

(Convenience translation into English from the original previously issued in Portuguese)

FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Capital Stock

Shares Number (units)	Current Year 12/31/2020
Capital Stock	
Common	603,835,151
Preferred	600,865,447
Total	1,204,700,598
Treasury Stock	
Common	20,856,046
Preferred	41,712,099
Total	62,568,145

(Convenience translation into English from the original previously issued in Portuguese)

FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Company / Assets

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
1	Total Assets	9,759,556	9,183,817	8,005,854
1.01	Current Assets	298,111	381,442	465,544
1.01.01	Cash and Cash Equivalents	257	9,030	117
1.01.01.01	Cash and Banks	257	9,030	117
1.01.01.02	Cash Equivalents	-	-	-
1.01.02	Marketable Securities	229,988	106,926	158,033
1.01.02.01	Marketable Securities Valued at Fair Value	229,988	106,926	157,151
1.01.02.01.01	Securities Trading	57,607	106,926	157,151
1.01.02.01.02	Securities Available for Sale	172,381	-	-
1.01.02.03	Marketable Securities Accounted for Amortized Cost	-	-	882
1.01.02.03.01	Securities Held to Maturity	-	-	882
1.01.03	Accounts Receivable	56,264	192,423	260,881
1.01.03.01	Customers	56,264	192,423	260,881
1.01.03.01.01	Receivables	56,264	192,423	260,881
1.01.03.02	Other Accounts Receivable	-	-	-
1.01.04	Inventories	-	-	-
1.01.05	Biological Assets	-	-	-
1.01.06	Tax Recoverable	11,092	73,063	46,513
1.01.06.01	Current Tax Recoverable	11,092	73,063	46,513
1.01.07	Prepaid Expenses	-	-	-
1.01.08	Other Current Assets	510	-	-
1.01.08.01	Non-current Assets for Sale	-	-	-
1.01.08.02	Assets of Discontinued Operations	-	-	-
1.01.08.03	Other	510	-	-
1.01.08.03.01	Reinsurance assets	-	-	-
1.01.08.03.02	Deferred Acquisition Costs	-	-	-
1.01.08.03.03	Other	510	-	-
1.02	Non-current Assets	9,461,445	8,802,375	7,540,310
1.02.01	Long-term Assets	9,089	84,511	112,729
1.02.01.01	Marketable Securities Valued at Fair Value	-	-	-
1.02.01.01.01	Securities Trading	-	-	-
1.02.01.01.02	Securities Available for Sale	-	-	-
1.02.01.03	Marketable Securities Accounted for Amortized Cost	-	-	-
1.02.01.03.01	Securities Held to Maturity	-	-	-
1.02.01.04	Accounts Receivable	1	-	-
1.02.01.04.01	Customers	-	-	-

Financial Statements Company / Assets**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
1.02.01.04.02	Other	1	-	-
1.02.01.05	Inventories	-	-	-
1.02.01.06	Biological Assets	-	-	-
1.02.01.07	Deffered Tax	8,875	84,355	111,036
1.02.01.07.01	Income Tax and Social Contribution	8,875	84,355	111,036
1.02.01.08	Prepaid Expenses	-	-	-
1.02.01.09	Loans to Related Parties	-	-	-
1.02.01.09.01	Loans to Affiliates	-	-	-
1.02.01.09.02	Loans to Subsidiaries	-	-	-
1.02.01.09.03	Credits with Controllers	-	-	-
1.02.01.09.04	Loans to Others Related Parties	-	-	-
1.02.01.10	Others Non-Current Assets	213	156	1,693
1.02.01.10.01	Non-current Assets for Sale	-	-	-
1.02.01.10.02	Assets of Discontinued Operations	-	-	-
1.02.01.10.03	Judicial deposits	22	21	1,693
1.02.01.10.04	Reinsurance assets	191	135	-
1.02.01.10.05	Deferred Acquisition Costs	-	-	-
1.02.01.10.06	Other	-	-	-
1.02.02	Investments	9,452,122	8,717,821	7,427,579
1.02.02.01	Equity in Associated Companies	9,452,122	8,717,821	7,427,579
1.02.02.01.01	Investments in Affiliates	7,597,399	6,993,118	5,970,998
1.02.02.01.02	Investments in Subsidiaries	1,854,723	1,724,703	1,456,581
1.02.02.01.03	Investments in Jointly Controlled	-	-	-
1.02.02.01.04	Others Equity in Associated Companies	-	-	-
1.02.02.02	Properties for Investiments	-	-	-
1.02.02.02.01	Property for Rent	-	-	-
1.02.02.02.02	(-) Depreciation	-	-	-
1.02.03	Property and Equipment	34	43	2
1.02.03.01	Property and Equipment in Operation	34	43	2
1.02.03.02	Property and Equipment Leased	-	-	-
1.02.03.03	Property and Equipment in Progress	-	-	-
1.02.04	Intangible Assets	200	-	-
1.02.04.01	Intangible Assets	200	-	-
1.02.04.01.01	Concession	-	-	-
1.02.04.01.02	Trademarks and Patents	-	-	-
1.02.04.01.03	Goodwill	-	-	-

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FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Company / Assets

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
1.02.04.01.04	Software	200	-	-
1.02.04.01.05	Expenditure Organization, Implementation and Installation	-	-	-
1.02.04.01.06	(-) Amortization	-	-	-
1.02.04.02	Goodwill	-	-	-

Financial Statements Company / Liabilities**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
2	Total Liabilities and Shareholders' Equity	9,759,556	9,183,817	8,005,854
2.01	Current Liabilities	647,110	465,254	695,138
2.01.01	Social Obligations and Labor	-	-	-
2.01.01.01	Social Obligations	-	-	-
2.01.01.02	Payroll	-	-	-
2.01.01.02.01	Labor Contingencies	-	-	-
2.01.02	Suppliers	-	-	-
2.01.02.01	National Suppliers	-	-	-
2.01.02.02	International Suppliers	-	-	-
2.01.03	Tax	12,965	5,998	35,195
2.01.03.01	Federal Tax	12,962	5,997	35,195
2.01.03.01.01	Income Tax and Social Contribution Payable	7,683	-	1,591
2.01.03.01.02	PIS / COFINS Payable	5,079	5,674	9,956
2.01.03.01.05	Other Taxes and Contributions	119	192	141
2.01.03.01.06	Third-party Income Tax	81	131	23,507
2.01.03.02	State Tax	-	-	-
2.01.03.03	Municipal Tax	3	1	-
2.01.03.03.01	Services Rendered Tax Payable	3	1	-
2.01.04	Loans and Financing	578,776	176,723	443,639
2.01.04.01	Loans and Financing	160,487	1,130	1,476
2.01.04.01.01	Loans and Financing - Local Currency	160,487	1,130	1,476
2.01.04.01.02	Loans and Financing - Foreign Currency	-	-	-
2.01.04.02	Debentures	418,289	175,593	442,163
2.01.04.03	Financing for Lease	-	-	-
2.01.05	Other Obligations	55,366	282,533	216,304
2.01.05.01	Related Party Liabilities	-	-	-
2.01.05.01.01	Debts with Affiliates	-	-	-
2.01.05.01.02	Debts with Subsidiaries	-	-	-
2.01.05.01.03	Debts with Controllers	-	-	-
2.01.05.01.04	Other Debts with Related Parties	-	-	-
2.01.05.02	Other	55,366	282,533	216,304
2.01.05.02.01	Dividends and Interest on Capital Payable	53,111	280,868	214,977
2.01.05.02.02	Minimum Mandatory Dividend Payable	-	-	-
2.01.05.02.03	Obligations for stock incentive	-	-	-
2.01.05.02.04	Accounts Payable	733	575	263
2.01.05.02.05	Other Accounts Payable	929	878	1,064
2.01.05.02.06	Other	593	212	-
2.01.06	Provisions	3	-	-
2.01.06.01	Provisions Tax, Social Security, Labor and Civil	3	-	-
2.01.06.01.01	Tax Contingencies	-	-	-

Financial Statements Company / Liabilities**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
2.01.06.01.02	Labor Contingencies and Social Security	3	-	-
2.01.06.01.03	Provisions for Employee Benefits	-	-	-
2.01.06.01.04	Civil Contingencies	-	-	-
2.01.06.02	Other	-	-	-
2.01.06.02.01	Warranties Provision	-	-	-
2.01.06.02.02	Restructuring Provision	-	-	-
2.01.06.02.03	Provision for Environmental Liabilities and Desactivation	-	-	-
2.01.07	Liabilities Non-Current Assets of the Sale and Discontinued	-	-	-
2.01.07.01	Liabilities Non-Current Assets on Sale	-	-	-
2.01.07.02	Liabilities of Discontinued Operations Assets	-	-	-
2.02	Non-Current Liabilities	1,010,418	1,572,737	1,024,604
2.02.01	Loans and Financing	1,009,867	1,572,331	1,022,069
2.02.01.01	Loans and Financing	-	160,000	160,000
2.02.01.01.01	Loans and Financing - Local Currency	-	160,000	160,000
2.02.01.01.02	Loans and Financing - Foreign Currency	-	-	-
2.02.01.02	Debentures	1,009,867	1,412,331	862,069
2.02.01.03	Financing for Lease	-	-	-
2.02.02	Other Obligations	180	125	-
2.02.02.01	Related Party Liabilities	-	-	-
2.02.02.01.01	Debts with Affiliates	-	-	-
2.02.02.01.02	Debts with Subsidiaries	-	-	-
2.02.02.01.03	Debts with Controllers	-	-	-
2.02.02.01.04	Other Debts with Related Parties	-	-	-
2.02.02.02	Other	180	125	-
2.02.02.02.01	Obligations for stock incentive	-	-	-
2.02.02.02.02	Future Capital Increase	-	-	-
2.02.02.02.03	Accounts Payable	-	-	-
2.02.02.02.04	Other Accounts Payable	180	125	-
2.02.02.02.05	Other	-	-	-
2.02.03	Deferred Taxes	-	-	-
2.02.03.01	Income Tax and Social Contribution	-	-	-
2.02.04	Provisions	371	281	2,535
2.02.04.01	Provisions Tax, Social Security, Labor and Civil	371	281	2,535
2.02.04.01.01	Tax Contingencies	371	281	2,535
2.02.04.01.02	Labor Contingencies and Social Security	-	-	-

Financial Statements Company / Liabilities**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
2.02.04.01.03	Provisions for Employee Benefits	-	-	-
2.02.04.01.04	Civil Contingencies	-	-	-
2.02.04.02	Other	-	-	-
2.02.04.02.01	Warranties Provision	-	-	-
2.02.04.02.02	Restructuring Provision	-	-	-
2.02.04.02.03	Provision for Environmental Liabilities and Desactivation	-	-	-
2.02.04.02.04	Technical reserves - Insurance	-	-	-
2.02.05	Liabilities Non-Current Assets of the Sale and Discontinued	-	-	-
2.02.05.01	Liabilities Non-Current Assets on Sale	-	-	-
2.02.05.02	Liabilities of Discontinued Operations Assets	-	-	-
2.02.06	Unearned Profits and Revenue	-	-	-
2.02.06.01	Unearned Profits	-	-	-
2.02.06.02	Unearned Revenue	-	-	-
2.02.06.03	Grants Investment	-	-	-
2.03	Shareholders' Equity	8,102,028	7,145,826	6,286,112
2.03.01	Capital	3,619,882	3,319,882	3,319,882
2.03.02	Capital Reserves	(453,946)	240,695	258,753
2.03.02.01	Goodwill on Issue of Shares	275,729	286,269	303,567
2.03.02.02	Special Reserve Goodwill	25,995	25,995	25,995
2.03.02.03	Sale of the Warrant	-	-	-
2.03.02.04	Options Granted	109,940	98,602	88,121
2.03.02.05	Treasury Stock	(787,776)	(130,258)	(119,017)
2.03.02.06	Future Capital Increase	-	-	-
2.03.02.07	Transactions capital - goodwill and negative goodwill	(77,834)	(39,913)	(39,913)
2.03.03	Revaluation Reserves	-	-	-
2.03.04	Profit Reserves	4,997,421	3,582,733	2,701,298
2.03.04.01	Legal Reserve	444,331	326,947	267,821
2.03.04.02	Statutory Reserve	4,553,090	3,255,786	2,433,477
2.03.04.03	Contingency Reserve	-	-	-
2.03.04.04	Unrealized Profit Reserve	-	-	-
2.03.04.05	Retained Profits	-	-	-
2.03.04.06	Special Reserve Unpaid Dividends	-	-	-
2.03.04.07	Tax Incentive Reserve	-	-	-
2.03.04.08	Additional Proposed Dividend	-	-	-
2.03.04.09	Treasury Stock	-	-	-
2.03.05	Profits / Losses	-	-	-

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Financial Statements Company / Liabilities

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
2.03.06	Equity Adjustment	(61,329)	2,516	6,179
2.03.07	Cumulative Translation Adjustments	-	-	-
2.03.08	Other Comprehensive Income	-	-	-
2.03.09	Participation of Non-controlling Shareholders	-	-	-

(Convenience translation into English from the original previously issued in Portuguese)

FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Company / Income Statements

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
3.01	Revenue from Sales and Services	-	-	-
3.01.01	Net premiums - Insurance	-	-	-
3.01.02	Other Operating Income - Insurance	-	-	-
3.01.03	Premiums, retained contributions and net asset management fee - Private pension	-	-	-
3.01.04	Other Operating Income - Private pension	-	-	-
3.01.05	Saving bonds	-	-	-
3.01.06	ASO	-	-	-
3.01.07	Asset management	-	-	-
3.01.08	Other Operating Income	-	-	-
3.01.09	Changes in Technical Reserves - Insurance	-	-	-
3.01.10	Changes in Technical Reserves - Private pension	-	-	-
3.02	Cost of Products and Services Sold	-	-	-
3.02.01	Claims - Insurance	-	-	-
3.02.02	Acquisition Costs - Insurance	-	-	-
3.02.03	Other Operating Expenses - Insurance	-	-	-
3.02.04	Benefit expenses - Private Pension	-	-	-
3.02.05	Acquisition Costs - Private Pension	-	-	-
3.02.06	Other Operating Expenses - Private Pension	-	-	-
3.02.07	Saving bonds	-	-	-
3.02.08	ASO	-	-	-
3.02.09	Asset management	-	-	-
3.02.10	Other Operating Expenses	-	-	-
3.03	Gross Profit	-	-	-
3.04	Operating Income/Expenses	783,779	1,139,180	1,000,653
3.04.01	Selling Expenses	-	-	-
3.04.02	General and Administrative Expenses	(36,408)	(50,298)	(48,557)
3.04.02.01	Administrative Expenses	(36,408)	(50,298)	(48,557)
3.04.03	Impairment of Assets	-	-	-
3.04.04	Other Operating Income	-	-	-
3.04.04.01	Equity Income (Expense Net)	-	-	-
3.04.05	Other Operating Expenses	-	-	-
3.04.06	Equity interest	820,187	1,189,478	1,049,210
3.05	Income Before Income Taxes and Financial	783,779	1,139,180	1,000,653
3.06	Investment Income	(78,389)	(103,798)	(86,020)

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FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Company / Income Statements

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
3.06.01	Investment Income	18,124	25,683	26,583
3.06.02	Investment Expenses	(96,513)	(129,481)	(112,603)
3.07	Income Before Income Tax, Social Contribution and Profit Sharing	705,390	1,035,382	914,633
3.08	Income Tax and Social Contribution on Profit	92,220	299	(9,673)
3.08.01	Current	25,504	(15)	(6,886)
3.08.02	Deffered	66,716	314	(2,787)
3.09	Net Profit from Continuing Operations	797,610	1,035,681	904,960
3.10	Net Profit from Discontinued Operations	1,550,213	146,904	-
3.10.01	Net Income / Loss from Discontinued Operations	1,550,213	146,904	-
3.10.02	Gains / losses on Net Assets of Discontinued Operations	-	-	-
3.11	Net Income	2,347,823	1,182,585	904,960
3.99	Earnings per Share	-	-	-
3.99.01	Basic Earnings per Share	-	-	-
3.99.01.01	For Preferred Share	2.05160	1.01840	0.77890
3.99.01.02	For Common Share	2.01580	1.01790	0.77930
3.99.02	Diluted Earnings per Share	-	-	-
3.99.02.01	For Preferred Share	2.03240	1.00650	0.76810
3.99.02.02	For Common Share	2.00650	1.01200	0.77390

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FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Company / Comprehensive Income

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
4.01	Net Income Company - Period	2,347,823	1,182,585	904,960
4.02	Other Components of Comprehensive Income	(63,845)	(3,663)	7,433
4.02.01	Unrealized losses on cash flow hedge, net of gains	-	(458)	(156)
4.02.02	Gains and (losses) not realized in financial assets available for sale	(1,290)	-	-
4.02.04	Realized gains on cash flow hedge, net of losses	-	-	-
4.02.05	Income tax and social contribution related to components of other comprehensive income	439	156	52
4.02.06	Gains and (losses) of Change in Ownership Interest	(4,167)	(491)	(331)
4.02.07	Other comprehensive income of investees companies recognized by equity method	(58,827)	(2,870)	7,868
4.03	Comprehensive Income for the Period	2,283,978	1,178,922	912,393

Financial Statements Company / Statements of Cash Flow - Indirect Method**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
6.01	Net cash by Operating Activities	1,272,936	172,915	333,189
6.01.01	Cash generated by operating activities	(31,500)	(31,498)	(28,159)
6.01.01.01	Net income before tax and social contribution	2,607,185	1,182,286	914,633
6.01.01.02	Depreciation and amortization	50	31	1
6.01.01.03	Interest and inflation adjustment of issued debentures	74,917	127,839	111,485
6.01.01.04	Equity loss in associated companies	-	-	-
6.01.01.05	Interest and inflation adjustments on REFIS - tax refinance	-	-	-
6.01.01.06	Interest and inflation adjustments on judicial deposits and lawsuits	-	67	63
6.01.01.07	Stock options	16	24	20
6.01.01.08	Positive equity interest	(1,673,542)	(1,336,382)	(1,049,210)
6.01.01.09	Writeoff on sale of investments	-	-	-
6.01.01.10	Gain on sale of investments or fixed assets	(1,048,439)	-	-
6.01.01.11	Interest and inflation adjustment on tax credit offset	(3,118)	(6,724)	(7,774)
6.01.01.12	Interest and inflation adjustment on judicial deposits	(1)	(48)	(50)
6.01.01.13	Other	-	-	(184)
6.01.01.14	Transaction costs of issued securities	11,432	1,409	2,857
6.01.02	Change in assets and liabilities	1,304,436	204,413	361,348
6.01.02.01	Change in marketable securities	(131,993)	51,107	354,735
6.01.02.02	Change in receivables	300,622	77,957	58,342
6.01.02.03	Change in taxes	140,569	6,855	34,460
6.01.02.04	Change in reinsurance assets	-	-	-
6.01.02.05	Change in judicial deposits	-	1,720	(10)
6.01.02.06	Dividends and interest on equity received	1,401,267	235,239	90,847
6.01.02.07	Change in salvages for sale	-	-	-
6.01.02.08	Change in other assets/liabilities	(129)	213	440
6.01.02.09	Change in deferred Acquisition costs	-	-	-
6.01.02.10	Change deferred taxes assets	-	-	-
6.01.02.11	Change in accounts payable	(195,852)	(43,459)	(69,888)
6.01.02.12	Change in loans and financing	-	-	-
6.01.02.13	interest Paid	(79,825)	(117,161)	(106,196)
6.01.02.14	Change in deferred taxes	-	-	-
6.01.02.15	Change in insurance and reinsurance liabilities	-	-	-
6.01.02.16	Change in technical reserves - Insurance	-	-	-
6.01.02.17	Changes in accrued liabilities for lawsuits	93	(2,321)	188
6.01.02.18	Change in other provisions	-	-	-
6.01.02.19	Income tax and social contribution paid	(130,316)	(5,737)	(1,570)
6.01.02.20	Withholding income tax on dividends received	-	-	-
6.01.03	Others	-	-	-
6.02	Net cash by Investing Activities	371,790	(191,807)	-
6.02.01	Increase in capital	(918,284)	(191,807)	-
6.02.02	Purchase of equity interest	(230,000)	-	-
6.02.03	Selling of equity interest	1,520,286	-	-
6.02.04	Purchase of fixed assets and intangible assets	(212)	-	-

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FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Company / Statements of Cash Flow - Indirect Method

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
6.02.05	Selling of fixed assets and intangible assets	-	-	-
6.02.20	Other net proceeds and (payments)	-	-	-
6.03	Net Cash by Financing Activities	(1,653,499)	27,805	(333,133)
6.03.01	Loans and credit lines	499,480	698,838	-
6.03.02	Amortization of loans	(656,592)	(427,562)	(123,321)
6.03.03	Capital increase - Receiving	-	-	-
6.03.04	Decrease capital - Payment	-	-	-
6.03.05	Purchase of shares to hold them in treasury	(677,590)	(36,585)	(32,070)
6.03.06	Selling of shares in treasury	9,532	8,046	7,173
6.03.07	Options granted exercised	-	-	-
6.03.08	Repurchase of shares in market	-	-	-
6.03.09	Dividends and interest on equity paid	(828,319)	(214,932)	(184,915)
6.03.10	Refis - tax refinance	-	-	-
6.03.11	Financial lease	-	-	-
6.03.20	Other net proceeds and (payments)	-	-	-
6.04	Foreign Exchange on Cash and Equivalents	-	-	-
6.05	Increase/(Decrease) in Cash and Cash Equivalents	(8,773)	8,913	56
6.05.01	Cash and Cash Equivalents at Beginning of Period	9,030	117	61
6.05.02	Cash and Cash Equivalents at End of Period	257	9,030	117

Financial Statements Company / Statement of Changes in Shareholders' Equity - 01/01/2020 to 12/31/2020**(in thousands of Reais)**

Code	Description	Capital Reserves, Granted Options and Treasury			Net Income (Losses)	Other Comprehensive Income	Equity
		Capital	Stock	Profit reserves			
5.01	Opening Balance	3,319,882	240,695	3,582,733	-	2,516	7,145,826
5.02	Prior Year Adjustments	-	-	-	-	-	-
5.02.01	Changes in Accounting Practices	-	-	-	-	-	-
5.03	Adjustments Balance	3,319,882	240,695	3,582,733	-	2,516	7,145,826
5.04	Capital Transactions with Partens	300,000	(694,641)	(300,000)	-	-	(694,641)
5.04.01	Capital Increase	300,000	-	(300,000)	-	-	-
5.04.02	Stock Issue Expenses	-	-	-	-	-	-
5.04.03	Recognized Granted Options	-	11,338	-	-	-	11,338
5.04.04	Treasury Stock Acquired	-	(677,590)	-	-	-	(677,590)
5.04.05	Treasury Shares Sold	-	9,532	-	-	-	9,532
5.04.06	Supplementary dividends	-	-	-	-	-	-
5.04.07	Interest on Shareholders' Equity	-	-	-	-	-	-
5.04.08	Additional Dividends Proposed	-	-	-	-	-	-
5.04.09	Options Granted Exercised	-	-	-	-	-	-
5.04.10	Reversion of Estatutory Reserve	-	-	-	-	-	-
5.04.11	Intermediaries/Interim Dividends	-	-	-	-	-	-
5.04.12	Transactions Capital - Goodwill	-	(37,921)	-	-	-	(37,921)
5.04.13	Mandatory dividends	-	-	-	-	-	-
5.04.14	Transactions capital - negative goodwill	-	-	-	-	-	-
5.05	Total Comprehensive Income	-	-	-	2,347,823	(63,845)	2,283,978
5.05.01	Net Income	-	-	-	2,347,823	-	2,347,823
5.05.02	Other Comprehensive Income	-	-	-	-	(63,845)	(63,845)
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	(1,290)	(1,290)
5.05.02.02	Taxes of Financial Instruments Adjustments	-	-	-	-	439	439
5.05.02.03	Comprehensive Income of Equity Affiliates	-	-	-	-	(58,827)	(58,827)
5.05.02.04	Convercion Adjustments	-	-	-	-	-	-
5.05.02.05	Tax Adjustments of Conversion Period	-	-	-	-	-	-
5.05.02.06	Non-controlling Interest	-	-	-	-	-	-
5.05.02.07	Reversion of Estatutory Reserve	-	-	-	-	-	-
5.05.02.08	Gains and (losses) of Change in Ownership Interest	-	-	-	-	(4,167)	(4,167)
5.05.02.09	Others adjustments	-	-	-	-	-	-
5.05.03	Reclassification to Results	-	-	-	-	-	-
5.05.03.01	Financial Instruments Adjustments	-	-	-	-	-	-
5.06	Changes in Shareholders' Equity	-	-	1,714,688	(2,347,823)	-	(633,135)
5.06.01	Increase of Capital Reserves	-	-	1,714,688	(1,714,688)	-	-
5.06.02	Recognition of Revaluation Reserves	-	-	-	-	-	-
5.06.03	Taxes on Recognition of Revaluation Reserves	-	-	-	-	-	-
5.06.04	Intermediaries Dividends	-	-	-	-	-	-
5.06.05	Additional Dividends Proposed	-	-	-	-	-	-
5.06.06	Mandatory dividends	-	-	-	(343,000)	-	(343,000)
5.06.07	Interest on Shareholders' Equity	-	-	-	(290,000)	-	(290,000)
5.06.08	Realized on Reserves	-	-	-	-	-	-
5.06.09	Others adjustments	-	-	-	(135)	-	(135)
5.07	Final Balance	3,619,882	(453,946)	4,997,421	-	(61,329)	8,102,028

Financial Statements Company / Statement of Changes in Shareholders' Equity - 01/01/2019 to 12/31/2019**(in thousands of Reais)**

Code	Description	Capital	Capital Reserves, Granted Options and Treasury Stock	Profit reserves	Net Income (Losses)	Other Comprehensive Income	Equity
5.01	Opening Balance	3,319,882	258,753	2,701,298	-	6,179	6,286,112
5.02	Prior Year Adjustments	-	-	-	-	-	-
5.02.01	Changes in Accounting Practices	-	-	-	-	-	-
5.03	Adjustments Balance	3,319,882	258,753	2,701,298	-	6,179	6,286,112
5.04	Capital Transactions with Partens	-	(18,058)	-	23	-	(18,035)
5.04.01	Capital Increase	-	-	-	-	-	-
5.04.02	Stock Issue Expenses	-	-	-	-	-	-
5.04.03	Recognized Granted Options	-	10,481	-	-	-	10,481
5.04.04	Treasury Stock Acquired	-	(36,585)	-	-	-	(36,585)
5.04.05	Treasury Shares Sold	-	8,046	-	-	-	8,046
5.04.06	Supplementary dividends	-	-	-	-	-	-
5.04.07	Interest on Shareholders' Equity	-	-	-	-	-	-
5.04.08	Additional Dividends Proposed	-	-	-	-	-	-
5.04.09	Options Granted Exercised	-	-	-	-	-	-
5.04.10	Reversion of Estatutory Reserve	-	-	-	-	-	-
5.04.11	Intermediaries/Interim Dividends	-	-	-	-	-	-
5.04.12	Transactions Capital - Goodwill	-	-	-	-	-	-
5.04.13	Mandatory dividends	-	-	-	-	-	-
5.04.14	Transactions capital - negative goodwill	-	-	-	-	-	-
5.04.15	Expired dividends	-	-	-	23	-	23
5.05	Total Comprehensive Income	-	-	-	1,182,496	(3,663)	1,178,833
5.05.01	Net Income	-	-	-	1,182,585	-	1,182,585
5.05.02	Other Comprehensive Income	-	-	-	(89)	(3,663)	(3,752)
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	(458)	(458)
5.05.02.02	Taxes of Financial Instruments Adjustments	-	-	-	-	156	156
5.05.02.03	Comprehensive Income of Equity Affiliates	-	-	-	-	(2,870)	(2,870)
5.05.02.04	Convercion Adjustments	-	-	-	-	-	-
5.05.02.05	Tax Adjustments of Conversion Period	-	-	-	-	-	-
5.05.02.06	Non-controlling Interest	-	-	-	-	-	-
5.05.02.07	Reversion of Estatutory Reserve	-	-	-	-	-	-
5.05.02.08	Gains and (losses) of Change in Ownership Interest	-	-	-	-	(491)	(491)
5.05.02.09	Others adjustments	-	-	-	(89)	-	(89)
5.05.03	Reclassification to Results	-	-	-	-	-	-
5.05.03.01	Financial Instruments Adjustments	-	-	-	-	-	-
5.06	Changes in Shareholders' Equity	-	-	881,435	(1,182,519)	-	(301,084)
5.06.01	Increase of Capital Reserves	-	-	881,435	(881,435)	-	-
5.06.02	Recognition of Revaluation Reserves	-	-	-	-	-	-
5.06.03	Taxes on Recognition of Revaluation Reserves	-	-	-	-	-	-
5.06.04	Intermediaries Dividends	-	-	-	-	-	-
5.06.05	Additional Dividends Proposed	-	-	-	-	-	-
5.06.06	Mandatory dividends	-	-	-	(131,084)	-	(131,084)
5.06.07	Interest on Shareholders' Equity	-	-	-	(170,000)	-	(170,000)
5.06.08	Realized on Reserves	-	-	-	-	-	-
5.06.09	Others adjustments	-	-	-	-	-	-
5.07	Final Balance	3,319,882	240,695	3,582,733	-	2,516	7,145,826

Financial Statements Company / Statement of Changes in Shareholders' Equity - 01/01/2018 to 12/31/2018**(in thousands of Reais)**

Code	Description	Capital Reserves, Granted Options and Treasury			Net Income (Losses)	Other Comprehensive Income	Equity
		Capital	Stock	Profit reserves			
5.01	Opening Balance	3,319,882	269,536	2,034,698	-	(1,254)	5,622,862
5.02	Prior Year Adjustments	-	-	-	-	-	-
5.02.01	Changes in Accounting Practices	-	-	-	-	-	-
5.03	Adjustments Balance	3,319,882	269,536	2,034,698	-	(1,254)	5,622,862
5.04	Capital Transactions with Partens	-	(10,783)	-	-	-	(10,783)
5.04.01	Capital Increase	-	-	-	-	-	-
5.04.02	Stock Issue Expenses	-	-	-	-	-	-
5.04.03	Recognized Granted Options	-	14,114	-	-	-	14,114
5.04.04	Treasury Stock Acquired	-	(32,070)	-	-	-	(32,070)
5.04.05	Treasury Shares Sold	-	7,173	-	-	-	7,173
5.04.06	Dividends	-	-	-	-	-	-
5.04.07	Interest on Shareholders' Equity	-	-	-	-	-	-
5.04.08	Additional Dividends Proposed	-	-	-	-	-	-
5.04.09	Options Granted Exercised	-	-	-	-	-	-
5.04.10	Reversal of Reserve for Business Expansion	-	-	-	-	-	-
5.04.11	Intermediaries Dividends	-	-	-	-	-	-
5.04.12	Transactions Capital - Goodwill	-	-	-	-	-	-
5.04.13	Mandatory dividends	-	-	-	-	-	-
5.04.14	Transactions capital - negative goodwill	-	-	-	-	-	-
5.05	Total Comprehensive Income	-	-	-	904,960	7,433	912,393
5.05.01	Net Income	-	-	-	904,960	-	904,960
5.05.02	Other Comprehensive Income	-	-	-	-	7,433	7,433
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	(156)	(156)
5.05.02.02	Taxes of Financial Instruments Adjustments	-	-	-	-	52	52
5.05.02.03	Comprehensive Income of Equity Affiliates	-	-	-	-	7,868	7,868
5.05.02.04	Convercion Adjustments	-	-	-	-	-	-
5.05.02.05	Tax Adjustments of Conversion Period	-	-	-	-	-	-
5.05.02.06	Non-controlling Interest	-	-	-	-	-	-
5.05.02.07	Reversion of Estatutory Reserve	-	-	-	-	-	-
5.05.02.08	Gains and (losses) of Change in Ownership Interest	-	-	-	-	(331)	(331)
5.05.02.09	Others adjustments	-	-	-	-	-	-
5.05.03	Reclassification to Results	-	-	-	-	-	-
5.05.03.01	Financial Instruments Adjustments	-	-	-	-	-	-
5.06	Changes in Shareholders' Equity	-	-	666,600	(904,960)	-	(238,360)
5.06.01	Increase of Capital Reserves	-	-	666,600	(666,600)	-	-
5.06.02	Recognition of Revaluation Reserves	-	-	-	-	-	-
5.06.03	Taxes on Recognition of Revaluation Reserves	-	-	-	-	-	-
5.06.04	Intermediaries Dividends	-	-	-	-	-	-
5.06.05	Additional Dividends Proposed	-	-	-	-	-	-
5.06.06	Mandatory dividends	-	-	-	(78,360)	-	(78,360)
5.06.07	Interest on Shareholders' Equity	-	-	-	(160,000)	-	(160,000)
5.06.08	Realized on Reserves	-	-	-	-	-	-
5.07	Final Balance	3,319,882	258,753	2,701,298	-	6,179	6,286,112

Financial Statements Company / Statement of Added Value**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
7.01	Revenues	-	-	-
7.01.01	Sales of Goods, Products and Services	-	-	-
7.01.02	Other Revenues	-	-	-
7.01.02.01	Changes in Technical Reserves - Insurance	-	-	-
7.01.02.02	Changes in Technical Reserves - Private pension	-	-	-
7.01.02.03	Profit from sale of permanent assets	-	-	-
7.01.02.04	Other	-	-	-
7.01.03	Revenue for the Construction of Owned Assets	-	-	-
7.01.04	Provision for Doubtful Accounts - Reversion / (Constitution)	-	-	-
7.02	Input Purchase from Third-Parties	(15,879)	(12,653)	(12,154)
7.02.01	Cost Products, Goods and Services Sold	-	-	-
7.02.02	Materials-Energy-Services-Other Third Party	(15,879)	(12,653)	(12,154)
7.02.03	Loss/ Assets Value Recuperation	-	-	-
7.02.04	Other	-	-	-
7.03	Gross Added Value	(15,879)	(12,653)	(12,154)
7.04	Retentions	(50)	(31)	(1)
7.04.01	Depreciation, Amortization and Depletion	(50)	(31)	(1)
7.04.02	Other	-	-	-
7.05	Net Added Value Produced	(15,929)	(12,684)	(12,155)
7.06	Added Value Received/ Ceded in Transfer	2,448,511	1,362,134	1,072,471
7.06.01	Equity interest	820,187	1,189,478	1,049,210
7.06.02	Investment Income	11,374	25,090	26,132
7.06.03	Other	1,616,950	147,566	(2,871)
7.06.03.01	Net of Reinsurance Ceded Operation	-	-	-
7.06.03.02	Net of Coinsurance Ceded Operation	-	-	-
7.06.03.03	Exchange Variation - Loans and Commitments Receivable	-	-	-
7.06.03.04	Monetary and Exchange Variation - Insurance and Private Pension	-	-	-
7.06.03.05	Monetary Variation - Judicial Deposits	1	48	50
7.06.03.06	Other	66,736	614	(2,921)
7.06.03.07	Income from discontinued operations	1,550,213	146,904	-
7.07	Added Value to be Distributed	2,432,582	1,349,450	1,060,316
7.08	Distribution of Added Value	2,432,582	1,349,450	1,060,316
7.08.01	Personnel	6,012	5,486	4,957
7.08.01.01	Direct Remuneration	5,955	5,323	4,798
7.08.01.02	Benefits	57	163	159

(Convenience translation into English from the original previously issued in Portuguese)

FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Company / Statement of Added Value

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
7.08.01.03	F.G.T.S	-	-	-
7.08.01.04	Other	-	-	-
7.08.02	Taxes, Fees and Contributions	(10,875)	32,430	38,085
7.08.02.01	Federal	(10,888)	32,403	38,047
7.08.02.02	State	-	-	-
7.08.02.03	Municipal	13	27	38
7.08.03	Interest on Shareholders'	89,622	128,949	112,314
7.08.03.01	Interest	87,602	127,843	111,485
7.08.03.02	Rentals	3	37	149
7.08.03.03	Other	2,017	1,069	680
7.08.04	Return of Capital	2,347,823	1,182,585	904,960
7.08.04.01	Interest on Shareholders' Equity	290,000	170,000	160,000
7.08.04.02	Dividends	343,000	131,084	78,360
7.08.04.03	Retained Earnings (Accumulated Deficit)	1,714,823	881,501	666,600
7.08.05	Other	-	-	-

Financial Statements Consolidated / Assets**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
1	Total Assets	27,869,121	28,412,451	25,703,769
1.01	Current Assets	18,990,312	20,270,361	18,712,413
1.01.01	Cash and Cash Equivalents	956,465	744,979	629,478
1.01.01.01	Cash and Banks	70,883	54,185	61,553
1.01.01.02	Cash Equivalents	885,582	690,794	567,925
1.01.02	Marketable Securities	15,836,487	16,225,130	14,971,745
1.01.02.01	Marketable Securities Valued at Fair Value	15,346,073	16,173,193	14,937,590
1.01.02.01.01	Securities Trading	9,939,803	8,808,748	8,394,236
1.01.02.01.02	Securities Available for Sale	5,406,270	7,364,445	6,543,354
1.01.02.03	Marketable Securities Accounted for Amortized Cost	490,414	51,937	34,155
1.01.02.03.01	Securities Held to Maturity	490,414	51,937	34,155
1.01.03	Accounts Receivable	1,597,858	2,287,210	2,164,249
1.01.03.01	Customers	1,597,858	2,287,210	2,164,249
1.01.03.01.01	Receivables	1,597,858	2,287,210	2,164,249
1.01.03.02	Other Accounts Receivable	-	-	-
1.01.04	Inventories	-	-	-
1.01.05	Biological Assets	-	-	-
1.01.06	Tax Recoverable	178,218	154,787	182,075
1.01.06.01	Current Tax Recoverable	178,218	154,787	182,075
1.01.07	Prepaid Expenses	-	-	-
1.01.08	Other Current Assets	421,284	858,255	764,866
1.01.08.01	Non-current Assets for Sale	162	68,667	44,843
1.01.08.02	Assets of Discontinued Operations	-	-	-
1.01.08.03	Other	421,122	789,588	720,023
1.01.08.03.01	Reinsurance assets	46,430	26,796	35,845
1.01.08.03.02	Deferred Acquisition Costs	339,564	712,650	663,259
1.01.08.03.03	Other	35,128	50,142	20,919
1.02	Non-current Assets	8,878,809	8,142,090	6,991,356
1.02.01	Long-term Assets	7,844,753	7,548,439	6,567,069
1.02.01.01	Marketable Securities Valued at Fair Value	-	-	-
1.02.01.01.01	Securities Trading	-	-	-
1.02.01.01.02	Securities Available for Sale	-	-	-
1.02.01.03	Marketable Securities Accounted for Amortized Cost	1,315,335	1,350,999	1,260,838
1.02.01.03.01	Securities Held to Maturity	1,315,335	1,350,999	1,260,838
1.02.01.04	Accounts Receivable	1,591,649	1,308,215	908,356
1.02.01.04.01	Customers	1,591,649	1,308,215	908,356

Financial Statements Consolidated / Assets**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
1.02.01.04.02	Other	-	-	-
1.02.01.05	Inventories	-	-	-
1.02.01.06	Biological Assets	-	-	-
1.02.01.07	Deffered Taxes	1,257,804	1,145,087	965,267
1.02.01.07.01	Income Tax and Social Contribution	987,189	843,773	658,634
1.02.01.07.02	Recoverable Taxes and Contributions - PIS/ COFINS	193,206	182,799	168,540
1.02.01.07.03	Recoverable Taxes and Contributions - OTHERS	77,409	118,515	138,093
1.02.01.07.04	(-) Allowance for Doubtful Accounts	-	-	-
1.02.01.08	Prepaid Expenses	-	-	-
1.02.01.09	Loans to Related Parties	-	-	-
1.02.01.09.01	Loans to Affiliates	-	-	-
1.02.01.09.02	Loans to Subsidiaries	-	-	-
1.02.01.09.03	Credits with Controllers	-	-	-
1.02.01.09.04	Loans to Others Related Parties	-	-	-
1.02.01.10	Others Non-Current Assets	3,679,965	3,744,138	3,432,608
1.02.01.10.01	Non-current Assets for Sale	-	-	-
1.02.01.10.02	Assets of Discontinued Operations	-	-	-
1.02.01.10.03	Judicial deposits	2,795,301	2,854,375	2,837,157
1.02.01.10.04	Reinsurance assets	7,601	7,583	8,067
1.02.01.10.05	Deferred Acquisition Costs	706,686	704,188	582,868
1.02.01.10.06	Other	6,250	14,625	4,516
1.02.01.10.07	Lease assets	164,127	163,367	-
1.02.02	Investments	106,450	75,024	99,422
1.02.02.01	Equity in Associated Companies	105,734	73,359	97,438
1.02.02.01.01	Investments in Affiliates	104,928	72,816	95,678
1.02.02.01.02	Investments in Subsidiaries	-	-	-
1.02.02.01.03	Investments in Jointly Controlled	-	-	-
1.02.02.01.04	Others Equity in Associated Companies	806	543	1,760
1.02.02.02	Properties for Investiments	716	1,665	1,984
1.02.02.02.01	Property for Rent	716	1,665	1,984
1.02.02.02.02	(-) Depreciation	-	-	-
1.02.03	Property and Equipment	109,968	72,091	56,346
1.02.03.01	Property and Equipment in Operation	109,968	72,091	56,346
1.02.03.02	Property and Equipment Leased	-	-	-
1.02.03.03	Property and Equipment in Progress	-	-	-
1.02.04	Intangible Assets	817,638	446,536	268,519
1.02.04.01	Intangible Assets	372,864	272,647	206,284
1.02.04.01.01	Concession	-	-	-
1.02.04.01.02	Trademarks and Patents	-	3	3
1.02.04.01.03	Goodwill	-	-	-
1.02.04.01.04	Software	261,323	232,770	206,281
1.02.04.01.05	Other intangibles	111,541	39,874	-
1.02.04.01.06	(-) Amortization	-	-	-
1.02.04.02	Goodwill	444,774	173,889	62,235

Financial Statements Consolidated / Liabilities**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
2	Total Liabilities and Shareholders' Equity	27,869,121	28,412,451	25,703,769
2.01	Current Liabilities	8,411,588	10,376,445	9,881,074
2.01.01	Social Obligations and Labor	52,254	58,459	54,000
2.01.01.01	Social Obligations	-	-	-
2.01.01.02	Labor obligations	52,254	58,459	54,000
2.01.01.02.01	Labor Contingencies	52,254	58,459	54,000
2.01.02	Suppliers	-	-	-
2.01.02.01	National Suppliers	-	-	-
2.01.02.02	International Suppliers	-	-	-
2.01.03	Tax	233,535	445,891	394,663
2.01.03.01	Federal Tax	213,089	407,353	353,381
2.01.03.01.01	Income Tax and Social Contribution Payable	16,393	157,747	98,562
2.01.03.01.02	PIS / COFINS Payable	25,843	37,326	39,009
2.01.03.01.03	Financial Transactions Tax	24,212	80,125	82,821
2.01.03.01.04	REFIS Payable	22,786	32,831	33,629
2.01.03.01.05	Other Taxes and Contributions	86,833	75,201	56,844
2.01.03.01.06	Third-party Income Tax	37,022	24,123	42,516
2.01.03.02	State Tax	-	-	-
2.01.03.03	Municipal Tax	20,446	38,538	41,282
2.01.03.03.01	Services Rendered Tax Payable	20,446	38,538	41,282
2.01.04	Loans and Financing	579,139	178,021	447,779
2.01.04.01	Loans and Financing	160,487	1,130	1,476
2.01.04.01.01	Loans and Financing - Local Currency	160,487	1,130	1,476
2.01.04.01.02	Loans and Financing - Foreign Currency	-	-	-
2.01.04.02	Debentures	418,289	175,593	442,163
2.01.04.03	Financing for Lease	363	1,298	4,140
2.01.05	Other Obligations	1,199,719	2,173,820	1,870,430
2.01.05.01	Related Party Liabilities	-	-	-
2.01.05.01.01	Debts with Affiliates	-	-	-
2.01.05.01.02	Debts with Subsidiaries	-	-	-
2.01.05.01.03	Debts with Controllers	-	-	-
2.01.05.01.04	Other Debts with Related Parties	-	-	-
2.01.05.02	Other	1,199,719	2,173,820	1,870,430
2.01.05.02.01	Dividends and Interest on Capital Payable	53,111	280,868	214,977
2.01.05.02.02	Minimum Mandatory Dividend Payable	-	-	-
2.01.05.02.03	Obligations for Share-based Payment	-	-	-
2.01.05.02.04	Accounts Payable	173,346	228,376	229,893
2.01.05.02.05	Other Accounts Payable	268,604	240,444	134,337
2.01.05.02.06	Insurance and reinsurance liabilities	343,129	395,608	359,177
2.01.05.02.07	Saving bonds	1,065	695,339	662,022
2.01.05.02.08	Managed health	335,229	304,802	244,991
2.01.05.02.09	Other	25,235	28,383	25,033
2.01.06	Provisions	6,346,941	7,520,254	7,114,202
2.01.06.01	Provisions Tax, Social Security, Labor and Civil	131,545	80,711	73,179
2.01.06.01.01	Tax Contingencies	-	-	-
2.01.06.01.02	Labor Contingencies and Social Security	8,926	3,073	4,309

Financial Statements Consolidated / Liabilities**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
2.01.06.01.03	Provisions for Employee Benefits	-	-	-
2.01.06.01.04	Civil Contingencies	122,619	77,638	68,870
2.01.06.02	Other	6,215,396	7,439,543	7,041,023
2.01.06.02.01	Warranties Provision	-	-	-
2.01.06.02.02	Restructuring Provision	-	-	-
2.01.06.02.03	Provision for Environmental Liabilities and Desactivation	-	-	-
2.01.06.02.04	Technical reserves - Insurance	6,215,396	7,439,543	7,041,023
2.01.07	Liabilities Non-Current Assets of the Sale and Discontinued	-	-	-
2.01.07.01	Liabilities Non-Current Assets on Sale	-	-	-
2.01.07.02	Liabilities of Discontinued Operations Assets	-	-	-
2.02	Non-Current Liabilities	11,353,762	10,888,301	9,535,182
2.02.01	Loans and Financing	1,010,537	1,572,331	1,023,156
2.02.01.01	Loans and Financing	-	160,000	160,000
2.02.01.01.01	Loans and Financing - Local Currency	-	160,000	160,000
2.02.01.01.02	Loans and Financing - Foreign Currency	-	-	-
2.02.01.02	Debentures	1,009,867	1,412,331	862,069
2.02.01.03	Financing for Lease	670	-	1,087
2.02.02	Other Obligations	305,945	329,798	130,890
2.02.02.01	Related Party Liabilities	73,096	88,714	80,680
2.02.02.01.01	Debts with Affiliates	-	-	-
2.02.02.01.02	Debts with Subsidiaries	-	-	-
2.02.02.01.03	Debts with Controllers	-	-	-
2.02.02.01.04	Other Debts with Related Parties	73,096	88,714	80,680
2.02.02.02	Other	232,849	241,084	50,210
2.02.02.02.01	Obligations for stock incentive	-	-	-
2.02.02.02.02	Future Capital Increase	-	-	-
2.02.02.02.03	Accounts payable	27,792	23,036	24,448
2.02.02.02.04	Other Accounts Payable	201,768	209,620	9,832
2.02.02.02.05	Insurance and reinsurance liabilities	-	-	-
2.02.02.02.06	Other	346	5,686	13,313
2.02.02.02.07	Managed health	2,943	2,742	2,617
2.02.03	Deferred taxes	-	-	-
2.02.03.01	Income Tax and Social Contribution	-	-	-
2.02.04	Provisions	10,037,280	8,986,172	8,381,136
2.02.04.01	Provisions Tax, Social Security, Labor and Civil	2,344,198	2,284,482	2,330,641
2.02.04.01.01	Tax Contingencies	1,874,344	1,867,426	1,901,269
2.02.04.01.02	Labor contingencies and Social Security	85,747	87,103	87,499
2.02.04.01.03	Provisions for Employee Benefits	-	-	-

Financial Statements Consolidated / Liabilities**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
2.02.04.01.04	Civil Contingencies	384,107	329,953	341,873
2.02.04.01.05	Other	-	-	-
2.02.04.02	Other	7,693,082	6,701,690	6,050,495
2.02.04.02.01	Warranties Provision	-	-	-
2.02.04.02.02	Restructuring Provision	-	-	-
2.02.04.02.03	Provision for Environmental Liabilities and Desactivation	-	-	-
2.02.04.02.04	Technical reserves - Insurance	7,693,082	6,701,690	6,050,495
2.02.05	Liabilities Non-Current Assets of the Sale and Discontinued	-	-	-
2.02.05.01	Liabilities Non-Current Assets on Sale	-	-	-
2.02.05.02	Liabilities of Discontinued Operations Assets	-	-	-
2.02.06	Unearned Profits and Revenue	-	-	-
2.02.06.01	Unearned Profits	-	-	-
2.02.06.02	Unearned Revenue	-	-	-
2.02.06.03	Grants Investment	-	-	-
2.03	Shareholders' Equity	8,103,771	7,147,705	6,287,513
2.03.01	Capital	3,619,882	3,319,882	3,319,882
2.03.02	Capital Reserves	(453,946)	240,695	258,753
2.03.02.01	Goodwill on Issue of Shares	275,729	286,269	303,567
2.03.02.02	Special Reserve Goodwill	25,995	25,995	25,995
2.03.02.03	Sale of the Warrant	-	-	-
2.03.02.04	Options Granted	109,940	98,602	88,121
2.03.02.05	Treasury Stock	(787,776)	(130,258)	(119,017)
2.03.02.06	Future Capital Increase	-	-	-
2.03.02.07	Transactions capital - goodwill	(77,834)	(39,913)	(39,913)
2.03.03	Revaluation Reserves	-	-	-
2.03.04	Profit Reserves	4,997,421	3,582,733	2,701,298
2.03.04.01	Legal Reserve	444,331	326,947	267,821
2.03.04.02	Statutory Reserve	4,553,090	3,255,786	2,433,477
2.03.04.03	Contingency Reserve	-	-	-
2.03.04.04	Unrealized Profit Reserve	-	-	-
2.03.04.05	Retained Profits	-	-	-
2.03.04.06	Special Reserve Unpaid Dividends	-	-	-
2.03.04.07	Tax Incentive Reserve	-	-	-
2.03.04.08	Additional Proposed Dividend	-	-	-
2.03.04.09	Treasury Stock	-	-	-
2.03.05	Profits / Losses	-	-	-
2.03.06	Equity Adjustment	(61,329)	2,516	6,179

