

- Total revenue and collections were **R\$ 4.4 billion**, an increase of **11.8%** compared to 3Q13
- Insurance premiums grew **9.7%** and exceeded **R\$ 3.5 billion** for the quarter
- Loss ratio of **76.5%** for the quarter
- Return on proprietary investment portfolio of **103.1%** of the CDI base rate in 9M14 and **95.3%** in 3Q14
- Investment income of **R\$ 176.6 million** for the quarter, **34.1%** higher than 3Q13
- Net income of **R\$ 119.8 million** in 3Q14

Message from Management

For yet another quarter, we are reporting positive numbers for SulAmérica. Total revenue and collections grew 11.8% for the third quarter and 18.9% year-to-date, demonstrating the effectiveness of our multi-line model. During the period, topline growth was favorably impacted by expansion in health activities as well as in savings bonds, a segment that can be compared for the first time to the same quarter of the previous year.

The third quarter marked the beginning of the cycle in which certain business lines benefit from seasonal effects. Insurance premiums grew 9.7%, highlighted by the health and dental segment, which reported an increase of 12.5% in comparison to the same period of the previous year. The Company concluded the quarter with net income of R\$ 119.8 million and R\$ 254.1 million for the nine months ended 2014, an increase of 32.9% relative to 9M13. SulAmérica's differentiated business model, strong financial condition, and brand recognition has contributed to this performance. These differentials have translated to a consistent pace of revenue expansion and have allowed the Company to seize growth opportunities in the Brazilian insurance market.

Our investment income grew expressively (+34.1%) during the quarter compared to 3Q13, maintaining the trajectory of strong performance, the result of effective portfolio management. Further, the controlled level of administrative expenses was a positive highlight, translating the permanent productivity increases, through strong discipline with cost control and at the same time making possible permanent investments in the improvement of our processes and the launching of new products. These factors drove the Company's good results despite pressures on the loss ratio.

In the month of August, we initiated our 2014 cycle of public meetings in partnership with APIMEC, with the first meeting in Belo Horizonte (MG) and a September meeting in Porto Alegre (RS). During these events, we invited market analysts and investors to the main regions of the country to discuss the strategy and results of SulAmérica. Further, the Company extends the invitation to participate in its SulAmérica Analyst Day which will be held on November 25th in São Paulo. This event is innovative, in that participants are able to select the topics to be addressed during the registration process. Our executives will be available to clarify all points and debate perspectives related to various sectors in which the Company operates. Registrations can be made at www.sulamerica.com.br/analystday2014. Please note that the event will be conducted in Portuguese and simultaneous translation will not be available.

We remain confident that the markets in which the Company participates will continue the growth trajectory even in a year marked by volatility. Further, SulAmérica continues with its investment plans, not only to increase data processing capabilities, in line with the expanding volumes of our operations, but also to guarantee excellence in our services. All these measures are in anticipation of a challenging fourth quarter, however, we will be able to maintain our pace of growth through hard work and dedication. We would like to express, once again, our gratitude for the commitment of our employees and their important contribution to the results achieved.

Gabriel Portella
Chief Executive Officer

Conference Call and Webcast

October 29th, 2014 (Wednesday)
Portuguese (with simultaneous translation to English)
10 a.m. (Brasília) / 8 a.m. (US/EST)
Brazil: +55 (11) 3301-3000 / USA: +1 (516) 300-1066

**Quarterly
Results
3Q14
OCT 28 14**

1. Total Revenue and Collections

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Insurance Premiums	3,512.1	3,202.7	9.7%	3,312.0	6.0%	10,015.2	9,029.6	10.9%
Health & Dental	2,484.3	2,207.9	12.5%	2,309.1	7.6%	7,043.7	6,188.3	13.8%
Automobile	790.9	751.1	5.3%	783.2	1.0%	2,282.6	2,122.3	7.6%
Property & Casualty	136.4	133.1	2.5%	120.2	13.5%	385.0	392.5	-1.9%
Life & Personal Accident	100.6	110.6	-9.1%	99.5	1.1%	303.8	326.5	-7.0%
Other Revenues & Collections	908.1	751.5	20.8%	877.4	3.5%	2,628.6	1,608.2	63.5%
Pension (contributions)	127.3	88.1	44.5%	106.4	19.7%	368.6	308.9	19.3%
Administrative Services Only (billings)	205.4	165.4	24.2%	192.0	6.9%	569.3	466.4	22.0%
Asset Management (management & performance fees)	12.3	12.2	1.0%	11.3	8.4%	34.6	35.7	-3.2%
Savings Bonds (collections)*	563.1	485.8	15.9%	567.6	-0.8%	1,656.2	797.1	107.8%
Total	4,420.2	3,954.2	11.8%	4,189.4	5.5%	12,643.8	10,637.8	18.9%

*SulAmérica began to consolidate the results of SulaCap in May 2013. Therefore, the total savings bonds collections for the 9M13 only include May through September of 2013. In order to facilitate comparisons between periods, contributions for 9M13 were R\$ 1,348.7 million, which would have represented growth of 22.8%.

