

strong premium growth, lower loss ratios in major segments and improved combined ratio reflect **SULAMÉRICA'S** successful strategy

- Insurance premiums increased 14% totaling **R\$3.0 billion** in the quarter, boosted by the health and automobile segments
- Small and medium enterprises (SME) health portfolio grew **26.6%** compared to 2Q12 and accounts for 20% of the total health portfolio
- Improvement of **390 BPS** in loss ratio, positively influenced by health, auto and other property and casualty segments
- Combined ratio of **101.0%**, the lowest for a second quarter since 2008
- Return on proprietary investments was **103.1%** of the CDI in the 2Q13 and **119.7%** in 6M13
- Net income reached **R\$50.6 million** in 2Q13 versus R\$3.6 million in 2Q12

## Message from Management

We ended the quarter with net income of R\$ 50.6 million, a significant growth over the same period of 2012 and first quarter of this year. Total premiums grew 13.8% in the period, mainly due to the performance of the auto insurance segment, which increased 19.7% in premiums, and growth of 13.7% in health insurance premiums.

Results were substantial for this period when we take into consideration that the quarter was impacted by a volatile macroeconomic scenario, affecting the profitability of our proprietary assets, impacted by an increase in the basic interest rate, rising inflation and the worst first half for the Brazilian stock market since the 2008 financial crisis.

The results of our health insurance segment improved as a result of actions aiming to streamline claims management and an accurate underwriting policy. Medical loss ratio reduced 410 BPS over 2Q12 and 140 bps versus 1Q13. The auto insurance segment, as a consequence of a successful model based on underwriting discipline, ended 2Q13 with a loss ratio 730 bps lower than that observed in 2Q12. According to the latest data released by SUSEP (May/13), **SulAmérica's** auto portfolio outgrew the market, increasing 28% compared to 24% for the whole industry. Our overall combined ratio was 101.0%, the lowest for the quarter since 2008.

During this quarter, we incorporated SulaCap – the fourth largest capitalization company in the country – into **SulAmérica's** portfolio. As a new business unit, **SulaCap's** portfolio of products and clients was consolidated into our quarterly results as of May, delivering R\$11.7 million of operating income in the period, with total capitalization collections of R\$ 311.3 million. Since the beginning of the year, **SulaCap's** total capitalization collections were R\$ 862.9 million and net income was R\$ 28.8 million (before R\$ 4.8 million of minority interest).

At the beginning of July, and in line with the best corporate governance and transparency practices, we began our 2013 season of public meetings in partnership with APIMEC (Association of Investment and Capital Markets Professionals). The first meeting was held in Belo Horizonte (MG). The goal of these events is to gather market analysts and investors in key regions of the country to discuss **SulAmérica's** strategy and recent results.

Within the quarter, ING sold part of its stake in SulAmérica to IFC (International Finance Corporation), the financial arm of the World Bank. The transaction was completed in mid-June and, since then, IFC is among the major shareholders of the Company, with 7.8% of the total capital.

This report, in line with principles voluntarily adopted, includes social indicators contained in the Global Reporting Initiative (GRI) guidelines, promoting the integration of financial and sustainability information. The Company is a signatory and founding member of the PSI - Principles for Sustainable Insurance (UNEP-FI), an organizational member of the GRI and SulAmérica Investimentos, our asset management operation, is a signatory of the United Nations PRI - Principles for Responsible Investment since 2009.

**Gabriel Portella**  
Chief Executive Officer

## Conference call and Webcast

July 31<sup>st</sup>, 2013 (Wednesday)

Portuguese (with simultaneous translation into english)  
10h (Brasília) / 09h (US/EDT)

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Webcast:  
www.sulamerica.com.br/ir

Visit our 2012 annual report:  
www.sulamerica.com.br/relatorioanual

## Company Data

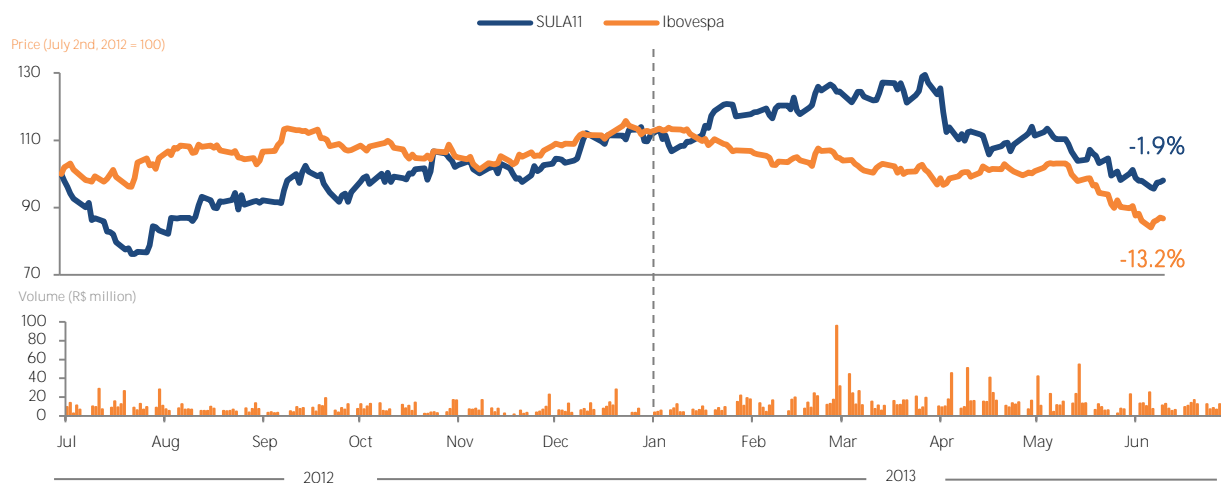
BM&FBovespa.....	SULA11
Bloomberg.....	SULA11 BZ
Sector.....	Insurance
Unit Price - 06/28/2013.....	R\$ 13.08
52-week low - 07/25/2012.....	R\$ 10.16
52-week high - 04/11/2013.....	R\$ 17.27
Market Cap (R\$ million) - 06/28/2013.....	R\$ 4,456.82

