BANCO DO BRASIL
Seguridade



MD&A

3rd quarter 2017

PRESENTATION

The Management Discussion and Analysis – MD&A presents the economic and financial status of BB Seguridade Participações S.A. (BB Seguridade). Directed to financial analysts, shareholders and investors, this quarterly report provides an analysis of economic and financial indicators of BB Seguridade, stocks performance and other aspects considered relevant for the assessment of the company's performance.

Back to November 2012, Banco do Brasil S.A. (BB) announced its intention to create BB Seguridade, a fully owned subsidiary responsible for consolidating, under a single holding company, all activities related to insurance, private pension plans, premium bonds, brokerage, and others. In the same document, BB disclosed its intention to promote an IPO of the holding company BB Seguridade at the Brazilian stock exchange.

The bookbuilding of the aforementioned public offering was concluded on April 25th, 2013 and the price was set at R$17.00 per share. The shares started being traded on April 29th, 2013. In the offering, the controlling shareholder (Banco do Brasil) sold 675 million shares, in a transaction that involved approximately R$11.5 billion, with 500 million shares sold in the base offering, 100 million in the hot issue, and 75 million in the greenshoe. The announcement of the offering closing was published on May 17th, 2013.

The consolidated financial statements were prepared in compliance with the International Financial Reporting Standards – IFRS.

All the analyses in this report are based on IFRS Financial Statements, but are occasionally supplemented by managerial data, besides other information calculated based on accounting principles determined by the Superintendência de Seguros Privados – SUSEP (the regulator of the insurance industry in Brazil).

ON-LINE ACCESS

This MD&A is available at BB Seguridade's IR website, where additional information about the Company is also available such as: corporate structure, corporate governance, historical data for download, among other important information for shareholders and investors. The company's website can be accessed through www.bbseguridaderi.com.br.

This report makes references and statements about expectations, expected synergies, growth estimates, earnings forecasts and future strategies regarding BB Seguridade. Such statements are based on current expectations, estimates and projections of the Management about future events and financial trends that may affect the businesses that the Group is involved in.

These forward looking statements are not guarantees of future performance and involve risks and uncertainties that could overextend the control of the management, and thus can result in balances and values different from those anticipated and discussed in this report. The expectations and projections depend on market conditions (technological changes, competitive constraints on products, prices, etc.), on the country's macroeconomic performance (interest and exchange rates, political and economic changes, inflation, changes in tax rules, etc.) and on international markets.

Future expectations based on this report should consider the risks and uncertainties that involve the businesses of BB Seguridade. BB Seguridade has no responsibility to update any estimate contained either in this report or in previously published reports.

Tables and charts in this report show, in addition to the accounting balances, financial and managerial figures. The relative variation rates are calculated before the rounding procedure in R$ million. The rounding method used follows the rules established by Resolution 886/66 of IBGE's Foundation: if the decimal number is equal or greater than 0.5, it increases by one unit, if the decimal number is less than 0.5, there is no increase.

3Q17 Earnings Conference Call

November 7th, 2017

Portuguese

Time: 10 am (Brasília time)

7 am (Eastern time)

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English

Time: 11:30 am (Brasília time)

08:30 am (Eastern time)

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1. SUMMARY

Table 1 – Key figures

		Quarterly Flow				
	Unit	3Q16	4Q16	1Q17	2Q17	3Q17
Earnings Summary						
Underwritting and accumulation businesses	R$ thousand	638,846	679,268	594,118	604,317	571,267
Distribution businesses	R$ thousand	383,974	435,008	404,875	345,412	409,778
Other	R$ thousand	(34,890)	(39,540)	(6,190)	6,577	39,983
Net income	R$ thousand	987,930	981,524	992,803	956,306	1,192,219
Adjusted net income	R$ thousand	987,930	1,074,736	992,803	956,306	1,021,028
Adjusted ROAE[1]	%	48.9	52.2	47.3	44.5	46.4
Performance by segment						
Insurance - Life, Mortgage Life and Rural						
Loss ratio	%	31.3	31.0	24.6	27.4	32.4
Comission ratio	%	27.0	27.5	27.2	27.7	32.2
G&A ratio	%	12.0	10.7	20.6	14.2	10.6
Combined ratio	%	70.1	69.1	72.1	69.1	75.0
Expanded combined ratio	%	64.2	63.0	65.8	64.2	70.3
Adjusted ROAE	%	48.4	47.2	45.5	52.4	41.7
Solvency ratio	%	124.5	139.9	122.4	127.0	126.8
Insurance - Property and Casualty						
Loss ratio	%	59.7	63.9	59.3	56.3	57.0
Comission ratio	%	23.7	23.3	24.0	25.1	24.5
G&A ratio	%	19.1	19.5	23.1	20.1	21.2
Combined ratio	%	102.3	106.5	105.9	101.2	102.6
Expanded combined ratio	%	95.8	99.4	101.2	93.8	98.2
Adjusted ROAE	%	4.7	3.1	(0.5)	6.4	2.0
Solvency ratio	%	175.1	183.4	174.5	182.0	179.7
Pension Plans						
Technical reserves	R$ million	182,724	197,534	208,478	215,380	225,948
Management fee	%	1.15	1.14	1.13	1.12	1.11
Adjusted ROAE	%	43.0	42.9	39.7	40.1	46.8
Solvency ratio	%	165.2	201.8	209.7	212.2	211.1
Premium Bonds						
Premium bonds reserves	R$ million	11,012	10,763	10,231	9,772	9,840
Spread	p.p.	6.4	5.7	7.4	3.6	7.2
Adjusted ROAE	%	87.9	96.4	98.7	43.5	73.2
Solvency ratio	%	130.1	167.2	166.7	189.5	215.9
Brokerage						
EBIT margin	%	79.7	79.2	81.5	79.9	80.6
Net margin	%	57.1	59.4	58.5	57.4	55.7

[1]BB Seguridade's adjusted ROAE was calculated by dividing the adjusted net income by the average equity of the period. For the periods which there are no dividends distribution, the shareholders equity is adjusted by deducting the amount of dividends to be distributed considering the 80% payout (without interest accrual).

ADJUSTED NET INCOME

Table 2 – Earnings Analysis | Adjusted income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Equity income	**997,913**	**940,707**	**978,416**	**(2.0)**	**4.0**	**3,054,006**	**2,916,980**	**(4.5)**
Underwritting and accumulation businesses	638,846	604,317	571,267	(10.6)	(5.5)	1,916,231	1,769,702	(7.6)
Life, Mortgage Life and Rural	326,729	306,043	248,892	(23.8)	(18.7)	925,793	848,554	(8.3)
Property and Casualty	22,239	30,314	9,276	(58.3)	(69.4)	110,370	37,305	(66.2)
Pension Plans	208,223	195,129	227,816	9.4	16.8	556,716	609,222	9.4
Reinsurance	13,575	42,322	36,090	165.9	(14.7)	95,507	124,357	30.2
Premium Bonds	67,483	29,769	48,202	(28.6)	61.9	225,926	147,056	(34.9)
Dental Insurance	597	740	991	66.0	33.9	1,919	3,208	67.2
Distribution businesses	383,974	345,412	409,778	6.7	18.6	1,174,930	1,160,065	(1.3)
Other	(24,907)	(9,022)	(2,629)	(89.4)	(70.9)	(37,155)	(12,787)	(65.6)
G&A expenses	**(17,309)**	**(8,036)**	**(8,062)**	**(53.4)**	**0.3**	**(50,492)**	**(31,354)**	**(37.9)**
Personnel expenses	(5,083)	(4,235)	(3,672)	(27.8)	(13.3)	(27,311)	(12,975)	(52.5)
Administrative expenses	(6,419)	(2,610)	(2,302)	(64.1)	(11.8)	(11,340)	(12,549)	10.7
Tax expenses	(5,758)	(1,364)	(1,946)	(66.2)	42.6	(12,246)	(5,788)	(52.7)
Other operating income (expenses)	(49)	173	(141)	188.4	-	405	(42)	-
Net investment income	**7,326**	**29,077**	**20,928**	**185.7**	**(28.0)**	**28,813**	**60,208**	**109.0**
Financial income	41,170	29,078	42,189	2.5	45.1	100,866	115,959	15.0
Financial expenses	(33,844)	(1)	(21,261)	(37.2)	3,543,389.6	(72,053)	(55,751)	(22.6)
Earnings before taxes and profit sharing	**987,930**	**961,748**	**991,282**	**0.3**	**3.1**	**3,032,328**	**2,945,833**	**(2.9)**
Taxes	-	(5,442)	29,746	-	-	-	24,304	-
Adjusted net income	**987,930**	**956,306**	**1,021,028**	**3.4**	**6.8**	**3,032,328**	**2,970,137**	**(2.1)**

EXTRAORDINARY EVENTS

Table 3 – Earnings Analysis | Adjusted net income

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Adjusted net income	**987,930**	**956,306**	**1,021,028**	**3.4**	**6.8**	**3,032,328**	**2,970,137**	**(2.1)**
Extraordinary events	**-**	**-**	**171,191**	**-**	**-**	**-**	**171,191**	**-**
BB Seguros: Income from IRB Brasil-RE initial public offering	-	-	171,191	-	-	-	171,191	-
Net income	**987,930**	**956,306**	**1,192,219**	**20.7**	**24.7**	**3,032,328**	**3,141,328**	**3.6**

Income from IRB Brasil-RE Initial Public Offering: disposal of part of IRB common shares held by BB Seguros, which resulted on a net gain of R$171.2 million, registered in "Other" within equity income at the adjusted income statement.

At the end of the Public Offering, BB Seguros, which is a subsidiary of BB Seguridade, became to hold 47,520,213 common shares of IRB Brasil-RE, about 15.2% of the company's common stock.

ADJUSTED NET INCOME

Figure 1 – Adjusted net income

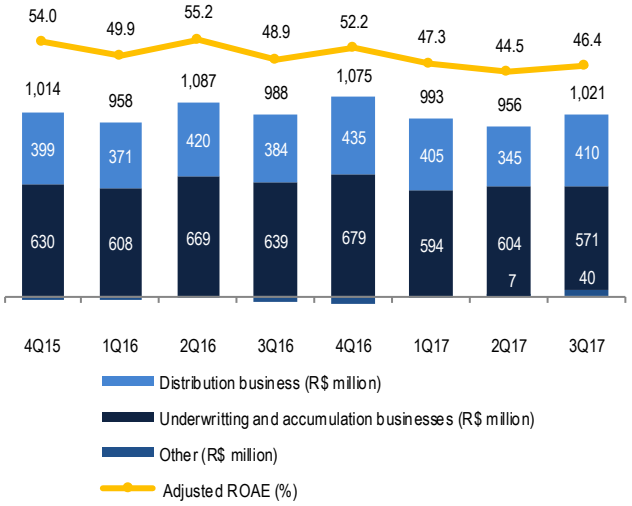
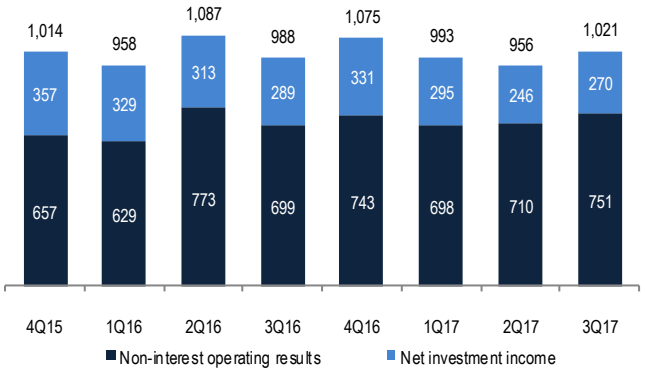


Figure 2 – Adjusted net income | Earnings breakdown[1] (R$ million)



[1]Calculated based on the sum of the non-interest operating result and net investment income of all BB Seguridade's controlled and affiliate Companies, net of income taxes, considering the effective tax rate of each Company for the period under analysis.

Figure 3 – Net income | Quarterly evolution breakdown (R$ million)

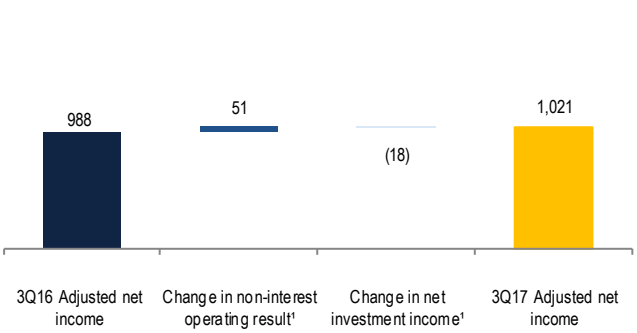
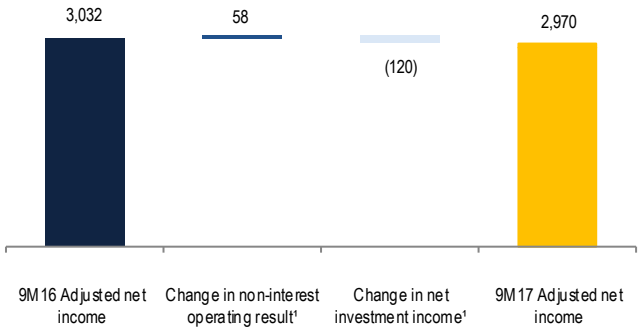


Figure 4 – Net income | Year-to-date evolution breakdown (R$ million)



[1]Calculated based on total non-interest operating result and net investment income of all BB Seguridade's controlled and affiliate Companies, net of income taxes, considering the effective tax rate of each Company for the period under analysis.

QUARTERLY ANALYSIS

In the 3Q17, the adjusted net income reached R$1.0 billion, up 3.4% YoY.

The non-interest operating result grew 7.3% YoY, driven by BB Corretora, which was influenced by the better sales performance in credit life, rural and in pension plans along with the adjustments in the commission of some products, and also helped by Brasilprev, as a result of the growth in assets under management and an improved cost-to-income ratio.

The combined net investment income from BB Seguridade´s affiliate and controlled companies fell 6.3% YoY, impacted by the lower Selic rate, which affected the return on floating securities, and by the lower inflation, which led to a decline in the return on securities pegged to inflation classified as held to maturity. The exception was the Pension Plans segment, benefited by the IGP-M deflation, which dragged down financial expenses at Brasilprev.

Additionally, it is worth noting that, since March 2017, BB Seguridade holding became to report fiscal profits. Hence, the study about future fiscal profits generation and the ability to write-down deferred tax assets, resulted in a deferred tax asset of R$34.2 million in the 3Q17, derived from fiscal losses and negative tax basis. As a consequence, the income tax expenses at the holding income statement was R$29.7 million positive.

The return on average equity reached 46.4% in the 3Q17, 2.5 p.p. lower YoY.

YEAR-TO-DATE ANALYSIS

In the 9M17, the adjusted net income reached R$3.0 billion, down 2.1% compared to the 9M16.

The net investment income, down 12.9%, was the primary factor responsible for the reduction in the net income, impacted by the lower Selic rate, in addition to the smaller magnitude of the downward move of the forward yield curve, as compared to the one observed in the 9M16, and to the lower inflation.

On the other hand, the non-interest operating result, up 2.7%, partially offset the reduction in the net investment income, boosted by the growth in Pension Plans and Reinsurance.

The return on average equity reached 46.0% in the 9M17, 5.3 p.p. lower YoY.

Figure 5 – SH1 | Premiums written (R$ million)

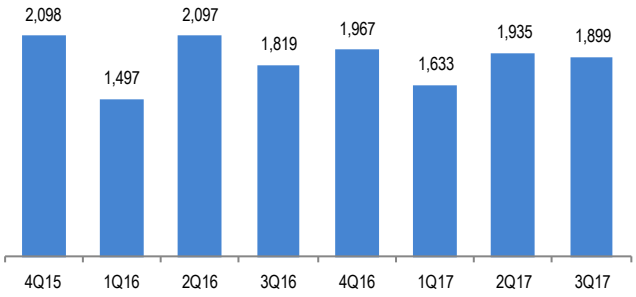
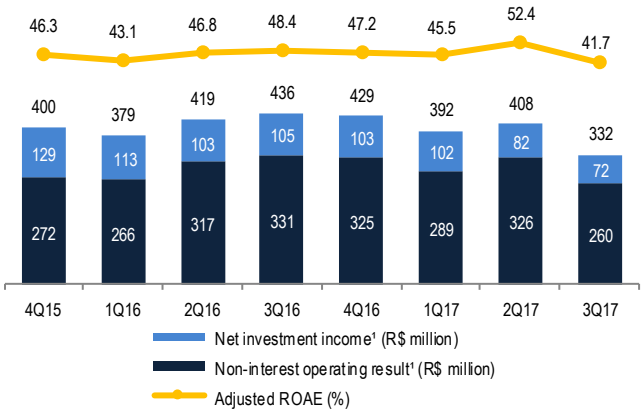


Figure 6 – SH1 | Adjusted net income and ROAE



¹Net of income taxes considering the Company's effective tax rate for the period under analysis.

QUARTERLY ANALYSIS

The net income arising from the Life, Mortgage Life and Rural business segment was down 23.8% YoY, to R$331.9 million, explained by:

(i) the reduction in the non-interest operating result, driven by the increase in the loss ratio, along with a higher commission ratio, partially offset by the decline in the G&A ratio; and

(ii) the 32.6% contraction in the net investment income, largely explained by the fall in the average yield on financial assets, as a result of the lower Selic rate, which impacted the return on floating securities, along with the decline in inflation, which negatively impacted the return on inflation protected securities classified as held to maturity.

Premiums written increased 4.4% YoY, driven by credit life (+79.6%), mortgage life (+13.2%), rural (+5.9%) and other (+26.7%), partially offset by the reduction in term life (-8.7%), and in DPVAT (-36.0%).

YEAR-TO-DATE ANALYSIS

In the 9M17, the net income from the Life, Mortgage Life and Rural business fell 8.3%, as compared to the same period last year, to R$1.1 billion, dragged down by the net investment income and the non-interest operating result.

The non-interest operating result was down 4.1% year-to-date, impacted by the higher commission ratio, partially offset by the decline in the loss ratio.

Premiums written increased 1.0% YoY, supported by rural (+13.3%), mortgage life (10.6%) and other (+47.1%), partially offset by the decline in term life (-3.3%) and in credit life (-4.6%).

Figure 7 – SH2 | Premiums written (R$ million)

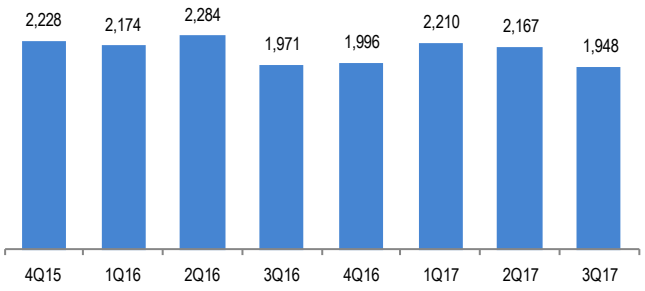
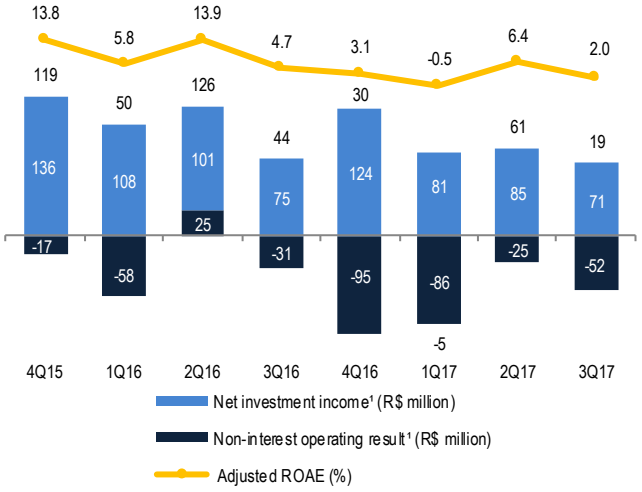


Figure 8 – SH2 | Adjusted net income and ROAE



¹Net of income taxes considering the Company's effective tax rate

QUARTERLY ANALYSIS

In the 3Q17, the net income from the Property & Casualty business fell 58.3% YoY to R$19.0 million, driven by weaker non-interest operating result and a lower net investment income.

Despite the improvement of 2.7 p.p. in the loss ratio YoY, the non-interest operating result was dragged down by the 5.4% decline in retained earned premiums in addition to the increase in the G&A ratio as well as in the commission ratio, and recorded a loss of R$46.1 million, compared to a R$35.9 million loss in the 3Q16.

The net investment income contracted by 37.1% YoY, burdened by the lower yield on interest earning assets, following the declining trend of the Selic rate.

Written premiums declined 1.2% YoY, dragged down by casualty (-4.8%), DPVAT (-34.4%) and other (-11.4%), partially offset by the increase in auto insurance (+6.3%).

YEAR-TO-DATE ANALYSIS

Year-to-date, the net income was down 66.2%, as compared to the same period last year.

The non-interest operating result was impacted by the 8.7% contraction in retained earned premiums, in addition to the increase in the G&A ratio as well as in the commission ratio, partially offset by the decline in the loss ratio.

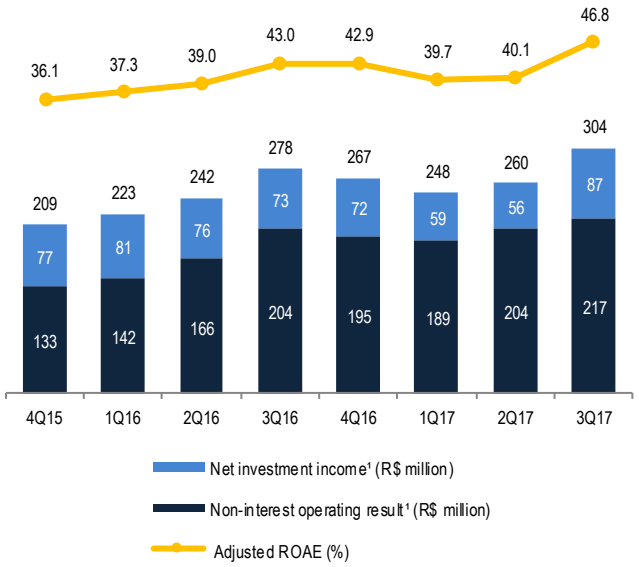
Regarding the net investment income, the 39.6% reduction is explained by the lower Selic rate, which dragged down the return on floating securities, along with the lower inflation, which had a negative impact on inflation protected securities classified as held to maturity.

Year-to-date, premiums written amounted to R$6.3 billion, down 1.6% YoY, driven by DPVAT (-31.1%) and other (-4.2%), partially offset by the growth in auto (+0.4%).

Figure 9– Brasilprev | Management fee



Figure 10 – Brasilprev | Adjusted net income and ROAE



¹Net of income taxes considering the Company's effective tax rate.

QUARTERLY ANALYSIS

In the 3Q17, the net income of the Pension business rose 9.4% YoY to R$303.8 million.

The performance was supported by the improvement in the non-interest operating result, as a consequence of the 18.7% increase in revenues with management fees along with the improvement in the cost-to-income ratio and better net investment income, which was driven by the wider net interest margin between the company's proprietary assets and its interest bearing liabilities.

In the 3Q17, the volume of gross contributions to pension plans rose 4.0% YoY, driven by VGBL plans, with better redemption ratio, down 0.1 p.p..

YEAR-TO-DATE ANALYSIS

Year-to-date, the net income rose 9.4% to R$812.3 million.

The performance was driven by the evolution in the non-interest operating result, explained by the increase in revenues with management fees along with a 0.5 p.p. improvement in the cost-to-income ratio.

On the other hand, the lower inflation affected the net investment income, which was down 11.3% as compared to the same period of 2016.

Year-to-date, pension plans contributions reached R$29.8 billion, down 7.1% compared to the same period last year. On the other hand, the redemption ratio dropped 0.4 p.p to 8.0% in the 9M17.

Figure 11 – Brasilcap | Collections (R$ million)

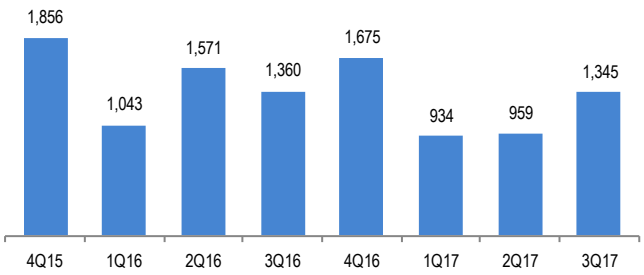
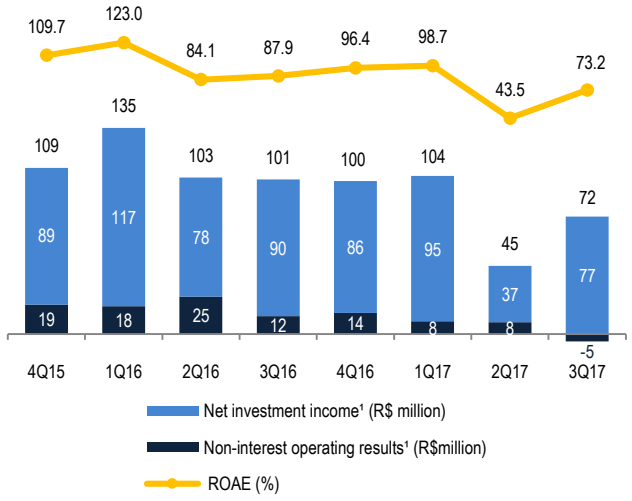


Figure 12 – Brasilcap | Net income and ROAE



¹Net of income taxes considering the Company's effective tax rate.

QUARTERLY ANALYSIS

In the 3Q17, the net income of the Premium Bonds business segment rose 28.6% YoY, to R$72.3 million.

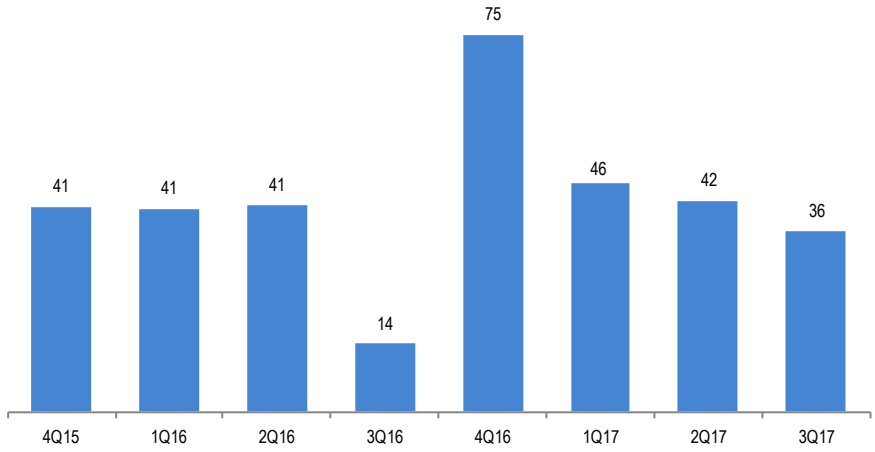
The result with premium bonds recorded a R$6.3 million loss, driven by lower revenues with load fee and with the result with lottery, in addition to the provision built for the settlement of the last installment due to Icatu Seguros, our partner at Brasilcap, for the transfer of rights to sell premium bonds in the former Banco Nossa Caixa branches. These effects were partially offset by lower administrative and tax expenses.

Additionally, the net investment income was down 13.3%, as a result of the 11.5% contraction in the average balance of interest earning assets, partially offset by the 0.7 p.p. increase in the net interest margin.

YEAR-TO-DATE ANALYSIS

Year-to-date, the net income of the premium bonds business was down 34.9%, as compared to the same period last year, driven by the 73.7% contraction in the result with premium bonds, explained by lower collections and a lower load fee quote, in addition to the 26.5% fall in the net investment income, explained by the 10.8% reduction in the average balance of interest earning assets along with a 0.7 p.p. contraction in the net interest margin.

Figure 13 – IRB | Equity income (R$ million)



ANÁLISE DO TRIMESTRE

In the 3Q17, the equity income from the Reinsurance business segment reached R$36.1 million, up 165.9% YoY. The evolution reflects the increase in earned premiums and a lower loss ratio, partially offset by the reduction in the net investment income.

ANÁLISE DO ACUMULADO DO ANO

Year-to-date, the equity income from the Reinsurance business segment grew by 30.2% to R$124.4 million. The performance is explained by the increase in earned premiums in addition to a lower loss ratio, partially offset by the decline in the net investment income.

IMPORTANT:

Financial data regarding the equity income arising from the Reinsurance segment comes from BB Seguridade's stake in IRB Brasil RE and may be influenced by the investor company (BB Seguros) accounting entries, e.g., changes in goodwill, among others. Therefore, the figures presented in this section are not necessarily reconcilable with those published by the invested company.

Since July, 31st 2017, IRB Brasil RE common shares are listed in the "Novo Mercado" segment of the Brazilian stock exchange (B3) under the ticker "IRBR3". Therefore, from the 2Q17 on, financial data regarding the reinsurance segment was removed from BB Seguridade's MD&A.

Additional information regarding the reinsurance segment and IRB Brasil RE performance are available at the company's investor relations website: www.ir.irbbrasilre.com

BB Corretora | Brokerage

Figure 14– BB Corretora | Brokerage revenues (R$ million)

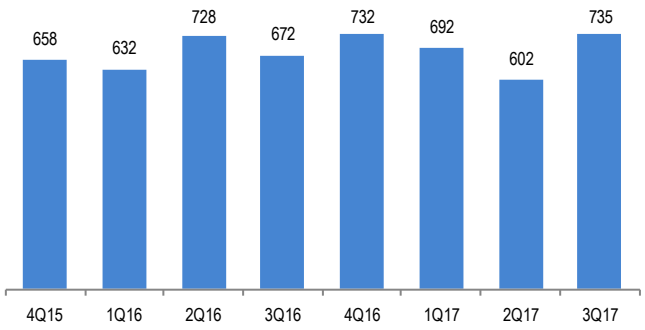
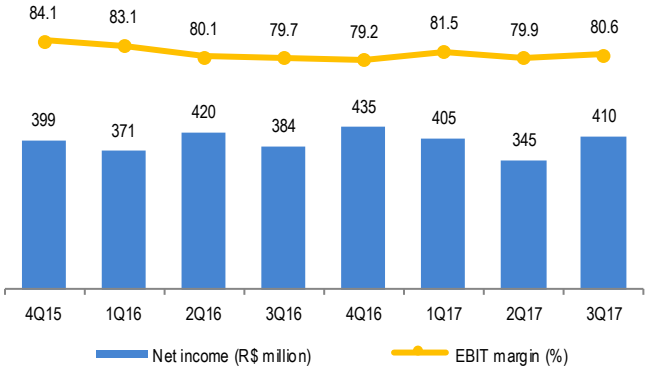


Figure 15 – BB Corretora | Net income and operating margin



QUARTERLY ANALYSIS

BB Corretora reported a net income of R$409.8 million in the 3Q17, up 6.7% YoY, explained by the 9.4% growth in brokerage revenues, in addition to the 0.9 p.p. improvement in the EBIT margin.

The increase in brokerage revenues was boosted by BB MAPFRE SH1 (+8.2%), Brasilprev (+14.1%) and Brasilcap (+29.1%), partially offset by the negative performance at MAPFRE BB SH2 (-9.1%).

The improvement in the operating performance was partially offset by the 26.8% decline in the net investment income, driven by the lower Selic rate.

YEAR-TO-DATE ANALYSIS

Year-to-date, the net income was down 1.3% to R$1.2 billion, explained by the 0.2 p.p. contraction in the EBIT margin along with the 6.6% decline in the net investment income.

2017 GUIDANCE

The following table presents the Guidance for 2017. Year-to-date, the decline in the net income YoY was within the guidance range.

Table 4 – Estimates 2017

Ratio	9M17 - Values observed	2017 Estimates
BB Seguridade - Adjusted net income growth (%)	-2.1	-5.0 to -10

OTHER INFORMATION

Table 5 – Market share and ranking

		Quarterly Flow				
	Unit	3Q16	4Q16	1Q17	2Q17	3Q17
Life						
Premiums written	R$ thousand	958,693	896,428	786,081	826,541	874,992
Market-share	%	17.3%	16.0%	14.6%	14.3%	15.0%
Ranking		2º	2º	2º	2º	2º
Credit life						
Premiums written	R$ thousand	175,164	339,463	157,412	245,878	314,583
Market-share	%	15.6%	20.4%	12.6%	15.4%	17.0%
Ranking		3º	1º	4º	3º	2º
Mortgage life						
Premiums written	R$ thousand	51,141	59,405	57,507	58,818	57,888
Market-share	%	6.0%	6.7%	6.4%	6.4%	6.2%
Ranking		5º	3º	4º	4º	5º
Rural						
Premiums written	R$ thousand	586,211	637,928	567,402	764,585	620,687
Market-share	%	67.1%	74.6%	75.3%	77.7%	65.3%
Ranking		1º	1º	1º	1º	1º
Auto						
Premiums written	R$ thousand	930,650	1,009,018	1,018,065	1,069,528	989,091
Market-share	%	11.0%	12.0%	12.7%	12.5%	10.9%
Ranking		4º	2º	2º	3º	3º
Casualties						
Premiums written	R$ thousand	796,224	764,290	942,293	884,921	758,054
Market-share	%	12.7%	10.9%	14.7%	12.8%	10.4%
Ranking		1º	1º	1º	1º	2º
Pension Plans						
Technical reserves	R$ thousand	182,723,662	197,533,558	208,478,371	215,379,851	225,947,587
Market-share	%	29.8%	30.3%	30.5%	30.6%	30.6%
Ranking		1º	1º	1º	1º	1º
Contributions	R$ thousand	10,218,318	15,383,564	10,008,207	9,120,673	10,629,158
Market-share	%	39.4%	41.3%	35.1%	33.4%	34.9%
Ranking		1º	1º	1º	1º	1º
Premium Bonds						
Reserves	R$ thousand	11,011,804	10,762,799	10,231,118	9,772,440	9,839,910
Market-share	%	37.3%	36.6%	35.4%	34.4%	34.3%
Ranking		1º	1º	1º	1º	1º
Collections	R$ thousand	1,359,880	1,675,493	934,000	958,774	1,345,142
Market-share	%	25.8%	30.0%	19.4%	19.4%	24.8%
Ranking		2º	2º	2º	2º	2º

Source: Susep

Table 6 – Stocks | Breakdown of the shareholders' base

	Shareholders	Shares	Participation
Banco do Brasil	**1**	**1,325,000,000**	**66.25%**
Treasury Stocks	**1**	**3,403,515**	**0.17%**
Free Float	**45,942**	**671,596,485**	**33.58%**
Foreign	907	544,964,172	27.25%
Companies	2,954	91,656,983	4.58%
Individuals	42,081	34,975,330	1.75%
Total	**45,944**	**2,000,000,000**	**100.00%**

Table 7 – Stocks | Performance

		Quarterly Flow				
	Unit	3Q16	4Q16	1Q17	2Q17	3Q17
Stock's performance						
Earnings per share	R$	0.49	0.54	0.50	0.48	0.51
Dividends per share	R$	0.82	-	0.84	-	0.78
Equity per share	R$	4.49	4.14	4.64	4.34	4.94
Closing price	R$	29.88	28.30	29.20	28.65	28.63
Annualized dividend yield[1]	%	5.98	6.21	5.61	5.83	5.52
Market capitalization	R$ million	59,760	56,600	58,400	57,300	57,260
Ratios						
P/E (12 month traling)	x	14.77	13.78	14.10	14.28	14.16
P/BV	x	6.65	6.83	6.29	6.60	5.79
Business data						
Number of trades carried out		741,392	730,836	687,682	697,191	716,022
Average daily volume traded	R$ million	113	104	106	117	113
Average daily volume traded - BM&FBOVESPA	R$ million	6,171	7,488	7,161	7,545	7,452
Share on BM&FBOVESPA's average volume	%	1.83	1.39	1.48	1.55	1.51

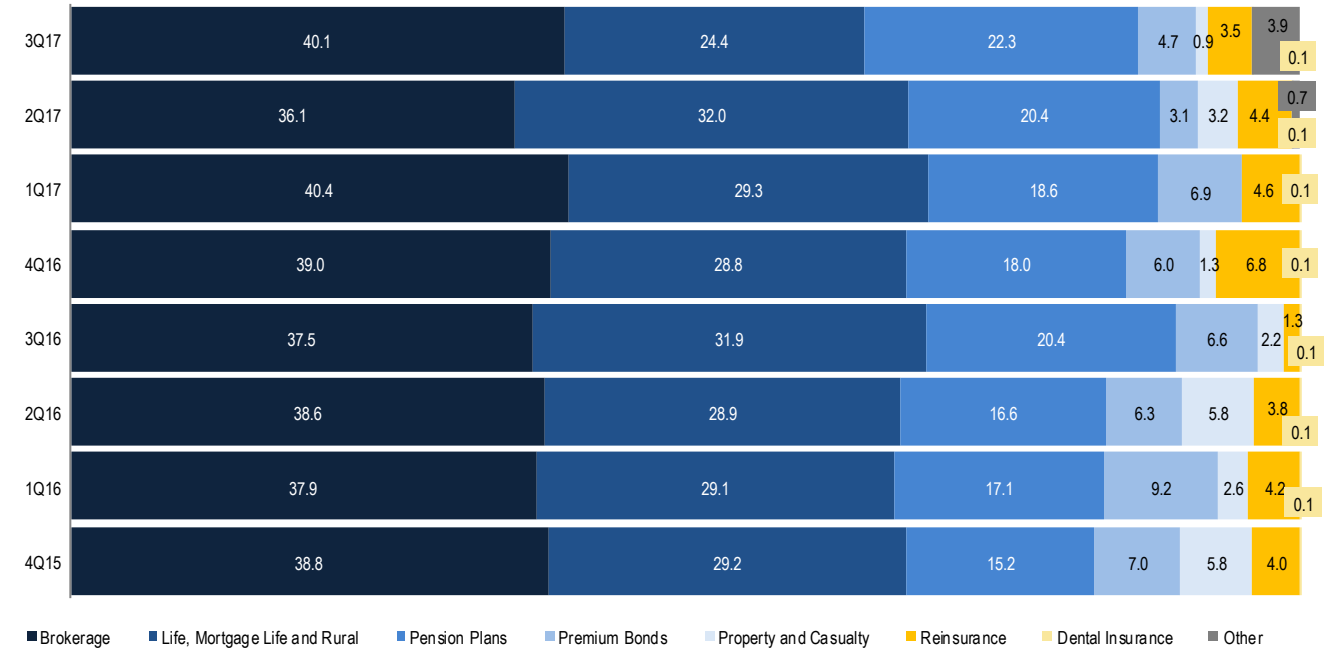
[1]Dividend yield calculated considering the dividends reported in the last 12 months divided by the average stock price in the same period.

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2. EARNINGS ANALYSIS

EARNINGS BREAKDOWN

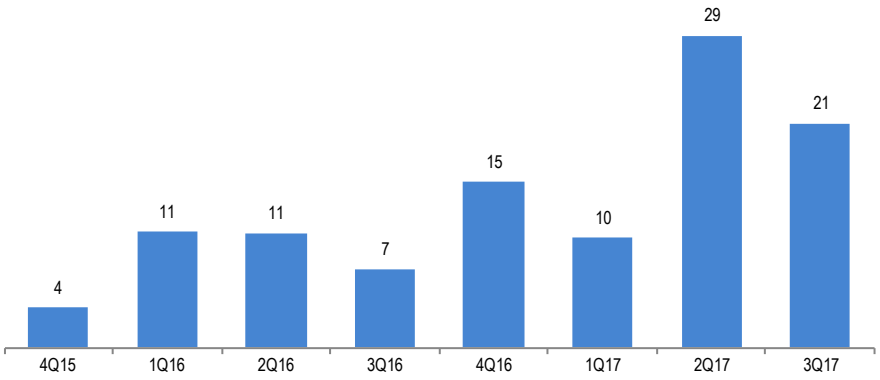
Figure 16 – Earnings Analysis | Breakdown[1] (%)



[1]Does not consider the individual results from BB Seguridade, BB Seguros and BB Cor holdings and the affiliates when negative.

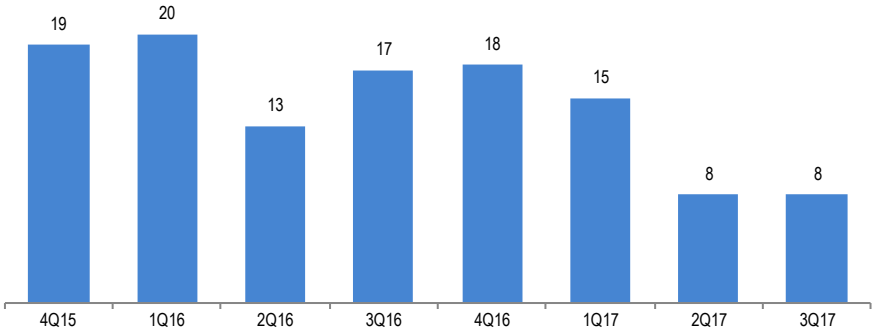
NET INVESTMENT INCOME OF THE HOLDING COMPANY

Figure 17 – Earnings Analysis | Net investment income (R$ million)



GENERAL AND ADMINISTRATIVE EXPENSES OF THE HOLDING COMPANY

Figure 18 – Earnings Analysis | General and administrative expenses (R$ million)



QUARTERLY ANALYSIS

In the 3Q17, G&A expenses at the holding company fell 53.4% YoY, explained by:

(i) the 70.3% decline in expenses with specialized technical services, which were higher in the 3Q16 as a result of some advisory services hired to support some projects at the company;

(ii) the 66.2% reduction in tax expenses, which were higher in the 3Q16 due to the collection of IOF on withdrawals of short-term financial investments for dividend payment; and

(iii) the 27.8% fall in personnel expenses, as result of the revision made on the cost-sharing methodology between the holding company and its subsidiaries BB Corretora and BB Seguros.