2. Financial and Operating Highlights

Financial Highlights	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Insurance Premiums (R\$ million)	3,512.1	3,202.7	9.7%	3,312.0	6.0%	10,015.2	9,029.6	10.9%
Health & Dental	2,484.3	2,207.9	12.5%	2,309.1	7.6%	7,043.7	6,188.3	13.8%
Auto	790.9	751.1	5.3%	783.2	1.0%	2,282.6	2,122.3	7.6%
Other Property & Casualty	136.4	133.1	2.5%	120.2	13.5%	385.0	392.5	-1.9%
Life & Personal Accident	100.6	110.6	-9.1%	99.5	1.1%	303.8	326.5	-7.0%
Loss Ratio (%)	76.5%	75.7%	-90 BPS	79.0%	240 BPS	77.7%	76.9%	-70 BPS
Health & Dental	82.8%	82.2%	-60 BPS	87.1%	430 BPS	85.0%	83.9%	-110 BPS
Auto	62.5%	61.0%	-140 BPS	60.1%	-240 BPS	61.3%	60.1%	-120 BPS
Other Property & Casualty	56.1%	54.3%	-180 BPS	54.1%	-200 BPS	53.1%	56.3%	320 BPS
Life & Personal Accident	42.3%	49.8%	750 BPS	47.2%	490 BPS	44.1%	58.3%	1420 BPS
Acquisition Cost Ratio (%)	11.2%	11.1%	0 BPS	11.3%	10 BPS	11.2%	10.9%	-30 BPS
Administrative Expenses Ratio (%)	8.8%	8.9%	10 BPS	8.8%	0 BPS	8.9%	9.0%	20 BPS
Combined Ratio (%)	100.5%	98.8%	-170 BPS	103.2%	270 BPS	101.8%	100.7%	-110 BPS
Operating Ratio (%)	95.3%	94.5%	-80 BPS	98.0%	280 BPS	96.7%	97.0%	30 BPS
Other Highlights	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Investment Income (R\$ million)	176.6	131.7	34.1%	164.8	7.2%	498.4	320.3	55.6%
Net Income (R\$ million)	121.8	118.9	2.5%	55.4	119.8%	259.3	194.8	33.1%
Net Income after non-controlling interest (R\$ million)	119.8	117.1	2.3%	53.6	123.5%	254.1	191.3	32.9%
Net Income per unit (R\$)*	0.36	0.35	2.2%	0.16	123.3%	0.76	0.61	24.2%
Assets under Management (R\$ billion)	21.0	17.6	19.0%	18.9	11.1%			
Pension Reserves (R\$ million)	4,361.6	3,916.2	11.4%	4,227.8	3.2%			
ROAE (% last 12 months)	14.9%	13.6%	130 BPS	15.2%	-30 BPS			
Operating Highlights	3Q14	3Q13	Δ	2Q14	Δ			
Health & Dental Insured Members (thousand)	2,630	2,688	-2.2%	2,690	-2.2%			
Health Insured Members	2,040	2,069	-1.4%	2,075	-1.7%			
Dental Insured Members	590	619	-4.7%	615	-4.1%			
Insured Fleet (thousand)	1,618	1,516	6.7%	1,587	1.9%			
Insured Lives (thousand)	2,232	2,873	-22.3%	2,112	5.7%			

* Net income per unit is calculated by multiplying the basic earnings per share by three. Each unit is composed of three shares, one common share and two preferred. The total number of units at the end of the periods 3Q14 and 3Q13 are different. Please refer to Note 23.8 in the Financial Statements for the period details on the calculation of earnings per share.

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

Health and Dental Insurance

During the quarter, the Company continued to invest consistently in the principal drivers which generate results: 1) the beginning of a new cycle of price readjustments; 2) incremental structured actions for claims management, such as medical second opinions, direct purchases of high cost materials, distribution of special drugs, among others; and 3) acceleration of health management programs, standalone or in partnership with Healthways. The results observed from these programs are in different phases of maturity and development.

Despite a lower growth macroeconomic scenario, the health and dental products, notably in corporate portfolios, have shown to be considerably resilient. As a consequence, total consolidated premiums in the segment continued to grow significantly, with an increase of 12.5% compared to 3Q13 and 13.8% relative to 9M13. Group insurance portfolios continued to develop and represent, as of 3Q14, 82.5% of total premiums and 92.2% of insured members. Considering the total portfolio, the applied annual price readjustments and favorable customer retention levels helped premiums growth. Once again, the performance of the SME portfolio was the highlight, with premiums growth of 24.1% compared to 3Q13 and 9M13. The SMEs (Small and Medium Enterprises) portfolio already represents 14.7% of total insured members in the segment. Premiums from corporate plans, which also includes affinity group plans, grew 11.2% for the quarter compared to 3Q13.

The health segment loss ratio, which was impacted by higher levels of medical costs, increased 60 BPS compared to 3Q13, which resulted in a decline of 70 BPS of gross margin for the quarter. However, in comparison with the previous quarter, the performance in 2014 was higher than in 2013 (3Q14 / 2Q14: +430 BPS; 3Q13 / 2Q13: +200 BPS).

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Insurance Premiums	2,484.3	2,207.9	12.5%	2,309.1	7.6%	7,043.7	6,188.3	13.8%
Group	2,048.3	1,793.8	14.2%	1,888.4	8.5%	5,768.8	4,976.7	15.9%
Corporate	1,474.8	1,326.5	11.2%	1,363.7	8.2%	4,165.9	3,673.6	13.4%
SME	544.5	438.9	24.1%	495.8	9.8%	1,517.4	1,223.0	24.1%
Dental	29.0	28.4	2.0%	29.0	0.0%	85.6	80.1	6.8%
Individual	436.0	414.1	5.3%	420.7	3.6%	1,274.9	1,211.6	5.2%
Earned Premiums (R\$ million)	2,463.8	2,198.1	12.1%	2,299.8	7.1%	7,007.9	6,157.0	13.8%
Group	2,035.1	1,784.3	14.1%	1,883.0	8.1%	5,744.5	4,948.3	16.1%
Individual	428.8	413.8	3.6%	416.9	2.9%	1,263.4	1,208.7	4.5%
Loss Ratio (%)	82.8%	82.2%	-60 BPS	87.1%	430 BPS	85.0%	83.9%	-110 BPS
Group	80.1%	78.9%	-120 BPS	84.1%	400 BPS	82.4%	81.6%	-80 BPS
Individual	95.8%	96.6%	90 BPS	101.0%	520 BPS	96.9%	93.2%	-360 BPS
Acquisition Cost Ratio (%)	6.3%	6.1%	-10 BPS	6.2%	-10 BPS	6.2%	6.2%	-10 BPS
Group	7.5%	7.3%	-10 BPS	7.4%	-10 BPS	7.5%	7.4%	-10 BPS
Individual	0.5%	1.0%	50 BPS	0.9%	50 BPS	0.6%	1.3%	70 BPS
Gross Margin (%)	10.9%	11.7%	-70 BPS	6.7%	430 BPS	8.8%	9.9%	-120 BPS
Group	12.4%	13.8%	-140 BPS	8.6%	390 BPS	10.2%	11.0%	-90 BPS
Individual	3.8%	2.4%	140 BPS	-1.9%	570 BPS	2.5%	5.5%	-300 BPS

Group Health Insurance

Corporate

Premiums for this portfolio, which includes group policies of 30 lives or more and also the affinity group plans, grew once again above double digits for the quarter (+11.2% vs 3Q13), reflecting the required annual price adjustments that more than compensated the decline of 7k lives in insured members. Growth for 9M14 reached 13.4%. The portfolio ended the period with approximately 1.2 million insured members, demonstrating an underwriting policy focused on profitability.

