Equipment in Operation                       | 43  | -                       |
| 1.02.03.01.01 | Land and building   | -   | -                       |
| 1.02.03.01.02 | Furniture, fixtures and equipment                         | 43  | -                       |
| 1.02.03.01.03 | Other   | -   | -                       |
| 1.02.03.01.04 | (-) Provision for losses                                  | -   | -                       |
| 1.02.03.01.05 | (-) Depreciation  | -   | -                       |
| 1.02.03.02    | Property and Equipment Leased                             | -   | -                       |
| 1.02.03.03    | Property and Equipment in Progress                        | -   | -                       |
| 1.02.04       | Intangible Assets   | 3,331   | 3,753                   |
| 1.02.04.01    | Intangible Assets   | 3,331   | 3,753                   |
| 1.02.04.01.01 | Concession  | -   | -                       |
| 1.02.04.01.02 | Trademarks and patents                                    | -   | -                       |
| 1.02.04.01.03 | Goodwill  | -   | -                       |
| 1.02.04.01.04 | Software  | 3,331   | 3,753                   |
| 1.02.04.01.05 | Expenditure Organization, Implementation and Installation | -   | -                       |
| 1.02.04.01.06 | (-) Amortization  | -   | -                       |
| 1.02.04.02    | Goodwill  | -   | -                       |

**Financial Statements Company / Liabilities****(in thousand of Reais)**

| <b>Code</b>   | <b>Description</b>                               | <b>Year-to-date of the current<br/>year - 6/30/2011</b> | <b>Prior year - 12/31/2010</b> |
|---------------|--|---|--------------------------------|
| 2             | Total Liabilities and Shareholders' Equity       | 3,206,654   | 3,376,002                      |
| 2.01          | Current Liabilities                              | 347,977   | 166,009                        |
| 2.01.01       | Social Obligations and Labor                     | -   | -                              |
| 2.01.01.01    | Social Obligations                               | -   | -                              |
| 2.01.01.02    | Payroll  | -   | -                              |
| 2.01.01.02.01 | Labor contingencies                              | -   | -                              |
| 2.01.02       | Suppliers  | -   | -                              |
| 2.01.02.01    | National Suppliers                               | -   | -                              |
| 2.01.02.02    | International Suppliers                          | -   | -                              |
| 2.01.03       | Tax  | 5,361   | 8,833                          |
| 2.01.03.01    | Federal Tax                                      | 5,361   | 8,833                          |
| 2.01.03.01.01 | Income Tax and Social Contribution Payable       | 5,220   | 6,081                          |
| 2.01.03.01.02 | Tax Credits – PIS / COFINS                       | -   | 2,575                          |
| 2.01.03.01.04 | Other Taxes and Contributions                    | 141   | 177                            |
| 2.01.03.02    | State Tax  | -   | -                              |
| 2.01.03.03    | Municipal Tax                                    | -   | -                              |
| 2.01.04       | Loans and financing                              | 335,728   | 5,591                          |
| 2.01.04.01    | Loans and financing                              | 335,728   | 5,591                          |
| 2.01.04.01.01 | Loans and financing - Local Currency             | 127,255   | -                              |
| 2.01.04.01.02 | Loans and financing - Foreign Currency           | 208,473   | 5,591                          |
| 2.01.04.02    | Debentures                                       | -   | -                              |
| 2.01.04.03    | Financing for Lease                              | -   | -                              |
| 2.01.05       | Other Obligations                                | 6,888   | 151,585                        |
| 2.01.05.01    | Related Party Liabilities                        | 141   | 1,338                          |
| 2.01.05.01.01 | Debts with Affiliates                            | -   | -                              |
| 2.01.05.01.02 | Debts with Subsidiaries                          | -   | -                              |
| 2.01.05.01.03 | Debts with Controllers                           | -   | -                              |
| 2.01.05.01.04 | Other Debts with Related Parties                 | 141   | 1,338                          |
| 2.01.05.02    | Other  | 6,747   | 150,247                        |
| 2.01.05.02.01 | Dividends and interest on capital payable        | -   | -                              |
| 2.01.05.02.02 | Minimum Mandatory Dividend Payable               | -   | 149,853                        |
| 2.01.05.02.03 | Obligations for Share-based Payment              | -   | -                              |
| 2.01.05.02.04 | Accounts payable                                 | 6,052   | 10                             |
| 2.01.05.02.05 | Other Accounts Payable                           | 695   | 384                            |
| 2.01.05.02.06 | Others Debts                                     | -   | -                              |
| 2.01.06       | Provisions                                       | -   | -                              |
| 2.01.06.01    | Provisions Tax, Social Security, Labor and Civil | -   | -                              |

**Financial Statements Company / Liabilities****(in thousand of Reais)**

| Code          | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------------|---|---|-------------------------|
| 2.01.06.01.01 | Tax Contingencies   | -   | -                       |
| 2.01.06.01.02 | Labor contingencies and Social Security                     | -   | -                       |
| 2.01.06.01.03 | Provisions for Employee Benefits                            | -   | -                       |
| 2.01.06.01.04 | Civil contingencies   | -   | -                       |
| 2.01.06.02    | Other   | -   | -                       |
| 2.01.06.02.01 | Warranties Provision  | -   | -                       |
| 2.01.06.02.02 | Restructuring Provision                                     | -   | -                       |
| 2.01.06.02.03 | Provision for Environmental Liabilities and Deactivation    | -   | -                       |
| 2.01.06.02.04 | Insurance and Reinsurance                                   | -   | -                       |
| 2.01.06.02.05 | Private Pension   | -   | -                       |
| 2.01.06.02.06 | Third-Party Deposits  | -   | -                       |
| 2.01.06.02.07 | Unearned premium reserve                                    | -   | -                       |
| 2.01.06.02.08 | Premium deficiency reserve                                  | -   | -                       |
| 2.01.06.02.09 | Reserve for claims and claims adjustment expenses           | -   | -                       |
| 2.01.06.02.10 | IBNR reserve  | -   | -                       |
| 2.01.06.02.11 | Reserve for benefits granted - HEALTH                       | -   | -                       |
| 2.01.06.02.12 | Reserve for benefits to be granted                          | -   | -                       |
| 2.01.06.02.13 | Reserve for benefit granted                                 | -   | -                       |
| 2.01.06.02.14 | Unexpired risk reserve                                      | -   | -                       |
| 2.01.06.02.15 | Financial surplus reserve                                   | -   | -                       |
| 2.01.06.02.16 | Reserve for future policy benefits                          | -   | -                       |
| 2.01.06.02.17 | Other   | -   | -                       |
| 2.01.06.02.18 | Technical Reserves - Private Pension                        | -   | -                       |
| 2.01.07       | Liabilities Non-Current Assets of the Sale and Discontinued | -   | -                       |
| 2.01.07.01    | Liabilities Non-Current Assets on Sale                      | -   | -                       |
| 2.01.07.02    | Liabilities of Discontinued Operations Assets               | -   | -                       |
| 2.02          | Non-Current Liabilities                                     | 1,897   | 318,136                 |
| 2.02.01       | Loans and financing   | -   | 315,381                 |
| 2.02.01.01    | Loans and financing   | -   | 315,381                 |
| 2.02.01.01.01 | Loans and financing - Local Currency                        | -   | 98,963                  |
| 2.02.01.01.02 | Loans and financing - Foreign Currency                      | -   | 216,418                 |
| 2.02.01.02    | Debentures  | -   | -                       |
| 2.02.01.03    | Financing for Lease   | -   | -                       |
| 2.02.02       | Other Obligations   | 1,573   | 1,564                   |
| 2.02.02.01    | Related Party Liabilities                                   | -   | -                       |
| 2.02.02.01.01 | Debts with Affiliates                                       | -   | -                       |

**Financial Statements Company / Liabilities****(in thousand of Reais)**

| Code          | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------------|---|---|-------------------------|
| 2.02.02.01.02 | Debts with Subsidiaries                                     | -   | -                       |
| 2.02.02.01.03 | Debts with Controllers                                      | -   | -                       |
| 2.02.02.01.04 | Other Debts with Related Parties                            | -   | -                       |
| 2.02.02.02    | Other   | 1,573   | 1,564                   |
| 2.02.02.02.01 | Obligations for Share-based Payment                         | -   | -                       |
| 2.02.02.02.02 | Future Capital Increase                                     | -   | -                       |
| 2.02.02.02.03 | Accounts payable  | 1,564   | 1,558                   |
| 2.02.02.02.04 | Other   | 9   | 6                       |
| 2.02.02.02.05 | Others Debts  | -   | -                       |
| 2.02.03       | Deferred taxes  | 324   | 1,191                   |
| 2.02.03.01    | Income Tax and Social Contribution                          | 324   | 1,191                   |
| 2.02.04       | Provisions  | -   | -                       |
| 2.02.04.01    | Provisions Tax, Social Security, Labor and Civil            | -   | -                       |
| 2.02.04.01.01 | Tax Contingencies   | -   | -                       |
| 2.02.04.01.02 | Labor contingencies and Social Security                     | -   | -                       |
| 2.02.04.01.03 | Provisions for Employee Benefits                            | -   | -                       |
| 2.02.04.01.04 | Civil contingencies   | -   | -                       |
| 2.02.04.02    | Other   | -   | -                       |
| 2.02.04.02.01 | Warranties Provision  | -   | -                       |
| 2.02.04.02.02 | Restructuring Provision                                     | -   | -                       |
| 2.02.04.02.03 | Provision for Environmental Liabilities and Deactivation    | -   | -                       |
| 2.02.04.02.04 | Insurance and Reinsurance                                   | -   | -                       |
| 2.02.04.02.05 | Unearned premium reserve                                    | -   | -                       |
| 2.02.04.02.06 | Premium deficiency reserve                                  | -   | -                       |
| 2.02.04.02.07 | Reserve for benefits granted - Health                       | -   | -                       |
| 2.02.04.02.08 | Reserve for benefits to be granted                          | -   | -                       |
| 2.02.04.02.09 | Other   | -   | -                       |
| 2.02.04.02.10 | Technical Reserves - Private Pension                        | -   | -                       |
| 2.02.04.02.11 | Reserve for claims and claims adjustment expenses           | -   | -                       |
| 2.02.05       | Liabilities Non-Current Assets of the Sale and Discontinued | -   | -                       |
| 2.02.05.01    | Liabilities Non-Current Assets on Sale                      | -   | -                       |
| 2.02.05.02    | Liabilities of Discontinued Operations Assets               | -   | -                       |
| 2.02.06       | Unearned Profits and Revenue                                | -   | -                       |
| 2.02.06.01    | Unearned profits  | -   | -                       |
| 2.02.06.02    | Unearned Revenue  | -   | -                       |
| 2.02.06.03    | Grants Investment   | -   | -                       |



## Financial Statements Company / Liabilities

(in thousand of Reais)

| Code       | Description                            | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|------------|--|---|-------------------------|
| 2.03       | Shareholders' Equity                   | 2,856,780                                       | 2,891,857               |
| 2.03.01    | Capital                                | 1,237,882                                       | 1,185,831               |
| 2.03.02    | Capital reserves                       | 314,649   | 314,168                 |
| 2.03.02.01 | Goodwill on Issue of Shares            | 342,770   | 346,652                 |
| 2.03.02.02 | Special Reserve Goodwill               | 25,995  | 25,995                  |
| 2.03.02.03 | Sale of the Warrant                    | -   | -                       |
| 2.03.02.04 | Options Granted                        | 12,424  | 7,388                   |
| 2.03.02.05 | Treasury stock                         | (59,617)  | (58,944)                |
| 2.03.02.06 | Future Capital Increase                | -   | -                       |
| 2.03.02.07 | Goodwill on Capital Transactions       | (6,923)   | (6,923)                 |
| 2.03.03    | Revaluation Reserves                   | -   | -                       |
| 2.03.04    | Profit Reserves                        | 1,175,648                                       | 1,384,683               |
| 2.03.04.01 | Legal Reserve                          | 95,883  | 95,883                  |
| 2.03.04.02 | Statutory Reserve                      | 1,079,765                                       | 1,142,778               |
| 2.03.04.03 | Contingency Reserve                    | -   | -                       |
| 2.03.04.04 | Unrealized profit reserve              | -   | -                       |
| 2.03.04.05 | Retained Profits                       | -   | -                       |
| 2.03.04.06 | Special Reserve Unpaid Dividends       | -   | -                       |
| 2.03.04.07 | Tax incentive reserve                  | -   | 192                     |
| 2.03.04.08 | Additional Proposed Dividend           | -   | 145,830                 |
| 2.03.04.09 | Treasury stock                         | -   | -                       |
| 2.03.05    | Profits / Losses                       | 129,509   | -                       |
| 2.03.06    | Equity Adjustment                      | -   | -                       |
| 2.03.07    | Cumulative translation adjustments     | -   | -                       |
| 2.03.08    | Other Comprehensive Income             | (908)   | 7,175                   |
| 2.03.09    | Participation of Minority Shareholders | -   | -                       |

**Financial Statements Company / Income Statements****(in thousand of Reais)**

| Code       | Description   | Current Quarter<br>4/1/2011 - 6/30/2011 | Year-to-date of the<br>current year -<br>6/30/2011 | Same quarter of the<br>prior year 4/1/2010 -<br>6/30/2010 | Year-to-date of<br>the prior year -<br>6/30/2010 |
|------------|---|---|--|---|--|
| 3.01       | Gross operating revenue                                     | -                                       | -  | -   | -  |
| 3.01.01    | Insurance Premiums  | -                                       | -  | -   | -  |
| 3.01.02    | DPVAT (mandatory third-party liability for vehicles owners) | -                                       | -  | -   | -  |
| 3.01.03    | Coinurance Premiums ceded                                   | -                                       | -  | -   | -  |
| 3.01.04    | Reinsurance Premiums Ceded                                  | -                                       | -  | -   | -  |
| 3.01.05    | Retrocessions Premiums                                      | -                                       | -  | -   | -  |
| 3.01.06    | Premiums Ceded to Consortiums and Funds                     | -                                       | -  | -   | -  |
| 3.01.07    | Changes in Technical Reserves                               | -                                       | -  | -   | -  |
| 3.02       | Cost of products and services sold                          | -                                       | -  | -   | -  |
| 3.02.01    | Direct claims   | -                                       | -  | -   | -  |
| 3.02.02    | Claims - consortiums and funds                              | -                                       | -  | -   | -  |
| 3.02.03    | Assistance service  | -                                       | -  | -   | -  |
| 3.02.04    | Recovery for claims   | -                                       | -  | -   | -  |
| 3.02.05    | Salvage and recoveries                                      | -                                       | -  | -   | -  |
| 3.02.06    | Change in IBNR reserves                                     | -                                       | -  | -   | -  |
| 3.02.07    | Benefits Expenses   | -                                       | -  | -   | -  |
| 3.02.08    | Change in IBNR reserves                                     | -                                       | -  | -   | -  |
| 3.03       | Gross profit  | -                                       | -  | -   | -  |
| 3.04       | Operating income/expenses                                   | 39,435                                  | 151,568  | 102,108   | 215,651  |
| 3.04.01    | Selling   | -                                       | -  | -   | -  |
| 3.04.01.01 | Commissions   | -                                       | -  | -   | -  |
| 3.04.01.02 | Recovery of commissions                                     | -                                       | -  | -   | -  |
| 3.04.01.03 | Other acquisition costs                                     | -                                       | -  | -   | -  |
| 3.04.01.04 | Change in deferred acquisition costs                        | -                                       | -  | -   | -  |
| 3.04.02    | General and administrative                                  | (3,593)                                 | (7,043)  | (2,956)   | (5,836)  |
| 3.04.02.01 | Administrative Expenses                                     | (3,575)                                 | (6,882)  | (2,934)   | (5,655)  |
| 3.04.02.02 | Tax Expenses  | (18)                                    | (161)  | (22)  | (181)  |
| 3.04.03    | Impairment of Assets  | -                                       | -  | -   | -  |
| 3.04.04    | Other Insurance Operating Income                            | 164                                     | 164  | 75  | 75   |
| 3.04.04.01 | Income and Retained Pension Contributions                   | -                                       | -  | -   | -  |
| 3.04.04.02 | Variation of Technical Provisions for Pensions              | -                                       | -  | -   | -  |
| 3.04.04.03 | Operating income - Private Pension                          | -                                       | -  | -   | -  |
| 3.04.04.04 | Operating income - Insurance                                | -                                       | -  | -   | -  |
| 3.04.04.05 | Net operating income from ASO                               | -                                       | -  | -   | -  |
| 3.04.04.06 | Net Operating Income from Asset Management Business         | -                                       | -  | -   | -  |
| 3.04.04.07 | Income from property for rent                               | -                                       | -  | -   | -  |

**Financial Statements Company / Income Statements****(in thousand of Reais)**

| Code       | Description  | Current Quarter<br>4/1/2011 - 6/30/2011 | Year-to-date of the<br>current year -<br>6/30/2011 | Same quarter of the<br>prior year 4/1/2010 -<br>6/30/2010 | Year-to-date of<br>the prior year -<br>6/30/2010 |
|------------|--|---|--|---|--|
| 3.04.04.08 | Other equity income/ expenses                                    | 164                                     | 164  | 75  | 75   |
| 3.04.04.09 | Asset Management Fee - Insurance                                 | -                                       | -  | -   | -  |
| 3.04.04.10 | Asset Management Fee - Private Pension                           | -                                       | -  | -   | -  |
| 3.04.04.11 | Profit from sale of permanent assets                             | -                                       | -  | -   | -  |
| 3.04.05    | Operating expenses   | -                                       | -  | -   | -  |
| 3.04.05.01 | Operating expenses - Insurance                                   | -                                       | -  | -   | -  |
| 3.04.05.02 | Benefits Pension Expenses  | -                                       | -  | -   | -  |
| 3.04.05.03 | Acquisition Costs - Private Pension                              | -                                       | -  | -   | -  |
| 3.04.05.04 | Investment Adjust Affiliate / Subsidiary                         | -                                       | -  | -   | -  |
| 3.04.05.05 | Other Operating Expenses - Private Pension                       | -                                       | -  | -   | -  |
| 3.04.06    | Equity Income  | 42,864                                  | 158,447  | 104,989   | 221,412  |
| 3.05       | Income Before Income Taxes and Financial                         | 39,435                                  | 151,568  | 102,108   | 215,651  |
| 3.06       | Net Financial Income   | (11,844)                                | (22,033)   | (10,655)  | (14,511)   |
| 3.06.01    | Financial income   | 18,013                                  | 36,118   | 24,281  | 52,331   |
| 3.06.02    | Financial expenses   | (29,857)                                | (58,151)   | (34,936)  | (66,842)   |
| 3.07       | Income Before Income Tax, Social Contribution and Profit Sharing | 27,591                                  | 129,535  | 91,453  | 201,140  |
| 3.08       | Income Tax and Social Contribution on Profit                     | (26)                                    | (26)   | -   | (100)  |
| 3.08.01    | Current  | (26)                                    | (26)   | -   | (100)  |
| 3.08.02    | Deferred   | -                                       | -  | -   | -  |
| 3.09       | Net Profit from Continuing Operations                            | 27,565                                  | 129,509  | 91,453  | 201,040  |
| 3.10       | Net Profit from Discontinued Operations                          | -                                       | -  | -   | -  |
| 3.10.01    | Net Income / Loss from Discontinued Operations                   | -                                       | -  | -   | -  |
| 3.10.02    | Gains / losses on net assets of Discontinued Operations          | -                                       | -  | -   | -  |
| 3.11       | Net Income   | 27,565                                  | 129,509  | 91,453  | 201,040  |
| 3.99       | Earnings per Share   | -                                       | -  | -   | -  |
| 3.99.01    | Basic Earnings per Share   | -                                       | -  | -   | -  |
| 3.99.01.01 | For Preferred Share  | 0.03                                    | 0.15   | 0.33  | 0.72   |
| 3.99.01.02 | For Common Share   | 0.03                                    | 0.15   | 0.33  | 0.72   |

(Convenience translation into English from the original previously issued in Portuguese)

QUARTERLY INFORMATION - ITR - 6/30/2011 SUL AMÉRICA S/A

## Financial Statements Company / Income Statements

(in thousand of Reais)

| Code       | Description                | Current Quarter<br>4/1/2011 - 6/30/2011 | Year-to-date of the<br>current year -<br>6/30/2011 | Same quarter of the<br>prior year 4/1/2010 -<br>6/30/2010 | Year-to-date of<br>the prior year -<br>6/30/2010 |
|------------|----------------------------|---|--|---|--|
| 3.99.02    | Diluted Earnings per Share | -                                       | -  | -   | -  |
| 3.99.02.01 | For Preferred Share        | 0.03                                    | 0.15   | 0.30  | 0.66   |
| 3.99.02.02 | For Common Share           | 0.03                                    | 0.15   | 0.31  | 0.69   |

(Convenience translation into English from the original previously issued in Portuguese)

QUARTERLY INFORMATION - ITR - 6/30/2011 SUL AMÉRICA S/A

## Financial Statements Company / Comprehensive Income

(in thousand of Reais)

| Code    | Description                                     | Current Quarter<br>4/1/2011 - 6/30/2011 | Year-to-date of the<br>current year -<br>6/30/2011 | Same quarter of the<br>prior year 4/1/2010 -<br>6/30/2010 | Year-to-date of<br>the prior year -<br>6/30/2010 |
|---------|---|---|--|---|--|
| 4.01    | Net Income Company - Period                     | 27,565                                  | 129,509  | 91,165  | 200,752  |
| 4.02    | Other Comprehensive Income                      | (799)                                   | (8,083)  | (14,528)  | (10,584)   |
| 4.02.01 | Adjustments of marketable securities            | (799)                                   | (8,083)  | (14,528)  | (10,584)   |
| 4.03    | Other Comprehensive Income Consolidated -Period | 26,766                                  | 121,426  | 76,637  | 190,168  |

**Financial Statements Company / Statements of Cash Flow - Direct Method****(in thousand of Reais)**

| <b>Code</b> | <b>Description</b>                                  | <b>Year-to-date of the current<br/>year - 6/30/2011</b> | <b>Year-to-date of the prior year -<br/>6/30/2010</b> |
|-------------|---|---|---|
| 6.01        | Operating Activities                                | 301,225   | 277,008   |
| 6.01.01     | Collection  | -   | -   |
| 6.01.02     | Claims and Benefits                                 | -   | -   |
| 6.01.03     | Commissions   | -   | -   |
| 6.01.04     | Operating Income/ Expenses                          | -   | -   |
| 6.01.05     | Administrative Expenses                             | (3,954)   | (5,325)   |
| 6.01.06     | Taxes and Contributions Payable                     | (2,656)   | (4,560)   |
| 6.01.07     | Dividends and Interest on Shareholders' Equity      | 306,125   | 85,474  |
| 6.01.08     | Financial Charges                                   | (9,355)   | (10,398)  |
| 6.01.09     | Purchase - TVM Available for Trading                | (14,397)  | (60,890)  |
| 6.01.10     | Sale - TVM Available for Trading                    | 18,917  | 253,396   |
| 6.01.11     | Income - TVM Available for Trading                  | 5,905   | 19,248  |
| 6.01.20     | Other   | 640   | 63  |
| 6.02        | Investing Activities                                | (12,823)  | (67,476)  |
| 6.02.01     | Purchase - TVM Other Categories                     | (84,999)  | (86,492)  |
| 6.02.02     | Sale and Maturity - TVM Other Categories            | 77,636  | 20,555  |
| 6.02.03     | Judicial Deposits and Redemptions                   | (5,424)   | (724)   |
| 6.02.04     | Purchase and Sale of Property and Equipment         | -   | -   |
| 6.02.05     | Equipments  | (36)  | (815)   |
| 6.02.20     | Other   | -   | -   |
| 6.03        | Financing Activities                                | (306,520)   | (229,198)   |
| 6.03.01     | Loan Payment  | -   | -   |
| 6.03.02     | Dividends and Interest on Capital                   | (299,536)   | (195,059)   |
| 6.03.03     | Funding   | -   | -   |
| 6.03.04     | PAES - Special Plan for Tax Payment in Installments | (30)  | (30)  |
| 6.03.05     | Purchase of Own Shares                              | (6,954)   | (34,109)  |
| 6.03.20     | Other   | -   | -   |
| 6.04        | Foreign Exchange on Cash and Equivalents            | -   | -   |
| 6.05        | Increase/(Decrease) in Cash and Cash Equivalents    | (18,118)  | (19,666)  |
| 6.05.01     | Cash and Cash Equivalents at Beginning of Period    | 26,695  | 22,232  |
| 6.05.02     | Cash and Cash Equivalents at End of Period          | 8,577   | 2,566   |

**Financial Statements Company / Statement of Changes in Shareholders' Equity - 1/1/2011 to 6/30/2011****(in thousand of Reais)**

| Code       | Description                                  | Capital   | Capital Reserves,<br>Granted Options and<br>Treasury Stock | Profit reserves | Net Income (Losses) | Other<br>Comprehensive<br>Income | Shareholders' Equity |
|------------|--|-----------|--|-----------------|---------------------|----------------------------------|----------------------|
| 5.01       | Opening balance                              | 1,185,831 | 314,168  | 1,384,683       | -                   | 7,175                            | 2,891,857            |
| 5.02       | Prior year adjustments                       | -         | -  | -               | -                   | -                                | -                    |
| 5.02.01    | Changes in Accounting Practices              | -         | -  | -               | -                   | -                                | -                    |
| 5.03       | Adjustments Balance                          | 1,185,831 | 314,168  | 1,384,683       | -                   | 7,175                            | 2,891,857            |
| 5.04       | Capital Transactions with Partens            | 52,051    | 481  | (197,881)       | -                   | -                                | (145,349)            |
| 5.04.01    | Capital Increase                             | 52,051    | -  | (52,051)        | -                   | -                                | -                    |
| 5.04.02    | Stock Issue Expenseve                        | -         | -  | -               | -                   | -                                | -                    |
| 5.04.03    | Recognized Granted Options                   | -         | 5,036  | -               | -                   | -                                | 5,036                |
| 5.04.04    | Treasury Stock Acquired                      | -         | (4,555)  | -               | -                   | -                                | (4,555)              |
| 5.04.05    | Treasury Shares Sold                         | -         | -  | -               | -                   | -                                | -                    |
| 5.04.06    | Dividends                                    | -         | -  | (145,830)       | -                   | -                                | (145,830)            |
| 5.04.07    | Shareholders' Equity Interest                | -         | -  | -               | -                   | -                                | -                    |
| 5.05       | Total Comprehensive Income                   | -         | -  | (11,154)        | 129,509             | (8,083)                          | 110,272              |
| 5.05.01    | Net Income                                   | -         | -  | -               | 129,509             | -                                | 129,509              |
| 5.05.02    | Other Comprehensive Income                   | -         | -  | (11,154)        | -                   | (8,083)                          | (19,237)             |
| 5.05.02.01 | Financial Instruments Adjustments            | -         | -  | -               | -                   | (8,083)                          | (8,083)              |
| 5.05.02.02 | Taxes of Financial Instruments Adjustments   | -         | -  | -               | -                   | -                                | -                    |
| 5.05.02.03 | Comprehensive Income of Equity Affiliates    | -         | -  | -               | -                   | -                                | -                    |
| 5.05.02.04 | Convergon adjustments                        | -         | -  | -               | -                   | -                                | -                    |
| 5.05.02.05 | Tax Adjustments of Conversion Period         | -         | -  | -               | -                   | -                                | -                    |
| 5.05.02.06 | Minority Interest                            | -         | -  | -               | -                   | -                                | -                    |
| 5.05.02.07 | Reversal of reserve for business expansion   | -         | -  | (11,154)        | -                   | -                                | (11,154)             |
| 5.05.03    | Reclassification to Results                  | -         | -  | -               | -                   | -                                | -                    |
| 5.05.03.01 | Financial Instruments Adjustments            | -         | -  | -               | -                   | -                                | -                    |
| 5.06       | Changes in Shareholders' Equity              | -         | -  | -               | -                   | -                                | -                    |
| 5.06.01    | Increase of Capital Reserves                 | -         | -  | -               | -                   | -                                | -                    |
| 5.06.02    | Recognition of Revaluation Reserves          | -         | -  | -               | -                   | -                                | -                    |
| 5.06.03    | Taxes on Recognition of Revaluation Reserves | -         | -  | -               | -                   | -                                | -                    |
| 5.07       | Final balance                                | 1,237,882 | 314,649  | 1,175,648       | 129,509             | (908)                            | 2,856,780            |

**Financial Statements Company / Statement of Changes in Shareholders' Equity - 1/1/2010 to 6/30/2010****(in thousand of Reais)**

| Code       | Description                                  | Capital   | Capital Reserves,<br>Granted Options and<br>Treasury Stock | Profit reserves | Net Income (Losses) | Other<br>Comprehensive<br>Income | Shareholders' Equity |
|------------|--|-----------|--|-----------------|---------------------|----------------------------------|----------------------|
| 5.01       | Opening balance                              | 1,185,831 | 364,423  | 1,016,026       | -                   | 15,652                           | 2,581,932            |
| 5.02       | Prior year adjustments                       | -         | -  | 98              | (98)                | -                                | -                    |
| 5.02.01    | Changes in Accounting Practices              | -         | -  | 98              | (98)                | -                                | -                    |
| 5.03       | Adjustments Balance                          | 1,185,831 | 364,423  | 1,016,124       | (98)                | 15,652                           | 2,581,932            |
| 5.04       | Capital Transactions with Partens            | -         | (31,927)   | (99,534)        | -                   | -                                | (131,461)            |
| 5.04.01    | Capital Increase                             | -         | -  | -               | -                   | -                                | -                    |
| 5.04.02    | Stock Issue Expense                          | -         | -  | -               | -                   | -                                | -                    |
| 5.04.03    | Recognized Granted Options                   | -         | 2,282  | -               | -                   | -                                | 2,282                |
| 5.04.04    | Treasury Stock Acquired                      | -         | (34,209)   | -               | -                   | -                                | (34,209)             |
| 5.04.05    | Treasury Shares Sold                         | -         | -  | -               | -                   | -                                | -                    |
| 5.04.06    | Dividends                                    | -         | -  | (99,534)        | -                   | -                                | (99,534)             |
| 5.04.07    | Shareholders' Equity Interest                | -         | -  | -               | -                   | -                                | -                    |
| 5.05       | Total Comprehensive Income                   | -         | -  | -               | 201,040             | (10,584)                         | 190,456              |
| 5.05.01    | Net Income                                   | -         | -  | -               | 201,040             | -                                | 201,040              |
| 5.05.02    | Other Comprehensive Income                   | -         | -  | -               | -                   | (10,584)                         | (10,584)             |
| 5.05.02.01 | Financial Instruments Adjustments            | -         | -  | -               | -                   | (10,584)                         | (10,584)             |
| 5.05.02.02 | Taxes of Financial Instruments Adjustments   | -         | -  | -               | -                   | -                                | -                    |
| 5.05.02.03 | Comprehensive Income of Equity Affiliates    | -         | -  | -               | -                   | -                                | -                    |
| 5.05.02.04 | Convercion adjustments                       | -         | -  | -               | -                   | -                                | -                    |
| 5.05.02.05 | Tax Adjustments of Conversion Period         | -         | -  | -               | -                   | -                                | -                    |
| 5.05.03    | Reclassification to Results                  | -         | -  | -               | -                   | -                                | -                    |
| 5.05.03.01 | Financial Instruments Adjustments            | -         | -  | -               | -                   | -                                | -                    |
| 5.06       | Changes in Shareholders' Equity              | -         | -  | -               | -                   | -                                | -                    |
| 5.06.01    | Increase of Capital Reserves                 | -         | -  | -               | -                   | -                                | -                    |
| 5.06.02    | Recognition of Revaluation Reserves          | -         | -  | -               | -                   | -                                | -                    |
| 5.06.03    | Taxes on Recognition of Revaluation Reserves | -         | -  | -               | -                   | -                                | -                    |
| 5.07       | Final balance                                | 1,185,831 | 332,496  | 916,590         | 200,942             | 5,068                            | 2,640,927            |



## Financial Statements Company / Statement of Added Value

(in thousand of Reais)

| Code       | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|------------|---|---|-------------------------|
| 7.01       | Revenues  | -   | -                       |
| 7.01.01    | Sales of Goods, Products and Services                         | -   | -                       |
| 7.01.02    | Other Revenues  | -   | -                       |
| 7.01.02.01 | Changes in Technical Reserves - Insurance                     | -   | -                       |
| 7.01.02.02 | Changes in Technical Reserves - Private pension               | -   | -                       |
| 7.01.03    | Revenue for the Construction of Owned Assets                  | -   | -                       |
| 7.01.04    | Provision for doubtful accounting - Reversion/ (Constitution) | -   | -                       |
| 7.02       | Input Purchase from Third-Parties                             | (1,534)   | (2,102)                 |
| 7.02.01    | Cost Products, Goods and Services Sold                        | -   | -                       |
| 7.02.02    | Materials-Energy-Services-Other Third Party                   | (1,534)   | (2,102)                 |
| 7.02.03    | Lost/ Assets value recuperation                               | -   | -                       |
| 7.02.04    | Other   | -   | -                       |
| 7.03       | Gross Added Value   | (1,534)   | (2,102)                 |
| 7.04       | Retentions  | (426)   | (90)                    |
| 7.04.01    | Depreciation, Amortization and Depletion                      | (426)   | (90)                    |
| 7.04.02    | Other   | -   | -                       |
| 7.05       | Net Added Value Produced                                      | (1,960)   | (2,192)                 |
| 7.06       | Added Value Received/ Ceded in Transfer                       | 146,318   | 218,765                 |
| 7.06.01    | Net of equity accounting                                      | 158,447   | 221,412                 |
| 7.06.02    | Financial income  | (25,399)  | 5,586                   |
| 7.06.03    | Other   | 13,270  | (8,233)                 |
| 7.06.03.01 | Net of reinsurance ceded operation                            | -   | -                       |

## Financial Statements Company / Statement of Added Value

(in thousand of Reais)

| Code       | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|------------|---|---|-------------------------|
| 7.06.03.02 | Net of coinsurance ceded operation                              | -   | -                       |
| 7.06.03.03 | Exchange variation - loans and commitments receivable           | 13,808  | (8,354)                 |
| 7.06.03.04 | Monetary and exchange variation - insurance and private pension | -   | -                       |
| 7.06.03.05 | Monetary variation - Judicial Deposits                          | 42  | 28                      |
| 7.06.03.06 | Other   | (580)   | 93                      |
| 7.07       | Added Value to be Distributed                                   | 144,358   | 216,573                 |
| 7.08       | Distribution of Added Value                                     | 144,358   | 216,573                 |
| 7.08.01    | Personnel   | 4,609   | 3,217                   |
| 7.08.01.01 | Direct remuneration   | 1,159   | 912                     |
| 7.08.01.02 | Benefits  | 3,450   | 2,305                   |
| 7.08.01.03 | F.G.T.S   | -   | -                       |
| 7.08.01.04 | Other   | -   | -                       |
| 7.08.02    | Taxes, fees and contributions                                   | 70  | 531                     |
| 7.08.02.01 | Federal   | 59  | 433                     |
| 7.08.02.02 | State   | -   | -                       |
| 7.08.02.03 | Municipal   | 11  | 98                      |
| 7.08.03    | Interest on shareholders'                                       | 10,170  | 11,785                  |
| 7.08.03.01 | Interest  | 10,077  | 11,706                  |
| 7.08.03.02 | Rentals   | 93  | 79                      |
| 7.08.03.03 | Other   | -   | -                       |
| 7.08.04    | Interest on shareholders' equity                                | 129,509   | 201,040                 |
| 7.08.04.01 | Interest on shareholders' equity                                | -   | -                       |
| 7.08.04.02 | Dividends   | -   | -                       |
| 7.08.04.03 | Retained earnings (accumulated deficit)                         | 129,509   | 201,040                 |
| 7.08.04.04 | Minority interest on retained earning                           | -   | -                       |
| 7.08.05    | Other   | -   | -                       |

**Financial Statements Consolidated / Assets****(in thousand of Reais)**

| Code          | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------------|---|---|-------------------------|
| 1             | Total Assets  | 12,653,622                                      | 12,242,715              |
| 1.01          | Current Assets  | 8,554,592                                       | 8,318,187               |
| 1.01.01       | Cash and Cash Equivalents                               | 540,970   | 593,478                 |
| 1.01.01.01    | Cash and Banks  | 46,263  | 21,704                  |
| 1.01.01.02    | Cash Equivalents  | 494,707   | 571,774                 |
| 1.01.02       | Marketable Securities                                   | 5,913,527                                       | 5,735,907               |
| 1.01.02.01    | Marketable Securities Valued at Fair Value              | 5,912,052                                       | 5,429,388               |
| 1.01.02.01.01 | Securities Trading                                      | 2,822,615                                       | 2,766,847               |
| 1.01.02.01.02 | Securities Available for Sale                           | 3,089,437                                       | 2,662,541               |
| 1.01.02.02    | Marketable Securities Accounted for amortized cost      | 1,475   | 306,519                 |
| 1.01.02.02.01 | Securities Held to Maturity                             | 1,475   | 306,519                 |
| 1.01.03       | Accounts receivable                                     | 1,584,040                                       | 1,486,035               |
| 1.01.03.01    | Customers   | 1,281,308                                       | 1,207,405               |
| 1.01.03.01.01 | Premiums receivable                                     | 734,268   | 737,029                 |
| 1.01.03.01.02 | Insurance companies                                     | 38,345  | 37,093                  |
| 1.01.03.01.03 | Reinsurance companies                                   | 28,937  | 102,126                 |
| 1.01.03.01.04 | Other   | 107,476   | 53,621                  |
| 1.01.03.01.05 | (-) Allowance for doubtful accounts                     | -   | -                       |
| 1.01.03.01.06 | Private Pension Operation                               | 11,356  | 5,113                   |
| 1.01.03.02    | Other   | 302,732   | 278,630                 |
| 1.01.03.02.01 | Accounts receivable                                     | 152,801   | 164,660                 |
| 1.01.03.02.02 | Other   | 149,931   | 113,970                 |
| 1.01.03.02.03 | (-) Allowance for doubtful accounts                     | -   | -                       |
| 1.01.04       | Inventories   | -   | -                       |
| 1.01.05       | Biological Assets                                       | -   | -                       |
| 1.01.06       | Tax Recoverable   | 72,068  | 88,759                  |
| 1.01.06.01    | Current Tax Recoverable                                 | 72,068  | 88,759                  |
| 1.01.06.01.01 | Recoverable taxes and contributions                     | 72,068  | 88,759                  |
| 1.01.06.01.02 | Recoverable taxes and contributions - tax carryforwards | -   | -                       |
| 1.01.07       | Prepaid Expenses  | 23,677  | 22,124                  |
| 1.01.08       | Other Current Assets                                    | 420,310   | 391,884                 |
| 1.01.08.01    | Non-current assets for sale                             | 1,266   | 1,266                   |
| 1.01.08.01.01 | Other Assets  | -   | -                       |
| 1.01.08.01.02 | Asset held for sale                                     | 1,266   | 1,266                   |
| 1.01.08.02    | Asset of Discontinued Operations                        | -   | -                       |

**Financial Statements Consolidated / Assets****(in thousand of Reais)**

| Code          | Description  | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------------|--|---|-------------------------|
| 1.01.08.03    | Other  | 419,044   | 390,618                 |
| 1.01.08.03.01 | Reinsurance and retrocession expense Deferred      | -   | -                       |
| 1.01.08.03.02 | Deferred Acquisition Costs - Insurance             | 344,396   | 340,491                 |
| 1.01.08.03.03 | Deferred Acquisition Costs - Private Pension       | 5,061   | 4,690                   |
| 1.02          | Non-current assets                                 | 4,099,030                                       | 3,924,528               |
| 1.02.01       | Long-term assets                                   | 3,918,859                                       | 3,761,422               |
| 1.02.01.01    | Marketable Securities Valued at Fair Value         | 10,665  | 11,883                  |
| 1.02.01.01.01 | Securities Trading                                 | 9,784   | 11,110                  |
| 1.02.01.01.02 | Securities Available for Sale                      | 881   | 773                     |
| 1.02.01.02    | Marketable Securities Accounted for amortized cost | 1,262,883                                       | 1,219,682               |
| 1.02.01.02.01 | Securities Held to Maturity                        | 1,262,883                                       | 1,219,682               |
| 1.02.01.03    | Accounts receivable                                | 1,653,811                                       | 1,594,102               |
| 1.02.01.03.01 | Customers  | 10,478  | 20,903                  |
| 1.02.01.03.02 | Other  | 1,643,333                                       | 1,573,199               |
| 1.02.01.04    | Inventories  | -   | -                       |
| 1.02.01.05    | Biological Assets                                  | -   | -                       |
| 1.02.01.06    | Deferred Tax                                       | 634,779   | 593,081                 |
| 1.02.01.06.01 | Income Tax and Social Contribution                 | 552,680   | 516,752                 |
| 1.02.01.06.02 | Recoverable taxes and contributions - PIS COFINS   | 78,668  | 71,286                  |
| 1.02.01.06.03 | Recoverable taxes and contributions - OTHERS       | 3,431   | 5,043                   |
| 1.02.01.06.04 | Allowance for doubtful accounts                    | -   | -                       |
| 1.02.01.07    | Prepaid Expenses                                   | 14,348  | 7,845                   |
| 1.02.01.08    | Loans to Related Parties                           | -   | -                       |
| 1.02.01.08.01 | Loans to Affiliates                                | -   | -                       |
| 1.02.01.08.02 | Loans to Subsidiaries                              | -   | -                       |
| 1.02.01.08.03 | Credits with Controllers                           | -   | -                       |
| 1.02.01.08.04 | Loans to Others Related Parties                    | -   | -                       |
| 1.02.01.09    | Others Non-Current Assets                          | 342,373   | 334,829                 |
| 1.02.01.09.01 | Non-current assets for sale                        | 1,092   | 1,092                   |
| 1.02.01.09.02 | Asset of Discontinued Operations                   | -   | -                       |
| 1.02.01.09.03 | Reinsurance and retrocession expense Deferred      | -   | -                       |
| 1.02.01.09.04 | Deferred Acquisition Costs - Insurance             | 147,459   | 149,194                 |
| 1.02.01.09.05 | Deferred Acquisition Costs - Private Pension       | 2,859   | 2,871                   |
| 1.02.02       | Investments  | 4,095   | 4,825                   |
| 1.02.02.01    | Equity in associated companies                     | 607   | 159                     |
| 1.02.02.01.01 | Investments in affiliates                          | -   | -                       |
| 1.02.02.01.02 | Investments in Subsidiaries                        | -   | -                       |
| 1.02.02.01.03 | Investments in Jointly Controlled                  | -   | -                       |

