



Quarterly Results – 2nd quarter 2017

- Total revenues reach R\$4.4 billion (+5.7%) in 2Q17 and R\$8.6 billion (+7.6%) in 1H17
- Net income of R\$80.6 million in 2Q17 and R\$209.2 million in 1H17
- Administrative expenses ratio of 8.4% of revenues, with a gain of 60 BPS
- Over 3.0 million total insured members in health & dental (+2.7%)
- Return on average equity of 13.5% in the last 12 months

Conference Call

August 4, 2017 (Friday)

Portuguese (with simultaneous translation to English)

10 am (Brasília) | 9 am (US/DST)

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MESSAGE FROM MANAGEMENT

In the context of the prolonged challenging environment we face in the country, SulAmérica continues its growth trajectory, delivering consistent results. Total operating net revenues reached R\$4.4 billion in the quarter, 5.7% higher than in the second quarter of 2016, and R\$8.6 billion year-to-date, 7.6% above the figure recorded in 1H16.

The second quarter usually carries seasonal effects, especially in the health segment. Therefore, this segment's higher loss ratio negatively impacted our operational performance in the quarter. On the other hand, we showed improvements in administrative expenses and acquisition costs. In addition, as already expected for the period, the lower average interest rate (Selic) implied a lower contribution from investment income. As a result, net income reached R\$80.6 million, 36.3% lower than in 2Q16, which had been, in 2016, a record result for a second quarter. In the first half of the year, net income reached R\$209.2 million, 10.0% lower than in 2016. Our return on average equity (ROAE) came to 13.5% in the last twelve months.

In the health and dental segment, we had a combination of new sales that continued to grow strong and a balanced retention strategy. This allowed us to continue to see our base of insured members increasing over time. As a result, the segment ended the quarter with important revenue growth in group plans, in addition to the good performance of ASO plans. Additionally, dental plans continued to perform well, both in terms of revenues and insured members, growing 16.4% and 6.4%, respectively, when compared to 2Q16.

The auto insurance performance began to show signs of recovery, posting revenue growth and improving loss ratio when compared to 1Q17. The segment, however, is still impacted by high frequency of auto theft and robbery in several regions of the country and a slow recovery of sales of brand new vehicles. In the other business lines, we highlight the good results of the mass market insurance portfolio, which presented relevant revenue growth and decreasing loss ratio. Revenues for life & personal accident insurance and savings bonds also posted increases.

We continue to engage our stakeholders in environmental, social and governance (ESG) matters. According to our strategy to disseminate the importance of financial planning, we carried out the National Financial Education Week this quarter, promoted by the Committee of National Financial Education, which is made up by public bodies and representatives of the civil society such as the Central Bank, Susep and Anbima. We also launched the Financial Health Program for SulAmérica's employees.

We remain confident in our business model, paying increasing attention to technology and innovation. We keep investing to capture synergies among our different business lines, always with an underwriting focus and rigid capital and costs discipline. We are improving our customer and broker service channels, increasing offers to our business partners and enhancing our online apps. We remain well-positioned for the remaining of the year, continuously improving efficiency, risks, and the quality of our operations.

We thank once again the engagement of our employees and the trust, dedication and fundamental contribution of insurance brokers, business partners and other stakeholders.

Gabriel Portella
CEO

1. Main Highlights

Financial Highlights (R\$ million)								
	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Operating Revenues	4,179.8	3,956.5	5.6%	4,068.4	2.7%	8,248.2	7,665.9	7.6%
Health & Dental	3,304.3	3,009.0	9.8%	3,259.2	1.4%	6,563.5	5,933.1	10.6%
Automobile	724.0	813.3	-11.0%	664.8	8.9%	1,388.8	1,481.9	-6.3%
Other Property & Casualty	44.7	36.9	21.2%	41.2	8.5%	86.0	74.0	16.1%
Life & Personal Accident	106.7	97.2	9.8%	103.2	3.5%	209.9	176.9	18.7%
Other Operating Revenues	178.1	167.6	6.3%	192.7	-7.6%	370.8	342.2	8.3%
Private Pension	128.6	124.3	3.5%	132.3	-2.7%	260.9	242.8	7.5%
Savings Bonds	12.4	12.2	1.1%	14.4	-14.2%	26.8	26.6	0.5%
Administrative Services Only	14.2	9.7	47.6%	11.3	26.0%	25.5	20.5	24.8%
Asset Management	10.8	9.4	14.8%	9.7	11.0%	20.4	18.5	10.7%
Other Revenues	12.1	12.1	0.4%	25.0	-51.6%	37.2	33.9	9.6%
Total Operating Revenues	4,357.9	4,124.1	5.7%	4,261.1	2.3%	8,619.0	8,008.2	7.6%
Investment Income	212.6	232.3	-8.5%	224.1	-5.1%	436.7	434.2	0.6%
Net Income	81.5	127.1	-35.9%	129.0	-36.8%	210.5	233.8	-10.0%
Net Income after non-Controlling Interest	80.6	126.4	-36.3%	128.6	-37.3%	209.2	232.3	-10.0%
Net Income per unit (R\$)*	0.21	0.38	-44.9%	0.38	-45.5%	0.58	0.69	-16.8%
Recurring ROAE (% last 12 months)	13.5%	15.5%	-210 BPS	14.7%	-120 BPS			
Insurance Operational Information (R\$ million)								
	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Earned Premiums	4,270.2	3,965.9	7.7%	4,229.8	1.0%	8,500.0	7,874.0	8.0%
Health & Dental	3,307.1	3,019.7	9.5%	3,284.0	0.7%	6,591.1	5,962.7	10.5%
Automobile	804.2	804.6	-0.1%	794.3	1.2%	1,598.5	1,642.4	-2.7%
Other Property & Casualty	46.7	38.4	21.6%	41.7	12.0%	88.3	76.4	15.6%
Life & Personal Accident	112.3	103.3	8.7%	109.8	2.3%	222.0	192.5	15.3%
Retained Claims	-3,450.6	-3,072.7	-12.3%	-3,239.3	-6.5%	-6,690.0	-6,069.8	-10.2%
Health & Dental	-2,838.9	-2,480.3	-14.5%	-2,613.9	-8.6%	-5,452.7	-4,883.9	-11.6%
Automobile	-547.8	-543.6	-0.8%	-561.8	2.5%	-1,109.5	-1,087.3	-2.0%
Other Property & Casualty	-13.2	-14.7	10.5%	-16.5	20.3%	-29.7	-30.9	3.9%
Life & Personal Accident	-50.8	-34.1	-49.0%	-47.2	-7.7%	-98.0	-67.7	-44.7%
Insurance Operational Ratios (%)								
	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Loss Ratio	80.8%	77.5%	-330 BPS	76.6%	-420 BPS	78.7%	77.1%	-160 BPS
Health & Dental	85.8%	82.1%	-370 BPS	79.6%	-620 BPS	82.7%	81.9%	-80 BPS
Automobile	68.1%	67.6%	-60 BPS	70.7%	260 BPS	69.4%	66.2%	-320 BPS
Other Property & Casualty	28.2%	38.4%	1010 BPS	39.7%	1150 BPS	33.7%	40.5%	680 BPS
Life & Personal Accident	44.9%	32.7%	-1220 BPS	42.8%	-220 BPS	43.9%	35.0%	-890 BPS
Acquisition Cost	10.1%	10.7%	70 BPS	10.5%	40 BPS	10.3%	10.9%	60 BPS
Health & Dental	6.0%	6.2%	20 BPS	6.4%	40 BPS	6.2%	6.3%	10 BPS
Automobile	22.2%	23.6%	150 BPS	22.8%	60 BPS	22.5%	23.6%	110 BPS
Other Property & Casualty	33.4%	38.1%	470 BPS	35.5%	200 BPS	34.4%	35.9%	150 BPS
Life & Personal Accident	32.1%	30.4%	-170 BPS	32.6%	50 BPS	32.3%	32.3%	0 BPS
Combined	102.9%	101.3%	-160 BPS	100.9%	-210 BPS	101.9%	101.6%	-30 BPS
Operating	97.9%	95.5%	-240 BPS	95.4%	-250 BPS	96.7%	96.0%	-60 BPS
Consolidated Ratios (% of total operating revenues)								
	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Operating Gross Margin	6.6%	8.5%	-190 BPS	9.8%	-320 BPS	8.2%	8.7%	-60 BPS
General & Administrative Expenses	8.4%	8.9%	60 BPS	9.6%	120 BPS	9.0%	9.2%	30 BPS
Net Margin	1.8%	3.1%	-120 BPS	3.0%	-120 BPS	2.4%	2.9%	-50 BPS
Operating Highlights								
	2Q17	2Q16	Δ	1Q17	Δ			
Health & Dental Insured Members (thousand)	3,002	2,922	2.7%	2,992	0.3%			
Health Insured Members	2,120	2,093	1.3%	2,120	0.0%			
Dental Insured Members	883	830	6.4%	871	1.3%			
Insured Fleet (thousand)	1,606	1,664	-3.5%	1,683	-4.6%			
Insured Lives (thousand)	2,781	2,423	14.8%	2,812	-1.1%			
Assets under Management (R\$ billion)	33.6	31.3	7.3%	34.2	-1.8%			
Private Pension Reserves (R\$ million)	5,999	5,667	5.9%	6,204	-3.3%			