<i>Ratings</i>	Global/long-term
Fitch Ratings.....	BBB-
Standard & Poor's.....	BBB-

## 01. Financial, Operating and Social Highlights

FINANCIAL HIGHLIGHTS	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
<b>Insurance Premiums (R\$ million)</b>	2,950.4	2,592.0	13.8%	2,876.6	2.6%	5,827.0	5,094.4	14.4%
Health & Dental.....	2,017.9	1,775.1	13.7%	1,962.4	2.8%	3,980.3	3,501.5	13.7%
Auto.....	693.0	579.0	19.7%	678.3	2.2%	1,371.3	1,106.2	24.0%
Other Property & Casualty.....	131.7	113.2	16.4%	127.7	3.2%	259.4	236.7	9.6%
Life & Personal Accident.....	107.7	124.7	-13.6%	108.2	-0.5%	215.9	250.0	-13.6%
<b>Loss Ratio (%)</b>	77.3%	81.3%	390 BPS	77.9%	50 BPS	77.5%	78.5%	100 BPS
Health & Dental.....	84.2%	88.2%	410 BPS	85.6%	140 BPS	84.9%	84.6%	-20 BPS
Auto.....	60.4%	67.7%	730 BPS	58.7%	-170 BPS	59.6%	68.2%	860 BPS
Other Property & Casualty.....	60.7%	65.5%	470 BPS	53.9%	-680 BPS	57.4%	57.1%	-30 BPS
Life & Personal Accident.....	63.4%	56.1%	-730 BPS	61.9%	-140 BPS	62.6%	54.1%	-860 BPS
Acquisition Cost Ratio (%).....	10.9%	10.3%	-60 BPS	10.6%	-30 BPS	10.8%	10.6%	-10 BPS
Administrative Expenses Ratio (%).....	9.1%	8.9%	-20 BPS	9.1%	0 BPS	9.1%	9.3%	20 BPS
Combined Ratio (%).....	101.0%	104.6%	350 BPS	102.6%	160 BPS	101.8%	102.8%	100 BPS
Extended Combined Ratio (%).....	98.2%	100.3%	210 BPS	98.8%	60 BPS	98.5%	97.6%	-90 BPS
<b>OTHER FINANCIAL HIGHLIGHTS</b>								
Financial Income (R\$ million).....	81.4	107.9	-24.6%	107.3	-24.2%	188.6	265.9	-29.1%
Net Income (R\$ million).....	52.4	3.6	1342.0%	23.6	122.5%	76.0	116.4	-34.7%
Net Income after minorities (R\$ million).....	50.6	3.6	1291.3%	23.6	114.7%	74.2	116.4	-36.3%
Net Income per unit (R\$).....	0.15	0.01	1397.0%	0.08	79.5%	0.23	0.42	-44.5%
Assets under Management (R\$ billion).....	19.0	21.8	-13.1%	18.8	0.7%	19.0	21.8	-13.1%
VGBL and Pension Reserves (R\$ million).....	3,821	3,486	9.6%	3,796	0.7%	3,821	3,486	9.6%
ROAE (Last 12 months).....	13.6%	14.6%	-90 BPS	12.2%	140 BPS			
<b>OPERATING HIGHLIGHTS</b>								
Health & Dental Insurance Individuals (thousand).....	2,656	2,500	6.2%	2,560	3.7%			
Health Insurance Individuals.....	2,053	2,005	2.4%	2,005	2.4%			
Dental Insurance Individuals.....	603	495	21.8%	555	8.6%			
Insured Fleet (thousand).....	1,477	1,452	1.7%	1,450	1.9%			
Insured Lives (thousand).....	2,903	2,366	22.7%	2,866	1.3%			
<b>SOCIAL HIGHLIGHTS</b>								
Employees (GRI/LA1).....	4,819	5,058	-4.7%	4,701	2.5%			
Turnover (%) - Including contact center (GRI/LA2).....	5.6%	5.3%	-30 BPS	5.3%	-30 BPS			
Training (hours) (GRI/LA10).....	12,023	14,747	-18.5%	12,673	-5.1%			

## 02. Unit Performance versus Ibovespa Index (LTM)

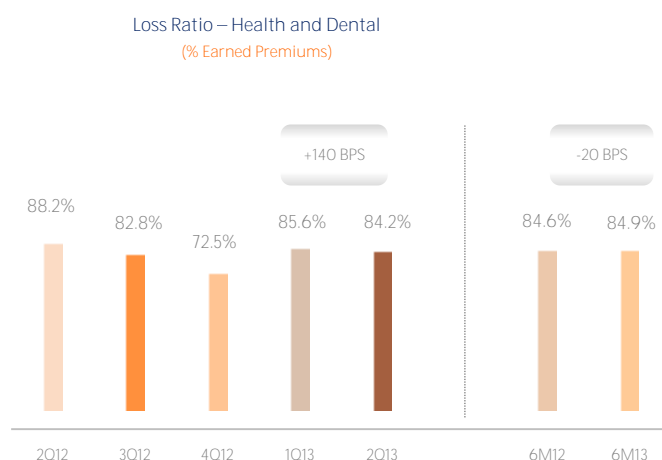
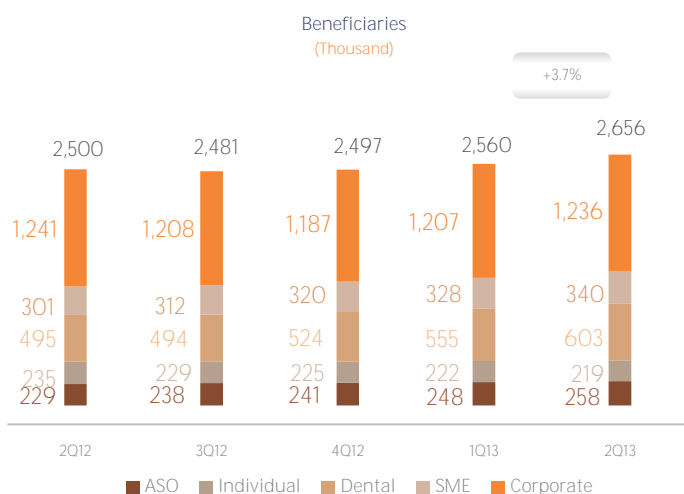


### 03. Health and Dental Insurance

The segment performed well, with 13.7% growth in insurance premiums compared to 2Q12 and 6M12. This growth is particularly relevant considering that the 2Q13 is the last period before the new cycle of price adjustments. The largest contributor to the performance was the SME portfolio, which grew 26.6% in premiums and already represents about 20% of the total revenue for this segment. Medical loss ratio decreased in both comparisons, with the previous quarter (1Q13) and with the same period in 2012, reflecting the underwriting policy established by the Company. The segment's gross margin reached 9.6% (vs. 5.7% in 2Q12).