## Financial Statements Consolidated / Assets

(in thousand of Reais)

| Code          | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------------|---|---|-------------------------|
| 1.02.02.01.04 | Others Equity in associated companies                     | 607   | 159                     |
| 1.02.02.02    | Properties for Investments                                | 3,488   | 4,666                   |
| 1.02.02.02.01 | Property for rent   | 3,488   | 4,666                   |
| 1.02.02.02.02 | (-) Depreciation  | -   | -                       |
| 1.02.03       | Property and Equipment                                    | 51,977  | 58,168                  |
| 1.02.03.01    | Property and Equipment in Operation                       | 51,977  | 58,168                  |
| 1.02.03.01.01 | Land and building   | 96  | 101                     |
| 1.02.03.01.02 | Furniture, fixtures and equipment                         | 23,823  | 26,842                  |
| 1.02.03.01.03 | Other   | 28,058  | 31,225                  |
| 1.02.03.01.04 | (-) Provision for losses                                  | -   | -                       |
| 1.02.03.01.05 | (-) Depreciation  | -   | -                       |
| 1.02.03.02    | Property and Equipment Leased                             | -   | -                       |
| 1.02.03.03    | Property and Equipment in Progress                        | -   | -                       |
| 1.02.04       | Intangible Assets   | 124,099   | 100,113                 |
| 1.02.04.01    | Intangible Assets   | 124,099   | 100,113                 |
| 1.02.04.01.01 | Concession  | -   | -                       |
| 1.02.04.01.02 | Trademarks and patents                                    | -   | -                       |
| 1.02.04.01.03 | Goodwill  | 46,779  | 16,479                  |
| 1.02.04.01.04 | Software  | 77,320  | 83,634                  |
| 1.02.04.01.05 | Expenditure Organization, Implementation and Installation | -   | -                       |
| 1.02.04.01.06 | (-) Amortization  | -   | -                       |
| 1.02.04.02    | Goodwill  | -   | -                       |

**Financial Statements Consolidated / Liabilities****(in thousand of Reais)**

| <b>Code</b>   | <b>Description</b>                               | <b>Year-to-date of the current<br/>year - 6/30/2011</b> | <b>Prior year - 12/31/2010</b> |
|---------------|--|---|--------------------------------|
| 2             | Total Liabilities and Shareholders' Equity       | 12,653,622  | 12,242,715                     |
| 2.01          | Current Liabilities                              | 5,188,947   | 4,762,690                      |
| 2.01.01       | Social Obligations and Labor                     | 39,390  | 31,006                         |
| 2.01.01.01    | Social Obligations                               | -   | -                              |
| 2.01.01.02    | Payroll  | 39,390  | 31,006                         |
| 2.01.01.02.01 | Labor contingencies                              | 39,390  | 31,006                         |
| 2.01.02       | Suppliers  | -   | -                              |
| 2.01.02.01    | National Suppliers                               | -   | -                              |
| 2.01.02.02    | International Suppliers                          | -   | -                              |
| 2.01.03       | Tax  | 143,553   | 170,487                        |
| 2.01.03.01    | Federal Tax                                      | 131,262   | 159,817                        |
| 2.01.03.01.01 | Income Tax and Social Contribution Payable       | 8,678   | 38,624                         |
| 2.01.03.01.02 | PIS / COFINS Payable                             | 11,420  | 12,682                         |
| 2.01.03.01.03 | Financial Transactions Tax                       | 41,256  | 44,008                         |
| 2.01.03.01.04 | REFIS Payable                                    | 39,357  | 38,164                         |
| 2.01.03.01.05 | Other Taxes and Contributions                    | 12,488  | 12,978                         |
| 2.01.03.01.06 | Third-party Income Tax                           | 18,063  | 13,361                         |
| 2.01.03.02    | State Tax  | -   | -                              |
| 2.01.03.03    | Municipal Tax                                    | 12,291  | 10,670                         |
| 2.01.03.03.01 | Services rendered tax payable                    | 12,291  | 10,670                         |
| 2.01.04       | Loans and financing                              | 335,728   | 5,591                          |
| 2.01.04.01    | Loans and financing                              | 335,728   | 5,591                          |
| 2.01.04.01.01 | Loans and financing - Local Currency             | 127,255   | -                              |
| 2.01.04.01.02 | Loans and financing - Foreign Currency           | 208,473   | 5,591                          |
| 2.01.04.02    | Debentures                                       | -   | -                              |
| 2.01.04.03    | Financing for Lease                              | -   | -                              |
| 2.01.05       | Other Obligations                                | 213,554   | 438,499                        |
| 2.01.05.01    | Related Party Liabilities                        | 19,709  | 52,496                         |
| 2.01.05.01.01 | Debts with Affiliates                            | -   | -                              |
| 2.01.05.01.02 | Debts with Subsidiaries                          | -   | -                              |
| 2.01.05.01.03 | Debts with Controllers                           | -   | -                              |
| 2.01.05.01.04 | Other Debts with Related Parties                 | 19,709  | 52,496                         |
| 2.01.05.02    | Other  | 193,845   | 386,003                        |
| 2.01.05.02.01 | Dividends and interest on capital payable        | -   | -                              |
| 2.01.05.02.02 | Minimum Mandatory Dividend Payable               | 6,586   | 150,308                        |
| 2.01.05.02.03 | Obligations for Share-based Payment              | -   | -                              |
| 2.01.05.02.04 | Accounts payable                                 | 33,288  | 66,861                         |
| 2.01.05.02.05 | Other Accounts Payable                           | 111,975   | 93,640                         |
| 2.01.05.02.06 | Others Debts                                     | 41,996  | 75,194                         |
| 2.01.06       | Provisions                                       | 4,456,722   | 4,117,107                      |
| 2.01.06.01    | Provisions Tax, Social Security, Labor and Civil | 57,513  | 46,622                         |

**Financial Statements Consolidated / Liabilities****(in thousand of Reais)**

| Code          | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------------|---|---|-------------------------|
| 2.01.06.01.01 | Tax Contingencies   | -   | -                       |
| 2.01.06.01.02 | Labor contingencies and Social Security                       | 5,166   | 6,953                   |
| 2.01.06.01.03 | Provisions for Employee Benefits                              | -   | -                       |
| 2.01.06.01.04 | Civil contingencies   | 52,347  | 39,669                  |
| 2.01.06.02    | Other   | 4,399,209                                       | 4,070,485               |
| 2.01.06.02.01 | Warranties Provision  | -   | -                       |
| 2.01.06.02.02 | Restructuring Provision                                       | -   | -                       |
| 2.01.06.02.03 | Provision for Environmental Liabilities and Deactivation      | -   | -                       |
| 2.01.06.02.04 | Insurance and Reinsurance                                     | 328,159   | 326,312                 |
| 2.01.06.02.05 | Private Pension   | 2,658   | 2,425                   |
| 2.01.06.02.06 | Third-Party Deposits  | 49,121  | 54,318                  |
| 2.01.06.02.07 | Health  | 1,072,217                                       | 905,829                 |
| 2.01.06.02.08 | Damage  | 2,060,382                                       | 1,950,843               |
| 2.01.06.02.09 | Individuals   | 183,099   | 174,156                 |
| 2.01.06.02.10 | Individual life and life insurance with survivorship coverage | 181,327   | 155,355                 |
| 2.01.06.02.11 | Reserve for benefits granted - HEALTH                         | -   | -                       |
| 2.01.06.02.12 | Reserve for benefits to be granted                            | -   | -                       |
| 2.01.06.02.13 | Reserve for benefit granted                                   | -   | -                       |
| 2.01.06.02.14 | Unexpired risk reserve  | -   | -                       |
| 2.01.06.02.15 | Financial surplus reserve                                     | -   | -                       |
| 2.01.06.02.16 | Reserve for future policy benefits                            | -   | -                       |
| 2.01.06.02.17 | Other   | -   | -                       |
| 2.01.06.02.18 | Technical Reserves - Private Pension                          | 522,246   | 501,247                 |
| 2.01.07       | Liabilities Non-Current Assets of the Sale and Discontinued   | -   | -                       |
| 2.01.07.01    | Liabilities Non-Current Assets on Sale                        | -   | -                       |
| 2.01.07.02    | Liabilities of Discontinued Operations Assets                 | -   | -                       |
| 2.02          | Non-Current Liabilities                                       | 4,607,895                                       | 4,588,168               |
| 2.02.01       | Loans and financing   | -   | 315,381                 |
| 2.02.01.01    | Loans and financing   | -   | 315,381                 |
| 2.02.01.01.01 | Loans and financing - Local Currency                          | -   | 98,963                  |
| 2.02.01.01.02 | Loans and financing - Foreign Currency                        | -   | 216,418                 |
| 2.02.01.02    | Debentures  | -   | -                       |
| 2.02.01.03    | Financing for Lease   | -   | -                       |
| 2.02.02       | Other Obligations   | 921,009   | 869,119                 |
| 2.02.02.01    | Related Party Liabilities                                     | -   | -                       |
| 2.02.02.01.01 | Debts with Affiliates   | -   | -                       |

**Financial Statements Consolidated / Liabilities****(in thousand of Reais)**

| Code          | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------------|---|---|-------------------------|
| 2.02.02.01.02 | Debts with Subsidiaries                                       | -   | -                       |
| 2.02.02.01.03 | Debts with Controllers  | -   | -                       |
| 2.02.02.01.04 | Other Debts with Related Parties                              | -   | -                       |
| 2.02.02.02    | Other   | 921,009   | 869,119                 |
| 2.02.02.02.01 | Obligations for Share-based Payment                           | -   | -                       |
| 2.02.02.02.02 | Future Capital Increase                                       | -   | -                       |
| 2.02.02.02.03 | Accounts payable  | 863,587   | 808,413                 |
| 2.02.02.02.04 | Other   | 55,872  | 59,137                  |
| 2.02.02.02.05 | Others Debts  | 1,550   | 1,569                   |
| 2.02.03       | Deferred taxes  | 142,070   | 124,185                 |
| 2.02.03.01    | Income Tax and Social Contribution                            | 142,070   | 124,185                 |
| 2.02.04       | Provisions  | 3,544,816                                       | 3,279,483               |
| 2.02.04.01    | Provisions Tax, Social Security, Labor and Civil              | 450,820   | 469,163                 |
| 2.02.04.01.01 | Tax Contingencies   | 240,734   | 237,400                 |
| 2.02.04.01.02 | Labor contingencies and Social Security                       | 30,949  | 31,319                  |
| 2.02.04.01.03 | Provisions for Employee Benefits                              | -   | -                       |
| 2.02.04.01.04 | Civil contingencies   | 178,708   | 200,444                 |
| 2.02.04.01.05 | Other Provisions  | 429   | -                       |
| 2.02.04.02    | Other   | 3,093,996                                       | 2,810,320               |
| 2.02.04.02.01 | Warranties Provision  | -   | -                       |
| 2.02.04.02.02 | Restructuring Provision                                       | -   | -                       |
| 2.02.04.02.03 | Provision for Environmental Liabilities and Deactivation      | -   | -                       |
| 2.02.04.02.04 | Insurance and Reinsurance                                     | 7,939   | 13,284                  |
| 2.02.04.02.05 | Health  | 30,865  | 29,669                  |
| 2.02.04.02.06 | Damage  | 374,561   | 366,491                 |
| 2.02.04.02.07 | Individuals   | 232,476   | 169,049                 |
| 2.02.04.02.08 | Individual life and life insurance with survivorship coverage | 554,859   | 473,571                 |
| 2.02.04.02.09 | Other   | -   | -                       |
| 2.02.04.02.10 | Technical Reserves - Private Pension                          | 1,893,296                                       | 1,758,256               |
| 2.02.04.02.11 | Reserve for claims and claims adjustment expenses             | -   | -                       |
| 2.02.05       | Liabilities Non-Current Assets of the Sale and Discontinued   | -   | -                       |
| 2.02.05.01    | Liabilities Non-Current Assets on Sale                        | -   | -                       |
| 2.02.05.02    | Liabilities of Discontinued Operations Assets                 | -   | -                       |
| 2.02.06       | Unearned Profits and Revenue                                  | -   | -                       |
| 2.02.06.01    | Unearned profits  | -   | -                       |
| 2.02.06.02    | Unearned Revenue  | -   | -                       |
| 2.02.06.03    | Grants Investment   | -   | -                       |



## Financial Statements Consolidated / Liabilities

(in thousand of Reais)

| Code       | Description                            | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|------------|--|---|-------------------------|
| 2.03       | Shareholders' Equity                   | 2,856,780                                       | 2,891,857               |
| 2.03.01    | Capital                                | 1,237,882                                       | 1,185,831               |
| 2.03.02    | Capital reserves                       | 314,649   | 314,168                 |
| 2.03.02.01 | Goodwill on Issue of Shares            | 342,770   | 346,652                 |
| 2.03.02.02 | Special Reserve Goodwill               | 25,995  | 25,995                  |
| 2.03.02.03 | Sale of the Warrant                    | -   | -                       |
| 2.03.02.04 | Options Granted                        | 12,424  | 7,388                   |
| 2.03.02.05 | Treasury stock                         | (59,617)  | (58,944)                |
| 2.03.02.06 | Future Capital Increase                | -   | -                       |
| 2.03.02.07 | Goodwill on Capital Transactions       | (6,923)   | (6,923)                 |
| 2.03.03    | Revaluation Reserves                   | -   | -                       |
| 2.03.04    | Profit Reserves                        | 1,175,648                                       | 1,384,683               |
| 2.03.04.01 | Legal Reserve                          | 95,883  | 95,883                  |
| 2.03.04.02 | Statutory Reserve                      | 1,079,765                                       | 1,142,778               |
| 2.03.04.03 | Contingency Reserve                    | -   | -                       |
| 2.03.04.04 | Unrealized profit reserve              | -   | -                       |
| 2.03.04.05 | Retained Profits                       | -   | -                       |
| 2.03.04.06 | Special Reserve Unpaid Dividends       | -   | -                       |
| 2.03.04.07 | Tax incentive reserve                  | -   | 192                     |
| 2.03.04.08 | Additional Proposed Dividend           | -   | 145,830                 |
| 2.03.04.09 | Treasury stock                         | -   | -                       |
| 2.03.05    | Profits / Losses                       | 129,509   | -                       |
| 2.03.06    | Equity Adjustment                      | -   | -                       |
| 2.03.07    | Cumulative translation adjustments     | -   | -                       |
| 2.03.08    | Other Comprehensive Income             | (908)   | 7,175                   |
| 2.03.09    | Participation of Minority Shareholders | -   | -                       |

**Financial Statements Consolidated / Income Statements****(in thousand of Reais)**

| Code       | Description   | Current Quarter<br>4/1/2011 - 6/30/2011 | Year-to-date of the<br>current year -<br>6/30/2011 | Same quarter of the<br>prior year 4/1/2010 -<br>6/30/2010 | Year-to-date of<br>the prior year -<br>6/30/2010 |
|------------|---|---|--|---|--|
| 3.01       | Gross operating revenue                                     | 2,153,648                               | 4,275,200  | 1,883,717   | 3,754,973  |
| 3.01.01    | Insurance Premiums  | 2,262,187                               | 4,429,330  | 1,955,940   | 3,878,242  |
| 3.01.02    | DPVAT (mandatory third-party liability for vehicles owners) | 12,479                                  | 30,269   | 11,419  | 28,670   |
| 3.01.03    | Coinurance Premiums ceded                                   | (3,672)                                 | (6,903)  | (1,675)   | (6,377)  |
| 3.01.04    | Reinsurance Premiums Ceded                                  | (30,365)                                | (72,816)   | (35,721)  | (77,568)   |
| 3.01.05    | Retrocessions Premiums                                      | 16                                      | 39   | 335   | 337  |
| 3.01.06    | Premiums Ceded to Consortiums and Funds                     | (6,241)                                 | (15,137)   | (5,711)   | (14,338)   |
| 3.01.07    | Changes in Technical Reserves                               | (84,898)                                | (97,427)   | (44,948)  | (61,742)   |
| 3.01.08    | Income and Retained Pension Contributions                   | 4,142                                   | 7,845  | 4,078   | 7,749  |
| 3.02       | Cost of products and services sold                          | (1,693,213)                             | (3,260,693)  | (1,445,066)   | (2,786,634)                                      |
| 3.02.01    | Direct claims   | (1,809,124)                             | (3,678,858)  | (1,454,739)   | (2,778,699)                                      |
| 3.02.02    | Claims - consortiums and funds                              | (5,415)                                 | (10,074)   | (5,277)   | (9,054)  |
| 3.02.03    | Assistance service  | (79)                                    | (164)  | (323)   | (296)  |
| 3.02.04    | Recovery for claims   | 102,121                                 | 219,169  | 21,300  | 36,612   |
| 3.02.05    | Salvage and recoveries                                      | 65,251                                  | 107,950  | 43,499  | 75,225   |
| 3.02.06    | Change in IBNR reserves                                     | (42,692)                                | 110,824  | (43,108)  | (97,964)   |
| 3.02.07    | Benefits Expenses   | (3,838)                                 | (7,849)  | (5,871)   | (12,359)   |
| 3.02.08    | Change in IBNR reserves                                     | 563                                     | (1,691)  | (547)   | (99)   |
| 3.03       | Gross profit  | 460,435                                 | 1,014,507  | 438,651   | 968,339  |
| 3.04       | Operating income/expenses                                   | (552,498)                               | (1,085,761)  | (388,623)   | (885,030)  |
| 3.04.01    | Selling   | (266,554)                               | (522,312)  | (222,048)   | (432,040)  |
| 3.04.01.01 | Commissions   | (273,260)                               | (528,482)  | (237,032)   | (453,662)  |
| 3.04.01.02 | Recovery of commissions                                     | 2,683                                   | 5,295  | 1,838   | 4,122  |
| 3.04.01.03 | Other acquisition costs                                     | (614)                                   | (1,231)  | (395)   | (881)  |
| 3.04.01.04 | Change in deferred acquisition costs                        | 4,637                                   | 2,106  | 13,541  | 18,381   |
| 3.04.02    | General and administrative                                  | (239,560)                               | (478,944)  | (216,724)   | (429,213)  |
| 3.04.02.01 | Administrative Expenses                                     | (198,946)                               | (397,956)  | (194,115)   | (370,102)  |
| 3.04.02.02 | Tax Expenses  | (40,614)                                | (80,988)   | (22,609)  | (59,111)   |
| 3.04.03    | Impairment of Assets  | -                                       | (184)  | -   | -  |
| 3.04.04    | Other Insurance Operating Income                            | 42,204                                  | 72,152   | 112,641   | 139,956  |
| 3.04.04.01 | Income and Retained Pension Contributions                   | 119,258                                 | 216,719  | 74,860  | 140,662  |
| 3.04.04.02 | Variation of Technical Provisions for Pensions              | (108,234)                               | (199,594)  | (69,397)  | (131,240)  |
| 3.04.04.03 | Operating income - Private Pension                          | 31                                      | 31   | -   | -  |
| 3.04.04.04 | Operating income - Insurance                                | 4,998                                   | 8,442  | 14,920  | 17,579   |
| 3.04.04.05 | Asset management fee  | 7,126                                   | 14,087   | 6,015   | 11,745   |
| 3.04.04.06 | Net operating income from ASO                               | 7,366                                   | 14,389   | 6,779   | 15,308   |
| 3.04.04.07 | Net operating income from asset management business         | 6,035                                   | 12,027   | 5,367   | 10,542   |

**Financial Statements Consolidated / Income Statements****(in thousand of Reais)**

| Code       | Description  | Current Quarter<br>4/1/2011 - 6/30/2011 | Year-to-date of the<br>current year -<br>6/30/2011 | Same quarter of the<br>prior year 4/1/2010 -<br>6/30/2010 | Year-to-date of<br>the prior year -<br>6/30/2010 |
|------------|--|---|--|---|--|
| 3.04.04.08 | Income from property for rent                                    | 181                                     | 302  | (147)   | (109)  |
| 3.04.04.09 | Other equity income/ expenses                                    | 345                                     | 658  | 790   | 1,975  |
| 3.04.04.10 | Profit from sale of permanent assets                             | 5,098                                   | 5,091  | 73,454  | 73,494   |
| 3.04.05    | Operating expenses   | (88,588)                                | (156,473)  | (62,492)  | (163,733)  |
| 3.04.05.01 | Operating expenses - Insurance                                   | (71,294)                                | (131,560)  | (58,950)  | (153,020)  |
| 3.04.05.02 | Benefits Pension Expenses  | (13,373)                                | (17,213)   | (1,882)   | (3,673)  |
| 3.04.05.03 | Acquisition Costs - Private Pension                              | (3,792)                                 | (7,481)  | (803)   | (5,304)  |
| 3.04.05.04 | Other Operating Expenses - Pension                               | (104)                                   | (194)  | (138)   | (302)  |
| 3.04.05.05 | Adjustments to investments in subsidiaries/affiliates            | (25)                                    | (25)   | (719)   | (1,434)  |
| 3.04.06    | Equity Income  | -                                       | -  | -   | -  |
| 3.05       | Income Before Income Taxes and Financial                         | (92,063)                                | (71,254)   | 50,028  | 83,309   |
| 3.06       | Net Financial Income   | 147,615                                 | 301,103  | 103,230   | 220,772  |
| 3.06.01    | Financial income   | 321,958                                 | 674,986  | 234,784   | 475,938  |
| 3.06.02    | Financial expenses   | (174,343)                               | (373,883)  | (131,554)   | (255,166)  |
| 3.07       | Income Before Income Tax, Social Contribution and Profit Sharing | 55,552                                  | 229,849  | 153,258   | 304,081  |
| 3.08       | Income Tax and Social Contribution on Profit                     | (27,987)                                | (100,340)  | (62,523)  | (103,329)  |
| 3.08.01    | Current  | (31,745)                                | (116,967)  | (39,512)  | (97,691)   |
| 3.08.02    | Deferred   | 3,758                                   | 16,627   | (23,011)  | (5,638)  |
| 3.09       | Net Profit from Continuing Operations                            | 27,565                                  | 129,509  | 90,735  | 200,752  |
| 3.10       | Net Profit from Discontinued Operations                          | -                                       | -  | -   | -  |
| 3.10.01    | Net Income / Loss from Discontinued Operations                   | -                                       | -  | -   | -  |
| 3.10.02    | Gains / losses on net assets of Discontinued Operations          | -                                       | -  | -   | -  |
| 3.11       | Net Income   | 27,565                                  | 129,509  | 90,735  | 200,752  |
| 3.11.01    | Awarded to Members of the Parent Company                         | 27,565                                  | 129,509  | 91,453  | 201,040  |
| 3.11.02    | Assigned to Non-Controlling Partners                             | -                                       | -  | (718)   | (288)  |
| 3.99       | Earnings per Share   | -                                       | -  | -   | -  |
| 3.99.01    | Basic Earnings per Share   | -                                       | -  | -   | -  |
| 3.99.01.01 | For Preferred Share  | 0.03                                    | 0.15   | 0.33  | 0.72   |
| 3.99.01.02 | For Common Share   | 0.03                                    | 0.15   | 0.33  | 0.72   |

(Convenience translation into English from the original previously issued in Portuguese)

QUARTERLY INFORMATION - ITR - 6/30/2011 SUL AMÉRICA S/A

## Financial Statements Consolidated / Income Statements

(in thousand of Reais)

| Code       | Description                | Current Quarter<br>4/1/2011 - 6/30/2011 | Year-to-date of the<br>current year -<br>6/30/2011 | Same quarter of the<br>prior year 4/1/2010 -<br>6/30/2010 | Year-to-date of<br>the prior year -<br>6/30/2010 |
|------------|----------------------------|---|--|---|--|
| 3.99.02    | Diluted Earnings per Share | -                                       | -  | -   | -  |
| 3.99.02.01 | For Preferred Share        | 0.03                                    | 0.15   | 0.30  | 0.66   |
| 3.99.02.02 | For Common Share           | 0.03                                    | 0.15   | 0.31  | 0.69   |

(Convenience translation into English from the original previously issued in Portuguese)

QUARTERLY INFORMATION - ITR - 6/30/2011 SUL AMÉRICA S/A

## Financial Statements Consolidated/ Comprehensive Income

(in thousand of Reais)

| Code    | Description                                      | Current Quarter<br>4/1/2011 - 6/30/2011 | Year-to-date of the<br>current year - | Same quarter of the<br>prior year 4/1/2010 - | Year-to-date of<br>the prior year - |
|---------|--|---|---------------------------------------|--|-------------------------------------|
| 4.01    | Net Income Consolidated - Period                 | 27,565.00                               | 129,509.00                            | 90,735.00                                    | 200,752.00                          |
| 4.02    | Other Comprehensive Income                       | (799.00)                                | (8,083.00)                            | (14,528.00)                                  | (10,584.00)                         |
| 4.02.01 | Adjustments of marketable securities             | (799.00)                                | (8,083.00)                            | (14,528.00)                                  | (10,584.00)                         |
| 4.03    | Other Comprehensive Income Consolidated - Period | 26,766.00                               | 121,426.00                            | 76,207.00                                    | 190,168.00                          |
| 4.03.01 | Awarded to Members of the Company                | 26,766.00                               | 121,426.00                            | 76,925.00                                    | 190,456.00                          |
| 4.03.02 | Assigned to Non-Controlling Partners             | -                                       | -                                     | (718.00)                                     | (288.00)                            |

**Financial Statements Consolidated / Statements of Cash Flow - Direct Method****(in thousand of Reais)**

| Code    | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|---------|---|---|-------------------------|
| 6.01    | Operating Activities                                | 536,033   | 317,500                 |
| 6.01.01 | Collection  | 5,146,379                                       | 4,268,075               |
| 6.01.02 | Claims and Benefits                                 | (3,628,585)                                     | (3,055,094)             |
| 6.01.03 | Commissions   | (574,197)                                       | (489,014)               |
| 6.01.04 | Operating Income/ Expenses                          | (54,984)  | (50,382)                |
| 6.01.05 | Administrative Expenses                             | (501,893)                                       | (466,370)               |
| 6.01.06 | Taxes and Contributions Payable                     | (213,360)                                       | (183,565)               |
| 6.01.07 | Dividends and Interest on Shareholders' Equity      | -   | 4,349                   |
| 6.01.08 | Financial Charges                                   | (18,789)  | (18,659)                |
| 6.01.09 | Purchase - TVM Available for Trading                | (3,269,888)                                     | (3,166,036)             |
| 6.01.10 | Sale - TVM Available for Trading                    | 3,195,989                                       | 3,058,476               |
| 6.01.11 | Income - TVM Available for Trading                  | 397,171   | 266,960                 |
| 6.01.12 | Reinsurance   | 29,303  | 76,003                  |
| 6.01.20 | Other   | 28,887  | 72,757                  |
| 6.02    | Investing Activities                                | (269,878)                                       | (252,310)               |
| 6.02.01 | Purchase - TVM Other Categories                     | (1,968,006)                                     | (1,347,343)             |
| 6.02.02 | Sale and Maturity - TVM Other Categories            | 1,812,952                                       | 1,017,718               |
| 6.02.03 | Judicial Deposits and Redemptions                   | (80,032)  | (45,431)                |
| 6.02.04 | Purchase and Sale of Property and Equipment         | (31,180)  | -                       |
| 6.02.05 | Equipments  | (3,612)   | 122,746                 |
| 6.02.20 | Other   | -   | -                       |
| 6.03    | Financing Activities                                | (318,663)                                       | (239,325)               |
| 6.03.01 | Loan Payment  | -   | -                       |
| 6.03.02 | Dividends and Interest on Capital                   | (299,538)                                       | (195,061)               |
| 6.03.03 | Funding   | -   | -                       |
| 6.03.04 | PAES - Special Plan for Tax Payment in Installments | (12,170)  | (12,170)                |
| 6.03.05 | Purchase of Own Shares                              | (6,955)   | (34,257)                |
| 6.03.20 | Other   | -   | 2,163                   |
| 6.04    | Foreign Exchange on Cash and Equivalents            | -   | -                       |
| 6.05    | Increase/(Decrease) in Cash and Cash Equivalents    | (52,508)  | (174,135)               |
| 6.05.01 | Cash and Cash Equivalents at Beginning of Period    | 593,478   | 590,658                 |
| 6.05.02 | Cash and Cash Equivalents at End of Period          | 540,970   | 416,523                 |

**Financial Statements Consolidated / Statement of Changes in Shareholders' Equity - 1/1/2011 to 6/30/2011****(in thousand of Reais)**

| Code       | Account Description                          | Capital   | Capital Reserves,<br>Granted Options<br>and Treasury<br>Stock | Profit reserves | Net Income<br>(Losses) | Other<br>Comprehensive<br>Income | Shareholders'<br>Equity | Participation of<br>Minority<br>Shareholders | Consolidated<br>Shareholders'<br>Equity |
|------------|--|-----------|---|-----------------|------------------------|----------------------------------|-------------------------|--|---|
| 5.01       | Opening balance                              | 1,185,831 | 314,168   | 1,384,683       | -                      | 7,175                            | 2,891,857               | -  | 2,891,857                               |
| 5.02       | Prior year adjustments                       | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.02.01    | Changes in Accounting practices              | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.03       | Adjustments Balance                          | 1,185,831 | 314,168   | 1,384,683       | -                      | 7,175                            | 2,891,857               | -  | 2,891,857                               |
| 5.04       | Capital Transactions with Partens            | 52,051    | 481   | (197,881)       | -                      | -                                | (145,349)               | -  | (145,349)                               |
| 5.04.01    | Capital Increase                             | 52,051    | -   | (52,051)        | -                      | -                                | -                       | -  | -                                       |
| 5.04.02    | Stock Issue Expenseve                        | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.04.03    | Recognized Granted Options                   | -         | 5,036   | -               | -                      | -                                | 5,036                   | -  | 5,036                                   |
| 5.04.04    | Treasury Stock Acquired                      | -         | (4,555)   | -               | -                      | -                                | (4,555)                 | -  | (4,555)                                 |
| 5.04.05    | Treasury Shares Sold                         | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.04.06    | Dividends                                    | -         | -   | (145,830)       | -                      | -                                | (145,830)               | -  | (145,830)                               |
| 5.04.07    | Shareholders' Equity Interest                | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05       | Total Comprehensive Income                   | -         | -   | (11,154)        | 129,509                | (8,083)                          | 110,272                 | -  | 110,272                                 |
| 5.05.01    | Net Income                                   | -         | -   | -               | 129,509                | -                                | 129,509                 | -  | 129,509                                 |
| 5.05.02    | Other Comprehensive Income                   | -         | -   | (11,154)        | -                      | (8,083)                          | (19,237)                | -  | (19,237)                                |
| 5.05.02.01 | Financial Instruments Adjustments            | -         | -   | -               | -                      | (8,083)                          | (8,083)                 | -  | (8,083)                                 |
| 5.05.02.02 | Taxes of Financial Instruments Adjustments   | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.02.03 | Comprehensive Income of Equity Affiliates    | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.02.04 | Convercion adjustments                       | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.02.05 | Tax Adjustments of Conversion Period         | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.02.06 | Minority Interest                            | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.02.07 | Reversal of reserve for business expansion   | -         | -   | (11,154)        | -                      | -                                | (11,154)                | -  | (11,154)                                |
| 5.05.03    | Reclassification to Results                  | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.03.01 | Financial Instruments Adjustments            | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.06       | Changes in Shareholders' Equity              | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.06.01    | Increase of Capital Reserves                 | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.06.02    | Recognition of Revaluation Reserves          | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.06.03    | Taxes on Recognition of Revaluation Reserves | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.07       | Final balance                                | 1,237,882 | 314,649   | 1,175,648       | 129,509                | (908)                            | 2,856,780               | -  | 2,856,780                               |

**Financial Statements Consolidated / Statement of Changes in Shareholders' Equity - 1/1/2010 to 6/30/2010****(in thousand of Reais)**

| Code       | Account Description                          | Capital   | Capital Reserves,<br>Granted Options<br>and Treasury<br>Stock | Profit reserves | Net Income<br>(Losses) | Other<br>Comprehensive<br>Income | Shareholders'<br>Equity | Participation of<br>Minority<br>Shareholders | Consolidated<br>Shareholders'<br>Equity |
|------------|--|-----------|---|-----------------|------------------------|----------------------------------|-------------------------|--|---|
| 5.01       | Opening balance                              | 1,185,831 | 364,423   | 1,016,026       | -                      | 15,652                           | 2,581,932               | 249,191                                      | 2,831,123                               |
| 5.02       | Prior year adjustments                       | -         | -   | 98              | (98)                   | -                                | -                       | -  | -                                       |
| 5.02.01    | Changes in Accounting practices              | -         | -   | 98              | (98)                   | -                                | -                       | -  | -                                       |
| 5.03       | Adjustments Balance                          | 1,185,831 | 364,423   | 1,016,124       | (98)                   | 15,652                           | 2,581,932               | 249,191                                      | 2,831,123                               |
| 5.04       | Capital Transactions with Partens            | -         | (31,927)  | (99,534)        | -                      | -                                | (131,461)               | -  | (131,461)                               |
| 5.04.01    | Capital Increase                             | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.04.02    | Stock Issue Expense                          | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.04.03    | Recognized Granted Options                   | -         | 2,282   | -               | -                      | -                                | 2,282                   | -  | 2,282                                   |
| 5.04.04    | Treasury Stock Acquired                      | -         | (34,209)  | -               | -                      | -                                | (34,209)                | -  | (34,209)                                |
| 5.04.05    | Treasury Shares Sold                         | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.04.06    | Dividends                                    | -         | -   | (99,534)        | -                      | -                                | (99,534)                | -  | (99,534)                                |
| 5.04.07    | Shareholders' Equity Interest                | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05       | Total Comprehensive Income                   | -         | -   | -               | 201,040                | (10,584)                         | 190,456                 | (227,361)                                    | (36,905)                                |
| 5.05.01    | Net Income                                   | -         | -   | -               | 201,040                | -                                | 201,040                 | -  | 201,040                                 |
| 5.05.02    | Other Comprehensive Income                   | -         | -   | -               | -                      | (10,584)                         | (10,584)                | (227,361)                                    | (237,945)                               |
| 5.05.02.01 | Financial Instruments Adjustments            | -         | -   | -               | -                      | (10,584)                         | (10,584)                | -  | (10,584)                                |
| 5.05.02.02 | Taxes of Financial Instruments Adjustments   | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.02.03 | Comprehensive Income of Equity Affiliates    | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.02.04 | Convercion adjustments                       | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.02.05 | Tax Adjustments of Conversion Period         | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.02.06 | Minority interest                            | -         | -   | -               | -                      | -                                | -                       | (227,361)                                    | (227,361)                               |
| 5.05.03    | Reclassification to Results                  | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.05.03.01 | Financial Instruments Adjustments            | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.06       | Changes in Shareholders' Equity              | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.06.01    | Increase of Capital Reserves                 | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.06.02    | Recognition of Revaluation Reserves          | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.06.03    | Taxes on Recognition of Revaluation Reserves | -         | -   | -               | -                      | -                                | -                       | -  | -                                       |
| 5.07       | Final balance                                | 1,185,831 | 332,496   | 916,590         | 200,942                | 5,068                            | 2,640,927               | 21,830                                       | 2,662,757                               |



## Financial Statements Consolidated / Statement of Added Value

(in thousand of Reais)

| Code       | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|------------|---|---|-------------------------|
| 7.01       | Revenues  | 4,582,124                                       | 4,094,286               |
| 7.01.01    | Sales of Goods, Products and Services                         | 4,882,485                                       | 4,298,263               |
| 7.01.02    | Other Revenues  | (297,021)                                       | (192,982)               |
| 7.01.02.01 | Changes in Technical Reserves - Insurance                     | (196,860)                                       | (116,869)               |
| 7.01.02.02 | Changes in Technical Reserves - Private pension               | (100,161)                                       | (76,113)                |
| 7.01.03    | Revenue for the Construction of Owned Assets                  | -   | -                       |
| 7.01.04    | Provision for doubtful accounting - Reversion/ (Constitution) | (3,340)   | (10,995)                |
| 7.02       | Input Purchase from Third-Parties                             | (4,492,007)                                     | (3,654,060)             |
| 7.02.01    | Cost Products, Goods and Services Sold                        | (3,732,146)                                     | (3,022,875)             |
| 7.02.02    | Materials-Energy-Services-Other Third Party                   | (761,735)                                       | (626,282)               |
| 7.02.03    | Lost/ Assets value recuperation                               | 184   | -                       |
| 7.02.04    | Other   | 1,690   | (4,903)                 |
| 7.03       | Gross Added Value   | 90,117  | 440,226                 |
| 7.04       | Retentions  | (21,907)  | (19,598)                |
| 7.04.01    | Depreciation, Amortization and Depletion                      | (21,907)  | (19,598)                |
| 7.04.02    | Other   | -   | -                       |
| 7.05       | Net Added Value Produced                                      | 68,210  | 420,628                 |
| 7.06       | Added Value Received/ Ceded in Transfer                       | 555,201   | 262,022                 |
| 7.06.01    | Net of equity accounting                                      | -   | -                       |
| 7.06.02    | Financial income  | 363,868   | 295,963                 |
| 7.06.03    | Other   | 191,333   | (33,941)                |
| 7.06.03.01 | Net of reinsurance ceded operation                            | 116,614   | (42,813)                |

## Financial Statements Consolidated / Statement of Added Value

(in thousand of Reais)

| Code       | Description   | Year-to-date of the current<br>year - 6/30/2011 | Prior year - 12/31/2010 |
|------------|---|---|-------------------------|
| 7.06.03.02 | Net of coinsurance ceded operation                              | 13,776  | (10,687)                |
| 7.06.03.03 | Exchange variation - loans and commitments receivable           | 13,804  | (8,304)                 |
| 7.06.03.04 | Monetary and exchange variation - insurance and private pension | (12,272)  | (13,109)                |
| 7.06.03.05 | Monetary variation - Judicial Deposits                          | 45,498  | 24,379                  |
| 7.06.03.06 | Other   | 13,913  | 16,593                  |
| 7.07       | Added Value to be Distributed                                   | 623,411   | 682,650                 |
| 7.08       | Distribution of Added Value                                     | 623,411   | 682,650                 |
| 7.08.01    | Personnel   | 201,074   | 206,717                 |
| 7.08.01.01 | Direct remuneration   | 147,439   | 160,719                 |
| 7.08.01.02 | Benefits  | 44,923  | 38,283                  |
| 7.08.01.03 | F.G.T.S   | 8,712   | 7,715                   |
| 7.08.01.04 | Other   | -   | -                       |
| 7.08.02    | Taxes, fees and contributions                                   | 246,835   | 229,026                 |
| 7.08.02.01 | Federal   | 242,931   | 226,235                 |
| 7.08.02.02 | State   | 40  | 68                      |
| 7.08.02.03 | Municipal   | 3,864   | 2,723                   |
| 7.08.03    | Interest on shareholders'                                       | 45,993  | 46,155                  |
| 7.08.03.01 | Interest  | 26,185  | 34,666                  |
| 7.08.03.02 | Rentals   | 19,808  | 11,489                  |
| 7.08.03.03 | Other   | -   | -                       |
| 7.08.04    | Interest on shareholders' equity                                | 129,509   | 200,752                 |
| 7.08.04.01 | Interest on shareholders' equity                                | -   | -                       |
| 7.08.04.02 | Dividends   | -   | -                       |
| 7.08.04.03 | Retained earnings (accumulated deficit)                         | 129,509   | 201,040                 |
| 7.08.04.04 | Minority interest on retained earning                           | -   | (288)                   |
| 7.08.05    | Other   | -   | -                       |

**COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER**

(In thousands of Brazilian Reais - R\$)

The Company obtained, in the second quarter of 2011 a profit of R\$ 27,565 (R\$ 91,453 in the same period in 2010), derived mainly from the equity of R\$ 43,028 (R\$ 106,718 in the same period of 2010) and of net financial expenses of R\$ 11,845 (R\$ 10,654 in 2010), whose value per subsidiaries has the following composition:

|   | <b>2011</b><br><b>Second quarter</b> | <b>2010</b><br><b>Second quarter</b> |
|---|--------------------------------------|--------------------------------------|
| SAEPAR Serviços e Participações S.A.      | 34,848                               | 82,208                               |
| Sul América Companhia Nacional de Seguros | 6,361                                | 18,958                               |
| Sul América Companhia de Seguro Saúde     | 1,819                                | 5,552                                |
|   | <b>43,028</b>                        | <b>106,718</b>                       |

**COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER**

SulAmérica S.A. (BM&FBovespa: SULA11), the largest independent insurance company in Brazil, presents its results for the second quarter of 2011 (2Q11). Except where stated otherwise, the company's information is based on its consolidated financial statements and was prepared in accordance with the accounting practices adopted in Brazil (BR GAAP). Except where stated otherwise, the information presented and the respective comments refer to the recurring (adjusted) results.

## Insurance premiums grow 16.0% to R\$2.3 billion in 2Q11

### Highlights

► Insurance premiums amounted to R\$2.3 billion in the quarter, a growth of 16.0% in relation to 2Q10. Health insurance premiums grew by 19.5% in relation to 2Q10, with group health insurance premiums increasing by 23.0%, led by the small and medium-sized enterprises (SME) segment, which increased 37.2% in 2Q11. Auto insurance premiums increased by 10.2% in relation to 2Q10, leading SulAmérica to close 2Q11 with an insured fleet of 1.5 million vehicles.

► In the first six months of 2011, total premiums came to R\$ 4.5 billion, representing a growth rate of 16.2% in relation to 6M10. Health insurance premiums in 6M11 were 18.9% higher than in 6M10. Premiums in the group health insurance portfolio increased 23.9% in 6M11, once again led by the small and medium-sized enterprises segment, which recorded growth in premiums of 37.5% in relation to 6M10. In the same period, auto insurance premiums increased by 16.0%.

► SulAmérica's overall loss ratio stood at 78.2% in 2Q11, increasing 150 bps in comparison to 2Q10. In the health insurance segment, the loss ratio stood at 83.1% in the

quarter, an improvement of 270 bps in relation to 2Q10. The auto insurance loss ratio was 64.2%, an increase of 630 bps in 2Q11.

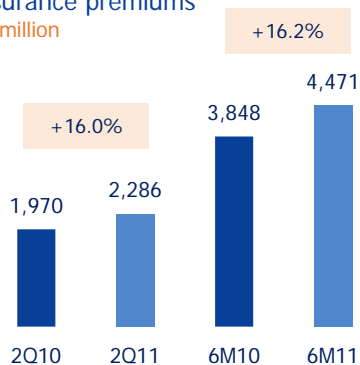
► The combined ratio ended the quarter at 103.9%, an increase of 240 bps in relation to 2Q10.