It is worth highlighting the following aspects in the Company's quarterly results:

- the growth in total operating revenues, reaching R\$4.4 billion, 5.7% higher than in 2Q16, propelled by the positive performance of health and dental, property and casualty, life, and asset management;
- health and dental insurance membership passed the 3.0 million members' mark, growing over both 2Q16 (+2.7%) and 1Q17 (+0.3%);
- improvement of 0.9% in administrative expenses (in absolute terms), with a significant 60 BPS gain in the operation efficiency ratio, reaching 8.4% of total revenues;
- acquisition costs ratio improved by 70 BPS in 2Q17; and
- investment income of R\$212.6 million in the quarter, down 8.5% compared to 2Q16, with the asset portfolio yielding 102.5% of the CDI (benchmark rate).

*Net income per unit is calculated by multiplying the basic earnings per share by three. Each unit is comprised of three shares, one common share and two preferred. The total number of shares outstanding for the years 2016 and 2017 are different. Please refer to Note 22.7 in the Financial Statements for the period details on the calculation of earnings per share.

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

Health and Dental Insurance

Operating revenues for the health and dental insurance segment increased 9.8% to R\$3.3 billion, with group plans being the highlight, with growth in all portfolios. The SME (small and medium enterprises) and dental portfolios both maintained a high growth rate, increasing top line by 17.7% and 16.4%, respectively. Retention initiatives have been intensified, positively impacting the performance of these portfolios and sustaining the growth pace of the segment.

