



## Quarterly Results – 3<sup>rd</sup> quarter 2017

- Total revenues of R\$4.8 billion (+7.6%) in 3Q17 and R\$13.4 billion (+7.6%) in 9M17
- Net income of R\$151.4 million (+2.1%) in 3Q17
- Consolidated loss ratio of 76.3% in the quarter, gain of 60 BPS
- Combined ratio of 99.1% in 3Q17, improvement of 70 BPS
- Over 3.0 million total insured members in health & dental (+3.4%)
- Return on average equity of 13.1% in the last 12 months

### Conference Call

**October 31, 2017** (Tuesday)

**Portuguese** (with simultaneous translation to English)

**10 am (Brasília) | 8 am (US/DST)**

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## MESSAGE FROM MANAGEMENT

We are pleased to present 2017' third quarter results to our shareholders. Our performance in this period and in the last couple of years show that we are prepared to capture opportunities in the markets in which we operate even in adverse scenarios and for extended periods. We maintained an important growth pace without losing our focus on profitability, disciplined capital allocation and risk management.

The third quarter of 2017 was once again proof of our resilience. Net revenues reached R\$4.8 billion in the quarter, 7.6% higher than in the third quarter of 2016. We were able to seize opportunities in many business lines, with operating gains. Both the loss ratio and acquisition costs presented worthy performance, with improvements in the combined ratio following those results. The good operating performance in the quarter coupled with adequate control of general & administrative expenses more than offset the expected lower contribution from investment income, which fell given the lower basic interest rate (Selic) in the period. Net income was R\$151.4 million in the quarter, growth of 2.1% compared to the same period of last year, with return on average equity (ROAE) of 13.1% in the last twelve months.

The health and dental insurance operations continue to show great results. We kept good levels of retention and new sales, with necessary price readjustments upon policy renewals in order to maintain the economic balance of the contracts, which led to revenue growth in all group portfolios. The initiatives in health management, focused on health and wellness promotion programs, and in claims management, aimed at reducing costs and usage frequency, are in full swing and contributed to a controlled loss ratio in the period. The auto insurance segment continued to present significant loss ratio improvements, even though an increase in theft and robbery of vehicles in several regions of Brazil is observed, being one of the highlights in the quarter. This performance was a result of enhancements in our underwriting policies, appropriately reflecting an increase in risk levels seen in past cycles, which even though impact growth at first, bring the needed recovery of the portfolio's profitability. In the other business lines, we highlight the life and pension segment, with revenues increasing more than 20%, and the continued growth of the savings bonds and massified portfolios. Additionally, we point out the performance of *SulAmérica Investimentos*, our asset management business, which reached a record volume of R\$37 billion in AuM.

In celebrating the 10<sup>th</sup> anniversary of SulAmérica's IPO, which took place in October 2007, the capital markets recognized our communication efforts: SulAmérica's Investor Relations department was elected the best in Latin America in the non-bank financials segment (mid-cap) by Institutional Investor, the most important international ranking in capital markets. Also, the Company's continuous engagement in environmental, social and governance (ESG) matters keeps bearing fruits. We were confirmed in the FTSE4Good Emerging Index, one of the most important global sustainability indices. These recognitions reinforce the Company's commitment to excellence in our relationships.

Over the last few months we saw signs indicating an improvement in the macroeconomic scenario, with a reduction in the unemployment rate, a recovery in GDP, and increases in the sale of new vehicles and industrial production. These, among other indicators, point to more favorable cycles for the Brazilian economy, which is positive for our operations in the future. We are in tune with the many changes that we are witnessing in different economic activities, following closely the possible changes and impacts on our activities. In this context, we are confident in our business model and remain well positioned for the future, continuously seeking improvements in operational efficiency and risk management.