Return on investments not linked to the VGBL and private

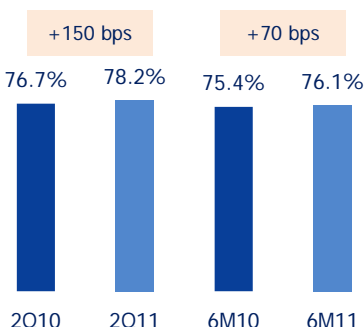
► pension portfolio reached R\$131.9 million in 2Q11, with a return corresponding to 102.9% of the CDI rate. In 6M11, portfolio return was R\$270.9 million, corresponding to 106.9% of the CDI rate.

► Net income was R\$ 30.0 million in 2Q11, declining 40.3% in relation to 2Q10, mainly due to an increase in provisions in the life insurance portfolio, which will be commented on later in this report. Annualized return on equity reached 4.2% in 2Q11. In the first six months of 2011, net income came to R\$131.9 million, down 2.7% from 6M10, with annualized return on equity of 9.4%. SulAmérica ended the quarter with total assets of R\$12.7 billion.

**Insurance premiums**  
R\$ million

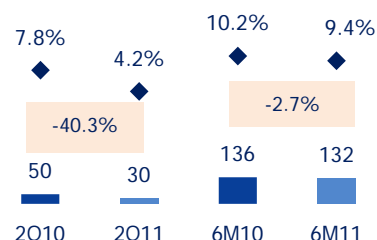


**Loss ratio**  
% earned premiums



**Net income and ROAE**

■ Net Income (R\$ million) ◆ ROAE (%)



**SulAmérica**

associada ao ING



**COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER**

## *Main events in 2Q11 and subsequent events*

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### **Partnership with Caixa Seguros**

Operations in the auto insurance segment under the coinsurance agreement between SulAmérica Companhia Nacional de Seguros and Caixa Seguros began on July 1, 2011. Under the terms of the agreement, which was signed in April 2011, SulAmérica is also responsible for operational and support activities related to the coinsurance agreement.

### **Dental Plan**

In April 2011, SulAmérica announced the approval of the acquisition of Dental PLAN Ltda. by the regulatory agencies and started the integrate process. Dental PLAN had approximately 141,000 members, which were included in SulAmérica's dental care portfolio as of 2Q11.

### **Distribution of 1Q11 Quarterly Dividends**

In a meeting held on May 5, 2011, SulAmérica's Board of Directors approved, in accordance with its new dividends policy, the quarterly distribution of interim and/or intermediary dividends of R\$0.036 per unit, corresponding to approximately R\$10 million, by decision of the Board of Directors at the time of disclosure of the Company's

quarterly results, based on the net income verified by these statements or the profit reserve account stated on the last annual balance sheet, in accordance with governing law and the provisions of the bylaws.

The distribution of dividends relative to the first quarter of 2011 was approved on the date cited above, with payment effected to shareholders on May 18, 2011, in accordance with the approved rules.

### **Broadening of SulAmérica's network**

SulAmérica has been expanding its presence in Brazil's main regions and, in line with this strategy, ended 2Q11 with a customer service network composed of 54 branches and offices. In addition, the Super Service Auto Centers (Centros Automotivos de Super Atendimento - C.A.S.A.) network, which offers high-quality services to the insured members of SulAmérica Auto, ended the period with a total of 30 units. With this strategy, SulAmérica aims to expand its offering of services and provide even more agile service to its clients and brokers.

## *Effects of nonrecurring events*

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### **Complementary individual health insurance premiums**

The financial statements for 1Q10, 4Q10 and 2Q11 were adjusted for the effects from the decision taken in July 2005, through which the National Healthcare Agency (Agência Nacional de Saúde Suplementar - ANS) authorized SulAmérica to implement a 26.1% increase in the prices of its individual health insurance policies issued before January 1, 1999. Such increase should have been applied between July 2005 to June 2006, in accordance with the anniversary of the policies. However, the increase was suspended due to a preliminary injunction in the state of Bahia, with the same adjustment index used for new policies currently being charged (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, policyholders in the state of Bahia were charged an increase in premiums of 12.9% related to the difference for the rate applied in 2005. In 1Q10, 4Q10 and 2Q11, the increases related to the issue of premiums for new individual health insurance were booked under premiums, other operating expenses, expenses with taxes and income and social contribution taxes.

## COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER

*Insurance operations*

| Insurance premiums   R\$ million       | 2Q11    | 2Q10    | Δ%    | 1Q11    | Δ%    | 6M11    | 6M10    | Δ%    |
|--|---------|---------|-------|---------|-------|---------|---------|-------|
| Health insurance                       | 1,496.4 | 1,261.2 | 18.7% | 1,438.9 | 4.0%  | 2,935.3 | 2,537.6 | 15.7% |
| Health insurance (adjusted)            | 1,506.9 | 1,261.2 | 19.5% | 1,438.9 | 4.7%  | 2,945.7 | 2,477.0 | 18.9% |
| Group health insurance                 | 1,132.0 | 920.2   | 23.0% | 1,064.4 | 6.4%  | 2,196.4 | 1,773.3 | 23.9% |
| Individual health insurance            | 364.4   | 341.0   | 6.9%  | 374.4   | -2.7% | 738.8   | 764.4   | -3.3% |
| Individual health insurance (adjusted) | 374.9   | 341.0   | 9.9%  | 374.4   | 0.1%  | 749.3   | 703.7   | 6.5%  |
| Auto insurance                         | 548.1   | 497.3   | 10.2% | 515.2   | 6.4%  | 1,063.3 | 916.5   | 16.0% |
| Other property & casualty insurance    | 111.4   | 101.1   | 10.2% | 120.3   | -7.4% | 231.7   | 236.5   | -2.0% |
| Life & personal accident insurance     | 119.2   | 110.1   | 8.3%  | 111.0   | 7.4%  | 230.3   | 217.7   | 5.8%  |
| Total                                  | 2,275.1 | 1,969.8 | 15.5% | 2,185.4 | 4.1%  | 4,460.5 | 3,908.3 | 14.1% |
| Total (adjusted)                       | 2,285.6 | 1,969.8 | 16.0% | 2,185.4 | 4.6%  | 4,471.0 | 3,847.6 | 16.2% |

| Earned premiums   R\$ million          | 2Q11    | 2Q10    | Δ%     | 1Q11    | Δ%     | 6M11    | 6M10    | Δ%     |
|--|---------|---------|--------|---------|--------|---------|---------|--------|
| Health insurance                       | 1,488.7 | 1,255.8 | 18.7%  | 1,434.4 | 3.8%   | 2,923.2 | 2,529.5 | 15.6%  |
| Health insurance (adjusted)            | 1,499.2 | 1,255.8 | 19.4%  | 1,434.4 | 4.5%   | 2,933.6 | 2,468.9 | 18.8%  |
| Group health insurance                 | 1,126.2 | 912.1   | 23.5%  | 1,060.2 | 6.2%   | 2,186.4 | 1,764.9 | 23.9%  |
| Individual health insurance            | 362.6   | 343.7   | 5.5%   | 374.2   | -3.1%  | 736.7   | 764.6   | -3.6%  |
| Individual health insurance (adjusted) | 373.0   | 343.7   | 8.5%   | 374.2   | -0.3%  | 747.2   | 703.9   | 6.1%   |
| Auto insurance                         | 547.1   | 442.8   | 23.5%  | 520.0   | 5.2%   | 1,067.1 | 858.9   | 24.2%  |
| Other property & casualty insurance    | 85.3    | 80.9    | 5.4%   | 75.3    | 13.3%  | 160.5   | 159.4   | 0.7%   |
| Life & personal accident insurance     | 32.6    | 104.3   | -68.8% | 91.9    | -64.6% | 124.4   | 207.1   | -39.9% |
| Total                                  | 2,153.6 | 1,883.8 | 14.3%  | 2,121.6 | 1.5%   | 4,275.2 | 3,755.0 | 13.9%  |
| Total (adjusted)                       | 2,164.1 | 1,883.8 | 14.9%  | 2,121.6 | 2.0%   | 4,285.7 | 3,694.3 | 16.0%  |

| Loss ratio   %                         | 2Q11   | 2Q10  | Δ(bps) | 1Q11  | Δ(bps) | 6M11  | 6M10  | Δ(bps) |
|--|--------|-------|--------|-------|--------|-------|-------|--------|
| Health insurance                       | 83.6%  | 85.8% | -210   | 80.1% | 350    | 81.9% | 81.3% | 60     |
| Health insurance (adjusted)            | 83.1%  | 85.8% | -270   | 80.1% | 290    | 81.6% | 83.3% | -170   |
| Group health insurance                 | 81.8%  | 82.0% | -10    | 78.8% | 310    | 80.3% | 80.5% | -20    |
| Individual health insurance            | 89.3%  | 95.9% | -660   | 84.1% | 520    | 86.6% | 83.0% | 360    |
| Individual health insurance (adjusted) | 86.8%  | 95.9% | -910   | 84.1% | 270    | 85.4% | 90.2% | -480   |
| Auto insurance                         | 64.2%  | 57.9% | 630    | 62.0% | 220    | 63.1% | 60.7% | 240    |
| Other property & casualty insurance    | 58.2%  | 54.7% | 350    | 63.0% | -490   | 60.4% | 59.9% | 60     |
| Life & personal accident insurance     | 145.1% | 64.7% | 8,050  | 52.6% | 9,260  | 76.8% | 55.0% | 2,190  |
| Total                                  | 78.6%  | 76.7% | 190    | 73.9% | 470    | 76.3% | 74.2% | 210    |
| Total (adjusted)                       | 78.2%  | 76.7% | 150    | 73.9% | 440    | 76.1% | 75.4% | 70     |

**COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER**

| Acquisition cost ratio   %             | 2Q11  | 2Q10  | Δ(bps) | 1Q11  | Δ(bps) | 6M11  | 6M10  | Δ(bps) |
|--|-------|-------|--------|-------|--------|-------|-------|--------|
| Health insurance                       | 6.9%  | 6.3%  | 60     | 6.7%  | 20     | 6.8%  | 6.1%  | 70     |
| Health insurance (adjusted)            | 6.8%  | 6.3%  | 50     | 6.7%  | 10     | 6.8%  | 6.3%  | 50     |
| Group health insurance                 | 8.5%  | 8.3%  | 20     | 8.6%  | n.a.   | 8.6%  | 8.4%  | 10     |
| Individual health insurance            | 1.7%  | 0.9%  | 80     | 1.4%  | 30     | 1.6%  | 0.8%  | 80     |
| Individual health insurance (adjusted) | 1.7%  | 0.9%  | 80     | 1.4%  | 20     | 1.6%  | 0.9%  | 70     |
| Auto insurance                         | 21.6% | 23.3% | -160   | 21.7% | n.a.   | 21.6% | 23.4% | -170   |
| Other property & casualty insurance    | 21.2% | 20.9% | 30     | 23.5% | -230   | 22.3% | 20.1% | 220    |
| Life & personal accident insurance     | 85.2% | 21.9% | 6,340  | 31.9% | 5,330  | 45.9% | 21.5% | 2,440  |
| Total                                  | 12.4% | 11.8% | 60     | 12.1% | 30     | 12.2% | 11.5% | 70     |
| Total (adjusted)                       | 12.4% | 11.8% | 60     | 12.1% | 30     | 12.2% | 11.7% | 50     |

| Gross margin   %                       | 2Q11    | 2Q10  | Δ(bps)  | 1Q11  | Δ(bps)  | 6M11   | 6M10  | Δ(bps) |
|--|---------|-------|---------|-------|---------|--------|-------|--------|
| Health insurance                       | 9.5%    | 7.9%  | 160     | 13.2% | -370    | 11.3%  | 12.6% | -130   |
| Health insurance (adjusted)            | 10.1%   | 7.9%  | 220     | 13.2% | -310    | 11.6%  | 10.5% | 120    |
| Group health insurance                 | 9.6%    | 9.7%  | -10     | 12.7% | -310    | 11.1%  | 11.1% | 10     |
| Individual health insurance            | 9.0%    | 3.2%  | 580     | 14.5% | -550    | 11.8%  | 16.2% | -440   |
| Individual health insurance (adjusted) | 11.6%   | 3.2%  | 840     | 14.5% | -290    | 13.0%  | 8.9%  | 410    |
| Auto insurance                         | 14.2%   | 18.9% | -470    | 16.4% | -220    | 15.3%  | 15.9% | -70    |
| Other property & casualty insurance    | 20.6%   | 24.4% | -380    | 13.5% | 710     | 17.3%  | 20.0% | -270   |
| Life & personal accident insurance     | -130.4% | 13.5% | -14,390 | 15.5% | -14,590 | -22.7% | 23.6% | -4,620 |
| Total                                  | 9.0%    | 11.4% | -250    | 14.0% | -510    | 11.5%  | 14.3% | -320   |
| Total (adjusted)                       | 9.4%    | 11.4% | -210    | 14.0% | -470    | 11.7%  | 12.9% | -120   |

| Combined ratio   %        | 2Q11   | 2Q10   | Δ(bps) | 1Q11  | Δ(bps) | 6M11   | 6M10   | Δ(bps) |
|---------------------------|--------|--------|--------|-------|--------|--------|--------|--------|
| Combined ratio            | 104.1% | 101.5% | 260    | 99.4% | 470    | 101.7% | 100.1% | 170    |
| Combined ratio (adjusted) | 103.9% | 101.5% | 240    | 99.4% | 450    | 101.6% | 101.1% | 50     |

| R\$ million           | 2Q11 | 2Q10  | Δ         | 1Q11  | Δ         | 6M11  | 6M10  | Δ       |
|-----------------------|------|-------|-----------|-------|-----------|-------|-------|---------|
| Net income            | 27.6 | 90.8  | -69.8%    | 101.9 | -73.0%    | 129.5 | 200.8 | -35.5%  |
| Net income (adjusted) | 30.0 | 49.8  | -40.3%    | 101.9 | -70.6%    | 131.9 | 135.6 | -2.7%   |
| ROAE                  | 3.8% | 14.6% | -1,080bps | 14.6% | -1,080bps | 9.2%  | 15.2% | -600bps |
| ROAE (adjusted)       | 4.2% | 7.8%  | -360bps   | 14.6% | -1,040bps | 9.4%  | 10.2% | -80bps  |

Important note: some 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.

## COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER

## *With growth of 19.5% in 2Q11, the health insurance segment recorded premiums of R\$1.5 billion and 2.3 million insured members*

### *Health insurance*

► **Insurance premiums** | The health and dental care segment (65.9% of the Company's consolidated premiums) recorded revenue of R\$1.5 billion in 2Q11, representing growth of 19.5% in relation to 2Q10 (4.7% higher than 1Q11).

Group health insurance. Group health insurance premiums, which accounted for 75.1% of health insurance premiums, came to R\$1.1 billion in the quarter, representing increases of 23.0% in relation to 2Q10 and 6.4% in relation to 1Q11. At the end of the period, the group health insurance portfolio had 1,773 thousand insured members, which represent an increase of 31.6% over 2Q10 (up 14.9% on 1Q11). The growth in group health insurance premiums was partially due to the expansion in the insurance portfolio and adjustments to the premiums of existing policies, as well as to revenues from insurance policies formerly held as administrative services only plans ("ASO" or *planos administrado de pós-pagamento*), the status of which had been changed upon renewal, at the policyholder decision.

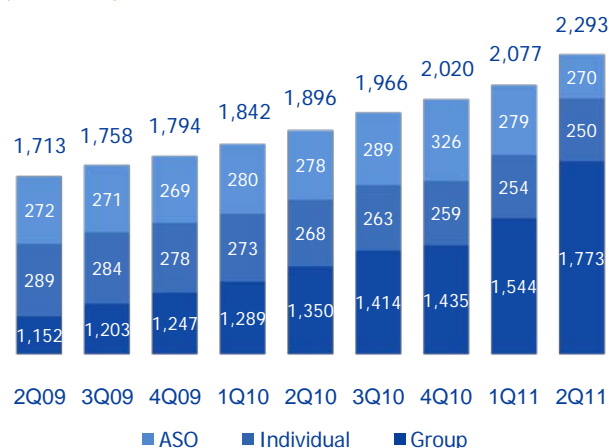
SME health insurance. Premiums in the health insurance segment for small and medium-sized enterprises (SME) came to R\$243.5 million in 2Q11, 37.2% growth in relation to 2Q10 (up 5.2% compared to 1Q11). This is explained by the 24.0% expansion in the number of insured members in the portfolio in relation to 2Q10 (up 4.7% compared to 1Q11) and by the adjustment in premiums. At the end of 2Q11, the SME health portfolio had 244,377 insured members.

Dental care plans. Revenue from the dental care plan portfolio grew by 86.2% over 2Q10, reaching R\$17.0 million (up 30.7% in relation to 1Q11). The higher revenue in this segment partially reflects the contribution from the dental plan portfolio of Dental PLAN (141 thousand insured members), which was acquired by SulAmérica in December 2010, and whose results were consolidated in 2Q11, following approval by the regulatory agencies. With the incorporation of Dental PLAN members, SulAmérica dental plan portfolio ended 2Q11 with 440,447 members, which represents growth of 99.1% in relation to 2Q10 (up 60.4% on 1Q11).

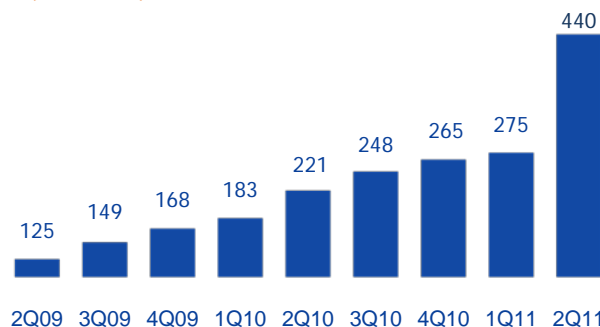
Individual health insurance. The individual health insurance segment recorded premiums of R\$374.9 million in 2Q11, 9.9% higher than in 2Q10 (unchanged in relation to 1Q11). The portfolio contracted by 6.8% in comparison to 2Q10 (1.7% less than in 1Q11) and ended the period with 249,892 members. The reduction in the number of members, due to the company's decision to suspend the sale of individual health policies in 2004, was offset by the adjustments in the individual health policies in the period,

which explains the higher premiums in the portfolio in the quarter. In 2010, the National Healthcare Insurance Agency (Agência Nacional de Saúde Suplementar - ANS) approved increases of 6.73% in the individual health insurance policies issued under the scope of Federal Law 9,656/98, effective as of May 2010 (applied in the month of the anniversary of the respective policy) and of 10.91% for policies issued before said law took effect, applicable as of July 2010. In 2011, an increase of 7.69% was approved for policies issued under the scope of said law, effective as of May 2011, and of 7.35% for policies issued before the law took effect, applicable as of July 2011.

#### Health insurance and dental care covered individuals\* (thousand)



#### Dental care covered individuals\* (thousand)



\* Includes members of insurance policies and post-payment managed agreements



**COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER**

► **Loss ratio** | The overall health insurance loss ratio in 2Q11 was 83.1%, a reduction of 270 bps related to 2Q10 (up 290 bps in relation to 1Q11).

Group health insurance. The group health insurance loss ratio was 81.8% in 2Q11, remaining stable in relation to 2Q10 (up 310 bps in relation to 1Q11).

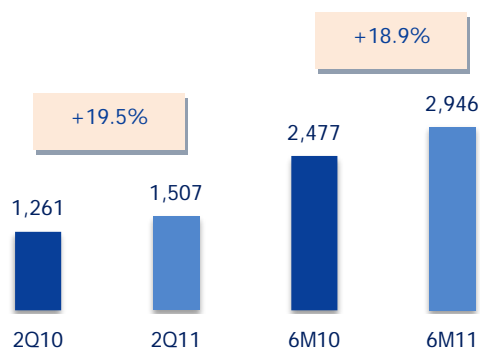
Individual health insurance. The individual health insurance loss ratio improved 910 bps in relation to 2Q10, reaching 86.8% in 2Q11 (up 270 bps compared to 1Q11). The improvement in the loss ratio in 2Q11 in comparison with 2Q10 is partially due to the reduction in frequency of

utilization and to conditions of the agreements with healthcare providers, while the increase over 1Q11 basically reflects seasonal factors and the yearly cycle of rate adjustments in the individual portfolio.

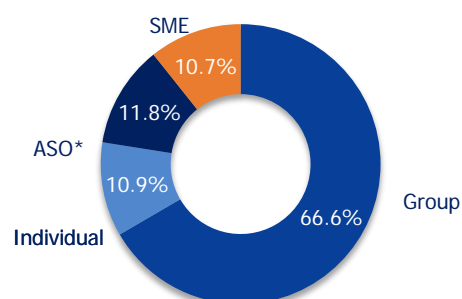
► **Acquisition cost ratio** | Acquisition costs in the health segment represented 6.8% of premiums in 2Q11, an increase of 50 bps in relation to 2Q10 (up 10 bps on 1Q11). There were no significant variations in commission ratios.

**Insurance premiums**

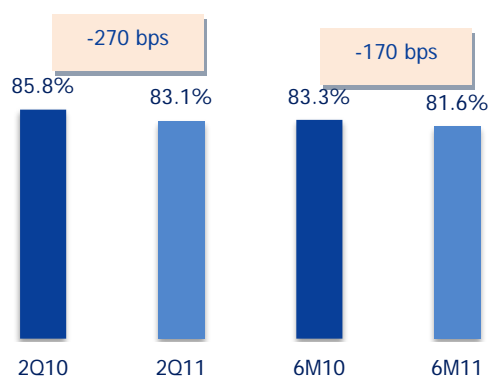
R\$ million

**Covered individuals 6M11**

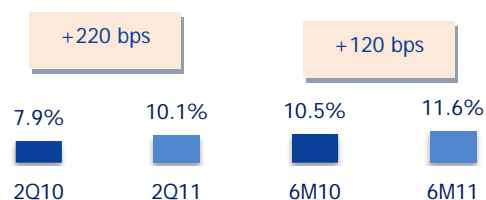
Total | 2.3 million covered individuals

**Loss ratio**

% earned premiums

**Gross margin**

% earned premiums



\* Post-payment managed plans (ASO)

## COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER

## *Insured fleet reaches 1.5 million vehicles and revenue from auto insurance premiums grows 10.2% in relation to 2Q10*

### *Auto insurance*

► **Insurance premiums** | Premiums in the auto insurance segment (which accounted for 23.8% of the company's overall insurance premiums) totaled R\$548.1 million in 2Q11, up 10.2% in comparison to 2Q10 (6.4% above 1Q11). The insured fleet totaled 1,494 thousand vehicles at the close of 2Q11, an increase of 21.5% in relation to 2Q10.

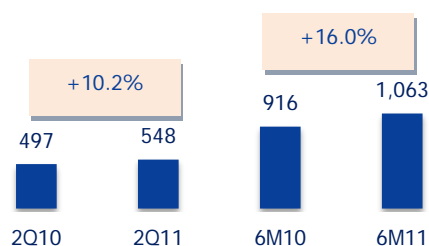
In the first five months of 2011, premiums in the auto insurance industry grew by 7.3% compared to the same period of the prior year, based on data from the Private Insurance Superintendence (Superintendência de Seguros Privados - SUSEP). In the same period, SulAmérica expanded by 21.2%, with market share of 10.7%, a 120 bps growth in relation to the previous year.

► **Loss ratio** | The auto insurance loss ratio in 2Q11

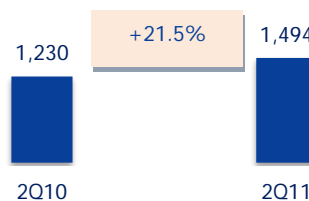
rose to 64.2%, 630 bps higher than 2Q10 (up 220 bps on 1Q11). Such increase was partly due to the higher frequency of claims in 2Q11, reflecting the heavy rains that affected primarily the states of Pernambuco and Rio de Janeiro in April. Also contributed to such increase factors related to the enhancement of internal processes that have accelerated the recognition of reserves and will adjust over time. Frequency of use also increased in certain regions.

► **Acquisition cost ratio** | The auto insurance acquisition cost ratio corresponded to 21.6% of premiums earned in 2Q11, an increase of 160 bps in comparison to 2Q10 (stable in relation to 1Q11).

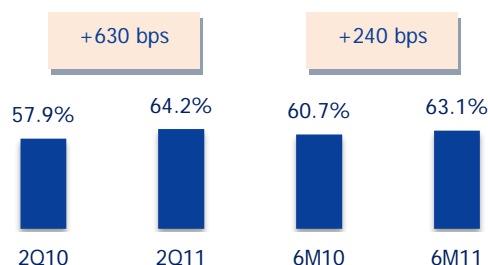
**Insurance premiums**  
R\$ million



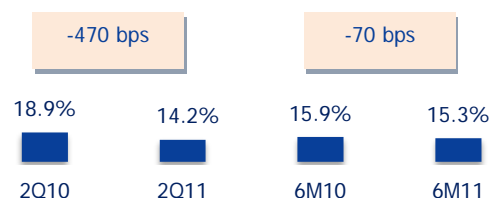
**Insured fleet**  
thousand vehicles



**Loss ratio**  
% earned premiums



**Gross margin**  
% earned premiums



## COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER

*Premiums earned in the other property and casualty segment increased 10.2% in 2Q11, with a loss ratio of 58.2%*

## Other property and casualty insurance

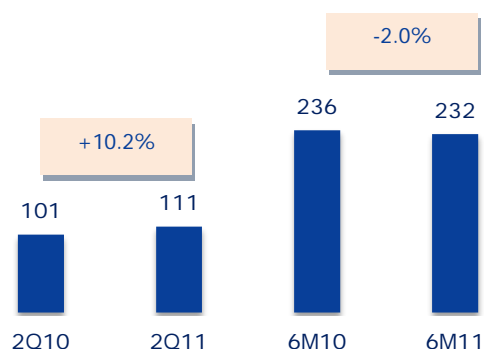
► **Insurance premiums** | Premiums in the other property and casualty insurance segment (5.2% of the Company's overall insurance premiums) grew by 10.2% in 2Q11 and reached R\$111.4 million (contraction of 7.4% in relation to 1Q11). This growth was mainly due to the higher premiums in marine, massified bundled policies, DPVAT and engineering portfolios, which together grew 18.0% and represented 64.4% of the total portfolio. Earned premiums increased 5.4% in 2Q11 compared with 2Q10 (up 13.3% in relation to 1Q11), reflecting the changes in the underwriting policy adopted by the company for this portfolio. If the expenses of R\$9.1 million related to the constitution of a provision for

reintegrating the reinsurance premium arising from a claim were excluded, premium growth in 2Q11 would be even higher (at around 16.7% over 2Q10).

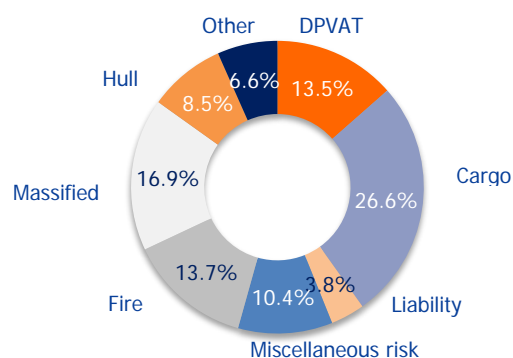
► **Loss ratio** | The loss ratio for other property and casualty insurance rose by 350 bps in 2Q11 to 58.2% (down 490 bps from 1Q11), reflecting the effects from the losses mentioned above.

► **Acquisition cost ratio** | The acquisition cost ratio declined by 30 bps in relation to 2Q10 to 21.2% (down 230 bps in comparison to 1Q11).

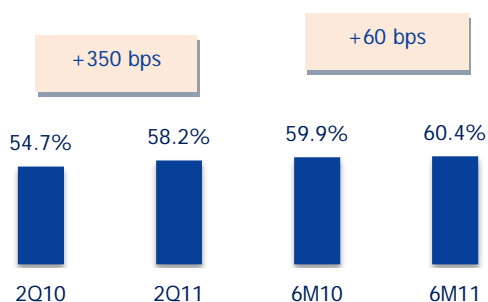
Insurance premiums  
R\$ million



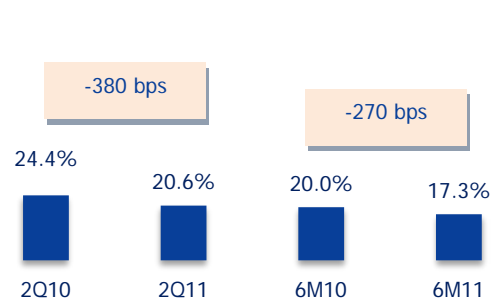
Segment breakdown 6M11  
Total | R\$231.7 million



Loss ratio  
% earned premiums



Gross margin  
% earned premiums



## COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER

*Life and personal accident insurance grows by 8.5% in 2Q11**Life and personal accident insurance*

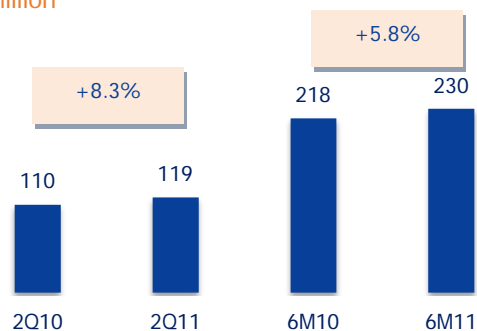
► **Insurance premiums** | Premiums from life and personal accident insurance (5.1% of the company total insurance premiums) increased by 830 bps in relation to 2Q10 (740 bps compared to 1Q11), reaching R\$119.2 million in 2Q11. The issue of new policies with higher average prices offset the 1.6% contraction in the volume of the portfolio, which ended 2Q11 with 2,192 thousand insured members.

Earned premiums from life and personal accident insurance decreased 68.8% in 2Q11 over 2Q10 (down 64.7% in relation to 1Q11), reflecting the increase of R\$76.5 million in the provision for premium deficiency (PIP) recorded under the subsidiary Sul América Seguros de Pessoas e Previdência S.A. The increase in this provision reflects a change in estimates due to an unfavorable ruling in a lawsuit in which said subsidiary is a party, involving the adjustment of group life policies issued in 2006. Excluding the effects from the build in said provision, earned premiums would have grown 4.6% in relation to 2Q10 (down 3.0% compared to 1Q11).

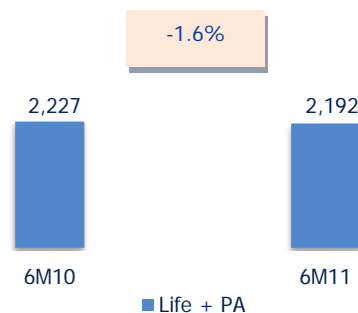
► **Loss ratio** | The life and personal accident insurance loss ratio in 2Q11 increased by 8,050 bps over 2Q10 to reach 145.1% (up 9,260 bps in relation to 1Q11). The increase in the loss ratio in 2Q11 was mainly due to the increase in the provision for premium deficiency referred to above, which led to a reduction of R\$76.5 million in earned premiums this quarter. Excluding this effect, the life and personal accident insurance loss ratio would have been 43.4%, an improvement of 2,130 bps in relation to 2Q10 (increase of 40 bps in relation to 1Q11).

► **Acquisition cost ratio** | For the same reasons mentioned above, the acquisition cost ratio for this segment was highly distorted, corresponding to 85.2% of premiums, an increase of 6,340 bps (up 5,330 bps from 1Q11).

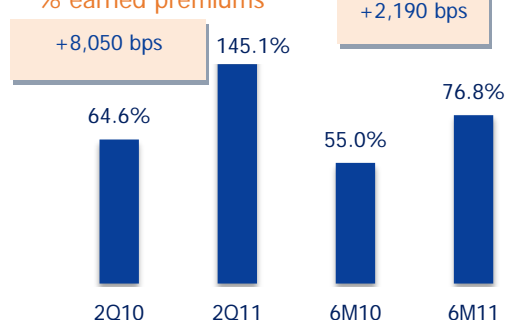
Insurance premiums  
R\$ million



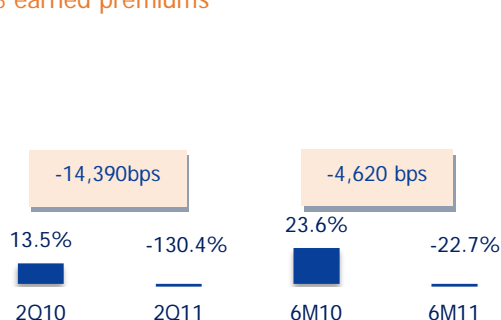
Covered individuals  
thousand



Loss ratio  
% earned premiums



Gross margin  
% earned premiums



**COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER***Other insurance operating income and expenses*

| R\$ million  | 2Q11   | 2Q10   | Δ%     | 1Q11   | Δ%     | 6M11    | 6M10    | Δ%    |
|--|--------|--------|--------|--------|--------|---------|---------|-------|
| Other insurance operating income and expenses            | (66.3) | (44.0) | -50.6% | (56.8) | -16.7% | (123.1) | (135.4) | 9.1%  |
| Other insurance operating income and expenses (adjusted) | (72.6) | (44.0) | -64.3% | (56.9) | -27.7% | (129.4) | (117.9) | -9.5% |

The 64.3% increase observed in other operating income and expenses between 2Q11 and 2Q10 was mainly due to contingent liabilities, which reflects the revaluation of

legal contingencies and the build in provisions for bad debt.

*Income from private pensions*

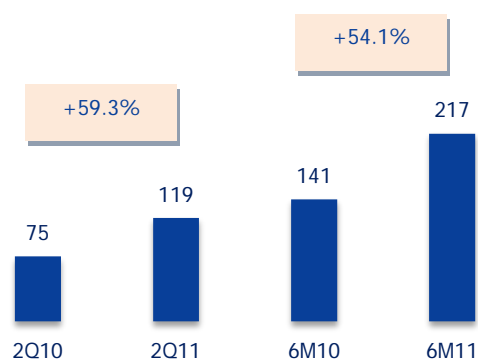
| R\$ million                         | 2Q11 | 2Q10 | Δ%     | 1Q11 | Δ%     | 6M11 | 6M10 | Δ%     |
|-------------------------------------|------|------|--------|------|--------|------|------|--------|
| Income results from private pension | 0.9  | 8.6  | -89.4% | 5.4  | -83.2% | 6.4  | 11.9 | -46.2% |

Income from private pensions was R\$0.9 million in 2Q11, down 89.4% in relation to 2Q10 (83.2% lower than in 1Q11).

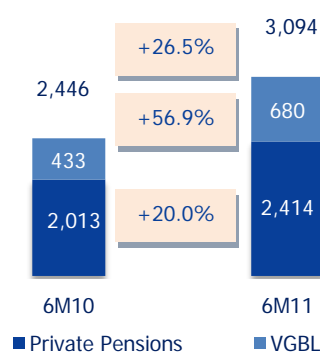
This result reflects higher expenses with benefits and redemptions of private pension plans, as well as the build in technical provisions in this segment.

**Pension contributions**

R\$ million

**Pension reserves**

R\$ million



## COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER

## Income from healthcare operations

| R\$ million                               | 2Q11 | 2Q10 | Δ%   | 1Q11 | Δ%   | 6M11 | 6M10 | Δ%    |
|---|------|------|------|------|------|------|------|-------|
| Income results from healthcare operations | 7.4  | 6.8  | 8.7% | 7.0  | 4.9% | 14.4 | 15.3 | -6.0% |

Income from healthcare operations (administrative services only plans, "ASO", or *planos administrados de pós-pagamento*) amounted to R\$7.4 million in 2Q11, 8.7% more than in 2Q10 (up 4.9% in relation to 1Q11), basically reflecting higher average fees for these plans.

At the end of the period, the portfolio of post-payment managed plans covered 269,902 insured members.

## Income from asset management

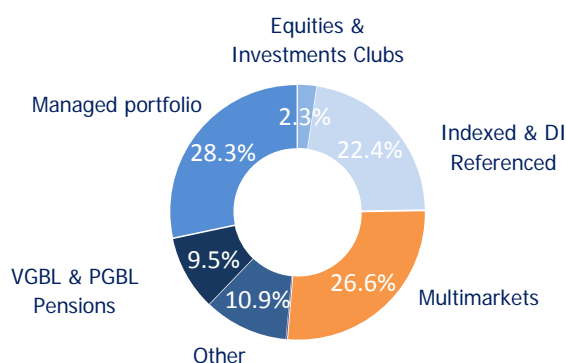
| R\$ million                  | 2Q11 | 2Q10 | Δ%     | 1Q11 | Δ%     | 6M11 | 6M10 | Δ%     |
|------------------------------|------|------|--------|------|--------|------|------|--------|
| Revenue from managing tax    | 4.4  | 5.0  | -12.0% | 5.6  | -21.4% | 10.1 | 10.0 | 1.0%   |
| Funds performance - interest | 1.6  | 0.4  | 300.0% | 0.4  | 300.0% | 1.9  | 0.5  | 280.0% |
| Financial activity result    | 6.0  | 5.4  | 11.1%  | 6.0  | n/a    | 12.0 | 10.5 | 14.3%  |

Assets under management at Sul América Investimentos D.T.V.M. S.A. grew by 2.2% from 2Q10 (down 1.3% in relation to 1Q11) and ended the period at R\$17.3 billion, based on data from the National Association of Investment Banks (Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais - ANBIMA).

In 2Q11, income from asset management was R\$6.0 million, growing by 11.1% in relation to 2Q10 (in line with 1Q11). This performance reflects the larger volume of assets under management and the increased allocation of clients' assets to funds with more diversified profiles and consequently higher management fees.

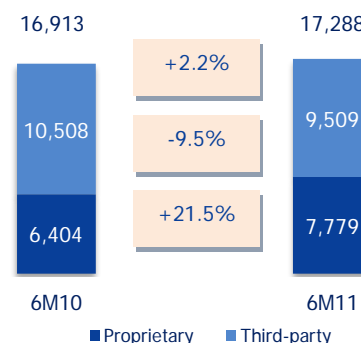
### Third-party assets

R\$9.5 billion (6M11)



### Assets under management

R\$ million



**COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER**

## *Administrative expenses*

| R\$ million  | 2Q11    | 2Q10    | Δ       | 1Q11    | Δ       | 6M11    | 6M10    | Δ      |
|--|---------|---------|---------|---------|---------|---------|---------|--------|
| Personnel expenses   | (90.4)  | (108.2) | 16.5%   | (102.9) | 12.2%   | (191.8) | (221.8) | 13.5%  |
| Third-party services   | (63.8)  | (45.8)  | -39.3%  | (49.9)  | -27.9%  | (113.7) | (84.0)  | -35.4% |
| Buildings and maintenance                                    | (49.8)  | (46.0)  | -8.3%   | (46.5)  | -7.1%   | (96.3)  | (88.6)  | -8.7%  |
| Other administrative expenses                                | (23.9)  | (19.7)  | -21.3%  | (9.6)   | -149.0% | (33.5)  | (35.5)  | 5.6%   |
| Expense recovery   | 41.6    | 35.3    | 17.9%   | 19.6    | 112.2%  | 59.7    | 77.3    | -22.8% |
| Total  | (186.4) | (184.5) | -1.1%   | (189.3) | 1.5%    | (375.7) | (352.5) | -6.6%  |
| Administrative expenses ratio (% retained premiums)          | 8.3%    | 9.6%    | -130bps | 8.9%    | -60bps  | 8.6%    | 9.2%    | -60bps |
| Administrative expenses ratio (% adjusted retained premiums) | 8.3%    | 9.6%    | -130bps | 8.9%    | -60bps  | 8.6%    | 9.4%    | -80bps |

Administrative expenses increased 1.1% in 2Q11 in relation to 2Q10 (down 1.5% from 1Q11). On the other hand, administrative expenses ratio improved 130 bps in the period (up 60 bps in relation to 1Q11), representing 8.3% of retained premiums in 2Q11. Such improvement reflects the better operating efficiency and the positive effects from the recovery of expenses incurred from the

shared use of the operational and administrative support systems of SulAmérica provided for under the service agreements entered into with third parties.

The outsourcing of operational processes and the higher expenses with IT services, which accompany the growth in the number of policies issued, are reflected in expenses with third-party services in the period.

## *Tax Expenses*

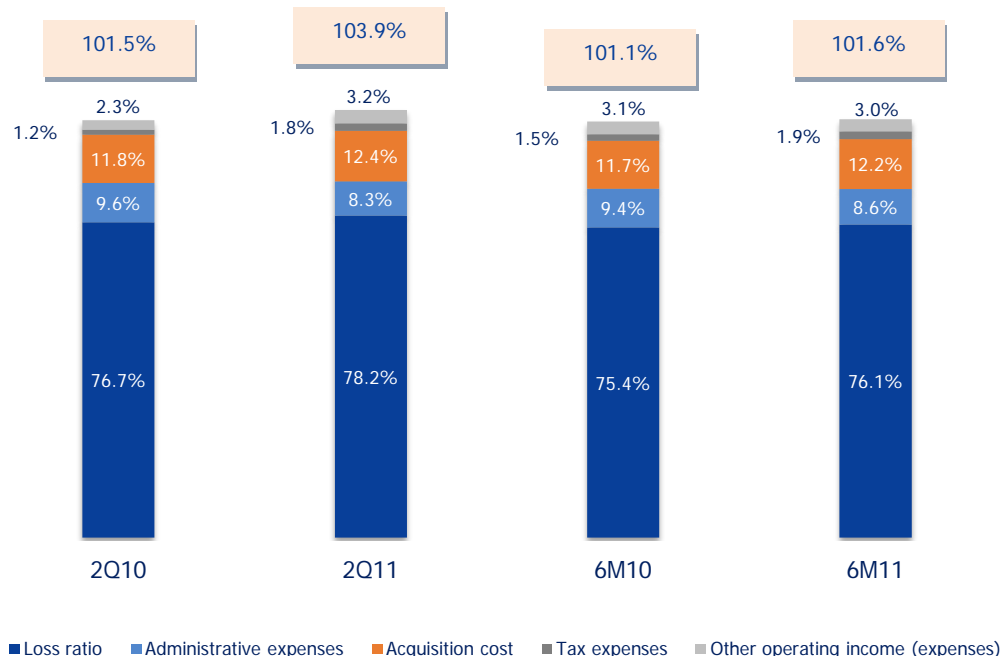
| R\$ million                                       | 2Q11   | 2Q10   | Δ      | 1Q11   | Δ      | 6M11   | 6M10   | Δ      |
|---|--------|--------|--------|--------|--------|--------|--------|--------|
| Tax expenses                                      | (40.6) | (22.6) | -79.6% | (40.4) | -0.6%  | (81.0) | (59.1) | -37.0% |
| Tax expenses (adjusted)                           | (40.9) | (22.6) | -80.5% | (40.4) | -1.8%  | (81.2) | (56.3) | -44.2% |
| Tax expenses ratio (% retained premiums)          | 1.8%   | 1.2%   | 60bps  | 1.9%   | -10bps | 1.9%   | 1.5%   | 40bps  |
| Tax expenses ratio (% adjusted retained premiums) | 1.8%   | 1.2%   | 60bps  | 1.9%   | -10bps | 1.9%   | 1.5%   | 40bps  |

Tax expenses increased by 80.5% in 2Q11 in relation to 2Q10. In addition to the impact from the higher premiums recorded by the company, this result also reflects the build

in legal provisions for PIS tax (*programa de integração social*) of R\$16.7 million.

**COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER***Combined ratio*

| %                         | 2Q11   | 2Q10   | Δ(bps) | 1Q11  | Δ(bps) | 6M11   | 6M10   | Δ(bps) |
|---------------------------|--------|--------|--------|-------|--------|--------|--------|--------|
| Combined ratio            | 104.1% | 101.5% | 260    | 99.4% | 470    | 101.7% | 100.1% | 170    |
| Combined ratio (adjusted) | 103.9% | 101.5% | 240    | 99.4% | 450    | 101.6% | 101.1% | 50     |



\* Recurring figures

*Financial income*

| R\$ million   | 2Q11    | 2Q10    | Δ%     | 1Q11    | Δ%     | 6M11    | 6M10    | Δ%     |
|---|---------|---------|--------|---------|--------|---------|---------|--------|
| Financial income ex-private pension and VGBL operations               | 145.0   | 100.6   | 44.2%  | 150.0   | -3.3%  | 295.1   | 210.5   | 40.2%  |
| Return on investment portfolio  | 131.9   | 95.0    | 38.7%  | 139.0   | -5.2%  | 270.9   | 196.7   | 37.7%  |
| Debt servicing costs  | (11.7)  | (10.6)  | -10.9% | (11.4)  | -3.0%  | (23.1)  | (21.0)  | -10.0% |
| Other   | 24.9    | 16.1    | 54.4%  | 22.4    | 11.4%  | 47.3    | 34.7    | 36.2%  |
| Financial income of private pension and VGBL operations               | 2.6     | 2.6     | -1.3%  | 3.5     | -25.7% | 6.1     | 10.3    | -41.0% |
| Return on investment portfolio of private pension and VGBL operations | 47.7    | 33.0    | 44.5%  | 69.2    | -31.1% | 116.9   | 98.3    | 18.9%  |
| Change in liabilities of private pension and VGBL operations          | (45.1)  | (30.4)  | -48.4% | (65.7)  | 31.4%  | (110.8) | (88.0)  | -25.9% |
| Total financial income  | 147.6   | 103.2   | 43.0%  | 153.5   | -3.8%  | 301.1   | 220.8   | 36.4%  |
| Balance of private pension and VGBL ex-operations                     | 4,578.9 | 4,011.7 | 14.1%  | 4,900.7 | -6.6%  | 4,578.9 | 4,011.7 | 14.1%  |
| Balance of private pension and VGBL operations                        | 3,096.0 | 2,447.4 | 26.5%  | 2,971.1 | 4.2%   | 3,096.0 | 2,447.4 | 26.5%  |
| Total   | 7,674.9 | 6,459.1 | 18.8%  | 7,871.8 | -2.5%  | 7,674.9 | 6,459.1 | 18.8%  |



**COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER**

The portfolio of assets not linked to pension and life increased by 14.1% in 2Q11 in relation to 2Q10 (down 6.6% from 1Q11) and reached R\$4.6 billion. Of this total, approximately 99.0% was allocated to fixed-income investments and 1% to equities.

The average return on assets not linked to the private pension and VGBL operations was 102.9% of the CDI rate in 2Q11.

In 2Q11, total financial income was 43.0% higher than in 2Q10, which is explained by the higher average balance

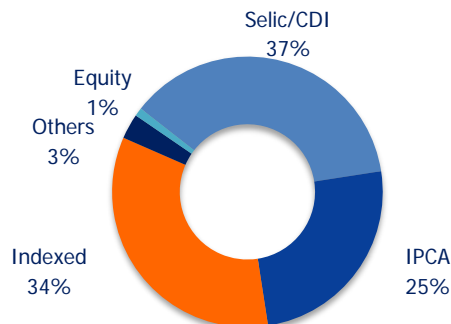
of investments and the strategy to allocate part of the portfolio to fixed-rate securities, as well as by the effects of inflation on the securities linked to inflation indexes.

The lower financial income in 2Q11 compared to 1Q11 was due to the lower balance invested, which reflected the payment of dividends and the acquisition of Dental PLAN Ltda.

Senior notes due February 15, 2012 amounted to R\$336.7 million at the close of 2Q11, with R\$13.2 million corresponding to accrued interest.

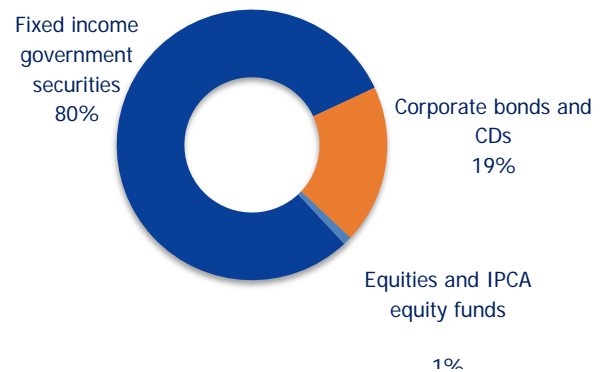
#### Investment strategy excluding pension and VGBL operations

Total | R\$4.6 billion



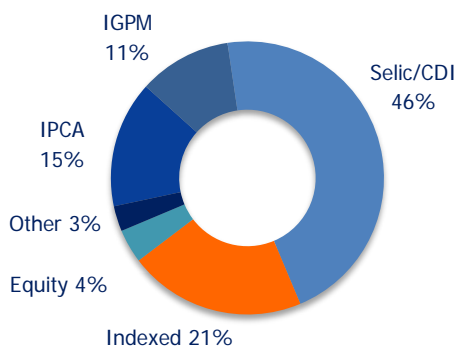
#### Investment allocation excluding pension and VGBL operations

Total | R\$4.6 billion



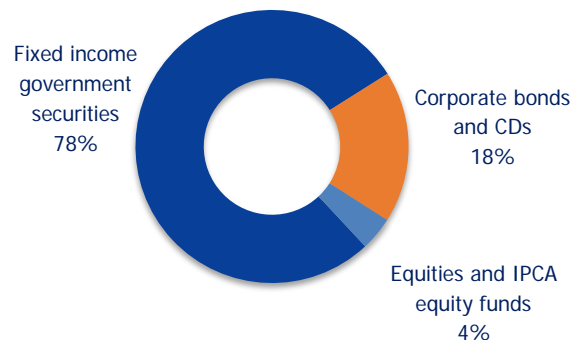
#### Investment strategy

Total | R\$7.8 billion (includes private pension and VGBL operations)



#### Investment allocation

Total | R\$7,8 bilhões (includes private pension and VGBL operations)



## COMMENTS ON THE COMPANY'S PERFORMANCE IN THE QUARTER

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

| R\$ million   | 2Q11   | 2Q10   | Δ%        | 1Q11   | Δ%        | 6M11    | 6M10    | Δ%      |
|---|--------|--------|-----------|--------|-----------|---------|---------|---------|
| Income before income tax, social contribution and profit sharing            | 68.1   | 162.9  | -58.2%    | 184.0  | -63.0%    | 252.1   | 321.7   | -21.6%  |
| Income before income tax, social contribution and profit sharing (adjusted) | 72.1   | 94.6   | -23.8%    | 184.0  | -60.8%    | 256.1   | 213.0   | 20.2%   |
| Income tax and social contribution  | (28.0) | (62.5) | 55.2%     | (72.4) | 61.3%     | (100.3) | (103.3) | 2.9%    |
| Income tax and social contribution adjusted                                 | (29.6) | (35.2) | 15.9%     | (72.4) | 59.1%     | (102.0) | (58.9)  | -73.2%  |
| Profit sharing  | (12.5) | (9.7)  | -28.9%    | (9.7)  | 29.0%     | (22.3)  | (17.6)  | -26.7%  |
| Minority interest   | -      | (0.7)  | n/a       | -      | n/a       | -       | (0.3)   | n/a     |
| Net income  | 27.6   | 90.8   | -69.8%    | 101.9  | -73.0%    | 129.5   | 200.8   | -35.5%  |
| Net income adjusted   | 30.0   | 49.8   | -40.3%    | 101.9  | -70.6%    | 131.9   | 135.6   | -2.7%   |
| ROAE  | 3.8%   | 14.6%  | -1,080bps | 14.6%  | -1,080bps | 9.2%    | 15.2%   | -600bps |
| ROAE adjusted   | 4.2%   | 7.8%   | -360bps   | 14.6%  | -1,040bps | 9.4%    | 10.2%   | -80bps  |

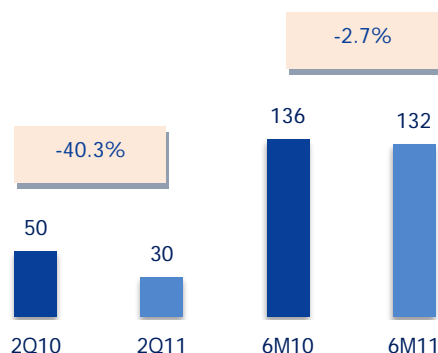
Net income came to R\$30.0 million in 2Q11, 40.3% lower than in 2Q10 (decrease of 70.6% compared to 1Q11). Excluding the effects from the build in the provision for premium deficiency mentioned before, net income would have reached R\$71.3 million in 2Q11, with 43.3% growth in relation to 2Q10 (down 37.3% in comparison to 1Q11).

In 6M11, net income was R\$131.9 million, down 2.7% in relation to the same period in 2010, due to the increase in premium deficiency provision (PIP) in life. Similarly,

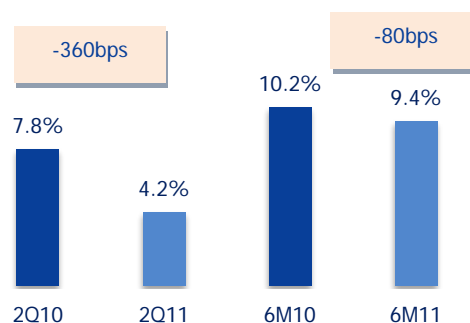
excluding the effects from such increase in premium deficiency provision, net income in 6M11 would have been R\$185.0 million, growing 36.5% from 6M10.

Return on equity in 2Q11 was 4.2%, down 360 bps in comparison to 2Q10 (down 1,040 bps in relation to 1Q11). In 6M11, adjusted return on equity was 9.4%, down 80 bps in relation to 6M10.

Net Income  
R\$ million



ROAE  
%



## Notes

**SUL AMÉRICA S. A. AND SUBSIDIARIES**  
**SELECTED NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE CONDENSED FINANCIAL**  
**STATEMENTS AS OF JUNE 30, 2011 AND DECEMBER 31, 2010, AND FOR THE SIX-MONTH PERIODS**  
**ENDED JUNE 30, 2011 AND 2010**

(In thousands of Brazilian Reais – R\$, except as otherwise stated)

### (1) OPERATIONS

**SUL AMÉRICA S.A.** is a corporation established on March 13, 1978 and headquartered in Rio de Janeiro, Brazil, whose main shareholders are Sulasapar Participações S.A., which holds 59.96% of its common shares, and ING Insurance International B.V., which holds 12.89% of its common and 32.23% of its preferred shares. The Company obtained from the Brazilian Securities and Exchange Commission (CVM) its registration as public company on October 3, 2007, and its units started to be traded at the Securities, Commodities and Futures Exchanges (BM&FBOVESPA) on October 5, 2007 under the trading symbol "SULA11", listed in the Level 2 of Differentiated Corporate Governance Practices. The Company, through its subsidiaries, is engaged in the business of health, automobile, other property and casualty and life insurance, private pension, management of health care services and asset management.

In these selected notes, the interim consolidated and separate condensed financial statements are referred to as "Quarterly Financial Information (ITR)", and Sul América S.A. is hereinafter referred to as "Company" individually, whereas "SulAmérica" is used in connection with Sul América S.A., its subsidiaries and the investment funds of which those companies are the sole quotaholders, which are referred to as "Exclusive Funds" collectively.

In the first half of 2011, the subsidiary Sul América Seguros de Pessoas e Previdência S.A. (SULASEG) increased the Premium Deficiency Reserve by approximately R\$97,024, of which R\$76,461 in the second quarter of 2011, as mentioned in Note (14.1). In income for the period, the related effect net of tax and contribution amounts to R\$55,507 in the first half, of which R\$ 43,743 in the second quarter.

### (2) PRESENTATION OF QUARTERLY FINANCIAL INFORMATION

The ITRs are being presented in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and pronouncement CPC 21, issued by the Accounting Pronouncements Committee (CPC), respectively, and take into consideration the guidelines set out in the Circular Letter/CVM/SNC/SEP No. 003, issued by the Brazilian Securities and Exchange Commission (CVM) on April 28, 2011.

The accompanying ITRs were prepared using the same basis of presentation, measurement, functional currency, calculation methods and accounting practices of the annual financial statements for the year ended December 31, 2010, and, therefore, these shall be read in conjunction with such financial statements.

The accompanying ITR of the Company, prepared in accordance with the accounting practices adopted in Brazil (BR GAAP), differ from the financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) in relation to the recording of investments in subsidiaries. IFRS does not provide for individual statements, and in the separate statements such investments are stated at acquisition cost or fair value. The separate financial statements, according to the BR GAAP, are prepared under the equity method.

In the accompanying ITRs, the balance sheet as of June 30, 2011 is presented as compared to the amounts related to the last annual balance sheet, which base date was December 31, 2010, and the statements of income, statements of changes in shareholders' equity, which includes the statements of comprehensive income, of added value and of cash flows of the Company and SulAmérica are presented for the six-month periods ended June 30, 2011 and 2010.

The Board of Directors authorized the issuance of the accompanying ITR at the meeting held on August 2, 2011.

**Notes****(3) SIGNIFICANT ACCOUNTING PRACTICES**

The accounting practices and calculation methods adopted in the preparation of the accompanying ITRs are the same ones that were adopted in the preparation of the annual financial statements of the Company and SulAmérica for the year ended December 31, 2010.

**(4) CONSOLIDATED COMPANIES**

The consolidated ITRs include the information of the Company, its subsidiaries, listed below, and the investment funds in which the Company and its subsidiaries are the only quotaholders. From April, DENTALPLAN is included in the consolidated statements, according to item (ib):

|  |                                     |              | Ownership interest (%) in total capital |               | Ownership interest (%) in total capital |                   |
|--|-------------------------------------|--------------|---|---------------|---|-------------------|
|  |                                     |              |   | June 30, 2011 |   | December 31, 2010 |
| Companies  | Main activities                     | Headquarters | Direct                                  | Indirect      | Direct                                  | Indirect          |
| Sul América Companhia Nacional de Seguros - SALIC                                    | Insurance company                   | RJ           | 24.45                                   | 75.55         | 24.45                                   | 75.55             |
| Saepar Serviços e Participações S.A. - SAEPAR  | Equity interest holding and service | RJ           | 100.00                                  | -             | 100.00                                  | -                 |
| Brasilsaúde Companhia de Seguros - BRASILSAÚDE                                       | Insurance company                   | RJ           | -                                       | 100.00        | -                                       | 100.00            |
| Sul América Seguros de Pessoas e Previdência S.A. - SULASEG                          | Insurance company                   | RJ           | -                                       | 100.00        | -                                       | 100.00            |
| Sul América Companhia de Seguro Saúde - CIA SAÚDE (I)                                | Insurance company                   | RJ           | 34.94                                   | 65.06         | 34.94                                   | 65.06             |
| Sul América Companhia de Seguros Gerais - SASG                                       | Insurance company                   | RJ           | -                                       | 100.00        | -                                       | 100.00            |
| Sul América Seguro Saúde S.A. - SAÚDE  | Insurance company                   | RJ           | -                                       | 100.00        | -                                       | 100.00            |
| Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. - SAMI | Asset management                    | SP           | -                                       | 100.00        | -                                       | 100.00            |
| Cival Reinsurance Company Ltd.   | Reinsurance company (not operating) | Ilhas Cayman | -                                       | 100.00        | -                                       | 100.00            |
| Sul América Santa Cruz Participações S.A. - SANTA CRUZ                               | Equity interest holding             | RJ           | -                                       | 100.00        | -                                       | 100.00            |
| Sul América Serviços de Saúde S.A. - SULAMED   | Health insurance company            | SP           | -                                       | 100.00        | -                                       | 100.00            |
| Executivos S.A. Administração e Promoção de Seguros - EXECUTIVOS                     | Service company (not operating)     | SP           | -                                       | 100.00        | -                                       | 100.00            |
| Sul América Odontológico S.A. - SULODONTO (Ia)                                       | Dental Plan Company                 | RJ           | -                                       | 100.00        | -                                       | 100.00            |
| Dental Plan Ltda. - DENTALPLAN (Ib)  | Dental Plan Company                 | PE           | -                                       | 100.00        | -                                       | 100.00            |

## Notes

### (i) Acquisitions through CIA SAÚDE

#### (a) Acquisition of Rio Ardila

Rio Ardila Participações S.A. was acquired on August 02, 2010 and had its corporate name changed to Sul América Odontológico S.A. On January 24, 2011, the National Supplementary Health Plan Agency (ANS) approved the change in its corporate subject, to operate in the business of selling dental plans and equity interests in other companies. The company has not yet started its operations.

#### (b) Acquisition of Dental Plan

On April 18, 2011, ANS approved the agreement executed on December 13, 2010 for the acquisition of 100% of DENTALPLAN for the total amount of R\$ 31,057.

The goodwill arising from this transaction, amounting to R\$ 30,300, was recorded in the consolidated statements under intangible assets and under investments in CIA SAÚDE. It is based on expected future economic benefits, according to cash flows estimates at present value, and takes into consideration strategic assumptions made by the Management.

The opening balance sheet as of March 31, 2011 at fair value is as follows:

| <b>ASSETS</b> | <b>5,562</b> | <b>LIABILITIES</b>   | <b>5,562</b> |
|---------------|--------------|----------------------|--------------|
| Current       | 5,462        | Current              | 2,808        |
| Non current   | 100          | Non current          | 1,997        |
|               |              | Shareholders' equity | 757          |

DENTALPLAN started to be consolidated from April 2011.

### (5) RISK MANAGEMENT

There was no change in the risk management policies presented in the consolidated and separate financial statements as of December 31, 2010. We present the analytical charts updated until June 30, 2011 below:

#### Description of Risks in Operations – Credit Risk

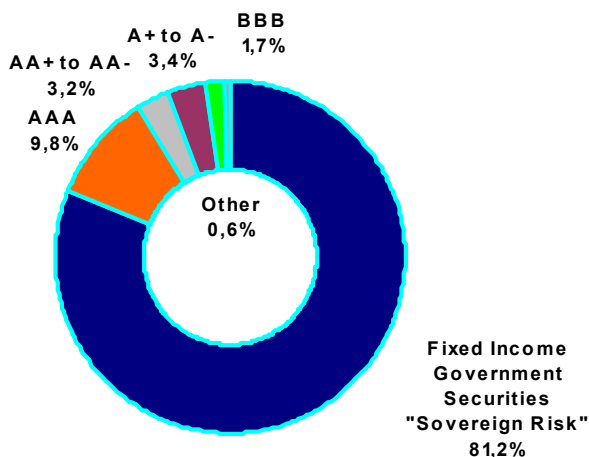
##### (i) Marketable Securities – Investment Policy

The following chart shows the distribution of R\$4.5 billion in investments per rating as of June 30, 2011, except private pension amounting to R\$2.6 billion as of such date; the chart shows that 91% of the total marketable securities are allocated to AAA or sovereign risk categories (government securities).

The rating was basically assigned based on the information provided by Standard & Poors (S&P). S&P does not give rating for certain assets of this portfolio (R\$0.1 billion), therefore, they were not included in the chart below.

## Notes

### Investments per Rating (\*) Without Private Pension R\$4.5 billion

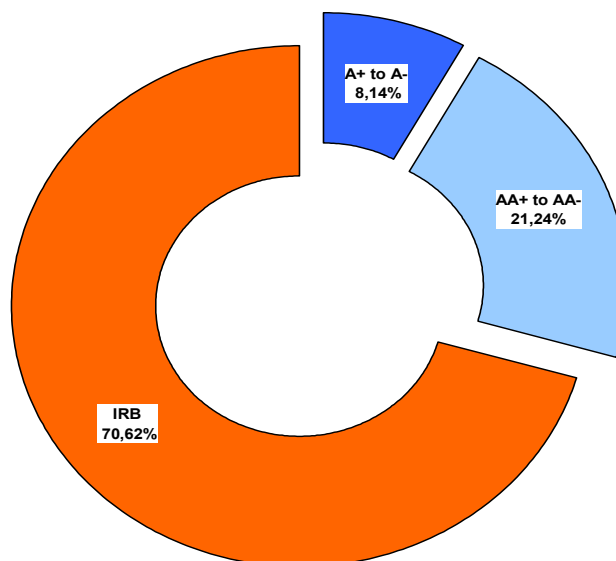


(\*) Without Senior Notes, Mutual Funds and Equity Investments.

### (ii) Reinsurance operations

As of June 30, 2011, the subsidiaries that have insurance operations recorded a total of approximately R\$ 638 million related to exposure to the credit risk of reinsurance, which takes into consideration the recovery of reinsurance receivable, the reserves for premiums and claims owed to reinsurers and the respective solvency margins, concentrated in companies with ratings ranging from AA+ to A- and IRB Brasil RE.

The rating was basically assigned based on the information provided by Standard & Poors (S&P). The following chart shows the distribution of exposure per rating of reinsurer.



## Notes

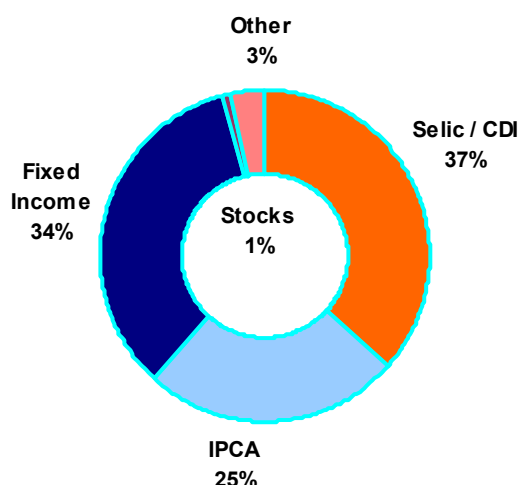
### Description of Risks in Operations – Market Risk

#### (i) Asset and Liability Management Process (ALM)

As a result of the risks analyzed in the ALM process undertaken by SulAmérica, the distribution of its investments per index is as follows as of June 30, 2011, including the resale commitments and accounts receivable from exclusive investment funds.

The following chart does not include the R\$2.6 billion investment in private pension.

**Investment per Index  
Without Private Pension  
R\$4.6 billion**



#### (ii) Foreign Exchange Risk

As of June 30, 2011, the asset balances in US dollars amount to US\$86.506 thousand (US\$106.667 thousand as of December 31, 2010) in the consolidated statements and US\$10.823 thousand (US\$10.716 thousand as of December 31, 2010) in the Company's statements, whereas the liability balances amount to US\$95.879 thousand (US\$107.350 thousand as of December 31, 2010) in the consolidated statements and US\$11.009 thousand (US\$4.293 thousand as of December 31, 2010) in the Company's statements.

#### (iii) Equity Investment Risk

SulAmérica does not have any equity investment in the asset portfolio that guarantees the coverage of technical reserves. The equity investment position is allocated to the capital portfolio amounting to R\$ 47.4 million with own investment mandate.

### Description of Risks in Operations – Underwriting Risk

#### (i) Sensitivity Analysis of Retained Claims

The following table shows the impact of Retained Claims per line, in case there is a change in the claim rate at 1 % up or down over last 12-month period prior to the calculation base date:

| Line<br>(Business type)     | Change in retained claims |
|-----------------------------|---------------------------|
| Automobile                  | 20,510                    |
| Other property and casualty | 3,310                     |
| Health                      | 56,706                    |
| Life                        | 3,145                     |
| <b>Total</b>                | <b>83,671</b>             |

### (6) DERIVATIVE FINANCIAL INSTRUMENTS

#### (6.1) HEDGE

**Notes**

All transactions related to these instruments are traded and registered with the BM&FBOVESPA or with the organized over-the-counter market. In subsidiaries that have insurance and private pension operations, the maintenance of derivative financial instruments, through futures contracts or swaps, which can be held through exclusive investment funds, has the sole purpose of hedging the exchange variations and interest rate fluctuations. In the case of exclusive funds of PGBL and VGBL plans, in addition to interest rate futures contracts, SULASEG also uses Bovespa Index futures contracts, in compliance with the investment policy of such funds. The gains and losses arising from these futures contracts do not produce any impacts on income for the year or shareholders' equity of such subsidiary, because they are reflected at equal amount in the technical reserves of private pensions. Although they do not cause variations in income of SULASEG, we show in Note (6.4) all derivative financial instruments of these funds.

The criterion for determining the fair value of derivative financial instruments is the discounted cash flow method using the rates released by BM&FBOVESPA.

**(6.2) CASH FLOW HEDGE**

The Company, with the intention of managing the exposure to exchange variation of the Senior Note's principal of US\$130,000,000, issued in February 2007 and falling due in February 2012, has swap transactions with the União de Bancos Brasileiros S.A. (Unibanco), registered with CETIP (see Note 17).

The Company records this derivative instrument according to the method for accounting cash flow hedge transactions, with total gains or losses, net of corresponding tax effects, recognized directly in Shareholders' Equity. The effectiveness of this hedge is within the range of 80% to 125%.

The fair value is determined adopting modeling techniques of discounted cash flow that use yield curves. The information to build yield curves is mainly obtained from trading prices available at BM&FBOVESPA, the most important one being the foreign exchange coupon "dirty" rate and the fixed rate of the period from the base date of these ITR to the maturity date of the transaction, in addition to the Dollar ask price traded (PTAX-800) on June 30, 2011, released by the Brazilian Central Bank Information System (SISBACEN).

**(6.3) SUMMARY CHART OF EXPOSURE OF DERIVATIVE FINANCIAL INSTRUMENTS**

As of June 30, 2011, the derivative financial instruments of SulAmérica are shown below:

| Description                | Company         |                   |               |                   |                              |                       |
|----------------------------|-----------------|-------------------|---------------|-------------------|------------------------------|-----------------------|
|                            | Notional amount |                   | Fair value    |                   | Value as at June 30, 2011    |                       |
|                            | June 30, 2011   | December 31, 2010 | June 30, 2011 | December 31, 2010 | Amount receivable / received | Amount payable / paid |
| <b>Futures Contracts</b>   |                 |                   |               |                   |                              |                       |
| Sales Commitment           |                 |                   |               |                   |                              |                       |
| Foreign Currencies - US\$  | 4,713           | -                 | 4,713         | -                 | 356                          | 219                   |
| <b>Swap Contracts</b>      |                 |                   |               |                   |                              |                       |
| Asset Portion              |                 |                   |               |                   |                              |                       |
| Foreign Currencies - US\$  | 202,943         | 216,606           | 196,973       | 208,192           | -                            | -                     |
| Liability Portion          |                 |                   |               |                   |                              |                       |
| Interest rate - Real (R\$) | 275,871         | 266,646           | 268,915       | 254,755           | -                            | 71,942                |

| Description             | Consolidated    |                   |               |                   |                              |                       |
|-------------------------|-----------------|-------------------|---------------|-------------------|------------------------------|-----------------------|
|                         | Notional amount |                   | Fair value    |                   | Value as at June 30, 2011    |                       |
|                         | June 30, 2011   | December 31, 2010 | June 30, 2011 | December 31, 2010 | Amount receivable / received | Amount payable / paid |
| <b>Future Contracts</b> |                 |                   |               |                   |                              |                       |
| Purchase commitment     |                 |                   |               |                   |                              |                       |



**Notes**

|                            |         |         |         |         |       |        |
|----------------------------|---------|---------|---------|---------|-------|--------|
| Interest rate - Real (R\$) | 344,400 | 177,251 | 226,531 | 173,622 | 6,272 | 5,746  |
| Foreign Currencies         | 3,535   | 18,042  | 3,535   | 18,042  | 188   | 300    |
| Indexes                    |         | 701     |         | 701     | -     | -      |
| Sales Commitment           |         |         |         |         |       |        |
| Interest rate - Real (R\$) | 530,900 | 128,992 | 412,305 | 128,984 | 7,173 | 6,517  |
| Foreign Currencies         | 4,713   | 5,280   | 4,713   | 5,279   | 356   | 219    |
| Indexes                    |         | 12,889  |         | 12,889  | -     | -      |
| <b>Swap Contracts</b>      |         |         |         |         |       |        |
| Asset Portion              |         |         |         |         |       |        |
| Foreign Currencies         | 202,943 | 225,514 | 196,973 | 217,101 |       | -      |
| Liability Portion          |         |         |         |         |       |        |
| Interest rate - Real (R\$) | 275,871 | 266,645 | 268,915 | 254,755 |       | 71,942 |
| Foreign Currencies         |         | 8,942   |         | 8,942   |       |        |
| <b>Option Contracts</b>    |         |         |         |         |       |        |
| Holder - call option       |         |         |         |         |       |        |
| Foreign Currencies         |         | -       |         | -       |       |        |
| Indexes                    |         | 4,840   |         | 101     |       |        |
| Stocks                     |         | 18,585  |         | 675     |       |        |
| Holder - put option        |         |         |         |         |       |        |
| Indexes                    |         | 864     |         | 14      |       | -      |
| Stocks                     |         | 10,861  |         | 843     |       | -      |
| Writer - call option       |         |         |         |         |       |        |
| Foreign Currencies         |         | -       |         | -       |       |        |
| Stocks                     |         | 9,596   |         | 353     |       |        |
| Writer - put option        |         |         |         |         |       |        |
| Stocks                     |         | 2,840   |         | 178     |       | -      |

Amounts payable and receivable of futures contracts are accounted for under the headings "Accounts Payable" in current liabilities and "Accounts Receivable" in current assets.

Derivative financial instruments are traded at BM&FBOVESPA and are classified into the category financial assets at fair value through profit or loss.

**(6.3.1) MARGINS PLEDGED IN GUARANTEE**

As of June 30, 2011, total margins used to guarantee transactions of futures contracts, recorded in exclusive investment funds classified into securities at fair value through profit or loss, are composed as follows:

| <b>Asset</b>             | <b>Maturity</b> | <b>Quantity</b> | <b>June 30, 2011<br/>Value</b> |
|--------------------------|-----------------|-----------------|--------------------------------|
| Financial Treasury Bills | March, 2013     | 26              | 123                            |
| Financial Treasury Bills | June, 2013      | 394             | 1,867                          |
| Financial Treasury Bills | September, 2013 | 525             | 2,488                          |
| Financial Treasury Bills | March, 2014     | 765             | 3,623                          |
| Financial Treasury Bills | September, 2014 | 11              | 52                             |
| Financial Treasury Bills | March, 2015     | 135             | 639                            |
| Financial Treasury Bills | September, 2016 | 15              | 71                             |
| <b>Total</b>             |                 | <b>1,871</b>    | <b>8,863</b>                   |

There is no requirement of guarantee margin for the swap contract related to the principal of Senior Notes.

**(6.3.2) SENSITIVITY ANALYSIS OF EXPOSURE IN DERIVATIVES**

The sensitivity analysis aims at showing the changes in market variables in the financial instruments of SulAmérica. These sensitivity analyses shown below were made by using assumptions and presumptions in relation to future events. Estimated scenarios show the impacts on results of each scenario in an instant position of the portfolio on June 30, 2011. Despite of the periodical review of estimates and assumptions, the settlement of transactions involving these estimates may result in values different from those estimated because of the subjectivity inherent in the process adopted in the preparation of these analyses. As the market is lively, these

**Notes**

positions change continuously, therefore, they do not necessarily reflect the portrayed position. The scenario considered "probable" was the current one which based the determination of fair value of transactions, whereas the "possible" and "remote" ones were constructed by applying adverse variations at 25% and 50%, respectively, on current positions, considering the risks involved in each type of transaction. Variations at 25% and 50% correspond to the minimum variations established in CVM rules.

|                          |                      |                              |                                 |                       |                   | Company         |
|--------------------------|----------------------|------------------------------|---------------------------------|-----------------------|-------------------|-----------------|
| Operation                | Risk                 | Derivative                   | Asset                           | Probable Scenario (a) | Possible Scenario | Remote Scenario |
| Swap                     | Rise in CDI rate     | Swap asset portion (USD)     |                                 | -                     | (1,438)           | (2,855)         |
|                          |                      | Swap liability portion (CDI) |                                 | -                     |                   |                 |
|                          |                      |                              | Senior Notes Principal (USD)    |                       | 1,438             | 2,855           |
| Net Value of Adjustments |                      |                              |                                 | -                     | -                 | -               |
| Futures contract         | Rise in USD currency | Sold in USD currency         | Futures at BM&F                 |                       | (1,178)           | (2,357)         |
|                          |                      |                              | Receivables in foreign currency |                       | 1,178             | 2,357           |
| Net Value of Adjustments |                      |                              |                                 | -                     | -                 | -               |
|                          |                      |                              |                                 |                       |                   |                 |

| Consolidated                   |                      |                              |  |                       |                   |                 |
|--------------------------------|----------------------|------------------------------|--|-----------------------|-------------------|-----------------|
| Operation                      | Risk                 | Derivative                   | Asset  | Probable Scenario (a) | Possible Scenario | Remote Scenario |
| Swap                           | Rise in CDI rate     | Swap asset portion (USD)     |  | -                     | (1,438)           | (2,855)         |
|                                |                      | Swap liability portion (CDI) |  | -                     |                   |                 |
|                                |                      |                              | Senior Notes Principal (USD)                 | -                     | 1,438             | 2,855           |
| Net Value of Adjustments       |                      |                              |  | -                     | -                 | -               |
| Futures contract               | Rise in USD currency | Sold in USD currency         | Futures at BM&F                              | -                     | (1,178)           | (2,357)         |
|                                |                      |                              | Receivables in foreign currency              | -                     | 1,178             | 2,357           |
| Net Value of Adjustments       |                      |                              |  | -                     | -                 | -               |
| Futures contract               | Drop in USD currency | Purchased in USD currency    | Futures at BM&F                              | -                     | (884)             | (1,767)         |
|                                |                      |                              | Payables in foreign currency                 | -                     | 884               | 1,767           |
| Net Value of Adjustments       |                      |                              |  | -                     | -                 | -               |
| Futures contract               | Drop in CDI rate     | Purchased at rate (CDI)      |  | -                     | (555)             | (1,144)         |
|                                |                      |                              | Fixed Income - Federal government securities | -                     | 576               | 1,189           |
| Net Value of Adjustments       |                      |                              |  | -                     | 21                | 45              |
| Futures contract               | Rise in CDI rate     | Net sold at rate (CDI)       | DI Futures BM&F                              |                       | (4,178)           | (8,992)         |
| Net Value of Adjustments       |                      |                              |  | -                     | (4,178)           | (8,992)         |
| Total Net Value of Adjustments |                      |                              |  | -                     | (4,157)           | (8,947)         |

**(a) Swap Contract:** In order to back the exchange exposure of principal arising from Senior Notes issued in February 2007 (see Note 17), the Company has swap transaction with asset position in US dollars and liability position in CDI, reduced by 3.967% per year with maturity in February 2012. As the value of principal of both Senior Notes and that of asset position of swap annuls each other, because they represent US\$130,000,000, the Company considers that the risk

**Notes**

of holding a liability position in CDI because of swap would be the increase in the CDI rate, and it would be offset by the increase in income from financial investments linked to CDI.

The sensitivity analysis takes into consideration the following variables:

- Foreign Exchange Coupon "Dirty" Rate (coupon adjustment) from June 30, 2011 to the maturity date of the transaction;
- Fixed-income Rate from June 30, 2011 to the maturity date of the transaction;
- Current exchange rate of US\$;
- Expected exchange rate of US\$ at the maturity date of the transaction that generates the foreign exchange coupon "dirty" (coupon adjustment) and fixed-income rates.

The amounts are calculated by projecting the future flows of transactions (asset and liability) and discounted to present value, using the rates used at BM&FBOVESPA.

**One-day Interest Rate Futures Contract (DI):** SulAmérica will consider that the risk of short position in interest rate, under a futures contract, is the decrease of the interest rate at the respective maturity dates. On June 30, 2011, the positions of certain subsidiaries under interest rate futures contracts were intended to convert fixed income of securities of a portion of their investment portfolio into variable income.

The other positions are intended to ensure gains from the decrease of interest rates and arbitrage of future curve of interest rates, benefiting from rate distortions among the several maturities.

**Currency Futures Contracts:** With a view to reduce the net impact of the exchange rate fluctuations on the balances payable in USD under insurance and reinsurance contracts, the subsidiaries have futures contracts.

In the other positions, the objective is the directional exposure with the intention of making gains from exchange variation. Management considers that the risk of short position in USD is the fall in the US currency.

**Futures Index:** The objective is the directional exposure with the intention of making gains from the rise in the stock exchange. The risk is the fall in the stock exchange.

#### **(6.4) SUMMARY CHART OF DERIVATIVES RELATED TO PGBL AND VGBL INVESTMENT FUNDS**

The futures contracts related to PGBL and VGBL investment funds are shown as follows, and the counterparty and place of registry of all future contracts is BM&FBOVESPA:

| Description                | Consolidated    |                   |               |                   |                              |                       |
|----------------------------|-----------------|-------------------|---------------|-------------------|------------------------------|-----------------------|
|                            | Notional amount |                   | Fair value    |                   | Value as at June 30, 2011    |                       |
|                            | June 30, 2011   | December 31, 2010 | June 30, 2011 | December 31, 2010 | Amount receivable / received | Amount payable / paid |
| <b>Futures Contracts:</b>  |                 |                   |               |                   |                              |                       |
| Purchase commitment        |                 |                   |               |                   |                              |                       |
| Interest rate - Real (R\$) | 425,600         | 179,300           | 372,911       | 168,025           | 1,610                        | 1,131                 |
| Sales commitment           |                 |                   |               |                   |                              |                       |
| Interest rate - Real (R\$) | 1,200           | 38,200            | 1,130         | 34,693            | 25                           | 30                    |
| Indexes                    | 2,210           | 8,406             | 2,210         | 8,406             | 67                           | 65                    |

Amounts payable and receivable of futures contracts are accounted for under the headings "Accounts Payable" in current liabilities and "Accounts Receivable" in current assets.

#### **(6.4.1) MARGINS PLEDGED IN GUARANTEE**

As of June 30, 2011, total margins used to guarantee purchase transactions of DI futures contracts and sales of index contracts, recorded in investment funds, classified into Securities at Fair Value through Profit or Loss, are composed as follows:

| Assets                   | Maturity    | Quantity | June 30, 2011 |
|--------------------------|-------------|----------|---------------|
|                          |             |          | Amount        |
| Financial Treasury Bills | March, 2013 | 200      | 948           |

**Notes**

|                          |                 |              |               |
|--------------------------|-----------------|--------------|---------------|
| Financial Treasury Bills | June, 2013      | 500          | 2,370         |
| Financial Treasury Bills | September, 2013 | 650          | 3,080         |
| Financial Treasury Bills | March, 2014     | 570          | 2,700         |
| Financial Treasury Bills | September, 2014 | 300          | 1,420         |
| Financial Treasury Bills | March, 2015     | 160          | 757           |
| <b>Total</b>             |                 | <b>2,380</b> | <b>11,275</b> |

**(7) CASH AND CASH EQUIVALENTS**

| Description          | Company       |                   | Consolidated   |                   |
|----------------------|---------------|-------------------|----------------|-------------------|
|                      | June 30, 2011 | December 31, 2010 | June 30, 2011  | December 31, 2010 |
| Cash                 | -             | -                 | 90             | 67                |
| Banks                | 134           | 314               | 46,173         | 21,637            |
| Cash equivalents (a) | 8,443         | 26,381            | 494,707        | 571,774           |
| <b>Total</b>         | <b>8,577</b>  | <b>26,695</b>     | <b>540,970</b> | <b>593,478</b>    |

(a) "Cash equivalents" are the investments backed by government bonds, daily liquidity and subject to an insignificant risk of change in value, which are under the heading "Cash and Cash Equivalents".

