BANCO DO BRASIL
Seguridade



MD&A
1st 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 BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros.

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 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 changes of relative rates are calculated before 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.

1Q17 Earnings Conference Call

May 9th, 2017

Portuguese

Time: 10 am (Brasília time)

9 am (Eastern time)

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English

Time: 11:30 am (Brasília time)

10:30 am (Eastern time)

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1. SUMMARY

Table 1 – Key figures

	Unit	Quarterly Flow				
		1Q16	2Q16	3Q16	4Q16	1Q17
Earnings Summary						
Underwritting and accumulation businesses	R$ thousand	608,261	669,124	638,846	679,268	594,118
Distribution businesses	R$ thousand	370,508	420,448	383,974	435,008	404,875
Other	R$ thousand	(21,085)	(2,858)	(34,890)	(39,540)	(6,190)
Net income	R$ thousand	957,684	1,086,714	987,930	981,524	992,803
Adjusted net income	R$ thousand	957,684	1,086,714	987,930	1,074,736	992,803
Adjusted ROAE[1]	%	49.9	55.2	48.9	52.2	47.3
Performance by segment						
Insurance - Life, Mortgage Life and Rural						
Loss ratio	%	34.3	30.9	31.3	31.0	24.6
Comission ratio	%	26.3	28.0	27.0	27.5	27.2
G&A ratio	%	12.9	9.8	12.0	10.7	20.6
Combined ratio	%	73.1	68.5	70.1	69.1	72.1
Expanded combined ratio	%	65.8	62.3	64.2	63.0	65.8
Adjusted ROAE	%	43.1	46.8	48.4	47.2	45.5
Solvency ratio	%	145.0	122.1	124.5	139.9	122.4
Insurance - Property and Casualty						
Loss ratio	%	64.2	56.6	59.7	63.9	59.3
Comission ratio	%	23.1	22.6	23.7	23.3	24.0
G&A ratio	%	18.7	17.8	19.1	19.5	23.1
Combined ratio	%	105.6	96.8	102.3	106.5	105.9
Expanded combined ratio	%	95.9	88.9	95.8	99.4	101.2
Adjusted ROAE	%	5.8	13.9	4.7	3.1	(0.5)
Solvency ratio	%	148.6	163.8	175.1	183.4	174.5
Pension Plans						
Technical reserves	R$ million	157,296	171,816	182,724	197,534	208,478
Management fee	%	1.17	1.16	1.15	1.14	1.13
Adjusted ROAE	%	37.3	39.0	43.0	42.9	39.7
Solvency ratio	%	160.0	170.9	165.2	201.8	209.7
Premium Bonds						
Premium bonds reserves	R$ million	11,723	11,208	11,012	10,763	10,231
Spread	p.p.	8.3	5.9	6.4	5.7	7.4
Adjusted ROAE	%	123.0	84.1	87.9	96.4	98.7
Solvency ratio	%	165.2	238.1	130.1	167.2	166.7
Brokerage						
EBIT margin	%	83.1	80.1	79.7	79.2	81.5
Net margin	%	58.7	57.7	57.1	59.4	58.5

[1]BB Seguridade's adjusted ROAE was calculated by dividing the adjusted net income by the average equity of the period, as disclosed by the Company in its MD&A. 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 – Adjusted income statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Equity income	**966,901**	**1,076,952**	**997,857**	**3.2**	**(7.3)**
Underwritting and accumulation businesses	608,261	679,268	594,118	(2.3)	(12.5)
Life, Mortgage Life and Rural	284,536	321,384	293,619	3.2	(8.6)
Property and Casualty	25,248	14,816	(2,285)	-	-
Pension Plans	167,105	200,016	186,277	11.5	(6.9)
Reinsurance	40,720	75,259	45,945	12.8	(39.0)
Premium Bonds	90,040	66,842	69,085	(23.3)	3.4
Dental Insurance	612	951	1,477	141.3	55.3
Distribution businesses	370,508	435,008	404,875	9.3	(6.9)
Other	(11,868)	(37,323)	(1,136)	(90.4)	(97.0)
G&A expenses	**(20,006)**	**(17,658)**	**(15,257)**	**(23.7)**	**(13.6)**
Personnel expenses	(11,898)	(7,767)	(5,068)	(57.4)	(34.7)
Administrative expenses	(2,128)	(9,154)	(7,637)	258.8	(16.6)
Tax expenses	(5,985)	(696)	(2,478)	(58.6)	256.2
Other operating income (expenses)	6	(41)	(74)	-	78.8
Net investment income	**10,788**	**15,442**	**10,202**	**(5.4)**	**(33.9)**
Financial income	48,997	15,442	44,691	(8.8)	189.4
Financial expenses	(38,209)	-	(34,489)	(9.7)	-
Adjusted net income	**957,684**	**1,074,736**	**992,803**	**3.7**	**(7.6)**

Figure 1 – Adjusted net income

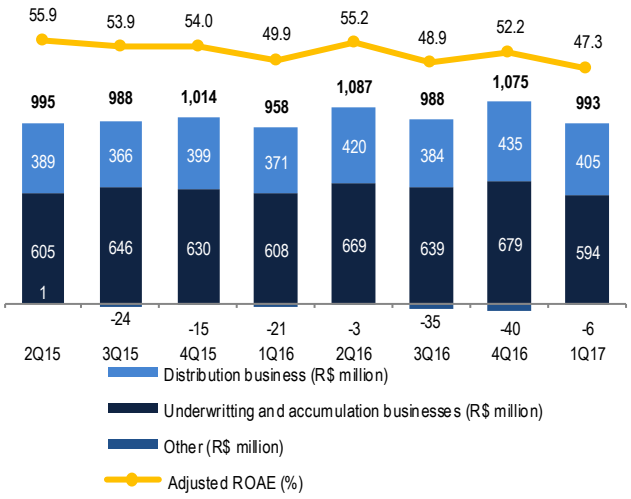
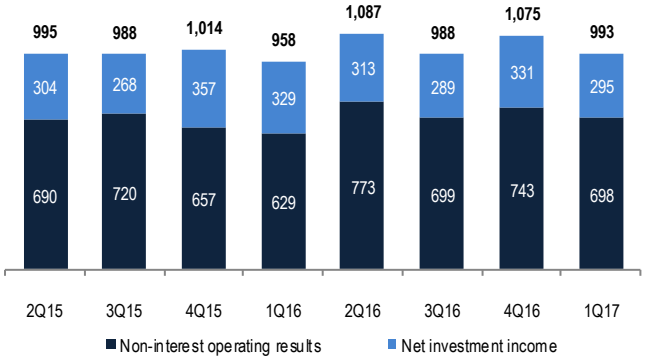
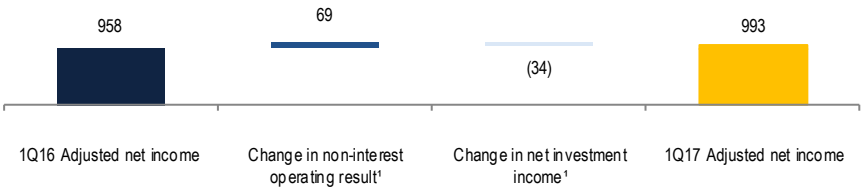


Figure 2 – Adjusted net income | Earnings breakdown[1] (R$ million)



[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.

Figure 3 – Net income | Quarterly 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.

In the 1Q17, the net income reached R$992.8 million, 3.7% higher YoY. The performance in the quarter is explained by the growth of R$69.2 million (+11.0%) in the combined non-interest operating result, which was partially offset by the reduction of R$34.1 million (-10.4%) in the combined net investment income, both net of tax effects.

The quarterly result was mostly supported by BB Corretora, driven by the strong commercial performance in the period, notably in rural insurance and pension plans. It is worth noting that the analysis of the last 12 months was impacted by the change of BB Corretora's tax regime to the non-cumulative system in March 2016, which led to a rise in the PIS/PASEP and COFINS tax rates on gross revenues, making the bases not directly comparable. The increase of the net income as compared to the same period last year was also helped by the reduction in the loss ratio for the insurance segments along with the growth in assets under management for pension plans, with a strong growth in contributions in addition to the fall in the redemption ratio.

On the other hand, the reduction in the Selic rate as well as in inflation, affected the return on floating securities and on inflation-protected securities classified as held to maturity, which impacted the net investment income at all the companies in the conglomerate.

The return on average equity registered 47.3% in the 1Q17, 2.6 p.p. lower YoY.

EXTRAORDINARY EVENTS

Table 3 – Earnings Analysis | Extraordinary events

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Adjusted net income	**957,684**	**1,074,736**	**992,803**	**3.7**	**(7.6)**
Extraordinary events	**-**	**(93,212)**	**-**	**-**	**-**
SH1: Tax credit - PIS/COFINS	-	13,458	-	-	-
SH2: Tax credit - PIS/COFINS	-	9,557	-	-	-
BB Seguros: Impairment - MAPFRE BB SH2	-	(176,101)	-	-	-
BB Seguros: Impairment - MAPFRE BB SH2 - Tax effects	-	59,874	-	-	-
Net income	**957,684**	**981,524**	**992,803**	**3.7**	**1.1**

SH1 and SH2 - Tax credit - PIS/COFINS: change in the methodology of PIS/PASEP and COFINS tax calculation which comprises the constitution of tax credits related to temporary differences of taxation on claims to be paid provision ("PSL"), incurred but not reported claims provision (IBNR) and incurred but not enough reported claims provision (IBNER), resulting in positive net impacts of R$53.1 million in BB MAPFRE SH1 and of R$53.5 million in MAPFRE BB SH2. Considering that the change in the methodology was applied to provisions recorded in both 2016 and previous years, the amount of tax credits related to provisions recorded in previous years was considered extraordinary, which generated a positive impact of R$23.0 million in BB Seguridade's net income in the 4Q16.

BB Seguros – Impairment (MAPFRE BB SH2): impairment loss in BB Seguro's investment in MAPFRE BB SH2 which amounted to R$176.1 million, as determined by the CPC 01 ("Brazilian Accounting Standards Committee Rule"). The impairment loss was due to the challenging economic scenario, lower premiums written estimates and lower net investment income due to lower expected interest rates. The gross amount was registered as an impairment loss in BB Seguros's other operating income/expenses, with a negative impact on BB Seguridade's equity income that amounted to R$116.2 million, net of income taxes in the 4Q16.

Figure 4 – SH1 | Premiums written (R$ million)

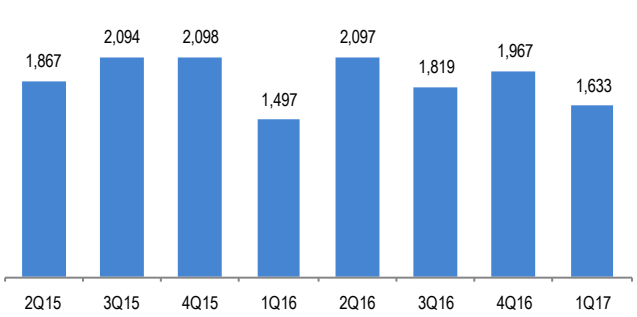
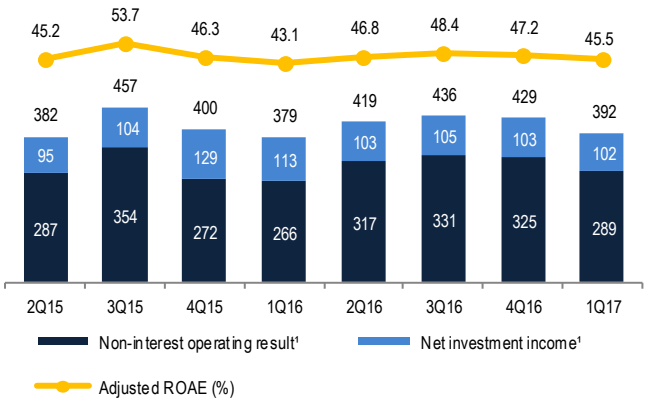


Figure 5 – SH1 | Adjusted net income and ROAE



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

The adjusted net income arising from the Life, Mortgage Life and Rural business segment amounted to R$391.5 million in the 1Q17, 3.2% up as compared to the same period of 2016. The performance was sustained by:

(i) the increase in non-interest operating result, due to the lower loss ratio, partially offset by the increase in the commission ratio as well as in the G&A ratio; and

(ii) the lower effective tax rate in the quarter, explained by the greater participation of rural insurance in the underwriting result.

It is worth noting that the result in the quarter was impacted by two movements that affected the G&A and the loss ratio, as described below:

(i) change in the methodology of 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) 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.

In the 1Q17, premiums written amounted to R$1.6 billion, 9.1% higher YoY justified by the increase in the Rural (+51.2%) and Mortgage Life (+9.9%) insurance segments, partially offset by the 2.7 % fall in credit life and in term life.

Figure 6 – SH2 | Premiums written (R$ million)

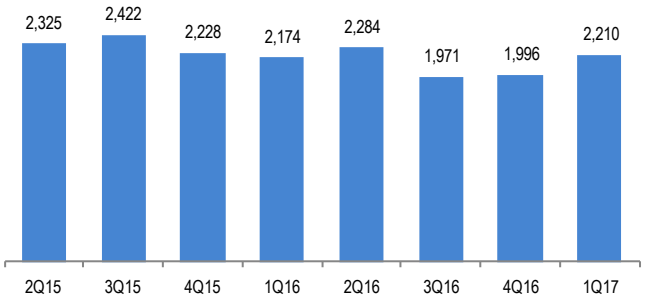
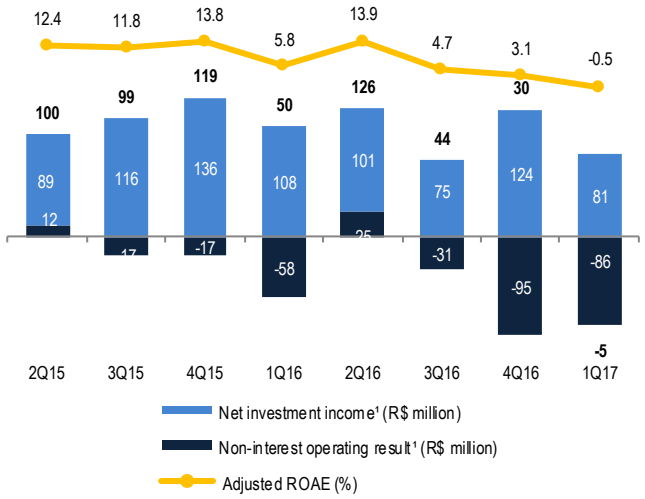


Figure 7 – SH2 | Adjusted net income and ROAE



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

In the 1Q17, the Property and Casualty operation recorded a net loss of R$4.6 million, compared to a net profit of R$50.5 million in the same period one year ago.

The weaker performance was a result of the reduction in the non-interest operating results along with a lower net investment income for the quarter.

Despite the improvement of 4.8 p.p. YoY in the loss ratio, the 8.3% decrease in retained earned premiums along with the higher commission ratio, driven by the increase in commissions in the auto insurance sold through independent broker in addition to the change in the mix of retained earned premiums, with increased share of products with higher commission ratio, as well as higher other operating expenses, drove the non-interest operating results down as compared to the 1Q16.

It is worth noting that the quarter was impacted by two movements that affected the G&A as well as the loss ratio, as described below:

(i) change in the methodology of the calculation of the provisions 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) recovery of reinsurance claims from previous periods, with a positive impact of R$30.7 million in the result with reinsurance line, which was reallocated to the claims retained line 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.

In the 1Q17, the premiums written amounted to R$2.2 billion, 1.7% higher YoY. The performance was driven by the increase in casualty and other insurance segments, partially offset by the reduction in auto insurance.

Figure 8– Brasilprev | Management fee

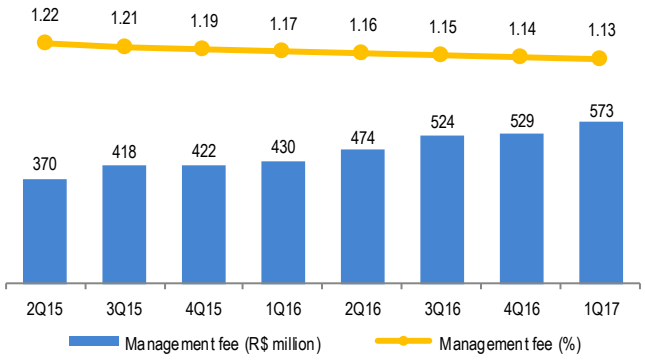
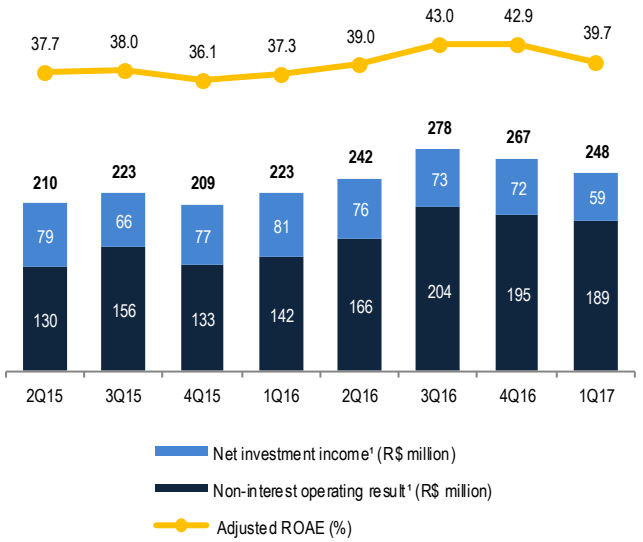


Figure 9 – Brasilprev | Adjusted net income and ROAE



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

The Pension Plans business segment achieved a net income of R$248.4 million in the 1Q17, 11.5% up YoY. The performance was supported by the improvement of the non-interest operating result, justified by:

(i) the 33.1% increase in the revenues with management fees, driven by the 32.5% expansion in assets under management; and

(ii) the 2.6 p.p. improvement in the cost to income ratio.

In the quarter, pension plans contribution rose 26.7% YoY, driven by sporadic contribution plans. The increase in contributions along with the 1.1 p.p. reduction in the redemption ratio resulted in a R$4.5 billion net inflow, 19.9% higher YoY.

Figure 10 – Brasilcap | Collections (R$ million)

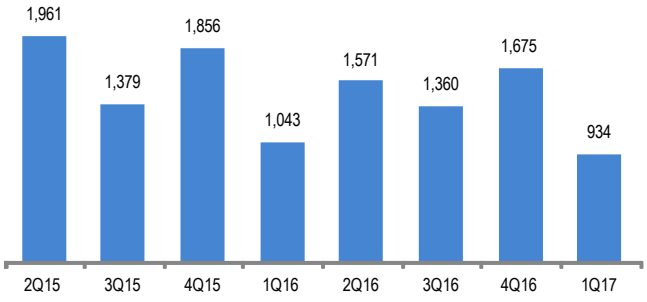
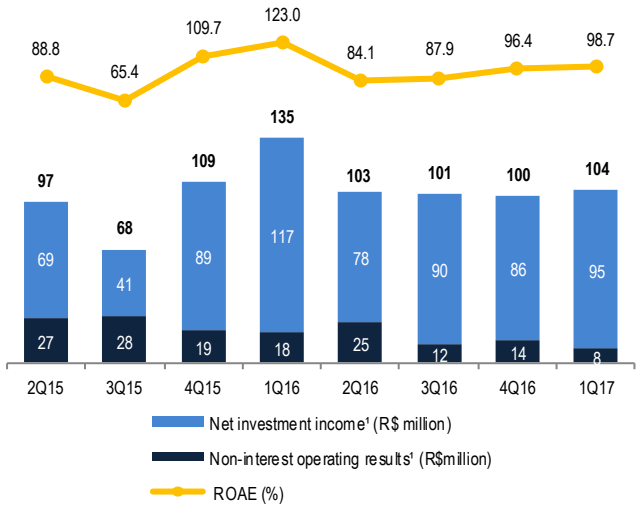


Figure 11 – Brasilcap | Net income and ROAE



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

In the 1Q17, the net income of the premium bond business reached R$103.6 million, 23.3% down YoY, mostly explained by the reduction of 18.9% in the net investment income.

The decline of the net investment income was driven by the 11.6% contraction in the average balance of earnings assets in addition to the 0.9 p.p. compression in the spread.

The result with premium bonds also contributed to the decline in the net income, due to the 10.5% reduction in the premium bonds collection and the 2.9 p.p. contraction in the average load fee quote.

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Figure 12 – IRB | Premiums written (R$ million)

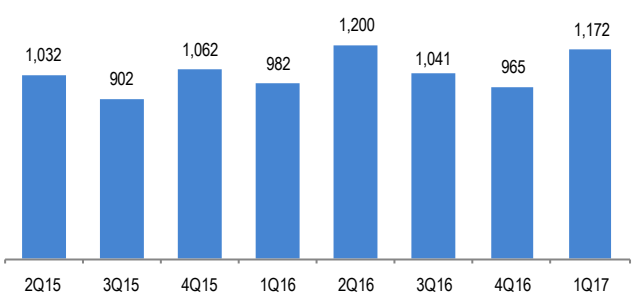
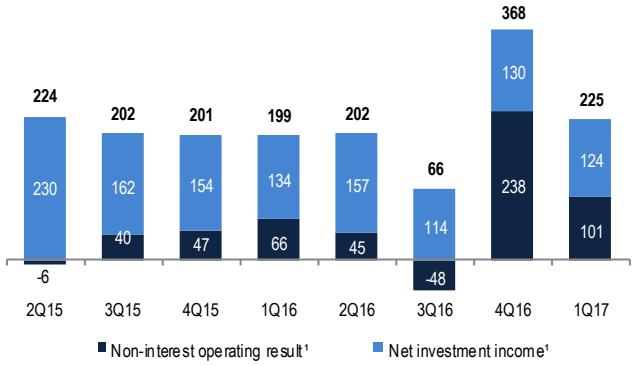


Figure 13 – IRB | Adjusted net income (R$ million)



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

In the 1Q17, the Reinsurance business segment reached a net income of R$224.9 million, 12.8% higher YoY. The performance is justified by the improvement in the loss ratio, partially offset by the growth in the G&A ratio.

BB Corretora | Brokerage

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

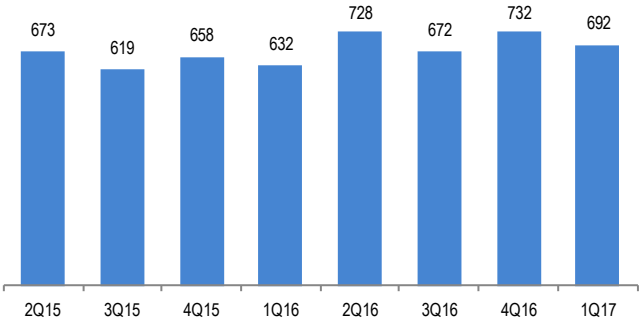
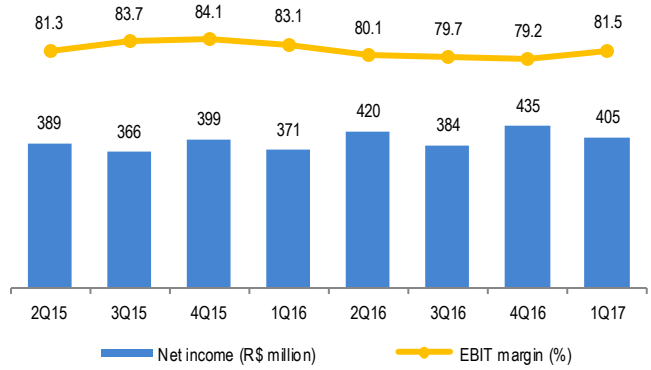


Figure 15 – BB Corretora | Net income and operating margin



BB Corretora's net income amounted to R$404.9 million in the 1Q17, 9.3% higher YoY, driven by:

(i) the growth of 9.5% in brokerage revenues, partially offset by the 1.6 p.p. contraction in the operating margin, justified mostly by the higher PIS/PASEP and COFINS tax rates since March 2016; and

(i) the 39.0% increase in the net investment income, driven by a higher average balance of financial investments along with the increase in the average yield on interest earning assets.

GUIDANCE 2017

The following table presents the Guidance for 2017. In the 1Q17, the growth in net income as compared to the 1Q16 was within the guidance range.

Table 4 – Estimates 2017

Ratio	Values observed	2017 Estimates
BB Seguridade - Adjusted net income growth (%)	3.7	10 - 5.0

OTHER INFORMATION

Table 5 – Market share and ranking

		Quarterly Flow				
	Unit	1Q16	2Q16	3Q16	4Q16	1Q17
Life						
Premiums written	R$ thousand	807,974	805,139	958,693	896,428	786,081
Market-share	%	15.8%	15.5%	17.3%	16.0%	14.6%
Ranking		2º	2º	2º	2º	2º
Credit life						
Premiums written	R$ thousand	161,816	415,122	175,164	339,463	157,412
Market-share	%	15.1%	25.8%	15.6%	20.4%	12.6%
Ranking		3º	1º	3º	1º	4º
Mortgage life						
Premiums written	R$ thousand	52,345	54,027	51,141	59,405	57,507
Market-share	%	6.4%	6.5%	6.0%	6.7%	6.4%
Ranking		5º	5º	5º	3º	4º
Rural						
Premiums written	R$ thousand	375,143	762,620	586,211	637,928	567,402
Market-share	%	78.6%	77.4%	67.1%	74.6%	75.3%
Ranking		1º	1º	1º	1º	1º
Auto						
Premiums written	R$ thousand	1,032,637	1,100,789	930,650	1,009,018	1,018,065
Market-share	%	13.6%	13.6%	11.0%	12.0%	12.7%
Ranking		2º	2º	4º	2º	2º
Casualties						
Premiums written	R$ thousand	880,931	916,232	796,224	764,290	942,293
Market-share	%	15.1%	14.4%	12.7%	10.9%	14.7%
Ranking		1º	1º	1º	1º	1º
Pension Plans						
Technical reserves	R$ thousand	157,295,939	171,816,005	182,723,662	197,533,558	208,478,371
Market-share	%	28.5%	29.4%	29.8%	30.3%	30.5%
Ranking		1º	1º	1º	1º	1º
Contributions	R$ thousand	7,898,302	13,922,495	10,218,318	15,383,564	10,008,207
Market-share	%	35.2%	44.5%	39.4%	41.3%	35.1%
Ranking		1º	1º	1º	1º	1º
Premium Bonds						
Reserves	R$ thousand	11,723,268	11,207,605	11,011,804	10,762,799	10,231,118
Market-share	%	38.6%	37.7%	37.3%	36.6%	35.4%
Ranking		1º	1º	1º	1º	1º
Collections	R$ thousand	1,043,471	1,570,613	1,359,880	1,675,493	934,000
Market-share	%	21.4%	29.3%	25.8%	30.0%	19.4%
Ranking		2º	1º	2º	2º	2º

Fonte: 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**	**3,404,346**	**0.17%**
Free Float	**40,882**	**671,595,654**	**33.58%**
Foreign	937	549,932,480	27.50%
Companies	3,142	90,939,540	4.55%
Individuals	36,803	30,723,634	1.54%
Total	**40,884**	**2,000,000,000**	**100.00%**

Table 7 – Stocks | Performance

		Quarterly Flow				
	Unit	1Q16	2Q16	3Q16	4Q16	1Q17
Stock's performance						
Earnings per share	R$	0.48	0.54	0.49	0.54	0.50
Dividends per share	R$	0.82	0.00	0.82	0.00	0.84
Equity per share	R$	4.26	3.99	4.49	4.14	4.64
Closing price	R$	29.70	28.11	29.88	28.30	29.20
Annualized dividend yield[1]	%	5.39	5.41	5.98	6.21	5.61
Market capitalization	R$ million	59,400	56,220	59,760	56,600	58,400
Ratios						
P/E (12 month traling)	x	15.02	13.90	14.77	13.78	14.10
P/BV	x	6.97	7.04	6.65	6.83	6.29
Business data						
Number of trades carried out		1,161,348	903,793	741,392	730,836	687,682
Average daily volume traded	R$ million	155	152	113	104	106
Average daily volume traded - BM&FBOVESPA	R$ million	5,991	6,331	6,171	7,488	7,161
Share on BM&FBOVESPA's average volume	%	2.59	2.40	1.83	1.39	1.48

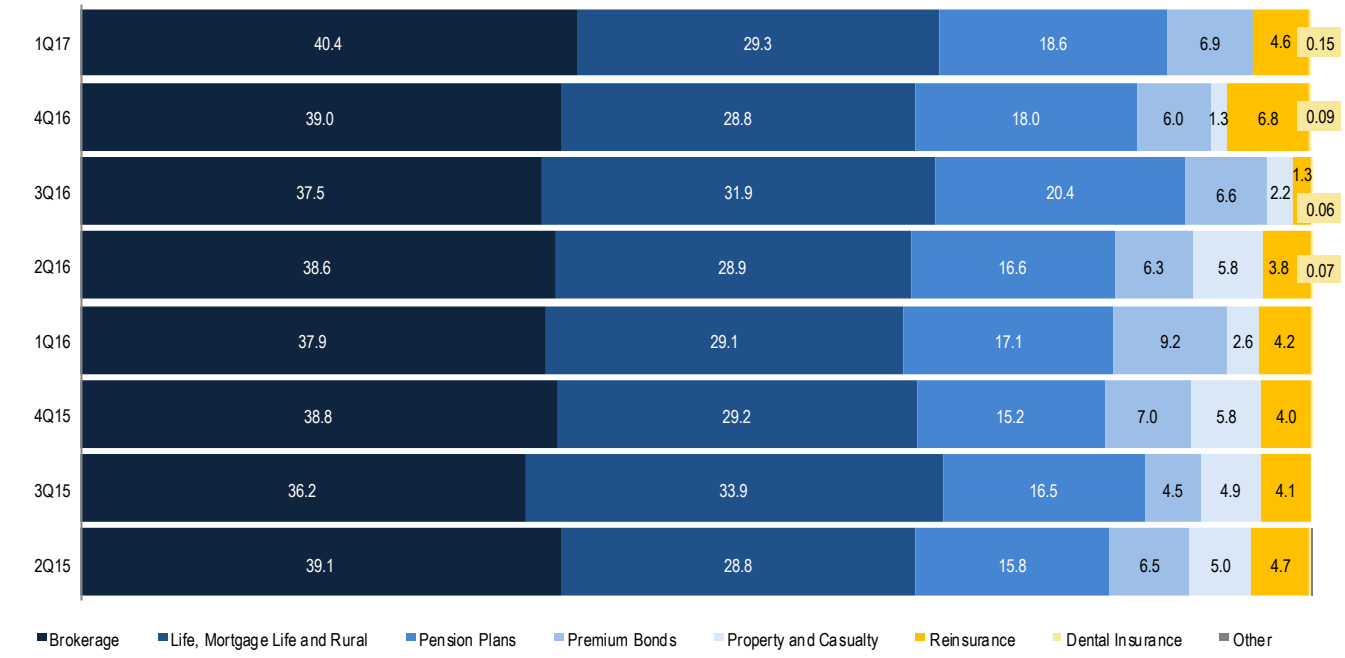
[1]Dividend yield calculated considering the dividends reported in the last 12 months divided by the average stock price in the same period.

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2.EARNINGS ANALYSIS

EARNINGS BREAKDOWN

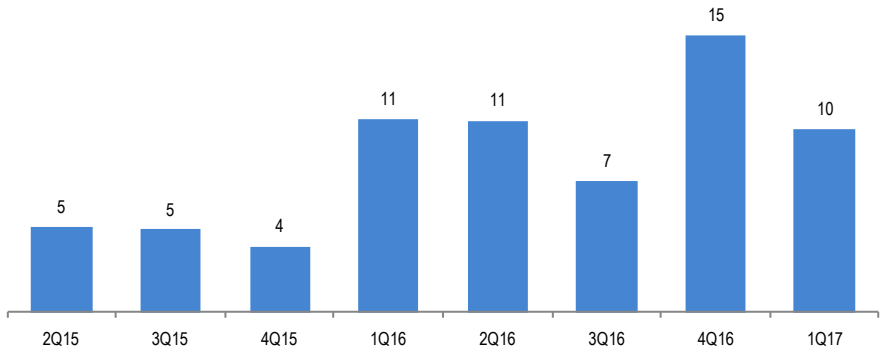
Figure 16 – Earnings Analysis | Breakdown[1] (%)



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

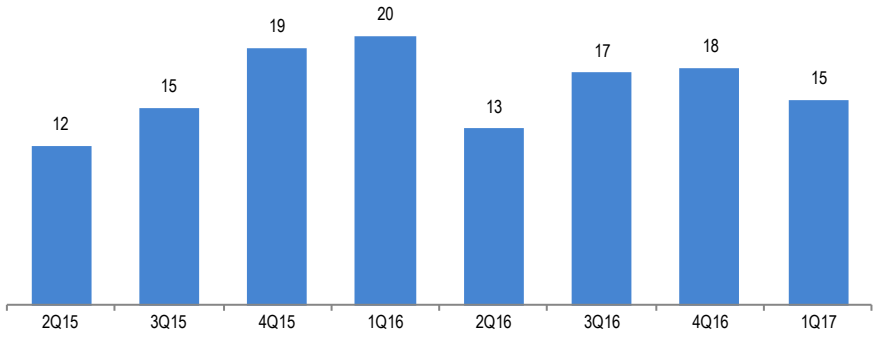
NET INVESTMENT INCOME OF THE HOLDING COMPANY

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)



In the 1Q17, the G&A expenses at the holding company dropped by 23.7% YoY, explained by:

(i) the 57.4% contraction in personnel expenses, as an outcome of the deployment of the cost sharing methodology with the subsidiaries BB Seguros and BB Corretora; and

(ii) the 58.6% decrease in tax expenses, which were higher in the 1Q16 due to the collection of IOF on withdrawals of short-term financial investments for dividend payment.