(Convenience translation into English from the original previously issued in Portuguese)

FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Consolidated / Liabilities

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
2.03.07	Cumulative Translation Adjustments	-	-	-
2.03.08	Other Comprehensive Income	-	-	-
2.03.09	Participation of Non-controlling Shareholders	1,743	1,879	1,401

Financial Statements Consolidated / Income Statements**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
3.01	Revenue from Sales and Services	19,215,791	18,175,556	19,831,212
3.01.01	Net premiums - Insurance	18,870,290	17,812,463	19,654,728
3.01.02	Other Operating Income - Insurance	45,267	14,415	12,061
3.01.03	Premiums, retained contributions and net asset management fee - Private pension	889,405	794,191	634,667
3.01.04	Other Operating Income - Private pension	16	737	871
3.01.05	Saving bonds	14,839	64,834	53,966
3.01.06	ASO	73,149	61,674	60,583
3.01.07	Asset management	67,430	88,321	51,205
3.01.08	Other Operating Income	72,227	3,659	34,635
3.01.09	Changes in Technical Reserves - Insurance	(65,831)	3,981	(156,659)
3.01.10	Changes in Technical Reserves - Private pension	(751,001)	(668,719)	(514,845)
3.02	Cost of Products and Services Sold	(16,604,646)	(15,966,033)	(17,320,976)
3.02.01	Claims - Insurance	(14,529,236)	(14,024,103)	(14,742,073)
3.02.02	Acquisition Costs - Insurance	(1,361,559)	(1,253,280)	(1,886,602)
3.02.03	Other Operating Expenses - Insurance	(556,306)	(509,053)	(509,840)
3.02.04	Benefit expenses - Private Pension	(79,017)	(81,851)	(89,974)
3.02.05	Acquisition Costs - Private Pension	(35,737)	(35,600)	(32,003)
3.02.06	Other Operating Expenses - Private Pension	(16,097)	(3,663)	(1,513)
3.02.07	Saving bonds	(3,734)	(33,219)	(42,554)
3.02.08	ASO	(17,001)	(20,382)	(12,413)
3.02.09	Asset management	(5,959)	(4,882)	(3,821)
3.02.10	Other Operating Expenses	-	-	(183)
3.03	Gross Profit	2,611,145	2,209,523	2,510,236
3.04	Operating Income/Expenses	(1,632,614)	(1,351,962)	(1,746,346)
3.04.01	Selling Expenses	-	-	-
3.04.02	General and Administrative Expenses	(1,593,298)	(1,355,279)	(1,785,047)
3.04.02.01	Administrative Expenses	(1,593,298)	(1,355,279)	(1,785,047)
3.04.03	Impairment of Assets	-	-	-
3.04.04	Other Operating Income	(30,315)	1,331	3,017
3.04.04.01	Equity Income (Expense Net)	(30,315)	1,331	3,017
3.04.05	Other Operating Expenses	-	-	-
3.04.06	Equity interest	(9,001)	1,986	35,684
3.05	Income Before Income Taxes and Financial	978,531	857,561	763,890
3.06	Investment Income	123,569	461,723	615,715
3.06.01	Investment Income	3,451,542	2,096,447	2,125,994
3.06.02	Investment Expenses	(3,327,973)	(1,634,724)	(1,510,279)
3.07	Income Before Income Tax, Social Contribution and Profit Sharing	1,102,100	1,319,284	1,379,605
3.08	Income Tax and Social Contribution on Profit	(304,856)	(284,561)	(474,548)

(Convenience translation into English from the original previously issued in Portuguese)

FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Consolidated / Income Statements

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
3.08.01	Current	(507,452)	(489,104)	(569,362)
3.08.02	Deffered	202,596	204,543	94,814
3.09	Net Profit from Continuing Operations	797,244	1,034,723	905,057
3.10	Net Profit from Discontinued Operations	1,550,213	146,904	-
3.10.01	Net Income / Loss from Discontinued Operations	1,550,213	146,904	-
3.10.02	Gains / losses on Net Assets of Discontinued Operations	-	-	-
3.11	Net Income	2,347,457	1,181,627	905,057
3.11.01	Atributable to Owners of the Company	2,347,823	1,182,585	904,960
3.11.02	Atributable to Non-Controlling Interest	(366)	(958)	97
3.99	Earnings per Share	-	-	-
3.99.01	Basic Earnings per Share	-	-	-
3.99.01.01	For Preferred Share	2.05160	1.01840	0.77890
3.99.01.02	For Common Share	2.01580	1.01790	0.77930
3.99.02	Diluted Earnings per Share	-	-	-
3.99.02.01	For Preferred Share	2.03240	1.00650	0.76810
3.99.02.02	For Common Share	2.00650	1.01200	0.77390

(Convenience translation into English from the original previously issued in Portuguese)

FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Consolidated / Comprehensive Income

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
4.01	Net Income Company - Period	2,347,457	1,181,627	905,057
4.02	Other Components of Comprehensive Income	(63,845)	(3,663)	7,399
4.02.01	Unrealized actuarial losses on defined benefit pension plan, net of gains	-	(6,859)	(3,615)
4.02.02	Gains and (losses) not realized in financial assets available for sale	(104,810)	8,121	17,667
4.02.03	Unrealized losses on cash flow hedge, net of gains	-	-	-
4.02.04	Realized gains on cash flow hedge, net of losses	-	-	-
4.02.05	Income tax and social contribution related to components of other comprehensive income	40,965	(1,215)	(5,027)
4.02.06	Gains and (losses) of Change in Ownership Interest	-	(1,693)	-
4.02.07	Other comprehensive income of investees companies recognized by equity method	-	(2,017)	(1,626)
4.03	Comprehensive Income for the Period	2,283,612	1,177,964	912,456
4.03.01	Awarded to Owners of the Company	2,283,978	1,178,922	912,393
4.03.02	Awarded to Non-Controlling Interest	(366)	(958)	63

Financial Statements Consolidated / Statements of Cash Flow - Indirect Method**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
6.01	Net cash by Operating Activities	(588,752)	394,018	425,892
6.01.01	Cash generated by operating activities	1,555,662	1,822,593	1,479,017
6.01.01.01	Net income before tax and social contribution	3,448,743	1,556,024	1,379,605
6.01.01.02	Depreciation and amortization	126,759	119,537	50,639
6.01.01.03	Interest and inflation adjustment of issued debentures	87,776	146,609	112,267
6.01.01.04	Equity loss in associated companies	9,001	-	-
6.01.01.05	Interest and inflation adjustments on REFIS - tax refinance	778	2,309	2,866
6.01.01.06	Interest and inflation adjustments on judicial deposits and lawsuits	85,704	110,693	113,613
6.01.01.07	Stock options	11,338	10,481	14,114
6.01.01.08	Positive equity interest	-	(1,986)	(35,684)
6.01.01.09	Writeoff on sale of investments	-	-	-
6.01.01.10	Gain on sale of investments or fixed assets	(2,167,771)	-	-
6.01.01.11	Interest and inflation adjustment on tax credit offset	(8,494)	(17,863)	(43,200)
6.01.01.12	Interest and inflation adjustment on judicial deposits	(66,725)	(105,805)	(127,541)
6.01.01.13	Other	17,121	1,185	9,481
6.01.01.14	Transaction costs of issued securities	11,432	1,409	2,857
6.01.02	Change in assets and liabilities	(2,144,414)	(1,428,575)	(1,053,125)
6.01.02.01	Change in marketable securities	(1,425,850)	(1,340,581)	(1,584,724)
6.01.02.02	Change in receivables	(585,779)	(518,093)	(384,768)
6.01.02.03	Change in taxes	(173,644)	(144,988)	(82,767)
6.01.02.04	Change in reinsurance assets	(27,094)	9,533	(11,045)
6.01.02.05	Change in judicial deposits	71,561	108,624	146,746
6.01.02.06	Dividends and interest on equity received	-	33,130	62,002
6.01.02.07	Change in salvages for sale	(22,575)	(23,824)	6,260
6.01.02.08	Change in other assets/liabilities	20,330	(50,898)	10,494
6.01.02.09	Change in deferred Acquisition costs	17,443	(170,711)	(151,798)
6.01.02.10	Change deferred taxes assets	-	-	-
6.01.02.11	Change in accounts payable	(714,584)	373,542	208,454
6.01.02.12	Change in loans and financing	-	-	-
6.01.02.13	interest Paid	(95,083)	(117,800)	(106,751)
6.01.02.14	Change in deferred taxes	-	-	-
6.01.02.15	Change in insurance and reinsurance liabilities	47,609	33,031	69,234
6.01.02.16	Change in technical reserves - Insurance	2,000,261	1,054,799	1,424,114
6.01.02.17	Changes in accrued liabilities for lawsuits	39,712	(159,833)	(129,340)
6.01.02.18	Change in other provisions	-	-	-
6.01.02.19	Income tax and social contribution paid	(1,296,721)	(514,506)	(529,236)
6.01.02.20	Withholding income tax on dividends received	-	-	-
6.01.03	Others	-	-	-
6.02	Net cash by Investing Activities	2,505,148	(252,799)	(90,564)
6.02.01	Increase in capital	-	-	-
6.02.02	Purchase of equity interest	(488,120)	(147,540)	(21,938)
6.02.03	Selling of equity interest	3,172,259	-	2,528
6.02.04	Purchase of fixed assets and intangible assets	(178,991)	(106,480)	(72,674)
6.02.05	Selling of fixed assets and intangible assets	-	1,221	1,520
6.02.20	Other net proceeds and (payments)	-	-	-
6.03	Net Cash by Financing Activities	(1,704,910)	(25,718)	(346,805)

(Convenience translation into English from the original previously issued in Portuguese)

FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Consolidated / Statements of Cash Flow - Indirect Method

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
6.03.01	Loans and credit lines	499,480	698,838	-
6.03.02	Amortization of loans	(656,592)	(427,562)	(123,321)
6.03.03	Capital increase - Receiving	-	-	-
6.03.04	Decrease capital - Payment	-	-	-
6.03.05	Purchase of shares to hold them in treasury	(677,590)	(36,585)	(32,070)
6.03.06	Selling of shares in treasury	9,532	8,046	7,173
6.03.07	Options granted exercised	-	-	-
6.03.08	Payment by the reverse split of the shares	-	-	(5,123)
6.03.09	Dividends and interest on equity paid	(828,319)	(214,932)	(185,494)
6.03.10	Refis - tax refinance	(8,140)	(5,450)	(5,928)
6.03.11	Financial lease	(1,547)	(3,989)	(2,042)
6.03.12	Lease payments	(41,734)	(44,084)	-
6.03.20	Other net proceeds and (payments)	-	-	-
6.04	Foreign Exchange on Cash and Equivalents	-	-	-
6.05	Increase/(Decrease) in Cash and Cash Equivalents	211,486	115,501	(11,477)
6.05.01	Cash and Cash Equivalents at Beginning of Period	744,979	629,478	640,955
6.05.02	Cash and Cash Equivalents at End of Period	956,465	744,979	629,478

Financial Statements Consolidated / Statement of Changes in Shareholders' Equity - 01/01/2020 to 12/31/2020**(in thousands of Reais)**

Code	Account Description	Capital Reserves, Granted Options and Treasury		Profit reserves	Net Income (Losses)	Other Comprehen sive Income	Equity	Participation of Minority Shareholders	Consolidated Equity
		Capital	Stock						
5.01	Opening Balance	3,319,882	240,695	3,582,733	-	2,516	7,145,826	1,879	7,147,705
5.02	Prior Year Adjustments	-	-	-	-	-	-	-	-
5.02.01	Changes in Accounting Practices	-	-	-	-	-	-	-	-
5.03	Adjustments Balance	3,319,882	240,695	3,582,733	-	2,516	7,145,826	1,879	7,147,705
5.04	Capital Transactions with Partens	300,000	(694,641)	(300,000)	-	-	(694,641)	-	(694,641)
5.04.01	Capital Increase	300,000	-	(300,000)	-	-	-	-	-
5.04.02	Stock Issue Expenses	-	-	-	-	-	-	-	-
5.04.03	Recognized Granted Options	-	11,338	-	-	-	11,338	-	11,338
5.04.04	Treasury Stock Acquired	-	(677,590)	-	-	-	(677,590)	-	(677,590)
5.04.05	Treasury Shares Sold	-	9,532	-	-	-	9,532	-	9,532
5.04.06	Dividends	-	-	-	-	-	-	-	-
5.04.07	Interest on Shareholders' Equity	-	-	-	-	-	-	-	-
5.04.08	Additional Dividends Proposed	-	-	-	-	-	-	-	-
5.04.09	Options Granted Exercised	-	-	-	-	-	-	-	-
5.04.10	Reversion of Estatutory Reserve	-	-	-	-	-	-	-	-
5.04.11	Intermediaries/Interim Dividends	-	-	-	-	-	-	-	-
5.04.12	Transactions Capital - Goodwill	-	(37,921)	-	-	-	(37,921)	-	(37,921)
5.04.13	Mandatory dividends	-	-	-	-	-	-	-	-
5.04.14	Transactions Capital - Negative Goodwill	-	-	-	-	-	-	-	-
5.04.15	Non-controlling Interest	-	-	-	-	-	-	-	-
5.04.16	Supplementary dividends	-	-	-	-	-	-	-	-
5.05	Total Comprehensive Income	-	-	-	2,347,823	(63,845)	2,283,978	(366)	2,283,612
5.05.01	Net Income	-	-	-	2,347,823	-	2,347,823	(366)	2,347,457
5.05.02	Other Comprehensive Income	-	-	-	-	(63,845)	(63,845)	-	(63,845)
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	(1,290)	(1,290)	-	(1,290)
5.05.02.02	Taxes of Financial Instruments Adjustments	-	-	-	-	439	439	-	439
5.05.02.03	Comprehensive Income of Equity Affiliates	-	-	-	-	(58,827)	(58,827)	-	(58,827)
5.05.02.04	Converjion Adjustments	-	-	-	-	-	-	-	-
5.05.02.05	Tax Adjustments of Conversion Period	-	-	-	-	-	-	-	-
5.05.02.06	Non-controlling Interest	-	-	-	-	-	-	-	-
5.05.02.07	Reversion of Estatutory Reserve	-	-	-	-	-	-	-	-
5.05.02.08	Gains and (losses) of Change in Ownership Interest	-	-	-	-	(4,167)	(4,167)	-	(4,167)
5.05.02.09	Others adjustments	-	-	-	-	-	-	-	-
5.05.03	Reclassification to Results	-	-	-	-	-	-	-	-
5.05.03.01	Financial Instruments Adjustments	-	-	-	-	-	-	-	-
5.06	Changes in Shareholders' Equity	-	-	1,714,688	(2,347,823)	-	(633,135)	230	(632,905)
5.06.01	Increase of Capital Reserves	-	-	1,714,688	(1,714,688)	-	-	-	-
5.06.02	Recognition of Revaluation Reserves	-	-	-	-	-	-	-	-
5.06.03	Taxes on Recognition of Revaluation Reserves	-	-	-	-	-	-	-	-
5.06.04	Intermediaries Dividends	-	-	-	-	-	-	-	-
5.06.05	Additional Dividends Proposed	-	-	-	-	-	-	-	-
5.06.06	Mandatory dividends	-	-	-	(343,000)	-	(343,000)	-	(343,000)
5.06.07	Interest on Shareholders' Equity	-	-	-	(290,000)	-	(290,000)	-	(290,000)
5.06.08	Realized on Reserves	-	-	-	-	-	-	-	-
5.06.09	Others adjustments	-	-	-	(135)	-	(135)	-	(135)
5.06.10	Write-off of non-controlling interests	-	-	-	-	-	-	-	-
5.07	Final Balance	3,619,882	(453,946)	4,997,421	-	(61,329)	8,102,028	1,743	8,103,771

Financial Statements Consolidated / Statement of Changes in Shareholders' Equity - 01/01/2019 to 12/31/2019**(in thousands of Reais)**

Code	Account Description	Capital Reserves, Granted Options and Treasury		Profit reserves	Net Income (Losses)	Other Comprehen sive Income	Equity	Participation of Minority Shareholders	Consolidated Equity
		Capital	Stock						
5.01	Opening Balance	3,319,882	258,753	2,701,298	-	6,179	6,286,112	1,401	6,287,513
5.02	Prior Year Adjustments	-	-	-	-	-	-	-	-
5.02.01	Changes in Accounting Practices	-	-	-	-	-	-	-	-
5.03	Adjustments Balance	3,319,882	258,753	2,701,298	-	6,179	6,286,112	1,401	6,287,513
5.04	Capital Transactions with Partens	-	(18,058)	-	23	-	(18,035)	-	(18,035)
5.04.01	Capital Increase	-	-	-	-	-	-	-	-
5.04.02	Stock Issue Expenses	-	-	-	-	-	-	-	-
5.04.03	Recognized Granted Options	-	10,481	-	-	-	10,481	-	10,481
5.04.04	Treasury Stock Acquired	-	(36,585)	-	-	-	(36,585)	-	(36,585)
5.04.05	Treasury Shares Sold	-	8,046	-	-	-	8,046	-	8,046
5.04.06	Supplementary dividends	-	-	-	-	-	-	-	-
5.04.07	Interest on Shareholders' Equity	-	-	-	-	-	-	-	-
5.04.08	Additional Dividends Proposed	-	-	-	-	-	-	-	-
5.04.09	Options Granted Exercised	-	-	-	-	-	-	-	-
5.04.10	Reversion of Estatutory Reserve	-	-	-	-	-	-	-	-
5.04.11	Intermediaries/Interim Dividends	-	-	-	-	-	-	-	-
5.04.12	Transactions Capital - Goodwill	-	-	-	-	-	-	-	-
5.04.13	Mandatory dividends	-	-	-	-	-	-	-	-
5.04.14	Transactions capital - negative goodwill	-	-	-	-	-	-	-	-
5.04.15	Non-controlling Interest	-	-	-	-	-	-	-	-
5.04.16	Supplementary dividends	-	-	-	-	-	-	-	-
5.04.17	Expired dividends	-	-	-	23	-	23	-	23
5.05	Total Comprehensive Income	-	-	-	1,182,496	(3,663)	1,178,833	(958)	1,177,875
5.05.01	Net Income	-	-	-	1,182,585	-	1,182,585	(958)	1,181,627
5.05.02	Other Comprehensive Income	-	-	-	(89)	(3,663)	(3,752)	-	(3,752)
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	(458)	(458)	-	(458)
5.05.02.02	Taxes of Financial Instruments Adjustments	-	-	-	-	156	156	-	156
5.05.02.03	Comprehensive Income of Equity Affiliates	-	-	-	-	(2,870)	(2,870)	-	(2,870)
5.05.02.04	Converjion Adjustments	-	-	-	-	-	-	-	-
5.05.02.05	Tax Adjustments of Conversion Period	-	-	-	-	-	-	-	-
5.05.02.06	Non-controlling Interest	-	-	-	-	-	-	-	-
5.05.02.07	Reversion of Estatutory Reserve	-	-	-	-	-	-	-	-
5.05.02.08	Interim Dividends/Intermediaries	-	-	-	-	(491)	(491)	-	(491)
5.05.02.09	Others adjustments	-	-	-	(89)	-	(89)	-	(89)
5.05.03	Reclassification to Results	-	-	-	-	-	-	-	-
5.05.03.01	Financial Instruments Adjustments	-	-	-	-	-	-	-	-
5.06	Changes in Shareholders' Equity	-	-	881,435	(1,182,519)	-	(301,084)	1,436	(299,648)
5.06.01	Increase of Capital Reserves	-	-	881,435	(881,435)	-	-	-	-
5.06.02	Recognitionial of Revaluation Reserves	-	-	-	-	-	-	-	-
5.06.03	Taxes on Recognitionial of Revaluation Reserves	-	-	-	-	-	-	-	-
5.06.04	Intermediaries Dividends	-	-	-	-	-	-	-	-
5.06.05	Additional Dividends Proposed	-	-	-	-	-	-	-	-
5.06.06	Mandatory dividends	-	-	-	(131,084)	-	(131,084)	-	(131,084)
5.06.07	Interest on Shareholders' Equity	-	-	-	(170,000)	-	(170,000)	-	(170,000)
5.06.08	Realized on Reserves	-	-	-	-	-	-	-	-
5.06.09	Others adjustments	-	-	-	-	-	-	-	-
5.06.10	Write-off of non-controlling interests (Note 4)	-	-	-	-	-	-	1,436	1,436
5.07	Final Balance	3,319,882	240,695	3,582,733	-	2,516	7,145,826	1,879	7,147,705

Financial Statements Consolidated / Statement of Changes in Shareholders' Equity - 01/01/2018 to 12/31/2018**(in thousands of Reais)**

Code	Account Description	Capital Reserves, Granted Options and Treasury		Profit reserves	Net Income (Losses)	Other Comprehen sive Income Equity	Participation of Minority Shareholders	Consolidated Equity	
		Capital	Stock						
5.01	Opening Balance	3,319,882	269,536	2,034,698	-	(1,254)	5,622,862	17,529	5,640,391
5.02	Prior Year Adjustments	-	-	-	-	-	-	-	-
5.02.01	Changes in Accounting Practices	-	-	-	-	-	-	-	-
5.03	Adjustments Balance	3,319,882	269,536	2,034,698	-	(1,254)	5,622,862	17,529	5,640,391
5.04	Capital Transactions with Partens	-	(10,783)	-	-	-	(10,783)	-	(10,783)
5.04.01	Capital Increase	-	-	-	-	-	-	-	-
5.04.02	Stock Issue Expenses	-	-	-	-	-	-	-	-
5.04.03	Recognized Granted Options	-	14,114	-	-	-	14,114	-	14,114
5.04.04	Treasury Stock Acquired	-	(32,070)	-	-	-	(32,070)	-	(32,070)
5.04.05	Treasury Shares Sold	-	7,173	-	-	-	7,173	-	7,173
5.04.06	Dividends	-	-	-	-	-	-	-	-
5.04.07	Interest on Shareholders' Equity	-	-	-	-	-	-	-	-
5.04.08	Additional Dividends Proposed	-	-	-	-	-	-	-	-
5.04.09	Options Granted Exercised	-	-	-	-	-	-	-	-
5.04.10	Reversion of Estatutory Reserve	-	-	-	-	-	-	-	-
5.04.11	Interim Dividends/Intermediaries	-	-	-	-	-	-	(10,718)	(10,718)
5.04.12	Transactions Capital - Goodwill	-	-	-	-	-	-	-	-
5.04.13	Mandatory dividends	-	-	-	-	-	-	-	-
5.04.14	Transactions capital - negative goodwill	-	-	-	-	-	-	-	-
5.04.15	Non-controlling Interest	-	-	-	-	-	-	-	-
5.05	Total Comprehensive Income	-	-	-	904,960	7,433	912,393	63	912,456
5.05.01	Net Income	-	-	-	904,960	-	904,960	97	905,057
5.05.02	Other Comprehensive Income	-	-	-	-	7,433	7,433	(34)	7,399
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	(156)	(156)	354	198
5.05.02.02	Taxes of Financial Instruments Adjustments	-	-	-	-	52	52	(142)	(90)
5.05.02.03	Comprehensive Income of Equity Affiliates	-	-	-	-	7,868	7,868	(246)	7,622
5.05.02.04	Convergiön Adjustments	-	-	-	-	-	-	-	-
5.05.02.05	Tax Adjustments of Conversion Period	-	-	-	-	-	-	-	-
5.05.02.06	Non-controlling Interest	-	-	-	-	-	-	-	-
5.05.02.07	Reversion of Estatutory Reserve	-	-	-	-	-	-	-	-
5.05.02.08	Gains and (losses) of Change in Ownership Interest	-	-	-	-	(331)	(331)	-	(331)
5.05.02.09	Others adjustments	-	-	-	-	-	-	-	-
5.05.03	Reclassification to Results	-	-	-	-	-	-	-	-
5.05.03.01	Financial Instruments Adjustments	-	-	-	-	-	-	-	-
5.06	Changes in Shareholders' Equity	-	-	666,600	(904,960)	-	(238,360)	(16,191)	(254,551)
5.06.01	Increase of Capital Reserves	-	-	666,600	(666,600)	-	-	-	-
5.06.02	Recognitional of Revaluation Reserves	-	-	-	-	-	-	-	-
5.06.03	Taxes on Recognitional of Revaluation Reserves	-	-	-	-	-	-	-	-
5.06.04	Intermediaries Interim Dividends	-	-	-	-	-	-	-	-
5.06.05	Additional Dividends Proposed	-	-	-	-	-	-	-	-
5.06.06	Mandatory dividends	-	-	-	(78,360)	-	(78,360)	-	(78,360)
5.06.07	Interest on Shareholders' Equity	-	-	-	(160,000)	-	(160,000)	-	(160,000)
5.06.08	Realized on Reserves	-	-	-	-	-	-	-	-
5.07	Final Balance	3,319,882	258,753	2,701,298	-	6,179	6,286,112	1,401	6,287,513

Financial Statements Consolidated / Statement of Added Value**(in thousands of Reais)**

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
7.01	Revenues	19,579,164	18,515,990	20,639,114
7.01.01	Sales of Goods, Products and Services	20,550,558	19,334,733	21,216,536
7.01.02	Other Revenues	(816,832)	(667,747)	(462,400)
7.01.02.01	Changes in Technical Reserves - Insurance	(65,831)	968	(156,659)
7.01.02.02	Changes in Technical Reserves - Private pension	(751,001)	(668,715)	(514,845)
7.01.02.03	Profit from sale of permanent assets	-	-	(1,930)
7.01.02.04	Other	-	-	211,034
7.01.03	Revenue for the Construction of Owned Assets	-	-	-
7.01.04	Provision for doubtful accounts - Reversion/ (Constitution)	(154,562)	(150,996)	(115,022)
7.02	Input Purchase from Third-Parties	(17,306,178)	(16,465,000)	(18,392,364)
7.02.01	Cost Products, Goods and Services Sold	(14,895,440)	(14,357,165)	(15,336,284)
7.02.02	Materials-Energy-Services-Other Third Party	(2,178,896)	(1,908,353)	(2,863,221)
7.02.03	Loss/ Assets Value Recuperation	-	-	-
7.02.04	Other	(231,842)	(199,482)	(192,859)
7.03	Gross Added Value	2,272,986	2,050,990	2,246,750
7.04	Retentions	(107,514)	(76,478)	(50,639)
7.04.01	Depreciation, Amortization and Depletion	(107,514)	(76,478)	(50,639)
7.04.02	Other	-	-	-
7.05	Net Added Value Produced	2,165,472	1,974,512	2,196,111
7.06	Added Value Received/ Ceded in Transfer	1,952,934	902,017	790,598
7.06.01	Equity interest	(9,001)	1,986	35,684
7.06.02	Investment Income	726,049	1,285,454	1,222,595
7.06.03	Other	1,235,886	(385,423)	(467,681)
7.06.03.01	Net of Reinsurance Ceded Operation	5,803	12,667	(4,047)
7.06.03.02	Net of Coinsurance Ceded Operation	3,057	627	2,118
7.06.03.03	Exchange Variation - Loans and Commitments Receivable	-	-	-
7.06.03.04	Monetary and Exchange Variation - Insurance and Private Pension	(547,476)	(740,660)	(626,215)
7.06.03.05	Monetary Variation - Judicial Deposits	65,692	107,131	116,310
7.06.03.06	Other	158,597	87,908	44,153
7.06.03.07	Income from discontinued operations	1,550,213	146,904	-
7.07	Added Value to be Distributed	4,118,406	2,876,529	2,986,709
7.08	Distribution of Added Value	4,118,406	2,876,529	2,986,709
7.08.01	Personnel	668,766	661,167	751,135
7.08.01.01	Direct Remuneration	531,990	544,826	587,491
7.08.01.02	Benefits	115,411	95,420	136,301
7.08.01.03	F.G.T.S	21,365	20,921	27,343
7.08.01.04	Other	-	-	-
7.08.02	Taxes, Fees and Contributions	881,307	833,050	1,044,755
7.08.02.01	Federal	866,268	823,625	1,032,818
7.08.02.02	State	-	-	-
7.08.02.03	Municipal	15,039	9,425	11,937
7.08.03	Interest on shareholders'	220,876	200,685	285,762
7.08.03.01	Interest	165,638	208,103	188,263
7.08.03.02	Rentals	3,716	6,585	71,245
7.08.03.03	Other	51,522	(14,003)	26,254

(Convenience translation into English from the original previously issued in Portuguese)

FINANCIAL STATEMENTS - DFP - 12/31/2020 SUL AMÉRICA S/A

Financial Statements Consolidated / Statement of Added Value

(in thousands of Reais)

Code	Description	Last Year - 12/31/2020	Penultimate - 12/31/2019	Before Penultimate - 12/31/2018
7.08.04	Return of Capital	2,347,457	1,181,627	905,057
7.08.04.01	Interest on shareholders' Equity	290,000	170,000	160,000
7.08.04.02	Dividends	343,000	131,084	78,360
7.08.04.03	Retained Earnings (accumulated deficit)	1,714,823	881,501	666,600
7.08.04.04	Non-controlling Interest on Retained Earnings	(366)	(958)	97
7.08.05	Other	-	-	-

MANAGEMENT REPORT

Shareholders,

We submit for your review the financial statements of Sul América S.A. ("Company") and its subsidiaries for the fiscal year ended on December 31, 2020, including the respective Notes to Financial Statements, an Independent Auditors Report, and the Statutory Audit Committee Report.

In this report, Sul América S.A. is hereinafter referred to as "Company," and "SulAmérica" is used to refer to Sul América S.A. and its subsidiaries, collectively.

1. Economic Scenario

2020 will be remembered as a challenging year, in which the world suffered a health crisis caused by the new coronavirus (COVID-19), which, with its high dissemination power, forced economic and social activities to barely halt across the world, generating an environment of uncertainty and a deep recession in global economy. Governments were forced to adopt expansionary fiscal policies, raising public debt levels. Central banks in the main developed economies began to practice zero or negative interest rate policies and significantly increased the credit supply. These efforts supported global economic activity, creating conditions for overcoming the negative shock caused by the pandemic.

In Brazil, it was not different. The shock caused by the COVID-19 pandemic resulted in a significant drop in the gross domestic product (GDP) in the second quarter of the year. The Brazilian government has adopted measures aimed at restoring income, mainly for the informal sector of the economy, with credit assistance to micro, small and medium-sized companies, seeking to mitigate the risks of paralyzing activity and increasing unemployment. Such measures, combined with a greater flexibility of social isolation measures following the evolution of the pandemic, were essential so, throughout the second half of 2020, the effects of government support programs contributed to an expansion of the GDP in the third quarter. Such growth was carried out by industry and commerce, while the services sector presented slower expansion, still affected by the challenging environment caused by COVID-19.

In 2020, the Brazilian GDP should present a better outcome than the initial projections from the beginning of the pandemic. Inflation, despite domestic weakness, was affected by the rise in commodities and the depreciation of the Brazilian currency. The inflation rate, as measured by the IPCA, ended the year at 4.2%, slightly above the center of the 4% target for 2020, while the Selic rate was of 2% in December, reaching its historic minimum. For 2021, expectations are positive, with the vaccination process against COVID-19 advancing and creating conditions for restoring the confidence of economic agents. As a result, the labor market and the income tend to strengthen, which are essential factors for a consolidated economic recovery in 2021, as well as ensuring a solid fiscal regime and advancing in the reform agenda.

2. Main Consolidated Financial Information

The table below considers only the Company's continuing operations, excluding the auto and P&C segments. These business lines were object of the sale transaction concluded in July of 2020 and their results are being reported as discontinued operations.

Operating Revenue (R\$ million)	2020	2019	Δ
Insurance	18,915.6	17,826.9	6.1%
Health	18,419.7	17,321.0	6.3%
Life	499.8	515.0	-3.0%
Other	-3.9	-9.1	56.9%
Private Pension	889.4	794.9	11.9%
Savings Bonds	14.8	64.8	-77.1%
Administrative Service Only	73.1	61.7	18.6%
Asset Management	67.4	88.3	-23.6%
Other Operating Revenues	72.2	3.7	NA
Total Operating Revenue	20,032.6	18,840.3	6.3%

Operating Expenses (R\$ million)	2020	2019	Δ
Insurance	-16,447.1	-15,786.4	-4.2%
Claims	-14,529.2	-14,024.1	-3.6%
Acquisition Cost	-1,361.6	-1,253.3	-8.6%
Other	-556.3	-509.1	-9.3%
Private Pension	-130.9	-121.1	-8.0%
Savings Bonds	-3.7	-33.2	88.8%
Administrative Service Only	-17.0	-20.4	16.6%
Asset Management	-6.0	-4.9	-22.1%
Total Operating Expenses	-16,604.6	-15,966.0	-4.0%

Other Results (R\$ million)	2020	2019	Δ
Gross Operating Margin	2,611.1	2,209.5	18.2%
General and Administrative Expenses	-1,593.3	-1,355.3	-17.6%
Net Investment Income	123.6	461.7	-73.2%
Net Income from Continuing Operations	797.2	1,034.7	-23.0%
Net Income from Discontinued Operations	1,550.2	146.9	955.3%
Net Income After Non-Controlling Interests	2,347.8	1,182.6	98.5%

Insurance Operational Ratios (%)	2020	2019	Δ
Loss Ratio (% of Earned Premiums)	76.4%	77.8%	150 BPS
Acquisition Cost Ratio (% of Earned Premiums)	7.2%	7.0%	-20 BPS
Combined	95.7%	96.2%	50 BPS
Operating	95.1%	93.6%	-140 BPS

Consolidated Ratios (% of total operating revenues)	2020	2019	Δ
Operating Gross Margin	13.0%	11.7%	130 BPS
General & Administrative Expenses	8.0%	7.2%	-80 BPS
Net Margin	10.9%	5.3%	560 BPS

Main highlights of the period were:

- (i) growth of 6.3% in operating revenues, reaching R\$20.0 billion, mainly propelled by the positive performances in health (+6.3%) and private pension (+11.9%) segments;
- (ii) gain of 150 BPS in total loss ratio, reaching 76.4%, mainly following the health and dental segments (+200 BPS), reflecting the initiatives in claims management, health and wellness and also, claims frequency decrease given the social distancing and lower exposure to hospitals guidelines, in the context of the COVID-19 pandemic;
- (iii) increase of 18.2% in gross operating margin, totaling R\$2.6 billion, reflecting the growth in revenues, as well as the improvement in the loss ratio;
- (iv) net income from continuing operations of R\$797.2 million in the year, decrease of 23.0%, mainly due to the lower contribution from the investment income line, strongly impacted by the consecutive decline in Selic rate in 2020; and
- (v) reported net income of R\$2.3 billion in the year, considering the discontinued operations of auto and P&C segments.

3. Overview

In a year in which SulAmérica completed 125 years of history, the Company faced many challenges, mainly arising from the COVID-19. However, at the same time, it was also a period of growth and transformation for SulAmérica: the Company concluded relevant strategic movements, launched the new brand positioning focused on Integral Health and presented solid organic and inorganic growth trends. Under this new concept, in 2020 SulAmérica was more than ever present offering support and autonomy in every aspect of health – physical, emotional and financial – to employees and their families, clients and beneficiaries, brokers, providers, suppliers and all stakeholders, acting as an Integral Health manager, with intensive use of technology and innovation and a broader view of its clients.

During the COVID-19 pandemic, the Company had an important role based on the Coordinated Care strategy, which proved to be totally accurate, allowing for the access to health to all beneficiaries during this challenging period. The Company continued to guarantee high quality service, in addition to all processes and services being fully operational during the period. The Company's priority was always to ensure care for all beneficiaries with an even stronger partnership with the network of providers, with an increasing volume of joint initiatives. At the same time, one of the year's highlights was the accelerated adoption of technology, innovation and connected medicine in healthcare: in-app and WhatsApp screening for COVID-19, expressive growth in telemedicine and medical phone orientation, fast track with partner hospitals, in addition to a relevant growth in the use of the health app, one of the most downloaded and best evaluated in the market which has several features and evolves to be an effective healthcare platform.

In the Health and Dental segment, despite the challenges brought by the economic scenario, SulAmérica had a solid performance in terms of organic growth, with net adds of 48 thousand lives in group plans in relation to December/2019, as a result of good sales levels with new and strong partnership with insurance brokers and a high level of customer retention. There was also inorganic growth, adding over 90 thousand beneficiaries with the acquisition of *Paraná Clínicas – Planos de Saúde S.A.* ("Paraná Clínicas"), an operation that builds a growth platform for the state of Paraná and the South of Brazil. At the same time, SulAmérica remains aware of other inorganic investments that are aligned with its strategy. Regarding the medical loss ratio, as expected, there was a different seasonality than usual during the year, given the impacts of the COVID-19 pandemic, which led to a lower level of procedures mainly in 2Q20, with the return of the frequency of claims moving back to normal levels since then, including also the resumption of suppressed procedures. In 2020, the medical loss ratio was of 76.9%, keeping the consistent trend of improvement shown in recent years. Looking ahead, the Company remains focused on a long-term disciplined underwriting process that allows us to continue growing with profitability.

In the Wealth segment, we have also seen important progress. *SulAmérica Investimentos*, the Company's asset management arm and one of the largest independent assets in the country with R\$45.9 billion in assets under management, continues to benefit from the structural trend with the progressive democratization of access to financial markets and products in Brazil. Simultaneously, SulAmérica

made an important inorganic move with the acquisition of a minority stake in *Órama Distribuidora de Títulos e Valores Mobiliários* (“Órama”), one of the main digital investment platforms in the country. In pension, reserves continued to grow and reached R\$9.4 billion. In life insurance, it was an atypical period, with the voluntary inclusion of the coverage of claims related to COVID-19 impacting the segment’s profitability. The segment was also affected by a lower level of sales given the more adverse economic scenario, especially in travel insurance, which, on the other hand, has already begun to recover in the last quarter of 2020.

In recent months, it is worth noting the increased attention to environmental, social and governance (ESG) themes, coming both from investors and several other stakeholders. SulAmérica firmly believes that having a solid strategy for integrating ESG aspects into operations is essential to its continuous sustainable growth. In fact, SulAmérica began its journey of integrating sustainability into its strategy in a structured manner over 10 years ago and SulAmérica has been signatory to commitments such as the Principles for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI) and the Global Compact, initiatives supported by the United Nations (UN) for several years now. Furthermore, as part of the strategy to expand access to Integral Health, SulAmérica is in line with the UN Sustainable Development Goals (SDGs), especially SDG 3 – Good Health and Wellness.

2020 proved SulAmérica’s operating strength once again. It was also a period of many achievements that opened new paths for growth and development. SulAmérica will continue to expand its leadership role in bringing transformation and innovation to the industry, with an increasingly broader offer of quality products and services, operating as an integrated health manager.

Finally, the Company is thankful for the commitment of all its employees, whose unique dedication during this challenging year was of the utmost importance. SulAmérica is also grateful for the partnership and collaboration of insurance brokers, service providers - especially all healthcare professionals in this year - suppliers, shareholders and other stakeholders of the Company who contribute to SulAmérica’s continuous development.

4. Business Units Performance

4.1. COVID-19 impacts

Since the surge of the first cases of the new coronavirus, the Company has been monitoring the evolution of the COVID-19 pandemic in the country and throughout the world. Right after the confirmation of cases in Brazil, SulAmérica adopted a series of measures focused on the health and safety of all employees, beneficiaries, brokers, partners and society in general. All of the Company’s actions were taken after the Business Continuity Plan (BCP) was activated, and all contingency measures were coordinated by the Crisis Committee composed of a multidisciplinary team of employees, in addition to members of Management.

Given the Company’s quick response and the effective coordination of the BCP, all operations continued to be fully operational, with virtually all employees working remotely. Therefore, the Company ensured access to healthcare for its beneficiaries and care of all customers throughout the period.

Among the Company’s drivers, guarantee high quality care and access to healthcare for all beneficiaries has always been a priority, whether assistance related to COVID-19, or in the ongoing treatments and other recurring demands. After the extraordinary approval of telemedicine in the country, SulAmérica further expanded its digital initiatives, with the intensification of “*Saúde na Tela*” (Health on Screen), with assistance from doctors, therapists and other health professionals with more than 50 specialties. In addition, through the Health app, beneficiaries now have access to prescriptions and exams requests, in a fully digital way. It is worth noting that, in line with the Company’s strategy of offering more solutions aimed at Integral Health, covering all aspects of health, to its customers and policyholders, SulAmérica was a pioneer and started offering the telemedicine service for Life and Pension policyholders.

The Company also sought to assist the referred network of providers, which provide excellent service to beneficiaries of Health and Dental, reinforcing the partnership with the supplementary healthcare chain and, for this, SulAmérica anticipated payments in the total amount of approximately R\$279 million throughout 2020 to healthcare provider, assisting them in moments of reduced utilization during the pandemic.

Seeking to contribute to society, SulAmérica has donated R\$10 million for the construction of hospital beds for patients in the SUS (*Sistema Único de Saúde*) and also contributed to research on COVID-19 conducted by Fiocruz and purchase of EPIs for healthcare workers.

Given the scenario of uncertainty regarding the COVID-19 pandemic and its consequences, SulAmérica continues to strictly monitor its liquidity and solvency indicators, adopting necessary measures to preserve the proper levels of its operation.

In the next sections specific impacts for each segment will be mentioned, as well as consequences of the new coronavirus pandemic.

SulAmérica continues to closely monitor the evolution of the COVID-19 pandemic and the health of all its beneficiaries and employees, as well as continuing to act with its risk management, especially in health management, to minimize impacts on its operations.

4.2. Health and Dental Insurance

Insurance operating revenues for the health and dental segment reached R\$18.4 billion in 2020, an increase of 6.3% in relation to the previous year. All group portfolios presented good performance during the year, notably dental (+21.1%), small and medium enterprises - SME (+7.3%) and corporate/affinity (+6.2%).

The positive performance observed in 2020 is a result from SulAmérica’s commercial strategy that continued to show its effectiveness, even under a more challenging scenario caused by the COVID-19 pandemic. Efforts driven towards both the pre-sale, in partnership with the brokers, and post-sale efforts to maintain high customer retention, were essential for the performance observed, especially with the increase in lives in organic terms. In addition, the Company’s focus continues on the evolution of its product portfolio, expanding its

regional reach and the offer of more affordable product, with the expansion of the "Direto" line of products, which at the end of 2020 already reached 6 regions. The development of its products combined with the high quality of care offered through its network of providers has been essential for the continued growth in terms of beneficiaries and increasing market share.

Health and dental group plans reached 4.1 million beneficiaries, growth of 3.5% (+137 thousand net adds) in comparison to the previous year. In terms of organic growth, excluding incorporated lives from Paraná Clínicas during the year, the increase was of +1.2% (+48 thousand lives) in relation to December/2019.

In the health segment, the increase in beneficiaries was of 5.3% (+122 thousand lives) compared to the previous year, notably the corporate/affinity portfolio grew 7.6%, including the lives of Paraná Clínicas. Dental beneficiaries reached 1.8 million at the end of 2020, with an increase of 7 thousand insured members compared to last year.

The loss ratio ended the year at 76.9%, a gain of 200 BPS in relation to 2019, as a result of continuous initiatives in claims management, as well as health and wellness programs, which have reflected into long term results. This year, the ratio was also impacted by a lower frequency of claims especially during the second and third quarters of the year, due to the social distancing guidelines and orientation to a lower exposure to hospital facilities in the context of COVID-19 pandemic. Since June/2020, the frequency of procedures is gradually returning to normal levels, in addition to the resumption of procedures that were postponed in the periods of greater social distancing. In this sense, by the end of 2020, the frequency of claims was already reaching levels closer to normality.

Despite the short-term variations, the loss ratio for the year was positive, influenced not only by the Company's claims management initiatives and disciplined underwriting policy, but also by the acceleration of the Coordinated Care strategy, which was essential to have a closer monitoring to all beneficiaries. In addition, the strategy was expanded and intensified, allowing for greater knowledge of the beneficiary's journey and better alignment and partnership among all partners in the private healthcare market. In December/2020, there were 593 thousand active beneficiaries being monitored by Coordinated Care, an increase of 74% in comparison to the previous year. The network of doctors in the Coordinated Care has also grown, totaling 2,3 thousand doctors, an increase of 31% in relation to December/2019.

Administrative Services Only – ASO: operating revenues for the segment increased by 18.6% in relation to 2019, reaching R\$73.1 million. The number of beneficiaries continued the growth trend observed in the previous year, reaching 477 thousand beneficiaries, increase of 9.5%, propelled by the good performance in the health portfolio.

4.3. Life and Personal Accident Insurance

The life segment (life insurance and personal accidents) presented a reduction of 3.0% in revenues when compared to 2019, mainly impacted by the sharp decline in sales of the travel insurance product, which had been increasing its share in the segment, but has been more significantly affected by social distancing measures and travel restrictions imposed around the world.

The loss ratio was of 56.8%, worsening 1,130 BPS compared to the previous year, mainly due to a higher frequency of claims caused by the Company's voluntary coverage of death claims related to COVID-19. At the end of 2020, the impacts with these claims reached approximately R\$30 million, net of reinsurance.

4.4. Private Pension

Pension reserves ended 2020 totaling R\$9.4 billion, an expansion of 17.2% in relation to December/2019, mainly driven by a net balance of portability (transfers) throughout the year, especially in the VGBL product. The operating revenues for the segment totaled R\$889.4 million, growing 11.9% in comparison to the same period of the previous year, driven by the VGBL and PGBL products.

4.5. Asset Management

SulAmérica Investimentos, the Company's asset management arm, ended the year with R\$45.9 billion in assets under management. The segment's operating revenues totaled R\$67.4 million, a reduction of 23.6% in comparison to the previous year. The decrease in revenues is explained by lower performance fees, given the COVID-19 pandemic effects on the financial markets, thus resulting in less performance fees in comparison to the previous year.

5. Sales and Marketing

SulAmérica has a wide range of products which is aligned with its diversified distribution channels, national presence and strong relationship with the network of brokers, providers and financial institutions. Despite the social distancing measures throughout the year, the sales and marketing department continued to direct all its efforts towards expanding the relationship with its network of brokers, as well as for their qualification, in addition to strengthening its service channels, in a digital and innovative format, in order to guarantee full support for more than 36 thousand brokers, providers and customers.

In 2020, despite being a year strongly impacted by the crisis caused by the new pandemic, the SulAmérica's Broker Training Program promoted several training courses, but in a new reality given the COVID-19: fully digital. The program reached over 54 thousand views through 2.7 thousand training sessions, always focused on offering greater knowledge about the main aspects of the Company's products and processes. The *PRASABER* - SulAmérica Business School was also launched: a new digital training platform for its insurance brokers, encouraging greater knowledge of SulAmérica products, in addition to themes that are market trends and may bring business opportunities for brokers, such as investment courses, creating synergies with the investment made in Órama, concluded in 2020.

In addition, during 2020, SulAmérica held two editions of the *Corretor Nova Geração* (New Generation Broker Program), following its recognition program with brokers, with awards for sales performance through the *PRA Corretor* rewards program.

At the end of the year, SulAmérica launched the new brand strategic positioning promoting itself as an integrated health manager, bringing the concept of Integral Health, focusing on the physical, emotional and financial health of its customers and beneficiaries. With the sale of the auto and P&C operations, SulAmérica started to focus on protecting people, with media campaigns aimed at strengthening its brand perception in all regions of the country. In addition, the Company maintained its sponsorship for radio station *SulAmérica Paradiso*, in Rio de Janeiro.

6. Human Capital

Throughout 2020 and considering the challenges imposed by the COVID-19 pandemic, the Company's priority has always been to take care of the safety and wellness of its employees and family. The Company's first initiative was to address nearly 100% of its workforce in home-office and began to monitor and fully assist suspected and confirmed cases of the new coronavirus among its employees. Still, in order to ensure the alignment between all employees in relation to the main initiatives adopted, SulAmérica implemented a regular set of communications about the pandemic, remote work, leisure tips during social isolation and special virtual events for its employees, focusing on physical, emotional and financial health under this new scenario. Aware of the challenges that the digital environment brings, one of its priorities was to increase the feeling of belonging within the group, promoting the proximity and direct contact of executives with their teams. Several digital "lives" were conducted by members of the Executive Committee, reaching over 3.2 thousand views, in addition to podcasts with the participation of employees, bringing people together in a relaxed and innovative way.

With employees working full time from home, the Company provided a monthly financial aid of R\$100 per employee, in addition to a reinforcement of R\$250 to purchase ergonomic equipment. Furthermore, SulAmérica promoted an action to sell office chairs at cost price and the amount collected in the initiative was reverted to the *Vagalume* NGO, which operates in Amazonia.

The Company joined the #NÃODEMITA (#DONOTLAYOFF) movement in the initial phase of the pandemic, a commitment against unjustified dismissals, while also maintained the expected job admissions during the period. In 2020, more than 720 employees, interns and apprentices were hired. Also, since April, the whole onboarding process for new personnel was executed 100% digitally.

The Company's actions have reflected on the key personnel retention indicator, which reached 93%, while the Employee Engagement Index was of 87% in 2020. It is also worth noting the positive perception of employees in relation to productivity, quality of life and the Company's initiative to adopt full home-office during the pandemic, as measured through recurring surveys with employees since March/2020.

SulAmérica invested in the development of employees, supporting them in the search for self-knowledge, self-management, emotional health and psychological safety. These 100% digital initiatives aimed to prepare employees for new work models, team management in complex environments and business transformations. Thus, care for its employees remains a priority for the Company, which directs continuous efforts towards health, wellness and engagement, in addition to strengthening critical skills for strategy and organizational health.

7. Sustainability

SulAmérica believes that doing business with responsibility and contributing to fulfill the United Nations' Sustainable Development Goals (SDGs) are opportunities to improve and value the world we live in.

For this reason, the Company has structured itself in recent years to increasingly include sustainability in its business strategy. Therefore, this integrated perspective of social, environmental, economic and governance (ESG) aspects is considered in all decisions and processes, generating value that can be shared with society in the medium and long term. In 2020, the new brand positioning was launched with the purpose of improving people's lives by supporting the balance of Integral Health, further aligning the commitment to adopt the best ESG practices to the Company's operations. In particular, the concept of Integral Health is fully aligned with the UN Sustainable Development Goals (SDGs), especially SDG 3 – Good Health and Well-being.