HEALTH AND DENTAL	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Insurance Premiums (R\$ million).....	2,017.9	1,775.1	13.7%	1,962.4	2.8%	3,980.3	3,501.5	13.7%
Group.....	1,619.0	1,392.1	16.3%	1,563.9	3.5%	3,182.9	2,735.6	16.4%
Corporate.....	1,190.4	1,051.0	13.3%	1,156.7	2.9%	2,347.1	2,072.8	13.2%
SME.....	401.7	317.3	26.6%	382.5	5.0%	784.1	616.5	27.2%
Dental.....	27.0	23.8	13.4%	24.7	9.2%	51.7	46.3	11.7%
Individual.....	398.9	383.0	4.2%	398.5	0.1%	797.4	765.9	4.1%
Earned Premiums (R\$ million).....	2,002.0	1,756.8	14.0%	1,957.0	2.3%	3,959.0	3,455.4	14.6%
Group.....	1,605.1	1,375.9	16.7%	1,558.9	3.0%	3,164.0	2,691.8	17.5%
Individual.....	396.9	380.9	4.2%	398.0	-0.3%	795.0	763.6	4.1%
Loss Ratio (%).....	84.2%	88.2%	410 BPS	85.6%	140 BPS	84.9%	84.6%	-20 BPS
Group.....	82.3%	85.7%	340 BPS	84.1%	180 BPS	83.2%	82.1%	-110 BPS
Individual.....	91.5%	97.2%	570 BPS	91.4%	-10 BPS	91.5%	93.4%	190 BPS
Acquisition Cost Ratio (%).....	6.2%	6.0%	-20 BPS	6.1%	-10 BPS	6.2%	6.3%	10 BPS
Group.....	7.4%	7.3%	-10 BPS	7.3%	-10 BPS	7.4%	7.7%	30 BPS
Individual.....	1.5%	1.4%	0 BPS	1.5%	10 BPS	1.5%	1.2%	-20 BPS
Gross Margin Ratio (%).....	9.6%	5.7%	390 BPS	8.3%	130 BPS	9.0%	9.1%	-20 BPS
Group.....	10.2%	6.9%	330 BPS	8.6%	170 BPS	9.4%	10.2%	-70 BPS
Individual.....	7.0%	1.4%	560 BPS	7.1%	-10 BPS	7.0%	5.4%	170 BPS

The portfolio of beneficiaries grew by 3.7% (96k lives net addition) in 2Q13 compared with 1Q13. Growth was driven by positive market drivers, especially the maintenance of low rates of unemployment, and efforts of the sales team and brokers on the retention of current contracts and prospecting for new clients. SulAmérica has been benefited from the health and dental portfolios cross selling opportunities, which supported the 21.8% growth in dental members compared to 2Q12.



## Group Health Insurance

### Corporate

Growth of 13.3% in premiums for the quarter (2Q13 x 2Q12) was mainly driven by price increases in policy renewals. This growth was even more relevant considering that, in comparison with 2Q12, the number of beneficiaries shrank 0.4% due to non-renewal of policies with profitability lower than expected by the Company.

### Small and Medium Enterprises (SME's)

Leading the growth of this segment, insurance premiums for SME's increased 26.6% in 2Q13, driven by price readjustments and a net addition of approximately 39,0 thousand members (+12.9%) to the portfolio. This result reinforces that the strategy of focusing efforts on launching products for this market niche and training of brokers has been proved to be effective.

### Dental

Growth of 13.4% in premiums and 21.8% in members compared to 2Q12, totaling 603,0 thousand members at the end of the period. The segment continued to develop well as a result of new sales and the ongoing strategy to expand the brokerage network that distribute dental insurance products, to diversify the product portfolio, to cross sell with health products and to launch new dental products.

## Individual Health Insurance

The number of beneficiaries fell by 6.8% (2Q13 x 2Q12), in line with the characteristics of this portfolio. Growth of 4.2% in premiums kept profitability levels stable for this portfolio.

The group loss ratio improved 340 BPS in the quarter, due to the underwriting strategy that has been adopted since the last price readjustment cycle and to the review of acceptance and renewal conditions of the policies in the period. In the individual health portfolio, price readjustments combined with cost control and risk management measures led to a reduction of 570 BPS observed compared to 2Q12.

## 04. Auto Insurance

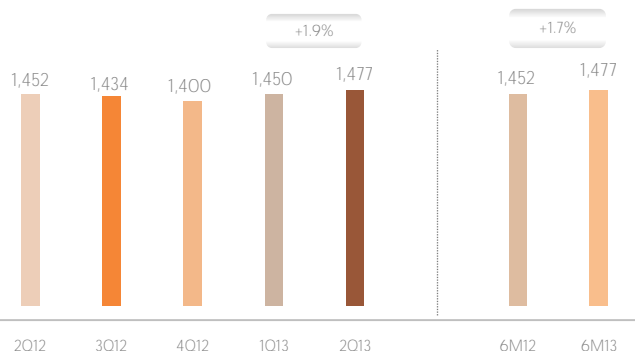
The auto segment showed significant improvement in results in 2Q13, with 19.7% premium growth, due to the performance of the portfolio lead by the ongoing underwriting strategy of pursuing profitability. The significant 730 BPS improvement in the loss ratio in 2Q13, compared to the same period in 2012 was due to an underwriting discipline applied since 2012, combined with a strict cost control in indemnities and repairs. The gross margin increased from 13.1% in 2Q12 to 18.3% in 2Q13.