We would like to thank once again our shareholders, the engagement of our more than 5,000 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)	3Q17	3Q16	Δ	2Q17	Δ	9M17	9M16	Δ
<b>Operating Revenues</b>	<b>4,584.6</b>	<b>4,280.3</b>	<b>7.1%</b>	<b>4,179.8</b>	<b>9.7%</b>	<b>12,832.8</b>	<b>11,946.2</b>	<b>7.4%</b>
Health & Dental	3,569.0	3,155.4	13.1%	3,304.3	8.0%	10,132.5	9,088.5	11.5%
Automobile	846.1	972.1	-13.0%	724.0	16.9%	2,234.8	2,453.9	-8.9%
Other Property & Casualty	53.9	50.9	6.0%	44.7	20.5%	139.9	124.9	12.0%
Life & Personal Accident	115.7	102.0	13.4%	106.7	8.4%	325.6	278.9	16.7%
<b>Other Operating Revenues</b>	<b>196.6</b>	<b>164.4</b>	<b>19.6%</b>	<b>178.1</b>	<b>10.4%</b>	<b>567.4</b>	<b>506.7</b>	<b>12.0%</b>
Private Pension	148.3	116.5	27.3%	128.6	15.3%	409.2	359.2	13.9%
Savings Bonds	12.5	13.4	-6.6%	12.4	1.1%	39.2	40.0	-1.9%
Administrative Services Only	14.5	11.8	22.7%	14.2	1.5%	40.0	32.2	24.0%
Asset Management	9.7	9.6	0.5%	10.8	-10.0%	30.1	28.1	7.2%
Other Revenues	11.7	13.2	-11.0%	12.1	-3.1%	48.9	47.1	3.8%
<b>Total Operating Revenues</b>	<b>4,781.2</b>	<b>4,444.8</b>	<b>7.6%</b>	<b>4,357.9</b>	<b>9.7%</b>	<b>13,400.2</b>	<b>12,452.9</b>	<b>7.6%</b>
Investment Income	200.9	238.7	-15.8%	212.6	-5.5%	637.7	672.9	-5.2%
Net Income	152.1	148.9	2.1%	81.5	86.6%	362.6	382.7	-5.3%
<b>Net Income after non-Controlling Interest</b>	<b>151.4</b>	<b>148.3</b>	<b>2.1%</b>	<b>80.6</b>	<b>87.8%</b>	<b>360.5</b>	<b>380.6</b>	<b>-5.3%</b>
Net Income per unit (R\$)*	0.39	0.44	-11.7%	0.21	87.9%	0.97	1.14	-14.5%
Recurring ROAE (% last 12 months)	13.1%	13.7%	-60 BPS	13.5%	-40 BPS			
<b>Insurance Operational Information (R\$ million)</b>	<b>3Q17</b>	<b>3Q16</b>	<b>Δ</b>	<b>2Q17</b>	<b>Δ</b>	<b>9M17</b>	<b>9M16</b>	<b>Δ</b>
<b>Earned Premiums</b>	<b>4,517.8</b>	<b>4,116.9</b>	<b>9.7%</b>	<b>4,270.2</b>	<b>5.8%</b>	<b>13,017.8</b>	<b>11,990.9</b>	<b>8.6%</b>
Health & Dental	3,573.4	3,162.1	13.0%	3,307.1	8.1%	10,164.6	9,124.8	11.4%
Automobile	782.3	810.1	-3.4%	804.2	-2.7%	2,380.9	2,452.5	-2.9%
Other Property & Casualty	47.5	40.9	16.0%	46.7	1.7%	135.8	117.3	15.7%
Life & Personal Accident	114.6	103.8	10.4%	112.3	2.0%	336.6	296.3	13.6%
<b>Retained Claims</b>	<b>-3,446.1</b>	<b>-3,165.6</b>	<b>-8.9%</b>	<b>-3,450.6</b>	<b>0.1%</b>	<b>-10,136.0</b>	<b>-9,235.4</b>	<b>-9.8%</b>
Health & Dental	-2,886.6	-2,558.8	-12.8%	-2,838.9	-1.7%	-8,339.3	-7,442.6	-12.0%
Automobile	-492.0	-545.9	9.9%	-547.8	10.2%	-1,601.5	-1,633.2	1.9%
Other Property & Casualty	-12.9	-13.6	5.3%	-13.2	2.5%	-42.6	-44.5	4.3%
Life & Personal Accident	-54.6	-47.4	-15.3%	-50.8	-7.5%	-152.6	-115.1	-32.6%
<b>Insurance Operational Ratios (%)</b>	<b>3Q17</b>	<b>3Q16</b>	<b>Δ</b>	<b>2Q17</b>	<b>Δ</b>	<b>9M17</b>	<b>9M16</b>	<b>Δ</b>
<b>Loss Ratio</b>	<b>76.3%</b>	<b>76.9%</b>	<b>60 BPS</b>	<b>80.8%</b>	<b>450 BPS</b>	<b>77.9%</b>	<b>77.0%</b>	<b>-80 BPS</b>
Health & Dental	80.8%	80.9%	10 BPS	85.8%	510 BPS	82.0%	81.6%	-50 BPS
Automobile	62.9%	67.4%	450 BPS	68.1%	520 BPS	67.3%	66.6%	-70 BPS
Other Property & Casualty	27.1%	33.2%	610 BPS	28.2%	120 BPS	31.4%	37.9%	660 BPS
Life & Personal Accident	47.3%	45.3%	-200 BPS	44.9%	-240 BPS	45.0%	38.6%	-640 BPS
<b>Acquisition Cost</b>	<b>10.1%</b>	<b>10.7%</b>	<b>60 BPS</b>	<b>10.1%</b>	<b>0 BPS</b>	<b>10.2%</b>	<b>10.8%</b>	<b>60 BPS</b>
Health & Dental	6.5%	6.5%	0 BPS	6.0%	-50 BPS	6.3%	6.4%	10 BPS
Automobile	21.5%	23.3%	170 BPS	22.2%	70 BPS	22.2%	23.5%	130 BPS
Other Property & Casualty	33.2%	30.0%	-330 BPS	33.4%	20 BPS	34.0%	33.8%	-20 BPS
Life & Personal Accident	32.9%	32.4%	-50 BPS	32.1%	-80 BPS	32.5%	32.3%	-20 BPS
<b>Combined</b>	<b>99.1%</b>	<b>99.8%</b>	<b>70 BPS</b>	<b>102.9%</b>	<b>390 BPS</b>	<b>100.9%</b>	<b>101.0%</b>	<b>10 BPS</b>
<b>Operating</b>	<b>94.7%</b>	<b>94.3%</b>	<b>-50 BPS</b>	<b>97.9%</b>	<b>320 BPS</b>	<b>96.0%</b>	<b>95.4%</b>	<b>-60 BPS</b>
<b>Consolidated Ratios (% of total operating revenues)</b>	<b>3Q17</b>	<b>3Q16</b>	<b>Δ</b>	<b>2Q17</b>	<b>Δ</b>	<b>9M17</b>	<b>9M16</b>	<b>Δ</b>
Operating Gross Margin	10.0%	8.7%	140 BPS	6.6%	340 BPS	8.8%	8.7%	10 BPS
General & Administrative Expenses	8.6%	8.1%	-50 BPS	8.4%	-20 BPS	8.8%	8.8%	0 BPS
Net Margin	3.2%	3.3%	-20 BPS	1.8%	130 BPS	2.7%	3.1%	-40 BPS
<b>Operating Highlights</b>	<b>3Q17</b>	<b>3Q16</b>	<b>Δ</b>	<b>2Q17</b>	<b>Δ</b>			
Health & Dental Insured Members (thousand)	3,023	2,924	3.4%	2,994	1.0%			
Health Insured Members	2,129	2,080	2.4%	2,119	0.5%			
Dental Insured Members	894	844	5.8%	875	2.1%			
Insured Fleet (thousand)	1,498	1,704	-12.1%	1,606	-6.7%			
Insured Lives (thousand)	2,829	2,584	9.5%	2,781	1.7%			
Assets under Management (R\$ billion)	36.9	32.2	14.6%	33.6	9.6%			
Private Pension Reserves (R\$ million)	6,121	5,834	4.9%	5,999	2.0%			

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

- the growth in total operating revenues, reaching R\$4.8 billion, was 7.6% higher than in 3Q16, propelled by the positive performance of health and dental, property and casualty, life, and pension segments;
- more than 3 million health and dental insurance members, growing over both 3Q16 (+3.4%) and 2Q17 (+1.0%);
- loss ratio presented a gain of 60 BPS in relation to 3Q16, reaching 76.3%, mainly as a result of the better performance in auto and other property and casualty;
- combined ratio at 99.1% in the quarter, an improvement of 70 BPS;
- invested assets in proprietary portfolio yield 102.4% of the CDI (benchmark rate) with investment income of R\$200.9 million in the quarter, down 15.8% compared to 3Q16; and
- net income of R\$151.4 million in the quarter, growth of 2.1% over the same period of last year, mainly propelled by higher revenues and lower loss ratio.

\*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 13.1% to R\$3.6 billion, with group plans being the highlight presenting growth in all portfolios. The SME (small and medium enterprises) and corporate/affinity portfolios were the top performers, increasing top line by 18.6% and 12.7%, respectively. The segment's gross margin increased by 14.7%, as a result of revenue growth and adequate levels of cost control and claims frequency.