As part of the process of creating value and positive impact, the Company focuses its sustainability strategy on five main themes, directly related to the business and present in its Sustainability Policy: i. Assistance and Services Quality, ii. Products and Services Innovation, iii. Responsibility in the Value Chain, iv. Human Capital Development; and v. Financial Education and Conscious Use of Insurance. Such themes seek to balance the risks and opportunities considering the economic, social and environmental impacts.

This business model works to generate positive impact by offering products and services to society, seeking to improve the lives of more than 7 million customers, in addition to the indirect impact on a network of millions of people among employees, providers and business partners. In 2020, this integrated perspective of sustainability for the business strategy allowed the Company to launch more affordable products which are aligned with the scope of Integral Health, such as SOSPrev - which offers credit to the pension client in case of emergency situations, without having to withdrawal its accumulated reserve and monthly saving discipline - and launching the telemedicine service for life and pension policyholders. In addition, the Company accelerated the processes of integrating ESG aspects into the Investment strategy, which already has a strategy and products in line with this new positioning.

With its internal public, since 2015 the Company has invested in mobility and in the promotion of collaborative and inclusive work aimed at the wellness of its employees. These initiatives made it possible for the Company to quickly adapt to the context of social isolation imposed by the COVID-19 pandemic. In addition, the Company remains committed to a diverse and inclusive environment. There was an increase in the participation of women in executive positions from 11% in 2013 to 28% in 2020, besides the increase in the workforce above 50 years of age from 9% in 2017 to 10% in 2020.

The Company has a Sustainability Committee, which provides advice to the Board of Directors. Its main responsibility is to work with the organization's risks and opportunities, in line with the strategic plan, going beyond traditional business boundaries, and inserting in the

leadership discussions about sustainability perspective around the socio-environmental challenges that comprise the agendas of its stakeholders.

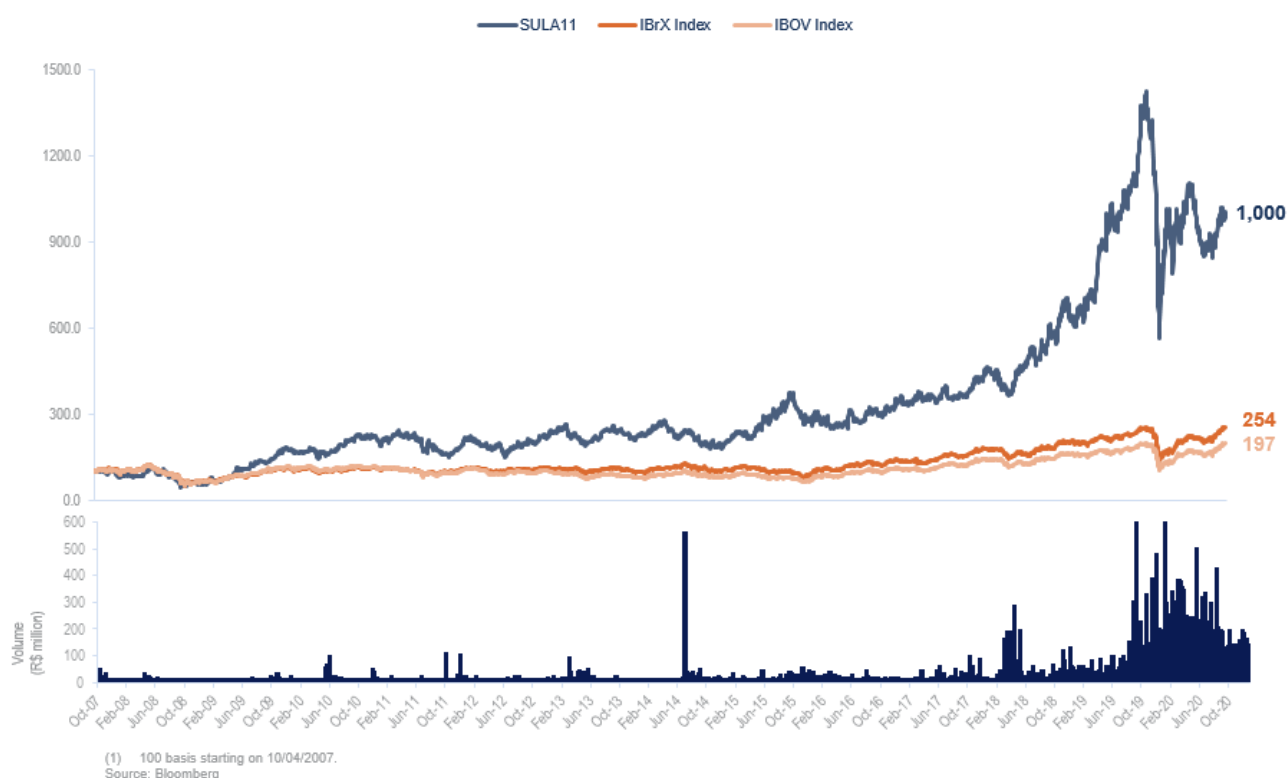
As a result of this performance, the Company remained in the portfolio of the FTSE4Good Index Series for the fourth consecutive year and joined the portfolio of the CDP Index of climate resilience and the S&P/B3 Brasil ESG Index, both created in 2020, in addition to presenting progress in the perception of relevant sustainability ratings and rankings, such as, for example, Sustainalytics.

8. Capital Markets and Corporate Governance

In 2020, the Company's units were part of the following indices: Índice Bovespa - Ibovespa, main performance indicator of share traded at B3, Brazil Index 100 – IbrX 100, which represents the top 100 most liquid securities on B3, Brazil 50 Index – IbrX 50, which represents the top 50 most liquid securities on B3, the Financials Index - IFNC, the Midlarge Cap Index - MLCX, the Differentiated Tag-Along Stock Index - ITAG, the Differentiated Corporate Governance Index - IGC, the Corporate Governance Trade Index - IGCT and the Brazil Broad Index - IBRA. Furthermore, the units were also part of sustainability indices: the FTSE4Good Index, from FTSE (Financial Times Stock Exchange) Russell, a division of the London Stock Exchange, and was included in the CDP Index for climate resilience, the S&P/B3 Brasil ESG Index and the ECPI Index – Sense in Sustainability.

The units of Sul América S.A. (B3: SULA11) showed a decline of 21% in 2020, while the Ibovespa presented rose by 2.9%, similar to IbrX (+3.5%). The units ended the year quoted at R\$44.35 and the Company's market value reached R\$17.8 billion as of December 31, 2020. The average daily trading financial volume was of R\$152 million in 2020.

Units (SULA11) performance – Since IPO



9. Changes in corporate structure

On September 10, 2020, SulAmérica disclosed a notice to the market informing that, after the fulfillment of the conditions precedent in the settlement, the acquisition of *Paraná Clínicas - Planos de Saúde S.A.* ("Paraná Clínicas") and *GNI22 SP Empreendimentos Imobiliários LTDA* ("GNI22") was concluded. With the acquisition of Paraná Clínicas, SulAmérica strengthens its position and relevance in southern region of Brazil, with new, more affordable product options, expanding the product portfolio in a highly promising segment, in addition to strengthening and accelerating the Health Management and the Coordinated Care strategy, two central pillars of the Company's operations in recent years.

On July 10, 2020, in addition to the material fact disclosed on August 23, 2019, the Company informed its shareholders and the market in general that, after the fulfillment of the precedent conditions provided for in the agreement, the sale of the auto and P&C operations

from the SulAmérica Group to the Allianz Group was concluded. The settlement established an adjusted price of R\$3.2 billion, considering the total net equity for the companies sold. The conclusion of the transaction reinforces SulAmérica's new strategic positioning focused on people, meeting the needs of its clients in health and financial protection.

On February 13, 2020, SulAmérica disclosed to its shareholders through a notice to the market that, after the fulfillment of the conditions precedent in the settlement, the investment transaction of R\$100 million in *Órama Distribuidora de Títulos e Valores Mobiliários S.A.* ("Órama") was concluded. The investment was executed through its indirect subsidiary *Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A.* ("SAMI") in *O10 Participações* ("O10"), Órama's parent company, with the SulAmérica group now holding a 25% interest in the share capital total and voting of the O10.

On February 3, 2020, the Company disclosed to the market that, after the fulfillment of the conditions precedent in the contract, including regulatory approvals, the sale of the saving bonds portfolio by the indirect subsidiary *Sul América Capitalização S.A.* ("SULACAP") was concluded for the amount of R\$70.5 million. The settlement included the sale of the minority interest of its indirect subsidiary *Sul América Santa Cruz Participações S.A.* in *Caixa Capitalização S.A.* ("CaixaCap"), corresponding to 24.5% of its total and voting capital, *Grupo Icatu*, already a shareholder of CaixaCap.

10. Investments

As of December 31, 2020, the Company maintained direct investments in the following companies: *Sul América Companhia Nacional de Seguros* ("SALIC") in the amount of R\$4.7 billion, *Sul América Companhia de Seguro Saúde* ("CIA SAÚDE") in the amount of R\$2.9 billion and *Saepar Serviços e Participações S.A.* ("SAEPAR") in the amount of R\$1.9 billion and *Sul América Holding S.A.* ("SAH") in the amount of R\$10.0 million.

Additionally, the Company maintained an indirect investment through *Sul América Serviços de Saúde S.A.* ("SULAMED") in *Sharecare Brasil Serviços de Consultoria LTDA* ("Sharecare") in the amount of R\$11.8 million and in O10 through SAMI, in the amount of R\$93.2 million.

11. Net income for the Year and Proposed Allocation

Management submitted to the Shareholders' Meeting a proposal for the distribution of net income that included the payment of dividends, which corresponds to 25% of total adjusted net income in the fiscal year, as shown below:

(R\$ million)	2020	2019
Income before tax and social contribution	2,255.6	1,182.3
(-) Taxes	92.2	0.3
Net income	2,347.8	1,182.6
(+) Other adjustments	-0.1	-0.1
Net income after other adjustments	2,347.7	1,182.5
Increase in legal reserve (5%)	-117.4	-59.1
Adjusted net income	2,230.3	1,123.4
Mandatory dividends		
25% of adjusted net income (a)	557.6	280.8
(-) Anticipated dividends to be included in mandatory dividends (b)	343.0	-
(-) Interest on net equity to be included in mandatory dividends (b)	214.6	149.8
(-) Interest on net equity not included in mandatory dividends	43.0	-
Gross	290.0	170.0
Income tax	-32.4	-20.2
Total dividends to be paid (c) = (a) - (b)	-	131.1
Allocation:		
Increase in statutory reserve	1,597.3	822.3

12. Arbitration Chamber

The Company, its shareholders, its directors and officers are bound to arbitration at the Market Arbitration Chamber, in accordance with Article 47 of SulAmérica's Bylaws.

13. Compliance with CVM Instruction No. 381 of January 14, 2003

On February 20, 2020, Sul América S.A. and its subsidiaries engaged with Ernst & Young Auditores Independentes to provide external audit services related to the audit of its financial statements (individual and consolidated) for a five-year term.

SulAmérica has a policy on related party transactions available on the website www.sulamerica.com.br/ir. During 2020, no transaction between Ernst & Young and SulAmérica was executed that could be classified as a related party transaction.

14. Declaration of the Statutory Officers

The statutory officers of Sul América S.A., a publicly held Company with authorized capital and headquarters in the City of Rio de Janeiro, inscribed in the roll of corporate taxpayers CNPJ/MF under number 29.978.814/0001-87, in accordance with items V and VI, Paragraph 1, Article 25 of CVM Instruction 480 dated as of December 7, 2009, declare that have reviewed, discussed and are in agreement with the Company's financial statements for the fiscal year ended on December 31, 2020, as well as with the opinions expressed in the Company's independent auditors report from Ernst & Young Auditores Independentes, regarding these statements.

We are thankful to all of our clients, brokers, business partners, regulators, and our shareholders. Finally, we are also grateful for the commitment of our employees and their important contribution to the achieved results.

Rio de Janeiro, February 23, 2021.

THE MANAGEMENT

(A free translation of the original report in Portuguese as published in Brazil)

Sul América S.A. and Subsidiaries

Notes to the financial statements as at December 31, 2020 and 2019.

(In thousands of Brazilian Reais – R\$, except as otherwise stated)

1. General information

SUL AMÉRICA S.A. is a publicly-held corporation that is domiciled in Brazil and headquartered in Rio de Janeiro, at Rua Beatriz Larragoiti Lucas, 121, Cidade Nova. The Company operates, through its subsidiaries and associates, in health (which includes health and dental insurance, health and dental administrative services only plans, and healthcare and well-being solutions), property and casualty, life & pension, and asset management segments.

Its Units (stock certificates, each comprising one common share and two preferred shares) are listed in the Level 2 of Differentiated Corporate Governance Practices of B3 S.A. - Brasil, Bolsa, Balcão (B3) under the ticker symbol "SULA11".

Sul América S.A. is controlled by Sulasapar Participações S.A. (SULASAPAR), a closely-held corporation domiciled in Brazil, headquartered in Rio de Janeiro, which holds 52.05% of the common shares and 0.01% of the preferred shares, which in aggregate represent 26.57% of the total capital of the Company, not including the treasury shares.

In the accompanying financial statements, Sul América S.A. is hereinafter individually referred to as "Company", whereas "SulAmérica" is used in connection with Sul América S.A., its subsidiaries and the investment funds of which these companies are the sole unitholders, referred to as "Exclusive Funds", as described in Note 4.

1.1. Disposal of the portfolio comprising the Auto and Other Property and Casualty line operations

On August 23, 2019 the Company disclosed to its shareholders and the market in general that it entered into a contract for sale of its auto and other property and casualty line operations for R\$3 billion, based on an equity of R\$700 million for the recently created company, which was structured for the purpose of this transaction, subject to price adjustment mechanism typical of similar transactions.

On October 23, 2019, the Administrative Council for Economic Defense (CADE) approved the sale of the auto and other property and casualty line operations, the fulfillment of the other conditions provided in the contract being still pending, such as the creation of an independent insurance company, the prior approval of Superintendence of Private Insurance (SUSEP), the transfer of human capital, service contracts, license, the net assets of auto and massified operations, separation of the IT environment, among others.

On October 30, 2019 SUSEP gave prior authorization for the corporate restructuring for the disposal of the auto and other property and equipment line portfolio that comprised: (i) the transformation of Sul América Participações e Investimentos into an insurance company (new insurance company); (ii) the spin-off of Sul América Companhia Nacional de Seguros S.A. ("SALIC"); and (iii) the transfer of the net assets from the spin-off of SALIC to Sul América Participações e Investimentos (new insurance company).

In line with the best governance practices, in November and December 2019 the Company obtained from creditors their prior approval for the disposal of the aforementioned companies.

On January 10, 2020, SUSEP published an ordinance ratifying the corporate documents regarding the transformation of Sul América Participações e Investimentos S.A. into insurance company, and the change in its name to Sul América Seguros de Automóveis e Massificados S.A., and also the increase in the capital of the new insurance company by R\$20,950, raising it to R\$20,952.

On March 31, 2020, SALIC's spin-off process and the transfer of net assets to Sul América Seguros de Automóveis e Massificados S.A. was completed, and the process of segregation of duties and transfer of the personnel who migrated to the new insurance company, the process of approval of the IT environment separation, and the transfer of certain service and license contracts, among others, were completed in the first half of 2020.

On July 10, 2020, giving continuity to the Material Fact disclosed on August 23, 2019, the Company informed its shareholders and the market in general that, after fulfilling the conditions precedent established in the contract, on such date the SulAmérica's Group successfully completed the sale of the auto and other property and casualty insurance operations to the Allianz Group", who became the owner of such lines and started to operate them as of such date.

The consideration of this acquisition was also paid by the Allianz Group on such date, and corresponded to the adjusted price of R\$3,181,454, considering the total net assets of the sold companies estimated at the end of June 2020 in the amount of R\$881,650, still

subject to certain residual adjustments established in the purchase and sale contract. It should be noted that the profit or loss of such divested operations are still included in the Company's financial statements at the end of each year, in a separate line as profit or loss of discontinued operations, as mentioned in Note 13.

On December 18, 2020, as established on contract amendment, the companies of the Sul América Group and Allianz Group, parties to the contract for purchase and sale of the auto and other property and casualty operations, jointly decided, on irreversible and irrevocable basis, that no adjustment to the acquisition price shall be applicable, granting full and forever release and settlement of any obligations related to the acquisition price adjustment.

1.2. Sale of the savings bonds portfolio and of the non-controlling interests in Caixa de Capitalização S.A. ("CaixaCap") to the ICATU Group

On May 13, 2019, the Company, through its indirect subsidiaries Sul América Capitalização S.A. – SULACAP ("SULACAP") and Sul América Santa Cruz Participações S.A. ("SANTA CRUZ") entered into contracts for the sale of almost the totality of its savings bonds portfolio and of the non-controlling interests in Caixa Capitalização S.A. ("CaixaCap"). This transaction was aimed to concentrate SulAmérica's activities in the segments in which it has greater potential for growth and competitive advantages.

The completion of the transactions was conditioned to the fulfillment of certain conditions precedent, usual in this type of business, including the prior approval from the competent regulatory bodies. On July 17, 2019, the transaction was approved by the Administrative Council for Economic Defense (CADE), and on August 28, 2019, it was approved by SUSEP.

On February 3, 2020, the Company announced to the market that, having fulfilled all conditions precedent, including the regulatory approvals, it successfully completed, for the amount of R\$70,454, obtaining a gain in the consolidated balance of R\$ 2,883, net of costs, and write-off of intangible assets due to the non-generation of future benefits after the portfolio disposal, the transaction of sale of almost the totality of the savings bonds portfolio of its indirect subsidiary SULACAP, as well as the disposal of the non-controlling interests of its indirect subsidiary SANTA CRUZ in CaixaCap, corresponding to 24.5% in its total and voting capital, to the Icatu Group, who already was a shareholder of CaixaCap. The selling price is subject to certain adjustment as provided in the contract.

The main transferred assets and liabilities are as follows:

Assets		Liabilities	
Current assets	683,974	Current liabilities	684,994
Marketable securities	683,464	Accounts payable	1,567
Receivables from savings bonds operations	510	Payables for savings bonds operations	181
Non-current assets	2,998	Third-party deposits	1,009
Intangible assets	2,998	Technical reserves - Savings bonds	682,237
Total assets	686,972	Total liabilities	684,994
		Net assets	1,978

1.3. Purchase of the ownership interests in O10 Participações S.A. ("O10"), parent company of Órama

On May 13, 2019, the Company signed a contract for making an investment of R\$100,000 in Órama Distribuidora de Títulos e Valores Mobiliários S.A. ("Órama"). The investment was made upon capitalization by its indirect subsidiary Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. ("SAMI") in O10 Participações S.A. ("O10"), parent company of Órama. After the completion of the acquisition, the SulAmérica Group started to hold 25% ownership interests in the total and voting capital of O10.

On October 15, 2019, the transaction was approved by the CADE, the approval from the Central Bank of Brazil (BACEN) and other conditions precedent provided in the contract still being pending.

On February 13, 2020, the Company, after fulfilling the conditions precedent established in the contract, completed the investment of R\$100,000 in Órama, comprising the equity in the amount of R\$20,709, intangible assets recognized in the amount of R\$25,352 and goodwill based on expected future profits of R\$53,939. The investment was made by capitalization by its indirect subsidiary SAMI in O10, parent company of Órama, the SulAmérica group becoming the holder of 25% interest in the total and voting capital of O10.

During the year 2020, adjustments in the carrying amount of equity, basis for acquisition in the amount of R\$677, and tax effects on surplus of intangible assets in the amount of R\$8,572 were identified, not changing the investment's acquisition price, but changing its composition to equity of R\$21,386, net surplus of tax effects of R\$16,780, and goodwill for expected future profits of R\$61,834, totaling an investment of R\$100,000.

1.4. Analysis of the impacts arising from COVID-19

Throughout the year 2020, SulAmérica monitored and continues to monitor the development of the COVID-19 pandemic in Brazil and around the world, and has been working with its employees, customers, brokers, service providers and investors to minimize the impacts on the society.

Practically the entire team of SulAmérica, including its executives, managers and other employees, is working from home, with all operational processes fully running. Additionally, the Company continues to develop its plan for returning to office by closely monitoring the scenario in all regions and following the recommendations from health and safety experts, to carefully conduct the reopening of SulAmérica's installations. The COVID-19 spread in Brazil, after giving signs of decline in the third quarter, started to show growth again in the growth curve in the fourth quarter of 2020, proceeding with its evolution that is uncertain and dependent on the actions of each region's governmental entities and population.

Considering that the scenario of uncertainty in relation to the pandemic impact and duration continues, SulAmérica remains focused on providing quality services to all its beneficiaries, brokers, employees, and service providers.

The Company keeps timely monitoring its liquidity and solvency and has adopted measures to ensure that they are kept at appropriate levels.

Among such measures is the maintenance of the strict control over financial expenditures (costs, expenses and investments), preserving the investments planned by SulAmérica in its operations and that are considered priority in the current environment.

With the same purpose, SulAmérica has adopted the following benefits offered by the federal government in 2020:

- a) Postponement of the maturities of taxes for March, April and May related to the PIS and COFINS social contributions, as well as the INSS contributions, payable by the company, which article 22 of Act No. 8.212 of July 24, 1991 refers, both in strict compliance with the provisions of the Ministry of Finance (ME) Ordinance 139/2020, amended by Ordinance 150/2020, of which the amounts due in March were paid in August, whereas those due in April and May were paid in October and November, respectively.
- b) Postponement of the due dates of the FGTS-related deposits of SulAmérica's employees for March, April and May, as established by the Provisional Measure (MP) 927 of March 22, 2020, which will be made in six fixed installments falling due every 7th day of each month, from July 2020 to December 2020.
- c) Reduction in the contribution rates of independent social services, the so-called "S System" for the period from April to June 2020, pursuant to MP 932 of March 31, 2020.

In return, during 2020 SulAmérica supported the society in this crisis moment, the main actions being the following:

- a) Campaign to raise funds among its employees, followed by the increase in the donation by SulAmérica to the Emergency Healthcare Fund - Coronavirus Brazil, the amount donated by SulAmérica and its employees totaling approximately R\$ 1.1 million, with allocation of funds to the researches of Fundação Oswaldo Cruz (Fiocruz) and purchase of personal protective equipment (PPE).
- b) Donation of funds to Instituto D'Or in the amount of approximately R\$ 9.5 million for renovation and construction of new hospital beds in the cities of Rio de Janeiro (Field Hospital Parque dos Atletas for public health network service) and São Paulo (Santa Casa de Misericórdia in São Paulo).
- c) Emergency contribution of incentivized budget in the amount of R\$ 823 to talent development projects of the SulAmérica Música e Movimento (music and movement) circuit, benefitting students with scholarships and online classes given by the Ouro Petro Orchestra Academy, Brazilian Ballet Company / Instituto BEMO and Companhia de Formação Teatral (drama school).
- d) Since the middle of March, practically 100% of the Company's workforce has worked from home. Aiming to minimize the finance impacts of the increase in employee's fixed expenses arising from home office, SulAmérica provided a monthly allowance from April to December 2020 to all employees who are working from home full time, which totaled R\$ 3.2 million.

As disclosed in the interim financial information (ITR) reports for 2020, SulAmérica temporarily suspended, over 90/60/30 days for contracts which anniversary date falls in May, June and July, respectively, the application of annual adjustment on monthly premiums of group medical-hospital plans for affinity groups and small and medium-sized companies covering up to 29 lives. The annual adjustment applicable in August 2020 of group medical-hospital plans for affinity groups and small and medium-sized companies covering up to 29 lives was regularly collected by SulAmérica. As to individual plans, no adjustment was applied in August 2020, because ANS had not disclosed the maximum percentage adjustments.

In August 2020, the National Regulatory Agency for Private Health Insurance and Plans (ANS) determined the suspension from September to December 2020 of the annual and age group adjustment of all health plans, however, they continued to be recognized by period. The suspension resolution did not affect the solely dental plans or the post-payment plans.

In the second half of November 2020, ANS determined that the annual and age group adjustments were diluted in 12 months and charged during 2021 in equal and consecutive installments. It also disclosed the maximum adjustment percentages for individual plans, which were

recognized by SulAmérica from this date, its restoration also being in 12 installments as determined by the regulatory agency. For Pre-Law individual plans, it authorized the adjustment of 9.26% retroactive to July 2020, whereas for the plans that are Post-Law or adjusted to it, the adjustment reached 8.14% retroactive to May 2020.

SulAmérica started to charge the adjustments suspended due to its own liberality and those determined by ANS in January 2020, and also, in order to provide full transparency, it made available to purchasers the financial statement showing the suspensions and their respective charges.

The annual adjustments to group plans for businesses that cover over 29 lives, with anniversary date falling due from September to December 2020, had their collection suspended by ANS in 2020, providing the option to business customers to not suspend the adjustment. In SulAmérica, a substantial portion of customers preferred to keep paying, the suspension of age group adjustment being outstanding, which in big contracts the premium is charged by average rate and there is no adjustment application.

As at December 31, 2020, the adjustment amounts which collection were voluntarily suspended or by ANS resolution, which continued to be recognized by period totaled R\$ 528.3 million, recorded in the line item Premiums receivable as contra-entry to Net premiums in profit or loss. The unearned portion of postponed adjustment, in the amount of approximately R\$ 30.2 million, is recorded in liabilities in Technical Reserves of Insurance as contra-entry to profit or loss in the line item Changes in Technical Reserves of Premiums.

In 2020, the investment income of SulAmérica and its pension funds were impacted by the BACEN's policy of base rate reduction, which reduced Selic by 2.5 p.p. in the period, mainly aimed at mitigating the economic effects arising from the COVID-19 pandemic. Another point worth noting refers to the investment losses not realized in fixed-income funds, because of the marking to the market of the Financial Treasury Bills (LFT). These assets had reduction in their fair values because of the low demand for SELIC-indexed assets, particularly in the period from September to November, however, since then the prices of these assets have gradually recovered. The Company maintained an appropriate liquidity management throughout 2020, which enabled it to keep equity and LFT assets in its portfolio, thus benefitting from the recovery of these asset prices noted at the end of the year. The volatility in the period continues to be monitored and managed by the risk metrics used by the Company. Management has kept focused on the management of investment income by carefully choosing its investments and portfolio diversification.

In the Health and Dental segment, even considering the most challenging scenario in the context of the pandemic, the Company showed growth in written premiums and number of beneficiaries, but in a level lower than the previous year. The fourth quarter has already recorded a significant recovery in cancellation rates, approximating to the normal levels of the pre-pandemic period.

The Health and Dental segment's loss ratio ended the year 2020 below the one recorded for the previous year by 2.0 p.p., mainly influenced by the sharp drop in the average usage rate for all procedures in the second quarter, being even under the pre-pandemic level for the third quarter, but already showing a growth in the rate of elective procedures (internments, appointments and tests), and also at a slower pace, for emergency hospital procedures and urgent inpatient admissions. In the fourth quarter, the growth in rates was more considerable, and approximated to the normal pre-pandemic levels.

On the other hand, the service to insureds who were infected by COVID-19 produced some impacts on costs, such as the increase in internments for more days, internments in intensive care, inclusion of additional tests in the list of ANS procedures and PPE requirement. Such impacts have dropped in the third quarter and resumed growth, mainly in December 2020, in view of the second wave of the pandemic.

Considering the partnership that we have with the health area's service providers and in response to the reduction in the usage rate of the services that some of our providers have faced, we have advanced to select providers a total of approximately R\$279.2 million until September 2020, of which R\$265 million have already been offset. The remaining balance will continue to be offset against the settlement of future services.

In the Life & Pension business unit, the year 2020 has been mainly impacted by the 26.7% reduction in travel insurance policy issues, due to travel restrictions arising from the current pandemic situation. Additionally, in the second quarter, SulAmérica decided to cover death claims arising from COVID-19. In view of such decision, as at December 31, 2020 we have adjusted 861 claims potentially linked to death by COVID-19 amounting to R\$36.3 million in impact on claim expenses, which potential recovery through reinsurance is approximately R\$6.8 million.

As to Management and Asset Management, following the trend in the investment fund industry, a reduction in the revenue from performance fee was noted. However, despite the effects on the financial markets arising from uncertainties caused by COVID-19 pandemic, mentioned in previous disclosures, the growth in revenue from management fee has positively contributed to the result.

SulAmérica continues to believe in the strength and resilience of its business model and efficiency of its processes, in line with its new strategic positioning, based on an innovative concept of integral health, focused on personal risks and with an integral vision for supporting its customers that involves physical, emotional and financial health. As a company specialized in risk management, mainly health management, the Company, in constant partnership with its service provider network, has been using its experience to minimize possible impacts and keep taking care of people with the same quality for which it is recognized.

2. Presentation of financial statements

2.1. Basis of preparation of the financial statements and statement of compliance with the IFRS and CPC standards

The Company's and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and also in accordance with the accounting practices adopted in Brazil (BR GAAP).

BR GAAP comprises the Brazilian Corporate Law and the pronouncements, interpretation and guidelines issued by the Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities and Exchange Commission (CVM), effective at the date of publication of the accompanying financial statements.

The Company's and consolidated financial statements are presented together, once there is no difference between the equity and the profit or loss attributable to the shareholders of the Company.

Management declares that all relevant information of the financial statements, and only it, is being disclosed and corresponds to those used by Management in its management.

SulAmérica's Management understands that there is no uncertainty that may affect its ability to continue as going concern, especially because of the following factors: (i) SulAmérica's operations count on a broad profile of products focused on the integral health of its customers and a consistent growth; (ii) SulAmérica has a pricing policy aimed at balancing growth and profitability; (iii) SulAmérica continually invests in new technologies and improvement in its processes that support its operations; and (iv) preventative actions taken to maintain its operations, liquidity and solvency in view of the COVID-19 pandemic situation, as described in Note 1.4.

The Board of Directors approved the issue of the accompanying financial statements at the meeting held on February 23, 2021.

2.2. Basis of measurement

The Company's and consolidated financial statements have been prepared based on the historical cost, except for the actuarial liability of the remaining single-life post-employment benefits and indemnity to executives program, which was determined under the Projected Unit Credit Method, and the following items, which were recognized in the statements of financial position at fair value:

- Derivative financial instruments (Note 6);
- Cash and cash equivalents (Note 7);
- Financial instruments measured at fair value through profit or loss (Note 8); and
- Available-for-sale financial instruments (Note 8).

2.3. Functional and reporting currency

The activities of SulAmérica are performed in an environment that adopts the real (R\$) as functional and reporting currency, and, accordingly, the accompanying Company's and consolidated financial statements are expressed in this same currency.

3. Significant accounting policies

3.1. Summary accounting practices

3.1.1. Profit or loss

Profit or loss is determined on accrual basis of accounting and considers the following:

- Insurance premiums are recognized over the risk coverage of the underlying policies. Insurance premiums related to insured risks, which policies are not yet issued, are recognized based on actuarial estimates;
- The contributions to private pension plans and the premiums of life insurance with survivorship coverage (VGBL) are recognized when effectively received. The participant's rights are reflected in the recognition of technical reserves as contra-entry to profit or loss for the year;

- Commissions from insurance, insurance agency services, costs directly related to soliciting insurance contracts (INSS on brokerage commission, risk inspection, sales performance bonus, third-party costs and personnel expenses), recorded as deferred acquisition costs, amortized based on the insurance contract period (12 months for the most part), except the agency services related to group health insurance and private pension, which are amortized over the average period the policyholders remain in the portfolio (maximum of 120 months for health and 40 months for private pension). The commissions related to insured risks, which policies are not yet issued, are estimated based on actuarial calculations; and
- Claims comprising estimated indemnities and expenses to be incurred with claim adjustments, regarding those that may be individually directly allocated (Allocated Loss Adjustment Expenses - ALAE), as well as the other expenses but which may not be directly allocated (Unallocated Loss Adjustment Expenses - ULAE).

3.1.2. Statement of financial position

- Receivables and payables falling due after 12 months are recorded in non-current assets and liabilities, respectively, except marketable securities, which are classified according to the expectation of realization;
- Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the transaction date. Assets or liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date of financial statements;
- Assets and liabilities subject to inflation adjustment are adjusted based on indexes as provided for by the Law or contractually, or based on our historical experience; and
- Deferred tax assets are not adjusted to present value.

3.2. Financial instruments

Financial assets are classified and measured as described below:

3.2.1. Measured at fair value through profit or loss

Securities acquired for the purpose of being actively and frequently traded are recognized at fair value and classified in current assets. The earnings, gains and losses on these securities are recognized in profit or loss.

Certain securities may be classified into this category, even though they are not frequently traded, taking into account the investment strategy and according to the risk management of Sul América.

Derivatives

These are classified in current assets as "Receivables" or in current liabilities as "Accounts payable", being composed of options and futures contracts.

3.2.2. Available-for-sale securities

Securities that cannot be classified as "measured at fair value through profit or loss", "held-to-maturity" or "loans and receivables" are classified into "available for sale" and recognized at cost, plus income earned in the year, recorded in profit or loss. Unrealized gains and losses are reported in a separate equity account, net of their related tax effects and, when realized or impaired, are recognized in profit or loss as a contra entry to a separate equity account.

3.2.3. Held-to-maturity securities

Securities for which SulAmérica has the intent and financial condition to hold in portfolio to maturity are stated at cost, plus income earned through the period, which is recorded in profit or loss.

3.2.4. Loans and receivables

Loans and receivables are financial assets represented by premium receivable and other accounts receivable, initially measured at fair value, plus transaction costs. These financial assets are measured at the amortized cost, adjusted for impairment, when applicable.

3.3. Savings bonds

Savings bonds, negotiated by SULACAP, are regulated by the SUSEP. In the accompanying financial statements, these bonds are classified into financial instruments, according to CPC 38 and IAS 39.

The liability is recorded in "Accounts payable" in current and refers to commitments related to redemptions. The reserve for redemptions is calculated for each active or suspended bond over the expected term until its redemption, as provided for in the general conditions of the bond, or expiration, according to the legal terms.

The final product of savings bonds operations is recorded in profit or loss for the year, under operating income and expenses, in line item "Savings bonds", related to the remuneration that SULACAP receives for the management of savings bonds.

3.4. Escrow deposits

Gains on and inflation adjustment of escrow deposits are recognized in profit or loss, in line item "Investment income".

3.5. Intangible assets

3.5.1. Intangible assets with finite useful lives

Intangible assets with finite useful lives are initially recorded at cost of acquisition or amount determined by means of technical valuation.

Intangible assets with finite useful lives are amortized throughout their economic useful lives and tested for impairment whenever there is indication of loss of economic value of the asset. SulAmérica adopts the straight-line method in the amortization of its assets with finite useful lives. The amortization period and method for these intangible assets are reviewed at least at the end of each year. Changes in the estimated useful life or expected consumption of future economic benefits of these assets are recorded by means of changes in the amortization period or method, as the case may be, being treated as changes in accounting estimates. The amortization of intangible assets with finite lives is recognized in the line item "Administrative expenses", in profit or loss.

Gains and losses resulting from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the residual carrying amount of the asset, net of impairment, being recognized in equity income, when the asset is derecognized.

3.5.2. Goodwill arising from acquisitions of subsidiaries

Goodwill represents the consideration paid in excess of the net fair value of the assets acquired on the respective acquisition date, based on the expected generation of future profit. Goodwill is recorded in investment, in the Company statements, and in intangible assets, in the consolidated financial statements, and in case of upstream mergers. Goodwill does not have finite useful life, and, therefore, is not amortized and has its recoverable value annually tested or whenever there are indications of possible impairment, as described in Note 3.9. In the case of sale of subsidiary or associate that gives rise to goodwill from its acquisition, such goodwill is considered in the determination of the transaction gains and losses.

3.6. Lease

The right-of-use assets are initially recognized in the line item lease assets, in non-current assets, as contra-entry to a lease liability represented by total contractual obligations payable, at discounted present value, recognized in the line item accounts payable in current and non-current, according to the expected settlement of liabilities. Additionally, the profit or loss for the year is impacted on straight-line basis, by the depreciation of lease assets, according to the effective lease term, recognized in administrative expenses, and the adjustment of obligations payable with the interests incurred in the disclosed periods, recognized in investment income. The short-term leases and low-value items are directly recognized in profit or loss, according to the exemptions provided in CPC 06 (R2).

3.7. Loans and financing

These comprise debentures and one credit transaction (Bank Credit Note – CCB), initially recognized at their contractual amounts, deducted for the respective transaction costs, and adjusted according to the agreed-upon interest rates, and finance lease, recognized at the contractual amount of leased assets, discounted to present value at the interest rate implicit in the contract.

3.8. Ownership interests

Ownership interests are initially recognized in investments at fair value, adjusted for impairment, and take into account the following:

- In the individual financial statements, the ownership interests in subsidiaries and associates, and in the consolidated financial statements, the ownership interests in associates are measured under equity; and
- The goodwill or discount arising from the acquisition of shares in subsidiaries from non-controlling interests (capital transaction) is recognized in equity.

3.9. Impairment

3.9.1. Financial assets (including receivables)

Financial assets not measured at fair value through profit or loss have their recoverable value tested whenever there are indications of impairment. Meanwhile, financial assets measured at fair value are impaired after the initial recognition of the asset in case it shows a negative effect on the projected future cash flows.

3.9.2. Non-financial assets

Non-financial asset impairment is recorded when the residual carrying amount exceeds the recoverable amount, which is the higher of the estimated costs to sell and the value in use, determined by the present value of estimated future cash flows as a result of the use of the asset or the cash-generating unit.

The recoverability of assets is reviewed at least annually. The impairment losses of intangible assets with finite useful lives, when applicable, are recorded in the line item "Equity interest income", in profit or loss for the year.

There is no financial asset with impairment losses as at December 31, 2020 and 2019 and no record of losses in profit or loss for the respective years.

3.10. Current and deferred income tax and social contribution

The accrued liabilities for current and deferred income tax and social contribution are recognized at the effective rates at the reporting date of financial statements.

The recognition of deferred income tax and social contribution in assets is made based on the Management's expectation about the realization of future taxable profit and certain temporary differences, which expectations are based on estimates prepared and approved for periods of up to ten years.

For the purposes of reporting in the financial statements, the current and deferred tax assets and liabilities are offset, respecting the individuality of the entities of SulAmérica, when there is legally enforceable right to offset the recognized amounts, and are related to taxes on profit levied by the same tax authority.

3.11. Technical reserves for insurance contracts

Technical reserves are recognized in the operating subsidiaries according to the rules established by the Superintendence of Private Insurance (SUSEP) and ANS, as the case may be, and are adjusted in the consolidated financial statements regarding the following aspects:

- The amounts related to directly and indirectly allocated loss expenses, respectively known as Allocated Loss and Adjustment Expenses (ALAE) and Unallocated Loss and Adjustment Expenses (ULAE) are recorded in the Outstanding Claims Reserve and in the Incurred But Not Reported (IBNR) Reserve;
- Recognition, in the consolidated statements, of the Contribution Deficiency Reserve to cover possible deficiencies in the mortality expectancy;
- The writings carried out in advance are not considered written premiums in the accompanying consolidated financial statements, and, accordingly, do not affect the Unearned Premium Reserve;
- The other costs directly related to the process of soliciting insurance contracts (INSS on brokerage commission, risk inspection, sales performance bonus, third-party costs and personnel expenses) are deferred on straight-line basis, over the average period of insurance contracts;
- The Incurred But Not Reported Reserve for lawsuits is not recorded in the subsidiaries regulated by the ANS, as established by this regulatory body. In the consolidated financial statements, the reserve is recorded according to its own methodology and assumptions, described in Note 3.11.4;
- The Unearned Premium or Contribution Reserve is calculated in the subsidiaries regulated by the ANS, as established by the rules of such regulatory body. In the consolidated financial statements, this reserve is recalculated and recorded according to the SUSEP's methodology, aiming at unifying the accounting practice; and
- The Liability Adequacy Test in the consolidated financial statements follows the best practices considered by the Management in relation to assumptions and methodology. Any possible inadequacy is recorded in the Supplementary Coverage Reserve (PCC).

3.11.1. Unearned Premium Reserve (PPNG)

For contracts that provide risk coverage for private pension and health insurance, life & pension, the unearned premium reserve is stated on a *pro rata die* basis, based on premiums or contributions, multiplied by the contract period to be elapsed and divided by the total risk coverage period.

3.11.2. Unearned Premium Reserve Related to Risks in Force Associated with Policy / Invoice Not Written (PPNG-RVNE)

For the contracts providing risk coverage for private pension and life & pension, the unearned premium reserve related to risks in force associated with policy / invoice not yet written is recognized for determining the portion of premiums not yet earned, related to policies not yet written, but which risks are already insured. The reserve is calculated using the expected late payment factor, determined quarterly, based on the monthly written premium.

3.11.3. Outstanding Claims Reserve (PSL)

Administrative proceedings

The outstanding claims reserve is recognized to cover amounts payable for claims already reported until the reporting date of the financial statements comprising the following:

- For the life & pension segment, the outstanding claims reserve is calculated using the claims reported until the reporting date, plus the Allocated Loss Adjustment Expense (ALAE). After the outstanding claims reserve is calculated on individual basis by reported claim, an additional amount is recorded calculated based on total claim estimate, a methodology known as the IBNP. After determined, the adjustment amount is classified proportionally, a portion as outstanding claims reserve and another as Incurred But Not Reported (IBNR) Reserve, as described in Note 3.11.4;
- For the health segment, the outstanding claims reserve is recognized at the amount of the service providers invoices and requested reimbursements, plus the ALAE, calculated based on the reported claims; and
- The expenses related to claim adjustment management that are not individually allocated (ULAE).

Lawsuits

The outstanding claims reserve related to lawsuits is estimated and recorded based on the opinion of the internal legal department, independent legal counsel and management, considering the respective loss estimate. In the case of lawsuits considered similar, recurring and related to business, the outstanding claims reserve takes into account factors calculated by likelihood of loss, based on the ratio of amounts spent in settled lawsuits over the recent months to their corresponding history of risk exposure estimates. For lawsuits with singular and relevant characteristics, the outstanding claims reserve for lawsuits corresponds to 100% of the estimate made, plus 10% related to attorney's fee awards related to loss in cases which likelihoods of unfavorable outcome were considered probable.

In all cases, the reserves are periodically reevaluated according to their progress and adjusted by the Brazilian Extended Consumer Price Index (IPCA) and interest of 10.71% per year (10.74% in 2019), based on the history of interest payment observed.

The reserves and the attorney's fee awards in civil lawsuits related to contractual claim indemnity are recorded under the line item "Technical Reserves – Insurance" in current and non-current liabilities. The corresponding escrow deposits are recorded in line item "Escrow Deposits", in non-current assets, and may be adjusted for inflation by the Referential Rate (TR) or SELIC (base rate), and interest of 6% per year.

3.11.4. Incurred But Not Reported (IBNR) Reserve

Administrative proceedings

The Incurred But Not Reported Reserve is recognized to cover claims incurred but not yet reported until the reporting date of financial statements and considers:

- For the life & pension lines, the IBNR Reserve is recognized based on the final estimate of claims incurred but not yet reported. The IBNR Reserve is calculated based on statistical and actuarial methods, known as run-off triangles, that consider the historical monthly development of claim reports to make a future projection per period of incurrence. Such development is made per claim amount and over 140 months, using the methodology that is most appropriate to the characteristics of the contract lines. Besides the calculated amount, an additional amount is recorded related to the estimate for development of claims after reporting based on the methodology known as IBNP, which considers the total claim estimate obtained by statistical and actuarial methods similar to the IBNR; and

- For the health insurance line, the IBNR Reserve is calculated based on the IBNP deducted from outstanding claims reserve. In order to determine the IBNP, the final estimate of incurred but not yet paid claims is calculated based on monthly run-off triangles, which consider the history of claims paid over the past 36 months, plus the ALAE, in order to make a future projection per period of incurrence.

The ULAE of IBNR Reserve are calculated for all lines of insurance and private pension subsidiaries.

Lawsuits

The IBNR Reserve related to lawsuits is set up to cover claims incurred but still without summons that, based on past experience, give rise to financial disbursement at the judicial level. The reserve is unrelated to the fact that these claims have been denied on technical basis by such subsidiaries, or have not been reported yet because the insured or third-party decided to directly file a lawsuit without requesting an indemnity to the Company first.

For the life & pension line, the IBNR Reserve for lawsuits is calculated based on the method known as run-off triangles, considering the six-month period development of summons of legal claims to make a future projection for each period of incurrence. Such development is made by quantity of claims, being subsequently multiplied by the average claim value.

For the health line, the calculation methodology is based on the quantity of denials observed as at the calculation base date, percentage of return of cases that have been administratively denied, and the recorded average value of legal claims.

3.11.5. Mathematical Reserve for Benefits to be Granted (PMBAC)

The mathematical reserve for benefits to be granted is related to private pension, life insurance with survivorship coverage and individual life insurance contracts and comprises the commitments taken with participants/insureds while the event that generates the benefit does not occur. The mathematical reserve for benefits to be granted is calculated based on the financial movements of each participant. Allocation to current and non-current liabilities is based on the projected cash flow of benefits payable for the next years, which considers actuarial assumptions, such as mortality table, cancellation rates, and retirement age.

3.11.6. Mathematical Reserve for Benefits Granted (PMBC)

The mathematical reserve for benefits granted is related to private pension, life insurance with survivorship coverage and health insurance, corresponding to the amount of benefits which generating event has already occurred and been reported.

The mathematical reserve for benefits granted related to private pension and life insurance with survivorship coverage is calculated based on the expected future benefits discounted at the interest rates of contracts to the reporting date of the financial statements, and estimated based on contracted guarantees of mortality table.

The mathematical reserve for benefits granted for health insurance lines is recorded to the guarantee existing in some contracts of the benefits of premium redemption, granted to the beneficiary's dependents over the term set in each policy (maximum of 5 years) in view of the death of the policyholder. The reserve is calculated based on the estimated future claims of beneficiaries discounted taking into account the life expectancy of beneficiaries and interest of 6% per year, according to the actuarial technical note approved by the ANS.

3.11.7. Contribution Deficiency Reserve (PIC)

For private pension contracts, this reserve is aimed at covering possible deficiencies in the mortality expectancy of the mathematical reserve for benefits to be granted and mathematical reserve for benefits granted. Such deficiencies are determined through calculations that take into consideration the projection of inflows of contribution and outflows of benefits. In order to prepare the projections, assumptions are considered, the most important of which are the mortality of participants, calculated based on the BR-EMS mortality table, and the expected time the participant remains in the portfolio. The reserve is set up when the balance of reserves is insufficient to meet the value of projected inflow and outflow of funds. The flows are discounted to present value by the contractual rate of each policy, at the calculation date.

3.12. Liability Adequacy Test (LAT)

The CPC 11/IFRS 4 standard requires insurance companies and health insurance operators that issue contracts classified into insurance contracts to analyze the adequacy of liabilities recorded at each disclosure date of financial statements through a minimum adequacy test. This test shall be carried out based on realistic actuarial assumptions about future cash flows. These current estimates for cash flows consider all risks assumed through the base date of the test, gross of reinsurance.

The maintenance expenses directly related to the operation are taken into account in the assumptions. The monthly result of the realistic

cash flow is brought to present value.

The LAT result is determined by the difference between the amount of the current estimates for cash flows and the book balance of the technical reserves as at the base date, less the deferred acquisition costs and the intangible assets directly related to technical reserves.

When applicable, the deficiencies found in the LAT are recorded in the PCC, with contra-entry in profit or loss.

LAT calculation result

For contracts of private pension and life insurance with survivorship coverage (VGBL), the LAT result is determined by the difference between the current cash flow estimates and the book balance of the mathematical reserve for benefits granted, mathematical reserve for benefits to be granted, reserve for related expenses, and contribution deficiency reserve. The survivorship estimate used is the BR-EMS mortality table, and for the estimates of the conversion into single-life annuity, cancellation and redemption, the realistic assumptions are used. The cash flows are discounted by the internal rate of return of related assets. The LAT result shows a sufficiency of reserves, accordingly, there is no need to recognize additional amounts.

For some life insurance contracts that have a representative for the respective insured members and without re-adjustment of premiums per age range, the life & pension and private pension contracts were grouped for LAT purposes, as required by the SUSEP Circulars 543/2016 and 583/2018, which implementation deadline expired on December 31, 2019, as they refer to contracts that pose similar risks (death and disability coverage) and that are managed together.

In view of the above, the LAT result, regarding all of the above-mentioned contracts, showed sufficiency of reserves, accordingly, there is no need to recognize the Supplementary Coverage Reserve as at December 31, 2020 and 2019.

For the other insurance operations the LAT is also performed and indicated the adequacy of reserves, and, accordingly, there is no need to recognize an additional amount.

3.13. Provisions for lawsuits

The Company and its subsidiaries recognize provisions to cover future expenditures of present obligations arising from civil lawsuits, labor claims and tax proceedings. The amounts are recognized based on the individual analysis of the estimated loss and the risk level classification (probable, possible or remote), carried out by independent legal counsel, followed-up by the internal legal department and the management of the Company and its subsidiaries.

3.13.1. Civil and labor

In the case of civil lawsuits, which claims are considered similar and usual, that is, lawsuits which plaintiff is a client of the Company or of its subsidiaries, and which claim is recurring and related to the business, in addition to the estimated amount and risk level classification, the accrued amounts are recognized based on the application of statistical percentages calculated based on the analysis of amounts incurred with lawsuits settled over the past 60 months, and their corresponding history of risk exposure estimates. The calculation also takes into account the nature of lawsuits, the respective loss estimate, the financial expenditure and the related insurance line group, when applicable.

In case the lawsuit is classified as material, that is, has unusual claims and amounts, according to the rules established in the Company's Policy on Material Lawsuits, the amounts of the provisions for lawsuits which losses are considered probable are recognized at 100% of the estimated amount, plus 10% related to legal fees borne due to loss. It is worth noting that, given the individuality and particularity of these lawsuits, it is not possible to determine the accruals based on the amounts already incurred with other lawsuits.

Beginning October 2017, all labor claims started to be classified as material, in view of the differentiated and detailed follow-up of each claim; accordingly, the provision amounts for claims which losses are considered probable are recognized at 100% of the estimated amounts, plus 10% related to legal fees borne due to loss of cases by claim.

In all cases, the accruals are periodically reevaluated according to the lawsuit progresses and monthly adjusted by the IPCA, in the case of civil lawsuits, or by the TR, in the case of labor claims, both with the levy of interest of 10.71% per year (10.74% in 2019).

The provisions for lawsuits and attorney fee awards in civil lawsuits not related to contractual claim indemnity and labor claims are recorded in current and non-current liabilities in the line item "provisions for lawsuits".