**(8) MARKETABLE SECURITIES****(a) COMPOSITION OF MARKETABLE SECURITIES**

|   | FAIR VALUE THROUGH<br>PROFIT OR LOSS              |                 | AVAILABLE<br>FOR SALE                             |             | AVERAGE<br>INTEREST<br>RATE |  | Company<br>June 30, 2011<br>TOTAL |
|---|---|-----------------|---|-------------|-----------------------------|--|-----------------------------------|
|   | Securities<br>calculated<br>based on the<br>curve | Marketval<br>ue | Securities<br>calculated<br>based on the<br>curve | Marketvalue |                             |  |                                   |
| Fixed income securities – private           | -   | -               | 18,443  | 18,407      |                             |  | 18,407                            |
| Bank certificates of deposit – fixed income | -   | -               | 18,443  | 18,407      | 12.68%a.a                   |  | 18,407                            |
| Fixed income securities – government        | -   | -               | 76,323  | 76,323      |                             |  | 76,323                            |
| Financial treasury bills                    | -   | -               | 76,323  | 76,323      | SELIC                       |  | 76,323                            |
| Investment fund quotas                      | 50,804  | 45,612          | -   | -           |                             |  | 45,612                            |
| Exclusive investment fund quotas            | 50,804  | 45,612          | -   | -           |                             |  | 45,612                            |
| TOTAL                                       | 50,804  | 45,612          | 94,766  | 94,730      |                             |  | 140,342                           |
| %   |   | 33%             |   | 67%         |                             |  |                                   |
| Current                                     |   | 45,612          |   | 94,730      |                             |  | 140,342                           |

|   | FAIR VALUE THROUGH<br>PROFIT OR LOSS              |                 | AVAILABL<br>E FOR<br>SALE                         |                 | HELD TO<br>MATURITY                               |                 | OTHER INVESTMENTS                                 |                 | AVERAGE<br>INTEREST<br>RATE | Consolidated<br>June 30,<br>2011<br>TOTAL |
|---|---|-----------------|---|-----------------|---|-----------------|---|-----------------|-----------------------------|---|
|   | Securities<br>calculated<br>based on<br>the curve | Marketval<br>ue | Securities<br>calculated<br>based on<br>the curve | Marketval<br>ue | Securities<br>calculated<br>based on<br>the curve | Marketval<br>ue | Securities<br>calculated<br>based on<br>the curve | Marketval<br>ue |                             |   |
| Fixed income securities – private           | 488,022   | 482,800         | 810,059   | 810,605         | -   | -               | -   | -               |                             | 1,293,405                                 |
| Bank certificates of deposit – fixed income | -   | -               | 151,952   | 151,657         | -   | -               | -   | -               | 12.69%a.a                   | 151,657                                   |
| Bank certificates of deposit - CDI          | 173,557   | 173,439         | 219,130   | 219,069         | -   | -               | -   | -               | 105.8%CDI                   | 392,508                                   |
| Bank certificates of                        | -   | -               | 100,479   | 101,728         | -   | -               | -   | -               | IPCA                        | 101,728                                   |

## Quarterly Information - ITR - 06/30/2011 - SUL AMERICA S/A

## Notes

|  |                  |                  |                  |                  |                  |                  |              |              |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|------------------|------------------|
| deposit - IPCA   |                  |                  |                  |                  |                  |                  |              |              | +7.97%a.a        |                  |
| Time deposit with special guarantee of FGC (deposit guarantee fund) - fixed income | -                | -                | 50,453           | 50,167           | -                | -                | -            | -            | 12.54%a.a        | 50,167           |
| Time deposit with special guarantee of FGC - CDI                                   | 212,899          | 212,746          | 116,962          | 116,732          | -                | -                | -            | -            | 110.88%.C DI     | 329,478          |
| Time deposit with special guarantee of FGC - IPCA                                  | -                | -                | 94,067           | 93,461           | -                | -                | -            | -            | IPCA +7.73%a.a   | 93,461           |
| Debentures - CDI   | 77,584           | 77,876           | 76,239           | 77,014           | -                | -                | -            | -            | 109.93%.C DI     | 154,890          |
| Debentures - IGPM  | 178              | 174              | -                | -                | -                | -                | -            | -            | IGPM + 7.22%a.a  | 174              |
| Debentures - IPCA  | 1,715            | 1,668            | -                | -                | -                | -                | -            | -            | IPCA + 6.74%a.a  | 1,668            |
| Senior Notes   | 22,089           | 16,897           | -                | -                | -                | -                | -            | -            | DOLAR +13.88%a.a | 16,897           |
| Other  | -                | -                | 777              | 777              | -                | -                | -            | -            | TR               | 777              |
| <b>Fixed income securities - government</b>  | <b>1,945,219</b> | <b>1,955,077</b> | <b>2,284,941</b> | <b>2,279,036</b> | <b>1,256,866</b> | <b>1,419,753</b> | -            | -            |                  | <b>5,490,979</b> |
| Financial treasury bills   | 1,296,974        | 1,296,939        | 508,643          | 508,653          | 413              | 413              | -            | -            | SELIC            | 1,806,005        |
| National treasury bills  | 45,594           | 45,571           | 363,791          | 362,175          | -                | -                | -            | -            | 12.45%a.a        | 407,746          |
| National treasury bills - DI   | 353,724          | 353,208          | -                | -                | -                | -                | -            | -            | CDI              | 353,208          |
| National treasury bonds  | 5,335            | 7,143            | -                | -                | -                | -                | -            | -            |                  | 7,143            |
| Agricultural debt securities   | 6,812            | 7,108            | -                | -                | -                | -                | -            | -            | TR +14.11%a.a    | 7,108            |
| National treasury notes - B series   | 43,210           | 42,713           | 416,196          | 414,926          | 527,441          | 520,129          | -            | -            | IPCA +6.44%a.a   | 985,080          |
| National treasury notes - C series   | 110,776          | 119,720          | -                | -                | 729,012          | 899,211          | -            | -            | IGPM + 8.46%a.a  | 848,732          |
| National treasury notes - F series   | 34,914           | 34,911           | 996,311          | 993,282          | -                | -                | -            | -            | 12.59%a.a        | 1,028,193        |
| National treasury notes - F series DI  | 43,866           | 43,750           | -                | -                | -                | -                | -            | -            | CDI              | 43,750           |
| Other  | 4,014            | 4,014            | -                | -                | -                | -                | -            | -            | SELIC            | 4,014            |
| <b>Equity securities</b>   | <b>241,908</b>   | <b>240,190</b>   | <b>285</b>       | <b>427</b>       | -                | -                | -            | -            |                  | <b>240,617</b>   |
| Stocks   | 241,535          | 239,817          | 285              | 427              | -                | -                | -            | -            |                  | 240,244          |
| Other  | 373              | 373              | -                | -                | -                | -                | -            | -            |                  | 373              |
| <b>Investment fund quotas</b>  | <b>154,332</b>   | <b>154,332</b>   | -                | -                | -                | -                | -            | -            |                  | <b>154,332</b>   |
| Non-exclusive investment fund quotas   | 107,394          | 107,394          | -                | -                | -                | -                | -            | -            |                  | 107,394          |
| Investment fund quotas - stocks  | 46,938           | 46,938           | -                | -                | -                | -                | -            | -            |                  | 46,938           |
| <b>Other</b>   | -                | -                | <b>250</b>       | <b>250</b>       | -                | -                | <b>1,475</b> | <b>1,475</b> |                  | <b>1,725</b>     |
| <b>TOTAL</b>   | <b>2,829,481</b> | <b>2,832,399</b> | <b>3,095,535</b> | <b>3,090,318</b> | <b>1,256,866</b> | <b>1,419,753</b> | <b>1,475</b> | <b>1,475</b> |                  | <b>7,181,058</b> |
| <b>%</b>   |                  |                  |                  |                  |                  |                  |              |              |                  |                  |
| <b>Current</b>   |                  | <b>39.45%</b>    |                  | <b>43.03%</b>    | <b>17.50%</b>    |                  |              | <b>0.02%</b> |                  |                  |
| <b>Non-current</b>   |                  | <b>2,822,615</b> |                  | <b>3,089,437</b> | <b>-</b>         |                  |              | <b>1,475</b> |                  | <b>5,913,527</b> |
|  |                  | <b>9,784</b>     |                  | <b>881</b>       | <b>1,256,866</b> |                  |              | <b>-</b>     |                  | <b>1,267,531</b> |

|   | FAIR VALUE THROUGH PROFIT OR LOSS        |              | AVAILABLE FOR SALE                       |               | AVERAGE INTEREST RATE |  | Company December 31, 2010 TOTAL |
|---|--|--------------|--|---------------|-----------------------|--|---------------------------------|
|   | Securities calculated based on the curve | Market value | Securities calculated based on the curve | Market value  |                       |  |                                 |
| <b>Fixed income securities - private</b>    | -  | -            | <b>17,391</b>                            | <b>17,414</b> |                       |  | <b>17,414</b>                   |
| Bank certificates of deposit - fixed income | -  | -            | 17,391                                   | 17,414        | 12.68%a.a             |  | 17,414                          |
| <b>Fixed income securities - government</b> | -  | -            | <b>69,833</b>                            | <b>69,834</b> |                       |  | <b>69,834</b>                   |
| Financial treasury bills                    | -  | -            | 69,833                                   | 69,834        | SELIC                 |  | 69,834                          |

(Convenience translation into English from the original previously issued in Portuguese)

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Notes

|                                 |               |               |               |               |                |
|---------------------------------|---------------|---------------|---------------|---------------|----------------|
| <b>Investment fund quotas</b>   | <b>60,504</b> | <b>56,248</b> | -             | -             | <b>56,248</b>  |
| Investment fund quotas - stocks | 60,504        | 56,248        | -             | -             | 56,248         |
| <b>TOTAL</b>                    | <b>60,504</b> | <b>56,248</b> | <b>87,224</b> | <b>87,248</b> | <b>143,496</b> |
| <b>%</b>                        |               | <b>39%</b>    |               | <b>61%</b>    |                |
| <b>Current</b>                  |               | <b>56,248</b> |               | <b>87,248</b> | <b>143,496</b> |

|  | FAIR VALUE THROUGH PROFIT OR LOSS        |                  | AVAILABL E FOR SALE                      |                  | HELD TO MATURITY                         |                  | OTHER INVESTMENTS                          |              | AVERAGE INTEREST RATE | Consolidated December 31, 2010<br>TOTAL |
|--|--|------------------|--|------------------|--|------------------|--|--------------|-----------------------|---|
|  | Securities calculated based on the curve | Marketvalu e     | Securities calculated based on the curve | Marketval ue     | Securities calculated based on the curve | Marketval ue     | Securiti es calculat ed based on the curve | Marketv alue |                       |   |
| <b>Fixed income securities – private</b>   | <b>494,324</b>                           | <b>489,884</b>   | <b>822,241</b>                           | <b>826,506</b>   | -  | -                | -  | -            |                       | <b>1,316,390</b>                        |
| Swaps  | (35)                                     | (35)             | -  | -                | -  | -                | -  | -            |                       | (35)                                    |
| Bank certificates of deposit – fixed income  | -  | -                | 143,535                                  | 143,728          | -  | -                | -  | -            | 2.67%a.a              | 143,728                                 |
| Bank certificates of deposit - CDI   | 186,022                                  | 185,774          | 301,241                                  | 300,895          | -  | -                | -  | -            | 105.38% CDI           | 486,669                                 |
| Bank certificates of deposit - IPCA  | -  | -                | 93,112                                   | 96,156           | -  | -                | -  | -            | IPCA +7.97%a.a        | 96,156                                  |
| Time deposit with special guarantee of FGC (deposit guarantee fund) – fixed income | -  | -                | 47,604                                   | 47,329           | -  | -                | -  | -            | 12.54%a.a             | 47,329                                  |
| Time deposit with special guarantee of FGC - CDI                                   | 206,408                                  | 206,274          | 59,363                                   | 59,371           | -  | -                | -  | -            | 111.87% CDI           | 265,645                                 |
| Time deposit with special guarantee of FGC - IPCA                                  | 996                                      | 1,000            | 87,128                                   | 87,858           | -  | -                | -  | -            | IPCA +7.73%a.a        | 88,858                                  |
| Debentures - CDI   | 77,348                                   | 77,541           | 89,485                                   | 90,396           | -  | -                | -  | -            | 109.08% CDI           | 167,937                                 |
| Debentures - IPCA  | 1,482                                    | 1,483            | -  | -                | -  | -                | -  | -            | IPCA +6.61%a.a        | 1,483                                   |
| Senior Notes   | 22,103                                   | 17,847           | -  | -                | -  | -                | -  | -            | DOLAR +13.88%a.a      | 17,847                                  |
| Other  | -  | -                | 773                                      | 773              | -  | -                | -  | -            | TR                    | 773                                     |
| <b>Fixed income securities – government</b>  | <b>1,850,072</b>                         | <b>1,861,506</b> | <b>1,835,327</b>                         | <b>1,836,323</b> | <b>1,520,290</b>                         | <b>1,693,202</b> | -  | -            |                       | <b>5,218,119</b>                        |
| Financial treasury bills   | 1,422,358                                | 1,422,315        | 825,786                                  | 825,792          | 2,883                                    | 2,883            | -  | -            | SELIC                 | 2,250,990                               |
| National treasury bills  | 42,550                                   | 42,448           | 344,202                                  | 343,944          | -  | -                | -  | -            | 12.24%a.a             | 386,392                                 |
| National treasury bills - DI   | 109,205                                  | 108,960          | -  | -                | -  | -                | -  | -            | CDI                   | 108,960                                 |
| National treasury bonds  | 6,316                                    | 8,127            | -  | -                | -  | -                | -  | -            |                       | 8,127                                   |
| Agricultural debt securities   | 7,018                                    | 7,458            | -  | -                | -  | -                | -  | -            | TR +14.03%a.a         | 7,458                                   |
| National treasury notes – B series   | 49,295                                   | 50,631           | 167,929                                  | 168,479          | 810,523                                  | 816,955          | -  | -            | IPCA +6.57%a.a        | 1,029,633                               |
| National treasury notes – C series   | 109,255                                  | 117,687          | -  | -                | 706,884                                  | 873,364          | -  | -            | IGPM + 8.46%a.a       | 824,571                                 |
| National treasury notes – F series   | 81,759                                   | 81,603           | 497,410                                  | 498,108          | -  | -                | -  | -            | 12.14%a.a             | 579,711                                 |
| National treasury notes – F series DI  | 22,316                                   | 22,277           | -  | -                | -  | -                | -  | -            | CDI                   | 22,277                                  |
| <b>Equity securities</b>   | <b>224,507</b>                           | <b>255,438</b>   | <b>212</b>                               | <b>484</b>       | -  | -                | -  | -            |                       | <b>255,922</b>                          |
| Stocks   | 224,110                                  | 255,041          | 212                                      | 484              | -  | -                | -  | -            |                       | 255,525                                 |
| Other  | 397                                      | 397              | -  | -                | -  | -                | -  | -            |                       | 397                                     |
| <b>Investment fund quotas</b>  | <b>169,686</b>                           | <b>169,686</b>   | -  | -                | -  | -                | -  | -            |                       | <b>169,686</b>                          |
| Non-exclusive investment fund quotas   | 117,226                                  | 117,226          | -  | -                | -  | -                | -  | -            |                       | 117,226                                 |
| Investment fund quotas - stocks  | 52,460                                   | 52,460           | -  | -                | -  | -                | -  | -            |                       | 52,460                                  |
| <b>Other</b>   | -  | -                | -  | -                | -  | -                | <b>1,444</b>                               | <b>1,444</b> |                       | <b>1,444</b>                            |

**Notes**

|                    |                  |                  |                  |                  |                  |                  |              |              |                  |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|------------------|
| <b>TOTAL</b>       | <b>2,738,589</b> | <b>2,776,514</b> | <b>2,657,780</b> | <b>2,663,313</b> | <b>1,520,290</b> | <b>1,693,202</b> | <b>1,444</b> | <b>1,444</b> | <b>6,961,561</b> |
| <b>%</b>           |                  | <b>39.88%</b>    |                  | <b>38.26%</b>    | <b>21.84%</b>    |                  |              | <b>0.02%</b> |                  |
| <b>Current</b>     |                  | <b>2,765,405</b> |                  | <b>2,662,540</b> | <b>306,518</b>   |                  | <b>1,444</b> |              | <b>5,735,907</b> |
| <b>Non-current</b> |                  | <b>11,109</b>    |                  | <b>773</b>       | <b>1,213,772</b> |                  | <b>-</b>     |              | <b>1,225,654</b> |

**(b) PORTFOLIO COMPOSITION OF EXCLUSIVE INVESTMENT FUNDS**

|   | <b>FAIR VALUE THROUGH PROFIT OR LOSS</b>        |                    | <b>AVERAGE INTEREST RATE</b> | <b>Company June 30, 2011 TOTAL</b> |
|---|---|--------------------|------------------------------|------------------------------------|
|   | <b>Securities calculated based on the curve</b> | <b>Marketvalue</b> |                              |                                    |
| <b>Fixed income securities – private</b>    | <b>22,089</b>                                   | <b>16,897</b>      |                              | <b>16,897</b>                      |
| Senior Notes                                | 22,089  | 16,897             | DOLAR +13.88%a.a             | 16,897                             |
| <b>Fixed income securities – government</b> | <b>1,895</b>                                    | <b>1,895</b>       |                              | <b>1,895</b>                       |
| Financial treasury bills                    | 1,841   | 1,841              | SELIC                        | 1,841                              |
| Other                                       | 54  | 54                 | SELIC                        | 54                                 |
| <b>Investment fund quotas</b>               | <b>26,820</b>                                   | <b>26,820</b>      |                              | <b>26,820</b>                      |
| Investment fund quotas - stocks             | 26,820  | 26,820             |                              | 26,820                             |
| <b>TOTAL</b>                                | <b>50,804</b>                                   | <b>45,612</b>      |                              | <b>45,612</b>                      |
| <b>%</b>                                    |   | <b>100%</b>        |                              |                                    |
| <b>Current</b>                              | <b>-</b>  | <b>45,612</b>      |                              | <b>45,612</b>                      |

|   | <b>FAIR VALUE THROUGH PROFIT OR LOSS</b>        |                    | <b>AVERAGE INTEREST RATE</b> | <b>Company December 31, 2010 TOTAL</b> |
|---|---|--------------------|------------------------------|--|
|   | <b>Securities calculated based on the curve</b> | <b>Marketvalue</b> |                              |  |
| <b>Fixed income securities – private</b>    | <b>22,103</b>                                   | <b>17,847</b>      |                              | <b>17,847</b>                          |
| Senior Notes                                | 22,103  | 17,847             | DOLAR +13.88%a.a             | 17,847                                 |
| <b>Fixed income securities – government</b> | <b>6,279</b>                                    | <b>6,279</b>       |                              | <b>6,279</b>                           |
| Financial treasury bills                    | 6,282   | 6,282              | SELIC                        | 6,282                                  |
| Other                                       | (3)   | (3)                | SELIC                        | (3)                                    |
| <b>Investment fund quotas</b>               | <b>32,122</b>                                   | <b>32,122</b>      |                              | <b>32,122</b>                          |
| Investment fund quotas - stocks             | 32,122  | 32,122             |                              | 32,122                                 |
| <b>TOTAL</b>                                | <b>60,504</b>                                   | <b>56,248</b>      |                              | <b>56,248</b>                          |
| <b>%</b>                                    |   | <b>100%</b>        |                              |  |
| <b>Current</b>                              |   | <b>56,248</b>      |                              | <b>56,248</b>                          |

**(c) CHANGES IN MARKETABLE SECURITIES**

|  | <b>Measured at fair value through profit or loss</b> | <b>Available for sale</b> | <b>Company Total</b> |
|--|--|---------------------------|----------------------|
| <b>Balance as of December 31, 2010</b> | <b>56,248</b>  | <b>87,248</b>             | <b>143,496</b>       |
| Marketable securities                  | 14,400   | 84,999                    | 99,399               |
| Yield - Redemption                     | (1,038)  | (4,867)                   | (5,905)              |
| Principal - Redemption                 | (18,917)   | (77,636)                  | (96,553)             |
| Financial income (loss)                | (4,271)  | 5,046                     | 775                  |
| Other payments/receipts                | (810)  | -                         | (810)                |
| Adjustment to market value             | -  | (60)                      | (60)                 |
| <b>Balance as of June 30, 2011</b>     | <b>45,612</b>  | <b>94,730</b>             | <b>140,342</b>       |

**Notes**

|  | Measured at<br>fair value<br>through<br>profit or loss | Available for<br>sale | Held to<br>maturity | Other        | Consolidated<br>Total |
|--|--|-----------------------|---------------------|--------------|-----------------------|
| <b>Balance as of December 31, 2010</b> | <b>2,776,514</b>                                       | <b>2,663,313</b>      | <b>1,520,290</b>    | <b>1,444</b> | <b>6,961,561</b>      |
| Marketable securities                  | 3,270,029  | 1,968,006             | -                   | 54           | 5,238,089             |
| Yield - Redemption                     | (146,705)  | (129,295)             | (121,171)           | -            | (397,171)             |
| Principal - Redemption                 | (3,195,989)  | (1,565,494)           | (247,458)           | (2)          | (5,008,943)           |
| Financial income (loss)                | 118,072  | 164,675               | 105,187             | -            | 387,934               |
| Other payments/receipts                | 10,478   | (293)                 | 18                  | (21)         | 10,182                |
| Adjustment to market value             | -  | (10,594)              | -                   | -            | (10,594)              |
| <b>Balance as of June 30, 2011</b>     | <b>2,832,399</b>                                       | <b>3,090,318</b>      | <b>1,256,866</b>    | <b>1,475</b> | <b>7,181,058</b>      |

A portion of marketable securities in non-current assets of the Company's and consolidated balances is recorded under the "Marketable Securities" group, which also includes Tax Incentives, Deposits and Sundry Funds linked to IRB-Brasil Resseguros S.A. and respective impairment. As of June 30, 2011 and December 31, 2010 the Company's balance amounts to R\$10, and as of June 30, 2011, the consolidated balance amounts to R\$6,017 (R\$5,911 as of December 31, 2010).

**(8.1) SENSITIVITY ANALYSIS OF MARKETABLE SECURITIES**

The sensitivity analyses of marketable securities were performed considering the following:

- (i) The Parametric Value at Risk (VaR) methodology that uses a confidence level at 95% and more weight in latest returns. The VaR concept has the objective of quantifying the expected loss over a fixed term at a confidence interval. It is named Parametric VaR because it uses two parameters for quantification: volatility and correlation. The maturity and duration terms in which each asset may be allocated are also analyzed. The investment portfolio is daily monitored in order to ensure that the thresholds and requirements set are observed, and
- (ii) DV01 (dollar-value or value for one basis-point), an internationally-known measure that is conveniently and widely used for assessing the market risk of fixed income assets by verifying the amount of change in market value ( $\Delta P$ ) should the interest rate vary one basis point (that is, 0.01%).

We present the calculation of expected loss in one day in income using the VaR methodology and the loss from the one basis point variation (that is, 0.01%) in the interest rate using the DV01 methodology.

| Risk Factors | June 30, 2011 |            |
|--------------|---------------|------------|
|              | VAR 95%       | DV1=0,01%  |
| Fixed Income | 1,116         | 151        |
| IGP-M        | 177           | -          |
| IPCA         | 885           | -          |
| Others       | 705           | -          |
| <b>Total</b> | <b>2,883</b>  | <b>151</b> |

**(8.2) CRITERIA ADOPTED TO ESTIMATE MARKET VALUES**

The assets held in the portfolio or exclusive investment funds are valued at market value, using the prices traded in active markets and indexes disclosed by the Brazilian Financial and Capital Markets Association (ANBIMA) and BM&FBOVESPA, except for held-to-maturity securities, which are adjusted based on indexes and rates agreed upon purchase. The assets were classified into hierarchical levels of measurement at market value, as follows:

- (i) Level 1: Prices traded without adjustments in active markets, and
- (ii) Level 2: Amounts calculated using data (prices or rates) released in active markets.

**Level 1**



## Notes

- **Equity securities and shares of publicly-held companies traded on stock exchanges or the over-the-counter market:** calculated based on the closing price on the last day they were traded in the month;
- **Derivative financial instruments:** calculated based on the prices and rates disclosed by BM&FBOVESPA.

## Level 2

- **Fixed income securities- government:** calculated based on the unit price lists for the secondary market disclosed by ANBIMA;
- **Bank certificates of deposit (CDB):** calculated according to redemption characteristics: (i) CDBs with early redemption clause at a fixed rate: calculated based on the agreed rate of the operation; (ii) CDBs without early redemption clause and with early redemption clause at market rate: calculated based on the curve from Interbank Deposit (DI) futures contracts released by BMF&FBOVESPA, and, for credit spread, the set formed by CDB operations of managed portfolios/funds in which the custodian bank provides asset pricing services;
- **Time deposit with special guarantee (DPGE):** these are fixed- and variable-return securities linked to CDI, Selic or inflation indexes, calculated taking into consideration the market rate of the index and credit spread, formed by the set of DPGE operations of managed portfolios/funds in which the custodian bank provides asset pricing service;
- **Debentures:** calculated based on the unit price lists (for government securities) for the secondary market disclosed by ANBIMA, or, in case it does not exist, by the criteria established by the custodian bank, according to the pricing criteria set forth in its mark to market guidelines;
- **Non-exclusive fund quotas:** calculated in accordance with the mark to market criteria established by the manager of each fund, expressed in the disclosed value of the quota, except for held-to-maturity securities, which are calculated based on the agreed-upon indexes, plus interest incurred;

The estimate used by SulAmérica to determine the market value of other current receivables and payables approximate their realizable and payable values, respectively, due to their short-term maturities.

## (9) PREMIUMS RECEIVABLE

Premiums receivable consist of direct premiums issued, accepted coinsurance, and retrocession operations. In relation to the health segment, premium is issued monthly, and in the case of the automobile one, the average number of installments for premium is six. These segments account for approximately 78% of the premiums receivable by SulAmérica as of June 30, 2011 and December 31, 2010. The movement of premiums receivable during the period covered in these ITR is as follows:

| Description                                      | Premiums       | Impairment      | Total          |
|--|----------------|-----------------|----------------|
| <b>Balance as of December 31, 2010</b>           | <b>821,570</b> | <b>(63,914)</b> | <b>757,656</b> |
| Issued premiums, net of cancellation/recognition | 4,715,257      | (22,118)        | 4,693,139      |
| RVNE   | (3,051)        |                 | (3,051)        |
| Receipts / Reversion                             | (4,724,678)    | 21,543          | (4,703,135)    |
| <b>Balance as of June 30, 2011</b>               | <b>809,098</b> | <b>(64,489)</b> | <b>744,609</b> |
| <b>Current</b>                                   |                |                 | <b>734,268</b> |
| <b>Non-current</b>                               |                |                 | <b>10,341</b>  |

## (9.1) PREMIUMS RECEIVABLE PER MATURITY

The premiums receivable by maturity at the indicated dates are as follows:

**Notes**

| <b>Aging</b>                     | <b>June 30, 2011</b> | <b>December 31, 2010</b> |
|----------------------------------|----------------------|--------------------------|
|                                  | <b>30.06.2011</b>    | <b>31.12.2010</b>        |
| Overdue                          | 213,691              | 303,326                  |
| Falling due from 1 to 30 days    | 298,892              | 200,589                  |
| Falling due from 31 to 60 days   | 124,354              | 123,518                  |
| Falling due from 61 to 180 days  | 130,105              | 150,272                  |
| Falling due from 181 to 365 days | 31,685               | 23,238                   |
| Falling due after 365 days       | 10,371               | 20,627                   |
| Impairment                       | (64,489)             | (63,914)                 |
| <b>Total</b>                     | <b>744,609</b>       | <b>757,656</b>           |

Premiums receivable of unexpired risk are usually cancelled after 32, 60 and 90 days of default, depending on the insurance line.

**(9.2) OTHER RECEIVABLES FROM OPERATIONS**

The main amount that makes up this account refers to receivables from Caixa Econômica Federal, related to the operations of the National Housing System (SFH), which accounted for R\$87,523 as of June 30, 2011 (R\$34,741 as of December 31, 2010).

**(10) RECOVERABLE AND DEFERRED TAXES AND CONTRIBUTIONS****(10.1) RECOVERABLE TAXES AND CONTRIBUTIONS**

|   | <b>June 30, 2011</b> | <b>Company<br/>December 31,<br/>2010</b> | <b>June 30, 2011</b> | <b>Consolidated<br/>December 31,<br/>2010</b> |
|---|----------------------|--|----------------------|---|
| <b>Current</b>  |                      |  |                      |   |
| Tax loss carryforwards/recoverable taxes (10.1.1)                         | 22,774               | 24,806                                   | 72,068               | 88,759  |
| <b>Recoverable taxes and contributions</b>                                | <b>22,774</b>        | <b>24,806</b>                            | <b>72,068</b>        | <b>88,759</b>                                 |
| <b>Non-current</b>  |                      |  |                      |   |
| <b>Deferred taxes and contributions - tax loss carryforwards (10.1.2)</b> |                      |  |                      |   |
| Deferred - temporary differences (10.1.2)                                 | 13,954               | 9,924                                    | 146,425              | 131,160                                       |
| Deferred -PIS / COFINS (10.1.2)   | 19,162               | 14,544                                   | 557,376              | 528,556                                       |
| Deferred -PIS / COFINS (10.1.2)   | -                    | -  | 78,668               | 71,286  |
| Tax loss carryforwards/ recoverable taxes (10.1.1)                        | -                    | -  | 3,431                | 5,043   |
| <b>Deferred taxes and contributions</b>                                   | <b>33,116</b>        | <b>24,468</b>                            | <b>785,900</b>       | <b>736,045</b>                                |
| <b>Impairment test of deferred taxes and contributions</b>                | <b>(33,116)</b>      | <b>(24,468)</b>                          | <b>(151,121)</b>     | <b>(142,963)</b>                              |
|   | <b>-</b>             | <b>-</b>                                 | <b>634,779</b>       | <b>593,082</b>                                |

**(10.1.1) TAX LOSS CARRYFORWARDS /RECOVERABLE TAXES**

The Company's balance is composed of Corporate Income Tax (IRPJ) amounting to R\$ 22,471 (R\$24,503 as of December 31, 2010) and other tax loss carryforwards of R\$ 303 (R\$ 303 as of December 31, 2010) and the consolidated balance is composed of IRPJ amounting to R\$ 45,092 (R\$68,963 as of December 31, 2010), INSS amounting to R\$ 1,726 (R\$2,370 as of December 31, 2010), social contribution on net income (CSLL) amounting to R\$ 12,950 (R\$11,687 as of December 31, 2010), social contribution on revenues (COFINS) amounting to R\$ 11,972 (R\$8,007 as of December 31, 2010), and other tax loss carryforwards of R\$ 3,759 (R\$2,775 as of December 31, 2010).

**(10.1.2) OTHER RECOVERABLE TAXES AND CONTRIBUTIONS**

Deferred income tax and social contribution bases are composed of the following:

**Notes**

|  | <b>June 30, 2011</b> | <b>Company<br/>December 31,<br/>2010</b> | <b>June 30, 2011</b> | <b>Consolidated<br/>December 31, 2010</b> |
|--|----------------------|--|----------------------|---|
| Tax loss carryforwards   | 34,009               | 22,157                                   | 354,041              | 308,210                                   |
| Rate   | 25%                  | 25%                                      | 25%                  | 25%                                       |
| <b>(1) Deferred - income tax - tax loss carryforwards</b>  | <b>8,502</b>         | <b>5,539</b>                             | <b>88,510</b>        | <b>77,053</b>                             |
| Accrued liabilities for contingencies, taxes and contribution liabilities and provision for losses | 54,006               | 40,422                                   | 1,260,486            | 1,143,245                                 |
| Goodwill on investments  | 3,169                | 3,169                                    | 311,233              | 311,233                                   |
| Other  | 20                   | 20                                       | 72,824               | 118,977                                   |
| <b>Tax basis</b>   | <b>57,195</b>        | <b>43,611</b>                            | <b>1,644,543</b>     | <b>1,573,455</b>                          |
| Rate   | 25%                  | 25%                                      | 25%                  | 25%                                       |
| <b>(2) Deferred - income tax - temporary differences</b>   | <b>14,299</b>        | <b>10,903</b>                            | <b>411,136</b>       | <b>393,364</b>                            |
| <b>(3) = (1) + (2) Total deferred - income tax</b>   | <b>22,801</b>        | <b>16,442</b>                            | <b>499,646</b>       | <b>470,417</b>                            |
| Social contribution tax loss carryforwards   | 60,576               | 48,724                                   | 459,613              | 435,226                                   |
| Rate   | 9%                   | 9%                                       | 9% e 15%             | 9% e 15%                                  |
| <b>(4) Deferred - social contribution - tax loss carryforwards</b>                                 | <b>5,452</b>         | <b>4,385</b>                             | <b>57,915</b>        | <b>54,107</b>                             |
| Accrued liabilities for contingencies, taxes and contribution liabilities and provision for losses | 54,018               | 40,434                                   | 934,373              | 804,940                                   |
| Goodwill on investments  | -                    | -  | 19,219               | 19,219                                    |
| Other  | 20                   | 20                                       | 67,997               | 113,778                                   |
| <b>Tax basis</b>   | <b>54,038</b>        | <b>40,454</b>                            | <b>1,021,589</b>     | <b>937,937</b>                            |
| Rate   | 9%                   | 9%                                       | 9% e 15%             | 9% e 15%                                  |
| <b>(5) Deferred - social contribution - temporary differences</b>                                  | <b>4,863</b>         | <b>3,641</b>                             | <b>146,240</b>       | <b>135,192</b>                            |
| <b>(6) = (4) + (5) Total deferred - social contribution</b>  | <b>10,315</b>        | <b>8,026</b>                             | <b>204,155</b>       | <b>189,299</b>                            |
| <b>(7) = (3) + (6) Total deferred income tax and social contribution</b>                           | <b>33,116</b>        | <b>24,468</b>                            | <b>703,801</b>       | <b>659,716</b>                            |
| Allowance for doubtful accounts (a)  | (33,116)             | (24,468)                                 | (151,121)            | (142,963)                                 |
| <b>(8) Subtotal (b)</b>  | <b>-</b>             | <b>-</b>                                 | <b>552,680</b>       | <b>516,753</b>                            |
| <b>(9) PIS/ COFINS (taxes on revenue) Credits (c)</b>  | <b>-</b>             | <b>-</b>                                 | <b>78,668</b>        | <b>71,286</b>                             |
| <b>(8) + (9) + (10) Total deferred tax and contributions - net</b>                                 | <b>-</b>             | <b>-</b>                                 | <b>631,348</b>       | <b>588,039</b>                            |
| <b>Non-current</b>   | <b>-</b>             | <b>-</b>                                 | <b>631,348</b>       | <b>588,039</b>                            |

**(a)** The allowance for doubtful accounts related to recoverable income tax and social contribution was recorded based on Management's estimates as to the realization of future taxable income and on certain temporary differences. In the line of Allowance for Doubtful Accounts, in addition to the previously mentioned allowance, other provisions for accounts receivable are recorded;

**(b)** The estimates of the Management of SulAmérica as to the realization of recoverable tax and social contribution are based on budgets prepared and approved for the next 3 to 10 years. As of June 30, 2011, the estimated realization of recoverable tax and social contribution from tax and social contribution loss by year is as follows:

| <b>Year</b> | <b>Income Tax</b> | <b>Consolidated<br/>Social<br/>Contribution</b> |
|-------------|-------------------|---|
| 2011        | 9%                | 14%   |
| 2012        | 12%               | 10%   |
| 2013        | 14%               | 11%   |

**Notes**

|             |     |     |
|-------------|-----|-----|
| 2014        | 14% | 11% |
| 2015        | 15% | 12% |
| 2016 a 2017 | 29% | 25% |
| 2018 a 2020 | 7%  | 17% |

The realization of recoverable tax and social contribution from temporary differences mainly related to lawsuits and tax contribution liabilities are not presented in the chart above because they depend on the final and unappealable decision on such lawsuits. Notwithstanding this fact, the estimate of future results approved by the Management of these companies fully includes the realization of recoverable tax and contribution on temporary differences.

**(c)** Refers to the Contribution to the Social Integration Program – PIS and COFINS – recoverable tax and contribution calculated on the balance of reserves for claims and incurred but not reported claims (IBNR).

As of June 30, 2011, the accumulated balances of tax and social contribution loss carryforwards are as follows:

| Year   | Income Tax    | Company Social Contribution | Income Tax     | Consolidated Social Contribution |
|--|---------------|-----------------------------|----------------|----------------------------------|
| 1994   |               | 4,618                       |                | 4,618                            |
| 1998   |               |                             |                | 5,047                            |
| 1999   |               | 852                         |                | 1,029                            |
| 2000   |               | 1,599                       |                | 1,599                            |
| 2001   |               | 11,305                      | 1,563          | 20,276                           |
| 2002   |               |                             | 47,949         | 62,830                           |
| 2003   |               | 2,616                       | 10             | 2,840                            |
| 2004   |               |                             | 84,917         | 123,948                          |
| 2005   |               |                             | 74,663         | 84,428                           |
| 2006   |               |                             | 53,337         | 54,088                           |
| 2007   | 22,156        | 26,768                      | 25,468         | 27,702                           |
| 2008   |               | 965                         | 1,175          | 2,396                            |
| 2009   |               |                             | 4,255          | 6,974                            |
| 2011   | 11,853        | 11,853                      | 60,704         | 61,838                           |
| <b>Tax loss carryforwards balances as of June 30, 2011</b> | <b>34,009</b> | <b>60,576</b>               | <b>354,041</b> | <b>459,613</b>                   |

**(10.2) DEFERRED TAXES**

|   | June 30, 2011 | Company December 31, 2010 | June 30, 2011  | Consolidated December 31, 2010 |
|---|---------------|---------------------------|----------------|--------------------------------|
| Interest and monetary variation on judicial deposits <b>(a)</b> | -             | -                         | 305,704        | 264,562                        |
| Market value adjustment   | 952           | 3,502                     | 11,765         | 14,330                         |
| Other   |               | -                         | 38,047         | 36,333                         |
| <b>Tax basis</b>  | <b>952</b>    | <b>3,502</b>              | <b>355,516</b> | <b>315,225</b>                 |
| Rate  | 25%           | 25%                       | 25%            | 25%                            |
| <b>(1) Deferred taxes - income tax</b>                          | <b>238</b>    | <b>876</b>                | <b>88,879</b>  | <b>78,806</b>                  |
| Interest and monetary variation on judicial deposits <b>(a)</b> | -             | -                         | 305,704        | 264,562                        |
| Market value adjustment   | 952           | 3,502                     | 11,765         | 14,330                         |
| Other   |               | -                         | 38,047         | 25,271                         |
| <b>Tax basis</b>  | <b>952</b>    | <b>3,502</b>              | <b>355,516</b> | <b>304,163</b>                 |
| Rate  | 9%            | 9%                        | 9% e 15%       | 9% e 15%                       |
| <b>(2) Deferred taxes - social contribution</b>                 | <b>86</b>     | <b>315</b>                | <b>53,191</b>  | <b>45,379</b>                  |
| <b>(3) = (1) + (2) Total Deferred taxes</b>                     | <b>324</b>    | <b>1,191</b>              | <b>142,070</b> | <b>124,185</b>                 |
| <b>Non-current</b>  | <b>324</b>    | <b>1,191</b>              | <b>142,070</b> | <b>124,185</b>                 |

**Notes**

**(a)** Corresponds to the accrual of taxes (IRPJ and CSLL) that will be levied on the monetary variation of judicial deposits, which will only be payable in case final favorable decisions are obtained in the lawsuits in progress.

**(11) OWNERSHIP INTEREST IN SUBSIDIARIES AND ASSOCIATED COMPANIES**

|  | <b>Sul América<br/>Companhia<br/>Nacional de<br/>Seguros</b> | <b>Saepar<br/>Serviços e<br/>Participações<br/>S.A.</b> | <b>Sul América<br/>Companhia de<br/>Seguro Saúde</b> | <b>Company</b>   |
|--|--|---|--|------------------|
| Ownership interest                         | 24.45%   | 100.00%   | 34.94%   | -                |
| Number of common shares held               | 100  | 3,540   | 20,417,758   | -                |
| Number of preferred shares held            | -  | -   | 5,090,210  | -                |
| Asset                                      | 5,474,335  | 1,877,317   | 2,763,453  | -                |
| Current and Non-Current Liabilities        | 3,355,442  | 68,250  | 785,206  | -                |
| Capital                                    | 1,250,000  | 1,000,000   | 1,100,000  | -                |
| Shareholders' equity                       | 2,118,893  | 1,809,067   | 1,978,247  | -                |
| Net income for the period                  | 102,612  | 102,780   | 87,517   | -                |
| Equity in subsidiaries                     | 25,088   | 102,780   | 30,579   | <b>158,447</b>   |
| Book value of investment                   | 518,067  | 1,809,067   | 691,219  | <b>3,018,353</b> |
| <b>Balance as of June 30, 2011 (a)</b>     | <b>518,067</b>   | <b>1,809,067</b>  | <b>691,219</b>                                       | <b>3,018,353</b> |
| <b>Balance as of december 31, 2010 (a)</b> | <b>515,829</b>   | <b>1,860,113</b>  | <b>661,952</b>                                       | <b>3,037,894</b> |

**(a)** In the Company's balance, the "Ownership interest in subsidiaries and associated companies" is composed of investments plus R\$ 1,969 related to goodwill.

**(12) OPERATING CHARGES OF INSURANCE AND REINSURANCE – OPERATIONS WITH REINSURANCE COMPANIES**

|                                   | <b>June 30, 2011</b> | <b>Consolidated<br/>December 31, 2010</b> |
|-----------------------------------|----------------------|---|
| Premiums                          | 26,127               | 35,002                                    |
| Accounts payable <b>(a)</b>       | 36,973               | 28,363                                    |
| IRB - Accounts payable <b>(b)</b> | 25,455               | 67,096                                    |
| Interest on Premiums              | 3,846                | 3,840                                     |
| <b>Total</b>                      | <b>92,401</b>        | <b>134,301</b>                            |
| <b>Current</b>                    | <b>92,401</b>        | <b>134,301</b>                            |

**(a)** Includes premiums of reinsurance contracts for portfolio coverage and amounts related to the premiums reinstatement from reinsurance operations, both related to the nonproportional type;

**(b)** Includes the operations with IRB related to premiums, claims, advances on claims, salvage and recoveries.

**(13) THIRD-PARTY DEPOSITS**

Third-party deposits are basically represented by the advanced collection of premiums and premiums and fees received. Its composition per age is as follows:

|                | <b>June 30, 2011</b>      |                    |              | <b>Consolidated<br/>December<br/>31, 2010</b> |                    |              |
|----------------|---------------------------|--------------------|--------------|---|--------------------|--------------|
|                | <b>Direct<br/>premium</b> | <b>Coinsurance</b> | <b>Total</b> | <b>Direct<br/>premium</b>                     | <b>Coinsurance</b> | <b>Total</b> |
| 1 to 30 days   | 15,372                    | 1,930              | 17,302       | 19,233  | 577                | 19,810       |
| 31 to 60 days  | 4,805                     | 984                | 5,789        | 5,016   | 609                | 5,625        |
| 61 to 120 days | 6,253                     | 1,116              | 7,369        | 9,427   | 1,445              | 10,872       |

**Notes**

|                         |               |              |               |               |              |               |
|-------------------------|---------------|--------------|---------------|---------------|--------------|---------------|
| 121 to 180 days         | 7,036         | 112          | 7,148         | 5,066         | 1,267        | 6,333         |
| 181 to 365 days         | 4,512         | 1,229        | 5,741         | 2,120         | 767          | 2,887         |
| up to 365 days          | 2,870         | 1,051        | 3,921         | 2,500         | 497          | 2,997         |
| <b>Subtotal</b>         | <b>40,849</b> | <b>6,422</b> | <b>47,270</b> | <b>43,362</b> | <b>5,162</b> | <b>48,524</b> |
| <b>Advanced receipt</b> |               |              | <b>1,851</b>  |               |              | <b>5,794</b>  |
| <b>Total</b>            |               |              | <b>49,121</b> |               |              | <b>54,318</b> |

**(14) TECHNICAL RESERVES AND DEFERRED ACQUISITION COSTS – INSURANCE, REINSURANCE AND PRIVATE PENSION**  
**(14.1) TECHNICAL RESERVES – INSURANCE**

| <b>Description</b>   | <b>June 30, 2011</b> | <b>Consolidated<br/>December 31, 2010</b> |
|--|----------------------|---|
| <b>Damage</b>  |                      |   |
| Unearned premium reserve   | 1,243,574            | 1,275,929                                 |
| Reserve for claims, claims adjustment expenses and IBNR reserve      | 1,188,878            | 1,038,607                                 |
| Other  | 2,491                | 2,798                                     |
| <b>Total reserves for damage</b>                                     | <b>2,434,943</b>     | <b>2,317,334</b>                          |
| <b>Health</b>  |                      |   |
| Unearned premium reserve   | 111,601              | 100,510                                   |
| Reserve for claims, claims adjustment expenses and IBNR reserve      | 976,378              | 820,915                                   |
| Mathematical reserve for benefits granted                            | 15,103               | 14,073                                    |
| <b>Total reserves for health</b>                                     | <b>1,103,082</b>     | <b>935,498</b>                            |
| <b>Individuals</b>   |                      |   |
| Unearned premium reserve   | 57,817               | 53,146                                    |
| Reserve for claims, claims adjustment expenses and IBNR reserve      | 229,395              | 256,782                                   |
| Other (a)  | 128,363              | 33,277                                    |
| <b>Total reserves for individuals</b>                                | <b>415,575</b>       | <b>343,205</b>                            |
| <b>Individual life with survivorship coverage</b>                    |                      |   |
| Reserve for claims, claims adjustment expenses and IBNR reserve      | 8,078                | 6,359                                     |
| Mathematical reserve for benefits to be granted                      | 692,367              | 590,555                                   |
| Mathematical reserve for benefits granted                            | 397                  | 392                                       |
| Other  | 35,344               | 31,620                                    |
| <b>Total reserves for individual life with survivorship coverage</b> | <b>736,186</b>       | <b>628,926</b>                            |
| <b>Total</b>   | <b>4,689,786</b>     | <b>4,224,963</b>                          |
| <b>Current</b>   | <b>3,497,025</b>     | <b>3,186,183</b>                          |
| <b>Non-current</b>   | <b>1,192,761</b>     | <b>1,038,780</b>                          |

**(a)** In view of recent court decisions, SULASEG increased the Premium Deficiency Reserve by R\$ 97,024 in the first half of 2011, of which R\$ 76,461 in the second quarter of 2011.

