




SulAmérica

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ANOS

Quarterly Results – 2nd quarter 2021

- Total revenues of R\$5.2 billion (+8.6%) in 2Q21 and R\$10.4 billion (+7.0%) in 1H21
- Health and dental group membership grew 13.6% (+503 thousand lives)
- Consolidated loss ratio of 85.8% in 2Q21 and 83.2% in 1H21, impacted by COVID-19
- Adjusted administrative expenses ratio of 6.7% in the quarter and 7.0% in 1H21
- Net income of R\$29.6 million in the quarter and R\$83.6 million in 1H21
- Health and dental return on regulatory capital of 15.2% in the last 12 months

Conference Call

August 12, 2021 (Thursday)

Portuguese (with simultaneous translation to English)

10am (Brasília) | 9am (US/DST)

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MESSAGE FROM THE CEO

The second quarter of 2021 was still marked by important challenges imposed by the pandemic. The high number of COVID-19 cases, especially in the beginning of the period, combined with frequencies of other procedures reaching pre-pandemic levels following the only gradual improvement in the pandemic situation, impacted short-term results in health and life insurance segments. On the other hand, in the last few weeks, especially with the welcome acceleration of the vaccination process in the country, we have been able to see important signs that give us more confidence that, soon, we will experience a more favorable scenario with a greater control of the pandemic, gradually moving towards a more regular seasonality of claims. After this crisis, we believe what shall remain will be the positive legacies we have been able to built in these challenging times, among them the solid **growth**, the **expansion of high quality healthcare access** and the **increased use of technology** contributing for a better experience to all beneficiaries. In the first six months of 2021, we presented an **organic expansion of 400 thousand** beneficiaries in **Health and Dental**, growing consistently and above the rest of the market, and **344 thousand insured members** in **Life Insurance**. Besides that, soon we will incorporate the portfolio of *Santa Casa de Ponta Grossa*, in the state of Paraná, adding approximately another 25 thousand beneficiaries to the health portfolio through **acquisitions**. It is an important growth avenue, which we intend to explore even further in the next periods.

Our recent achievements go beyond just growth. We developed new **technologies** and **innovations** to support our customers in a more **digital** and **assertive way**; expanded our **partnership** with **medical providers** through the developments of new products, services and payment models; and are **increasingly closer** to our **beneficiaries**, achieving **record high satisfaction levels**, with excellent ratings in our Health app – an important tool to guarantee healthcare access during the pandemic – and rising NPS (Net Promoter Score) levels, besides recurring recognitions in “*Reclame Aqui*” (one of the most recognized reputation websites in the country) in our business segments.

We continue to advance in our **digital strategy**. Seeking to build an **Integral Health ecosystem**, we have been exploring initiatives for a few years now, both internally in our journey of **digital transformation** and **customer experience improvement** and also through **strategic investments**. As part of this strategy, it is worth remembering the acquisition of **Docway**, a healthtech, in 2018, the growth of our **Coordinated Care** program – which is digital in its core – and, more recently, the investment in a new **healthcare venture capital fund** by Aggir Ventures Health, together with several sector specialists, in a movement that should gain relevance in the next years to expand our access to new technologies.

Those who follow us for some time know that **ESG integration** into our operations has been a long term process. In addition to the several commitments we have signed and the inclusion of specific ESG goals in management evaluation KPIs, we believe the most important thing is to act with purpose respecting what is material to our stakeholders and society as a whole considering the markets in which we operate. In this sense, with a focus on **high quality assistance**, we have been working to **expand healthcare access** and offer quality products to an increasing number of people. Our regional more affordable products – **SulAmérica Direto** – is already present in 9 regions across the country, with 33 thousand beneficiaries and growing. Our health medical operator (HMO) in the South of Brazil, **Paraná Clínicas**, which operates in a similar price range, continues to expand. At the same time, we also believe that it is absolutely material, as a healthcare manager, to guarantee **total assistance** during this pandemic we are still facing, in a strong partnership with the network of medical providers, which also allowed for **high resolution rates** for hospitalized COVID-19 patients. Considering just the second quarter of 2021, costs related to COVID-19 amounted to approximately R\$530 million, considering health and life segments. Since the beginning of the pandemic, such costs amounted to around **R\$1.8 billion**. Certainly this is part of our role, but we have been meaning to go further, **contributing to the society**, with donations for the construction of new hospital beds for the public healthcare system (*SUS - Sistema Único de Saúde*), psychological support to healthcare professionals and family members of COVID-19 victims and contributions to more vulnerable people, among other initiatives, amounting to a total of approximately R\$16 million.