Small and Medium Enterprises (SMEs)

The SME portfolio continued to increase in share relative to the other health and dental portfolios, a result of the strong pace of premiums growth of 24.1% compared to 3Q13 and 9M13, respectively. This growth was driven by new sales and by the price readjustments applied during the period, demonstrating the potential for increased penetration of this product in a weaker economic scenario. The portfolio increased by 40k insured members over the last twelve months and reached 386k members at the end of the period.

Individual Health Insurance

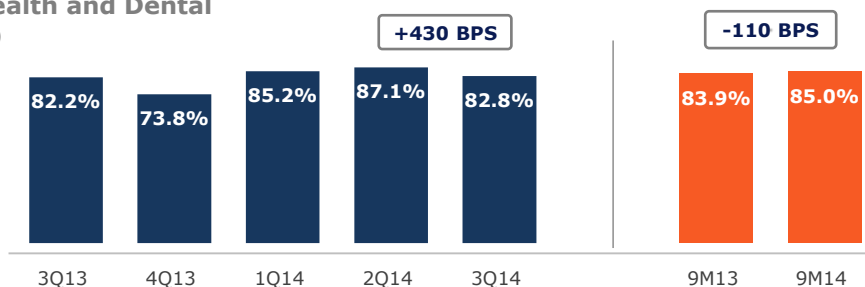
Total premiums grew 5.3% in 3Q14 and 5.2% in 9M14 relative to the comparative periods of the previous year, reflecting, the application of price readjustments stipulated in 2014 by the ANS (National Agency of Supplemental Health), combined with a decline of 5.1% in the number of insured members, in line with expectations for this portfolio. In 3Q14, the ANS released the maximum readjustment rates valid for the period of May 2014 to April 2015. The rates for plans contracted from January 1999 or after the Law 9.656/98 is 9.65%. The authorized price readjustment for plans contracted before the Law 9.656/98 went into effect is 10.79%. The participation of individual plans in total premiums of the health insurance segment continued to decline, representing at the end of the period, 17.5% of total segment premiums versus 18.8% for the previous year. The portfolio reached 205k members at the end of 3Q14.

Dental

The portfolio premiums grew 2.0% and 6.8% compared to 3Q13 and 9M13, respectively, while at the same time the portfolio declined by 25k beneficiaries (due to the loss of a large contract), closing 9M14 with 590k members.

Loss Ratio – Health and Dental

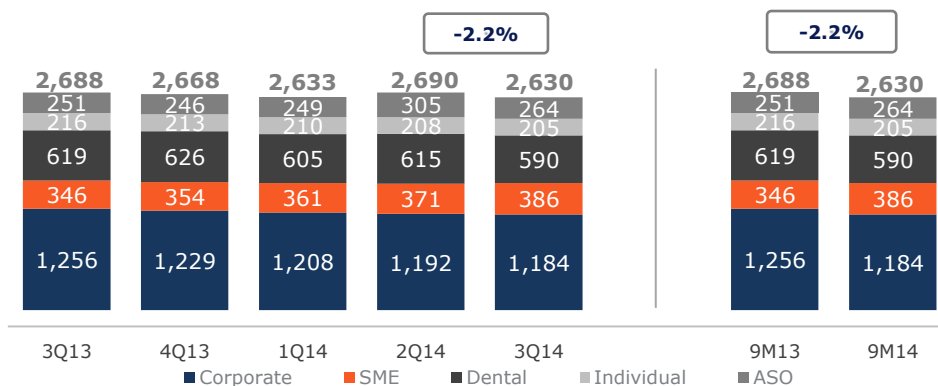
(% Earned Premiums)



The segment loss ratio for the third quarter increased 60 BPS and 110 BPS year-to-date, reflecting the higher medical inflation observed in the health industry.

Beneficiaries

(Thousand)



The relative share of SME plans in the portfolio continued to increase, having expanded materially over the recent quarters. Considering the continued underwriting focus on profitability, total members in the portfolio declined 2.2% in comparison with 2Q14 (-60k lives), reflecting the loss of a significant contract with lives in both the ASO and Dental segments. Additionally, contracts from group insurance portfolios migrated to ASO. Relative to 9M13, the decline was 2.2% (-58k lives) with a total of approximately 2.6 million lives. Among the Group portfolios, the highlights were ASO and SME which added, respectively, 13k and 40k new members, net of cancellations, between 3Q14 and 3Q13.

Administrative Services Only (ASO)

Billings from ASO plans grew 24.2% and 22.0% compared to 3Q13 and 9M13, respectively, with a 5.3% increase in the number of members relative to 9M13. Operating income increased 23.8% versus 3Q13, driven by the negotiated price readjustments and the incorporation of new members.

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Billings from Plans	205.4	165.4	24.2%	192.0	6.9%	569.3	466.4	22.0%
Net Events Payable and Other Income/Expenses	-197.8	-159.3	-24.2%	-183.6	-7.7%	-547.3	-445.8	-22.8%
Income from Healthcare Operations	7.5	6.1	23.8%	8.4	-10.6%	22.0	20.6	6.5%

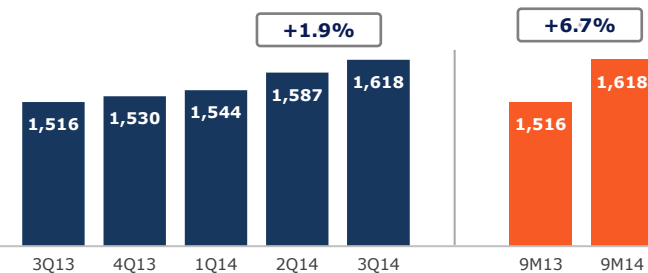
4. Auto Insurance

Segment premiums grew 5.3% in 3Q14 versus 3Q13. Year-to-date, premiums grew 7.6% relative to the same period last year, in line with the insured fleet growth. The insured fleet totaled 1.6 million vehicles at quarter end, a growth of 6.7% compared to 9M13. The loss ratio worsened by 140 BPS for the quarter, reflecting higher levels of robbery and theft and an increase in indemnifiable events related to partial losses. The acquisition cost ratio increased 110 BPS in the quarterly comparison, mainly due to the reclassification and deferral of certain administrative expenses directly associated with policy issuance.