The reduction in personnel expenses and in tax expenses was partially offset by higher expenses with specialized technical services, as a result of hiring consultancy services.

Table 8 – Earnings Analysis | General and administrative expenses

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Administrative expenses	**(2,128)**	**(9,154)**	**(7,637)**	**258.8**	**(16.6)**
Specialized technical services	(98)	(7,180)	(5,641)	5,652.6	(21.4)
Condominium fee	(877)	(856)	(853)	(2.8)	(0.3)
Communication	(292)	(336)	(365)	25.1	8.5
Other administrative expenses	(861)	(783)	(778)	(9.7)	(0.6)
Personnel expenses	**(11,898)**	**(7,767)**	**(5,068)**	**(57.4)**	**(34.7)**
Compensation	(6,788)	(4,455)	(2,123)	(68.7)	(52.3)
Welfare benefits	(3,413)	(1,675)	(1,297)	(62.0)	(22.6)
Other compensation	(795)	(880)	(879)	10.5	(0.2)
Benefits	(902)	(757)	(769)	(14.8)	1.6
Tax expenses	**(5,985)**	**(706)**	**(2,478)**	**(58.6)**	**251.1**
COFINS	(1,922)	(571)	(1,739)	(9.5)	204.5
PIS/Pasep	(310)	(91)	(280)	(9.8)	207.8
IOF	(3,741)	1	(448)	(88.0)	-
Other	(12)	(45)	(11)	(4.9)	(75.7)
Other operating income (expenses)	**6**	**(41)**	**(74)**	**-**	**78.8**
G&A expenses	**(20,006)**	**(17,668)**	**(15,257)**	**(23.7)**	**(13.7)**

EARNINGS SOURCES

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

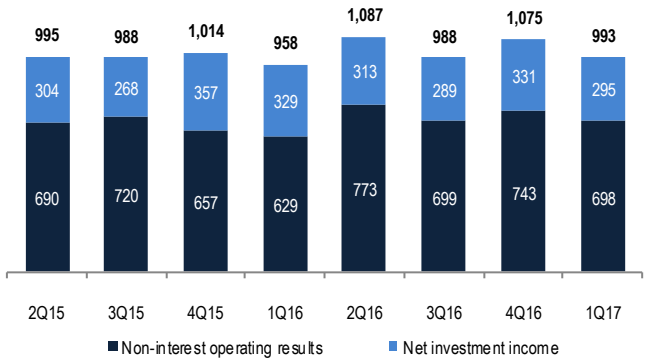
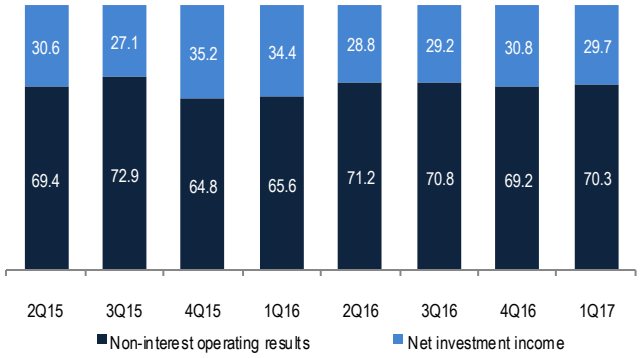


Figure 20 – Earnings Analysis | Non-interest operating results vs net investment income (%)[1]



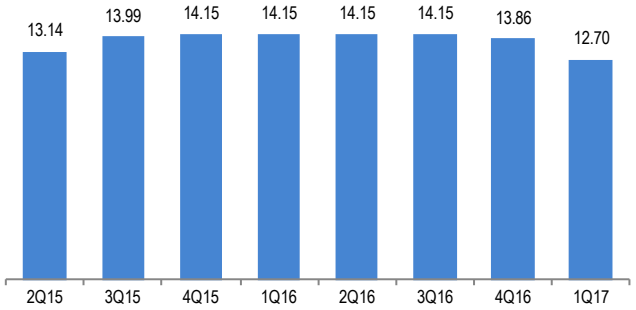
[1]Net of taxes considering the companies effective tax rate.

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

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Non-interest operating results	**628,557**	**743,248**	**697,765**	**11.0**	**(6.1)**
Life, Mortgage Life and Rural	199,670	243,856	217,088	8.7	(11.0)
Property and Casualty	(28,930)	(47,333)	(42,961)	48.5	(9.2)
Pension Plans	106,626	146,173	141,940	33.1	(2.9)
Premium Bonds	12,146	9,296	5,575	(54.1)	(40.0)
Reinsurance	13,425	48,685	20,623	53.6	(57.6)
Dental Insurance	558	813	1,314	135.6	61.5
Holdings and broker	325,063	341,758	354,185	9.0	3.6
Net investment income	**329,126**	**331,488**	**295,038**	**(10.4)**	**(11.0)**
Life, Mortgage Life and Rural	84,866	77,528	76,531	(9.8)	(1.3)
Property and Casualty	54,178	62,149	40,676	(24.9)	(34.6)
Pension Plans	60,479	53,843	44,337	(26.7)	(17.7)
Premium Bonds	77,895	57,545	63,510	(18.5)	10.4
Reinsurance	27,295	26,574	25,322	(7.2)	(4.7)
Dental Insurance	54	137	163	200.0	19.1
Holdings and broker	24,359	53,712	44,500	82.7	(17.2)
Adjusted net income	**957,684**	**1,074,736**	**992,803**	**3.7**	**(7.6)**

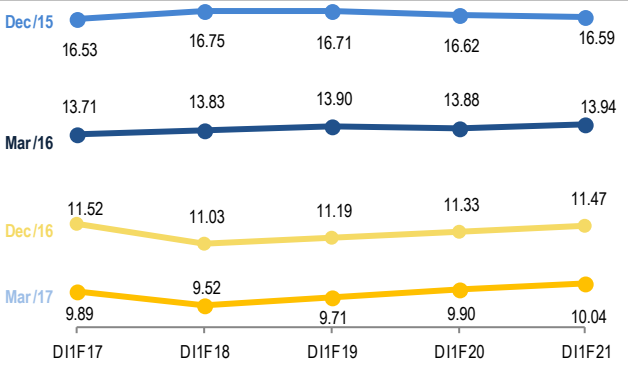
[1]Net of taxes considering the companies effective tax rate.

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



Source: Brazilian Central Bank

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



Source: ValorPro

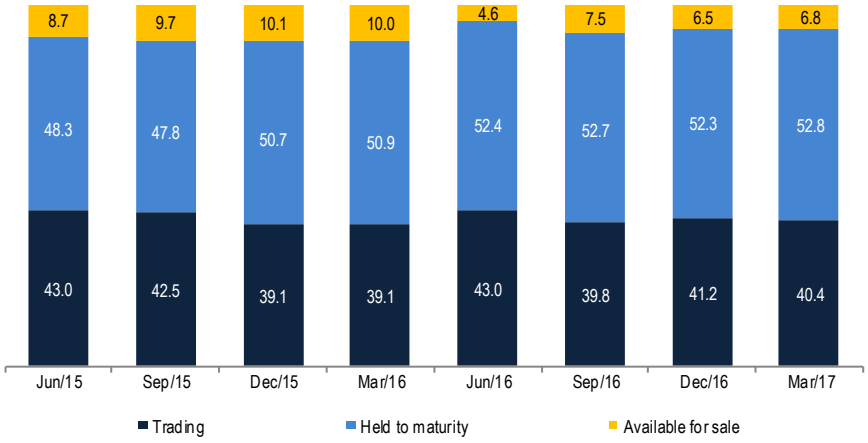
The combined net investment income of BB Seguridade and its controlled and affiliate companies amounted to R$295.0 million in the 1Q17, 10.4% down YoY. The combined net investment income was impacted by:

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

(ii) the smaller magnitude of the downward movement in the forward yield curve when compared to the 1Q16, which led to a lower interest revenue arising from the fixed bonds marked to market; and

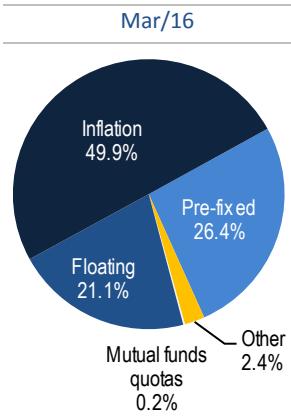
(iii) the lower inflation, which negatively affected the yield on inflation protected securities classified as held to maturity.

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]



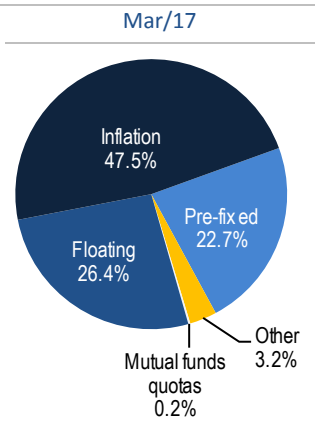
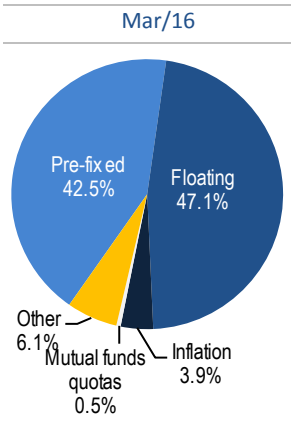
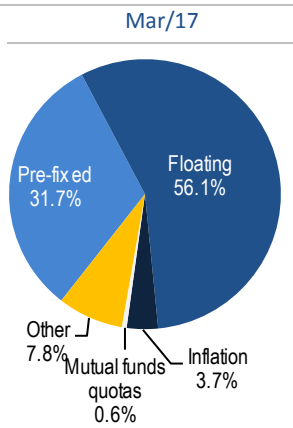


Figure 25 – Earnings Analysis | Trading portfolio by index[1]





[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]

	Quarterly Flow			Chg. %	
R$ thousand	**Mar/16**	**Dec/16**	**Mar/17**	**On Mar/16**	**On Dec/16**
Trading	**9,125,822**	**9,874,733**	**9,258,929**	**1.5**	**(6.2)**
Pre-fixed	3,880,028	3,250,298	2,939,177	(24.2)	(9.6)
Floating	4,293,871	4,029,099	5,198,666	21.1	29.0
Inflation	351,359	1,373,719	343,692	(2.2)	(75.0)
Mutual funds quotas	46,909	50,779	53,510	14.1	5.4
Other	553,655	1,170,838	723,885	30.7	(38.2)
Available for sale	**2,338,347**	**1,562,758**	**1,553,336**	**(33.6)**	**(0.6)**
Pre-fixed	128,250	32,173	-	-	-
Floating	466,115	422,891	839,408	80.1	98.5
Inflation	1,736,543	1,088,139	697,873	(59.8)	(35.9)
Other	7,439	19,554	16,054	115.8	(17.9)
Held to maturity	**11,891,456**	**12,558,496**	**12,115,185**	**1.9**	**(3.5)**
Pre-fixed	2,147,893	2,720,917	2,262,542	5.3	(16.8)
Floating	169,523	5,266	5,426	(96.8)	3.0
Inflation	9,574,039	9,832,313	9,847,218	2.9	0.2
Total	**23,355,624**	**23,995,986**	**22,927,450**	**(1.8)**	**(4.5)**

[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	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Assets	**8,533,876**	**9,969,494**	**9,297,770**	**9.0**	**(6.7)**
Cash and cash equivalents	303,095	665,538	950,556	213.6	42.8
Investments	8,192,062	7,974,319	8,279,587	1.1	3.8
Current tax assets	38,715	49,018	60,456	56.2	23.3
Dividends receivable	-	1,273,950	-	-	-
Other assets	4	2,885	2,678	66,850.0	(7.2)
Intangible	-	3,784	4,493	-	18.7
Liabilities	**7,487**	**1,680,429**	**8,491**	**13.4**	**(99.5)**
Dividends payable	5	1,670,810	785	15,600.0	-
Current tax liabilities	483	901	599	24.0	(33.5)
Other liabilities	6,999	8,718	7,107	1.5	(18.5)
Shareholders' equity	**8,526,389**	**8,289,065**	**9,289,279**	**8.9**	**12.1**

INVESTMENTS

Table 12 – Balance Sheet Analysis | Direct investments

			Total ownership (%)	Investment balance		
R$ thousand	Activity	Accounting treatment	Mar/17	Mar/16	Dec/16	Mar/17
Insurance, Pension Plans and Premium Bonds						
BB Seguros Participações	*Holding*	(1)	100.0	7,759,793	7,912,353	7,812,740
Insurance Brokerage						
BB Cor Participações[2]	*Holding*	(1)	100.0	432,269	-	-
BB Corretora de Seguros e Adm. de Bens	*Holding*	(1)	100.0	405,483	61,966	466,847

Note: (1) Controlled companies, fully consolidated

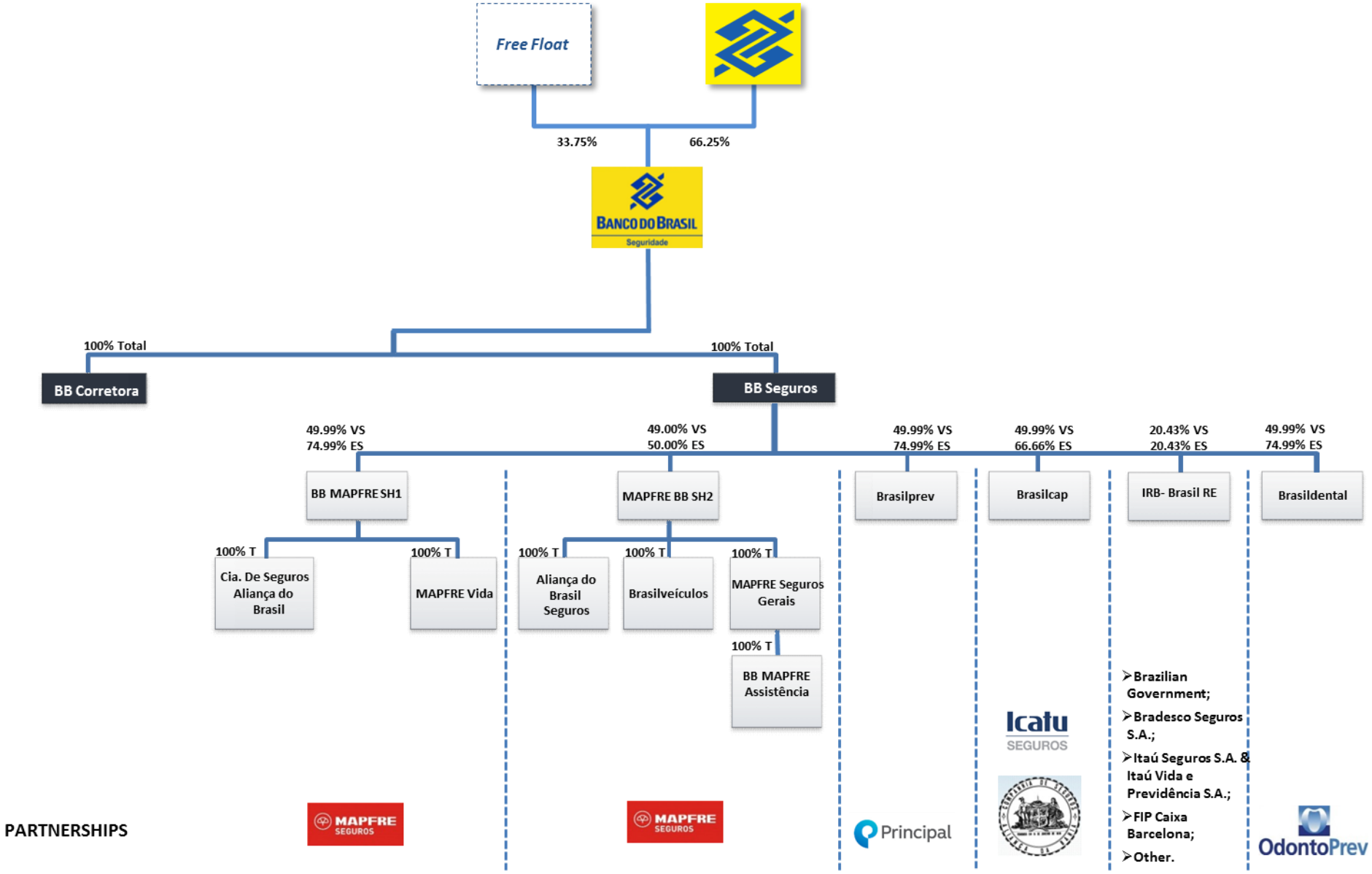
[2]BB Cor Participações was closed down at December 27, 2016. Therefore, BB Corretora became a direct controlled Company of BB Seguridade.

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

R$ thousand	Activity	Accounting treatment	Total ownership (%)	Investment balance		
			Mar/17	Mar/16	Dec/16	Mar/17
Insurance						
BB MAPFRE SH1 Participações S.A.	***Holding***	**(1)**	**74.99**	**2,802,045**	**3,165,316**	**2,546,874**
Companhia de Seguros Aliança do Brasil	Insurance					
MAPFRE Vida S.A.	Insurance					
MAPFRE BB SH2 Participações S.A.	***Holding***	**(1)**	**50.00**	**2,208,269**	**2,198,335**	**2,154,099**
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**	**1,745,096**	**1,777,217**	**1,928,042**
Health						
Brasildental Operadora de Planos Odontológicos S.A	**Health**	**(1)**	**75.00**	**5,520**	**7,778**	**8,635**
Premium Bonds						
Brasilcap Capitalização	**Premium Bonds**	**(1)**	**66.66**	**402,059**	**411,447**	**369,861**
Reinsurance						
IRB Brasil-RE	**Reinsurance**	**(1)**	**20.43**	**596,368**	**683,710**	**631,572**

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

Figure 26 – Balance Sheet Analysis | Ownership structure at 03/31/2017



SHAREHOLDER'S EQUITY

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

	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	-	415	-	(415)	-	-	-
Share buyback program	-	-	-	(33,953)	-	-	(33,953)
Other comprehensive income	-	-	-	-	-	21,890	21,890
Net income for the period	-	-	-	-	957,684	-	957,684
Balance on March 31, 2016	**5,646,768**	**1,127**	**2,027,573**	**(83,329)**	**957,684**	**(23,434)**	**8,526,389**
Changes in the Period	-	415	-	(34,368)	957,684	21,890	945,621
Balance on December 31, 2016	**5,646,768**	**1,004**	**2,737,363**	**(83,206)**	**-**	**(12,864)**	**8,289,065**
Transactions with stock payments	-	296	-	(296)	-	-	-
Other comprehensive income	-	-	-	-	-	7,411	7,411
Net income for the period	-	-	-	-	992,803	-	992,803
Balance on March 31, 2017	**5,646,768**	**1,300**	**2,737,363**	**(83,502)**	**992,803**	**(5,453)**	**9,289,279**
Changes in the Period	**-**	**296**	**-**	**(296)**	**992,803**	**7,411**	**1,000,214**

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 the prevention of 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, the 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.

(i) 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.

(ii) 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 are 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 in 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, the BB Seguro's stake in IRB was changed from 20.51% to 20.43%.

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 statements, 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. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Premiums written	**1,496,845**	**1,967,211**	**1,632,824**	**9.1**	**(17.0)**
Changes in technical reserves - premiums	361,891	(106,007)	247,384	(31.6)	-
Earned premiuns	**1,858,736**	**1,861,204**	**1,880,208**	**1.2**	**1.0**
Revenue of policies issuance	6,049	1,994	5,674	(6.2)	184.5
Claims incurred	(877,276)	(616,990)	(750,217)	(14.5)	21.6
Acquisition costs	(449,869)	(456,002)	(456,435)	1.5	0.1
Result with reinsurance	141,843	(99,780)	135,587	(4.4)	-
Administrative expenses	(93,118)	(108,913)	(90,328)	(3.0)	(17.1)
Tax expenses	(62,762)	3,545	(53,474)	(14.8)	-
Other operating income (expenses)	(64,085)	(72,506)	(202,187)	215.5	178.9
Underwriting result	**459,518**	**512,552**	**468,828**	**2.0**	**(8.5)**
Net investment income	**190,477**	**159,181**	**160,395**	**(15.8)**	**0.8**
Financial income	245,606	193,384	208,368	(15.2)	7.7
Financial expenses	(55,129)	(34,204)	(47,973)	(13.0)	40.3
Equity income	(7,740)	(7,786)	(8,209)	6.1	5.4
Operating result	**642,256**	**663,947**	**621,013**	**(3.3)**	**(6.5)**
Gains or losses on non-current assets	(187)	(26)	7	-	-
Earnings before taxes and profit sharing	**642,069**	**663,921**	**621,020**	**(3.3)**	**(6.5)**
Taxes	(260,592)	(232,719)	(225,884)	(13.3)	(2.9)
Profit sharing	(2,043)	(2,636)	(3,593)	75.8	36.3
Adjusted net income	**379,433**	**428,567**	**391,544**	**3.2**	**(8.6)**
One-off events	**-**	**17,947**	**-**	**-**	**-**
PIS/COFINS: Deferred tax assets	-	32,630	-	-	-
PIS/COFINS: Taxes	-	(14,684)	-	-	-
Net income	**379,433**	**446,513**	**391,544**	**3.2**	**(12.3)**

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. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Premiums written	**1,496,847**	**1,967,211**	**1,632,824**	**9.1**	**(17.0)**
Premiums ceded to reinsurance	(113,056)	(169,452)	(194,717)	72.2	14.9
Retained premiums	**1,383,790**	**1,797,759**	**1,438,107**	**3.9**	**(20.0)**
Changes in technical reserves - premiums	326,931	(139,188)	241,380	(26.2)	-
Retained earned premiuns	**1,710,721**	**1,658,571**	**1,679,487**	**(1.8)**	**1.3**
Claims retained	(587,420)	(514,135)	(413,910)	(29.5)	(19.5)
Acquisition costs	(449,868)	(456,002)	(456,435)	1.5	0.1
Revenue of policies issuance	6,049	1,994	5,674	(6.2)	184.5
Underwriting result	**679,482**	**690,428**	**814,816**	**19.9**	**18.0**
Administrative expenses	(93,118)	(108,913)	(90,328)	(3.0)	(17.1)
Tax expenses	(62,762)	3,545	(53,474)	(14.8)	-
Other operating income (expenses)	(64,085)	(72,506)	(202,187)	215.5	178.9
Equity income	(7,740)	(7,786)	(8,209)	6.1	5.4
Gains or losses on non-current assets	(187)	(26)	7	-	-
Non-interest operating result	**451,590**	**504,741**	**460,624**	**2.0**	**(8.7)**
Net investment income	**190,477**	**159,181**	**160,395**	**(15.8)**	**0.8**
Financial income	245,606	193,384	208,368	(15.2)	7.7
Financial expenses	(55,129)	(34,204)	(47,973)	(13.0)	40.3
Earnings before taxes and profit sharing	**642,068**	**663,922**	**621,019**	**(3.3)**	**(6.5)**
Taxes	(260,592)	(232,719)	(225,884)	(13.3)	(2.9)
Profit sharing	(2,043)	(2,636)	(3,593)	75.8	36.3
Adjusted net income	**379,433**	**428,568**	**391,544**	**3.2**	**(8.6)**

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

ADJUSTED NET INCOME

The adjusted net income arising from the Life, Mortgage Life and Rural business segment amounted to R$391.5 million in the 1Q17, 3.2% up as compared to the same period of 2016. The performance was sustained by:

(i) the increase in non-interest operating result, due to the lower loss ratio, partially offset by the increase in the commission ratio as well as in the G&A ratio; and

(ii) the lower effective tax rate in the quarter, explained by the greater participation of rural insurance in the underwriting result.

It is worth noting that the result in the quarter was impacted by two movements that affected the G&A and the loss ratio, as described below:

(i) change in the methodology of 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) 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.

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

On the other hand, the improvement in the operating result for the quarter was partially offset by the decline in the net investment income, which fell by 15.8% YoY and accounted for 26.1% of the net income in the 1Q17, as compared to 29.8% in the 1Q16. The decrease in the net investment income was mostly explained by the lower average Selic rate along with a lower inflation, with a negative impact on the return on inflation-protected securities classified as held-to-maturity.

The annualized return on average equity reached 45.5%, an increase of 2.3 p.p. as compared to 1Q16.

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

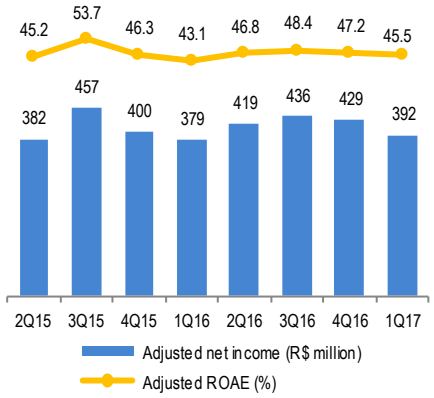
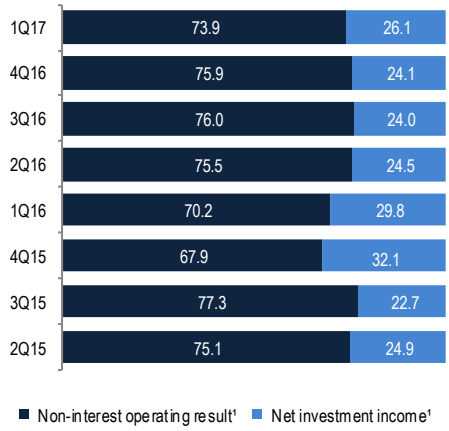


Figure 28 – Life, Mortgage Life and Rural | Adjusted net income Composition (%)



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

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

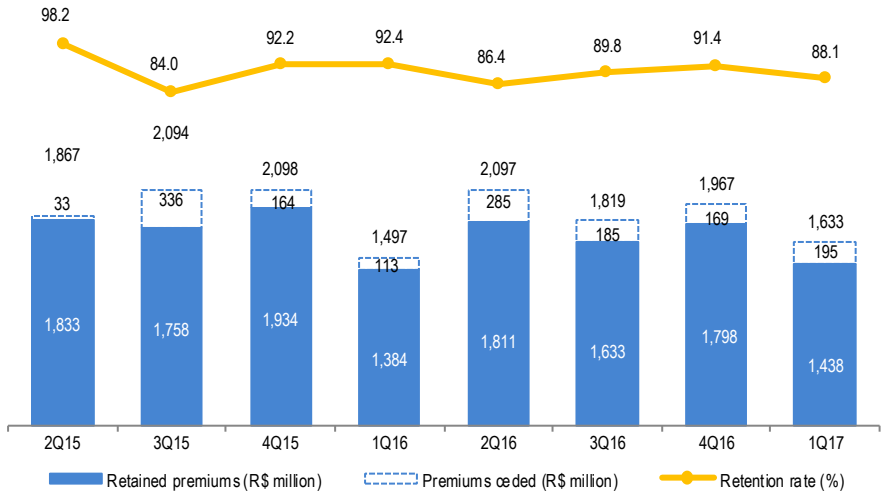
	Quarterly Flow			Chg. (p.p.)	
%	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Performance ratios					
Loss ratio	34.3	31.0	24.6	(9.7)	(6.4)
Commission ratio	26.3	27.5	27.2	0.9	(0.3)
G&A ratio	12.9	10.7	20.6	7.7	9.9
Combined ratio	73.1	69.1	72.1	(1.1)	3.0
Other ratios					
Expanded combined ratio	65.8	63.0	65.8	(0.0)	2.8
Income tax rate	40.6	35.1	36.4	(4.2)	1.3
Adjusted ROAE	43.1	47.2	45.5	2.3	(1.7)

[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



In the 1Q17, premiums written amounted to R$1.6 billion, 9.1% up YoY. The performance is largely explained by the increase in rural and mortgage life, partially offset by the contraction in premiums written of DPVAT, life and credit life.

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

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Life	807,974	896,428	786,081	(2.7)	(12.3)
Credit Life	161,816	339,463	157,412	(2.7)	(53.6)
Mortgage Life	52,345	59,405	57,507	9.9	(3.2)
Rural	375,143	637,928	567,402	51.2	(11.1)
DPVAT	99,129	33,218	63,687	(35.8)	91.7
Other	437	770	735	68.3	(4.6)
Total	**1,496,845**	**1,967,211**	**1,632,824**	**9.1**	**(17.0)**

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

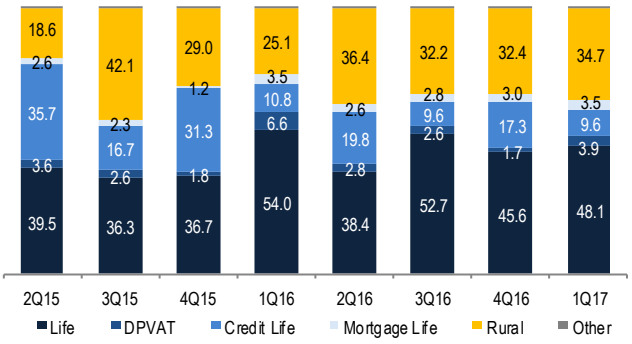


Figure 31 – Life, Mortgage Life and Rural | Breakdown of retained premiums (%)

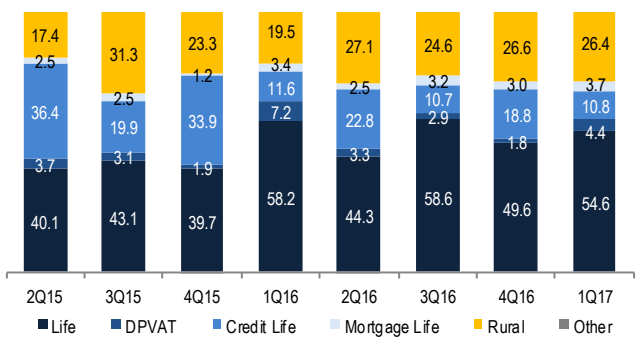


Table 19 – Life, Mortgage Life and Rural | Breakdown of premiums written by distribution channel

	Quarterly Flow					
%	1Q16		4Q16		1Q17	
Channel	Bank	Other	Bank	Other	Bank	Other
Life	74.8	25.2	80.7	19.3	72.6	27.4
Credit life	99.7	0.3	99.8	0.2	99.6	0.4
Mortgage life	100.0	-	100.0	-	100.0	-
Rural	100.0	-	100.0	-	100.0	-
Other	100.0	-	100.0	-	100.0	-
DPVAT	-	100.0	-	100.0	-	100.0
Total	**79.7**	**20.3**	**89.5**	**10.5**	**82.9**	**17.1**

CHANGES IN TECHNICAL RESERVES - PREMIUMS

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

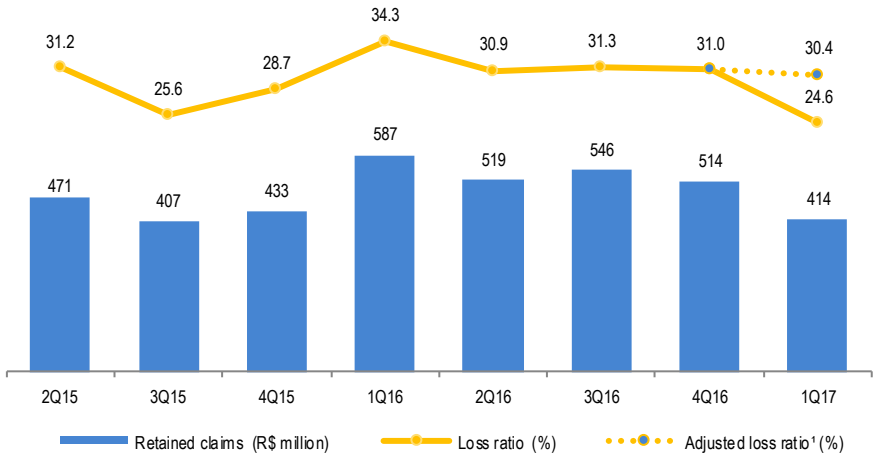
	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Provision for unearned premiums	398,990	(96,467)	282,134	(29.3)	-
Provision for benefits to be granted (except VGBL and VRGP)	-	-	-	-	-
Provision for administrative expenses - DPVAT	(1,594)	468	(1,136)	(28.7)	-
Provision for technical surplus	4,402	(4,637)	(2,056)	-	(55.7)
Complementary provisions of contributions	(32,355)	(17,179)	(33,686)	4.1	96.1
Other provisions (except VGBL and VRGP)	(7,553)	11,808	2,128	-	(82.0)
Change in technical reserves - premiums	**361,891**	**(106,007)**	**247,384**	**(31.6)**	**-**

RETAINED EARNED PREMIUMS

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

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Life	833,156	834,562	780,241	(6.4)	(6.5)
Credit Life	381,407	347,950	331,699	(13.0)	(4.7)
Mortgage Life	47,529	52,730	52,595	10.7	(0.3)
Rural	350,679	388,906	451,685	28.8	16.1
DPVAT	97,536	33,686	62,550	(35.9)	85.7
Other	415	736	716	72.5	(2.7)
Total	**1,710,721**	**1,658,571**	**1,679,487**	**(1.8)**	**1.3**

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.