These decisions granted the right to the insurance company to offer a new proposal for adjustment in order to restore the proper economic and financial balance of the policy, provided that it is achieved smoothly and gradually and with the proper acceptance by the policyholder. On the other hand, the decisions determined that policyholders be maintained under the original policies.

Because of the complexity of the performance of such court decisions, once they suggest individual negotiations, SULASEG decided to recognize a reserve for possible future economic and financial effects, in view of such negotiations.

**Notes****(14.2) CHANGES IN TECHNICAL RESERVES - INSURANCE**

|  | Unearned premium reserve | Reserve for claims, claims adjustment expenses and IBNR reserve | Mathematical reserve for benefits to be granted | Mathematical reserve for benefit granted | Consolidated     |
|--|--------------------------|---|---|--|------------------|
| <b>Balance as of December 31, 2010</b> | <b>1,429,585</b>         | <b>2,122,663</b>  | <b>590,555</b>                                  | <b>14,465</b>                            |                  |
| Additions                              | 4,834,545                | 4,648,838   | 127,983   | -  |                  |
| Write-off / Cancellation               | -414,058                 | (4,280,977)   | (40,413)  | (93)                                     |                  |
| Unearned premium                       | (4,437,184)              | -   | -   | -  |                  |
| Reported / Changes                     | -                        | -   | (369)   | 1,036                                    |                  |
| Transfers                              | -                        | -   | (74)  | 74                                       |                  |
| Monetary variation / interest          | -                        | 15,279  | 14,685  | 18                                       |                  |
| Changes in IBNR / IBNC                 | -                        | (107,003)   | -   | -  |                  |
| Other                                  | 104                      | 3,929   | -   | -  |                  |
| <b>Balance as of June 30, 2011</b>     | <b>1,412,992</b>         | <b>2,402,729</b>  | <b>692,367</b>                                  | <b>15,500</b>                            | <b>4,523,588</b> |
| <b>Other</b>                           |                          |   |   |  | <b>166,198</b>   |
| <b>Total</b>                           |                          |   |   |  | <b>4,689,786</b> |
| <b>Current</b>                         |                          |   |   |  | <b>3,497,025</b> |
| <b>Non-current</b>                     |                          |   |   |  | <b>1,192,761</b> |

As of June 30, 2011 and December 31, 2010, "Claims and Claim Adjustment Expenses" includes claims that are being disputed in court, mainly related to denial of coverage for non-fulfillment of contract conditions, related mainly to automobile and life lines. As of June 30, 2011, the status of claims under court dispute was as follows:

| Reserve for claims, gross of reinsurance | Quantity      | Open balance     | Payment amount | Consolidated Average Term Pending Payment (days) |
|--|---------------|------------------|----------------|--|
| Probable                                 | 9,833         | 410,134          | 321,532        |  |
| Possible                                 | 6,070         | 477,547          | 229,407        |  |
| Remote                                   | 1,165         | 174,164          | 29,064         |  |
| <b>Total</b>                             | <b>17,068</b> | <b>1,061,845</b> | <b>580,003</b> | <b>1,080</b>                                     |

**(14.3) REINSURANCE ASSETS - TECHNICAL RESERVES****(14.3.1) CHANGES IN UNEARNED PREMIUM RESERVE**

|  | Damage        | Individuals | Individual life | Total         |
|--|---------------|-------------|-----------------|---------------|
| <b>Balance as of December 31, 2010</b> | <b>80,444</b> | <b>-</b>    | <b>-</b>        | <b>80,444</b> |
| Issues/RVNE                            | 28,619        | 98          | 11              | 28,728        |
| Cancellation                           | (3,512)       | -           | (2)             | (3,514)       |
| Amortization                           | (40,897)      | (18)        | -               | (40,915)      |
| <b>Balance as of June 30, 2011</b>     | <b>64,654</b> | <b>80</b>   | <b>9</b>        | <b>64,743</b> |
| <b>Current</b>                         |               |             |                 | <b>44,538</b> |
| <b>Non-current</b>                     |               |             |                 | <b>20,205</b> |

**(14.3.2) CHANGES IN RESERVE FOR CLAIMS AND CLAIM ADJUSTMENT EXPENSES/IBNR RESERVE AND OTHER**

|  | Damage         | Individuals  | Individual life | Total          |
|--|----------------|--------------|-----------------|----------------|
| <b>Balance as of December 31, 2010</b> | <b>365,728</b> | <b>6,488</b> | <b>52</b>       | <b>372,268</b> |
| Additions                              | 459,666        | 2,672        | -               | 462,338        |
| Payments                               | (203,261)      | (1,722)      | -               | (204,983)      |
| Cancellations                          | (165,839)      | (41)         | -               | (165,880)      |
| Exchange variation                     | 10,085         | -            | -               | 10,085         |
| Judicial                               | 14,058         | (247)        | -               | 13,811         |

**Notes**

|                                    |                |              |           |                |
|------------------------------------|----------------|--------------|-----------|----------------|
| IBNR/IBNC variation                | (3,493)        | (614)        | 3         | (4,104)        |
| <b>Balance as of June 30, 2011</b> | <b>476,944</b> | <b>6,536</b> | <b>55</b> | <b>483,535</b> |
| <b>Current</b>                     |                |              |           | <b>314,165</b> |
| <b>Non-current</b>                 |                |              |           | <b>169,370</b> |
| <b>Other reinsurance assets</b>    |                |              |           | <b>3,611</b>   |
| <b>Current</b>                     |                |              |           | <b>2,223</b>   |
| <b>Non-current</b>                 |                |              |           | <b>1,388</b>   |

**(14.4) TECHNICAL RESERVES – PRIVATE PENSION****(14.4.1) CHANGES IN TECHNICAL RESERVES – PRIVATE PENSION**

|  | Mathematical<br>reserve for<br>benefits to be<br>granted | Mathematical<br>reserve for<br>benefit granted | Contribution<br>deficiency<br>reserve | Consolidated     |
|--|--|--|---------------------------------------|------------------|
| <b>Balance as of December 31, 2010</b> | <b>1,837,074</b>   | <b>310,907</b>                                 | <b>101,154</b>                        |                  |
| Constitution / (Reversion)             | 104,991  | 17,070   | (3,447)                               |                  |
| Income portability                     | 43,599   | -  | -                                     |                  |
| Outgoing portability                   | (33,773)   | -  | -                                     |                  |
| Redemptions                            | (43,185)   | -  | -                                     |                  |
| Benefits                               | -  | (24,015)                                       | -                                     |                  |
| Monetary variation                     | 70,425   | 20,645   | 6,086                                 |                  |
| <b>Balance as of June 30, 2011</b>     | <b>1,979,131</b>   | <b>324,607</b>                                 | <b>103,793</b>                        | <b>2,407,531</b> |
| <b>Other</b>                           |  |  |                                       | <b>8,011</b>     |
| <b>Total</b>                           |  |  |                                       | <b>2,415,542</b> |
| <b>Current</b>                         |  |  |                                       | <b>522,246</b>   |
| <b>Non-current</b>                     |  |  |                                       | <b>1,893,296</b> |

**(14.5) CHANGES IN DEFERRED ACQUISITION COSTS – INSURANCE AND PRIVATE PENSION**

|  | Direct Insurance<br>and Coinsurance<br>Ceded | Accepted<br>Coinsurance | Private Pension | Consolidated<br>Total |
|--|--|-------------------------|-----------------|-----------------------|
| <b>Balance as of December 31, 2010</b> | <b>489,031</b>                               | <b>654</b>              | <b>7,561</b>    | <b>497,246</b>        |
| Incurred acquisition costs             | 541,378                                      | 3,343                   | 2,262           | <b>546,983</b>        |
| Amortization                           | (520,565)                                    | 3,602                   | (1,903)         | <b>(518,866)</b>      |
| Cancellation                           | (25,588)                                     | -                       | -               | <b>(25,588)</b>       |
| <b>Balance as of June 30, 2011</b>     | <b>484,256</b>                               | <b>7,599</b>            | <b>7,920</b>    | <b>499,775</b>        |
| <b>Current</b>                         | <b>341,991</b>                               | <b>2,405</b>            | <b>5,061</b>    | <b>349,457</b>        |
| <b>Non-current</b>                     | <b>142,265</b>                               | <b>5,194</b>            | <b>2,859</b>    | <b>150,318</b>        |

**(15) GUARANTEE OF TECHNICAL RESERVES**

The technical reserves have the following financial assets pledged as guarantees:

|                                      | June 30, 2011 | Consolidated<br>December 31, 2010 |
|--------------------------------------|---------------|-----------------------------------|
| Composition of assets:               |               |                                   |
| Fixed income securities - government | 2,288,804     | 2,014,885                         |
| Equity fund quotas <b>(a)</b>        | 2,172,603     | 1,955,941                         |
| Time deposits - CDB / DPGE           | 702,348       | 697,092                           |
| Exclusive investment fund <b>(a)</b> | 785,620       | 711,435                           |
| Credit assignments                   | 401,658       | 425,507                           |
| Judicial deposits                    | 23,982        | 27,198                            |



**Notes**

|  |                  |                  |
|--|------------------|------------------|
| Non-exclusive investment fund quotas       | 22,533           | 19,713           |
| Special deposits at IRB and dollar account | 6,091            | 5,911            |
| Debentures                                 | 62,525           | 75,917           |
| <b>Total</b>                               | <b>6,466,164</b> | <b>5,933,599</b> |

(a) As of June 30, 2011, the lines Equity Fund Quotas and Exclusive Investment Fund Quotas include the amount of R\$ 494,707 (R\$571,774 as of December 31, 2010) in the consolidated balance related to Resale Commitments, which for the ITR disclosure purposes are presented under the heading "Cash and Cash Equivalents", according to Note 7.

**(16) RELATED PARTIES****(16.1) TRANSACTIONS**

The main asset and liability balances, related to transactions with related parties, as well as those affect the income for the first half, refer to the Company's transactions with its direct and indirect subsidiaries, related companies and key management members, carried out under the normal market conditions for the respective types of transactions.

|   | <b>Parent Company</b>                 | <b>Accounts receivable</b> | <b>Accounts payable</b> | <b>Expenses</b> | <b>Dividends received / receivable</b> | <b>Dividends paid / payable</b> | <b>Company Interest on shareholders' equity received / receivable</b> |
|---|---------------------------------------|----------------------------|-------------------------|-----------------|--|---------------------------------|---|
| Sulasapar Participações S.A.  | Sulasa Participações S.A.             | -                          | -                       | -               | -                                      | (100,472)                       | -   |
| Saepar Serviços e Participações S.A.  | Sul América S.A.                      | -                          | -                       | -               | 250,000                                | -                               | -   |
| Sul América Companhia de Seguro Saúde S.A. (a)  | Sul América Cia Nacional de Seguros   | 400                        | -                       | -               | 7,214                                  | -                               | -   |
| Sul América Companhia Nacional de Seguros (a) (b)                                     | SAEPAR Serviços Participações S.A.    | 3,767                      | (34)                    | (90)            | 48,911                                 | -                               | -   |
| ING Insurance International BV  | ING Verzekeringe n N.V.               | -                          | -                       | -               | -                                      | (64,818)                        | -   |
| Sul América Seguro Saúde S.A. (a)   | Sul América Companhia de Seguro Saúde | 2,212                      |                         |                 |  |                                 |   |
| Sul América Seguros de Vida e Previdência S.A.(a)                                     | Sul América Companhia de Seguro Saúde | 280                        |                         |                 |  |                                 |   |
| Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (a) (c) | Sul América Companhia de Seguro Saúde | 265                        | (20)                    | (112)           | -                                      | -                               | -   |
| Other subsidiaries and shareholders and individuals                                   |                                       | -                          | -                       | -               | -                                      | (140,387)                       | -   |
| <b>Balance as of June 30, 2011</b>  |                                       | <b>6,924</b>               | <b>(54)</b>             | <b>(202)</b>    | <b>306,125</b>                         | <b>(305,677)</b>                | <b>-</b>  |
| <b>Balance as of December 31, 2010</b>  |                                       | <b>545</b>                 | <b>(143)</b>            | <b>(377)</b>    | <b>241,561</b>                         | <b>(344,614)</b>                | <b>27,840</b>   |
| <b>Balance as of June 30, 2010</b>  |                                       | <b>-</b>                   | <b>-</b>                | <b>(79)</b>     | <b>-</b>                               | <b>-</b>                        | <b>-</b>  |

**Consolidated**

**Notes**

|   | <b>Parent Company</b>        | <b>Accounts receivable</b> | <b>Accounts payable</b> | <b>Income</b> | <b>Expenses</b> | <b>Dividends received / receivable</b> | <b>Interest on shareholders' equity received / receivable</b> |
|---|------------------------------|----------------------------|-------------------------|---------------|-----------------|--|---|
| Sul América Capitalização S.A. - SULACAP <b>(d) (c) (e)</b> | Sulasa Participações S.A.    | 841                        | -                       | 2,559         | (31)            | -                                      | -   |
| Sulasapar Participações S.A. <b>(b)</b>                     | Sulasa Participações S.A.    | 17                         | -                       | 45            | -               | (100,472)                              | -   |
| Nova Ação Participações <b>(d)</b>                          | Sulasapar Participações S.A. | 17                         | -                       | 45            | -               | -                                      | -   |
| ING Insurance International BV                              | ING Verzekeringe n N.V.      | -                          | -                       | -             | -               | (64,818)                               | -   |
| Gouvêa Vieira Advocacia <b>(f)</b>                          | Outros                       | -                          | -                       | -             | (86)            | -                                      | -   |
| Escritório de Advocacia Gouvea Vieira <b>(f)</b>            | Outros                       | -                          | -                       | -             | (1,998)         | -                                      | -   |
| J.H. Gouvea Vieira Escritório de Advocacia <b>(f)</b>       | Outros                       | -                          | -                       | -             | (4,921)         | -                                      | -   |
| Other subsidiaries and shareholders and individuals         |                              | -                          | -                       | -             | -               | (140,810)                              | (18)  |
| <b>Balance as of June 30, 2011</b>                          |                              | <b>875</b>                 | <b>-</b>                | <b>2,649</b>  | <b>(7,036)</b>  | <b>(306,100)</b>                       | <b>(18)</b>   |
| <b>Balance as of December 31, 2010</b>                      |                              | <b>457</b>                 | <b>(21)</b>             | <b>4,362</b>  | <b>(11,517)</b> | <b>(346,223)</b>                       | <b>(17)</b>   |
| <b>Balance as of June 30, 2010</b>                          |                              | <b>-</b>                   | <b>-</b>                | <b>2,502</b>  | <b>(1,268)</b>  | <b>-</b>                               | <b>-</b>  |

The accounts receivable/paid and income/expenses refer mainly to the following:

**(a)** Stock Option Plan of the Company;

**(b)** Apportionment of costs related to rent;

**(c)** Payments to the subsidiary SAMI for asset management services provided, corresponding to the management fee on the net equity of the portfolio;

**(d)** Recovery of expenses for the shared use of operating systems and supporting administrative structure;

**(e)** Provision of health insurance services purchased from the subsidiary Brasíliaúde;

**(f)** Services provided and follow up of lawsuits of civil, labor and tax nature. These contracts are renewed annually and terminated monthly, or when the process is settled.

**(16.2) COMPENSATION OF KEY MANAGEMENT MEMBERS**

The key management members include those of the Board of Directors, the President, Vice-Presidents and Statutory Directors. The compensation paid or payable is shown below:

|  | <b>Accounts payable</b> | <b>Company Expenses</b> | <b>Accounts payable</b> | <b>Consolidated Expenses</b> |
|--|-------------------------|-------------------------|-------------------------|------------------------------|
| Short-term benefits for employees and managers | (33)                    | (1,381)                 | (13,869)                | (23,475)                     |
| Post-employment benefits                       |                         |                         | (5,821)                 | (1,325)                      |
| Stock option plan <b>(a)</b>                   |                         | (3,425)                 |                         | (7,436)                      |
| <b>Balance as of June 30, 2011</b>             | <b>(33)</b>             | <b>(4,806)</b>          | <b>(19,690)</b>         | <b>(32,236)</b>              |
| <b>Balance as of December 31, 2010</b>         | <b>(1,740)</b>          |                         | <b>(52,475)</b>         |                              |
| <b>Balance as of June 30, 2010</b>             |                         | <b>(3,336)</b>          |                         | <b>(37,317)</b>              |

**Notes****(a) MASTER STOCK OPTION PLAN OF THE COMPANY**

On April 1, 2011, as provided for in the Stock Option Plan ("Plan") of the Company, the Board of Directors approved the Option Program for the Purchase of Units for 2011 ("2011 Program"), granting to the Company's Compensation Committee powers to manage it. In the Programs for 2008, 2009 and 2010, only Simple Options were granted, while in the Program for 2011 both Simple and Bonus Options were granted, and the Compensation Committee, as delegated by the Board of Directors, defined the Program beneficiaries, among the Board of Executive Officers members of SulAmérica, as well as the number of units to which they would be entitled.

The Compensation Committee established, under the 2011 Program, the initial grant of 1,907,478 Simple Options at the exercise price of R\$19.21, as well as the grant of 236,661 Bonus Options, in exchange for the purchase of 262,900 Restricted Units with a discount of 20% on the market price at the acquisition date.

In addition to the initial grant, 143,016 new grants of Simple Options were carried out in the second quarter, at the average exercise price of R\$19.64.

The beneficiaries of the Simple Options granted under the Programs for 2008, 2009, 2010 and 2011 purchase, from the end of the first, second and third years counted from the date of signature of the respective Simple Option Agreement for Purchase of Units (Simple Option Agreement), rights to exercise options at the ratio of 1/3 per year, of the total granted in each Simple Option Agreement, considering that the maximum exercise period of options is five years, counted from the date of signature of these agreements.

The beneficiaries of the Bonus Options granted under 2011 Program purchase the right to exercise such Options at the rate of 25%, 25% and 50% of total granted, per year, from the end of the third, fourth and fifth subsequent years counted from the date of signature of the respective Bonus Option Agreement for Purchase of Units, entered into with each beneficiary ("Bonus Option Agreement"), taking into consideration the maximum exercise period of six years from the date of signatures of the respective Bonus Option Agreement.

The movements in the option balance are summarized as follows:

|   | <b>Stock Options Units<br/>(quantity)</b> | <b>Weighted Average<br/>Exercise Price<br/>(in Reais)</b>                |
|---|---|--|
| <b>Balance of Options outstanding in June 30, 2010</b>              | <b>4,725,336</b>                          | <b>10.46</b>   |
| Simple Options granted over the period                              | 2,050,494                                 | 19.24  |
| Simple Options exercised over the period                            | 1,125,797                                 | 9.53   |
| Simple Options cancelled over the period                            | 572,539                                   | 13.6   |
| Simple Options expired over the period                              | -   | -  |
| <b>Balance of Simple Options outstanding as of June 30, 2011</b>    | <b>5,077,494</b>                          | <b>13.86</b>   |
| <b>Balance of Simple Options exercisable as of June 30, 2011</b>    | <b>1,265,093</b>                          | <b>9.32</b>  |
| <b>Bonus Options</b>  | <b>Stock Options Units<br/>(quantity)</b> | <b>Weighted Average<br/>Exercise Price<br/>(in Reais)<br/>(em reais)</b> |
| <b>Balance of Bonus Options outstanding as of December 31, 2010</b> | -   | N/A  |
| Bonus Options granted over the period                               | 236,661                                   | N/A  |
| Bonus Options exercised over the period                             | -   | N/A  |
| Bonus Options cancelled over the period                             | -   | N/A  |
| Bonus Options expired over the period                               | -   | N/A  |
| <b>Balance of Bonus Options outstanding as of June 30, 2011</b>     | <b>236,661</b>                            | <b>N/A</b>   |
| <b>Balance of Bonus Options exercisable as of June 30, 2011</b>     | -   | <b>N/A</b>   |

\* As described, under the 2011 Program, the weighted exercise price of Bonus options is the fulfillment of the affirmative covenant by the beneficiary, represented by the requirement of keeping the respective

**Notes**

Restricted Units unchanged and without any type of lien, over the grace period, during which such Bonus Options cannot be exercised.

|  | <b>Stock Options Units<br/>(quantity)</b> | <b>Weighted Average<br/>Exercise Price<br/>(in Reais)</b> |
|--|---|---|
| <b>Closing Balance of Simple and Bonus Options outstanding<br/>as of June 30, 2011</b> | <b>5,314,155</b>                          | <b>N/A</b>  |
| <b>Closing Balance of Simple and Bonus Options exercisable<br/>as of June 30, 2011</b> | <b>1,265,093</b>                          | <b>N/A</b>  |

The minimum and maximum exercise prices of Simple Options outstanding as of June 30, 2011 are R\$6.71 and R\$19.81, respectively (R\$6.71 and R\$18.90 as of December 31, 2010). The remaining weighted average contractual term is 3.7 years as of June 30, 2011 (3.5 years as of December 31, 2010).

The weighted average fair value of Simple Options issued net of cancellation and exercises as of June 30, 2011 is R\$3.61 and was measured using the pricing model of Simple Options (Black-Scholes for 2008, 2009 and 2010, and Binomial for 2011), considering the following assumptions:

- History of average volatility of options granted stood at 36.69%;
- Option exercise term of 5 years, 1/3 of the option exercise being vested in each of the first three years;
- Expected average dividend of 4%;
- Average risk-free interest rate of 12.45% p.a.

The compensation expense from the Plan for the quarter ended June 30, 2011, taking the fair value of the option at the date of signature of each Option Contract, is R\$7,436 for the first half of 2011 and R\$6,057 for the second quarter of 2011 (R\$2,282 for the first half of 2010 and R\$1,117 for the second quarter of 2010) recorded under "Administrative Expenses" as contra-entry to "Capital Reserve - Recognized Granted Options". Once the Plan provisions are complied with, the Board of Directors may launch other option programs up to the limit of 0.4% of total shares issued by the Company existing at the date of the respective program, plus the units that would have been issued if all options granted under the Stock Option Plan had been exercised.

**(17) LOANS AND FINANCING**

|  | <b>Value</b>   | <b>Fair Value<br/>Adjustment</b> | <b>Fair Value<br/>June<br/>30,2011</b> | <b>Value</b>   | <b>Fair Value<br/>Adjustment</b> | <b>Fair Value<br/>December 31,<br/>2010</b> |
|--|----------------|----------------------------------|--|----------------|----------------------------------|---|
| Senior Notes - falling due on February 15, 2012            | 209,446        | -                                | 209,446                                | 223,755        | -                                | 223,755                                     |
| Swap difference payable - falling due on February 14, 2012 | 128,241        | (986)                            | 127,255                                | 102,440        | (3,477)                          | 98,963                                      |
| <b>Balance payable amounts</b>                             | <b>337,687</b> | <b>(986)</b>                     | <b>336,701</b>                         | <b>326,195</b> | <b>(3,477)</b>                   | <b>322,718</b>                              |
| Transaction costs  | (973)          | -                                | (973)                                  | (1,746)        | -                                | (1,746)                                     |
| <b>Total</b>   | <b>336,714</b> | <b>(986)</b>                     | <b>335,728</b>                         | <b>324,449</b> | <b>(3,477)</b>                   | <b>320,972</b>                              |
| <b>Current</b>   | <b>336,714</b> | <b>(986)</b>                     | <b>335,728</b>                         | <b>5,591</b>   | -                                | <b>5,591</b>                                |
| <b>Non-Current</b>   | <b>-</b>       | <b>-</b>                         | <b>-</b>                               | <b>318,858</b> | <b>(3,477)</b>                   | <b>315,381</b>                              |

In February 2007, the Company issued Senior Notes, guaranteed by its subsidiary SAEPAR, in the amount of US\$200,000,000, at the rate of 8.625% p.a., and falling due on February 15, 2012. The balance payable as of the ITR base date, net o amortization, is equivalent to a principal of US\$130,000,000, corresponding to R\$202,943 (R\$216,606 as of December 31, 2010) and interest at R\$ 6,503 (R\$ 7,617 as of June 30, 2010).

In order to protect from foreign exchange variation, the Management made a swap transaction at an equal amount, with asset position in US\$ and liability position linked to CDI, less 3.967% p.a.,

**Notes**

equivalent to 67.0% of CDI as of June 30, 2011 (62.8% as of December 31, 2010), which will be effective until the maturity of Senior Notes.

Swap payable as of June 30, 2011 is R\$71,942 (R\$46,562 as of December 31, 2010), as shown in note 6.3. On April 2, 2008 the swap transaction was renegotiated and the payment was agreed to be paid on the transaction due date. This amount is adjusted by the CDI variation and as of June 30, 2011 corresponds to R\$55,313 (R\$52,401 in 2010), totaling R\$127,255 (R\$98,963 as of December 31, 2010).

**(18) COMMITMENTS AND ENCUMBRANCES****(18.1) ENCUMBERED PROPERTIES**

Certain subsidiaries which operate in the insurance business record as property and equipment certain properties that were pledged as collateral due to court decisions in connection with civil lawsuits related to claims. The carrying amount of these properties, net of depreciation, was R\$935 as of June 30, 2011 (R\$1,996 as of December 31, 2010).

**(18.2) OTHER ACCOUNTS RECEIVABLE**

The heading "Other Accounts Receivable" in current assets basically comprises blocked balances in bank accounts and investment funds, and judicial deposits related to lawsuits. As of June 30, 2011, the Company's balance amounted to R\$2,491 (R\$25 as of December 31, 2010) and the consolidated balance amounted to R\$141,227 (R\$108,919 as of December 31, 2010).

**(18.3) GUARANTEE OF TECHNICAL RESERVES**

Certain subsidiaries have financial assets linked to the Superintendence of Private Insurance (SUSEP) and the National Supplementary Health Plan Agency (ANS) pledged in guarantee of technical reserves, which are listed in Note 15.

**(18.4) RENTAL AGREEMENT OF THE HEADQUARTERS IN RIO DE JANEIRO**

On December 17, 2007, SALIC entered into a rental agreement of a real estate in Rio de Janeiro. The rental period is 10 years from April 18, 2009, and can be extended to an additional 60-month period. During this period, SALIC undertakes to pay 10 annual rents of R\$13,712, adjusted annually or after the shortest period established by Law by the accumulated IGP-M variation, released by Fundação Getúlio Vargas, which on June 30, 2011 corresponds to R\$18,093 (R\$17,541 as of December 31, 2010). This rental agreement contains restrictive covenants on the unilateral termination of the agreement by SALIC and the landlord. The voluntary unilateral termination will give rise to the payment of indemnification to the other party, according to the condition established in the agreement.

**(19) JUDICIAL DEPOSITS, OTHER LAWSUITS AND TAX AND CONTRIBUTION LIABILITIES**

The natures of the main lawsuits filed and details related to their progress are presented in the financial statements as of December 31, 2010, and they have not changed since such date.

In relation to judicial deposits, other contingent liabilities and tax and contribution liabilities, the position is as follows:

|                    |                                    |                       | <b>Company</b>                             |
|--------------------|------------------------------------|-----------------------|--|
|                    |                                    |                       | <b>June 30, 2011</b>                       |
|                    | <b>Judicial deposits and taxes</b> | <b>Other lawsuits</b> | <b>Taxes and contributions liabilities</b> |
| <b>Tax:</b>        |                                    |                       |  |
| Income tax         | 1,091                              | -                     | 956  |
| Other              | 11                                 | -                     | 25   |
| <b>Total</b>       | <b>1,102</b>                       | <b>-</b>              | <b>981</b>                                 |
| <b>Non-current</b> | <b>1,102</b>                       | <b>-</b>              | <b>981</b>                                 |
|                    |                                    |                       |  |
|                    |                                    |                       | <b>Company</b>                             |
|                    |                                    |                       | <b>December 31, 2010</b>                   |
|                    | <b>Judicial deposits and taxes</b> | <b>Other lawsuits</b> | <b>Taxes and contributions liabilities</b> |
| <b>Tax:</b>        |                                    |                       |  |
| Income tax         | 945                                | -                     | 914  |
| Other              | 10                                 | -                     | 26   |

**Notes**

|                    |            |          |            |
|--------------------|------------|----------|------------|
| <b>Total</b>       | <b>955</b> | <b>-</b> | <b>940</b> |
| <b>Non-current</b> | <b>955</b> | <b>-</b> | <b>940</b> |

|                         |                                    |                       | <b>Consolidated<br/>June 30, 2011</b>      |
|-------------------------|------------------------------------|-----------------------|--|
|                         | <b>Judicial deposits and taxes</b> | <b>Other lawsuits</b> | <b>Taxes and contributions liabilities</b> |
| <b>Tax:</b>             |                                    |                       |  |
| COFINS                  | 313,162                            | -                     | 310,586                                    |
| PIS                     | 233,015                            | -                     | 193,498                                    |
| INSS                    | 579,118                            | 194,271               | 1,025                                      |
| Social Contribution     | 161,164                            | 19,020                | 154,900                                    |
| Income tax              | 96,938                             | 1,907                 | 87,065                                     |
| Other                   | 60,321                             | 25,965                | 59,946                                     |
| <b>Labor and civil:</b> | -                                  | -                     | -  |
| Labor lawsuits          | 37,478                             | 35,846                | -  |
| Civil lawsuits          | 111,990                            | 227,353               | -  |
| DPVAT                   | 1,118                              | 3,586                 | -  |
| Other                   |                                    | 385                   | -  |
| <b>Total</b>            | <b>1,594,304</b>                   | <b>508,333</b>        | <b>807,020</b>                             |
| <b>Current</b>          | -                                  | <b>57,513</b>         | -  |
| <b>Non-current</b>      | <b>1,594,304</b>                   | <b>450,820</b>        | <b>807,020</b>                             |

|                         |                                    |                       | <b>Consolidated<br/>December 31, 2010</b>  |
|-------------------------|------------------------------------|-----------------------|--|
|                         | <b>Judicial deposits and taxes</b> | <b>Other lawsuits</b> | <b>Taxes and contributions liabilities</b> |
| <b>Tax:</b>             |                                    |                       |  |
| COFINS                  | 288,867                            | -                     | 288,251                                    |
| PIS                     | 230,359                            | -                     | 173,185                                    |
| INSS                    | 569,088                            | 194,753               | 1,018                                      |
| Social Contribution     | 137,650                            | 16,418                | 135,278                                    |
| Income tax              | 84,965                             | 1,902                 | 78,080                                     |
| Other                   | 60,565                             | 24,327                | 59,958                                     |
| <b>Labor and civil:</b> |                                    |                       |  |
| Labor lawsuits          | 35,860                             | 38,007                | -  |
| Civil lawsuits          | 111,375                            | 236,334               | -  |
| DPVAT                   | 1,083                              | 3,608                 | -  |
| Other                   | -                                  | 436                   | -  |
| <b>Total</b>            | <b>1,519,812</b>                   | <b>515,785</b>        | <b>735,770</b>                             |
| <b>Current</b>          | -                                  | <b>46,622</b>         | -  |
| <b>Non-current</b>      | <b>1,519,812</b>                   | <b>469,163</b>        | <b>735,770</b>                             |

**(19.1) CIVIL, LABOR, TAX AND DPVAT LAWSUITS**

The Company and certain subsidiaries are parties to the following lawsuits, separated by nature, likelihood of loss, and estimated and accrued amounts:

|              |                 |                      | <b>Company<br/>June 30, 2011</b>        |
|--------------|-----------------|----------------------|---|
| <b>Tax</b>   | <b>Quantity</b> | <b>Value at risk</b> | <b>Tax and contribution liabilities</b> |
| Probable     | 1               | 956                  | 955                                     |
| Possible     | 2               | 71                   | 20                                      |
| Remote       | 1               | 305                  | 6                                       |
| <b>Total</b> | <b>4</b>        | <b>1,332</b>         | <b>981</b>                              |
|              |                 |                      | <b>Company<br/>December 31, 2010</b>    |
| <b>Tax</b>   | <b>Quantity</b> | <b>Value at risk</b> | <b>Tax and contribution liabilities</b> |
| Probable     | 1               | 914                  | 914                                     |

**Notes**

|              |          |              |            |
|--------------|----------|--------------|------------|
| Possible     | 2        | 69           | 20         |
| Remote       | 1        | 296          | 6          |
| <b>Total</b> | <b>4</b> | <b>1,279</b> | <b>940</b> |

|                            |                 |                      | <b>Consolidated<br/>June 30, 2011</b>                            |
|----------------------------|-----------------|----------------------|--|
| <b>I - Civil and DPVAT</b> | <b>Quantity</b> | <b>Value at risk</b> | <b>Other lawsuits</b>  |
| Probable                   | 7,184           | 214,195              | 153,768  |
| Possible                   | 4,797           | 197,073              | 69,683   |
| Remote                     | 756             | 132,358              | 7,488  |
| <b>Total</b>               | <b>12,737</b>   | <b>543,626</b>       | <b>230,939</b>   |
| <b>II -Labor</b>           | <b>Quantity</b> | <b>Value at risk</b> | <b>Other lawsuits</b>  |
| Probable                   | 322             | 54,439               | 26,731   |
| Possible                   | 215             | 60,603               | 8,863  |
| Remote                     | 166             | 137,420              | 252  |
| <b>Total</b>               | <b>703</b>      | <b>252,462</b>       | <b>35,846</b>  |
| <b>III - Tax</b>           | <b>Quantity</b> | <b>Value at risk</b> | <b>Other lawsuits and taxes and<br/>contribution liabilities</b> |
| Probable                   | 213             | 639,508              | 639,330  |
| Possible                   | 284             | 490,625              | 342,747  |
| Remote                     | 265             | 845,051              | 66,106   |
| <b>Total</b>               | <b>762</b>      | <b>1,975,184</b>     | <b>1,048,183</b>   |
|                            |                 |                      | <b>Consolidated<br/>December 31, 2010</b>                        |
| <b>I - Civil and DPVAT</b> | <b>Quantity</b> | <b>Value at risk</b> | <b>Other lawsuits</b>  |
| Probable                   | 6,492           | 212,673              | 157,828  |
| Possible                   | 4,653           | 191,591              | 74,404   |
| Remote                     | 847             | 122,237              | 7,710  |
| <b>Total</b>               | <b>11,992</b>   | <b>526,501</b>       | <b>239,942</b>   |
| <b>II -Labor</b>           | <b>Quantity</b> | <b>Value at risk</b> | <b>Other lawsuits</b>  |
| Probable                   | 380             | 56,324               | 27,056   |
| Possible                   | 202             | 60,851               | 10,725   |
| Remote                     | 168             | 131,309              | 226  |
| <b>Total</b>               | <b>750</b>      | <b>248,484</b>       | <b>38,007</b>  |
| <b>III - Tax</b>           | <b>Quantity</b> | <b>Value at risk</b> | <b>Other lawsuits and taxes and<br/>contribution liabilities</b> |
| Probable                   | 153             | 602,177              | 602,177  |
| Possible                   | 270             | 452,499              | 304,129  |
| Remote                     | 256             | 850,125              | 66,864   |
| <b>Total</b>               | <b>679</b>      | <b>1,904,801</b>     | <b>973,170</b>   |

**(19.2) CHANGES IN ACCRUED LIABILITIES FOR SIGNIFICANT LAWSUITS**

|                         | <b>Balances as of<br/>December 31,<br/>2010</b> | <b>Additions</b> | <b>Monetary<br/>variation and<br/>interest</b> | <b>(Payments)<br/>/ (Write-<br/>offs)</b> | <b>Consolidated<br/>Balances as of<br/>June 30, 2011</b> |
|-------------------------|---|------------------|--|---|--|
| <b>Civil and DPVAT:</b> | <b>239,942</b>                                  | 55,848           | (1,280)  | (63,571)                                  | <b>230,939</b>   |
| <b>Tax:</b>             |   |                  |  |   |  |
| PIS                     | <b>173,185</b>                                  | 18,178           | 2,135  | -   | <b>193,498</b>   |
| COFINS                  | <b>288,251</b>                                  | 10,994           | 11,341   | -   | <b>310,586</b>   |
| Income Tax              | <b>79,982</b>                                   | 6,638            | 3,293  | (941)                                     | <b>88,972</b>  |
| Social Contribution     | <b>151,696</b>                                  | 17,792           | 4,870  | (438)                                     | <b>173,920</b>   |

**Notes**

|                           |                |       |       |          |                |
|---------------------------|----------------|-------|-------|----------|----------------|
| Other                     | <b>84,285</b>  | 8,456 | 2,260 | (9,090)  | <b>85,911</b>  |
| <b>Social securities:</b> |                |       |       |          |                |
| INSS                      | <b>195,771</b> | 5,751 | 6,186 | (12,412) | <b>195,296</b> |

**(20) ACCOUNTS PAYABLE****(20.1) ACCOUNTS PAYABLE**

| Description   | Company       |                   | Consolidated   |                   |
|---|---------------|-------------------|----------------|-------------------|
|   | June 30, 2011 | December 31, 2010 | June 30, 2011  | December 31, 2010 |
| Taxes and contribution liabilities -                    | 981           | 940               | 807,020        | 735,770           |
| <b>Note (19)</b>  |               |                   |                |                   |
| PAES - Special Plan for Tax Payment in Installments (a) | 583           | 619               | 56,428         | 72,642            |
| Dividends and Interest on shareholder's equity payable  | 6,141         | 149,853           | 6,586          | 150,308           |
| Profit sharing  | -             | -                 | 22,133         | 43,436            |
| Other   | 52            | 1,327             | 31,003         | 75,922            |
| <b>Total</b>  | <b>7,757</b>  | <b>152,739</b>    | <b>923,170</b> | <b>1,078,078</b>  |
| <b>Current</b>  | <b>6,193</b>  | <b>151,181</b>    | <b>59,583</b>  | <b>269,665</b>    |
| <b>Non-current</b>                                      | <b>1,564</b>  | <b>1,558</b>      | <b>863,587</b> | <b>808,413</b>    |

**(a) TAX PAYMENT IN INSTALLMENTS - PAES**

The Company and some of its subsidiaries joined PAES in order to pay amounts related to COFINS, income tax withheld at source, income tax, social contribution on net income, Finsocial (contribution on revenue), CPMF (temporary contribution on banking transactions) and INSS (social security contribution) in installments, which were at the administrative or judicial levels.

The total amount of the obligations included in PAES was R\$253,353 (net of the 50% fine reduction). The program requires payment of said taxes and contributions in up to 180 equal and monthly installments, according to the amount and periods provided for in the current legislation, with the final payment due by June 30, 2018, according to the number of months selected, monetarily adjusted according to the Long-Term Interest Rate (TJLP). As of June 30, 2011, the Company's and consolidated obligations are recorded in current liabilities under "Taxes and Contributions Payable" in the respective amounts of R\$96 (R\$94 as of December 31, 2010) and R\$39,357 (R\$38,164 as of December 31, 2010), and in non-current liabilities under "Accounts Payable" in the respective amounts of R\$583 (R\$619 as of December 31, 2010) and R\$56,428 (R\$72,642 as of December 31, 2010).

**(20.2) OTHER ACCOUNTS PAYABLE**

| Description                                       | Company       |                   | Consolidated   |                   |
|---|---------------|-------------------|----------------|-------------------|
|   | June 30, 2011 | December 31, 2010 | June 30, 2011  | December 31, 2010 |
| Third party's deposits - administered health plan | 59            | 228               | 26,277         | 9,188             |
| Accounts payable - suppliers                      | -             | -                 | 17,979         | 23,942            |
| Securities payable                                | 19            | 20                | 22,817         | 18,286            |
| Attorney's fees                                   | -             | -                 | 51,309         | 25,204            |
| Sundry accounts payable                           | 626           | 162               | 49,465         | 76,157            |
| <b>Total</b>                                      | <b>704</b>    | <b>410</b>        | <b>167,847</b> | <b>152,777</b>    |
| <b>Current</b>                                    | <b>695</b>    | <b>404</b>        | <b>111,975</b> | <b>93,640</b>     |
| <b>Non-current</b>                                | <b>9</b>      | <b>6</b>          | <b>55,872</b>  | <b>59,137</b>     |

**(21) SHAREHOLDERS' EQUITY**

There was no change in how the legal reserve and the reserve for business expansion are recognized as of June 30, 2011 as compared to December 31, 2010.

**(21.1) CAPITAL AND AUTHORIZED CAPITAL - COMPANY**

As of June 30, 2011, as approved at the Annual and Special Shareholders' Meeting held on March 31, 2011, the Company's capital amounts to R\$1,237,882 (R\$1,185,831 as of December 31,



**Notes**

2010), and is represented by registered common and registered preferred shares, without par value, as follows:

|                   |                                | <b>Common</b>      | <b>Preferred</b>   | <b>Total</b>       |
|-------------------|--------------------------------|--------------------|--------------------|--------------------|
| December 31, 2010 | Stock                          | 466,113,588        | 377,774,205        | 843,887,793        |
| December 31, 2010 | Treasury stock (see note 21.2) | (3,998,451)        | (7,996,902)        | (11,995,353)       |
|                   |                                | <b>462,115,137</b> | <b>369,777,303</b> | <b>831,892,440</b> |
| June 30, 2011     | Stock                          | 466,113,588        | 377,774,205        | 843,887,793        |
| June 30, 2011     | Treasury stock (see note 21.2) | (3,735,551)        | (7,471,102)        | (11,206,653)       |
|                   |                                | <b>462,378,037</b> | <b>370,303,103</b> | <b>832,681,140</b> |

The Company's capital stock may be increased, in addition to the existing shares, up to the limit of 450,000,000 new common and/or preferred shares, upon decision of the Board of Directors, which will set out the type and class of shares to be issued, the issue price and the placement conditions, regardless of the capital increases decided at Shareholders' Meeting.