The corresponding escrow deposits are recorded in their specific line item in non-current assets, and are adjusted for inflation by the TR and interest of 6% per year, regarding the civil and labor escrow deposits, and by the country's base rate (SELIC) regarding the private pension escrow deposits, according to the current legislation.

3.13.2. Tax

Accrued liabilities for lawsuits related to tax, contribution and other tax liabilities, which are being challenged in court, are periodically reviewed and monthly adjusted by the SELIC, pursuant to the current legislation, and are recorded based on the opinion of attorneys handling the lawsuits and Management regarding the probable outcome of lawsuits. The accrued liabilities are recorded when Management considers that it is probable that an outflow of funds will occur until the settlement of the lawsuits and such amount may be reasonably estimated, and are recognized in the financial statements, in the line item "Provisions for Lawsuits", in current and non-current liabilities. The amounts referring to challenges related to the illegality or unconstitutionality of taxes, contributions and other tax liabilities are accrued notwithstanding the evaluation regarding the likelihood of favorable outcome, and, accordingly, the amounts are fully recognized in the financial statements, under "Accounts payable". The amounts related to other present obligations in relation to which the outflow of funds is probable, are recorded in "Provisions for Lawsuits", in non-current liabilities. The corresponding escrow deposits are recorded under "Escrow Deposits", in non-current assets, and are adjusted by the SELIC, pursuant to the current legislation.

3.14. Post-employment benefits

Benefits comprise the Defined Contribution Plan, through the PGBL Pension Plan, Single Life Annuity, Indemnity to Executives Program, and Health and Life Insurance.

PGBL costs are recognized in statement of profit or loss at the amount of contributions made. The commitments on single-life annuity and indemnity to executives program, health and life insurance are provisioned on accrual basis, based on actuarial calculations, according to the Projected Unit Credit Method and other actuarial assumptions.

3.15. Stock Option Plan

The Company adopts a stock option plan in which the respective fair values are calculated based on the market value of the date before the grant. The accounting record is made on the date before the grant, in the line item "Administrative Expenses", with the corresponding increase in Equity, in the line item "Capital Reserves", during the period the beneficiaries become unconditionally vested in the units (see Note 23.2).

3.16. Dividends

Dividends are recognized in financial statements upon their effective distribution or when their distribution is approved by shareholders, whichever occurs first. When the Board of Directors examines the annual financial statements, it submits to the Shareholders' Meeting its proposal for distribution of profit for the year. The amount of dividends proposed by the Board of Directors is recorded in the accounts of equity and only a portion corresponding to mandatory dividends is recognized in liabilities in the financial statements.

3.17. Earnings per share

Earnings per share are calculated based on net income for the year attributable to shareholders and take into consideration the weighted average of the shares outstanding over the year and the methodologies for calculation named "basic" and "diluted".

The calculation of the weighted average of common and preferred shares takes the following into consideration:

- The calculation based on the daily average;
- The weighted average of common and preferred shares, deducted for the number of total shares held in treasury; and
- The amounts of grants and cancellations issued in connection with the stock incentives of the Company, during the year, in the adjustment to the weighted average.

3.18. Operating segments

The presentation per business segments (Note 25) takes into consideration the structure used by the Management for analyzing the profit or loss in order to make decisions, creating and presenting segments in internal reports with characteristics, risks and returns similar to each other, and the relevance of this information. The business segments recognized by the Management are as follows:

Health

The segment is formed by administrative services only and health and dental insurance plans, which are divided into “group” and “individual”.

The group plan comprises the health insurance and plan, and also the dental plan. It is a segment targeted at small, medium and large-sized companies. The available products have differentiated conditions in order to meet the profile of each company.

The individual plan is targeted at individuals and has standard characteristics.

Life & pension

The life & pension segment is formed by life insurance and private pension.

Life insurance is composed of individual and group life lines, and individual and group accidents lines. The total coverage and premiums paid vary according to the profile and objective of each individual or group of insureds.

Private pension is a product in which the client chooses a profile with which it has identification (moderate, aggressive and conservative) and makes contribution payments, based on the amount she/he wishes to have at retirement. Benefit payment types are negotiated upon retirement.

Management and administration of assets

Profit or loss from investment operations, performed by the subsidiaries SAMI and SAGA, and the expenses and income allocated to the corporate supporting units.

Other

The income and expenses allocated to corporate back-office units, and the adjustments and eliminations of transactions between group segments, as mentioned in Note 4.3 (a).

3.19. Statements of value added

The statements of value added were prepared in accordance with CPC 09 – Statement of Value Added, and are an integral part of these consolidated financial statements (which under the IFRS represent supplementary information) and Company’s financial statements (which under the BR GAAP are mandatory for publicly-held companies).

3.20. Classification of contracts

SulAmérica analyzes its contracts through a structured process, trying to identify the essence of each transaction and component existing in these contracts, which rules require differentiated accounting treatment of the contract in some cases, such as the embedded derivatives, the components of deposit and discretionary interest, provided for in the CPC 11/IFRS 4 standard, so that the appropriate accounting record of each contract and components is made.

Insurance contracts are those in which the insurer accepts a significant insurance risk from the insured, agreeing to provide the beneficiary with a compensation in case of an uncertain, specific and adverse future event. Reinsurance contracts are also included in this context. These contracts are recorded according to the CPC 11/IFRS 4 standard in the accompanying financial statements. The financial instruments do not transfer significant insurance risk and are recorded according to the CPC 38/IAS 39 standard, which is the case of savings bonds products.

Lease contracts are classified according to the IFRS 16/ CPC 06(R2), effective as of January 1, 2019, where the lessee recognizes an asset represented by the right to use the underlying asset and a lease liability that represents its obligation to make lease payments, the depreciation charges for such assets and the interest on liabilities being recognized in profit or loss. Short-term leases and low-value items are recognized in profit or loss according to the exemption provided in the standard.

3.21. Estimates

The preparation of the Company’s and consolidated financial statements in accordance with the IFRS and the CPC requires Management to make judgments, estimates and assumptions that affect the application of accounting practices and the recording of assets, liabilities, income and expenses, as well as the disclosure of information on the financial statements data. Actual results may differ from the estimates. The main estimates related to the financial statements refer to the recording of liabilities related to claims, the period for deferring certain acquisition costs, the likelihoods of favorable outcomes in lawsuits, and the probable amount of disbursement reflected in provision for lawsuits, the calculation of the fair value of financial instruments, and other balances subject to this valuation.

Estimates and assumptions are reviewed on an ongoing basis, and the possible effects are recognized in profit or loss for the year in which the reviews are made.

Additional information on estimates is in the following notes:

- Fair value of cash equivalents (Note 7);
- Fair value of marketable securities at fair value through profit or loss and available for sale securities (Notes 6 and 8);
- Allowance for doubtful accounts (Note 9);
- Reserve for the Housing Financial System (SFH) (Note 9.1.2);
- Tax credits and debits (Note 10);
- Deferred acquisition costs (Note 12);
- Provisions for impairment (Note 14);
- Outstanding claims reserve and IBNR (Note 21);
- Tax obligations (Note 22.2.1); and
- Provisions for lawsuits (Note 22.2.2).

3.22. New and revised standards and interpretations

3.22.1. The International Financial Reporting Standards (IFRS) and the Accounting Pronouncements Committee (CPC)

The application and the respective effects of new and revised standards, when pertinent to the financial statements, that did not produce material effect or that have not been adopted due to the optional temporary exemptions provided in the IFRS.

Optional temporary exemption from the application of CPC 48

On December 21, 2017, CPC, by means of Revision 12 – Revision of Technical Pronouncements, approved by CVM, made amendments to CPC 11, to adjust the effective adoption dates of CPC 48 and the new accounting standard for insurance contracts (IFRS 17), issued by IASB and not yet implemented by CPC, CVM, SUSEP and/or ANS.

CPC 48 addresses the accounting for financial instruments. However, for the company that meets certain criteria established in such amendment, a temporary exemption alternative is provided, permitting but not requiring that the company applies the CPC 38 – Financial Instruments: Recognition and Measurement rather than the CPC 48, for the annual periods beginning before January 1, 2023, unless another date is required or set by the regulatory bodies.

A company may apply the temporary exemption of CPC 48 if, and only if: (a) it has not previously applied any version of CPC 48, except for the requirements for the presentation of the gains and losses on the financial assets designated at fair value through profit or loss; and (b) its activities are predominantly related to insurance, as at the annual reporting date immediately before April 1, 2016, or at a later annual reporting date.

During 2017, SulAmérica evaluated such changes and concluded, under the terms of CPC 11, that its activities are predominantly related to insurance as at December 31, 2015, for the following reasons: (a) the carrying amount of its liabilities arising from the contracts within the scope of CPC 11 is significant as compared to the total recorded amount of all of its liabilities; and (b) the percentage of the total carrying amount of its insurance-related liabilities in relation to the total carrying amount of all of its liabilities was 81%, and the insurance company was not involved in significant activities not related to insurance. Therefore, based on the evaluations made, the Company opted for the temporary exemption in the application of CPC 48, and it will be implemented when the IFRS 17 comes into effect.

The activities not related to insurance in SulAmérica are mainly represented by: asset management and administration, healthcare operations (administrative health only), in-company dental services (dentist service – In Company). Such activities accounted for approximately 1% of total gross revenue of SulAmérica in the years ended December 31, 2015, 2016, 2017, 2018, 2019 and 2020.

The fair value as at December 31, 2019 and December 31, 2020, and, consequently, the change in fair value, of financial assets under contractual terms that generate, on specific dates, cash flows which only comprise payments of principal and interest on outstanding principal, except any financial asset that meets the definition of held for trading, are reported in Notes 8.1 and 8.2 in the following classifications: available for sale and held to maturity.

The application of the following standards did not have material impact on the disclosed amounts or respective disclosures in the current or previous periods.

- Definition of a business (Amendments to IFRS 3 – Business combinations);
- Definition of material (Amendments to IAS 1 and IAS 8);
- Amendments to References to the Conceptual Framework in IFRS Standards; and
- Covid-19-related rent concessions (Amendment to IFRS 16) - Effective beginning on June 1, 2020.

New and revised standards and interpretations already issued, but not yet effective as at December 31, 2020, and not early adopted by SulAmérica

The following standard is expected to have impact on SulAmérica's financial statements in the initial adoption period.

- IFRS 17 – Insurance contracts – Effective beginning on January 1, 2023. Regarding this standard, Management is evaluating its impacts on the Company's consolidated financial statements. The Company will adopt IFRS 9 when IFRS 17 comes into effect

The following amended standards and interpretations shall not have material impact on the financial statements of SulAmérica or are not applicable to its operations.

- Classification of Liabilities as Current or Non-current (amendments to IAS 1) – Effective beginning on January 1, 2023;
- Property, plant and equipment - Proceeds before intended use (amendments to IAS 16) – Effective beginning on January 1, 2022; and
- Onerous Contracts - Costs of Fulfilling a Contract (Amendments to IAS 37) – Effective beginning on January 1, 2022.

The Accounting Pronouncements Committee has not yet issued accounting pronouncement or amendment to the pronouncements in effect corresponding to all of the new IFRS. Therefore, the early adoption of such IFRS is not allowed for entities that disclose their financial statements in accordance with the accounting practices adopted in Brazil.

3.23. Discontinued operations

As established by CPC 31, the Company classifies a non-current asset or group of non-current assets as held for sale if its carrying amount will be recovered through a sale transaction rather than through continuing use. Accordingly, this asset or group of assets must be available for immediate sale in its present condition subject only to terms that are usual and customary for this kind of transaction, and its sale must be highly probable. For the sale to be highly probable, the Company's management must be committed to a structured program to locate a buyer, setting a sales price that is reasonable in relation to its current fair value, and the sale of the asset or group of assets should be completed within one year from the date of classification, and that this period may be extended if the delay is caused by events or circumstances that are beyond the entity's control and there is evidence that the entity remains committed to its plan to sell the asset.

This asset or group of assets shall be classified at the lower of its carrying amount recorded thus far and fair value less costs to sell. Also, the depreciation and amortization of such assets held for sale must cease. In the financial statements, the presentation of the asset or group of assets must be made in a separate line in the statement of financial position, and the results of discontinued operations must be shown separately in the statement of profit or loss.

After the completion of the sale of the auto and other property and casualty line operations on July 10, 2020, the Company wrote-off the amounts which had been disclosed in the second quarter of 2020 in the line items assets of discontinued operations and liabilities of continuing operations. The profit or loss from discontinued operations determined as at June 30, 2020, and the gain on the disposal of such assets are classified in a separate line item in Statement of Income, according to Note 13.

4. Consolidation

4.1. Non-controlling interests

In accordance with IAS 27, CPC 36 (R3) and ICPC 09 (R2), acquisition of non-controlling interest is recorded as a capital transaction and the goodwill or discount arising from such acquisition is accounted for in equity.

The gains or losses arising from changes in non-controlling interests are also recognized in equity.

4.2. Subsidiaries

The financial statements of subsidiaries are consolidated from the date control is obtained or upon authorization from the relevant regulatory authority, as the case may be, and until the date control ceases.

4.3. Practices adopted in consolidation

- Elimination of intercompany balances between the Company and its subsidiaries, included in consolidation, as well as the accounts maintained between subsidiaries;
- Elimination of the Company's investments in subsidiaries, included in the consolidated financial statements; and

(c) Some subsidiaries prepare their financial statements in accordance with the practices established by the authorities that regulate their activities (SUSEP, ANS and the Brazilian Central Bank - BACEN). Some of these practices are adjusted for consolidation purposes, in order to eliminate the effect arising from the adoption of practices that are not uniform between the consolidated companies and correction of some practices set out by the regulatory authorities and considered by the management non-compliant with the IFRS.

4.4. Consolidated companies

The consolidated financial statements include information on the Company, its subsidiaries, listed below:

Company	Main activities	Headquarters	Ownership interest (%) in total capital			
			2020		2019	
			Direct	Indirect	Direct	Indirect
Sul América Companhia Nacional de Seguros - (SALIC)	Insurance	Rio de Janeiro	72.38	27.62	74.32	25.68
Saepar Serviços e Participações S.A. - (SAEPAR)	Holding	Rio de Janeiro	100.00	-	100.00	-
Sul América Seguros de Pessoas e Previdência S.A. - (SULASEG)	Insurance	Rio de Janeiro	-	100.00	-	100.00
Sul América Companhia de Seguro Saúde - (CIA. SAÚDE)	Health Insurance	Rio de Janeiro	40.05	59.95	34.40	65.60
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. - (SAMI)	Asset Management	São Paulo	-	100.00	-	100.00
Sul América Investimentos Gestora de Recursos S.A. (SAGA)	Asset Management	São Paulo	-	100.00	-	100.00
Cival Reinsurance Company Ltd.	Reinsurance (inactive)	Cayman Island	-	-	-	100.00
Sul América Santa Cruz Participações S.A. - (SANTA CRUZ)	Holding	Rio de Janeiro	-	100.00	-	100.00
Sul América Serviços e Participações S.A. - (SASP)	Holding	Rio de Janeiro	-	-	-	100.00
	Health Maintenance Organization					
Sul América Serviços de Saúde S.A. - (SULAMED)	(HMO)	São Paulo	-	100.00	-	100.00
Sul América Odontológico S.A. - (SULAODONTO)	Dental Insurance	São Paulo	-	100.00	-	100.00
Sul América Capitalização S.A. - SULACAP - (SULACAP)	Saving Bonds	Rio de Janeiro	-	100.00	-	100.00
Docway Aplicativo para Serviços em Saúde S.A. (DOCWAY)	Holding	São Paulo	-	84.64	-	84.64
Sul América Holding S.A. (SAH)	Holding	Rio de Janeiro	62.44	37.56	-	100.00
Sul América Seguros de Automóveis E Massificados S.A. (SASAM)	Insurance	Rio de Janeiro	-	-	-	100.00
PRODENT - Assistência Odontológica Ltda. (PRODENT)	Dental Insurance	São Paulo	-	100.00	-	100.00
Paraná Clínicas - Planos De Saúde S.A. (PARANÁ CLÍNICAS) (Note 4.4.1.1)	Health Insurance	Paraná	-	100.00	-	-
GNI22 SP Empreendimentos Imobiliários Ltda (GNI22) (Note 4.4.1.1)	Holding	São Paulo	-	100.00	-	-

4.4.1. Business combinations and acquisition of non-controlling interests

4.4.1.1. Acquisitions in 2020

Acquisition of Paraná Clínicas - Planos de Saúde S.A. ("Paraná Clínicas") and GNI22 SP Empreendimentos Imobiliários LTDA ("GNI22")

On September 10, 2020, after the fulfillment of conditions precedent, the indirect subsidiary Sul América Serviços de Saúde S.A., assigned by its parent company Cia Saúde as provided in contractual clause, completed the acquisition of the companies Paraná Clínicas and GNI22. Through GNI22, SulAmérica acquires a new medical center still under construction in São José dos Pinhais (state of Paraná), which will increase its service network and capacity in the region. The acquisition of Paraná Clínicas represents an important move towards strengthening SulAmérica's position and relevance in the south of Brazil.

The completion of the transaction is being measured at fair value and disclosed as business combination, according to CPC 15 (R1) – Business Combinations.

Acquired assets and assumed liabilities

The fair values of identifiable assets and liabilities of Paraná Clínicas and GNI22 at the acquisition base date are shown below:

Paraná Clínicas

Assets	Fair value recognized at acquisition
Cash and cash equivalents	8,148
Marketable securities	61,892
Consideration receivable	3,530
Other receivables	82
Tax credits	14,781
Assets and accounts receivable	4,654
Deferred expenses	44
Prepaid expenses	170
Escrow deposits	16,285
Investments	4
Property and equipment (a)	20,159
Intangible assets (b)	83,302
Total assets	213,051

Liabilities	
Technical reserves	42,554
Healthcare plan operators	226
Payables for healthcare operations	2,814
Other payables not related to the operator's health plans	741
Loans and financing	1,161
Taxes and social charges payable	1,740
Provision for income tax and social contribution payable	6,358
Provisions for lawsuits	14,825
Deferred taxes and contributions (c)	31,942
Sundry payables	4,292
Total liabilities	106,653
Total identifiable net assets at fair value	106,398
Goodwill from acquisition	284,886
Total consideration	391,284

GNI22

Assets	Fair value recognized at acquisition
Cash and cash equivalents	2
Other receivables	6
Investment for sale	8,812
Total assets	8,820
Goodwill from acquisition	38
Total consideration	8,858

- (a) Surplus identified when measuring the fair value of the acquired property and equipment in the amount of R\$11,808, comprising the following: (i) R\$9,445 recognized in land by using the direct market data comparison methodology; (ii) R\$1,105 in buildings using the reproduction or replacement cost methodology; (iii) R\$720 in machineries and equipment using the reproduction or replacement cost and direct market data comparison methodology; (iv) R\$109 in vehicles using the direct market data comparison methodology; and (v) R\$429 in other asset groups, most of which using the replacement cost methodology and some using the market data comparison methodology.
- (b) The amount of R\$82,143 related to intangible assets recognized in the business combination comprises the following items: (i) R\$12,540 related to customer relationship, using the Multi Period Excess Earnings methodology, with estimated amortization period of 8.3 years; (ii) R\$65,871 for trademark, using the Relief from Royalties valuation methodology, with remaining useful life of 35.3 years; (iii) R\$2,444 related to bargain purchase contract using the "With or Without" valuation methodology, which will be amortized in 2 years; and (iv) R\$1,288 related to the non-compete agreement, using the "With or Without" valuation methodology, with amortization period of 4.3 years.
- (c) R\$31,942 related to the tax effect on the identified assets mentioned in items "(a)" and "(b)".

The goodwill of R\$284,924 paid comprises the expected future benefits to be obtained from the synergy between Paraná Clínicas' operations and the strategic planning of SulAmérica's health plan. These amounts were initially recognized at the acquisition date, and according to item 46 of CPC 15(R1), during the period of one year, called measurement period, the Company may retrospectively adjust or recognize new assets and liabilities, if new information is obtained about facts and circumstances that existed as of the acquisition date.

The fair value at Paraná Clínicas was estimated by applying the discount rate on cash flows. The fair value estimate was based on the discount rate of 12.39%, according to Purchase Price Allocation (PPA).

If it had been consolidated from January 1, 2020, the revenue included in the statement of income would amount to R\$207,015, with a contribution to net income of R\$13,325.

Analysis of the cash flows of the acquisition

Transaction costs of the acquisition (included in the cash flows from operating activities)	(1,731)
Net cash acquired from the subsidiary (included in the cash flow of investing activities)	8,150
Net cash flows of the acquisition	6,419

The transaction costs in the amount of R\$1,731 were recognized in the statement of income as general and administrative expenses.

4.5. Exclusive investment funds

The financial statements of investments funds in which the Company and its subsidiaries are the sole unitholders are consolidated from the date when control is obtained until such control ceases.

The following table shows the investment funds in which the subsidiaries are the sole unitholders and were thus included in the consolidated financial statements:

Unitholders	Exclusive funds	CNPJ	Label
SULASEG	MULTIGESTORES PREV SUL AMÉRICA EXCLUSIVO COM RENDA VARIÁVEL FI MULTIMERCADO CRÉDITO PRIVADO	23.748.493/0001-48	(a)
SULASEG	JGP SULAMÉRICA FUNDO DE INVESTIMENTO MULTIMERCADO CRÉDITO PRIVADO	22.759.978/0001-74	(a)
SULASEG	RF PREV SUL AMÉRICA EXCLUSIVO FUNDO DE INVESTIMENTO EM COTAS DE FI RENDA FIXA CRÉDITO PRIVADO	23.748.517/0001-69	(c)
SULASEG	SULAMÉRICA FIX 100 III FICIFI RENDA FIXA	17.797.527/0001-91	(a)
SULASEG	SULAMÉRICA FIX 100 VII FICIFI RENDA FIXA	19.040.239/0001-13	(a)
SULASEG	SULAMÉRICA PRESTIGE INFLATIE I FICIFI RENDA FIXA	17.797.568/0001-88	(a)
SULASEG	SULAMÉRICA MIX 30 V FICIFI MULTIMERCADO	17.797.444/0001-00	(a)
SULASEG	SUL AMERICA BRASIL PLURAL FDO DE INVEST EM COTAS DE FDOS DE INVEST RENDA FIXA II CRÉDITO PRIVADO	23.502.688/0001-03	(a)
SULASEG	SULAMÉRICA BRASIL PLURAL FICFI RENDA FIXA CRÉDITO PRIVADO	23.502.671/0001-56	(a)
SULASEG	SULAMÉRICA MIX 15 III FICIFI MULTIMERCADO	17.797.410/0001-08	(a)
SULASEG	SULAMÉRICA MIX 15 V FICIFI MULTIMERCADO	17.797.418/0001-74	(a)
SULASEG	SULAMÉRICA MIX 30 III FICIFI MULTIMERCADO	17.797.436/0001-56	(a)
SULASEG	SULAMÉRICA MIX 49 IV FICIFI MULTIMERCADO	17.797.524/0001-58	(a)
SULASEG	SULAMÉRICA MULTICARTEIRA PREV II FICIFI MULTIMERCADO	17.797.565/0001-44	(a)
SULASEG	SULAMÉRICA PRESTIGE STRATEGIE FICIFI RENDA FIXA CRÉDITO PRIVADO	19.959.552/0001-50	(a)
SULASEG	SULAMÉRICA VOO LIVRE PREV FUNDO DE INVESTIMENTO MULTIMERCADO	20.889.498/0001-00	(a)
SULASEG	SULAMÉRICA PRESTIGE TOTAL PREV FUNDO DE INVESTIMENTO MULTIMERCADO	13.255.292/0001-55	(a)
SULASEG	SULAMÉRICA SAGE PREV FUNDO DE INVESTIMENTO MULTIMERCADO	13.823.011/0001-13	(a)
SULASEG	SULAMÉRICA SHELL PREV 49 FUNDO DE INVESTIMENTO MULTIMERCADO	20.789.994/0001-84	(a)
SULASEG	SULAMÉRICA LONG TERM PREV EXCLUSIVO FUNDO DE INVESTIMENTO MULTIMERCADO	17.797.400/0001-72	(c)
SULASEG	SULAMÉRICA SHELL PREV FUNDO DE INVESTIMENTO RENDA FIXA	20.789.951/0001-07	(a)
SULASEG	TURNAROUND PREV SULAMÉRICA EXCLUSIVO FI MULTIMERCADO	23.502.637/0001-81	(a)
SULASEG	SULAMÉRICA TRUST FICFI MULTIMERCADO PREVIDENCIÁRIO CP	23.216.775/0001-02	(c)
SULASEG	SULAMÉRICA ALBATROZ FUNDO DE INVESTIMENTO MULTIMERCADO	09.411.684/0001-99	(c)
CIA SAÚDE	SUL AMÉRICA CAMBIAL FUNDO DE INVESTIMENTO	10.399.849/0001-33	(a)
SULASEG	SUL AMÉRICA SAP CONCEDIDOS FUNDO DE INVESTIMENTO RENDA FIXA	03.004.427/0001-56	(a)
SULASEG	SUL AMÉRICA EFFECTUS PREV FI MULTIMERCADO	11.314.728/0001-04	(a)
SULASEG	SULAMÉRICA EQUIPE PREV FI MULTIMERCADO	13.255.297/0001-88	(a)
SULASEG	SUL AMÉRICA ESPECIAL FUNDO DE INVESTIMENTO RENDA FIXA	02.127.428/0001-25	(a)
SULASEG	SUL AMÉRICA SAP GRUPAL FUNDO DE INVESTIMENTO RENDA FIXA	02.498.201/0001-96	(a)
SULASEG	SULAMERICA FIX 100 II FUNDO DE INVESTIMENTO RENDA FIXA	04.738.195/0001-22	(a)
SULASEG	SUL AMÉRICA FUTURE FUNDO DE INVESTIMENTO MULTIMERCADO	13.255.321/0001-89	(a)
SULASEG	SULAMERICA MIX 49 I FUNDO DE INVESTIMENTO MULTIMERCADO	04.616.035/0001-00	(a)
SULASEG	SULAMERICA MIX 30 IV FUNDO DE INVESTIMENTO MULTIMERCADO	04.061.652/0001-97	(a)
SULASEG	SULAMERICA FIX 100 VI FUNDO DE INVESTIMENTO RENDA FIXA	04.738.201/0001-41	(a)
Others (**)	GRUPAL CASH FUNDO DE INVESTIMENTO RENDA FIXA	08.648.673/0001-64	(a)
SULASEG	SULAMERICA FIX 100 V FUNDO DE INVESTIMENTO RENDA FIXA	03.077.322/0001-27	(a)
SULASEG	SULAMERICA FIX 100 IV FUNDO DE INVESTIMENTO RENDA FIXA	04.056.135/0001-20	(a)
SULASEG	SULAMERICA MIX 15 IV FUNDO DE INVESTIMENTO MULTIMERCADO	03.077.193/0001-77	(a)
SULASEG	SUL AMÉRICA SAP INDIVIDUAL FUNDO DE INVESTIMENTO RENDA FIXA	05.549.144/0001-15	(a)
SULASEG	SUL AMÉRICA PRESTIGE INFLATIE FUNDO DE INVESTIMENTO EM COTAS DE FUNDOS DE INVESTIMENTO RENDA FIXA	13.768.597/0001-60	(a)
SULASEG	SULAMERICA MIX 20 FUNDO DE INVESTIMENTO MULTIMERCADO	03.307.621/0001-00	(a)
SULASEG	SULAMERICA MIX 40 FUNDO DE INVESTIMENTO MULTIMERCADO	04.484.351/0001-76	(a)
SULASEG	SULAMÉRICA MULTICARTEIRA PREV FUNDO DE INVESTIMENTO MULTIMERCADO	08.702.303/0001-68	(a)
SULASEG	NBF SULAMÉRICA F11 PREV FUNDO DE INVESTIMENTO MULTIMERCADO	13.768.561/0001-87	(a)
SANTA CRUZ	PARTICIPAÇÕES CASH FUNDO DE INVESTIMENTO MULTIMERCADO COM INVESTIMENTO NO EXTERIOR	09.637.456/0001-31	(a)
SULASEG	SULAPREVI INDIVIDUAL FUNDO DE INVESTIMENTO RENDA FIXA	05.508.431/0001-87	(a)
SULASEG	SUL AMÉRICA PRESTIGE PREV FUNDO DE INVESTIMENTO RENDA FIXA	10.394.850/0001-75	(a)
SULASEG	SAS FUNDO DE INVESTIMENTO RENDA FIXA	03.182.384/0001-07	(a)
Others (***)	SUL AMÉRICA SAS CAPITAL FUNDO DE INVESTIMENTO MULTIMERCADO	05.508.529/0001-34	(a)
Others (*)	SANTANDER FUNDO DE INVESTIMENTO SAS CASH RENDA FIXA	10.979.008/0001-03	(a)
SULASEG	SASA FUNDO DE INVESTIMENTO EM COTAS DE FUNDOS DE INVESTIMENTO EM AÇÕES COM INVESTIMENTO NO EXTERIOR	08.637.022/0001-79	(a)
CIA SAÚDE	NO EXTERIOR	08.637.022/0001-79	(a)
SALIC	SICREDI - FUNDO DE INVESTIMENTO SULAMÉRICA CRÉDITO PRIVADO MULTIMERCADO	11.451.972/0001-19	(c)
SULASEG	SULAPREVI CONCEDIDOS FUNDO DE INVESTIMENTO RENDA FIXA	03.181.085/0001-40	(a)
NOVA SULAMED	SULACAP MASTER II FI RENDA FIXA	03.707.168/0001-20	(a)
SULASEG	SULAMERICA FIX 100 FUNDO DE INVESTIMENTO RENDA FIXA	03.077.330/0001-73	(a)
SULASEG	SULAMERICA MIX 49 FUNDO DE INVESTIMENTO MULTIMERCADO	02.811.681/0001-01	(a)
SULASEG	SULAMÉRICA TI 35 PREV FICIFI MULTIMERCADO	10.896.023/0001-80	(c)
SULASEG	SULAMÉRICA TI PREV FUNDO DE INVESTIMENTO EM COTAS DE FUNDOS DE INVESTIMENTO MULTIMERCADO CRÉDITO PRIVADO	10.383.755/0001-76	(a)
SULASEG	SULAMÉRICA FIX 100 PLUS FUNDO DE INVESTIMENTO RENDA FIXA	20.889.471/0001-00	(a)
SULASEG	29 DE ABRIL FUNDO DE INVESTIMENTO MULTIMERCADO CRÉDITO PRIVADO	28.516.222/0001-80	(a)
SULASEG	SULAMÉRICA IBIUNA LONG BIASED PREV FUNDO DE INVESTIMENTO MULTIMERCADO	29.091.970/0001-21	(a)
SULASEG	SUL AMÉRICA CONC FI MULTIMERCADO	28.516.239/0001-38	(a)
SULASEG	CONSTELLATION SULAMÉRICA PREV FI MULTIMERCADO	29.092.136/0001-50	(a)
SULASEG	ATSU PREV SULAMERICA FUNDO DE INVESTIMENTO MULTIMERCADO	28.516.138/0001-67	(a)
SULASEG	SAFARI SULAMERICA PREV FUNDO DE INVESTIMENTO EM COTAS DE FUNDO DE INVESTIMENTO MULTIMERCADO	28.516.168/0001-73	(a)
SULASEG	ARX SULAMÉRICA K2 INFLAÇÃO CURTA PREV FICIFI MULTIMERCADO CRÉDITO PRIVADO	33.701.805/0001-11	(a)
SULASEG	PANDHORA SUL AMÉRICA PREV FI MULTIMERCADO	30.378.486/0001-67	(b)
SULASEG	PANDHORA SULAMERICA PREV I FI MULTIMERCADO	35.587.673/0001-74	(b)
SULASEG	SULAMÉRICA PREV MODERADO FUNDO DE INVESTIMENTO EM COTAS DE FUNDOS DE INVESTIMENTO MULTIMERCADO	34.567.300/0001-79	(b)

(a) Exclusive funds included in the consolidated financial statements as at the reporting dates December 31, 2020 and 2019;

(b) Exclusive funds included in the consolidated financial statements only as at the reporting date December 31, 2020;

(c) Exclusive funds included in the consolidated financial statements only as at the reporting date December 31, 2019;

(*) This investment fund has as unitholders the companies SASA, SULASEG, SULAODONTO, SALIC, SAMI, SAGA, CIA. SAÚDE, SAEPAR, SANTA CRUZ, SULAMED, SULACAP, DOCWAY, PARANÁ CLÍNICAS and PRODENT;

(**) This investment fund has as unitholders the companies SULASEG, SALIC, CIA. SAÚDE, SULAODONTO, SULAMED, PRODENT, SULACAP and PARANÁ CLÍNICAS; and

(***) This investment fund's unitholders include SASA, SANTA CRUZ and SAH.

5. Risk management

The risk management process (Enterprise Risk Management – ERM) of SulAmérica has the purpose of supporting the attainment of the strategic goals of the organization. This procedure is based on the identification of potential events that may affect the profit or loss expected for the following periods and management of such risks evaluating their controls and ensuring appropriate capital to support the operations under unexpected scenarios, according to the risk appetite in effect.

The methodology developed for the enterprise risk management process uses as benchmark the best international practices, including the pronouncements issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the procedures defined in Solvency II. This process goes through integrated and continuous stages as follows:

- **Risk identification and controls**

Process of identification, control and prioritization of the risks that may affect the established short or long-term business results;

- **Risk quantification**

The prioritized risks are quantified through specific modeling involving their likelihood of occurring and possible impacts;

- **Risk response**

According to the results of the quantification process and aligned with the current risk appetite, risk-response action plans are devised; and

- **Monitoring and reporting**

The information on each risk and respective risk-response action plans are monitored and managed by means of indicators and reports by the enterprise risk area, which reports to the Business Units, Risk Committee (CoR), Audit and Risk Management Committee and Board of Directors, according to a pre-established frequency or whenever deemed necessary.

Additionally, SulAmérica determines for each of its subsidiaries the sufficiency of the Adjusted Equity in relation to the regulatory capital monthly required by regulatory authorities. In order to complement this evaluation and according to the best risk management practices, SulAmérica has its own internal models to determine the economic capital for its main business lines and risk type, thus considering its own risk-based capital estimate regardless of the regulatory capital.

The guidelines and monitoring of the organization's ERM process are established by the Board of Directors, which is also responsible for defining the risk appetite of SulAmérica, aimed at setting limits for the risk assumption, taking into account its preferences, tolerances and limits.

The Risk Committee and the Enterprise Risk Division have the role of reporting to the Board of Directors and Audit and Risk Management Committee, within the frequency established by them, the outcomes and developments of the enterprise risk management program.

The Risk Manager has the duty to act as the focal point in all enterprise risk management-related actions in SulAmérica, besides being the link with the regulatory body, being responsible, among other activities, for monitoring and periodically reporting to the Risk Committee the risk profile and exposure levels of SulAmérica.

The internal control area, the responsibility for which rests with SulAmérica's Risk Manager, has the duty to carry out continuous assessments, through effectiveness tests, to assure control existence and operation.

The risk management process is implemented by integrating the three lines of defense of the organization. This concept considers that the first management of each risk (1st line of defense) is initiated with risk takers, those who opt for avoiding or accepting the risk on a primary basis. After the first risk management, independent processes are implemented to monitor the internal controls established by the 1st line of defense and the management of the residual risks resulting from this process. This second risk management (2nd line of defense) thus provides feedback to the first management process setting out new conduct rules and new policies on risk assumption, and, with a holistic view, evaluates the solvency of the SulAmérica's companies. Finally, there is an independent verification carried out by the internal audit of the first and second risk management, in order to ensure that the all of the stages of the entire process were satisfactorily completed (3rd line of defense).

In the first and second line of defense, employees were chosen to act as multipliers of the ERM culture and focal points, strengthening the training agendas and risk management campaigns in SulAmérica.

The ERM process comprises all types of enterprise risks to which SulAmérica is exposed. SulAmérica developed its own risk dictionary to standardize the risk language throughout the organization with the following categories: strategic risks, underwriting risks, market risks, credit risks, operational risks, and legal risks.

The analyses and information contained in the following sections aim at briefly introducing the management process of each risk category, explaining how each of the categories impact SulAmérica's businesses and the procedures adopted for controlling and mitigating them.

5.1. Concentration of operations

Present throughout the national territory, SulAmérica shows more concentration in the health segment and in the Southeastern region, consistently with the distribution and location of the economic hub of Brazil. SulAmérica's operations count on a broad profile of products focused on the integral health of its customers, which includes not only physical health, but also the emotional and financial health.

As at December 31, 2020, SulAmérica recorded a total revenue gross of taxes amounting R\$20,136,547 (R\$19,015,892 in 2019), distributed in the following business lines:

Operating revenue	2020		Consolidated 2019	
	Revenue	%	Revenue	%
Health	18,579,155	92.26%	17,483,656	91.94%
Life	505,712	2.51%	520,779	2.74%
Private pension	892,322	4.43%	796,170	4.19%
Saving bonds	3,861	0.02%	51,581	0.27%
ASO	81,962	0.41%	67,995	0.36%
Asset management	73,535	0.37%	95,711	0.50%
Total	20,136,547	100.00%	19,015,892	100.00%

The following table shows the regional distribution of such revenue:

Region	Consolidated 2020			
	Health	Life and private pension	Saving Bonds	Other
Southeast	80.13%	63.45%	63.35%	64.42%
South	3.06%	18.75%	18.57%	17.81%
Northeast	12.11%	9.03%	6.86%	12.75%
North	1.24%	0.97%	0.80%	1.35%
Midwest	3.46%	7.80%	10.42%	3.67%
Total	100.00%	100.00%	100.00%	100.00%

Region	Consolidated 2019			
	Health	Life and private pension	Saving Bonds	Other
Southeast	80.71%	64.35%	62.58%	63.43%
South	2.90%	18.20%	22.20%	19.08%
Northeast	11.98%	9.44%	5.92%	12.84%
North	1.16%	1.83%	0.56%	1.37%
Midwest	3.25%	6.18%	8.74%	3.28%
Total	100.00%	100.00%	100.00%	100.00%

5.2. Underwriting risks

Underwriting risks arise from deviations in the assumptions adopted for pricing or recognition of technical reserves.

In SulAmérica, such risks may be materialized in different ways, depending on the business line.

In Health businesses, particularly for the individual segment in which the premium adjustments are authorized by the ANS, the risks arising from pricing may be posed by the premium adjustments authorized by the regulatory body that are insufficient, or that do not reflect the initial plan pricing expectation.

For the other Health products, SulAmérica has greater flexibility in managing the adjustments of its contracts.

Life and Private Pension Products have their pricing risks and reserve associated with mortality/life expectancies of plan participants at the time they are contracted.

To SulAmérica's Investment business lines, there is no underwriting risk involved in the operation.

Besides the pricing risks mentioned above, there is the risk of inadequacy of the recognized technical reserves, which may be materialized in any of the business lines of SulAmérica. The Company conducts periodic tests of consistency to make the evaluation of the assertiveness of the recognized reserves and the adopted calculation methodologies.

5.2.1. Pricing risks

At present, SulAmérica has specific pricing actuarial models for each of its products, providing accuracy in determining the prices in view of the estimated contractual commitments and expenses employed in the marketing and management of contracts.

In order to promote a set of analyses and support decision-making on the investments in products and partnerships based on risk, SulAmérica has a Procedure for Evaluation and Review of Products (PARP).

PARP is a multidisciplinary procedure in which the support and business areas contribute with their respective technical knowledge, by issuing opinions on product viability analysis, supporting the decision in relation to an initiative, which could be the launch or change of products. They contribute by issuing opinions to the actuarial, commercial, compliance, accounting, finance, enterprise risk management, legal, operations, strategic planning, fraud prevention, sustainability, information technology, and customer view areas.

Additionally, SulAmérica relies on specific actions in each business line aimed at mitigating underwriting risks and continuous improvement in the selection of the portfolio of its insureds. Among these actions, the following is worth noting: cost-efficiency processes, preventative pre-payment audits, optimization of the service providers network, active health (“saúde ativa”) programs, and detailed inspections in policy underwriting.

For insurance with higher individual risks and portfolios with lower forecasting capacity or exposed to catastrophes, SulAmérica uses reinsurance contracts, mitigating the risk of big unexpected losses on contracts and transferring such risks to reinsurers, assuming, in the face of it, the credit risks of such partners. The purchase of reinsurance follows a specific policy established by the CoR.

One of the ways to measure possible impacts on profit or loss and equity, arising from underwriting risks, is the sensitivity analysis of the variables that may be affected by the products underwriting process, inadequacy of prices or even insufficiency of technical reserves.

The following sensitivity analyses simulate the possible impacts on the profit or loss and equity, from changes in operational parameters before and after the purchase of reinsurance.

Sensitivity analysis of Health and Life & Pension lines

Assumptions	Consolidated 2020							
	Health				Life and private pension			
	With reinsurance effect		Without reinsurance effect		With reinsurance effect		Without reinsurance effect	
	Income before tax	Income after tax & impact on equity	Income before tax	Income after tax & impact on equity	Income before tax	Income after tax & impact on equity	Income before tax	Income after tax & impact on equity
5% increase in claims	(712,867)	(427,720)	(714,067)	(428,440)	(13,382)	(8,029)	(14,457)	(8,674)
5% increase in administrative expenses	(60,821)	(36,492)	(60,821)	(36,492)	(4,267)	(2,560)	(4,267)	(2,560)
5% increase in acquisition costs	(60,975)	(36,585)	(60,975)	(36,585)	(7,086)	(4,251)	(7,086)	(4,251)
5% decrease in claims	712,867	427,720	714,067	428,440	13,382	8,029	14,457	8,674
5% decrease in administrative expenses	60,821	36,492	60,821	36,492	4,267	2,560	4,267	2,560
5% decrease in acquisition costs	60,975	36,585	60,975	36,585	7,086	4,251	7,086	4,251

Assumptions	Consolidated 2019							
	Health				Life and private pension			
	With reinsurance effect		Without reinsurance effect		With reinsurance effect		Without reinsurance effect	
	Income before tax	Income after tax & impact on equity	Income before tax	Income after tax & impact on equity	Income before tax	Income after tax & impact on equity	Income before tax	Income after tax & impact on equity
5% increase in claims	(688,280)	(412,968)	(688,434)	(413,061)	(12,805)	(7,683)	(13,359)	(8,015)
5% increase in administrative expenses	(52,841)	(31,705)	(52,841)	(31,705)	(3,181)	(1,909)	(3,181)	(1,909)
5% increase in acquisition costs	(55,171)	(33,102)	(55,171)	(33,102)	(7,410)	(4,446)	(7,410)	(4,446)
5% decrease in claims	688,280	412,968	688,434	413,061	12,805	7,683	13,359	8,015
5% decrease in administrative expenses	52,841	31,705	52,841	31,705	3,181	1,909	3,181	1,909
5% decrease in acquisition costs	55,171	33,102	55,171	33,102	7,410	4,446	7,410	4,446

The shocks of 5% mentioned in the table are determined by the total amount of the assumption multiplied by the factor of 1.05 (in cases of increase) or 0.95 (in cases of decrease). Their impacts are evaluated on the amount of realized income.

Sensitivity analysis of the Private Pension Line

Different from the sensitivity analysis of the Health, and Life & Pension lines, for the private pension businesses, the analysis reflects the impact on the flow of expected liabilities and modified according to the assumptions shown in the tables below:

Assumptions	Consolidated 2020	
	Income before tax	Income after tax & impact on equity
5% increase in administrative expenses	(1,775)	(1,065)
5% increase in redemptions	664	398
5% increase in mortality	(14,646)	(8,788)
Increase by 5% in the conversion into income	(3,112)	(1,868)
5% increase in rescission	318	190
5% decrease in administrative expenses	1,775	1,065
5% decrease in redemptions	(709)	(426)
5% decrease in mortality	14,001	8,400
Decrease by 5% in the conversion into income	3,112	1,867
5% decrease in rescission	(333)	(200)

Assumptions	Consolidated 2019	
	Income before tax	Income after tax & impact on equity
5% increase in administrative expenses	(1,495)	(897)
5% increase in redemptions	787	472
5% increase in mortality	(14,053)	(8,432)
Increase by 5% in the conversion into income	(4,396)	(2,638)
5% increase in rescission	324	194
5% decrease in administrative expenses	1,495	897
5% decrease in redemptions	(835)	(501)
5% decrease in mortality	13,400	8,040
Decrease by 5% in the conversion into income	4,396	2,638
5% decrease in rescission	(345)	(207)

The shocks of 5% mentioned in the table are determined by the total amount of the assumption multiplied by the factor of 1.05 (in cases of increase) or 0.95 (in cases of decrease). Their impacts are evaluated in the present value of future flows.

The analysis demonstrated above reflects that the scenarios of impacts from the considered factors did not show significant change in relation to the previous year.

5.2.2. Risks of inadequacy of technical reserves

The management of the recognized technical reserves is a continuous process coordinated by the corporate actuarial department by means of specific and internationally-renowned methodologies, adjusted to the characteristics of each product, customer behavior and administrative and legal claims adjustment processes.

To manage the risks involved in this process, SulAmérica relies on several techniques aimed at revising assumptions and calculation procedures that may lead to failures in the decision-making process, among which the following should be highlighted:

- Tests of consistency of the methodologies for recognizing reserves; and
- Prospective evaluation regarding the adequacy of technical reserves.

The development of the recorded reserves for claims is shown in the following table, where it is noted the change, through the reporting date of the accompanying financial statements, in claims incurred in relation to the respective reserve recorded in previous years.

The top of the table shows the development of the reserve over the years following the reserve recognition. The bottom of the table shows the segregation of the updated claim amounts between payments and cases still pending.

Administrative

Year	Consolidated									
	In millions of R\$									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Recognized claims reserve	1,696.24	1,748.81	2,058.24	2,386.44	2,467.10	2,515.57	2,769.65	3,037.53	3,286.66	3,678.13
Effect of financial discount	(43.47)	(32.89)	(39.82)	(46.93)	(39.85)	(40.97)	(39.19)	(45.76)	(47.78)	(54.71)
Claims reserve without financial discount	1,739.71	1,781.70	2,098.06	2,433.37	2,506.95	2,556.54	2,808.84	3,083.29	3,334.44	3,732.84
Cumulative estimate for claims:										
At the end of the year	1,739.71	1,781.70	2,098.06	2,433.37	2,506.95	2,556.54	2,808.84	3,083.29	3,334.44	3,732.84
After one year	1,712.61	1,893.13	2,200.30	2,443.52	2,479.24	2,595.46	2,867.31	3,031.84	3,797.84	-
After two years	1,802.40	1,932.03	2,205.76	2,478.10	2,485.09	2,613.14	2,873.28	3,070.58	-	-
After three years	1,810.30	1,953.11	2,267.41	2,504.43	2,502.54	2,625.48	2,903.80	-	-	-
After four years	1,806.62	1,978.80	2,288.34	2,524.30	2,519.53	2,644.01	-	-	-	-
After five years	1,853.44	2,000.13	2,306.38	2,535.75	2,528.76	-	-	-	-	-
After six years	1,875.74	2,012.18	2,317.13	2,540.95	-	-	-	-	-	-
After seven years	1,880.47	2,017.43	2,321.57	-	-	-	-	-	-	-
After eight years	1,882.63	2,018.55	-	-	-	-	-	-	-	-
After nine years	1,882.03	-	-	-	-	-	-	-	-	-
Cumulative estimate for claims through 2020	1,882.03	2,018.55	2,321.57	2,540.95	2,528.76	2,644.01	2,903.80	3,070.58	3,797.84	3,732.84
Cumulative payments through 2020	1,874.61	2,010.32	2,312.24	2,530.74	2,515.07	2,622.89	2,869.59	2,998.71	3,372.06	-
Discontinued operations	(0.01)	(0.01)	(0.01)	(0.01)	(2.40)	(8.17)	(18.07)	(30.71)	(221.06)	-
Liability recognized in 2020	7.41	8.22	9.32	10.20	11.29	12.95	16.14	41.16	204.72	3,732.84

As at December 31, 2020, the development of administrative claims basically does not consider R\$12.2 million (R\$16.3 million in 2019) of ULAE, R\$0.1 million (R\$0.1 million in 2019) in individual life claims, R\$10.6 million (R\$8.8 million in 2019) in retrocession, and R\$1.9 million (R\$1.9 million in 2019) in reserve for cash refund annuity, pensions and disability income related to pension. These items are not separated by incurrence, and, therefore, it is not possible to follow-up the development of claims. However, these amounts have small significance in the total universe of claims, as shown in the above table.

Legal

The development of the recorded reserves for legal claims is shown in the following table, where it is noted the development, through the reporting date of the accompanying financial statements, of such claims in relation to the respective reserve recorded in previous years.

The top of the table shows the development of the reserve over the years following the reserve recognition. The bottom of the table shows the segregation of the updated claim amounts between payments and cases still pending.

Consolidated										
Year	In millions of R\$									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Recognized claims reserve	545.38	453.64	485.98	498.70	313.69	354.06	373.98	446.97	430.96	212.40
Claims reserve without financial discount	545.38	453.64	485.98	498.70	313.69	354.06	373.98	446.97	430.96	212.40
Cumulative estimate for claims:										
At the end of the year	545.38	453.64	485.98	498.70	313.69	354.06	373.98	446.97	430.96	212.40
After one year	501.50	498.51	524.55	571.50	405.28	413.07	474.84	516.95	471.24	-
After two years	558.17	540.30	584.97	659.84	457.09	496.40	533.28	557.64	-	-
After three years	598.49	582.24	637.71	703.97	522.97	541.98	549.90	-	-	-
After four years	638.49	639.02	681.93	769.88	559.48	557.41	-	-	-	-
After five years	706.16	676.22	730.13	810.94	575.57	-	-	-	-	-
After six years	738.92	718.67	774.68	821.19	-	-	-	-	-	-
After seven years	773.47	764.35	795.49	-	-	-	-	-	-	-
After eight years	809.28	791.21	-	-	-	-	-	-	-	-
After nine years	839.14	-	-	-	-	-	-	-	-	-
Cumulative estimate for claims through 2020	839.14	791.21	795.49	821.19	575.57	557.41	549.90	557.64	471.24	212.40
Cumulative payments through 2020	540.92	480.18	460.39	474.75	374.49	314.38	239.37	183.54	33.28	-
Discontinued operations	(239.02)	(237.01)	(260.91)	(275.29)	(119.30)	(146.80)	(180.43)	(221.75)	(258.00)	-
Liability recognized in 2020	59.20	74.02	74.19	71.15	81.78	96.23	130.10	152.35	179.96	212.40

The development of legal claims represents the claims already known and pending payment; for this reason it does not consider R\$45.0 million as at December 31, 2020 (R\$111.6 million in 2019) of IBNR for Lawsuit. It is worth noting that part of the noted development contemplates adjustment for inflation and interest from the date the reserve is recorded through the reporting date of the accompanying financial statements.