In the 1Q17, the loss ratio improved by 9.7 p.p. YoY, explained by lower claims in rural, credit life and mortgage life segments.

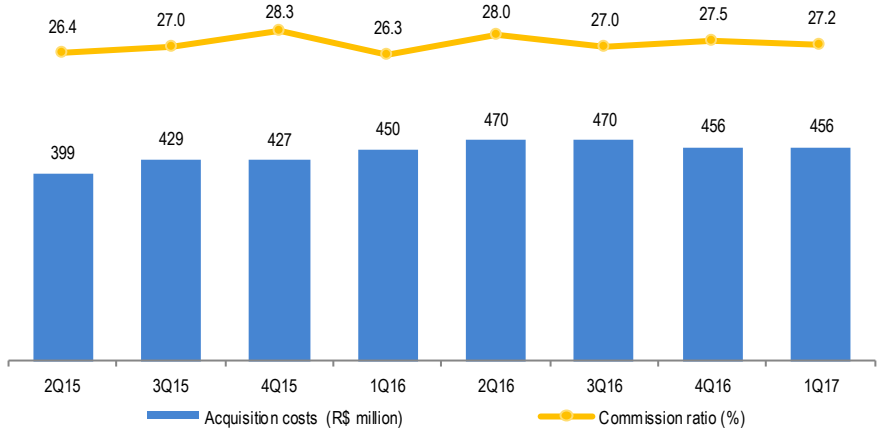
It is worth noting that, as previously explained in the net income section of this chapter, in the 1Q17 the retained claims line was positively impacted by the recovery of reinsured claims from previous periods, which generated an additional revenue of R$97.2 million, and positively impacted the loss 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. Thus, the dashed line in the chart above shows the loss ratio setting this effect apart, which would have reached 30.4% in the quarter, 3.9 p.p. lower as compared to the 1Q16.

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

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Claims incurred	**(877,276)**	**(616,990)**	**(750,217)**	**(14.5)**	**21.6**
Expenses with claims	(851,366)	(637,419)	(750,271)	(11.9)	17.7
Changes in provisions for claims IBNR	(62,751)	2,801	(31,446)	(49.9)	-
Changes in provisions for claims IBNER	4,358	(24,100)	(9,606)	-	(60.1)
Recovery of claims - Coinsurance	38,863	49,324	46,920	20.7	(4.9)
Recovery of claims - Reinsurance	289,856	102,855	336,307	16.0	227.0
Salvage	528	388	38	(92.7)	(90.1)
Reimbursements	-	0	1,751	-	2,794,795.3
Assistance services	(7,160)	(7,458)	(7,384)	3.1	(1.0)
Other	252	(526)	(219)	-	(58.3)
Retained claims	**(587,420)**	**(514,135)**	**(413,910)**	**(29.5)**	**(19.5)**

ACQUISITION COSTS

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



In the 1Q17, the commission ratio reached 27.2%, 0.9 p.p. higher YoY. It is worth noting that in the 1Q16, the commission ratio reached the lowest level in the past 2 years.

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

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Commission charged on premiums written	(317,277)	(398,721)	(322,097)	1.5	(19.2)
Agency commission	(187)	(7,580)	(1,739)	828.7	(77.1)
Commissions recovered - Coinsurance	5,743	5,890	6,002	4.5	1.9
Change in deferred acquisition costs	(108,737)	32,537	(95,345)	(12.3)	-
Other acquisition costs	(29,410)	(88,128)	(43,255)	47.1	(50.9)
Acquisition costs	**(449,868)**	**(456,002)**	**(456,435)**	**1.5**	**0.1**

UNDERWRITING RESULT

In the 1Q17, the underwriting result grew by 19.9% YoY, supported by the improvement in the loss ratio, partially offset by the reduction in earned premiums in addition to the increase in the commission ratio.

By segment, the rural insurance brought the major contribution to the underwriting result, accounting for 41.7% of the total, followed by life and credit life segments.

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.

Setting apart this effect, the underwriting result for the 1Q17 would have been 5.6% higher as compared to the 1Q16, with the rural insurance increasing by 10.9 p.p. its share, to 33.8% of the total.

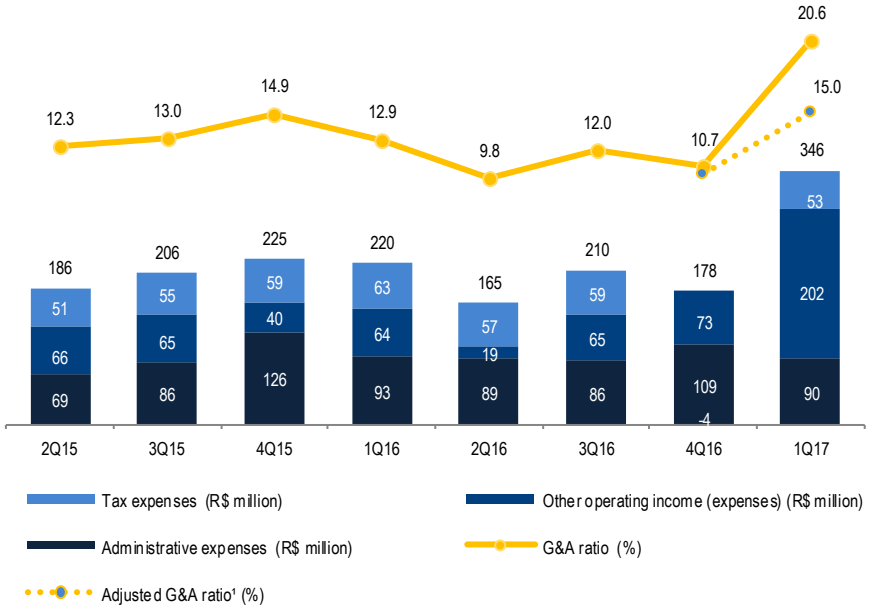
Table 24 – Life, Mortgage Life and Rural | Underwriting result

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Life	333,212	286,665	275,581	(17.3)	(3.9)
Credit Life	143,109	116,487	149,965	4.8	28.7
Mortgage Life	31,366	43,197	37,544	19.7	(13.1)
Rural	154,203	236,227	337,665	119.0	42.9
DPVAT	277	564	543	96.3	(3.6)
Other	11,266	5,293	7,844	(30.4)	48.2
Underwriting margin breakdown	**673,433**	**688,434**	**809,142**	**20.2**	**17.5**
Revenue of policies issuance	6,049	1,994	5,674	(6.2)	184.5
Underwriting margin	**679,482**	**690,428**	**814,816**	**19.9**	**18.0**

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

	Quarterly Flow			Chg. (p.p.)	
%	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Life	49.5	41.6	34.1	(15.4)	(7.6)
Credit Life	21.3	16.9	18.5	(2.7)	1.6
Mortgage Life	4.7	6.3	4.6	(0.0)	(1.6)
Rural	22.9	34.3	41.7	18.8	7.4
DPVAT	0.0	0.1	0.1	0.0	(0.0)
Other	1.7	0.8	1.0	(0.7)	0.2

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



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

In the 1Q17, the G&A ratio came 7.7 p.p. higher as compared to the same period of 2016. Such increase was directly related to the "other operating income (expenses)" line.

It is worth noting that, as previously explained in the net income section of this chapter, in the 1Q17, the "other operating income (expenses)" line was impacted by higher impairment expenses related to the recovery of reinsured claims to be settled, which led to an additional expense of R$93.5 million and negatively impacted the G&A ratio. On the other hand, this effect was offset by the recovery of reinsured claims from previous periods. Thus, the dashed line in the chart above shows the G&A ratio setting this effect apart, which would have reached 15.0% in the quarter, 2.1 p.p. higher as compared to the 1Q16.

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

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Administrative expenses	**(93,118)**	**(108,913)**	**(90,328)**	**(3.0)**	**(17.1)**
Personnel	(37,684)	(38,940)	(38,986)	3.5	0.1
Outsourcing	(23,701)	(25,436)	(22,742)	(4.0)	(10.6)
Location and operation	(23,792)	(15,351)	(21,854)	(8.1)	42.4
Institutional advertisement and publicity	(1,580)	(6,854)	(2,303)	45.8	(66.4)
Publications	(497)	(22)	(535)	7.5	2,387.2
Other administrative expenses	(3,200)	(19,324)	(1,372)	(57.1)	(92.9)
DPVAT administrative expenses	(2,664)	(2,986)	(2,537)	(4.8)	(15.1)
Other operating income (expenses)	**(64,085)**	**(72,506)**	**(202,187)**	**215.5**	**178.9**
FESR contributions	(45,222)	(48,425)	(45,259)	0.1	(6.5)
Charging expenses	(8,454)	(4,341)	(7,788)	(7.9)	79.4
Civil contingencies	(3,406)	(4,353)	(7,369)	116.3	69.3
Expenses with events	(917)	(389)	(529)	(42.3)	36.0
Endomarketing	-	(3,550)	(3,555)	-	0.1
Social contributions	(126)	-	-	-	-
Impairment	(140)	938	(115,292)	82,259.1	-
Other operating income (expenses)	(5,821)	(12,386)	(22,396)	284.8	80.8
Tax expenses	**(62,762)**	**3,545**	**(53,474)**	**(14.8)**	**-**
COFINS	(52,240)	5,401	(44,623)	(14.6)	-
PIS	(8,555)	625	(7,285)	(14.8)	-
Inspection fee	(1,455)	(1,455)	(991)	(31.9)	(31.9)
Other tax expenses	(512)	(1,026)	(575)	12.3	(44.0)
G&A	**(219,965)**	**(177,874)**	**(345,989)**	**57.3**	**94.5**

Life Insurance

Table 27 – Life Insurance | Key figures

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Premiums written	**807,974**	**896,428**	**786,081**	**(2.7)**	**(12.3)**
Premiums ceded to reinsurance	(2,025)	(4,084)	(967)	(52.3)	(76.3)
Retained premiums	**805,949**	**892,344**	**785,114**	**(2.6)**	**(12.0)**
Changes in technical reserves - premiums	27,206	(57,782)	(4,873)	-	(916)
Earned premiums	**833,156**	**834,562**	**780,241**	**(6.4)**	**(6.5)**
Retained claims	(247,090)	(284,139)	(255,991)	3.6	(9.9)
Acquisition costs	(252,854)	(263,758)	(248,668)	(17)	(5.7)
Underwriting margin	**333,212**	**286,665**	**275,581**	**(17.3)**	**(3.9)**

Table 28 – Life Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
(%)	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Loss ratio	29.7	34.0	32.8	3.2	(1.2)
Commission ratio	30.3	31.6	31.9	1.5	0.3
Underwriting margin	40.0	34.3	35.3	(4.7)	1.0

Life insurance premiums reached R$786.1 million in the 1Q17, 2.7% down YoY, explained by the 5.6% contraction in premiums sold in the bancassurance channel, partially offset by the 5.8% increase in the independent broker channel.

The underwriting margin for life insurance reached 35.3% in the quarter, 4.7 p.p. down as compared to the 1Q16, justified by the increase in the loss ratio as well as in the commission ratio.

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

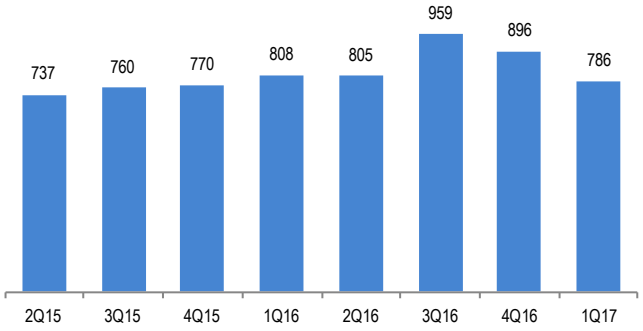


Figure 36 – Life Insurance | Breakdown of premiums written (%)

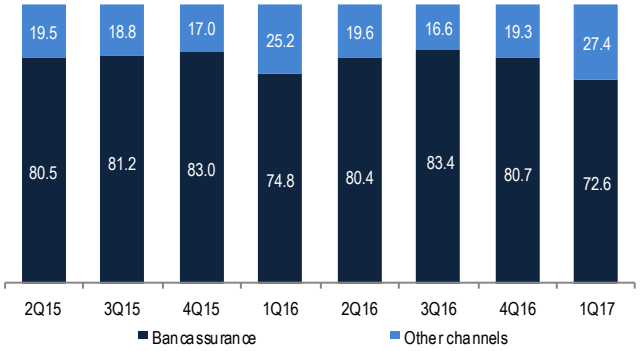


Figure 37 – Life Insurance | Underwriting margin (R$ million)

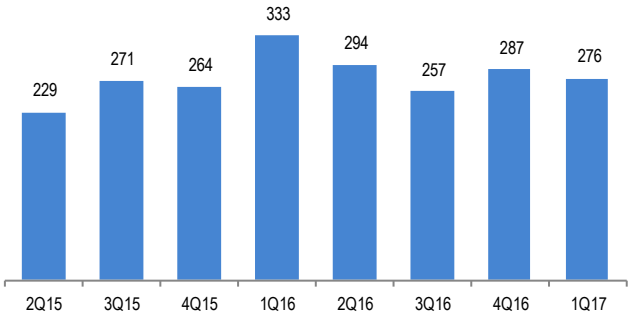


Figure 38 – Life Insurance | Underwriting margin by distribution channel (%)

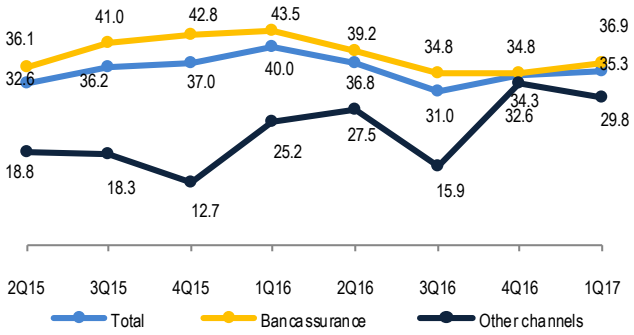


Figure 39 – Life Insurance | Loss ratio (%)

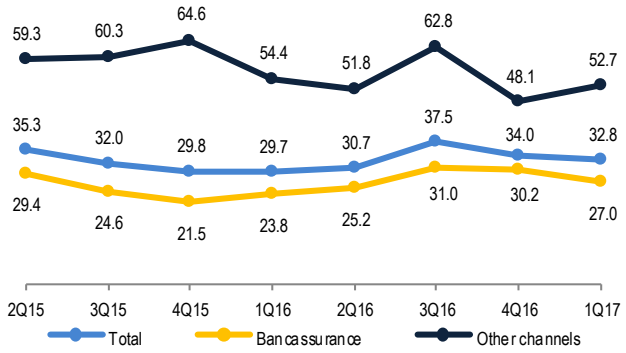


Figure 40 – Life Insurance | Commission ratio (%)

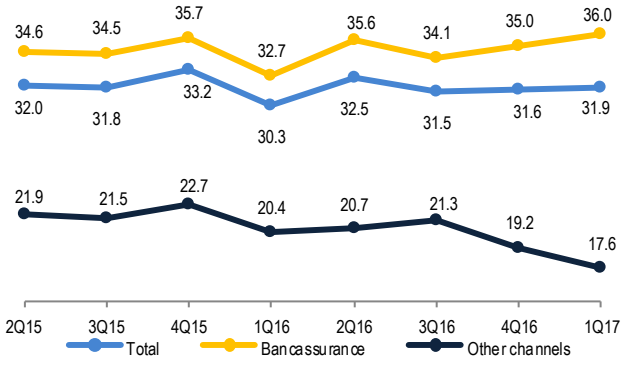


Table 29 – Credit Life Insurance | Key figures

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Premiums written	**161,816**	**339,463**	**157,412**	**(2.7)**	**(53.6)**
Premiums ceded to reinsurance	(835)	(678)	(1,484)	77.7	118.9
Retained premiums	**160,981**	**338,785**	**155,928**	**(3.1)**	**(54.0)**
Changes in technical reserves - premiums	220,427	9,165	175,771	(20.3)	1,817.9
Earned premiuns	**381,407**	**347,950**	**331,699**	**(13.0)**	**(4.7)**
Retained claims	(123,684)	(126,480)	(79,720)	(35.5)	(37.0)
Acquisition costs	(114,614)	(104,983)	(102,014)	(11.0)	(2.8)
Underwriting margin	**143,109**	**116,487**	**149,965**	**4.8**	**28.7**

Table 30 – Credit Life Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
(%)	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Loss ratio	32.4	36.3	24.0	(8.4)	(12.3)
Commission ratio	30.1	30.2	30.8	0.7	0.6
Underwriting margin	37.5	33.5	45.2	7.7	11.7

Credit life insurance premiums written amounted to R$157.4 million in the 1Q17, 2.7% down YoY. The underwriting margin improved by 7.7 p.p., as a result of the 8.4 p.p. decline in the loss ratio. It is worth noting that the comparable basis in the 1Q16 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)

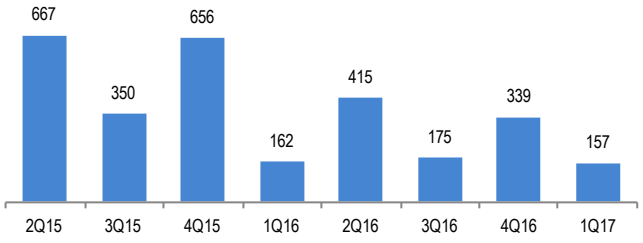


Figure 42 – Credit Life Insurance | Underwriting margin

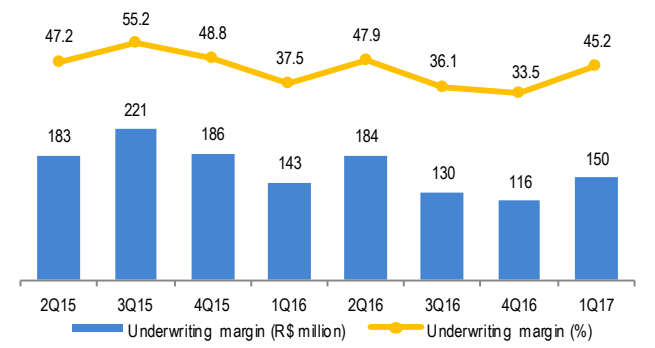


Figure 43 – Credit Life Insurance | Loss ratio (%)

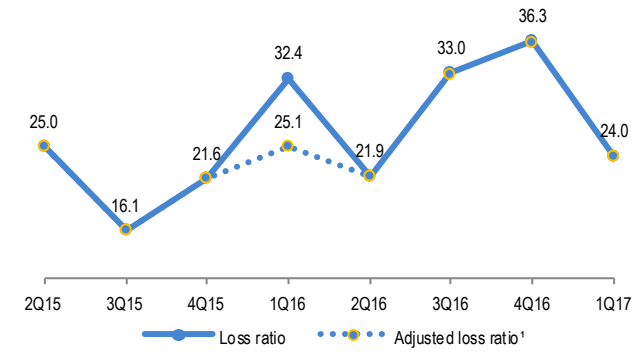
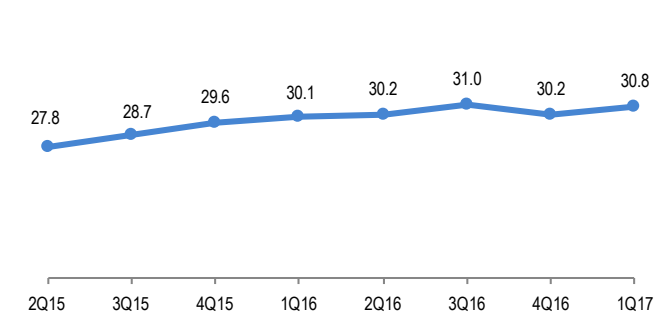


Figure 44 – Credit Life Insurance | Commission ratio (%)



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

Rural Insurance

Table 31 – Rural Insurance | Key figures

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Premiums written	**375,143**	**637,928**	**567,402**	**51.2**	**(11.1)**
Premiums ceded to reinsurance	(105,378)	(159,636)	(187,319)	77.8	17.3
Retained premiums	**269,765**	**478,291**	**380,083**	**40.9**	**(20.5)**
Changes in technical reserves - premiums	80,914	(89,385)	71,601	(11.5)	-
Earned premiuns	**350,679**	**388,906**	**451,685**	**28.8**	**16.1**
Retained claims	(120,888)	(72,889)	(16,261)	(86.5)	(77.7)
Acquisition costs	(75,587)	(79,790)	(97,759)	29.3	22.5
Underwriting margin	**154,203**	**236,227**	**337,665**	**119.0**	**42.9**

Table 32 – Rural Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
(%)	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Loss ratio	34.5	18.7	3.6	(30.9)	(15.1)
Commission ratio	21.6	20.5	21.6	0.1	1.1
Underwriting margin	44.0	60.7	74.8	30.8	14.0

In the 1Q17, premiums written in the rural segment amounted to R$567.4 million, 51.2% up YoY. Crop insurance grew by 89.6%, mostly driven by the early release of working capital loans for the summer crop season 2017/2018. Regarding the other products, credit life for farmers grew by 37.3% while rural lien rose 10.4%.

In the quarter, the underwriting margin reached 74.8%, an improvement of 30.8 p.p. YoY, supported by the lower loss ratio.

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 crop insurance loss ratio would have been of 24.9%, 9.5 p.p. lower YoY, while the underwriting margin would have improved by 9.5 p.p. to 53.4%.

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

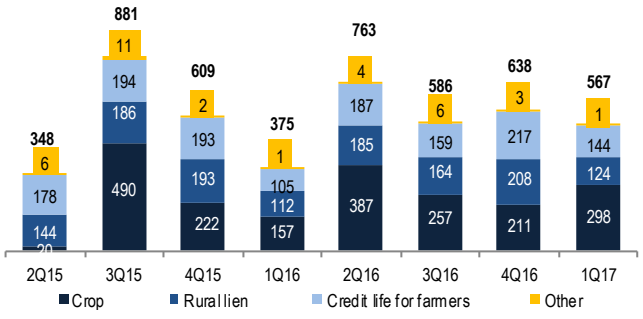


Figure 46 – Rural Insurance | Breakdown of premiums written (%)

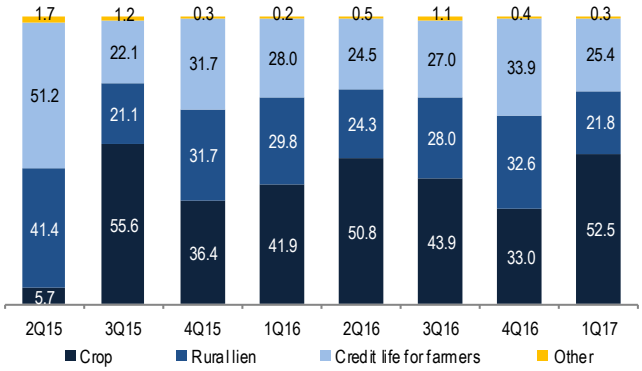
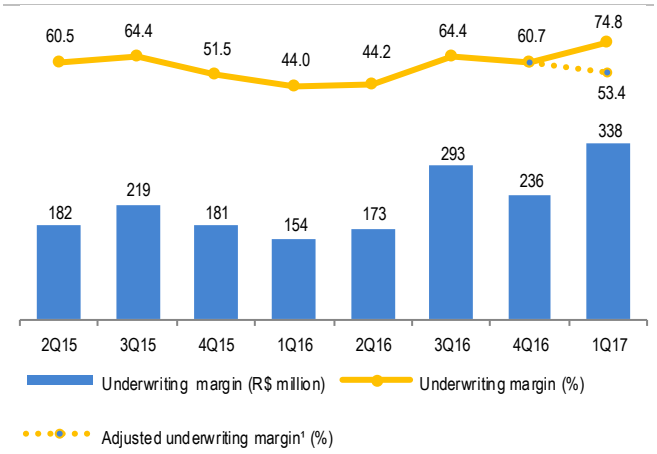
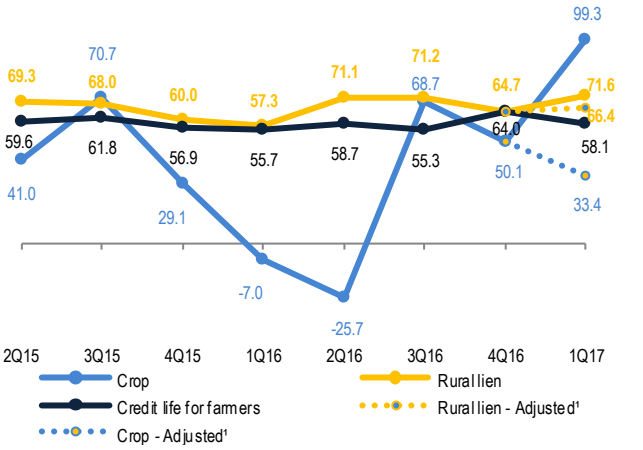


Figure 47 – Rural Insurance | Underwriting margin



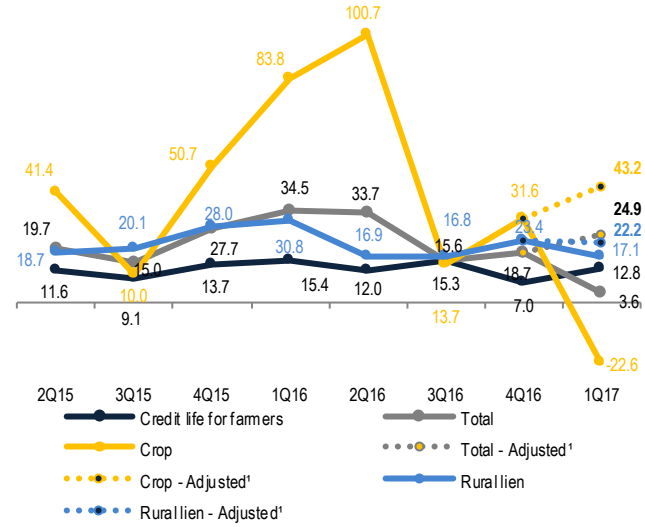
¹Adjustment segregates the effect of the recovery of reinsured claims from previous periods in the 1Q17.

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 (%)

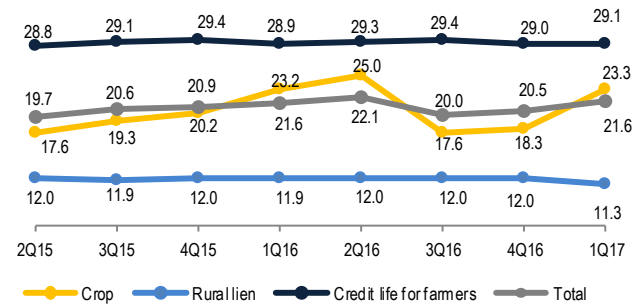


Table 33 - Mortgage Life Insurance | Key figures

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Premiums written	**52,345**	**59,405**	**57,507**	**9.9**	**(3.2)**
Premiums ceded to reinsurance	(4,796)	(5,027)	(4,921)	2.6	(2.1)
Retained premiums	**47,549**	**54,378**	**52,586**	**10.6**	**(3.3)**
Changes in technical reserves - premiums	(20)	(1,648)	9	-	-
Earned premiuns	**47,529**	**52,730**	**52,595**	**10.7**	**(0.3)**
Retained claims	(10,824)	(2,467)	(7,943)	(26.6)	222.0
Acquisition costs	(5,339)	(7,066)	(7,108)	33.1	0.6
Underwriting margin	**31,366**	**43,197**	**37,544**	**19.7**	**(13.1)**

Table 34 – Mortgage Life Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
(%)	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Loss ratio	22.8	4.7	15.1	(7.7)	10.4
Commission ratio	11.2	13.4	13.5	2.3	0.1
Underwriting margin	66.0	81.9	71.4	5.4	(10.5)

In the 1Q17, mortgage life premiums written amounted to R$57.5 million, 9.9% up YoY.

The underwriting margin reached 71.4% in the quarter, 5.4 p.p. higher YoY, driven by the reduction in the loss ratio, partially offset by the increase in the commission ratio.

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

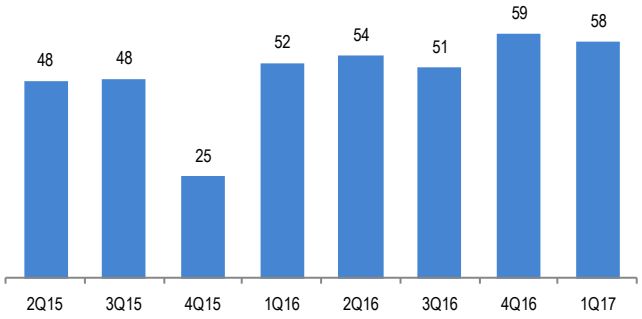


Figure 52 – Mortgage Life Insurance | Underwriting margin

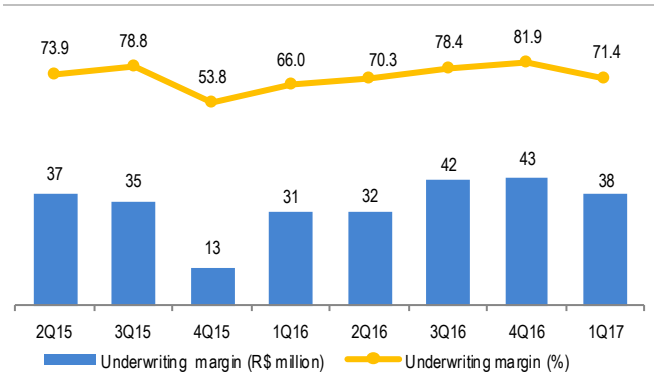


Figure 53 – Mortgage Life Insurance | Loss ratio (%)

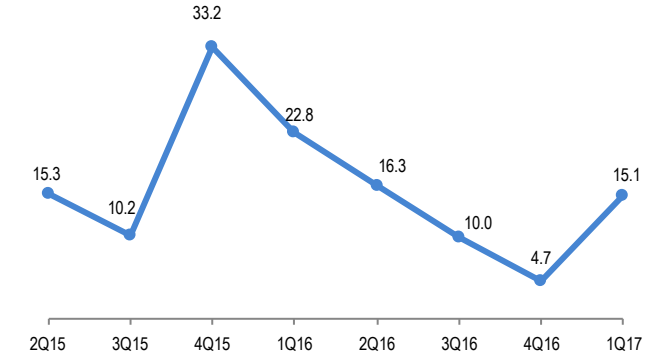
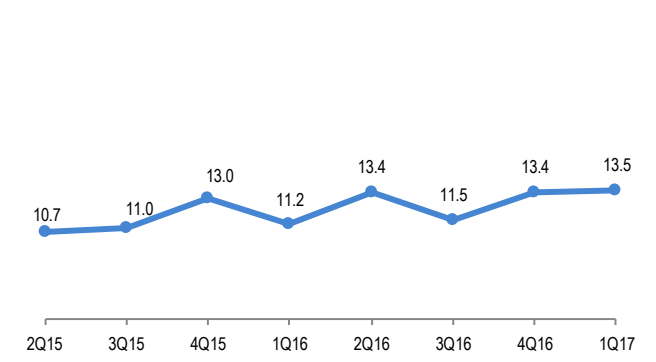


Figure 54 – Mortgage Life Insurance | Commission ratio (%)



DPVAT

Table 35 – DPVAT | Key figures

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Premiums written	**99,129**	**33,218**	**63,687**	**(35.8)**	**91.7**
Retained premiums	**99,129**	**33,218**	**63,687**	**(35.8)**	**91.7**
Changes in technical reserves - premiums	(1,594)	468	(1,136)	(28.7)	-
Earned premiuns	**97,536**	**33,686**	**62,550**	**(35.9)**	**85.7**
Retained claims	(84,882)	(28,118)	(53,955)	(36.4)	91.9
Acquisition costs	(1,388)	(275)	(752)	(45.8)	173.5
Underwriting margin	**11,266**	**5,293**	**7,844**	**(30.4)**	**48.2**

Table 36 – DPVAT | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
(%)	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Loss ratio	87.0	83.5	86.3	(0.8)	2.8
Commission ratio	1.4	0.8	1.2	(0.2)	0.4
Underwriting margin	11.6	15.7	12.5	1.0	(3.2)

Other

Table 37 – Other | Key figures

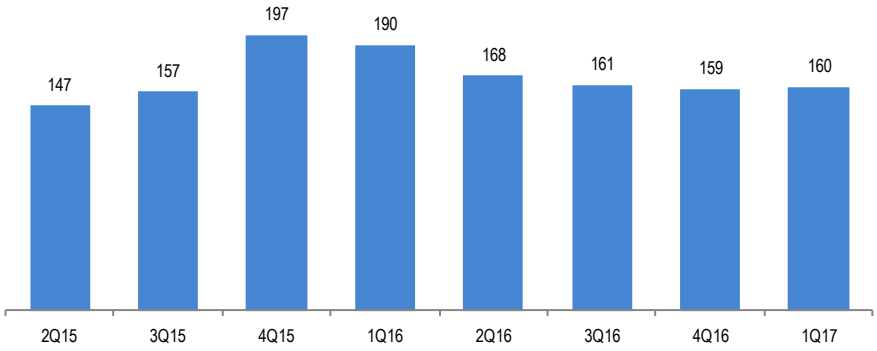
	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Premiums written	**439**	**770**	**736**	**67.7**	**(4.4)**
Premiums ceded to reinsurance	(22)	(27)	(26)	19.3	(1.9)
Retained premiums	**417**	**743**	**709**	**70.3**	**(4.5)**
Changes in technical reserves - premiums	(1)	(7)	7	-	-
Earned premiums	**415**	**736**	**716**	**72.5**	**(2.7)**
Retained claims	(52)	(42)	(39)	(24.2)	(7.3)
Acquisition costs	(87)	(130)	(134)	54.1	2.4
Underwriting margin	**277**	**564**	**543**	**96.3**	**(3.6)**

Table 38 – Other | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
(%)	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Loss ratio	86.7	5.7	85.3	(1.4)	79.6
Commission ratio	1.5	17.7	1.4	(0.1)	(16.3)
Underwriting margin	11.8	76.6	13.3	1.5	(63.3)

NET INVESTMENT INCOME

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



In the 1Q17, the net investment income dropped by 7.1% YoY.