(R\$ million)	3Q17	3Q16	Δ	2Q17	Δ	9M17	9M16	Δ
<b>Operating Revenues</b>	<b>3,583.5</b>	<b>3,169.0</b>	<b>13.1%</b>	<b>3,318.6</b>	<b>8.0%</b>	<b>10,180.7</b>	<b>9,125.7</b>	<b>11.6%</b>
Insurance	3,569.0	3,155.4	13.1%	3,304.3	8.0%	10,132.5	9,088.5	11.5%
Group	3,036.2	2,657.1	14.3%	2,800.4	8.4%	8,593.0	7,641.3	12.5%
Corporate/Affinity	2,063.5	1,831.6	12.7%	1,894.4	8.9%	5,842.0	5,296.8	10.3%
SME	926.2	780.7	18.6%	856.8	8.1%	2,607.0	2,218.0	17.5%
Dental	46.5	44.9	3.6%	49.2	-5.5%	144.1	126.5	13.9%
Individual Health	532.7	498.3	6.9%	503.9	5.7%	1,539.5	1,447.1	6.4%
Administrative Services Only	14.5	11.8	22.7%	14.2	1.5%	40.0	32.2	24.0%
Other Operating Revenues	0.1	1.8	-94.3%	0.1	92.6%	8.2	5.0	65.1%
<b>Changes in Technical Reserves</b>	<b>-28.3</b>	<b>-22.5</b>	<b>-25.7%</b>	<b>-18.0</b>	<b>-57.3%</b>	<b>-53.8</b>	<b>-46.1</b>	<b>-16.9%</b>
Insurance	-28.3	-22.5	-25.7%	-18.0	-57.3%	-53.8	-46.1	-16.9%
<b>Operating Expenses</b>	<b>-3,215.7</b>	<b>-2,850.6</b>	<b>-12.8%</b>	<b>-3,130.5</b>	<b>-2.7%</b>	<b>-9,270.8</b>	<b>-8,272.8</b>	<b>-12.1%</b>
Insurance	-3,213.1	-2,848.6	-12.8%	-3,128.1	-2.7%	-9,263.8	-8,266.6	-12.1%
Administrative Services Only	-2.6	-2.0	-28.0%	-2.4	-9.6%	-7.1	-6.2	-14.3%
<b>Gross Margin</b>	<b>339.5</b>	<b>295.9</b>	<b>14.7%</b>	<b>170.1</b>	<b>99.5%</b>	<b>856.0</b>	<b>806.8</b>	<b>6.1%</b>
Insurance	327.5	284.3	15.2%	158.2	107.0%	814.9	775.8	5.0%
Administrative Services Only	11.9	9.8	21.6%	11.9	-0.1%	32.9	26.1	26.4%
Other	0.1	1.8	-94.3%	0.1	92.6%	8.2	5.0	65.1%

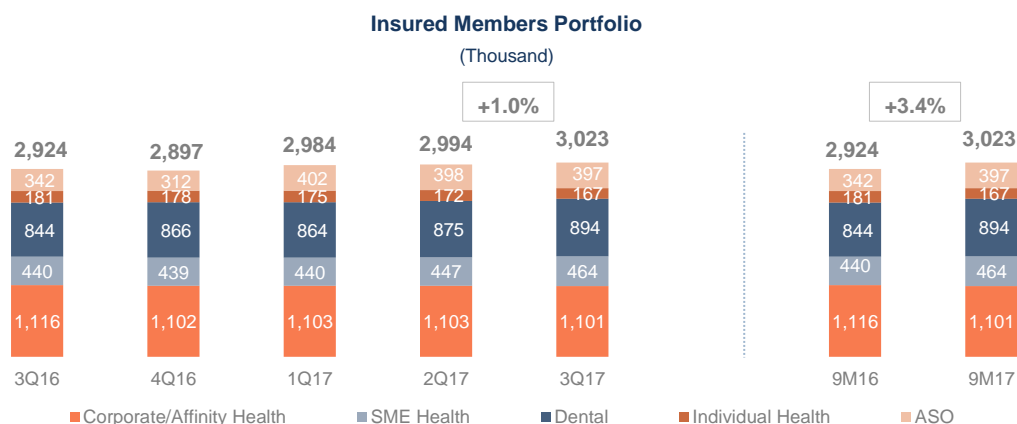
<b>Loss Ratio</b>	<b>80.8%</b>	<b>80.9%</b>	<b>10 BPS</b>	<b>85.8%</b>	<b>510 BPS</b>	<b>82.0%</b>	<b>81.6%</b>	<b>-50 BPS</b>
Group	76.7%	77.9%	120 BPS	82.1%	540 BPS	78.1%	78.5%	40 BPS
Individual Health	104.6%	97.3%	-730 BPS	106.8%	220 BPS	104.4%	97.9%	-660 BPS
<b>Acquisition Cost</b>	<b>6.5%</b>	<b>6.5%</b>	<b>0 BPS</b>	<b>6.0%</b>	<b>-50 BPS</b>	<b>6.3%</b>	<b>6.4%</b>	<b>10 BPS</b>
Group	7.6%	7.7%	10 BPS	7.1%	-50 BPS	7.4%	7.5%	10 BPS
Individual Health	0.2%	0.2%	0 BPS	0.2%	0 BPS	0.2%	0.2%	0 BPS

We continued to invest in strengthening our sales efforts and expanding to different regions, along with capitalizing on a strong brand and the capacity to adapt our products to cater to different clients. With that, SulAmérica proved capable of taking advantage of market opportunities arising from the current consolidation process taking place in the private healthcare industry in Brazil, and posted membership growth.

(Thousand members)	3Q17	3Q16	Δ	2Q17	Δ
<b>Group Health</b>	<b>1,962</b>	<b>1,898</b>	<b>3.3%</b>	<b>1,947</b>	<b>0.8%</b>
Corporate/Affinity Health	1,101	1,116	-1.4%	1,103	-0.2%
SME Health	464	440	5.5%	447	4.0%
Administrative Services Only	397	342	15.9%	398	-0.2%
Dental	894	844	5.8%	875	2.1%
<b>Group Total</b>	<b>2,856</b>	<b>2,743</b>	<b>4.1%</b>	<b>2,822</b>	<b>1.2%</b>
Individual Health	167	181	-7.8%	172	-2.7%
<b>Total</b>	<b>3,023</b>	<b>2,924</b>	<b>3.4%</b>	<b>2,994</b>	<b>1.0%</b>

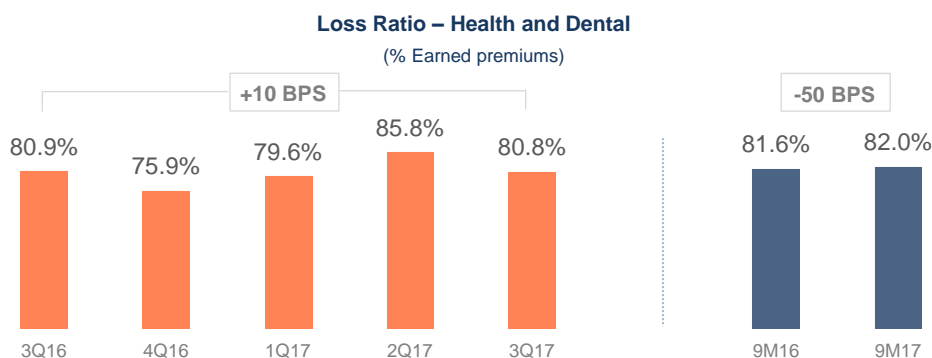
The total number of members in health and dental group plans reached 2.9 million members, growing 4.1%, or net adds of 113 thousand lives since 3Q16. The best performances were observed in the dental and SME portfolios, which grew their membership by 5.8% and 5.5%. The ASO (administrative services only) plans grew 15.9% or 55 thousand lives in relation to 3Q16, following the trend already observed during the year, 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 slight decrease of 1.4% in the corporate/affinity portfolio year-over-over, which remained stable on a sequential basis.

## 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 47.3 million insured members in health plans and 22.9 million in dental plans at the end of September 2017. Those numbers represented a decline of 1.3% and an increase of 7.8%, 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 unemployment scenario in the last couple of years, which, although still high, has been showing the first favorable signs in the past few months, with an expectation of improvement in the next cycles.