5.3. Market risks

Market risks arise from the possibility of occurring losses arising from macroeconomic fluctuations that may impact the value of the assets or liabilities of the organization in different ways.

The management of SulAmérica's investments is performed by means of a specific policy approved by the Investment Committee. This policy establishes the strategic guidelines that should be observed in financial asset management, including limits, restrictions and diversification rules aiming at an allocation that provides an appropriate profitability volume and ensures SulAmérica's capacity to fulfill its obligations. This policy contains provisions that establish some criteria that the management of each portfolio should consider, among which are:

- Profitability targets;
- Risk limits;
- Maximum terms for asset allocation; and
- Required minimum liquidity.

Such policy gives priority to making decisions on the investment of funds based on Asset and Liability Management studies, considering the particularities of each commitment assumed under the contracts, as well as the expectations on the timing of settlement and possibility of variation in the indemnifiable amounts in view of the changes in the macroeconomic environment. The ALM process is performed together with the Enterprise Risks, Actuarial and Financial Management areas, and is monitored by the CoR.

Permanently, the Investment Committee follows-up the allocation and performance of assets based on its strategies, including the ALM portfolio, in order to enable periodical review and rebalancing.

On a daily basis and according to the Investments Policy, the Value at Risk (VaR) is determined and stress tests are performed in the investments portfolio to observe whether the adopted strategy is within the market risk appetite set. The VaR limits and stress tests are annually reviewed and defined according to the risk appetite of SulAmérica. The results obtained for the VaR period and stress test are shown in Note 8.3.

The following table shows the breakdown of investments per index as at December 31, 2020 and 2019:

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Recognized claims reserve	545.38	453.64	485.98	498.70	313.69	354.06	373.98	446.97	430.96	212.40
Claims reserve without financial discount	545.38	453.64	485.98	498.70	313.69	354.06	373.98	446.97	430.96	212.40
Cumulative estimate for claims:										
At the end of the year	545.38	453.64	485.98	498.70	313.69	354.06	373.98	446.97	430.96	212.40
After one year	501.50	498.51	524.55	571.50	405.28	413.07	474.84	516.95	471.24	-
After two years	558.17	540.30	584.97	659.84	457.09	496.40	533.28	557.64	-	-
After three years	598.49	582.24	637.71	703.97	522.97	541.98	549.90	-	-	-
After four years	638.49	639.02	681.93	769.88	559.48	557.41	-	-	-	-
After five years	706.16	676.22	730.13	810.94	575.57	-	-	-	-	-
After six years	738.92	718.67	774.68	821.19	-	-	-	-	-	-
After seven years	773.47	764.35	795.49	-	-	-	-	-	-	-
After eight years	809.28	791.21	-	-	-	-	-	-	-	-
After nine years	839.14	-	-	-	-	-	-	-	-	-
Cumulative estimate for claims through 2020	839.14	791.21	795.49	821.19	575.57	557.41	549.90	557.64	471.24	212.40
Cumulative payments through 2020	540.92	480.18	460.39	474.75	374.49	314.38	239.37	183.54	33.28	-
Discontinued operations	(239.02)	(237.01)	(260.91)	(275.29)	(119.30)	(146.80)	(180.43)	(221.75)	(258.00)	-
Liability recognized in 2020	59.20	74.02	74.19	71.15	81.78	96.23	130.10	152.35	179.96	212.40

Allocation of investments by index (a)

Index	Consolidated	
	2020	2019
SELIC/CDI	6,714,865	9,108,774
IGPM	1,738,687	1,309,344
IPCA	294,496	575,822
Fixed rate	1,401,365	531,468
Share	239,745	155,137
Other (b)	3,497	7,525
Total	10,392,655	11,688,070

- (a) The amounts related to the PGBL and VGBL pension plan operations in the benefit accumulation phase amounting to R\$7.6 billion (R\$6.6 billion in 2019) are not included in the table, because the market risk corresponding to these investments is taken by the participants; and
- (b) The "Other" category, shown as at December 31, 2020 and 2019, basically comprises fixed income, equity and real estate investment funds.

5.3.1. Liquidity risks

Liquidity risks arise from the possibility of lacking funds with immediate availability to timely meet the assumed obligations as a result of mismatch between payments and receipts.

SulAmérica's Investment Policy establishes minimum amounts that shall be invested in highly liquid assets to mitigate the risk of claim and benefit default.

Daily projections of cash and stress tests are performed to detect early any abnormal situation, having a daily control of liquidity risk.

The following tables show the expectations on maturities and payments of the main financial assets and liabilities and insurance, except those related to the benefit accumulation phase of the PGBL and VGBL plans, where the exposure is of the participant.

Description						Company		Gain or (loss)	Carrying amount
	Without maturity	Up to 1 year	From 1 to 2 years	From 2 to 5 years	From 5 to 10 years	Cost value	Fair value		
Financial instruments									
Marketable securities	57,607	-	-	100,539	73,132	231,278	229,988	(1,290)	229,988
At Fair value through profit or loss	57,607	-	-	-	-	57,607	57,607	-	57,607
Available for sale	-	-	-	100,539	73,132	173,671	172,381	(1,290)	172,381
Loans and financing (b)	-	605,868	601,706	500,947	-	1,708,521	-	-	1,588,643
Loans and financing	-	605,868	601,706	500,947	-	1,708,521	-	-	1,588,643

Description						Company		Gain or (loss)	Carrying amount
	Without maturity	Up to 1 year	From 1 to 2 years	From 2 to 5 years	From 5 to 10 years	Cost value	Fair value		
Financial instruments									
Marketable securities	5,193	21,532	-	-	80,203	106,928	106,926	(2)	106,926
At Fair value through profit or loss	5,193	21,532	-	-	80,203	106,928	106,926	(2)	106,926
Loans and financing (b)	-	228,088	664,371	1,119,125	-	2,011,584	-	-	1,749,054
Loans and financing	-	228,088	664,371	1,119,125	-	2,011,584	-	-	1,749,054

The amount raised by the Company's issues is used in the operating activities of its subsidiaries, which later on transfer their profits to the Company through dividends and interest on capital.

Description								Consolidated		Carrying amount
	Without maturity	Up to 1 year	From 1 to 2 years	From 2 to 5 years	From 5 to 10 years	Over 10 years	Cost value	Fair value	Gain or (loss)	
Financial instruments										
Cash equivalents	-	640,525	-	-	-	-	640,525	640,525	-	640,525
Marketable securities	852,593	1,760,357	1,123,394	3,091,197	1,578,007	1,392,577	9,798,125	10,096,050	297,925	9,753,257
At Fair value through profit or loss	852,593	263,003	109,955	721,377	602,018	-	2,548,946	2,545,543	(3,403)	2,545,543
Available for sale	-	1,071,860	1,013,439	2,369,683	975,989	16,764	5,447,735	5,406,270	(41,465)	5,406,270
Held to maturity	-	425,494	-	137	-	-	1,375,813	1,801,444	342,793	1,801,444
Premiums receivable (a)	-	694,262	-	-	-	-	694,262	-	-	694,262
ASO receivables (a)	-	385,862	-	-	-	-	385,862	-	-	385,862
Loans and financing (b)	-	605,868	601,706	500,947	-	-	1,708,521	-	-	1,589,676
Loans and financing	-	605,868	601,706	500,947	-	-	1,708,521	-	-	1,589,676
Tax refinance - REFIS	-	22,786	19,160	8,632	-	-	50,578	-	-	50,578
Saving bonds provisions	-	1,065	-	-	-	-	-	-	-	1,065
Managed health	2,943	335,230	-	-	-	-	-	-	-	338,173
Insurance and reinsurance	-	4,659,958	171,798	344,160	391,219	497,303	-	-	258,982	6,323,420
Technical reserves										
Reinsurance assets	-	30,505	295	1,879	2,196	919	-	-	-	35,794
Insurance and private pension liabilities (c)	-	4,690,463	172,093	346,039	393,415	498,222	-	-	258,982	6,359,214

Consolidated
2019

Description	Without maturity	Up to 1 year	From 1 to 2 years	From 2 to 5 years	From 5 to 10 years	Over 10 years	Cost value	Fair value	Gain or (loss)	Others	Carrying amount
Financial instruments											
Cash equivalents	-	292,563	-	-	-	-	292,563	292,563	-	-	292,563
Marketable securities	971,944	1,139,223	2,405,406	4,111,139	1,627,154	1,074,193	11,329,059	11,797,701	468,642	-	11,396,606
At Fair value through profit or loss	971,944	78,860	283,527	971,837	343,993	75	2,650,236	2,654,637	4,401	-	2,654,637
Available for sale	-	1,060,363	1,784,590	3,131,186	1,283,161	41,999	7,301,299	7,364,445	63,146	-	7,364,445
Held to maturity	-	-	337,289	8,116	-	1,032,119	1,377,524	1,778,619	401,095	-	1,377,524
Premiums receivable (a)	-	1,154,651	-	-	-	-	1,154,651	-	-	-	1,154,651
Saving bonds (a)	-	1,126	-	-	-	-	1,126	-	-	-	1,126
ASO receivables (a)	-	303,876	-	-	-	-	303,876	-	-	-	303,876
Loans and financing (b)	-	228,088	664,371	1,119,125	-	-	2,011,584	-	-	-	1,750,352
Loans and financing	-	228,088	664,371	1,119,125	-	-	2,011,584	-	-	-	1,750,352
Tax refinance - REFIS	-	32,831	8,437	14,599	-	-	55,867	-	-	-	55,867
Saving bonds provisions	-	695,339	-	-	-	-	-	-	-	-	-
Managed health	2,695	304,849	-	-	-	-	-	-	-	-	307,544
Insurance and reinsurance	-	6,106,064	122,788	320,503	387,469	485,744	-	-	-	216,334	7,638,902
Technical reserves											
Reinsurance assets	-	20,863	790	1,867	1,892	884	-	-	-	12	26,308
Insurance and private pension liabilities (c)	-	6,126,927	123,578	322,370	389,361	486,628	-	-	-	216,346	7,665,210

(a) Considers premium, savings bonds, and consideration falling due, net of impairment, when applicable;

(b) Loans and financing are stated at contractual amounts not discounted, as required in item 39 (a) of CPC 40 (R1); and

(c) The column "Other" mainly comprises the following item: R\$258,982 of other technical reserves as at December 31, 2020 (R\$216,334 in 2019).

The maturity date of assets was the criterion used for classifying the financial instruments presented in this item. However, although the distribution is among several ranges in the table, the portfolio comprises assets with immediate liquidity. As at December 31, 2020 the amount of R\$4.1 billion (R\$6.5 billion in 2019) is allocated to Financial Treasury Bills, which have immediate liquidity.

5.3.2. Loans and financing

The following tables show the sensitivity analysis of the Company's loans and financing balance, the possible fluctuations in market rates (SELIC/CDI and IPCA), and the respective impacts. For assets, it was considered the total Cash and Cash Equivalents (note 7), besides the Marketable Securities (note 8), net of the assets provided to cover Technical Reserves (note 21.6).

The scenario considered "probable" is the current one. The "possible" and "remote" scenarios were created by applying changes ranging from 25% to 50% in the market rates, respectively, on the current balances, taking into consideration the expected scenario of B3's future rates. Such scenarios correspond to minimum changes to be estimated, set in the CVM's rules.

Increase in market rates

	Company 2019					
	2020					
	Probable scenario	Possible scenario	Remote scenario	Probable scenario	Possible scenario	Remote scenario
Assets (a)	-	1,643	3,286	-	1,272	2,543
Liabilities and equity (b)	-	(11,962)	(23,925)	-	(20,860)	(41,720)
Total	-	(10,319)	(20,639)	-	(19,588)	(39,177)

	Consolidated 2019					
	2020					
	Probable scenario	Possible scenario	Remote scenario	Probable scenario	Possible scenario	Remote scenario
Assets (a)	-	32,897	65,794	-	59,567	119,134
Liabilities and equity (b)	-	(11,962)	(23,925)	-	(20,860)	(41,720)
Total	-	20,935	41,869	-	38,707	77,414

(a) Change in total investments linked to the SELIC/CDI; and

(b) Change in the balance of Loans and Financing, except leasing (note 18).

Drop in market rates

	Company 2019					
	2020					
	Probable scenario	Possible scenario	Remote scenario	Probable scenario	Possible scenario	Remote scenario
Assets (a)	-	(1,643)	(3,286)	-	(1,272)	(2,543)
Liabilities and equity (b)	-	11,962	23,925	-	20,860	41,720
Total	-	10,319	20,639	-	19,588	39,177

	Consolidated					
	2020			2019		
	Probable scenario	Possible scenario	Remote scenario	Probable scenario	Possible scenario	Remote scenario
Assets (a)	-	(32,897)	(65,794)	-	(59,567)	(119,134)
Liabilities and equity (b)	-	11,962	23,925	-	20,860	41,720
Total	-	(20,935)	(41,869)	-	(38,707)	(77,414)

(a) Change in total investments linked to the SELIC/CDI; and

(b) Change in the balance of Loans and Financing, except leasing (note 18).

5.4. Credit risks

Credit risks are related to the possibility of debtors failing to fulfill a contract or failing to fulfill them under the terms upon which they were agreed.

These risks could be materialized and significantly affect the expected profit or loss, in case the credit issuers do not fulfill the payments on the expected dates or the reinsurers with whom SulAmérica operates are in breach of the contracts regarding the payments of reinsured claims.

In relation to the monitoring of default of its insureds and business partners, SulAmérica performs the impairment of premiums receivable according to the best practices and current legislation (see additional information in Note 9).

5.4.1. Allocation of investments

The following table shows the breakdown of investments by risk rating, except for the investments related to the benefit accumulation phase of the PGBL and VGBL plans. As at December 31, 2020, 88.87% (87.78% in 2019) are allocated to government securities (sovereign risk) or assets with the lowest possible risk for corporate securities (AAA grade of the table), according to best market practices.

Description	Consolidated	
	2020	2019
Fixed income securities - government	8,219,753	9,176,257
Sovereign risk	8,219,753	9,176,257
Fixed income securities - private (a)	1,321,438	1,540,970
AAA	1,015,853	1,083,494
AA+ to AA-	305,585	457,476
Other	851,464	970,843
Non-exclusive investment fund (b)	852,395	971,740
Other	(931)	(897)
Total	10,392,655	11,688,070

(a) AAA refers to the category with the lowest risk, and AA- refers to the category with the highest risk; and

(b) Non-exclusive investment funds containing government and corporate securities, stocks and other alternative investments, without directly assigned rating. The allocations to non-exclusive investment funds are subject to the restrictions of SulAmérica's Investment Policy, which establishes the allocation to assets with low credit risk.

5.4.2. Reinsurance contracts

For reinsurance contracts, SulAmérica has a specific policy approved by the Risk Committee and monitored by the Enterprise Risk Management area, which establishes an effective contract flow, based on final approval from the CoR. As requirement, the policy includes criteria for broker eligibility, setting credit risk limits, concentration limits and minimum terms to be observed in reinsurance contract flow.

For the purposes of the tables below, the exposure amounts refer to the following: portions of unexpired risk premiums, the recoverable amounts of reinsurance related to claims incurred and already paid to the insured, and payable amounts related to the payment estimate of claims incurred and not yet paid based on the respective technical reserves already recognized net of the respective recoverable amounts.

Type	Consolidated	
	2020	2019
Life and private pension	30,039	17,890
Health	21,670	3,920
Others	6,464	13,586
Total	58,173	35,396

Type	Rating	2020		Consolidated 2019	
		Exposure	%	Exposure	%
Local	Level 1	34,354	59.05%	11,232	31.73%
Local	Level 2	21,586	37.11%	16,568	46.81%
Local	Level 3	238	0.41%	182	0.51%
Admitted	Level 1	1,854	3.19%	4,369	12.33%
Admitted	Level 2	141	0.24%	2,951	8.34%
Eventual	Level 2	-	0.00%	94	0.28%
Total		58,173	100.00%	35,396	100.00%

Level 1 refers to the category with the lowest risk, whereas Level 5 refers to the category with the highest risk.

Local reinsurer

Reinsurer headquartered in Brazil, organized as a corporation, whose sole objective is to carry out reinsurance and retrocession operations;

Admitted reinsurer

Reinsurance company headquartered abroad with a representative office in Brazil that meets the provisions of the current legislation, applicable to reinsurance and retrocession operations, and has been registered as such with SUSEP to carry out reinsurance and retrocession operations; and

Eventual reinsurer

Foreign reinsurance company headquartered abroad without a representative office in Brazil that meets the provisions of the current legislation, applicable to reinsurance and retrocession operations, and has been registered as such with the Superintendence of Private Insurance (SUSEP) to carry out reinsurance and retrocession operations.

5.5. Operational risks

Operational risk is defined as the likelihood of losses resulting from failure, deficiency or inadequacy of internal processes, personnel and systems, or external events that may cause damages to SulAmérica.

The management of operational risk is a continuous improvement process, in order to follow-up the development of the business dynamics and minimize the existence of gaps that may compromise the quality of operations.

In this sense, the Ombuds Office of SulAmérica plays an important role in the pursuit of operational excellence. It comprises the second line of defense, contributing to a closer relationship with customers, examining facts, realigning strategies and creating solutions so that the customer experience is positive.

The operational risk management is performed in line with the ERM process of SulAmérica focused on the identification, evaluation of risks and controls, and the response to risks that breach the risk appetite set by the Board of Directors.

In addition, the Internal Controls area supports the ERM process by testing the adherence of the operational risk-related controls.

The process for identifying operational risks and the controls associated with them is carried out by mapping the organizational processes. The identified risks are quantified by adopting a specific methodology and the material and relevant controls have the effectiveness tested, and may generate action plans in the cases deemed necessary.

The adopted methodology aims at measuring and classifying operational risks at different levels, considering the frequency, severity and efficiency of their respective mitigations.

5.6. Legal and compliance risks

5.6.1. Legal risk management

With a corporative perspective, the legal department of the organization together with its service providers review all contracts signed by SulAmérica in order to mitigate the legal risk of contracts, in addition to providing feedback on lawsuits involving the organization. The legal area also contributes to projects for improving management of legal claims in addition to suggestions on how to avoid legal risks in our operations.

Additionally, the actuarial area uses a specific methodology of payment history for calculating the legal provision based on the past relation observed between the cost of the lawsuit settled and the estimates of attorneys for the amount payable if we received an unfavorable outcome (risk exposure). This methodology is aimed at covering the costs of lawsuits in which SulAmérica is a defendant or accused from the recording date of the lawsuit in SulAmérica's system until the effective payment.

The change in the provisions for lawsuits is shown in item 5.2.2.

5.6.2. Compliance risk management

SulAmérica has a compliance framework, in order to adjust its activities to the provisions of the regulatory and inspection bodies, through high standards of integrity and ethics excellence and adherence to the external legislation and internal standards.

The objective of this framework is to maintain impartiality in the compliance risk management and monitoring, contributing to the compliance with laws and regulations applicable to the business, by raising awareness about a business conduct that is legal, ethical and transparent, which favors the interests of employees, customers, shareholders and partners, prevents and detects breaches of laws and regulations by identifying and managing compliance risk, and facilitates the defense of positions related to the organization's compliance before regulatory bodies.

5.7. Capital management

SulAmérica monthly determines, for each subsidiary, the sufficiency of the Adjusted Equity (PLA) in relation to the required regulatory capital. During 2020 and 2019, the PLA of subsidiaries was sufficient in relation to the minimum capital required by the regulatory authorities.

Additionally, SulAmérica has its own internal models for determining the economic capital for the main business lines and risk, thus observing its own risk-based capital estimate regardless of the regulatory capital. By means of these internal models, metrics of return on capital to assist in business performance management are obtained.

6. Derivative financial instruments

6.1. Hedge

All transactions related to these instruments are traded and registered with the B3 or organized over-the-counter market. In subsidiaries that have insurance and private pension operations, the maintenance of derivative financial instruments, which can be held through exclusive investment funds, has the sole purpose of hedging the foreign exchange and interest rate fluctuations. In the case of exclusive funds of PGBL and VGBL plans, in addition to interest rate futures contracts, SULASEG also uses future contracts which underlying instruments are stock indices, exchange rates and inflation rates, in compliance with the investment policy of such funds. The gains and losses arising from these futures contracts do not produce any impact on the profit or loss or equity of such subsidiary, because they are reflected at equal amount in the technical reserves for private pensions.

The criterion for determining the fair value of derivative financial instruments is the discounted cash flow method using the rates released by B3.

6.2. Summary chart of exposure to derivative financial instruments

The derivative financial instruments reflected in these financial statements are measured at fair value through profit or loss. They are separated between derivative financial instruments, which exposure is of SulAmérica, and derivative financial instruments of PGBL and VGBL contracts, which exposure is of the participant.

SulAmérica's exposure (except for PGBL and VGBL)

Description	Maturity	Consolidated							
		Notional amount		Fair value		Amount receivable / received		Amount payable / paid	
		2020	2019	2020	2019	2020	2019	2020	2019
Future contracts									
Purchase commitment									
Interest rate - real (R\$)	2023	-	9,100	-	7,426	-	-	-	18
Foreign currencies	2021	73,811	54,303	73,811	54,303	-	-	231	370

The amounts receivable and payable of futures contracts are accounted for in the line items "Receivables", in current assets, and "Accounts payable", in current liabilities, respectively.

PGBL and VGBL's exposure

Description	Maturity	Consolidated							
		Notional amount		Fair value		Amount receivable / received		Amount payable / paid	
		2020	2019	2020	2019	2020	2019	2020	2019
Future contracts									
Purchase commitment									
Interest rate - real (R\$)	2021/2031	1,315,800	12,837,400	1,155,915	11,566,121	1	2,481	1,179	7,678
Foreign currencies	2021	1,660	-	1,660	-	1	-	-	-
Indexes	2021/2028	366,812	1,065,139	504,317	1,061,967	49	70	282	1,498
Sales commitment									
Interest rate - real (R\$)	2021/2031	917,700	11,173,200	790,606	10,028,074	1,164	-	-	-
Foreign currencies	2021	9,418	60,337	9,418	60,337	4	411	5	-
Indexes	2021/2025	621,988	452,939	809,907	409,796	6	467	1,885	1,341

6.2.1. Margins offered as guarantee

The total margins offered to guarantee transactions of futures contracts, with SulAmérica's exposure, and the PGBL and VGBL contracts, where the exposure is of the participant, are as follows:

Margins offered as guarantee SulAmérica (except for PGBL and VGBL)

Assets	Consolidated 2020		
	Maturity	Quantity	Amount
LFT	September, 2021	800	8,598
LFT	March, 2026	150	1,584
Total		950	10,182

Assets	Consolidated 2019		
	Maturity	Quantity	Amount
LFT	September, 2021	800	8,366
LFT	March, 2024	5	52
LFT	September, 2024	90	939
Total		895	9,357

LFT: Financial Treasury Bills.

Margins offered as guarantee PGBL and VGBL

Assets	Consolidated 2020		
	Maturity	Quantity	Amount
LFT	March, 2021	1,572	16,910
LFT	March, 2022	300	3,221
LFT	March, 2023	1,070	11,466
LFT	March, 2024	2,262	24,171
LFT	March, 2025	3,233	34,463
LFT	March, 2026	120	1,268
LFT	September, 2021	80	860
LFT	September, 2022	45	483
LFT	September, 2023	1,905	20,394
LFT	September, 2024	525	5,604
LFT	September, 2025	2,640	28,111
NTN-B	May, 2023	50	191
NTN-B	May, 2025	468	1,859
NTN-B	Agosto/2050	1,635	7,432
Total		15,905	156,433

Assets	Consolidated 2019		
	Maturity	Quantity	Amount
LFT	March, 2020	2,290	23,974
LFT	March, 2021	1,472	15,400
LFT	March, 2022	300	3,136
LFT	March, 2023	1,900	19,848
LFT	March, 2024	1,742	18,182
LFT	March, 2025	250	2,607
LFT	March, 2026	90	938
LFT	September, 2020	203	2,124
LFT	September, 2021	80	837
LFT	September, 2022	41	428
LFT	September, 2023	4,274	44,628
LFT	September, 2024	50	522
LFT	September, 2025	320	3,335
LTN	July, 2020	33,890	33,095
LTN	July, 2022	500	430
LTN	July, 2023	2,500	1,995
NTN-B	May, 2023	1,500	5,523
NTN-B	May, 2045	100	440
NTN-B	August, 2022	515	1,888
NTN-B	August, 2024	5,300	20,179
NTN-B	August, 2026	140	546
NTN-B	August, 2050	375	1,716
Total		57,832	201,771

LFT: Financial Treasury Bills;

LTN: National Treasury Bills; and

NTN-B: National Treasury Notes - B series.

6.2.2. Sensitivity analysis of the exposure to derivatives

The sensitivity analysis aims at showing the changes in market variables in the financial instruments of SulAmérica. As the derivative contracts of PGBL and VGBL investment funds do not pose risk to SulAmérica, their positions were not subject to sensitivity analysis. The sensitivity analyses shown below were made by using assumptions and presuppositions in relation to future events. The estimated scenarios show each scenario's net effect on profit or loss in an instant portfolio position on December 31, 2020. Despite of the periodical review of estimates and assumptions, the settlement of transactions involving these estimates may result in amounts different from those estimated because of the subjectivity inherent in the process adopted in the preparation of these analyses. As the market is lively, these positions change continuously, therefore, they do not necessarily reflect the portrayed position.

The sensitivity analyses of derivative financial instruments were prepared based on scenarios considered "probable", "possible" and "remote". The scenario considered "probable" was the current one which based the determination of fair value of transactions, whereas the "possible" and "remote" ones were determined by applying adverse variations at 25% and 50%, respectively, on current positions, considering the exposures involved in each type of transaction. Variations at 25% and 50% correspond to the minimum variations established in the CVM rules.

Sensitivity analysis of derivative instruments for hedging purposes

				Consolidated 2020		
				Gain or (loss)		
Operation	Risk	Derivative	Asset	Probable scenario	Possible scenario	Remote scenario
Future dollar	US dollar depreciation	Net purchase in dollars	Future dollar at B3	-	(18,453)	(36,905)
Account payable	US dollar appreciation	-	Account payable	-	18,453	36,905
Net effect on profit or loss				-	-	-

				Consolidated 2019		
				Gain or (loss)		
Operation	Risk	Derivative	Asset	Probable scenario	Possible scenario	Remote scenario
Future dollar	US dollar depreciation	Net purchase in dollars	Future dollar at B3	-	(13,576)	(27,152)
Account payable	US dollar appreciation	-	Account payable	-	13,576	27,152
Net effect on profit or loss				-	-	-

				Consolidated 2019		
				Gain or (loss)		
Operation	Risk	Derivative	Asset	Probable scenario	Possible scenario	Remote scenario
Future DI	Decrease un CDI	Net purchase in interest rates	Future DI at B3	-	(378)	(782)
Financial bills	Increase in CDI	-	Liquid position	-	411	852
Net effect on profit or loss				-	33	70

7. Cash and cash equivalents

Description	Company			Consolidated
	2020	2019	2020	2019
Banks	257	9,030	70,883	54,185
Cash equivalents (a)	-	-	885,582	690,794
Total	257	9,030	956,465	744,979

(a) Cash equivalents include one-day resale agreements backed by Fixed income securities - Government, with daily liquidity. These securities have returns close to the SELIC and do not pose significant risk of change in value.

8. Marketable securities

8.1. Breakdown of marketable securities

The following table shows the breakdown of marketable securities and their respective accounting classifications, curve and market values, besides the contracted average rates:

							Company 2020
Description	Fair value through profit or loss		Available for sale			Average interest rate	Total
	Securities calculated based on the curve	Fair value / Carrying amount	Securities calculated based on the curve	Fair value / Carrying amount			
Fixed income securities – government	-	-	173,671	172,381			172,381
Financial treasury bills	-	-	173,671	172,381	SELIC		172,381
Investment fund quotas	57,607	57,607	-	-			57,607
Non-exclusive investment fund quotas (a)	57,607	57,607	-	-			57,607
Subtotal	57,607	57,607	173,671	172,381			229,988
Percentage in securities		25.05%		74.95%			100.00%
Total							229,988
Current							229,988

					Company 2019
Description	Fair value through profit or loss		Fair value / carrying amount	Average interest rate	Total
	Securities calculated based on the curve				
Investment fund quotas		106,928	106,926		106,926
Non-exclusive investment fund quotas (a)		5,275	5,275		5,275
Exclusive investment fund quotas		101,653	101,651		101,651
Financial treasury bills		80,203	80,201	SELIC	80,201
Resale commitments		21,532	21,532	SELIC	21,532
Other		(82)	(82)		(82)
Subtotal		106,928	106,926		106,926
Percentage in securities			100.00%		100.00%
Total					106,926
Current					106,926

(a) The line of non-exclusive investment fund units in the Company comprises a real estate fund (without specific benchmark) and short-term fixed-income funds (CDI).

								Consolidated 2020
Description	Fair value through profit or loss		Available for sale		Held to maturity		Total	
	Securities calculated based on the curve	Fair value / carrying amount	Securities calculated based on the curve	Fair value / carrying amount	Securities calculated based on the curve / carrying amount	Average interest rate		
Fixed income securities - private	1,521,203	1,471,450	1,334,818	1,277,602	-	-	2,749,052	
Debentures								
Floating rate - CDI +	-	-	75,925	75,147	-	CDI + 1.57% p.a.	75,147	
Floating rate - CDI %	297,160	290,543	178,763	174,971	-	107.73% CDI	465,514	
Floating rate - IPCA	12,005	12,163	-	-	-	IPCA + 2.99% p.a.	12,163	
Financial bills	1,201,494	1,158,205	1,074,272	1,021,629	-	113.50% CDI	2,179,834	
Promissory notes	10,544	10,539	5,858	5,855	-	106.00% CDI	16,394	
Fixed income securities - government	3,870,132	3,884,975	4,112,917	4,128,668	1,801,444	2,144,237	9,815,087	
Financial treasury bills	2,604,427	2,595,757	2,511,293	2,495,564	-	SELIC	5,091,321	
National treasury bills								
Fixed rate	13,228	13,623	1,132,047	1,144,324	-	4.15% p.a.	1,157,947	
Agricultural debt securities	12,254	13,065	-	-	-	TR + 10.62% p.a.	13,065	
F series - fixed rate	43	46	255,766	257,041	-	4.6% p.a.	257,087	
B series - floating rate - IPCA	1,227,212	1,249,472	213,811	231,739	62,757	IPCA + 2.56% p.a.	1,543,968	
C series - floating rate - IGPM	12,968	13,012	-	-	1,738,687	IGPM + 7.51% p.a.	1,751,699	
Equity securities	429,988	429,988	-	-	-	-	429,988	
Stocks	429,988	429,988	-	68	-	-	430,056	
Impairment	-	-	-	(68)	-	-	(68)	
Investment fund quotas	4,153,390	4,153,390	-	-	-	-	4,153,390	
Investment fund quotas - fixed income, equity and multimarket	3,937,239	3,937,239	-	-	-	-	3,937,239	
Investment fund quotas - stocks	216,151	216,151	-	-	-	-	216,151	
Subtotal	9,974,713	9,939,803	5,447,735	5,406,270	1,801,444	2,144,237	17,147,517	
Percentage in securities		57.97%		31.53%	10.50%		100.00%	
Other							4,305	
Total							17,151,822	
Current							15,836,487	
Non-current							1,315,335	

Consolidated
2019

Description	Fair value through profit or loss		Available for sale		Held to maturity		Total
	Securities calculated based on the curve	Fair value / carrying amount	Securities calculated based on the curve	Fair value / carrying amount	Securities calculated based on the curve/ carrying amount	Average interest rate	
Fixed income securities - private	2,090,946	2,102,607	1,457,203	1,462,866	-	-	3,565,473
Debentures							
Floating rate - CDI	425,829	422,392	202,651	201,008	-	- 107.41% CDI	623,400
Floating rate - IPCA	19,088	19,696	-	-	-	- 5.91% p.a.	19,696
Financial bills	1,633,509	1,647,993	1,248,861	1,256,165	-	- 113.14% CDI	2,904,158
Promissory notes	12,520	12,526	5,691	5,693	-	- 106.00% CDI	18,219
Fixed income securities - government	5,115,861	5,163,288	5,844,096	5,901,579	1,400,276	1,804,026	12,465,143
Financial treasury bills	3,140,081	3,143,853	4,862,855	4,862,946	-	- SELIC	8,006,799
Fixed rate	402,714	403,916	291,217	301,612	-	- 8.72% p.a.	705,528
Agricultural debt securities	21,695	23,013	-	-	-	- TR + 10.61% p.a.	23,013
National treasury notes							
F series - fixed rate	44	46	215,282	229,856	-	- 12.04% p.a.	229,902
B series - floating rate - IPCA	1,540,588	1,581,282	474,742	507,165	90,932	112,615 3.13% p.a.	2,179,379
C series - floating rate - IGPM	10,739	11,178	-	-	1,309,344	1,691,411 7.84% p.a.	1,320,522
Equity securities	440,224	440,224	-	-	-	-	440,224
Stocks	440,224	440,224	-	74	-	-	440,298
Impairment	-	-	-	(74)	-	-	(74)
Investment fund quotas	1,102,629	1,102,629	-	-	-	-	1,102,629
Investment fund quotas - fixed income, equity and multimarket	1,015,298	1,015,298	-	-	-	-	1,015,298
Investment fund quotas - stocks	87,331	87,331	-	-	-	-	87,331
Subtotal	8,749,660	8,808,748	7,301,299	7,364,445	1,400,276	1,804,026	17,573,469
Percentage in securities		50.13%		41.91%	7.96%		100.00%
Other							2,660
Total							17,576,129
Current							16,225,130
Non-current							1,350,999

8.2. Changes in marketable securities

The breakdown of year-on-year changes in marketable securities is shown below:

	Company	
	At Fair value through profit or loss	Total
Balance as at 01/01/2019	157,151	157,151
Securities	(68,260)	(68,260)
Investment income	18,119	18,119
Other net payments	(84)	(84)
Balance as at 12/31/2019	106,926	106,926

	Company		
	At Fair value through profit or loss	Available for sale	Total
Balance as at 12/31/2019	106,926	-	106,926
Securities	(53,912)	170,073	116,161
Investment income	4,593	3,598	8,191
Fair value adjustment	-	(1,290)	(1,290)
Balance as at 12/31/2020	57,607	172,381	229,988

	Consolidated			
	At Fair value through profit or loss	Available for sale	Held to maturity	Total
Balance as at 01/01/2019	8,394,236	6,543,354	1,292,404	16,229,994
Purchase of the Prodent balance	6,277	-	-	6,277
Securities	(370,148)	351,216	(70,970)	(89,902)
Investment income	741,730	461,754	178,842	1,382,326
Other net proceeds	36,653	-	-	36,653
Fair value adjustment	-	8,121	-	8,121
Balance as at 12/31/2019	8,808,748	7,364,445	1,400,276	17,573,469

Consolidated

	At Fair value through			Total
	profit or loss	Available for sale	Held to maturity	
Balance as at 12/31/2019	8,808,748	7,364,445	1,400,276	17,573,469
Purchase of the Paraná Clínicas balance (d)	61,892	-	-	61,892
Securities (a)	1,020,666	(346,988)	(964)	672,714
Investment income	131,563	221,475	411,441	764,479
Fair value adjustment (b)	-	(76,998)	-	(76,998)
Discontinued operations (c)	(83,066)	(1,755,664)	(9,309)	(1,848,039)
Balance as at 12/31/2020	9,939,803	5,406,270	1,801,444	17,147,517

- (a) The change in the line item is impacted by the completion of the sale of the auto and other property and casualty portfolio and almost the totality of the savings bonds portfolio, as described in Notes 1.1 and 1.2 respectively;
- (b) The other comprehensive income related to the fair value adjustment of the financial assets suffered an additional reduction of R\$13 million (R\$8 million, net of taxes), reclassified into capital reserve, because it refers to a capital transaction between shareholders arising from the corporate restructuring process provided in the process of disposal of the portfolio comprising the auto and other property and casualty lines, according to Note 1.1;
- (c) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13; and
- (d) Acquisition of Paraná Clínicas' balance, according to Note 4.4.1.1.

8.3. Sensitivity analysis of marketable securities

8.3.1. Marketable securities

The risk metrics adopted in the preparation of sensitivity analyses of marketable securities are:

- (i) The VaR Parametric uses a confidence level at 95% and more weighting to latest returns. The VaR concept has the objective of quantifying the expected loss over a fixed term at a confidence interval. It is named Parametric VaR because it uses two parameters for quantification: volatility and correlation. The maturity and duration terms in which each asset may be allocated are also analyzed. The investment portfolio is monitored daily in order to ensure that the thresholds and requirements set are observed; and
- (ii) DV01 (dollar-value or value for one basis-point), which is conveniently and widely used for assessing the market risk of fixed income assets by verifying the amount of change in market value (ΔP) should the interest rate vary one basis point (that is, 0.01%). For determining the amounts regarding equity investments, the change of 1% in the position is considered.

The adopted methodologies do not consider the amounts of the balances related to the PGBL and VGBL, because the funds are in exclusive funds for participants and regulated by liquidity rules established in the rules of each fund.

The following tables show the calculation of expected gain or loss on profit or loss and equity of one day using the VaR and DV01 methodologies.

Risk factors	2020		Company 2019	
	VaR 95%	DV01=0.01%	VaR 95%	DV01=0.01%
Other	14	6	11	-
Total	14	6	11	-

Risk factors	2020		Consolidated 2019	
	VaR 95%	DV01=0.01%	VaR 95%	DV01=0.01%
Nominal interest	2,668	177	476	(16)
Real interest	352	51	885	114
Floating income	3,386	1,699	1,620	1,188
Foreign exchange risk	925	534	430	412
Other	317	-	48	-
Diversification benefit	(2,977)	-	(1,689)	-
Total	4,671	2,461	1,770	1,698

The Interbank Deposit Certificate (CDI) and SELIC-linked assets do not show change, because the duration is only one business day. In relation to VaR, such assets did not show material results because of low volatility (lower than R\$1).

The amounts reported in the line "Diversification effect" show the reduction in VaR arising from the correlation between the assets contained in the investment portfolio.

In the period from September 2020 to November 2020, it was noted an increase in the volatility of the Financial Treasury Bills (LFT) prices because of the low demand for these assets, affecting their liquidity and, consequently, market value. Since then, however, these asset prices have been gradually recovering.

8.4. Criteria adopted to estimate market values

The assets held in the portfolio or exclusive investment funds are valued at market value, using the prices traded in active markets, except for held-to-maturity securities, which are adjusted based on indexes and rates agreed upon at purchase.

These financial instruments were classified into hierarchical levels of measurement at market value, as follows:

(i) **Level 1:**

Quoted prices (not adjusted) in active markets for identical assets and liabilities;

(ii) **Level 2:**

Information, except quoted prices (included in Level 1), observable for the asset or liability, either directly (prices) or indirectly (price variation); and

(iii) **Level 3:**

Assumptions that are not based on observable market data (unobservable information, models based on own methodologies) for assets or liabilities.

Level 1

- **Equity securities**

Calculated based on the closing price on the last day they were traded in the month;

- **Fixed-income securities - government**

Calculated based on the unit price lists for the secondary market disclosed by ANBIMA; and

- **Derivative financial instruments**

Calculated based on the quoted prices and rates disclosed by B3.

Level 2

- **Bank Deposit Certificates (CDB) and Financial Bills (LF)**

Calculated according to redemption characteristics: (i) CDBs with early redemption clause at a fixed rate: calculated based on the agreed rate of the operation; (ii) CDBs without early redemption clause and with early redemption clause at market rate: calculated based on the curve from Interbank Deposit (DI) futures of B3, and, for credit spread, the set formed by CDB and financial bills operations of managed portfolios/funds in which the custodian bank provides asset pricing services;

- **Debentures**

Calculated based on the unit price lists (for government securities) for the secondary market disclosed by ANBIMA, or, in case it does not exist, by the criteria established by the custodian bank, according to the pricing standards set forth in its mark to market guidelines;

- **Bank Credit Note (CCB)**

These are calculated based on the projected payment flow to the operation, discounted at the curve from DI futures of B3 and credit spread of SulAmérica or companies with similar risk profile; and

- **Investment fund units**

Calculated in accordance with the mark to market criteria established by the manager of each fund, expressed in the disclosed unit value, except for held-to-maturity securities, which are calculated based on the agreed-upon indexes, plus interest incurred.

The assets allocated to exclusive investment funds are shown according to the hierarchy levels classified above.

The receivables and payables balances of consolidated exclusive funds, recorded in current, approximate their realizable and payable values, respectively, due to their short-term maturities.

The balances of marketable securities, CCB, debentures and finance lease by hierarchical level as at December 31, 2020 and 2019 are as follows:

Description	Company 2020		
	Level 1	Level 2	Total
Financial assets			
Securities			
Fair value through profit or loss	-	57,607	57,607
Available for sale	172,381	-	172,381
Total	172,381	57,607	229,988
Financial liabilities			
Loans and financing	-	1,567,385	1,567,385
Total	-	1,567,385	1,567,385

Description	Company 2019		
	Level 1	Level 2	Total
Financial assets			
Securities			
Fair value through profit or loss	101,733	5,193	106,926
Total	101,733	5,193	106,926
Financial liabilities			
Loans and financing	-	1,757,765	1,757,765
Total	-	1,757,765	1,757,765

Description	Consolidated 2020		
	Level 1	Level 2	Total
Financial assets			
Cash equivalents	-	885,582	885,582
Securities			
Fair value through profit or loss	4,314,963	5,624,840	9,939,803
Available for sale	4,128,668	1,277,602	5,406,270
Held to maturity	2,144,237	-	2,144,237
Total	10,587,868	7,788,024	18,375,892
Financial liabilities			
Loans and financing	-	1,568,418	1,568,418
Total	-	1,568,418	1,568,418

Description	Consolidated 2019		
	Level 1	Level 2	Total
Financial assets			
Cash equivalents	-	690,794	690,794
Securities			
Fair value through profit or loss	5,603,512	3,205,236	8,808,748
Available for sale	5,901,579	1,462,866	7,364,445
Held to maturity	1,804,026	-	1,804,026
Total	13,309,117	5,358,896	18,668,013
Financial liabilities			
Loans and financing	-	1,759,063	1,759,063
Total	-	1,759,063	1,759,063

9. Receivables

As at December 31, 2020, the Company's receivables balance of R\$56,265 (R\$192,423 in 2019) basically comprised the dividends receivable and the amounts of the stock option plan of the Company receivable from its subsidiaries.

The following receivables are presented in the consolidated financial statements as at December 31, 2020 and 2019:

Description	Note	Consolidated	
		2020	2019
Insurance		2,611,889	3,010,179
Premiums receivable	9.1.1	947,976	1,566,530
Insurance companies		452	6,437
Other operating income	9.1.2	1,663,461	1,437,212
Private pension		1,848	5,898
Saving bonds	19.1	-	1,149
ASO receivables	9.2	400,777	340,900
Other		174,993	237,299
Total		3,189,507	3,595,425
Current		1,597,858	2,287,210
Non-current		1,591,649	1,308,215

9.1. Insurance

9.1.1. Premiums receivable

Changes in premiums receivable

The balances of premiums receivable include direct written premiums and accepted coinsurance, as well as retrocession operations. The health segment's bills are due monthly, and its balance represents a share of approximately 93% of SulAmérica's premium receivable as at December 31, 2020 (31% in 2019). The increase in the health segment's share was caused by the classification of the auto portfolio balances as non-current assets held for sale and discontinued operations, and subsequent write-off as a result of disposal, as mentioned in Note 13.

	Consolidated		
	Premiums	Impairment	Total
Balance as at 01/01/2019	1,877,496	(433,837)	1,443,659
Purchase of the Prodent balance	18,338	(11,022)	7,316
Written premiums, net of cancellation / recognition	22,283,997	(171,123)	22,112,874
RVNE	(834)	-	(834)
Receipts / reversal	(22,080,812)	84,327	(21,996,485)
Balance as at 12/31/2019	2,098,185	(531,655)	1,566,530
Current			1,566,489
Non-current			41

	Consolidated		
	Premiums	Impairment	Total
Balance as at 12/31/2019	2,098,185	(531,655)	1,566,530
Balance of Paraná Clínicas acquisition	5,862	(2,662)	3,200
Written premiums, net of cancellation / recognition	21,247,410	(192,311)	21,055,099
RVNE	(14,690)	-	(14,690)
Receipts / reversal	(20,752,136)	82,490	(20,669,646)
Discontinued operations (a)	(999,536)	7,019	(992,517)
Balance as at 12/31/2020	1,585,095	(637,119)	947,976
Current			947,715
Non-current			261

- (a) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13; and
 (b) Acquisition of Paraná Clínicas' balance, according to Note 4.4.1.1.

Premiums receivable by maturity

The breakdown of premiums receivable by maturity is as follows:

Description	Consolidated	
	2020	2019
Falling due		
Falling due from 1 to 30 days	234,856	451,206
Falling due 31 to 60 days	48,325	183,317
Falling due 61 to 180 days	180,614	431,022
Falling due 181 to 365 days	266,449	96,710
Falling due after 365 days	291	97
Total	730,535	1,162,352
Impairment	(36,273)	(7,701)
Falling due total	694,262	1,154,651
Overdue		
Overdue from 1 to 30 days	110,399	247,369
Overdue from 31 to 60 days	32,297	39,480
Overdue from 61 to 180 days	56,187	76,784
Overdue from 181 to 365 days	76,635	88,033
Overdue after 365 days	579,042	484,167
Total	854,560	935,833
Impairment	(600,846)	(523,954)
Overdue total	253,714	411,879
Total premiums receivable	1,585,095	2,098,185
Total impairment (a)	(637,119)	(531,655)
Total	947,976	1,566,530

- (a) The impairment is based on premiums due and falling due of expired risk. The amount is recorded in the statement of financial position at gross amounts, and in the statement of income at amounts net of commissions, IOF (tax on financial transactions), escrow deposits, reflecting the essence of the final result of the entire receipt process. The credit risk analysis of companies is made based on a chart that shows the score (risk rating) for likelihood of loss, whereas that of individuals is made based on the history of recovery percentage of premiums due. The premiums with risks to expire are usually cancelled after 60 days past due; and
 (b) The change basically refers to the disposal of the auto and other property and casualty portfolio, according to Note 13.

9.1.2. Other operating receivables

Description	Consolidated	
	2020	2019
Amount receivables of FCVS - SFH (9.1.2.1)		
Principal	1,735,186	1,540,206
Impairment	(208,451)	(197,180)
Balance bank accounts restricted (a)	63,622	51,058
Other (b)	73,104	43,128
Total	1,663,461	1,437,212
Current	114,496	170,634
Non-current	1,548,965	1,266,578

- (a) Refer to frozen funds in bank accounts and investment funds in connection with the lawsuits; and
 (b) The balance of the line "Other" is mainly represented by advances to suppliers and payments related to the refund to the Unified Health System (SUS), managed by the regulatory authority and recorded as advance until the regulatory authority authorizes the write-off of liabilities, recorded in the outstanding claims reserve (Note 21.1). The increment to the balance in december/2020 as compared to the previous period can be explained by the advances made by the Company to some health service providers, aiming to minimize the impacts of the reduction in the usage rate, as informed in Note 1.4. The amounts of such advances included in the December 2020 balance total R\$14,307 million.

9.1.2.1. Amounts receivable of FCVS – SFH

	Consolidated
Balance of amounts receivable - FCVS-SFH as at 01/01/2019	1,152,358
Adições	404,494
Write-offs	(16,646)
Balance of amounts receivable - FCVS-SFH as at 12/31/2019	1,540,206
Balance of Impairment as at 12/31/2019	(197,180)
Closing balance net of impairment as at 12/31/2019	1,343,026
Current	78,859
Non-current	1,264,167
	Consolidated
Balance of amounts receivable - FCVS-SFH as at 12/31/2019	1,540,206
Additions	326,759
Write-offs	(131,779)
Balance of amounts receivable - FCVS-SFH as at 12/31/2020	1,735,186
Balance of Impairment as at 12/31/2020	(208,451)
Closing balance net of impairment as at 12/31/2020	1,526,735
Current	38,918
Non-current	1,487,817

As at December 31, 2020 there are lawsuits related to the Housing Financial System (*Sistema Financeiro da Habitação* or SH/SFH) in progress in which the Company is summoned. Such lawsuits may give rise to future cash disbursement with the corresponding application for reimbursement to Caixa Econômica Federal, manager of the Wage Variation Compensation Fund (*Fundo de Compensação de Variações Salariais* or FCVS). In the cases in which the lawsuit is in temporary execution phase, to avoid early disbursement in cases which decisions are not final and unappealable, the Company pledges in court surety bond policies. As at December 31, 2020, the total amount guaranteed through surety bond is R\$1,036,795 (R\$955,555 in 2019). The SH/SFH was created by article 14 of Act No. 4.380/1964, and since 1967 it has been guaranteed by the FCVS. The insurance companies have lawsuits filed against them in the wrongful role of representatives of FCVS, which should be taken on by Caixa Econômica Federal - CAIXA, the manager of such Fund. In view of this role of FCVS representative in lawsuits, the insurance companies, which are the illegitimate parties, are entitled to receive reimbursements for all incurred expenditures. Act No. 12.409/2011, amended by Act No. 13.000/2014, as well as the CCFCVS Resolution No. 364, of March 28, 2014, expressly establishes the responsibility of FCVS, through its manager CAIXA, for all lawsuits which subject matter is the SH/SFH's public policy. Additionally, the Office of Attorney-General of the National Treasury (PGFN) issued the Opinions PGFN/CAF No. 1.842/2014 and PGFN/CRJ No. 1.949/2014, in which it recognizes the role of insurance companies as representatives of the FCVS. In September 2018, the Federal Supreme Court (STF) recognized the general repercussion in an extraordinary appeal filed by Sul América to analyze the jurisdiction by the Federal Court to judge lawsuits of such nature. In June 2020, the merits of such appeal were judged and accepted, by majority of votes, to consolidate interest of CEF, the FCVS administrator, in the SH/SFH-related lawsuits, and, consequently, establish the Federal Court's jurisdiction for processing and judging lawsuits of such nature. The decision containing the full decision and the thesis supported by the STF (procedure under the general repercussion regime, which published thesis are binding on all courts of the country) was published on August 21, 2020. This decision can be appealed for clarification, which do not have suspensive effect. Regarding this decision, an appeal for clarification was filed, which do not have suspensive effect. After the Resolution No. 448/2019 was issued, new requirements for refunding insurance companies for the payments made in SH/SFH-related lawsuits were established. These new requirements permitted to resume refunds from December 2019.