YEAR-TO-DATE ANALYSIS

In the first nine months of 2017, G&A expenses were down 37.9% compared to the same period last year, driven by:

(i) the 52.5% decline in personnel expenses, as an outcome of the cost sharing methodology between the holding company and its subsidiaries BB Corretora and BB Seguros deployed in the 2Q16 and updated in the 2Q17; and

(ii) the 52.7% reduction in tax expenses, explained by the same reasons presented in the quarterly analysis.

The aforementioned effects were partially offset by the 47.9% increase in expenses with specialized technical services, as a result of some advisory services hired to support some projects at the company.

Table 8 – Earnings Analysis | General and administrative expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Administrative expenses	**(6,419)**	**(2,610)**	**(2,302)**	**(64.1)**	**(11.8)**	**(11,340)**	**(12,549)**	**10.7**
Specialized technical services	(4,691)	(1,103)	(1,392)	(70.3)	26.1	(5,502)	(8,136)	47.9
Condominium fee	(722)	(142)	(164)	(77.3)	15.5	(2,511)	(1,159)	(53.8)
Communication	(313)	(160)	(181)	(42.0)	13.4	(980)	(706)	(27.9)
Other administrative expenses	(693)	(1,205)	(565)	(18.4)	(53.1)	(2,346)	(2,548)	8.6
Personnel expenses	**(5,083)**	**(4,235)**	**(3,672)**	**(27.8)**	**(13.3)**	**(27,311)**	**(12,975)**	**(52.5)**
Compensation	(2,251)	(1,911)	(1,880)	(16.5)	(1.6)	(14,689)	(5,914)	(59.7)
Welfare benefits	(1,285)	(1,252)	(981)	(23.7)	(21.6)	(7,770)	(3,530)	(54.6)
Other compensation	(885)	(534)	(351)	(60.3)	(34.2)	(2,561)	(1,764)	(31.1)
Benefits	(662)	(538)	(460)	(30.5)	(14.5)	(2,291)	(1,767)	(22.9)
Tax expenses	**(5,758)**	**(1,364)**	**(1,946)**	**(66.2)**	**42.6**	**(12,246)**	**(5,788)**	**(52.7)**
COFINS	(1,602)	(1,154)	(1,398)	(12.7)	21.2	(3,944)	(4,291)	8.8
PIS/Pasep	(258)	(187)	(544)	110.9	191.0	(636)	(1,011)	58.9
IOF	(3,898)	(35)	(1)	(100.0)	(96.3)	(7,641)	(484)	(93.7)
Other	(0)	11	(2)	657.7	-	(25)	(2)	(92.2)
Other operating income (expenses)	**(49)**	**173**	**(141)**	**188.4**	**-**	**405**	**(42)**	**-**
G&A expenses	**(17,309)**	**(8,036)**	**(8,062)**	**(53.4)**	**0.3**	**(50,492)**	**(31,354)**	**(37.9)**

EARNINGS SOURCES

Figure 19 – Earnings Analysis | Non-interest operating results vs net investment income (R$ million)[1]

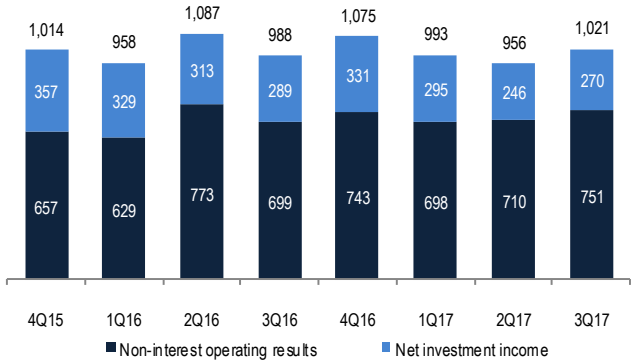
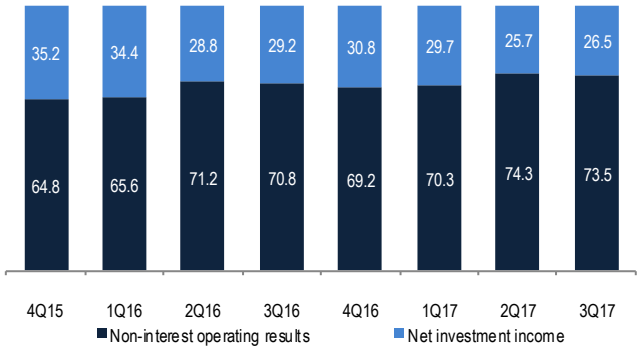


Figure 20 – Earnings Analysis | Non-interest operating results vs net investment income (%)[1]



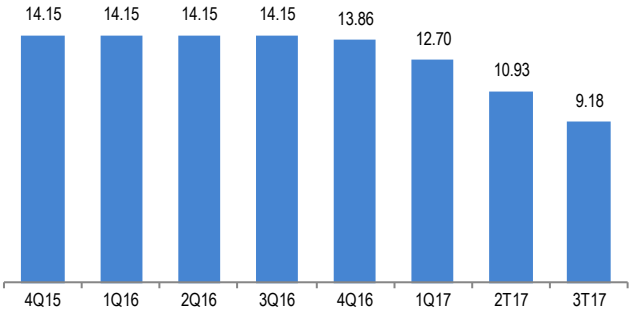
[1]Net of taxes considering the companies effective tax rate.

Table 9 – Earnings Analysis | Non-interest operating results vs net investment income[1]

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M 16	9M 17	On 9M 16
Non-interest operating results	**699,427**	**710,453**	**750,605**	**7.3**	**5.7**	**2,101,208**	**2,158,828**	**2.7**
Life, Mortgage Life and Rural	248,172	244,549	195,213	(21.3)	(20.2)	685,334	656,850	(4.2)
Property and Casualty	(15,346)	(12,401)	(26,045)	69.7	110.0	(31,693)	(81,407)	156.9
Pension Plans	153,283	153,133	162,926	6.3	6.4	384,506	457,998	19.1
Premium Bonds	7,816	5,159	(3,163)	-	-	36,371	7,571	(79.2)
Reinsurance	(9,712)	20,528	13,715	-	(33.2)	12,810	54,866	328.3
Dental Insurance	353	589	841	138.2	42.7	1,477	2,744	85.8
Holdings and broker	314,862	298,895	407,119	29.3	36.2	1,012,403	1,060,204	4.7
Net investment income	**288,503**	**245,854**	**270,423**	**(6.3)**	**10.0**	**931,119**	**811,310**	**(12.9)**
Life, Mortgage Life and Rural	78,556	61,494	53,679	(31.7)	(12.7)	240,458	191,704	(20.3)
Property and Casualty	37,585	42,715	35,321	(6.0)	(17.3)	142,063	118,712	(16.4)
Pension Plans	54,940	41,996	64,890	18.1	54.5	172,210	151,224	(12.2)
Premium Bonds	59,667	24,610	51,365	(13.9)	108.7	189,555	139,485	(26.4)
Reinsurance	23,287	21,794	22,375	(3.9)	2.7	82,697	69,491	(16.0)
Dental Insurance	244	151	150	(38.4)	(0.4)	442	464	5.1
Holdings and broker	34,223	53,094	42,642	24.6	(19.7)	103,693	140,231	35.2
Adjusted net income	**987,930**	**956,306**	**1,021,028**	**3.4**	**6.8**	**3,032,327**	**2,970,137**	**(2.1)**

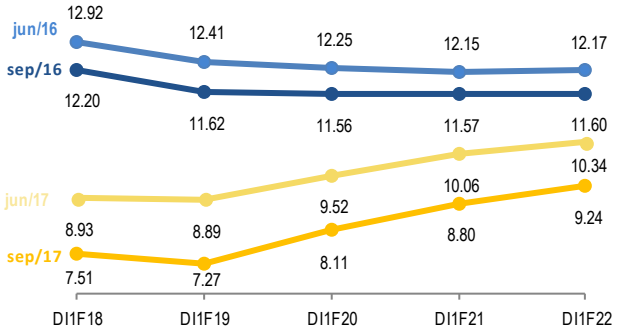
[1]Net of taxes considering the companies effective tax rate.

Figure 21 – Earnings Analysis | Average Selic rate (%)



Source: Brazilian Central Bank

Figure 22 – Earnings Analysis | Forward yield curve (%)



Source: ValorPro

QUARTERLY ANALYSIS

The combined net investment income of BB Seguridade and its controlled and affiliate companies amounted to R$270.4 million in the 3Q17, down 6.3% YoY. Such performance can be mainly explained by the contraction in the average Selic rate, which dragged down the return on floating securities, along with lower inflation indexes, which reduced the nominal return on securities pegged to inflation classified as held to maturity.

These negative effects were partially offset by:

(i) the deeper downward move of the forward yield curve in all maturities, which implied in higher mark-to-market revenues from pre-fixed securities classified as trading; and

(ii) the IGP-M deflation, which reduced Brasilprev financial expenses related to the traditional plans (defined benefit).

YEAR-TO-DATE ANALYSIS

In the first nine months of 2017, the combined net investment income of BB Seguridade and its controlled and affiliate companies was down 12.9%, to R$811.3 million, driven by:

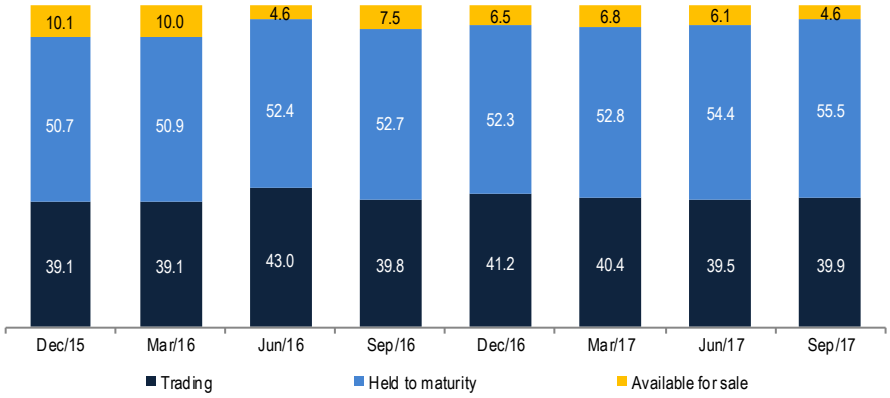
(i) the lower average Selic rate, which affected negatively the return on floating securities;

(ii) the smaller downward move of the forward yield curve in the longer maturities as compared to the movement seen in the same period last year, which implied in lower mark-to-market income from pre-fixed securities classified as trading; and

(iii) the lower inflation, which dragged down the nominal return on inflation protected securities classified as held to maturity.

Such effects were partially offset by the IGP-M deflation, which reduced the financial expenses at Brasilprev, as explained in the quarterly analysis.

Figure 23 – Earnings Analysis | Financial investments breakdown[1] (%)



[1]Considering the financial investments of BB MAPFRE SH1, MAPFRE BB SH2, Brasilprev and Brasilcap weighted by BB Seguridade's economic stakes in each company.

Figure 24 – Earnings Analysis | Breakdown of financial investments by index[1]

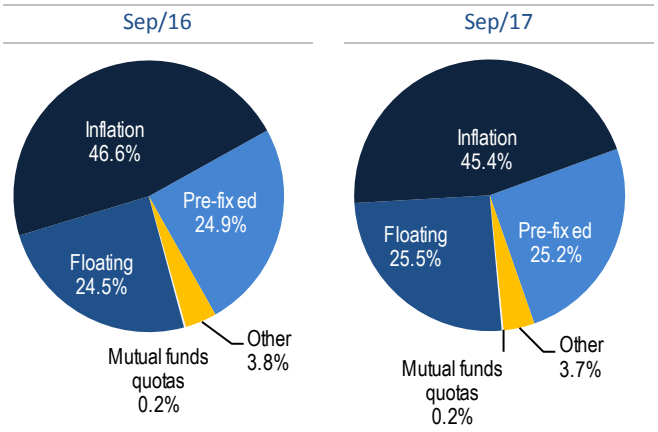
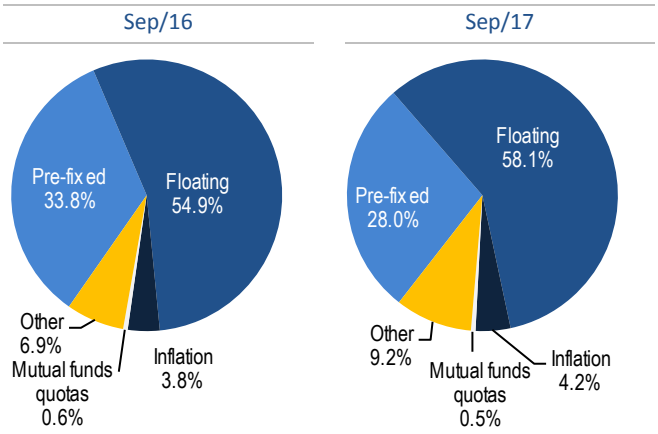


Figure 25 – Earnings Analysis | Trading portfolio by index[1]



[1]Considering the financial investments of BB MAPFRE SH1, MAPFRE BB SH2, Brasilprev and Brasilcap weighted by BB Seguridade's economic stakes in each company.

Table 10 – Earnings Analysis | Combined financial investments[1]

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Trading	**9,326,910**	**8,906,154**	**9,194,326**	**(1.4)**	**3.2**
Pre-fixed	3,156,939	2,754,342	2,578,336	(18.3)	(6.4)
Floating	5,118,588	4,836,692	5,337,859	4.3	10.4
Inflation	353,714	395,487	382,120	8.0	(3.4)
Mutual funds quotas	51,442	47,877	50,547	(1.7)	5.6
Other	646,227	871,756	845,464	30.8	(3.0)
Available for sale	**1,760,356**	**1,372,954**	**1,049,196**	**(40.4)**	**(23.6)**
Pre-fixed	31,275	-	-	-	-
Floating	620,775	871,715	537,380	(13.4)	(38.4)
Inflation	868,885	489,034	501,596	(42.3)	2.6
Other	239,421	12,205	10,220	(95.7)	(16.3)
Held to maturity	**12,344,707**	**12,254,014**	**12,788,157**	**3.6**	**4.4**
Pre-fixed	2,637,393	2,333,511	3,226,031	22.3	38.2
Floating	9,317	5,564	139	(98.5)	(97.5)
Inflation	9,697,996	9,914,939	9,561,987	(1.4)	(3.6)
Total	**23,431,973**	**22,533,122**	**23,031,679**	**(1.7)**	**2.2**

[1]Considering the financial investments of BB MAPFRE SH1, MAPFRE BB SH2, Brasilprev and Brasilcap weighted by BB Seguridade's economic stakes in each company.

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3. BALANCE SHEET ANALYSIS

Table 11 – Balance Sheet Analysis | Balance sheet

	Balance			Chg. %	
R$ thousand	**Sep/16**	**Jun/17**	**Sep/17**	**On Sep/16**	**On Jun/17**
Assets	**8.987.940**	**10.256.256**	**9.905.974**	**10,2**	**(3,4)**
Cash and cash equivalents	191670	1320.204	1558.822	713,3	18,1
Investments	8.743.998	8.022.793	8.237.162	(5,8)	2,7
Current tax assets	48.418	60.689	68.438	41,3	12,8
Dividends receivable	-	844.063	-	-	-
Other assets	3.854	3.703	3.645	(5,4)	(1,6)
Intangible	-	4.610	5.545	-	20,3
Liabilities	**7.254**	**1573.396**	**16.133**	**122,4**	**(99,0)**
Dividends payable	5	1559.993	661	13.120,0	-
Current tax liabilities	349	5.946	8.161	2.238,4	37,3
Other liabilities	6.900	7.457	7.311	6,0	(2,0)
Shareholders' equity	**8.980.686**	**8.682.860**	**9.889.841**	**10,1**	**13,9**

INVESTMENTS

Table 12 – Balance Sheet Analysis | Direct investments

			Total ownership (%)	Investment balance		
R$ thousand	**Activity**	**Accounting treatment**	**Sep/17**	**Sep/16**	**Jun/17**	**Sep/17**
Insurance, Pension Plans and Premium Bonds						
BB Seguros Participações	*Holding*	(1)	100,0	8.298.328	7.975.724	7.780.311
Insurance Brokerage						
BB Cor Participações[2]	*Holding*	(1)	100,0	445.670	-	-
BB Corretora de Seguros e Adm. de Bens	*Holding*	(1)	100,0	418.950	47.069	456.851

Note: (1) Controlled companies, fully consolidated

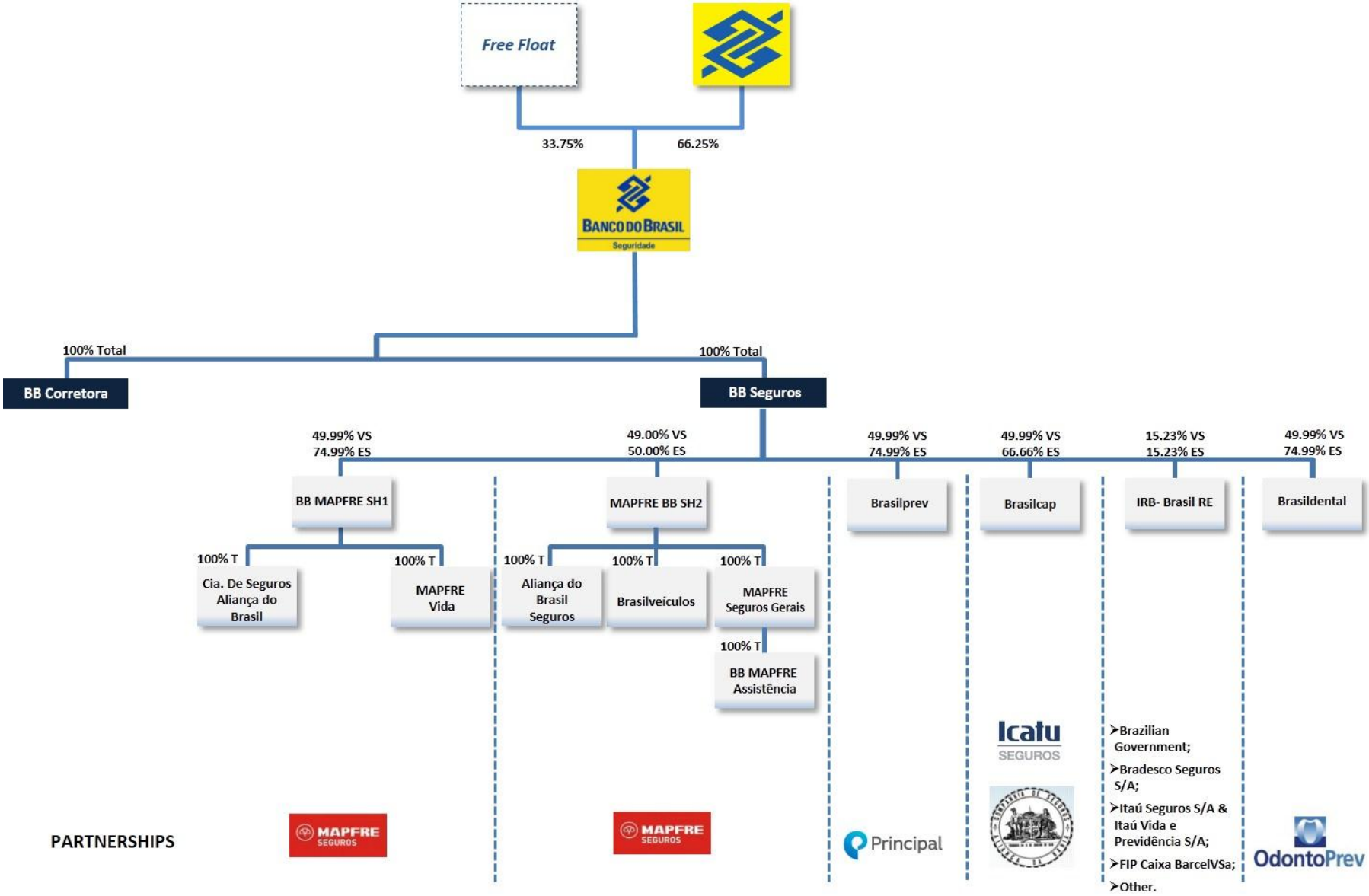
[2]BB Cor Participações was closed down on December 27, 2016. Therefore, BB Corretora became a direct controlled Company of BB Seguridade.

Table 13 – Balance Sheet Analysis |BB Seguros Participações' investments

R$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Sep/17	Sep/16	Jun/17	Sep/17
Insurance						
BB MAPFRE SH1 Participações S.A.	***Holding***	**(1)**	**74,99**	**2.828.873**	**2.672.098**	**2.646.345**
Companhia de Seguros Aliança do Brasil	Insurance					
MAPFRE Vida S.A.	Insurance					
MAPFRE BB SH2 Participações S.A.	***Holding***	**(1)**	**50,00**	**2.348.905**	**2.174.010**	**2.140.371**
Aliança do Brasil Seguros S.A.	Insurance					
Brasilveículos Companhia de Seguros	Insurance					
MAPFRE Seguros Gerais S.A.	Insurance					
BB MAPFRE Assistência S.A.	Insurance					
Pension Plans						
Brasilprev Seguros e Previdência	**Insurance/ Pension Plans**	**(1)**	**74,99**	**1.903.549**	**1.918.105**	**1.931.495**
Health						
Brasildental Operadora de Planos Odontológicos S.A	**Health**	**(1)**	**74,99**	**6.828**	**9.375**	**10.366**
Premium Bonds						
Brasilcap Capitalização	**Premium Bonds**	**(1)**	**66,67**	**364.887**	**399.630**	**348.978**
Reinsurance						
IRB Brasil-RE	**Reinsurance**	**(1)**	**15,23**	**642.368**	**665.627**	**523.878**

Note: (1) Affiliated companies, booked by the equity method.

Figure 26 – Balance Sheet Analysis | Ownership structure at 09/30/2017



SHAREHOLDER'S EQUITY

Table 14 – Balance Sheet Analysis | Statement of changes in equity

R$ thousand	Capital	Capital Reserve	Legal and statutory reserve	Treasury stock	Retained earnings (losses)	Accumulated other comprehensive income	Total
Balance on December 31, 2015	**5,646,768**	**712**	**2,027,573**	**(48,961)**	**-**	**(45,324)**	**7,580,768**
Transactions with stock payments	-	292	-	(292)	-	-	-
Share buyback program	-	-	-	(33,953)	-	-	(33,953)
Other comprehensive income	-	-	-	-	-	36,929	36,929
Dividends lapsed	-	-	-	-	132	-	132
Net income for the period	-	-	-	-	3,032,328	-	3,032,328
Balance on September 30, 2016	**5,646,768**	**1,004**	**2,436,453**	**(83,206)**	**988,062**	**(8,395)**	**8,980,686**
Changes in the Period	-	292	408,880	(34,245)	988,062	36,929	1,399,918
Balance on December 31, 2016	**5,646,768**	**1,004**	**2,737,363**	**(83,206)**	**-**	**(12,864)**	**8,289,065**
Transactions with stock payments	-	272	-	(272)	-	-	-
Other comprehensive income	-	-	-	-	-	18,736	18,736
Dividends lapsed	-	-	-	-	32	-	32
Net income for the period	-	-	-	-	3,141,328	-	3,141,328
Balance on September 30, 2017	**5,646,768**	**1,276**	**3,127,184**	**(83,478)**	**1,192,219**	**5,872**	**9,889,841**
Changes in the Period	**-**	**272**	**389,821**	**(272)**	**1,192,219**	**18,736**	**1,600,776**

4. UNDERWRITING AND ACCUMULATION

LIFE, MORTGAGE LIFE AND RURAL

BB Seguridade offers life, mortgage life and rural insurance through its affiliate company BB MAPFRE SH1. This company was established by a 20-year term partnership with MAPFRE in 2010, and the joint operations began in 2011. BB Seguridade holds, through BB Seguros, a 74.99% economic stake in BB MAPFRE SH1, composed of 100% of the preferred shares and 49.99% of the common shares. The segments in which BB MAPFRE SH1 operates is dominated by the Brazilian banks, what reflects the association of this kind of products with the bancassurance channel.

The following topics show a brief description of the main products offered by BB MAPFRE SH1:

a. **Life insurance** is a product focused on individuals which assures financial protection to the beneficiaries, chosen by the policyholder, in case of death (natural or accidental), or permanent disability of the insured. If a claim occurs, the insurance company pays the amount agreed in the insurance policy to the beneficiary. Differently from the products sold in other countries, the life insurance sold by BB MAPFRE SH1 is a term life insurance without accumulation. If the customer fails to make the monthly payments, the coverage is suspended without any amount being reverted to the policyholder.

b. **Credit life insurance** is a life insurance policy intended to pay off a borrower's loan in case of death of the insured. This type of product is designed to protect both the lender and the insured dependents, preventing them to inherit this liability. This product is already quite widespread in Brazil and it is expected to grow with the expansion of the loan portfolio. The main beneficiary of this type of product is the lender.

c. **Mortgage life insurance** is an insurance policy intended to pay off a mortgage in case of death or disability of the insured. The insurance policy gives the guarantee that his family will keep the property and the bank will receive the full payment of the mortgage debt. A mortgage life insurance also protects against physical damage to the insured property. The premium is calculated on a monthly basis and varies according to the outstanding loan balance and the borrower's age.

d. **Rural insurance** encompasses a group of three main products: (i) the crop insurance, which protects the farmers from weather hazards and falling prices of the crop; (ii) the rural lien insurance, which protects the asset given as collateral for a rural loan; and (iii) the rural producer credit life insurance, which is an insurance designed for farmers intended to pay off the rural loan in case the insured dies.

PROPERTY AND CASUALTY

BB Seguridade offers auto, property and casualties insurance through its affiliate MAPFRE BB SH2. This company was established by a 20-year term partnership with MAPFRE signed in 2010, and the joint operations began in 2011. In this partnership BB Seguridade holds a 50.00% economic stake in MAPFRE BB SH2, being 51.0% of the preferred shares and 49.0% of the common shares.

In this segment, the insurance policies for large risks and auto require a more customized assistance and selling process, which result in a higher concentration of sales in independent brokers than in the bancassurance channel.

The following paragraphs show a brief description of the main products offered by MAPFRE BB SH2:

a. **Property insurance** is a type of insurance sold to individuals or companies that provides protection against risks to properties, linked or not to loans. The main products of this segment are: home insurance (covers the risks related to a private residence), business insurance (covers the risks related to a property that belongs to a company) and insurance for machinery and equipment (protection to a property that belongs either to individuals or companies).

b. **Auto insurance** is an insurance policy designed to provide protection for vehicles, of commercial or particular use, against theft, physical damage and/or bodily injury resulting from traffic collisions, besides other assistances provided to the policy holder. The auto insurance market is dynamic and competitive, what benefit the client to shop around for the best price before closing the deal. Besides that, the renewal of this kind of policies occur on an yearly basis, what makes easier for the competitors to go after the clients and makes it difficult to establish and strengthen a long term relationship with costumers, unlike other segments.

c. **DPVAT** is a mandatory insurance in Brazil that covers personal injury caused by vehicles to passengers, drivers or pedestrians. DPVAT offers coverage for three natures of damage: death, permanent disability, and reimbursement for medical and hospital expenses. DPVAT is funded by vehicles owners through annual payments. Out of the amount collected, 45% is transferred to the Ministry of Health (SUS), to fund the hospital care victims of traffic accidents across the country, and 5% is transferred to the Ministry of Cities, for exclusive use in programs directed to prevent traffic accidents. The remaining 50% is directed to the payment of claims.

PENSION PLANS

BB Seguridade operates in the private pension plans segment through its affiliate Brasilprev in partnership with the American company Principal Financial Group (PFG). Brasilprev was established in 1993 as a partnership between Banco do Brasil and a group of insurance companies. After going through a series of corporate restructuring, within 1999-2000, PFG, through its subsidiary in Brazil, Principal Financial Group do Brasil, acquired an economic stake in the company and established a partnership with Banco do Brasil. In 2010, BB Seguros and PFG renewed their partnership, extending it for 23 years more. As a result of this new agreement, Banco do Brasil increased its stake in Brasilprev from 49.99% to 74.99%. Pension plans are growing in popularity in Brazil, due to increasing life expectancy, level of financial education and tax benefits for individuals.

Brasilprev has three main sources of revenue: the load fee, charged on contributions and redemptions, the management fees on assets under management, and the premiums paid to cover risks.

Nowadays, there are three types of private pension plans in Brazil: Free Benefit Generator Plan (PGBL), Free Benefit Generator Life Plan (VGBL), and traditional plans, which are no longer sold. The private pension plans in Brazil are described as follows:

a. **Free Benefit Generator Plan (PGBL)** is recommended for people who fill their income tax statement in the complete form, as the contributions are tax deductible up to the limit of 12% of the annual gross taxable income. In this modality, in case of redemption or benefit received, income taxes are calculated on the amount redeemed or income received.

   In Brazil, there are two alternatives for an individual to present the tax statements, the simple form or the complete form. In the complete form, a Brazilian citizen can inform not only the income but also deductible expenses, such as expenses with health insurance, education, investments in PGBL, and other.

   In addition, the participant may choose to be taxed either in the progressive tax system or in the regressive tax system when buying a pension plan.

(iii) In the progressive tax system, the annuity is taxed when money is received according to the "Tabela Progressiva Mensal" (Montlhy Progressive Table) made available by the Brazilian Internal Revenue Service. The tax brackets can vary from zero to 27.5% according to the annual wages with adjustment in the income tax declaration. Redemptions are taxed at 15% regardless the amount redeemed, with adjustment in the income tax statement according to the Monthly Progressive Table.

(iv) In the regressive tax system, in the event of redemption or annuity received, tax is withheld and is definitive, with no possibility of adjustment in the annual tax statement. The rates are determined by the length of stay of each inflow in the plan, starting at 35%, with gradual reduction every two years, reaching a level of 10% after 10 years.

b. **Free Benefit Generator Life Plan (VGBL)** is recommended for those who fill their income tax statement in the simplified form or is exempt, since the contributions are not tax deductible. As in PGBL, the customer can choose either the progressive or the regressive tax system. In this modality, the tax benefit is that in case of redemption or annuity received, income tax will be charged on interest earned only. Another advantage of the VGBL is its simplicity of the process related to the inheritance transmission, being suitable for customers who wish to make a succession planning. In this product, the customer can determine who will be the beneficiaries after his death and, unlike other assets, funds invested in VGBL are not part of the inventory, which is a process with legal costs and attorney's fees that can consume from 6% to 20% of the wealth received by the heirs.

c. **Traditional Plan** guarantees a fixed interest of 6% plus inflation (IGP-M) or Taxa Referencial (TR) per year. These plans are no longer sold.

PREMIUM BONDS

BB Seguridade offers premium bonds through its affiliate company Brasilcap, in a partnership with Icatu and Aliança da Bahia. Premium bonds are very peculiar to the Brazilian market, but there are also quite similar products in United Kingdom and in other countries.

Premium bonds are mainly sold through the bancassurance channel and it is an alternative way to accumulate reserves, with term and interest rate previously determined, entitling the bondholder to participate in lotteries. Premiums are distributed through periodic draws, being most frequent the usage of a combination of numbers in pre-determined series, based on the Brazilian Official Lottery.

Depending on the type of premium bond and the payment method chosen, the load fee and lottery quotas can exceed 10% of the amount collected. The amount intended to cover lottery, administrative expenses, and operational and acquisition costs is covered by these quotas.

In case of early redemption, the bondholder must obey a grace period (12 months in most products). Beyond the grace period, penalties will be applied if the bondholder decides for early redemption, which will decrease as the bond approaches to maturity.

REINSURANCE

The reinsurance industry in Brazil has been growing substantially since the market became opened in April 2008. With the approval of the Complementary Law No. 126/2007, the state monopoly over reinsurance ceased to exist.

In some cases, due to contract or regulation, reinsurance becomes mandatory, and according to SUSEP data, the main risks covered today are P&C, financial, rural and transportation.

In 2013, BB Seguridade, through its subsidiary BB Seguros Participações acquired a stake in IRB, entering the Brazilian reinsurance market. After that, IRB went through a process of privatization and capital increase. At the end of this process, BB Seguros became the holder of 20.51% of IRB's total economics, and became part of its control block, together with the Brazilian Federal Government, Bradesco Auto Re, Itaú Seguros, Itaú Vida e Previdência and Fundo de Investimentos em Participações Caixa Barcelona.

On December 29th, 2014, it was approved by the Extraordinary General Meeting, the amendment of IRB's Bylaws to change the number of stocks from 1,035,663 to 1,040,000, in order to include 4,337 treasury stocks. Therefore, BB Seguro's stake in IRB changed from 20.51% to 20.43%.

As a result of the IRB's initial public offering 16,206,387 shares held by BB Seguros were sold, being 14,040,000 shares on July 31st, 2017 as part of the base offering, and 2,166,387 on August 28th, 2017 as part of the green-shoe at the price of R$27.24 per share, which generated a net gain of R$171.2 million. After the offering closing, BB Seguros, which is a BB Seguridade subsidiary, became to hold 47,520,213 shares of IRB, equivalent to 15.2% of its capital stock.

DENTAL INSURANCE

BB Seguridade offers dental insurance through its affiliate company Brasildental. The Company was established in 2014, by a 20-year term partnership with Odontoprev. In this partnership BB Seguridade holds a 74.99% economic stake, being 49.99% of the common shares.

Brasildental's dental insurance plans are sold under the BB Dental brand, with exclusivity of the bancassurance channel of Banco do Brasil, to individuals and companies. The dental insurance has a wide network of specialized clinics and professionals all over the country.

The following sections show a deeper analysis of the controlled and affiliate companies of BB Seguridade including income statement, balance sheet and performance ratios.

It is worth mentioning that these information are influenced by the investor company accounting entries, e.g., changes in goodwill. Therefore, the statements are not necessarily reconcilable with those published by the Companies.

4.1 LIFE, MORTGAGE LIFE AND RURAL

EARNINGS ANALYSIS

Table 15 – Life, Mortgage Life and Rural |Income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**1,818,700**	**1,934,723**	**1,898,958**	**4.4**	**(1.8)**	**5,412,165**	**5,466,505**	**1.0**
Changes in technical reserves - premiums	153,602	(32,627)	(65,920)	-	102.0	298,875	148,837	(50.2)
Earned premiums	**1,972,302**	**1,902,096**	**1,833,038**	**(7.1)**	**(3.6)**	**5,711,040**	**5,615,342**	**(1.7)**
Revenue of policies issuance	2,717	3,305	2,621	(3.5)	(20.7)	12,138	11,600	(4.4)
Claims incurred	(673,836)	(620,210)	(573,217)	(14.9)	(7.6)	(2,426,034)	(1,943,644)	(19.9)
Acquisition costs	(470,401)	(466,619)	(525,934)	11.8	12.7	(1,390,087)	(1,448,988)	4.2
Result with reinsurance	(99,891)	(58,362)	(154,377)	54.5	164.5	196,525	(77,152)	-
Administrative expenses	(85,860)	(97,755)	(103,090)	20.1	5.5	(267,914)	(291,173)	8.7
Tax expenses	(59,168)	(58,352)	(47,463)	(19.8)	(18.7)	(179,087)	(159,289)	(11.1)
Other operating income (expenses)	(64,687)	(83,672)	(22,619)	(65.0)	(73.0)	(147,437)	(308,478)	109.2
Insurance operations result	**521,176**	**520,431**	**408,958**	**(21.5)**	**(21.4)**	**1,509,147**	**1,398,218**	**(7.4)**
Net investment income	**161,498**	**127,953**	**108,804**	**(32.6)**	**(15.0)**	**520,233**	**397,152**	**(23.7)**
Financial income	217,602	168,588	143,712	(34.0)	(14.8)	698,292	520,668	(25.4)
Financial expenses	(56,104)	(40,635)	(34,908)	(37.8)	(14.1)	(178,059)	(123,516)	(30.6)
Equity income	(7,798)	(7,913)	(8,115)	4.1	2.6	(23,267)	(24,237)	4.2
Operating result	**674,876**	**640,472**	**509,648**	**(24.5)**	**(20.4)**	**2,006,110**	**1,771,133**	**(11.7)**
Gains or losses on non-current assets	(1)	(53)	(45)	4,834.6	(15.3)	3,998	(91)	-
Earnings before taxes and profit sharing	**674,875**	**640,419**	**509,603**	**(24.5)**	**(20.4)**	**2,010,108**	**1,771,042**	**(11.9)**
Taxes	(237,117)	(229,987)	(174,337)	(26.5)	(24.2)	(767,668)	(630,208)	(17.9)
Profit sharing	(2,060)	(2,320)	(3,365)	63.3	45.0	(7,884)	(9,278)	17.7
Net income	**435,698**	**408,111**	**331,901**	**(23.8)**	**(18.7)**	**1,234,556**	**1,131,556**	**(8.3)**

To provide a better analysis, the following table shows a managerial view built considering the reallocation of the result with reinsurance to the other accounts that compose the Income Statement. This reallocation allows the analysis of the performance ratios already considering the reinsurance effects

Table 16 – Life, Mortgage Life and Rural | Managerial income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**1,818,700**	**1,934,723**	**1,898,958**	**4.4**	**(1.8)**	**5,412,165**	**5,466,505**	**1.0**
Premiums ceded to reinsurance	(185,367)	(251,251)	(201,789)	8.9	(19.7)	(583,589)	(647,757)	11.0
Retained premiums	**1,633,333**	**1,683,472**	**1,697,169**	**3.9**	**0.8**	**4,828,578**	**4,818,748**	**(0.2)**
Changes in technical reserves - premiums	111,150	1,986	(62,352)	-	-	305,763	181,015	(40.8)
Retained earned premiuns	**1,744,484**	**1,685,459**	**1,634,817**	**(6.3)**	**(3.0)**	**5,134,341**	**4,999,763**	**(2.6)**
Claims retained	(545,910)	(461,934)	(529,372)	(3.0)	14.6	(1,652,811)	(1,405,216)	(15.0)
Acquisition costs	(470,401)	(466,619)	(525,934)	11.8	12.7	(1,390,087)	(1,448,988)	4.2
Revenue of policies issuance	2,717	3,305	2,621	(3.5)	(20.7)	12,138	11,600	(4.4)
Underwriting result	**730,890**	**760,211**	**582,131**	**(20.4)**	**(23.4)**	**2,103,582**	**2,157,158**	**2.5**
Administrative expenses	(85,860)	(97,755)	(103,090)	20.1	5.5	(267,914)	(291,173)	8.7
Tax expenses	(59,168)	(58,352)	(47,463)	(19.8)	(18.7)	(179,087)	(159,289)	(11.1)
Other operating income (expenses)	(64,687)	(83,672)	(22,619)	(65.0)	(73.0)	(147,437)	(308,478)	109.2
Equity income	(7,798)	(7,913)	(8,115)	4.1	2.6	(23,267)	(24,237)	4.2
Gains or losses on non-current assets	(1)	(53)	(45)	4,834.6	(15.3)	3,998	(91)	-
Non-interest operating result	**513,377**	**512,466**	**400,799**	**(21.9)**	**(21.8)**	**1,489,875**	**1,373,890**	**(7.8)**
Net investment income	**161,498**	**127,953**	**108,804**	**(32.6)**	**(15.0)**	**520,233**	**397,152**	**(23.7)**
Financial income	217,602	168,588	143,712	(34.0)	(14.8)	698,292	520,668	(25.4)
Financial expenses	(56,104)	(40,635)	(34,908)	(37.8)	(14.1)	(178,059)	(123,516)	(30.6)
Earnings before taxes and profit sharing	**674,875**	**640,419**	**509,603**	**(24.5)**	**(20.4)**	**2,010,108**	**1,771,042**	**(11.9)**
Taxes	(237,117)	(229,987)	(174,337)	(26.5)	(24.2)	(767,668)	(630,208)	(17.9)
Profit sharing	(2,060)	(2,320)	(3,365)	63.3	45.0	(7,884)	(9,278)	17.7
Adjusted net income	**435,698**	**408,111**	**331,901**	**(23.8)**	**(18.7)**	**1,234,556**	**1,131,556**	**(8.3)**

Retained premiums = Premiums written + premiums ceded to reinsurance
Changes in technical provisions = Changes in technical provisions + changes in technical provisions on reinsured operations
Retained claims = Claims incurred - recovery of indemnity claims - recovery of claims expenses - changes in provisions for claims IBNR - salvages and reimbursed assets - changes in provision for claims IBNER provisions for claims to be settled - changes of expenses related to IBNR - changes in estimates for salvages and reimbursed assets - provisions for claims to be settled

QUARTERLY ANALYSIS

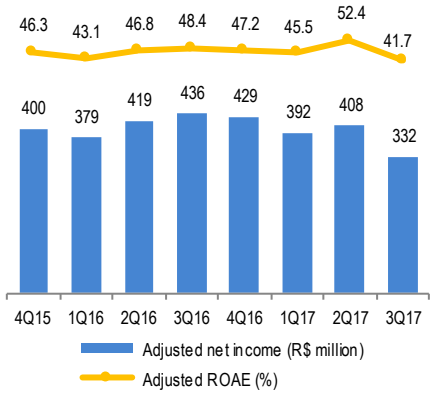
The net income from the Life, Mortgage Life and Rural business segment amounted to R$331.9 million in the 3Q17, down 23.8% as compared to the 3Q16, explained by:

(i) the weaker non-interest operating result, due to a deterioration in the loss ratio along with an increase in the commission ratio, partially offset by the improvement in the G&A ratio; and

(ii) the 32.6% contraction in the net investment income, largely explained by the lower average yield on financial assets, as a result of the lower Selic rate, which impacted the return on floating securities, along with the lower inflation, which negatively impacted the return on inflation protected securities classified as held to maturity.

The annualized return on average equity reached 41.7%, 6.6 p.p. down as compared to the 3Q16.