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Insurance Premiums	790.9	751.1	5.3%	783.2	1.0%	2,282.6	2,122.3	7.6%
Earned Premiums	732.9	663.8	10.4%	713.6	2.7%	2,138.7	1,890.5	13.1%
Loss Ratio (%)	62.5%	61.0%	-140 BPS	60.1%	-240 BPS	61.3%	60.1%	-120 BPS
Acquisition Cost Ratio (%)	23.1%	22.0%	-110 BPS	23.1%	-10 BPS	23.1%	21.3%	-190 BPS
Gross Margin (%)	14.4%	17.0%	-260 BPS	16.9%	-250 BPS	15.6%	18.6%	-300 BPS

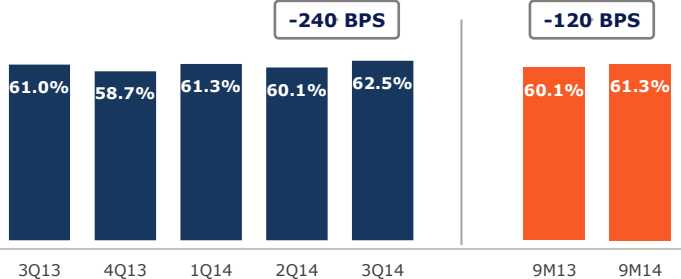
Insured Fleet

(Thousand Vehicles)



Loss Ratio - Auto

(% Earned Premiums)



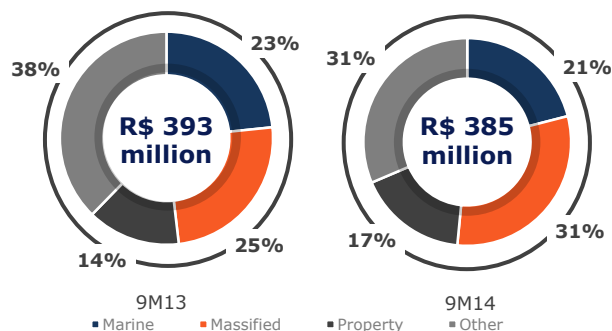
5. Other Property and Casualty

The results of the segment repositioning, which was initiated in 2013, began to be reflected more clearly with written premiums growth of 2.5% and 13.5% compared to 3Q13 and 2Q14, respectively. Year-to-date, premiums decreased 1.9% compared to 9M13. The highlights were the property and massified portfolios which grew 23.6% and 13.2%, respectively, relative to 3Q13. The loss ratio worsened 180 BPS in comparison with the same quarter of the previous year due to an increase in claims in the massified portfolio. Year-to-date, the loss ratio improved 320 BPS, in line with the new composition of the portfolio, considering the increased participation of massified insurance in the portfolio.

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Insurance Premiums	136.4	133.1	2.5%	120.2	13.5%	385.0	392.5	-1.9%
Earned Premiums	85.5	86.7	-1.5%	85.3	0.2%	260.7	256.8	1.5%
Loss Ratio (%)	56.1%	54.3%	-180 BPS	54.1%	-200 BPS	53.1%	56.3%	320 BPS
Acquisition Cost Ratio (%)	25.7%	24.0%	-180 BPS	25.4%	-40 BPS	24.9%	22.0%	-290 BPS
Gross Margin (%)	18.1%	21.7%	-360 BPS	20.5%	-240 BPS	22.0%	21.7%	40 BPS

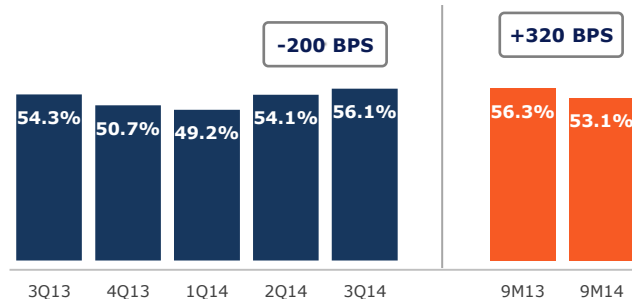
Segment Breakdown

(% Total Premiums)



Loss Ratio – Other Property and Casualty

(% Earned Premiums)



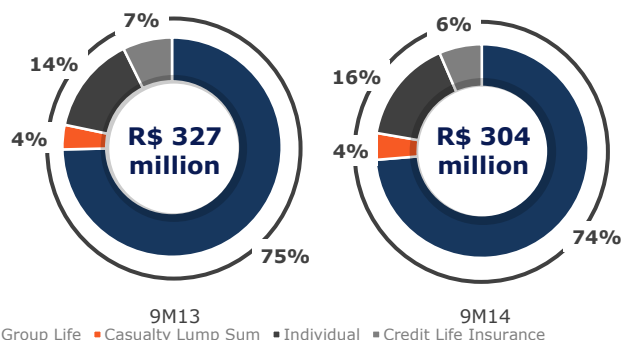
6. Personal & Accident Insurance

Segment premiums decreased by 9.1% in 3Q14 compared to 3Q13 and 7.0% in 9M14 compared to 9M13, still not totally reflecting the Company's repositioning actions in the portfolio, such as the launch of new products, investments in distribution expansion, and the revision and enhancement of operational processes. The loss ratio, as a result of the aforementioned actions, improved an additional 750 BPS compared to 3Q13.