The health and dental consolidated loss ratio remained under control at 80.8%, a 10 BPS improvement in relation to the same period of last year. Considering group plans, there was significant evolution, with the ratio totaling 76.7%, 120 BPS better than in 3Q16. The improvement is a result of the continuous control initiatives, focused on claims management and wellness promotion programs, combined with the necessary price readjustments, which are concentrated in the third quarter.



### Health Administrative Services Only (ASO)

Revenues from ASO plans grew 22.7% in relation to the same period of last year, with an increase of 15.9% in membership. Gross margin totaled R\$11.9 million, 21.6% higher when compared to 3Q16. This results were propelled by the migration of customers from pre-payment plans seen in recent quarters, as well as new contracts since the beginning of the year.

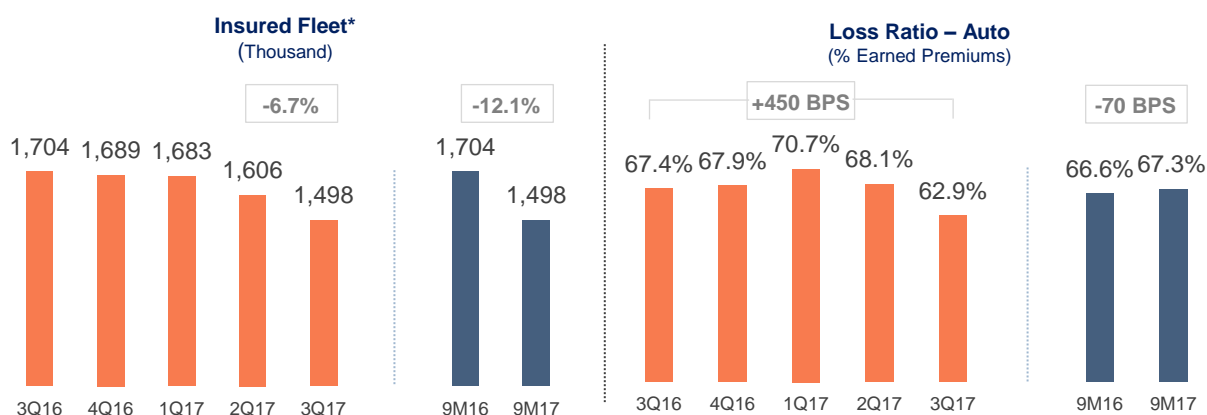
### 3. Auto and Other Property and Casualty Insurance

#### Auto Insurance

The quarter consolidated the recovery in auto insurance performance, with growth of over 89% in gross margin compared to the same period of the previous year, from R\$55.2 million in 3Q16 to R\$104.5 million in 3Q17. The main driver of this performance was the reduction of 450 BPS in the loss ratio of the portfolio, reaching 62.9% in the period. This improvement results from the introduction of new underwriting tools and operational improvements, as well as the continued adequacy of risk exposure levels and rapid response to the market scenario.

In addition, acquisition costs fell by 170 BPS in the period, also as a result of the market context. These factors offset a reduction of 13.0% in insurance operating revenues (which reached R\$846.1 million in the quarter) in relation to the same period of 2016.

The insured fleet ended the quarter at 1.5 million vehicles, a 6.7% drop when compared to 2Q17.



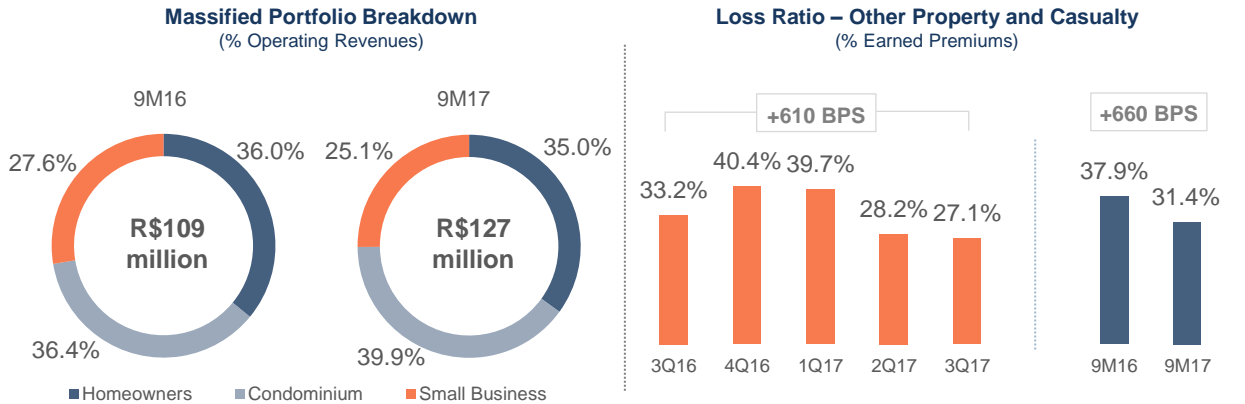
\*Insured fleet net of technical cancellations

#### Other Property and Casualty Insurance

The other property & casualty insurance portfolio kept the trend of performance improvement verified in the last periods, delivering a gross margin of R\$13.6 million in the quarter, 9.9% higher than in 3Q16. This increase is a result of revenue growth – 6.0% higher vs. 3Q16 – and a reduction in the loss ratio, which fell to 27.1% (610 BPS improvement over the same period in 2016).

The performance drivers of the massified portfolio – which represents 92% of this segment – improved even more significantly: operating revenues grew 8.8% in relation to 3Q16 (reaching R\$49.7 million in 3Q17), with a loss ratio 830 BPS lower. In the year-to-date period, operating revenues of this portfolio grew 16.4%, reaching R\$127.0 million, with a loss ratio of 33.1%, or 720 BPS better than in 9M16.