Figure 27 – Life, Mortgage Life and Rural | Adjusted net income and ROAE



YEAR-TO-DATE ANALYSIS

In the 9M17, the net income arising from the Life, Mortgage Life and Rural business reached R$1.1 billion, 8.3% lower as compared to the same period of 2016, explained by a weaker net investment income along with the decline in the non-interest operating result.

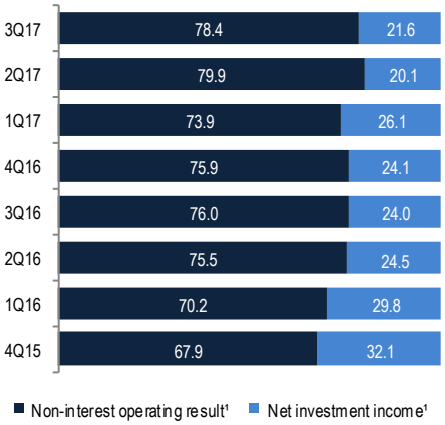
It is worth noting that the P&L was impacted by two movements in the 1Q17 that affected the G&A and the loss ratio, however, the final outcome of those movements was basically neutral, as both effects offset each other. The movements are described below:

(i) the change in the methodology for the calculation of the provisions related to the recovery of reinsurance claims to be settled, which resulted in an additional impairment expense of R$93.5 million, booked as other operating income (expenses); and

(ii) the recovery of reinsurance claims from previous periods, with a positive impact of R$97.2 million in the result with reinsurance line, which was reallocated to the claims retained line in the managerial income statement.

The annualized return on average equity reached 43.0%, 3.6 p.p. down as compared to the 9M16.

Figure 28 – Life, Mortgage Life and Rural | Adjusted net income Composition (%)



¹Net of taxes considering the Company's effective tax rate.

Table 17 – Life, Mortgage Life and Rural | Managerial performance ratios[1]

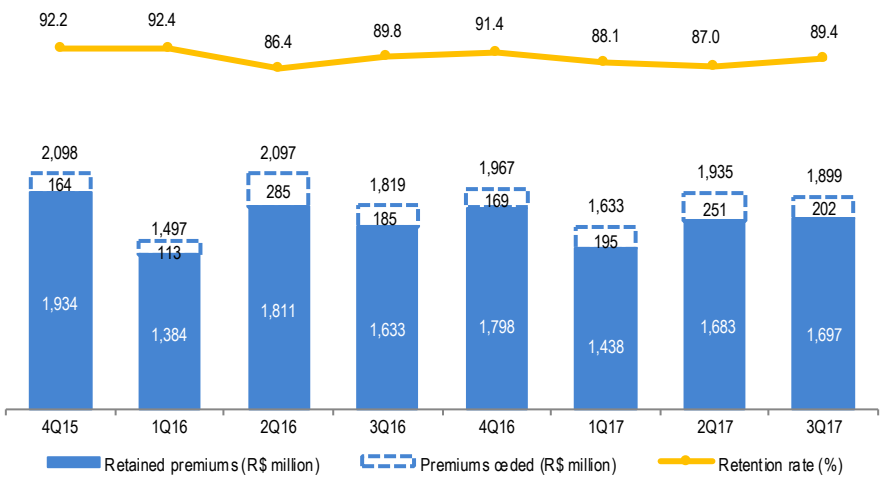
	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Performance ratios								
Loss ratio	31.3	27.4	32.4	1.1	5.0	32.2	28.1	(4.1)
Commission ratio	27.0	27.7	32.2	5.2	4.5	27.1	29.0	1.9
G&A ratio	12.0	14.2	10.6	(1.4)	(3.6)	11.6	15.2	3.6
Combined ratio	70.1	69.1	75.0	4.9	5.9	70.6	72.0	1.4
Other ratios								
Expanded combined ratio	64.2	64.2	70.3	6.1	6.1	64.1	66.7	2.6
Income tax rate	35.1	35.9	34.2	(0.9)	(1.7)	38.2	35.6	(2.6)
Adjusted ROAE	48.4	52.4	41.7	(6.6)	(10.7)	46.5	43.0	(3.6)

[1]Performance ratios calculated based on the managerial income statement, considering the reinsurance effects.

NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUMS WRITTEN

Figure 29 – Life, Mortgage Life and Rural | Premiums written



QUARTERLY ANALYSIS

In the 3Q17, premiums written grew 4.4% YoY to R$1.9 billion. Such performance is explained by the increase in credit life, mortgage life and rural, partially offset by the decline in term life and DPVAT.

YEAR-TO-DATE ANALYSIS

In the first nine months of 2017, premiums written grew by 1.0% YoY, explained by the higher volume of premiums from rural and mortgage life, partially offset by the reduction in term life, credit life and DPVAT.

Table 18 – Life, Mortgage Life and Rural | Breakdown of premiums written

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Life	958,693	826,541	874,992	(8.7)	5.9	2,571,806	2,487,614	(3.3)
Credit Life	175,164	245,878	314,583	79.6	27.9	752,101	717,873	(4.6)
Mortgage Life	51,141	58,818	57,888	13.2	(1.6)	157,513	174,212	10.6
Rural	586,211	764,585	620,687	5.9	(18.8)	1,723,975	1,952,674	13.3
DPVAT	46,832	38,196	29,973	(36.0)	(21.5)	205,223	131,856	(35.7)
Other	659	706	835	26.7	18.3	1,547	2,275	47.1
Total	**1,818,700**	**1,934,723**	**1,898,958**	**4.4**	**(1.8)**	**5,412,165**	**5,466,505**	**1.0**

Figure 30 – Life, Mortgage Life and Rural | Breakdown of premiums written (%)

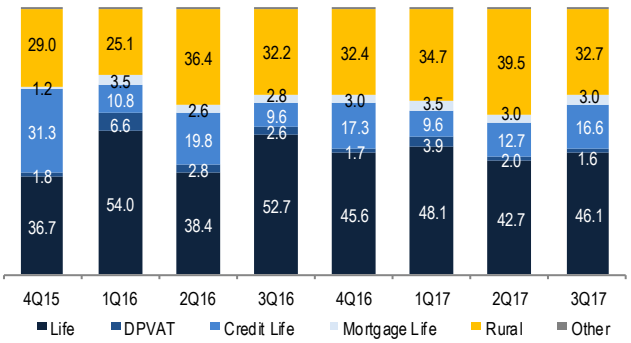


Figure 31 – Life, Mortgage Life and Rural | Breakdown of retained premiums (%)

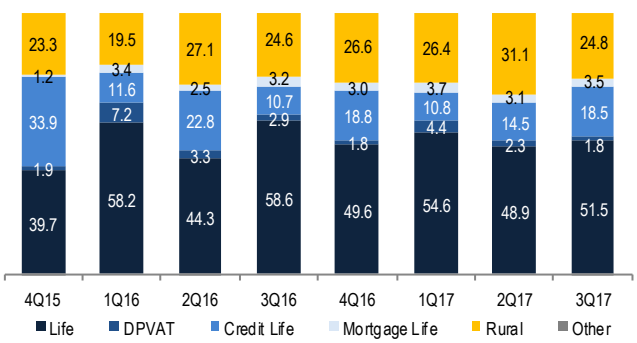


Table 19 – Life, Mortgage Life and Rural | Breakdown of premiums written by distribution channel

	Quarterly Flow						9 Months Flow			
%	3Q16		2Q17		3Q17		9M16		9M17	
Channel	Bank	Other	Bank	Other	Bank	Other	Bank	Other	Bank	Other
Life	83.4	16.6	79.9	20.1	80.7	19.3	79.7	20.3	77.9	22.1
Credit life	99.7	0.3	99.7	0.3	99.8	0.2	99.8	0.2	99.7	0.3
Mortgage life	100.0	-	100.0	-	100.0	-	100.0	-	100.0	-
Rural	100.0	-	100.0	-	100.0	-	100.0	-	100.0	-
Other	100.0	-	100.0	-	100.0	-	100.0	-	100.0	-
DPVAT	-	100.0	-	100.0	-	100.0	-	100.0	-	100.0
Total	**88.6**	**11.4**	**89.4**	**10.6**	**89.5**	**10.5**	**86.6**	**13.4**	**87.5**	**12.5**

CHANGES IN TECHNICAL RESERVES - PREMIUMS

Table 20 – Life, Mortgage Life and Rural | Changes in technical reserves – premiums

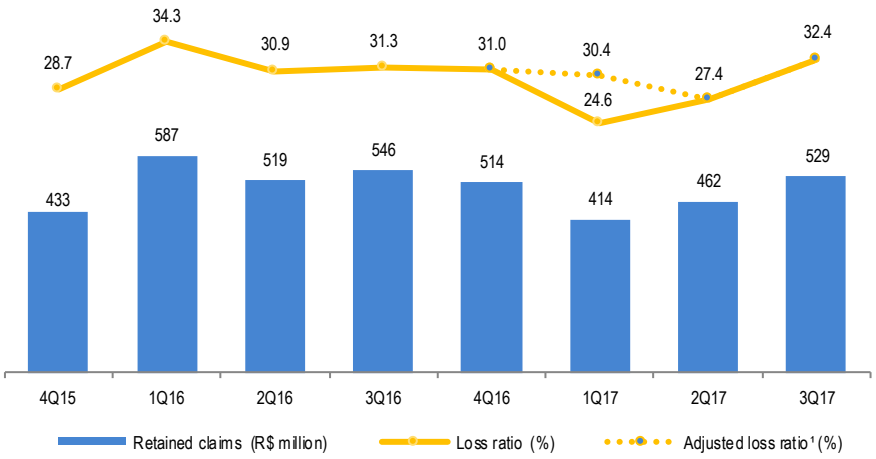
	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Provision for unearned premiums	124,160	(23,730)	(23,219)	-	(2.2)	348,978	235,185	(32.6)
Provision for benefits to be granted (except VGBL and VRGP)	-	-	(0)	-	-	-	(0)	-
Provision for administrative expenses - DPVAT	(71)	(715)	130	-	-	(1,840)	(1,721)	(6.4)
Provision for technical surplus	256	(2,100)	(979)	-	(53.4)	4,433	(5,134)	-
Complementary provisions of contributions	(24,587)	(10,949)	(36,349)	47.8	232.0	(78,360)	(80,985)	3.4
Other provisions (except VGBL and VRGP)	53,843	4,869	(5,502)	-	-	25,662	1,494	(94.2)
Change in technical reserves - premiums	**153,602**	**(32,627)**	**(65,920)**	**-**	**102.0**	**298,875**	**148,837**	**(50.2)**

RETAINED EARNED PREMIUMS

Table 21 – Life, Mortgage Life and Rural | Breakdown of retained earned premiums

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Life	829,001	846,861	806,803	(2.7)	(4.7)	2,461,479	2,433,904	(1.1)
Credit Life	359,028	318,818	315,011	(12.3)	(1.2)	1,124,356	965,529	(14.1)
Mortgage Life	53,591	52,408	57,536	7.4	9.8	146,323	162,540	11.1
Rural	455,423	428,046	425,714	(6.5)	(0.5)	1,198,356	1,305,446	8.9
DPVAT	46,761	37,481	30,103	(35.6)	(19.7)	203,383	130,135	(36.0)
Other	680	1,844	(350)	-	-	443	2,210	398.9
Total	**1,744,484**	**1,685,459**	**1,634,817**	**(6.3)**	**(3.0)**	**5,134,341**	**4,999,763**	**(2.6)**

Figure 32 – Life, Mortgage Life and Rural | Retained claims



[1]Adjustment segregates the effect of the recovery of reinsured claims from previous periods in the 1Q17.

QUARTERLY ANALYSIS

In the 3Q17, the loss ratio rose 1.1 p.p. as compared to the 3Q16, explained by higher claims in term life, rural and in mortgage life, partially offset by the lower claims in the credit life segment.

YEAR-TO-DATE ANALYSIS

Year-to-date, the loss ratio reached 28.1%, 4.1 p.p. lower as compared to the same period of 2016, largely explained by the improvement in rural and in credit life. It is worth noting that the retained claims line was impacted by:

(i) the recovery of reinsured claims from previous periods, which generated an additional revenue of R$97.2 million in the 1Q17, and positively impacted the loss ratio, mainly in the rural insurance, which concentrates the greater amount of premiums ceded to reinsurance. On the other hand, this effect was offset by higher expenses related to the recovery of reinsured claims to be settled, which impacted the other operating income (expenses) line; and

(ii) the accounting, in the 1Q16, of reported claims related to previous periods in the non-contributory credit life insurance, amounting to R$27.8 million, these claims had not been reported due to mismatches in client data.

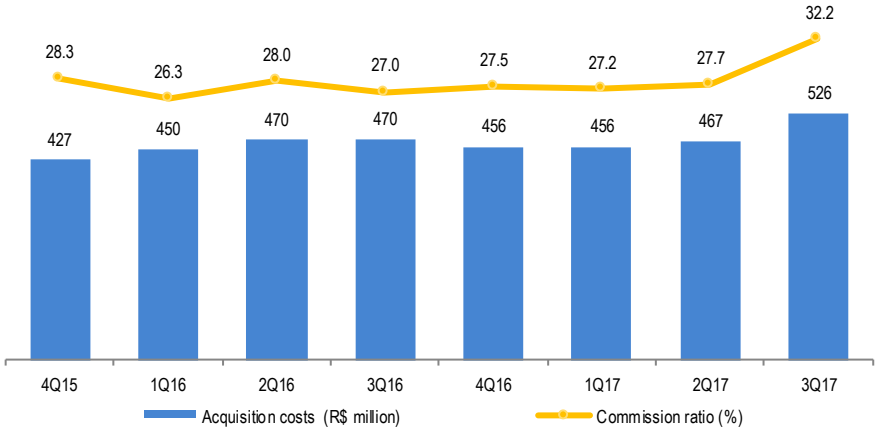
Setting these effects apart, the loss ratio in the 9M17 would have reached 30.0%, 1.6 p.p. lower as compared to the adjusted ratio in the 9M16.

Table 22 – Life, Mortgage Life and Rural | Breakdown of retained claims

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Incurred claims	**(673,836)**	**(620,210)**	**(573,217)**	**(14.9)**	**(7.6)**	**(2,426,034)**	**(1,943,644)**	**(19.9)**
Expenses with claims	(696,605)	(650,999)	(632,826)	(9.2)	(2.8)	(2,552,316)	(2,034,097)	(20.3)
Changes in provisions for claims IBNR	(19,529)	(15,488)	5,414	-	-	(124,177)	(41,520)	(66.6)
Changes in provisions for claims IBNER	(4,533)	196	1,247	-	536.8	128,639	(8,163)	-
Recovery of claims - Coinsurance	54,296	51,898	59,442	9.5	14.5	147,152	158,261	7.5
Recovery of claims - Reinsurance	127,926	158,277	43,844	(65.7)	(72.3)	773,223	538,428	(30.4)
Salvage	619	527	611	(1.2)	16.1	1,203	1,176	(2.2)
Reimbursements	5	436	133	2,614.2	(69.6)	674	2,320	244.0
Assistance services	(7,658)	(7,063)	(7,190)	(6.1)	1.8	(22,397)	(21,636)	(3.4)
Other	(430)	282	(49)	(88.7)	-	(4,811)	14	-
Retained claims	**(545,910)**	**(461,934)**	**(529,372)**	**(3.0)**	**14.6**	**(1,652,811)**	**(1,405,216)**	**(15.0)**

ACQUISITION COSTS

Figure 33 – Life, Mortgage Life and Rural | Acquisition costs



QUARTERLY ANALYSIS

In the 3Q17, the commission ratio reached 32.2%, up 5.2 p.p. YoY. The increase was largely explained by the adjustment in the commission ratio of some products within the life insurance portfolio distributed by the bancassurance channel.

YEAR-TO-DATE ANALYSIS

In the 9M17, the commission ratio reached 29.0%, up 1.9 p.p. as compared to the same period of 2016, mainly driven by the increase in commissions paid in life, mortgage life and in rural.

Table 23 – Life, Mortgage Life and Rural | Acquisition costs

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Commission charged on premiums written	(418,605)	(417,097)	(495,810)	18.4	18.9	(1,204,075)	(1,235,004)	2.6
Agency commission	(3,148)	(2,443)	(3,957)	25.7	62.0	(5,023)	(8,140)	62.1
Commissions recovered - Coinsurance	5,670	6,090	6,128	8.1	0.6	16,882	18,220	7.9
Change in deferred acquisition costs	(23,615)	(7,874)	14,084	-	-	(101,876)	(89,135)	(12.5)
Other acquisition costs	(30,703)	(45,295)	(46,380)	51.1	2.4	(95,994)	(134,929)	40.6
Acquisition costs	**(470,401)**	**(466,619)**	**(525,934)**	**11.8**	**12.7**	**(1,390,087)**	**(1,448,988)**	**4.2**

QUARTERLY ANALYSIS

In the 3Q17, the underwriting result dropped by 20.4% YoY, impacted by higher claims along with the increase in the commission ratio from life and rural insurance.

On the other hand, credit life insurance reported an underwriting result 3.5% higher YoY, driven by the decline in the loss ratio in the quarter.

YEAR-TO-DATE ANALYSIS

In the 9M17, the underwriting result grew by 2.5% as compared to the 9M16, reflecting the improvement in the loss ratio. By segment, the rural insurance brought the major contribution to the underwriting result, with higher volume of premiums and lower loss ratio.

It is worth noting that, as previously explained in the net income section of this chapter, in the 1Q17 the retained claims line was positively impacted by the recovery of reinsured claims from previous periods, which impacted the underwriting result, mainly in the rural insurance, which is the one that concentrates the greater amount of premiums ceded to reinsurance.

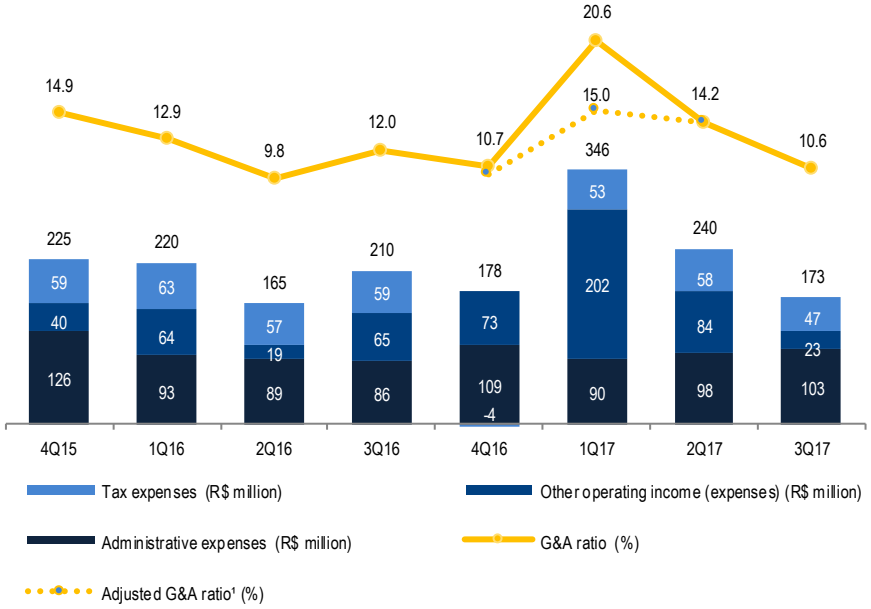
Table 24 – Life, Mortgage Life and Rural | Underwriting result

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Life	256,741	321,035	154,773	(39.7)	(51.8)	883,853	751,389	(15.0)
Credit Life	129,551	135,508	134,112	3.5	(1.0)	456,446	419,585	(8.1)
Mortgage Life	42,028	37,399	40,139	(4.5)	7.3	105,188	115,082	9.4
Rural	293,177	256,172	246,642	(15.9)	(3.7)	620,748	840,478	35.4
Other	455	1,524	(687)	-	-	(29)	1,381	-
DPVAT	6,221	5,268	4,532	(27.2)	(14.0)	25,238	17,643	(30.1)
Underwriting margin breakdown	**728,173**	**756,906**	**579,510**	**(20.4)**	**(23.4)**	**2,091,443**	**2,145,558**	**2.6**
Revenue of policies issuance	2,717	3,305	2,621	(3.5)	(20.7)	12,138	11,600	(4.4)
Underwriting margin	**730,890**	**760,211**	**582,131**	**(20.4)**	**(23.4)**	**2,103,582**	**2,157,158**	**2.5**

Table 25 – Life, Mortgage Life and Rural | Underwriting result breakdown

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Life	35.3	42.4	26.7	(8.6)	(15.7)	42.3	35.0	(7.2)
Credit Life	17.8	17.9	23.1	5.4	5.2	21.8	19.6	(2.3)
Mortgage Life	5.8	4.9	6.9	1.2	2.0	5.0	5.4	0.3
Rural	40.3	33.8	42.6	2.3	8.7	29.7	39.2	9.5
Other	0.1	0.2	(0.1)	(0.2)	(0.3)	(0.0)	0.1	0.1
DPVAT	0.9	0.7	0.8	(0.1)	0.1	1.2	0.8	(0.4)

Figure 34 – Life, Mortgage Life and Rural | G&A expenses



[1]Adjustment segregates the effect of the additional impairment expense related to the recovery of reinsured claims to be settled in the 1Q17.

QUARTERLY ANALYSIS

In the 3Q17, the G&A ratio came 1.4 p.p. lower as compared to the 3Q16, largely explained by the reduction in the "other operating income (expenses)" line, due to the R$50.8 million reversal in the impairment from past due premiums and reinsurance credits.

YEAR-TO-DATE ANALYSIS

Year-to-date, the G&A ratio reached 15.2%, up 3.6 p.p. as compared to the same period last year.

The ratio was negatively impacted in the 1Q17 by additional provisions for reinsurance losses related to the recovery of reinsured claims to be settled, which led to a R$93.5 million impairment recorded in the other operating income (expenses) line. This amount was partially reversed, as explained in the quarterly analysis.

Table 26 – Life, Mortgage Life and Rural | General & Administrative expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Administrative expenses	**(85,860)**	**(97,755)**	**(103,090)**	**20.1**	**5.5**	**(267,914)**	**(291,173)**	**8.7**
Personnel	(38,396)	(41,523)	(42,393)	10.4	2.1	(109,647)	(122,902)	12.1
Outsourcing	(22,832)	(26,873)	(28,009)	22.7	4.2	(70,136)	(77,624)	10.7
Location and operation	(15,970)	(22,870)	(22,672)	42.0	(0.9)	(59,957)	(67,396)	12.4
Institutional advertisement and publicity	(4,334)	(2,158)	(5,973)	37.8	176.7	(8,779)	(10,434)	18.8
Publications	(66)	(25)	(15)	(77.5)	(41.1)	(601)	(575)	(4.4)
Other administrative expenses	(1,535)	(1,861)	(1,633)	6.4	(12.3)	(10,779)	(4,866)	(54.9)
DPVAT administrative expenses	(2,726)	(2,444)	(2,397)	(12.1)	(1.9)	(8,014)	(7,377)	(8.0)
Other operating income (expenses)	**(64,687)**	**(83,672)**	**(22,619)**	**(65.0)**	**(73.0)**	**(147,437)**	**(308,478)**	**109.2**
FESR contributions	(29,441)	(38,845)	(43,204)	46.7	11.2	(109,372)	(127,308)	16.4
Charging expenses	(5,257)	(5,429)	(5,068)	(3.6)	(6.6)	(19,678)	(18,285)	(7.1)
Civil contingencies	(5,952)	(5,587)	(10,096)	69.6	80.7	(14,975)	(23,053)	53.9
Expenses with events	(1,819)	(791)	(1,170)	(35.7)	47.8	(4,072)	(2,490)	(38.8)
Endomarketing	(3,559)	(3,555)	(3,555)	(0.1)	(0.0)	(10,660)	(10,665)	0.0
Social contributions	(133)	-	-	-	-	(271)	-	-
Impairment	(3,418)	(20,070)	48,010	-	-	37,533	(87,352)	-
Other operating income (expenses)	(15,109)	(9,395)	(7,536)	(50.1)	(19.8)	(25,942)	(39,326)	51.6
Tax expenses	**(59,168)**	**(58,352)**	**(47,463)**	**(19.8)**	**(18.7)**	**(179,087)**	**(159,289)**	**(11.1)**
COFINS	(48,259)	(48,407)	(39,721)	(17.7)	(17.9)	(148,697)	(132,751)	(10.7)
PIS	(7,844)	(7,919)	(6,521)	(16.9)	(17.7)	(23,763)	(21,725)	(8.6)
Inspection fee	(1,455)	(1,611)	(867)	(40.4)	(46.2)	(4,366)	(3,469)	(20.5)
Other tax expenses	(1,609)	(415)	(354)	(78.0)	(14.6)	(2,260)	(1,345)	(40.5)
G&A	**(209,715)**	**(239,779)**	**(173,172)**	**(17.4)**	**(27.8)**	**(594,436)**	**(758,940)**	**27.7**

Life Insurance

Table 27 – Life Insurance | Key figures

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**958,693**	**826,541**	**874,992**	**(8.7)**	**5.9**	**2,571,806**	**2,487,614**	**(3.3)**
Premiums ceded to reinsurance	(1,886)	(2,533)	(1,560)	(17.3)	(38.4)	(5,796)	(5,059)	(12.7)
Retained premiums	**956,807**	**824,008**	**873,432**	**(8.7)**	**6.0**	**2,566,010**	**2,482,555**	**(3.3)**
Changes in technical reserves - premiums	(127,806)	22,852	(66,629)	(47.9)	-	(104,531)	(48,650)	(53.5)
Earned premiums	**829,001**	**846,861**	**806,803**	**(2.7)**	**(4.7)**	**2,461,479**	**2,433,904**	**(1.1)**
Retained claims	(311,281)	(259,081)	(328,637)	5.6	26.8	(803,659)	(843,709)	5.0
Acquisition costs	(260,978)	(266,745)	(323,392)	23.9	21.2	(773,967)	(838,806)	8.4
Underwriting margin	**256,741**	**321,035**	**154,773**	**(39.7)**	**(51.8)**	**883,853**	**751,389**	**(15.0)**

Table 28 – Life Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
(%)	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Loss ratio	37.5	30.6	40.7	3.2	10.1	32.6	34.7	2.0
Commission ratio	31.5	31.5	40.1	8.6	8.6	31.4	34.5	3.0
Underwriting margin	31.0	37.9	19.2	(11.8)	(18.7)	35.9	30.9	(5.0)

QUARTERLY ANALYSIS

Term life insurance premiums reached R$875.0 million in the 3Q17, 8.7% down YoY, as a result of the 11.6% reduction in premiums written in the bancassurance channel, partially offset by the growth of 5.6% in sales through the independent broker channel.

The underwriting margin for life insurance reached 19.2% in the quarter, 11.8 p.p. down YoY, driven by the rise in commissions along with the increase in the loss ratio in the bancassurance channel.

It is worth mentioning that in this quarter there was an increase in the commission rate for some life insurance products distributed in the bancassurance channel.

YEAR-TO-DATE ANALYSIS

In the 9M17, term life insurance premiums written reached R$2.5 billion, down 3.3% as compared to the 9M16.

The underwriting margin reached 30.9%, down 5.0 p.p. as compared to the 9M16, driven by higher claims in both distribution channels, in addition to the increase in the commission ratio for the bancassurance channel, impacted by the adjustment in the commission ratio of some products, as mentioned in the quarterly analysis.

Figure 35 – Life Insurance | Premiums written (R$ million)

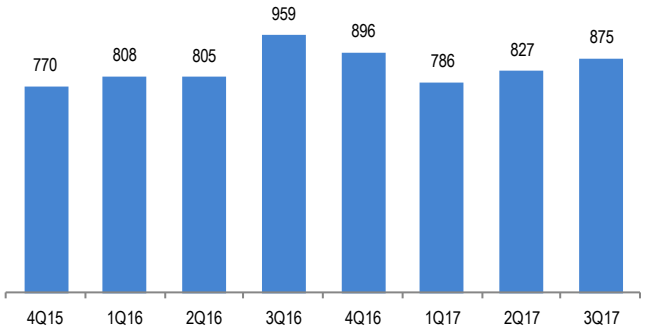


Figure 36 – Life Insurance | Breakdown of premiums written (%)

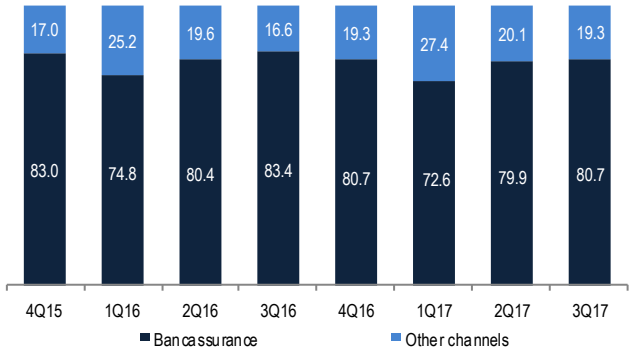


Figure 37 – Life Insurance | Underwriting margin (R$ million)

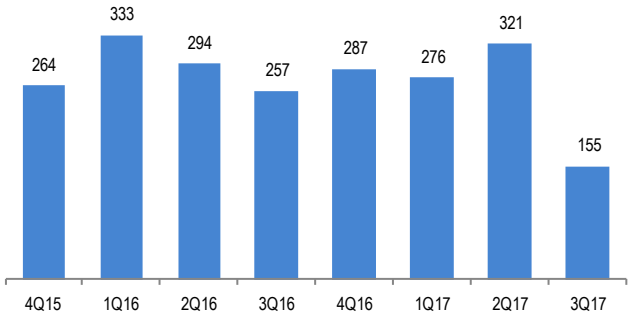


Figure 38 – Life Insurance | Underwriting margin by distribution channel (%)

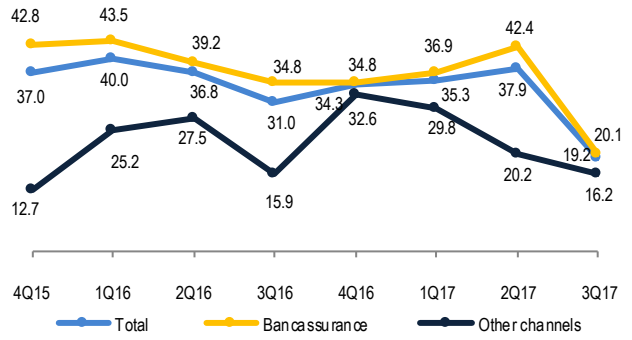


Figure 39 – Life Insurance | Loss ratio (%)

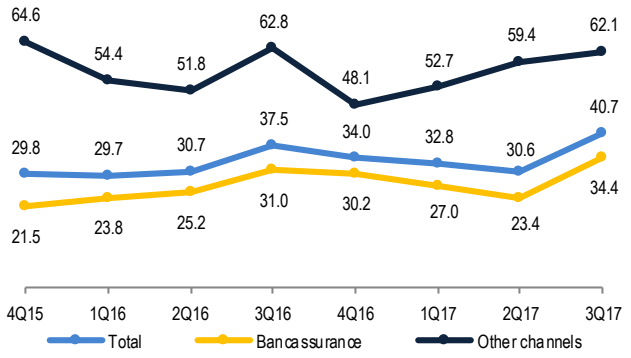
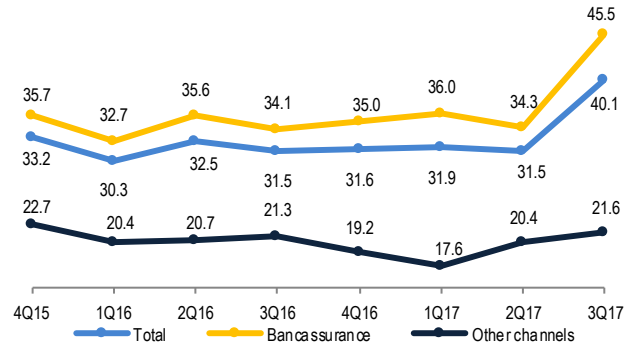


Figure 40 – Life Insurance | Commission ratio (%)



Credit Life Insurance

Table 29 – Credit Life Insurance | Key figures

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**175,164**	**245,878**	**314,583**	**79.6**	**27.9**	**752,101**	**717,873**	**(4.6)**
Premiums ceded to reinsurance	(743)	(1,383)	(624)	(16.0)	(54.9)	(2,826)	(3,492)	23.6
Retained premiums	**174,420**	**244,495**	**313,958**	**80.0**	**28.4**	**749,275**	**714,381**	**(4.7)**
Changes in technical reserves - premiums	184,608	74,324	1,052	(99.4)	(98.6)	375,080	251,147	(33.0)
Earned premiums	**359,028**	**318,818**	**315,011**	**(12.3)**	**(1.2)**	**1,124,356**	**965,529**	**(14.1)**
Retained claims	(118,322)	(85,372)	(84,735)	(28.4)	(0.7)	(326,253)	(249,827)	(23.4)
Acquisition costs	(111,155)	(97,939)	(96,164)	(13.5)	(1.8)	(341,657)	(296,116)	(13.3)
Underwriting margin	**129,551**	**135,508**	**134,112**	**3.5**	**(1.0)**	**456,446**	**419,585**	**(8.1)**

Table 30 – Credit Life Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
(%)	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Loss ratio	33.0	26.8	26.9	(6.1)	0.1	29.0	25.9	(3.1)
Commission ratio	31.0	30.7	30.5	(0.4)	(0.2)	30.4	30.7	0.3
Underwriting margin	36.1	42.5	42.6	6.5	0.1	40.6	43.5	2.9

QUARTERLY ANALYSIS

Credit life premiums written grew 79.6% YoY to R$314.6 million in the 3Q17. The underwriting margin improved by 6.5 p.p., driven primarily by the lower loss ratio.

YEAR-TO-DATE ANALYSIS

Year-to-date, credit life premiums reached R$717.9 million, down 4.6% as compared to the 9M16. The underwriting margin increased by 2.9 p.p., as a result of the reduction in the loss ratio.

It is worth noting that the 9M16 comparable had been negatively impacted by the accounting of R$27.8 million in claims related to the non-contributory product that had incurred in previous periods but have not been reported due to mismatches in client data.

Figure 41 – Credit Life Insurance | Premiums written (R$ million)

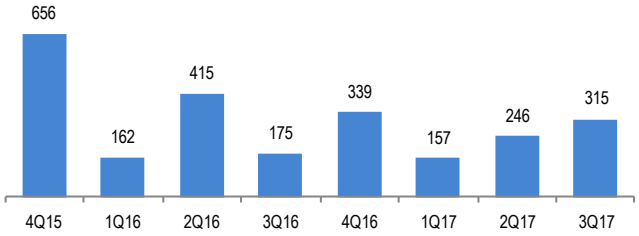


Figure 42 – Credit Life Insurance | Underwriting margin

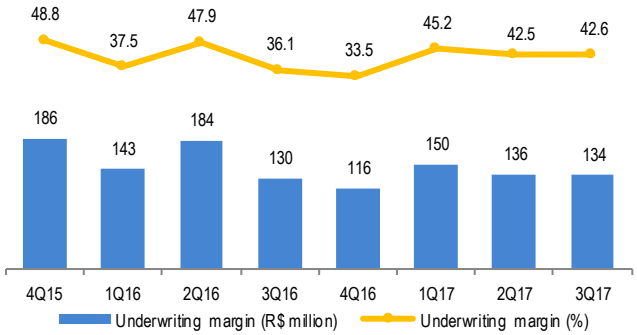
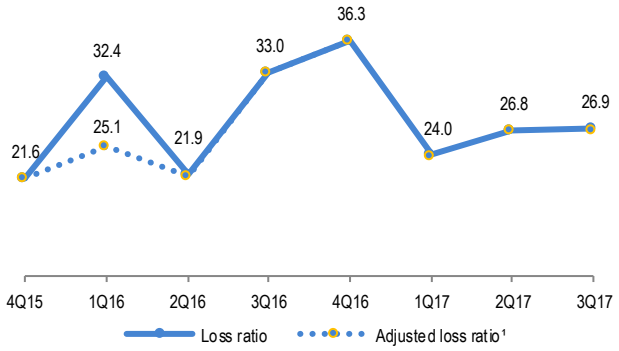


Figure 43 – Credit Life Insurance | Loss ratio (%)



¹Segregates the effects of the accounting of reported claims related to previous periods in the non-contributory product

Figure 44 – Credit Life Insurance | Commission ratio (%)

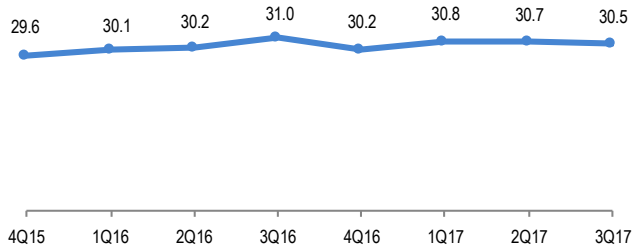


Table 31 – Rural Insurance | Key figures

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**586,211**	**764,585**	**620,687**	**5.9**	**(18.8)**	**1,723,975**	**1,952,674**	**13.3**
Premiums ceded to reinsurance	(183,702)	(241,202)	(199,380)	8.5	(17.3)	(561,035)	(627,902)	11.9
Retained premiums	**402,510**	**523,382**	**421,307**	**4.7**	**(19.5)**	**1,162,939**	**1,324,773**	**13.9**
Changes in technical reserves - premiums	52,913	(95,336)	4,407	(91.7)	-	35,417	(19,327)	-
Earned premiums	**455,423**	**428,046**	**425,714**	**(6.5)**	**(0.5)**	**1,198,356**	**1,305,446**	**8.9**
Retained claims	(70,975)	(78,084)	(81,085)	14.2	3.8	(323,926)	(175,431)	(45.8)
Acquisition costs	(91,271)	(93,790)	(97,988)	7.4	4.5	(253,683)	(289,537)	14.1
Underwriting margin	**293,177**	**256,172**	**246,642**	**(15.9)**	**(3.7)**	**620,748**	**840,478**	**35.4**

Table 32 – Rural Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
(%)	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Loss ratio	15.6	18.2	19.0	3.5	0.8	27.0	13.4	(13.6)
Commission ratio	20.0	21.9	23.0	3.0	1.1	21.2	22.2	1.0
Underwriting margin	64.4	59.8	57.9	(6.4)	(1.9)	51.8	64.4	12.6

QUARTERLY ANALYSIS

In the 3Q17, premiums written in the rural segment amounted to R$620.7 million, up 5.9% YoY. The increase was driven by the growth in premiums from credit life for farmers (+9.3%), rural lien (+8.0%) and crop insurance (+3.8%).

The underwriting margin dropped 6.4 p.p. as compared to the 3Q16, impacted by the increase in the loss ratio, largely explained by the drought and frost occurred in some states, along with a higher commission ratio.

YEAR-TO-DATE ANALYSIS

In the 9M17, rural written premiums amounted to R$2.0 billion, up 13.3% as compared to the same period of 2016. Credit life for farmers posted the major increase (+28.3% YoY), followed by crop insurance (+9.2% YoY) and rural lien (+6.8% YoY).

Year-to-date, the rural underwriting margin grew by 12.6 p.p., mostly given to the 13.6 p.p. decline in the loss ratio, highly concentrated in crop insurance. It is worth noting that, as previously explained in the net income and retained claims sections of this chapter, the loss ratio was positively impacted by the recovery of reinsured claims from previous periods, with major impacts over the crop insurance and rural lien lines in a total amount of R$88.9 million and R$7.4 million, respectively.

Setting apart the aforementioned effects, the rural insurance loss ratio would have been of 20.8%, 6.2 p.p. lower as compared to the 9M16, whose claims was negatively impacted by an unusually higher frequency of events related to the El Niño climate event.