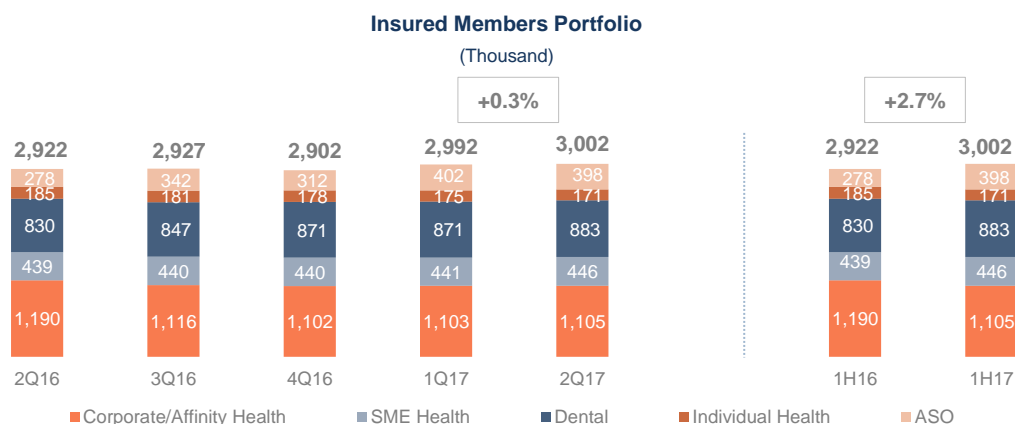
(R\$ million)	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Operating Revenues	3,318.6	3,019.4	9.9%	3,278.5	1.2%	6,597.2	5,956.7	10.8%
Insurance	3,304.3	3,009.0	9.8%	3,259.2	1.4%	6,563.5	5,933.1	10.6%
Group	2,800.4	2,533.9	10.5%	2,756.4	1.6%	5,556.8	4,984.2	11.5%
Corporate/Affinity	1,894.4	1,763.5	7.4%	1,884.1	0.5%	3,778.5	3,465.2	9.0%
SME	856.8	728.2	17.7%	824.0	4.0%	1,680.8	1,437.4	16.9%
Dental	49.2	42.3	16.4%	48.3	1.8%	97.5	81.6	19.6%
Individual Health	503.9	475.1	6.1%	502.8	0.2%	1,006.7	948.9	6.1%
Administrative Services Only	14.2	9.7	47.6%	11.3	26.0%	25.5	20.5	24.8%
Other Operating Revenues	0.1	0.7	-91.9%	8.1	-99.3%	8.1	3.1	157.6%
Changes in Technical Reserves	-18.0	-15.7	-15.0%	-7.5	-140.1%	-25.5	-23.5	-8.5%
Insurance	-18.0	-15.7	-15.0%	-7.5	-140.1%	-25.5	-23.5	-8.5%
Operating Expenses	-3,130.5	-2,745.3	-14.0%	-2,924.6	-7.0%	-6,055.1	-5,422.2	-11.7%
Insurance	-3,128.1	-2,743.1	-14.0%	-2,922.5	-7.0%	-6,050.6	-5,418.1	-11.7%
Administrative Services Only	-2.4	-2.2	-6.0%	-2.1	-11.7%	-4.5	-4.2	-7.7%
Gross Margin	170.1	258.3	-34.1%	346.4	-50.9%	516.5	510.9	1.1%
Insurance	158.2	250.3	-36.8%	329.2	-51.9%	487.4	491.5	-0.8%
Administrative Services Only	11.9	7.4	60.1%	9.2	29.3%	21.1	16.3	29.2%
Other	0.1	0.7	-91.9%	8.1	-99.3%	8.1	3.1	157.6%
Loss Ratio	85.8%	82.1%	-370 BPS	79.6%	-620 BPS	82.7%	81.9%	-80 BPS
Group	82.1%	79.1%	-300 BPS	75.6%	-660 BPS	78.8%	78.8%	0 BPS
Individual Health	106.8%	98.4%	-830 BPS	102.0%	-480 BPS	104.4%	98.2%	-620 BPS
Acquisition Cost	6.0%	6.2%	20 BPS	6.4%	40 BPS	6.2%	6.3%	10 BPS
Group	7.1%	7.4%	30 BPS	7.6%	50 BPS	7.3%	7.5%	20 BPS
Individual Health	0.2%	0.2%	0 BPS	0.2%	0 BPS	0.2%	0.2%	0 BPS

Through regional expansion, a strong sales force, and product flexibility to cater to different clients, SulAmérica reinforced its position to take advantage of market opportunities arising from the current consolidation process taking place in the private healthcare industry in Brazil, allowing us to post membership growth.

(Thousand members)	2Q17	2Q16	Δ	1Q17	Δ
Group Health	1,948	1,907	2.1%	1,946	0.1%
Corporate/Affinity Health	1,105	1,190	-7.2%	1,103	0.1%
SME Health	446	439	1.6%	441	1.1%
Administrative Services Only	398	278	43.0%	402	-1.0%
Dental	883	830	6.4%	871	1.3%
Group Total	2,831	2,737	3.4%	2,817	0.5%
Individual Health	171	185	-7.6%	175	-2.0%
Total	3,002	2,922	2.7%	2,992	0.3%

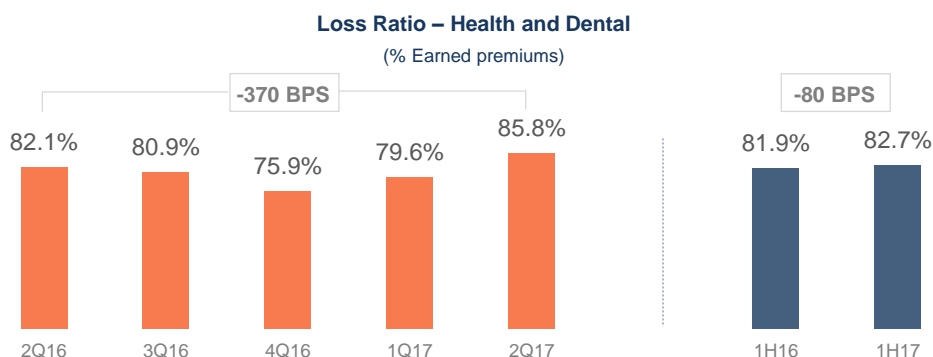
The total number of members in health and dental group plans reached 2.8 million members, growing 3.4%, or net adds of 94 thousand lives since 2Q16. The best performances were observed in the dental portfolio, which grew its membership by 6.4%, and in the portfolio of ASO (administrative services only) plans, which grew 43.0% or 119 thousand lives. Growth in the ASO portfolio in the period, a trend already observed in 1Q17, was partly due to the migration of customers from the pre-payment (risk) plans over the last months, in addition to new contracts, in particular in 1Q17. These movements offset the decrease of 7.2% in the corporate/affinity portfolio.

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



Recent available statistics from ANS (National Agency of Supplemental Health) show that the private system was comprised of 47.4 million insured members in health plans and 22.7 million in dental plans at the end of June 2017. Those numbers represented a decline of 1.7% and an increase of 7.5%, respectively, compared to same period of the previous year. In 2016 alone, the private healthcare system lost 1.5 million lives. Since the beginning of 2015, this figure reaches around 3.0 million lives, mostly from group plans. These movements are largely due to the employment situation in the country.

The control of health and dental loss ratios continues to be a priority for the Company. In 2Q17 the segment's loss ratio displays the effect of seasonality. The loss ratio increased 370 BPS in the quarter, reaching 85.8%, and 80 BPS in the first half of the year, reaching 82.7%. The loss ratio was further impacted by a high medical inflation, while usage frequency levels remain high as well.



Health Administrative Services Only (ASO)

The number of members in ASO (post-payment) plans increased 43.0% in 2Q17, not only as a result of the migration of customers from the pre-payment plans, but also from new contracts since the beginning of the year. ASO revenues followed this movement, growing 47.6% over the same period of last year, while operating gross margin totaled R\$11.9 million, 60.1% higher than 2Q16.