Adjusted interest revenues fell by 15.1%, as a result of the 3.0 p.p. lower average yield on financial investments, partially offset by the expansion of 3.3% in the average balance of interest earning assets.

The decline in the average yield was largely explained by the lower average Selic rate, which impacted the return on floating securities, along with lower inflation indexes, which impacted the yield on inflation protected securities classified as held to maturity.

Adjusted interest expenses dropped by 44.2%, justified by the 4.7 p.p. decrease in the average yield on interest bearing liabilities, partially offset by the 23.3% expansion in the average balance of these liabilities.

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

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Adjusted interest revenues	**245,118**	**192,969**	**208,182**	**(15.1)**	**7.9**
Revenues with mark to market financial investments	182,763	154,565	162,654	(11.0)	5.2
Revenues with held to maturity financial investments	48,711	28,373	31,267	(35.8)	10.2
Judicial deposits	12,235	9,112	15,043	22.9	65.1
Receivables from insurance and reinsurance operations	1,409	919	(782)	-	-
Adjusted interest expenses	**(52,400)**	**(31,145)**	**(29,234)**	**(44.2)**	**(6.1)**
Pending claims	(28,620)	(11,520)	(12,053)	(57.9)	4.6
Judicial provisions	(10,827)	(3,202)	386	-	-
Obligations with insurance and reinsurance operations	(12,954)	(16,422)	(17,567)	35.6	7.0
Net interest income	**192,717**	**161,825**	**178,948**	**(7.1)**	**10.6**

[1]Managerial view

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

R$ thousand	1Q17 / 1Q16		
	Average volume	Average rate	Net change
Earning assets			
Mark to Market financial investments	23,633	(43,742)	(20,109)
Held to maturity financial investments	(8,171)	(9,273)	(17,443)
Judicial deposits	1,346	1,461	2,808
Receivables from insurance and reinsurance operations	716	(2,907)	(2,191)
Total[1]	**6,589**	**(43,524)**	**(36,935)**
Interest bearing liabilities			
Pending claims	(1,512)	18,079	16,567
Judicial provisions	(6)	11,219	11,212
Obligations with insurance and reinsurance operations	(12,918)	8,305	(4,614)
Total[1]	**(5,530)**	**28,696**	**23,166**

[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	1Q16			1Q17		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to Market financial investments	4,481	183	18.0	5,243	163	13.0
Held to maturity financial investments	1,787	49	11.8	1,416	31	9.1
Judicial deposits	792	12	6.5	870	15	7.1
Receivables from insurance and reinsurance operations	468	1	1.2	244	(1)	(1.3)
Total	**7,528**	**245**	**14.2**	**7,774**	**208**	**11.2**

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

R$ million	1Q16			1Q17		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Pending claims	1,674	(29)	6.9	1,914	(12)	2.5
Judicial provisions	648	(11)	6.7	637	0	(0.2)
Obligations with insurance and reinsurance operations	123	(13)	36.9	463	(18)	14.3
Total	**2,444**	**(52)**	**8.6**	**3,015**	**(29)**	**3.8**

Table 43 – Life, Mortgage Life and Rural | Financial investment portfolio

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Trading	**1,943,107**	**4,127,580**	**3,353,570**	**72.6**	**(18.8)**
Pre-fixed	134,897	264,072	162,744	20.6	(38.4)
Floating	1,476,196	2,779,819	2,710,423	83.6	(2.5)
Inflation	796	0	-	-	-
Other	331,218	1,083,689	480,403	45.0	(55.7)
Available for sale	**2,291,477**	**1,484,536**	**1,520,355**	**(33.7)**	**2.4**
Pre-fixed	48,862	25,827	-	-	-
Floating	417,960	364,754	667,094	59.6	82.9
Inflation	1,851,769	1,093,955	853,261	(53.9)	(22.0)
Other	(27,114)	-	-	-	-
Held to maturity securities	**1,808,819**	**1,499,845**	**1,332,945**	**(26.3)**	**(11.1)**
Pre-fixed	451,583	411,512	248,264	(45.0)	(39.7)
Floating	136,178	-	-	-	-
Inflation	1,221,058	1,088,333	1,084,681	(11.2)	(0.3)
Total	**6,043,403**	**7,111,961**	**6,206,869**	**2.7**	**(12.7)**

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

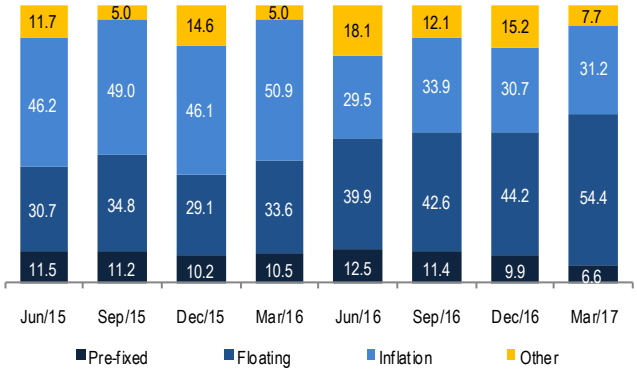
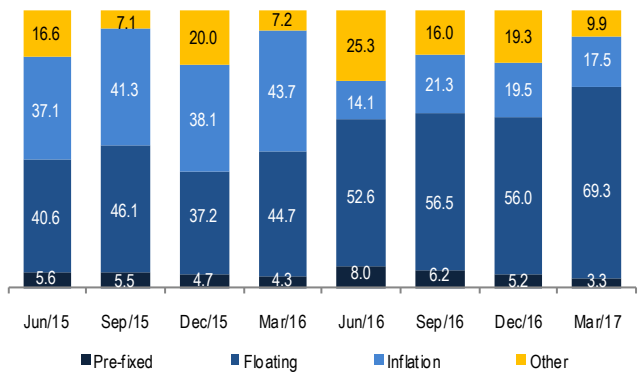


Figure 57 – Life, Mortgage Life and Rural | Breakdown of mark to market financial investments by index (%)



BALANCE SHEET ANALYSIS

Table 44 – Life, Mortgage Life and Rural | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Assets	**14,924,580**	**15,238,819**	**14,138,604**	**(5.3)**	**(7.2)**
Cash	171,159	24,700	16,101	(90.6)	(34.8)
Financial assets	6,043,403	7,111,961	6,206,869	2.7	(12.7)
Receivables from insurance and reinsurance operations	3,402,366	2,920,107	2,692,671	(20.9)	(7.8)
Reinsurance and retrocession - technical reserves	805,425	526,362	692,885	(14.0)	31.6
Securities and credits receivable	1,417,924	1,516,725	1,475,557	4.1	(2.7)
Other	2,481	760	795	(68.0)	4.5
Prepaid expenses	32,699	16,498	29,113	(11.0)	76.5
Deferred costs	1,565,827	1,605,226	1,509,881	(3.6)	(5.9)
Investments	657,905	657,763	657,726	(0.0)	(0.0)
Fixed assets	82,415	88,898	91,592	11.1	3.0
Intangible	742,976	769,819	765,414	3.0	(0.6)
Liabilities	**11,551,217**	**11,381,027**	**11,105,509**	**(3.9)**	**(2.4)**
Accounts payable	686,526	990,481	573,534	(16.5)	(42.1)
Obligations with insurance and reinsurance operations	1,837,779	1,352,791	1,441,347	(21.6)	6.5
Technical reserves - insurance	8,272,461	8,316,751	8,334,498	0.7	0.2
Third party deposits	101,218	90,313	111,919	10.6	23.9
Other liabilities	653,232	630,691	644,211	(1.4)	2.1
Shareholders' equity	**3,373,364**	**3,857,792**	**3,033,095**	**(10.1)**	**(21.4)**

Table 45 – Life, Mortgage Life and Rural | Receivables from insurance and reinsurance operations

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Receivable premiums	2,590,927	2,641,759	2,460,042	(5.1)	(6.9)
Operations with insurance companies	99,117	37,456	61,667	(37.8)	64.6
Premiums	16,966	6,203	11,802	(30.4)	90.3
Claims paid	78,203	26,715	45,400	(41.9)	69.9
Other receivables	3,947	4,538	4,465	13.1	(1.6)
Operations with reinsurance companies	741,256	199,946	246,082	(66.8)	23.1
Claims paid	413,785	199,497	206,537	(50.1)	3.5
Other receivables	327,471	449	39,545	(87.9)	8,708.8
Other operating receivables	41,914	73,183	72,408	72.8	(1.1)
Impairment	(70,848)	(32,238)	(147,528)	108.2	357.6
Receivables from insurance and reinsurance operations	**3,402,366**	**2,920,107**	**2,692,671**	**(20.9)**	**(7.8)**

Table 46 – Life, Mortgage Life and Rural | Reinsurance and retrocession – technical reserves

	Balance			Chg. %	
R$ thousand	**Mar/16**	**Dec/16**	**Mar/17**	**On Mar/16**	**On Dec/16**
Deferred premiums - PPNG	303,247	349,896	344,926	13.7	(14)
Deferred premiums - RVNE	8,258	9,896	10,564	27.9	6.7
Other deferred premiums	(145)	-	-	-	-
IBNR claims	24,507	41,020	42,948	75.2	4.7
Pending claims	412,135	108,601	279,101	(32.3)	157.0
Provision for related expenses	2,852	2,140	2,239	(21.5)	4.6
Other provision	54,571	14,808	13,107	(76.0)	(11.5)
Reinsurance and retrocession - technical reserves	**805,425**	**526,362**	**692,885**	**(14.0)**	**31.6**

Table 47 – Life, Mortgage Life and Rural | Securities and credit receivable

	Balance			Chg. %	
R$ thousand	**Mar/16**	**Dec/16**	**Mar/17**	**On Mar/16**	**On Dec/16**
Securities and credits receivable	108,908	114,679	89,533	(17.8)	(21.9)
Other tax and social security receivables	98,878	177,030	145,440	47.1	(17.8)
Receivable tax and social security - tax loss	185,312	174,560	173,030	(6.6)	(0.9)
Receivable tax and social security - temporary adjustements	198,666	163,859	174,135	(12.3)	6.3
Tax and judicial deposits	806,963	864,476	875,354	8.5	1.3
Other receivables	19,236	22,160	18,104	(5.9)	(18.3)
Impairment	(40)	(40)	(40)	0.0	-
Securities and credits receivable	**1,417,924**	**1,516,725**	**1,475,557**	**4.1**	**(2.7)**

Table 48 – Life, Mortgage Life and Rural | Accounts payable

	Balance			Chg. %	
R$ thousand	**Mar/16**	**Dec/16**	**Mar/17**	**On Mar/16**	**On Dec/16**
Payable liabilities	116,501	122,055	96,429	(17.2)	(21.0)
Deferred taxes	276,349	269,967	271,918	(1.6)	0.7
Social securities and taxes payable	14,685	21,615	18,164	23.7	(16.0)
Labor charges	11,401	10,090	11,061	(3.0)	9.6
Taxes and contributions	195,214	533,793	172,883	(11.4)	(67.6)
Other accounts payable	72,376	32,962	3,079	(95.7)	(90.7)
Accounts payable	**686,526**	**990,481**	**573,534**	**(16.5)**	**(42.1)**

Table 49 – Life, Mortgage Life and Rural | Obligations with insurance and reinsurance operations

	Balance			Chg. %	
R$ thousand	**Mar/16**	**Dec/16**	**Mar/17**	**On Mar/16**	**On Dec/16**
Premiums to return	80,101	4,503	7,484	(90.7)	66.2
Operations with insurance companies	33,940	17,567	60,782	79.1	246.0
Operations with reinsurance companies	910,171	365,158	440,306	(51.6)	20.6
Insurance and reinsurance brokers	665,204	(696)	(32,947)	-	4,636.0
Other operating obligations	148,364	966,259	965,722	550.9	(0.1)
Obligations with insurance and reinsurance operations	**1,837,779**	**1,352,791**	**1,441,347**	**(21.6)**	**6.5**

SOLVENCY

Table 50 – Life, Mortgage Life and Rural | Solvency[1]

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
MAPFRE Vida					
Adjusted shareholders' equity (a)	**289,128**	**275,280**	**255,520**	**(11.6)**	**(7.2)**
Minimum capital required (b)	**171,669**	**184,274**	**191,740**	**11.7**	**4.1**
Additional capital for underwritting risk	154,624	169,146	177,537	14.8	5.0
Additional capital for credit risk	26,977	21,877	20,331	(24.6)	(7.1)
Additional capital for operating risk	1,940	2,156	2,180	12.4	1.1
Additional capital for market risk	-	3,801	3,801	-	-
Benefit of correlation between risks	(11,873)	(12,706)	(12,109)	2.0	(4.7)
Capital adequacy (a) - (b)	**117,460**	**91,006**	**63,780**	**(45.7)**	**(29.9)**
Solvency ratio (a) / (b) - %	**168.4**	**149.4**	**133.3**	**-35.2 p.p.**	**-16.1 p.p.**
Cia. de Seguros Aliança do Brasil					
Adjusted shareholders' equity (a)	**1,739,846**	**1,598,015**	**1,399,752**	**(19.5)**	**(12.4)**
Minimum capital required (b)	**1,227,370**	**1,154,860**	**1,160,237**	**(5.5)**	**0.5**
Additional capital for underwritting risk	1,123,894	1,018,112	1,020,346	(9.2)	0.2
Additional capital for credit risk	149,953	148,500	152,464	1.7	2.7
Additional capital for operating risk	21,486	27,894	28,666	33.4	2.8
Additional capital for market risk	-	89,554	89,554	-	-
Benefit of correlation between risks	(67,964)	(129,200)	(130,793)	92.4	1.2
Capital adequacy (a) - (b)	**512,477**	**443,155**	**239,515**	**(53.3)**	**(46.0)**
Solvency ratio (a) / (b) - %	**141.8**	**138.4**	**120.6**	**-21.1 p.p.**	**-17.7 p.p.**
Total BB MAPFRE SH1					
Adjusted shareholders' equity (a)	**2,028,974**	**1,873,295**	**1,655,272**	**(18.4)**	**(11.6)**
Minimum capital required (b)	**1,399,039**	**1,339,134**	**1,351,977**	**(3.4)**	**1.0**
Additional capital for underwritting risk	1,278,518	1,187,258	1,197,883	(6.3)	0.9
Additional capital for credit risk	176,931	170,377	172,795	(2.3)	1.4
Additional capital for operating risk	23,426	30,050	30,846	31.7	2.6
Additional capital for market risk	-	93,355	93,355	-	-
Benefit of correlation between risks	(79,837)	(141,906)	(142,902)	79.0	0.7
Capital adequacy (a) - (b)	**629,935**	**534,161**	**303,295**	**(51.9)**	**(43.2)**
Solvency ratio (a) / (b) - %	**145.0**	**139.9**	**122.4**	**-22.6 p.p.**	**-17.5 p.p.**

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

4.2 PROPERTY AND CASUALTY

EARNINGS ANALYSIS

Table 51 – Property and Casualty | Income statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Premiums written	**2,173,922**	**1,996,111**	**2,210,409**	**1.7**	**10.7**
Changes in technical reserves - premiums	65,702	117,011	(112,834)	-	-
Earned premiuns	**2,239,624**	**2,113,122**	**2,097,575**	**(6.3)**	**(0.7)**
Revenue of policies issuance	7,683	2,862	8,139	5.9	184.4
Claims incurred	(1,297,163)	(1,023,979)	(1,359,575)	4.8	32.8
Acquisition costs	(437,902)	(405,077)	(416,232)	(4.9)	2.8
Result with reinsurance	(263,887)	(461,306)	(32,264)	(87.8)	(93.0)
Administrative expenses	(242,246)	(236,848)	(226,181)	(6.6)	(4.5)
Tax expenses	(43,463)	(57)	(44,294)	1.9	77,227.6
Other operating income (expenses)	(67,896)	(102,039)	(129,900)	91.3	27.3
Underwriting result	**(105,251)**	**(113,322)**	**(102,733)**	**(2.4)**	**(9.3)**
Net investment income	**191,707**	**124,298**	**81,351**	**(57.6)**	**(34.6)**
Financial income	156,929	200,543	134,423	(14.3)	(33.0)
Financial expenses	34,778	(76,245)	(53,072)	-	(30.4)
Equity income	(915)	(834)	(656)	(28.3)	(21.3)
Operating result	**85,542**	**10,142**	**(22,037)**	**-**	**-**
Gains or losses on non-current assets	(224)	88	632	-	618.4
Earnings before taxes and profit sharing	**85,318**	**10,230**	**(21,405)**	**-**	**-**
Taxes	(37,095)	28,304	20,472	-	(27.7)
Profit sharing	2,272	(8,899)	(3,636)	-	(59.1)
Adjusted net income / loss	**50,495**	**29,635**	**(4,569)**	**-**	**-**
One-off events	**-**	**19,114**	**-**	**-**	**-**
Increase of the social contribution rate	-	-	-	**-**	**-**
PIS/COFINS: tax credit	-	34,753	-	**-**	**-**
PIS/COFINS: taxes	-	(15,639)	-	**-**	**-**
Net income / loss	**50,495**	**48,749**	**(4,569)**	**-**	**-**

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 52 – Patrimônio e Automóvel | Demonstração do resultado gerencial[1]

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Premiums written	**2,173,922**	**1,996,111**	**2,210,409**	**1.7**	**10.7**
Premiums ceded reinsurance	(418,109)	(251,442)	(437,021)	4.5	73.8
Retained premiums	**1,755,813**	**1,744,669**	**1,773,388**	**1.0**	**1.6**
Changes in technical reserves - premiums	138,014	(7,710)	(37,680)	-	388.7
Retained earned premiuns	**1,893,827**	**1,736,959**	**1,735,707**	**(8.3)**	**(0.1)**
Claims retained	(1,215,253)	(1,109,122)	(1,029,971)	(15.2)	(7.1)
Acquisition costs	(437,902)	(405,077)	(416,232)	(4.9)	2.8
Revenue of policies issuance	7,683	2,862	8,139	5.9	184.4
Underwriting result	**248,355**	**225,621**	**297,643**	**19.8**	**31.9**
Administrative expenses	(242,246)	(236,848)	(226,181)	(6.6)	(4.5)
Tax expenses	(43,463)	(57)	(44,294)	1.9	77,227.6
Other operating income (expenses)	(67,896)	(102,039)	(129,900)	91.3	27.3
Equity income	(915)	(834)	(656)	(28.3)	(21.3)
Gains or losses on non-current assets	(224)	88	632	-	618.4
Non-interest operating result	**(106,390)**	**(114,069)**	**(102,756)**	**(3.4)**	**(9.9)**
Net investment income	**191,707**	**124,298**	**81,351**	**(57.6)**	**(34.6)**
Financial income	156,929	200,543	134,423	(14.3)	(33.0)
Financial expenses	34,778	(76,245)	(53,072)	-	(30.4)
Earnings before taxes and profit sharing	**85,318**	**10,228**	**(21,405)**	**-**	**-**
Taxes	(37,095)	28,304	20,472	-	(27.7)
Profit sharing	2,272	(8,899)	(3,636)	-	(59.1)
Adjusted net income / loss	**50,495**	**29,633**	**(4,569)**	**-**	**-**

[1]In accordance with Susep Rule 508, since 2016 the accouting of expenses with sales representatives changed from "other operating income (expenses)" to "acquisition costs". Therefore, the managerial income statement of 2015 was adjusted for analysis purposes.

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.

ADJUSTED NET INCOME

In the 1Q17, the Property and Casualty operation recorded a net loss of R$4.6 million, compared to a net profit of R$50.5 million in the same period one year ago.

The weaker performance was a result of the reduction in the non-interest operating results along with a lower net investment income for the quarter.

Despite the improvement of 4.8 p.p. YoY in the loss ratio, the 8.3% decrease in retained earned premiums along with the higher commission ratio, driven by the increase in commissions in the auto insurance sold through independent broker in addition to the change in the mix of retained earned premiums, with increased share of products with higher commission ratio, as well as higher other operating expenses, drove the non-interest operating results down as compared to the 1Q16.

It is worth noting that the quarter was impacted by two movements that affected the G&A ratio as well as the loss ratio, as described below:

(i) change in the methodology of the calculation of the provisions 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) recovery of reinsurance claims from previous periods, with a positive impact of R$30.7 million in the result with reinsurance line, which was reallocated to the claims retained line 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.

From the net investment income perspective, the 57.6% contraction is explained by the decrease in financial income, due to a lower average yield on interest earning assets along with the increase in financial expenses, whose comparable had been positively impacted by fluctuations in the foreign exchange rate in the 1Q16.

The annualized return on average equity came negative in 0.5%, versus a positive return of 5.8% in the 1Q16.

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

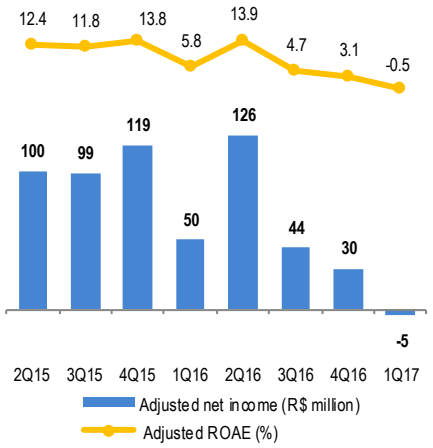


Figure 59 – Property and Casualty | Adjusted net income composition

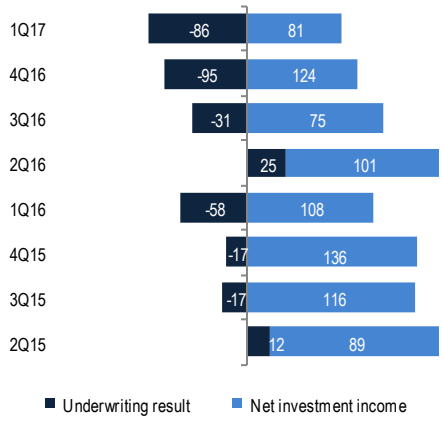


Table 53 – Property and Casualty | Managerial performance ratios

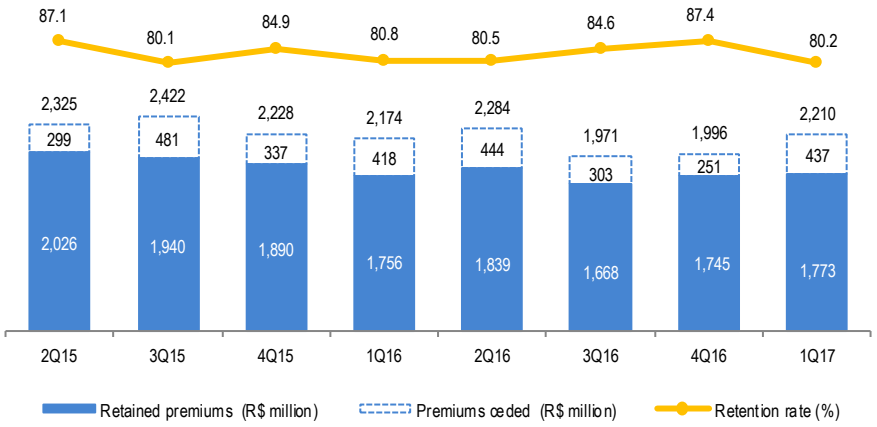
	Quarterly Flow			Chg. (p.p.)	
%	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Performance ratios[1]					
Loss ratio	64.2	63.9	59.3	(4.8)	(4.5)
Commission ratio	23.1	23.3	24.0	0.9	0.7
G&A ratio	18.7	19.5	23.1	4.4	3.6
Combined ratio	105.6	106.5	105.9	0.4	(0.6)
Other ratios[1]					
Expanded combined ratio	95.9	99.4	101.2	5.3	1.8
Income tax rate	43.5	-	-	-	-
Adjusted ROAE	5.8	3.1	(0.5)	(6.3)	(3.6)

[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



In the 1Q17, premiums written amounted to R$2.2 billion, 1.7% up YoY, mainly driven by the increase in the casualty and in the other segments, partially offset by the 1.4% decline in auto insurance.

Table 54 – Property and Casualty | Breakdown of premiums written

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Auto	1,032,637	1,009,018	1,018,065	(14)	0.9
Casualties	880,931	764,290	942,293	7.0	23.3
DPVAT	125,912	47,675	91,361	(27.4)	91.6
Other	134,443	175,129	158,691	18.0	(9.4)
Total	**2,173,922**	**1,996,111**	**2,210,409**	**1.7**	**10.7**

Figure 61 – Property and Casualty | Breakdown of premiums written

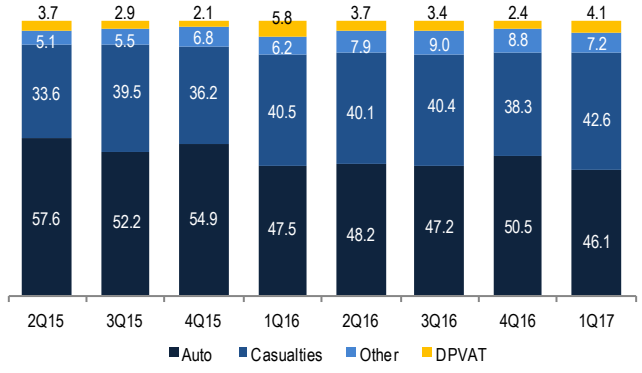


Figure 62 – Property and Casualty | Breakdown of retained premiums (%)

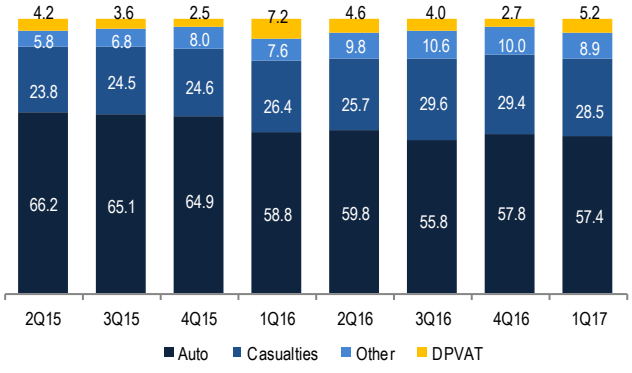


Table 55 – Property and Casualty | Breakdown of premiums written by channel

	Quarterly Flow					
%	1Q16		4Q16		1Q17	
Channel	**Bank**	**Other**	**Bank**	**Other**	**Bank**	**Other**
Auto	36.4	63.6	35.5	64.5	36.2	63.8
Casualties	15.3	84.7	21.6	78.4	14.8	85.2
Other	0.3	99.7	0.4	99.6	0.3	99.7
Total	**23.5**	**76.5**	**26.3**	**73.7**	**23.0**	**77.0**

CHANGES IN TECHNICAL RESERVERS - PREMIUMS

Table 56 – Property and Casualty | Changes in technical reserves – premiums

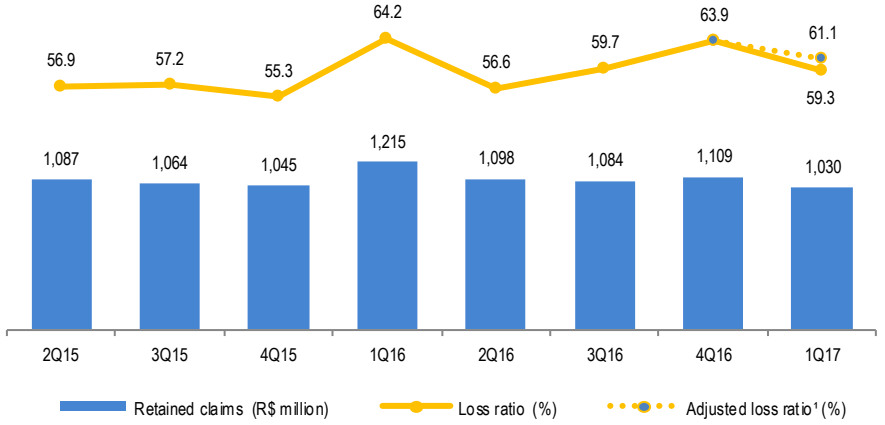
	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Provision for unearned premiums	77,597	119,965	(107,898)	-	-
Provision for administrative expenses - DPVAT	(1,072)	369	(2,166)	102.2	-
Provision for technical surplus	(10,824)	(3,322)	(2,769)	(74.4)	(16.6)
Change in technical reserves - premiums	**65,702**	**117,011**	**(112,834)**	**-**	**-**

RETAINED EARNED PREMIUMS

Table 57 – Property and Casualty | Breakdown of retained earned premiums

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Auto	1,156,284	1,029,436	999,698	(13.5)	(2.9)
Casualties	472,713	496,491	491,787	4.0	(0.9)
DPVAT	124,840	48,045	89,194	(28.6)	85.6
Other	139,991	162,986	155,028	10.7	(4.9)
Total	**1,893,827**	**1,736,959**	**1,735,707**	**(8.3)**	**(0.1)**

Figure 63 – Property and Casualty | Retained claims



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

In the 1Q17, the loss ratio decreased by 4.8 p.p. as compared to the same period of 2016, driven by the improvement in casualty as well as in the auto segment, partially offset by the worsening ratio for the other segment, which concentrates the partnerships in the affinity channel.

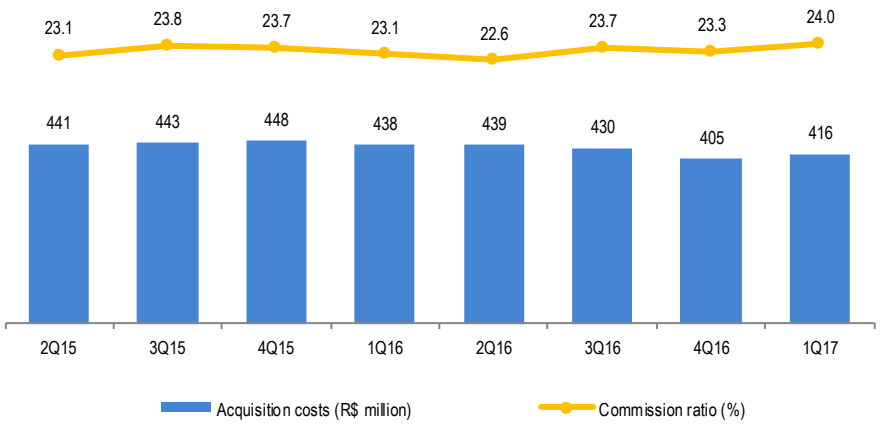
It is worth noting that, as previously explained in the net income section of this chapter, in the 1Q17 the retained claims were positively impacted by the recovery of reinsured claims from previous periods, which generated an additional revenue of R$30.7 million, and positively impacted the loss ratio in the casualty segment, which concentrates the greater amount of premiums ceded to reinsurance. On the other hand, this effect was offset by higher impairment expenses related to recovery of reinsured claims to be settled. Thus, the dashed line in the chart above shows the loss ratio setting this effect apart, which would have reached 61.1% in the quarter, 3.1 p.p. lower as compared to the 1Q16.

Table 58 – Property and Casualty | Breakdown of retained claims

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Claims incurred	**(1,297,163)**	**(1,023,979)**	**(1,359,575)**	**4.8**	**32.8**
Expenses with claims	(1,260,705)	(1,039,700)	(1,451,710)	15.2	39.6
Changes in provisions for claims IBNR	(70,971)	8,582	(30,618)	(56.9)	-
Changes in provisions for claims IBNER	(25,448)	(22,669)	(17,075)	(32.9)	(24.7)
Changes of expenses related to IBNR	(23)	6,595	(35)	54.5	-
Recovery of claims - Coinsurance	14,051	8,444	100,409	614.6	1,089.1
Recovery of claims - Reinsurance	81,910	(85,143)	329,604	302.4	-
Salvage	77,840	66,141	78,658	1.1	18.9
Reimbursements	35,051	31,290	32,067	(8.5)	2.5
Change in estimates of salvaged and reimbursement	198	(4,057)	(5,012)	-	23.5
Assistance services	(67,156)	(78,604)	(66,258)	(1.3)	(15.7)
Retained claims	**(1,215,253)**	**(1,109,122)**	**(1,029,971)**	**(15.2)**	**(7.1)**

ACQUISITION COSTS

Figure 64 – Property and Casualty | Acquisition costs



In the 1Q17, the commission ratio rose 0.9 p.p. YoY, justified by the increase in the auto insurance segment, especially in the independent broker channel, as well as by the change in the mix of retained earned premiums, with increased share of casualty and other segments, which have higher commission ratios.