Figure 45 – Rural Insurance | Premiums written (R$ million)

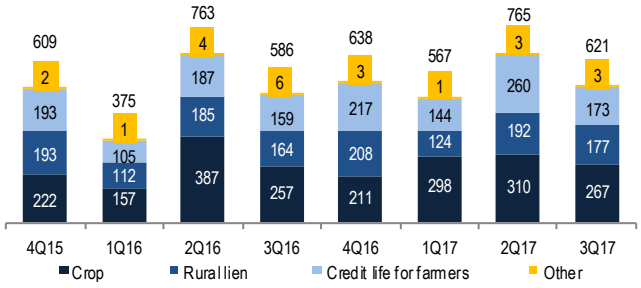


Figure 46 – Rural Insurance | Breakdown of premiums written (%)

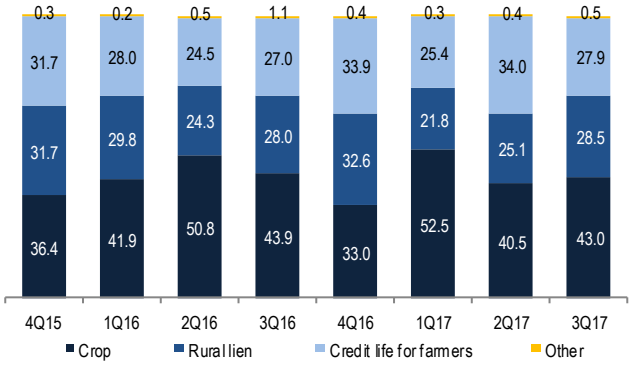
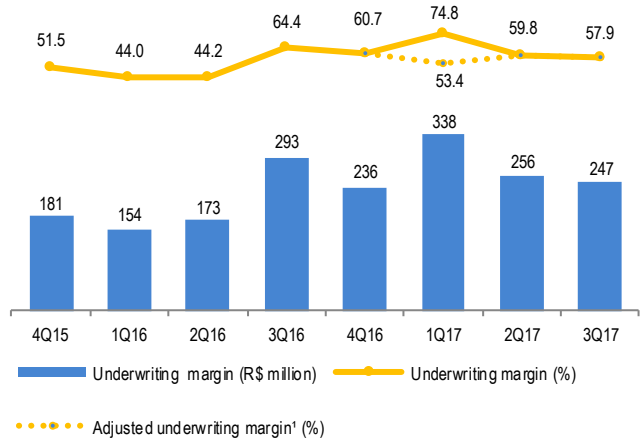
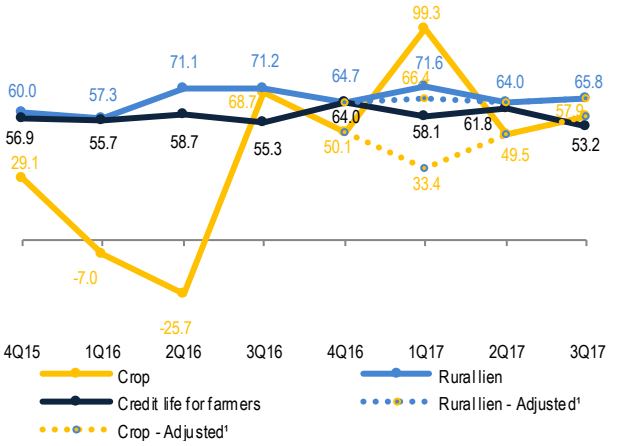


Figure 47 – Rural Insurance | Underwriting margin



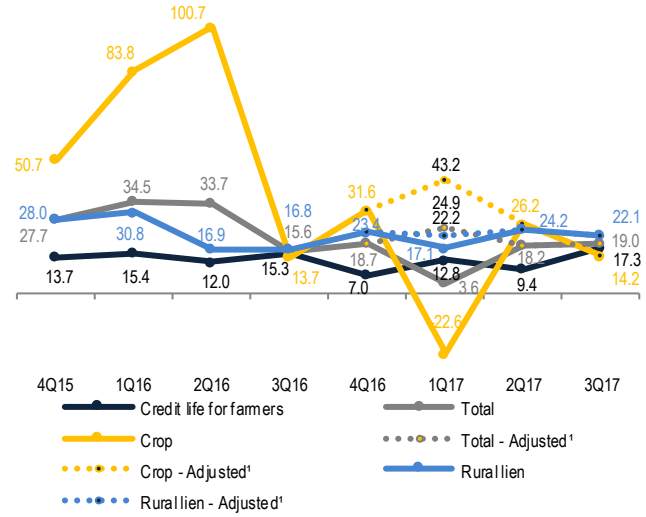
¹Adjustment segregates the effect of the recovery of reinsured claims from previous periods in the 1Q17.

Figure 48 – Rural Insurance | Underwriting margin by product (%)



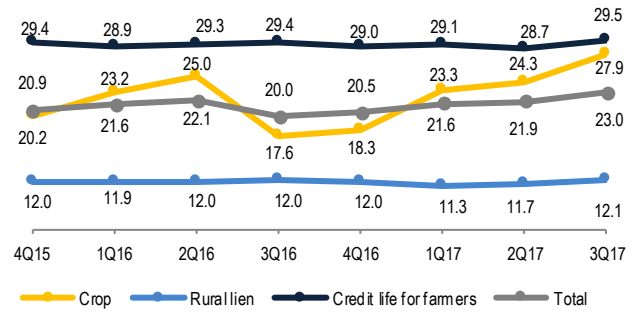
¹Adjustment segregates the effect of the recovery of reinsured claims from previous periods in the 1Q17.

Figure 49 – Rural Insurance | Loss ratio (%)



¹Adjustment segregates the effect of the recovery of reinsured claims from previous periods in the 1Q17.

Figure 50 – Rural Insurance | Commission ratio (%)



Mortgage Life Insurance

Table 33 - Mortgage Life Insurance | Key figures

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**51,141**	**58,818**	**57,888**	**13.2**	**(1.6)**	**157,513**	**174,212**	**10.6**
Premiums ceded to reinsurance	938	(6,098)	970	3.4	-	(12,824)	(10,049)	(21.6)
Retained premiums	**52,079**	**52,719**	**58,857**	**13.0**	**11.6**	**144,689**	**164,163**	**13.5**
Changes in technical reserves - premiums	1,511	(311)	(1,321)	-	324.6	1,634	(1,623)	-
Earned premiums	**53,591**	**52,408**	**57,536**	**7.4**	**9.8**	**146,323**	**162,540**	**11.1**
Retained claims	(5,378)	(7,583)	(9,670)	79.8	27.5	(23,554)	(25,197)	7.0
Acquisition costs	(6,184)	(7,425)	(7,727)	24.9	4.1	(17,581)	(22,261)	26.6
Underwriting margin	**42,028**	**37,399**	**40,139**	**(4.5)**	**7.3**	**105,188**	**115,082**	**9.4**

Table 34 – Mortgage Life Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
(%)	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Loss ratio	10.0	14.5	16.8	6.8	2.3	16.1	15.5	(0.6)
Commission ratio	11.5	14.2	13.4	1.9	(0.7)	12.0	13.7	1.7
Underwriting margin	78.4	71.4	69.8	(8.7)	(1.6)	71.9	70.8	(1.1)

QUARTERLY ANALYSIS

In the 3Q17, mortgage life premiums written amounted to R$57.9 million, up 13.2% YoY.

The underwriting margin reached 69.8% in the quarter, 8.7 p.p. down YoY, driven by the higher loss ratio along with an increase in the commission ratio.

YEAR-TO-DATE ANALYSIS

In the 9M17, mortgage life premiums written amounted to R$174.2 million, 10.6% up YoY.

The underwriting margin deteriorated by 1.1 p.p. to 70.8%, explained by the increase in the commission ratio, partially offset by the improvement in the loss ratio.

Figure 51 – Mortgage Life Insurance | Premiums written (R$ million)

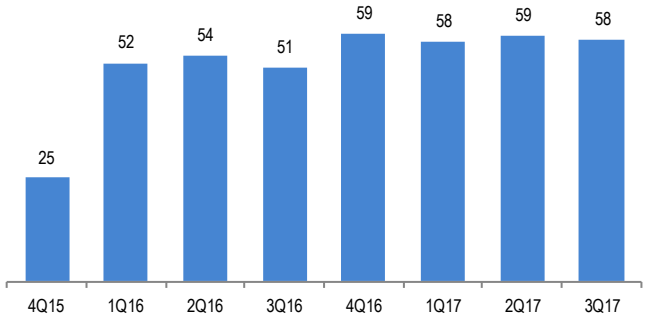


Figure 52 – Mortgage Life Insurance | Underwriting margin

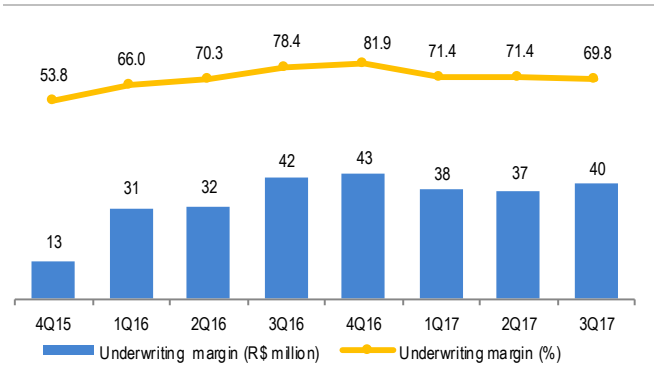


Figure 53 – Mortgage Life Insurance | Loss ratio (%)

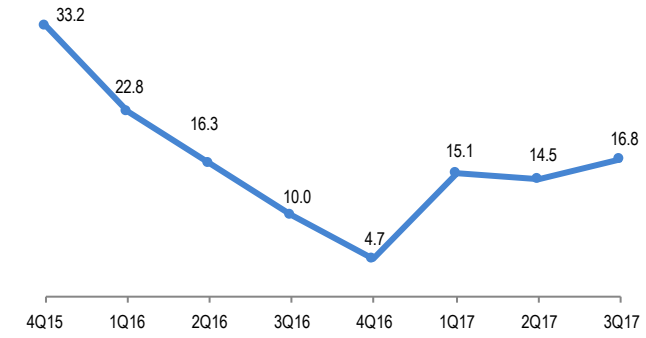
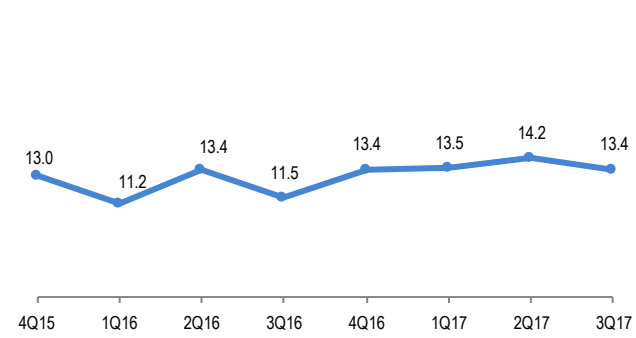


Figure 54 – Mortgage Life Insurance | Commission ratio (%)



DPVAT

Table 35 – DPVAT | Key figures

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**46,832**	**38,196**	**29,973**	**(36.0)**	**(21.5)**	**205,223**	**131,856**	**(35.7)**
Retained premiums	**46,832**	**38,196**	**29,973**	**(36.0)**	**(21.5)**	**205,223**	**131,856**	**(35.7)**
Changes in technical reserves - premiums	(71)	(715)	130	-	-	(1,840)	(1,721)	(6.4)
Earned premiuns	**46,761**	**37,481**	**30,103**	**(35.6)**	**(19.7)**	**203,383**	**130,135**	**(36.0)**
Retained claims	(39,885)	(31,763)	(25,217)	(36.8)	(20.6)	(175,272)	(110,935)	(36.7)
Acquisition costs	(656)	(451)	(354)	(46.1)	(21.5)	(2,874)	(1,556)	(45.8)
Underwriting margin	**6,221**	**5,268**	**4,532**	**(27.2)**	**(14.0)**	**25,238**	**17,643**	**(30.1)**

Table 36 – DPVAT | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
(%)	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Loss ratio	85.3	84.7	83.8	(1.5)	(1.0)	86.2	85.2	(0.9)
Commission ratio	1.4	1.2	1.2	(0.2)	(0.0)	1.4	1.2	(0.2)
Underwriting margin	13.3	14.1	15.1	1.8	1.0	12.4	13.6	1.1

Other

Table 37 – Other | Key figures

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**659**	**706**	**835**	**26.7**	**18.3**	**1,549**	**2,275**	**46.9**
Premiums ceded to reinsurance	26	(34)	(1,194)	-	3,378.9	(1,108)	(1,254)	13.2
Retained premiums	**685**	**671**	**(359)**	**-**	**-**	**441**	**1,021**	**131.6**
Changes in technical reserves - premiums	(5)	1,172	9	-	(99.2)	2	1,189	56,931.9
Earned premiums	**680**	**1,844**	**(350)**	**-**	**-**	**443**	**2,210**	**398.9**
Retained claims	(69)	(50)	(27)	(60.7)	(45.8)	(147)	(116)	(20.6)
Acquisition costs	(156)	(269)	(310)	98.3	15.2	(326)	(712)	118.8
Underwriting margin	**455**	**1,524**	**(687)**	**-**	**-**	**(29)**	**1,381**	**-**

Table 38 – Other | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
(%)	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Loss ratio	84.2	80.9	84.8	0.6	3.9	86.1	83.9	(2.2)
Commission ratio	1.7	1.8	2.2	0.5	0.4	1.6	1.7	0.1
Underwriting margin	14.1	17.3	12.9	(1.1)	(4.3)	12.4	14.4	2.0

NET INVESTMENT INCOME

Figure 55 – Life, Mortgage Life and Rural | Net investment income (R$ million)

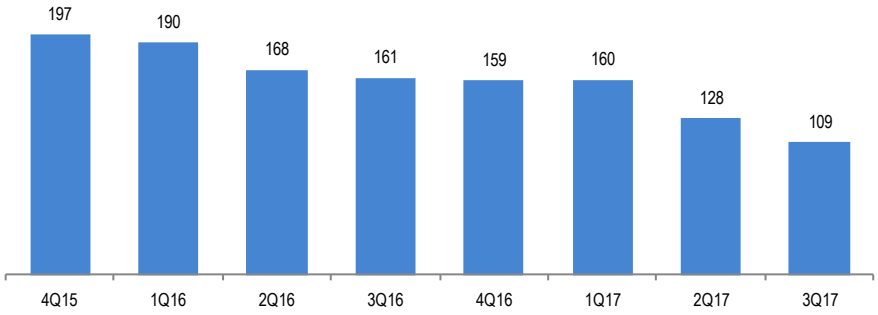


Table 39 – Life, Mortgage Life and Rural | Financial income and expenses[1]

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Adjusted interest revenues	**259,374**	**164,643**	**140,668**	**(45.8)**	**(14.6)**	**727,991**	**513,494**	**(29.5)**
Revenues with mark to market financial investments	190,823	130,047	107,088	(43.9)	(17.7)	532,390	399,789	(24.9)
Revenues with held to maturity financial investments	45,879	23,014	23,472	(48.8)	2.0	144,484	77,753	(46.2)
Judicial deposits	13,191	10,326	9,487	(28.1)	(8.1)	40,329	34,855	(13.6)
Receivables from insurance and reinsurance operations	9,481	1,257	622	(93.4)	(50.6)	10,787	1,097	(89.8)
Adjusted interest expenses	**(53,129)**	**(25,972)**	**(26,482)**	**(50.2)**	**2.0**	**(158,944)**	**(81,689)**	**(48.6)**
Pending claims	(26,975)	(16,692)	(14,045)	(47.9)	(15.9)	(82,153)	(42,790)	(47.9)
Judicial provisions	(11,201)	567	367	-	(35.4)	(33,642)	1,320	-
Obligations with insurance and reinsurance operations	(14,953)	(9,848)	(12,804)	(14.4)	30.0	(43,149)	(40,219)	(6.8)
Net interest income	**206,245**	**138,671**	**114,186**	**(44.6)**	**(17.7)**	**569,047**	**431,805**	**(24.1)**

[1]Managerial view

QUARTERLY ANALYSIS

In the 3Q17, the net interest income dropped by 44.6% YoY.

Adjusted interest revenues fell by 45.8%, as a result of the 6.4 p.p. contraction in the average yield on financial assets, largely explained by the lower Selic rate, which impacted the return on floating securities, along with the drop in inflation, which impacted the yield on inflation protected securities classified as held to maturity. Additionally, the 1.5% contraction in the average balance of interest earning assets also contributed to the decline in adjusted interest revenues.

Adjusted interest expenses decreased by 50.2%, explained by the 2.9 p.p. reduction in the average yield on interest bearing liabilities, along with a 10.0% contraction in the average balance of these liabilities.

YEAR-TO-DATE ANALYSIS

In the 9M17, the net investment income dropped by 24.1% as compared to the same period of 2016.

Adjusted interest revenues reduced by 29.5%, as a result of the 4.5 p.p. contraction in the average yield on financial investments, partially offset by the expansion of 6.5% in the average balance of interest earning assets.

Adjusted interest expenses dropped by 48.6%, driven by the 4.6 p.p. decrease in the average yield on interest bearing liabilities, partially offset by the 12.3% expansion in the average balance of these liabilities.

Table 40 – Life, Mortgage Life and Rural | Quarterly figures - Volume and rate analysis[1]

R$ thousand	3Q17/3Q16		
	Average volume	Average rate	Net change
Earning assets			
Mark to Market financial investments	8,964	(92,698)	(83,735)
Held to maturity financial investments	(5,675)	(16,733)	(22,408)
Judicial deposits	724	(4,427)	(3,704)
Receivables from insurance and reinsurance operations	(1,083)	(7,776)	(8,859)
Total[1]	**(2,139)**	**(116,566)**	**(118,705)**
Interest bearing liabilities			
Pending claims	159	12,771	12,930
Judicial provisions	(7)	11,575	11,568
Obligations with insurance and reinsurance operations	22,117	(19,969)	2,149
Total[1]	**2,935**	**23,711**	**26,646**

[1] Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 41 – Life, Mortgage Life and Rural | Quarterly figures - Earning assets - average balance and interest rates

R$ million	3Q16			3Q17		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to Market financial investments	4,540	191	17.3	4,954	107	8.8
Held to maturity financial investments	1,643	46	11.3	1,323	23	7.2
Judicial deposits	829	13	6.3	898	9	4.2
Receivables from insurance and reinsurance operations	432	9	8.8	158	1	1.6
Total	**7,445**	**259**	**14.2**	**7,333**	**141**	**7.8**

Table 42 – Life, Mortgage Life and Rural | Quarterly figures - Interest bearing liabilities - average balance and interest rates

R$ million	3Q16			3Q17		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Pending claims	1,860	(27)	5.5	1,840	(14)	3.0
Judicial provisions	671	(11)	6.3	658	0	(0.2)
Obligations with insurance and reinsurance operations	410	(15)	13.4	150	(13)	29.6
Total	**2,941**	**(53)**	**6.8**	**2,648**	**(26)**	**3.9**

Table 43 – Life, Mortgage Life and Rural | Year-to-date figures - Volume and rate analysis[1]

	9M 17/9M 16		
R$ thousand	Average volume	Average rate	Net change
Earning assets			
Mark to Market financial investments	56,348	(188,950)	(132,602)
Held to maturity financial investments	(12,398)	(54,333)	(66,731)
Judicial deposits	2,784	(8,258)	(5,473)
Receivables from insurance and reinsurance operations	(965)	(8,725)	(9,691)
Total[1]	**31,419**	**(245,916)**	**(214,497)**
Interest bearing liabilities			
Pending claims	(5,281)	44,644	39,363
Judicial provisions	(28)	34,990	34,962
Obligations with insurance and reinsurance operations	(11,940)	14,870	2,930
Total[1]	**(8,953)**	**86,207**	**77,255**

[1] Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 44 – Life, Mortgage Life and Rural | Year-to-date figures - Earning assets - average balance and interest rates

	9M 16			9M 17		
R$ million	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to Market financial investments	4,621	532	15.6	5,379	400	10.1
Held to maturity financial investments	1,618	144	12.1	1,395	78	7.5
Judicial deposits	815	40	6.7	885	35	5.3
Receivables from insurance and reinsurance operations	275	11	5.3	146	1	1.0
Total	**7,329**	**728**	**13.5**	**7,806**	**513**	**8.9**

Table 45 – Life, Mortgage Life and Rural | Year-to-date figures - Interest bearing liabilities - average balance and interest rates

	9M 16			9M 17		
R$ million	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Pending claims	1,592	(82)	6.8	1,816	(43)	3.1
Judicial provisions	660	(34)	6.7	647	1	(0.3)
Obligations with insurance and reinsurance operations	223	(43)	25.0	317	(40)	16.7
Total	**2,475**	**(159)**	**8.5**	**2,779**	**(82)**	**3.9**

Table 46 – Life, Mortgage Life and Rural | Financial investment portfolio

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Trading	**2,738,995**	**3,471,556**	**4,037,586**	**47.4**	**16.3**
Pre-fixed	255,330	167,381	172,568	(32.4)	3.1
Floating	2,051,702	2,641,817	3,238,107	57.8	22.6
Other	431,962	662,358	626,911	45.1	(5.4)
Available for sale	**1,775,383**	**1,290,531**	**1,108,932**	**(37.5)**	**(14.1)**
Pre-fixed	25,106	-	-	-	-
Floating	499,153	682,390	484,589	(2.9)	(29.0)
Inflation	960,625	608,182	624,362	(35.0)	2.7
Other	290,499	(41)	(20)	-	(512)
Held to maturity securities	**1,471,471**	**1,355,959**	**1,290,844**	**(12.3)**	**(4.8)**
Pre-fixed	400,753	254,574	199,973	(50.1)	(214)
Inflation	1,070,718	1,101,385	1,090,871	1.9	(1.0)
Total	**5,985,849**	**6,118,045**	**6,437,362**	**7.5**	**5.2**

Figure 56 – Life, Mortgage Life and Rural | Breakdown of financial investments by index (%)

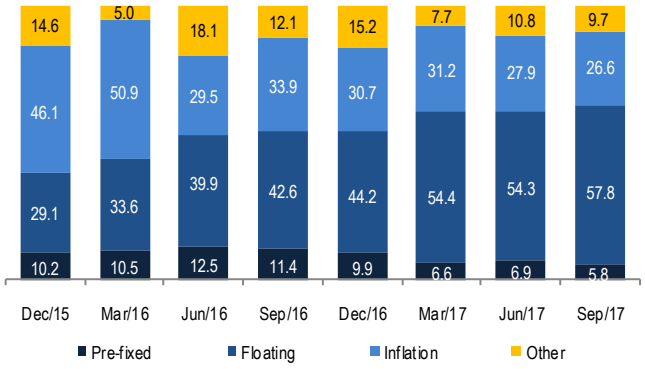
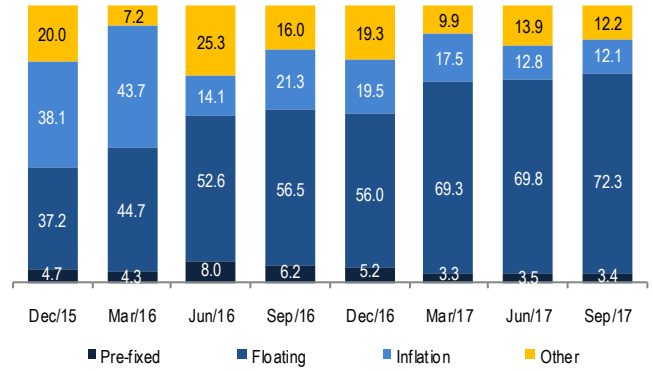


Figure 57 – Life, Mortgage Life and Rural | Breakdown of mark to market financial investments by index (%)



BALANCE SHEET ANALYSIS

Table 47 – Life, Mortgage Life and Rural | Balance sheet

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Assets	**14,866,230**	**14,392,993**	**14,502,441**	**(2.4)**	**0.8**
Cash	98,257	17,810	7,037	(92.8)	(60.5)
Financial assets	5,985,849	6,118,045	6,437,362	7.5	5.2
Receivables from insurance and reinsurance operations	3,727,316	3,105,470	2,921,275	(21.6)	(5.9)
Reinsurance and retrocession - technical reserves	535,837	595,054	546,938	2.1	(8.1)
Securities and credits receivable	1,433,015	1,531,573	1,569,678	9.5	2.5
Other	654	635	260	(60.2)	(59.0)
Prepaid expenses	13,122	22,021	18,597	41.7	(15.6)
Deferred costs	1,572,688	1,502,008	1,516,091	(3.6)	0.9
Investments	657,760	657,685	657,668	(0.0)	(0.0)
Fixed assets	82,332	89,309	83,852	1.8	(6.1)
Intangible	759,400	753,383	743,683	(2.1)	(1.3)
Liabilities	**11,457,087**	**11,192,912**	**11,336,702**	**(1.1)**	**1.3**
Accounts payable	884,453	730,037	817,460	(7.6)	12.0
Obligations with insurance and reinsurance operations	1,661,335	1,439,566	1,437,979	(13.4)	(0.1)
Technical reserves - insurance	8,099,039	8,240,758	8,250,911	1.9	0.1
Third party deposits	134,808	128,759	167,914	24.6	30.4
Other liabilities	677,452	653,792	662,438	(2.2)	1.3
Shareholders' equity	**3,409,143**	**3,200,081**	**3,165,739**	**(7.1)**	**(1.1)**

Table 48 – Life, Mortgage Life and Rural | Receivables from insurance and reinsurance operations

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Receivable premiums	2,808,231	2,506,689	2,401,106	(14.5)	(4.2)
Operations with insurance companies	78,834	28,340	40,040	(49.2)	41.3
Premiums	46,734	11,267	17,250	(63.1)	53.1
Claims paid	27,637	14,354	22,284	(19.4)	55.2
Other receivables	4,463	2,719	507	(88.6)	(81.4)
Operations with reinsurance companies	792,138	656,034	507,793	(35.9)	(22.6)
Claims paid	791,818	439,589	467,262	(41.0)	6.3
Other receivables	320	216,444	40,531	12,585.3	(81.3)
Other operating receivables	81,287	82,046	75,279	(7.4)	(8.2)
Impairment	(33,175)	(167,638)	(102,943)	210.3	(38.6)
Receivables from insurance and reinsurance operations	**3,727,315**	**3,105,470**	**2,921,275**	**(21.6)**	**(5.9)**

Table 49 – Life, Mortgage Life and Rural | Reinsurance and retrocession – technical reserves

	Balance			Chg. %	
R$ thousand	**Sep/16**	**Jun/17**	**Sep/17**	**On Sep/16**	**On Jun/17**
Deferred premiums - PPNG	377,242	368,926	373,206	(1.1)	1.2
Deferred premiums - RVNE	9,188	23,907	24,296	164.4	1.6
IBNR claims	42,515	42,158	41,692	(1.9)	(1.1)
Pending claims	81,909	147,893	104,729	27.9	(29.2)
Provision for related expenses	3,633	2,956	3,014	(17.0)	2.0
Other provision	21,350	9,213	-	-	-
Reinsurance and retrocession - technical reserves	**535,837**	**595,054**	**546,938**	**2.1**	**(8.1)**

Table 50 – Life, Mortgage Life and Rural | Securities and credit receivable

	Balance			Chg. %	
R$ thousand	**Sep/16**	**Jun/17**	**Sep/17**	**On Sep/16**	**On Jun/17**
Securities and credits receivable	110,433	85,243	123,019	11.4	44.3
Other tax and social security receivables	80,222	137,016	134,166	67.2	(2.1)
Receivable tax and social security - tax loss	179,461	171,132	169,922	(5.3)	(0.7)
Receivable tax and social security - temporary adjustements	186,637	227,992	210,399	12.7	(7.7)
Tax and judicial deposits	852,264	889,395	906,404	6.4	1.9
Other receivables	24,038	20,795	26,142	8.8	25.7
Impairment	(40)	-	(375)	846.8	-
Securities and credits receivable	**1,433,016**	**1,531,573**	**1,569,678**	**9.5**	**2.5**

Table 51 – Life, Mortgage Life and Rural | Accounts payable

	Balance			Chg. %	
R$ thousand	**Sep/16**	**Jun/17**	**Sep/17**	**On Sep/16**	**On Jun/17**
Payable liabilities	136,790	91,108	112,590	(17.7)	23.6
Deferred taxes	271,234	264,523	272,912	0.6	3.2
Social securities and taxes payable	15,899	13,880	15,229	(4.2)	9.7
Labor charges	14,881	13,273	14,906	0.2	12.3
Taxes and contributions	426,767	343,173	394,722	(7.5)	15.0
Other accounts payable	18,882	4,080	7,101	(62.4)	74.1
Accounts payable	**884,453**	**730,037**	**817,460**	**(7.6)**	**12.0**

Table 52 – Life, Mortgage Life and Rural | Obligations with insurance and reinsurance operations

	Balance			Chg. %	
R$ thousand	**Sep/16**	**Jun/17**	**Sep/17**	**On Sep/16**	**On Jun/17**
Premiums to return	18,812	3,601	5,401	(71.3)	50.0
Operations with insurance companies	37,952	17,326	6,155	(83.8)	(64.5)
Operations with reinsurance companies	658,144	617,617	590,135	(10.3)	(4.4)
Insurance and reinsurance brokers	721,956	(33,979)	(17,930)	-	(47.2)
Other operating obligations	224,469	835,001	854,218	280.6	2.3
Obligations with insurance and reinsurance operations	**1,661,335**	**1,439,566**	**1,437,979**	**(13.4)**	**(0.1)**

SOLVENCY

Table 53 – Life, Mortgage Life and Rural | Solvency[1]

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
MAPFRE Vida					
Adjusted shareholders' equity (a)	**255,938**	**257,142**	**240,379**	**(6.1)**	**(6.5)**
Minimum capital required (b)	**171,930**	**194,560**	**199,876**	**16.3**	**2.7**
Additional capital for underwritting risk	161,773	180,669	185,273	14.5	2.5
Additional capital for credit risk	15,277	19,935	21,055	37.8	5.6
Additional capital for operating risk	2,003	2,112	2,131	6.4	0.9
Additional capital for market risk	-	3,801	4,035	-	6.2
Benefit of correlation between risks	(7,123)	(11,957)	(12,618)	77.1	5.5
Capital adequacy (a) - (b)	**84,008**	**62,582**	**40,503**	**(51.8)**	**(35.3)**
Solvency ratio (a) / (b) - %	**148.9**	**132.2**	**120.3**	**(28.6) p.p.**	**(11.9) p.p.**
Cia. de Seguros Aliança do Brasil					
Adjusted shareholders' equity (a)	**1,435,193**	**1,410,807**	**1,418,281**	**(1.2)**	**0.5**
Minimum capital required (b)	**1,186,931**	**1,119,198**	**1,108,196**	**(6.6)**	**(1.0)**
Additional capital for underwritting risk	1,087,339	975,092	968,809	(10.9)	(0.6)
Additional capital for credit risk	134,871	159,981	155,884	15.6	(2.6)
Additional capital for operating risk	26,265	27,759	25,082	(4.5)	(9.6)
Additional capital for market risk	-	89,554	90,690	-	1.3
Benefit of correlation between risks	(61,543)	(133,188)	(132,269)	114.9	(0.7)
Capital adequacy (a) - (b)	**248,262**	**291,609**	**310,085**	**24.9**	**6.3**
Solvency ratio (a) / (b) - %	**120.9**	**126.1**	**128.0**	**7.1 p.p.**	**1.9 p.p.**
Total BB MAPFRE SH1					
Adjusted shareholders' equity (a)	**1,691,131**	**1,667,949**	**1,658,660**	**(1.9)**	**(0.6)**
Minimum capital required (b)	**1,358,861**	**1,313,758**	**1,308,072**	**(3.7)**	**(0.4)**
Additional capital for underwritting risk	1,249,112	1,155,761	1,154,082	(7.6)	(0.1)
Additional capital for credit risk	150,148	179,916	176,939	17.8	(1.7)
Additional capital for operating risk	28,268	29,871	27,213	(3.7)	(8.9)
Additional capital for market risk	-	93,355	94,725	-	1.5
Benefit of correlation between risks	(68,666)	(145,145)	(144,887)	111.0	(0.2)
Capital adequacy (a) - (b)	**332,270**	**354,191**	**350,588**	**5.5**	**(1.0)**
Solvency ratio (a) / (b) - %	**124.5**	**127.0**	**126.8**	**2.3 p.p.**	**-0.2 p.p.**

[1] Information based on the accounting principles of SUSEP (SUSEP GAAP).

4.2 PROPERTY AND CASUALTY

EARNINGS ANALYSIS

Table 54 – Property and Casualty | Income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**1,970,883**	**2,167,138**	**1,947,867**	**(1.2)**	**(10.1)**	**6,428,342**	**6,325,414**	**(1.6)**
Changes in technical reserves - premiums	224,508	(122,148)	103,084	(54.1)	-	349,880	(131,898)	-
Earned premiums	**2,195,391**	**2,044,990**	**2,050,951**	**(6.6)**	**0.3**	**6,778,222**	**6,193,516**	**(8.6)**
Revenue of policies issuance	3,899	4,859	3,853	(1.2)	(20.7)	16,421	16,851	2.6
Incurred claims	(1,330,405)	(1,172,903)	(1,103,707)	(17.0)	(5.9)	(3,914,177)	(3,636,185)	(7.1)
Acquisition costs	(430,016)	(426,976)	(421,061)	(2.1)	(1.4)	(1,306,724)	(1,264,269)	(3.2)
Result with reinsurance	(134,397)	(128,211)	(209,504)	55.9	63.4	(614,290)	(369,979)	(39.8)
Administrative expenses	(236,848)	(223,765)	(225,776)	(4.7)	0.9	(701,991)	(675,722)	(3.7)
Tax expenses	(35,865)	(46,740)	(47,129)	31.4	0.8	(125,246)	(138,163)	10.3
Other operating income (expenses)	(72,993)	(71,992)	(91,814)	25.8	27.5	(216,300)	(293,706)	35.8
Insurance operations result	**(41,234)**	**(20,738)**	**(44,187)**	**7.2**	**113.1**	**(84,085)**	**(167,658)**	**99.4**
Net investment income	**122,918**	**135,315**	**77,351**	**(37.1)**	**(42.8)**	**486,396**	**294,017**	**(39.6)**
Financial income	174,872	195,430	97,817	(44.1)	(49.9)	464,239	427,670	(7.9)
Financial expenses	(51,954)	(60,115)	(20,466)	(60.6)	(66.0)	22,157	(133,653)	-
Equity income	(840)	(580)	(618)	(26.5)	6.5	(2,561)	(1,854)	(27.6)
Operating result	**80,844**	**113,998**	**32,546**	**(59.7)**	**(71.5)**	**399,750**	**124,506**	**(68.9)**
Gains or losses on non-current assets	6,211	32	(1,321)	-	-	6,884	(657)	-
Earnings before taxes and profit sharing	**87,055**	**114,030**	**31,225**	**(64.1)**	**(72.6)**	**406,634**	**123,849**	**(69.5)**
Taxes	(33,817)	(42,038)	(2,708)	(92.0)	(93.6)	(167,974)	(24,274)	(85.5)
Profit sharing	(8,760)	(11,364)	(9,965)	13.8	(12.3)	(17,920)	(24,965)	39.3
Net income / loss	**44,478**	**60,627**	**18,552**	**(58.3)**	**(69.4)**	**220,740**	**74,610**	**(66.2)**

To provide a better analysis, the following table shows a managerial view built considering the reallocation of the result with reinsurance to the other accounts that compose the Income Statement. This reallocation allows the analysis of the performance ratios already considering the reinsurance effects.

Table 55 – Property and Casualty | Managerial income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**1.970.883**	**2.167.138**	**1.947.867**	**(1,2)**	**(10,1)**	**6.428.342**	**6.325.414**	**(1,6)**
Premiums ceded reinsurance	(302.861)	(396.088)	(242.027)	(20,1)	(38,9)	(1.165.252)	(1.075.136)	(7,7)
Retained premiums	**1.668.022**	**1.771.050**	**1.705.839**	**2,3**	**(3,7)**	**5.263.090**	**5.250.277**	**(0,2)**
Changes in technical reserves - premiums	146.680	(68.036)	10.719	(92,7)	-	384.254	(94.997)	-
Retained earned premiums	**1.814.702**	**1.703.014**	**1.716.559**	**(5,4)**	**0,8**	**5.647.345**	**5.155.281**	**(8,7)**
Retained claims	(1.084.113)	(959.139)	(978.818)	(9,7)	2,1	(3.397.590)	(2.967.927)	(12,6)
Acquisition costs	(430.016)	(426.976)	(421.061)	(2,1)	(1,4)	(1.306.724)	(1.264.269)	(3,2)
Revenue of policies issuance	3.899	4.859	3.853	(1,2)	(20,7)	16.421	16.851	2,6
Underwriting result	**304.471**	**321.758**	**320.533**	**5,3**	**(0,4)**	**959.452**	**939.935**	**(2,0)**
Administrative expenses	(236.848)	(223.765)	(225.776)	(4,7)	0,9	(701.991)	(675.722)	(3,7)
Tax expenses	(35.865)	(46.740)	(47.129)	31,4	0,8	(125.246)	(138.163)	10,3
Other operating income (expenses)	(72.993)	(71.992)	(91.814)	25,8	27,5	(216.300)	(293.706)	35,8
Equity income	(840)	(580)	(618)	(26,5)	6,5	(2.561)	(1.854)	(27,6)
Gains or losses on non-current assets	6.211	32	(1.321)	-	-	6.884	(657)	-
Non-interest operating result	**(35.864)**	**(21.286)**	**(46.125)**	**28,6**	**116,7**	**(79.762)**	**(170.167)**	**113,3**
Net investment income	**122.918**	**135.315**	**77.351**	**(37,1)**	**(42,8)**	**486.396**	**294.017**	**(39,6)**
Financial income	174.872	195.430	97.817	(44,1)	(49,9)	464.239	427.670	(7,9)
Financial expenses	(51.954)	(60.115)	(20.466)	(60,6)	(66,0)	22.157	(133.653)	-
Earnings before taxes and profit sharing	**87.055**	**114.030**	**31.225**	**(64,1)**	**(72,6)**	**406.634**	**123.849**	**(69,5)**
Taxes	(33.817)	(42.038)	(2.708)	(92,0)	(93,6)	(167.974)	(24.274)	(85,5)
Profit sharing	(8.760)	(11.364)	(9.965)	13,8	(12,3)	(17.920)	(24.965)	39,3
Adjusted net income / loss	**44.478**	**60.627**	**18.552**	**(58,3)**	**(69,4)**	**220.740**	**74.610**	**(66,2)**

Retained premiums = Premiums written + premiums ceded to reinsurance
Changes in technical provisions = Changes in technical provisions + changes in technical provisions on reinsured operations
Retained claims = Incurred claims - recovery of indemnity claims - recovery of claims expenses - changes in provisions for claims IBNR - salvages and reimbursed assets - changes in provision for claims IBNER provisions for claims to be settled - changes of expenses related to IBNR - changes in estimates for salvages and reimbursed assets - provisions for claims to be settled.

QUARTERLY ANALYSIS

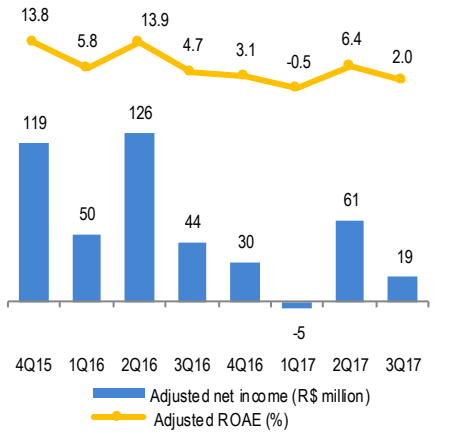
In the 3Q17, the net income from the Property & Casualty business fell 58.3% YoY to R$19.0 million, driven by weaker non-interest operating result and a lower net investment income.

Despite the improvement of 2.7 p.p. in the loss ratio YoY, the non-interest operating result was dragged down by the 5.4% decline in retained earned premiums in addition to the increase in the G&A ratio as well as in the commission ratio, and recorded a loss of R$46.1 million, compared to a R$35.9 million loss in the 3Q16.

The net investment income contracted by 37.1% YoY, burdened by the lower yield on interest earning assets, following the declining trend of the Selic rate.

The annualized return on average equity was down 2.7 p.p. YoY to 2.0%.

Figure 58 – Property and Casualty | Adjusted net income and ROAE



YEAR-TO-DATE ANALYSIS

Year-to-date, the net income was down 66.2%, as compared to the same period last year, to R$74.6 million, driven by the contraction in the net investment income in addition to the decline in the non-interest operating result.

The non-interest operating result was impacted by the 8.7% contraction in retained earned premiums, in addition to the increase in the G&A ratio as well as in the commission ratio, partially offset by the improvement in the loss ratio.

Additionally, it is worth noting that the performance of the 9M17 was impacted by two movements that affected both the G&A and the loss ratio:

(i) the change in the methodology for the calculation of the provision related to the recovery of reinsurance claims to be settled, which resulted in an additional impairment expense of R$29.7 million, booked as other operating income (expenses); and

(ii) the recovery of reinsurance claims from previous periods, which generated an income of R$30.7 million in the result with reinsurance line, which was reallocated to retained claims in the Managerial Income Statement.

However, the combined effect of these two movements was practically neutral in terms of impact on earnings, since they virtually offset each other.

Regarding the net investment income, the 39.6% decline is explained by the lower Selic rate, which dragged down the return on floating securities, along with the lower inflation, which had a negative impact on inflation protected securities classified as held to maturity.

The annualized return on average equity was down 5.5 p.p. to 2.7%.

Figure 59 – Property and Casualty | Adjusted net income composition (R$ million)

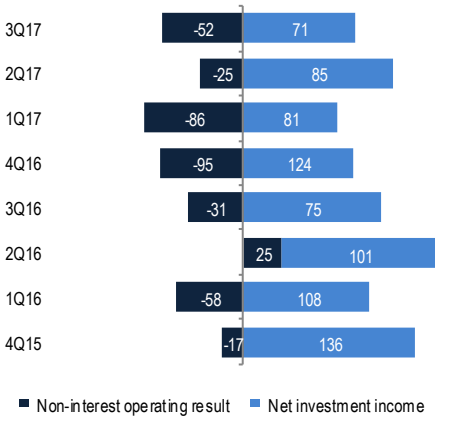


Table 56 – Property and Casualty | Managerial performance ratios

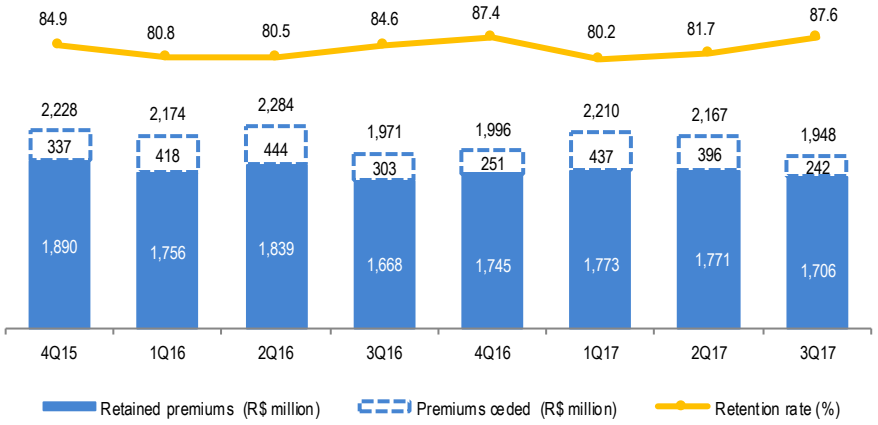
	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Performance ratios[1]								
Loss ratio	59.7	56.3	57.0	(2.7)	0.7	60.2	57.6	(2.6)
Commission ratio	23.7	25.1	24.5	0.8	(0.5)	23.1	24.5	1.4
G&A ratio	19.1	20.1	21.2	2.2	1.1	18.5	21.5	3.0
Combined ratio	102.3	101.2	102.6	0.3	1.4	101.5	103.3	1.8
Other ratios[1]								
Expanded combined ratio	95.8	93.8	98.2	2.4	4.4	93.4	97.7	4.2
Income tax rate	38.8	36.9	8.7	(30.2)	(28.2)	41.3	19.6	(21.7)
Adjusted ROAE	4.7	6.4	2.0	(2.8)	(4.5)	8.2	2.7	(5.5)

[1] Performance ratios calculated based on the managerial income statement, considering the reinsurance effects.

NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUMS WRITTEN

Figure 60 – Property and Casualty | Premiums written



QUARTERLY ANALYSIS

In the 3Q17, premiums written were down 1.2% YoY to R$1.9 billion, driven by lower volumes in casualties, other and DPVAT, partly offset by the increase in vehicles.

The retention rate was up 3.0 p.p., driven by the lower share of large risks within the sales mix, as this segment usually provides a higher volume of premiums ceded to reinsurance.

YEAR-TO-DATE ANALYSIS

Year-to-date, premiums written amounted to R$6.3 billion, 1.6% down YoY, driven by weaker volumes in DPVAT and in other, partly offset by the increase in auto.

Table 57 – Property and Casualty | Breakdown of premiums written

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M 16	9M 17	On 9M 16
Auto	930,650	1,069,528	989,091	6.3	(7.5)	3,064,076	3,076,684	0.4
Casualties	796,224	884,921	758,054	(4.8)	(14.3)	2,593,387	2,585,267	(0.3)
DPVAT	67,206	56,148	44,065	(34.4)	(215)	278,150	191,573	(31.1)
Other	176,803	156,541	156,658	(11.4)	0.1	492,729	471,889	(4.2)
Total	**1,970,883**	**2,167,138**	**1,947,867**	**(1.2)**	**(10.1)**	**6,428,342**	**6,325,414**	**(1.6)**

Figure 61 – Property and Casualty | Breakdown of premiums written (%)

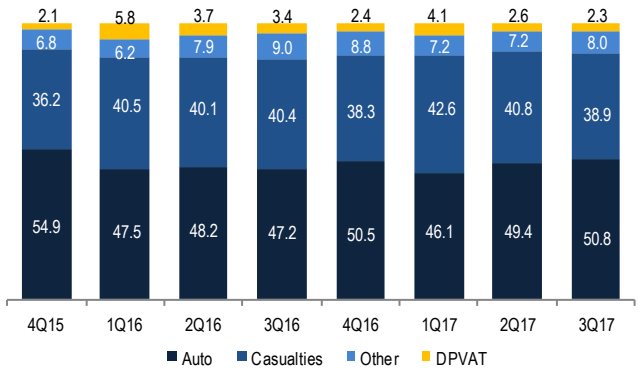


Figure 62 – Property and Casualty | Breakdown of retained premiums (%)

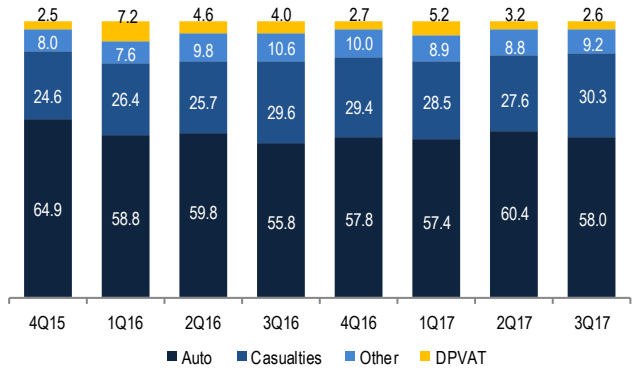


Table 58 – Property and Casualty | Breakdown of premiums written by channel

	Quarterly Flow						9 Months Flow			
%	3Q16		2Q17		3Q17		9M16		9M17	
Channel	Bank	Other	Bank	Other	Bank	Other	Bank	Other	Bank	Other
Auto	39.3	60.7	35.7	64.3	38.9	61.1	37.4	62.6	36.9	63.1
Casualties	17.9	82.1	15.0	85.0	17.4	82.6	16.7	83.3	15.6	84.4
Other	0.4	99.6	0.4	99.6	0.4	99.6	0.4	99.6	0.4	99.6
Total	**25.8**	**74.2**	**23.8**	**76.2**	**26.6**	**73.4**	**24.6**	**75.4**	**24.4**	**75.6**

CHANGES IN TECHNICAL RESERVERS - PREMIUMS

Table 59 – Property and Casualty | Changes in technical reserves – premiums

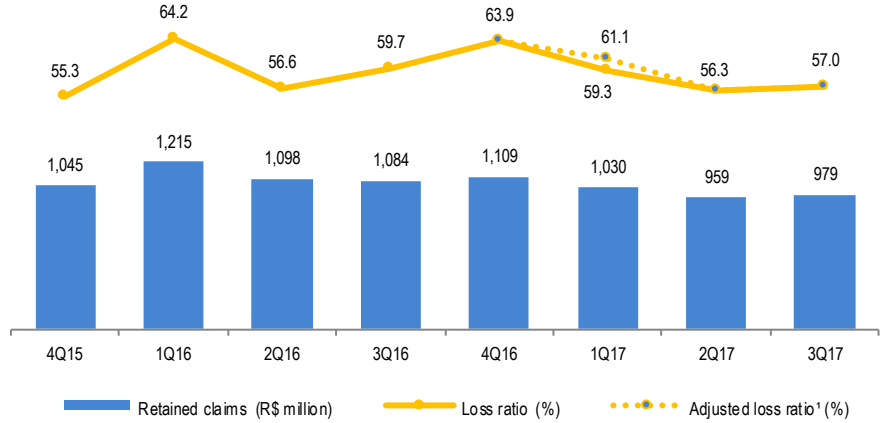
	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Provision for unearned premiums	224,736	(119,020)	103,174	(54.1)	-	362,856	(123,745)	-
Provision for administrative expenses - DPVAT	(56)	(501)	191	-	-	(1,265)	(2,476)	95.7
Provision for technical surplus	(172)	(2,626)	(281)	62.9	(89.3)	(11,711)	(5,677)	(51.5)
Change in technical reserves - premiums	**224,508**	**(122,148)**	**103,084**	**(54.1)**	**-**	**349,880**	**(131,898)**	**-**

RETAINED EARNED PREMIUMS

Table 60 – Property and Casualty | Breakdown of retained earned premiums

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Auto	1,074,659	1,006,133	1,018,300	(5.2)	1.2	3,374,352	3,024,131	(10.4)
Casualties	507,518	492,276	502,637	(1.0)	2.1	1,526,022	1,486,700	(2.6)
DPVAT	67,151	55,647	44,256	(34.1)	(20.5)	276,885	189,097	(31.7)
Other	165,375	148,958	151,366	(8.5)	1.6	470,086	455,352	(3.1)
Total	**1,814,702**	**1,703,014**	**1,716,559**	**(5.4)**	**0.8**	**5,647,345**	**5,155,281**	**(8.7)**

Figure 63 – Property and Casualty | Retained claims



[1]Adjustment segregates the effect of the recovery of reinsured claims from previous periods in the 1Q17.

QUARTERLY ANALYSIS

In the 3Q17, the loss ratio dropped 2.7 p.p. YoY, driven by the improvement seen in practically all segments, except for DPVAT.

YEAR-TO-DATE ANALYSIS

Loss ratio reduced by 2.6 p.p. compared to the first nine months of 2016, driven primarily by the improvement seen in the casualties segment.

It is worth noting that the comparables were impacted by:

In the nine months ended September 2016:

(i) the additional IBNR and IBNER provision in the 1Q16 which amounted to R$18.5 million ;

(ii) the R$83.5 million reversal of IBNER and IBNR provisions in the 2Q16, as a result of the deployment of changes in the methodology of calculation, which began to consider the estimates of revenues arising from salvage, in addition to the increase in reported claims in the 1H16, which led to the reversal of those provisions since, once reported, claims automatically become part of the provision for claims to be settled; and

(iii) the reversal of provisions for unearned premiums, which amounted to R$58.3 million, due to accounting adjustments along with changes in the risk-term of insurance policies hired to cover consortium groups, from yearly to monthly.

In the nine months ended September 2017:

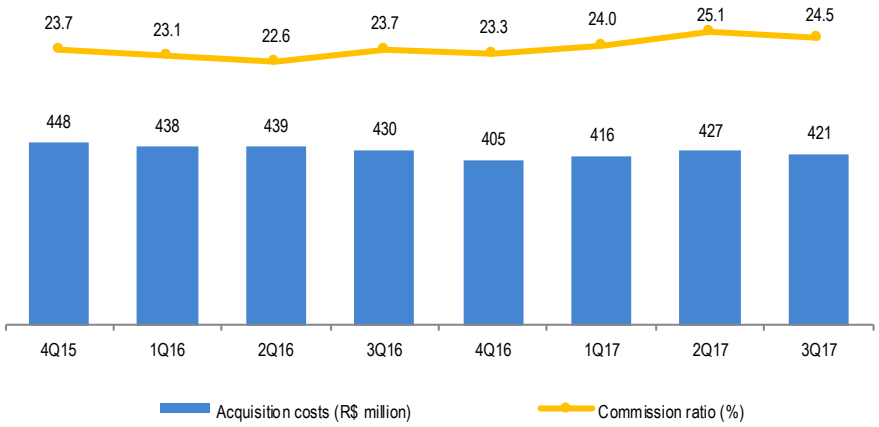
(i) the recovery of reinsured claims from previous periods amounting to R$30.7 million, which positively impacted the loss ratio for the casualties segment, the one that concentrates the greater amount of premiums ceded to reinsurance.

Setting all the aforementioned effects apart, the loss ratio for the 9M17 would have reduced by 3.8 p.p. as compared to the same period last year.

Table 61 – Property and Casualty | Breakdown of retained claims

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Incurred claims	**(1.330.405)**	**(1.172.903)**	**(1.103.707)**	**(17,0)**	**(5,9)**	**(3.914.177)**	**(3.636.185)**	**(7,1)**
Expenses with claims	(1439.011)	(1271526)	(1136.049)	(21,1)	(10,7)	(4.086.768)	(3.859.285)	(5,6)
Changes in provisions for claims IBNR	20.698	3.099	9.229	(55,4)	197,9	(75.488)	(18.291)	(75,8)
Changes in provisions for claims IBNER	(40.669)	10.733	(2.263)	(94,4)	-	(45.280)	(8.605)	(81,0)
Changes of expenses related to IBNR	339	(59)	43	(87,4)	-	432	(52)	-
Recovery of claims - Coinsurance	3.587	29.120	(55.582)	-	-	(1556)	73.947	-
Recovery of claims - Reinsurance	246.292	213.764	124.889	(49,3)	(41,6)	516.588	668.258	29,4
Salvage	91912	82.602	89.009	(3,2)	7,8	262.330	250.269	(4,6)
Reimbursements	39.871	35.305	57.493	44,2	62,8	112.457	124.864	11,0
Change in estimates of salvaged and reimbursement	39.629	708	(1190)	-	-	98.426	(5.495)	-
Assistance services	(46.760)	(62.884)	(64.396)	37,7	2,4	(178.730)	(193.538)	8,3
Retained claims	**(1.084.113)**	**(959.139)**	**(978.818)**	**(9,7)**	**2,1**	**(3.397.589)**	**(2.967.927)**	**(12,6)**

Figure 64 – Property and Casualty | Acquisition costs



QUARTERLY ANALYSIS

The commission ratio was up 0.8 p.p. YoY, driven by the increase seen in auto, partly offset by the decline in the casualties segment.

YEAR-TO-DATE ANALYSIS

In the first nine months of 2017, the commission ratio was up 1.4 p.p. to 24.5%, driven by the increase in auto and in other, partly offset by the decline in the commission ratio in the casualties segment.

It is worth reminding that the 9M16 comparable was positively impacted by the reversal of R$58.3 million in provisions for unearned premiums hired to cover consortium groups, due to changes in the risk-term of those policies which turned from yearly (traditional) to monthly.

Setting this effect apart, the commission ratio would have increased by 1.1 p.p. compared to the first nine months of 2016.

Table 62 – Property and Casualty | Acquisition costs

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Comission charged on premiums written	(312,189)	(322,392)	(288,592)	(7.6)	(10.5)	(952,407)	(899,474)	(5.6)
Agency commission	(47,354)	(74,620)	(83,165)	75.6	11.5	(125,285)	(232,403)	85.5
Commissions recovered - Coinsurance	3,010	2,807	1,195	(60.3)	(57.4)	4,899	6,190	26.3
Change in deferred acquisition costs	(18,739)	14,618	(2,197)	(88.3)	-	(66,453)	15,448	-
Other acquisition costs	(54,744)	(47,390)	(48,302)	(11.8)	1.9	(167,479)	(154,030)	(8.0)
Acquisition costs	**(430,016)**	**(426,976)**	**(421,061)**	**(2.1)**	**(1.4)**	**(1,306,724)**	**(1,264,269)**	**(3.2)**

QUARTERLY ANALYSIS

In the 3Q17, the underwriting result increased 5.3% YoY, driven by the improvement in the loss ratio, partly offset by the increase in the commission ratio in auto.

YEAR-TO-DATE ANALYSIS

Year-to-date, the underwriting result was down 2.0%, driven by the lower volume of retained earned premiums along with the increase in the commission ratio, partly offset by the improvement in loss ratio.

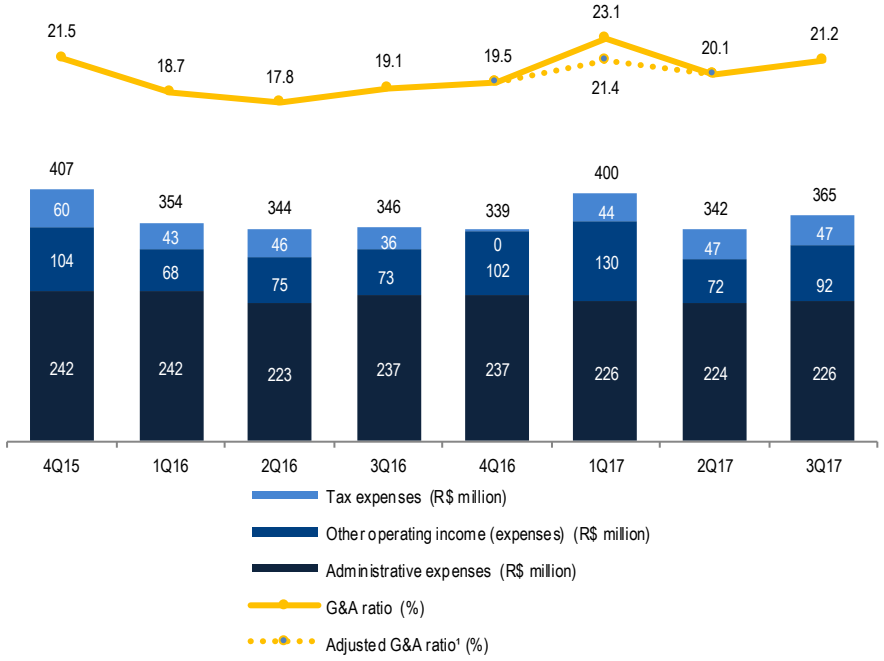
Table 63 – Property and Casualty | Underwriting result

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Auto	130,325	129,915	134,134	2.9	3.2	450,110	374,944	(16.7)
Casualties	86,377	144,916	113,121	31.0	(21.9)	246,679	369,424	49.8
Other	48,717	34,324	62,764	28.8	82.9	185,768	153,064	(17.6)
DPVAT	35,154	7,743	6,660	(81.1)	(14.0)	60,473	25,651	(57.6)
Underwriting margin by segment	**300,572**	**316,897**	**316,680**	**5.4**	**(0.1)**	**943,030**	**923,083**	**(2.1)**
Revenue of policies issuance	3,899	4,859	3,853	(1.2)	(20.7)	16,421	16,851	2.6
Underwriting margin	**304,471**	**321,756**	**320,533**	**5.3**	**(0.4)**	**959,451**	**939,934**	**(2.0)**

Table 64 – Property and Casualty | Underwriting result breakdown

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Auto	43.4	41.0	42.4	(1.0)	1.4	47.7	40.6	(7.1)
Casualties	28.7	45.7	35.7	7.0	(10.0)	26.2	40.0	13.9
Other	16.2	10.8	19.8	3.6	9.0	19.7	16.6	(3.1)
DPVAT	11.7	2.4	2.1	(9.6)	(0.3)	6.4	2.8	(3.6)

Figure 65 – Property and Casualty | G&A expenses



[1]Adjustment segregates the effect of the additional impairment expense related to the recovery of reinsured claims to be settled in the 1Q17.

QUARTERLY ANALYSIS

In the 3Q17, the G&A ratio rose 2.2 p.p YoY, driven by:

(i) higher expenses with civil contingencies, which had been positively impacted in the 3Q16 due to the reversal made after the revision of the methodology used to build these provisions;

(ii) the R$23.4 million additional provisions for past due premiums; and

(iii) higher tax expenses, as a result of the increase in the taxable income for PIS/COFINS tax collection, driven primarily by lower claims.

YEAR-TO-DATE ANALYSIS

Year-to-date, the G&A ratio was up 3.0 p.p. to 21.5%. It is worth noting that the ratio was positively impacted by the R$58.3 million reversal in provisions for unearned premiums in the 2Q16. On the other hand, in the 9M17 the G&A ratio was negatively affected by the following effects:

(i) the additional provisions for recovery of reinsured claims, which resulted in an additional impairment expense of R$29.7 million. It is worth reminding that this effect was offset by the recovery of reinsured claims from previous periods, which benefited the loss ratio in the period; and

(ii) the additional provision for past due premiums in the 3Q17, as mentioned in the quarterly analysis.

Setting apart these effects, the G&A ratio would have reached 20.5%, 1.8 p.p. up as compared to the first nine months of 2016.

Table 65 – Property and Casualty | General & Administrative expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Administrative expenses	**(236,848)**	**(223,765)**	**(225,776)**	**(4.7)**	**0.9**	**(701,991)**	**(675,722)**	**(3.7)**
Personnel	(122,567)	(115,538)	(110,877)	(9.5)	(4.0)	(364,979)	(343,122)	(6.0)
Outsourcing	(44,590)	(47,317)	(49,232)	10.4	4.0	(141,133)	(142,817)	1.2
Location and operation	(60,161)	(52,748)	(56,169)	(6.6)	6.5	(176,930)	(167,173)	(5.5)
Institutional advertisement and publicity	(4,441)	(2,955)	(6,210)	39.8	110.2	(9,653)	(11,008)	14.0
Publication	(80)	(118)	(106)	31.4	(10.5)	(773)	(882)	14.1
Other administrative expenses	(5,008)	(5,090)	(3,183)	(36.4)	(37.5)	(8,522)	(10,721)	25.8
Other operating income (expenses)	**(72,993)**	**(71,992)**	**(91,814)**	**25.8**	**27.5**	**(216,300)**	**(293,706)**	**35.8**
FESR contributions	(5)	-	-	-	-	(3)	(3)	34.3
Charging expenses	(9,266)	(10,042)	(9,995)	7.9	(0.5)	(31,879)	(33,509)	5.1
Civil contingencies	4,354	(6,618)	(5,997)	-	(9.4)	7,287	(18,697)	-
Expenses with events	(2,184)	(259)	(2,162)	(1.0)	733.5	(6,440)	(3,572)	(44.5)
Endomarketing	(2,317)	(2,320)	(2,320)	0.1	0.0	(6,960)	(6,960)	0.0
Social contributions	-	-	-	-	-	(325)	-	-
Impairment	(15,126)	4,508	(23,564)	55.8	-	(36,341)	(103,180)	183.9
Other operating income (expenses)	(48,449)	(57,260)	(47,776)	(1.4)	(16.6)	(141,640)	(127,785)	(9.8)
Tax expenses	**(35,865)**	**(46,740)**	**(47,129)**	**31.4**	**0.8**	**(125,246)**	**(138,163)**	**10.3**
COFINS	(25,395)	(35,374)	(35,085)	38.2	(0.8)	(93,074)	(103,563)	11.3
PIS	(4,264)	(5,850)	(5,858)	37.4	0.1	(15,207)	(17,226)	13.3
Inspection fee	(2,779)	(2,520)	(2,652)	(4.6)	5.3	(8,337)	(7,357)	(11.8)
Other tax expenses	(3,427)	(2,996)	(3,534)	3.1	18.0	(8,628)	(10,018)	16.1
G&A	**(345,706)**	**(342,496)**	**(364,719)**	**5.5**	**6.5**	**(1,043,536)**	**(1,107,592)**	**6.1**

Auto Insurance

Table 66 – Auto Insurance | Key figures

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**930.650**	**1069.528**	**989.091**	**6,3**	**(7,5)**	**3.064.076**	**3.076.684**	**0,4**
Premiums ceded to reinsurance	(0)	-	-	-	-	(786)	14	-
Retained premiums	**930.649**	**1069.528**	**989.091**	**6,3**	**(7,5)**	**3.063.290**	**3.076.698**	**0,4**
Changes in technical reserves - premiums	144.009	(63.396)	29.209	(79,7)	-	311.063	(52.567)	-
Earned premiums	**1074.659**	**1006.133**	**1018.300**	**(5,2)**	**1,2**	**3.374.352**	**3.024.131**	**(10,4)**
Retained claims	(756.434)	(697.888)	(695.433)	(8,1)	(0,4)	(2.340.428)	(2.092.918)	(10,6)
Acquisition costs	(187.899)	(178.330)	(188.733)	0,4	5,8	(583.814)	(556.269)	(4,7)
Underwriting margin	**130.325**	**129.915**	**134.134**	**2,9**	**3,2**	**450.110**	**374.944**	**(16,7)**

Table 67 – Auto Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
(%)	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Loss ratio	70.4	69.4	68.3	(2.1)	(1.1)	69.4	69.2	(0.2)
Commission ratio	17.5	17.7	18.5	1.0	0.8	17.3	18.4	1.1
Underwriting margin	12.1	12.9	13.2	1.0	0.3	13.3	12.4	(0.9)

QUARTERLY ANALYSIS

Auto insurance premiums written increased 6.3% YoY to R$989.1 million, helped by the performance in both distribution channels. The insured fleet declined 4.7% in 12 months, however, as compared to the previous quarter it showed a slight recovery, with a 0.5% growth QoQ in the number of insured vehicles.

In the 3Q17, the underwriting margin improved by 1.0 p.p. YoY, helped by the 2.1 p.p. decline in the loss ratio, concentrated in the bancassurance channel, partly offset by the increase in the commission ratio in both distribution channels.

YEAR-TO-DATE ANALYSIS

In the first nine months of 2017, auto insurance premiums written were up 0.4% to R$3.1 billion, supported by the independent broker channel.

The underwriting margin fell 0.9 p.p., impacted by the increase in the commission ratio in both distribution channels, partly offset by the improvement in the loss ratio in the bancassurance channel.

Figure 66 – Auto Insurance | Premiums written (R$ million)

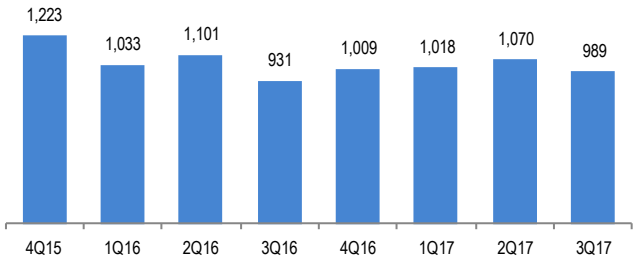


Figure 67 – Auto Insurance | Insured fleet (thousand)

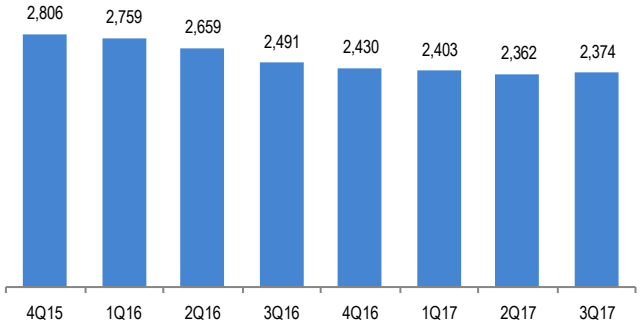


Figure 68 – Auto Insurance | Underwriting margin (R$ million)

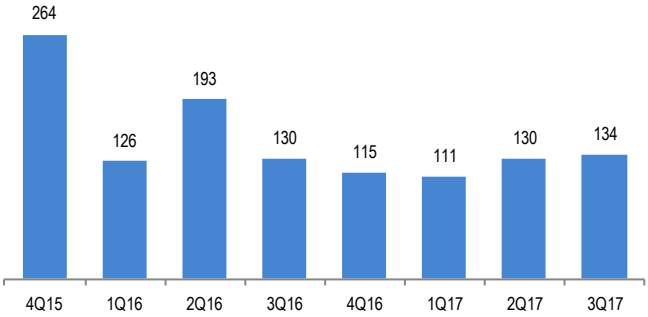


Figure 69 – Auto Insurance | Underwriting margin by distribution channel (%)

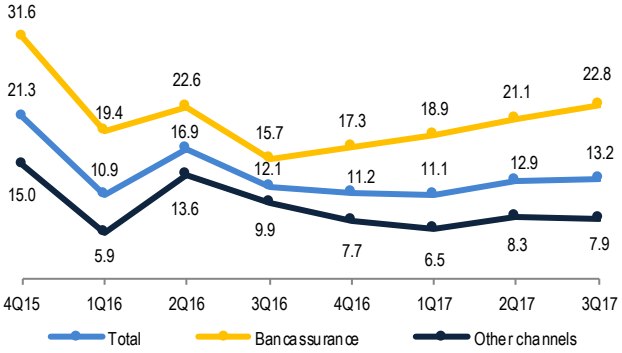


Figure 70 – Auto Insurance | Loss ratio (%)

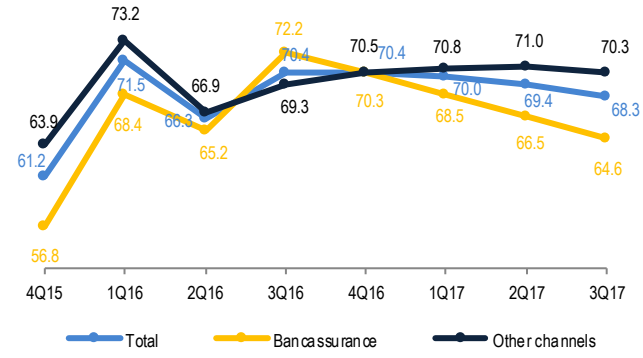
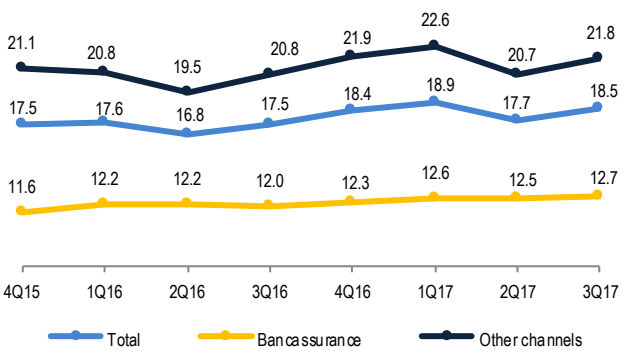


Figure 71 – Auto Insurance | Commission ratio (%)



Casualty Insurance

Table 68 – Casualty Insurance | Key figures

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**796.224**	**884.921**	**758.054**	**(4,8)**	**(14,3)**	**2.593.387**	**2.585.267**	**(0,3)**
Premiums ceded to reinsurance	(302.268)	(395.342)	(241767)	(20,0)	(38,8)	(1163.036)	(1073.482)	(7,7)
Retained premiums	**493.957**	**489.579**	**516.287**	**4,5**	**5,5**	**1.430.351**	**1511.785**	**5,7**
Changes in technical reserves - premiums	13.561	2.698	(13.650)	-	-	95.671	(25.086)	-
Earned premiums	**507.518**	**492.276**	**502.637**	**(1,0)**	**2,1**	**1526.022**	**1486.700**	**(2,6)**
Retained claims	(240.133)	(178.479)	(212.852)	(11,4)	19,3	(724.794)	(597.409)	(17,6)
Acquisition costs	(181008)	(168.882)	(176.663)	(2,4)	4,6	(554.549)	(519.867)	(6,3)
Underwriting margin	**86.377**	**144.916**	**113.121**	**31,0**	**(21,9)**	**246.679**	**369.424**	**49,8**

Table 69 – Casualty Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
(%)	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Loss ratio	47.3	36.3	42.3	(5.0)	6.1	47.5	40.2	(7.3)
Commission ratio	35.7	34.3	35.1	(0.5)	0.8	36.3	35.0	(14)
Underwriting margin	17.0	29.4	22.5	5.5	(6.9)	16.2	24.8	8.7

QUARTERLY ANALYSIS

In the 3Q17, casualty insurance premiums written amounted to R$758.1 million, 4.8% down YoY, given the sales contraction in both distribution channels, mainly in the large risks segment.

The underwriting margin improved by 5.5 p.p., driven by the lower loss ratio along with the decline in the commission ratio in the independent broker channel.

YEAR-TO-DATE ANALYSIS

Year-to-date, casualty insurance premiums written were down 0.3% to R$2.6 billion, dragged down by the independent broker channel.

The underwriting margin improved by 8.7 p.p., driven by the lower loss ratio along with the decline in the commission ratio in the independent broker channel.

It is worth mentioning that, as described in the net income section as well as in the retained claims section of this chapter, the loss ratio in the first nine months of 2017 was positively impacted by the recovery of reinsured claims from previous periods, with a direct impact on the casualties segment, which amounted to R$30.7 million.

Figure 72 – Casualty Insurance | Premiums written (R$ million)

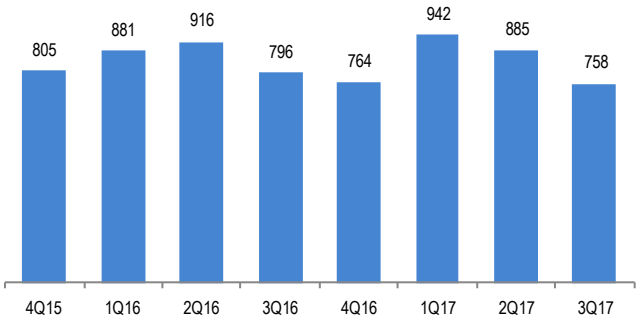
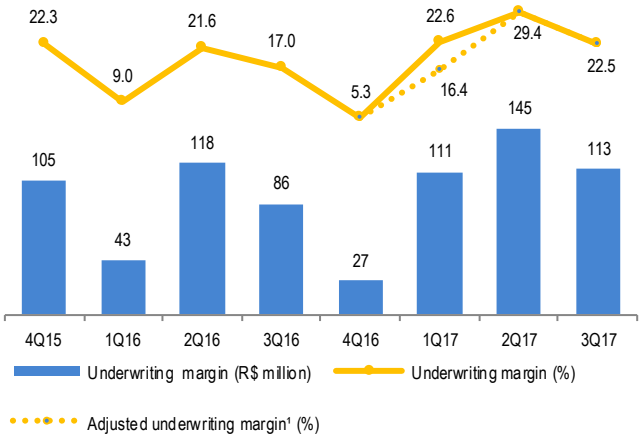
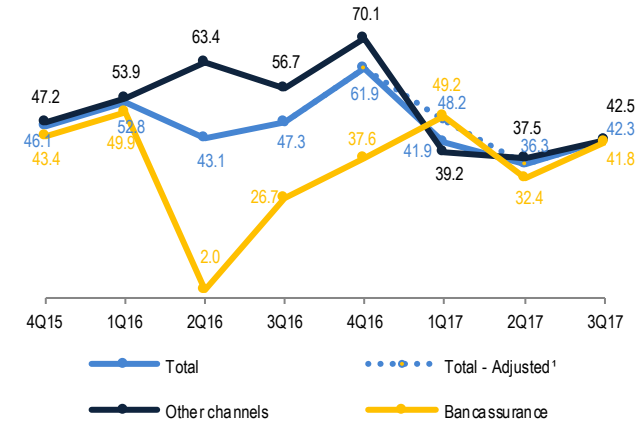


Figure 73 – Casualty Insurance | Underwriting margin



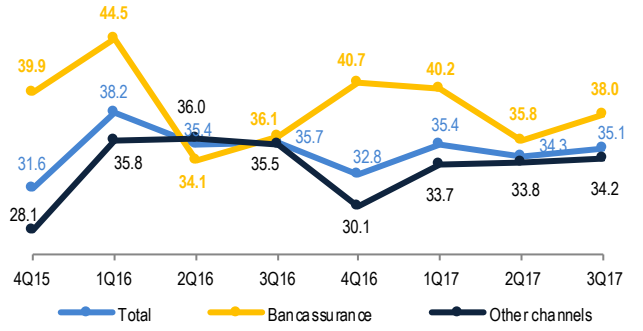
¹Adjustment segregate the effect of the recovery of reinsured claims from previous periods in the 1Q17.

Figure 74 – Casualty Insurance | Loss ratio (%)



¹Adjustment segregate the effect of the recovery of reinsured claims from previous periods in the 1Q17.

Figure 75 – Casualty Insurance | Commission ratio (%)



DPVAT

Table 70 – DPVAT | Key figures

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**67.206**	**56.148**	**44.065**	**(34,4)**	**(21,5)**	**278.150**	**191.573**	**(31,1)**
Retained premiums	**67.206**	**56.148**	**44.065**	**(34,4)**	**(21,5)**	**278.150**	**191.573**	**(31,1)**
Changes in technical reserves - premiums	(56)	(501)	191	-	-	(1.265)	(2.476)	95,7
Earned premiums	**67.151**	**55.647**	**44.256**	**(34,1)**	**(20,5)**	**276.885**	**189.097**	**(31,7)**
Retained claims	(31.056)	(47.241)	(37.076)	19,4	(21,5)	(212.517)	(161.186)	(24,2)
Acquisition costs	(941)	(663)	(520)	(44,7)	(21,5)	(3.895)	(2.260)	(42,0)
Underwriting margin	**35.154**	**7.743**	**6.660**	**(81,1)**	**(14,0)**	**60.473**	**25.651**	**(57,6)**

Table 71 – DPVAT | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
(%)	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Loss ratio	46.2	84.9	83.8	37.5	(1.1)	76.8	85.2	8.5
Commission ratio	1.4	1.2	1.2	(0.2)	(0.0)	1.4	1.2	(0.2)
Underwriting margin	52.4	13.9	15.0	(37.3)	1.1	21.8	13.6	(8.3)

Other

Table 72 – Other | Key figures

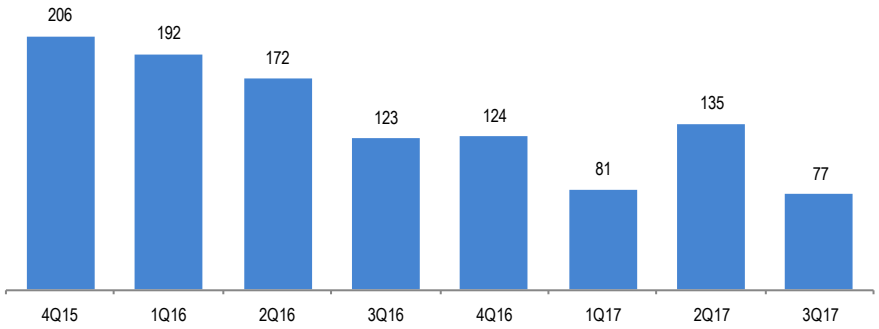
	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premiums written	**176.803**	**156.541**	**156.658**	**(11,4)**	**0,1**	**492.729**	**471.889**	**(4,2)**
Premiums ceded to reinsurance	(592)	(746)	(261)	(56,0)	(65,1)	(1.428)	(1.669)	16,8
Retained premiums	**176.210**	**155.795**	**156.397**	**(11,2)**	**0,4**	**491.300**	**470.220**	**(4,3)**
Changes in technical reserves - premiums	(10.835)	(6.837)	(5.031)	(53,6)	(26,4)	(21.212)	(14.868)	(29,9)
Earned premiums	**165.375**	**148.958**	**151.366**	**(8,5)**	**1,6**	**470.086**	**455.352**	**(3,1)**
Retained claims	(56.491)	(35.532)	(33.457)	(40,8)	(5,8)	(119.850)	(116.414)	(2,9)
Acquisition costs	(60.167)	(79.103)	(55.145)	(8,3)	(30,3)	(164.469)	(185.874)	13,0
Underwriting margin	**48.717**	**34.324**	**62.764**	**28,8**	**82,9**	**185.768**	**153.064**	**(17,6)**

Table 73 – Other | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
(%)	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Loss ratio	34.2	23.9	22.1	(12.1)	(1.8)	25.5	25.6	0.1
Commission ratio	36.4	53.1	36.4	0.0	(16.7)	35.0	40.8	5.8
Underwriting margin	29.5	23.0	41.5	12.0	18.4	39.5	33.6	(5.9)

NET INVESTMENT INCOME

Figure 76 – Property and Casualty | Net investment income (R$ million)



QUARTERLY ANALYSIS

In the 3Q17, the net investment income was down 37.1% YoY, driven essentially by the reduction in the average yield on interest earning assets, in line with the declining average Selic rate.

YEAR-TO-DATE ANALYSIS

In the first nine months of 2017, the net investment income was down 39.6%, explained by the contraction in the average yield on interest earning assets. The lower return on interest earning assets can be explained by the reduction in the average Selic rate, which negatively affected the return on floating securities, in addition to the decline in inflation, which had a negative impact on inflation protected securities classified as held to maturity.