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



(R\$ million)	3Q17	3Q16	Δ	2Q17	Δ	9M17	9M16	Δ
<b>Operating Revenues</b>	<b>911.3</b>	<b>1,034.0</b>	<b>-11.9%</b>	<b>780.5</b>	<b>16.8%</b>	<b>2,414.4</b>	<b>2,620.8</b>	<b>-7.9%</b>
Insurance	900.0	1,022.9	-12.0%	768.7	17.1%	2,374.7	2,578.9	-7.9%
Automobile	846.1	972.1	-13.0%	724.0	16.9%	2,234.8	2,453.9	-8.9%
Other Property & Casualty	53.9	50.9	6.0%	44.7	20.5%	139.9	124.9	12.0%
<b>Other Operating Revenues</b>	<b>11.3</b>	<b>11.1</b>	<b>2.0%</b>	<b>11.8</b>	<b>-4.0%</b>	<b>39.7</b>	<b>41.9</b>	<b>-5.3%</b>
Automobile	9.0	4.6	94.4%	9.4	-5.0%	28.8	18.4	56.3%
Other Property & Casualty	2.4	6.5	-63.7%	2.4	-0.1%	11.0	23.5	-53.4%
<b>Changes in Technical Reserves</b>	<b>-86.5</b>	<b>-186.7</b>	<b>53.6%</b>	<b>66.9</b>	<b>NA</b>	<b>97.1</b>	<b>-53.3</b>	<b>NA</b>
Automobile	-78.2	-175.4	55.4%	66.6	NA	105.8	-42.2	NA
Other Property & Casualty	-8.3	-11.3	26.1%	0.4	NA	-8.7	-11.1	21.5%
<b>Operating Expenses</b>	<b>-706.7</b>	<b>-779.8</b>	<b>9.4%</b>	<b>-760.0</b>	<b>7.0%</b>	<b>-2,259.5</b>	<b>-2,372.0</b>	<b>4.7%</b>
Insurance	-706.6	-779.5	9.4%	-760.0	7.0%	-2,259.4	-2,370.7	4.7%
Automobile	-672.2	-745.8	9.9%	-738.2	8.9%	-2,165.3	-2,244.2	3.5%
Other Property & Casualty	-34.4	-33.7	-1.9%	-21.8	-57.5%	-94.1	-126.5	25.6%
Other Operating Expenses	-0.1	-0.3	76.6%	0.0	-238.1%	-0.1	-1.2	92.8%
Automobile	-0.1	-0.3	76.6%	0.0	-236.6%	-0.1	-1.2	92.8%
Other Property & Casualty	0.0	0.0	NA	0.0	NA	0.0	0.0	NA
<b>Gross Margin</b>	<b>118.1</b>	<b>67.6</b>	<b>74.8%</b>	<b>87.4</b>	<b>35.1%</b>	<b>252.1</b>	<b>195.5</b>	<b>29.0%</b>
Automobile	104.5	55.2	89.3%	61.8	69.2%	204.1	184.7	10.5%
Other Property & Casualty	13.6	12.3	9.9%	25.6	-47.0%	48.1	10.8	344.0%

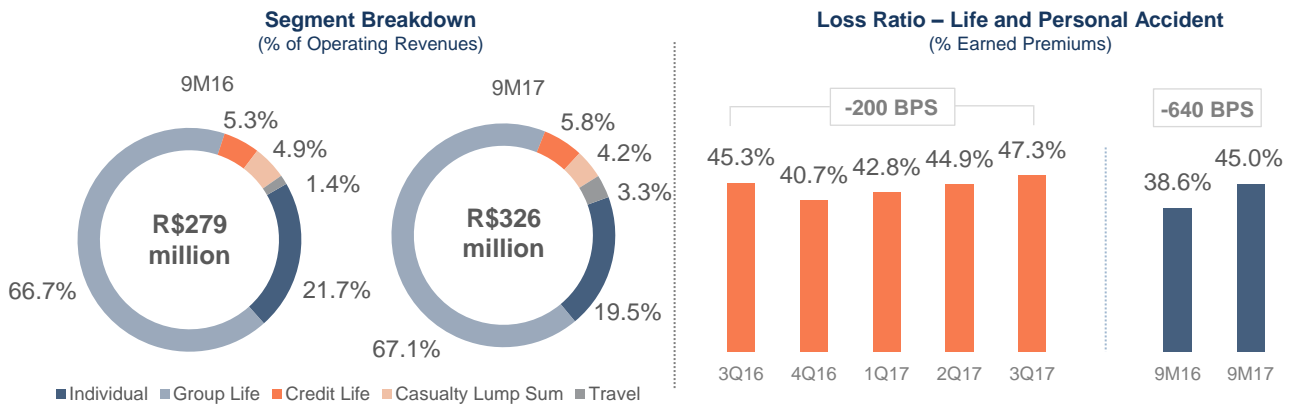
<b>Loss Ratio</b>	<b>60.8%</b>	<b>65.7%</b>	<b>490 BPS</b>	<b>65.9%</b>	<b>510 BPS</b>	<b>65.3%</b>	<b>65.3%</b>	<b>0 BPS</b>
Automobile	62.9%	67.4%	450 BPS	68.1%	520 BPS	67.3%	66.6%	-70 BPS
Other Property & Casualty	27.1%	33.2%	610 BPS	28.2%	120 BPS	31.4%	37.9%	660 BPS
<b>Acquisition Cost</b>	<b>22.2%</b>	<b>23.6%</b>	<b>140 BPS</b>	<b>22.8%</b>	<b>60 BPS</b>	<b>22.8%</b>	<b>24.0%</b>	<b>120 BPS</b>
Automobile	21.5%	23.3%	170 BPS	22.2%	70 BPS	22.2%	23.5%	130 BPS
Other Property & Casualty	33.2%	30.0%	-330 BPS	33.4%	20 BPS	34.0%	33.8%	-20 BPS

### 4. Life and Personal Accident Insurance and Private Pension

#### Life and Personal Accident Insurance

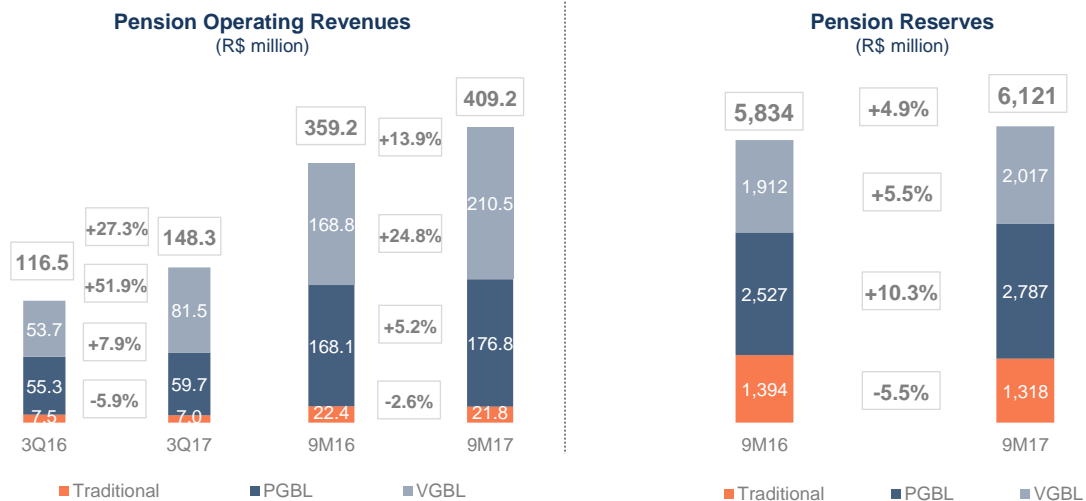
Life and personal accident revenues reached R\$115.7 million in the quarter and R\$325.6 million year-to-date, increases of 13.4% and 16.7%, respectively. Group life insurance represented 67.1% of revenues in the 9M17. The loss ratio reached 47.3% in the quarter, 200 BPS worse than in the same period of 2016, mainly due to greater severity of claims in the period. The segment's gross margin remained virtually stable at R\$3.6 million, with growth of 0.6% in the quarter.

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



#### Private Pension

Pension reserves grew 4.9%, reaching R\$6.1 billion, mainly as a result of accumulated returns of the pension funds. Operating revenues increased 27.3% compared to the 3Q16, driven mainly by the growth of 51.9% in the VGBL product. Year-to-date, operating revenues increased by 13.9% compared to the same period of last year.