According to SUSEP's (Superintendence of Private Insurance) latest available data (accumulated until May/2013), the overall market grew 24.0%, while SulAmérica's portfolio increased 28.0% in premiums in the same period.

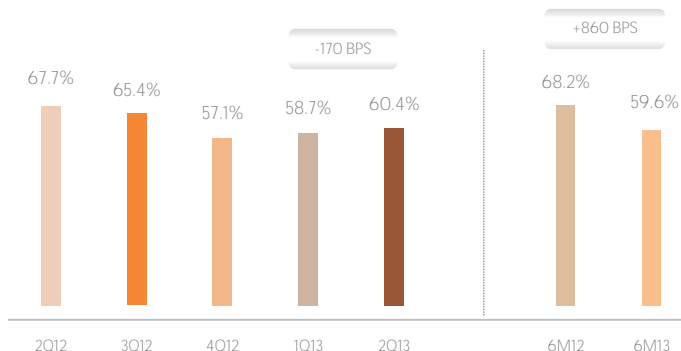
### Auto Insurance

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Insurance Premiums.....	693.0	579.0	19.7%	678.3	2.2%	1,371.3	1,106.2	24.0%
Earned Premiums.....	634.8	560.8	13.2%	591.9	7.2%	1,226.7	1,120.3	9.5%
Loss Ratio (%).....	60.4%	67.7%	730 BPS	58.7%	-170 BPS	59.6%	68.2%	860 BPS
Acquisition Cost Ratio (%).....	21.3%	19.2%	-210 BPS	20.5%	-80 BPS	20.9%	19.6%	-130 BPS
Gross Margin (%).....	18.3%	13.1%	520 BPS	20.8%	-250 BPS	19.5%	12.2%	730 BPS

Insured Fleet  
(Thousand Vehicles)



Loss Ratio – Auto  
(% Earned Premiums)



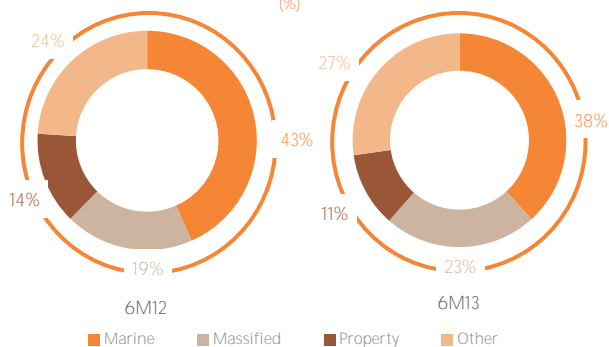
## 05. Other Property and Casualty Insurance

Other property and casualty premiums increased 16.4% in the quarter, driven primarily by the increase in sales of massified insurance products (+29.1%). This result reflects the **Company's** focus in the residential, condominium and enterprises portfolios, which already account for 23.0% of the total segment. At the same time, the Company has sought to be more selective in its multi risk acceptance towards medium and large risks. The **segment's** loss ratio improved by 470 BPS in 2Q13 compared to 2Q12, and it was flat compared to 6M12.

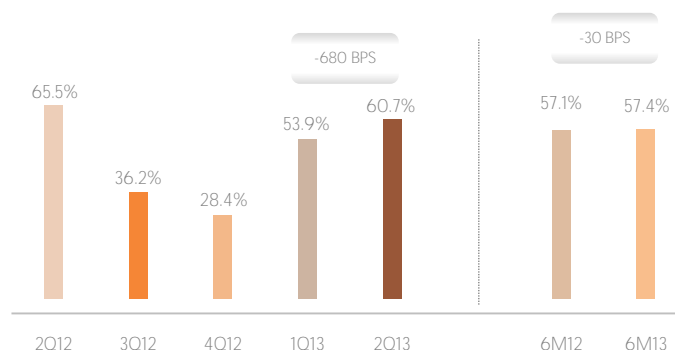
### Other Property and Casualty

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Insurance Premiums.....	131.7	113.2	16.4%	127.7	3.2%	259.4	236.7	9.6%
Earned Premiums.....	86.6	77.2	12.3%	83.4	3.9%	170.1	156.5	8.7%
Loss Ratio (%).....	60.7%	65.5%	470 BPS	53.9%	-680 BPS	57.4%	57.1%	-30 BPS
Acquisition Cost Ratio (%).....	22.9%	17.5%	-540 BPS	19.0%	-380 BPS	21.0%	17.8%	-320 BPS
Gross Margin (%).....	16.4%	17.1%	-60 BPS	27.1%	-1060 BPS	21.6%	25.1%	-350 BPS

Segment Breakdown  
(%)



Loss ratio - Other Property and Casualty  
(% Earned Premiums)



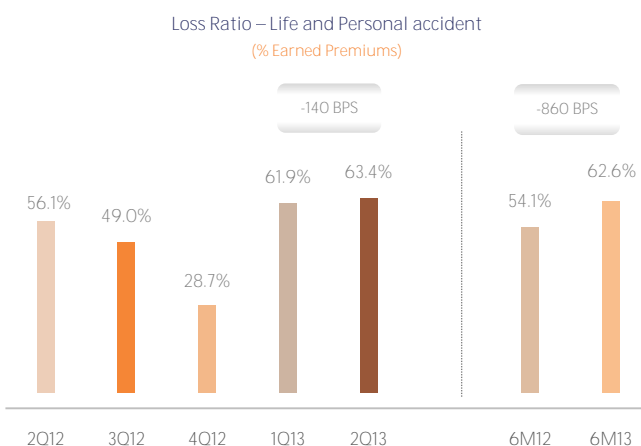
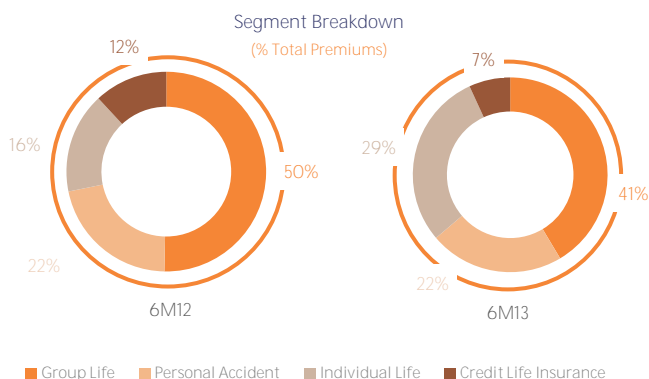
### 06. Life & personal accident Insurance