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Insurance Premiums	100.6	110.6	-9.1%	99.5	1.1%	303.8	326.5	-7.0%
Earned Premiums	100.4	110.0	-8.7%	98.5	2.0%	301.6	325.2	-7.2%
Loss Ratio (%)	42.3%	49.8%	750 BPS	47.2%	490 BPS	44.1%	58.3%	1420 BPS
Acquisition Cost Ratio (%)	31.6%	35.2%	360 BPS	32.2%	50 BPS	31.6%	31.5%	-10 BPS
Gross Margin (%)	26.1%	15.0%	1110 BPS	20.7%	540 BPS	24.3%	10.2%	1410 BPS

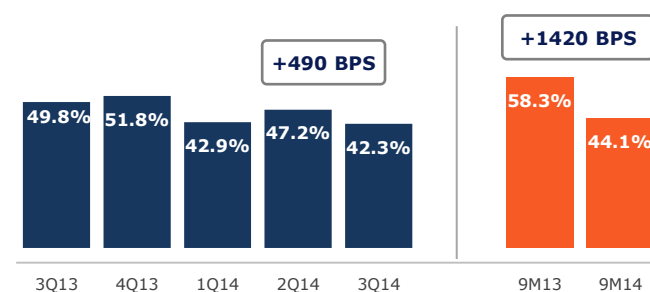
Segment Breakdown

(% of Earned Premiums)



Loss Ratio – Life and Personal Accident

(% of Earned Premiums)



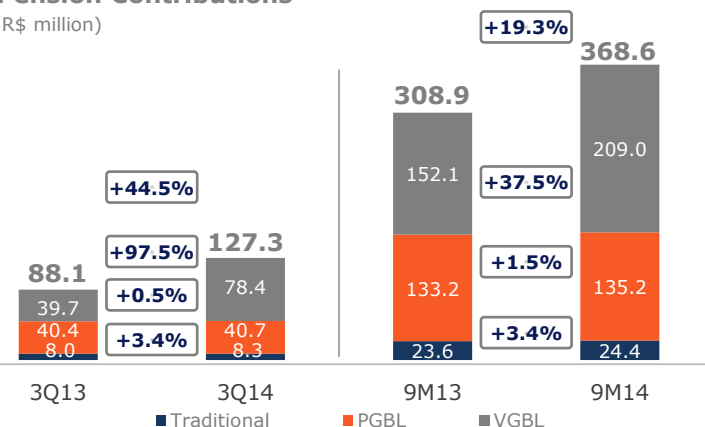
7. Private Pension

Pension contributions grew expressively (+44.5%) for the quarter compared to 3Q13, with reserves reaching approximately R\$ 4.4 billion at the end of the period. VGBL contributions and reserves continued to be the positive highlight, exceeding the other portfolios and growing 97.5% and 24.8%, respectively, in comparison with 3Q13. As a result of increased contributions and lower expenses from benefits and redemptions, income grew 26.6% in 3Q14. For 9M14, income for the segment was 10.4% below 9M13, impacted by greater selling expenses for the period.

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Contribution Income	127.3	88.1	44.5%	106.4	19.7%	368.6	308.9	19.3%
Changes in Technical Reserves	-120.1	-79.8	-50.5%	-99.0	-21.3%	-350.0	-291.3	-20.2%
Expenses with Benefits and Redemptions	-6.2	-9.2	32.3%	-5.4	-15.2%	-15.4	-15.7	1.8%
Selling Expenses from Private Pension	-5.8	-4.6	-26.6%	-5.3	-9.3%	-16.2	-13.4	-21.1%
Other Operational Income/Expenses from Private Pension	9.4	9.1	3.8%	8.8	6.7%	26.8	26.9	0.2%
Income from Private Pension	4.6	3.6	26.6%	5.5	-16.7%	13.8	15.4	-10.4%

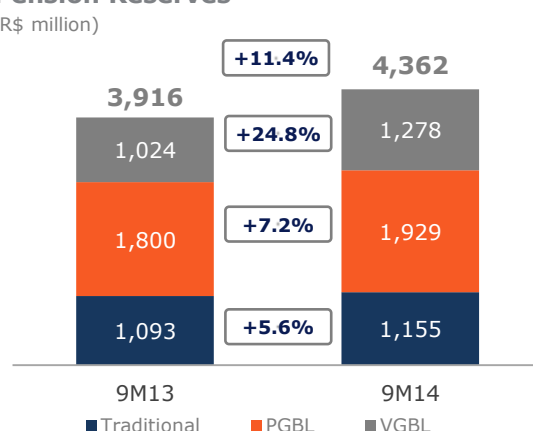
Pension Contributions

(R\$ million)



Pension Reserves

(R\$ million)



8. Savings Bonds

The financial statements for the Savings Bond unit started to be consolidated in SulAmérica's financials in May 2013, providing an important contribution to the results of the Company. In the quarterly comparison, savings bonds collections grew 15.9% compared to 3Q13, benefiting from the integration between the operations and greater penetration capability provided by SulAmérica's distribution network. Therefore, the 9M14 results were affected because 9M13 only includes the months of May, June, July, August, and September. To allow for the pro-forma comparison between the current period and the respective period of 2013, collections for 9M13 were R\$ 1,348.7 million, which would have represented growth of 22.8%. Savings Bonds reserves totaled R\$ 781.2 million at the end of 9M14, an increase of 18.9% compared to 9M13.

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Savings Bonds Collections ⁽¹⁾	563.1	485.8	15.9%	567.6	-0.8%	1,656.2	797.1	107.8%
Changes in Technical Reserves ⁽²⁾	-395.2	-386.9	-2.1%	-404.2	2.2%	-1182.8	-633.6	-86.7%
Operational Expenses from Savings Bonds ⁽²⁾	-149.8	-87.4	-71.4%	-148.7	-0.8%	-426.7	-140.4	-204.0%
Operating Income from Savings Bonds	18.1	11.5	58.0%	14.7	23.2%	46.7	23.2	101.5%
Savings Bonds Reserves	781.2	656.9	18.9%	798.8	-2.2%			

(1) SulAmérica began to consolidate the results of SulaCap in May 2013. Therefore, the total savings bonds collections for the 9M13 only include May to September of 2013. In order to facilitate comparisons between periods, contributions for 9M13 were R\$ 1,348.7 million, which would represent a growth of 22.8%.

(2) As commented in the previous quarter, the operational change in the popular and incentive product lines compromised the comparison with the previous year. The increase in the Operational Expenses line was offset by lower Changes in the Technical Reserves, with no overall effect on the results.