Speaking of operating performance in the **Health and Dental** segment, as mentioned in the opening remarks, we faced a period that was highly atypical, just as the second quarter of 2020 had been extraordinary, but now with an abnormally higher than usual medical loss ratio due to the greater number of COVID-19 cases, coupled with the increasing normalization of elective and non-urgent claims. With the expected improvement of the pandemic scenario, we hope that the impact of costs with COVID-19 will gradually begin to decrease, allowing for normal scenarios in terms of seasonality and claims frequencies. It is worth remembering that, as we have been mentioning since last year, we expected to face atypical periods with greater short term volatility in our results, but that do not change at all our long term path of loss ratio control. Also, the **Coordinated Care** initiatives – essential to provide adequate assistance during this period of crisis with a closer and supportive care – have been evolving at a fast pace, expanding its lines of care and totaling more than 700 thousand active beneficiaries coordinated, already reaching 52% of our total claims in the segment.

MESSAGE FROM THE CEO (cont.)

Our focus is also the **Financial Health** of our clients. Our **asset management arm**, **SulAmérica Investimentos**, one of the largest independent asset managers and pioneer in ESG aspects in the country, continues to grow, holding **R\$45 billion** in assets under management. At the same time, we have been advancing in our partnership with the digital investment platform **Órama**, in which we are shareholders, with our referral program for insurance brokers – with more than 3 thousand of them already participating. In the **Pension** segment, we also continued to grow, maintaining a positive performance in terms of new contributions and portability, which led us to almost **R\$10 billion** in reserves. On the other hand, in **life insurance**, the whole market was impacted by the higher numbers of deaths related to COVID-19, in line with the dynamics observed in the country since the beginning of 2021. For SulAmérica, there were approximately 1.4 thousand COVID-19-related claims in the second quarter of 2021 alone, and approximately 3 thousand since the beginning of the pandemic. Such dynamics continued to significantly impact the results of this portfolio, which is still registering extraordinarily low returns comparing to its recurring levels. With the continuous and consistent improvement of the pandemic scenario, we expect this portfolio will resume its solid and recurring performance.

Finally, our journey to offer **Integral Health** is just beginning. The long pandemic period, undoubtedly, brought **challenges**, but also several **opportunities** for us to differentiate ourselves, with the **quality** of our products and the excellent care and assistance provided by SulAmérica and our network of providers, offering support at all times and guaranteeing the **physical, emotional and financial health** of our beneficiaries. Those results would not be possible without our **employees**, who relied on the support and partnership of **insurance brokers, medical providers, suppliers, shareholders** and other stakeholders. Thank you all for the commitment in this challenging period for Brazil and the world. We are closer to the end of this crisis and continue to count on all of you to accelerate our growth and continue in our positive development path.