Premiums for this segment were 13.6% lower in 2Q13, compared to 2Q12, due to the reassessment and non-renewal of contracts that presented poor profitability. Loss ratio reached 63.4%, or 730 BPS higher than 2Q1.2.

Since the beginning of the year, the Company has been intensifying its training program for brokers. With operational efficiency improvements, diversification of product portfolio, investments in the expansion of distribution channels, and enhancement of back office systems, the Company seeks to boost the segments performance.

#### Life & Personal Accident

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Insurance Premiums.....	107.7	124.7	-13.6%	108.2	-0.5%	215.9	250.0	-13.6%
Earned Premiums.....	106.4	132.9	-19.9%	108.8	-2.2%	215.2	252.2	-14.7%
Loss Ratio (%).....	63.4%	56.1%	-730 BPS	61.9%	-140 BPS	62.6%	54.1%	-860 BPS
Acquisition Cost Ratio (%).....	27.9%	25.4%	-250 BPS	31.3%	340 BPS	29.6%	26.3%	-340 BPS
Gross Margin (%).....	8.7%	18.6%	-980 BPS	6.7%	200 BPS	7.7%	19.6%	-1190 BPS



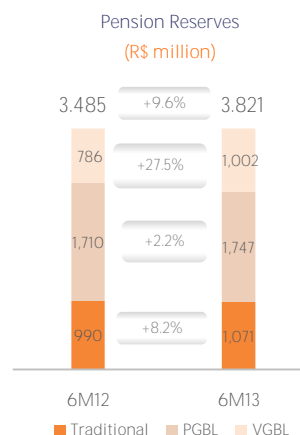
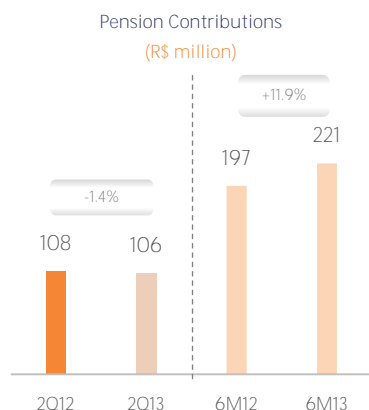
### 07. Private Pension

Income from this business segment in the quarter grew 101.5% due to higher revenues from management fees and lower benefit expenses and redemptions.

Private pension contributions increased 11.9% compared to 6M12, reaching R\$220.7 million in 6M13. Pension and VGBL reserves ended the period at R\$3.8 billion, an increase of 9.6%.

#### Private Pension

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Income from Private Pension.....	6.1	3.0	101.5%	5.6	9.5%	11.7	6.0	96.2%



## 08. Other Operating Income and Expenses

Other operating income and expenses improved by 15.9% in comparison with 2Q12, as a result of an increase in provisions for contingency liabilities occurred in 2Q12, not repeated in this quarter.

### Other Insurance Operating Income/Expense

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Other Insurance Operating Income (Expense).....	-63.2	-75.1	15.9%	-102.9	38.6%	-166.1	-145.9	-13.8%
Other Insurance Operating Income (Expense) Ratio (%)....	2.2%	3.0%	70 BPS	3.6%	130 BPS	3.0%	2.9%	-10 BPS

## 09. Income from Healthcare Operations (ASO - Administrative Services Only)

2Q13 results from ASO grew 10.9% compared to 2Q12 and 13.0% growth of beneficiaries, similarly to the growth posted in health and dental segment.

### Healthcare Operations (ASO)

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Income from Healthcare Operations.....	7.5	6.7	10.9%	7.1	5.6%	14.6	11.6	25.8%

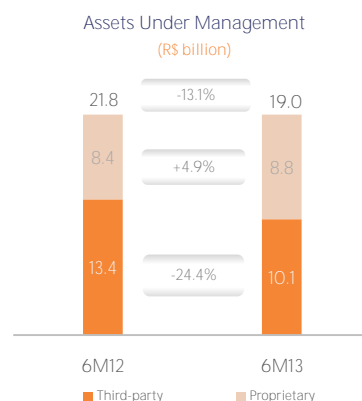
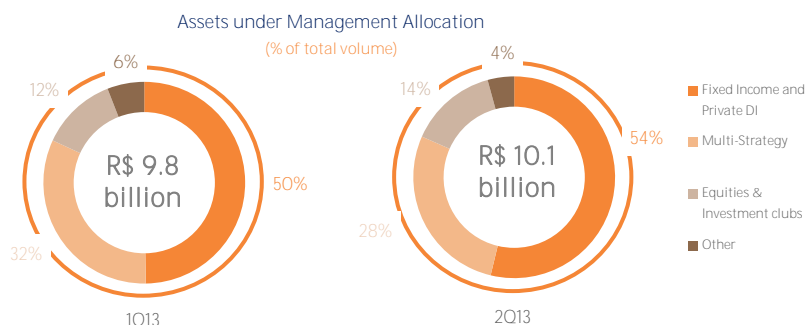
## 10. Asset Management

Results grew 5.1% in 2Q13 versus 2Q12 and 16.2% in 6M13 compared to 6M12, even when comparing this period, which delivered a lower performance fee.

The volume of assets under management stayed in line with 1Q13 (growth of 0.7%) when compared to the position at the end of 6M12, due to withdrawals in the third-party portfolio not related to the performance of the funds. Third-party assets represent 53.5% of total assets under management at the end of the period.