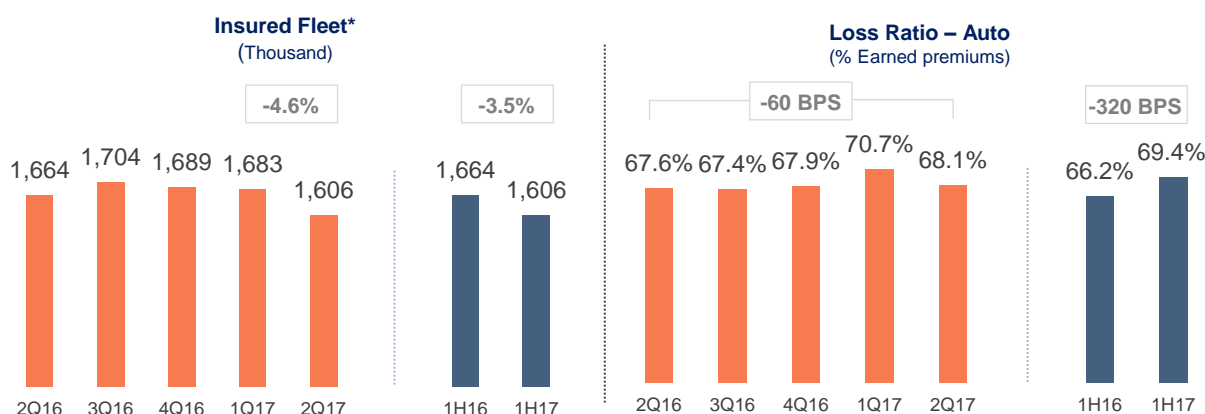
3. Auto and Other Property and Casualty Insurance

Auto Insurance

Operating revenues for auto declined 11.0% in the quarter, totaling R\$724.0 million, still reflecting the negative scenario this segment faces. The Company is investing in underwriting improvements, adapting to the higher risk scenario present in the last few months and, mainly, controlling the exposure to regions in which the risk was affected the most. The profitability of this portfolio was impacted by, among other factors, worse theft and robbery levels in several regions of the country and the low volume of sales of brand new vehicles.

The positive signs when comparing the results with 1Q17 are: (i) revenues recovered, growing 8.9%, and (ii) loss ratio, even though still negatively impacted, was 260 BPS better, reaching 68.1%. Acquisition costs were 22.2% of premiums, a gain of 150 BPS in the quarter.

At the end of 2Q17 the insured fleet totaled 1.6 million, 3.5% below the figure recorded in 2Q16.



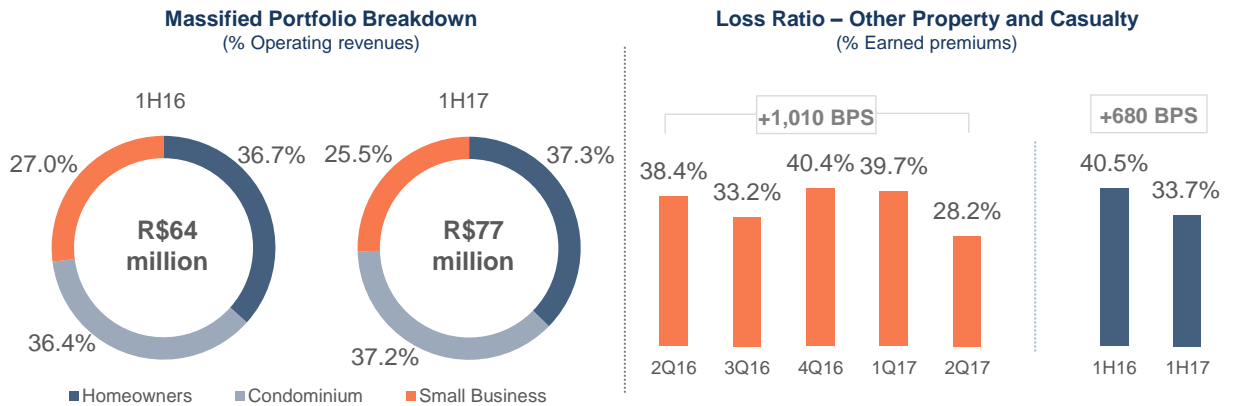
*Insured fleet net of technical cancellations

Other Property and Casualty Insurance

Other property and casualty operating revenues increased 21.2% in 2Q17, totaling R\$44.7 million. The segment's loss ratio posted positive results in the quarter and reached 28.2%, 1,010 BPS better than in the same period of the previous year, while acquisition costs also presented gains, totaling 33.4%, 470 BPS lower than in 2Q16.

Considering only the mass market insurance portfolio (homeowner's comprehensive, condominiums, and small businesses), which represented 87.4% of the segment, operating revenues increased 23.9% in the quarter, reaching R\$39.1 million, while the loss ratio came to 30.9% in the period, a 530 BPS improvement. Year-to-date, the segment's revenues totaled R\$77.3 million, 21.8% higher, with a loss ratio of 35.8%, 660 BPS better than in the same period of 2016. The loss ratio, both in the quarter and in the first half of the year, was positively impacted by lower frequency and severity of claims.