(R\$ million)	3Q17	3Q16	Δ	2Q17	Δ	9M17	9M16	Δ
<b>Operating Revenues</b>	<b>264.2</b>	<b>218.7</b>	<b>20.8%</b>	<b>235.7</b>	<b>12.1%</b>	<b>735.7</b>	<b>638.4</b>	<b>15.3%</b>
Insurance	115.7	102.0	13.4%	106.7	8.4%	325.6	278.9	16.7%
Private Pension	148.3	116.5	27.3%	128.6	15.3%	409.2	359.2	13.9%
Other Operating Revenues	0.3	0.3	20.2%	0.3	16.7%	1.0	0.2	377.3%
<b>Changes in Technical Reserves</b>	<b>-115.5</b>	<b>-89.7</b>	<b>-28.7%</b>	<b>-84.4</b>	<b>-36.9%</b>	<b>-295.2</b>	<b>-281.2</b>	<b>-5.0%</b>
Insurance	-4.2	-1.0	-324.7%	2.5	NA	2.0	8.7	-76.9%
Private Pension	-111.3	-88.7	-25.4%	-86.8	-28.2%	-297.2	-289.9	-2.5%
<b>Operating Expenses</b>	<b>-141.5</b>	<b>-122.0</b>	<b>-16.0%</b>	<b>-138.8</b>	<b>-2.0%</b>	<b>-410.3</b>	<b>-316.7</b>	<b>-29.6%</b>
Insurance	-107.9	-97.4	-10.7%	-103.3	-4.5%	-309.9	-259.1	-19.6%
Private Pension	-33.7	-24.6	-37.0%	-35.5	5.2%	-100.4	-57.6	-74.4%
<b>Gross Margin</b>	<b>7.2</b>	<b>7.0</b>	<b>3.2%</b>	<b>12.5</b>	<b>-42.4%</b>	<b>30.2</b>	<b>40.5</b>	<b>-25.5%</b>
Insurance	3.6	3.6	0.6%	6.0	-39.7%	17.7	28.6	-38.1%
Private Pension	3.3	3.1	4.7%	6.3	-47.6%	11.5	11.7	-1.7%
Other	0.3	0.3	20.2%	0.3	16.7%	1.0	0.2	377.3%

<b>Loss Ratio</b>	<b>47.3%</b>	<b>45.3%</b>	<b>-200 BPS</b>	<b>44.9%</b>	<b>-240 BPS</b>	<b>45.0%</b>	<b>38.6%</b>	<b>-640 BPS</b>
<b>Acquisition Cost</b>	<b>32.9%</b>	<b>32.4%</b>	<b>-50 BPS</b>	<b>32.1%</b>	<b>-80 BPS</b>	<b>32.5%</b>	<b>32.3%</b>	<b>-20 BPS</b>



## 5. Savings Bonds

Operating revenues totaled R\$12.5 million in the quarter, 6.6% lower in comparison to 3Q16, mostly reflecting the still challenging scenario of the property rental market in Brazil, which impacts our main product, SulAmérica Rental Guarantee. About a year ago, 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.

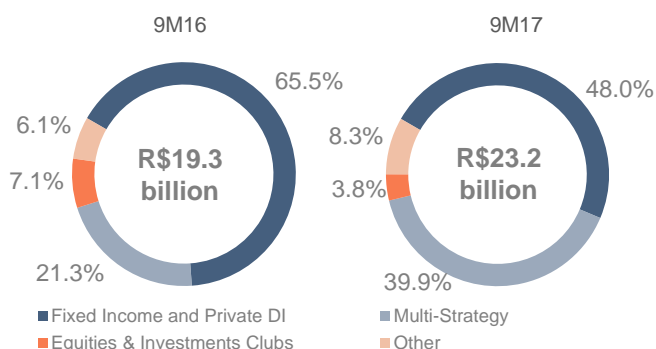
(R\$ million)	3Q17	3Q16	Δ	2Q17	Δ	9M17	9M16	Δ
Operating Revenues	12.5	13.4	-6.6%	12.4	1.1%	39.2	40.0	-1.9%
Operating Expenses	-7.2	-7.3	1.1%	-5.1	-41.5%	-23.0	-24.4	5.8%
<b>Gross Margin</b>	<b>5.3</b>	<b>6.1</b>	<b>-13.1%</b>	<b>7.3</b>	<b>-27.2%</b>	<b>16.2</b>	<b>15.6</b>	<b>4.3%</b>
Savings Bonds Reserves	624.1	609.0	2.5%	606.7	2.9%			

## 6. Asset Management

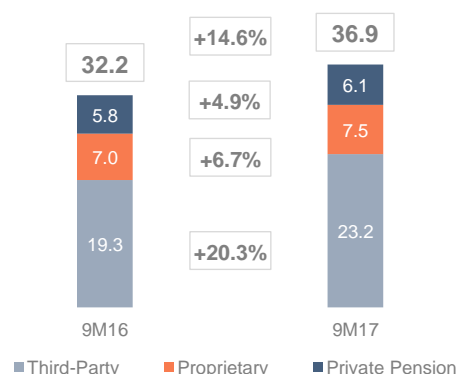
*SulAmérica Investimentos*, our asset management arm, finished the quarter with a record R\$36.9 billion in AuM, 14.6% higher than the total managed by the end of 3Q16, with third-party assets leading the way with an increase of 20.3% to reach R\$23.2 billion. Our proprietary portfolio (R\$7.5 billion) and private pension reserves (R\$6.1 billion) also grew, by 6.7% and 4.9%, respectively. It is worth highlighting the increased participation of multi-strategy funds, which climbed to 39.9% of the portfolio, while fixed income assets lost share, a movement which is directly related to the lower average interest rate and CDI (Brazil's Interbank Certificate of Deposit). Gross operating margin remained stable in the quarter, improving by 0.4%. Year-to-date growth came to 4.9% as a result of higher revenues coming from performance fees.

(R\$ million)	3Q17	3Q16	Δ	2Q17	Δ	9M17	9M16	Δ
Operating Revenues	9.7	9.6	0.5%	10.8	-10.0%	30.1	28.1	7.2%
Management Fee	9.7	9.4	3.9%	9.4	3.8%	28.6	27.6	3.5%
Performance Fee	-0.1	0.3	NA	1.4	NA	1.5	0.5	221.7%
Operating Expenses	-1.1	-1.1	-1.3%	-1.7	37.7%	-3.9	-3.1	-25.7%
<b>Gross Margin</b>	<b>8.6</b>	<b>8.6</b>	<b>0.4%</b>	<b>9.0</b>	<b>-4.7%</b>	<b>26.2</b>	<b>25.0</b>	<b>4.9%</b>

**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 presented throughout the year show our efforts to obtain efficiency gains. The general and administrative (G&A) expenses ratio represented 8.6% of operating revenues, 50 BPS worse when compared to 3Q16, mainly due to the seasonality of some expenses, although the ratio for the quarter was lower than the year-to-date figure. The ratio for 9M17 remained stable at 8.8%.