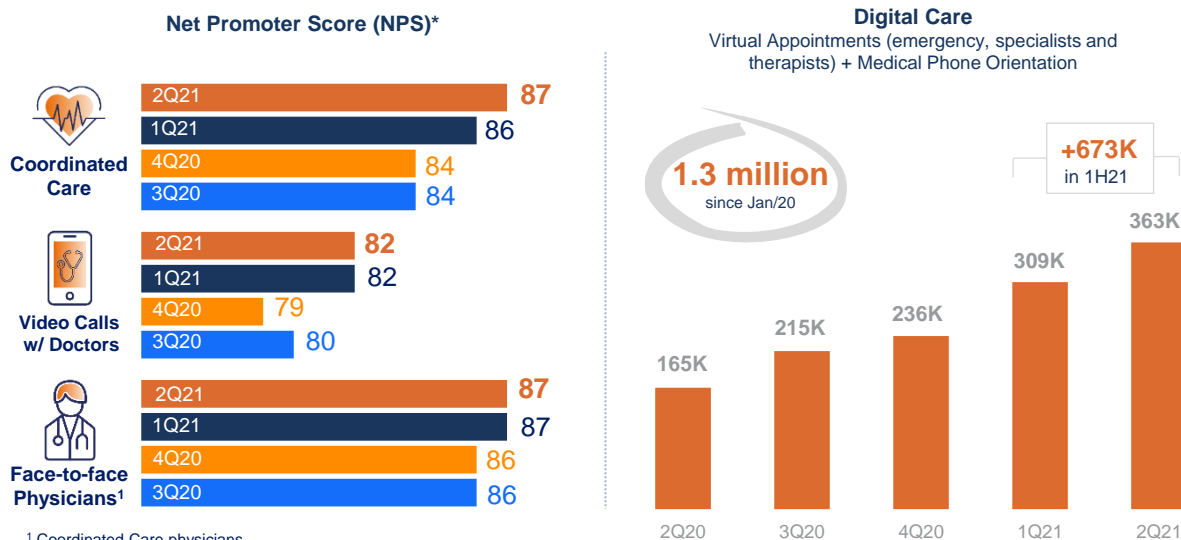
Ricardo Bottas
CEO

COORDINATED CARE, DIGITAL INITIATIVES IN HEALTH AND CONNECTED MEDICINE

The second wave of COVID-19 continued to significantly impact the main regions of the country during the second quarter of 2021, causing high numbers of cases and hospitalizations associated with the new coronavirus, reaching levels even higher than those observed in the first wave of the pandemic in 2020.

In this context, we continue to advance in our **Coordinated Care** strategy, which has proven to be essential not only in the fight against the pandemic, but has also becoming consolidated as a fundamental strategy for a closer monitoring of the beneficiaries' journey. **Digital tools** have strengthened their relevance as a way to **access healthcare** and are continuously evolving, with an increased utilization of "**Saúde na Tela**" (Health on Screen), our solutions in which physicians on duty and specialists from 50 specialties, in addition to therapists, psychologists, nutritionists and other health professionals offer remote assistance, with high resolution rates (~90% of the calls do not need subsequent face-to-face care). Once again, we reached a **record high number of remote appointments**, which sum up more than **1.3 million** since the beginning of 2020, with approximately 1.2 million virtual appointments (telemedicine) and 150 thousand medical phone orientations. In the first half of 2021 alone, we registered more than **600 thousand virtual appointments**.

The growth in the number of appointments is also followed by a better perception, with **high levels of satisfaction** for the Coordinated Care initiatives, as shown by excellent NPS (Net Promoter Score) figures. All these indicators prove the effectiveness of digital health initiatives, which besides being another way to ensure effective and convenient care, are also offering better experiences for beneficiaries and healthcare professionals.



¹ Coordinated Care physicians.

* NPS considers year-to-date figures in the respective periods.

The evolution of **digital initiatives** has allowed a closer **partnership** with the network of **medical providers**, as in the case of the **Lab IN** expansion, a home service for diagnostics project, which allows the integration of patient's medical data through exam reports, now present in 9 cities and with further expansions planned until the end of the year. In addition to Lab IN, the **Fast Track** initiative, in a joint effort with 32 partner hospitals, has been especially important during the pandemic, ensuring fast on-site hospital care for suspected or confirmed COVID-19 cases when needed. This quarter, we expanded this initiative with 42 providers, providing this service for all beneficiaries in the city of São Paulo in need of emergency care, not limited to COVID-19 cases.