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



(R\$ million)	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Operating Revenues	780.5	861.3	-9.4%	722.7	8.0%	1,503.2	1,586.8	-5.3%
Insurance	768.7	850.3	-9.6%	706.1	8.9%	1,474.7	1,555.9	-5.2%
Automobile	724.0	813.3	-11.0%	664.8	8.9%	1,388.8	1,481.9	-6.3%
Other Property & Casualty	44.7	36.9	21.2%	41.2	8.5%	86.0	74.0	16.1%
Other Operating Revenues	11.8	11.1	6.5%	16.6	-29.1%	28.4	30.8	-7.9%
Automobile	9.4	5.1	84.8%	10.4	-9.2%	19.8	13.8	43.5%
Other Property & Casualty	2.4	6.0	-60.5%	6.2	-62.2%	8.6	17.0	-49.5%
Changes in Technical Reserves	66.9	-21.7	NA	116.8	-42.7%	183.7	133.3	37.8%
Automobile	66.6	-22.1	NA	117.5	-43.3%	184.1	133.2	38.2%
Other Property & Casualty	0.4	0.4	-11.1%	-0.7	NA	-0.4	0.2	NA
Operating Expenses	-760.0	-792.3	4.1%	-792.8	4.1%	-1,552.8	-1,592.2	2.5%
Insurance	-760.0	-792.0	4.0%	-792.8	4.1%	-1,552.8	-1,591.2	2.4%
Automobile	-738.2	-744.2	0.8%	-754.9	2.2%	-1,493.1	-1,498.4	0.4%
Other Property & Casualty	-21.8	-47.8	54.3%	-37.9	42.4%	-59.7	-92.8	35.6%
Other Operating Expenses	0.0	-0.4	95.4%	0.0	-92.4%	0.0	-1.0	97.2%
Automobile	0.0	-0.4	95.4%	0.0	-93.4%	0.0	-1.0	97.2%
Other Property & Casualty	0.0	0.0	NA	0.0	NA	0.0	0.0	NA
Gross Margin	87.4	47.3	84.8%	46.6	87.5%	134.0	127.9	4.8%
Automobile	61.8	51.8	19.2%	37.8	63.6%	99.5	129.4	-23.1%
Other Property & Casualty	25.6	-4.5	NA	8.9	189.1%	34.5	-1.5	NA
Loss Ratio	65.9%	66.2%	30 BPS	69.2%	320 BPS	67.5%	65.1%	-250 BPS
Automobile	68.1%	67.6%	-60 BPS	70.7%	260 BPS	69.4%	66.2%	-320 BPS
Other Property & Casualty	28.2%	38.4%	1010 BPS	39.7%	1150 BPS	33.7%	40.5%	680 BPS
Acquisition Cost	22.8%	24.3%	150 BPS	23.5%	60 BPS	23.1%	24.2%	100 BPS
Automobile	22.2%	23.6%	150 BPS	22.8%	60 BPS	22.5%	23.6%	110 BPS
Other Property & Casualty	33.4%	38.1%	470 BPS	35.5%	200 BPS	34.4%	35.9%	150 BPS

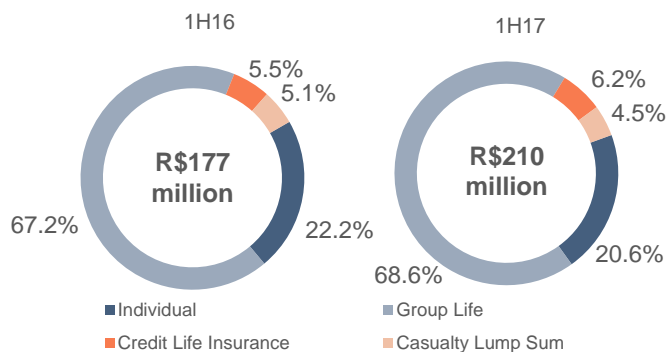
4. Life and Personal Accident Insurance and Private Pension

Life and Personal Accident Insurance

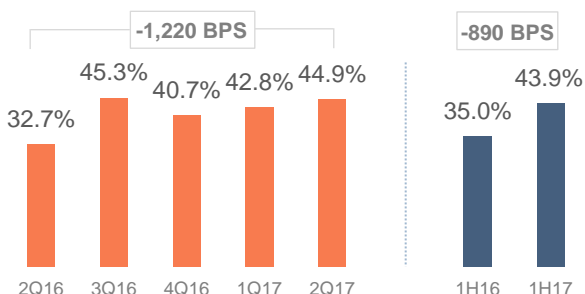
Life and personal accident revenues reached R\$106.7 million, an increase of 9.8% in relation to 2Q16, following the positive trend observed in 1Q17. Group life insurance represented 68.6% of revenues in the first half of the year. The loss ratio reached 44.9% in the quarter, 1,220 BPS worse than in the same period of 2016, mainly due to greater severity of claims in the period. When compared to 1Q17, the loss ratio was 220 BPS worse. The gross margin followed this trend with a drop of 71.1% in the quarter, reaching R\$6.0 million.

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

Segment Breakdown
(% of Operating Revenues)



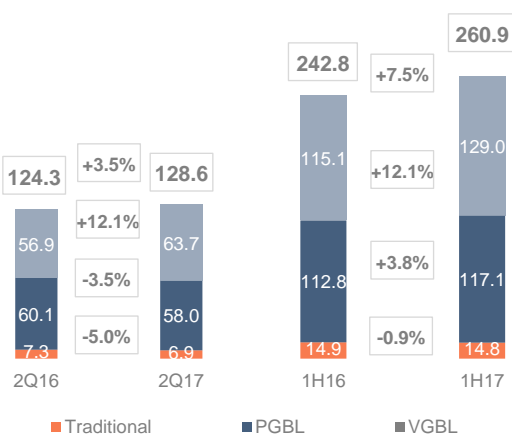
Loss Ratio – Life and Personal Accident
(% Earned Premiums)



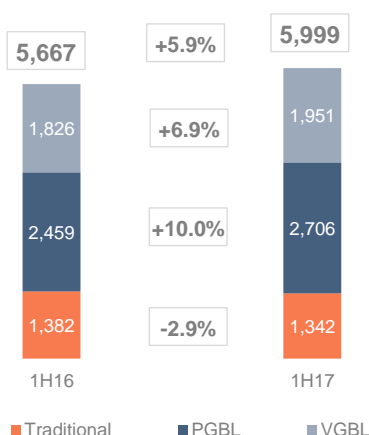
Private Pension

Pension reserves grew 5.9%, reaching R\$6.0 billion, mainly as a result of accumulated returns of the pension funds. Operating revenues increased 3.5% compared to 2Q16, driven by the growth of 12.1% in the VGBL product, more than offsetting other products' performances.