Table 74 – Property and Casualty | Financial investments portfolio

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Trading	**2,211,533**	**2,496,345**	**2,951,451**	**33.5**	**18.2**
Pre-fixed	4,556	8,440	8,794	93.0	4.2
Floating	1,563,956	1,738,152	2,192,303	40.2	26.1
Inflation	290	304	304	5.0	0.0
Other	642,732	749,448	750,050	16.7	0.1
Available for sale	**797,265**	**745,288**	**368,443**	**(53.8)**	**(50.6)**
Pre-fixed	24,896	-	-	-	-
Floating	492,920	719,983	347,973	(29.4)	(51.7)
Inflation	236,297	833	-	-	-
Other	43,152	24,472	20,470	(52.6)	(16.4)
Held to maturity securities	**1,522,618**	**1,195,719**	**1,177,088**	**(22.7)**	**(1.6)**
Pre-fixed	651,835	306,429	299,672	(54.0)	(2.2)
Floating	18,634	11,128	-	-	-
Inflation	852,149	878,162	877,416	3.0	(0.1)
Total	**4,531,417**	**4,437,352**	**4,496,982**	**(0.8)**	**1.3**

Figure 77 – Property and Casualty | Breakdown of financial investments by index (%)

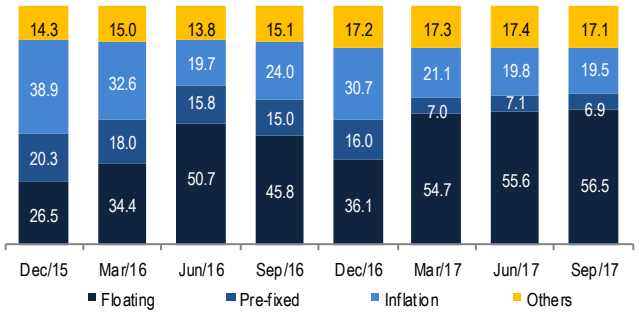
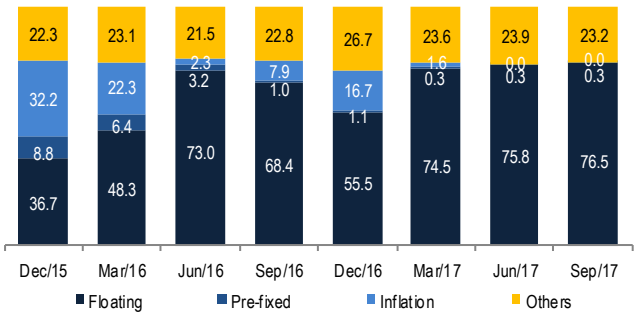


Figure 78 – Property and Casualty | Breakdown of mark to market financial investments by index (%)



BALANCE SHEET ANALYSIS

Table 75 – Property and Casualty | Balance sheet

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Assets	**14,161,111**	**14,018,761**	**13,755,359**	**(2.9)**	**(1.9)**
Cash	119,492	102,171	85,671	(28.3)	(16.1)
Financial assets	4,531,417	4,437,352	4,496,982	(0.8)	1.3
Receivables from insurance and reinsurance operations	3,755,418	3,550,345	3,399,465	(9.5)	(4.2)
Reinsurance and retrocession - technical reserves	2,163,084	2,085,502	1,960,757	(9.4)	(6.0)
Securities and credits receivable	1,663,231	1,904,006	1,920,963	15.5	0.9
Other	344,479	338,516	312,640	(9.2)	(7.6)
Prepaid expenses	28,094	30,742	10,647	(62.1)	(65.4)
Deferred costs	719,650	748,714	746,517	3.7	(0.3)
Investments	257,508	257,582	257,581	0.0	(0.0)
Fixed assets	73,150	61,031	61,139	(16.4)	0.2
Intangible	505,588	502,800	502,997	(0.5)	0.0
Liabilities	**10,382,652**	**10,237,898**	**10,041,771**	**(3.3)**	**(1.9)**
Accounts payable	589,576	574,187	544,988	(7.6)	(5.1)
Obligations with insurance and reinsurance operations	1,223,282	1,057,954	1,028,054	(16.0)	(2.8)
Technical reserves - insurance	7,767,768	7,733,585	7,566,393	(2.6)	(2.2)
Third party deposits	133,012	187,777	205,734	54.7	9.6
Other liabilities	669,014	684,395	696,603	4.1	1.8
Shareholders' equity	**3,778,459**	**3,780,863**	**3,713,587**	**(1.7)**	**(1.8)**

Table 76 – Property and Casualty | Receivables from insurance and reinsurance operations

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Receivable premiums	2,954,670	3,048,231	2,899,953	(1.9)	(4.9)
Operations with insurance companies	129,217	92,521	109,743	(15.1)	18.6
Premiums	65,904	57,852	61,252	(7.1)	5.9
Claims paid	43,575	29,089	42,331	(2.9)	45.5
Other receivables	19,738	5,580	6,160	(68.8)	10.4
Operations with reinsurance companies	695,833	573,186	580,624	(16.6)	1.3
Claims paid	556,929	429,482	414,910	(25.5)	(3.4)
Other receivables	138,904	143,704	165,714	19.3	15.3
Other operating receivables	175,559	138,807	136,846	(22.1)	(1.4)
Impairment	(199,860)	(302,400)	(327,701)	64.0	8.4
Receivables from insurance and reinsurance operations	**3,755,418**	**3,550,345**	**3,399,465**	**(9.5)**	**(4.2)**

Table 77 – Property and Casualty | Reinsurance and retrocession – technical reserves

	Balance			Chg. %	
R$ thousand	**Sep/16**	**Jun/17**	**Sep/17**	**On Sep/16**	**On Jun/17**
Deferred premiums - PPNG	687,436	725,380	652,925	(5.0)	(10.0)
Deferred premiums - RVNE	148,770	149,176	149,091	0.2	(0.1)
IBNR claims	99,614	98,862	100,653	1.0	1.8
Pending claims	1,202,394	1,096,909	1,042,156	(13.3)	(5.0)
Provision for related expenses	24,869	15,176	15,932	(35.9)	5.0
Reinsurance and retrocession - technical reserves	**2,163,084**	**2,085,502**	**1,960,757**	**(9.4)**	**(6.0)**

Table 78 – Property and Casualty | Securities and credit receivable

	Balance			Chg. %	
R$ thousand	**Sep/16**	**Jun/17**	**Sep/17**	**On Sep/16**	**On Jun/17**
Securities and credits receivable	212,817	209,510	205,151	(3.6)	(2.1)
Other tax and social security receivables	60,334	200,735	190,061	215.0	(5.3)
Receivable tax and social security - tax loss	325,921	360,986	359,285	10.2	(0.5)
Receivable tax and social security - temporary adjustements	254,122	297,708	317,543	25.0	6.7
Tax and judicial deposits	763,785	807,743	819,515	7.3	1.5
Other receivables	65,504	54,933	55,280	(15.6)	0.6
Impairment	(19,253)	(27,609)	(25,871)	34.4	(6.3)
Securities and credits receivable	**1,663,231**	**1,904,006**	**1,920,963**	**15.5**	**0.9**

Table 79 – Property and Casualty | Accounts payable

	Balance			Chg. %	
R$ thousand	**Sep/16**	**Jun/17**	**Sep/17**	**On Sep/16**	**On Jun/17**
Payable liabilities	215,221	215,722	199,407	(7.3)	(7.6)
Deferred taxes	51,351	50,957	50,704	(1.3)	(0.5)
Social securities and taxes payable	180,049	192,986	176,014	(2.2)	(8.8)
Labor charges	51,719	43,022	47,151	(8.8)	9.6
Taxes and contributions	39,814	30,001	18,551	(53.4)	(38.2)
Other accounts payable	51,422	41,499	53,160	3.4	28.1
Accounts payable	**589,576**	**574,187**	**544,988**	**(7.6)**	**(5.1)**

Table 80 – Property and Casualty | Obligations with insurance and reinsurance operations

	Balance			Chg. %	
R$ thousand	**Sep/16**	**Jun/17**	**Sep/17**	**On Sep/16**	**On Jun/17**
Premiums to return	11,893	3,809	(696)	-	-
Operations with insurance companies	166,922	74,858	47,693	(71.4)	(36.3)
Operations with reinsurance companies	689,478	646,899	632,320	(8.3)	(2.3)
Insurance and reinsurance brokers	337,549	6,565	77,466	(77.1)	1,080.0
Other operating obligations	17,438	325,823	271,271	1,455.6	(16.7)
Obligations with insurance and reinsurance operations	**1,223,282**	**1,057,954**	**1,028,054**	**(16.0)**	**(2.8)**

SOLVENCY

Table 81 – Property and Casualty | Solvency[1]

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Brasilveículos					
Adjusted shareholders' equity (a)	**503,338**	**450,471**	**426,462**	**(15.3)**	**(5.3)**
Minimum capital required (b)	**409,628**	**377,322**	**372,998**	**(8.9)**	**(1.1)**
Additional capital for underwritting risk	369,711	334,044	333,478	(9.8)	(0.2)
Additional capital for market risk	-	6,564	4,462	-	(32.0)
Additional capital for credit risk	50,697	55,489	50,822	0.2	(8.4)
Additional capital for operating risk	12,136	10,550	10,210	(15.9)	(3.2)
Benefit of correlation between risks	(22,916)	(29,325)	(25,974)	13.3	(11.4)
Capital adequacy (a) - (b)	**93,710**	**73,149**	**53,464**	**(42.9)**	**(26.9)**
Solvency ratio (a) / (b) - %	**122.9**	**119.4**	**114.3**	**-8.5 p.p.**	**-5.1 p.p.**
Aliança do Brasil Seguros					
Adjusted shareholders' equity (a)	**217,460**	**217,204**	**188,519**	**(13.3)**	**(13.2)**
Minimum capital required (b)	**108,268**	**107,897**	**108,325**	**0.1**	**0.4**
Additional capital for underwritting risk	93,462	91,035	92,543	(1.0)	1.7
Additional capital for market risk	-	1,191	1,371	-	15.1
Additional capital for credit risk	17,404	21,011	19,694	13.2	(6.3)
Additional capital for operating risk	4,998	4,410	4,145	(17.1)	(6.0)
Benefit of correlation between risks	(7,596)	(9,750)	(9,428)	24.1	(3.3)
Capital adequacy (a) - (b)	**109,192**	**109,307**	**80,194**	**(26.6)**	**(26.6)**
Solvency ratio (a) / (b) - %	**200.9**	**201.3**	**174.0**	**-26.8 p.p.**	**-27.3 p.p.**
MAPFRE Seguros Gerais					
Adjusted shareholders' equity (a)	**1,951,086**	**2,006,417**	**2,023,842**	**3.7**	**0.9**
Minimum capital required (b)	**1,007,776**	**983,956**	**986,780**	**(2.1)**	**0.3**
Additional capital for underwritting risk	863,440	829,695	835,957	(3.2)	0.8
Additional capital for market risk	-	32,610	28,342	-	(13.1)
Additional capital for credit risk	181,799	184,310	181,657	(0.1)	(1.4)
Additional capital for operating risk	40,537	39,031	38,674	(4.6)	(0.9)
Benefit of correlation between risks	(78,000)	(101,690)	(97,850)	25.4	(3.8)
Capital adequacy (a) - (b)	**943,310**	**1,022,461**	**1,037,062**	**9.9**	**1.4**
Solvency ratio (a) / (b) - %	**193.6**	**203.9**	**205.1**	**11.5 p.p.**	**1.2 p.p.**
Total MAPFRE BB SH2					
Adjusted shareholders' equity (a)	**2,671,884**	**2,674,092**	**2,638,823**	**(1.2)**	**(1.3)**
Minimum capital required (b)	**1,525,672**	**1,469,175**	**1,468,103**	**(3.8)**	**(0.1)**
Additional capital for underwritting risk	1,326,613	1,254,774	1,261,978	(4.9)	0.6
Additional capital for market risk	-	40,365	34,175	-	(15.3)
Additional capital for credit risk	249,900	260,810	252,173	0.9	(3.3)
Additional capital for operating risk	57,671	53,991	53,029	(8.0)	(1.8)
Benefit of correlation between risks	(108,512)	(140,765)	(133,252)	22.8	(5.3)
Capital adequacy (a) - (b)	**1,146,212**	**1,204,917**	**1,170,720**	**2.1**	**(2.8)**
Solvency ratio (a) / (b) - %	**175.1**	**182.0**	**179.7**	**4.6 p.p.**	**-2.3 p.p.**

[1] Information based on the accounting principles adopted by SUSEP.

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4.3 PENSION PLANS

EARNINGS ANALYSIS

Table 82 – Pension Plans | Income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Total revenue from pension and insurance	**10,218,318**	**9,120,673**	**10,629,158**	**4.0**	**16.5**	**32,039,114**	**29,758,038**	**(7.1)**
Provision for benefits to be granted	(10,170,159)	(9,064,679)	(10,573,265)	4.0	16.6	(31,892,373)	(29,590,924)	(7.2)
Net revenue from pension and insurance	**48,159**	**55,994**	**55,893**	**16.1**	**(0.2)**	**146,741**	**167,114**	**13.9**
Management fee	524,060	574,198	621,952	18.7	8.3	1,428,572	1,768,703	23.8
Changes in other technical reserves	10,051	(17,468)	(21,309)	-	22.0	(31,721)	(44,159)	39.2
Expenses with benefits, redemptions and claims	(43,533)	(19,964)	(23,429)	(46.2)	17.4	(78,494)	(69,205)	(11.8)
Acquisition costs	(128,545)	(148,917)	(143,096)	11.3	(3.9)	(331,521)	(438,856)	32.4
Earned premiums	**49,732**	**51,071**	**48,638**	**(2.2)**	**(4.8)**	**150,509**	**149,937**	**(0.4)**
Contributions to cover risks	49,453	49,415	48,477	(2.0)	(1.9)	147,989	149,472	1.0
Changes in technical reserves - premiums	278	1,656	161	(42.1)	(90.3)	2,520	465	(81.5)
Gross income	**459,924**	**494,913**	**538,650**	**17.1**	**8.8**	**1,284,087**	**1,533,535**	**19.4**
Administrative expenses	(84,757)	(94,836)	(96,670)	14.1	1.9	(247,618)	(282,725)	14.2
Tax expenses	(42,544)	(44,905)	(48,088)	13.0	7.1	(117,151)	(139,066)	18.7
Other operating income (expenses)	(5,558)	(6,988)	(8,758)	57.6	25.3	(26,253)	(23,026)	(12.3)
Result with pension plans and insurance	**327,066**	**348,184**	**385,133**	**17.8**	**10.6**	**893,065**	**1,088,717**	**21.9**
Net investment income	**115,576**	**93,830**	**151,145**	**30.8**	**61.1**	**396,835**	**352,076**	**(11.3)**
Financial income	5,707,781	3,876,418	6,236,616	9.3	60.9	16,349,507	16,670,865	2.0
Financial expenses	(5,592,205)	(3,782,588)	(6,085,472)	8.8	60.9	(15,952,672)	(16,318,789)	2.3
Operating result	**442,641**	**442,015**	**536,278**	**21.2**	**21.3**	**1,289,900**	**1,440,793**	**11.7**
Gains or losses on non-current assets	-	(1)	(23)	-	1,482.2	85	(2,223)	-
Earnings before taxes and profit sharing	**442,641**	**442,014**	**536,255**	**21.1**	**21.3**	**1,289,984**	**1,438,570**	**11.5**
Taxes	(162,052)	(178,198)	(229,245)	41.5	28.6	(538,275)	(613,639)	14.0
Profit sharing	(2,940)	(3,627)	(3,235)	10.0	(10.8)	(9,373)	(12,580)	34.2
Net income	**277,649**	**260,189**	**303,776**	**9.4**	**16.8**	**742,336**	**812,350**	**9.4**

QUARTERLY ANALYSIS

In the 3Q17, the net income of the Pension business rose 9.4% YoY to R$303.8 million. The annualized return on average equity reached 46.8% in the quarter, 3.8 p.p. up as compared to the same period last year.

The performance was supported by the improvement in the non-interest operating result, as a consequence of the 18.7% increase in revenues with management fees along with the improvement in the cost-to-income ratio and better net investment income, which was driven by the wider net interest margin between the company's earning assets and its interest bearing liabilities.

YEAR-TO-DATE ANALYSIS

Year-to-date, the net income income rose 9.4% to R$812.4 million. The annualized return on average equity for the period recorded 43.3%, 3.6 p.p. up as compared to the same period last year.

The performance was driven by the evolution in the non-interest operating result, explained by the increase in revenues with management fees along with an improvement of 0.5 p.p. in the cost-to-income ratio.

On the other hand, the lower inflation affected the net investment income, which was down 11.3% as compared to the same period of 2016.

Figure 79 – Pension Plans | Adjusted net income and ROAE

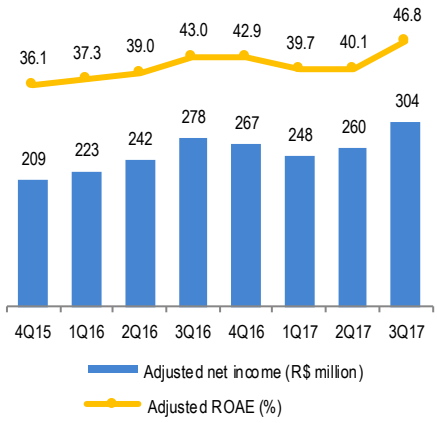
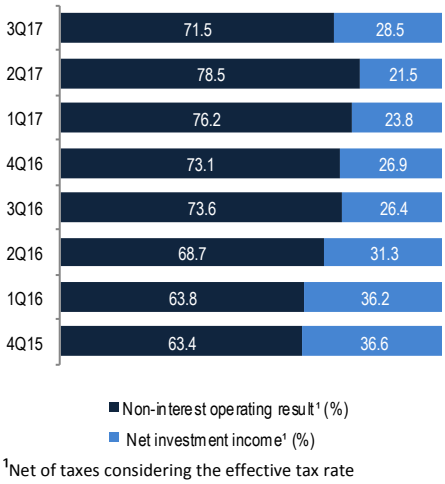


Figure 80 – Pension Plans | Adjusted net income breakdown



[1]Net of taxes considering the effective tax rate

Table 83 – Pension Plans | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Commission ratio	1.3	1.6	1.3	0.1	(0.3)	1.0	1.5	0.4
Load fee	0.5	0.6	0.5	0.1	(0.1)	0.5	0.6	0.1
Management fee	1.15	1.12	1.11	(0.04)	(0.01)	1.16	1.12	(0.04)
Redemption ratio	7.8	8.2	7.7	(0.1)	(0.5)	8.4	8.0	(0.4)
Cost to income ratio	47.4	48.9	47.0	(0.4)	(1.9)	48.3	47.8	(0.5)
Income tax rate	36.6	40.3	42.7	6.1	2.4	41.7	42.7	0.9
Adjusted ROAE	43.0	40.1	46.8	3.8	6.7	39.7	43.3	3.6

INCOME AND PREMIUMS CONTRIBUTION

Figure 81 – Pension Plans | Contributions (R$ million)

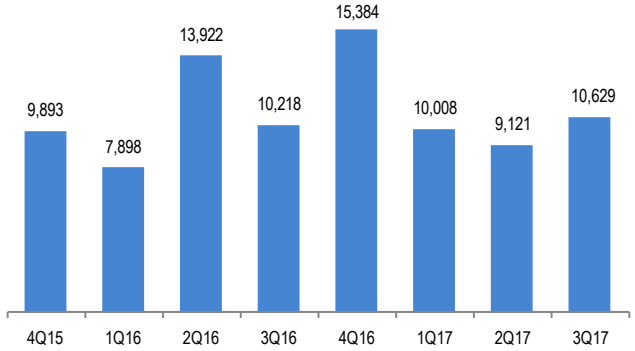
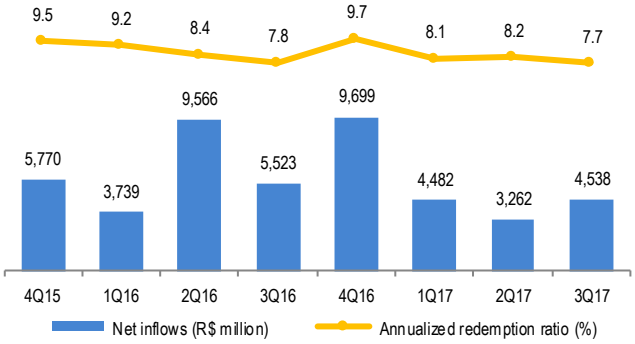


Figure 82 – Pension Plans | Net inflows and redemption ratio



QUARTERLY ANALYSIS

In the 3Q17, pension plans contributions were up 4.0% YoY, propelled by higher inflows to sporadic plans. The improvement was mainly concentrated in VGBL plans, which increased its share by 0.3 p.p. in total contributions raised in the quarter.

Net inflows amounted to R$4.5 billion, 17.8% down YoY.

YEAR-TO-DATE ANALYSIS

Year-to-date, pension plans contributions were down 7.1% to R$29.8 billion. The weaker performance in contributions had a direct impact on net inflows, which declined by 34.8% as compared to the same period last year. This effect was partially offset by the 0.4 p.p. reduction in the redemption ratio, which recorded 8.0% year-to-date September 2017.

Figure 83 – Pension Plans | Contributions breakdown (%)

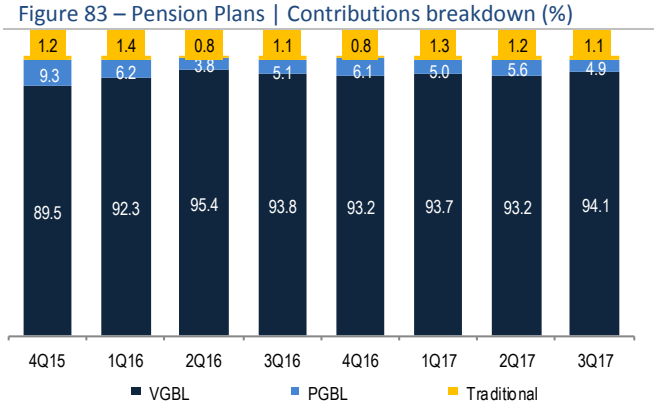
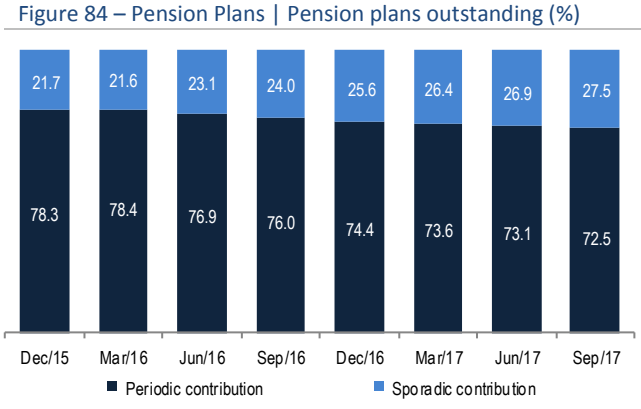


Figure 84 – Pension Plans | Pension plans outstanding (%)



As of September 2017, the volume of technical reserves increased 23.7% in twelve months, reaching R$225.9 billion. The volume of assets under management related to PGBL and VGBL plans increased 24.9% to R$216.8 billion.

Figure 85 – Pension Plans | Technical reserves (R$ billion)

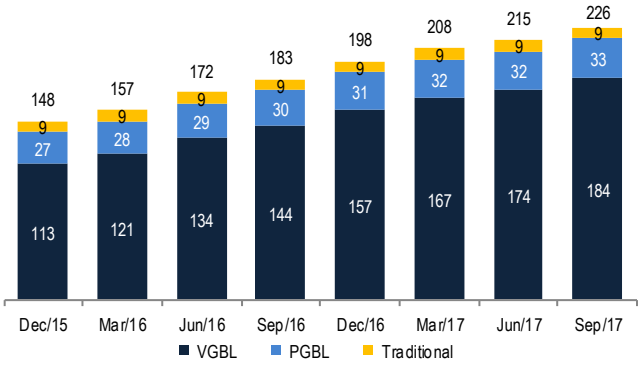


Figure 86 – Pension Plans | Technical reserves (%)

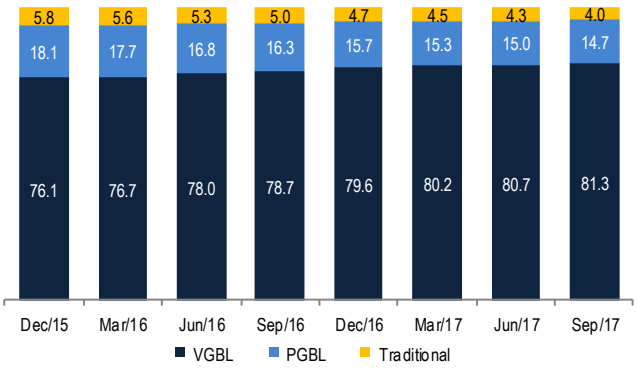


Figure 87 – Pension Plans | Active plans (thousand)

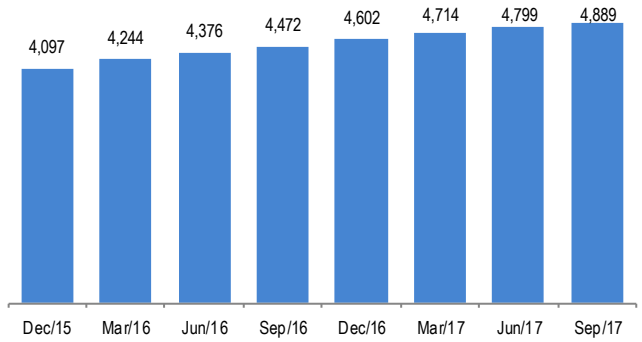


Figure 88 – Pension Plans | CPFs (thousand)

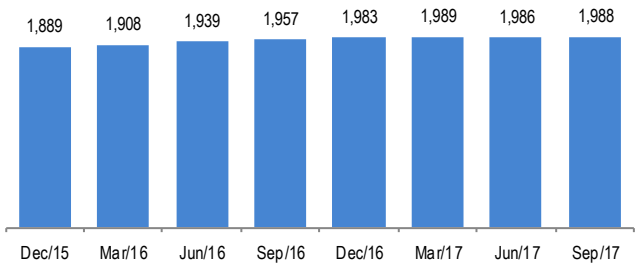


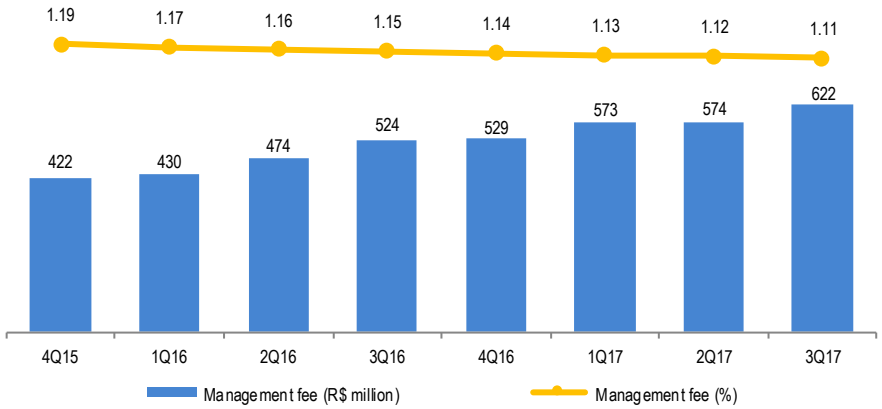
Table 84 – Pension Plans | Changes in technical reserves and provisions for insurance and pension plans

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Benefits to be granted					
Initial balance	**168,474,686**	**204,788,900**	**211,729,147**	**25.7**	**3.4**
Constitution	5,391,035	3,394,144	5,014,990	(7.0)	47.8
Reversal	(117,649)	(230,811)	(631,152)	436.5	173.4
Restatement	5,530,392	3,776,914	6,082,027	10.0	61.0
Final balance	**179,278,465**	**211,729,147**	**222,195,012**	**23.9**	**4.9**
Benefits granted					
Initial balance	**2,177,485**	**2,414,596**	**2,437,694**	**11.9**	**1.0**
Constitution	269,462	252,088	256,694	(4.7)	1.8
Reversal	(235,650)	(244,323)	(239,067)	1.5	(2.2)
Restatement	74,703	15,333	23,746	(68.2)	54.9
Final balance	**2,286,001**	**2,437,694**	**2,479,067**	**8.4**	**1.7**
Other provisions					
Initial balance	**1,163,834**	**1,274,875**	**1,213,009**	**4.2**	**(4.9)**
Constitution	108,009	141,070	83,834	(22.4)	(40.6)
Reversal	(126,926)	(205,031)	(32,361)	(74.5)	(84.2)
Restatement	14,281	2,095	9,025	(36.8)	330.7
Final balance	**1,159,197**	**1,213,009**	**1,273,507**	**9.9**	**5.0**
Total Provisions	**182,723,661**	**215,379,851**	**225,947,587**	**23.7**	**4.9**

Table 85 – Pension Plans | Changes in technical reserves and provisions for insurance and pension plans by product

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
P|VGBL Reserves					
Initial balance	**162,775,252**	**199,147,109**	**206,210,533**	**26.7**	**3.5**
Constitution	5,656,788	3,655,485	5,268,868	(6.9)	44.1
Reversal	(245,572)	(431,637)	(656,763)	167.4	52.2
Restatement	5,402,929	3,839,598	6,000,311	11.1	56.3
Final balance	**173,589,397**	**206,210,555**	**216,822,949**	**24.9**	**5.1**
Traditional Reserves					
Initial balance	**9,040,754**	**9,331,262**	**9,169,318**	**1.4**	**(1.7)**
Constitution	111,881	131,818	86,650	(22.6)	(34.3)
Reversal	(234,815)	(248,528)	(245,818)	4.7	(1.1)
Restatement	216,446	(45,255)	114,488	(47.1)	-
Final balance	**9,134,266**	**9,169,296**	**9,124,638**	**(0.1)**	**(0.5)**
Total Provisions	**182,723,661**	**215,379,851**	**225,947,587**	**23.7**	**4.9**

Figure 89 – Pension Plans | Management fee



QUARTERLY ANALYSIS

In the 3Q17, revenues with management fees increased 18.7% YoY. Such performance was directly related to the 24.4% expansion in the average volume of reserves over the last 12 months.

The average management fee dropped 0.04 p.p., driven by the increased share of VGBL plans within the assets under management, which usually charge lower management fees.

YEAR-TO-DATE ANALYSIS

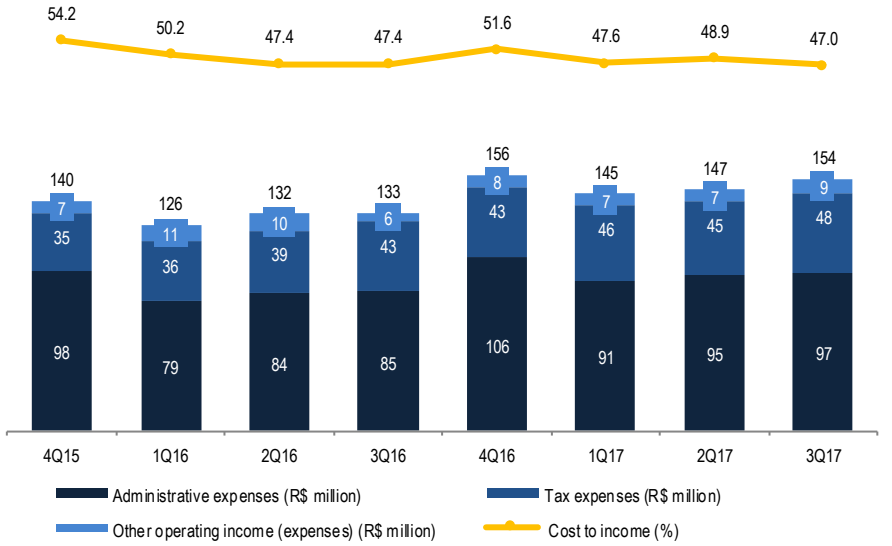
Year-to-date, revenues with management fees were up 23.8%. The average management fee declined 0.04 p.p. to 1.12%.

Table 86 – Pension Plans | Management fee breakdown[1,2]

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Management fee	524,060	574,198	621,952	18.7	8.3	1,428,572	1,768,703	23.8
Average reserves	177,387,636	211,944,412	220,741,427	24.4	4.2	164,709,326	211,948,905	28.7
Working days	65	61	64	(1.5)	4.9	189	188	(0.5)
Annualized average management fee (%)	**1.15**	**1.12**	**1.11**	**(0.04) p.p.**	**(0.01) p.p.**	**1.16**	**1.12**	**(0.04) p.p.**

[1]Management fee annualized considering the total of 252 working days.
[2]Working days calculated based on the holidays table provided by ANBIMA.

Figure 90 – Pension Plans | G&A expenses and cost to income ratio



QUARTERLY ANALYSIS

General and administrative expenses increased 15.5% YoY, driven by:

(i) higher expenses with outsourcing, largely driven by the increase in variable expenses linked to the expansion of the assets under management;

(ii) higher personnel expenses, due to the yearly adjustments on wages; and

(iii) higher tax expenses, in line with the increase in taxable income.

In the 3Q17, the cost-to-income ratio improved by 0.4 p.p. to 47.0%, largely driven by the increase in revenues with management fees in addition to the strict cost control.

YEAR-TO-DATE ANALYSIS

Year-to-date, general and administrative expenses increased 13.8%, as a result of:

(i) higher expenses with outsourcing, driven by the increase in variable expenses linked to the expansion of the assets under management;

(ii) higher personnel expenses, due to the yearly adjustments on wages;

(iii) the increase in expenses with location and operation; and

(iv) higher tax expenses, in line with the increase in taxable income.

The cost-to-income ratio improved by 0.5 p.p. as compared to the same period last year, largely explained by the 23.8% increase in revenues with management fees in addition to the strict cost control.

Table 87 – Pension Plans | G&A expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Administrative expenses	**84,757**	**94,836**	**96,670**	**14.1**	**1.9**	**247,618**	**282,725**	**14.2**
Personnel	32,061	32,150	34,747	8.4	8.1	92,851	101,655	9.5
Outsourcing	38,752	40,843	43,691	12.7	7.0	108,282	123,370	13.9
Location and operation	10,594	12,976	12,805	20.9	(1.3)	30,991	37,044	19.5
Marketing	3,464	8,014	4,528	30.7	(43.5)	14,899	18,481	24.0
Other	(114)	852	898	-	5.4	595	2,174	265.3
Other operating income (expenses)	**5,558**	**6,988**	**8,758**	**57.6**	**25.3**	**26,253**	**23,026**	**(12.3)**
Expenses on sales incentive	95	2,516	2,494	2,522.9	(0.8)	9,422	7,525	(20.1)
Charging expenses	4,287	3,824	3,714	(13.4)	(2.9)	12,800	11,400	(10.9)
Contingencies	278	434	954	243.6	119.6	1,780	1,486	(16.5)
Provision for loan losses	(23)	121	(32)	35.8	-	68	93	36.4
Other operating income (expenses)	921	93	1,627	76.7	1,652.0	2,184	2,521	15.5
Tax expenses	**42,544**	**44,905**	**48,088**	**13.0**	**7.1**	**117,151**	**139,066**	**18.7**
Federal and municipal taxes	10,711	11,751	12,704	18.6	8.1	29,405	36,232	23.2
COFINS	26,417	27,255	29,596	12.0	8.6	72,570	85,222	17.4
PIS/PASEP	4,293	4,426	4,809	12.0	8.7	11,793	13,846	17.4
Inspection fee	1,123	1,124	968	(13.8)	(13.9)	3,371	3,216	(4.6)
Other tax expenses	-	350	12	-	(96.5)	12	550	4,475.8
General and administrative expenses	**132,858**	**146,729**	**153,517**	**15.5**	**4.6**	**391,022**	**444,817**	**13.8**

Table 88 – Pension Plans | Cost to income ratio

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Revenues - [a]	**621,951**	**681,262**	**726,483**	**16.8**	**6.6**	**1,725,823**	**2,085,753**	**20.9**
Net revenue from pension and insurance	48,159	55,994	55,893	16.1	(0.2)	146,741	167,114	13.9
Management fee	524,060	574,198	621,952	18.7	8.3	1,428,572	1,768,703	23.8
Earned premiums	49,732	51,071	48,638	(2.2)	(4.8)	150,509	149,937	(0.4)
Expenses - [b]	**294,885**	**333,078**	**341,350**	**15.8**	**2.5**	**832,758**	**997,036**	**19.7**
Changes in other technical reserves	(10,051)	17,468	21,309	-	22.0	31,721	44,159	39.2
Expenses with benefits, redemptions and claims	43,533	19,964	23,429	(46.2)	17.4	78,494	69,205	(11.8)
Acquisition costs	128,545	148,917	143,096	11.3	(3.9)	331,521	438,856	32.4
Administrative expenses	84,757	94,836	96,670	14.1	1.9	247,618	282,725	14.2
Tax expenses	42,544	44,905	48,088	13.0	7.1	117,151	139,066	18.7
Other operating income (expenses)	5,558	6,988	8,758	57.6	25.3	26,253	23,026	(12.3)
Cost to income ratio (%) - [b / a]	**47.4**	**48.9**	**47.0**	**(0.4) p.p.**	**(1.9) p.p.**	**48.3**	**47.8**	**(0.5) p.p.**

NET INVESTMENT INCOME

Figure 91 – Pension Plans| Net investment income (R$ million)

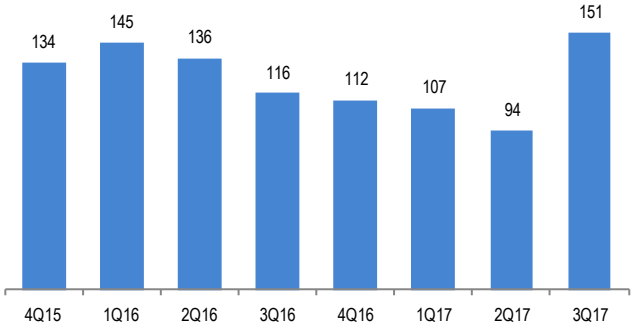
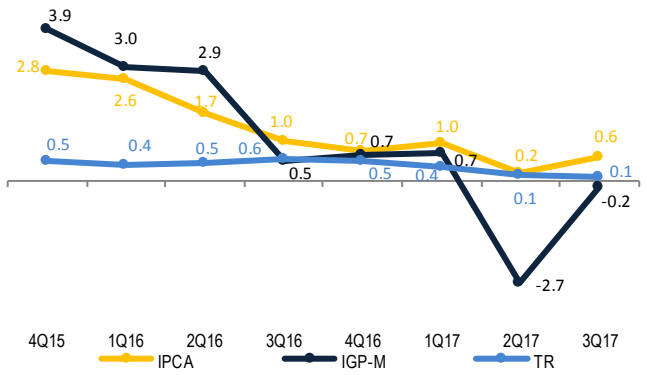


Figure 92 – Pension plans | Inflation and TR rates (%)



Source: Banco Central do Brasil

Table 89 – Pension Plans | Financial income and expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Adjusted interest revenues	**316,870**	**44,610**	**239,177**	**(24.5)**	**436.1**	**1,268,247**	**596,710**	**(53.0)**
Revenues with mark to market financial investments	18,077	(10,099)	36,911	104.2	-	50,056	39,708	(20.7)
Revenues with held to maturity financial investments	298,793	54,709	202,266	(32.3)	269.7	1,218,191	557,002	(54.3)
Adjusted interest expenses	**(201,294)**	**49,220**	**(88,032)**	**(56.3)**	**-**	**(871,412)**	**(244,634)**	**(71.9)**
Interest accrual on technical reserves	(201,294)	49,220	(88,032)	(56.3)	-	(871,412)	(244,634)	(71.9)
Net investment income	**115,576**	**93,830**	**151,144**	**30.8**	**61.1**	**396,835**	**352,076**	**(11.3)**

QUARTERLY ANALYSIS

In the 3Q17, the net investment income increased 30.8% as compared to the same period last year, driven by the 1.6 p.p. improvement in the net interest margin between the company's proprietary assets and its liabilities.

Adjusted interest revenues fell 24.5%, as a result of the 2.6 p.p. contraction in the average yield on interest earning assets. The performance of the portfolio was burdened by the lower IGP-M and IPCA inflation indexes, which remunerate a large portion of these assets and had a direct impact on the accruals of the securities held to maturity, partially offset by the expansion of the average balance of the portfolio.

Adjusted interest expenses fell 56.3% YoY, as a result of the IGP-M deflation and, to a lesser extent, the decline in the TR rate, the main indexes that remunerate the interest bearing liabilities.

YEAR-TO-DATE ANALYSIS

Year-to-date, the net investment income was down 11.3%, directly impacted by the lower inflation.

Adjusted interest revenues fell 53.0%, as a result of the 8.3 p.p. contraction in the average yield on interest earning assets, mainly concentrated on the held to maturity portfolio. Such performance can be explained by the IGP-M deflation along with the lower IPCA, an effect that was partially offset by the expansion of the average balance of the portfolio.

On the other hand, the IGP-M deflation helped the adjusted interest expenses, which were down 71.9%, as a result of the 8.5 p.p. contraction in the average yield on interest bearing liabilities.

Table 90 – Pension Plans | Quarterly figures - Volume and rate analysis

	3Q17/3Q16		
R$ thousand	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	1,878	16,955	18,833
Held to maturity financial investments	(386)	(96,141)	(96,527)
Total[1]	**1,199**	**(78,893)**	**(77,694)**
Interest bearing liabilities			
Technical reserves	(1,876)	115,138	113,262
Total	**(1,876)**	**115,138**	**113,262**

[1] Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 91 – Pension Plans | Quarterly figures - Earning assets - average balance and interest rates[1]

	3Q16			3Q17		
R$ million	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to market financial investments	1,501	18	4.8	1,581	37	9.5
Held to maturity financial investments	10,492	299	11.5	10,472	202	7.8
Total	**11,993**	**317**	**10.6**	**12,053**	**239**	**8.0**

[1]Guaranteeing assets and free assets of Traditional plans and guaranteeing assets of the P/VGBL plans in the granting stage.

Table 92 – Pension Plans | Quarterly figures - Interest bearing liabilities - average balance and interest rates[1]

	3Q16			3Q17		
R$ million	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves	10,062	(201)	7.5	10,281	(88)	3.3
Total	**10,062**	**(201)**	**7.5**	**10,281**	**(88)**	**3.3**

[1] Technical reserves of Traditional and P/VGBL plans in the granting stage.

Table 93 – Pension Plans | Year-to-date figures - Volume and rate analysis

R$ thousand	9M 17/9M 16		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	8,962	(19,311)	(10,348)
Held to maturity financial investments	11,376	(672,564)	(661,189)
Total[1]	**28,320**	**(699,857)**	**(671,537)**
Interest bearing liabilities			
Technical reserves	(12,025)	638,803	626,778
Total	**(12,025)**	**638,803**	**626,778**

[1] Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.

Table 94 – Pension Plans | Year-to-date figures - Earning assets - average balance and interest rates[1]

R$ million	9M 16			9M 17		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to market financial investments	1,227	50	5.5	1,584	40	3.4
Held to maturity financial investments	10,233	1,218	16.2	10,446	557	7.2
Total	**11,459**	**1,268**	**15.0**	**12,030**	**597**	**6.7**

[1]Guaranteeing assets and free assets of Traditional plans and guaranteeing assets of the P/VGBL plans in the granting stage.

Table 95 – Pension Plans | Year-to-date figures - Interest bearing liabilities - average balance and interest rates[1]

R$ million	9M 16			9M 17		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves	9,764	(871)	11.7	10,269	(245)	3.2
Total	**9,764**	**(871)**	**11.7**	**10,269**	**(245)**	**3.2**

[1] Technical reserves of Traditional and P/VGBL plans in the granting stage.