IMPACTS OF THE COVID-19 PANDEMIC

In the second quarter of 2021, the still high number of COVID-19 cases in Brazil continued to generate relevant costs to our operations. We continued to cover **medical costs** of procedures related to COVID-19 for **health** beneficiaries, which amounted to approximately **R\$468 million** in the quarter and **R\$1.7 billion** since the beginning of the pandemic, distributed among doctor appointments, exams and hospitalizations. Additionally, as has been the case since the beginning of this crisis, we have been voluntarily covering claims associated with COVID-19 in the **life** insurance portfolio, with indemnities around **R\$63 million** in the second quarter of 2021 and **R\$121 million** since March/20.

In relation to **health** beneficiaries, 6,503 beneficiaries of the Company were hospitalized with confirmation of the new coronavirus in the second quarter, with 2,799 of them needing Intensive Care Unit (ICU) care. Since the beginning of the pandemic and until 08/11/2021, 26,238 beneficiaries were hospitalized, with 12,239 of them needing ICU care. Of this total, 24,070 beneficiaries have already recovered and been discharged and, unfortunately, we have registered 1,827 deaths.

26,238

COVID-19 hospitalizations
(accumulated)

12,239

COVID-19 ICU hosp.
(accumulated)

13,999

COVID-19 common bed hosp.
(accumulated)

24,070

COVID-19
recovered beneficiaries

The chart below shows the curve of beneficiaries simultaneously hospitalized since the beginning of the pandemic. After a sharp increase in the first quarter of 2021, peaking at the end of the period, we can notice a drop in cases throughout the second quarter, but remaining at persistently high levels. By the beginning of the third quarter of 2021, we can observe a more positive signs in the curve, with a more consistent reduction in the number of hospitalizations, a process we expect will continue with the advance of vaccination in the country.

Hospitalized Beneficiaries

(simultaneously with confirmed or suspected diagnosis of COVID-19)



In relation to the **life insurance** segment, there were approximately 1.4 thousand deaths related to the new coronavirus during the second quarter, for a total of around 3 thousand cases since the beginning of the pandemic in March/20. With the progressive evolution of the vaccination process and the gradual decrease in the number of deaths in the main regions, we expect a more favorable scenario for this portfolio with a greater control of the pandemic.

EXPANDING ACCESS TO HEALTH: MID-TICKET STRATEGY

To accelerate our growth pace and **expand our addressable market** in Health and Dental, SulAmérica started to invest in a strategy of more **affordable products** with **high quality assistance**, both through **organic growth** and **acquisitions**.

SulAmérica
DIRETO



In partnership with leading providers, we advanced with the launch of new **Direto** products in **Belo Horizonte** and **Brasília** in the second quarter of 2021. Considering the acquisitions of both **Paraná Clínicas** and the portfolio of **Santa Casa de Ponta Grossa**, our latest purchase which should be concluded in the coming months, we already have more than **150 thousand lives** in the mid-ticket segment, expanding our growth potential in a model that can be replicated in more regions.

PARTNERSHIP WITH ÓRAMA

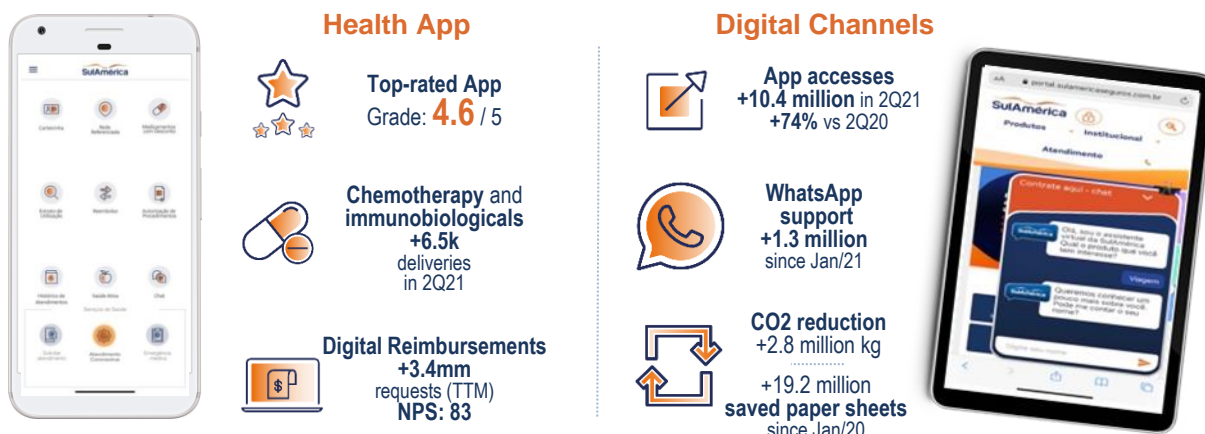
The **IndicaSAS** referral platform launched at the end of 2020 has engaged an increasing number of **brokers**, with more than **3 thousand enrolled** as of June/21. Incentive programs to refer Órama to clients have boosted the result reached in just six months, highlighting the **capacity** to leverage **distribution** through the broker channel and create opportunities to promote even more synergies with the investment made.