### Asset Management

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Management Fees Revenues.....	10.7	8.0	33.7%	9.2	15.8%	19.8	15.0	32.5%
Performance Fees.....	1.0	3.1	-68.0%	0.5	104.3%	1.5	3.4	-56.0%
Asset Management Income.....	11.6	11.1	5.1%	9.7	20.3%	21.3	18.4	16.2%



## 11. Capitalization (Premium Bonds)

As of May, results of the capitalization operations started to be consolidated into SulAmérica's results. The acquisition of SulaCap – the fourth largest capitalization company in Brazil – besides adding products and services to the Company's portfolio, it will enable SulAmérica to grow through synergies among the other segments.

In the 2-month period (May and June) of incorporated results, the segment delivered R\$ 311.3 million of capitalization collections, which generated R\$ 11.7 million in operating results, reflecting the good performance of the incentive products.

Since Jan 1<sup>st</sup>, 2013, SulaCap's total capitalization collections were R\$ 862.9 million, with R\$ 28.8 million of net income (before R\$ 4.8 million of minority interest). At the end of the quarter, the capitalization reserves summed up R\$ 653.8 million (R\$ 601.6 million at the end of 2Q12).

### Capitalization (Premium Bonds)

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Capitalization Collections.....	311.3	-	-	-	-	311.3	-	-
Changes in Technical Reserves.....	-246.6	-	-	-	-	-246.6	-	-
Operational Expenses from Capitalization.....	-53.0	-	-	-	-	-53.0	-	-
<b>Operating Income from Capitalization.....</b>	<b>11.7</b>	-	-	-	-	<b>11.7</b>	-	-
Capitalization Reserves.....	653.8	-	-	-	-	653.8	-	-

## 12. Administrative Expenses

In 2Q13, the administrative expenses ratio, as a percentage of earned premiums, was 9.1% (up 20 BPS over 2Q12). Similarly to the first quarter of 2013, the ratio was affected by a reduction in the expenses recovery line due to the termination of a service contract and also for the profit sharing line where R\$9.3 million was expensed in the 2Q13, compared to a reversal of R\$2.8 million in the same period of 2012.

### Administrative Expenses

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Personal Expenses.....	-119.1	-107.8	-10.5%	-125.3	4.9%	-244.4	-222.5	-9.8%
Third-Party Services.....	-69.1	-68.6	-0.6%	-65.4	-5.6%	-134.5	-128.5	-4.7%
Buildings and Maintenance.....	-51.3	-52.0	1.5%	-52.1	1.6%	-103.4	-103.8	0.4%
Other Administrative Revenues.....	-20.5	-12.0	-70.1%	-13.6	-50.7%	-34.1	-25.4	-34.3%
Expenses Recover.....	4.5	10.4	-56.4%	7.3	-37.8%	11.8	27.2	-56.5%
Profit Sharing.....	-9.3	2.8	NA	-9.4	1.2%	-18.7	-9.2	-102.3%
<b>Total.....</b>	<b>-264.7</b>	<b>-227.2</b>	<b>-16.5%</b>	<b>-258.5</b>	<b>-2.4%</b>	<b>-523.2</b>	<b>-462.3</b>	<b>-13.2%</b>
Administrative Expenses ratio (% Retained Premiums).....	9.1%	8.9%	-0.2 p.p.	9.1%	0.0 p.p.	9.1%	9.3%	0.2 p.p.



## 13. Tax Expenses

The tax expenses ratio increased by 50 BPS in comparison with 2Q12, as a result of higher expenses with PIS/COFINS, in line with top line premiums growth and improved results in the period.

### Tax Expenses

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Tax Expenses.....	-44.0	-27.4	-60.7%	-39.3	-12.0%	-83.3	-73.2	-13.8%
Tax Expenses Ratio (% Retained Premiums).....	1.6%	1.1%	-50 BPS	1.4%	-10 BPS	1.5%	1.5%	0 BPS

## 14. Financial Results

Financial income for the quarter was 24.8% lower than the same period of last year, due to the lower level of the basic interest rate in the country (SELIC) and the drop in value of the invested equities portfolio.

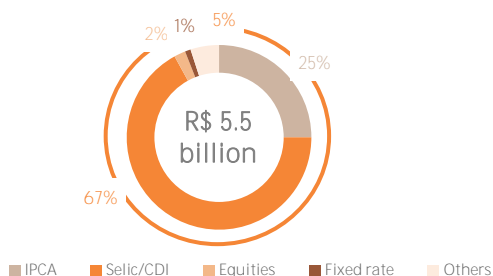
However, the profitability of assets not linked to private pension operations and VGBL maintained the recent trend and outperformed again the benchmark, reaching 103.1% and 119.7% of the CDI in the quarter and semester, respectively. The recurrent performance above the benchmark can be attributed to the long-term strategy allocation, combined with short-term opportunities, mainly in interest rate and equities markets.

The company's proprietary balance of assets (ex-private pension operations and VGBL) grew 14.6% compared to 2Q12, totaling R\$5.5 billion, mainly due to the reserves incorporated from SulaCap.