Pension Operating Revenues
(R\$ million)



Pension Reserves
(R\$ million)



(R\$ million)	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Operating Revenues	235.7	221.8	6.2%	235.8	-0.1%	471.5	419.6	12.4%
Insurance	106.7	97.2	9.8%	103.2	3.5%	209.9	176.9	18.7%
Private Pension	128.6	124.3	3.5%	132.3	-2.7%	260.9	242.8	7.5%
Other Operating Revenues	0.3	0.3	-16.2%	0.4	-21.8%	0.6	-0.1	NA
Changes in Technical Reserves	-84.4	-94.7	10.9%	-95.4	11.5%	-179.7	-191.5	6.1%
Insurance	2.5	2.9	-14.4%	3.8	-34.1%	6.2	9.7	-36.0%
Private Pension	-86.8	-97.6	11.0%	-99.1	12.4%	-185.9	-201.2	7.6%
Operating Expenses	-138.8	-96.6	-43.6%	-130.0	-6.7%	-268.8	-194.7	-38.1%
Insurance	-103.3	-79.4	-30.0%	-98.8	-4.5%	-202.0	-161.6	-25.0%
Private Pension	-35.5	-17.2	-106.6%	-31.3	-13.6%	-66.8	-33.0	-102.1%
Gross Margin	12.5	30.5	-58.9%	10.4	20.6%	22.9	33.5	-31.5%
Insurance	6.0	20.7	-71.1%	8.1	-26.9%	14.1	25.0	-43.6%
Private Pension	6.3	9.5	-33.8%	1.9	233.8%	8.2	8.5	-4.2%
Other	0.3	0.3	-16.2%	0.4	-21.8%	0.6	-0.1	NA

Loss Ratio	44.9%	32.7%	-1220 BPS	42.8%	-220 BPS	43.9%	35.0%	-890 BPS
Acquisition Cost	32.1%	30.4%	-170 BPS	32.6%	50 BPS	32.3%	32.3%	0 BPS

5. Savings Bonds

Operating revenues totaled R\$12.4 million in the quarter, an increase of 1.1% in comparison to 2Q16. Our main product, SulAmérica Rental Guarantee, segment which we are market leaders, continues to present consistent results, especially considering the adverse scenario of the real estate rental market in Brazil. In the second half of 2016, the Company entered into a partnership with Brazil's largest real estate portal in order to leverage sales for the Rental Guarantee product. This action is expanding the product's communication channel, strengthening the relationship with the distribution network and expanding our access to clients, bringing advantages to insurance brokers, real estate agents, property owners and tenants.

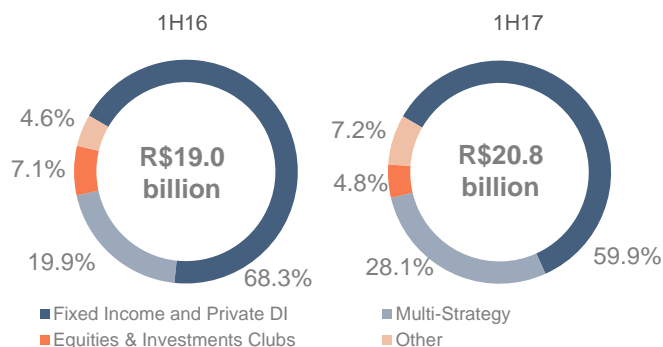
(R\$ million)	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Operating Revenues	12.4	12.2	1.1%	14.4	-14.2%	26.8	26.6	0.5%
Operating Expenses	-5.1	-7.7	33.6%	-10.7	52.5%	-15.8	-17.1	7.8%
Gross Margin	7.3	4.6	59.4%	3.7	97.2%	10.9	9.5	15.5%
Savings Bonds Reserves	606.7	613.8	-1.2%	625.5	-3.0%			

6. Asset Management

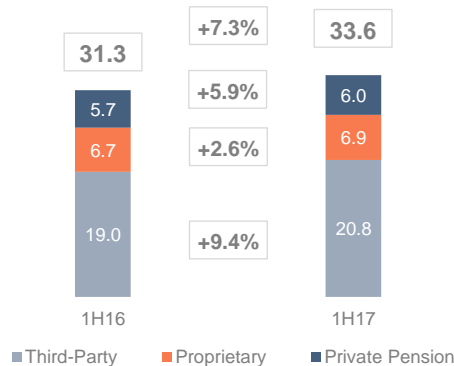
SulAmérica Investimentos, our asset management arm, finished the quarter with R\$33.6 billion in AuM, 7.3% above than the total managed by the end of 2Q16, with increases in third-party assets (R\$20.8 billion), in our proprietary portfolio (R\$6.9 billion) and in private pension reserves (R\$6.0 billion). Gross operating margin improved 8.0% in the quarter, as a result of the growth in revenues coming from performance fees.

(R\$ million)	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Operating Revenues	10.8	9.4	14.8%	9.7	11.0%	20.4	18.5	10.7%
Management Fee	9.4	9.2	1.6%	9.5	-1.1%	18.9	18.3	3.3%
Performance Fee	1.4	0.1	843.3%	0.2	552.5%	1.6	0.2	657.7%
Operating Expenses	-1.7	-1.0	-71.4%	-1.1	-49.0%	-2.9	-2.1	-38.2%
Gross Margin	9.0	8.4	8.0%	8.5	5.9%	17.6	16.4	7.2%

Third-Party Assets Under Management
(% of Total AuM)



Assets Under Management*
(R\$ billion)



*The reported third-party assets under management include investment funds and portfolios that are managed or administered by *SulAmérica Investimentos S.A.*

7. Administrative Expenses

The Company remains focused on controlling costs and expenses in order to gain operational efficiency. The results are showing that the initiatives taken are bearing fruit. The general and administrative (G&A) expenses ratio represented 8.4% of operating revenues, a gain of 60 BPS compared to 2Q16. In absolute terms, we kept total G&A expenses under control in 2Q17, posting an improvement of 0.9% when compared to 2Q16.

(R\$ million)	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Personnel Expenses	-162.6	-170.0	4.3%	-177.2	8.2%	-339.8	-339.7	0.0%
Third-Party Services	-102.1	-94.4	-8.1%	-102.3	0.2%	-204.4	-182.4	-12.0%
Buildings and Maintenance	-40.8	-48.9	16.6%	-39.6	-2.9%	-80.3	-98.2	18.1%
Other Administrative Expenses	-24.0	-22.5	-6.5%	-49.1	51.3%	-73.1	-45.9	-59.3%
Expenses Recovery	0.6	0.7	-12.4%	0.7	-5.9%	1.3	6.3	-79.6%
Profit Sharing	-15.5	-15.9	2.8%	-16.3	4.6%	-31.8	-30.6	-3.9%
Tax Expenses	-7.7	-4.5	-72.3%	-11.5	33.3%	-19.2	-23.9	19.8%
Depreciation & Amortization	-13.3	-13.1	-1.6%	-14.2	6.2%	-27.5	-26.4	-4.3%
Total	-365.3	-368.6	0.9%	-409.5	10.8%	-774.8	-740.7	-4.6%
General & Administrative Expenses Ratio (% operating revenues)	8.4%	8.9%	60 BPS	9.6%	120 BPS	9.0%	9.2%	30 BPS

8. Investment Income

Total investment income reached R\$212.6 million in 2Q17, 8.5% less compared to the same period of 2016, in line with the lower rates to which our assets are indexed. The Company's proprietary portfolio (ex-private pension) yielded 102.5% of the CDI (benchmark rate) for the quarter and 100.2% year-to-date.