TECHNOLOGY AND INNOVATION

We continue to advance in the journey of **cultural** and **digital transformation**, with intensive use of technology, advanced analytics, connected medicine and data intelligence, seeking more effective care and better experiences for customers, brokers and providers. Currently, there are more than **40 squads¹** focused on **innovative solutions** and new products and services.

In the **health app**, satisfaction levels evolved, reaching a score of 4.6 in the app stores and leading among healthcare players in the market. The number of accesses continued to grow – registering more than 120 thousand downloads per month – with **9.1 million accesses** between March and June 2021.



Focused on reinforcing our **digital experience**, the growth of online assistance brings not only more quality and satisfaction, but also **positive environmental impacts**. Currently **78%** of client support is provided through **digital channels**, from customer service to telemedicine, which has contributed to a significant reduction in the volume of CO2 emissions and paper printing.

QUALITY AND CLIENT EXPERIENCE

The efforts to ensure increasing levels of quality in products and services and a better experience to our customers remain a priority. In addition to the recognition in Health and Dental, which won the “*Reclame Aqui*” Award in 2020 as the **best service in healthcare plans in Brazil** and continue with **excellent scores in 2021**, the Company's efforts to deliver better satisfaction levels resulted in an important **evolution** also in the ratings of **Life** and **Pension** in *Reclame Aqui* in the first half of 2021, achieving the **first place in the ranking** and our best scores to date.

Health and Dental



Life



Private Pension



ESG: ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Diversity & Inclusion

We believe that, through diversity and inclusion, we can build a safe and belonging environment that fully values and respects people. Furthermore, **different experiences** and points of view bring **new perspectives** and encourage the creation of products and services able to impact different customer profiles, providing **increasingly better solutions**.

Therefore, we are always evolving in our commitment to promote respect, representation and equality. This year, we launched SulAmérica's **Diversity & Inclusion Program** in a joint effort which included broad employee participation and deep involvement by the Company's top management. Initially, the Program will focus on five fronts: **Race and Ethnicity, Gender Equality, LGBTI+, People with Disabilities** and **Generations**.

Contributing to society in the fight against COVID-19

The challenges of the pandemic brought up even more the need to reinforce our role as an **Integral Health manager**, **providing care** and **ensuring assistance** to our **beneficiaries**, but also seeking a **positive impact on society**, especially in a period of crisis.

Since 2020, at the beginning of the pandemic, we sought to reinforce our contributions to society, with many initiatives involving both the assistance to our **network of providers** in adverse periods, through **anticipated payments** last year, and donations that delivered **new hospital beds** to serve patients from the **public healthcare system** (*SUS – Sistema Único de Saúde*).

In 2021, a period in which the pandemic had moments of even greater severity, we continued to go further. In May, we offered **emotional support** with free **psychological care** to **family members** of **COVID-19 victims** and **healthcare professionals** fighting the new coronavirus. Together with Fiocruz and União BR, we contributed for the **installation of oxygen production plants** in the Amazon region. Also in partnership with União BR and with the collaboration of our employees, we raised funds for the **distribution of food** to the **most vulnerable population** severely impacted by the pandemic. Finally, we also contributed to additional hospital beds to serve patients from SUS and the purchase of materials and equipment in initiatives with partners such as **Hospital Israelita Albert Einstein** and **Rede D'Or São Luiz**. Altogether, we contributed with approximately R\$16 million in direct donations to help in the fight against COVID-19.