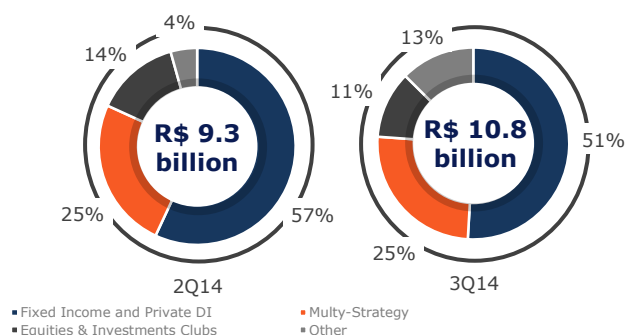
9. Asset Management (SulAmérica Investimentos)

Asset management income was stable for the quarter (-0.6%) compared to 3Q13 with a decrease 1.2% year-to-date in the comparison with 9M13 due to lower performance fee revenue. Performance fee revenue was impacted negatively from the reduction in equity investments and due to higher volatility observed during the period. Compared to 9M13, the segment increased its total assets under management by 11.1%, to R\$ 21.0 billion.

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Management Fee Revenue	12.0	12.0	0.3%	10.9	10.0%	33.7	34.0	-0.9%
Performance Fee	0.3	0.2	40.5%	0.4	-31.2%	0.9	1.7	-47.8%
Asset Management Operational Costs	-0.7	-0.5	-34.4%	-0.7	-6.0%	-2.0	-2.8	26.4%
Asset Management Income	11.6	11.6	-0.6%	10.6	8.6%	32.6	33.0	-1.2%

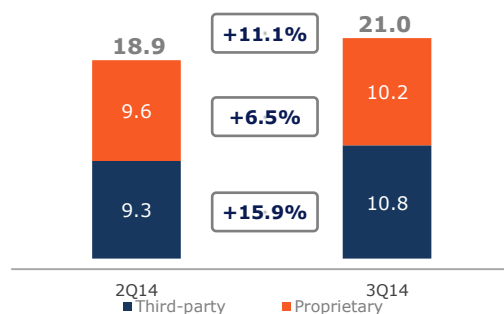
Third-party Assets Under Management

(% Total AUM)



Assets Under Management

(R\$ billion)



10. Administrative Expenses

Total administrative expenses increased 8.3% and 9.1% compared to 3Q13 and 9M13, impacted by higher personnel expenses, a larger workforce, annual salary readjustments which occurred in the beginning of 2014, and greater investments in advertising and publicity expenses included in the Other Administrative Expenses line related to the new branding in the beginning of 2014. Though the absolute value increased in 3Q14, the administrative expenses ratio, obtained by dividing the total administrative expenses by retained premiums for the period, was 8.8%. The improvement in the ratio compared to 3Q13 demonstrates adequate cost control and operational synergies.

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Personnel Expenses	-138.0	-125.0	-10.5%	-132.9	-3.9%	-405.0	-369.3	-9.7%
Third-Party Services	-75.5	-78.4	3.7%	-74.5	-1.4%	-220.2	-212.9	-3.4%
Buildings and Maintenance	-58.3	-57.8	-0.9%	-57.8	-1.0%	-172.8	-161.2	-7.2%
Other Administrative Expenses	-29.5	-16.3	-81.0%	-19.5	-51.4%	-64.6	-50.4	-28.1%
Expenses Recover	8.5	4.8	-75.8%	6.4	-32.9%	21.7	16.6	-30.1%
Profit Sharing	-12.3	-9.2	-34.0%	-12.3	0.0%	-37.8	-27.9	-35.5%
Total	-305.1	-281.8	-8.3%	-290.5	-5.0%	-878.7	-805.1	-9.1%
Administrative Expenses ratio (% Retained Premiums)	8.8%	8.9%	10 BPS	8.8%	0 BPS	8.9%	9.0%	20 BPS
Administrative Expenses ratio (% Revenues and Collections)	6.9%	7.1%	20 BPS	6.9%	0 BPS	6.9%	7.6%	60 BPS

11. Other Operating Income and Expenses

Other operating income and expenses worsened by 6.6% and 3.3%, when compared to 3Q13 and 9M13, respectively. The worsening can be explained mainly by the negative impacts related to an increase in judicial contingencies. The ratio, which relates this line to retained premiums, improved by 10 BPS and 20 BPS compared to 3Q13 and 9M13, respectively.

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Other Insurance Operating Income/Expenses	-88.7	-83.2	-6.6%	-88.1	-0.8%	-257.5	-249.3	-3.3%
Other Insurance Operating Income/Expenses Ratio (%)	2.6%	2.6%	10 BPS	2.7%	10 BPS	2.6%	2.8%	20 BPS

12. Tax Expenses

Tax expenses increased R\$ 35.3 million in 3Q14 and R\$ 48.0 million in the first nine months of 2014, due mainly to the reversal of a fiscal judicial contingency (approximately R\$ 27 million) which occurred in 3Q13 and did not repeat in 2014.

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Tax Expenses	-49.0	-13.8	-256.2%	-45.9	-6.8%	-145.1	-97.0	-49.5%
Tax Expenses Ratio (% Retained Premiums)	1.4%	0.4%	-100 BPS	1.4%	0 BPS	1.5%	1.1%	-40 BPS

13. Investment Income

Approximately 99% of the Company's proprietary portfolio, comprised of own assets not linked to private pension, is allocated to fixed income, with 1% held in equities. Approximately 97% of the fixed income allocation is AAA-rated or sovereign risk (government bonds).

The Company's proprietary portfolio, not linked to private pension, returned 95.3% and 103.1% of the CDI benchmark in 3Q14 and 9M14, respectively.

Total investment income grew 34.1% in 3Q14 relative to the previous year, due to an increase in assets under management and a higher base interest rate (Selic).