(R\$ million)	3Q17	3Q16	Δ	2Q17	Δ	9M17	9M16	Δ
Personnel Expenses	-173.4	-164.4	-5.5%	-162.6	-6.7%	-513.2	-504.1	-1.8%
Third-Party Services	-111.1	-91.8	-21.0%	-102.1	-8.9%	-315.5	-274.2	-15.0%
Buildings and Maintenance	-38.4	-48.5	20.8%	-40.8	5.9%	-118.7	-146.6	19.0%
Other Administrative Expenses	-52.5	-14.9	-252.0%	-24.0	-119.0%	-125.6	-60.8	-106.6%
Expenses Recovery	0.5	0.6	-0.7%	0.6	-11.6%	1.8	6.8	-73.2%
Profit Sharing	-17.1	-15.9	-7.7%	-15.5	-10.1%	-48.8	-46.4	-5.2%
Tax Expenses	-4.6	-9.5	51.9%	-7.7	40.2%	-23.8	-33.5	29.0%
Depreciation & Amortization	-13.3	-15.1	11.6%	-13.3	-0.1%	-40.9	-41.5	1.5%
<b>Total</b>	<b>-409.9</b>	<b>-359.5</b>	<b>-14.0%</b>	<b>-365.3</b>	<b>-12.2%</b>	<b>-1,184.7</b>	<b>-1,100.3</b>	<b>-7.7%</b>
General & Administrative Expenses Ratio (% operating revenues)	8.6%	8.1%	-50 BPS	8.4%	-20 BPS	8.8%	8.8%	0 BPS

## 8. Investment Income

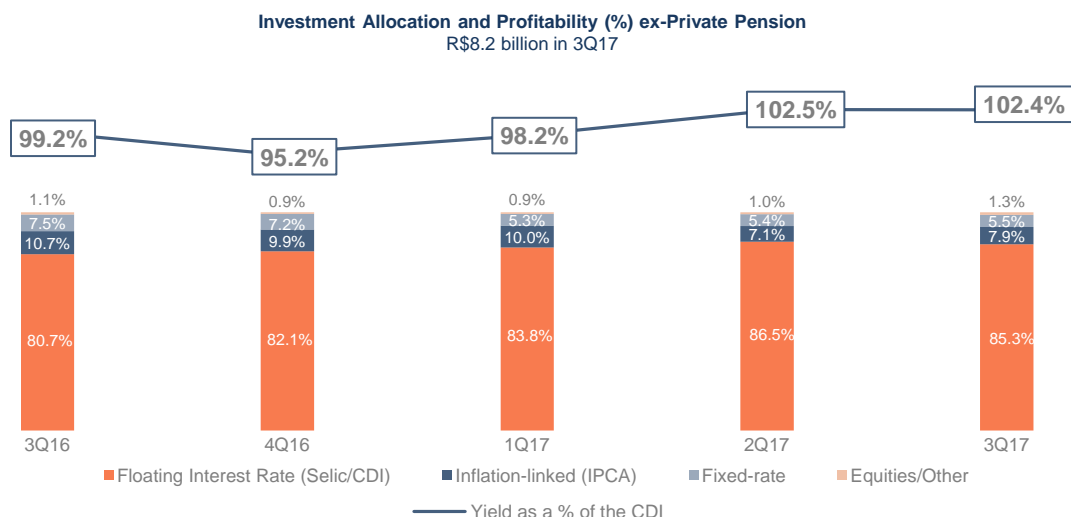
Total net investment income reached R\$200.9 million in 3Q17, 15.8% less compared to 3Q16, a decrease in line with the average lower rates to which our assets are indexed. The Company's proprietary portfolio (ex-private pension) yielded 102.4% of the CDI (benchmark rate) for the quarter and 100.8% year-to-date.

(R\$ million)	3Q17	3Q16	Δ	2Q17	Δ	9M17	9M16	Δ
<b>Investment Income ex-Private Pension</b>	<b>188.8</b>	<b>235.8</b>	<b>-20.0%</b>	<b>204.3</b>	<b>-7.6%</b>	<b>612.6</b>	<b>668.4</b>	<b>-8.3%</b>
Return on Investment Portfolio	182.8	249.5	-26.7%	205.1	-10.9%	628.7	695.9	-9.7%
Debt Service Cost	-26.7	-33.0	19.1%	-32.5	17.9%	-102.3	-102.7	0.3%
Other Investment Income	32.7	19.4	68.4%	31.8	2.9%	86.3	75.1	14.9%
<b>Investment Income from Private Pension</b>	<b>12.2</b>	<b>2.9</b>	<b>322.0%</b>	<b>8.3</b>	<b>45.9%</b>	<b>25.0</b>	<b>4.6</b>	<b>447.1%</b>
Return on Investment Portfolio of Private Pension	153.2	199.0	-23.0%	99.1	54.6%	443.2	557.1	-20.5%
Change in Liabilities of Private Pension	-141.0	-196.1	28.1%	-90.8	-55.3%	-418.1	-552.6	24.3%
<b>Total Investment Income</b>	<b>200.9</b>	<b>238.7</b>	<b>-15.8%</b>	<b>212.6</b>	<b>-5.5%</b>	<b>637.7</b>	<b>672.9</b>	<b>-5.2%</b>

### Balance

(R\$ million)	3Q17	3Q16	Δ	2Q17	Δ
Balance Excluding Private Pension	8,215.3	7,494.0	9.6%	7,928.2	3.6%
Private Pension Operations Balance	6,121.5	5,833.8	4.9%	5,998.9	2.0%
<b>Total Balance</b>	<b>14,336.8</b>	<b>13,327.8</b>	<b>7.6%</b>	<b>13,927.1</b>	<b>2.9%</b>

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 securities (Brazilian government bonds).