ESG: ENVIRONMENTAL, SOCIAL AND GOVERNANCE (cont.)

SulAmérica Investimentos

It is no news that *SulAmérica Investimentos*, our asset management arm, has been playing a leading role in building a **responsible investment agenda**, with a growing use of **ESG metrics** to define portfolio allocation strategies. We were the first independent asset manager in Brazil to be a signatory of the Principles for Responsible Investment (PRI) in 2009. Since then, it has been a journey that evolved significantly, with continuous improvement both in terms of investment analysis and product and strategy development.

In June/21, seeking to reinforce this agenda with clients and investors, we held the **Conexão ESG**, a brand new virtual event in which we discussed the advances, opportunities and challenges of this journey in several panels. The event was attended by Company executives, managers from *SulAmérica Investimentos*, as well as sustainability specialists and capital markets executives. To watch the full video of the event, please [click here](#) (Portuguese only).

Integral Health

Given the many challenges faced by society during the pandemic, SulAmérica launched several actions to **encourage Integral Health** for different stakeholders in the past few months. Following up on the initiative carried out in April, which provided virtual **psychological appointments at no cost** in partnership with **Psicologia Viva** – the largest telepsychology platform in Brazil – in May, we offered more support to the female public, also taking care of financial health, supporting **women in the job market** with **outplacement aid**, in partnership with **Catho** and **eduK**.



More information on ESG metrics can be found at our [2020 Annual Report](#), which includes the [ESG Indicators Index](#). Additionally, we have more information at the [Indicators and Ratings](#) section of the IR website and in the [Fundamentals Spreadsheet](#).

VENTURE CAPITAL IN HEALTH

In August, we carried on our strategy of **exploring opportunities** in the **healthcare space**, actively participating in an **innovation ecosystem**, as we did, for example, with the joint venture with **Sharecare** a few years ago and, more recently, with the acquisition of **Docway**. Together with **Aggir Ventures Health**, a venture capital vehicle focused on high-potential healthcare and technology investments, and other healthcare experts, we are investing in a **new venture capital fund** that will seek to seize investment opportunities in healthcare in Brazil.

RECOGNITION IN CAPITAL MARKETS

We were elected among the **best in Latin America** in several categories by **Institutional Investor**, the most renowned international capital markets ranking, as chosen by market analysts. Besides being recognized in the categories of **best CEO** and **CFO** and **best Investor Relations** (**best IR professional**, **best IR team** and **best Investor Day**), we were also acknowledged in terms of **best ESG metrics**, among the peers in the Company's sector (mid-cap). In addition, reinforcing our commitment to transparency, we were recognized for our performance in **crisis management during the COVID-19 pandemic**. The rankings represent the view of investment professionals, both buy-side and sell-side, in relation to the management teams of publicly-held companies, thus reflecting SulAmérica's continuous effort in communicating with the market. For more details, please see all Institutional Investor winners [here](#).