Table 59 – Property and Casualty | Acquisition costs

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Comission charged on premiums written	(316,722)	(283,374)	(288,490)	(8.9)	1.8
Agency commission	(30,521)	(77,970)	(74,618)	144.5	(4.3)
Commissions recovered - Coinsurance	1,545	751	2,188	41.6	191.3
Change in deferred acquisition costs	(32,672)	9,121	3,027	-	(66.8)
Other acquisition costs	(59,533)	(53,605)	(58,338)	(2.0)	8.8
Acquisition costs	**(437,902)**	**(405,077)**	**(416,232)**	**(4.9)**	**2.8**

UNDERWRITING RESULT

In the 1Q17, the underwriting result grew by 19.8% YoY, supported by the improvement in the loss ratio, partially offset by the reduction in retained earned premiums as well as the higher commission ratio.

By segment, the decrease in the loss ratio, as well as the 4.0% growth in retained earned premiums allowed the casualty segment to achieve a share in the underwriting result more than twice as the one recorded in 1Q16.

It is worth noting that, as previously explained in the net income section of this chapter, in the 1Q17 the retained claims line was impacted by the recovery of reinsured claims from previous periods, which amounted to R$30.7 million and positively impacted the loss ratio in the casualty segment, which is the one that concentrates the greater amount of premiums ceded to reinsurance.

Setting apart this effect, the underwriting result for the 1Q17 would have been 7.5% higher as compared to the 1Q16, reaching R$266.9 million, and the participation of the casualty segment in the underwriting result would have been of 31.2%, 13.4 p.p. higher YoY.

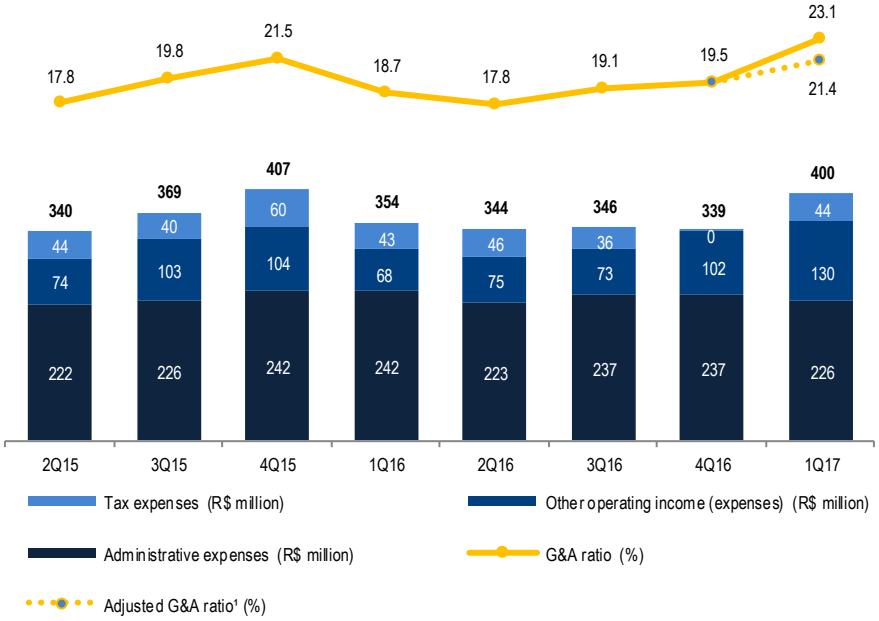
Table 60 – Property and Casualty | Underwriting result

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Auto	126,382	114,945	110,895	(12.3)	(3.5)
Casualties	42,671	26,507	111,386	161.0	320.2
Other	57,422	100,229	55,975	(2.5)	(44.2)
DPVAT	14,198	(18,923)	11,248	(20.8)	-
Underwriting margin by segment	**240,672**	**222,759**	**289,504**	**20.3**	**30.0**
Revenue of policies issuance	7,683	2,862	8,139	5.9	184.4
Underwriting margin	**248,355**	**225,621**	**297,643**	**19.8**	**31.9**

Table 61 – Property and Casualty | Underwriting result breakdown

	Quarterly Flow			Chg. (p.p.)	
%	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Auto	52.5	51.6	38.3	(14.2)	(13.3)
Casualties	17.7	11.9	38.5	20.7	26.6
Other	23.9	45.0	19.3	(4.5)	(25.7)
DPVAT	5.9	(8.5)	3.9	(2.0)	12.4

Figure 65 – Property and Casualty | G&A expenses



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

In the 1Q17 the G&A ratio rose 4.4 p.p. YoY. The increase was directly related to the "other operating income (expenses)" line.

It is worth noting that, as previously explained in the net income section of this chapter, in the 1Q17 the "other operating income (expenses)" line was impacted by higher impairment expenses related to the recovery of reinsured claims to be settled, which generated an additional expense of R$29.7 million and negatively impacted the G&A ratio. On the other hand, this effect was offset by the recovery of reinsured claims from previous periods. Thus, the dashed line in the chart above shows the G&A ratio setting this effect apart, which would have reached 21.3% in the quarter, 2.6 p.p. higher as compared to the 1Q16.

Table 62 – Property and Casualty | General & Administrative expenses

R$ thousand	Quarterly Flow			Chg. %	
	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Administrative expenses	**(242,247)**	**(236,848)**	**(226,181)**	**(6.6)**	**(4.5)**
Personnel	(126,815)	(120,787)	(116,707)	(8.0)	(3.4)
Outsourcing	(48,718)	(45,590)	(46,268)	(5.0)	1.5
Location and operation	(62,082)	(57,403)	(58,256)	(6.2)	1.5
Institutional advertisement and publicity	(1,942)	(7,092)	(1,843)	(5.1)	(74.0)
Publication	(647)	(40)	(659)	1.8	1,527.7
Other administrative expenses	(2,043)	(5,936)	(2,448)	19.8	(58.8)
Other operating income (expenses)	**(67,896)**	**(102,039)**	**(129,900)**	**91.3**	**27.3**
FESR contributions	0	(4)	(3)	-	(6.8)
Charging expenses	(12,784)	(7,972)	(13,472)	5.4	69.0
Civil contingencies	(2,051)	(7,197)	(6,081)	196.4	(15.5)
Expenses with events	(430)	(2,199)	(1,151)	167.6	(47.7)
Endomarketing	(14)	(2,317)	(2,320)	15,977.1	0.1
Social contributions	(325)	-	-	-	-
Impairment	(17,200)	(31,279)	(84,125)	389.1	169.0
Other operating income (expenses)	(35,091)	(51,073)	(22,747)	(35.2)	(55.5)
Tax expenses	**(43,463)**	**(57)**	**(44,294)**	**1.9**	**77,194.7**
COFINS	(32,638)	6,797	(33,103)	1.4	-
PIS	(5,391)	24	(5,518)	2.4	-
Inspection fee	(2,779)	(2,779)	(2,185)	(21.4)	(21.4)
Other tax expenses	(2,655)	(4,099)	(3,488)	31.4	(14.9)
G&A	**(353,607)**	**(338,945)**	**(400,375)**	**13.2**	**18.1**

Auto Insurance

Table 63 – Auto Insurance | Key figures

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Premiums written	**1,032,637**	**1,009,018**	**1,018,065**	**(1.4)**	**0.9**
Premiums ceded to reinsurance	(790)	7	14	-	101.9
Retained premiums	**1,031,847**	**1,009,024**	**1,018,078**	**(1.3)**	**0.9**
Changes in technical reserves - premiums	124,436	20,411	(18,380)	-	-
Earned premiuns	**1,156,284**	**1,029,436**	**999,698**	**(13.5)**	**(2.9)**
Retained claims	(826,216)	(724,803)	(699,597)	(15.3)	(3.5)
Acquisition costs	(203,686)	(189,687)	(189,206)	(7.1)	(0.3)
Underwriting margin	**126,382**	**114,945**	**110,895**	**(12.3)**	**(3.5)**

Table 64 – Auto Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
(%)	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Loss ratio	71.5	70.4	70.0	(1.5)	(0.4)
Commission ratio	17.6	18.4	18.9	1.3	0.5
Underwriting margin	10.9	11.2	11.1	0.2	(0.1)

Premiums written in the auto segment amounted to R$1.0 billion in the 1Q17, 1.4% down YoY. The performance is largely explained by the reduction in sales of brand new cars, reflected in the 12.9% decline in the insured fleet.

In the 1Q17, the underwriting margin increased by 0.2 p.p. YoY, supported by the 1.5 p.p. improvement in the loss ratio, concentrated in the independent broker channel.

The improvement in the loss ratio was partially offset by the increase in the commission ratio, also concentrated in the independent broker channel.

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

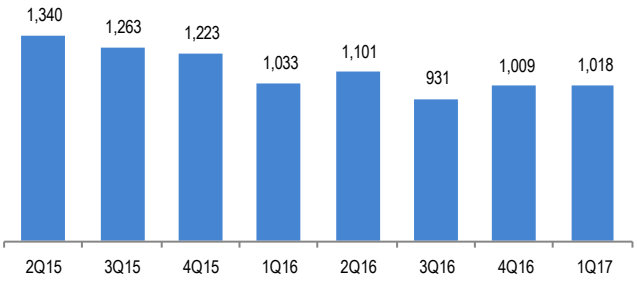


Figure 67 – Auto Insurance | Insured fleet (thousand)

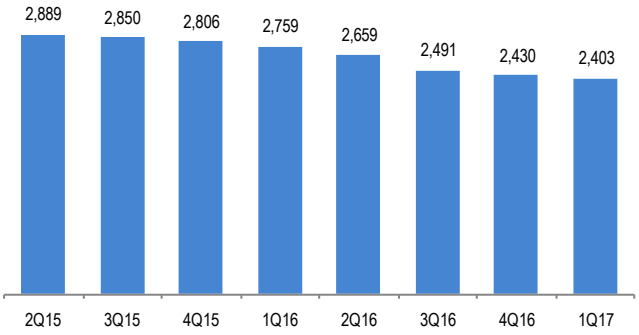


Figure 68 – Auto Insurance | Underwriting margin (R$ million)

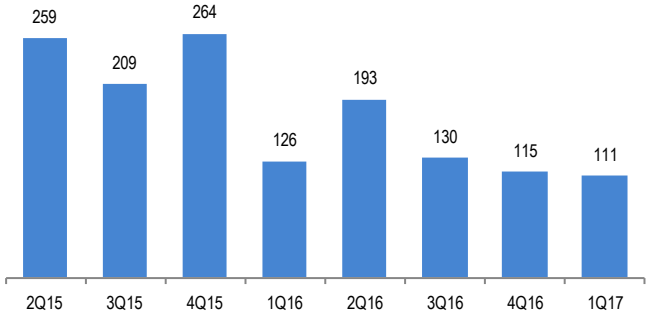


Figure 69 – Auto Insurance | Underwriting margin by distribution channel (%)

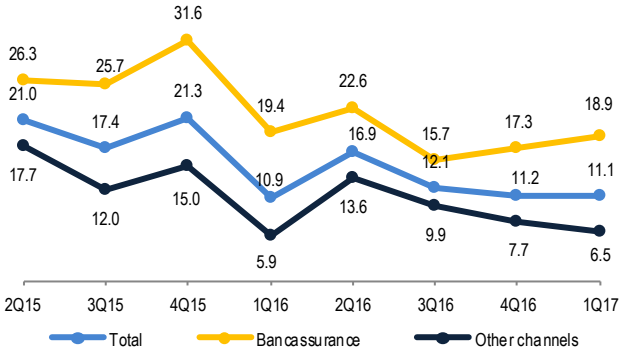


Figure 70 – Auto Insurance | Loss ratio (%)

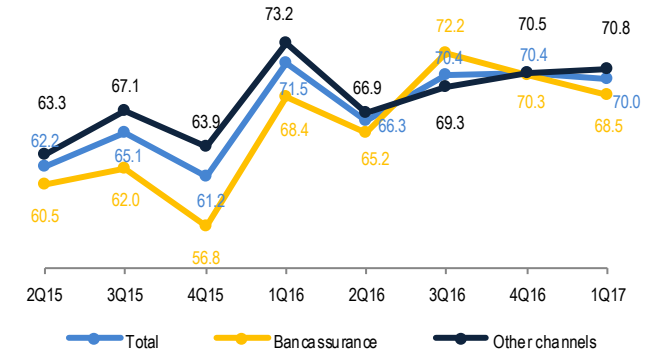
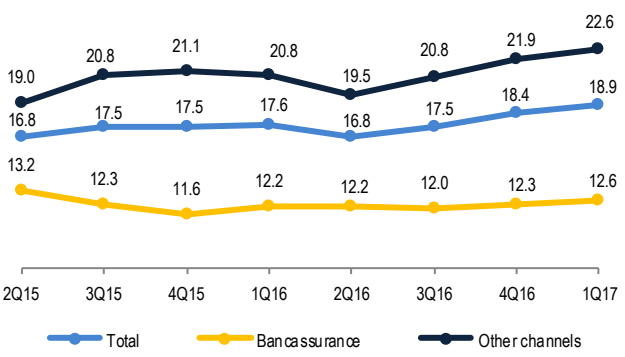


Figure 71 – Auto Insurance | Commission ratio (%)



Casualty Insurance

Table 65 – Casualty Insurance | Key figures

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Premiums written	**880,931**	**764,290**	**942,293**	**7.0**	**23.3**
Premiums ceded to reinsurance	(416,862)	(250,803)	(436,373)	4.7	74.0
Retained premiums	**464,068**	**513,487**	**505,920**	**9.0**	**(1.5)**
Changes in technical reserves - premiums	8,644	(16,996)	(14,133)	-	(16.8)
Earned premiuns	**472,713**	**496,491**	**491,787**	**4.0**	**(0.9)**
Retained claims	(249,639)	(307,131)	(206,078)	(17.4)	(32.9)
Acquisition costs	(180,402)	(162,852)	(174,322)	(3.4)	7.0
Underwriting margin	**42,671**	**26,507**	**111,386**	**161.0**	**320.2**

Table 66 – Casualty Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
(%)	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Loss ratio	52.8	61.9	41.9	(10.9)	(20.0)
Commission ratio	38.2	32.8	35.4	(2.7)	2.6
Underwriting margin	9.0	5.3	22.6	13.6	17.3

In the 1Q17, premiums written in the casualty segment amounted to R$942.3 million, 7.0% higher YoY, mainly driven by sales through the independent broker channel.

The underwriting margin in the casualty segment improved by 13.6 p.p. as compared to the 1Q16, justified by the 10.9 p.p. decline in the loss ratio, notably in the independent broker channel, along with the lower commission ratio.

It is worth noting that, as previously explained in the net income and retained claims sections of this chapter, the loss ratio was impacted by the recovery of reinsured claims, resulting in a positive effect of R$30.7 million for the casualty segment.

Setting this effect apart, the loss ratio would have been of 48.2%, 4.6 p.p. down YoY, while the underwriting margin would have reached 16.4%, 7.4 p.p. higher YoY.

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

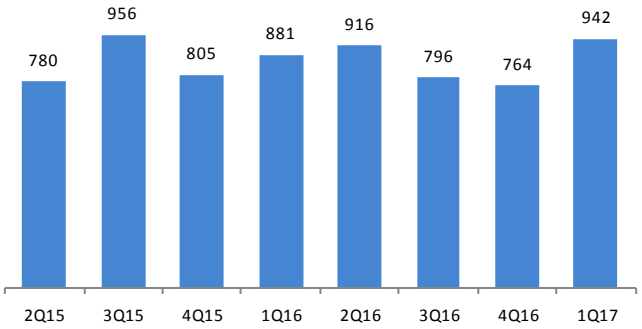
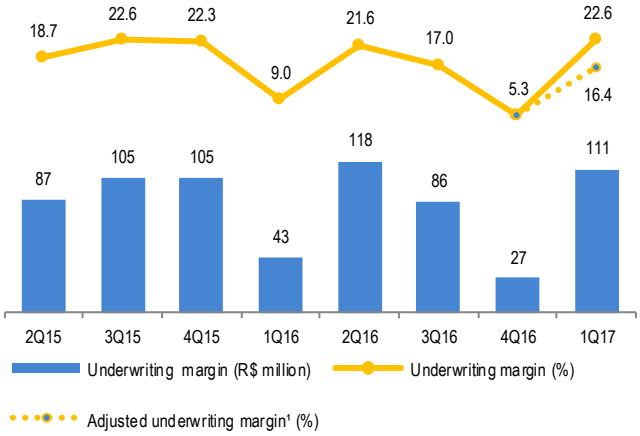
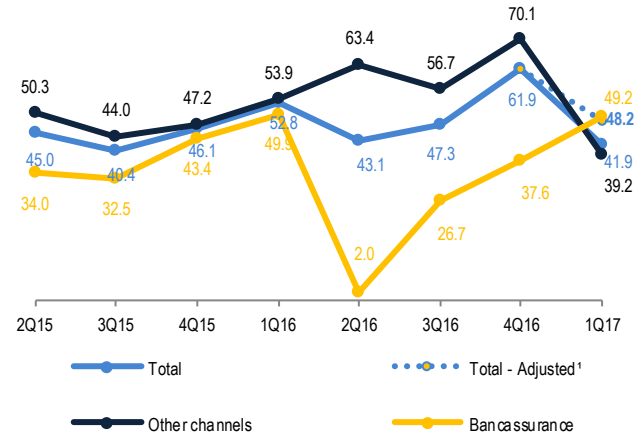


Figure 73 – Casualty Insurance | Underwriting margin



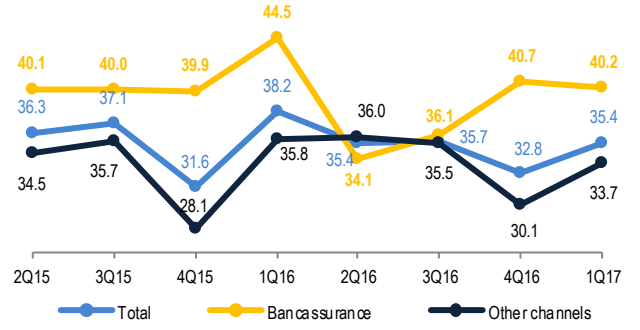
¹Adjustment segregate the effect of the recovery of reinsured claims from previous periods in the 1Q17.

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 67 – DPVAT | Key figures

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Premiums written	**125,912**	**47,675**	**91,361**	**(27.4)**	**91.6**
Retained premiums	**125,912**	**47,675**	**91,361**	**(27.4)**	**91.6**
Changes in technical reserves - premiums	(1,072)	371	(2,166)	102.2	-
Earned premiuns	**124,840**	**48,045**	**89,194**	**(28.6)**	**85.6**
Retained claims	(108,879)	(66,300)	(76,869)	(29.4)	15.9
Acquisition costs	(1,763)	(668)	(1,077)	(38.9)	61.4
Underwriting margin	**14,198**	**(18,923)**	**11,248**	**(20.8)**	**-**

Table 68 – DPVAT | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
(%)	**1Q16**	**2Q16**	**3Q16**	**On 1Q16**	**On 4Q16**
Loss ratio	87.2	138.0	86.2	(1.0)	(51.8)
Commission ratio	1.4	1.4	1.2	(0.2)	(0.2)
Underwriting margin	11.4	(39.4)	12.6	1.2	52.0

Other

Table 69 – Other | Key figures

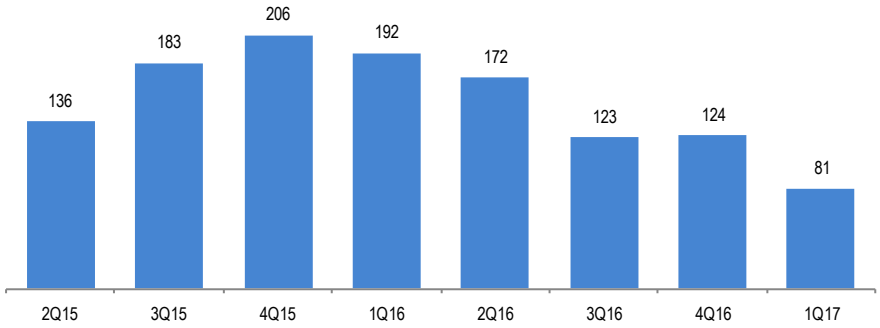
	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Premiums written	**134,443**	**175,129**	**158,691**	**18.0**	**(9.4)**
Premiums ceded to reinsurance	(457)	(646)	(663)	44.9	2.6
Retained premiums	**133,986**	**174,483**	**158,029**	**17.9**	**(9.4)**
Changes in technical reserves - premiums	6,005	(11,497)	(3,000)	-	(73.9)
Earned premiuns	**139,991**	**162,986**	**155,028**	**10.7**	**(4.9)**
Retained claims	(30,518)	(10,887)	(47,427)	55.4	335.6
Acquisition costs	(52,051)	(51,870)	(51,627)	(0.8)	(0.5)
Underwriting margin	**57,422**	**100,229**	**55,975**	**(2.5)**	**(44.2)**

Table 70 – Other | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
(%)	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Loss ratio	21.8	6.7	30.6	8.8	23.9
Commission ratio	37.2	31.8	33.3	(3.9)	1.5
Underwriting margin	41.0	61.5	36.1	(4.9)	(25.4)

NET INVESTMENT INCOME

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



In the 1Q17, the net investment income dropped by 57.6% as compared to the same period of 2016, driven by:

(i) the 14.3% reduction in financial income, justified by the decrease in the average Selic rate, which negatively impacted the yield on floating securities; and

(ii) the increase in financial expenses in the quarter, which had been positively impacted by the changes in the foreign exchange rate in the 1Q16.

Table 71 – Property and Casualty | Financial investments portfolio

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Trading	**1,696,184**	**1,988,784**	**2,446,082**	**44.2**	**23.0**
Pre-fixed	-	4,725	8,202	-	73.6
Floating	1,086,513	1,269,639	1,711,297	57.5	34.8
Inflation	451	296	298	(33.9)	0.5
Other	609,221	714,124	726,285	19.2	1.7
Available for sale	**1,184,966**	**835,890**	**761,361**	**(35.7)**	**(8.9)**
Pre-fixed	183,216	25,611	-	-	-
Floating	305,373	298,724	678,308	122.1	127.1
Inflation	640,832	472,447	50,943	(92.1)	(89.2)
Other	55,544	39,107	32,109	(42.2)	(17.9)
Held to maturity securities	**1,561,836**	**1,548,548**	**1,182,381**	**(24.3)**	**(23.6)**
Pre-fixed	617,914	670,266	298,632	(51.7)	(55.4)
Floating	134,806	10,532	10,852	(92.0)	3.0
Inflation	809,117	867,750	872,898	7.9	0.6
Total	**4,442,987**	**4,373,221**	**4,389,823**	**(1.2)**	**0.4**

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

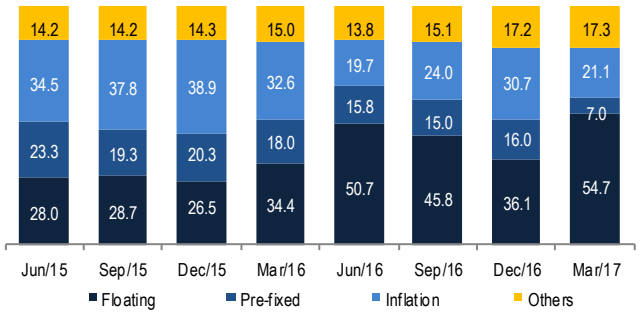
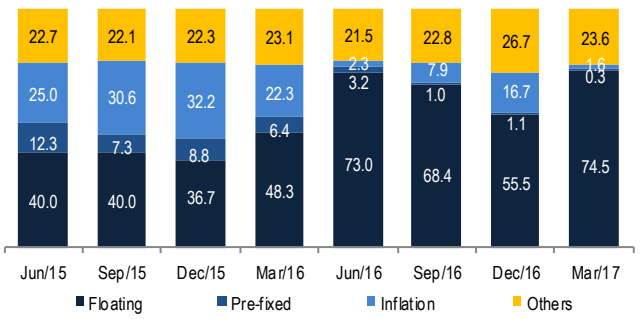


Figure 78 – Property and Casualty | Breakdown of mark to market financial investments by index (%)



BALANCE SHEET ANALYSIS

Table 72 – Property and Casualty | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Assets	**14,741,062**	**13,483,666**	**13,508,307**	**(8.4)**	**0.2**
Cash	208,719	154,149	80,682	(61.3)	(47.7)
Financial assets	4,442,987	4,373,221	4,389,823	(1.2)	0.4
Receivables from insurance and reinsurance operations	4,285,776	3,358,106	3,250,404	(24.2)	(3.2)
Reinsurance and retrocession - technical reserves	2,152,134	1,774,578	1,964,727	(8.7)	10.7
Securities and credits receivable	1,682,799	1,903,835	1,910,125	13.5	0.3
Other	334,354	328,091	314,027	(6.1)	(4.3)
Prepaid expenses	25,537	12,453	28,422	11.3	128.2
Deferred costs	756,598	731,069	734,120	(3.0)	0.4
Investments	258,585	257,553	257,525	(0.4)	(0.0)
Fixed assets	110,064	69,596	63,873	(42.0)	(8.2)
Intangible	483,509	521,015	514,578	6.4	(1.2)
Liabilities	**11,243,854**	**9,718,690**	**9,767,269**	**(13.1)**	**0.5**
Accounts payable	756,274	772,730	535,822	(29.1)	(30.7)
Obligations with insurance and reinsurance operations	1,567,807	935,933	831,859	(46.9)	(11.1)
Technical reserves - insurance	8,057,850	7,291,486	7,609,142	(5.6)	4.4
Third party deposits	192,063	61,977	119,018	(38.0)	92.0
Other liabilities	669,859	656,564	671,428	0.2	2.3
Shareholders' equity	**3,497,209**	**3,764,976**	**3,741,038**	**7.0**	**(0.6)**

Table 73 – Property and Casualty | Receivables from insurance and reinsurance operations

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Receivable premiums	3,204,831	2,802,007	2,790,834	(12.9)	(0.4)
Operations with insurance companies	130,992	123,706	128,035	(2.3)	3.5
Premiums	81,596	59,445	84,398	3.4	42.0
Claims paid	31,700	48,941	32,199	1.6	(34.2)
Other receivables	17,695	15,321	11,439	(35.4)	(25.3)
Operations with reinsurance companies	1,012,280	506,057	448,697	(55.7)	(11.3)
Claims paid	722,428	370,181	388,810	(46.2)	5.0
Other receivables	289,853	135,876	59,887	(79.3)	(55.9)
Other operating receivables	122,030	157,680	197,936	62.2	25.5
Impairment	(184,356)	(231,344)	(315,098)	70.9	36.2
Receivables from insurance and reinsurance operations	**4,285,776**	**3,358,106**	**3,250,404**	**(24.2)**	**(3.2)**

Table 74 – Property and Casualty | Reinsurance and retrocession – technical reserves

	Balance			Chg. %	
R$ thousand	**Mar/16**	**Dec/16**	**Mar/17**	**On Mar/16**	**On Dec/16**
Deferred premiums - PPNG	777,449	580,425	647,704	(16.7)	11.6
Deferred premiums - RVNE	137,883	149,063	149,462	8.4	0.3
IBNR claims	102,762	99,573	100,469	(2.2)	0.9
Pending claims	1,109,750	931,427	1,051,979	(5.2)	12.9
Provision for related expenses	24,291	14,090	15,114	(37.8)	7.3
Reinsurance and retrocession - technical reserves	**2,152,134**	**1,774,578**	**1,964,727**	**(8.7)**	**10.7**

Table 75 – Property and Casualty | Securities and credit receivable

	Balance			Chg. %	
R$ thousand	**Mar/16**	**Dec/16**	**Mar/17**	**On Mar/16**	**On Dec/16**
Securities and credits receivable	225,159	230,069	222,024	(1.4)	(3.5)
Other tax and social security receivables	66,012	225,949	192,433	191.5	(14.8)
Receivable tax and social security - tax loss	334,507	368,573	367,064	9.7	(0.4)
Receivable tax and social security - temporary adjustements	278,025	263,932	295,238	6.2	11.9
Tax and judicial deposits	731,194	779,409	794,205	8.6	1.9
Other receivables	55,617	54,952	58,578	5.3	6.6
Impairment	(7,715)	(19,048)	(19,418)	151.7	1.9
Securities and credits receivable	**1,682,799**	**1,903,835**	**1,910,125**	**13.5**	**0.3**

Table 76 – Property and Casualty | Accounts payable

	Balance			Chg. %	
R$ thousand	**Mar/16**	**Dec/16**	**Mar/17**	**On Mar/16**	**On Dec/16**
Payable liabilities	381,584	301,661	202,280	(47.0)	(32.9)
Deferred taxes	52,245	52,964	51,283	(1.8)	(3.2)
Social securities and taxes payable	218,749	176,495	178,039	(18.6)	0.9
Labor charges	39,746	34,193	36,312	(8.6)	6.2
Taxes and contributions	15,859	119,767	5,006	(68.4)	(95.8)
Other accounts payable	48,090	87,649	62,902	30.8	(28.2)
Accounts payable	**756,274**	**772,730**	**535,822**	**(29.1)**	**(30.7)**

Table 77 – Property and Casualty | Obligations with insurance and reinsurance operations

	Balance			Chg. %	
R$ thousand	**Mar/16**	**Dec/16**	**Mar/17**	**On Mar/16**	**On Dec/16**
Premiums to return	28,157	2,382	(5,392)	-	-
Operations with insurance companies	139,658	71,089	27,326	(80.4)	(61.6)
Operations with reinsurance companies	987,839	518,081	484,848	(50.9)	(6.4)
Insurance and reinsurance brokers	308,714	(439)	46,622	(84.9)	-
Other operating obligations	103,439	344,819	278,455	169.2	(19.2)
Obligations with insurance and reinsurance operations	**1,567,807**	**935,933**	**831,859**	**(46.9)**	**(11.1)**

SOLVENCY

Table 78 – Property and Casualty | Solvency[1]

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Brasilveículos					
Adjusted shareholders' equity (a)	**536,072**	**453,101**	**454,108**	**(15.3)**	**0.2**
Minimum capital required (b)	**456,871**	**393,105**	**389,338**	**(14.8)**	**(1.0)**
Additional capital for underwritting risk	409,483	349,179	345,110	(15.7)	(1.2)
Additional capital for market risk	-	6,564	6,564	-	-
Additional capital for credit risk	62,393	55,289	56,484	(9.5)	2.2
Additional capital for operating risk	12,891	11,451	10,992	(14.7)	(4.0)
Benefit of correlation between risks	(27,896)	(29,378)	(29,812)	6.9	1.5
Capital adequacy (a) - (b)	**79,201**	**59,996**	**64,770**	**(18.2)**	**8.0**
Solvency ratio (a) / (b) - %	**117.3**	**115.3**	**116.6**	**-0.7 p.p.**	**1.4 p.p.**
Aliança do Brasil Seguros					
Adjusted shareholders' equity (a)	**212,789**	**229,036**	**197,269**	**(7.3)**	**(13.9)**
Minimum capital required (b)	**122,069**	**108,862**	**108,563**	**(11.1)**	**(0.3)**
Additional capital for underwritting risk	105,183	92,301	92,142	(12.4)	(0.2)
Additional capital for market risk	-	1,191	1,191	-	-
Additional capital for credit risk	21,567	19,728	19,523	(9.5)	(1.0)
Additional capital for operating risk	4,607	4,950	4,938	7.2	(0.2)
Benefit of correlation between risks	(9,289)	(9,308)	(9,231)	(0.6)	(0.8)
Capital adequacy (a) - (b)	**90,721**	**120,174**	**88,706**	**(2.2)**	**(26.2)**
Solvency ratio (a) / (b) - %	**174.3**	**210.4**	**181.7**	**7.4 p.p.**	**-28.7 p.p.**
MAPFRE Seguros Gerais					
Adjusted shareholders' equity (a)	**1,651,179**	**2,063,672**	**1,965,599**	**19.0**	**(4.8)**
Minimum capital required (b)	**1,036,194**	**995,579**	**1,002,120**	**(3.3)**	**0.7**
Additional capital for underwritting risk	888,235	842,859	846,298	(4.7)	0.4
Additional capital for market risk	-	32,610	32,610	-	-
Additional capital for credit risk	188,747	179,591	185,389	(1.8)	3.2
Additional capital for operating risk	40,082	40,713	40,159	0.2	(1.4)
Benefit of correlation between risks	(80,870)	(100,194)	(102,336)	26.5	2.1
Capital adequacy (a) - (b)	**614,984**	**1,068,093**	**963,479**	**56.7**	**(9.8)**
Solvency ratio (a) / (b) - %	**159.4**	**207.3**	**196.1**	**36.8 p.p.**	**-11.1 p.p.**
Total MAPFRE BB SH2					
Adjusted shareholders' equity (a)	**2,400,040**	**2,745,809**	**2,616,976**	**9.0**	**(4.7)**
Minimum capital required (b)	**1,615,134**	**1,497,546**	**1,500,021**	**(7.1)**	**0.2**
Additional capital for underwritting risk	1,402,902	1,284,339	1,283,550	(8.5)	(0.1)
Additional capital for market risk	-	40,365	40,365	-	-
Additional capital for credit risk	272,707	254,608	261,396	(4.1)	2.7
Additional capital for operating risk	57,580	57,114	56,089	(2.6)	(1.8)
Benefit of correlation between risks	(118,056)	(138,880)	(141,379)	19.8	1.8
Capital adequacy (a) - (b)	**784,906**	**1,248,263**	**1,116,955**	**42.3**	**(10.5)**
Solvency ratio (a) / (b) - %	**148.6**	**183.4**	**174.5**	**25.9 p.p.**	**-8.9 p.p.**

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

4.3 PENSION PLANS

EARNINGS ANALYSIS

Table 79 – Pension Plans | Income statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Total revenue from pension and insurance	**7,898,302**	**15,383,564**	**10,008,207**	**26.7**	**(34.9)**
Provision for benefits to be granted	(7,850,075)	(15,323,887)	(9,952,980)	26.8	(35.0)
Net revenue from pension and insurance	**48,227**	**59,677**	**55,227**	**14.5**	**(7.5)**
Management fee	430,217	528,807	572,553	33.1	8.3
Changes in other technical reserves	(11,041)	(22,878)	(5,381)	(51.3)	(76.5)
Expenses with benefits, redemptions and claims	(21,326)	(15,143)	(25,811)	21.0	70.5
Acquisition costs	(105,436)	(135,950)	(146,843)	39.3	8.0
Earned premiums	**46,703**	**50,239**	**50,227**	**7.5**	**(0.0)**
Contributions to cover risks	49,311	50,281	51,580	4.6	2.6
Changes in technical reserves -premiums	(2,608)	(42)	(1,353)	(48.1)	3,118.9
Gross income	**387,344**	**464,752**	**499,971**	**29.1**	**7.6**
Administrative expenses	(79,291)	(105,565)	(91,219)	15.0	(13.6)
Tax expenses	(35,928)	(42,744)	(46,073)	28.2	7.8
Other operating income (expenses)	(10,621)	(7,572)	(7,280)	(31.5)	(3.9)
Result with pension plans and insurance	**261,505**	**308,871**	**355,398**	**35.9**	**15.1**
Net investment income	**145,029**	**111,733**	**107,101**	**(26.2)**	**(4.1)**
Financial income	5,512,078	5,300,575	6,557,830	19.0	23.7
Financial expenses	(5,367,049)	(5,188,842)	(6,450,729)	20.2	24.3
Operating result	**406,534**	**420,604**	**462,500**	**13.8**	**10.0**
Gains or losses on non-current assets	-	(794)	(2,199)	-	176.9
Earnings before taxes and profit sharing	**406,534**	**419,810**	**460,301**	**13.2**	**9.6**
Taxes	(180,466)	(150,036)	(206,196)	14.3	37.4
Profit sharing	(3,246)	(3,069)	(5,719)	76.2	86.4
Net income	**222,822**	**266,705**	**248,386**	**11.5**	**(6.9)**

NET INCOME

In the 1Q17, the Pension Plans business segment reported a net income of R$248.4 million, 11.5% higher YoY. The annualized return on average equity reached 39.7% in the 1Q17, 2.4 p.p. up as compared to the same period last year.