9.2. Consideration receivable – Health administrative services only plans

Health administrative service only plans are the modality in which SulAmérica administers medical and hospital expenses on behalf of its clients, and is fully reimbursed by clients, recording as revenue from operations only its administration fee. The amounts related to consideration receivable by maturity are as follows:

Description	Consolidated	
	2020	2019
Falling due		
Falling due from 1 to 30 days	377,552	303,876
Falling due from 31 to 60 days	8,310	-
Falling due total	385,862	303,876
Overdue		
Overdue from 1 to 30 days	14,539	26,492
Overdue from 31 to 60 days	279	6,870
Overdue from 61 to 180 days	92	5,423
Overdue from 181 to 365 days	18	1,683
Overdue after 365 days	3,073	1,114
Total	18,001	41,582
Impairment	(3,086)	(4,558)
Overdue total	14,915	37,024
Total premiums receivable	403,863	345,458
Total impairment	(3,086)	(4,558)
Total	400,777	340,900

10. Taxes

10.1. Tax credits

Description	Note	Company		Consolidated	
		2020	2019	2020	2019
Tax loss carryforwards / recoverable taxes	10.1.1	19,322	146,961	255,627	273,302
Deferred tax assets	10.1.2	648	10,459	1,351,248	1,270,110
Deferred tax liabilities	10.1.2	(3)	(2)	(170,853)	(243,538)
Total		19,967	157,418	1,436,022	1,299,874
Current		11,092	73,063	178,218	154,787
Non-current		8,875	84,355	1,257,804	1,145,087

10.1.1. Tax loss carryforwards and/or recoverable taxes

Description	Balance as at		Inflation and interest adjustments	Payments / write-offs	Company	
	01/01/2019	Additions			Balance as at 12/31/2019	Balance as at 12/31/2019
Corporate income tax - IRPJ	147,523	57,590	6,724	(66,764)	145,073	145,073
Social Contribution on Net Income - CSLL	-	1,850	-	-	1,850	1,850
Social Contribution on Revenues - COFINS	-	11	-	(11)	-	-
Contribution to the Social Integration Program - PIS	-	2	-	(2)	-	-
Other	38	-	-	-	38	38
Total	147,561	59,453	6,724	(66,777)	146,961	146,961
Current					73,063	73,063
Non-current					73,898	73,898

Description	Balance as at		Inflation and interest adjustments	Payments / write-offs	Company	
	12/31/2019	Additions			Balance as at 12/31/2020	Balance as at 12/31/2020
Corporate income tax - IRPJ	145,073	29,382	3,058	(158,191)	19,322	19,322
Social Contribution on Net Income - CSLL	1,850	-	60	(1,910)	-	-
Social Contribution on Revenues - COFINS	-	3	-	(3)	-	-
Contribution to the Social Integration Program - PIS	-	1	-	(1)	-	-
Other	38	-	-	(38)	-	-
Total	146,961	29,386	3,118	(160,143)	19,322	19,322
Current					11,092	11,092
Non-current					8,230	8,230

Consolidated

Description	Balance as at 01/01/2019	Balance of Prodent acquisition	Additions	Inflation and interest adjustments	Payments / write-offs	Balance as at 12/31/2019
Corporate income tax - IRPJ	224,062	1,136	133,810	11,675	(173,162)	197,521
Social Contribution on Net Income - CSLL	34,238	302	18,028	3,679	(13,211)	43,036
Social Contribution on Revenues - COFINS	30,972	8	9,377	964	(38,268)	3,053
Contribution to the Social Integration Program - PIS	4,726	2	1,450	215	(4,109)	2,284
Social Security Contribution - INSS	25,898	-	313	1,330	(443)	27,098
Other	272	-	107	-	(69)	310
Total	320,168	1,448	163,085	17,863	(229,262)	273,302
Current						154,787
Non-current						118,515

Consolidated

Description	Balance as at 12/31/2019	Balance of Paraná Clínicas acquisition (b)	Additions	interest adjustments	Payments / write-offs	Discontinued operations (a)	Balance as at 12/31/2020
Corporate income tax - IRPJ	197,521	4,604	149,180	5,157	(199,660)	(177)	156,625
Social Contribution on Net Income - CSLL	43,036	1,639	39,437	1,261	(36,162)	(70)	49,141
Social Contribution on Revenues - COFINS	3,053	64	4,419	983	(5,833)	(87)	2,599
Contribution to the Social Integration Program - PIS	2,284	6	630	25	(845)	(18)	2,082
Social Security Contribution - INSS	27,098	-	1,303	1,068	(6,269)	-	23,200
Other	310	-	21,848	-	(178)	-	21,980
Total	273,302	6,313	216,817	8,494	(248,947)	(352)	255,627
Current							178,218
Non-current							77,409

- (a) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13; and
(b) Acquisition of Paraná Clínicas' balance, according to Note 4.4.1.1.

10.1.2. Change in tax credits and debits

Company

Description	Balance as at 01/01/2019	Constitution	Realization / Reversal	Balance as at 12/31/2019
Actuarial losses on defined benefit pension plan	53	156	-	209
Social contribution tax loss carryforwards	9,935	315	-	10,250
Total deferred tax assets	9,988	471	-	10,459
Other	-	(2)	-	(2)
Total tax debits	-	(2)	-	(2)

Company

Description	Balance as at 12/31/2019	Constitution	Realization / Reversal	Balance as at 12/31/2020
Actuarial losses on defined benefit pension plan	209	-	-	209
Social contribution tax loss carryforwards	10,250	66,718	(76,968)	-
Loss from fair value adjustment	-	613	(174)	439
Total deferred tax assets	10,459	67,331	(77,142)	648
Other	(2)	(1)	-	(3)
Total tax debits	(2)	(1)	-	(3)

Consolidated

Description	Balance as at 01/01/2019	Balance of Prodent acquisition	Constitution	Realization / Reversal	Balance as at 12/31/2019
Accrued liabilities for contingencies and tax liabilities	718,034	800	45,864	(38,007)	726,691
Impairment	125,735	1,633	61,101	(17,837)	170,632
Provisions	66,800	86	24,982	(26,960)	64,908
Reversal of reserve	34,376	-	-	-	34,376
Profit sharing	15,179	-	6,824	(13,057)	8,946
Actuarial losses on defined benefit pension plan	12,737	-	2,971	(227)	15,481
Loss from fair value adjustment	22	-	16	(1)	37
Other	5,430	-	26,348	(1,913)	29,865
Deferred tax on temporary differences total	978,313	2,519	168,106	(98,002)	1,050,936
Social contribution tax loss carryforwards	47,628	-	543	(11,796)	36,375
PIS and COFINS tax credit on IBNR reserve	168,540	-	25,793	(11,534)	182,799
Total deferred tax assets	1,194,481	2,519	194,442	(121,332)	1,270,110
Tax debit related to inflation adjustment on escrow deposits	(320,879)	(9)	(17,055)	165,300	(172,643)
Gains from fair value adjustment	(27,095)	-	(17,293)	13,335	(31,053)
Other	(19,333)	(14,278)	(6,255)	24	(39,842)
Total tax debits	(367,307)	(14,287)	(40,603)	178,659	(243,538)

Consolidated

Description	Balance as at 12/31/2019	Balance of Paraná Clínicas acquisition (b)	Constitution	Realization / Reversal	Discontinued operations (a)	Balance as at 12/31/2020
Accrued liabilities for contingencies and tax liabilities	726,691	4,474	53,782	(48,268)	(5,817)	730,862
Impairment	170,632	416	88,248	(66,374)	(2,296)	190,626
Provisions	64,908	-	30,299	(32,108)	(2,220)	60,879
Reversal of reserve	34,376	-	-	-	-	34,376
Profit sharing	8,946	-	9,528	(7,928)	(4,306)	6,240
Actuarial losses on defined benefit pension plan	15,481	-	4,921	(4,921)	-	15,481
Loss from fair value adjustment	37	-	51,428	(30,053)	-	21,412
Other	29,865	1,615	24,604	(5,782)	-	50,302
Deferred tax on temporary differences total	1,050,936	6,505	262,810	(195,434)	(14,639)	1,110,178
Social contribution tax loss carryforwards	36,375	-	88,973	(77,484)	-	47,864
PIS and COFINS tax credit on IBNR reserve	182,799	1,963	70,236	(41,742)	(20,050)	193,206
Total deferred tax assets	1,270,110	8,468	422,019	(314,660)	(34,689)	1,351,248
Tax debit related to inflation adjustment on escrow deposits	(172,643)	-	(6,850)	76,683	-	(102,810)
Gains from fair value adjustment	(31,053)	-	(5,404)	18,057	5,521	(12,879)
Other	(39,842)	(31,942)	(22,711)	30,541	8,790	(55,164)
Total tax debits	(243,538)	(31,942)	(34,965)	125,281	14,311	(170,853)

(a) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13; and
(b) Acquisition of Paraná Clínicas' balance, according to Note 4.4.1.1.

As at December 31, 2020, the bases of income tax losses and social contribution loss carryforwards comprise the following:

Year	Consolidated	
	Income tax	Social contribution
2005	4,117	36,586
2011	35,408	31,850
2017	11,517	11,572
2018	2,005	1,927
2020	72,216	72,222
Offset balances	125,263	154,157

As at December 31, 2020, the expected realization by year of deferred tax assets of income tax loss and social contribution tax loss carryforwards in the consolidated balances are as follows:

Year	Consolidated	
	Income tax	Social Contribution
2021	0%	9%
2022	8%	11%
2023	13%	9%
2024	24%	16%
2025	42%	28%
2026 to 2027	13%	27%
Total	100%	100%

In the Company, all balances of income tax loss and social contribution loss carryforwards and their respective deferred tax assets were realized in view of the capital gain recognized in the month of July 2020.

On a consolidated basis, the realization of deferred tax assets for temporary differences mainly related to provisions for lawsuits and tax obligations are not presented in the chart above, because they depend on the final and unappealable decision on these lawsuits and settlement date. Notwithstanding this fact, the budget of future results approved by the management of subsidiaries fully include the realization of deferred tax assets recorded based on temporary differences.

The bases and taxes shown in the charts below, related to December 31, 2020, represent the unrecognized deferred tax assets, most of which comprising amortization of goodwill from investments, in view of the lack of prospects for realization of amortized amounts.

Description	Company		Consolidated	
	Bases	Unrecognized deferred tax assets	Bases	Unrecognized deferred tax assets
Temporary differences of IRPJ	5,633	1,408	437,656	109,414
Temporary differences of CSLL (a)	494	45	133,866	18,571
Total	6,127	1,453	571,522	127,985

(a) Rate of 9% and 15%.

11. Reinsurance assets

Description	Note	Consolidated	
		2020	2019
Reinsurance assets and retrocession - Technical reserves	11.1	35,794	26,308
Reinsurance companies	11.2	18,221	8,056
Non-proportional reinsurance		16	15
Total		54,031	34,379
Current		46,430	26,796
Non-current		7,601	7,583

11.1. Reinsurance and retrocession assets – technical reserves

Description	Consolidated					
	Unearned premium reserve		Reserve for claims and IBNR reserve and others		Total	
	2020	2019	2020	2019	2020	2019
Property and casualty	-	2,971	6,406	9,582	6,406	12,553
Life and private pension	2,688	1,833	17,662	10,661	20,350	12,494
Health	-	-	9,038	1,261	9,038	1,261
Total	2,688	4,804	33,106	21,504	35,794	26,308
Current	2,688	3,849	27,817	17,014	30,505	20,863
Non-current	-	955	5,289	4,490	5,289	5,445

11.1.1. Change in the unearned premium reserve - reinsurance

Description	Consolidated			
	Property and casualty	Life and private pension	Health	Total
Balance as at 01/01/2019	3,627	1,726	-	5,353
Issuance/RVNE	3,776	8,018	3,935	15,729
Amortization	(4,432)	(7,911)	(3,935)	(16,278)
Balance as at 12/31/2019	2,971	1,833	-	4,804

Description	Consolidated			
	Property and casualty	Life and private pension	Health	Total
Balance as at 12/31/2019	2,971	1,833	-	4,804
Issuance/RVNE	3,404	10,803	29,349	43,556
Amortization	(1,810)	(9,948)	(29,349)	(41,107)
Discontinued operations (a)	(4,565)	-	-	(4,565)
Balance as at 12/31/2020	-	2,688	-	2,688

(a) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13.

11.1.2. Change in outstanding claims reserve / IBNR - reinsurance

Description	Consolidated			
	Property and casualty	Life and private pension	Health	Total
Balance as at 01/01/2019	14,361	13,468	-	27,829
Additions/write-off	(5,411)	(1,299)	710	(6,000)
Inflation/ interest adjustments	627	354	1	982
Changes in IBNR	5	(1,862)	550	(1,307)
Balance as at 12/31/2019	9,582	10,661	1,261	21,504

Description	Consolidated			
	Property and casualty	Life and private pension	Health	Total
Balance as at 12/31/2019	9,582	10,661	1,261	21,504
Additions/write-off	(2,045)	4,312	4,195	6,462
Inflation/ interest adjustments	1,586	758	(24)	2,320
Changes in IBNR	(694)	1,931	3,606	4,843
Discontinued operations (a)	(2,023)	-	-	(2,023)
Balance as at 12/31/2020	6,406	17,662	9,038	33,106

(a) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13.

11.2. Operations with reinsurance companies

Description	Assets			Consolidated
	2020	2019	2020	2019
Recovery of damages	17,342	7,587	-	-
Premiums net of commissions	-	-	22,278	11,627
Salvage and recoveries	-	-	456	723
Impairment	(1,920)	(2,147)	-	-
Other	2,799	2,616	384	88
Total	18,221	8,056	23,118	12,438
Current	15,909	5,918	23,118	12,438
Non-current	2,312	2,138	-	-

12. Deferred acquisition costs

Description	Note	Consolidated	
		2020	2019
Deferred acquisition costs			
Health	12.1	964,736	964,706
Property and casualty (a)	12.2	-	383,186
Life and private pension	12.3	46,827	27,936
Private Pension	12.4	34,687	41,010
Total		1,046,250	1,416,838
Current		339,564	712,650
Non-current		706,686	704,188

(a) The change basically refers to the disposal of the auto and other property and casualty portfolio, according to Note 13.

12.1. Health

	Consolidated		
	Direct insurance and net of coinsurance ceded	Reinsurance	Total
Balance as at 01/01/2019	800,512	-	800,512
Generated acquisition cost	1,276,071	(485)	1,275,586
Amortization	(1,039,852)	241	(1,039,611)
Cancellation	(71,781)	-	(71,781)
Balance as at 12/31/2019	964,950	(244)	964,706
Current			294,560
Non-current			670,146

	Consolidated		
	Direct insurance and net of coinsurance ceded	Reinsurance	Total
Balance as at 12/31/2019	964,950	(244)	964,706
Balance of Paraná Clínicas acquisition (a)	44	-	44
Generated acquisition cost	1,215,573	(1,726)	1,213,847
Amortization	(1,140,735)	1,267	(1,139,468)
Cancellation	(74,493)	100	(74,393)
Balance as at 12/31/2020	965,339	(603)	964,736
Current			304,055
Non-current			660,681

(a) Acquisition of Paraná Clínicas' balance, according to Note 4.4.1.1.

12.2. Property and casualty

	Consolidated		
	Direct insurance, net of coinsurance ceded	Accepted coinsurance	Total
Balance as at 01/01/2019	381,448	5,072	386,520
Generated acquisition cost	799,563	8,807	808,370
Amortization	(752,283)	(9,148)	(761,431)
Cancellation	(49,541)	(932)	(50,473)
RVNE	200	-	200
Balance as at 12/31/2019	379,387	3,799	383,186
Current			381,840
Non-current			1,346

	Consolidated		
	Direct insurance, net of coinsurance ceded	Accepted coinsurance	Total
Balance as at 12/31/2019	379,387	3,799	383,186
Generated acquisition cost	340,431	3,398	343,829
Amortization	(339,620)	(4,574)	(344,194)
Cancellation	(26,978)	(345)	(27,323)
RVNE	(2,353)	-	(2,353)
Discontinued operations (a)	(350,867)	(2,278)	(353,145)
Balance as at 12/31/2020	-	-	-
Current			-
Non-current			-

(a) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13.

12.3. Life & pension

	Consolidated		
	Direct insurance and net of coinsurance ceded	Accepted coinsurance	Total
Balance as at 01/01/2019	17,714	39	17,753
Generated acquisition cost	171,368	-	171,368
Amortization	(136,648)	(17)	(136,665)
Cancellation	(24,461)	(22)	(24,483)
RVNE	(37)	-	(37)
Balance as at 12/31/2019	27,936	-	27,936
Current			14,816
Non-current			13,120

	Consolidated	
	Direct insurance, net of coinsurance ceded	Total
Balance as at 12/31/2019	27,936	27,936
Generated acquisition cost	164,659	164,659
Amortization	(128,279)	(128,279)
Cancellation	(16,072)	(16,072)
RVNE	(1,417)	(1,417)
Balance as at 12/31/2020	46,827	46,827
Current		16,624
Non-current		30,203

12.4. Private pension

	Consolidated	
	Private pension	Total
Balance as at 01/01/2019	41,342	41,342
Generated acquisition cost	19,979	19,979
Amortization	(18,956)	(18,956)
Cancellation	(1,355)	(1,355)
Balance as at 12/31/2019	41,010	41,010
Current		21,434
Non-current		19,576

	Consolidated	
	Private pension	Total
Balance as at 12/31/2019	41,010	41,010
Generated acquisition cost	14,282	14,282
Amortization	(18,955)	(18,955)
Cancellation	(1,650)	(1,650)
Balance as at 12/31/2020	34,687	34,687
Current		18,885
Non-current		15,802

13. Discontinued operations

As mentioned in Note 1.1, on July 10, 2020, the sale of the auto and other property and casualty line operations was completed for the amount of R\$3,181,454, giving rise to a net gain of R\$1,440,837, after deducting the cost of the negotiated assets amounting to R\$908,081, tax expenses amounting to R\$726,936, and other sales-related expenses amounting to R\$105,600.

After the completion of the transaction, the assets classified as held for sale and the liabilities related to such assets were written-off.

The profit or loss of such operations for the period from January 1 to July 10, 2020 and for the year ended December 31, 2019 are as follows:

	2020	2019
Insurance operating income	1,492,975	3,455,630
Net premiums	1,492,683	3,447,163
Other operating income	292	8,467
Other operating income	12,179	29,539
Changes in technical reserves - premiums	172,968	64,891
Operating expenses	(1,323,158)	(2,971,950)
Claims	(924,326)	(2,138,224)
Acquisition costs	(374,889)	(772,884)
Other operating expenses	(23,943)	(60,842)
Gross operating margin	354,964	578,110
Administrative expenses	(228,311)	(502,325)
Investment income and expenses	48,625	153,417
Equity interest income	3,594	7,538
Income before income tax and social contribution	178,872	236,740
Income tax and social contribution	(69,496)	(89,836)
Net income for the period from discontinued operations, before the profit or loss on the disposal of net assets held for sale	109,376	146,904
Profit or loss on the disposal of net assets held for sale	1,440,837	-
Net income for the period from discontinued operations	1,550,213	146,904

The main asset and liability classes of the auto and other property and casualty line operations classified as assets and liabilities of discontinued operations as at June 30, 2020 and written-off after the completion of the transaction are as follows:

Assets	06/30/2020
Current assets	3,358,292
Cash and cash equivalents	9,195
Marketable securities	1,839,068
Receivables	1,058,222
Taxes	352
Reinsurance assets	5,080
Salvage for sale	91,080
Deferred acquisition costs	351,769
Other	3,526
Non-current assets	190,495
Marketable securities	9,137
Receivables	704
Escrow deposits	55,698
Reinsurance assets	2,362
Deferred acquisition costs	1,376
Taxes	34,689
Other	3,777
Lease assets	15,171
Property and equipment	5,386
Intangible assets	62,195
Assets classified as held for sale	3,548,787

Liabilities	
Current liabilities	2,389,567
Accounts payable	198,162
Insurance and reinsurance liabilities	103,673
Technical reserves - insurance	2,076,868
Escrow deposits	3,166
Other	7,698
Non-current liabilities	251,139
Accounts payable	8,941
Deferred taxes and contributions	14,311
Technical reserves - insurance	214,319
Escrow deposits	11,700
Other	1,868
Liabilities directly associated with the assets classified as held for sale	2,640,706
Net assets directly associated with the group of assets held for sale	908,081

The net cash flows of the discontinued operations for the period from January 1 to July 10, 2020 and the year ended December 31, 2019 are as follows:

	2020	2019
Operating activities	(3,399,206)	16,640
Investing activities	3,180,704	(18,011)
Financing activities	227,451	1,500
Increase / (reduction) in cash and cash equivalents	8,949	129

The earnings per share of discontinued operations for the period from January 1 to July 10, 2020 and the year ended December 31, 2019 are as follows:

Description	2020			2019		
	Common	Preferred	Total	Common	Preferred	Total
Earnings per share - basic (in reais)	1.3310	1.3547	1.3427	0.1264	0.1265	0.1265
Earnings per share - diluted (in reais)	1.3249	1.3419	1.3333	0.1257	0.1250	0.1254

14. Leases

The following table shows the amounts related to leases, as described in Note 3.6.

Right-of-use assets	Consolidated		Total
	Real estate rental contracts	Vehicle fleet rental contracts	
Adoption of the standard as at 01/01/2019	159,529	7,122	166,651
Additions to right-of-use assets	76,824	-	76,824
Adjustment for remeasurement (c)	(35,611)	-	(35,611)
Depreciation charges	(42,123)	(2,374)	(44,497)
Carrying amount of right-of-use assets as at 12/31/2019	158,619	4,748	163,367
Non-current			163,367

Lease liabilities (b)			
Adoption of the standard as at 01/01/2019	159,529	7,122	166,651
Additions to lease liabilities	76,824	-	76,824
Adjustment for remeasurement (c)	(35,611)	-	(35,611)
Total cash outflow for leases	(41,345)	(2,739)	(44,084)
Interest expenses	17,655	433	18,088
Carrying amount of lease liabilities as at 12/31/2019	177,052	4,816	181,868
Current			46,838
Non-current			135,030

Profit or loss			
Short-term lease expenses exempted by the standard (a)	9,352	-	9,352

Right-of-use assets	Real estate rental contracts	Vehicle fleet rental contracts	Equipment rental contracts	Total
Adoption of the standard as at 1.1.2020	158,619	4,748	-	163,367
Additions to right-of-use assets	56,853	786	268	57,907
Depreciation charges	(40,139)	(1,830)	(7)	(41,976)
Discontinued operations (d)	(12,548)	(2,623)	-	(15,171)
Carrying amount of right-of-use assets as at 12.31.2020	162,785	1,081	261	164,127
Non-current				164,127

Lease liabilities (b)				
Adoption of the standard as at 1.1.2020	177,052	4,816	-	181,868
Additions to lease liabilities	56,853	1,307	268	58,428
Total cash outflow for leases	(55,008)	(1,797)	-	(56,805)
Interest expenses	12,280	266	1	12,547
Discontinued operations (d)	(17,025)	(3,403)	-	(20,428)
Carrying amount of lease liabilities as at 12.31.2020	174,152	1,189	269	175,610
Current				41,479
Non-current				134,131

Profit or loss			
Short-term lease expenses exempted by the standard (a)	67	-	67

- (a) Expenses with terms of 12 months or less are provided with recognition exemption by the standard;
(b) Amounts recorded and stated in the line item "Accounts payable" – note 17;
(c) Adjustment in the remeasurement of lease liabilities and the right-of-use of the rental contract of the headquarters' building in Rio de Janeiro; and
(d) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13.

The Company arrived at its discount rates based on the interest rates of loans and financing applied in the financial market at the initial application date (January 1, 2019) or at the contact's signature date for those signed after the initial application. The rates were obtained by reference to the main financial agents.

Contract terms	Rate (%) p.a
2 years	7.05%
3 years	7.31%
4 years	7.31%
5 years	7.31%
7 years	5.75%
8 years	5.75%
10 years	7.31%

As at December 31, 2020, the discounted lease payments of its lease contracts comprise the following:

2021	48,039
2022	40,656
2023	38,850
2024	37,832
2025	22,994
2026+	21,607
Undiscounted amounts	209,978
Embedded interest rate	(34,368)
Balance as at 12/31/2020	175,610

Considering the tax regimes to which the Insurance Entities and Health Plan Operators are subject, which do not accept the appropriation of PIS and COFINS credits, to be calculated on the depreciation of the lease's right-of-use assets, for purposes of the Circular Letter/CVM/SNC/SEP/No. 02/2019, the credits that may be used by other entities are not material for disclosure purposes.

15. Investments

15.1. Company - ownership interest and goodwill

	SALIC	SAEPAR	CIA. SAÚDE	SAH	SASAM	Total
Balance as at 01/01/2019	3,982,523	1,456,581	1,988,475	-	-	7,427,579
Capital increase (b)	311,086	100,343	23,325	-	-	434,754
Capital gain and/or loss (d)	67	(103)	(545)	-	-	(581)
Dividends and interest on capital	(232,514)	(52,833)	(192,096)	-	-	(477,443)
Share of profit of investees (a)	688,045	222,365	425,972	-	-	1,336,382
Equity adjustment - reflex effects (c)	357	(1,650)	(1,577)	-	-	(2,870)
Gains and (losses) not realized in financial assets available for sale	2,730	(833)	(1,519)	-	-	378
Gains and (losses) unrealized actuarial losses on defined benefit pension plan, net of gains	(2,778)	(993)	(58)	-	-	(3,829)
Capital gain and/or loss	405	176	-	-	-	581
Balance as at 12/31/2019	4,749,564	1,724,703	2,243,554	-	-	8,717,821
Capital increase (b)	137,377	230,111	655,000	100	-	1,022,588
Capital decrease (h)	-	-	-	(225,398)	-	(225,398)
Investment acquisition (e)	-	-	-	230,000	-	230,000
Investment disposal	-	-	-	-	(430,100)	(430,100)
Capital gain and/or loss (d)	535	-	(4,671)	-	(31)	(4,167)
Dividends and interest on capital (g)	(100,607)	(522,384)	(280,229)	(530,092)	-	(1,433,312)
Share of profit of investees (a)	295,641	438,364	326,760	530,045	82,732	1,673,542
Transactions capital - negative goodwill	(19,960)	(7,618)	(18,421)	-	-	(45,999)
SALIC restructuring	(347,395)	1,127	(166)	5,252	347,291	6,109
Equity adjustment - reflex effects (c)	(27,570)	(9,557)	(21,898)	90	108	(58,827)
Gains and (losses) not realized in financial assets available for sale	(33,067)	(11,118)	(18,986)	69	108	(62,994)
Gains and (losses) unrealized actuarial losses on defined benefit pension plan, net of gains	2,113	799	(2,912)	-	-	-
Capital gain and/or loss	3,384	762	-	21	-	4,167
Other	(60)	(23)	(52)	-	-	(135)
Balance as at 12/31/2020	4,687,525	1,854,723	2,899,877	9,997	-	9,452,122

Description	Company			
	2020			
	SALIC	SAEPAR	CIA. SAÚDE	SAH
Assets	7,303,741	1,874,969	13,609,483	16,265
Liabilities	827,085	20,246	6,368,136	254
Shareholders' equity	6,476,656	1,854,723	7,241,347	16,011
Net revenue	205,905	43,315	18,206,970	-
Net income	406,270	438,364	909,181	848,979
Share of profit of investees (%)	72.38%	100.00%	40.05%	62.44%
Carrying amount of investment	4,687,525	1,854,723	2,899,877	9,997
Number of common shares	131	3,525	29,402,434	229,106,917
Number of preferred shares	262	-	9,371,514	-

Description	Company			
	2019			
	SALIC	SAEPAR	CIA. SAÚDE	Total
Assets	10,251,312	1,814,605	11,970,467	
Liabilities	3,863,189	89,902	5,449,002	
Shareholders' equity	6,388,123	1,724,703	6,521,465	
Net revenue	3,455,405	7,883	17,211,875	
Net income	925,748	222,365	1,238,216	
Share of profit of investees (%)	74.32%	100.00%	34.40%	
Carrying amount of investment	4,747,594	1,724,703	2,243,554	8,715,851
Goodwill	1,970	-	-	1,970
Number of common shares	127	3,115	23,849,112	
Number of preferred shares	255	-	6,594,853	

- (a) The non-controlling interest recorded in the Company's profit or loss comprises the adjustments to the equity of its investees as a result of the harmonization of accounting policies, when necessary. As at December 31, 2020 and 2019, the non-controlling interests balance comprises the amounts of R\$820,187 (R\$1,189,478 as at December 31, 2019) recognized in the line item "Equity interest income" and continuing operations, and R\$853,355 (R\$146,904 as at December 31, 2019) included in the line item "net income from discontinued operations" related to the interest percentage of subsidiaries in the profit or loss of SASAM, which was sold according to Note 1.1.
- (b) The Company increased the capital of CIA.SAÚDE with cash on August 27, 2020, in the amount of R\$655,000, with the issue of 5,553,322 new common shares and 2,776,661 new preferred shares, all registered, with no par value, at the issue price of R\$78.63 (reais) per share. The Company increased the capital of SAH on July 10, 2020, in the amount of R\$100 with cash, with the issue of 80,274 new registered common shares, with no par value, at the issue price of R\$1.25 (reais) per share. The Company increased the capital of SAEPAR on June 26, 2020, in the amount of R\$106,903 with cash, with the issue of 187 new registered common shares, with no par value, at the issue price of R\$571,670.66 (reais) per share. The Company increased the capital of SAEPAR on May 19, 2020, in the amount of R\$70,060 with cash, with the issue of 126 new registered common shares, with no par value, at the issue price of R\$556,033.32 (reais) per share. The Company increased the capital of SALIC on April 30, 2020, in the amount of R\$24,978 with cash, with the issue of one new common share and one new preferred share, all registered, with no par value, at the issue price of R\$12,488,831.48 (reais) per share. The Company increased the capital of SAEPAR on April 30, 2020, in the amount of R\$53,148 with cash, with the issue of 96 new registered common shares, with no par value, at the issue price of R\$553,627.99 (reais) per share. The Company increased the capital of SALIC on March 26, 2020, in the amount of R\$112,399, of which R\$104,304 with interest on capital and R\$8,095 with cash, with the issue of 3 common shares and 6 preferred shares, all registered, with no par value, at the issue price of R\$12,488,831.47 (reais) per share. The Company increased the capital of SALIC with interest on capital on December 27, 2019, in the amount of R\$24,197, with the issue of 2 new registered preferred shares, with no par value, at the issue price of R\$12,098,238.40 (reais) per share. The Company increased the capital of SAEPAR with interest on capital on November 11, 2019, in the amount of R\$41,532, with the issue of 76 new registered common shares, with no par value, at the issue price of R\$546,455.77 (reais) per share. The Company increased the capital of SAEPAR on April 26, 2019, in the amount of R\$46,186 with cash, with the issue of 90 new registered common shares, with no par value, at the issue price of R\$513,192.70 (reais) per share. The Company increased the capital of SAEPAR with interest on capital on March 28, 2019, in the amount of R\$12,625, with the issue of 25 new registered common shares, with no par value, at the issue price of R\$504,998.37 (reais) per share. The Company increased the capital of SALIC with interest on capital on September 26, 2019, in the amount of R\$12,000, with the issue of one new registered preferred share, with no par value, at the issue price of R\$11,999,585.02 (reais) per share. The Company increased the capital of SALIC with cash on April 26, 2019, in the amount of R\$103,560, with the issue of 3 new common shares and 6 new preferred shares, all registered, with no par value, at the issue price of R\$11,506,837.17 (reais) per share. The Company increased the capital of SALIC on March 28, 2019, in the amount of R\$171,329, of which R\$170,800 with interest on capital and R\$529 with cash, with the issue of 5 new common shares and 10 new preferred shares, all registered, with no par value, at the issue price of R\$11,421,894.57 (reais) per share. The Company increased the capital of CIA. SAÚDE with interest on capital on June 26, 2019, in the amount of R\$23,325, with the issue of 267,751 new common shares and 74,039 new preferred shares, all registered, with no par value, at the issue price of R\$68.25 (reais) per share. The Company increased the capital of SAEPAR with interest on capital on April 27, 2018, in the amount of R\$38,333, with the issue of 83 new registered common shares, with no par value, at the issue price of R\$461,846.80 (reais) per share.
- (c) Refer to amounts of subsidiaries and associates, which affect the parent company upstream, in the moment of the recognition under equity. They comprise the following: (1) unrealized gains and/or losses of financial assets classified into available for sale, which affect the equity of subsidiaries; (2) gains and/or losses recorded because of the change in the interest in companies in which the subsidiaries invest; and (3) actuarial gains and/or losses related to defined benefit plans of the management members of subsidiaries, recorded according to the provisions of CPC 33 – Employee Benefits;
- (d) Refer to capital gains and/or losses on the direct investments of the Company, where the change in investment occurred disproportionately, changing the ownership interest of the Company in the investee;
- (e) On March 26, 2020, the Company acquired interests in SAH through 229,026,643 common shares for the amount of R\$230,000;
- (f) Amounts related to the corporate restructuring agreed-upon in the process of the disposal of the portfolio comprising auto and other property and casualty lines, according to Note 1.1;
- (g) The line of dividends and interest on capital includes the resolution on dividends from funds obtained in the disposal of the interest of SAH in SASAM; and
- (h) Write-off due to the disposal of direct interest of the Company in SASAM.

15.2. Consolidated

Description	2020	2019
Share of profit of investees		
Original amount	25,135	71,710
Surplus (a)	16,780	-
Goodwill (a)	62,940	1,106
Real estate investments	716	1,665
Other	806	543
Total	106,450	75,024

- (a) The increase in lines was caused by the recognition of goodwill based on expected future results of the investee O10 Participações S.A. and the related recognized intangible assets, as described in Note 1.3.

15.2.1. Ownership interests

The following investments in associates are shown in the consolidated financial statements:

	Caixa Capitalização S.A. - CAIXACAP	Sharecare Brasil Serviços de Consultoria LTDA	O10 Participações S.A.	Total
Balance as at 01/01/2019	83,599	12,079	-	95,678
Share of profit of investees	-	1,986	-	1,986
Additional dividends paid	(24,848)	-	-	(24,848)
Balance as at 12/31/2019	58,751	14,065	-	72,816
Share of profit of investees	-	(2,162)	(6,839)	(9,001)
Accumulated losses	-	(136)	-	(136)
Investment disposal	(58,751)	-	-	(58,751)
Investment acquisition	-	-	21,386	21,386
Goodwill	-	-	61,834	61,834
Surplus	-	-	16,780	16,780
Balance as at 12/31/2020	-	11,767	93,161	104,928

(a) The non-controlling interests recognized in O10 Participações S.A. refer to the period between February 13, 2020 (acquisition date) and November 30, 2020 (with a gap of one month).

	2020		
Description	Caixa Capitalização S.A. - CAIXACAP	Sharecare Brasil Serviços de Consultoria LTDA	Total
Assets	31,030	57,108	
Liabilities	9,271	45	
Shareholders' equity	21,759	57,063	
Net revenue	73,025	4	
Net income	(4,430)	(31,541)	
Share of profit of investees (%)	49%	25%	
Carrying amount of investment	10,661	14,547	25,208
Goodwill	1,106	61,834	62,940
Surplus	-	16,780	16,780
Number of common shares	5,079,665	10,396,306	

	2019		
Description	Caixa Capitalização S.A. - CAIXACAP	Sharecare Brasil Serviços de Consultoria LTDA	Total
Assets	3,844,921	34,116	
Liabilities	3,381,469	7,669	
Shareholders' equity	463,452	26,447	
Net revenue	1,604,321	75,706	
Net income	176,921	4,053	
Share of profit of investees (%)	24.50%	49.00%	
Carrying amount of investment	58,751	12,959	71,710
Goodwill	-	1,106	1,106
Number of common shares	1,960	5,079,665	

16. Intangible assets

The Intangible Assets are represented as shown in the following table:

	Consolidated			
	Software development and license costs (a)	Goodwill (b)	Other	Total
Cost				
Balance as at 01/01/2019	395,278	62,235	3	457,516
Addition	83,400	-	-	83,400
Write-Off	(939)	-	-	(939)
Acquisition of subsidiary	-	111,654	42,005	153,659
Balance as at 12/31/2019	477,739	173,889	42,008	693,636
Accumulated amortization				
Balance as at 01/01/2019	(188,997)	-	-	(188,997)
Write-Off	687	-	-	687
Amortization	(56,659)	-	(2,131)	(58,790)
Balance as at 12/31/2019	(244,969)	-	(2,131)	(247,100)
Residual balance as at 12/31/2019	232,770	173,889	39,877	446,536
Estimated economic life	5 and 10 years			

	Consolidated			
	Software development and license costs (a)	Goodwill (b)	Other	Total
Cost				
Balance as at 12/31/2019	477,739	173,889	42,008	693,636
Addition	163,390	-	-	163,390
Write-Off	(67,350)	(14,039)	(4,740)	(86,129)
Acquisition of subsidiary (c)	3,057	284,924	82,143	370,124
Discontinued operations (d)	(145,907)	-	-	(145,907)
Balance as at 12/31/2020	430,929	444,774	119,411	995,114
Accumulated amortization				
Balance as at 12/31/2019	(244,969)	-	(2,131)	(247,100)
Balance of Paraná Clínicas acquisition	55,329	-	1,598	56,927
Write-Off	(61,780)	-	(7,337)	(69,117)
Amortization (c)	(1,898)	-	-	(1,898)
Discontinued operations (d)	83,712	-	-	83,712
Balance as at 12/31/2020	(169,606)	-	(7,870)	(177,476)
Residual balance as at 12/31/2020	261,323	444,774	111,541	817,638
Estimated economic life	5 and 10 years			

(c) Acquisition of Paraná Clínicas' balance and GNI22 balance, according to Note 4.4.1.1; and

(d) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13.

(a) Software development and license costs

Mainly represent expenditures with the development of technology infrastructure, applications, improvements in the website of Sul América companies and operations, development of own systems, and expenditures with the acquisition of software licenses used in operations.

(b) Goodwill

The goodwill amounts recognized in SulAmérica refer to the following transactions:

- Goodwill arising from the acquisition of non-controlling interests in SALIC by SASA, in 1991, in the amount of R\$1,970. In the third quarter of 2020, the goodwill was derecognized because the operation was discontinued;
- Goodwill arising from the acquisition by subsidiary SAEPAR of non-controlling interests in SALIC, in the public offering of shares carried out in 2008, in the amount of R\$14,509. In the third quarter of 2020, the goodwill was derecognized in the amount of R\$7,096, because the operation was discontinued;
- Goodwill arising from the acquisition of the company Dental Plan by the subsidiary CIA. SAÚDE in 2010, in the amount of R\$30,300; Dental Plan was later on acquired by SULAODONTO.
- Goodwill arising from the acquisition of DOCWAY by the subsidiary SAEPAR, in the amount of R\$15,456 on December 7, 2018;
- Goodwill arising from the acquisition of PRODENT by the subsidiary SULAODONTO, in the amount of R\$111,654 on July 31, 2019. In the second quarter of 2020, the goodwill was subsequently measured due to the materialization of facts and circumstances which already existed at the acquisition date, resulting in an adjustment of R\$3,651, as required by the accounting standard. In December 2020, goodwill was reduced in the amount of R\$ 1,322, of which R\$688 refer to definite losses on new demands, and R\$634 refer to incurred losses on existent demands (insufficient retained amount); and
- Goodwill arising from the acquisition of Paraná Clínicas and GNI22 by the subsidiary SULAMED in the amount of R\$284,886 and R\$38, respectively, on September 10, 2020.

As required by the accounting standard in effect, SulAmérica annually tests the recoverable amount of goodwill arising from the expected profitability of its assets through a dividend discount financial model. The assumptions based on which SulAmérica made its projections and exercised its judgment arise from the budget projections approved by its Board of Directors for periods between five and ten years, when the financial flows become steady as business reach maturity. Such projections also consider the regulatory framework of SulAmérica's business lines, thus including the expectation on the maintenance of the financial level to guarantee its solvency margin. The ratios used in the projection model, as well as the discount and growth rates in perpetuity were internally calculated, according to the latest market evaluation about its expectations and trends, prepared by independent entity and with Sul América's risk management policies, as established in its business plan. As a result of the evaluations made on December 31, 2020, SulAmérica has concluded that there was no impairment. Additionally, still under the scenario of uncertainty arising from the alert state provoked by COVID-19, SulAmérica do not have any indication that could produce impact on the estimate of recoverability of the respective assets (see Note 1.4).

17. Accounts payable

Description	Notes	Company		Consolidated	
		2020	2019	2020	2019
Trade payables	17.1	53,844	281,443	277,035	565,111
Labor liabilities		-	-	52,254	58,459
Taxes and contributions payable	17.2	12,965	5,998	210,749	413,060
Saving bonds	19.2	-	-	1,065	695,339
Managed health (a)		-	-	338,173	307,544
Other trade payables	17.3	905	821	294,761	268,196
Lease liabilities		204	182	175,610	181,868
Total (b)		67,918	288,444	1,349,647	2,489,577
Current		67,738	288,319	1,117,144	2,254,179
Non-current		180	125	232,503	235,398

- (a) According to Note 9.2, administrative services only is a plan modality whereby SulAmérica administers medical and hospital expenses in behalf of its customers and is fully reimbursed by them.
- (b) The change in the line item "Accounts payable" is mainly due to the sale of the savings bonds portfolio, according to Note 1.2, and the payment of mandatory dividends made in the year 2020.

17.1. Obligations payable

Description	Company		Consolidated	
	2020	2019	2020	2019
Tax refinance - REFIS	-	-	50,578	55,867
Dividends and interest on capital payable	53,111	280,868	53,111	280,868
Profit sharing	-	-	79,381	100,399
Fees and bonus payable	-	-	44,707	72,112
Private pension	-	-	7,797	11,565
Employee benefits	617	575	34,352	26,071
Others	116	-	7,109	18,229
Total	53,844	281,443	277,035	565,111
Current	53,844	281,443	249,243	542,075
Non-current	-	-	27,792	23,036

REFIS

In November 2009, the subsidiary SULACAP (acquired in April 2013) joined REFIS, established by Act No. 11.941/2009, in order to pay the principal amounts due mainly related to COFINS, CSLL and IRPJ in installments, which were in dispute at either administrative or judicial levels. The total amount of obligations on adherence date was R\$20,411, net of the reduction of expected benefits. The installment plan estimates the payment in up to 180 equal and monthly installments, monthly adjusted based on the SELIC rate variation.

In August 2011, the subsidiary PRODENT joined the Installment Payment Incentive Program (P.P.I.), established by the municipal government of São Paulo, by the Act No. 14.129 of January 11, 2006, for regularization of ISS-related tax debits for the period from 2005 to 2009. The installment payment program establishes the payment of debit in 120 monthly and consecutive installments, adjusted based on the change in the country's base rate (SELIC). The total amount on the adherence date was R\$3,424, and has been paid through monthly issued payment forms.

In December 2013, the subsidiaries SULACAP, CIA. SAÚDE, SULASEG and SALIC joined a new version of REFIS, established by Act No. 12.865/2013, in order to pay in 30 installments and settle with escrow deposit the amounts related to CSLL, IRPJ, INSS and fines imposed by the ANS, and refund to the Unified Health System (SUS), which were in dispute at either administrative and/or judicial levels. The total amount of obligations on the adherence date was R\$66,338, net of the reduction of expected benefits, which includes the amount of R\$14,204, recorded in current liabilities that shall be paid by the conversion into income of the INSS-related escrow deposits and fines imposed by the ANS, and refund to the Unified Health System (SUS). In April 2016, CSLL deposits of CIA. SAÚDE in the amount of R\$4,159 were converted into income. In April 2016, SULACAP, CIA. SAÚDE and SALIC settled the last installment. There was also the conversion into income of proceedings 201151010139791 of the CSLL of subsidiary SULACAP. With this, the CSLL and IRPJ-related amounts were fully settled, being pending only the conversion into income of the escrow deposits related to social security proceedings of subsidiaries SALIC, SULASEG and CIA. SAÚDE, of fines imposed by ANS and refund to SUS of subsidiary CIA. SAÚDE.

On November 16, 2017, the subsidiaries SULAMED and CIA. SAÚDE adhered to the Program of Regularization of Non-Tax Debts (PRD) established by the Provisional Measure (MP) 780, converted into Act No. 13.494/2017, with the scope for the installment payment of the amounts related to the debits arising from the fines imposed by the ANS, which were in dispute in the administrative and judicial levels. The installment payment program provides for the payment of 60 monthly and successive installments, monthly adjusted by the change in the country's base rate (SELIC), the first installment payment corresponding to 20% of the consolidated debt, with no reduction, and the installment payment of the remaining balance with a 60% reduction on interest and late payment fine. The total amount on adherence date was R\$23,452, and it will be paid by means of monthly issued payment forms.

On December 29, 2017, the subsidiary PRODENT adhered to the Program of Regularization of Non-Tax Debts (PRD) established by the Provisional Measure (MP) 780, converted into Act No. 13.494/2017, with the scope for the installment payment of the amounts related to the debits arising from the fines imposed by the ANS, which were in dispute in the administrative and judicial levels. The installment payment program provides for the payment of 60 monthly and successive installments, monthly adjusted by the change in the country's base rate (SELIC), the first installment payment corresponding to 20% of the consolidated debt, with no reduction, and the installment payment of the remaining balance with a 60% reduction on interest and late payment fine. The total amount on adherence date was R\$1,714, and it will be paid by means of monthly issued payment forms.

As at December 31, 2020, total obligations related to the tax refinancing program are recognized in "Accounts payable", of which R\$22,786 (R\$32,831 in 2019) in current liabilities and R\$27,792 (R\$23,036 in 2019) in non-current liabilities.

17.2. Taxes and contributions

Description	Company		Consolidated	
	2020	2019	2020	2019
Corporate income tax - IRPJ	5,649	-	11,560	95,399
Withholding income tax - IRRF	81	131	37,022	24,123
Financial operations tax - IOF	-	-	24,212	80,125
Service tax - ISS	3	1	20,446	38,538
Social contribution on net income - CSLL	2,034	-	4,833	62,348
PIS and COFINS	5,079	5,674	25,843	37,326
INSS Contribution	118	113	38,126	39,846
Private Health Plan Fee	-	-	44,609	31,557
Other	1	79	4,098	3,798
Total	12,965	5,998	210,749	413,060
Current	12,965	5,998	210,749	413,060

17.3. Other accounts payable

Description	Company		Consolidated	
	2020	2019	2020	2019
Trade payables - Suppliers	230	449	81,534	38,875
Securities payable	38	-	83,295	111,923
Trade payables - Exclusive funds	-	-	25,288	33,442
Diverse accounts payable	637	372	104,644	83,956
Total	905	821	294,761	268,196
Current	904	820	227,124	193,606
Non-current	1	1	67,637	74,590

18. Loans and financing

The breakdown of loans and financing balances of the Company and their main characteristics for the indicated periods are as follows:

Description	Company		Consolidated	
	2020	2019	2020	2019
CCB - Banco do Brasil (a)	160,487	161,130	160,487	161,130
Debentures (b)	1,429,872	1,590,726	1,429,872	1,590,726
Acquisition costs	(1,716)	(2,802)	(1,716)	(2,802)
Financial leasing (c)	-	-	1,033	1,298
Total	1,588,643	1,749,054	1,589,676	1,750,352
Current	578,776	176,723	579,139	178,021
Non-current	1,009,867	1,572,331	1,010,537	1,572,331

(a) Bank Credit Note (CCB) – Banco do Brasil

Characteristics	CCB	
	Banco do Brasil	
Amount of securities	R\$200,000	
Issue date	12/29/2015	
Final maturity (a)	01/10/2021	
Inflation adjustment	Without adjustment	
Interests (a)	113.0% CDI	
Interest payment	Three-month period	
Amortization	10% in the first year. 10% in the second year and 80% in maturity	
Collateral	No collaterals	

(a) Change in due date and interest rate in view of the CCB renegotiation on March 1, 2018.