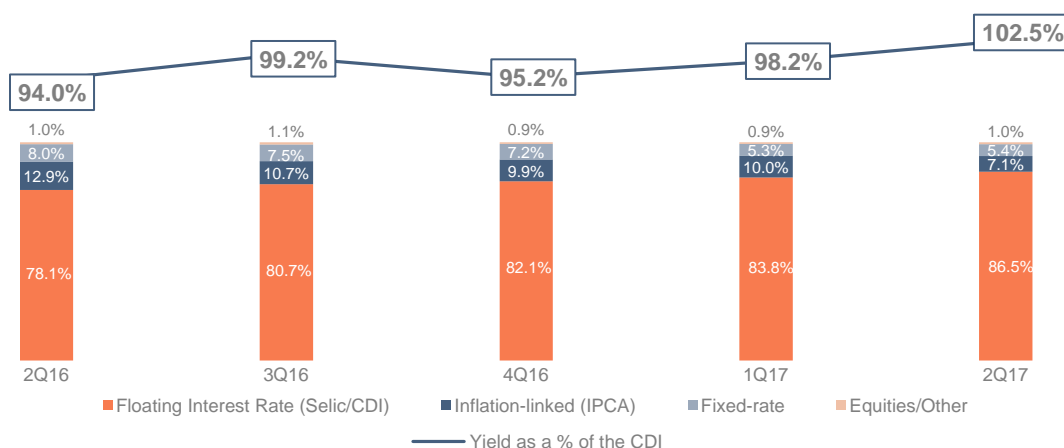
(R\$ million)	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Investment Income ex-Private Pension	204.3	231.5	-11.8%	219.6	-7.0%	423.9	432.5	-2.0%
Return on Investment Portfolio	205.1	222.0	-7.6%	240.8	-14.8%	445.9	446.5	-0.1%
Debt Service Cost	-32.5	-33.0	1.4%	-43.1	24.4%	-75.6	-69.7	-8.5%
Other Investment Income	31.8	42.5	-25.3%	21.8	45.5%	53.6	55.7	-3.8%
Investment Income from Private Pension	8.3	0.8	978.4%	4.5	84.3%	12.9	1.7	660.1%
Return on Investment Portfolio of Private Pension	99.1	175.7	-43.6%	190.8	-48.0%	289.9	358.1	-19.0%
Change in Liabilities of Private Pension	-90.8	-174.9	48.1%	-186.3	51.3%	-277.1	-356.5	22.3%
Total Investment Income	212.6	232.3	-8.5%	224.1	-5.1%	436.7	434.2	0.6%

Balance

(R\$ million)	2Q17	2Q16	Δ	1Q17	Δ
Balance Excluding Private Pension	7,928.2	7,157.6	10.8%	8,188.3	-3.2%
Private Pension Operations Balance	5,998.9	5,666.7	5.9%	6,204.4	-3.3%
Total Balance	13,927.1	12,824.3	8.6%	14,392.6	-3.2%

Approximately 99% of the proprietary assets (ex-private pension) are allocated in fixed income, with nearly 1% held in equities and other asset classes. Approximately 89% of the fixed income allocation is invested in AAA-rated or sovereign risk (Brazilian government bonds).

Investment Allocation and Profitability (%) ex-Private Pension
R\$7.9 billion in 2Q17



9. Summary Income Statement

(R\$ million)	2Q17	2Q16	Δ	1Q17	Δ	1H17	1H16	Δ
Operating Revenue	4,357.9	4,124.1	5.7%	4,261.1	2.3%	8,619.0	8,008.2	7.6%
Insurance	4,179.8	3,956.5	5.6%	4,068.4	2.7%	8,248.2	7,665.9	7.6%
Private Pension	128.6	124.3	3.5%	132.3	-2.7%	260.9	242.8	7.5%
Saving Bonds	12.4	12.2	1.1%	14.4	-14.2%	26.8	26.6	0.5%
ASO	14.2	9.7	47.6%	11.3	26.0%	25.5	20.5	24.8%
Asset Management	10.8	9.4	14.8%	9.7	11.0%	20.4	18.5	10.7%
Other	12.1	12.1	0.4%	25.0	-51.6%	37.2	33.9	9.6%
Changes in Premium Technical Reserves	-35.5	-132.0	73.1%	13.9	NA	-21.6	-81.6	73.6%
Insurance	51.4	-34.5	NA	113.0	-54.5%	164.4	119.6	37.5%
Private Pension	-86.8	-97.6	11.0%	-99.1	12.4%	-185.9	-201.2	7.6%
Operating Expenses	-4,034.6	-3,641.8	-10.8%	-3,858.4	-4.6%	-7,893.0	-7,226.7	-9.2%
Insurance	-3,989.9	-3,613.3	-10.4%	-3,813.1	-4.6%	-7,803.1	-7,169.4	-8.8%
Claims	-3,450.6	-3,072.7	-12.3%	-3,239.3	-6.5%	-6,690.0	-6,069.8	-10.2%
Acquisition Costs	-429.6	-425.1	-1.1%	-443.1	3.0%	-872.7	-854.5	-2.1%
Other	-109.7	-115.6	5.0%	-130.7	16.0%	-240.5	-245.1	1.9%
Private pension	-35.5	-17.2	-106.6%	-31.3	-13.6%	-66.8	-33.0	-102.1%
Benefits and Redemptions Expenses	-27.6	-9.9	-177.5%	-23.5	-17.4%	-51.0	-18.6	-174.9%
Acquisition Costs	-7.3	-6.9	-6.5%	-7.4	1.5%	-14.8	-13.7	-7.7%
Other	-0.6	-0.4	-65.4%	-0.3	-79.2%	-1.0	-0.7	-29.4%
Saving Bonds	-5.1	-7.7	33.6%	-10.7	52.5%	-15.8	-17.1	7.8%
ASO	-2.4	-2.2	-6.0%	-2.1	-11.7%	-4.5	-4.2	-7.7%
Asset Management	-1.7	-1.0	-71.4%	-1.1	-49.0%	-2.9	-2.1	-38.2%
Other	0.0	-0.4	95.4%	0.0	-92.4%	0.0	-1.0	97.2%
Operating Gross Margin	287.8	350.3	-17.8%	416.6	-30.9%	704.4	699.8	0.7%
General and Administrative Expenses	-365.3	-368.6	0.9%	-409.5	10.8%	-774.8	-740.7	-4.6%
Net Investment Income	212.6	232.3	-8.5%	224.1	-5.1%	436.7	434.2	0.6%
Equity Interest Income	9.6	8.9	8.3%	9.0	6.3%	18.6	19.2	-2.7%
Other Equity Income / (Expenses)	2.0	-0.2	NA	1.9	4.0%	3.8	-0.5	NA
Income before tax and social contribution	146.7	222.6	-34.1%	242.2	-39.4%	388.8	411.9	-5.6%
Income Tax and Social Contribution	-65.2	-95.5	31.7%	-113.1	42.4%	-178.3	-178.1	-0.1%
Net Income	81.5	127.1	-35.9%	129.0	-36.8%	210.5	233.8	-10.0%
Attributable to Non-Controlling Shareholders	-0.9	-0.7	-28.0%	-0.4	-120.9%	-1.3	-1.5	9.5%
Net Income After Non-Controlling Interests	80.6	126.4	-36.3%	128.6	-37.3%	209.2	232.3	-10.0%