The better performance was supported by the improvement in the non-interest operating result, explained by:

(i) the 33.1% increase in revenues with management fees, as a result of the 32.5% expansion in assets under management, driven by the increase in contributions along with a decline in the redemption ratio; and

(ii) the 2.6 p.p. improvement in the cost-to-income ratio.

On the other hand, the enhancement observed in the non-interest operating result was partially offset by the 26.2% decline in the net investment income, which accounted for 23.8% of the net income in the 1Q17, as compared to 36.2% of the net profit reported in the same period last year. The decline in the net investment income was driven by the 2.3 p.p. contraction in the net interest margin between the company's proprietary assets and its liabilities.

Figure 79 – Pension Plans | Adjusted net income and ROAE

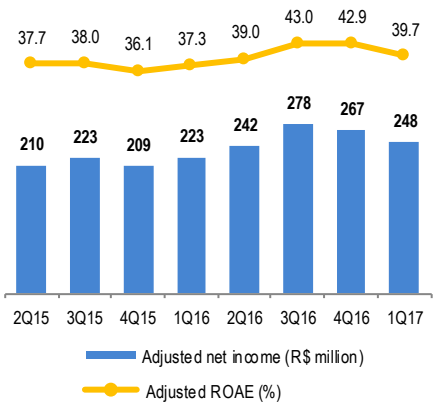
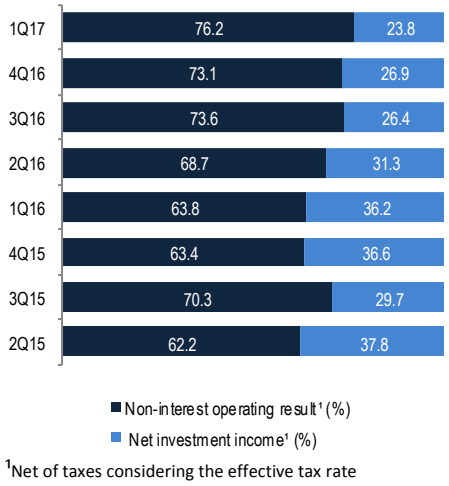


Figure 80 – Pension Plans | Adjusted net income breakdown



[1]Net of taxes considering the effective tax rate

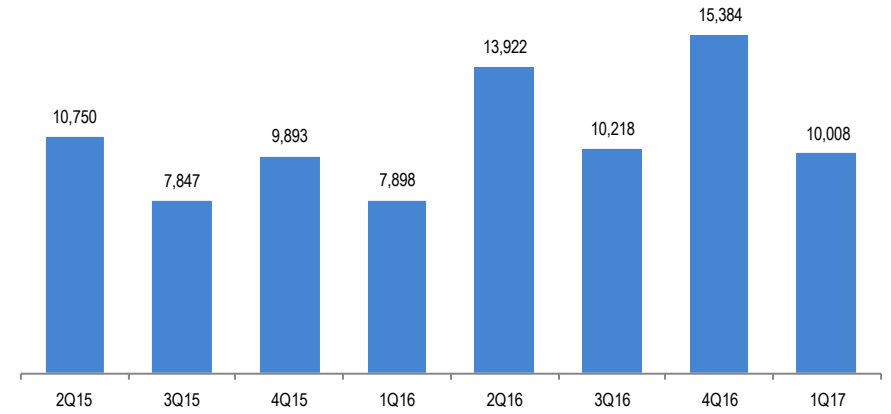
Table 80 – Pension Plans | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
%	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Commission ratio	1.3	0.9	1.5	0.1	0.6
Load fee	0.6	0.4	0.6	(0.1)	0.2
Management fee	1.17	1.14	1.13	(0.04)	(0.01)
Redemption ratio	9.2	9.7	8.1	(1.1)	(1.6)
Cost to income ratio	50.2	51.6	47.6	(2.6)	(4.1)
Income tax rate	44.4	35.7	44.8	0.4	9.1
Adjusted ROAE	37.3	42.9	39.7	2.4	(3.2)

RESULT WITH PENSION PLANS AND INSURANCE ANALYSIS

INCOME AND PREMIUMS CONTRIBUTION

Figure 81 – Pension Plans | Income and premiums contribution (R$ million)



In the 1Q17, the volume of gross contributions to pension plans rose 26.7% YoY, driven by plans with sporadic contributions.

The VGBL plans, the main source of contributions, accounted for 93.7% of the total volume raised in the quarter and increased its share by 1.4 p.p. as compared to the one observed in the 1Q16.

Figure 82 – Pension Plans | Contributions breakdown (%)

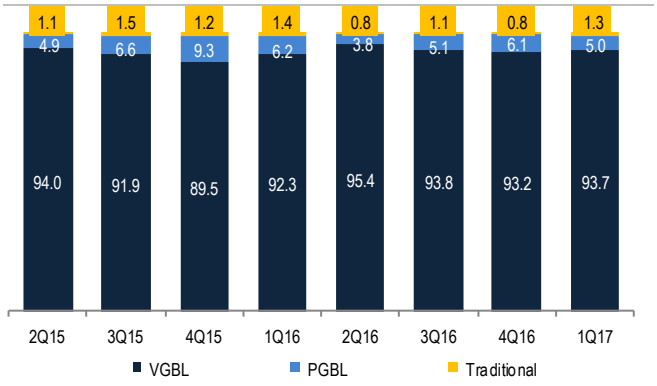


Figure 83 – Pension Plans | Pension plans outstanding (%)

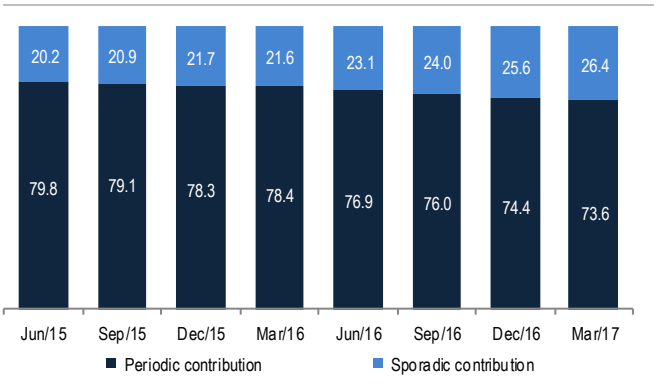


Figure 84 – Pension Plans | Net inflows and redemption ratio

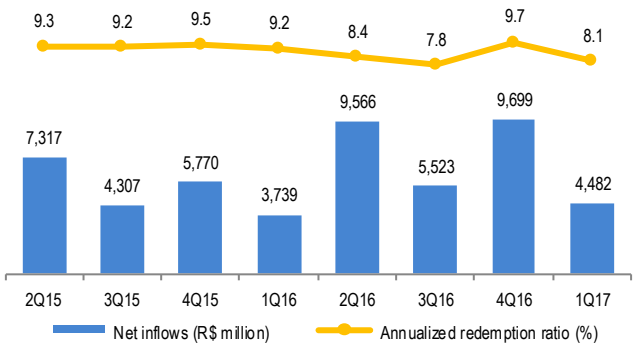
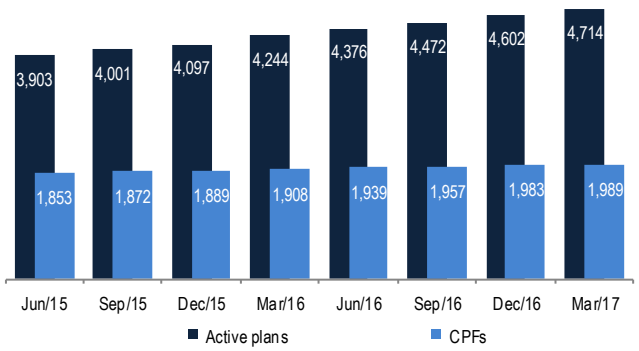


Figure 85 – Pension Plans | Active plans and CPFs (thousand)



Net inflows amounted to R$4.5 billion in the 1Q17, 19.9% up as compared to the same period of 2016. The performance was driven by the 26.7% increase in the volume of contributions in addition to the 1.1 p.p. improvement in the redemption ratio.

As of March 2017, the volume of technical reserves reached R$208.5 billion, equivalent to a growth of 32.5% in 12 months. The volume of assets under management tied to PGBL and VGBL plans amounted to R$199.1 billion, 34.1% higher YoY.

Figure 86 – Pension Plans | Technical reserves (R$ billion)

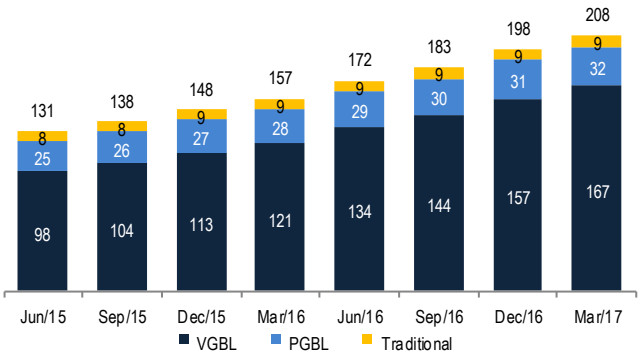


Figure 87 – Pension Plans | Technical reserves (%)

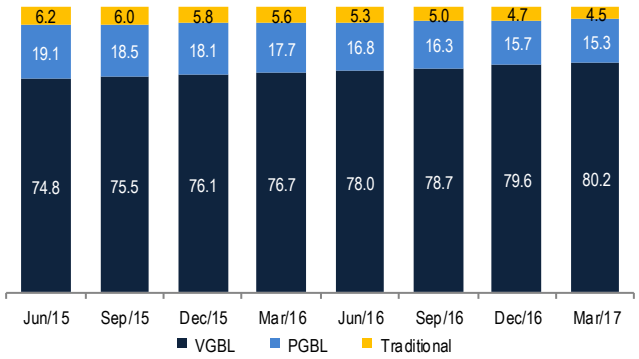


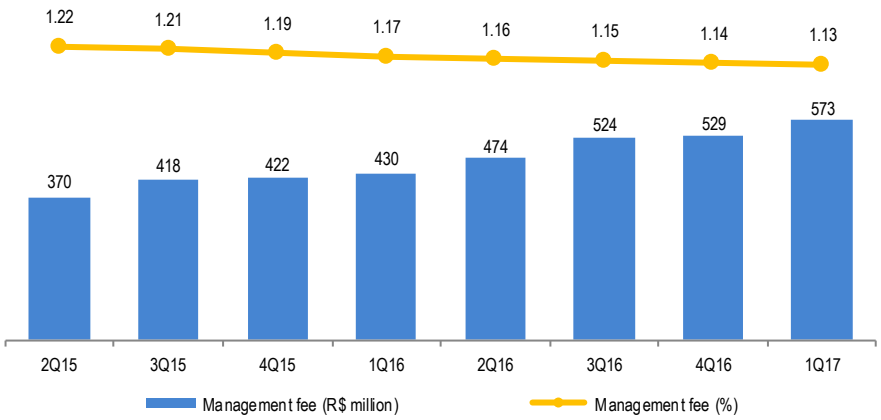
Table 81 – Pension Plans | Changes in technical reserves and provisions for insurance and pension plans

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Benefits to be granted					
Initial balance	**145,163,667**	**179,278,465**	**194,010,995**	**33.6**	**8.2**
Constitution	14,369,548	22,229,989	4,663,579	(67.5)	(79.0)
Reversal	(10,706,997)	(12,653,792)	(273,860)	(97.4)	(97.8)
Restatement	5,272,853	5,156,333	6,388,187	21.2	23.9
Final balance	**154,099,072**	**194,010,995**	**204,788,900**	**32.9**	**5.6**
Benefits granted					
Initial balance	**1,981,309**	**2,286,001**	**2,346,512**	**18.4**	**2.6**
Constitution	376,054	273,134	202,882	(46.0)	(25.7)
Reversal	(364,887)	(260,817)	(200,526)	(45.0)	(23.1)
Restatement	87,007	48,194	65,728	(24.5)	36.4
Final balance	**2,079,483**	**2,346,512**	**2,414,596**	**16.1**	**2.9**
Other provisions					
Initial balance	**1,101,778**	**1,159,197**	**1,176,051**	**6.7**	**1.5**
Constitution	98,900	109,763	133,675	35.2	21.8
Reversal	(104,166)	(106,254)	(48,295)	(53.6)	(54.5)
Restatement	20,873	13,345	13,443	(35.6)	0.7
Final balance	**1,117,384**	**1,176,051**	**1,274,875**	**14.1**	**8.4**
Total Provisions	**157,295,939**	**197,533,558**	**208,478,371**	**32.5**	**5.5**

Table 82 – Pension Plans | Changes in technical reserves and provisions for insurance and pension plans by product

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
P|VGBL Reserves					
Initial balance	**139,681,869**	**173,589,397**	**188,316,442**	**34.8**	**8.5**
Constitution	14,704,561	22,513,544	4,890,601	(66.7)	(78.3)
Reversal	(10,944,937)	(12,810,830)	(313,602)	(97.1)	(97.6)
Restatement	5,033,251	5,024,331	6,253,622	24.2	24.5
Final balance	**148,474,744**	**188,316,442**	**199,147,063**	**34.1**	**5.8**
Traditional Reserves					
Initial balance	**8,564,886**	**9,134,266**	**9,217,116**	**7.6**	**0.9**
Constitution	139,941	99,342	109,536	(21.7)	10.3
Reversal	(231,113)	(210,032)	(209,079)	(9.5)	(0.5)
Restatement	347,481	193,541	213,735	(38.5)	10.4
Final balance	**8,821,195**	**9,217,116**	**9,331,308**	**5.8**	**1.2**
Total Provisions	**157,295,939**	**197,533,558**	**208,478,371**	**32.5**	**5.5**

Figure 88 – Pension Plans | Management fee



In the quarter, revenues with management fees grew by 33.1% as compared to the 1Q16. The increase in revenues with management fees was directly related to the growth of 33.3% in the average volume of assets under management in the last 12 months.

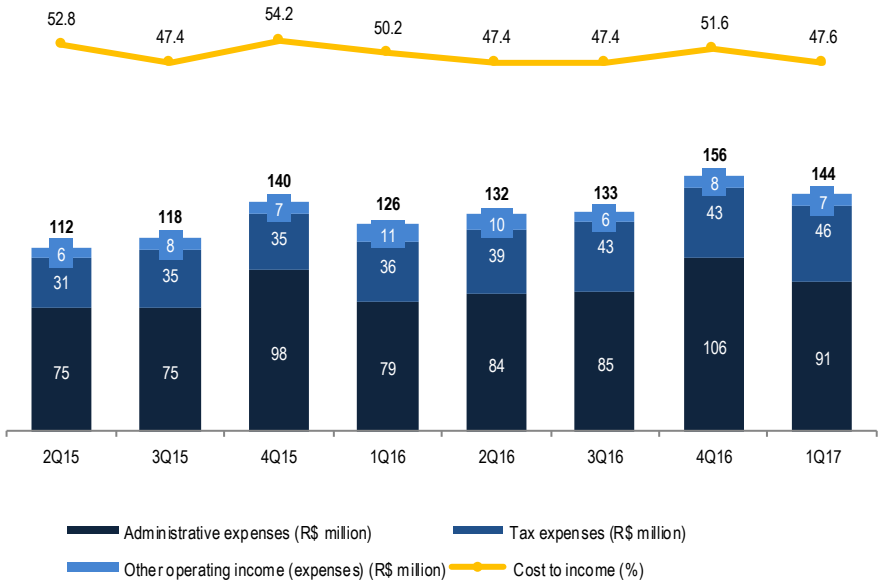
The average management fee dropped by 0.04 p.p., explained by the increased participation of VGBL plans in the assets under management, which usually charge lower fees, in addition to the decreased share of the traditional plans, which charge a higher management fee.

Table 83 – Pension Plans | Management fee breakdown[1,2]

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Management fee	430,217	528,807	572,553	33.1	8.3
Average reserves	152,375,604	189,428,683	203,150,981	33.3	7.2
Working days	61	62	63	3.3	16
Annualized average management fee (%)	**1.17**	**1.14**	**1.13**	**(0.04) p.p.**	**(0.01) 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 89 – Pension Plans | G&A expenses



General & Administrative expenses rose by 14.5% as compared to the 1Q16, explained by:

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

(ii) the increase in personnel expenses, driven mainly by the yearly wages adjustment; and

(iii) higher tax expenses, in line with the increase in total revenues.

The cost-to-income ratio improved by 2.6 p.p. YoY and reached 47.6% in the 1Q17. The performance was mainly an outcome of the 33.1% increase in revenues with management fees along with a strict cost control.

Table 84 – Pension Plans | G&A expenses

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Administrative expenses	**79,291**	**105,565**	**91,219**	**15.0**	**(13.6)**
Personnel	30,164	33,122	34,757	15.2	4.9
Outsourcing	33,954	41,898	38,836	14.4	(7.3)
Location and operation	10,098	13,046	11,263	11.5	(13.7)
Marketing	4,792	12,165	5,939	23.9	(51.2)
Other	282	5,334	424	50.3	(92.1)
Other operating income (expenses)	**10,621**	**7,573**	**6,779**	**(36.2)**	**(10.5)**
Expenses on sales incentive	4,654	948	2,516	(45.9)	165.3
Charging expenses	3,978	4,082	3,861	(2.9)	(5.4)
Contingencies	1,156	2,023	99	(91.5)	(95.1)
Provision for loan losses	189	(29)	4	(98.1)	-
Other operating income (expenses)	645	548	301	(53.4)	(45.1)
Tax expenses	**35,928**	**42,744**	**46,073**	**28.2**	**7.8**
Federal and municipal taxes	8,934	7,724	11,778	31.8	52.5
COFINS	22,243	26,436	28,372	27.6	7.3
PIS/PASEP	3,615	4,296	4,610	27.6	7.3
Inspection fee	1,124	1,124	1,124	(0.0)	0.0
Other tax expenses	12	3,164	188	1,463.6	(94.0)
General and administrative expenses	**125,840**	**155,882**	**144,072**	**14.5**	**(7.6)**

Table 85 – Pension Plans | Cost to income ratio

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Revenues - [a]	**525,147**	**638,722**	**678,007**	**29.1**	**6.2**
Net revenue from pension and insurance	48,227	59,677	55,227	14.5	(7.5)
Management fee	430,217	528,807	572,553	33.1	8.3
Earned premiums	46,703	50,239	50,227	7.5	(0.0)
Expenses - [b]	**263,642**	**329,852**	**322,608**	**22.4**	**(2.2)**
Changes in other technical reserves	11,041	22,878	5,381	(51.3)	(76.5)
Expenses with benefits, redemptions and claims	21,326	15,143	25,811	21.0	70.5
Acquisition costs	105,436	135,950	146,843	39.3	8.0
Administrative expenses	79,291	105,565	91,219	15.0	(13.6)
Tax expenses	35,928	42,744	46,073	28.2	7.8
Other operating income (expenses)	10,621	7,572	7,280	(31.5)	(3.9)
Cost to income ratio (%) - [b / a]	**50.2**	**51.6**	**47.6**	**(2.6) p.p.**	**(4.1) p.p.**

NET INVESTMENT INCOME

Figure 90 – Pension Plans| Net investment income (R$ million)

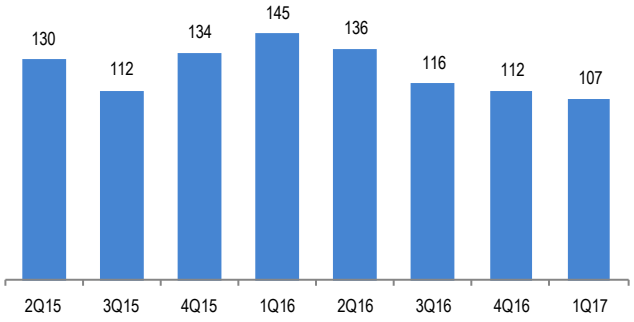
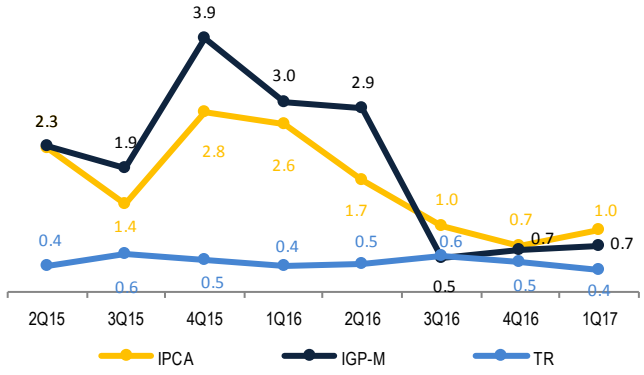


Figure 91 – Pension plans | Inflation and TR rates (%)



Source: Banco Central do Brasil

In the 1Q17, the net investment income declined 26.2% as compared to the same period of 2016, driven by the 2.3 p.p. contraction of the net interest margin between the company's proprietary assets and its liabilities.

In the quarter, the adjusted interest revenues dropped by 37.1% YoY, as a result of the 8.9 p.p. reduction in the average return on interest earning assets, mainly concentrated on held-to-maturity investments. The performance of the portfolio was affected by lower IGP-M and IPCA inflation indexes, which remunerate a large portion of these assets, partially offset by the expansion of the average balance of interest earning assets.

The adjusted interest expenses dropped by 41.6%, driven by the 6.7 p.p. reduction in the average yield on interest bearing liabilities, as a result of the lower IGP-M, as a large portion of these liabilities is pegged to this inflation index.

Table 86 – Pension Plans | Financial income and expenses

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Adjusted interest revenues	**497,260**	**283,883**	**312,923**	**(37.1)**	**10.2**
Revenues with mark to market financial investments	23,660	34,451	12,896	(45.5)	(62.6)
Revenues with held to maturity financial investments	473,600	249,432	300,027	(36.6)	20.3
Adjusted interest expenses	**(352,231)**	**(172,150)**	**(205,822)**	**(416)**	**19.6**
Interest accrual on technical reserves	(352,231)	(172,150)	(205,822)	(416)	19.6
Net investment income	**145,029**	**111,733**	**107,101**	**(26.2)**	**(4.1)**

Table 87 – Pension Plans | Quarterly figures - Volume and rate analysis

R$ thousand	1Q17 / 1Q16		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	2,486	(13,251)	(10,764)
Held to maturity financial investments	16,413	(189,986)	(173,572)
Total[1]	**21,867**	**(206,204)**	**(184,337)**
Interest bearing liabilities			
Technical reserves	(15,977)	162,386	146,408
Total	**(15,977)**	**162,386**	**146,408**

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

R$ million	1Q16			1Q17		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earning assets						
Mark to market financial investments	1,060	24	9.5	1,313	13	4.0
Held to maturity financial investments	10,060	474	20.9	10,642	300	11.8
Total	**11,120**	**497**	**19.8**	**11,955**	**313**	**10.9**

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

Table 89 – Pension Plans | Quarterly figures - Interest bearing liabilities - average balance and interest rates[1]

R$ million	1Q16			1Q17		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves	9,553	(352)	14.4	10,357	(206)	7.7
Total	**9,553**	**(352)**	**14.4**	**10,357**	**(206)**	**7.7**

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

Table 90 – Pension Plans | Financial investments portfolio breakdown (except PGBL and VGBL funds)

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Held to maturity securities	**10,153,207**	**10,651,926**	**10,631,999**	**4.7**	**(0.2)**
Pre-fixed	79,445	82,643	52,377	(34.1)	(36.6)
Inflation	10,073,762	10,569,283	10,579,622	5.0	0.1
Mark to market securities	**1,180,225**	**1,221,254**	**1,405,704**	**19.1**	**15.1**
Pre-fixed	208,597	265,460	315,787	51.4	19.0
Floating	652,729	641,388	771,848	18.2	20.3
Inflation	318,899	314,406	318,068	(0.3)	1.2
Total	**11,333,432**	**11,873,180**	**12,037,702**	**6.2**	**1.4**

Figure 92 – Pension Plans | Financial investments breakdown by index- except PGBL and VGBL funds (%)

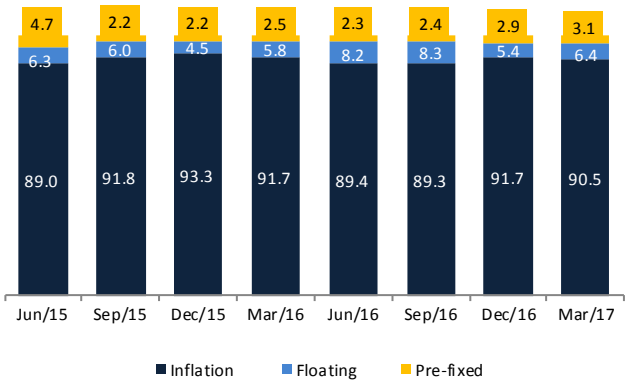
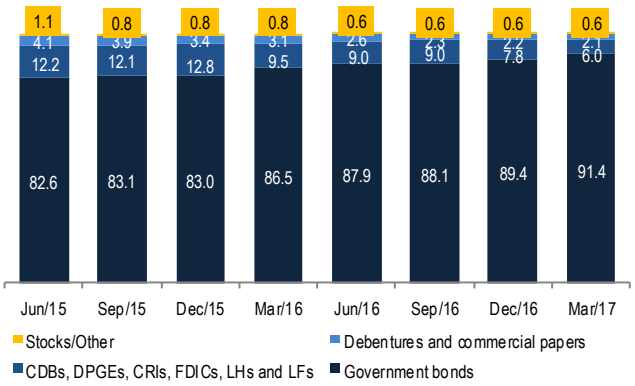


Figure 93 – Pension Plans | Assets allocation (%)



BALANCE SHEET ANALYSIS

Table 91 – Pension Plans | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Assets	**160,664,056**	**201,232,535**	**212,271,057**	**32.1**	**5.5**
Cash and cash equivalents	3,645	133	1,873	(48.6)	1,306.9
Financial assets	158,938,214	199,154,211	210,054,763	32.2	5.5
Receivables from insurance and reinsurance operations	2,285	1,506	2,475	8.3	64.3
Securities and credits receivable	545,732	596,974	710,738	30.2	19.1
Prepaid expenses	3,055	1,265	3,984	30.4	214.9
Deferred costs	970,360	1,266,118	1,286,054	32.5	1.6
Credits from private pension transactions	1,214	136	452	(62.7)	233.4
Fixed assets	18,919	24,843	25,198	33.2	1.4
Intangible	180,633	187,349	185,520	2.7	(1.0)
Liabilities	**158,306,663**	**198,832,312**	**209,669,720**	**32.4**	**5.5**
Accounts payable	270,875	578,804	321,889	18.8	(44.4)
Obligations with insurance and reinsurance operations	11,308	13,785	10,956	(3.1)	(20.5)
Debts from private pension transactions	1,110	3,203	1,024	(7.7)	(68.0)
Third party deposits	201,030	44,678	154,508	(23.1)	245.8
Technical reserves - insurance	120,573,977	157,270,075	167,228,003	38.7	6.3
Technical reserves - private pension	36,721,962	40,263,483	41,250,368	12.3	2.5
Other liabilities	526,401	658,283	702,972	33.5	6.8
Shareholders' equity	**2,357,393**	**2,400,224**	**2,601,337**	**10.3**	**8.4**

SOLVENCY

Table 92 – Pension Plans | Solvency[1]

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Adjusted shareholder's equity (a)	**2,173,705**	**3,189,674**	**3,389,897**	**56.0**	**6.3**
Minimum capital requirement (b)	**1,358,431**	**1,580,278**	**1,616,370**	**19.0**	**2.3**
Additional capital for underwritting risk	1,198,036	1,289,210	1,313,120	9.6	1.9
Additional capital for credit risk	66,429	68,151	75,234	13.3	10.4
Additional capital for market risk	-	279,839	279,839	-	-
Additional capital for operating risk	125,837	158,027	166,783	32.5	5.5
Correlation risk reduction	(31,871)	(214,948)	(218,606)	585.9	1.7
Capital adequacy (a) - (b)	**815,274**	**1,609,396**	**1,773,527**	**117.5**	**10.2**
Solvency ratio (a) / (b) - %	**160.0**	**201.8**	**209.7**	**49.7 p.p.**	**7.9 p.p.**

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

4.4 PREMIUM BONDS

EARNINGS ANALYSIS

Table 93 – Premium Bonds | Income statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Premium bonds collection	**1,043,471**	**1,675,493**	**934,000**	**(10.5)**	**(44.3)**
Changes in provisions for redemption	(852,591)	(1,410,035)	(792,812)	(7.0)	(43.8)
Net revenue with premium bonds	**190,880**	**265,458**	**141,188**	**(26.0)**	**(46.8)**
Changes in technical reserves	(7,707)	(13,958)	(9,464)	22.8	(32.2)
Result with lottery	(34,233)	(56,790)	(19,204)	(43.9)	(66.2)
Acquisition costs	(84,334)	(127,344)	(66,736)	(20.9)	(47.6)
Administrative expenses	(16,455)	(30,602)	(18,957)	15.2	(38.1)
Tax expenses	(8,352)	(10,603)	(6,490)	(22.3)	(38.8)
Other operating income (expenses)	(4,799)	(2,584)	(2,999)	(37.5)	16.1
Result with premium bonds	**35,000**	**23,577**	**17,338**	**(50.5)**	**(26.5)**
Net investment income	**212,810**	**128,893**	**172,628**	**(18.9)**	**33.9**
Financial income	474,867	372,633	389,264	(18.0)	4.5
Financial expenses	(262,057)	(243,740)	(216,636)	(17.3)	(11.1)
Equity income	102	114	49	(52.1)	(57.1)
Operating result	**247,912**	**152,584**	**190,015**	**(23.4)**	**24.5**
Earnings before taxes and profit sharing	**247,912**	**152,584**	**190,015**	**(23.4)**	**24.5**
Taxes	(111,797)	(50,402)	(85,155)	(23.8)	69.0
Profit sharing	(1,042)	(1,910)	(1,222)	17.2	(36.0)
Net income	**135,073**	**100,272**	**103,638**	**(23.3)**	**3.4**

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 94 – Premium Bonds | Managerial income statement

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Premium bonds collection	**1,043,471**	**1,675,493**	**934,000**	**(10.5)**	**(44.3)**
Changes in provisions for redemption	(852,591)	(1,410,035)	(792,812)	(7.0)	(43.8)
Changes in provisions for lottery and bonus	(43,925)	(75,516)	(36,606)	(16.7)	(51.5)
Revenue with load fee	**146,955**	**189,942**	**104,582**	**(28.8)**	**(44.9)**
Changes in other technical reserves	(1,914)	(2,142)	(5,669)	196.2	164.7
Result with lottery	3,899	6,910	13,607	249.0	96.9
Acquisition costs	(84,334)	(127,344)	(66,736)	(20.9)	(47.6)
Administrative expenses	(16,455)	(30,602)	(18,957)	15.2	(38.1)
Tax expenses	(8,352)	(10,603)	(6,490)	(22.3)	(38.8)
Other operating income (expenses)	(4,799)	(2,584)	(2,999)	(37.5)	16.1
Result with premium bonds	**35,000**	**23,577**	**17,338**	**(50.5)**	**(26.5)**
Net investment income	**212,810**	**128,893**	**172,628**	**(18.9)**	**33.9**
Financial income	474,867	372,633	389,264	(18.0)	4.5
Financial expenses	(262,057)	(243,740)	(216,636)	(17.3)	(11.1)
Equity income	102	114	49	(52.1)	(57.1)
Operating result	**247,912**	**152,584**	**190,015**	**(23.4)**	**24.5**
Earnings before taxes and profit sharing	**247,912**	**152,584**	**190,015**	**(23.4)**	**24.5**
Taxes	(111,797)	(50,402)	(85,155)	(23.8)	69.0
Profit sharing	(1,042)	(1,910)	(1,222)	17.2	(36.0)
Net income	**135,073**	**100,272**	**103,638**	**(23.3)**	**3.4**

NET INCOME

In the 1Q17, the net income of the premium bonds business reached R$103.6 million, 23.3% down YoY, mostly explained by the 18.9% reduction in the net investment income.