Table 96 – Pension Plans | Financial investments portfolio breakdown (except PGBL and VGBL funds)

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Held to maturity securities	**10,498,649**	**10,704,430**	**10,239,752**	**(2.5)**	**(4.3)**
Pre-fixed	80,233	53,985	52,904	(34.1)	(2.0)
Floating	-	-	185	-	-
Inflation	10,418,416	10,650,445	10,186,663	(2.2)	(4.4)
Mark to market securities	**1,513,453**	**1,214,309**	**1,947,681**	**28.7**	**60.4**
Pre-fixed	205,252	262,176	681,146	231.9	159.8
Floating	994,457	565,376	865,622	(13.0)	53.1
Inflation	313,744	386,758	400,912	27.8	3.7
Total	**12,012,102**	**11,918,740**	**12,187,433**	**1.5**	**2.3**

Figure 93 – Pension Plans | Financial investments breakdown by index - except PGBL and VGBL funds (%)

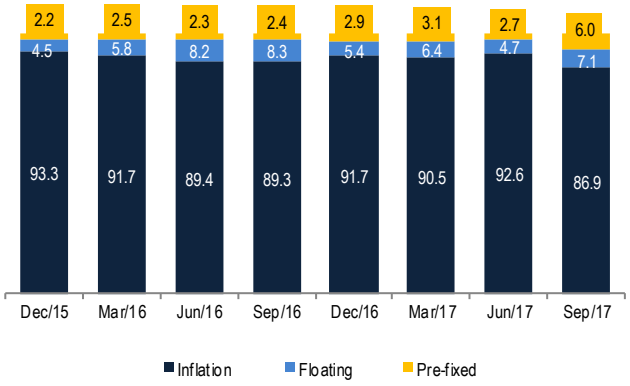
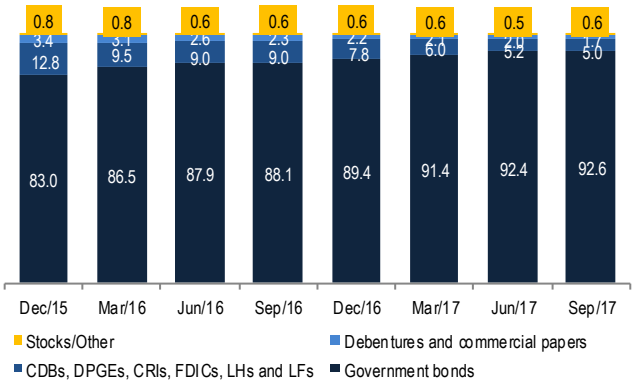


Figure 94 – Pension Plans | Assets allocation (%)



BALANCE SHEET ANALYSIS

Table 97 – Pension Plans | Balance sheet

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Assets	**186,552,883**	**219,268,063**	**230,141,872**	**23.4**	**5.0**
Cash and cash equivalents	5,736	5,112	3,754	(34.6)	(26.6)
Financial assets	184,622,795	217,020,683	227,850,307	23.4	5.0
Receivables from insurance and reinsurance operations	1,890	2,382	2,412	27.6	1.2
Securities and credits receivable	574,786	740,478	763,188	32.8	3.1
Prepaid expenses	1,169	3,242	4,495	284.4	38.7
Deferred costs	1,146,461	1,282,587	1,297,277	13.2	1.1
Credits from private pension transactions	-	479	162	-	(66.2)
Fixed assets	19,013	28,225	29,998	57.8	6.3
Intangible	181,032	184,876	190,279	5.1	2.9
Liabilities	**183,984,206**	**216,679,976**	**227,535,931**	**23.7**	**5.0**
Accounts payable	454,615	424,320	575,384	26.6	35.6
Obligations with insurance and reinsurance operations	9,053	9,842	8,321	(8.1)	(15.5)
Debts from private pension transactions	1,010	1,212	1,048	3.7	(13.5)
Third party deposits	183,274	115,057	196,996	7.5	71.2
Technical reserves - insurance	143,788,358	173,885,475	183,621,280	27.7	5.6
Technical reserves - private pension	38,935,304	41,494,377	42,326,308	8.7	2.0
Other liabilities	612,589	749,694	806,594	31.7	7.6
Shareholders' equity	**2,568,677**	**2,588,086**	**2,605,941**	**1.5**	**0.7**

SOLVENCY

Table 98 – Pension Plans | Solvency[1]

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Adjusted shareholder's equity (a)	**2,386,477**	**3,387,527**	**3,398,726**	**42.4**	**0.3**
Minimum capital requirement (b)	**1,444,712**	**1,596,025**	**1,609,674**	**11.4**	**0.9**
Additional capital for underwritting risk	1,259,590	1,286,909	1,287,496	2.2	0.0
Additional capital for credit risk	74,665	70,822	79,166	6.0	11.8
Additional capital for market risk	-	284,990	284,990	-	(0.0)
Additional capital for operating risk	146,179	172,304	180,758	23.7	4.9
Correlation risk reduction	(35,721)	(219,000)	(222,736)	523.5	1.7
Capital adequacy (a) - (b)	**941,765**	**1,791,502**	**1,789,052**	**90.0**	**(0.1)**
Solvency ratio (a) / (b) - %	**165.2**	**212.2**	**211.1**	**46.0 p.p.**	**-1.1 p.p.**

[1] Information based on the accounting principles adopted by SUSEP.

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4.4 PREMIUM BONDS

EARNINGS ANALYSIS

Table 99 – Premium Bonds | Income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premium bonds collection	**1,359,880**	**958,774**	**1,345,142**	**(1.1)**	**40.3**	**3,973,964**	**3,237,916**	**(18.5)**
Changes in provisions for redemption	(1,139,745)	(823,664)	(1,159,072)	1.7	40.7	(3,306,290)	(2,775,548)	(16.1)
Net revenue with premium bonds	**220,135**	**135,110**	**186,070**	**(15.5)**	**37.7**	**667,674**	**462,368**	**(30.7)**
Changes in technical reserves	(16,934)	(1,871)	(14,188)	(16.2)	658.3	(37,003)	(25,523)	(31.0)
Result with lottery	(32,515)	(20,836)	(23,690)	(27.1)	13.7	(118,847)	(63,730)	(46.4)
Acquisition costs	(112,536)	(68,020)	(111,983)	(0.5)	64.6	(307,856)	(246,739)	(19.9)
Administrative expenses	(22,511)	(20,544)	(20,406)	(9.4)	(0.7)	(59,914)	(59,907)	(0.0)
Tax expenses	(9,486)	(6,309)	(8,131)	(14.3)	28.9	(28,330)	(20,930)	(26.1)
Other operating income (expenses)	(3,008)	(910)	(13,962)	364.2	1,434.3	(10,654)	(17,871)	67.7
Result with premium bonds	**23,145**	**16,620**	**(6,290)**	**-**	**-**	**105,070**	**27,668**	**(73.7)**
Net investment income	**161,217**	**66,940**	**139,798**	**(13.3)**	**108.8**	**516,155**	**379,366**	**(26.5)**
Financial income	412,090	263,645	342,552	(16.9)	29.9	1,308,080	995,461	(23.9)
Financial expenses	(250,873)	(196,705)	(202,754)	(19.2)	3.1	(791,925)	(616,095)	(22.2)
Equity income	114	(8)	(6)	-	(25.0)	318	35	(89.0)
Operating result	**184,476**	**83,552**	**133,502**	**(27.6)**	**59.8**	**621,543**	**407,069**	**(34.5)**
Earnings before taxes and profit sharing	**184,476**	**83,552**	**133,502**	**(27.6)**	**59.8**	**621,543**	**407,069**	**(34.5)**
Taxes	(82,063)	(37,477)	(59,925)	(27.0)	59.9	(279,221)	(182,557)	(34.6)
Profit sharing	(1,178)	(1,417)	(1,267)	7.6	(10.6)	(3,399)	(3,906)	14.9
Net income	**101,235**	**44,658**	**72,310**	**(28.6)**	**61.9**	**338,923**	**220,606**	**(34.9)**

The table below shows a managerial view built from the reallocation of expenses related to the constitution of lottery and bonus provisions. This reallocation sets apart the revenues with load fee, providing a better analysis of the consumption of resources by G&A expenses and acquisition costs.

Tabela 100 – Premium Bonds | Managerial income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Premium bonds collection	**1,359,880**	**958,774**	**1,345,142**	**(1.1)**	**40.3**	**3,973,964**	**3,237,916**	**(18.5)**
Changes in provisions for redemption	(1,139,745)	(823,664)	(1,159,072)	1.7	40.7	(3,306,290)	(2,775,548)	(16.1)
Changes in provisions for lottery and bonus	(59,969)	(34,448)	(35,842)	(40.2)	4.0	(175,596)	(106,896)	(39.1)
Revenue with load fee	**160,166**	**100,662**	**150,228**	**(6.2)**	**49.2**	**492,078**	**355,472**	**(27.8)**
Changes in other technical reserves	(9,116)	1,534	(12,550)	37.7	-	(14,405)	(16,685)	15.8
Result with lottery	19,636	10,207	10,514	(46.5)	3.0	34,151	34,328	0.5
Acquisition costs	(112,536)	(68,020)	(111,983)	(0.5)	64.6	(307,856)	(246,739)	(19.9)
Administrative expenses	(22,511)	(20,544)	(20,406)	(9.4)	(0.7)	(59,914)	(59,907)	(0.0)
Tax expenses	(9,486)	(6,309)	(8,131)	(14.3)	28.9	(28,330)	(20,930)	(26.1)
Other operating income (expenses)	(3,008)	(910)	(13,962)	364.2	1,434.3	(10,654)	(17,871)	67.7
Result with premium bonds	**23,145**	**16,620**	**(6,290)**	**-**	**-**	**105,070**	**27,668**	**(73.7)**
Net investment income	**161,217**	**66,940**	**139,798**	**(13.3)**	**108.8**	**516,155**	**379,366**	**(26.5)**
Financial income	412,090	263,645	342,552	(16.9)	29.9	1,308,080	995,461	(23.9)
Financial expenses	(250,873)	(196,705)	(202,754)	(19.2)	3.1	(791,925)	(616,095)	(22.2)
Equity income	114	(8)	(6)	-	(25.0)	318	35	(89.0)
Operating result	**184,476**	**83,552**	**133,502**	**(27.6)**	**59.8**	**621,543**	**407,069**	**(34.5)**
Earnings before taxes and profit sharing	**184,476**	**83,552**	**133,502**	**(27.6)**	**59.8**	**621,543**	**407,069**	**(34.5)**
Taxes	(82,063)	(37,477)	(59,925)	(27.0)	59.9	(279,221)	(182,557)	(34.6)
Profit sharing	(1,178)	(1,417)	(1,267)	7.6	(10.6)	(3,399)	(3,906)	14.9
Net income	**101,235**	**44,658**	**72,310**	**(28.6)**	**61.9**	**338,923**	**220,606**	**(34.9)**

QUARTERLY ANALYSIS

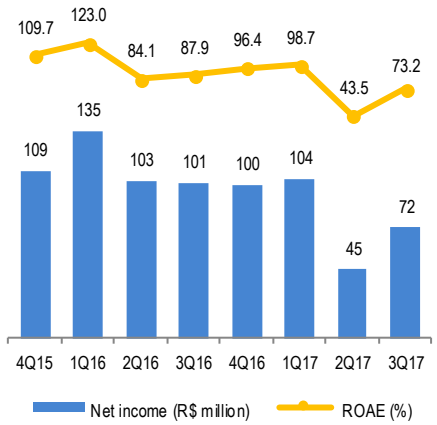
In the 3Q17, the net income of the Premium Bonds business segment decreased 28.6% YoY, to R$72.3 million.

The result with premium bonds recorded a R$6.3 million loss, driven by lower revenues with load fee and with the result with lottery, in addition to the provision built for the settlement of the last installment due to Icatu Seguros, our partner at Brasilcap, for the transfer of rights to sell premium bonds in the former Banco Nossa Caixa branches. These effects were partially offset by lower admin and tax expenses.

Additionally, the net investment income was down 13.3%, as a result of the 11.5% contraction in the average balance of interest earning assets partially offset by the 0.7 p.p. increase in the net interest margin.

In the 3Q17, the return on average equity was down 14.8 p.p. YoY to 73.2%.

Figure 95 – Premium Bonds |Net income and ROAE



YEAR-TO-DATE ANALYSIS

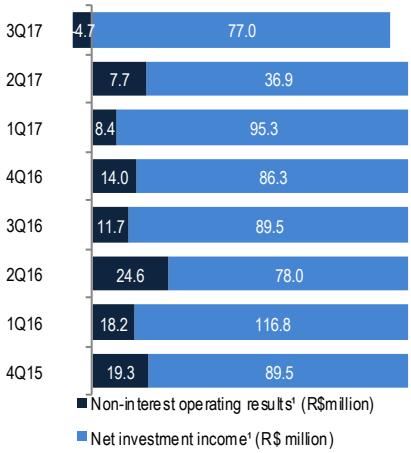
Year-to-date, the net income of the premium bonds business was down 34.9%, as compared to the same period last year, to R$220.6 million, driven by the 26.5% contraction in the net investment income in addition to the 73.7% fall in the result with premium bonds.

The decline in the net investment income was explained by the 10.8% reduction in the average balance of interest earning assets in addition to the 0.7 p.p. contraction in the net interest margin.

The worst performance in the result with premium bonds was driven by the 27.8% decline in the revenue with load fee, due to the 18.5% contraction in premium bonds collection, in addition to the 1.4 p.p. decline in the average load fee quote.

The year-to-date return on average equity was down 37.1 p.p. as compared to the same period last year, to 72.8%.

Figure 96 – Premium Bonds |Net income composition



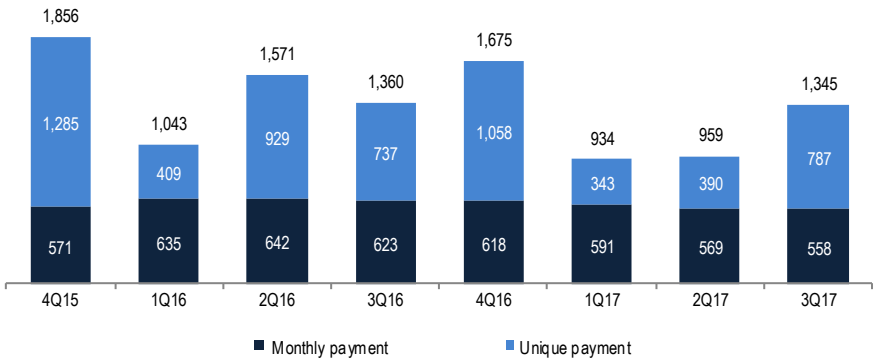
¹Net of taxes considering the effective tax rate.

Table 101 – Premium Bonds | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Average quotes								
Reserve quote	83.8	85.9	86.2	2.4	0.3	83.2	85.7	2.5
Lottery quote	3.8	3.2	2.5	(1.3)	(0.7)	3.9	3.0	(0.8)
Bonus quote	0.6	0.4	0.1	(0.5)	(0.2)	0.6	0.3	(0.3)
Load fee quote	11.8	10.5	11.2	(0.6)	0.7	12.4	11.0	(1.4)
Load fee consumption								
Commission ratio	70.3	67.6	74.5	4.3	7.0	62.6	69.4	6.8
G&A ratio	21.9	27.6	28.3	6.4	0.7	20.1	27.8	7.7
Financial								
Spread (p.p.)	6.4	3.6	7.2	0.7	3.5	6.2	5.5	(0.7)
Other								
Premium bonds margin	10.5	12.3	(3.4)	(13.9)	(15.7)	15.7	6.0	(9.8)
Income tax rate	44.5	44.9	44.9	0.4	0.0	44.9	44.8	(0.1)
ROAE	87.9	43.5	73.2	(14.8)	29.7	109.8	72.8	(37.1)

PREMIUM BONDS COLLECTION

Figure 97 – Premium Bonds | Collection (R$ million)



QUARTERLY ANALYSIS

Premium bonds collection in the 3Q17 was down 1.1% YoY, driven by the decline in the number of new premium bonds sold, partially offset by the higher average ticket. Although collections declined YoY, it is worth mentioning the improvement seen since the beginning of 2017. The volume raised in the 3Q17 was 40.3% higher as compared to the 2Q17, a quarter that usually presents strong seasonality.

YEAR-TO-DATE ANALYSIS

Year-to-date, premium bonds collection dropped 18.5% YoY, as a result of the lower average ticket in addition to the decline in the number of new premium bonds sold.

Figure 98 – Premium Bonds | Collections by product (%)

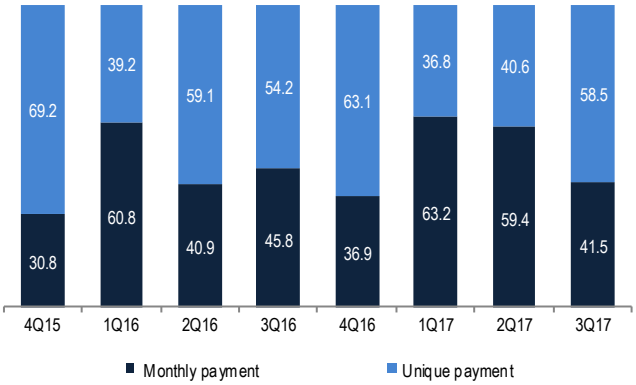


Figure 99 – Premium Bonds | Bonds outstanding by product (%)

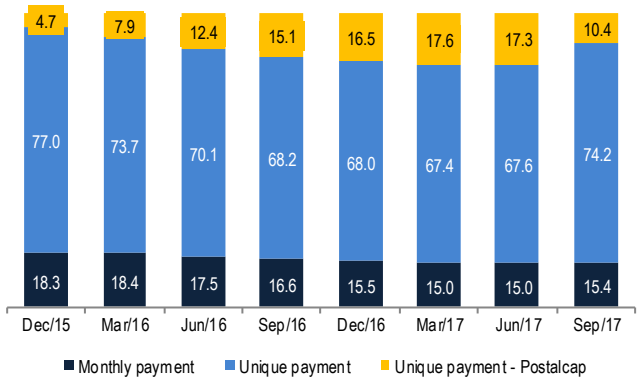
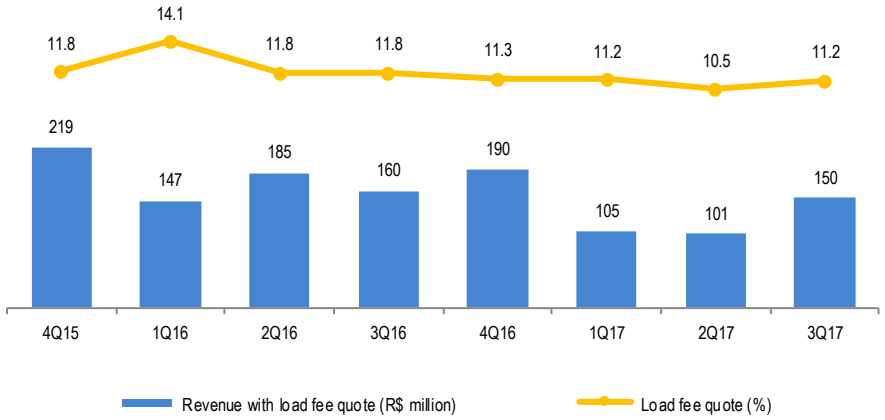


Figure 100 – Premium Bonds | Changes in revenue with load fee quote and average load fee quote



QUARTERLY ANALYSIS

In the 3Q17, the revenue with load fee dropped 6.2% YoY to R$150.2 million. The performance is explained by the decline in collections in addition to the 0.6 p.p. contraction in the average load fee quote, which can be justified by:

(i) the increased participation of short-term single payment bonds, which have lower load fee quotes as compared to longer-term bonds. This effect can be explained by the launch of the new portfolio Ourocap Negócios in June 2017, which offers bonds with maturities of 12 and 24 months, maturities that were not available for sale in the bancassurance channel until then; and

(ii) the decreased share of the first installments of monthly payment bonds within the collection mix, which charge higher load fee quotes as compared to the recurring installments of these bonds.

YEAR-TO-DATE ANALYSIS

Year-to-date, the revenue with load fee was down 27.8% YoY to R$355.5 million, driven by the decline in collections in addition to the 1.4 p.p. contraction in the average load fee quote. The reduction in the average load fee quote was explained by the higher concentration on installments of monthly payment bonds within the total collected, which charge lower load fee quotes as compared to the ones charged on the first installments of these same bonds.

Figura 101 – Premium Bonds | Changes in provisions for redemption and average reserve quote

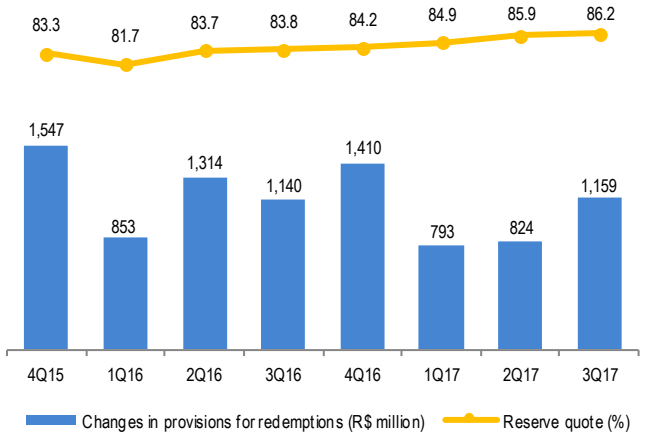


Figura 102 – Premium Bonds | Changes in provisions for lottery and bonus and average lottery and bonus quotes

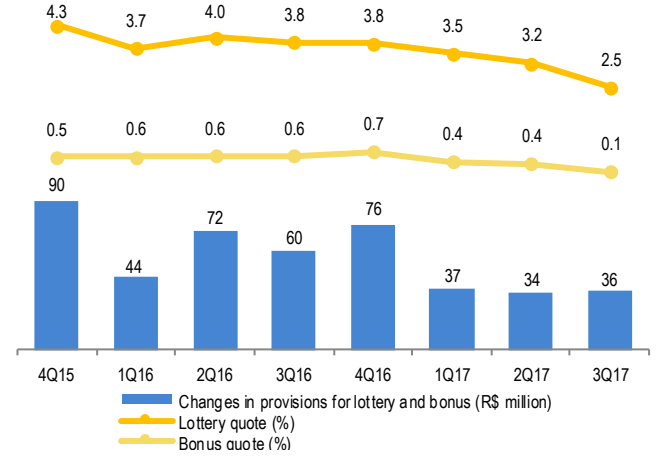


Table 102 – Premium Bonds | Changes in premium bonds provision

R$ thousand	Balance			Chg. %	
	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Premium bonds provision					
Initial balance	**10,518,070**	**9,571,493**	**9,090,011**	**(13.6)**	**(5.0)**
Constitution	1,151,781	826,573	1,163,734	1.0	40.8
Cancellations	(12,003)	(2,683)	(4,653)	(61.2)	73.4
Transfers	(1,477,154)	(1,456,279)	(1,240,024)	(16.1)	(14.8)
Interest accrual	208,013	150,907	142,110	(31.7)	(5.8)
Final balance	**10,388,707**	**9,090,011**	**9,151,178**	**(11.9)**	**0.7**

Table 103 – Premium Bonds | Changes in provisions for redemption[1]

R$ thousand	Balance			Chg. %	
	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Provision for redemption					
Initial balance	**320,206**	**363,459**	**401,587**	**25.4**	**10.5**
Transfers	1,486,497	1,464,354	1,249,093	(16.0)	(14.7)
Payments	(1,479,588)	(1,425,042)	(1,234,027)	(16.6)	(13.4)
Interest accrual	1,576	(22)	391	(75.2)	-
Premium bonds expiration	(943)	(1,162)	(1,105)	17.2	(4.9)
Final balance	**327,748**	**401,587**	**415,939**	**26.9**	**3.6**

[1] Provision's flow does not pass through income statement

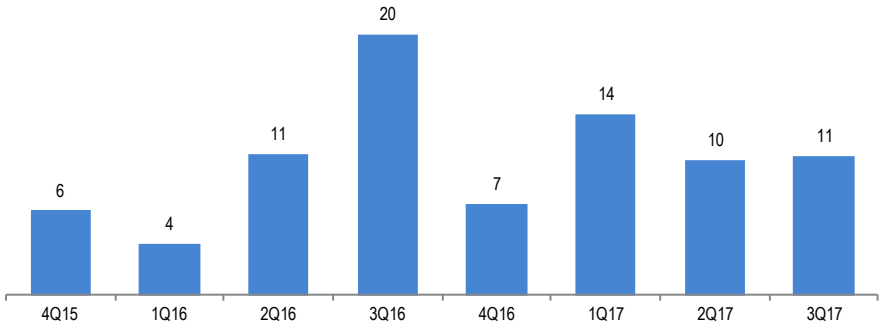
Table 104 – Premium Bonds | Changes in provision for lottery to be held

R$ thousand	Balance			Chg. %	
	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Provision for lottery to be held					
Initial balance	**285,640**	**202,228**	**192,723**	**(32.5)**	**(4.7)**
Constitution	53,338	31,184	34,297	(35.7)	10.0
Reversal	(139,122)	(43,513)	(52,009)	(62.6)	19.5
Cancellations	(1,187)	(141)	(93)	(92.2)	(34.0)
Interest accrual	5,188	2,965	2,767	(46.7)	(6.7)
Final balance	**203,857**	**192,723**	**177,685**	**(12.8)**	**(7.8)**

Table 105 – Premium Bonds | Changes in provision for draws to be paid

R$ thousand	Balance			Chg. %	
	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Provision for draws to be paid					
Initial balance	**9,407**	**9,849**	**10,238**	**8.8**	**3.9**
Constitution	119,475	33,432	41,486	(65.3)	24.1
Payments	(119,185)	(33,074)	(39,669)	(66.7)	19.9
Interest accrual	83	31	18	(78.3)	(41.9)
Premium bonds expiration	(3)	-	1	-	-
Final balance	**9,777**	**10,238**	**12,074**	**23.5**	**17.9**

Figure 103 – Premium Bonds | Result with lottery (R$ million)



QUARTERLY ANALYSIS

In the 3Q17, the result with lottery dropped 46.5% YoY, driven by the 62.6% decline in reversals of lottery provisions partially offset by the 65.3% reduction in the lottery expenses. It worth noting that the result with lottery was positively impacted by a larger reversal of lottery provisions in the 3Q16, driven by the payment of the big prizes related to the previous portfolio Torcida, which affected the comparables.

YEAR-TO-DATE ANALYSIS

Year-to-date, the result with lottery rose 0.5% as compared to the same period last year. It is worth mentioning that the following effects have impacted the dynamics of the reversals of the lottery provisions as well as the lottery expenses, which affected the comparables:

(i) the big draw of the "Ourocap 20 anos" product, which happened in the 1Q16;

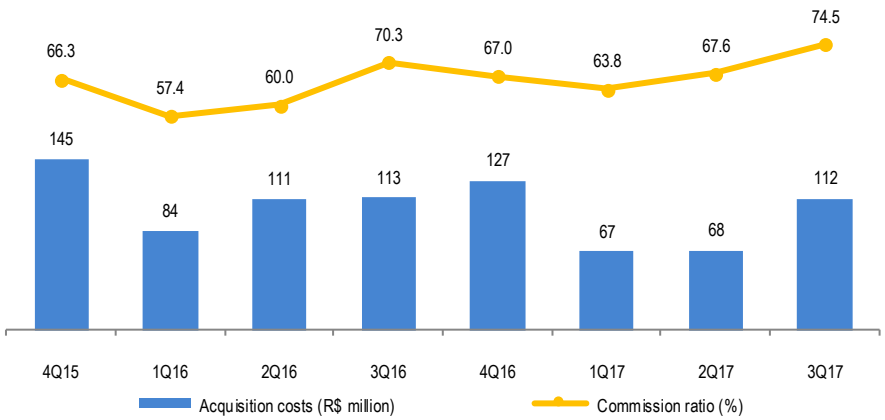
(ii) the payment of the big prizes related to the old portfolio Torcida in the 3Q16; and

(iii) weaker sales, which resulted in less bonds running for the draws, hence lower expenses with prize payments.

Table 106 – Premium Bonds | Result with lottery

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Result with lottery	**19,636**	**10,207**	**10,514**	**(46.5)**	**3.0**	**34,151**	**34,328**	**0.5**
Lottery provision reversal	139,122	43,513	52,009	(62.6)	19.5	269,445	151,894	(43.6)
Lottery expenses	(119,486)	(33,306)	(41,495)	(65.3)	24.6	(235,294)	(117,566)	(50.0)

Figure 104 – Premium Bonds | Acquisition costs



QUARTERLY ANALYSIS

In the 3Q17, acquisition costs fell 0.5% YoY, following the same declining trend of the collections, but at a slower pace given the 4.3 p.p. increase in the commission ratio.

The increase in the commission ratio was supported by the decline in the average load fee quote as compared to the 3Q16, given that it is calculated as a percentage of consumption of the revenue with load fee.

YEAR-TO-DATE ANALYSIS

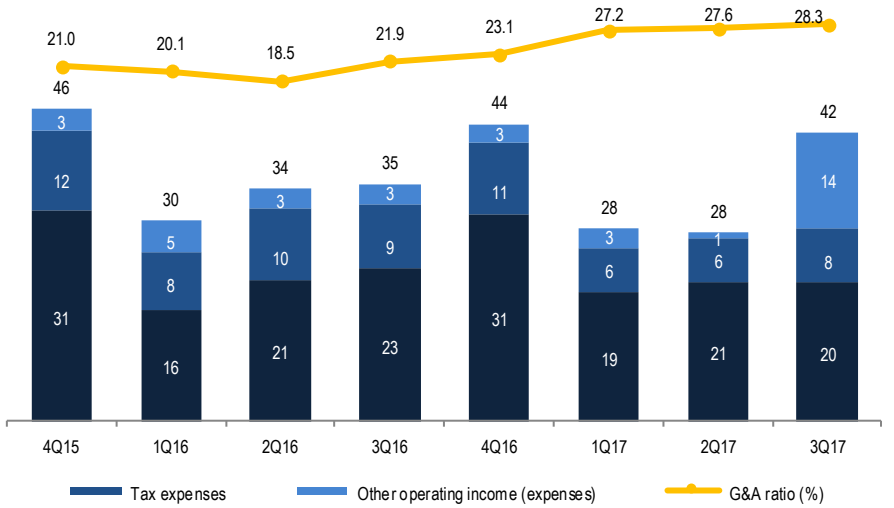
Year-to-date, acquisition costs dropped 19.9% as compared to the same period last year, driven primarily by the decline in collections in addition to the higher concentration of these collections in single payment bonds and in recurring installments of monthly payment bonds, both types provide lower commissions as compared to the ones charged on the first installments of monthly payment bonds.

Commission ratio rose 6.8 p.p., driven by the reduction in the average load fee quote, as explained in the quarterly analysis.

Table 107 – Premium Bonds | Changes in Acquisition Costs

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Brokerage	72,108	50,687	93,087	29.1	83.7	208,990	192,660	(7.8)
Sales cost	40,428	17,333	18,896	(53.3)	9.0	98,866	54,079	(45.3)
Acquisition costs	**112,536**	**68,020**	**111,983**	**(0.5)**	**64.6**	**307,856**	**246,739**	**(19.9)**

Figure 105 – Premium Bonds | G&A expenses (R$ million)



QUARTERLY ANALYSIS

In the 3Q17, general and administrative expenses increased by 21.4% as compared to the same period last year, driven by the provision amounting to R$14.1 million built for the settlement of the last installment due to Icatu Seguros, our partner at Brasilcap, for the transfer of rights to sell premium bonds in the former Banco Nossa Caixa branches, this expense was booked as an operating expense, according to the agreement signed in May 2014.

The increase in other operating income (expenses) was partially offset by lower tax expenses, given the reduction in the taxable income for PIS/PASEP and COFINS tax collection, along with lower administrative expenses, driven mainly by lower expenses with institutional advertisement and publicity.

YEAR-TO-DATE ANALYSIS

Year-to-date, general and administrative expenses fell 0.2% as compared to the same period of 2016, driven by the 26.1% decline in tax expenses, given the lower taxable income for PIS/PASEP and COFINS tax collection, which was almost fully neutralized by the provision built for the settlement of the last installment due to Icatu Seguros, as previously explained.

Table 108 – Premium Bonds | General & Administrative expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Administrative expenses	**(22,511)**	**(20,544)**	**(20,406)**	**(9.4)**	**(0.7)**	**(59,914)**	**(59,907)**	**(0.0)**
Personnel	(11,507)	(12,359)	(12,355)	7.4	(0.0)	(33,354)	(36,844)	10.5
Location and operation	(3,124)	(2,649)	(2,554)	(18.2)	(3.6)	(8,858)	(7,968)	(10.0)
Outsourcing	(3,678)	(3,746)	(3,540)	(3.8)	(5.5)	(7,768)	(9,744)	25.4
Institutional advertisement and publicity	(2,328)	(758)	(812)	(65.1)	7.1	(2,519)	(2,032)	(19.3)
Leasing	(824)	(783)	(791)	(4.0)	1.0	(2,722)	(2,435)	(10.5)
Other	(1,050)	(249)	(354)	(66.3)	42.2	(4,693)	(884)	(81.2)
Other operating income (expenses)	**(3,008)**	**(910)**	**(13,962)**	**364.2**	**1,434.3**	**(10,654)**	**(17,871)**	**67.7**
Operating expenses	(3,757)	(1,577)	(14,117)	275.8	795.2	(13,098)	(19,824)	51.4
Printing and mailing	(158)	(91)	(947)	499.4	940.7	(576)	(1,177)	104.3
Legal provisions	(58)	(268)	(9)	(84.5)	(96.6)	(150)	(528)	252.0
Other operating income (expenses)	20	(118)	33	65.0	-	46	50	8.6
Revenue with premium bonds prescription	945	1,144	1,078	14.1	(5.8)	3,124	3,608	15.5
Tax expenses	**(9,486)**	**(6,309)**	**(8,131)**	**(14.3)**	**28.9**	**(28,330)**	**(20,930)**	**(26.1)**
COFINS	(7,690)	(4,983)	(6,562)	(14.7)	31.7	(22,918)	(16,659)	(27.3)
PIS	(1,249)	(809)	(1,067)	(14.6)	31.9	(3,724)	(2,707)	(27.3)
Inspection fee	(488)	(420)	(420)	(13.9)	-	(1,464)	(1,328)	(9.3)
Other tax expenses	(59)	(97)	(82)	39.0	(15.5)	(223)	(236)	5.7
G&A Expenses	**(35,005)**	**(27,763)**	**(42,499)**	**21.4**	**53.1**	**(98,899)**	**(98,708)**	**(0.2)**

NET INVESTMENT INCOME

Figure 106 – Premium Bonds | Net investment income (R$ million)

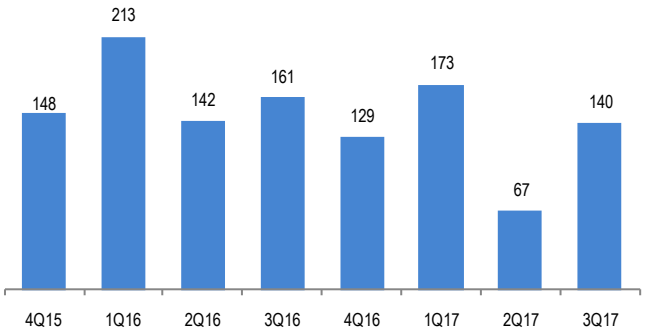


Figure 107 – Premium Bonds | Annualized average interest rates and spread

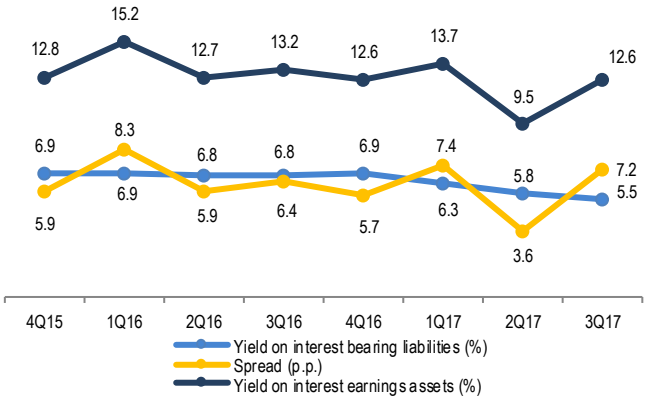


Table 109 – Premium Bonds | Financial income and expenses

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Interest revenues	**409,201**	**249,771**	**340,921**	**(16.7)**	**36.5**	**1,264,428**	**974,722**	**(22.9)**
Revenues with mark to market financial investments	297,046	154,433	227,725	(23.3)	47.5	975,645	657,351	(32.6)
Expenses with mark to market financial investments	(2,889)	(13,874)	(1,631)	(43.5)	(88.2)	(43,652)	(20,739)	(52.5)
Revenues with held to maturity financial investments	114,561	108,466	114,774	0.2	5.8	330,047	336,132	1.8
Interest accrual on judicial deposits	483	746	53	(89.0)	(92.9)	2,388	1,978	(17.2)
Interest expenses	**(218,655)**	**(158,304)**	**(152,889)**	**(30.1)**	**(3.4)**	**(659,633)**	**(495,556)**	**(24.9)**
Interest accrual on technical reserves	(214,860)	(154,574)	(145,345)	(32.4)	(6.0)	(650,063)	(480,453)	(26.1)
Other	(3,795)	(3,730)	(7,544)	98.8	102.3	(9,570)	(15,103)	57.8
Net interest income	**190,546**	**91,467**	**188,032**	**(1.3)**	**105.6**	**604,795**	**479,166**	**(20.8)**

QUARTERLY ANALYSIS

In the 3Q17, the net interest income fell 1.3% as compared to the same period last year. On the other hand, the net interest margin increased by 0.7 p.p..

Interest revenues contracted by 16.7%, as a result of the 11.5% reduction in the average balance of interest earning assets along with the 0.6 p.p. contraction in the average yield on these assets, explained:

(i) by the reduction in the average Selic rate, which negatively impacted the yield on floating securities; and

(ii) by lower inflation indexes, which reduced the nominal return on inflation protected securities classified as held to maturity.

The lower interest revenues were partially offset by the 30.1% decline in the interest expenses, as a result of the 11.7% contraction in the average volume of technical reserves, driven by weaker collections, in addition to the 1.3 p.p. reduction in the average yield on theses liabilities, as a consequence of the lower Taxa Referencial ("TR") as compared to the 3Q16.

YEAR-TO-DATE ANALYSIS

Year-to-date, the net interest income dropped 20.8% as compared to the same period of 2016, impacted by the 10.8% contraction in the average volume of interest earning assets in addition to the 0.7 p.p. contraction in the net interest margin.

Interest revenues were down 22.9% as compared to the same period last year, explained by the 1.7 p.p. contraction in the average yield on interest earning assets. The lower yield is explained by the reduction in the average Selic rate along with the smaller downward move of the forward yield curve in the longer maturities and the lower inflation, which had a negative impact on the return on inflation protected securities classified as held to maturity, as compared to year-to-date figure recorded in September 2016.

Interest expenses dropped 24.9% as compared to the 9M16, driven by the 11.8% reduction in the average balance of technical reserves along with a 1.0 p.p. decline in the average yield on these liabilities, both movements explained by the same dynamics observed in the quarterly analysis.

Table 110 – Premium Bonds | Quarterly figures - Volume and rate analysis

R$ thousand	3Q17/3Q16		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	(91,292)	23,229	(68,063)
Held to maturity financial investments	19,893	(19,680)	213
Judicial deposits	0	(430)	(430)
Total[1]	**(44,511)**	**(23,769)**	**(68,280)**
Interest bearing liabilities			
Technical reserves - premium bonds	19,321	50,194	69,515
Other[2]	292	(4,041)	(3,749)
Total[1]	**19,027**	**46,739**	**65,766**

[1] Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.
[2] Includes: (i) interest expenses related to interest accrual of the payment made to Icatu Cap for the transfer of its rights to market premium bonds products in the branches formerly owned by Banco Nossa Caixa starting in May 2014 and (ii) interest accrual of legal provisions.

Table 111 – Premium Bonds | Quarterly figures – Earning assets – average balance and interest rates

R$ thousand	3Q16			3Q17		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earnings assets						
Mark to market financial investments	7,832,932	294,157	15.4	5,579,891	226,094	16.9
Held to maturity financial investments	3,822,094	114,561	12.1	4,623,435	114,774	10.1
Judicial deposits	903,021	483	0.2	904,486	53	0.0
Total	**12,558,046**	**409,201**	**13.2**	**11,107,812**	**340,921**	**12.6**

Table 112 – Premium Bonds | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R$ thousand	3Q16			3Q17		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves - premium bonds	11,109,705	(214,860)	7.3	9,806,175	(145,345)	5.7
Other[1]	1,006,915	(3,795)	1.5	969,410	(7,544)	3.0
Total	**12,116,620**	**(218,655)**	**6.8**	**10,775,585**	**(152,889)**	**5.5**

[1] Includes: (i) interest expenses related to interest accrual of the payment made to Icatu Cap for the transfer of its rights to market premium bonds products in the branches formerly owned by Banco Nossa Caixa starting in May 2014 and (ii) interest accrual of legal provisions.

Table 113 – Premium Bonds | Year-to-date figures - Volume and rate analysis

R$ thousand	9M 17/9M 16		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	(233,273)	(62,108)	(295,381)
Held to maturity financial investments	59,710	(53,625)	6,085
Judicial deposits	11	(421)	(410)
Total[1]	**(118,127)**	**(171,579)**	**(289,706)**
Interest bearing liabilities			
Technical reserves - premium bonds	64,444	105,166	169,610
Other[2]	134	(5,666)	(5,533)
Total[1]	**61,354**	**102,724**	**164,077**

[1] Calculated with the same methodology of the parts. Due to the different weights of the elements which compose it, the total does not reflect the sum of the parts.
[2] Includes: (i) interest expenses related to interest accrual of the payment made to Icatu Cap for the transfer of its rights to market premium bonds products in the branches formerly owned by Banco Nossa Caixa starting in May 2014 and (ii) interest accrual of legal provisions.

Table 114 – Premium Bonds | Year-to-date figures – Earning assets – average balance and interest rates

R$ thousand	9M 16			9M 17		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earnings assets						
Mark to market financial investments	8,366,679	931,993	15.1	6,123,027	636,612	14.2
Held to maturity financial investments	3,838,862	330,047	11.6	4,668,088	336,132	9.8
Judicial deposits	838,324	2,388	0.4	842,825	1,978	0.3
Total	**13,043,864**	**1,264,428**	**13.1**	**11,633,940**	**974,722**	**11.4**

Table 115 – Premium Bonds | Year-to-date figures – Interest bearing liabilities – average balance and interest rates

R$ thousand	9M 16			9M 17		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves - premium bonds	11,683,087	(650,063)	7.3	10,301,355	(480,453)	6.2
Other[1]	933,246	(9,570)	1.4	925,064	(15,103)	2.2
Total	**12,616,333**	**(659,633)**	**6.9**	**11,226,418**	**(495,556)**	**5.9**

[1] Includes: (i) interest expenses related to interest accrual of the payment made to Icatu Cap for the transfer of its rights to market premium bonds products in the branches formerly owned by Banco Nossa Caixa starting in May 2014 and (ii) interest accrual of legal provisions.