**(21.2) TREASURY STOCK - REPURCHASE OF SHARES**

On October 7, 2008, October 7, 2009 and February 28, 2011, the Company's Board of Directors approved the programs for the repurchase of up to the respective amounts of 1,052,636, 1,046,872 and 3,192,379 certificates of stock - units, each representing 1 common share and 2 preferred shares of the Company, corresponding to 3% of the units in free float and approximately 1.1% of total shares issued by the Company on the respective dates of approval of repurchase programs.

As on July 28, 2010 the Company's Special Shareholders' Meeting approved the split of its shares (whereby each share, common or preferred, was split into 3 shares of the same type), after the split, the shares held in treasury at such date were equally split in the above-mentioned proportion, as well as the remaining balance of units related to the repurchase program approved in 2009. It is also worth noting that the number of units approved under the 2011 program already considered the effect of the aforementioned split.

The repurchase programs adopted by the Company are aimed at purchasing its securities for holding them in treasury and then using them in the Company's stock option plan. The transaction also meets the interests of the Company, in view of its prospects of growth and profitability, as well as the existence of available reserves, under the provisions of CVM Instruction No. 10/80.

| <b>Roll Forward of Treasury Stocks</b>          | <b>Number of shares<br/>(in units)</b> | <b>Weighted average price<br/>(in reais)</b> |
|---|--|--|
| <b>Treasury Stocks in December 31, 2010 (b)</b> | <b>3,998,451</b>                       | <b>17.60</b>                                 |
| Shares sold - Master Stock Option Plan          | (1,388,697)                            | 10.65  |
| Shares acquired - Master Stock Option Plan      | 1,125,797                              | 19.31  |
| <b>Treasury Stocks in June 30, 2011 (b)</b>     | <b>3,735,551</b>                       | <b>20.70</b>                                 |

**(a)** When transferred to treasury, the units cease to exist as such, and as of June 30, 2011 they represented 3,735,551 common shares and 7,471,102 preferred shares and as of December 31, 2010, 3,998,451 common shares and 7,996,902 preferred shares (considering the reverse split in 2010).

In connection with transactions with treasury stock taking place during the second quarter of 2011, as shown above, purchases made by the Company amounted R\$21,066 (and in the first quarter of 2011 it amounted to R\$680, totaling an expenditure for the first quarter of 2011 of R\$21,745), recorded under "Treasury Stock", with the minimum cost of acquisition of units in the second quarter of R\$19.20 and a maximum cost of R\$19.51. The market value of units, calculated based on the latest trading price at stock exchange on June 30, 2011, was R\$19.95.

**(21.3) DIVIDEND DISTRIBUTION POLICY**

**Notes**

On May 5, 2011, the Board of Directors approved, as part of its Dividend Policy, the quarterly distribution of interim dividends in the amount of R\$0.012 per common or preferred share of the Company not represented by unit, and of R\$0.036 per unit, upon the Board of Directors' decision at the time the Company's quarterly results are disclosed, charged to the profit recorded in such statements and/or to the profit reserve recorded in the last annual balance sheet, according to the applicable legal and statutory provisions.

In line with such distribution policy, the shareholders approved at the Annual Shareholders' Meetings held on March 31, 2010 and March 31, 2011 the distribution of 50% of adjusted net income, respectively, for the years ended December 31, 2009 and 2010, amounting of R\$199,069 and R\$ 291,660, of which R\$99,534 and R\$145,830, respectively, correspond to the mandatory minimum dividend provided for in Bylaws.

In addition, on May 5, 2011, the Board of Directors approved the distribution of interim dividends, charged to the profit recorded in the balance sheet as of March 31, 2011, in the aforementioned amounts of R\$0.012 per common or preferred share of the Company not represented by unit, and of R\$0.036 per unit, totaling R\$9,992.

**(21.4) EARNINGS PER SHARE**

Earnings per common and preferred share, as provided for under CPC 41 – Earnings per Share takes into consideration not only common and preferred shares in free float, but also the potential issues and cancellations (diluting and anti-diluting), arising from the stock option plan.

**(a) Basic**

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average of common and preferred shares in free float over the quarter, less the weighted average of treasury stock.

| Description  | January 1, 2011 to June 30, 2011 |               |                |                |               |  | Company<br>January<br>1, 2010 to<br>June 30, 2010<br>Total |
|--|----------------------------------|---------------|----------------|----------------|---------------|--|--|
|  | Common                           | Preferred     | Total          | Common         | Preferred     |  |  |
| <b>Net income for the period<br/>attributed to shares</b>  | <b>71,533</b>                    | <b>57,976</b> | <b>129,509</b> | <b>111,043</b> | <b>89,997</b> |  | <b>201,040</b>   |
| Number of shares in free float                             | 466,113,588                      | 377,774,205   | 843,887,793    | 155,371,196    | 125,924,735   |  | 281,295,931  |
| Weighted average number of shares<br>in treasury           | (3,892,251)                      | (7,784,502)   | (11,676,753)   | (794,822)      | (1,589,644)   |  | (2,384,466)  |
| Weighted average number of shares<br>in free float - BASIC | 462,221,337                      | 369,989,703   | 832,211,040    | 154,576,374    | 124,335,091   |  | 278,911,465  |
| <b>Earnings per share - Basic (in<br/>R\$)</b>             | <b>0.15</b>                      | <b>0.16</b>   | <b>0.16</b>    | <b>0.72</b>    | <b>0.72</b>   |  | <b>0.72</b>  |

| Description  | April 1, 2011 to June 30, 2011 |               |               |               |               |  | Company<br>April 1, 2010 to<br>June 30, 2010<br>Total |
|--|--------------------------------|---------------|---------------|---------------|---------------|--|---|
|  | Common                         | Preferred     | Total         | Common        | Preferred     |  |   |
| <b>Net income for the period<br/>attributed to shares</b>  | <b>15,225</b>                  | <b>12,340</b> | <b>27,565</b> | <b>50,513</b> | <b>40,940</b> |  | <b>91,453</b>   |
| Number of shares in free float                             | 466,113,588                    | 377,774,205   | 843,887,793   | 155,371,196   | 125,924,735   |  | 281,295,931   |
| Weighted average number of shares<br>in treasury           | (3,783,712)                    | (7,567,424)   | (11,351,136)  | (912,844)     | (1,825,688)   |  | (2,738,532)   |
| Weighted average number of shares<br>in free float - BASIC | 462,329,876                    | 370,206,781   | 832,536,657   | 154,458,352   | 124,099,047   |  | 278,557,399   |

**Notes**

|  |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Earnings per share - Basic (in R\$)</b> | <b>0.03</b> | <b>0.03</b> | <b>0.03</b> | <b>0.33</b> | <b>0.33</b> | <b>0.33</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|

**(b) Diluted**

Diluted earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average of common and preferred shares in free float over the quarter, less the weighted average treasury stock.

The adjustment to the weighted average takes into consideration the number of grants and cancellations according to the stock option plan of the Company, for the period.

| Description  | January 1, 2011 to June 30, 2011 |               |                | Company January 1, 2010 to June 30, 2010 |               |                |
|--|----------------------------------|---------------|----------------|--|---------------|----------------|
|  | Common                           | Preferred     | Total          | Common                                   | Preferred     | Total          |
| <b>Net income for the period attributed to shares</b>  | <b>71,533</b>                    | <b>57,976</b> | <b>129,509</b> | <b>111,043</b>                           | <b>89,997</b> | <b>201,040</b> |
| Number of shares in free float   | 466,113,588                      | 377,774,205   | 843,887,793    | 155,371,196                              | 125,924,735   | 281,295,931    |
| Weighted average number of shares in treasury  | (3,892,251)                      | (7,784,502)   | (11,676,753)   | (794,822)                                | (1,589,644)   | (2,384,466)    |
| Adjustment<br>Weighted average of grants and cancellation in connection with the Stock Option Plan of the Company for the period | 4,828,725                        | 9,657,449     | 14,486,174     | 6,465,409                                | 12,930,818    | 19,396,227     |
| Weighted average number of shares in free float - DILUTED  | 467,050,062                      | 379,647,152   | 846,697,214    | 161,041,783                              | 137,265,909   | 298,307,692    |
| <b>Earnings per share - Diluted (in R\$)</b>   | <b>0.15</b>                      | <b>0.15</b>   | <b>0.15</b>    | <b>0.69</b>                              | <b>0.66</b>   | <b>0.67</b>    |

| Description  | January 1, 2011 to June 30, 2011 |               |               | Company January 1, 2010 to June 30, 2010 |               |               |
|--|----------------------------------|---------------|---------------|--|---------------|---------------|
|  | Common                           | Preferred     | Total         | Common                                   | Preferred     | Total         |
| <b>Net income for the period attributed to shares</b>  | <b>15,225</b>                    | <b>12,340</b> | <b>27,565</b> | <b>50,513</b>                            | <b>40,940</b> | <b>91,453</b> |
| Number of shares in free float   | 466,113,588                      | 377,774,205   | 843,887,793   | 155,371,196                              | 125,924,735   | 281,295,931   |
| Weighted average number of shares in treasury  | (3,783,712)                      | (7,567,424)   | (11,351,136)  | (912,844)                                | (1,825,688)   | (2,738,532)   |
| Adjustment<br>Weighted average of grants and cancellation in connection with the Stock Option Plan of the Company for the period | 5,287,855                        | 10,575,710    | 15,863,565    | 5,984,807                                | 11,969,614    | 17,954,421    |
| Weighted average number of shares in free float - DILUTED  | 467,617,731                      | 380,782,491   | 848,400,222   | 160,443,159                              | 136,068,661   | 296,511,820   |
| <b>Earnings per share - Diluted (in R\$)</b>   | <b>0.03</b>                      | <b>0.03</b>   | <b>0.03</b>   | <b>0.31</b>                              | <b>0.30</b>   | <b>0.31</b>   |

## **(22) BREAKDOWN OF STATEMENT OF OPERATIONS ACCOUNTS**

### **(22.1) OPERATING SEGMENTS**

**Notes****(22.1.1) REVENUE FROM EARNED PREMIUM, EXPENSE FOR RETAINED CLAIM AND ACQUISITION COSTS**

The business segments of SulAmérica are identified according to its executive organizational structure, divided into Business Units, separated by nature and particularity of each type of insurance segment, and there is no internal information on assets and liabilities included in internal managerial reports or press releases that share the same disclosure structure. This information is mainly used by the Executive Committee of SulAmérica, its main executives and shareholders to assess the performance of Business Units, manage assets and funds, and compensate personnel, executives and shareholder.

In the first half of 2011 and 2010 and in the second quarter of 2011 and 2010, SulAmérica has a gross margin of contribution (earned premium less retained claim and acquisition costs) for each one of the operating segments, as shown below:

| Six months ended June 30, 2011 |              |                   |            |                                   |             |                    |
|--------------------------------|--------------|-------------------|------------|-----------------------------------|-------------|--------------------|
| Description                    | Group health | Individual health | Automobile | Other property and casualty lines | Individuals | Consolidated Total |
| Insurance Premiums - DPVAT     | 2,196,440    | 738,838           | 1,063,289  | 231,709                           | 230,265     | 4,460,541          |
| Retained Premiums              | 2,196,440    | 738,838           | 1,063,289  | 152,705                           | 221,355     | 4,372,627          |
| Earned Premiums                | 2,186,432    | 736,724           | 1,067,080  | 160,522                           | 124,442     | 4,275,200          |
| Retained Claims                | (1,756,528)  | (638,238)         | (673,358)  | (96,998)                          | (95,571)    | (3,260,693)        |
| Acquisition Costs              | (186,872)    | (11,675)          | (230,902)  | (35,773)                          | (57,090)    | (522,312)          |
| Gross Margin                   | 243,032      | 86,811            | 162,820    | 27,751                            | (28,219)    | 492,195            |
| Quarter ended June 30, 2011    |              |                   |            |                                   |             |                    |
| Description                    | Group health | Individual health | Automobile | Other property and casualty lines | Individuals | Consolidated Total |
| Insurance Premiums - DPVAT     | 1,132,005    | 364,396           | 548,069    | 111,431                           | 119,235     | 2,275,136          |
| Retained Premiums              | 1,132,005    | 364,396           | 548,069    | 78,854                            | 115,222     | 2,238,546          |
| Earned Premiums                | 1,126,188    | 362,558           | 547,082    | 85,252                            | 32,568      | 2,153,648          |
| Retained Claims                | (921,592)    | (323,650)         | (351,128)  | (49,576)                          | (47,267)    | (1,693,213)        |
| Acquisition Costs              | (96,135)     | (6,282)           | (118,280)  | (18,095)                          | (27,762)    | (266,554)          |
| Gross Margin                   | 108,461      | 32,626            | 77,674     | 17,581                            | (42,461)    | 193,881            |
| Six months ended June 30, 2010 |              |                   |            |                                   |             |                    |
| Description                    | Group health | Individual health | Automobile | Other property and casualty lines | Individuals | Consolidated Total |
| Insurance Premiums - DPVAT     | 1,773,250    | 764,389           | 916,471    | 236,481                           | 217,693     | 3,908,284          |
| Retained Premiums              | 1,773,250    | 764,389           | 916,471    | 152,906                           | 209,699     | 3,816,715          |
| Earned Premiums                | 1,764,934    | 764,614           | 858,888    | 159,410                           | 207,127     | 3,754,973          |
| Retained Claims                | (1,421,217)  | (634,790)         | (521,376)  | (95,430)                          | (113,821)   | (2,786,634)        |
| Acquisition Costs              | (148,635)    | (6,154)           | (200,669)  | (32,047)                          | (44,535)    | (432,040)          |
| Gross Margin                   | 195,082      | 123,670           | 136,843    | 31,933                            | 48,771      | 536,299            |
| Quarter ended June 30, 2010    |              |                   |            |                                   |             |                    |
| Description                    | Group health | Individual health | Automobile | Other property and                | Individuals | Consolidated Total |

**Notes**

|                                   |                |                |                | <b>casualty lines</b> |                |                    |
|-----------------------------------|----------------|----------------|----------------|-----------------------|----------------|--------------------|
| <b>Insurance Premiums - DPVAT</b> | <b>920,162</b> | <b>340,993</b> | <b>497,350</b> | <b>101,110</b>        | <b>110,147</b> | <b>1,969,762</b>   |
| <b>Retained Premiums</b>          | <b>920,162</b> | <b>340,993</b> | <b>497,350</b> | <b>64,078</b>         | <b>106,082</b> | <b>1,928,665</b>   |
| <b>Earned Premiums</b>            | <b>912,113</b> | <b>343,658</b> | <b>442,855</b> | <b>80,900</b>         | <b>104,191</b> | <b>1,883,717</b>   |
| Retained Claims                   | (747,500)      | (329,593)      | (256,365)      | (44,208)              | (67,400)       | <b>(1,445,066)</b> |
| Acquisition Costs                 | (76,155)       | (3,176)        | (102,998)      | (16,928)              | (22,791)       | <b>(222,048)</b>   |
| <b>Gross Margin</b>               | <b>88,458</b>  | <b>10,889</b>  | <b>83,492</b>  | <b>19,764</b>         | <b>14,000</b>  | <b>216,603</b>     |

SulAmérica has a single database, source of accounting, managerial and investor information (press release).

SulAmérica operates only at national level, and its product distribution strategy does not give priority to any particular Brazilian state, therefore it does not disclose information per geographical segment.

**(22.1.2) CLAIMS RATIO, COMMISSION RATE AND GROSS MARGIN**

|                              |                     |                          | <b>Six months ended June 30, 2011</b> |  |                    |              |
|------------------------------|---------------------|--------------------------|---------------------------------------|--|--------------------|--------------|
|                              | <b>Group health</b> | <b>Individual health</b> | <b>Automobile</b>                     | <b>Other property and casualty lines</b> | <b>Individuals</b> | <b>Total</b> |
| Claims ratio <b>(a)</b>      | 80.3%               | 86.6%                    | 63.1%                                 | 60.4%                                    | 76.8%              | 76.3%        |
| Acquisition Costs <b>(b)</b> | 8.5%                | 1.6%                     | 21.6%                                 | 22.3%                                    | 45.9%              | 12.2%        |
| Gross Margin <b>(c)</b>      | 11.1%               | 11.8%                    | 15.3%                                 | 17.3%                                    | N/A                | 11.5%        |
|                              |                     |                          |                                       |  |                    |              |
|                              |                     |                          | <b>Quarter ended June 30, 2011</b>    |  |                    |              |
|                              | <b>Group health</b> | <b>Individual health</b> | <b>Automobile</b>                     | <b>Other property and casualty lines</b> | <b>Individuals</b> | <b>Total</b> |
| Claims ratio <b>(a)</b>      | 81.8%               | 89.3%                    | 64.2%                                 | 58.2%                                    | 145.1%             | 78.6%        |
| Acquisition Costs <b>(b)</b> | 8.5%                | 1.7%                     | 21.6%                                 | 21.2%                                    | 85.2%              | 12.4%        |
| Gross Margin <b>(c)</b>      | 9.6%                | 9.0%                     | 14.2%                                 | 20.6%                                    | N/A                | 9.0%         |
|                              |                     |                          |                                       |  |                    |              |
|                              |                     |                          | <b>Six months ended June 30, 2010</b> |  |                    |              |
|                              | <b>Group health</b> | <b>Individual health</b> | <b>Automobile</b>                     | <b>Other property and casualty lines</b> | <b>Individuals</b> | <b>Total</b> |
| Claims ratio <b>(a)</b>      | 80.5%               | 83.0%                    | 60.7%                                 | 59.9%                                    | 55.0%              | 74.2%        |
| Acquisition Costs <b>(b)</b> | 8.4%                | 0.8%                     | 23.4%                                 | 20.1%                                    | 21.5%              | 11.5%        |
| Gross Margin <b>(c)</b>      | 11.1%               | 16.2%                    | 15.9%                                 | 20.0%                                    | 23.5%              | 14.3%        |
|                              |                     |                          |                                       |  |                    |              |
|                              |                     |                          | <b>Quarter ended June 30, 2010</b>    |  |                    |              |
|                              | <b>Group health</b> | <b>Individual health</b> | <b>Automobile</b>                     | <b>Other property and casualty lines</b> | <b>Individuals</b> | <b>Total</b> |
| Claims ratio <b>(a)</b>      | 82.0%               | 95.9%                    | 57.9%                                 | 54.6%                                    | 64.7%              | 76.7%        |
| Acquisition Costs <b>(b)</b> | 8.3%                | 0.9%                     | 23.3%                                 | 20.9%                                    | 21.9%              | 11.8%        |
| Gross Margin <b>(c)</b>      | 9.7%                | 3.2%                     | 18.9%                                 | 24.4%                                    | 13.4%              | 11.5%        |

**(a)** Retained claim divided by earned premium

**(b)** Acquisition costs divided by earned premium

**(c)** Gross margin divided by earned premium

**(22.2) ADMINISTRATIVE EXPENSES**

**Notes**

|                                   | <b>Six months<br/>ended June 30,<br/>2011</b> | <b>Quarter ended<br/>June 30, 2011</b> | <b>Six months<br/>ended June 30,<br/>2010</b> | <b>Company<br/>Quarter ended<br/>June 30, 2010</b> |
|-----------------------------------|---|--|---|--|
| Personal expenses <b>(a), (b)</b> | (4,806)                                       | (4,071)                                | (3,372)                                       | (1,722)  |
| Third-party services              | (1,987)                                       | (684)                                  | (1,285)                                       | (856)  |
| Location and operation            | (603)   | (267)                                  | (297)   | (219)  |
| Legal Publication                 | (729)   | (19)                                   | (557)   | (30)   |
| Recovery of expenses <b>(c)</b>   | 1,530   | 1,530                                  |   | -  |
| Other                             | (287)   | (64)                                   | (144)   | (107)  |
| <b>Total</b>                      | <b>(6,882)</b>                                | <b>(3,575)</b>                         | <b>(5,655)</b>                                | <b>(2,934)</b>                                     |

|                                   | <b>Six months<br/>ended June 30,<br/>2011</b> | <b>Quarter ended<br/>June 30, 2011</b> | <b>Six months<br/>ended June 30,<br/>2010</b> | <b>Consolidated<br/>Quarter ended<br/>June 30, 2010</b> |
|-----------------------------------|---|--|---|---|
| Personal expenses <b>(a), (b)</b> | (191,774)                                     | (90,427)                               | (221,784)                                     | (108,211)   |
| Third-party services              | (113,732)                                     | (63,852)                               | (83,964)                                      | (45,811)  |
| Location and operation            | (96,308)                                      | (49,773)                               | (88,611)                                      | (46,008)  |
| Advertising and publicity         | (17,370)                                      | (11,773)                               | (25,834)                                      | (15,246)  |
| DPVAT's administrative expenses   | (848)   | (416)                                  | (768)   | (350)   |
| Recovery of expenses <b>(c)</b>   | 59,668  | 41,576                                 | 77,284  | 35,271  |
| Other                             | (15,329)                                      | (11,737)                               | (8,860)                                       | (4,098)   |
| <b>Total</b>                      | <b>(375,693)</b>                              | <b>(186,402)</b>                       | <b>(352,537)</b>                              | <b>(184,453)</b>  |

**(a)** As of June 30, 2011 and 2010, Personal expenses include compensation, charges and benefits of management members (See note 16.2)

**(b)** As of June 30, 2011 and 2010, benefits to employees are represented by the following:

|   | <b>Six months<br/>ended June 30,<br/>2011</b> | <b>Quarter ended<br/>June 30, 2011</b> | <b>Six months<br/>ended June 30,<br/>2010</b> | <b>Consolidated<br/>Quarter ended<br/>June 30, 2010</b> |
|---|---|--|---|---|
| Food Voucher and Transportation Voucher | (21,737)                                      | (10,300)                               | (21,624)                                      | (10,480)  |
| Health and Dental insurance             | (9,554)                                       | (5,823)                                | (5,783)                                       | (1,649)   |
| Training Session                        | (659)   | (136)                                  | (1,662)                                       | (790)   |
| Private Pension                         | (1,746)                                       | (780)                                  | (1,884)                                       | (896)   |
| Baby Siter/Daycare Benefit              | (1,022)                                       | (503)                                  | (1,115)                                       | (580)   |
| Other                                   | (569)   | (261)                                  | (374)   | (286)   |
| <b>Total</b>                            | <b>(35,287)</b>                               | <b>(17,803)</b>                        | <b>(32,442)</b>                               | <b>(14,681)</b>   |

**(c)** This line includes the recovery of expenses from the shared use of operational systems and administrative structure of the Company, its subsidiaries, and Brasíleúculos, which is settled monthly.

**(22.3) OTHER OPERATING INCOME – INSURANCE**

|  | <b>Six months<br/>ended June 30,<br/>2011</b> | <b>Quarter ended<br/>June 30, 2011</b> | <b>Six months<br/>ended June 30,<br/>2010</b> | <b>Consolidated<br/>Quarter ended<br/>June 30, 2010</b> |
|--|---|--|---|---|
| Insurance policy cost                  | -   | -                                      | 10,443  | 9,295   |
| Revenue from insurance operations      | 2,580   | 1,603                                  | 3,481   | 3,294   |
| Revenue from services                  | 3,123   | 1,550                                  | 1,974   | 1,974   |
| Other operating income - DPVAT         | 1,014   | 455                                    | 894   | 356   |
| Other income from insurance operations | 1,725   | 1,390                                  | 787   | 1   |
| <b>Total</b>                           | <b>8,442</b>                                  | <b>4,998</b>                           | <b>17,579</b>                                 | <b>14,920</b>   |

**Notes****(22.4) OTHER OPERATING EXPENSES – INSURANCE**

|  | Six months<br>ended June 30,<br>2011 | Quarter ended<br>June 30, 2011 | Six months<br>ended June 30,<br>2010 | Consolidated<br>Quarter ended<br>June 30, 2010 |
|--|--------------------------------------|--------------------------------|--------------------------------------|--|
| Recognition of lawsuits and other insurance operation <b>(a)</b>             | (32,908)                             | (25,041)                       | (62,143)                             | (30,451)                                       |
| Insurance operation expenses   | (31,930)                             | (14,592)                       | (22,219)                             | (10,844)                                       |
| Pro-labore   | (43,084)                             | (21,026)                       | (38,258)                             | (20,296)                                       |
| Technical services   | (13,262)                             | (4,231)                        | (13,395)                             | (6,447)  |
| Change in the recoverable amount of premiums and taxes receivable <b>(b)</b> | (3,339)                              | (2,851)                        | (10,995)                             | 12,125   |
| Collection expenses  | (3,873)                              | (1,760)                        | (3,899)                              | (1,866)  |
| Insurance management fee   | (3,164)                              | (1,793)                        | (2,111)                              | (1,171)  |
| <b>Total</b>   | <b>(131,560)</b>                     | <b>(71,294)</b>                | <b>(153,020)</b>                     | <b>(58,950)</b>                                |

(a) In 2010, an addition to the provision for Brokers INSS was recognized in the amount of R\$ 12 million

(b) Reversal of a portion of the provision for the impairment of premiums charged retroactively from individual health insurance in the amount of R\$6,274.

**(22.5) FINANCIAL INCOME PER CATEGORY**

| Description                                | Six months<br>ended June 30,<br>2011 | Quarter ended<br>June 30, 2011 | Six months<br>ended June 30,<br>2010 | Company<br>Quarter ended<br>June 30, 2010 |
|--|--------------------------------------|--------------------------------|--------------------------------------|---|
|  | Financial results                    | Financial results              | Financial results                    | Financial results                         |
| <b>Marketable Securities</b>               | <b>775</b>                           | <b>(251)</b>                   | <b>5,844</b>                         | <b>(797)</b>                              |
| Fair value through profit or loss          | (4,271)                              | (3,010)                        | 1,495                                | (3,268)                                   |
| Available for sale                         | 5,046                                | 2,759                          | 4,349                                | 2,471                                     |
| <b>Cash flow hedge (loans and swap)</b>    | <b>(23,084)</b>                      | <b>(11,715)</b>                | <b>(20,987)</b>                      | <b>(10,553)</b>                           |
| <b>Interest and Monetary Variations on</b> | <b>42</b>                            | <b>42</b>                      | <b>28</b>                            | <b>15</b>                                 |
| <b>Judicial Deposits</b>                   |                                      |                                |                                      |   |
| <b>Other</b>                               | <b>234</b>                           | <b>80</b>                      | <b>604</b>                           | <b>680</b>                                |
| <b>Total</b>                               | <b>(22,033)</b>                      | <b>(11,844)</b>                | <b>(14,511)</b>                      | <b>(10,655)</b>                           |

| Description  | Six months<br>ended June 30,<br>2011 | Quarter ended<br>June 30, 2011 | Six months<br>ended June 30,<br>2010 | Consolidated<br>Quarter ended<br>June 30, 2010 |
|--|--------------------------------------|--------------------------------|--------------------------------------|--|
|  | Financial results                    | Financial results              | Financial results                    | Financial results                              |
| <b>Marketable Securities</b>   | <b>387,934</b>                       | <b>179,565</b>                 | <b>295,416</b>                       | <b>127,905</b>                                 |
| Fair value through profit or loss  | 118,072                              | 52,073                         | 85,596                               | 21,508   |
| Available for sale   | 164,675                              | 84,884                         | 96,307                               | 51,056   |
| Held to maturity   | 105,187                              | 42,608                         | 113,513                              | 55,341   |
| <b>Cash flow hedge (loans and swap)</b>  | <b>(23,084)</b>                      | <b>(11,715)</b>                | <b>(20,987)</b>                      | <b>(10,553)</b>                                |
| <b>Insurance operations - private pension</b>  | <b>(110,830)</b>                     | <b>(45,081)</b>                | <b>(88,048)</b>                      | <b>(30,372)</b>                                |
| <b>Insurance operations - others</b>   | <b>20,976</b>                        | <b>12,393</b>                  | <b>26,296</b>                        | <b>19,287</b>                                  |
| <b>Monetary variation and interest reserve for claims and claims adjustment expenses, taxes and contributions liabilities and accrued liabilities for Lawsuits</b> | <b>(4,953)</b>                       | <b>541</b>                     | <b>(27,287)</b>                      | <b>(16,038)</b>                                |
| <b>Arreas interest</b>   | <b>(2,018)</b>                       | <b>(2,018)</b>                 | <b>(2,688)</b>                       | <b>(2,688)</b>                                 |
| <b>Other</b>   | <b>33,078</b>                        | <b>13,930</b>                  | <b>38,070</b>                        | <b>15,689</b>                                  |
| <b>Total</b>   | <b>301,103</b>                       | <b>147,615</b>                 | <b>220,772</b>                       | <b>103,230</b>                                 |

**Notes**

The total financial result posted an increase of 41.9% in the second quarter of 2011 in relation to the same quarter of 2010, and of 36.5% in the first half of 2011 in relation to the same half of 2010, which is explained by the increase in the average investment balance, mainly caused by the better results of SulAmérica, the strategy for allocation of fixed-income securities and the inflationary acceleration.

**(22.6) PROFIT FROM SALE OF REAL ESTATE**

The sale of a real estate in São Paulo in 2010 gave rise to a significant result that was worth noting in the first half of 2010.

**(22.7) RECONCILIATION OF INCOME TAX AND SOCIAL CONTRIBUTION**

Income tax and social contribution, calculated based on statutory rates, are reconciled with the amounts recorded in the statements of income, as follows:

|  | Six months ended June 30, 2011 |                     |                | Company Quarter ended June 30, 2011 |                |                     | Six months ended June 30, 2010 |                     |                | Company Quarter ended June 30, 2010 |                |                     |
|--|--------------------------------|---------------------|----------------|-------------------------------------|----------------|---------------------|--------------------------------|---------------------|----------------|-------------------------------------|----------------|---------------------|
|  | Income tax                     | Social contribution | Income tax     | Social contribution                 | Income tax     | Social contribution | Income tax                     | Social contribution | Income tax     | Social contribution                 | Income tax     | Social contribution |
| <b>Income before provision for income tax/ social contribution and profit sharing</b>                    | <b>129,535</b>                 | <b>129,535</b>      | <b>27,591</b>  | <b>27,591</b>                       | <b>201,140</b> | <b>201,140</b>      | <b>91,453</b>                  | <b>91,453</b>       | <b>91,453</b>  | <b>91,453</b>                       | <b>91,453</b>  | <b>91,453</b>       |
| Income tax and social contribution expenses at statutory rates   | (32,384)                       | (11,658)            | (6,898)        | (2,483)                             | (50,285)       | (18,103)            | (22,863)                       | (8,231)             | (8,231)        | (8,231)                             | (8,231)        | (8,231)             |
| <b>Additions:</b>  |                                |                     |                |                                     |                |                     |                                |                     |                |                                     |                |                     |
| Equity in subsidiaries and associated companies  | -                              | -                   | -              | -                                   | (939)          | (338)               | (939)                          | (338)               | (939)          | (338)                               | (939)          | (338)               |
| Non-deductible expenses  | (3,393)                        | (1,222)             | (1,558)        | (561)                               | (9,373)        | (3,374)             | (3,947)                        | (1,420)             | (3,947)        | (1,420)                             | (3,947)        | (1,420)             |
| Other additions  | (891)                          | (321)               | (872)          | (314)                               | (677)          | (207)               | (285)                          | (105)               | (285)          | (105)                               | (285)          | (105)               |
| <b>Deductions:</b>   |                                |                     |                |                                     |                |                     |                                |                     |                |                                     |                |                     |
| Equity in subsidiaries and associated companies  | 39,612                         | 14,261              | 10,757         | 3,873                               | 56,292         | 20,266              | 27,186                         | 9,788               | 20,266         | 27,186                              | 27,186         | 9,788               |
| Reversal allowance for doubtful account  | -                              | -                   | -              | -                                   | 7,787          | 2,803               | 3,097                          | 1,115               | 2,803          | 3,097                               | 3,097          | 1,115               |
| Other deductions   | -                              | -                   | -              | -                                   | 2              | 1                   | 2                              | 1                   | 1              | 2                                   | 2              | 1                   |
| <b>Recognition of tax loss carryforwards and social contribution tax loss carryforwards</b>              | <b>(2,963)</b>                 | <b>(1,067)</b>      | <b>(1,448)</b> | <b>(522)</b>                        | <b>(2,908)</b> | <b>(1,047)</b>      | <b>(2,251)</b>                 | <b>(810)</b>        | <b>(1,047)</b> | <b>(2,251)</b>                      | <b>(2,251)</b> | <b>(810)</b>        |
| <b>Current income tax and social contribution (expenses) / revenues</b>                                  | <b>(19)</b>                    | <b>(7)</b>          | <b>(19)</b>    | <b>(7)</b>                          | <b>(101)</b>   | <b>1</b>            | <b>-</b>                       | <b>-</b>            | <b>1</b>       | <b>-</b>                            | <b>-</b>       | <b>-</b>            |
| <b>Deferred Taxes</b>  |                                |                     |                |                                     |                |                     |                                |                     |                |                                     |                |                     |
| Deferred Taxes - Tax and social contribution tax loss carryforwards                                      | 2,963                          | 1,067               | 1,448          | 522                                 | -              | -                   | (963)                          | (347)               | -              | (963)                               | (963)          | (347)               |
| <b>Recognition - Deferred taxes on temporary differences</b>   | <b>3,396</b>                   | <b>1,223</b>        | <b>1,555</b>   | <b>560</b>                          | <b>-</b>       | <b>-</b>            | <b>(907)</b>                   | <b>(326)</b>        | <b>-</b>       | <b>(907)</b>                        | <b>(907)</b>   | <b>(326)</b>        |
| <b>Recognition - allowance for tax loss carryforwards and social contribution tax loss carryforwards</b> | <b>(2,963)</b>                 | <b>(1,067)</b>      | <b>(1,448)</b> | <b>(522)</b>                        | <b>-</b>       | <b>-</b>            | <b>963</b>                     | <b>347</b>          | <b>-</b>       | <b>963</b>                          | <b>963</b>     | <b>347</b>          |
| <b>Income tax and social contribution (expenses) / revenues recorded in the statements of income</b>     | <b>(3,396)</b>                 | <b>(1,223)</b>      | <b>(1,555)</b> | <b>(560)</b>                        | <b>-</b>       | <b>-</b>            | <b>907</b>                     | <b>326</b>          | <b>(19)</b>    | <b>(7)</b>                          | <b>-</b>       | <b>-</b>            |



**Notes**

|   | Six months ended June 30, 2011 |                     |            | Consolidated Quarter ended June 30, 2011 |            | Six months ended June 30, 2010 |            | Consolidated Quarter ended June 30, 2010 |
|---|--------------------------------|---------------------|------------|--|------------|--------------------------------|------------|--|
|   | Income tax                     | Social contribution | Income tax | Social contribution                      | Income tax | Social contribution            | Income tax | Social contribution                      |
| Income before provision for income tax/ social contribution and profit sharing                | 252,112                        | 252,112             | 68,096     | 68,096                                   | 321,646    | 321,646                        | 162,920    | 162,920                                  |
| Income tax and social contribution expenses at statutory rates                                | (63,027)                       | (36,748)            | (17,025)   | (9,760)                                  | (80,412)   | (44,431)                       | (40,731)   | (21,551)                                 |
| Additions:  |                                |                     |            |  |            |                                |            |  |
| Accrued liabilities for contingencies and taxes and contributions liabilities                 | (9,387)                        | (5,198)             | (3,659)    | (1,682)                                  | (14,267)   | (8,548)                        | (6,876)    | (4,121)                                  |
| Allowance for doubtful account  | (655)                          | (425)               | (599)      | (376)                                    | (2,862)    | (1,700)                        | 3,229      | 1,944                                    |
| Non-deductible expenses   | (9,647)                        | (4,738)             | 3,384      | 2,503                                    | (13,968)   | (5,708)                        | (13,968)   | (5,708)                                  |
| Profit sharing  | -                              | -                   | -          | -  | (4,545)    | (2,571)                        | (4,545)    | (2,571)                                  |
| Adoption of CPCs adjustments  |                                |                     | -          | -  |            |                                | 1,044      | 368                                      |
| Other additions   | (1,582)                        | (3,367)             | (1,542)    | (3,343)                                  | (914)      | 1,528                          | (914)      | 1,528                                    |
| Deductions:   |                                |                     |            |  |            |                                |            |  |
| Reversal of accrued liabilities for contingencies and taxes and contributions liabilities     | 18                             | 12                  | 18         | 12                                       | 4,224      | 2,517                          | 4,224      | 2,517                                    |
| Reversal of allowance for doubtful account  | -                              | -                   | -          | -  | 23         | 14                             | 23         | 14                                       |
| Reversal of non-deductible provisions   | -                              | -                   | -          | -  | 427        | 355                            | 74         | 144                                      |
| Judicial deposits   | 10,575                         | 6,345               | 6,280      | 3,768                                    | 2,697      | 1,618                          | 1,158      | 694                                      |
| monetary variation  | -                              | -                   | -          | -  | 13,662     | 6,328                          | 12,955     | 5,490                                    |
| Reversal of non-deductible expenses   |                                |                     |            |  |            |                                |            |  |
| Profit sharing charges  | 2,998                          | 1,771               | 2,114      | 1,218                                    | 4,200      | 2,363                          | 4,153      | 2,308                                    |
| Other deductions  | 5,671                          | 3,458               | 1,013      | 2,817                                    | 9,652      | 5,131                          | 3,001      | 2,347                                    |
| Recognition of tax loss carryforwards and social contribution tax loss carryforwards          | (15,175)                       | (8,565)             |            |  | (2,908)    | (1,047)                        |            |  |
| Compensation of tax loss carryforwards and social contribution tax loss carryforwards         | 3,830                          | 4,790               | 3,541      | 1,234                                    | 20,749     | 10,702                         | 11,301     | 6,912                                    |
| Fiscal incentive reduction  | 2,079                          |                     | 2,079      | -  | -          | -                              | -          | -  |
| Current income tax and social contribution (expenses) / revenues                              | (74,302)                       | (42,665)            | (19,571)   | (12,174)                                 | (64,242)   | (33,449)                       | (28,780)   | (10,732)                                 |
| Deferred Taxes  |                                |                     | -          | -  |            |                                | -          | -  |
| Recognition (Reversal) of deferred taxes - Tax and social contribution tax loss carryforwards | 11,295                         | 3,726               | 11,630     | 7,508                                    | (18,821)   | (8,933)                        | (9,337)    | (6,119)                                  |
| Recognition - Deferred taxes on temporary differences   | 20,149                         | 12,013              | 1,925      | 2,116                                    | 2,219      | 1,044                          | (2,897)    | (2,023)                                  |
| Tax debit on monetary variation in judicial deposits  | (13,593)                       | (8,806)             | (10,151)   | (6,719)                                  | (3,013)    | (1,808)                        | (1,604)    | (1,031)                                  |
| (Recognition) of allowance for doubtful accounts  | (6,173)                        | (1,984)             | (1,789)    | (762)                                    | 10,059     | 13,615                         | -          | -  |
| Income tax and social contribution  | (62,624)                       | (37,716)            | (17,956)   | (10,031)                                 | (73,798)   | (29,531)                       | (42,618)   | (19,905)                                 |

**Notes**

(expenses) / revenues  
recorded in the  
statements of income

**(23) EMPLOYEE AND POST-EMPLOYMENT BENEFITS**

There was no change in employee and post-employment benefits in relation to the separate and consolidated financial statements presented as of December 31, 2010.

|   | Single-life annuity            |                                    | Indemnity to executives program |                                    | Total                          |                                    |
|---|--------------------------------|------------------------------------|---------------------------------|------------------------------------|--------------------------------|------------------------------------|
|   | Six months ended June 30, 2011 | Six months ended December 31, 2010 | Six months ended June 30, 2011  | Six months ended December 31, 2010 | Six months ended June 30, 2011 | Six months ended December 31, 2010 |
| <b>Financial Results - semester</b>                 |                                |                                    |                                 |                                    |                                |                                    |
| <b>Actuarial liabilities at beginning of period</b> | <b>4,558</b>                   | <b>5,073</b>                       | <b>3,425</b>                    | <b>6,404</b>                       | <b>7,983</b>                   | <b>11,477</b>                      |
| Provisions  | 849                            | 970                                | 260                             | 4,132                              | 1,109                          | 5,102                              |
| Payments  | (3,107)                        | (1,485)                            | (4)                             | (7,111)                            | (3,111)                        | (8,596)                            |
| <b>Actuarial liabilities at end of period</b>       | <b>2,300</b>                   | <b>4,558</b>                       | <b>3,681</b>                    | <b>3,425</b>                       | <b>5,981</b>                   | <b>7,983</b>                       |

**(24) OTHER INFORMATION****(24.1) INSURANCE**

It is the subsidiaries' policy to maintain insurance coverage for property and equipment items subject to risks and at amounts considered sufficient to cover possible losses, considering the nature of their activities.

| Items             | Insurance coverage                                      | Coverage amount |                   |
|-------------------|---|-----------------|-------------------|
|                   |   | June 30, 2011   | December 31, 2010 |
| <b>Properties</b> | Material damages to properties, machinery and equipment | 323,942         | 360,295           |
| <b>Vehicles</b>   | Fire, robbery and collision                             | 59              | 59                |
| <b>Total</b>      |   | <b>324,001</b>  | <b>360,354</b>    |

The risk assumptions that were used are not included in the scope of an audit of ITR. Accordingly, they were not examined by our independent auditors.