(b) Debentures

	3rd Issue 2nd Series	4rd Issue 2nd Series	5rd Issue Single series	6rd Issue Single series	7rd Issue Single series
Convertibility	Simple nonconvertible debentures	Simple nonconvertible debentures	Simple nonconvertible debentures	Simple nonconvertible debentures	Simple nonconvertible debentures
Sort	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured
Type and form	Registered and book entry debentures, without issue of certificates or receipts	Registered and book entry debentures, without issue of certificates or receipts	Registered and book entry debentures, without issue of certificates or receipts	Registered and book entry debentures, without issue of certificates or receipts	Registered and book entry debentures, without issue of certificates or receipts
Amount of securities	13,000 simple debentures	293,680 simple debentures	500,000 simple debentures	700,000 simple debentures	500,000 simple debentures
Face value	R\$10	R\$1	R\$1	R\$1	R\$1
Issue date	May 16, 2014	December 13, 2016	October 27, 2017	April 16, 2019	March 10, 2020
Initial maturity	May 15, 2020	December 13, 2019	October 27, 2021	April 16, 2022	December 10, 2020
Final maturity	May 15, 2022	December 13, 2021	October 27, 2022	April 16, 2024	December 10, 2020
Monetary adjustment	IPCA	Without adjustment	Without adjustment	Without adjustment	Without adjustment
Interests	IPCA+7.41% p.a.	114.00% CDI	108.00% CDI	111.50%	DI + 0.75%
Interest payment	Annual	Six-month periods	Six-month periods	Six-month periods	Six-month periods
Amortization	In three annual installments	In three annual installments	In two annual installments	In three annual installments	Bullet
Amortization dates	2020, 2021 and 2022	2019, 2020 and 2021	2021 and 2022	2022, 2023 and 2024	2020
Renegotiation	None	None	None	None	None
Early redemption	Only through the voluntary early redemption offer	Only through the voluntary early redemption offer	Only through the voluntary early redemption offer	The Company can perform from April 16, 2022	Only through the voluntary early redemption offer
Voluntary Early Redemption Offer	The Company can perform it at any time	The Company can perform it at any time	The Company can perform it at any time	The Company can perform it at any time	The Company can perform it at any time

18.1. Change in loans and financing

							Consolidated	
Issue	Series	Balance as at 01/01/2019	Funding	Interest paid	Principal amortization	Interest expenses and transaction cost	Balance as at 12/31/2019	
3rd Issue	1st series	124,347	-	(4,076)	(123,358)	3,087	-	
3rd Issue	2nd series	175,786	-	(12,642)	-	19,197	182,341	
4th Issue	1st series	206,945	-	(13,775)	(206,320)	13,150	-	
4th Issue	2nd series	294,589	-	(20,018)	(97,884)	19,530	196,217	
5th Issue	Sole Series	505,614	-	(32,999)	-	31,822	504,437	
6th Issue	Sole Series	-	700,000	(22,736)	-	30,467	707,731	
CCB	-	161,476	-	(10,915)	-	10,569	161,130	
Finance lease	-	5,227	-	(639)	(3,989)	699	1,298	
Transaction cost	-	(3,049)	(1,162)	-	-	1,409	(2,802)	
Total		1,470,935	698,838	(117,800)	(431,551)	129,930	1,750,352	

								Consolidated	
Issue	Series	Balance as at 12/31/2019	Aquisição do Saldo da Paraná Clínicas (a)	Funding	Interest paid	Principal amortization	Interest expenses and transaction cost	Balance as at 12/31/2020	
3rd Issue	2nd series	182,341	-	-	(13,106)	(58,708)	16,475	127,002	
4th Issue	2nd series	196,217	-	-	(6,369)	(97,884)	6,049	98,013	
5th Issue	Sole Series	504,437	-	-	(17,510)	-	14,892	501,819	
6th Issue	Sole Series	707,731	-	-	(26,229)	-	21,536	703,038	
7th Issue	Sole Series	-	-	500,000	(11,000)	(500,000)	11,000	-	
CCB	-	161,130	-	-	(5,602)	-	4,959	160,487	
Financing leasing	-	1,298	1,161	-	(197)	(1,547)	318	1,033	
Transaction cost	-	(2,802)	-	(9,826)	-	-	10,912	(1,716)	
Discount on funding	-	-	-	(520)	-	-	520	-	
Total		1,750,352	1,161	489,654	(80,013)	(658,139)	86,661	1,589,676	

(a) Acquisition of Paraná Clínicas' balance, according to Note 4.4.1.1.

18.2. Fair value – Debentures

The following table shows the market value of Debentures as at December 31, 2020 and 2019, according to the unit price (PU) in the secondary market released by ANBIMA.

Issue	Series	2020		2019	
		Fair value	Interest	Fair value	Interest
3rd Issue	2nd series	133,830	IPCA + 1.09%	196,483	IPCA + 1.57%
4th Issue	2nd series	97,117	150.11% CDI	195,584	118.75% CDI
5th Issue	Sole series	489,760	162.35% CDI	496,837	121.08% CDI
6th Issue	Sole series	686,191	136.47% CDI	707,731	111.50% CDI
Total		1,406,898		1,596,635	

18.3. Covenants

Under the debt acceleration clauses contained in the debenture indentures and in the CCB contract, the Company is required to maintain certain financial ratios within the limits previously set out by financial covenants. The following table shows the financial covenants with which the Company is required to comply.

Description of covenants	Required ratio
Financial ratio I – Net financial debt / cash inflow	Equal to or lower than twice the cash inflow
Financial ratio II – Cash inflow / net financial income	Equal to or above four times the net financial income
Financial ratio III - Cash inflow	Equal to or above zero

Net financial debt: financial obligations less cash, cash equivalents, and marketable securities, net of the technical reserves to be covered.

Cash generation: profit or loss before taxes on profit less depreciation and amortization.

All the required financial ratios were properly complied with as at December 31, 2020 and 2019.

19. Savings bonds

The savings bonds operation is considered in the accompanying financial statements as financial instrument, according to the CPC 38/IAS 39. The amounts that correspond to the operation are as follows:

Description	Note	Consolidated	
		2020	2019
Receivables	19.1	-	1,149
Provisões	19.2	1,065	695,339
Draws		-	44,318
Redemption		1,065	643,421
Others		-	7,600

19.1. Receivables by maturity

Description	Consolidated	
	2020(a)	2019
Falling due		
Falling due from 01 to 30 days	-	1,126
Total	-	1,126
Total falling due	-	1,126
Overdue		
Overdue from 31 to 60 days	-	23
Overdue after 60 days	-	77
Total	-	100
Impairment	-	(77)
Overdue total	-	23
Total	-	1,149

(a) Completion of the disposal of the savings bonds portfolio, as informed in Note 1.2.

19.2. Change in reserves

	Consolidated		
	Reserve for redemption	Reserve for draws	Total
Balance as at 01/01/2019	601,582	51,489	653,071
Increase	701,903	44,259	746,162
Payment	(683,925)	(41,073)	(724,998)
Early redemption	(1,795)	-	(1,795)
Expired/ penalties	(1,183)	(10,317)	(11,500)
Reversion	(9,942)	(128)	(10,070)
Inflation/interest adjustment	36,781	88	36,869
Subtotal	643,421	44,318	687,739
Others			7,600
Balance as at 12/31/2019			695,339
Current			695,339

Consolidated

	Reserve for redemption	Reserve for draws	Total
Balance as at 12/31/2019	643,421	44,318	687,739
Increase	58,077	3,871	61,948
Payment	(62,986)	(12,086)	(75,072)
Early redemption	(7)	-	(7)
Expired/ penalties	(534)	(867)	(1,401)
Reversion	(739)	-	(739)
Inflation/interest adjustment	3,138	9	3,147
Disposal of the savings bonds portfolio	(639,305)	(35,245)	(674,550)
Subtotal	1,065	-	1,065
Saldo em 12/31/2020			1,065
Current			1,065

20. Insurance and reinsurance liabilities

Consolidated

Description	Note	2020	2019
Insurance			
Refund premiums		1,828	7,777
Insurance companies		12,945	11,761
Insurance brokers	20.1	68,017	132,161
Other operating debits		123,051	176,521
Third-party deposits	20.2	114,170	54,950
Subtotal		320,011	383,170
Reinsurance			
Reinsurance companies	11.2	23,118	12,438
Subtotal		23,118	12,438
Total		343,129	395,608
Current		343,129	395,608

20.1. Insurance brokers

Consolidated

Description	2020	2019
Direct insurance and retrocession	65,776	117,495
Direct insurance - RVNE	2,241	12,050
Accepted coinsurance	-	2,376
Other	-	240
Total	68,017	132,161
Current	68,017	132,161

(a) The change basically refers to the disposal of the auto and other property and casualty portfolio, according to Note 13.

20.2. Third-party deposits

Third-party deposits are amounts collected by banks and reported to SulAmérica, the policies of which are in the writing process or the premium installments received are in the adjustment or identification process. The adjustment process is applicable to bills received at diverging amounts or data.

Consolidated

2020

Description	Direct premium	Saving bonds (a)	Private pension	Total
From 01 to 30 days	52,645	-	30,089	82,734
From 31 to 60 days	3,578	-	218	3,796
From 61 to 120 days	4,044	-	1,523	5,567
From 121 to 180 days	2,252	-	586	2,838
From 181 to 365 days	1,434	-	6,064	7,498
Over 365 days	6,080	-	5,657	11,737
Total	70,033	-	44,137	114,170

(a) Completion of the disposal of the savings bonds portfolio, as informed in Note 1.2.

Description	Consolidated			
	2019			
	Direct premium	Saving bonds	Private pension	Total
From 01 to 30 days	16,867	1,788	11,732	30,387
From 31 to 60 days	3,383	156	256	3,795
From 61 to 120 days	4,875	363	636	5,874
From 121 to 180 days	3,912	41	483	4,436
From 181 to 365 days	1,851	-	2,468	4,319
Over 365 days	6,139	-	-	6,139
Total	37,027	2,348	15,575	54,950

21. Technical reserves for insurance

Description	Note	Consolidated	
		2020	2019
Technical reserve			
Insurance		4,555,661	6,186,137
Health	21.1	4,141,710	3,335,201
Property and casualty	21.2	22,398	2,532,557
Life and private pension	21.3	391,553	318,379
Private pension	21.5	9,425,913	8,043,810
Total		13,981,574	14,229,947
Current		6,215,396	7,439,543
Non-current		7,766,178	6,790,404

21.1. Health

	Consolidated			
	Unearned premium reserve	Reserve for claims and IBNR reserve	Mathematical reserve for benefit granted	Total
Balance as at 01/01/2019	381,547	2,611,875	53,322	
Balance of Prodent Acquisition	1,369	4,398	-	
Issuance	18,704,347	-	-	
Payments/ write-off / cancellation	(1,209,018)	(13,764,510)	(2,956)	
Earned premium	(17,457,833)	-	-	
Reported / changes	-	14,136,412	(288)	
Monetary variation / interest	-	5,844	3,062	
Changes in IBNR	-	(132,370)	-	
Balance as at 12/31/2019	420,412	2,861,649	53,140	3,335,201
Current				3,269,990
Non-current				65,211

	Consolidated			
	Unearned premium reserve	Reserve for claims and IBNR reserve	Mathematical reserve for benefit granted	Total
Balance as at 12/31/2019	420,412	2,861,649	53,140	
Balance of Paraná Clínicas acquisition (a)	-	42,493	61	
Issuance	19,884,080	-	-	
Payments/ write-off / cancellation	(1,276,583)	(13,807,010)	(5,365)	
Earned premium	(18,581,864)	-	-	
Reported / changes	-	13,729,421	9,622	
Monetary variation / interest	-	6,326	3,263	
Changes in IBNR	-	802,065	-	
Balance as at 12/31/2020	446,045	3,634,944	60,721	4,141,710
Current				4,053,081
Non-current				88,629

(a) Acquisition of Paraná Clínicas' balance, according to Note 4.4.1.1.

21.2. Property and casualty

	Consolidated		
	Unearned premium reserve	Reserve for claims and IBNR reserve	Total
Balance as at 01/01/2019	1,864,612	750,862	
Issuance	3,795,805	-	
Payments/write-off / cancellation	(282,214)	(2,537,795)	
Earned premium	(3,579,138)	-	
Reported / changes	-	2,491,550	
Monetary variation / interest	-	30,848	
Changes in IBNR	-	(1,973)	
Balance as at 12/31/2019	1,799,065	733,492	2,532,557
Current			2,320,847
Non-current			211,710

	Consolidated		
	Unearned premium reserve	Reserve for claims and IBNR reserve	Total
Balance as at 12/31/2019	1,799,065	733,492	
Issuance	1,683,752	-	
Payments/write-off / cancellation	(155,278)	(1,122,935)	
Earned premium	(1,699,850)	-	
Reported / changes	-	1,069,154	
Monetary variation / interest	-	11,301	
Changes in IBNR	-	(5,116)	
Discontinued operations (a)	(1,627,689)	(663,498)	
Balance as at 12/31/2020	-	22,398	22,398
Current			19,011
Non-current			3,387

(a) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13.

21.3. Life & pension

The information on the technical reserves for the life insurance line is shown below, without private pension, which is presented separately in Note 21.5, in view of its particularities:

	Consolidated			
	Unearned premium reserve	Reserve for claims and IBNR reserve	Mathematical reserve for benefits to be granted	Total
Balance as at 01/01/2019	22,928	261,582	10,275	
Issuance	639,957	-	-	
Reported, net of payments and cancellations	(115,898)	(13,029)	(504)	
Earned premium	(500,826)	-	-	
Monetary variation / interest	-	13,518	641	
Changes in IBNR	-	(265)	-	
Balance as at 12/31/2019	46,161	261,806	10,412	318,379
Current				199,495
Non-current				118,884

	Consolidated			
	Unearned premium reserve	Reserve for claims and IBNR reserve	Mathematical reserve for benefits to be granted	Total
Balance as at 12/31/2019	46,161	261,806	10,412	
Issuance	600,251	-	-	
Reported, net of payments and cancellations	(92,349)	18,644	(568)	
Earned premium	(472,087)	-	-	
Monetary variation / interest	-	15,023	633	
Changes in IBNR	-	3,627	-	
Balance as at 12/31/2020	81,976	299,100	10,477	391,553
Current				223,054
Non-current				168,499

21.4. Claims disputed in court

As at December 31, 2020 and 2019, the outstanding claims reserve comprises claims that are being disputed in court, principally related to denial of coverage for non-fulfillment of contract conditions, related mainly to the auto and life lines. The position shown below does not include the IBNR Reserve for Lawsuits, which is recorded in a separate IBNR line item.

Description	Health			Consolidated		
	2020			2019		
	Quantity	Opening balance	Accrued amount	Quantity	Opening balance	Accrued amount
Up to 2 years	4,447	3,634	4,483	4,678	4,879	5,864
2 to 5 years	2,216	25,313	30,202	1,787	17,070	20,300
5 to 10 years	731	15,051	19,678	627	13,139	18,732
Over 10 years	145	9,677	12,026	95	4,411	5,193
Total Health	7,539	53,675	66,389	7,187	39,499	50,089

Description	Property and casualty			Property and casualty		
	2020			2019		
	Quantity	Open balance	Accrued amount	Quantity	Open balance	Accrued amount
Up to 2 years	7	60	6	3,397	151,300	65,593
2 to 5 years	16	465	289	1,901	142,418	72,436
5 to 10 years	26	789	470	907	117,389	65,434
Over 10 years	44	4,610	3,942	365	95,346	58,706
Total Property and casualty	93	5,924	4,707	6,570	506,453	262,169

Description	Life and private pension			Life and private pension		
	2020			2019		
	Quantity	Open balance	Accrued amount	Quantity	Open balance	Accrued amount
Up to 2 years	920	97,247	31,400	1,007	83,541	24,003
2 to 5 years	894	85,757	32,099	1,041	89,382	30,797
5 to 10 years	642	99,376	44,213	569	94,947	38,673
Over 10 years	207	61,539	33,588	189	57,093	26,064
Total Life and private pension	2,663	343,919	141,300	2,806	324,963	119,537
Total	10,295	403,518	212,396	16,563	870,915	431,795

In the case of civil claims considered similar, the provision is recognized based on the past payments in the lawsuits settled over recent years, according to their related likelihood of loss. Special civil lawsuits, which have unique characteristics, follow the CPC 25 – Provisions, Contingent Liabilities and Contingent Assets, so only the claims whose likelihoods of losses are considered “probable” are provisioned.

As at December 31, 2020, the amount being disputed in civil lawsuits, for which there is no provision and the likelihood of loss is considered “possible”, is R\$151,050 (R\$144,916 in 2019), gross of reinsurance. The reinsurance amount of these claims is R\$62,674 (R\$56,393 in 2019). Therefore, the residual amount in dispute is R\$88,376 (R\$88,523 in 2019).

The change in the property and casualty segment basically refers to the disposal of the auto and other property and casualty portfolio, according to Note 13.

21.5. Private pension line

	Mathematical reserve			Contribution deficiency		Total
	for benefits to be granted	Mathematical reserve for benefit granted	Contribution deficiency reserve			
Balance as at 01/01/2019	6,426,715	521,801	189,465			
Constitution / (reversal)	735,179	17,591	(3,605)			
Incoming portability	837,263	-	-			
Outgoing portability	(851,260)	-	-			
Redemptions	(413,830)	-	-			
Benefits	-	(105,631)	-			
Transfers	(64,254)	64,254	-			
Monetary variation / interest	591,869	58,744	23,020			
Subtotal	7,261,682	556,759	208,880		8,027,321	
Others					16,489	
Balance as at 12/31/2019					8,043,810	
Current					1,649,211	
Non-current					6,394,599	

Consolidated

	Mathematical reserve for benefits to be granted	Mathematical reserve for benefit granted	Contribution deficiency reserve	Total
Balance as at 12/31/2019	7,261,682	556,759	208,880	
Constitution / (reversal)	826,156	17,867	(16,762)	
Incoming portability	1,521,775	-	-	
Outgoing portability	(834,803)	-	-	
Redemptions	(531,327)	-	-	
Benefits	-	(103,324)	-	
Transfers	(60,914)	60,914	-	
Monetary variation / interest	283,928	163,034	59,109	
Subtotal	8,466,497	695,250	251,227	9,412,974
Others				12,939
Balance as at 12/31/2020				9,425,913
Current				1,920,249
Non-current				7,505,664

21.6. Guarantee of technical reserves

This note shows the balances of technical reserves recognized in the subsidiaries regulated by SUSEP and ANS, without the adjustments of the accounting practices adopted in the accompanying financial statements. The objective of this note is only to show the regulatory obligation of such companies, from a consolidated perspective.

The assets offered as guarantee of such technical reserves are recorded in clearinghouses in the technical reserve account. In the case of companies regulated by SUSEP, the inspection body authorizes the insurance company to hold them without restriction every year. The companies regulated by ANS, except SULAMED, still do not have authorization for trading freely, accordingly, these assets may only be traded with the ANS' prior authorization.

Description	Consolidated	
	2020	2019
Technical reserves to be covered, net of reducing assets	13,794,633	13,621,331
Fixed income securities - government	7,844,197	10,622,980
Fixed income securities - private	2,086,765	2,913,288
Equity securities	429,978	440,224
Non-exclusive investment fund quotas	3,673,430	365,379
Resale commitments	498,956	472,663
Other	274,359	298,297
Assets pledged as collateral	14,807,685	15,112,831
Assets pledged in excess	1,013,052	1,491,500

22. Provisions and escrow deposits

22.1. Escrow deposits

Description	Consolidado					
	Balance as at 01/01/2019	Balance of Prodent Acquisition	Additions	Monetary variation and interest	Payments / write-offs	Balance as at 12/31/2019
Tax:						
COFINS	570,195	-	28,897	16,504	(426)	615,170
PIS	433,665	-	5,238	13,808	(997)	451,714
Social contribution	676,682	-	-	23,658	(59,006)	641,334
Income tax	119,492	-	-	36,42	(13,107)	110,027
INSS	429,688	-	1,019	10,906	(68,214)	373,399
Others	41,064	-	93	2,807	(171)	43,793
Subtotal	2,270,786	-	35,247	71,325	(141,921)	2,235,437
Labor	126,605	158	16,834	5,866	(29,702)	119,761
Civil	441,595	4	129,105	27,482	(99,009)	499,177
Subtotal	568,200	162	145,939	33,348	(128,711)	618,938
Total	2,838,986	162	181,186	104,673	(270,632)	2,854,375
Non-current						2,854,375

Consolidado

Description	Balance as at 12/31/2019	Balance of		Monetary variation and interest	Payments / write-offs	Discontinued operations (b)	Balance as at 12/31/2020
		Paraná Clínicas Acquisition (a)	Additions				
Tax:							
COFINS	615,170	-	22,443	8,907	-	-	646,520
PIS	451,714	-	3,721	6,588	(5)	-	462,018
Social contribution	641,334	-	-	12,552	(830)	-	65,3056
Income tax	110,027	-	-	1,562	(14,703)	-	96,886
INSS	373,399	-	4	5,339	(9573)	-	369,169
Others	43,793	-	5	2,225	(90)	-	45,933
Subtotal	2,235,437	-	26,173	37,173	(25,201)	-	2,273,582
Labor	119,761	10,453	10,548	3,807	(34,026)	-	110,543
Civil	499,177	5,832	68,799	25,744	(132,678)	(55,698)	411,176
Subtotal	618,938	16,285	79,347	29,551	(166,704)	(55,698)	521,719
Total	2,854,375	16,285	105,520	66,724	(191,905)	(55,698)	2,795,301
Non-current							2,795,301

- (a) Acquisition of Paraná Clínicas' balance, according to Note 4.4.1.1; and
(b) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13.

22.2. Provisions for lawsuits

As at December 31, 2020, the Company is party to lawsuits and has tax obligations amounting to R\$374 (R\$281 in 2019). In the consolidated balance, the position is as follows:

Description	Balance as at 01/01/2019	Balance of Prodent Acquisition	Additions	Monetary variation and interest	Payments / write-offs	Balance as at 12/31/2019
Labor	91,808	507	16,321	6,265	(24,725)	90,176
Current						3,073
Non-current						87,103
Civil lawsuits and others:						
Civil lawsuits	324,157	994	151,700	40,719	(175,490)	342,080
Others	52,324	4,874	61,957	3,537	(92,983)	29,709
Lawyer's fees	34,262	-	20,301	-	(18,761)	35,802
Subtotal	410,743	5,868	233,958	44,256	(287,234)	407,591
Current						77,638
Non-current						329,953
Tax:						
PIS	308,741	-	6,842	9,659	(37,269)	287,973
COFINS	484,471	-	-	13,491	(426)	497,536
Income tax	91,550	-	-	1,792	(8,852)	84,490
Social contribution	621,982	-	-	22,972	(49,704)	595,250
INSS	349,675	-	-	9,862	-	359,537
Others tax claims	845	1,829	10,093	669	(10,070)	3,366
Lawyer's fees	44,005	-	5,264	1,727	(11,722)	39,274
Subtotal	1,901,269	1,829	22,199	60,172	(118,043)	1,867,426
Non-current						1,867,426
Total	2,403,820	8,204	272,478	110,693	(430,002)	2,365,193
Current						80,711
Non-current						2,284,482

Description	Balance as at 12/31/2019	Balance of Paraná Clínicas Acquisition(a)	Additions	Monetary variation and interest	Payments / write-offs	Discontinued operations (b)	Balance as at 12/31/2020
Labor	90,176	13,193	12,896	5,452	(27,044)	-	94,673
Current							8,926
Non-current							85,747
Civil lawsuits and others:							
Civil lawsuits	342,080	1,546	221,547	48,457	(173,791)	(12,955)	426,884
Others	29,709	86	46,135	873	(40,435)	(523)	35,845
Lawyer's fees	35,802	-	28,057	-	(18,474)	(1,388)	43,997
Subtotal	407,591	1,632	295,739	49,330	(232,700)	(14,866)	506,726
Current							122,619
Non-current							384,107
Tax:							
PIS	287,973	-	74	4,743	(3)	-	292,787
COFINS	497,536	-	-	6,687	-	-	504,223
Income tax	84,490	-	-	1,202	(13,151)	-	72,541
Social contribution	595,250	-	-	12,597	(1,880)	-	605,967
INSS	359,537	-	-	4,862	(8,527)	-	355,872
Others tax claims	3,366	-	850	112	(84)	-	4,244
Lawyer's fees	39,274	-	112	741	(1,417)	-	38,710
Subtotal	1,867,426	-	1,036	30,944	(25,062)	-	1,874,344
Non-current							1,874,344
Total	2,365,193	14,825	309,671	85,726	(284,806)	(14,866)	2,475,743
Current							131,545
Non-current							2,344,198

- (a) Acquisition of Paraná Clínicas' balance, according to Note 4.4.1.1; and
(b) Disposal of the portfolio comprising auto and other property and casualty lines, according to Note 13.

22.2.1. Tax obligations

The main proceedings arising from tax obligations as at December 31, 2020 and 2019 are as follows:

COFINS

The subsidiaries that have insurance and private pension operations, SALIC, SULASEG, CIA. SAÚDE and SAÚDE, acquired by CIA. SAÚDE, are challenging in court the increase in the COFINS rate by 1% (Act No. 10.684 of May 30, 2003) levied on revenue from written premiums, arising from the sale of insurance policies and pension plans. In June 2018, the full session of the Federal Supreme Court (STF) judged the RE 578.846, with general repercussion, reaffirming the constitutionality of the payment of the increased rate of COFINS by financial institutions and insurance entities. The subsidiaries are still challenging the levy of COFINS on insurance revenue (Act No. 9.718/98). The attorneys handling these lawsuits believe that loss is remote in relation to the claim about the rate increase by 1% on insurance operations, and possible on other revenue.

The amounts challenged in the past were being deposited in court and provisioned, and the companies have been currently collecting the contribution increased by 1% levied on the revenue from operations.

Decree No. 8.426, of April 1, 2015, restored the rate of 4% of contribution to COFINS, for companies that are under the non-cumulative regime, levied on investment income, which were exempt from taxes until then. In view of this, the Company and the subsidiaries SAEPAR and SANTA CRUZ applied for Writ of Mandamus and sought injunction so that they are not required to pay such contributions on investment income. At present, the companies are collecting the contributions. The attorneys handling these cases consider that the likelihoods of loss are possible.

The subsidiaries CIA. SAÚDE and SALIC applied for Writ of Mandamus to challenge the levy of COFINS on investment income linked to the assets guaranteeing technical reserves earned from 2017. CIA. SAÚDE has made escrow deposits until December 2019 to suspend the requirement of the tax credit. Meanwhile, SALIC made escrow deposits for the period from January 2017 to November 2020 in December 2020.

PIS

The insurance, private pension and savings bonds subsidiaries are challenging in court the legality of the PIS contribution levied at the rate of 0.75% on gross revenue, established by Constitutional Amendments Nos. 01/1994, 10/1996 and 17/1997. The amounts challenged are fully deposited in court. The attorneys handling these cases consider that the likelihood of loss is probable, whereas the likelihood of loss is remote in relation to the breach of the constitutional principles of anteriority and non-retroactivity.

The subsidiaries SALIC, SANTA CRUZ and SULASEG obtained a final and unappealable decision in the records of proceedings 9701070780, ensuring the right to calculate and pay PIS, in the period from July 1997 to February 1998, according to Complementary Law Act 07/1970, without abiding by the rules of the Constitutional Amendment 17/1997 and the Provisional Measures that regulate it. With this, they reversed the provision related to this portion, in the amount of R\$ 13,777, and are waiting for the withdrawal and conversion into income of the escrow deposits made in the records of such proceedings. The decisions on the other proceedings about this theme are still pending.

On May 24, 2013, a decision handed down by the Federal Supreme Court (STF) was published in the records of the proceedings No. 9600055696, ensuring its subsidiaries SANTA CRUZ, SULACAP, SALIC and CIA SAÚDE the right to calculate and pay PIS, in the period from January 1996 to June 1997, according to the Complementary Act 07/1970, without abiding by the rules of the Constitutional Amendment 10/1996 and the Provisional Measures that regulated it, which is already final and unappealable. Accordingly, in 2013, we wrote-off R\$55,235, and initiated the necessary procedures to withdraw the escrow deposits. The other companies remain waiting for the decisions in the records of their proceedings.

Decree No. 8.426, of April 1, 2015, restored the rate of 0.65% of contribution to PIS, for companies that are under the non-cumulative regime, levied on investment income, which have been exempt from taxation until then. In view of this fact, the Company and subsidiaries SAEPAR and SANTA CRUZ applied for a Writ of Mandamus and sought injunction so that they are not required to pay such contributions on investment income. At present, the companies are collecting the contributions. The attorneys handling these cases consider that the likelihoods of loss are possible.

The subsidiaries CIA SAÚDE and SALIC applied for Writ of Mandamus to challenge the levy of PIS Contribution on investment income linked to the assets guaranteeing technical reserves earned from 2017. CIA SAÚDE has made escrow deposits until December 2019 to suspend the requirement of the tax credit. Meanwhile, SALIC made escrow deposits for the period from January 2017 to November 2020 in December 2020.

IRPJ

From January 1, 1997, in view of the enactment of Act No. 9.316/1996, the CSLL-related expenses are no longer accepted for deduction from the income tax base. In view of such change in the law, the Company and its subsidiaries SANTA CRUZ, SULASAÚDE (merged by CIA. SAÚDE), SULASEG, SALIC, SAMI, CIA. SAÚDE and SAEPAR applied for Writ of Mandamus, obtaining injunction to proceed with the escrow deposit of the amount in dispute. In May 2013, the STF ruled constitutional, with general repercussion, such legal provision, stating that such law change was in accordance with the legal system, thus opposing the deduction of the CSLL from the tax base of the IRPJ. From then on, the Company no longer deducts the social contribution expense from the income tax base. Under these terms, the amounts in dispute are deposited in court and fully provisioned. The subsidiaries SULASEG, SANTA CRUZ, CIA. SAÚDE and SALIC

had the escrow deposits of their lawsuits converted into income. The written-off amount in December 2018 was R\$87,836. Additionally, the subsidiaries SANTA CRUZ, CIA SAÚDE and SASA had the amounts deposited in the records of their proceedings converted into income. The amount written-off was R\$8,852. The subsidiary SAEPAR obtained an unfavorable final and unappealable decision in the records or its proceedings in which it disputed this matter. Accordingly, the escrow deposits made according to the records were fully converted into income. The amount written-off was R\$8,269. The subsidiaries SANTA CRUZ and SAMI also had the amounts converted into income regarding two of its proceedings about this matter. Accordingly, it wrote-off the amount of R\$580 and R\$4,302, respectively.

CSLL

From January 1997 to December 1998, insurance companies are required to pay CSLL at the rate of 18% on taxable profit, which was the rate applicable to financial institutions, violating the principle of isonomy. The subsidiaries that have insurance operations obtained an injunction to pay social contribution at 8%, making escrow deposits for the rate difference from the 18% required, the liability being fully accrued. The attorneys handling this case believe that loss is probable.

With the publication of Act No. 11.727/2008, the finance, insurance, private pension and savings bonds subsidiaries had their social contribution tax rate increased from May 2008 from 9% to 15%. In relation to this matter, the insurance and private pension subsidiaries and the subsidiary SAMI started to challenge the constitutionality of this increase in the rate by applying for a writ of mandamus, and accruing and making full deposits until August 2017 of the challenged amounts. From September 2017, the Companies opted for discontinuing the escrow deposits, and started to collect the challenged amounts. In view of the unfavorable decision awarded to subsidiaries SAMI and SULACAP in the proceedings that disputed this matter, the engaged attorneys changed the likelihood of loss related to other subsidiaries from possible to probable. Of the Companies which were awarded unfavorable decisions, only SAMI had the deposited amount, of R\$17,694, fully converted into income.

Additionally, with the issue of article 72, III of the Temporary Constitutional Provisions Act (ADCT), with wording provided by the Constitutional Amendment No. 10/1996, the subsidiaries became subject to the collection of CSLL at the rate of 30%. Therefore, the following Writs of Mandamus were applied for: (i) 96.0011556-7 by Sul América Seguros Gerais S.A., merged into SANTA CRUZ; and (ii) 97.0002392-3 by SULASAÚDE (merged into CIA. SAÚDE). The companies are waiting for the decisions on the proceedings, which likelihoods of losses are considered probable, being remote regarding to the breach of the constitutional principles of anteriority and non-retroactivity.

The subsidiary SULACAP had converted into income the amounts deposited in the records of the proceedings 200851010153922 fully, related to the CSLL rate increase by 6% established by Act No. 11.727/2008, in the amount of R\$26,920. The subsidiaries SALIC, SULASEG and CIA SAÚDE were awarded final and unappealable unfavorable decision in the records of the proceedings 200851010144052, and are awaiting the conversion into income of the deposited amounts, whereas subsidiary CIA SAÚDE, in view of the unfavorable case law in this dispute, opted for a motion for discontinuing the proceedings 200851015202327.

The subsidiary CIA SAÚDE had converted into income the amounts deposited in the records of the proceedings 9700121291 in July 2019, in which it disputed the CSLL rate increase by 10%, established by Act No. 9.316/1996, in the amount of R\$22,784. Also in relation to this same case, the remaining balance of deposited amounts totaling R\$830 was converted into income in November 2020. With this, the amount of this case was fully written-off.

22.2.2. Provisions for lawsuits

The main lawsuits as at December 31, 2020 and 2019 are:

INSS

The subsidiaries that have insurance, private pension and saving bonds operations are challenging in court and making related escrow deposits regarding the social security contribution on compensation paid to insurance brokers, established by Complementary Act No. 84/1996 and amended by Act No. 9.876/1999, at the rate of 20% plus 2.5%, based on the understanding that insurance brokerage services are not provided to insurance companies, but to insureds, thus not being subject to the contribution set forth in item III, Article 22, of Act No. 8.212/1991. The amounts being disputed in court have their mandatory payment suspended due to escrow deposit and were fully accrued until May 2015. The attorneys handling these cases believe that loss is probable in the proceedings.

In June 2015, CIA. SAÚDE, SALIC, SULACAP and SULASEG decided to pay INSS on payments made to brokers and to discontinue escrow deposits related to this dispute.

In June 2020, the subsidiaries SALIC and SANTA CRUZ were awarded an unfavorable final and unappealable decision in the proceedings disputing the matter and wait for conversion into income of escrow deposits made in the records. The other companies remain waiting for the decisions in the records of their proceedings. Santa Cruz had the escrow deposits made in the records of one of its proceedings about the matter converted into income. The amount written-off was R\$8,527.

In August 2020, the Federal Supreme Court concluded the judgment of the Direct Action of Unconstitutionality No. 4.673, declaring the heading, item III and paragraph 1 of article 22 of Act No. 8.212/1991, in the wording provided by article 1 of Act No. 9.876/1999, constitutional, thus recognizing the constitutional enforceability of the levy of contribution to social security on the amounts transferred by insurance companies as commission to insurance brokers.

22.2.3. Contingent liabilities

As at December 31, 2020 and 2019, the total amount being disputed in lawsuits whose likelihood of loss is classified as “possible” by Management and by the attorneys handling these claims is as follows:

Description	2020	2019
Tax (a)	1,817,689	1,793,058
Civil lawsuits (b)	188,727	334,388
Labor	66,677	75,183
Total	2,073,093	2,202,629

- (a) As at December 31, 2020, of the total amount of R\$1,817,689 (R\$1,793,058 in 2019), the amount of R\$14,799 (R\$13,806 in 2019) is accrued because it basically refers to legal obligations. The portion not accrued, totaling R\$1,802,890 (R\$1,779,252 in 2019) consists mainly of: (i) assessment notices issued against the subsidiaries CIA, SAÚDE and SALIC, in which it is challenged the deductibility for goodwill amortization arising from the acquisition of the parent companies SLT Participações S.A. and STA Participações S.A., respectively, in calendar years 2005, 2006 and 2007; (ii) the non-approval of the offset of taxes at the administrative level; (iii) the disallowance of income tax loss and social contribution loss carryforwards; (iv) imposition of PIS and COFINS on investment income linked to assets guaranteeing technical reserves; (v) claim aimed at charging ISS debits arising from the supposed lack of collection of tax on the services provided in the municipality of São Paulo. For this case, the legal counsel considers that the likelihood of loss is remote; and (vi) assessment notice issued by the municipality of Rio de Janeiro for collection of ISS on health insurance; and
- (b) The reduction in the cases which losses are considered possible was basically caused by settlement and review of the need for future disbursement in connection with many civil lawsuits.

23. Related parties

The main asset and liability balances related to related party transactions, as well as transactions that influenced the profit or loss for the period, are related to transactions of the Company with its direct and indirect subsidiaries, related companies and key management personnel.

23.1. Transactions

The main transactions are the following:

Description	Type	Shareholder	Assets		Company Liabilities	
			2020	2019	2020	2019
Sulasapar Participações S.A. (a) (b)	Shareholder	Sulasapar Participações S.A.	-	-	13,551	71,981
Sul América Capitalização S.A. - SULACAP (d)	Indirect subsidiary	Sul América Santa Cruz Participações S.A.	239	239	-	-
Saepar Serviços e Participações S.A. (a) (b)	Direct subsidiary	Sul América S.A.	-	52,833	-	-
Sul América Companhia de Seguro Saúde (c) (d)	Indirect subsidiary	Sul América Companhia Nacional de Seguros	25,260	20,485	-	-
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (d) (h)	Indirect subsidiary	Sul América Companhia de Seguro Saúde	2,220	1,322	17	-
Sul América Investimentos Gestora De Recursos S.A. (d) (h)	Indirect subsidiary	Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A.	2,524	1,854	21	-
Sul América Seguros de Pessoas e Previdência S.A. (d)	Indirect subsidiary	Sul América Companhia de Seguro Saúde	3,067	2,930	28	-
Sul América Companhia Nacional de Seguros (b) (c) (d) (g)	Indirect subsidiary	Saepar Serviços e Participações S.A.	21,804	112,658	218	399
Sul América Serviços de Saúde S.A. (e)	Indirect subsidiary	Sul América Companhia de Seguro Saúde	-	-	21	-
Person who controls the company, person who is a Key Management Personnel or Person with Significant Influence, the respective close members of the family of such person and related companies. (a) (b)	Other	Other	-	-	38,450	1,794
Total			55,114	192,321	52,306	74,174

Description	Type	Shareholder	Income		Company Expenses	
			2020	2019	2020	2019
Sul América Capitalização S.A. - SULACAP (i)	Indirect subsidiary	Sul América Santa Cruz Participações S.A.	-	3	-	-
Sul América Companhia de Seguro Saúde (j)	Indirect subsidiary	Sul América Companhia Nacional de Seguros	-	-	(6)	-
Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A. (h)	Indirect subsidiary	Sul América Companhia de Seguro Saúde	-	-	(217)	(1)
Sul América Investimentos Gestora De Recursos S.A. (h)	Indirect subsidiary	Sul América Investimentos Distribuidora de Títulos e Valores Mobiliários S.A.	-	-	(265)	(1)
Sul América Seguros de Pessoas e Previdência S.A. (f)	Indirect subsidiary	Sul América Companhia de Seguro Saúde	-	-	(11)	(13)
Sul América Serviços de Saúde S.A. (e)	Indirect subsidiary	Sul América Companhia de Seguro Saúde	-	-	(180)	(211)
Total			-	3	(679)	(226)

- (a) Amount related to the dividends distributable to or receivable among shareholders, holders of interests or partners;
- (b) Amount related to interest on capital distributable to or receivable among shareholders, holders of interests or partners;
- (c) Amount related to intercompany transactions in current accounts basically of refund of administrative expenses, which are settled in the month subsequent to that of the transaction;
- (d) Amount related to the refund of the subsidiaries with stock option plans of the Company offered to the management members of the group's companies;
- (e) Amount related to the health insurance of the Company's employees;

- (f) Amount related to the group life insurance offered to all employees;
 (g) Amount related to the apportionment of the rent of the headquarters' building among SulAmérica's companies, the financial settlement being performed in April;
 (h) Amount related to the 0.25% management fee on the asset management portfolio, which settlement is made monthly;
 (i) Amount related to the purchase of savings bonds, of the incentive type; and
 (j) Amount related to the dental insurance of the Company's employees.

Description	Type	Shareholder	Assets		Consolidated Liabilities	
			2020	2019	2020	2019
Sulasapar Participações S.A. (a) (b)	Shareholder	Sulasa Participações S.A.	-	-	13,551	71,981
Nova Ação Participações S.A. (e)	Affiliated company	Sulasapar Participações S.A.	-	78	-	-
Sharecare Brasil Serv. De Consultoria Ltda (d) (g) (i)	Associated company	Sharecare Digital Health International Limited	13	-	5,255	11,123
Person who controls the company, person who is a Key Management Personnel or Person with Significant Influence, the respective close members of the family of such person and related companies.						
(a) (b) (c) (d) (f)	Other	Other	44	145	118,956	96,241
Total			57	223	137,762	179,345

Description	Type	Shareholder	Income		Consolidado Expenses	
			2020	2019	2020	2019
Sharecare Brasil Serv. De Consultoria Ltda (d) (g) (i)	Associated company	Sharecare Digital Health International Limited	4,681	3,598	(76,816)	(88,485)
Órama Distribuidora de Títulos e Valores Mobiliários S.A. (g) (h)	Associated company	Other	1,769	-	(129)	-
Person who controls the company, person who is a Key Management Personnel or Person with Significant Influence, the respective close members of the family of such person and related companies.						
(c) (d) (f) (g) (h) (i) (j)	Other	Other	5,790	6,769	(14,590)	(31,183)
Total			12,240	10,367	(91,535)	(119,668)

- (a) Amount related to the dividends distributable to or receivable among shareholders, holders of interests or partners;
 (b) Amount related to interest on capital distributable to or receivable among shareholders, holders of interests or partners;
 (c) Amount related to advisory services provided and follow up of lawsuits of civil, labor and tax nature. These contracts are renewed annually and terminated monthly;
 (d) Amount related to healthcare service and solutions;
 (e) Amount related to the apportionment of the rent of the headquarters' and Pinheiros head office's buildings among SulAmérica's companies;
 (f) Amount related to intercompany insurance and private pension operations and key management personnel, relatives, and respective subsidiaries;
 (g) Amount related to the health insurance of the company's employees purchased from the group's companies;
 (h) Amount related to service provision;
 (i) Amount related to the life insurance of the company's employees purchased from the group's companies; and
 (j) Investment in which key management personnel are the sole unitholders and the management fee paid for these funds to SAMI and SAGA.

The amounts of dividends and interest on capital (JCP) received and paid by the Company, as at December 31, 2020 and 2019, are as follows:

	Dividends and interest equity received		Dividends and interest equity paid	
	2020	2019	2020	2019
Saepar	522,385	31,186	-	-
Cia. Saúde	262,658	151,532	-	-
Salic	86,132	52,521	-	-
SAH	530,092	-	-	-
Sulasapar	-	-	211,231	55,009
Non-controlling shareholders	-	-	617,088	159,923
Total	1,401,267	235,239	828,319	214,932

As at December 31, 2020, in the consolidated balance, no dividend was received through its subsidiaries (R\$33,130 in 2019). Additionally, in 2020 and 2019, no dividend was paid, through its subsidiaries to other shareholders, besides the dividends reported as the Company's payment.

23.2. Compensation of management members

SulAmérica's Management is composed of members of the Boards of Directors and Executive Officers of the Company and its subsidiaries, including members of the advisory committees of the Board of Directors. Management compensation expenses, paid or payable, are shown below. The tables also include expenses related to the costing of the stock option plan of the Company.

	Short-term benefits for management		Stock option plan	Company Total
	2020	2019		
Accounts payable				
2020	70	-	-	70
2019	76	-	-	76
Expenses				
2020	(5,917)	(16)	(16)	(5,933)
2019	(5,388)	(24)	(24)	(5,412)

Consolidated

	Short-term benefits for management	Post-employment benefits	Stock option plan	Total
Accounts payable				
2020	46,709	4,517	-	51,226
2019	74,719	6,524	-	81,243
Expenses				
2020	(79,145)	(1,757)	(10,313)	(91,215)
2019	(111,250)	(1,996)	(10,481)	(123,727)

Stock option plan of the Company

The characteristics of the stock option plan of bonus shares are as follows:

Bonus option plan

The bonus option plan was introduced in 2011, and in this plan the executive opts for joining the Plan using a portion of her/his short-term variable compensation for purchasing the Company's units ("restricted units"). For each acquired unit, the executive shall receive an amount of bonus options in exchange.

Executives are entitled to exercise bonus stock options (vesting date) from the third year, in the proportion of 33%, 33% and 34% each year, and extension of the period for one additional year, totaling six years, when the incentives in shares which are not exercised expire.

On April 1, 2020, the Board of Directors approved the 2020 plan, according to which 768,880 bonus options were granted, in exchange for the purchase of 282,000 restricted units. The fair value of options granted in 2020 is R\$33.80, based on the quoted price of the date before the grant date.

The changes in the balance of bonus options already granted are summarized below:

	Unit options (quantity)			Company
	Units	Common	Preferred	Weighted average period price (b) (in reais)
Balance of bonus options outstanding in 01/01/2019	3,776,759	3,776,759	7,553,518	N/A
Balance of bonus options exercisable as at 01/01/2019	65,618	65,618	131,236	N/A
Bonus options granted over the period	757,400	757,400	1,514,800	N/A
Bonus options exercised over the period	(1,167,987)	(1,167,987)	(2,335,974)	14.46
Bonus options forfeited over the period	(543,875)	(543,875)	(1,087,750)	N/A
Balance of bonus options outstanding in 12/31/2019	2,822,297	2,822,297	5,644,594	N/A
Balance of bonus options exercisable in 12/31/2019	77,526	77,526	155,052	N/A
Bonus options granted over the period	768,880	768,880	1,537,760	N/A
Bonus options exercised over the period	(823,948)	(823,948)	(1,647,896)	17.04
Bonus options forfeited over the period	(216,429)	(216,429)	(432,858)	N/A
Bonus and other shareholding changes (a)	47,812	47,812	95,624	N/A
Balance of bonus options outstanding in 12/31/2020	2,598,612	2,598,612	5,197,224	N/A
Balance of bonus options exercisable in 12/31/2020	13,013	13,013	26,026	N/A

(a) All bonus options outstanding (exercisable contracts or in grace period) from November 26, 2020 were adjusted at 1.088071133%, which was added to the amount of options of existing plans; and

(b) The weighted average exercise price of bonus options is restricted by the holding of purchased Restricted Units, the grace period of which is fixed.

The expense, based on the fair value of the option on the respective dates of the grant contracts, corresponding to the Stock Option Plan of the Company as at December 31, 2020, was R\$10,313 (R\$10,481 in 2019), of which R\$16 (R\$24 in 2019) refers to the executives of the Company, and R\$10,297 (R\$10,457 in 2019) of its subsidiaries, which reimbursed SulAmérica for the participation of their executives in the stock option plan, and are recorded in the line item "Administrative Expenses", as contra-entry to "Capital Reserves".

The minimum and maximum exercise prices of exercised bonus options as at December 31, 2020 are R\$34.31 and R\$65.00, respectively (R\$30.47 and R\$53.80 in 2019). The contractual period of bonus options is 3.15 years (3.56 years in 2019).

24. Equity

24.1. Capital

As at December 31, 2020, the Company's capital amounts to R\$3,619,882 (R\$3,319,882 in December 31, 2019), as approved at the Board of Director's Meeting held on November 23, 2020, represented by 1,204,700,598 shares, of which 603,835,151 are common shares and 600,865,447 are preferred shares, all registered, with no par value and fully paid-in.

The change in shares outstanding is as follows:

Date	Description	Company		
		Common	Preferred	Total
	Shares	592,688,393	589,773,510	1,182,461,903
	Treasury shares (see note 23.4)	(7,243,628)	(14,487,261)	(21,730,889)
01/01/2019	Total	585,444,765	575,286,249	1,160,731,014
	Repurchase (sale) of treasury shares and other changes	540,195	1,080,390	1,620,585
12/31/2019	Total	585,984,960	576,366,639	1,162,351,599
	Capital increase – issuance of new shares	11,146,758	11,091,937	22,238,695
	Repurchase (sale) of treasury shares and other changes	(14,152,613)	(28,305,228)	(42,457,841)
12/31/2020	Total	582,979,105	559,153,348	1,142,132,453

24.1.1. Authorized capital

Regardless of the capital increases resolved at Shareholders' Meeting, the Company may increase its capital, in excess of its existing shares, up to the limit of 450 million new common and/or preferred shares, without requiring amendments to the by-laws, observing the legal limit for each share type, upon resolution of its Board of Directors, which will define the type and class of shares to be issued, the issue price and placement conditions.

The Board of Directors may exclude preemptive rights when issuing shares, convertible debentures or subscription warrants, whose placement is performed upon sale in stock exchange or public subscription, as established in Article 172 of the Brazilian Corporate Law.

Preferred shares entitle their holders to: (i) priority in the reimbursement of their equity value in case of the Company's liquidation, with no premium; (ii) be included in public offering as a result of disposal of the Company's control, so that they are assured a treatment equal to that given to the selling controlling shareholder; and (iii) dividends at least equal to those of common shares; and (iv) vote, only on the matters mentioned in the by-laws.

24.2. Reserves

24.2.1. Legal reserve

The reserve is recorded at 5% of net income for each year, up to the limit of 20% of its capital stock, in compliance with Article 193 of Act No. 6.404/1976. The Company may stop recognizing legal reserve in the year when the balance of this reserve, plus the capital reserve amount, is in excess of 30% of capital stock.

24.2.2. Statutory reserve

The reserve for business expansion is recorded up to 71.25% of net income for each year, after allocation to Legal Reserve and Dividends, in compliance with Article 199 of Act No. 6.404/1976, may not exceed capital, as described in the bylaws. This reserve is aimed at the following:

- (i) Guarantee funds for investments in property and equipment items;
- (ii) Increase working capital, aiming at providing operational conditions adequate to the achievement of the corporate purpose; and
- (iii) Fund the redemption, reimbursement or acquisition of the Company's shares.

The recognition of statutory reserve may be waived by resolution at Shareholders' Meeting in the event of payment of dividends additional to the mandatory minimum dividends. Once the limit set in Article 199 of Act No. 6.404/1976 is reached, the Shareholders' Meeting, upon proposal from management bodies, shall resolve on the use: capitalization or distribution of dividends to shareholders.

24.2.3. Capital reserve

The acquisition of the totality of the shares held by Saspar Participações S.A. ("SASPAR") in the capital of Sul América Capitalização S.A. - SULACAP, equivalent to 83.27% in its share and voting capital by the subsidiary SANTA CRUZ, was completed on April 25, 2013.

As established in the respective contract, seven (7) years after the closing date the Parties decided to negotiate in good faith the amount for settling all pending obligations between them. The terms and conditions of the settlement agreement (Mutual Release and Settlement Agreement or Agreement) were submitted to an independent law firm, chosen between the seller and the buyer, which issued a favorable analysis report.

On September 23, 2020, an agreement was signed whereby the parties resolved to definitely settle any pending obligations between them, under the contract terms, including the obligation of paying damages for losses and the maximum price increment outstanding, so that one party will no longer claim any other related amount from the other, upon the payment by the buyer to the seller, of R\$46 million as price adjustment.

In brief, the price adjustment was determined based on the maximum price increment, net of losses, pending refundable losses, plus the materialized asset surpluses, considering their tax effects, until the agreement's signature date.

The price adjustment that represents the additional difference between the acquisition price and the carrying amount of SULACAP was recognized as capital transaction between the shareholders in equity in the line item "Capital reserves".

24.3. Equity adjustment

The line item "Equity adjustment" considers, pursuant to the current legislation, the effects arising from the criteria for recording and valuing marketable securities classified into available-for-sale securities, related to own securities and securities of its subsidiaries, the actuarial gains and losses of the defined benefit plan of its subsidiaries, net of the corresponding tax effects, and the gains and losses arising from the change in the ownership interest.