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Investment Income ex-Private Pension	168.6	119.4	41.1%	162.5	3.7%	482.8	323.3	49.3%
Return on Investment Portfolio	158.4	108.3	46.3%	160.1	-1.0%	465.2	308.2	50.9%
Debt Service Cost	-29.8	-12.2	-144.4%	-18.3	-63.0%	-61.6	-32.2	-91.2%
Other	39.9	23.3	71.0%	20.7	92.8%	79.1	47.3	67.3%
Investment Income of Private Pension	8.1	12.3	34.0%	2.3	256.1%	15.6	-3.2	583.8%
Return on Investment Portfolio of Private Pension	89.0	91.1	-2.3%	95.8	-7.2%	283.3	117.7	NA
Change in Liabilities of Private Pension	-80.9	-78.8	-2.6%	-93.6	13.6%	-267.7	-120.9	NA
Total Investment Income*	176.6	131.7	34.1%	164.8	7.2%	498.4	320.1	55.7%

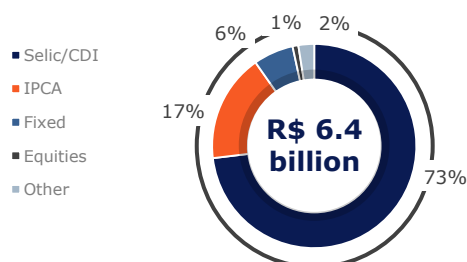
Balance

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ
Balance Excluding Private Pension	6,353.0	5,608.9	13.3%	6,169.3	3.0%
Private Pension Operations Balance	4,361.6	3,916.2	11.4%	4,227.8	3.2%
Total Balance	10,714.6	9,525.1	12.5%	10,397.2	3.1%

*Investment income, previously defined as financial income, includes return from investments in marketable securities, interest and inflation adjustments for issued debentures, interest and monetary variation on judicial deposits, and late interest payments.

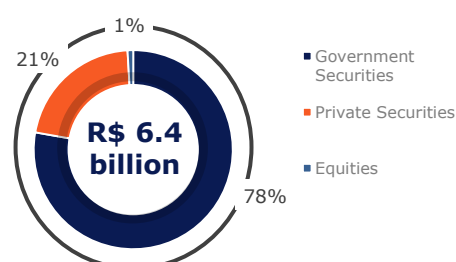
Investment Strategy

(ex-pension)



Investment Allocation

(ex-pension)



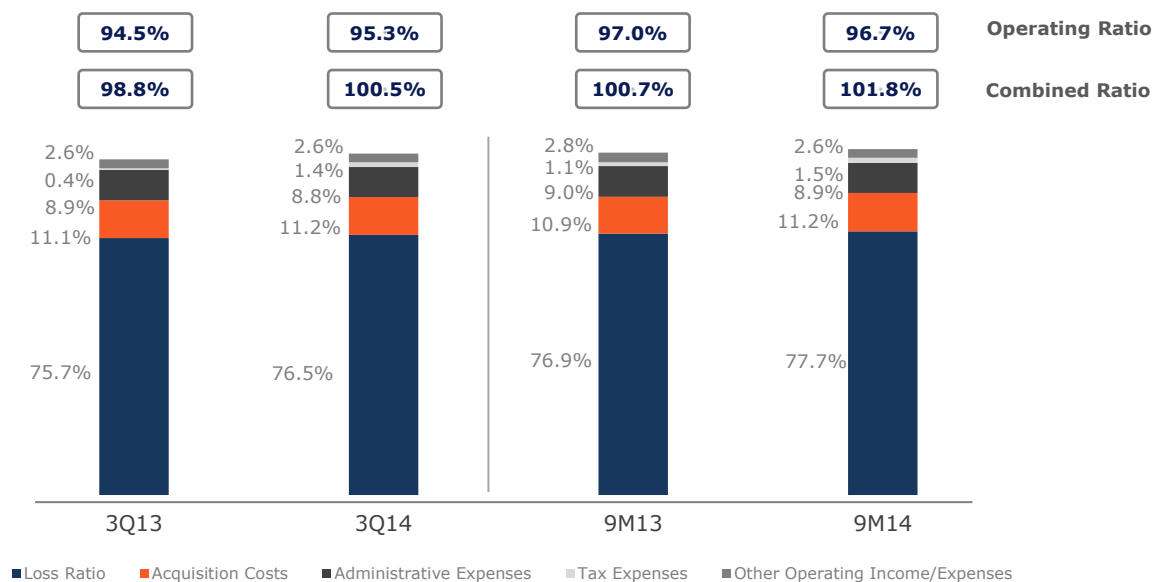
14. Combined and Operating Ratios

The combined ratio in 3Q14 was 100.5%, a worsening of 170 BPS relative to 3Q13, negatively impacted by higher health and auto loss ratios and tax expenses. The operating ratio worsened 80 BPS to 95.3% in 3Q14.

In the comparison of the first nine months to the previous year, the combined ratio worsened 110 BPS, impacted by the increased health and auto loss ratios, higher acquisition costs, and tax expenses. The operating ratio improved 30 BPS, reflecting the strong performance of investment income in 2014.

Combined and Operating Ratios

(%)



15. Net Income

3Q14 net income totaled R\$ 119.8 million, 2.3% above 3Q13, positively impacted by premium growth, improved margins from the Life and Personal Accident segment, contributions from the Savings Bonds operations, from Private Pension, and investment income. Year-to-date, net income grew 32.9% to R\$ 254.1 million, the largest since the first nine months of 2010 (9M10: R\$ 268.4 million).

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Income Before Tax and Social Contribution	199.5	199.8	-0.2%	99.7	100.0%	435.4	333.5	30.6%
Income Tax and Social Contribution	-77.6	-80.9	4.1%	-44.3	-75.2%	-176.1	-138.7	-27.0%
Net Income	121.8	118.9	2.5%	55.4	119.8%	259.3	194.8	33.1%
Net Income attributable to non-Controlling Interest	-2.0	-1.8	-15.0%	-1.8	-10.3%	-5.2	-3.6	-45.1%
Net Income after non-Controlling Interest	119.8	117.1	2.3%	53.6	123.5%	254.1	191.3	32.9%
Net Income per unit (R\$)*	0.36	0.35	2.2%	0.16	123.3%	0.76	0.61	24.2%
ROAE (% last 12 months)	14.9%	13.6%	130 BPS	15.2%	-30 BPS			

* Net income per unit is calculated by multiplying the basic earnings per share by three. Each unit is composed of three shares, one common share and two preferred. The total number of units at the end of the periods 3Q14 and 3Q13 are different. Please refer to Note 23.8 in the Financial Statements for the period details on the calculation of earnings per share.