## 9. Summary Income Statement

(R\$ million)	3Q17	3Q16	Δ	2Q17	Δ	9M17	9M16	Δ
<b>Operating Revenue</b>	<b>4,781.2</b>	<b>4,444.8</b>	<b>7.6%</b>	<b>4,357.9</b>	<b>9.7%</b>	<b>13,400.2</b>	<b>12,452.9</b>	<b>7.6%</b>
Insurance	4,584.6	4,280.3	7.1%	4,179.8	9.7%	12,832.8	11,946.2	7.4%
Private Pension	148.3	116.5	27.3%	128.6	15.3%	409.2	359.2	13.9%
Saving Bonds	12.5	13.4	-6.6%	12.4	1.1%	39.2	40.0	-1.9%
ASO	14.5	11.8	22.7%	14.2	1.5%	40.0	32.2	24.0%
Asset Management	9.7	9.6	0.5%	10.8	-10.0%	30.1	28.1	7.2%
Other	11.7	13.2	-11.0%	12.1	-3.1%	48.9	47.1	3.8%
<b>Changes in Premium Technical Reserves</b>	<b>-230.4</b>	<b>-299.0</b>	<b>22.9%</b>	<b>-35.5</b>	<b>-549.8%</b>	<b>-251.9</b>	<b>-380.6</b>	<b>33.8%</b>
Insurance	-119.1	-210.2	43.4%	51.4	NA	45.3	-90.6	NA
Private Pension	-111.3	-88.7	-25.4%	-86.8	-28.2%	-297.2	-289.9	-2.5%
<b>Operating Expenses</b>	<b>-4,070.8</b>	<b>-3,759.6</b>	<b>-8.3%</b>	<b>-4,034.6</b>	<b>-0.9%</b>	<b>-11,963.8</b>	<b>-10,986.3</b>	<b>-8.9%</b>
<b>Insurance</b>	<b>-4,026.2</b>	<b>-3,724.4</b>	<b>-8.1%</b>	<b>-3,989.9</b>	<b>-0.9%</b>	<b>-11,829.3</b>	<b>-10,893.7</b>	<b>-8.6%</b>
Claims	-3,446.1	-3,165.6	-8.9%	-3,450.6	0.1%	-10,136.0	-9,235.4	-9.8%
Acquisition Costs	-454.5	-440.3	-3.2%	-429.6	-5.8%	-1,327.2	-1,294.7	-2.5%
Other	-125.6	-118.5	-6.0%	-109.7	-14.5%	-366.1	-363.6	-0.7%
<b>Private pension</b>	<b>-33.7</b>	<b>-24.6</b>	<b>-37.0%</b>	<b>-35.5</b>	<b>5.2%</b>	<b>-100.4</b>	<b>-57.6</b>	<b>-74.4%</b>
Benefits and Redemptions Expenses	-26.9	-16.8	-59.9%	-27.6	2.3%	-78.0	-35.4	-120.2%
Acquisition Costs	-7.1	-7.5	5.2%	-7.3	3.2%	-21.9	-21.2	-3.1%
Other	0.3	-0.3	NA	-0.6	NA	-0.6	-1.0	38.3%
<b>Saving Bonds</b>	<b>-7.2</b>	<b>-7.3</b>	<b>1.1%</b>	<b>-5.1</b>	<b>-41.5%</b>	<b>-23.0</b>	<b>-24.4</b>	<b>5.8%</b>
<b>ASO</b>	<b>-2.6</b>	<b>-2.0</b>	<b>-28.0%</b>	<b>-2.4</b>	<b>-9.6%</b>	<b>-7.1</b>	<b>-6.2</b>	<b>-14.3%</b>
<b>Asset Management</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.3%</b>	<b>-1.7</b>	<b>37.7%</b>	<b>-3.9</b>	<b>-3.1</b>	<b>-25.7%</b>
<b>Other</b>	<b>-0.1</b>	<b>-0.3</b>	<b>76.6%</b>	<b>0.0</b>	<b>-238.1%</b>	<b>-0.1</b>	<b>-1.2</b>	<b>92.8%</b>
<b>Operating Gross Margin</b>	<b>480.1</b>	<b>386.3</b>	<b>24.3%</b>	<b>287.8</b>	<b>66.8%</b>	<b>1,184.5</b>	<b>1,086.1</b>	<b>9.1%</b>
<b>General and Administrative Expenses</b>	<b>-409.9</b>	<b>-359.5</b>	<b>-14.0%</b>	<b>-365.3</b>	<b>-12.2%</b>	<b>-1,184.7</b>	<b>-1,100.3</b>	<b>-7.7%</b>
<b>Net Investment Income</b>	<b>200.9</b>	<b>238.7</b>	<b>-15.8%</b>	<b>212.6</b>	<b>-5.5%</b>	<b>637.7</b>	<b>672.9</b>	<b>-5.2%</b>
<b>Equity Interest Income</b>	<b>10.9</b>	<b>9.9</b>	<b>10.1%</b>	<b>9.6</b>	<b>13.9%</b>	<b>29.6</b>	<b>29.1</b>	<b>1.7%</b>
<b>Other Equity Income / (Expenses)</b>	<b>1.9</b>	<b>-1.4</b>	<b>NA</b>	<b>2.0</b>	<b>-4.6%</b>	<b>5.7</b>	<b>-1.9</b>	<b>NA</b>
<b>Income before tax and social contribution</b>	<b>283.9</b>	<b>274.0</b>	<b>3.6%</b>	<b>146.7</b>	<b>93.6%</b>	<b>672.7</b>	<b>685.9</b>	<b>-1.9%</b>
Income Tax and Social Contribution	-131.9	-125.1	-5.4%	-65.2	-102.3%	-310.2	-303.2	-2.3%
<b>Net Income</b>	<b>152.1</b>	<b>148.9</b>	<b>2.1%</b>	<b>81.5</b>	<b>86.6%</b>	<b>362.6</b>	<b>382.7</b>	<b>-5.3%</b>
Attributable to Non-Controlling Shareholders	-0.7	-0.6	-8.3%	-0.9	22.8%	-2.0	-2.1	4.1%
<b>Net Income After Non-Controlling Interests</b>	<b>151.4</b>	<b>148.3</b>	<b>2.1%</b>	<b>80.6</b>	<b>87.8%</b>	<b>360.6</b>	<b>380.6</b>	<b>-5.3%</b>

## 10. Summary Balance Sheet

### ASSETS

(R\$ million)	3Q17	2016	Δ
<b>Current Assets</b>	<b>16,097.7</b>	<b>15,953.9</b>	<b>0.9%</b>
Cash, cash equivalents and marketable securities	13,296.8	13,168.0	1.0%
Receivables	2,012.0	1,908.3	5.4%
Taxes	99.1	163.1	-39.2%
Reinsurance assets	29.6	26.9	10.3%
Salvages for sale	58.7	71.9	-18.4%
Deferred acquisition costs	577.6	597.9	-3.4%
Other	23.9	17.9	34.0%
<b>Non-current assets</b>	<b>6,314.4</b>	<b>5,854.7</b>	<b>7.9%</b>
Marketable securities	1,089.6	1,118.7	-2.6%
Receivables	711.9	512.0	39.0%
Judicial deposits	2,826.4	2,648.4	6.7%
Reinsurance assets	8.5	7.4	14.7%
Deferred acquisition costs	464.6	413.1	12.5%
Taxes	817.7	767.0	6.6%
Other	0.2	0.0	NA
Investments, property and equipment, and intangible assets	395.4	388.0	1.9%
<b>Total Assets</b>	<b>22,412.2</b>	<b>21,808.6</b>	<b>2.8%</b>

### LIABILITIES

(R\$ million)	3Q17	2016	Δ
<b>Current Liabilities</b>	<b>8,418.6</b>	<b>8,375.0</b>	<b>0.5%</b>
Accounts payable	1,423.8	1,456.5	-2.2%
Loans and financing	172.5	336.9	-48.8%
Insurance and reinsurance liabilities	305.4	323.4	-5.6%
Technical reserves - Insurance	6,428.1	6,159.2	4.4%
Judicial provisions	81.2	91.3	-11.1%
Other	7.6	7.6	-0.2%
<b>Non-current Liabilities</b>	<b>8,548.2</b>	<b>8,392.7</b>	<b>1.9%</b>
Accounts payable	20.7	20.0	3.4%
Loans and financing	944.6	1,063.5	-11.2%
Technical reserves - Insurance	5,221.5	5,159.2	1.2%
Judicial provisions	2,338.6	2,121.5	10.2%
Other	22.9	28.5	-19.7%
<b>Shareholders' Equity</b>	<b>5,445.4</b>	<b>5,040.9</b>	<b>8.0%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>22,412.2</b>	<b>21,808.6</b>	<b>2.8%</b>

## 11. Analyst Coverage

Firm	Analyst	Phone
Agora	Aloísio Lemos	+55 (21) 2529-0807
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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](http://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.