**(24.2) RECONCILIATION BETWEEN THE NET INCOME AND THE NET CASH FROM (USED IN) OPERATING ACTIVITIES**

**CONCILIATION BETWEEN NET INCOME AND NET CASH FROM (USED IN) OPERATING ACTIVITIES  
FOR SIX-MONTH PERIODS ENDED JUNE 30, 2011 AND 2010  
(IN THOUSAND OF BRAZILIANS REAIS - R\$)**

| Description  | Company        |                | Consolidated   |                |
|--|----------------|----------------|----------------|----------------|
|  | 30.06.2011     | 30.06.2010     | 30.06.2011     | 30.06.2010     |
| <b>NET INCOME FOR THE FIRST HALF</b>   | <b>129,509</b> | <b>201,040</b> | <b>129,509</b> | <b>201,040</b> |
| <b>ADDITIONS</b>   |                |                |                |                |
| Minority interest  | -              | -              | -              | (1,542)        |
| Depreciation and Amortization  | 426            | -              | 21,900         | 18,534         |
| Interest and Monetary Variations on Loans and swaps  | 21,600         | 16,225         | 21,601         | 19,167         |
| Interest and Monetary Variations on Provisions for Contingencies and Taxes and contributions liabilities | -              | 15             | 3,671          | 9,803          |
| Share-based payment (stock options)  | (7,436)        | -              | 1,379          | -              |
| Other  | 55             | 1,095          | 5,651          | 3,420          |
| <b>DEDUCTIONS</b>  |                |                |                |                |

Quarterly Information - ITR - 06/30/2011 - SUL AMERICA S/A

**Notes**

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| Equity Gains in Subsidiaries   | (158,447)      | (221,511)      | -              | -              |
| Interest and Monetary Variations on Judicial Deposits                            | (42)           | (15)           | (43,566)       | (12,506)       |
| Other  | (568)          | -              | (1,435)        | (2,076)        |
| <b>OPERATING ACTIVITIES</b>  |                |                |                |                |
| Change in marketable securities  | 10,458         | 214,301        | (71,105)       | (147,070)      |
| Change in receivables from insurance, reinsurance and private pension operations | -              | -              | (98,342)       | 5,970          |
| Change in accounts receivable  | 391            | (6,120)        | (2,574)        | (5,481)        |
| Change in assets held for sale   | -              | -              | -              | (64,106)       |
| Dividends and interest on shareholders' equity in subsidiaries                   | 306,125        | 85,478         | -              | 4,349          |
| Change in prepaid expenses   | 130            | (2,101)        | -              | -              |
| Change in accounts payable and other   | 8,361          | (3,957)        | 630,819        | 283,412        |
| Change in loans and financing  | (9,337)        | (7,442)        | (9,336)        | (10,384)       |
| Change in third-party deposits   | -              | -              | (5,197)        | 7,622          |
| Change in other lawsuits   | -              | -              | (46,942)       | 7,348          |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>  | <b>301,225</b> | <b>277,008</b> | <b>536,033</b> | <b>317,500</b> |

**OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY****(1) OTHER INFORMATIONS**

As Sul América S.A. is a holding that invests in companies that mainly operate insurance and private pension businesses, it adjusted its consolidated quarterly information for improved disclosure. As the presentation of the financial statements made available by the Brazilian Securities Commission (CVM)/Quarterly Information (ITR) System for holding companies diverges from the publication format required from companies that operate insurance and private pension, we present above a comparison and the consolidated balance sheet and the consolidated statements of income for the June 30, 2011.

**(1.1) Comparison Between the Publication Format Required from Companies that Operate Insurance and Private Pension and CVM/ITR Publication Models**

| <b>Assets</b>     |                      |   |                         |                          |
|-------------------|----------------------|---|-------------------------|--------------------------|
|                   | <b>Current asset</b> |   | <b>June 30, 2011</b>    | <b>December 31, 2010</b> |
| <b>1.01.03</b>    | <b>Empresas Net</b>  | <b>Accounts receivable</b>                              | <b><u>1,584,040</u></b> | <b><u>1,486,035</u></b>  |
|                   |                      | Receivables from insurance and reinsurance operations   | 909,026                 | 929,869                  |
|                   |                      | Receivables from private pension operations             | 11,356                  | 5,113                    |
|                   |                      | Accounts receivables                                    | 152,801                 | 164,660                  |
|                   |                      | Other   | 149,931                 | 113,970                  |
|                   |                      | Reinsurance Assets - Technical Reserves                 | 360,926                 | 272,423                  |
| <b>1.01.06</b>    | <b>Empresas Net</b>  | <b>Current Tax Recoverable</b>                          | <b><u>72,068</u></b>    | <b><u>88,759</u></b>     |
|                   |                      | Tax Credit and Private Pension                          | 72,068                  | 88,759                   |
| <b>1.01.08</b>    | <b>Empresas Net</b>  | <b>Other Current Assets</b>                             | <b><u>420,310</u></b>   | <b><u>391,884</u></b>    |
|                   |                      | Other   | <b><u>70,853</u></b>    | <b><u>46,703</u></b>     |
|                   |                      | Deferred Acquisition Costs                              | <b><u>349,457</u></b>   | <b><u>345,181</u></b>    |
|                   |                      | <b>Non-current asset</b>                                |                         |                          |
|                   |                      | <b>Long-term asset</b>                                  |                         |                          |
| <b>1.02.01.01</b> | <b>Empresas Net</b>  | <b>Marketable securities measured at fair value</b>     | <b><u>10,665</u></b>    | <b><u>11,883</u></b>     |
| <b>1.02.01.02</b> | <b>Empresas Net</b>  | <b>Marketable securities measured at amortized cost</b> | <b><u>1,262,883</u></b> | <b><u>1,219,682</u></b>  |
|                   |                      | Marketable securities                                   | 1,273,548               | 1,231,565                |
| <b>1.02.01.03</b> | <b>Empresas Net</b>  | <b>Accounts receivable</b>                              | <b><u>1,653,811</u></b> | <b><u>1,594,101</u></b>  |
|                   |                      | Receivables from insurance and reinsurance operations   | 10,478                  | 20,902                   |
|                   |                      | Judicial deposits and tax                               | 1,594,304               | 1,519,812                |
|                   |                      | Other   | 49,029                  | 53,387                   |
| <b>1.02.01.06</b> | <b>Empresas Net</b>  | <b>Deferred taxes</b>                                   | <b><u>634,779</u></b>   | <b><u>593,082</u></b>    |
|                   |                      | Tax Credit and Private Pension                          | 634,779                 | 593,082                  |

(Convenience translation into English from the original previously issued in Portuguese)

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**OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY**

|                   |                     |   |                       |                       |
|-------------------|---------------------|---|-----------------------|-----------------------|
| <b>1.02.01.09</b> | <b>Empresas Net</b> | <b>Other Non-Current Assets</b>         | <b><u>342,373</u></b> | <b><u>334,829</u></b> |
|                   |                     | Other                                   | 1,092                 | 1,092                 |
|                   |                     | Deferred Acquisition Costs              | 150,318               | 152,065               |
|                   |                     | Reinsurance Assets - Technical Reserves | 190,963               | 181,672               |

**Liabilities**

|                |                     | <b>Current Liabilities</b>   | <b>June 30, 2011</b>    | <b>December 31, 2010</b> |
|----------------|---------------------|--|-------------------------|--------------------------|
| <b>2.01.01</b> | <b>Empresas Net</b> | Social Obligations and Labor Labor charges   | <b><u>39,390</u></b>    | <b><u>31,006</u></b>     |
|                |                     |  | 39,390                  | 31,006                   |
| <b>2.01.03</b> | <b>Empresas Net</b> | Fiscal obligation Taxes and other social charges payable Taxes and contributions payable | <b><u>143,553</u></b>   | <b><u>170,487</u></b>    |
|                |                     |  | 84,053                  | 80,983                   |
|                |                     |  | 59,500                  | 89,504                   |
| <b>2.01.05</b> | <b>Empresas Net</b> | <b>Other</b>   | <b><u>213,554</u></b>   | <b><u>438,499</u></b>    |
|                |                     | Accounts payable (a) (b)   | 59,583                  | 269,665                  |
|                |                     | Other accounts payable   | 111,975                 | 93,640                   |
|                |                     | Other  | 41,996                  | 75,194                   |
| <b>2.01.06</b> | <b>Empresas Net</b> | <b>Provisions</b>  | <b><u>4,456,722</u></b> | <b><u>4,117,107</u></b>  |
|                |                     | Accounts from insurance and reinsurance operations                                       | 328,159                 | 326,312                  |
|                |                     | Accounts from private pension  | 2,658                   | 2,425                    |
|                |                     | Third-party liabilities  | 49,121                  | 54,318                   |
|                |                     | Technical Reserves - Insurance   | 3,497,025               | 3,186,183                |
|                |                     | Technical Reserves -Private Pension  | 522,246                 | 501,247                  |
|                |                     | Labor contingencies  | 5,166                   | 6,953                    |
|                |                     | Civil contingencies  | 52,347                  | 39,669                   |
|                |                     | <b>Non-current Liabilities</b>   |                         |                          |
| <b>2.02.02</b> | <b>Empresas Net</b> | <b>Other</b>   | <b><u>921,009</u></b>   | <b><u>869,119</u></b>    |
|                |                     | Accounts payable   | 863,587                 | 808,413                  |
|                |                     | Other accounts payable   | 55,872                  | 59,137                   |
|                |                     | Other  | 1,550                   | 1,569                    |
| <b>2.02.04</b> | <b>Empresas Net</b> | <b>Provisions</b>  | <b><u>3,544,816</u></b> | <b><u>3,279,483</u></b>  |
|                |                     | Accounts from insurance and reinsurance operations                                       | 7,939                   | 13,284                   |
|                |                     | Technical Reserves - Insurance   | 1,192,761               | 1,038,780                |
|                |                     | Technical Reserves -Private Pension  | 1,893,296               | 1,758,256                |
|                |                     | Other  | 450,820                 | 469,163                  |

**Income Statement**

|                |                     |                   | <b>June 30, 2011</b>      | <b>June 30, 2010</b>      |
|----------------|---------------------|-------------------|---------------------------|---------------------------|
| <b>3.01</b>    | <b>Empresas Net</b> |                   | <b><u>4,275,200</u></b>   | <b><u>3,754,973</u></b>   |
|                |                     | Earned Premiums   | 4,275,200                 | 3,754,973                 |
| <b>3.02</b>    | <b>Empresas Net</b> |                   | <b><u>(3,260,693)</u></b> | <b><u>(2,786,634)</u></b> |
|                |                     | Retained Claims   | (3,251,153)               | (2,774,176)               |
|                |                     | Benefits Expenses | (9,540)                   | (12,458)                  |
| <b>3.04.01</b> | <b>Empresas Net</b> |                   | <b><u>(522,312)</u></b>   | <b><u>(432,040)</u></b>   |
|                |                     | Acquisition Costs | (522,312)                 | (432,040)                 |

(Convenience translation into English from the original previously issued in Portuguese)

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#### OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY

|                |                     |   |                         |                         |
|----------------|---------------------|---|-------------------------|-------------------------|
| <b>3.04.02</b> | <b>Empresas Net</b> | <b>Administrative Expenses</b>                      | <b><u>(456,681)</u></b> | <b><u>(411,648)</u></b> |
|                |                     | Administrative Expenses                             | (375,693)               | (352,537)               |
|                |                     | Profit sharing                                      | (22,263)                | (17,565)                |
|                |                     | Tax Expenses  | (80,988)                | (59,111)                |
| <b>3.04.04</b> | <b>Empresas Net</b> | <b>Other Operation Revenue</b>                      | <b><u>72,152</u></b>    | <b><u>139,956</u></b>   |
|                |                     | Other Operation Revenue - Insurance                 | 8,442                   | 17,579                  |
|                |                     | Premiums and Income from Retained Contributions     | 216,719                 | 140,662                 |
|                |                     | Changes in Technical Reserves - Private Pension     | (199,594)               | (131,240)               |
|                |                     | Asset Management Fee                                | 14,087                  | 11,745                  |
|                |                     | Net Operating Income from Aso Business              | 14,389                  | 15,308                  |
|                |                     | Net Operating Income from Asset Management Business | 12,027                  | 10,542                  |
|                |                     | Other private pension operating income              | 31                      | -                       |
|                |                     | Income from property for rent                       | 302                     | (109)                   |
|                |                     | Other equity income/ expenses                       | 474                     | 1,975                   |
|                |                     | Impairment  | 184                     | -                       |
|                |                     | Profit from sale of permanent assets                | 5,091                   | 73,494                  |
| <b>3.04.05</b> | <b>Empresas Net</b> | <b>Other Operation Expenses</b>                     | <b><u>(156,473)</u></b> | <b><u>(163,733)</u></b> |
|                |                     | Other Operation Expenses - Insurance                | (131,560)               | (153,020)               |
|                |                     | Benefits Expenses - Private Pension                 | (17,213)                | (3,673)                 |
|                |                     | Acquisition Costs - Private Pension                 | (7,481)                 | (5,304)                 |
|                |                     | Other private pension operating income expenses     | (163)                   | (302)                   |
|                |                     | Other private pension operating income              | (31)                    | -                       |
|                |                     | Adjustments to investments in subsidiaries          | (25)                    | (1,434)                 |

(a) For presentation format Empresas Net heading "mandatory minimum dividend to be paid" was reclassified under the heading "accounts payable".

(b) For presentation format Empresas Net under the heading "Other Debts with Related Parties" was reclassified the balance of the "Commitments Securities payable" under the heading "accounts payable".

#### (1.2) BALANCE SHEET AND INCOME STATEMENT REQUIRED FROM COMPANIES THAT OPERATE INSURANCE AND PRIVATE PENSION

##### SUL AMÉRICA S.A. AND SUBSIDIARIES CONDENSED BALANCE SHEETS AS OF JUNE 30, 2011 AND DECEMBER 31, 2010 (IN THOUSANDS OF BRAZILIAN REAIS - R\$)

|  | <b>June 30, 2011</b> | <b>Consolidated<br/>December 31,<br/>2010</b> |
|--|----------------------|---|
| <b>ASSETS</b>  |                      |   |
| <b>CURRENT ASSETS</b>  | <b>8,554,592</b>     | <b>8,318,187</b>                              |
| <b>CASH AND CASH EQUIVALENTS</b>                             | <b>540,970</b>       | <b>593,478</b>                                |
| Cash and Banks   | 46,263               | 21,704  |
| Cash Equivalents   | 494,707              | 571,774                                       |
| <b>MARKETABLE SECURITIES</b>                                 | <b>5,913,527</b>     | <b>5,735,907</b>                              |
| Fixed income securities                                      | 3,121,693            | 5,319,509                                     |
| Equity securities  | 693                  | 255,803                                       |
| Equity funds quotas  | 2,808,364            | 160,524                                       |
| Other  | 1,723                | 1,444   |
| (-) Provision for losses                                     | (18,946)             | (1,373)                                       |
| <b>RECEIVABLES FROM INSURANCE AND REINSURANCE OPERATIONS</b> | <b>909,026</b>       | <b>929,869</b>                                |

(Convenience translation into English from the original previously issued in Portuguese)

Quarterly Information - ITR - 06/30/2011 - SUL AMERICA S/A

**OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY**

|  |                   |                   |
|--|-------------------|-------------------|
| Premiums receivable  | 734,268           | 737,029           |
| Insurance companies  | 38,345            | 37,093            |
| Reinsurance companies  | 28,937            | 102,126           |
| Other  | 107,476           | 53,621            |
| <b>RECEIVABLES FROM PRIVATE PENSION OPERATIONS</b>           | <b>11,356</b>     | <b>5,113</b>      |
| Receivables  | 11,352            | 5,098             |
| Reinsurance credits  | 4                 | 15                |
| <b>REINSURANCE ASSETS - TECHNICAL RESERVES</b>               | <b>360,926</b>    | <b>272,423</b>    |
| <b>ACCOUNTS RECEIVABLE</b>                                   | <b>374,800</b>    | <b>367,389</b>    |
| Accounts receivable  | 152,801           | 164,660           |
| Recoverable taxes and contributions                          | 72,068            | 88,759            |
| Other  | 149,931           | 113,970           |
| <b>OTHER ASSETS</b>  | <b>70,853</b>     | <b>46,703</b>     |
| <b>PREPAID EXPENSES</b>                                      | <b>23,677</b>     | <b>22,124</b>     |
| <b>DEFERRED ACQUISITION COSTS</b>                            | <b>349,457</b>    | <b>345,181</b>    |
| Insurance  | 344,396           | 340,491           |
| Private Pension  | 5,061             | 4,690             |
| <b>NON-CURRENT ASSETS</b>                                    | <b>4,099,030</b>  | <b>3,924,528</b>  |
| <b>LONG-TERM ASSETS</b>                                      | <b>3,918,859</b>  | <b>3,761,422</b>  |
| <b>MARKETABLE SECURITIES</b>                                 | <b>1,273,548</b>  | <b>1,231,565</b>  |
| Fixed income securities                                      | 796,272           | 1,216,495         |
| Equity securities  | 120               | 120               |
| Equity funds quotas  | 471,259           | 9,159             |
| Other  | 31,571            | 31,421            |
| (-) Provision for losses                                     | (25,674)          | (25,630)          |
| <b>RECEIVABLES FROM INSURANCE AND REINSURANCE OPERATIONS</b> | <b>10,478</b>     | <b>20,902</b>     |
| Premiums receivable  | 10,341            | 20,627            |
| Insurance companies  | 137               | 275               |
| <b>REINSURANCE ASSETS - TECHNICAL RESERVES</b>               | <b>190,963</b>    | <b>181,672</b>    |
| <b>ACCOUNTS RECEIVABLE</b>                                   | <b>2,278,112</b>  | <b>2,166,281</b>  |
| Recoverable taxes and contributions                          | 634,779           | 593,082           |
| Judicial deposits  | 1,594,304         | 1,519,812         |
| Other  | 49,029            | 53,387            |
| <b>OTHER ASSETS</b>  | <b>1,092</b>      | <b>1,092</b>      |
| <b>PREPAID EXPENSES</b>                                      | <b>14,348</b>     | <b>7,845</b>      |
| <b>DEFERRED ACQUISITION COSTS</b>                            | <b>150,318</b>    | <b>152,065</b>    |
| Insurance  | 147,459           | 149,194           |
| Private Pension  | 2,859             | 2,871             |
| <b>INVESTMENTS</b>   | <b>4,095</b>      | <b>4,825</b>      |
| Equity in associated companies                               | -                 | -                 |
| Goodwill   | -                 | -                 |
| Property for rent  | 3,488             | 4,666             |
| Other investments  | 607               | 159               |
| <b>PROPERTY AND EQUIPMENT</b>                                | <b>51,977</b>     | <b>58,168</b>     |
| Land and building  | 96                | 101               |
| Furniture, fixtures and equipment                            | 23,823            | 26,842            |
| Other  | 28,058            | 31,225            |
| <b>INTANGIBLE ASSETS</b>                                     | <b>124,099</b>    | <b>100,113</b>    |
| Goodwill   | 46,779            | 16,479            |
| Software   | 77,320            | 83,634            |
| <b>TOTAL ASSETS</b>  | <b>12,653,622</b> | <b>12,242,715</b> |

**SUL AMÉRICA S.A. AND SUBSIDIARIES**

**CONDENSED BALANCE SHEETS**

**AS OF JUNE 30, 2011 AND DECEMBER 31, 2010**

**(IN THOUSANDS OF BRAZILIAN REAIS - R\$)**

(Convenience translation into English from the original previously issued in Portuguese)

Quarterly Information - ITR - 06/30/2011 - SUL AMERICA S/A

**OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY**

|   |                      | <b>Consolidated</b>      |
|---|----------------------|--------------------------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       | <b>June 30, 2011</b> | <b>December 31, 2010</b> |
| <b>CURRENT LIABILITIES</b>                        | <b>5,188,947</b>     | <b>4,762,690</b>         |
| <b>ACCOUNTS PAYABLE</b>                           | <b>690,229</b>       | <b>570,389</b>           |
| Accounts payable                                  | 59,583               | 269,665                  |
| Taxes and other social charges payable            | 84,053               | 80,983                   |
| Labor liabilities                                 | 39,390               | 31,006                   |
| Loans and financing                               | 335,728              | 5,591                    |
| Taxes and contributions payable                   | 59,500               | 89,504                   |
| Other   | 111,975              | 93,640                   |
| <b>INSURANCE AND REINSURANCE</b>                  | <b>328,159</b>       | <b>326,312</b>           |
| Refundable premiums                               | 7,508                | 5,591                    |
| Insurance companies                               | 27,326               | 23,515                   |
| Reinsurance companies                             | 92,401               | 134,301                  |
| Commissions on insurance premiums                 | 112,564              | 105,130                  |
| Other   | 88,360               | 57,775                   |
| <b>PRIVATE PENSION</b>                            | <b>2,658</b>         | <b>2,425</b>             |
| <b>THIRD-PARTY DEPOSITS</b>                       | <b>49,121</b>        | <b>54,318</b>            |
| <b>TECHNICAL RESERVES - INSURANCE</b>             | <b>3,497,025</b>     | <b>3,186,183</b>         |
| <b>TECHNICAL RESERVES - PRIVATE PENSION</b>       | <b>522,246</b>       | <b>501,247</b>           |
| <b>OTHER LAWSUITS</b>                             | <b>99,509</b>        | <b>121,816</b>           |
| Labor contingencies                               | 5,166                | 6,953                    |
| Civil contingencies                               | 52,347               | 39,669                   |
| Other debts                                       | 41,996               | 75,194                   |
| <b>NON-CURRENT LIABILITIES</b>                    | <b>4,607,895</b>     | <b>4,588,168</b>         |
| <b>LONG-TERM LIABILITIES</b>                      |                      |                          |
| <b>ACCOUNTS PAYABLE</b>                           | <b>1,061,529</b>     | <b>1,307,116</b>         |
| Accounts payable                                  | 863,587              | 808,413                  |
| Deferred taxes                                    | 142,070              | 124,185                  |
| Loans and financing                               | -                    | 315,381                  |
| Other   | 55,872               | 59,137                   |
| <b>INSURANCE AND REINSURANCE</b>                  | <b>7,939</b>         | <b>13,284</b>            |
| Insurance   | 5,350                | 10,699                   |
| Refundable premiums                               | 2,579                | 2,579                    |
| Commissions on insurance premiums                 | 10                   | 6                        |
| <b>TECHNICAL RESERVES - INSURANCE</b>             | <b>1,192,761</b>     | <b>1,038,780</b>         |
| <b>TECHNICAL RESERVES - PRIVATE PENSION</b>       | <b>1,893,296</b>     | <b>1,758,256</b>         |
| <b>OTHER LAWSUITS</b>                             | <b>450,820</b>       | <b>469,163</b>           |
| <b>OTHER DEBTS</b>                                | <b>1,550</b>         | <b>1,569</b>             |
| <b>SHAREHOLDERS' EQUITY</b>                       | <b>2,856,780</b>     | <b>2,891,857</b>         |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>12,653,622</b>    | <b>12,242,715</b>        |

**SUL AMÉRICA S.A. AND SUBSIDIARIES**  
**CONDENSED STATEMENT OF INCOME**  
**FOR THE PERIODS ENDED JUNE 30, 2011 AND 2010**  
**(IN THOUSAND OF BRAZILIANS REAIS - R\$)**

|                                      | <b>Consolidated</b> |                    |                    |                    |
|--------------------------------------|---------------------|--------------------|--------------------|--------------------|
|                                      | <b>2011</b>         |                    | <b>2010</b>        |                    |
|                                      | <b>1º Semester</b>  | <b>2º quarter</b>  | <b>1º Semester</b> | <b>2º quarter</b>  |
| <b>INSURANCE OPERATIONS</b>          |                     |                    |                    |                    |
| <b>RETAINED PREMIUMS</b>             | <b>4,372,627</b>    | <b>2,238,546</b>   | <b>3,816,715</b>   | <b>1,928,665</b>   |
| <b>CHANGES IN TECHNICAL RESERVES</b> | <b>(97,427)</b>     | <b>(84,898)</b>    | <b>(61,742)</b>    | <b>(44,948)</b>    |
| <b>EARNED PREMIUMS</b>               | <b>4,275,200</b>    | <b>2,153,648</b>   | <b>3,754,973</b>   | <b>1,883,717</b>   |
| <b>RETAINED CLAIMS</b>               | <b>(3,251,153)</b>  | <b>(1,689,938)</b> | <b>(2,774,176)</b> | <b>(1,438,648)</b> |



**OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY**

|   |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
| <b>BENEFITS EXPENSES</b>  | <b>(9,540)</b>   | <b>(3,275)</b>   | <b>(12,458)</b>  | <b>(6,418)</b>   |
| <b>ACQUISITION COSTS</b>  | <b>(522,312)</b> | <b>(266,554)</b> | <b>(432,040)</b> | <b>(222,048)</b> |
| <b>OTHER INSURANCE OPERATING INCOME/ EXPENSES</b>                       | <b>(123,118)</b> | <b>(66,296)</b>  | <b>(135,441)</b> | <b>(44,030)</b>  |
| Other insurance operating income  | 8,442            | 4,998            | 17,579           | 14,920           |
| Other insurance operating expenses                                      | (131,560)        | (71,294)         | (153,020)        | (58,950)         |
| <b>PRIVATE PENSION OPERATIONS</b>                                       |                  |                  |                  |                  |
| <b>PREMIUMS AND INCOME FROM RETAINED CONTRIBUTIONS</b>                  | <b>216,719</b>   | <b>119,258</b>   | <b>140,662</b>   | <b>74,860</b>    |
| <b>CHANGES IN OTHER TECHNICAL RESERVES</b>                              | <b>(199,594)</b> | <b>(108,234)</b> | <b>(131,240)</b> | <b>(69,397)</b>  |
| <b>ASSET MANAGEMENT FEE</b>   | <b>14,087</b>    | <b>7,126</b>     | <b>11,745</b>    | <b>6,015</b>     |
| <b>BENEFIT AND REDEMPTION EXPENSES</b>                                  | <b>(17,213)</b>  | <b>(13,373)</b>  | <b>(3,673)</b>   | <b>(1,882)</b>   |
| <b>ACQUISITION COSTS</b>  | <b>(7,481)</b>   | <b>(3,792)</b>   | <b>(5,304)</b>   | <b>(803)</b>     |
| <b>OTHER INSURANCE OPERATING INCOME/ EXPENSES</b>                       | <b>(163)</b>     | <b>(73)</b>      | <b>(302)</b>     | <b>(138)</b>     |
| Other private pension operating income                                  | 31               | 31               | -                | -                |
| Other private pension operating expenses                                | (194)            | (104)            | (302)            | (138)            |
| <b>NET OPERATING INCOME FROM ASO BUSINESS</b>                           | <b>14,389</b>    | <b>7,366</b>     | <b>15,308</b>    | <b>6,779</b>     |
| <b>NET OPERATING INCOME FROM ASSET MANAGEMENT BUSINESS</b>              | <b>12,027</b>    | <b>6,035</b>     | <b>10,542</b>    | <b>5,367</b>     |
| <b>ADMINISTRATIVE EXPENSES</b>  | <b>(375,693)</b> | <b>(186,402)</b> | <b>(352,537)</b> | <b>(184,453)</b> |
| <b>TAX EXPENSES</b>   | <b>(80,988)</b>  | <b>(40,614)</b>  | <b>(59,111)</b>  | <b>(22,609)</b>  |
| <b>NET FINANCIAL INCOME</b>   | <b>301,103</b>   | <b>147,615</b>   | <b>220,772</b>   | <b>103,230</b>   |
| Financial income  | 674,986          | 321,958          | 475,938          | 234,784          |
| Financial expenses  | (373,883)        | (174,343)        | (255,166)        | (131,554)        |
| <b>EQUITY INCOME</b>  | <b>5,842</b>     | <b>5,599</b>     | <b>73,926</b>    | <b>73,378</b>    |
| Income from property for rent   | 302              | 181              | (109)            | (147)            |
| Adjustments to investments in subsidiaries                              | (25)             | (25)             | (1,434)          | (719)            |
| Other equity income/ expenses   | 474              | 345              | 1,975            | 790              |
| Profit or loss from sale of permanent assets                            | 5,091            | 5,098            | 73,494           | 73,454           |
| <b>NON-OPERATING INCOME</b>   | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>INCOME BEFORE INCOME TAX, SOCIAL CONTRIBUTION AND PROFIT SHARING</b> | <b>252,112</b>   | <b>68,096</b>    | <b>321,646</b>   | <b>162,920</b>   |
| Income tax and Social contribution - Current                            | (116,967)        | (31,745)         | (97,691)         | (39,512)         |
| Income tax and Social contribution - Deferred                           | 16,627           | 3,758            | (5,638)          | (23,011)         |
| Profit sharing  | (22,263)         | (12,544)         | (17,565)         | (9,662)          |
| <b>INCOME AFTER INCOME TAX, SOCIAL CONTRIBUTION AND PROFIT SHARING</b>  | <b>129,509</b>   | <b>27,565</b>    | <b>200,752</b>   | <b>90,735</b>    |
| Interest on shareholders' equity  | -                | -                | -                | -                |
| <b>NET INCOME</b>   | <b>129,509</b>   | <b>27,565</b>    | <b>200,752</b>   | <b>90,735</b>    |
| <b>ATTRIBUTABLE TO:</b>   |                  |                  |                  |                  |
| Shareholders  | 129,509          | 27,565           | 201,040          | 91,453           |
| Minority Interest   | -                | -                | (288)            | (718)            |
| <b>NET INCOME</b>   | <b>129,509</b>   | <b>27,565</b>    | <b>200,752</b>   | <b>90,735</b>    |
| <b>BASIC EARNING PER SHARE ATTRIBUTABLE TO SHAREHOLDERS</b>             |                  |                  |                  |                  |
| Preferred Shares  | 0.15             | 0.03             | 0.72             | 0.33             |
| Common Shares   | 0.15             | 0.03             | 0.72             | 0.33             |
| <b>DILUTED EARNING PER SHARE ATTRIBUTABLE TO SHAREHOLDERS</b>           |                  |                  |                  |                  |
| Preferred Shares  | 0.15             | 0.03             | 0.66             | 0.31             |

(Convenience translation into English from the original previously issued in Portuguese)

Quarterly Information - ITR - 06/30/2011 - SUL AMERICA S/A

**OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY**

Common Shares 0.15 0.03 0.69 0.30

**(2) ARBITRATION CHAMBER**

The Company, its shareholders and managers are bound by arbitration of the Market's Arbitration Chamber, as provided for by Article 45 of its Bylaws.

**(2.1) APPENDIX III - SHAREHOLDERS OWNING MORE THAN 5% OF COMMON OR PREFERRED SHARES – FINANCIAL STATEMENTS**

| RANKING OF SHAREHOLDERS OWNING MORE THAN 5% OF COMMON OR PREFERRED SHARES, INCLUDING INDIVIDUALS – QUARTELY INFORMATION |                    |                |                    |                |                    |                |
|---|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| SUL AMÉRICA S.A.  |                    |                |                    |                | June 30, 2011      |                |
| Shareholder   | Common shares      | %              | Preferred shares   | %              | Total shares       | %              |
| <b>Sulasapar Participações S.A.</b>   | 277,088,635        | 59.45%         |                    |                | 277,088,635        | 32.83%         |
|   |                    |                |                    |                |                    |                |
| <b>ING Insurance International B.V.</b>   | 59,586,309         | 12.78%         | 119,172,621        | 31.55%         | 178,758,930        | 21.18%         |
|   |                    |                |                    |                |                    |                |
| <b>Treasury stock</b>   | 3,735,551          | 0.80%          | 7,471,102          | 1.98%          | 11,206,653         | 1.33%          |
|   |                    |                |                    |                |                    |                |
| <b>Others</b>   | 125,703,093        | 26.97%         | 251,130,482        | 66.47%         | 376,833,575        | 44.66%         |
|   |                    |                |                    |                |                    |                |
| <b>Total</b>  | <b>466,113,588</b> | <b>100.00%</b> | <b>377,774,205</b> | <b>100.00%</b> | <b>843,887,793</b> | <b>100.00%</b> |

| DISTRIBUTION OF CORPORATION'S CAPITAL STOCK (SHAREHOLDERS' COMPANY), INCLUDING INDIVIDUALS |                  |               |                  |               |
|--|------------------|---------------|------------------|---------------|
| SULASAPAR PARTICIPAÇÕES S.A.   |                  |               | June 30, 2011    |               |
| Shareholder  | Common shares    | %             | Total shares     | %             |
| <b>Sulasa Participações S.A.</b>   | 1,999,992        | 55.00         | 1,999,992        | 55.00         |
|  |                  |               |                  |               |
| <b>ING Insurance International B.V.</b>  | 1,636,358        | 45.00         | 1,636,358        | 45.00         |
|  |                  |               |                  |               |
| <b>Treasury Stock</b>  | -                |               | -                |               |
|  |                  |               |                  |               |
| <b>Others</b>  | 14               |               | 14               |               |
|  |                  |               |                  |               |
| <b>Total</b>   | <b>3,636,364</b> | <b>100.00</b> | <b>3,636,364</b> | <b>100.00</b> |

| DISTRIBUTION OF CORPORATION'S CAPITAL STOCK (SHAREHOLDERS' COMPANY), INCLUDING INDIVIDUALS |               |   |                  |   |               |   |
|--|---------------|---|------------------|---|---------------|---|
| SULASA PARTICIPAÇÕES S.A.  |               |   |                  |   | June 30, 2011 |   |
| Shareholder  | Common shares | % | Preferred shares | % | Total shares  | % |

(Convenience translation into English from the original previously issued in Portuguese)

Quarterly Information - ITR - 06/30/2011 - SUL AMERICA S/A

**OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY**

|  |                      |               |                       |               |                       |               |
|--|----------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| Isabelle Rose Marie de Ségur Lamoignon     | 2,153,353,116        | 25.00         | 4,306,706,209         | 25.00         | 6,460,059,325         | 25.00         |
| Sophie Marie Antoinette de Ségur           | 2,153,353,116        | 25.00         | 4,306,706,209         | 25.00         | 6,460,059,325         | 25.00         |
| Patrick Antonio Claude de Larragoiti Lucas | 1,435,568,744        | 16.66         | 2,871,137,488         | 16.66         | 4,306,706,232         | 16.66         |
| Christiane Claude de Larragoiti Lucas      | 1,435,568,744        | 16.67         | 2,871,137,488         | 16.67         | 4,306,706,232         | 16.67         |
| Chantal de Larragoiti Lucas                | 1,435,568,744        | 16.67         | 2,871,137,488         | 16.67         | 4,306,706,232         | 16.67         |
| Others                                     | -                    | -             | 46                    | -             | 46                    | -             |
| <b>Total</b>                               | <b>8,613,412,464</b> | <b>100.00</b> | <b>17,226,824,928</b> | <b>100.00</b> | <b>25,840,237,392</b> | <b>100.00</b> |

| <b>DISTRIBUTION OF CORPORATION'S CAPITAL STOCK (SHAREHOLDERS' COMPANY), INCLUDING INDIVIDUALS</b> |                      |               |                     |                      |
|---|----------------------|---------------|---------------------|----------------------|
| <b>ING INSURANCE INTERNATIONAL B.V.</b>   |                      |               |                     | <b>June 30, 2011</b> |
| <b>Shareholder</b>  | <b>Common shares</b> | <b>%</b>      | <b>Total shares</b> | <b>%</b>             |
| <b>ING Verzekeringen N.V.</b>   | 50,089               | 100.00        | 50,089              | 100.00               |
| <b>Total</b>  | <b>50,089</b>        | <b>100.00</b> | <b>50,089</b>       | <b>100.00</b>        |

| <b>DISTRIBUTION OF CORPORATION'S CAPITAL STOCK (SHAREHOLDERS' COMPANY), INCLUDING INDIVIDUALS</b> |                      |               |                     |                      |
|---|----------------------|---------------|---------------------|----------------------|
| <b>ING VERZEKERINGEN N.V.</b>   |                      |               |                     | <b>June 30, 2011</b> |
| <b>Shareholder</b>  | <b>Common shares</b> | <b>%</b>      | <b>Total shares</b> | <b>%</b>             |
| <b>ING Groep N.V. *</b>   | 153,883,760          | 100.00        | 153,883,760         | 100.00               |
| <b>Total</b>  | <b>153,883,760</b>   | <b>100.00</b> | <b>153,883,760</b>  | <b>100.00</b>        |

\*O ING Groep N.V. is a listed corporation and headquartered in Netherlands. Depositary receipts, representing common shares of ING Groep N.V., are listed on the NYSE, Euronext and other stock exchanges.

**(2.2) APPENDIX IV – CONTROLLING SHAREHOLDERS, MANAGEMENT AND FREE FLOAT POSITION**

| <b>CONTROLLING SHAREHOLDERS, MANAGEMENT AND FREE FLOAT POSITION</b> |                      |          |                         |          |                     |          |
|---|----------------------|----------|-------------------------|----------|---------------------|----------|
| <b>As of June 30, 2011</b>  |                      |          |                         |          |                     |          |
| <b>Shareholder</b>  | <b>Common shares</b> | <b>%</b> | <b>Preferred shares</b> | <b>%</b> | <b>Total shares</b> | <b>%</b> |

**OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY**

|                                 |                    |                |                    |                |                    |                |
|---------------------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| <b>Controlling shareholders</b> | 355,533,073        | 76.28%         | 156,888,885        | 41.52%         | 512,421,958        | 60.72%         |
|                                 |                    |                |                    |                |                    |                |
| <b>Management</b>               |                    |                |                    |                |                    |                |
| Board of Directors              | 29,042             | 0.01%          | 58,068             | 0.02%          | 87,110             | 0.01%          |
| Officers                        | 152,735            | 0.03%          | 305,470            | 0.08%          | 458,205            | 0.05%          |
|                                 |                    |                |                    |                |                    |                |
| <b>Fiscal Council</b>           | 0                  | 0.00%          | 0                  | 0.00%          | 0                  | 0.00%          |
|                                 |                    |                |                    |                |                    |                |
| <b>Treasury stock</b>           | 3,735,551          | 0.80%          | 7,471,102          | 1.98%          | 11,206,653         | 1.33%          |
|                                 |                    |                |                    |                |                    |                |
| <b>Others</b>                   | 106,663,187        | 22.88%         | 213,050,680        | 56.40%         | 319,713,867        | 37.89%         |
|                                 |                    |                |                    |                |                    |                |
| <b>Total</b>                    | <b>466,113,588</b> | <b>100.00%</b> | <b>377,774,205</b> | <b>100.00%</b> | <b>843,887,793</b> | <b>100.00%</b> |
|                                 |                    |                |                    |                |                    |                |
| <b>Free Float</b>               | <b>106,663,187</b> | <b>22.88%</b>  | <b>213,050,680</b> | <b>56.40%</b>  | <b>319,713,867</b> | <b>37.89%</b>  |

**CONTROLLING SHAREHOLDERS, MANAGEMENT AND FREE FLOAT POSITION**

As of December 31, 2010

| <b>Shareholder</b>              | <b>Common shares</b> | <b>%</b>       | <b>Preferred shares</b> | <b>%</b>       | <b>Total shares</b> | <b>%</b>       |
|---------------------------------|----------------------|----------------|-------------------------|----------------|---------------------|----------------|
| <b>Controlling shareholders</b> | 355,533,057          | 76,27%         | 156,888,885             | 41,52%         | 512,421,942         | 60,72%         |
|                                 |                      |                |                         |                |                     |                |
| <b>Management</b>               |                      |                |                         |                |                     |                |
| Board of Directors              | 29,058               | 0,01%          | 58,068                  | 0,02%          | 87,126              | 0,01%          |
| Officers                        | 1,935                | 0,00%          | 3,870                   | 0,00%          | 5,805               | 0,00%          |
|                                 |                      |                |                         |                |                     |                |
| <b>Fiscal Council</b>           | 0                    | 0,00%          | 0                       | 0,00%          | 0                   | 0,00%          |
|                                 |                      |                |                         |                |                     |                |
| <b>Treasury stock</b>           | 3,998,451            | 0,86%          | 7,996,902               | 2,12%          | 11,995,353          | 1,42%          |
|                                 |                      |                |                         |                |                     |                |
| <b>Others</b>                   | 106,551,087          | 22,86%         | 212,826,480             | 56,34%         | 319,377,567         | 37,85%         |
|                                 |                      |                |                         |                |                     |                |
| <b>Total</b>                    | <b>466,113,588</b>   | <b>100,00%</b> | <b>377,774,205</b>      | <b>100,00%</b> | <b>843,887,793</b>  | <b>100,00%</b> |
|                                 |                      |                |                         |                |                     |                |
| <b>Free Float</b>               | <b>106,551,087</b>   | <b>22,86%</b>  | <b>212,826,480</b>      | <b>56,34%</b>  | <b>319,377,567</b>  | <b>37,85%</b>  |

**(3) In order to meet the provisions of CVM Instruction 381 of January 14, 2003:** The Sul América S.A. hired on December 29, 2009 KPMG Auditores Independentes for the audit services related to examinations of its financial statements (individual and consolidated). The Company also hired KPMG to perform other services that are not related of audited. The fees related to these other services are less than 5% of remuneration for external audit services.

## **Review Report**

# **Independent auditors' review report**

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Exchange Commission (CVM), prepared in accordance with rules of the CVM)

To  
Shareholders and Management of  
Sul América S.A.  
Rio de Janeiro - RJ

### **Introduction**

We have reviewed the interim financial information, individual and consolidated, of Sul América S.A. ("the Company"), included in the Quarterly Financial Information - ITR for the quarter ended June 30, 2011, which comprise the balance sheet as of June 30, 2011 and the correspondent statements of income for the three and six-month periods then ended, changes in shareholders' equity, which include the comprehensive income statement, and cash flows, for the six-month period then ended, including the summary of the main accounting policies and the other selected explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 – Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 and the international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of these information consistent with the rules issued by the Brazilian Securities Exchange Commission (CVM), applicable for the preparation of the Quarterly Financial Information (ITR). Our responsibility is to issue an opinion on these interim financial information based on our review.

### **Review scope**

Our review was performed in accordance with the Brazilian and international interim review standards (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410, respectively). An interim financial information review consists of making inquiries, mainly to those people responsible for the financial and accounting matters, and on applying analytical procedures and other review procedures. The scope of a review is significantly shorter than the scope of an audit performed in accordance with the audit standards and, therefore, it did not allow us to obtain assurance that we are aware of all the significant matters that might have been identified in an audit. Therefore, we are not issuing an audit opinion.

## **Review Report**

### **Conclusion on the individual interim financial information**

Based on our review, we are not aware of any matter that make us to believe that the individual interim financial information included in the Quarterly Financial Information abovementioned were not prepared, in all material aspects, in accordance with CPC 21 applicable to the preparation of the Quarterly Financial Information – ITR, and presented in accordance with the rules issued by the Brazilian Securities Exchange Commission (CVM).

### **Conclusion on the consolidated interim financial information**

Based on our review, we are not aware of any matter that make us to believe that the consolidated interim financial information included in the Quarterly Financial Information abovementioned were not prepared, in all material aspects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Financial Information – ITR, and presented in accordance with the rules issued by the Brazilian Securities Exchange Commission (CVM).

### **Other matters**

#### **Interim statements of added value**

We have also reviewed the interim statements of added value (DVA), individual and consolidated, for the six-month period ended June 30, 2011, which are the responsibility of its Management, which presentation in the interim financial information is required by the regulation issued by the Brazilian Securities Exchange Commission (CVM) applicable to the preparation of the Quarterly Financial Information – ITR, and is considered an additional information by IFRS, which do not require the presentation of the DVA. These additional statements were submitted to the same review procedures previously described, and, based on our review, we are not aware of any matter that could make us to believe that they were not prepared, in all material aspects, in accordance with the individual and consolidated interim financial information taken as whole.

Rio de Janeiro, August 2, 2011

KPMG Auditores Independentes  
CRC SP-014428/O-6 F-RJ

The original report in Portuguese was signed by  
José Rubens Alonso  
Accountant CRC SP – 104350/O-3 S-RJ