The decline of the net investment income was driven by:

(i) the 11.6% contraction in the average balance of earnings assets; and

(ii) the 0.9 p.p. compression in the net interest margin.

The result with premium bonds also contributed to the reduction of the net income and fell 50.5% YoY, explained mainly by:

(i) the 28.8% decrease in revenues with load fee, due to the 10.5% reduction in premium bonds collection in addition to the 2.9 p.p. contraction in the average load fee; and

(ii) the growth in expenses with changes in other technical reserves, which had its comparable basis impacted by the reversal of R$3.3 million in the additional provision for lottery in the 1Q16, due to the payment of mandatory contemplation prize of the "Ourocap 20 Anos" product.

The aforementioned effects were partially offset by the 20.9% decline in acquisition costs, along with the growth in lottery results.

In the 1Q17, the annualized ROAE reached 98.7%, 24.2 p.p. down YoY.

Figure 94 – Premium Bonds |Net income and ROAE

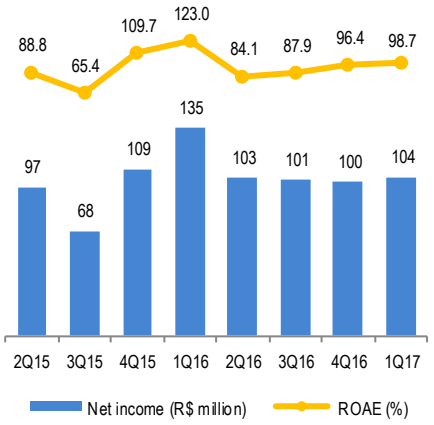
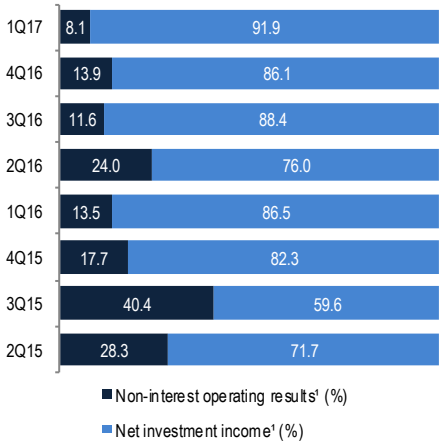


Figure 95 – Premium Bonds |Net income composition



¹Net of taxes considering the effective tax rate.

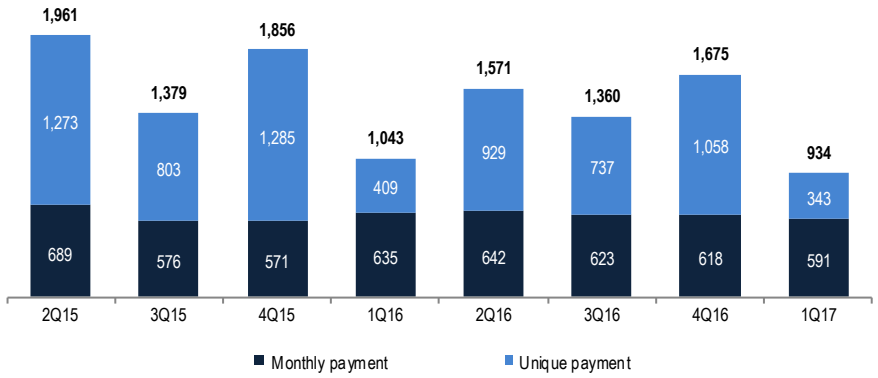
Table 95 – Premium Bonds | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
%	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Average quotes					
Reserve quote	81.7	84.2	84.9	3.2	0.7
Lottery quote	3.7	3.8	3.5	(0.1)	(0.3)
Bonus quote	0.6	0.7	0.4	(0.1)	(0.3)
Load fee quote	14.1	11.3	11.2	(2.9)	(0.1)
Load fee consumption					
Commission ratio	57.4	67.0	63.8	6.4	(3.2)
G&A ratio	20.1	23.1	27.2	7.1	4.1
Financial					
Spread (p.p.)	8.3	5.7	7.4	(0.9)	1.7
Other					
Premium bonds margin	18.3	8.9	12.3	(6.1)	3.4
Income tax rate	45.1	33.0	44.8	(0.3)	11.8
ROAE	123.0	96.4	98.7	(24.2)	2.3

NON-INTEREST OPERATING RESULT ANALYSIS

PREMIUM BONDS COLLECTION

Figure 96 – Premium Bonds | Collection (R$ million)



In the 1Q17, premium bonds collection was down 10.5% YoY. This contraction was explained by the decrease in the average collection in addition to lower sales of monthly payment bonds.

Figure 97 – Premium Bonds | Collections by product (%)

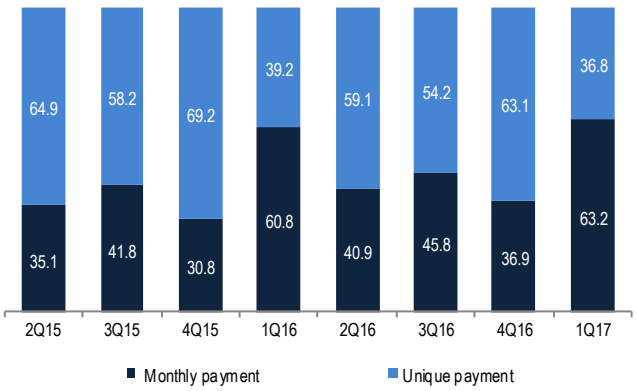
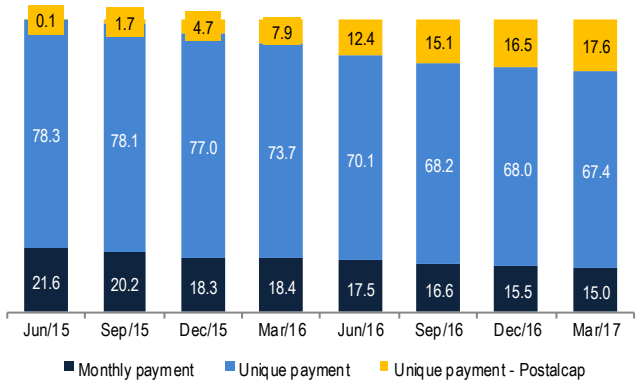
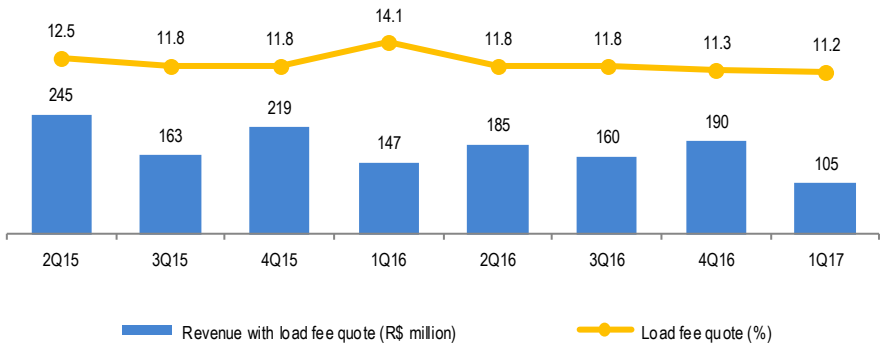


Figure 98 – Premium Bonds | Bonds outstanding by product (%)



REVENUE WITH LOAD FEE

Figure 99 – Premium Bonds | Changes in revenue with load fee quote and average load fee quote



In the 1Q17, the revenue with load fee amounted to R$104.6 million, 28.8% down YoY. The performance was explained by the lower collection along with the 2.9 p.p. contraction in the average load fee quote. The reduction in the average load fee quote is explained by the higher concentration of collections in unique payment bonds as well as in recurring installments from monthly payment bonds which have lower load fee quotes as compared to the first installments of the monthly payment bonds.

Figura 100 – Premium Bonds | Changes in provisions for redemption and average reserve quote

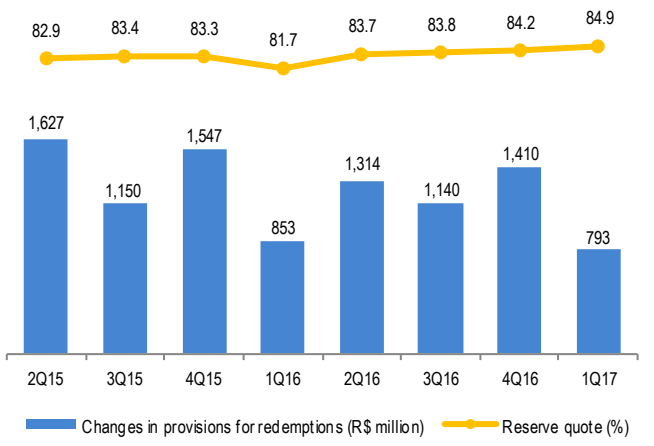


Figura 101 – Premium Bonds | Changes in provisions for lottery and bonus and average lottery and bonus quotes

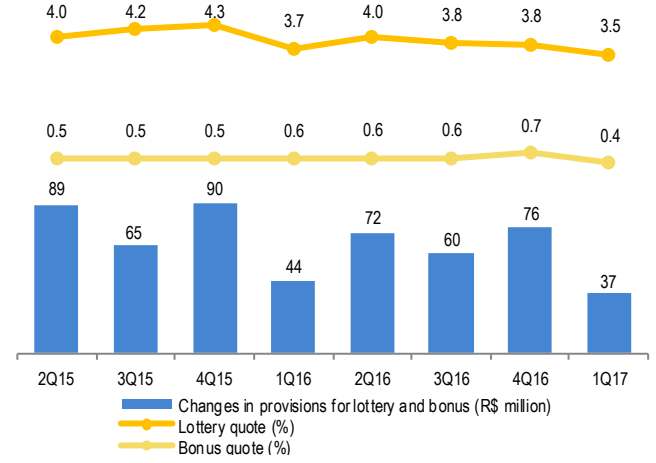


Table 96 – Premium Bonds | Changes in premium bonds provision

R$ thousand	Balance			Chg. %	
	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Premium bonds provision					
Initial balance	**11,670,395**	**10,388,707**	**10,070,347**	**(13.7)**	**(3.1)**
Constitution	856,681	1,423,938	797,346	(6.9)	(44.0)
Cancellations	(3,991)	(10,803)	(4,503)	12.8	(58.3)
Transfers	(1,677,680)	(1,929,096)	(1,466,992)	(12.6)	(24.0)
Interest accrual	213,325	197,601	175,295	(17.8)	(11.3)
Final balance	**11,058,730**	**10,070,347**	**9,571,493**	**(13.4)**	**(5.0)**

Table 97 – Premium Bonds | Changes in provisions for redemption[1]

R$ thousand	Balance			Chg. %	
	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Provision for redemption					
Initial balance	**294,264**	**327,748**	**375,167**	**27.5**	**14.5**
Transfers	1,686,090	1,939,099	1,474,903	(12.5)	(23.9)
Payments	(1,668,298)	(1,892,540)	(1,486,723)	(10.9)	(21.4)
Interest accrual	1,248	1,927	1,497	20.0	(22.3)
Premium bonds expiration	(893)	(1,067)	(1,385)	55.1	29.8
Final balance	**312,411**	**375,167**	**363,459**	**16.3**	**(3.1)**

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

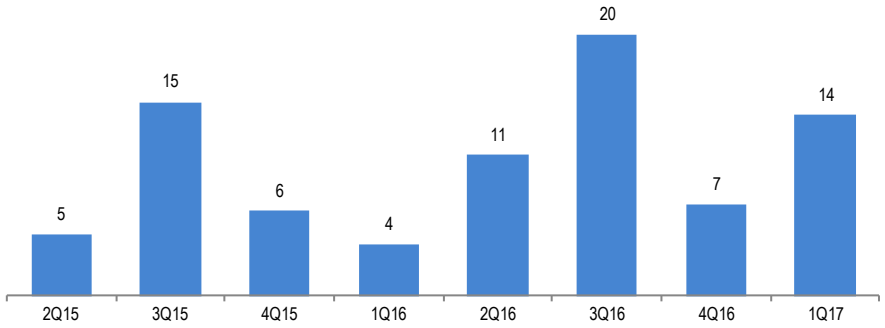
Table 98 – Premium Bonds | Changes in provision for lottery to be held

R$ thousand	Balance			Chg. %	
	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Provision for lottery to be held					
Initial balance	**304,310**	**203,857**	**222,124**	**(27.0)**	**9.0**
Constitution	38,355	64,300	33,065	(13.8)	(48.6)
Reversal	(80,250)	(49,399)	(56,382)	(29.7)	14.1
Cancellations	(223)	(600)	(259)	16.1	(56.8)
Interest accrual	5,434	3,966	3,665	(32.6)	(7.6)
Final balance	**267,626**	**222,124**	**202,213**	**(24.4)**	**(9.0)**

Table 99 – Premium Bonds | Changes in provision for draws to be paid

R$ thousand	Balance			Chg. %	
	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Provision for draws to be paid					
Initial balance	**11,314**	**9,777**	**12,759**	**12.8**	**30.5**
Constitution	76,346	42,490	42,624	(44.2)	0.3
Payments	(76,192)	(39,574)	(45,572)	(40.2)	15.2
Interest accrual	94	66	53	(43.9)	(19.4)
Premium bonds expiration	-	1	-	-	-
Final balance	**11,563**	**12,759**	**9,864**	**(14.7)**	**(22.7)**

Figure 102 – Premium Bonds | Result with lottery (R$ million)



In the 1Q17, the result with lottery grew by 249.0% YoY. This performance was mainly driven by the lower lottery expenses which fell 44.0% when compared to the same period of 2016, explained by:

(i) the big prize payment of the product "Ourocap 20 Anos" in January 2016 that affected the comparable with the 1Q16; and

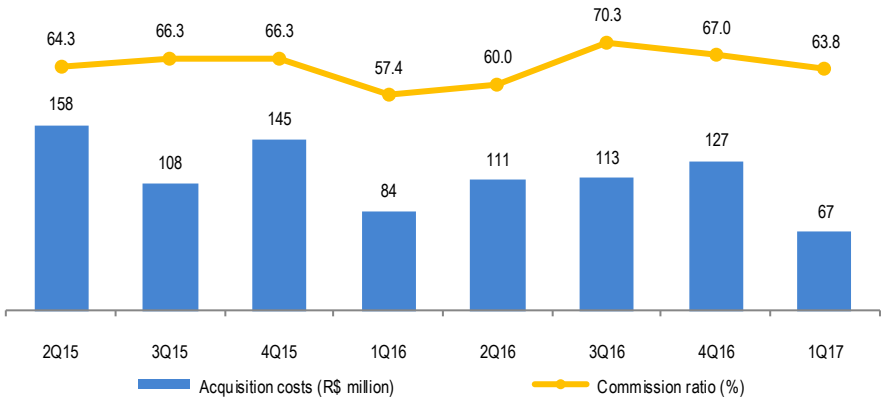
(ii) the reduction in sales, which led to the decrease in the number of premium bonds participating in the draws, resulting in lower lottery expenses.

Table 100 – Premium Bonds | Result with lottery

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Result with lottery	**3,899**	**6,910**	**13,607**	**249.0**	**96.9**
Lottery provision reversal	80,250	49,399	56,372	(29.8)	14.1
Lottery expenses	(76,351)	(42,489)	(42,765)	(44.0)	0.6

ACQUISITION COSTS

Figure 103 – Premium Bonds | Acquisition costs



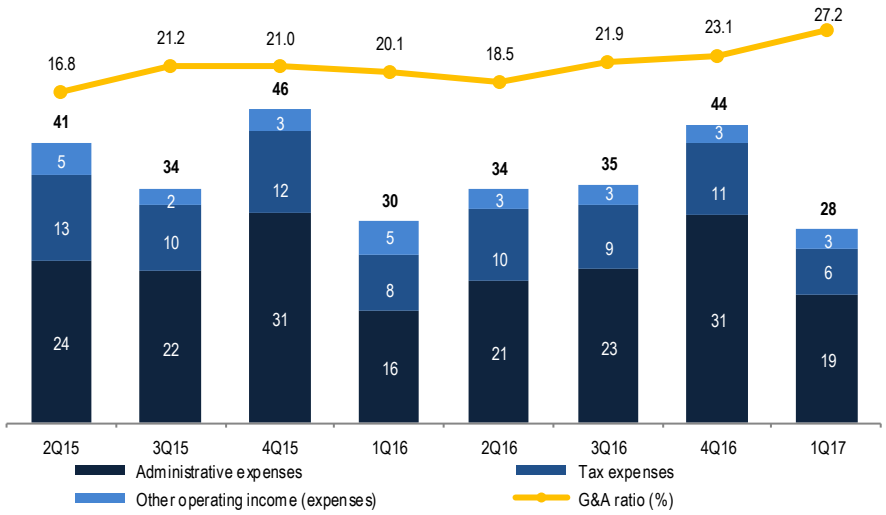
In the 1Q17, the acquisition costs dropped by 20.9% YoY, mostly explained by the reduction in collections along with the concentration of these collections in unique payment bonds and in recurring installments of monthly payment bonds, which charge lower commissions as compared to the first installments of monthly payment bonds.

On the other hand, despite the aforementioned movements, the commission ratio rose by 6.4 p.p. This behavior is explained by the reduction in the average load fee quote in the period, since the commission ratio is expressed as a percentage of consumption of the revenues with load fee.

Table 101 – Premium Bonds | Changes in Acquisition Costs

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Brokerage	58,767	91,417	48,886	(16.8)	(46.5)
Sales cost	25,568	35,927	17,850	(30.2)	(50.3)
Acquisition costs	**84,335**	**127,344**	**66,736**	**(20.9)**	**(47.6)**

Figure 104 – Premium Bonds | G&A expenses (R$ million)



In the 1Q17, G&A expenses dropped by 3.9% YoY, driven mainly by:

(i) the 22.3% decrease in tax expenses, mainly due to the contraction of the taxable income for PIS/PASEP and COFINS collection; and

(ii) the 37.5% decline in other operating income and expenses due to lower operating expenses related to provisions for the payment to the shareholder Icatu Seguros for the transfer of rights to sell premium bonds in the former Banco Nossa Caixa branches. The contraction of these expenses was a result of the reduction in premium bonds sales in the period.

The aforementioned effects were partially offset by the 15.2% growth in administrative expenses, due to higher expenses with outsourcing and personnel. The growth in personnel expenses was a result of the collective bargaining agreement in addition to higher expenses with benefits.

Table 102– Premium Bonds | General & Administrative expenses

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Administrative expenses	**(16,456)**	**(30,601)**	**(18,957)**	**15.2**	**(38.1)**
Personnel	(10,609)	(11,857)	(12,130)	14.3	2.3
Location and operation	(2,645)	(2,937)	(2,765)	4.5	(5.9)
Outsourcing	(729)	(6,624)	(2,458)	237.2	(62.9)
Institutional advertisement and publicity	(75)	(3,231)	(462)	516.0	(85.7)
Leasing	(1,167)	(861)	(861)	(26.2)	-
Other	(1,232)	(5,091)	(281)	(77.2)	(94.5)
Other operating income (expenses)	**(4,799)**	**(2,584)**	**(2,999)**	**(37.5)**	**16.1**
Operating expenses	(5,263)	(3,910)	(4,130)	(21.5)	5.6
Printing and mailing	(242)	(141)	(139)	(42.6)	(1.4)
Legal provisions	(221)	2	(251)	13.6	-
Other operating income (expenses)	(10)	397	135	-	(66.0)
Revenue with premium bonds prescription	937	1,068	1,386	47.9	29.8
Tax expenses	**(8,352)**	**(10,603)**	**(6,490)**	**(22.3)**	**(38.8)**
COFINS	(6,663)	(8,642)	(5,114)	(23.2)	(40.8)
PIS	(1,083)	(1,405)	(831)	(23.3)	(40.9)
Inspection fee	(488)	(488)	(488)	-	-
Other tax expenses	(117)	(68)	(57)	(51.2)	(15.8)
G&A Expenses	**(29,607)**	**(43,788)**	**(28,446)**	**(3.9)**	**(35.0)**

NET INVESTMENT INCOME

Figure 105 – Premium Bonds | Net investment income (R$ million)

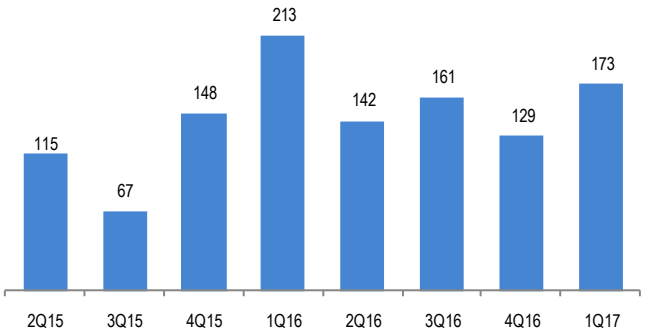


Figure 106 – Premium Bonds | Annualized average interest rates and spread

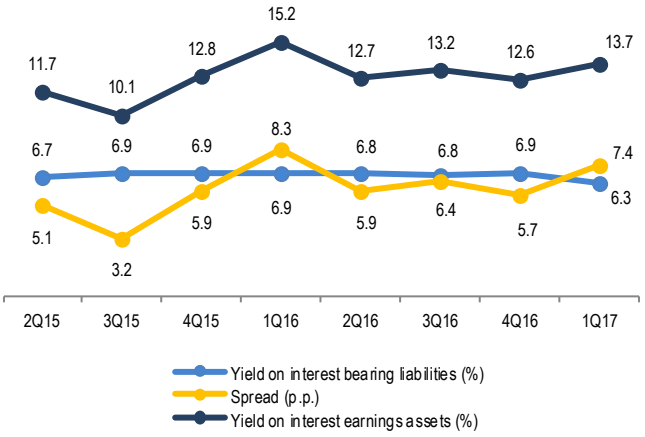


Table 103– Premium Bonds | Financial income and expenses

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
Interest revenues	**465,406**	**363,715**	**384,030**	**(17.5)**	**5.6**
Revenues with mark to market financial investments	367,998	257,584	275,193	(25.2)	6.8
Expenses with mark to market financial investments	(9,461)	(8,918)	(5,234)	(44.7)	(41.3)
Revenues with held to maturity financial investments	105,560	114,220	112,892	6.9	(1.2)
Interest accrual on judicial deposits	1,309	829	1,179	(9.9)	42.2
Interest expenses	**(222,943)**	**(207,307)**	**(184,363)**	**(17.3)**	**(11.1)**
Interest accrual on technical reserves	(220,101)	(203,538)	(180,534)	(18.0)	(11.3)
Other	(2,842)	(3,769)	(3,829)	34.7	1.6
Net interest income	**242,463**	**156,408**	**199,667**	**(17.7)**	**27.7**

In the 1Q17, the net interest income dropped by 17.7% YoY, with a 0.9 p.p. decline in the net interest margin.

Interest revenues fell by 17.5% YoY, explained by the 11.6% contraction in the average balance of investments in addition to the 1.5 p.p. decline in the average yield on interest earning assets. Such movement is explained by:

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

(ii) the smaller magnitude of the downward movement of the forward yield curve when compared to the 1Q16, which led to a lower interest revenue arising from fixed bonds marked to market; and

(iii) the lower inflation indexes, which led to a decline in the nominal return on securities pegged to inflation classified as held to maturity.

On the other hand, interest expenses dropped by 17.3% YoY as a result of the 12.8% decline in the average balance of technical provisions, as a consequence of lower premium bonds collections, along with the 0.6 p.p. contraction in the average yield on these liabilities, driven by the lower TR rate.

Table 104 – Premium Bonds | Quarterly figures – Volume and rate analysis

R$ thousand	1Q17 / 1Q16		
	Average volume	Average rate	Net change
Earning assets			
Mark to market financial investments	(76,284)	(12,294)	(88,578)
Held to maturity financial investments	12,345	(5,013)	7,332
Judicial deposits	19	(150)	(130)
Total[1]	**(50,520)**	**(30,856)**	**(81,376)**
Interest bearing liabilities			
Technical reserves - premium bonds	26,518	13,049	39,567
Other[2]	(57)	(930)	(987)
Total[1]	**24,755**	**13,826**	**38,580**

[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 105 – Premium Bonds | Quarterly figures – Earning assets – average balance and interest rates

R$ thousand	1Q16			1Q17		
	Average balance	Interest revenues	Annualized rate (%)	Average balance	Interest revenues	Annualized rate (%)
Earnings assets						
Mark to market financial investments	9,041,969	358,537	17.4	7,049,842	269,959	16.2
Held to maturity financial investments	3,488,787	105,560	13.1	3,917,124	112,892	12.0
Judicial deposits	804,835	1,309	0.7	818,255	1,179	0.6
Total	**13,335,590**	**465,406**	**15.2**	**11,785,221**	**384,030**	**13.7**

Table 106 – Premium Bonds | Quarterly figures – Interest bearing liabilities – average balance and interest rates

R$ thousand	1Q16			1Q17		
	Average balance	Interest expenses	Annualized rate (%)	Average balance	Interest expenses	Annualized rate (%)
Interest bearing liabilities						
Technical reserves - premium bonds	12,038,819	(220,101)	7.3	10,496,958	(180,534)	6.7
Other[1]	875,083	(2,842)	1.3	888,233	(3,829)	1.7
Total	**12,913,902**	**(222,943)**	**6.9**	**11,385,191**	**(184,363)**	**6.3**

[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 107 – Premium Bonds | Mark to market and derivatives effect

R$ thousand	Quarterly Flow			Chg. %	
	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Mark to market	135,198	18,010	25,662	(81.0)	42.5
Derivatives	(72,080)	398	932	-	134.3
Net result	**63,117**	**18,407**	**26,594**	**(57.9)**	**44.5**

Table 108 – Premium Bonds | Financial investments portfolio breakdown

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Mark to market securities	**8,944,095**	**7,350,846**	**6,748,838**	**(24.5)**	**(8.2)**
Pre-fixed	5,433,391	4,276,045	3,864,146	(28.9)	(9.6)
Floating	3,231,039	1,243,013	2,597,363	(19.6)	109.0
Inflation	208,309	1,753,947	206,337	(0.9)	(88.2)
Equity funds	70,360	76,164	80,260	14.1	5.4
Other	996	1,677	732	(26.5)	(56.3)
Held to maturity securities	**3,210,161**	**4,007,213**	**3,827,034**	**19.2**	**(4.5)**
Pre-fixed	2,160,970	3,022,675	2,831,522	31.0	(6.3)
Inflation	1,049,192	984,539	995,512	(5.1)	1.1
Total	**12,154,256**	**11,358,060**	**10,575,872**	**(13.0)**	**(6.9)**

Figure 107 – Premium Bonds | Asset allocation (%)

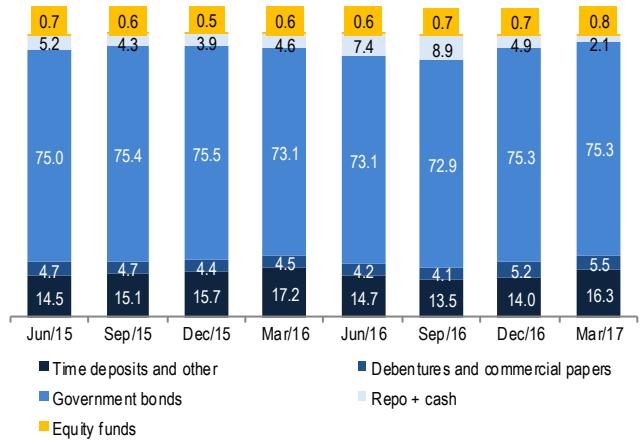
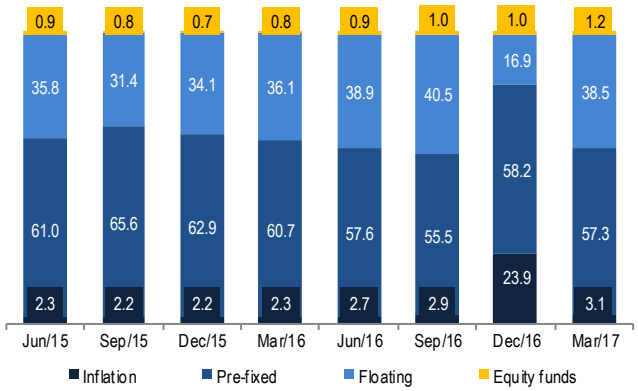


Figure 108 – Premium Bonds | Financial investments breakdown by index (%)



BALANCE SHEET ANALYSIS

Table 109 – Premium Bonds | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Assets	**13,175,112**	**12,308,691**	**11,623,290**	**(11.8)**	**(5.6)**
Cash and cash equivalents	399	89	17	(95.7)	(80.9)
Financial assets	12,154,256	11,358,060	10,575,872	(13.0)	(6.9)
Securities and credits receivable	1,005,516	935,255	1,031,824	2.6	10.3
Prepaid expenses	1,935	1,495	1,686	(12.9)	12.8
Investments	1,223	1,207	1,201	(1.8)	(0.5)
Fixed assets	2,845	2,765	2,611	(8.2)	(5.6)
Intangible	4,315	3,276	2,918	(32.4)	(10.9)
Other assets	4,623	6,544	7,161	54.9	9.4
Liabilities	**12,738,104**	**11,857,599**	**11,234,583**	**(11.8)**	**(5.3)**
Accounts payable	98,579	229,201	85,736	(13.0)	(62.6)
Premium bonds operations debits	18,017	14,213	20,649	14.6	45.3
Technical reserves - premium bonds	11,723,268	10,762,799	10,231,118	(12.7)	(4.9)
Other liabilities	898,240	851,386	897,080	(0.1)	5.4
Shareholders' equity	**437,008**	**451,092**	**388,707**	**(11.1)**	**(13.8)**

SOLVENCY

Table 110 – Premium Bonds | Solvency[1]

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Adjusted shareholders' equity (a)	**430,754**	**515,705**	**483,856**	**12.3**	**(6.2)**
Minimum capital required (b)	**260,775**	**308,499**	**290,276**	**11.3**	**(5.9)**
Additional capital for underwritting risk	50,639	98,322	78,095	54.2	(20.6)
Additional capital for credit risk	212,132	199,259	196,718	(7.3)	(1.3)
Additional capital for operating risk	19,308	17,845	17,748	(8.1)	(0.5)
Additional capital for market risk	-	70,695	68,527	-	(3.1)
Benefit of correlation between risks	(21,304)	(77,623)	(70,812)	232.4	(8.8)
Capital adequacy (a) - (b)	**169,979**	**207,205**	**193,580**	**13.9**	**(6.6)**
Solvency ratio (a) / (b) - %	**165.2**	**167.2**	**166.7**	**1.5 p.p.**	**(0.5) p.p.**