Table 116 – Premium Bonds | Mark to market and derivatives effect

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Mark to market	21,214	(5,556)	63,135	197.6	-	166,669	83,242	(50.1)
Derivatives	(484)	(16,151)	(4,663)	862.7	(71.1)	(80,394)	(19,882)	(75.3)
Net result	**20,729**	**(21,707)**	**58,472**	**182.1**	**-**	**86,275**	**63,359**	**(26.6)**

Table 117 – Premium Bonds | Financial investments portfolio breakdown

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Mark to market securities	**7,593,514**	**6,264,576**	**4,895,208**	**(35.5)**	**(21.9)**
Pre-fixed	4,213,695	3,641,814	2,900,464	(31.2)	(20.4)
Floating	3,078,288	2,343,696	1,746,394	(43.3)	(25.5)
Inflation	222,973	206,759	172,057	(22.8)	(16.8)
Equity funds	77,160	71,812	75,816	(1.7)	5.6
Other	1,398	494	476	(65.9)	(3.7)
Held to maturity securities	**3,910,312**	**3,917,907**	**5,328,961**	**36.3**	**36.0**
Pre-fixed	2,926,031	2,923,216	4,329,627	48.0	48.1
Inflation	984,281	994,691	999,335	1.5	0.5
Total	**11,503,826**	**10,182,483**	**10,224,169**	**(11.1)**	**0.4**

Figure 108 – Premium Bonds | Asset allocation (%)

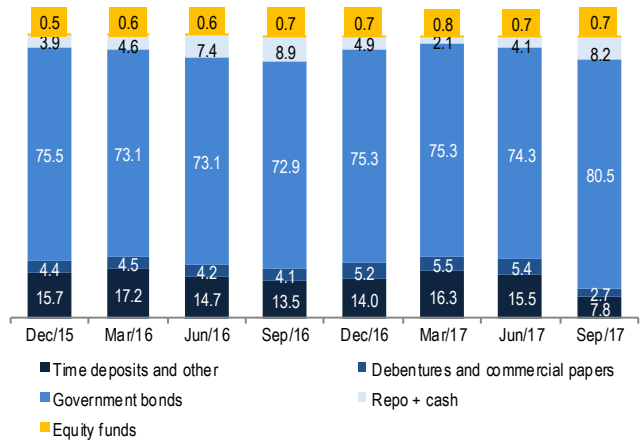
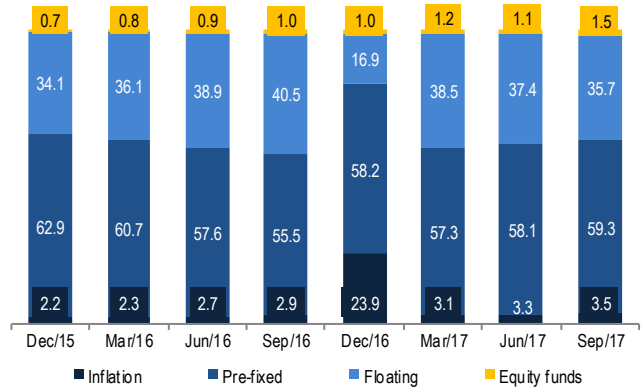


Figure 109 – Premium Bonds | Financial investments breakdown by index (%)



BALANCE SHEET ANALYSIS

Table 118 – Premium Bonds | Balance sheet

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Assets	**12,619,196**	**11,268,007**	**11,348,914**	**(10.1)**	**0.7**
Cash and cash equivalents	262	68	97	(63.0)	42.6
Financial assets	11,503,826	10,182,483	10,224,169	(11.1)	0.4
Securities and credits receivable	1,098,483	1,070,756	1,110,664	1.1	3.7
Prepaid expenses	5,512	1,697	907	(83.5)	(46.6)
Investments	1,212	1,196	1,190	(1.8)	(0.5)
Fixed assets	2,693	2,477	2,427	(9.9)	(2.0)
Intangible	3,381	2,649	2,338	(30.9)	(11.7)
Other assets	3,827	6,681	7,122	86.1	6.6
Liabilities	**12,237,951**	**10,834,642**	**10,991,535**	**(10.2)**	**1.4**
Accounts payable	192,212	107,140	157,815	(17.9)	47.3
Premium bonds operations debits	10,055	24,108	24,694	145.6	2.4
Technical reserves - premium bonds	11,011,804	9,772,440	9,839,910	(10.6)	0.7
Other liabilities	1,023,880	930,954	969,116	(5.3)	4.1
Shareholders' equity	**381,245**	**433,365**	**357,379**	**(6.3)**	**(17.5)**

SOLVENCY

Table 119 – Premium Bonds | Solvency[1]

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Adjusted shareholders' equity (a)	**372,346**	**520,506**	**492,074**	**32.2**	**(5.5)**
Minimum capital required (b)	**286,238**	**274,681**	**227,959**	**(20.4)**	**(17.0)**
Additional capital for underwritting risk	111,602	59,485	36,592	(67.2)	(38.5)
Additional capital for credit risk	193,694	196,941	135,216	(30.2)	(31.3)
Additional capital for operating risk	18,677	16,578	19,754	5.8	19.2
Additional capital for market risk	-	65,073	100,658	-	54.7
Benefit of correlation between risks	(37,735)	(63,396)	(64,262)	70.3	1.4
Capital adequacy (a) - (b)	**86,108**	**245,825**	**264,115**	**206.7**	**7.4**
Solvency ratio (a) / (b) - %	**130.1**	**189.5**	**215.9**	**85.8 p.p.**	**26.4 p.p.**

[1]Information based on the accounting principles adopted by SUSEP.

4.5 DENTAL INSURANCE

EARNINGS ANALYSIS

Table 120 – Dental Insurance | Income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Gross operating revenues	**11,749**	**17,970**	**19,504**	**66.0**	**8.5**	**32,918**	**55,002**	**67.1**
Taxes on revenues	(341)	(556)	(618)	81.1	11.2	(1,017)	(1,757)	72.7
Net operating revenues	**11,408**	**17,414**	**18,886**	**65.6**	**8.5**	**31,900**	**53,245**	**66.9**
Cost of services	(6,960)	(9,994)	(10,273)	47.6	2.8	(18,323)	(29,073)	58.7
Gross income	**4,448**	**7,420**	**8,613**	**93.6**	**16.1**	**13,578**	**24,172**	**78.0**
Acquisition costs	(366)	(1,628)	(1,834)	401.2	12.7	(1,108)	(4,943)	346.2
Administratives expenses	(2,545)	(3,259)	(3,663)	44.0	12.4	(7,606)	(10,139)	33.3
Tax expenses	(161)	(186)	(195)	21.2	4.9	(454)	(574)	26.5
Other revenues (expenses)	(629)	(796)	(988)	57.1	24.1	(981)	(2,171)	121.3
Earnings before interest and taxes	**748**	**1,552**	**1,933**	**158.6**	**24.6**	**3,429**	**6,345**	**85.1**
Net investment income	**380**	**311**	**299**	**(21.5)**	**(3.9)**	**766**	**933**	**21.9**
Financial income	437	414	410	(6.2)	(0.9)	949	1,269	33.7
Financial expenses	(57)	(103)	(111)	96.1	8.3	(183)	(335)	83.4
Earnings before taxes and profit sharing	**1,128**	**1,862**	**2,232**	**97.9**	**19.8**	**4,194**	**7,278**	**73.5**
Taxes	(162)	(656)	(733)	351.3	11.6	(1,155)	(2,433)	110.6
Profit sharing	(170)	(220)	(177)	4.3	(19.5)	(480)	(567)	18.1
Net income	**796**	**986**	**1,322**	**66.1**	**34.1**	**2,559**	**4,278**	67.2

Table 121 – Dental Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Performance ratios								
Loss ratio	61.0	57.4	54.4	(6.6)	(3.0)	57.4	54.6	(2.8)
Comission ratio	3.2	9.3	9.7	6.5	0.4	3.5	9.3	5.8
G&A ratio	29.2	24.4	25.7	(3.6)	1.3	28.3	24.2	(4.1)
EBITDA margin	6.6	9.0	10.3	3.7	1.3	10.8	12.0	1.2
ROAE	36.6	32.8	40.2	3.6	7.3	61.2	47.2	(14.1)

Figure 110 – Dental Insurance | Clients by segment (thousand)

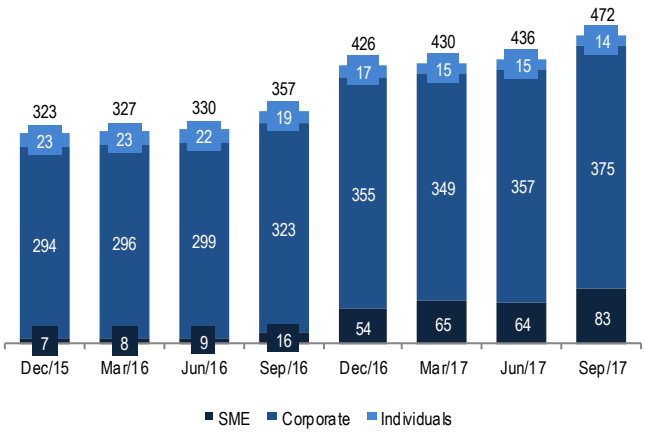


Figure 111 – Dental Insurance | Clients by segment (%)

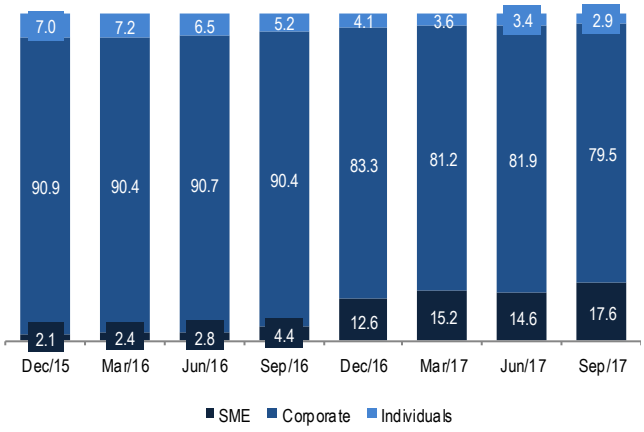


Table 122 – Dental Insurance | Client base breakdown

	Balance			Chg. %	
	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Client segments					
Corporate	323,292	357,208	374,768	15.9	4.9
SME	15,625	63,739	83,090	431.8	30.4
Individuals	18,579	14,947	13,710	(26.2)	(8.3)
Total	**357,496**	**435,894**	**471,568**	**31.9**	**8.2**

BALANCE SHEET ANALYSIS

Table 123 – Dental Insurance | Balance sheet

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Assets	**17,370**	**23,862**	**25,495**	**46.8**	**6.8**
Cash and cash equivalents	135	1,147	1,176	773.1	2.5
Financial assets	11,829	16,650	19,074	61.2	14.6
Receivables from insurance and reinsurance operations	2,112	3,439	2,704	28.0	(21.4)
Tax assets	2,088	352	314	(85.0)	(10.8)
Other assets	1,206	2,274	2,227	84.6	(2.1)
Liabilities	**8,267**	**11,362**	**11,672**	**41.2**	**2.7**
Technical reserves	4,370	5,797	5,616	28.5	(3.1)
Tax liabilities	266	332	590	121.6	77.7
Other liabilities	3,631	5,233	5,466	50.6	4.5
Shareholders' equity	**9,103**	**12,500**	**13,823**	**51.9**	**10.6**

5. DISTRIBUTION

The insurance intermediation in Brazil is not required by law, but the brokerage payment is mandatory for all insurance contracts, regardless the involvement of a broker. According to the law 6,317 as of 1975, in case no broker is involved, the amount supposed to be paid as brokerage shall be directed to the Fund for Developing the Insurance Culture, managed by the Foundation National Insurance School– FUNENSEG.

At BB Seguridade the distribution of its affiliates' products – BB MAPFRE SH1, MAPFRE BB SH2, Brasilprev, Brasilcap and Brasildental – takes place through a fully owned broker named BB Corretora de Seguros e Administradora de Bens S.A. ("BB Corretora"), which intermediates the sales of insurance, pension plans, premium bonds and dental care plans at Banco do Brasil's distribution network.

BB Corretora is remunerated by the affiliates through the payment of commission per sale, and as a result of the usage of Banco do Brasil's distribution network, including the workforce, IT solutions and facilities, it reimburses the costs incurred by the Bank during the selling and maintenance of insurance, pension plans, premium bonds and dental care products. This reimbursement done by BB Corretora to Banco do Brasil is governed by an agreement which will be in force until 2033.

The brokerage business in the bancassurance channel is not a complex business model, as it does not incur in the underwriting risk and has low capital needs. In addition to these factors it is worth mentioning the footprint and the strong franchise of Banco do Brasil, which provides competitive advantages for BB Seguridade.

In addition to the bancassurance channel of Banco do Brasil, the insurance products of BB MAPFRE SH1 and MAPFRE BB SH2 also counts on a distribution network composed by close to 20,000 independent brokers and 160 partnerships with other companies that comprise the affinity channel.

At the Pension Plans and Premium Bonds segments, products can also be sold, at a smaller extent, by partners, notably the ones maintained by Brasilcap to distribute premium bonds in the Post Office ("Correios"), in the Votorantim branches and in real state agencies which sell the product named Cap Fiador, which are premium bonds offered as collateral for rental contracts.

Figure 112 – Distribution | Consolidated premiums written, contributions and collection by channel[1] (R$ million)

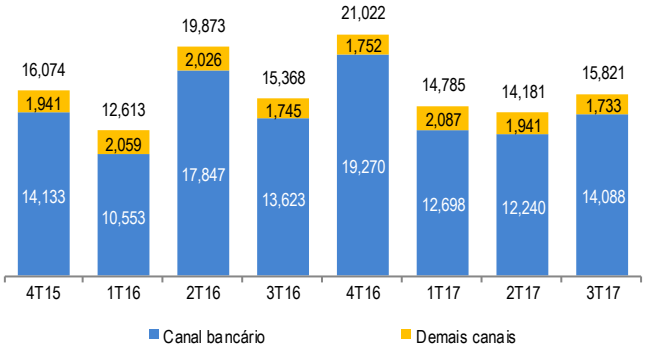
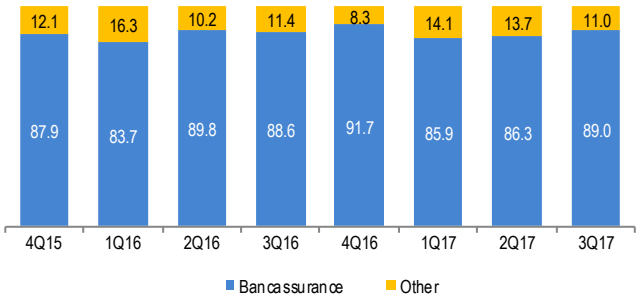


Figure 113 – Distribution | Consolidated premiums written, contributions and collection by channel[1] (%)



[1]Insurance premiums written, pension plans contributions and premium bonds collection.

Figure 114 – Distribution | Premiums written of BB MAPFRE SH1 by channel (R$ million)

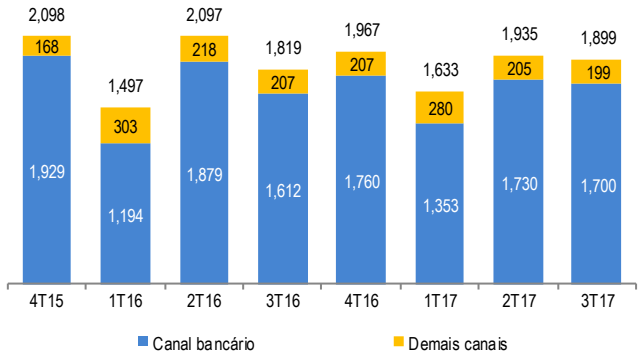


Figure 115 – Distribution | Premiums written of BB MAPFRE SH1 by channel (%)

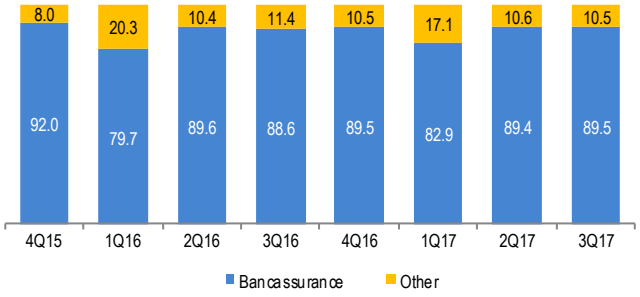


Figure 116 – Distribution | Premiums written of MAPFRE BB SH2 by channel (R$ million)

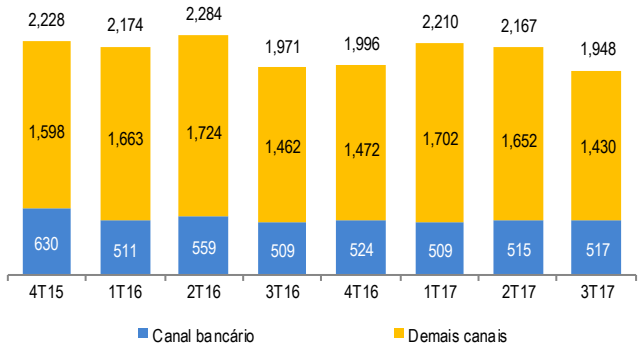


Figure 117 – Distribution | Premiums written of MAPFRE BB SH2 by channel (%)

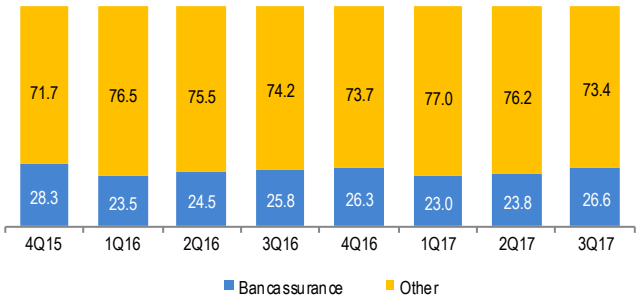


Figure 118 – Distribution | Pension plans contributions by channel (R$ million)

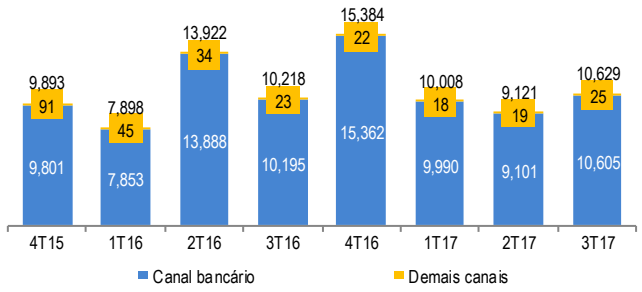


Figure 119 – Distribution | Pension plans contributions by channel (%)

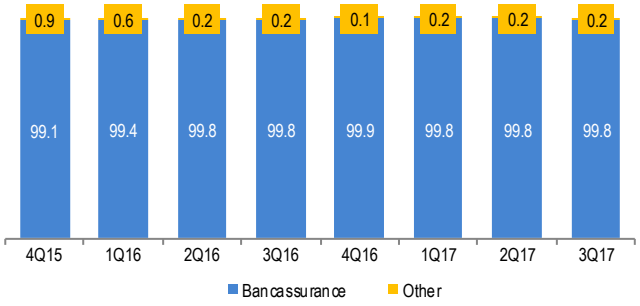


Figure 120 – Distribution | Premium bonds collections by channel (R$ million)

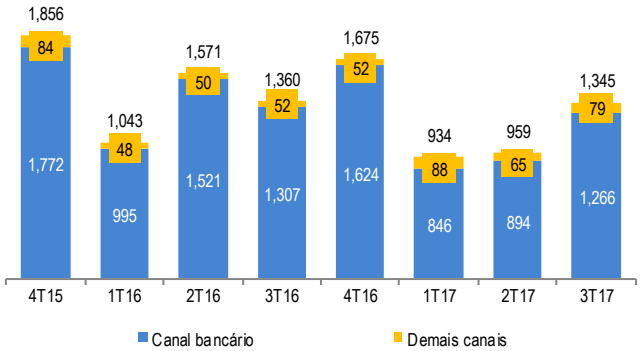
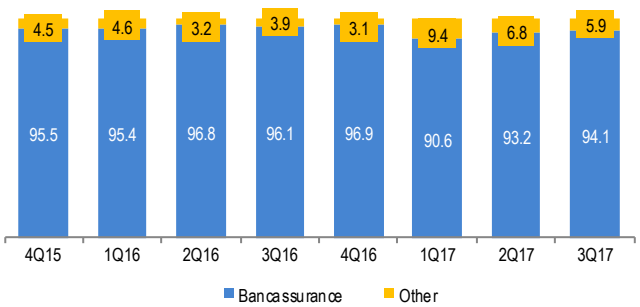


Figure 121 – Distribution | Premium bonds collections by channel (%)



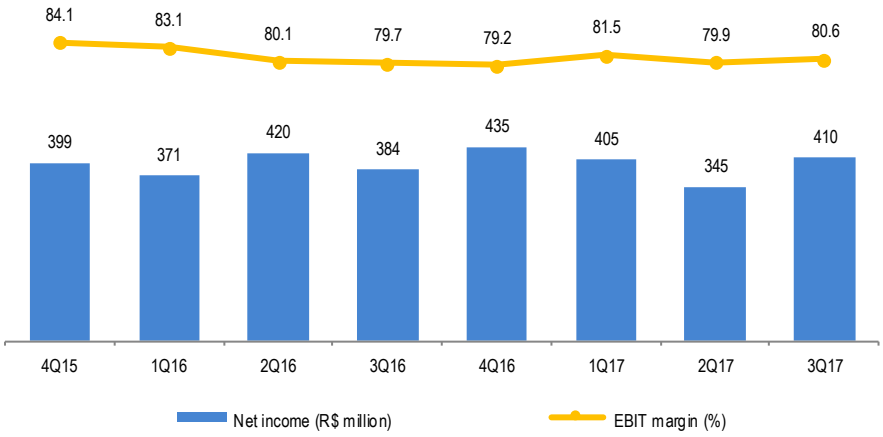
5.1 BB CORRETORA

EARNINGS ANALYSIS

Table 124 – Brokerage | Income statement

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Brokerage revenues	**672,219**	**602,073**	**735,125**	**9.4**	**22.1**	**2,031,903**	**2,029,001**	**(0.1)**
Administrative expenses	(47,336)	(41,500)	(35,244)	(25.5)	(15.1)	(147,117)	(115,405)	(21.6)
Personnel expenses	(4,913)	(6,352)	(7,510)	52.9	18.2	(6,671)	(18,944)	183.9
Other operating income (expenses)	(3,594)	(2,471)	(13,724)	281.8	455.5	(11,003)	(17,845)	62.2
Tax expenses	(80,318)	(70,943)	(86,172)	7.3	21.5	(223,103)	(239,794)	7.5
Earnings before interest and taxes	**536,058**	**480,807**	**592,476**	**10.5**	**23.2**	**1,644,010**	**1,637,013**	**(0.4)**
Net investment income	**43,168**	**39,493**	**31,594**	**(26.8)**	**(20.0)**	**128,563**	**120,100**	**(6.6)**
Financial income	54,481	39,549	43,957	(19.3)	11.1	154,924	149,501	(3.5)
Financial expenses	(11,313)	(56)	(12,363)	9.3	21,987.6	(26,361)	(29,401)	11.5
Earnings before taxes	**579,226**	**520,300**	**624,070**	**7.7**	**19.9**	**1,772,573**	**1,757,113**	**(0.9)**
Taxes	(195,253)	(174,888)	(214,292)	9.8	22.5	(597,643)	(597,048)	(0.1)
Net income	**383,973**	**345,412**	**409,778**	**6.7**	**18.6**	**1,174,930**	**1,160,065**	**(1.3)**

Figure 122 – BB Corretora | Net income



QUARTERLY ANALYSIS

BB Corretora reported a net income of R$409.8 million in the 3Q17, up 6.7% YoY, driven by the 9.4% growth in brokerage revenues, in addition to the 0.9 p.p. improvement in the EBIT margin.

The improvement in the operating performance was partially offset by the 26.8% contraction in the net investment income, justified by the lower average yield on financial investments, which led to the 1.4 p.p. decrease in the net margin YoY.

YEAR-TO-DATE ANALYSIS

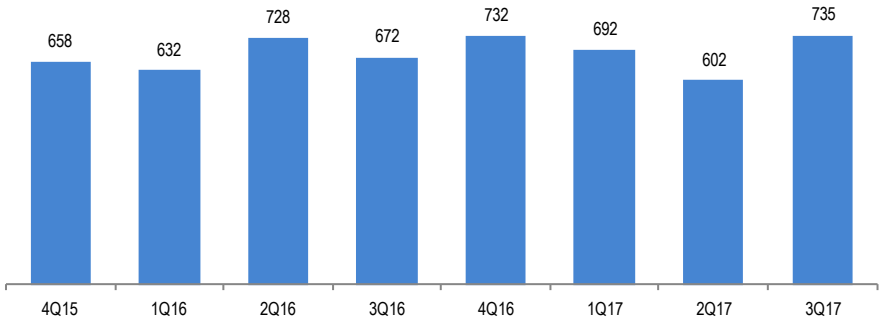
Year-to-date, BB Corretora's net income was down 1.3%, explained by the 0.2 p.p. contraction in the EBIT margin along with the 6.6% decrease in net investment income.

In the 9M17, the net margin was down 0.6 p.p. to 57.2%.

Table 125 – BB Corretora | Managerial performance ratios

	Quarterly Flow			Chg. (p.p.)		9 Months Flow		Chg. (p.p.)
%	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
G&A expenses	20.3	20.1	19.4	(0.9)	(0.7)	19.1	19.3	0.2
Tax expenses	11.9	11.8	11.7	(0.2)	(0.1)	11.0	11.8	0.8
EBIT margin	79.7	79.9	80.6	0.9	0.7	80.9	80.7	(0.2)
Income tax rate	33.7	33.6	34.3	0.6	0.7	33.7	34.0	0.3
Net margin	57.1	57.4	55.7	(14)	(16)	57.8	57.2	(0.6)

Figure 123 – BB Corretora | Brokerage revenues (R$ million)



QUARTERLY ANALYSIS

In the 3Q17, brokerage revenues amounted to R$735.1 million, 9.4% up YoY, largely explained by:

(i) the 14.1% growth in brokerage revenues arising from Brasilprev, driven by higher pension plans contributions;

(ii) the 8.2% increase in brokerage revenues coming from BB MAPFRE SH1, due to the rise in commission rates from some life insurance products starting in July, along with the growth in credit life and in rural insurance sales; and

(iii) the 29.1% growth in brokerage revenues arising from Brasilcap, as a result of the launching of the new portfolio Ourocap Negócios, which presents higher commission rates as compared to the prior portfolios, along with the increase in collections from single payment bonds, which have higher commission rates when compared to the recurring payments from monthly payment bonds.

YEAR-TO-DATE ANALYSIS

In the first nine months of 2017, brokerage revenues were almost flat YoY. The 2.9% growth in brokerage revenues arising from BB MAPFRE SH1 stands out, due to the increase in commission rates from some life insurance products along with higher rural and mortgage life insurance sales, an effect that was offset by the 14.8% drop in brokerage revenues coming from Brasilcap, in addition to the 8.4% decline in commissions from MAPFRE BB SH2, driven mainly by weaker sales in both companies.

Table 126 – BB Corretora | Brokerage revenues breakdown

	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	**3Q16**	**2Q17**	**3Q17**	**On 3Q16**	**On 2Q17**	**9M16**	**9M17**	**On 9M16**
BB MAPFRE SH1	404,675	370,025	437,750	8.2	18.3	1,199,849	1,234,051	2.9
MAPFRE BB SH2	76,690	71,404	69,682	(9.1)	(2.4)	232,846	213,330	(8.4)
Brasilprev	124,119	117,437	141,601	14.1	20.6	400,465	410,952	2.6
Brasilcap	65,437	41,047	84,487	29.1	105.8	194,313	165,559	(14.8)
Other	1,297	2,161	1,605	23.7	(25.7)	4,431	5,108	15.3
Total	**672,219**	**602,073**	**735,125**	**9.4**	**22.1**	**2,031,904**	**2,029,001**	**(0.1)**

Figure 124 – BB Corretora | Brokerage revenues breakdown (%)

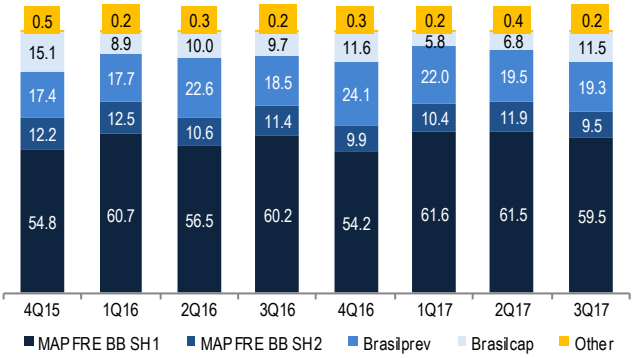


Figure 125 – BB Corretora | Unearned commissions breakdown (%)

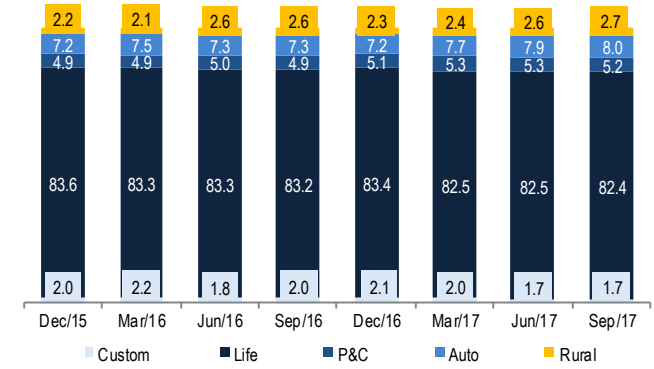
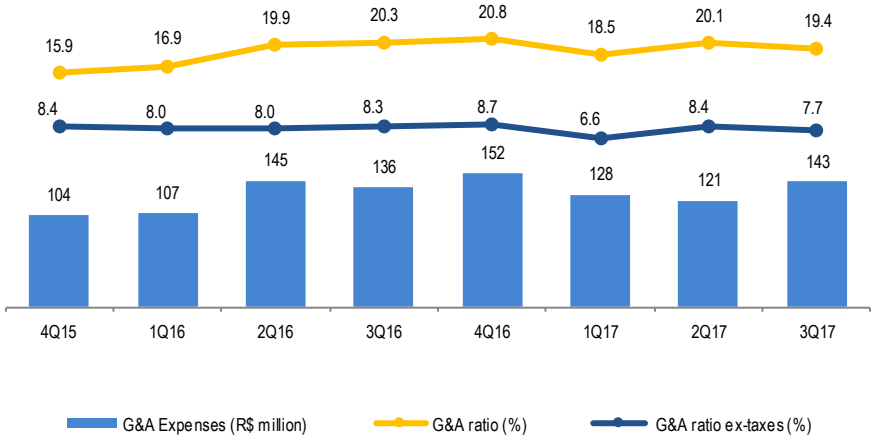


Figure 126 – BB Corretora | G&A expenses



QUARTERLY ANALYSIS

In the 3Q17, G&A expenses were 4.8% higher YoY, driven primarily by the 7.3% increase in tax expenses, along with the 52.9% growth in personnel expenses, as an outcome of the revision of the cost sharing methodology between BB Seguridade and its subsidiaries, BB Seguros and BB Corretora deployed in the 2Q17.

On the other hand, the aforementioned effects were partially offset by the decline in administrative expenses, due to lower administrative cost of products, operational support and IT.

YEAR-TO-DATE ANALYSIS

Year-to-date, G&A expenses grew by 1.0% YoY, supported by the 7.5% increase in tax expenses along with the rise in personnel expenses, driven by the deployment of the cost sharing methodology between BB Seguridade and its subsidiaries, BB Seguros and BB Corretora in the 2Q16 and revised in the 2Q17.

Those effects were partially offset by the decline in administrative expenses, due to lower administrative cost of products, operational support and IT.

Table 127 – BB Corretora | General & Administrative expenses

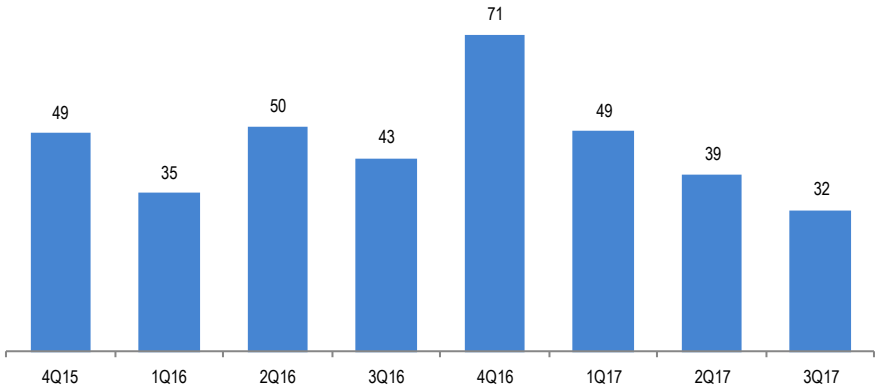
	Quarterly Flow			Chg. %		9 Months Flow		Chg. %
R$ thousand	3Q16	2Q17	3Q17	On 3Q16	On 2Q17	9M16	9M17	On 9M16
Administrative expenses	**(47,336)**	**(41,500)**	**(35,244)**	**(25.5)**	**(15.1)**	**(147,117)**	**(115,405)**	**(21.6)**
Administrative cost of products	(13,971)	(10,932)	(9,209)	(34.1)	(15.8)	(45,842)	(31,249)	(31.8)
Operational support	(23,037)	(22,198)	(19,298)	(16.2)	(13.1)	(72,426)	(61,274)	(15.4)
Information technology	(8,760)	(7,618)	(5,881)	(32.9)	(22.8)	(27,074)	(20,905)	(22.8)
Other	(1,567)	(751)	(856)	(45.4)	14.0	(1,775)	(1,976)	11.4
Tax expenses	**(80,318)**	**(70,943)**	**(86,172)**	**7.3**	**21.5**	**(223,103)**	**(239,794)**	**7.5**
PIS/PASEP	(11,445)	(10,186)	(12,178)	6.4	19.6	(30,348)	(34,207)	12.7
COFINS	(53,266)	(47,313)	(56,534)	6.1	19.5	(145,553)	(159,063)	9.3
ISS	(15,607)	(13,440)	(17,443)	11.8	29.8	(47,201)	(46,222)	(2.1)
IOF	-	(4)	(16)	-	295.1	(1)	(301)	49,106.5
Personnel expenses	**(4,913)**	**(6,352)**	**(7,510)**	**52.9**	**18.2**	**(6,671)**	**(18,944)**	**183.9**
Other operating income (expenses)	**(3,594)**	**(2,471)**	**(13,724)**	**281.8**	**455.5**	**(11,003)**	**(17,845)**	**62.2**
G&A Expenses	**(136,161)**	**(121,266)**	**(142,649)**	**4.8**	**17.6**	**(387,894)**	**(391,757)**	**1.0**

Table 128 – BB Corretora | Banco do Brasil distribution network

	Sep/16		Jun/17		Sep/17	
	Number of branches	Market share (%)	Number of branches	Market share (%)	Number of branches	Market share (%)
Banco do Brasil distribution network	**5,430**	**23.1**	**4,888**	**21.8**	**4,871**	**22.1**
Northeast	1,137	30.5	1,057	29.6	1,059	29.8
North	320	27.0	305	26.7	305	27.1
Midwest	484	26.0	457	25.2	458	25.6
South	1,057	23.9	948	22.8	944	23.2
Southeast	2,432	19.7	2,121	18.1	2,105	18.2

Source: Brazilian Central Bank

Figure 127 – BB Corretora | Net investment income (R$ million)



QUARTERLY ANALYSIS

In the 3Q17, the net investment income decreased by 26.8% YoY, and amounted to R$31.6 million.

The performance is explained by the 4.0 p.p. compression in the average yield on financial assets, which are comprised of cash and financial instruments. Such effect was directly related to the reduction in the Selic rate.

YEAR-TO-DATE ANALYSIS

Year-to-date, the net investment income fell by 6.6% YoY, dragged down by the 3.2 p.p. contraction in the average yield on financial assets, explained by the reduction in the Selic rate.

Table 129 – BB Corretora | Quarterly figures – Earning assets average balance and interest rates

R$ thousand	3Q16			3Q17		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
Earning assets						
Cash and financial instruments	1,534,390	50,813	13.5	1,540,894	36,051	9.5
Other assets	168,483	3,669	8.7	187,163	2,666	5.7
Current tax assets	67,430	-	-	18,183	5,239	171.0
Total	**1,770,303**	**54,481**	**12.5**	**1,746,240**	**43,957**	**10.3**

Table 130 – BB Corretora | Quarterly figures – Interest bearing liabilities average balance and interest rates

R$ thousand	3Q16			3Q17		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
Interest bearing liabilities						
Dividends payable	395,478	(11,295)	10.6	382,600	(10,230)	10.1
Other liabilities	406	(9)	7.8	2,289	(2,082)	100.0
Total	**395,884**	**(11,304)**	**10.6**	**384,889**	**(12,312)**	**12.1**

Table 131 – BB Corretora | Year-to-date figures – Earning assets average balance and interest rates

R$ thousand	9M 16			9M 17		
	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
Earning assets						
Cash and financial instruments	1,508,537	144,441	13.0	1,708,113	123,290	9.8
Other assets	164,059	10,483	8.6	183,800	9,109	6.7
Current tax assets	67,430	-	-	23,440	17,102	108.4
Total	**1,740,026**	**154,924**	**12.0**	**1,915,353**	**149,501**	**10.6**

Table 132 – BB Corretora | Year-to-date figures – Interest bearing liabilities average balance and interest rates

R$ thousand	9M 16			9M 17		
	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
Interest bearing liabilities						
Dividends payable	382,533	(25,897)	8.9	409,491	(27,158)	8.8
Other liabilities	398	(24)	7.9	2,281	(2,097)	96.6
Total	**382,931**	**(25,921)**	**9.1**	**411,772**	**(29,255)**	**9.5**

BALANCE SHEET ANALYSIS

Table 133 – Brokerage | Balance sheet

	Balance			Chg. %	
R$ thousand	Sep/16	Jun/17	Sep/17	On Sep/16	On Jun/17
Assets	**2,691,198**	**2,805,182**	**2,698,306**	**0.3**	**(3.8)**
Cash and cash equivalents	674,226	778,021	578,422	(14.2)	(25.7)
Securities	688,117	852,865	872,687	26.8	2.3
Current tax assets	367,833	212,231	297,146	(19.2)	40.0
Commission receivable	790,423	776,337	761,088	(3.7)	(2.0)
Other assets	170,598	185,728	188,963	10.8	1.7
Liabilities	**2,272,249**	**2,758,112**	**2,241,454**	**(1.4)**	**(18.7)**
Dividends payable	-	765,200	-	-	-
Provision	12,691	13,659	15,070	18.7	10.3
Current tax liabilities	625,250	405,572	630,064	0.8	55.4
Unearned commissions	1,614,327	1,555,048	1,569,670	(2.8)	0.9
Other liabilities	19,981	18,633	26,650	33.4	43.0
Shareholders' equity	**418,949**	**47,070**	**456,852**	**9.0**	**870.6**

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6. DEFINITIONS

COMMON RATIOS

Quarterly adjusted ROAE annualized = (adjusted net income / average equity) x 4;

Average volume = net change - average rate

Average rate = (current period interest / current period balance) x (previous period balance) - (previous period interest)

Net change = current period interest - previous period interest

Assets annualized rate = interest revenues / average earning assets balance

Liabilities annualized rate = interest expenses / average interest bearing liabilities

INSURANCE

Loss Ratio = claims incurred / earned premiums;

Commission Ratio = acquisition costs / earned premiums;

Technical Margin = (earned premiums + policies issuance revenue + incurred claims + acquisition costs + result with reinsurance) / earned premiums;

G&A Ratio = (administrative expenses + tax expenses + other operating income (expenses)) / earned premiums;

Combined Ratio = (policies issuance revenue + incurred claims + acquisition costs + result with reinsurance + administrative expenses + tax expenses + other operating income (expenses)) / earned premiums;

Expanded combined ratio = (policies issuance revenue + incurred claims + acquisition costs + result with reinsurance + administrative expenses + tax expenses + other operating income (expenses)) / (earned premiums + net investment income).

MANAGERIAL

Earned Premiums = premiums written – premiums written in raw reinsurance – changes in technical reserves – changes in expenses with reinsurance provisions;

Retained claims = incurred claims – recovery of indemnity claims – recovery of claims expenses – changes in provisions for claims IBNR – salvages and reimbursed assets – changes in provision for claims IBNER provisions for claims to be settled – changes of expenses related to IBNR – changes in estimates for salvages and reimbursed assets – provisions for claims to be settled;

Commission = acquisition costs – commission return;

G&A expenses = administrative expenses + tax expenses + other operating income (expenses);

PENSION PLANS

Commission Ratio = acquisition cost / income and premiums contributions

Cost to income = (changes in other technical reserves + expenses with benefits, redemptions and claims + acquisition costs + administrative expenses + tax expenses + other operating income (expenses)) / (net revenues with contributions and VGBL premiums + revenues with management fee + earned premiums)

PREMIUM BONDS

Commission Ratio = acquisition costs / revenue with load fee quote;

G&A Ratio = (administrative expenses + tax expenses + other operating income (expenses)) / revenue with load fee quote;

Reserve quote = change in provision for redemption / premium bonds collection

Lottery quote = expenses with constitution of provisions for lottery / premium bonds collection

Bonus quote = expenses with constitution of provisions for bonus / premium bonds collection

Load fee quote = revenue with load fee quote / premium bonds collection

Premium Bond Margin = result with premium bonds / net revenue with premium bonds;

Spread = average yield on interest earning assets – average yield on interest bearing liabilities

REINSURANCE

Claim Ratio = incurred claims / earned premiums;

Commission Ratio = acquisition costs / earned premiums;

Technical Margin = (incurred claims + acquisition costs + result with reinsurance) / earned premiums;

G&A Ratio = (administrative expenses + tax expenses + other operating income (expenses)) / earned premiums;

Combined Ratio = (incurred claims + acquisition costs + result with reinsurance + administrative expenses + tax expenses + other operating income (expenses)) / earned premiums;

Expanded combined ratio = (incurred claims + acquisition costs + result with reinsurance + administrative expenses + tax expenses + other operating income (expenses)) / (earned premiums + net investment income).

BROKERAGE

Adjusted Operational Margin = operational results / brokerage revenues;

Adjusted Net Margin = adjusted net income / brokerage revenues.