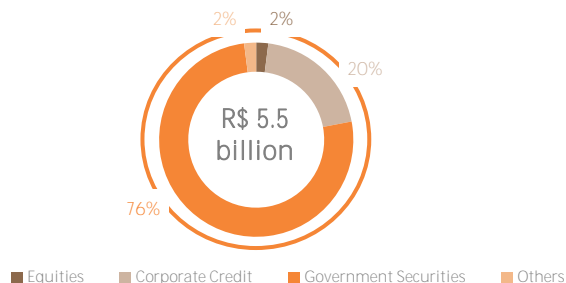
### Financial Income

R\$ (million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Financial Income ex-Private Pension and VGBL Operations.....	90.5	98.9	-8.5%	113.4	-20.2%	203.8	246.2	-17.2%
Return on Investment Portfolio.....	90.3	97.9	-7.8%	109.7	-17.7%	200.0	236.6	-15.5%
Debt Service Cost.....	-10.5	-12.1	13.0%	-9.5	-9.9%	-20.0	-23.3	14.0%
Other.....	10.7	13.1	-18.9%	13.3	-19.6%	23.9	32.9	-27.2%
Financial Income of Private Pension and VGBL Operations.....	-9.4	9.0	NA	-6.1	53.4%	-15.5	19.8	NA
Return on Investment Portfolio of Private Pension and VGBL Operations.....	-8.0	51.1	NA	34.5	-123.1%	26.5	152.4	-82.6%
Change in Liabilities of Private Pension and VGBL Operations.....	-1.4	-42.1	96.6%	-40.6	96.5%	-42.0	-132.6	68.3%
Total Financial Income.....	81.1	107.9	-24.8%	107.3	-24.4%	188.4	265.9	-29.2%
Balance Excluding Private Pension and VGBL Operations.....	5,537.5	4,833.5	14.6%	5,066.3	9.3%	5,537.5	4,833.5	14.6%
Private Pension and VGBL Operations Balance.....	3,818.2	3,488.6	9.4%	3,794.6	0.6%	3,818.2	3,488.6	9.4%
Total Balance.....	9,355.8	8,322.1	12.4%	8,860.9	5.6%	9,355.8	8,322.1	12.4%

Investment Strategy  
(ex-Pension and VGBL)

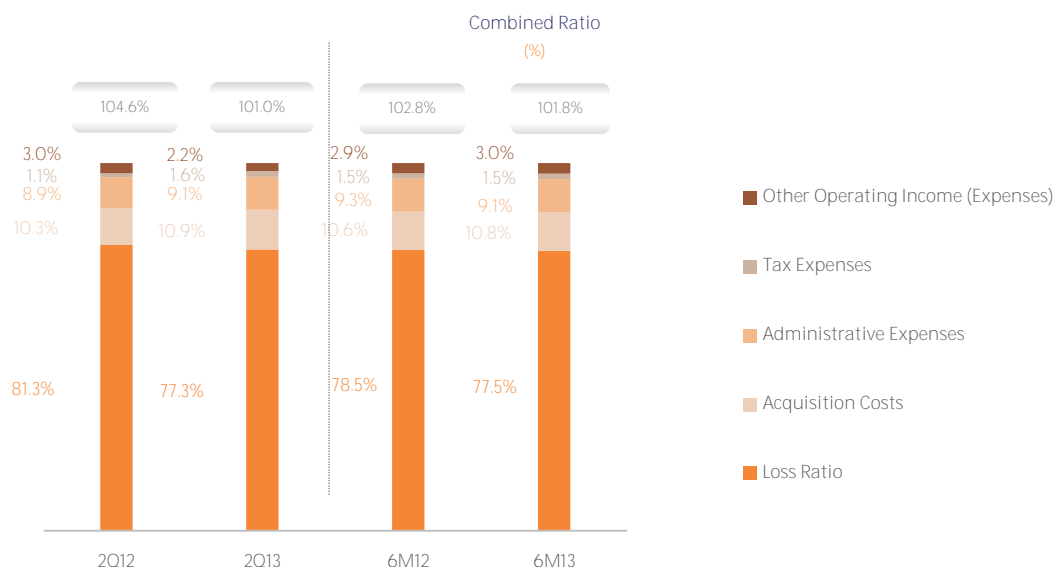


Investment Allocation  
(ex-Pension and VGBL)



## 15. Combined Ratio

Combined ratio for the quarter improved 350 BPS over 2Q12, reaching 101.0%. This ratio is the lowest for any given second quarter since 2008 (2Q08). This improvement was mainly due to the Company's efforts in claims management in the health and dental and auto insurance segments.



## 16. Net Income

The net income totaled R\$50.6 million in 2Q13, positively influenced by growth in premiums and lower loss ratio and negatively affected by a lower financial income in the period.

### Net Income and ROAE

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
Income Before Tax and Social Contribution.....	89.2	11.0	712.5%	44.5	100.6%	133.7	161.2	-17.1%
Income Tax and Social Contribution.....	-36.8	-7.3	-400.9%	-20.9	-75.9%	-57.7	-44.8	-28.8%
<b>Net Income.....</b>	<b>52.4</b>	<b>3.6</b>	<b>1342.0%</b>	<b>23.6</b>	<b>122.5%</b>	<b>76.0</b>	<b>116.4</b>	<b>-34.7%</b>
Minority Stake.....	-1.8	-	-	-	-	-1.8	-	-
Net Income After Minorities.....	50.6	3.6	1291.3%	23.6	114.7%	74.2	116.4	-36.3%
Net Income per unit (R\$).....	0.15	0.01	1397.0%	0.08	79.5%	0.23	0.42	-44.5%
<b>ROAE (last 12 months).....</b>	<b>13.6%</b>	<b>14.6%</b>	<b>-90 BPS</b>	<b>12.2%</b>	<b>140 BPS</b>			

17. Balance Sheet

**ASSETS**

(R\$ million)	2Q13	2012	Δ
<b>Current Assets.....</b>	<b>10,747.3</b>	<b>10,024.3</b>	<b>7.2%</b>
Cash, cash equivalents and marketable securities.....	8,296.2	7,810.2	6.2%
Receivables from insurance and retrocession operations.....	965.2	905.0	6.7%
Receivables from capitalization operations.....	94.5	-	-
Reinsurance and retrocession expenses.....	222.6	204.7	8.7%
Deferred acquisition costs.....	470.7	393.0	19.8%
Receivables.....	338.1	365.3	-7.4%
Other current assets.....	360.0	346.2	4.0%
<b>Long-Term Assets.....</b>	<b>5,024.2</b>	<b>4,345.8</b>	<b>15.6%</b>
Marketable securities.....	1,150.9	1,127.1	2.1%
Judicial and fiscal deposits.....	2,248.3	1,971.4	14.0%
Deferred acquisition costs.....	190.3	180.7	5.3%
Other long-term assets.....	965.7	859.6	12.3%
Permanent Assets.....	469.0	207.1	126.5%
<b>Total Assets.....</b>	<b>15,771.5</b>	<b>14,370.2</b>	<b>9.8%</b>