24.4. Treasury shares

The change in treasury shares is as follows:

	Company			Weighted average price (in reais)
	Number of shares (in units)	Common	Preferred	
Roll forward of treasury stocks				
Treasury stocks in 01/01/2019	7,243,628	7,243,628	14,487,261	16.43
Shares related to options exercised in the year - share bonus	(1,167,987)	(1,167,987)	(2,335,974)	17.62
Disposal of shares in the year - share bonus	(270,000)	(270,000)	(540,000)	16.54
Acquisition of shares in the year - share bonus	897,792	897,792	1,795,584	40.75
Treasury stocks in 12/31/2019	6,703,433	6,703,433	13,406,871	19.43
Repurchase shares on stock market - Repurchase program (b)	13,977,551	13,977,551	27,955,102	44.98
Shares related to options exercised in the period - share bonus	(823,948)	(823,948)	(1,647,896)	22.24
Disposal of shares in the period	(282,000)	(282,000)	(564,000)	21.72
Acquisition of shares in the period - share bonus	956,431	956,431	1,912,862	51.10
Bonus and other share changes	324,579	324,579	649,160	13.49
Treasury stocks in 12/31/2020 (a)	20,856,046	20,856,046	41,712,099	37.77

(a) The Units, repurchased for holding them in treasury, are each broken down in one common share and two preferred shares, representing 20,856,046 (6,703,433 in 2019) common shares and 41,712,099 (13,406,871 in 2019) preferred shares as at December 31, 2020; and

(b) The amount of 13,977,551 units repurchased by the Company in the period is aimed to maximize the increase in value to the Company's shareholders, once Management considers that the current market price of our shares does not reflect the actual value of assets and the prospects of returns and profits, according to the share repurchase program disclosed to the market through material fact in May 2020. Additionally, as disclosed in the material fact in December 2020, a new share repurchase program was launched by the Company with a repurchase period of up to 18 (eighteen) months, with the same aim of the previous repurchase program.

The repurchase and sale of treasury shares, made in the period as at December 31, 2020, amounted to R\$677,590 and R\$9,532 (R\$36,585 of repurchase and R\$8,046 of sales in 2019). These repurchases and sales were recorded in line items "Treasury shares" and "Capital reserves", and the minimum cost to repurchase units as at December 31, 2020 is R\$34.31 (R\$30.47 in 2019) and the maximum cost is R\$65.00 (R\$53.80 in 2019). The market value of units, calculated based on the last price as at December 31, 2020, is R\$44.35 (R\$59.92 in 2019).

24.5. Dividend distribution policy

24.5.1. Mandatory dividends

The Bylaws ensure shareholders the distribution of a mandatory dividend equivalent to 25% of the annual adjusted net income, according to the effective legislation.

24.5.2. Additional dividends

Additional dividends are those proposed above the minimum mandatory for a fiscal year and approved for payment by the Annual Shareholders' Meeting in the following year.

24.6. Earnings per share

Earnings per common and preferred share take into consideration not only common and preferred shares outstanding, but also the potential issues and cancellations (diluting and anti-diluting), arising from the Stock Option Plan of the Company.

As the earnings per share attributable to the controlling shareholders of the Company is equal to that of SulAmérica, only one set of information is presented as follows.

Description	Company 2020		
	Common	Preferred	Total
Net income for the period attributed to shares	399,788	397,822	797,610
Net income from discontinued operations for the period attributed to shares	777,017	773,196	1,550,213
Net income for the period attributed to shares	1,176,805	1,171,018	2,347,823
Weighted average number of shares	593,876,162	590,955,438	1,184,831,600
Weighted average number of treasury shares	(10,092,018)	(20,184,036)	(30,276,054)
Weighted average number of shares outstanding - basic	583,784,144	570,771,402	1,154,555,546
Earnings per share - basic (a) (in R\$)	2.0158	2.0516	2.0335
Adjustment:			
Weighted average number of shares granted and cancelled in connection with the Stock Option Plan of the company	2,702,424	5,404,847	8,107,271
Weighted average number of shares outstanding - diluted	586,486,568	576,176,249	1,162,662,817
Earnings per share - diluted (b) (in R\$)	2.0065	2.0324	2.0193

Description	Company Período findo em 9/20/		
	Common	Preferred	Total
Net income for the period attributed to shares	522,125	513,556	1,035,681
Net income from discontinued operations for the period attributed to shares	74,060	72,844	146,904
Net income for the period attributed to shares	596,185	586,400	1,182,585
Weighted average number of shares	592,688,393	589,773,510	1,182,461,903
Weighted average number of treasury shares	(6,982,256)	(13,964,512)	(20,946,768)
Weighted average number of shares outstanding - basic	585,706,137	575,808,998	1,161,515,135
Earnings per share - basic (a) (in R\$)	1.0179	1.0184	1.0181
Adjustment:			
Weighted average number of shares granted and cancelled in connection with the Stock Option Plan of the company	3,407,470	6,814,940	10,222,410
Weighted average number of shares outstanding - diluted	589,113,607	582,623,938	1,171,737,545
Earnings per share - diluted (b) (in R\$)	1.0120	1.0065	1.0093

(a) Basic

Basic earnings per share is calculated based on the division of the net income attributable to shareholders by the weighted average number of common and preferred shares outstanding for the year, less the weighted average treasury stock.

(b) Diluted

Diluted earnings per share is calculated based on the division of the net income attributable to shareholders by the adjusted weighted average number of common and preferred shares outstanding for the year, less the weighted average treasury stock.

The adjustment to the weighted average takes into consideration the number of vesting and forfeitures according to the stock option plan of the Company during the period.

24.7. Distribution of profit

Description	Company	
	2020	2019
Income before tax and social contribution	2,255,603	1,182,286
(-) Taxes	92,220	299
Net income	2,347,823	1,182,585
(+) Other adjustments	(135)	(66)
Net income after other adjustments	2,347,688	1,182,519
Increase in legal reserve (5%)	(117,384)	(59,126)
Adjusted net income	2,230,304	1,123,393
Mandatory dividends		
25% of adjusted net income (a)	557,576	280,848
(-) Prepaid dividends to be included in mandatory dividends (b)	343,000	-
(-) Interest on capital net, to be included in mandatory dividends (b)	214,576	149,764
(-) Interest on capital net, not included in mandatory dividends	42,950	-
Gross	290,000	170,000
Income tax	(32,474)	(20,236)
Total dividends payable (c) = (a) - (b)	-	131,084
Allocation:		
Increase in statutory reserve	1,597,304	822,309

25. Operating segments

25.1. Statement of profit or loss by segment

SulAmérica's business segments are identified according to its executive organizational structure, divided into Business Units (BU), separated by nature and specificity of each insurance segment and the reported assets and liabilities are the technical reserves required by regulatory bodies and their respective pledged assets, as required by the Law.

This information is mainly used by Management, its main executives and shareholders, to assess the performance of business units, manage capital, funds and compensation of employees and executives.

As at December 31, 2020 and 2019, SulAmérica has the following profit or loss by business unit, as shown below:

Description	Consolidated				Total
	Health Life and private pension	Asset Management	Others	2020	
Operating revenue	18,521,749	1,389,213	93,602	28,059	20,032,623
Insurance	18,419,707	499,792	-	(3,942)	18,915,557
Net premiums	18,376,316	497,943	-	(3,969)	18,870,290
Other	43,391	1,849	-	27	45,267
Private pension	-	889,421	-	-	889,421
Premiums, retained contributions and net asset management fee	-	889,405	-	-	889,405
Other	-	16	-	-	16
Saving bonds, ASO, asset management	73,139	-	93,602	(11,323)	155,418
Other	28,903	-	-	43,324	72,227
Change in technical reserves	(31,273)	(785,559)	-	-	(816,832)
Insurance	(31,273)	(34,558)	-	-	(65,831)
Private pension	-	(751,001)	-	-	(751,001)
Operating expenses	(16,007,140)	(567,039)	(5,959)	(24,508)	(16,604,646)
Insurance	(15,990,009)	(440,627)	-	(16,465)	(16,447,101)
Claims	(14,257,349)	(269,441)	-	(2,446)	(14,529,236)
Acquisition costs	(1,219,509)	(142,514)	-	464	(1,361,559)
Other	(513,151)	(28,672)	-	(14,483)	(556,306)
Private pension	-	(126,412)	-	(4,439)	(130,851)
Benefit and redemption expenses	-	(79,017)	-	-	(79,017)
Acquisition costs	-	(35,737)	-	-	(35,737)
Other	-	(11,658)	-	(4,439)	(16,097)
Saving bonds, ASO, asset management, other	(17,131)	-	(5,959)	(3,604)	(26,694)
Gross operating margin	2,483,336	36,615	87,643	3,551	2,611,145
General and administrative expenses	(1,216,416)	(142,248)	(63,852)	(170,782)	(1,593,298)
Net investment income	103,623	(19,962)	(483)	40,391	123,569
Share of profit of investees income	(2,162)	-	(6,839)	-	(9,001)
Net non-operating income	2,891	398	28	(33,632)	(30,315)
Income before income tax and social contribution	1,371,272	(125,197)	16,497	(160,472)	1,102,100
Income tax and social contribution	(437,389)	39,871	(7,431)	100,093	(304,856)
Net income after taxes from continued operations	933,883	(85,326)	9,066	(60,379)	797,244

Description	Consolidated				Total
	Health Life and private pension	Asset Management	Other	2019	
Operating revenue	17,386,345	1,309,943	114,391	29,615	18,840,294
Insurance	17,321,011	515,015	-	(9,148)	17,826,878
Net premiums	17,307,814	513,702	-	(9,053)	17,812,463
Other	13,197	1,313	-	(95)	14,415
Private pension	-	794,928	-	-	794,928
Premiums, retained contributions and net asset management fee	-	794,191	-	-	794,191
Other	-	737	-	-	737
Saving bonds, ASO, asset management	61,675	-	114,391	38,763	214,829
Other	3,659	-	-	-	3,659
Change in technical reserves	(34,228)	(630,510)	-	-	(664,738)
Insurance	(34,228)	(38,209)	-	-	(72,437)
Private pension	-	(668,719)	-	-	(668,719)
Operating expenses	(15,329,549)	(561,693)	(4,882)	(69,909)	(15,966,033)
Insurance	(15,309,166)	(440,579)	-	(36,691)	(15,786,436)
Claims	(13,765,606)	(258,788)	-	291	(14,024,103)
Acquisition costs	(1,103,415)	(149,865)	-	-	(1,253,280)
Other	(440,145)	(31,926)	-	(36,982)	(509,053)
Private pension	-	(121,114)	-	-	(121,114)
Benefit and redemption expenses	-	(81,851)	-	-	(81,851)
Acquisition costs	-	(35,600)	-	-	(35,600)
Other	-	(3,663)	-	-	(3,663)
Saving bonds, ASO, asset management, other	(20,383)	-	(4,882)	(33,218)	(58,483)
Gross operating margin	2,022,568	117,740	109,509	(40,294)	2,209,523
General and administrative expenses	(1,056,818)	(106,043)	(70,731)	(121,687)	(1,355,279)
Net investment income	332,733	61,223	445	67,322	461,723
Share of profit of investees income	1,986	-	-	-	1,986
Net non-operating income	(385)	92	-	1,624	1,331
Income before income tax and social contribution	1,300,084	73,012	39,223	(93,035)	1,319,284
Income tax and social contribution	(313,084)	(17,607)	(9,460)	55,590	(284,561)
Net income after taxes from continued operations	987,000	55,405	29,763	(37,445)	1,034,723

25.2. Loss ratio, acquisition cost and gross margin

As at December 31, 2020 and 2019, SulAmérica has the following ratios by business unit, extracted from profit or loss:

Description	Consolidated		
	2020		
	Health	Life and private pension	Total
Loss ratio (a)	76.87%	56.84%	76.38%
Acquisition cost (b)	6.57%	30.06%	7.16%
Gross margin (c)	16.56%	13.10%	16.46%

Description	Consolidated		
	2019		
	Health	Life and private pension	Total
Loss ratio (a)	78.89%	45.58%	77.84%
Acquisition cost (b)	6.32%	26.39%	6.96%
Gross margin (c)	14.79%	28.03%	15.20%

The calculated ratios are as follows:

- (a) Claims incurred to earned premium;
- (b) Acquisition costs to earned premium; and
- (c) Gross margins to earned premium.

25.3. Insurance written premiums by region

Insurance written premiums by region are as follows:

Region	Consolidated		
	2020		
	Health	Life and private pension	Total
Southeast	15,138,653	285,105	15,423,758
South	486,765	136,880	623,645
Northeast	2,104,773	21,262	2,126,035
North	152,536	3,552	156,088
Midwest	696,428	58,913	755,341
Total	18,579,155	505,712	19,084,867

Region	Consolidated		
	2019		
	Health	Life and private pension	Total
Southeast	13,920,342	271,413	14,191,755
South	460,931	151,506	612,437
Northeast	2,218,652	35,878	2,254,530
North	146,005	12,891	158,896
Midwest	737,726	49,091	786,817
Total	17,483,656	520,779	18,004,435

25.4. Assets and liabilities by segment

Assets and liabilities by segment are as follows:

Description	Consolidated				
	2020				
	Health	Life and private pension	Asset Management	Other	Total
Assets					
Marketable securities	5,579,342	9,606,438	80,450	1,885,592	17,151,822
Receivables	1,520,715	74,344	194	1,594,254	3,189,507
Taxes	806,828	217,252	7,706	404,236	1,436,022
Deferred acquisition costs	964,736	81,514	-	-	1,046,250
Judicial deposits	1,503,294	232,277	8,536	1,051,194	2,795,301
Other Assets	1,552,382	433,691	97,696	166,450	2,250,219
Total	11,927,297	10,645,516	194,582	5,101,726	27,869,121
Liabilities and equity					
Accounts payable	1,039,966	55,641	18,008	236,032	1,349,647
Loans and financing	1,034	-	-	1,588,642	1,589,676
Insurance and reinsurance liabilities	224,930	100,110	-	18,089	343,129
Technical reserves - Insurance	4,141,710	9,817,466	-	22,398	13,981,574
Escrow provisions	1,437,295	190,248	12,623	835,577	2,475,743
Other liabilities	23,172	350	73	1,986	25,581
Total	6,868,107	10,163,815	30,704	2,702,724	19,765,350

Consolidated
2019

Description	Consolidated				Total
	Health	Life and private pension	Asset Management	Others	
Assets					
Marketable securities	5,739,131	7,957,621	184,298	3,695,079	17,576,129
Receivables	1,052,835	97,875	280	2,444,435	3,595,425
Taxes	580,071	153,828	9,293	556,682	1,299,874
Deferred acquisition costs	964,707	68,946	-	383,185	1,416,838
Judicial deposits	1,495,303	229,072	13,013	1,116,987	2,854,375
Other Assets	781,093	453,258	34,494	400,965	1,669,810
Total	10,613,140	8,960,600	241,378	8,597,333	28,412,451
Liabilities and equity					
Accounts payable	989,280	74,151	47,307	1,378,839	2,489,577
Loans and financing	743	-	-	1,749,609	1,750,352
Insurance and reinsurance liabilities	198,817	78,131	-	118,660	395,608
Technical reserves - Insurance	3,335,201	8,362,189	-	2,532,557	14,229,947
Escrow provisions	1,320,773	183,809	10,875	849,736	2,365,193
Other liabilities	20,590	196	-	13,283	34,069
Total	5,865,404	8,698,476	58,182	6,642,684	21,264,746

26. Operating revenue of insurance – Net premiums

Description	Consolidated	
	2020	2019
Net premiums		
Insurance premiums	19,111,149	17,999,791
Reinsurance ceded	(40,348)	(12,033)
Coinurance ceded	118	435
Retrocessão	(73)	-
Contribution for risk coverage (a)	14,021	16,242
Total	19,084,867	18,004,435
Sales tax		
PIS	(29,485)	(28,840)
COFINS	(181,390)	(161,216)
ISS	(3,702)	(1,916)
Total	(214,577)	(191,972)
Total	18,870,290	17,812,463

(a) Refers to the risk portion of private pension contracts.

27. Operating revenue of private pension – Net premium, income and management fees

Description	Consolidated	
	2020	2019
Premiums, retained contributions and net asset management fee		
Retained contributions	829,119	739,422
Asset management fee	63,203	56,748
Total	892,322	796,170
Sales tax		
PIS	(408)	(277)
COFINS	(2,509)	(1,702)
Total	(2,917)	(1,979)
Total	889,405	794,191

28. Change in technical reserves of insurance and private pension

Description	Consolidated	
	2020	2019
Insurance		
Unearned premium reserve	(61,941)	(60,665)
Additional provisions for premiums and contributions	-	59,033
Mathematical reserve for benefits granted	567	3,730
Others	(4,457)	1,883
Total - insurance	(65,831)	3,981
Private pension		
Mathematical reserve for benefits to be granted	(767,554)	(674,379)
Contribution deficiency reserve	16,762	3,605
Others	(209)	2,055
Total - private pension	(751,001)	(668,719)

29. Insurance operating expenses

29.1. Claims

Description	Consolidated	
	2020	2019
Direct claims	(14,014,457)	(14,395,590)
Claims recoverable	50,319	17,391
Changes in IBNR reserves	(804,761)	130,275
Salvage and recoveries	257,596	249,267
Retained benefits	(1,992)	(3,604)
Assistance service	(15,941)	(21,842)
Total	(14,529,236)	(14,024,103)

29.2. Acquisition costs

Description	Consolidated	
	2020	2019
Commissions	(1,296,645)	(1,352,091)
Change in deferred acquisition costs	18,772	174,631
Recovery of commissions	1,169	485
Other acquisition costs	(84,855)	(76,305)
Total	(1,361,559)	(1,253,280)

29.3. Other operating expenses

Description	Consolidated	
	2020	2019
Recognition of lawsuits and other insurance operation	(222,808)	(163,259)
Insurance operation expenses	(50,183)	(63,540)
Pro-labore	(98,873)	(115,778)
Technical services	(6,064)	(3,389)
Impairment of premiums and other receivables	(157,276)	(147,069)
Collection expenses	(5,830)	(5,237)
Insurance management fee	(15,272)	(10,781)
Total	(556,306)	(509,053)

30. Operating expenses of private pension

30.1. Benefit and redemption expenses

Description	Consolidated	
	2020	2019
Benefit and redemption	(78,937)	(81,851)
Others	(80)	-
Total	(79,017)	(81,851)

30.2. Acquisition costs

Description	Consolidated	
	2020	2019
Commissions	(12,354)	(13,138)
Change in deferred acquisition costs	(23,383)	(22,462)
Total	(35,737)	(35,600)

31. Profit or loss from savings bonds operations

Description	Consolidated	
	2020	2019
Operating revenue		
Revenue from administrative charges of saving bonds certificates	3,861	51,581
Sales tax		
PIS	(26)	(331)
COFINS	(162)	(2,035)
Total	(188)	(2,366)
Other operating income	11,166	15,619
Total of revenues	14,839	64,834
Operating expense		
Acquisition cost	(2,485)	(28,859)
Other operating expenses	(1,249)	(4,360)
Total of expenses	(3,734)	(33,219)
Total	11,105	31,615

32. Profit or loss from health administrative services only plans

Description	Consolidated	
	2020	2019
Operating revenue		
Services revenue	81,962	67,995
Sales tax		
PIS	(1,069)	(662)
COFINS	(6,135)	(4,073)
ISS	(1,609)	(1,586)
Total of revenues	73,149	61,674
Operating expenses		
Cost of service	(3,012)	(3,547)
Medical audit	(3,831)	(3,155)
Other	(10,158)	(13,680)
Total of expenses	(17,001)	(20,382)
Total	56,148	41,292

33. Management and administration of assets

Description	Consolidated	
	2020	2019
Operating revenue		
Administration fee	69,057	65,550
Performance fee	4,478	30,161
Sales tax		
PIS	(651)	(794)
COFINS	(3,432)	(4,132)
ISS	(2,022)	(2,464)
Total	67,430	88,321
Operating expenses		
Commission and brokerage	(2,664)	(1,920)
Custody and controllership	(3,084)	(2,848)
Other	(211)	(114)
Total	(5,959)	(4,882)
Total	61,471	83,439

34. Administrative expenses

Description	Company	
	2020	2019
Personnel expenses	(7,022)	(6,423)
Stock option plan	(16)	(24)
Third-party services	(11,702)	(9,780)
Location and operation	(1,969)	(1,472)
Tax expenses	(13,317)	(30,908)
Other	(2,382)	(1,691)
Total	(36,408)	(50,298)

Description	Consolidated	
	2020	2019
Personnel expenses	(694,662)	(653,982)
Stock option plan	(10,313)	(10,481)
Third-party services	(443,201)	(283,311)
Location and operation	(160,993)	(123,521)
Profit sharing	(70,968)	(94,613)
Tax expenses	(55,606)	(50,279)
Other	(157,555)	(139,092)
Total	(1,593,298)	(1,355,279)

Employee benefits, included in line item "Personnel expenses", are detailed in the following table, not including executive management fees:

Description	Consolidated	
	2020	2019
Remuneration	(351,835)	(361,661)
Social charges	(112,281)	(94,907)
Indemnity and severance	(33,614)	(16,820)
Food voucher and transportation voucher	(69,028)	(55,221)
Health and dental insurance	(26,716)	(17,384)
Private pension	(7,533)	(7,813)
Other	(12,269)	(16,077)
Total	(613,276)	(569,883)

35. Investment income and expenses

The breakdown of the results of investment operations and the separation between investment expenses and income, including the respective accounting classification, are as shown in the following tables:

35.1. Investment income and expenses per type

Description	Company	
	2020	2019
Marketable securities	8,191	18,119
At Fair value through profit or loss	4,593	18,119
Available for sale	3,598	-
Interest and adjustment for inflation of loans and financing	(87,602)	(127,821)
Others	1,022	5,904
Total	(78,389)	(103,798)

Description	Consolidated	
	2020	2019
Marketable securities	724,026	1,277,924
At Fair value through profit or loss	119,034	693,643
Available for sale	193,824	406,178
Held to maturity	411,168	178,103
Interest and adjustment for inflation of loans and financing	(87,602)	(127,821)
Insurance operations - private pension and VGBL	(508,049)	(673,682)
Insurance operations - others	32,098	40,447
Inflation and interest adjustment on judicial deposits, reserve for claims, taxes and contributions liabilities and lawsuits	(57,487)	(52,605)
Arrears interest	(13)	(8)
Others	20,596	(2,532)
Total	123,569	461,723

35.2. Investment income

Description	Company	
	2020	2019
Appreciation of investment fund quotas	11,067	18,613
Fixed income securities - government	3,918	-
Inflation adjustment and interest on escrow deposits	1	48
Others	3,138	7,022
Total	18,124	25,683

Description	Consolidated	
	2020	2019
Appreciation of investment fund quotas	2,907,789	1,435,406
Fixed income securities - private	44,514	58,456
Fixed income securities - government	317,991	382,158
Equity securities	610	-
Insurance operations	69,208	65,483
Inflation adjustment and interest on escrow deposits	65,753	107,131
Others	45,677	47,813
Total	3,451,542	2,096,447

35.3. Investment expenses

Description	Company	
	2020	2019
Devaluation of investment fund quotas and fixed and variable income private and government securities	(6,793)	(494)
Interest and adjustment for inflation of loans and financing	(87,602)	(127,821)
Inflation and interest on provision for legal claims, tax obligations and lawsuits	(80)	(72)
Other	(2,038)	(1,094)
Total	(96,513)	(129,481)

Description	Consolidated	
	2020	2019
Insurance operations	(37,110)	(25,036)
Devaluation of investment fund quotas and fixed and variable income private and government securities	(2,546,634)	(598,095)
Interest and adjustment for inflation of loans and financing	(87,602)	(127,821)
Inflation and interest on provisions for legal claims, tax obligations and lawsuits	(123,240)	(159,736)
Inflation and interest adjustment on technical reserves - private pension operations and VGBL	(508,049)	(673,682)
Late payment interest	(13)	(8)
Other	(25,325)	(50,346)
Total	(3,327,973)	(1,634,724)

36. Equity interest income

Description	Consolidated	
	2020	2019
Equity interest income (a)	(30,315)	1,331
Total	(30,315)	1,331

(a) The change in the line item "Equity interest income" was mainly caused by Management's review of the likelihood of loss on some civil lawsuits, arising from the financial company sold in 2003, which controlling stake was held by SULACAP.

37. Statement of income tax and social contribution calculation

Income tax and social contribution, calculated based on statutory rates, are reconciled to the amounts recorded in the statements of profit or loss, as follows:

Description	2020		Company 2019	
	Income tax	Social contribution	Income tax	Social contribution
Net income before accrued liabilities for Income tax and social contribution	705,390	705,390	1,035,382	1,035,382
Income tax and social contribution tax expenses at statutory rates	(176,348)	(63,485)	(258,846)	(93,184)
Nominal rate	25%	9%	25%	9%
Current:				
Additions:				
Interest on shareholders' capital	-	-	(38,262)	(13,774)
Non-deductible reserves	(46)	(17)	(9)	(3)
Accrued liabilities for lawsuits and tax and contributions liabilities	(26)	(9)	-	-
Non-deductible expenses	(178)	(64)	(204)	(74)
Others additions	(398)	(140)	(8)	1
Subtotal	(648)	(230)	(38,483)	(13,850)
Deductions:				
Share of profit	205,047	73,817	297,369	107,053
Reversal of accrued liabilities for lawsuits and tax and contribution liabilities	-	-	178	64
Interest on shareholders' capital	39,595	14,254	-	-
Subtotal	244,642	88,071	297,547	107,117
Tax loss carryforwards:				
Recognition	(48,897)	(17,603)	(232)	(84)
Tax incentive decrease	2	-	-	-
Expenses from current income tax and social contribution	18,751	6,753	(14)	(1)
Deferred:				
Recognition of deferred tax assets on Income tax and social contribution loss	49,056	17,660	232	84
Recognition of tax debit related to monetary variation on judicial deposits	-	-	(1)	(1)
Income from deferred income tax and social contribution	49,056	17,660	231	83
Income from income tax and social contribution	67,807	24,413	217	82
Effective rate	-9.61%	-3.46%	-0.02%	-0.01%
Effective rate combined		-13.07%		-0.03%

Description	2020		Consolidated 2019	
	Income tax	Social contribution	Income tax	Social contribution
Net income before accrued liabilities for income and social contribution tax	1,102,100	1,102,100	1,319,284	1,319,284
Income tax and social contribution expenses at statutory rates	(275,525)	(165,315)	(329,821)	(197,893)
Social contribution's rate difference (a)	-	9,237	-	22,953
Nominal rate	25%	15%	25%	15%
Current:				
Additions:				
Accrued liabilities for lawsuits and tax and contributions liabilities	(30,197)	(17,137)	(9,244)	(5,032)
Inflation adjustment on escrow deposits (favorable result)	-	-	(17,606)	(10,492)
Non-deductible expenses	(17,190)	(4,498)	(26,752)	(4,493)
Share of profit	(2,250)	(1,220)	-	-
Impairment	(15,770)	(12,285)	(35,111)	(18,005)
Charges on profit sharing	-	-	(1,317)	(792)
Others additions	(7,219)	(5,717)	-	-
Subtotal	(72,626)	(40,857)	(90,030)	(38,814)
Deductions:				
Monetary variation on judicial deposits	4,414	2,558	10,834	6,210
Interest on shareholders' capital	72,500	26,100	42,500	15,300
Share of profit	-	-	11,367	4,174
Reversal of non-deductible provisions	1,075	595	6,131	3,709
Reversal of profit sharing provisions	1,957	1,206	-	-
Others deductions	-	-	5,308	3,243
Subtotal	79,946	30,459	76,140	32,636
Tax loss carryforwards:				
Recognition (b)	(73,102)	(32,290)	(237)	(85)
Allowance (b)	6,834	5,473	7,367	4,428
Subtotal	(66,268)	(26,817)	7,130	4,343
Fiscal tax incentive reduction	20,314	-	24,252	-
Expenses from current income tax and social contribution	(314,159)	(193,293)	(312,329)	(176,775)
Deferred:				
Recognition / (reversal) of deferred tax assets on income tax and social contribution loss	65,828	26,657	(6,992)	(4,262)
Recognition / (reversal) of deferred tax assets on temporary differences	19,763	18,595	48,107	19,587
Reversal of tax debit related to monetary variation on judicial deposits	48,441	28,612	91,828	56,275
Reversal impairment	(5,300)	-	-	-
Income from deferred income tax and social contribution	128,732	73,864	132,943	71,600
Expenses from income tax and social contribution	(185,427)	(119,429)	(179,386)	(105,175)
Effective rate	16.82%	10.84%	13.60%	7.97%
Effective rate combined		27.66%		21.57%

(a) Refers to the difference in the social contribution rate between financial and equivalent companies (15%) and non-financial subsidiaries (9%); and

(b) The recognized amounts refer to the group's companies that recorded tax loss for the period, and the offsets were made by companies that recorded taxable profit, based on the limits provided for in the Law.

38. Income tax and social contribution on the adjustments directly allocated to comprehensive income

Description	Company 2020	
	Financial assets available for sale	Total
Tax base	(1,290)	(1,290)
Income tax	323	323
Social contribution	116	116
Total	439	439
Net	(851)	(851)

Description	Company 2019	
	Financial assets available for sale	Total
Base de cálculo	(458)	(458)
Income tax	115	115
Social contribution	41	41
Total	156	156
Net	(302)	(302)

Description	Consolidated 2020	
	Financial assets available for sale	Total
Tax base	(104,810)	(104,810)
Income tax	26,153	26,153
Social contribution	15,614	15,614
Rate difference (a)	(802)	(802)
Total	40,965	40,965
Net	(63,845)	(63,845)

Description	Consolidated 2019		
	Financial assets available for sale	Defined benefit pension plan	Total
Tax base	8,121	(6,859)	1,262
Income tax	(2,030)	1,715	(315)
Social contribution	(1,218)	1,029	(189)
Rate difference (a)	(695)	(16)	(711)
Total	(3,943)	2,728	(1,215)
Net	4,178	(4,131)	47

(a) Refers to the difference in the social contribution rate between financial and equivalent companies (20%) and non-financial subsidiaries (9%).

39. Rental contracts

Rio de Janeiro

On September 17, 2018, SALIC entered into a new contract for renting the headquarters' building in Rio de Janeiro for a period of 10 years, effective from April 18, 2019. In the first year, the rent was paid in a single installment on April 18, 2020. From the second year of the contract, the rent shall be paid monthly, every 5th day of the subsequent month. The contract is annually adjusted by IGP-M. Such rental contract contains clauses that restrict the capacity of the Company and the landlord of unilaterally terminating it. The voluntary unilateral termination gives rise to the payment of damages to the other party, according to the conditions established in the contract. The amount, recognized in accordance with IFRS 16 (CPC 06 (R2)), is detailed in Note 14.

São Paulo

On July 4, 2013, CIA. SAÚDE signed a rental contract of the new head office of SulAmérica in São Paulo. The rental period is ten years, counted as from June 15, 2015, which can be automatically renewed for five-year periods in three consecutive cycles. During the contract period, CIA. SAÚDE has agreed to monthly pay the original amount of R\$1,833, annually adjusted in June by the accumulated IGP-M variation. The amount recorded according to IFRS 16 (CPC 06 (R2)) is detailed Note 14.

40. Other information - insurance

As at December 31, 2020, the main coverage of SulAmérica is against property damages of R\$559,070 (same amount in 2019), coverage against natural phenomena of R\$41,730 (same amount in 2019), general liability of R\$25,000 (same amount in 2019) and rental loss, electrical damage and glass breakage of R\$16,299 (same amount in 2019), totaling a coverage of R\$642,099 (same amount in 2019).

41. Transactions not involving cash or cash equivalents in investing and financing operations

The Company increased with interest on capital the capital of SALIC in the amount of R\$104,304, as described in Note 15.1.

42. Events after the reporting period

Debenture Issue

On January 13, 2021, the Company has informed to its shareholders and the market in general that its Board of Directors has approved on such date the Eight Issue of simple unsecured non-convertible debentures, in two series ("Issue" and "Debentures", respectively). The Issue will comprise 700,000 (seven hundred thousand) Debentures, with unit face value of R\$1,000.00 (one thousand reais), thus the Issue will total R\$700,000,000.00 (seven hundred million reais), on the issue date. The First Series Debentures and the Second Series Debentures will mature on February 1, 2024 and February 1, 2026, respectively. The net proceeds obtained by the Company from the Issue will be fully used to reinforce and adjust the liquidity levels of the Company, as well as other corporate purposes.

Other information considered material by the Company

(In thousands of Brazilian Reais – R\$, except as otherwise stated)

1. Introduction

Sul América S.A. is a holding company that mainly invests in companies that operates in the health and private pension segment, we have adjusted the annual consolidated information for purposes of improving its presentation. In view of the fact that the disclosure format of annual information of holding companies established by the Empresas.Net System differs from the previously mentioned publication format, we present a comparison and the consolidated statement of operations and the consolidated statement of income for the period ended December 31, 2020.

1.1. Comparison between the publication format required from companies that operate insurance and private pension and CVM/ITR publication models

Statements of financial position - Assets

			12/31/2020	Consolidated 12/31/2019
		Current Assets		
1.01.03.01	Empresas.Net	Customers	1,597,858	2,287,210
		Receivables	1,597,858	2,287,210
1.01.06	Empresas.Net	Tax Recoverable	178,218	154,787
		Taxes	178,218	154,787
1.01.08	Empresas.Net	Other Current Assets	421,284	858,255
1.01.08.01	Empresas.Net	Non-current Assets for Sale	162	68,667
		Salvages for sale	162	68,667
1.01.08.03	Empresas.Net	Other	421,122	789,588
		Reinsurance assets	46,430	26,796
		Deferred Acquisition Costs	339,564	712,650
		Other	35,128	50,142
		Non-current Assets		
		Long-term Assets		
1.02.01.03	Empresas.Net	Accounts Receivable	1,591,649	1,308,215
		Receivables	1,591,649	1,308,215
1.02.01.06	Empresas.Net	Deferred Taxes	1,257,804	1,145,087
		Taxes	1,257,804	1,145,087
1.02.01.09	Empresas.Net	Other Non-Current Assets	3,679,965	3,744,138
		Judicial deposits	2,795,301	2,854,375
		Reinsurance assets	7,601	7,583
		Deferred acquisition costs	706,686	704,188
		Other	6,250	14,625
		Lease assets	164,127	163,367

Statements of financial position - Liabilities

			12/31/2020	Consolidated 12/31/2019
		Current Liabilities		
2.01.01	Empresas.Net	Social Obligations and Labor	52,254	58,459
2.01.03	Empresas.Net	Tax	233,535	445,891
2.01.05	Empresas.Net	Other Obligations	1,199,719	2,173,820
		Accounts payable	1,117,144	2,254,179
		Insurance and reinsurance liabilities	343,129	395,608
		Other	25,235	28,383
2.01.04	Empresas.Net	Loans and Financing	579,139	178,021
		Loans and financing	579,139	178,021
2.01.06	Empresas.Net	Provisions	6,346,941	7,520,254
		Technical Reserves - Insurance	6,215,396	7,439,543
		Judicial provisions	131,545	80,711
		Non-current Liabilities		
2.02.02	Empresas.Net	Other Obligations	305,945	329,798
		Accounts Payable	232,503	235,398
		Other Debts with Related Parties	73,096	88,714
		Other	346	5,686
2.02.04	Empresas.Net	Provisions	10,037,280	8,986,172
2.02.04.01	Empresas.Net	Provisions Tax, Social Security, Labor and Civil	2,344,198	2,284,482
		Judicial provisions	2,344,198	2,284,482
2.02.04.02	Empresas.Net	Other	7,693,082	6,701,690
		Technical Reserves - Insurance	7,766,178	6,790,404

Statements of profit or loss

		Consolidated		
		12/31/2020	12/31/2019	
3.01	Empresas.Net	Revenue from Sales and Services	19,215,791	18,175,556
		Insurance	18,915,557	17,826,878
		Private pension	889,421	794,928
		Savings bonds	14,839	64,834
		ASO	73,149	61,674
		Asset management	67,430	88,321
		Other	72,227	3,659
		Changes in premium technical reserves - insurance	(65,831)	3,981
		Changes in premium technical reserves - private pension	(751,001)	(668,719)
3.02	Empresas.Net	Cost of Products and Services Sold	(16,604,646)	(15,966,033)
		Insurance	(16,447,101)	(15,786,436)
		Private pension	(130,851)	(121,114)
		Savings bonds	(3,734)	(33,219)
		ASO	(17,001)	(20,382)
		Asset management	(5,959)	(4,882)
3.04.02	Empresas.Net	General and Administrative Expenses	(1,593,298)	(1,355,279)
		Administrative Expenses	(1,593,298)	(1,355,279)

1.2. Statements of Financial Position and Statements of Income Required from Companies that Operate Insurance, Private Pension and Saving bonds

Sul América S.A. and Subsidiaries
Statements of financial position as at December 31, 2020 and December 31, 2019
(in thousands of Brazilian reais - R\$)

		Consolidated	
		12/31/2020	12/31/2019
Assets	Notes		
Current assets		18,990,312	20,270,361
Cash and cash equivalents	7	956,465	744,979
Marketable securities	8	15,836,487	16,225,130
Receivables	9	1,597,858	2,287,210
Taxes	10.1	178,218	154,787
Reinsurance assets	11	46,430	26,796
Salvages for sale	-	162	68,667
Deferred acquisition costs	12	339,564	712,650
Other	-	35,128	50,142
Non-current assets		8,878,809	8,142,090
Marketable securities	8	1,315,335	1,350,999
Receivables	9	1,591,649	1,308,215
Escrow deposits	22.1	2,795,301	2,854,375
Reinsurance assets	11	7,601	7,583
Deferred acquisition costs	12	706,686	704,188
Taxes	10.1	1,259,485	1,145,087
Other	-	6,250	14,625
Lease assets	14	164,127	163,367
Investments	15	106,450	75,024
Fixed assets	-	109,685	72,091
Intangible assets	16	816,240	446,536
Total assets		27,869,121	28,412,451

Sul América S.A. and Subsidiaries
Statements of financial position as at December 31, 2020 and December 31, 2019
(in thousands of Brazilian reais - R\$)

		Consolidated	
		12/31/2020	12/31/2019
Liabilities and equity	Notes		
Current liabilities		8,411,588	10,376,445
Accounts payable	17	1,117,144	2,254,179
Loans and financing	18	579,139	178,021
Insurance and reinsurance liabilities	20	343,129	395,608
Technical reserves - Insurance	21	6,215,396	7,439,543
Provision for lawsuits	22.2	131,545	80,711
Other	-	25,235	28,383
Non-current liabilities		11,353,762	10,888,301
Accounts payable	17	232,503	235,398
Loans and financing	18	1,010,537	1,572,331
Technical reserves - Insurance	21	7,766,178	6,790,404
Provision for lawsuits	22.2	2,344,198	2,284,482
Other	-	346	5,686
Equity		8,103,771	7,147,705
Capital	24.1	3,619,882	3,319,882
Reserves	24.2	5,331,251	3,953,686
Capital reserves	-	333,830	370,953
Earnings reserves	-	4,997,421	3,582,733
Treasury shares	24.4	(787,776)	(130,258)
Equity adjustment	24.3	(61,329)	2,516
Non-controlling interests	-	1,743	1,879
Total liabilities and equity		27,869,121	28,412,451

Sul América S.A. and Subsidiaries

Statements of income for the year ended December 31, 2020 and 2019
(in thousands of Brazilian reais - R\$, unless otherwise stated)

	Notes	12/31/2020	Consolidado 12/31/2019
Net operating revenue		20,032,623	18,840,294
Insurance		18,915,557	17,826,878
Net premiums	26	18,870,290	17,812,463
Other	-	45,267	14,415
Private pension		889,421	794,928
Premiums, retained contributions and net asset management fee	27	889,405	794,191
Other	-	16	737
Savings bonds	31	14,839	64,834
ASO	32	73,149	61,674
Asset management	33	67,430	88,321
Other	-	72,227	3,659
Changes in premium technical reserves		(816,832)	(664,738)
Insurance	28	(65,831)	3,981
Private pension	28	(751,001)	(668,719)
Operating expenses		(16,604,646)	(15,966,033)
Insurance		(16,447,101)	(15,786,436)
Claims	29.1	(14,529,236)	(14,024,103)
Acquisition costs	29.2	(1,361,559)	(1,253,280)
Other	29.3	(556,306)	(509,053)
Private pension		(130,851)	(121,114)
Benefit expenses	30.1	(79,017)	(81,851)
Acquisition costs	30.2	(35,737)	(35,600)
Other	-	(16,097)	(3,663)
Savings bonds	31	(3,734)	(33,219)
ASO	32	(17,001)	(20,382)
Asset management	33	(5,959)	(4,882)
Gross operating margin		2,611,145	2,209,523
Administrative expenses		(1,593,298)	(1,355,279)
Net investment income	35.1	123,569	461,723
Share of profit	15	(9,001)	1,986
Equity interest income	36	(30,315)	1,331
Income before tax and social contribution		1,102,100	1,319,284
Income tax and social contribution	37	(304,856)	(284,561)
Net income from continuing operations		797,244	1,034,723
Net income from discontinued operations	13	1,550,213	146,904
Net income		2,347,457	1,181,627
Net income attributable to:			
Owners of the Company	-	2,347,823	1,182,585
Non-controlling interest	-	(366)	(958)
Net income		2,347,457	1,181,627
Basic earnings per share attributable to shareholders	24.6		
Preferred share		2.0516	1.0184
Common share		2.0158	1.0179
Diluted earnings per share attributable to shareholders	24.6		
Preferred share		2.0324	1.0065
Common share		2.0065	1.0120
Basic earnings per share attributable to shareholders	24.6		
Preferred share		0.6970	0.8919
Common share		0.6848	0.8914
Diluted earnings per share attributable to shareholders	24.6		
Preferred share		0.6905	0.8815
Common share		0.6817	0.8863

2. Arbitration Chamber

The Company, its shareholders and managers are bound by arbitration of the Market's Arbitration Chamber, as provided for by Article 47 of its Bylaws.

2.1. Appendix III – Shareholders owning more than 5% of common or preferred shares

Ranking of Shareholders owning more than 5% of common or preferred shares, including individuals
As of December 31, 2020
(In shares)
Sul América S/A

Shareholder	Common shares	%	Preferred shares	%	Total shares	%
Sulasapar Participações S.A.	303,427,720	52.05	50,521	0.01	303,478,241	26.57
Others	279,551,385	47.95	559,102,827	99.99	838,654,212	73.43
Subtotal	582,979,105	100.00	559,153,348	100.00	1,142,132,453	100.00
Treasury stock	20,856,046		41,712,099		62,568,145	
Total	603,835,151		600,865,447		1,204,700,598	

Distribution of corporation's capital stock (shareholders' company), including individuals
As of December 31, 2020
(In shares)
Sulasapar Participações S/A

Shareholder	Common shares	%	Total shares	%
Sulasa Participações S.A.	2,509,326	100%	2,509,326	100%
Subtotal	2,509,326	100%	2,509,326	100%
Treasury stock	796,082		796,082	
Total	3,305,408		3,305,408	

Distribution of corporation's capital stock (shareholders' company), including individuals
As of December 31, 2020
(In shares)
Sulasa Participações S/A

Shareholder	Common shares	%	Preferred shares	%	Total shares	%
Sularis S.Á.R.L.	1,876,169,956	16.67	3,752,339,908	16.67	5,628,509,864	16.67
Sulaver S. Á R.L.	1,876,169,956	16.67	3,752,339,908	16.67	5,628,509,864	16.67
Patrick Antonio Claude de Larragoiti Lucas	1,876,169,956	16.66	3,752,339,908	16.66	5,628,509,864	16.66
Ema Mercedes Anita Sanchez de Larragoiti	-	-	46	0.00	46	0.00
Sulemisa Participações Ltda.	2,814,254,934	25.00	5,628,509,839	25.00	8,442,764,773	25.00
Sultaso Participações Ltda.	2,814,254,934	25.00	5,628,509,839	25.00	8,442,764,773	25.00
Total	11,257,019,736	100.00	22,514,039,448	100.00	33,771,059,184	100.00

2.2. Appendix IV – Controlling shareholders, management and free float position

Controlling shareholders, management and free float position
As of December 31, 2020

	Common shares	%	Preferred shares	%	Total shares	%
Controlling shareholders	312,015,104	53.52	17,225,295	3.08	329,240,399	28.83
Management						
Board of Directors	41,442	0.01	82,884	0.01	124,326	0.01
Officers	575,452	0.10	1,150,904	0.21	1,726,356	0.15
Free float	270,347,107	46.37	540,694,265	96.70	811,041,372	71.01
Subtotal	582,979,105	100.00	559,153,348	100.00	1,142,132,453	100.00
Treasury stock	20,856,046		41,712,099		62,568,145	
Total	603,835,151		600,865,447		1,204,700,598	

3. Compliance with CVM Instruction No. 381 of January 14, 2003

On March 09, 2020, Sul América S.A. and its subsidiaries engaged Ernst & Young Auditores Independentes S.S to provide external audit services related to the audit of its financial statements (individual and consolidated) over a period of five years.

During the year 2020, EY did not provide services to the Company and its subsidiaries other than external audit, except for the actuarial audit and tax review of monthly tax bases and accounting and tax records (ECFs) in the amount of R\$970, which account for 31% of total external audit services.

SulAmérica has a policy on related party transactions available on the website www.sulamerica.com.br/ri. During the year 2020, no transaction between EY and SulAmérica was made that could be classified as related party transaction.

Independent auditor's report on individual and consolidated financial statements

To the shareholders and management of
Sul América S.A.

Opinion

We have audited the individual and consolidated financial statements of Sul América S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2020, and the statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of Sul América S.A. as at December 31, 2020, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.



We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Recoverability of the receivables from the Salary Changes Compensation Fund (FCVS) related to the Financial Housing System (SFH) insurance

As at December 31, 2020, Sul América Companhia Nacional de Seguros ("Salic"), a Company's subsidiary, has receivables from the Salary Changes Compensation Fund (FCVS) related to the Financial Housing System (SFH) insurance, amounting to R\$1,735,186 thousand, as detailed in note 9.1.2 to the financial statements.

Salic has been making, in the last years, significant disbursements related to lawsuits associated to the SFH public policy. Receivables from FCVS are accounted when the disbursement is made as a result of the execution of the lawsuits and are adjusted using the Benchmark Rate (TR) informed by Central Bank of Brazil. The measurement of the provision for impairment on such receivables is based on a methodology and assumptions that take into consideration the expected losses based on the operating losses experience.

The methodology and assumptions evaluation adopted by the Management used to measure the provision for impairment on such receivables from FCVS, were considered a key audit matter, due to the magnitude of the amounts involved, its complexity and level of judgment used to measure the provision for impairment on such receivables.

How our audit addressed the matter

Our audit procedures included but were not limited to: (i) evaluation of key internal controls related to receivables from FCVS identification, as such impairment measurement process; (ii) understanding and evaluation of reasonableness on Management methodology and assumptions in the measurement of the provision for impairment on receivables from FCVS; (iii) evaluation and validation, based on audit evidence, on the methodology consistency application in the measurement of the provision for impairment; (iv) inspection, on a sampling basis, on the receivables transactions evidences, including the evaluation on the integrity and accuracy on the Management's databases used; and (v) financial statements disclosures adequacy review.

Based on the audit procedures performed on the receivables from the Salary Changes Compensation Fund (FCVS) related to the Financial Housing System (SFH) insurance provision for impairment measurement, which is consistent with Management evaluation, we considered that the criteria and assumptions adopted by the Company, as at explanatory notes disclosures, are acceptable in the context of the consolidated financial statements taken as a whole.

Measurement and recognition of the technical provisions

As disclosed on note 21, as at December 31, 2020, technical provisions amount due to insurance and private pension contracts issued by the Company were R\$13,981,574 thousand. Determining the amounts of certain insurance and private pension contracts technical provisions requires Management's material judgment to select the key assumptions and methodologies, such as: estimated claims opening amounts, expected loss ratio, claims development experience, discount rate, cancellation rate, assumed and effective risks of unissued policies, mortality tables, expected increase in life expectancy, and the application of a methodology for the development of incurred claims and issued premiums based on the run-off triangle among others.

The assumptions and methodologies used by the Management to calculate technical provisions were considered a key audit matter, due to the magnitude of the amounts involved, its complexity and level of judgment used to measure the incurred but not reported reserve, mathematical reserve for benefits granted and liability adequacy test.

How our audit addressed the matter

Our audit procedures included but were not limited to: (i) involving actuarial specialists to evaluate the adequacy of the methodologies used to calculate technical provisions of insurance and private pension contracts issued by the Company; (ii) evaluation of reasonableness on Management methodology and assumptions in the measurement of the technical provisions of insurance and private pension contracts, including those related to the liability adequacy test; (iii) testing the accuracy and completeness of the databases used in the actuarial calculations; (iv) independent calculation, challenging the main assumption used; and (v) financial statements disclosures adequacy review. Based on the audit procedures performed on technical provisions measurement, which is consistent with Management evaluation, we considered the methodology, assumptions and calculation to determine those technical provisions, as at explanatory notes disclosures, are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Audit of the corresponding values

The Company's individual and consolidated financial statements for the year ended December 31, 2019 were previously audited by another independent auditors who issued an audit report on February 20, 2020, with an unmodified opinion on these financial statements.



Statements of value added

The individual and consolidated statements of value added (SVA) for year ended December 31, 2020, prepared under the responsibility of Company management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement and are consistent in relation to the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, February 23, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6


Roberto Martorelli
Partner
Accountant CRC-1RJ106103/O-0


Marcelo Felipe L. de Sá
Partner
Accountant CRC-1RJ094644/O-0

SUL AMÉRICA S.A.

CNPJ/MF nº 29.978.814/0001-87

NIRE 3330003299-1

Publicly held company with authorized capital

Statement of Directors on the Financial Statements:

The statutory officers of Sul América S.A., a publicly held company with authorized capital with head offices located in the city of Rio de Janeiro, registered in the roll of corporate taxpayers (CNPJ/MF) under number 29.978.814/0001-87, in accordance with Item VI, Paragraph 1, Article 25 of CVM Instruction 480 dated December 7, 2009, have reviewed, discussed and are in agreement with the Company's financial statements for the period ended on December 31, 2020.

SUL AMÉRICA S.A.

CNPJ/MF nº 29.978.814/0001-87

NIRE 3330003299-1

Publicly held company with authorized capital

Statement of Directors on the Report of Independent Auditors:

The statutory officers of Sul América S.A., a publicly held company with authorized capital with head offices located in the city of Rio de Janeiro, registered in the roll of corporate taxpayers (CNPJ/MF) under number 29.978.814/0001-87, in accordance with Item V, Paragraph 1, Article 25 of CVM Instruction 480 dated December 7, 2009, have reviewed, discussed and are in agreement with the opinions expressed in the report of the independent auditors of the Company, engaged Ernst & Young Auditores Independentes S.S, regarding the Company's financial statements for the period ended on December 31, 2020.