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

4.5 REINSURANCE

REINSURANCE

Table 111 – Reinsurance | Income statement

R$ thousand	Quarterly Flow 1Q16	4Q16	1Q17	Chg. % On 1Q16	On 4Q16
Premiums written	**982,276**	**964,796**	**1,172,490**	**19.4**	**21.5**
Changes in technical reserves - premiums	45,258	145,650	(62,647)	-	-
Earned premiuns	**1,027,534**	**1,110,447**	**1,109,843**	**8.0**	**(0.1)**
Claims incurred	(935,296)	(416,742)	(435,727)	(53.4)	4.6
Acquisition costs	(32,602)	(22,691)	(26,320)	(19.3)	16.0
Other operating income (expenses)	(6,200)	32,827	(7,896)	27.4	-
Administratives expenses	(47,589)	(79,052)	(74,392)	56.3	(5.9)
Tax expenses	(35,276)	(21,078)	(29,892)	(15.3)	41.8
Result with reinsurance	118,784	(294,040)	(393,012)	-	33.7
Net investment income	**188,654**	**187,076**	**176,426**	**(6.5)**	**(5.7)**
Financial income	339,371	153,305	919,302	170.9	499.7
Financial expenses	(150,717)	33,771	(742,876)	392.9	-
Equity income	11,933	31,721	8,282	(30.6)	(73.9)
Operating result	**289,943**	**528,469**	**327,312**	**12.9**	**(38.1)**
Gains or losses on non-current assets	-	(4)	-	-	-
Earnings before taxes and profit sharing	**289,943**	**528,465**	**327,312**	**12.9**	**(38.1)**
Taxes	(84,606)	(161,026)	(97,368)	15.1	(39.5)
Profit sharing	(5,975)	1,024	(4,999)	(16.3)	-
Net income	**199,362**	**368,464**	**224,945**	**12.8**	**(39.0)**

Table 112 – Reinsurance | Managerial performance ratios

%	Quarterly Flow 1Q16	4Q16	1Q17	Chg. (p.p.) On 1Q16	On 4Q16
Performance ratios					
Loss ratio	91.0	37.5	39.3	(51.8)	1.7
Commission ratio	3.2	2.0	2.4	(0.8)	0.3
Underwriting margin	17.4	33.9	23.0	5.6	(11.0)
G&A ratio	8.7	6.1	10.1	1.4	4.0
Combined ratio	91.3	72.1	87.2	(4.2)	15.0
Expanded combined ratio	77.1	61.7	75.2	(1.9)	13.5
ROAE	26.0	45.7	28.0	2.0	(17.7)

BALANCE SHEET ANALYSIS

Table 113 – Reinsurance | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Assets	**14,109,595**	**13,621,374**	**13,775,979**	**(2.4)**	**1.1**
Cash and cash equivalents	13,884	213,543	295,570	2,028.9	38.4
Financial assets	6,106,734	5,771,097	5,868,515	(3.9)	1.7
Receivables from insurance and reinsurance operations	2,154,282	2,429,070	2,633,258	22.2	8.4
Reinsurance and retrocession - technical reserves	4,173,304	3,562,950	3,260,117	(21.9)	(8.5)
Securities and credits receivable	1,390,435	1,301,920	1,410,877	1.5	8.4
Prepaid expenses	428	3,330	2,249	425.8	(32.5)
Investments	129,621	196,044	157,972	21.9	(19.4)
Fixed assets	34,525	46,720	56,233	62.9	20.4
Intangible	106,382	96,700	91,188	(14.3)	(5.7)
Liabilities	**11,210,958**	**10,295,118**	**10,684,741**	**(4.7)**	**3.8**
Accounts payable	642,124	624,393	1,183,522	84.3	89.5
Obligations with insurance and reinsurance operations	1,097,237	1,270,554	1,339,747	22.1	5.4
Technical reserves - reinsurance	8,985,554	7,949,961	7,633,974	(15.0)	(4.0)
Third party deposits	2,186	-	69,511	3,079.7	-
Other liabilities	483,857	450,210	457,987	(5.3)	1.7
Shareholders' equity	**2,898,637**	**3,326,256**	**3,091,238**	**6.6**	**(7.1)**

SOLVENCY

Table 114 – Reinsurance | Solvency[1]

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Adjusted shareholders' equity (a)	**2,743,862**	**2,706,975**	**2,076,188**	**(24.3)**	**(23.3)**
Minimum capital required (b)	**887,541**	**842,506**	**838,643**	**(5.5)**	**(0.5)**
Additional capital for underwritting risk	496,265	491,219	513,107	3.4	4.5
Additional capital for credit risk	486,021	429,736	404,982	(16.7)	(5.8)
Additional capital for operating risk	36,841	32,595	31,299	(15.0)	(4.0)
Additional capital for market risk	-	37,905	33,909	-	(10.5)
Benefit of correlation between risks	(131,585)	(148,950)	(144,654)	9.9	(2.9)
Capital adequacy (a) - (b)	**1,856,321**	**1,864,470**	**1,237,545**	**(33.3)**	**(33.6)**
Solvency ratio (a) / (b) - %	**309.2**	**321.3**	**247.6**	**(61.6) p.p.**	**(73.7) p.p.**

[1] Information based on SUSEP's accounting standards

4.6 DENTAL INSURANCE

EARNINGS ANALYSIS

Table 115 – Dental Insurance | Income statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Gross operating revenues	**10,206**	**14,779**	**17,528**	**71.7**	**18.6**
Taxes on revenues	(306)	(529)	(583)	90.6	10.1
Net operating revenues	**9,900**	**14,250**	**16,945**	**71.2**	**18.9**
Cost of services	(5,277)	(7,577)	(8,806)	66.9	16.2
Gross income	**4,624**	**6,673**	**8,139**	**76.0**	**22.0**
Acquisition costs	(474)	(964)	(1,482)	212.3	53.7
Administratives expenses	(2,572)	(3,415)	(3,216)	25.1	(5.8)
Tax expenses	(153)	(144)	(194)	26.5	34.4
Other revenues (expenses)	(168)	(279)	(387)	130.7	38.5
Earnings before interest and taxes	**1,257**	**1,870**	**2,860**	**127.6**	**53.0**
Net investment income	**112**	**371**	**324**	**187.9**	**(12.7)**
Financial income	169	443	445	162.9	0.4
Financial expenses	(57)	(72)	(121)	113.5	67.7
Earnings before taxes and profit sharing	**1,369**	**2,241**	**3,184**	**132.6**	**42.1**
Taxes	(486)	(1,136)	(1,044)	114.7	(8.1)
Profit sharing	(67)	163	(170)	154.3	-
Net income	**816**	**1,267**	**1,970**	**141.4**	**55.5**

Table 116 – Dental Insurance | Performance ratios

	Quarterly Flow			Chg. (p.p.)	
%	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Performance ratios					
Loss ratio	53.3	53.2	52.0	(1.3)	(1.2)
Comission ratio	4.8	6.8	8.7	4.0	2.0
G&A ratio	29.2	26.9	22.4	(6.8)	(4.5)
EBITDA margin	12.7	13.2	16.9	4.2	3.8
ROAE	69.4	52.1	72.0	2.6	20.0

Figure 109 – Dental Insurance | Clients by segment (thousand)

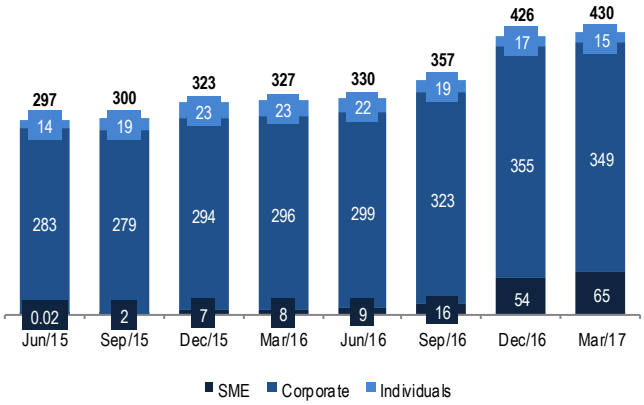


Figure 110 – Dental Insurance | Clients by segment (%)

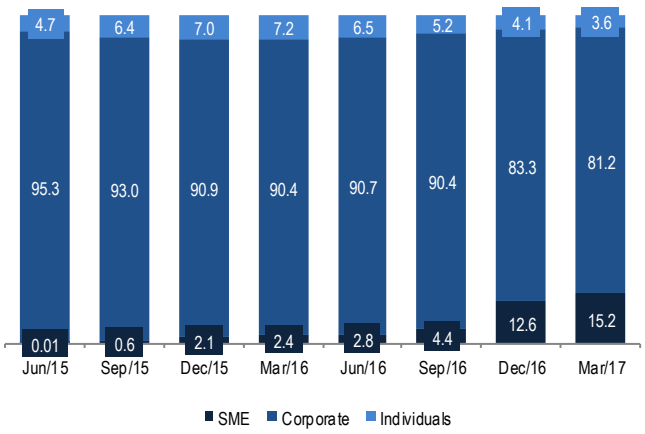


Table 117 – Dental Insurance | Client base breakdown

	Balance			Chg. %	
	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Client segments					
Corporate	295,593	355,293	349,008	18.1	(1.8)
SME	7,877	53,804	65,498	731.5	21.7
Individuals	23,439	17,384	15,493	(33.9)	(10.9)
Total	**326,909**	**426,481**	**429,999**	**31.5**	**0.8**

BALANCE SHEET ANALYSIS

Table 118 – Dental Insurance | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Assets	**13,474**	**21,165**	**23,023**	**70.9**	**8.8**
Cash and cash equivalents	101	781	713	605.9	(8.7)
Financial assets	10,159	13,507	14,822	45.9	9.7
Receivables from insurance and reinsurance operations	614	3,058	3,826	523.1	25.1
Tax assets	1,803	1,409	697	(61.3)	(50.5)
Other assets	797	2,410	2,965	272.0	23.0
Liabilities	**6,114**	**10,794**	**11,509**	**88.2**	**6.6**
Technical reserves	2,975	5,850	5,043	69.5	(13.8)
Tax liabilities	228	375	449	96.9	19.7
Other liabilities	2,911	4,569	6,017	106.7	31.7
Shareholders' equity	**7,360**	**10,371**	**11,514**	**56.4**	**11.0**

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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 of more than 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 111 – Distribution | Consolidated premiums written, contributions and collection by channel[1] (R$ million)

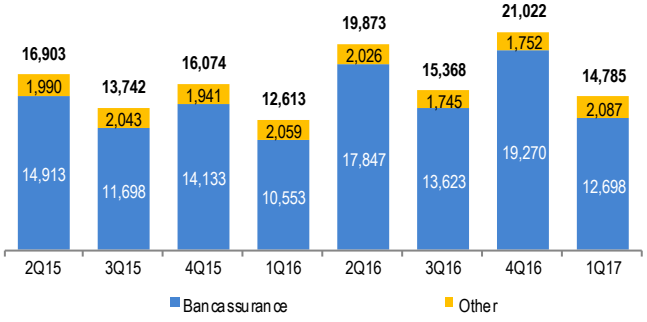
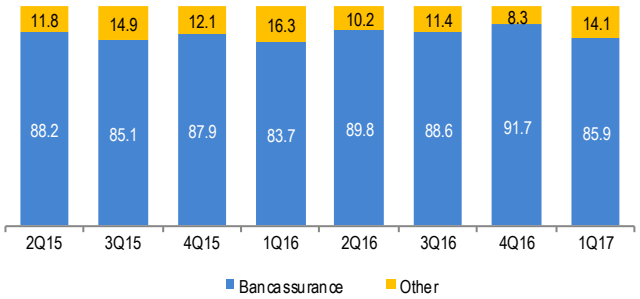


Figure 112 – Distribution | Consolidated premiums written, contributions and collection by channel[1] (%)



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

Figure 113 – Distribution | Premiums written of BB MAPFRE SH1 by channel (R$ million)

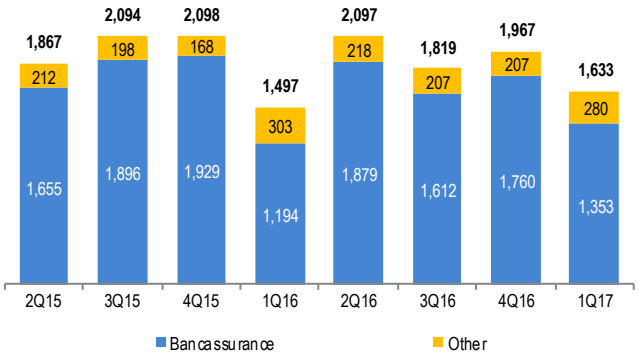


Figure 114 – Distribution | Premiums written of BB MAPFRE SH1 by channel (%)

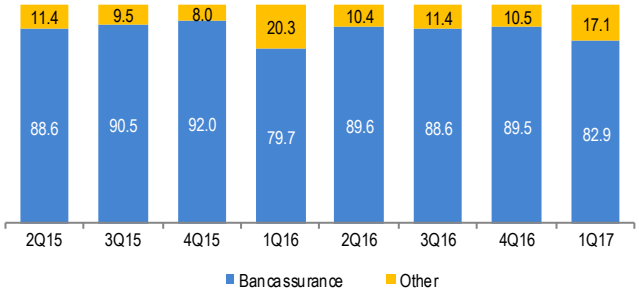


Figure 115 – Distribution | Premiums written of MAPFRE BB SH2 by channel (R$ million)

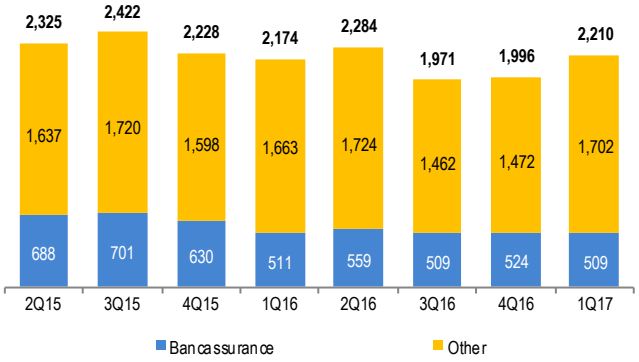


Figure 116 – Distribution | Premiums written of MAPFRE BB SH2 by channel (%)

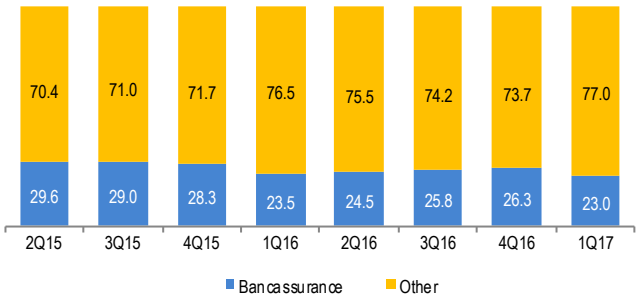


Figure 117 – Distribution | Pension plans contributions by channel (R$ million)

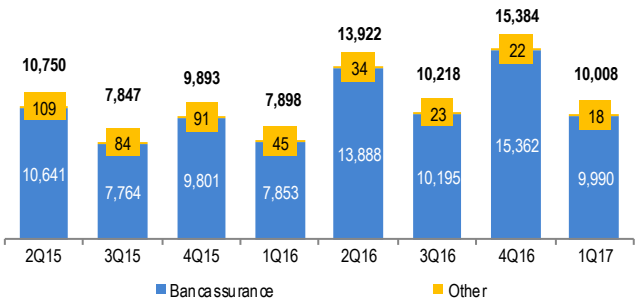


Figure 118 – Distribution | Pension plans contributions by channel (%)

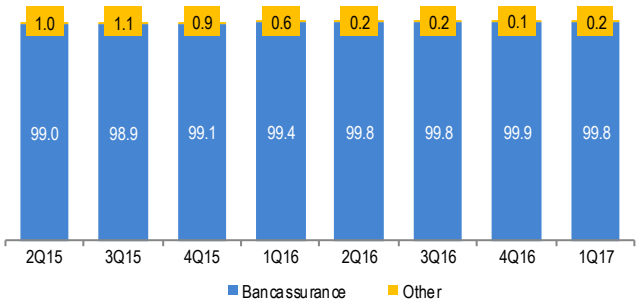


Figure 119 – Distribution | Premium bonds collections by channel (R$ million)

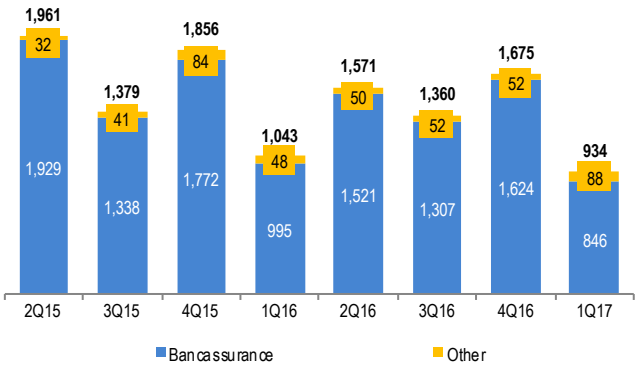
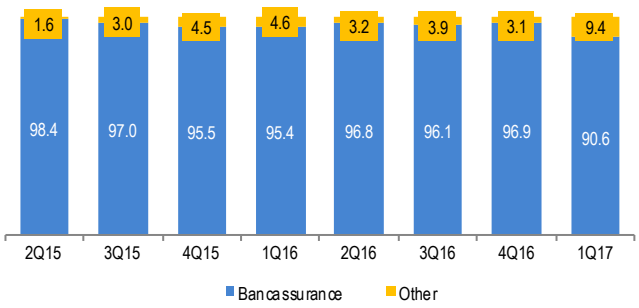


Figure 120 – Distribution | Premium bonds collections by channel (%)



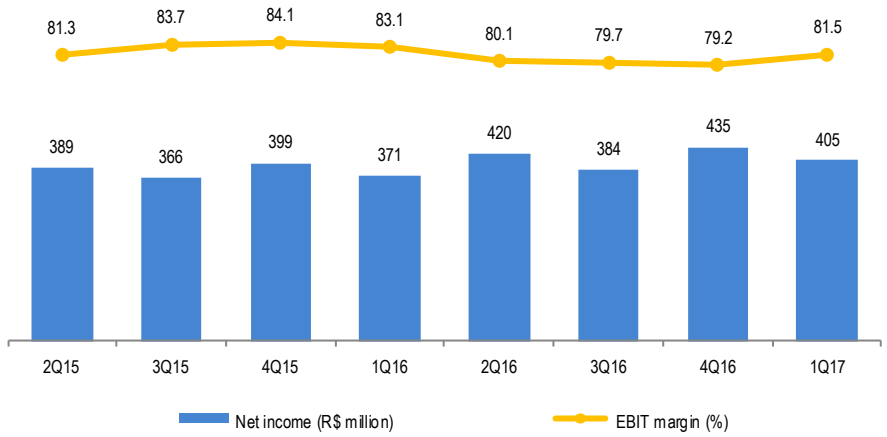
5.1 BB CORRETORA

EARNINGS ANALYSIS

Table 119 – Brokerage | Income statement

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Brokerage revenues	**631,567**	**732,394**	**691,803**	**9.5**	**(5.5)**
Administrative expenses	(47,564)	(49,804)	(38,661)	(18.7)	(22.4)
Personnel expenses	(53)	(5,726)	(5,082)	9,541.2	(11.2)
Other operating income (expenses)	(3,199)	(7,969)	(1,651)	(48.4)	(79.3)
Tax expenses	(56,108)	(88,516)	(82,678)	47.4	(6.6)
Earnings before interest and taxes	**524,642**	**580,379**	**563,730**	**7.5**	**(2.9)**
Net investment income	**35,263**	**70,501**	**49,013**	**39.0**	**(30.5)**
Financial income	49,872	70,547	65,995	32.3	(6.5)
Financial expenses	(14,610)	(46)	(16,982)	16.2	36,892.8
Earnings before taxes	**559,905**	**650,880**	**612,743**	**9.4**	**(5.9)**
Taxes	(189,397)	(215,870)	(207,868)	9.8	(3.7)
Net income	**370,508**	**435,010**	**404,875**	**9.3**	**(6.9)**

Figure 121 – BB Corretora | Net income



BB Corretora reported a net income of R$404.9 million in the 1Q17, 9.3% higher YoY, explained by:

(i) the 9.5% growth in brokerage revenues, partially offset by the 1.6 p.p. decrease in the EBIT margin, mainly due to higher PIS/PASEP and COFINS tax rates in force since March 2016; and

(ii) the 39.0% growth in the net investment income, as a result of the increase in the average balance of financial investments along with a higher average yield on investments.

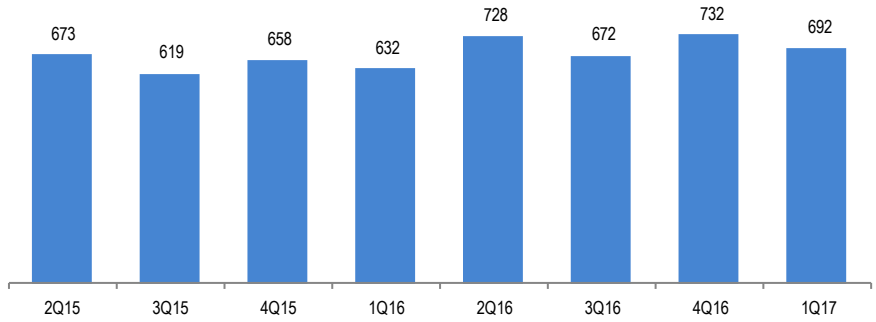
BB Corretora's net margin dropped by 0.1 p.p. YoY, and reached 58.5% in the 1Q17.

Table 120 – BB Corretora | Managerial performance ratios

	Quarterly Flow			Chg. (p.p.)	
%	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
G&A expenses	16.9	20.8	18.5	1.6	(2.2)
Tax expenses	8.9	12.1	12.0	3.1	(0.1)
EBIT margin	83.1	79.2	81.5	(1.6)	2.2
Income tax rate	33.8	33.2	33.9	0.1	0.8
Net margin	58.7	59.4	58.5	(0.1)	(0.9)

BROKERAGE REVENUES

Figure 122 – BB Corretora | Brokerage revenues (R$ million)



Brokerage revenues amounted to R$691.8 million in the 1Q17, 9.5% up YoY, explained by:

(i) the 11.2% increase in brokerage revenues arising from BB MAPFRE SH1, driven mostly by increased rural insurance sales, in addition to the accrual of unearned commissions of life and credit life insurances; and

(ii) the growth of 35.6% in brokerage revenues coming from Brasilprev, due to higher pension plans contributions.

The growth in commissions from these two businesses was partially offset by:

(i) the 28.4% drop in brokerage revenues arising from Brasilcap, due to lower premium bonds collection, along with an increased share of single payment bonds and recurring payments from monthly payment bonds, which have lower commission rates when compared to the first installments of monthly payment bonds; and

(ii) the 8.4% decline in brokerage revenues arising from MAPFRE BB SH2, as a consequence of the decrease in auto and casualties insurance sales.

Table 121 – BB Corretora | Brokerage revenues breakdown

	Quarterly Flow			Chg. %	
R$ thousand	**1Q16**	**4Q16**	**1Q17**	**On 1Q16**	**On 4Q16**
BB MAPFRE SH1	383,475	396,713	426,277	11.2	7.5
MAPFRE BB SH2	78,889	72,292	72,244	(8.4)	(0.1)
Brasilprev	112,066	176,151	151,914	35.6	(13.8)
Brasilcap	55,899	85,189	40,026	(28.4)	(53.0)
Other	1,238	2,049	1,343	8.5	(34.5)
Total	**631,567**	**732,394**	**691,803**	**9.5**	**(5.5)**

Figure 123 – BB Corretora | Brokerage revenues breakdown (%)

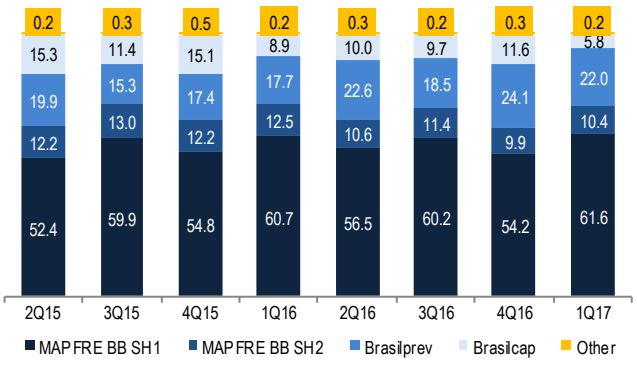


Figure 124 – BB Corretora | Unearned commissions breakdown (%)

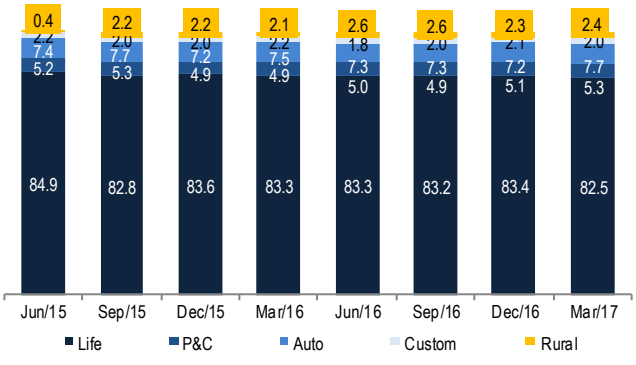
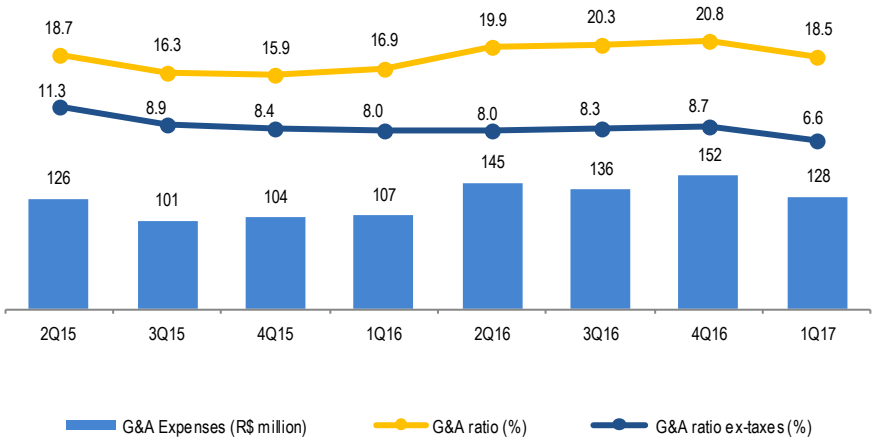


Figure 125 – BB Corretora | G&A expenses



In the 1Q17, G&A expenses grew 19.8% YoY, and the G&A ratio rose by 1.6 p.p., as a result of the 47.4% increase in tax expenses.

The growth in tax expenses was a consequence of the Brazilian Internal Revenue Service Rule Nr. 1,628, dated as of March 17th, 2016, which changed the PIS/PASEP and the COFINS tax regime for the insurance brokers. Due to this change, insurance brokers, previously framed in the cumulative system, turned to the non-cumulative regime and, as a consequence, the PIS/PASEP and the COFINS tax rates on gross brokerage revenues increased from 4.65% to 9.25%. It is worth noting that the tax rate on financial revenues remained at 4.65%.

Under the same analysis, the growth observed in tax expenses was partially offset by the contraction of 18.7% in administrative expenses, due to lower expenses with IT and administrative cost of products.

Table 122 – BB Corretora | General & Administrative expenses

	Quarterly Flow			Chg. %	
R$ thousand	1Q16	4Q16	1Q17	On 1Q16	On 4Q16
Administrative expenses	**(47,564)**	**(49,804)**	**(38,661)**	**(18.7)**	**(22.4)**
Administrative cost of products	(16,298)	(15,709)	(11,108)	(31.8)	(29.3)
Operational support	(20,957)	(22,353)	(19,778)	(5.6)	(11.5)
Information technology	(10,130)	(8,088)	(7,406)	(26.9)	(8.4)
Other	(179)	(3,654)	(369)	105.9	(89.9)
Tax expenses	**(56,108)**	**(88,516)**	**(82,678)**	**47.4**	**(6.6)**
PIS/PASEP	(6,560)	(12,543)	(11,843)	80.5	(5.6)
COFINS	(34,928)	(58,482)	(55,216)	58.1	(5.6)
ISS	(14,621)	(17,491)	(15,339)	4.9	(12.3)
IOF	(0)	-	(281)	134,426.2	-
Personnel expenses	**(53)**	**(5,726)**	**(5,082)**	**9,541.2**	**(11.2)**
Other operating income (expenses)	**(3,199)**	**(7,969)**	**(1,651)**	**(48.4)**	**(79.3)**
G&A Expenses	**(106,924)**	**(152,015)**	**(128,072)**	**19.8**	**(15.8)**

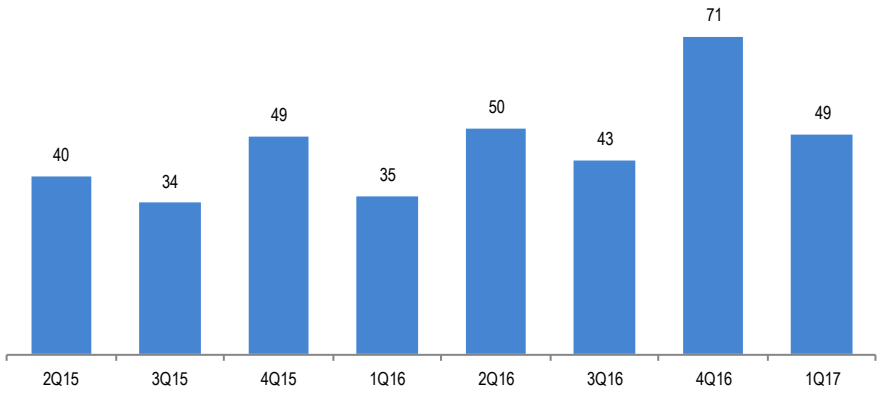
Table 123 – BB Corretora | Banco do Brasil distribution network

	Mar/16		Dec/16		Mar/17	
	Number of branches	Market share (%)	Number of branches	Market share (%)	Number of branches	Market share (%)
Banco do Brasil distribution network	**5,428**	**23.8**	**5,440**	**23.2**	**4,877**	**21.6**
Northeast	1,134	31.2	1,139	30.6	1,056	29.4
North	320	27.9	320	27.0	305	26.7
Midwest	482	26.4	486	26.1	457	25.1
South	1,065	24.8	1,060	24.1	948	22.5
Southeast	2,427	20.4	2,435	19.9	2,111	17.9

Source: Brazilian Central Bank

NET INVESTMENT INCOME

Figure 126 – BB Corretora | Net investment income (R$ million)



In the 1Q17, the net investment income grew by 39.0% YoY, driven by the interest accrual of the Selic rate on recoverable taxes, which amounted to R$11.4 million.

The balance of recoverable taxes arises from taxes withheld by companies for which BB Corretora provided brokerage services, and was used to offset taxes payable in the 1Q17, the same time the aforementioned financial income was recorded.

Table 124 – BB Corretora | Quarterly figures – Earning assets average balance and interest rates

	1Q16			1Q17		
R$ thousand	Average balance	Revenues	Annualized rate (%)	Average balance	Revenues	Annualized rate (%)
Earning assets						
Cash and financial instruments	1,416,087	46,535	14.3	1,575,549	51,167	13.6
Other assets	159,441	3,337	8.9	180,523	3,394	7.7
Current tax assets	67,430	-	-	23,040	11,435	401.3
Total	**1,642,959**	**49,872**	**13.1**	**1,779,113**	**65,995**	**15.7**

Table 125 – BB Corretora | Quarterly figures – Interest bearing liabilities average balance and interest rates

	1Q16			1Q17		
R$ thousand	Average balance	Expenses	Annualized rate (%)	Average balance	Expenses	Annualized rate (%)
Interest bearing liabilities						
Dividends payable	382,533	(14,602)	14.9	409,491	(16,928)	15.5
Other liabilities	390	(8)	7.8	422	(54)	7.2
Total	**382,923**	**(14,610)**	**14.8**	**409,913**	**(16,982)**	**15.6**

BALANCE SHEET ANALYSIS

Table 126 – Brokerage | Balance sheet

	Balance			Chg. %	
R$ thousand	Mar/16	Dec/16	Mar/17	On Mar/16	On Dec/16
Assets	**2,263,097**	**3,117,826**	**2,297,434**	**1.5**	**(26.3)**
Cash and cash equivalents	523,092	1,156,051	351,453	(32.8)	(69.6)
Securities	654,375	809,161	834,437	27.5	3.1
Current tax assets	163,862	148,962	122,682	(25.1)	(17.6)
Commission receivable	760,498	824,624	806,215	6.0	(2.2)
Other assets	161,270	179,028	182,647	13.3	2.0
Liabilities	**1,857,614**	**3,055,858**	**1,830,587**	**(1.5)**	**(40.1)**
Dividends payable	-	818,982	-	-	-
Provision	11,050	12,475	13,285	20.2	6.5
Current tax liabilities	215,283	554,037	236,368	9.8	(57.3)
Unearned commissions	1,612,894	1,650,408	1,563,683	(3.1)	(5.3)
Other liabilities	18,387	19,956	17,251	(6.2)	(13.6)
Shareholders' equity	**405,483**	**61,968**	**466,847**	**15.1**	**653.4**

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

Expanded combined ratio = (policies issuance revenue + claims incurred + 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 = claims incurred – indemnity claims (recovery) – claims expenses (recovery) – changes in claims provision IBNR – salvages assets – changes in claim provision IBNER PSL – change of expenses related of IBNR;

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 = claims incurred / earned premiums;

Commission Ratio = acquisition costs / earned premiums;

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

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

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

Expanded combined ratio = (claims incurred + 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.