**LIABILITIES**

(R\$ million)	2Q13	2012	Δ
<b>Current Liabilities.....</b>	<b>6,321.0</b>	<b>5,424.1</b>	<b>16.5%</b>
Loans and financing.....	15.5	16.2	-4.2%
Other payable obligations.....	441.2	610.1	-27.7%
Insurance, reinsurance and private pension debts.....	305.0	351.6	-13.3%
Technical reserves - Insurance.....	3,946.0	3,514.8	12.3%
Technical reserves - Private pension.....	815.4	804.0	1.4%
Technical reserves - Capitalization.....	653.8	-	-
Other liabilities.....	144.1	127.4	13.1%
<b>Non-current Liabilities.....</b>	<b>6,069.0</b>	<b>5,601.3</b>	<b>8.4%</b>
Accounts payable.....	1,104.5	1,010.6	9.3%
Loans and financing.....	498.9	498.6	0.0%
Other accounts payable.....	74.7	61.5	21.5%
Technical reserves - Insurance.....	444.3	441.9	0.5%
Technical reserves - Private pension.....	3,006.7	2,937.7	2.3%
Other liabilities.....	940.0	650.9	44.4%
<b>Shareholders' Equity.....</b>	<b>3,381.5</b>	<b>3,344.8</b>	<b>1.1%</b>
<b>Total Liabilities.....</b>	<b>15,771.5</b>	<b>14,370.2</b>	<b>9.8%</b>

## 18. Income Statement

(R\$ million)	2Q13	2Q12	Δ	1Q13	Δ	6M13	6M12	Δ
<b>INSURANCE PREMIUMS.....</b>	<b>2,950.4</b>	<b>2,592.0</b>	<b>13.8%</b>	<b>2,876.6</b>	<b>2.6%</b>	<b>5,827.0</b>	<b>5,094.4</b>	<b>14.4%</b>
Premiums, ceded to reinsurance, retrocession, consortiums and funds.....	-37.9	-46.0	17.7%	-37.6	-0.7%	-75.5	-113.9	33.8%
Retained Premiums.....	2,912.5	2,546.0	14.4%	2,839.0	2.6%	5,751.5	4,980.5	15.5%
Changes in insurance and retained technical reserves.....	-82.7	-18.3	-350.9%	-97.9	15.6%	-180.6	4.0	NA
Earned Premiums.....	2,829.9	2,527.7	12.0%	2,741.1	3.2%	5,570.9	4,984.4	11.8%
Retained claims and benefits expenses.....	-2,188.7	-2,054.8	-6.5%	-2,134.9	-2.5%	-4,323.6	-3,914.3	-10.5%
Acquisition costs.....	-309.2	-261.0	-18.5%	-290.9	-6.3%	-600.2	-530.0	-13.2%
<b>Gross Margin.....</b>	<b>331.9</b>	<b>211.9</b>	<b>56.6%</b>	<b>315.2</b>	<b>5.3%</b>	<b>647.2</b>	<b>540.1</b>	<b>19.8%</b>
Other insurance and operating income (expense).....	-63.2	-75.1	15.9%	-102.9	38.6%	-166.1	-145.9	-13.8%
Net Operating income from capitalization.....	11.7	-	-	-	-	11.7	-	-
Net Operating income from private pension.....	6.1	3.0	101.5%	5.6	9.5%	11.7	6.0	96.2%
Net Operating income from ASO business.....	7.5	6.7	10.9%	7.1	5.6%	14.6	11.6	25.8%
Net Operating income from asset management business.....	11.6	11.1	5.1%	9.7	20.3%	21.3	18.4	16.2%
Administrative expenses.....	-264.7	-227.2	-16.5%	-258.5	-2.4%	-523.2	-462.3	-13.2%
Tax expenses.....	-44.0	-27.4	-60.7%	-39.3	-12.0%	-83.3	-73.2	-13.8%
Net financial income.....	81.4	107.9	-24.6%	107.3	-24.2%	188.6	265.9	-29.1%
Equity income.....	10.8	-	-	0.4	NA	11.2	0.7	NA
<b>Income Before Tax, Social Contribution and Minorities.....</b>	<b>89.2</b>	<b>11.0</b>	<b>712.5%</b>	<b>44.5</b>	<b>100.6%</b>	<b>133.7</b>	<b>161.2</b>	<b>-17.1%</b>
Income Tax and Social Contribution.....	-36.8	-7.3	-400.9%	-20.9	-75.9%	-57.7	-44.8	-28.8%
<b>Net Income.....</b>	<b>52.4</b>	<b>3.6</b>	<b>1342.0%</b>	<b>23.6</b>	<b>122.5%</b>	<b>76.0</b>	<b>116.4</b>	<b>-34.7%</b>
Minority Stake	-1.8	-	-	-	-	-1.8	-	-
Net Income After Minorities.....	50.6	3.6	1291.3%	23.6	114.7%	74.2	116.4	-36.3%

## 19. Analyst Coverage

### ANALYST COVERAGE

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Ágora.....	Aloisio Lemos	+55 (21) 2529-0807
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Bradesco.....	Carlos Firetti	+55 (11) 2178-5363
Brasil Plural.....	Eduardo Nishio	+55 (11) 3206-8240
BTG Pactual.....	Marcelo Henriques	+55 (11) 3383-2516
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Goldman Sachs.....	Carlos Macedo	+55 (11) 3371-0887
Merrill Lynch.....	Jorg Friedemann	+55 (11) 2188-4565
Morgan Stanley.....	Javier Martinez	+55 (11) 3048-6039
Santander.....	Henrique Navarro	+55 (11) 3012-5756
UBS.....	Mariana Taddeo	+55 (11) 3513-6512

Some percentages and other figures included in this performance report have been rounded for ease of presentation and therefore may present small differences in the tables and notes of quarterly information. Additionally, for the same reason, the totals in certain tables may not reflect the arithmetic sum of the previous values.

Consolidated net income, net income per unit, and ROAE figures consider results for the Company net of minority interests.