16. Summary Balance Sheet

ASSETS

(R\$ million)

	3Q14	2013	Δ
Current Assets	13,049.6	11,626.1	12.2%
Cash, cash equivalents and marketable securities	9,647.4	8,533.6	13.1%
Receivables from insurance, reinsurance and pension operations	1,944.2	1,663.3	16.9%
Receivables from savings bonds operations	193.4	214.0	-9.6%
Reinsurance and retrocession assets	319.8	277.0	15.5%
Deferred acquisition costs	572.5	514.3	11.3%
Receivables	288.8	356.4	-19.0%
Other current assets	83.5	67.7	23.3%
Long-Term Assets	5,593.2	5,335.9	4.8%
Marketable securities	1,189.4	1,328.0	-10.4%
Judicial and fiscal deposits	2,546.0	2,317.2	9.9%
Deferred acquisition costs	224.4	205.5	9.2%
Other long-term assets	1,133.4	1,013.2	11.9%
Permanent Assets	500.1	471.9	6.0%
Total Assets	18,642.8	16,962.0	9.9%

LIABILITIES

(R\$ million)

	3Q14	2013	Δ
Current Liabilities	7,847.2	7,069.8	11.0%
Loans and financing	191.9	20.1	855.0%
Other payable obligations	517.1	572.2	-9.6%
Insurance and reinsurance debts	561.3	531.7	5.6%
Technical reserves - Insurance	4,695.3	4,125.8	13.8%
Technical reserves - Private pension	958.2	891.8	7.4%
Technical reserves - Savings Bonds	781.2	790.4	-1.2%
Other liabilities	142.3	137.9	3.2%
Non-current Liabilities	6,954.1	6,273.9	10.8%
Accounts payable	1,223.0	1,156.5	5.7%
Loans and financing	832.7	499.1	66.9%
Other accounts payable	27.4	48.2	-43.2%
Technical reserves - Insurance	466.0	459.9	1.3%
Technical reserves - Private pension	3,417.4	3,162.4	8.1%
Other liabilities	987.7	947.8	4.2%
Shareholders' Equity	3,841.5	3,618.3	6.2%
Total Liabilities	18,642.8	16,962.0	9.9%

17. Summary Income Statement

(R\$ million)	3Q14	3Q13	Δ	2Q14	Δ	9M14	9M13	Δ
Insurance Premiums	3,512.1	3,202.7	9.7%	3,312.0	6.0%	10,015.2	9,029.6	10.9%
Premiums ceded to reinsurance, retrocession, consortiums and funds	-49.2	-45.7	-7.6%	-27.6	-78.2%	-117.7	-121.2	2.9%
Retained Premiums	3,462.9	3,156.9	9.7%	3,284.4	5.4%	9,897.5	8,908.4	11.1%
Changes in insurance and retained technical reserves	-80.2	-98.4	18.5%	-87.1	8.0%	-188.5	-279.0	32.4%
Earned Premiums	3,382.7	3,058.5	10.6%	3,197.3	5.8%	9,709.0	8,629.4	12.5%
Retained claims and benefits expenses	-2,589.0	-2,314.0	-11.9%	-2,525.4	-2.5%	-7,539.0	-6,637.6	-13.6%
Acquisition costs	-377.4	-340.4	-10.9%	-360.3	-4.7%	-1,091.4	-940.6	-16.0%
Gross Margin	416.3	404.1	3.0%	311.6	33.6%	1,078.6	1,051.3	2.6%
Other insurance and operating income/expenses	-88.7	-83.2	-6.6%	-88.1	-0.8%	-257.5	-249.3	-3.3%
Net operating income from savings bonds	18.1	11.5	58.0%	14.7	23.2%	46.7	23.2	101.5%
Net operating income from private pension	4.6	3.6	26.6%	5.5	-16.7%	13.8	15.4	-10.4%
Net operating income from ASO business	7.5	6.1	23.8%	8.4	-10.6%	22.0	20.6	6.5%
Net operating income from asset management business	11.6	11.6	-0.6%	10.6	8.6%	32.6	33.0	-1.2%
Administrative expenses	-305.1	-281.8	-8.3%	-290.5	-5.0%	-878.7	-805.1	-9.1%
Tax expenses	-49.0	-13.8	-256.2%	-45.9	-6.8%	-145.1	-97.0	-49.5%
Investment income	176.6	131.7	34.1%	164.8	7.2%	498.4	320.3	55.6%
Equity interest and other income / expenses	7.6	10.0	-23.4%	8.6	-11.2%	24.7	21.2	16.6%
Income Before Tax, Social Contribution and non-Controlling Interest	199.5	199.8	-0.2%	99.7	100.0%	435.4	333.5	30.6%
Income tax and social contribution	-77.6	-80.9	4.1%	-44.3	-75.2%	-176.1	-138.7	-27.0%
Net Income	121.8	118.9	2.5%	55.4	119.8%	259.3	194.8	33.1%
Attributable to non-Controlling Interest	-2.0	-1.8	-15.0%	-1.8	-10.3%	-5.2	-3.6	-45.1%
Net Income after non-Controlling Interest	119.8	117.1	2.3%	53.6	123.5%	254.1	191.3	32.9%

18. Analyst Coverage

Firm	Analyst	Phone
Agora	Aloísio Lemos	+55 (21) 2529-0807
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Banco Safra	Francisco Kops	+55 (11) 3175-9073
Bradesco	Carlos Firetti	+55 (11) 2178-5363
Brasil Plural	Eduardo Nishio	+55 (11) 3206-8240
BTG Pactual	Eduardo Rosman	+55 (11) 3383-2772
Credit Suisse	Victor Schabbel	+55 (11) 3701-6337
Goldman Sachs	Carlos Macedo	+55 (11) 3371-0887
JP Morgan	Domingos Falavina	+55 (11) 4950-3474
Merrill Lynch	Mario Pierry	+55 (11) 2188-4565
Santander	Henrique Navarro	+55 (11) 3012-5756
UBS	Mariana Taddeo	+55 (11) 3513-6512
Votorantim	Flavio Yoshida	+55 (11) 5171-5627

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

Consolidated net income, net income per unit, and ROAE figures consider results for the company net of non-controlling interest.