10. Summary Balance Sheet

ASSETS

(R\$ million)	2Q17	2016	Δ
Current Assets	15,543.2	15,953.9	-2.6%
Cash, cash equivalents and marketable securities	12,902.4	13,168.0	-2.0%
Receivables	1,843.2	1,908.3	-3.4%
Taxes	117.5	163.1	-28.0%
Reinsurance assets	34.9	26.9	30.0%
Salvages for sale	62.3	71.9	-13.4%
Deferred acquisition costs	556.9	597.9	-6.9%
Other	26.2	17.9	46.3%
Non-current assets	6,139.1	5,854.7	4.9%
Marketable securities	1,096.0	1,118.7	-2.0%
Receivables	656.8	512.0	28.3%
Judicial deposits	2,765.3	2,648.4	4.4%
Reinsurance assets	8.8	7.4	18.6%
Deferred acquisition costs	435.8	413.1	5.5%
Taxes	797.3	767.0	4.0%
Other	0.5	0.0	NA
Investments, property and equipment, and intangible assets	378.5	388.0	-2.4%
Total Assets	21,682.3	21,808.6	-0.6%

LIABILITIES

(R\$ million)	2Q17	2016	Δ
Current Liabilities	8,044.2	8,375.0	-3.9%
Accounts payable	1,307.6	1,456.5	-10.2%
Loans and financing	150.6	336.9	-55.3%
Insurance and reinsurance liabilities	281.5	323.4	-13.0%
Technical reserves - Insurance	6,202.2	6,159.2	0.7%
Judicial provisions	94.7	91.3	3.7%
Other	7.6	7.6	-0.2%
Non-current Liabilities	8,373.7	8,392.7	-0.2%
Accounts payable	19.2	20.0	-3.9%
Loans and financing	943.6	1,063.5	-11.3%
Technical reserves - Insurance	5,138.1	5,159.2	-0.4%
Judicial provisions	2,248.0	2,121.5	6.0%
Other	24.7	28.5	-13.2%
Shareholders' Equity	5,264.4	5,040.9	4.4%
Total Liabilities and Shareholders' Equity	21,682.3	21,808.6	-0.6%

11. Analyst Coverage

Firm	Analyst	Phone
Agora	Aloísio Lemos	+55 (21) 2529-0807
Bradesco	Rafael Frade	+55 (11) 3847-9278
Brasil Plural	Eduardo Nishio	+55 (11) 3206-8240
BTG Pactual	Eduardo Rosman	+55 (11) 3383-2772
Churchill Research	Michael Churchill	+1 (703) 241-0274
Credit Suisse	Lucas Lopes	+55 (11) 3701-6052
Haitong	Pedro Fonseca	+44 (203) 364-6773
JP Morgan	Gustavo Lobo	+55 (11) 4950-2901
Merrill Lynch	Mario Pierry	+1 (646) 743-0047
Santander	Henrique Navarro	+55 (11) 3012-5756
UBS	Mariana Taddeo	+55 (11) 3513-6512

12. Glossary

Operating revenues: this account is comprised of (i) sum of net insurance retained premiums; (ii) contributions, management fees and other private pension revenues; (iii) collection revenues net of changes in technical provisions and other deductions; (iv) management fees and other revenues from Health administrative Services Only (ASO) plans; (v) management and performance fees from the asset management operation.

Operating expenses: this account is comprised of (i) insurance expenses (claims, acquisition costs and other insurance expenses); (ii) private pension expenses (benefits and redemptions, acquisition costs and other operating expenses); (iii) savings bonds expenses (acquisition costs and other expenses); (iv) general expenses related to ASO plans, excluding payable events already deducted from revenues; (v) general expenses related to the asset management operation; (vii) other expenses not directly linked to the operations.

Operating gross margin: this account is comprised of operating revenues net of operating expenses and changes in insurance and private pension technical provisions.

Insurance Operational Ratios

Loss ratio: is the ratio between retained claims and earned premiums.

Acquisition cost ratio: the ratio between insurance acquisition costs and earned premiums.

Combined ratio: equals the sum of the loss ratio, acquisition cost ratio, other insurance operating revenues and expenses ratio, insurance tax expenses ratio and insurance gross margin ratio, which are calculated over earned premiums, and the division of general and administrative expenses by retained premiums.

Operating ratio: equals the difference between the combined ratio and the investment income ratio, which is calculated over retained premiums.

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

Other Consolidated Ratios

Operating gross margin: the ratio between operating gross margin and total operating revenues.

General and administrative expenses ratio: the ratio between general and administrative expenses and total operating revenues.

Net margin: the ratio between net income and total operating revenues.

Return on average equity (ROAE): considers net income in the last twelve months and average shareholders' equity in the period.

Some percentages and other figures included in this performance report have been rounded for ease of presentation and therefore may present small differences in the tables and notes of quarterly information. Additionally, for the same reason, the totals in certain tables may not reflect the arithmetic sum of the previous values. Consolidated net income, net income per unit, and ROAE figures consider results for the Company net of non-controlling interest.