1. Main Highlights

Financial Highlights (R\$ million)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Operating Revenues	4,923.1	4,588.3	7.3%	4,899.9	0.5%	9,822.9	9,239.6	6.3%
Health & Dental	4,787.5	4,467.3	7.2%	4,797.4	-0.2%	9,584.9	9,001.7	6.5%
Life & Personal Accident	135.5	121.1	11.9%	102.5	32.2%	238.0	237.9	0.0%
Other Operating Revenues	281.4	204.9	37.4%	292.6	-3.8%	574.0	480.2	19.5%
Private Pension	177.8	153.5	15.9%	215.3	-17.4%	393.1	359.2	9.4%
Administrative Services Only	21.5	18.2	17.9%	18.5	16.4%	40.0	35.4	12.9%
Asset Management	27.3	15.4	78.0%	13.9	96.4%	41.3	32.4	27.3%
Other Revenues ¹	54.7	17.8	207.8%	44.9	21.8%	99.6	53.1	87.5%
Total Operating Revenues	5,204.4	4,793.2	8.6%	5,192.5	0.2%	10,396.9	9,719.8	7.0%
Gross Operating Margin	281.1	933.5	-69.9%	484.6	-42.0%	765.6	1,332.4	-42.5%
EBITDA	15.1	576.6	-97.4%	132.4	-88.6%	147.4	665.9	-77.9%
Adjusted EBITDA²	-32.5	610.8	NA	146.0	NA	113.5	719.1	-84.2%
Investment Income	34.5	69.9	-50.6%	15.9	116.6%	50.5	76.0	-33.6%
Net Income from Continuing Operations	29.6	398.7	-92.6%	54.0	-45.2%	83.6	468.6	-82.2%
Net Income from Discontinued Operations	0.0	99.7	NA	0.0	NA	0.0	109.4	NA
Net Income after non-Controlling Interest	29.3	498.3	-94.1%	53.9	-45.6%	83.2	578.1	-85.6%
ROAE (% last 12 months)	23.9%	17.9%	600 BPS	30.7%	-680 BPS			
Recurring ROAE ³ (% last 12 months)	5.3%	17.9%	-1260 BPS	11.6%	-630 BPS			
Insurance Information - Earned Premiums (R\$ million)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Health & Dental	4,804.6	4,520.8	6.3%	4,831.6	-0.6%	9,636.2	9,082.7	6.1%
Life & Personal Accident	134.2	115.2	16.5%	119.7	12.1%	253.8	238.8	6.3%
Insurance Information - Retained Claims (R\$ million)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Health & Dental	-4,115.4	-3,140.5	-31.0%	-3,895.6	-5.6%	-8,011.0	-6,902.0	-16.1%
Life & Personal Accident	-122.3	-64.4	-89.8%	-97.4	-25.6%	-219.6	-126.0	-74.3%
Insurance Operational Ratios (%)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Loss Ratio	85.8%	69.1%	-1670 BPS	80.6%	-520 BPS	83.2%	75.4%	-790 BPS
Health & Dental	85.7%	69.5%	-1620 BPS	80.6%	-500 BPS	83.1%	76.0%	-710 BPS
Life & Personal Accident	90.6%	55.8%	-3480 BPS	81.1%	-950 BPS	86.1%	52.3%	-3380 BPS
Acquisition Cost	7.1%	7.1%	0 BPS	7.5%	30 BPS	7.3%	7.2%	-10 BPS
Health & Dental	6.5%	6.5%	0 BPS	6.8%	30 BPS	6.7%	6.6%	-10 BPS
Life & Personal Accident	30.4%	30.6%	20 BPS	33.1%	270 BPS	31.7%	30.6%	-100 BPS
Combined	101.9%	89.1%	-1290 BPS	99.5%	-240 BPS	100.7%	94.3%	-650 BPS
Operating	101.2%	87.6%	-1370 BPS	99.2%	-200 BPS	100.2%	93.4%	-680 BPS
Consolidated Ratios (% of total operating revenues)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Operating Gross Margin	5.4%	19.5%	-1410 BPS	9.3%	-390 BPS	7.4%	13.7%	-630 BPS
General & Administrative Expenses	5.8%	7.9%	210 BPS	7.5%	160 BPS	6.7%	7.3%	60 BPS
Net Margin from Continuing Operations	0.6%	8.3%	-770 BPS	1.0%	-50 BPS	0.8%	4.8%	-400 BPS
Net Margin	0.6%	8.9%	-830 BPS	1.0%	-50 BPS	0.8%	5.1%	-430 BPS
Operating Highlights	2Q21	2Q20	Δ	1Q21	Δ			
Health & Dental Insured Members (thousand)	4,339	3,847	12.8%	4,315	0.6%			
Health Insured Members	2,461	2,295	7.2%	2,453	0.3%			
Dental Insured Members	1,879	1,552	21.0%	1,862	0.9%			
Insured Lives (thousand)	3,843	3,499	9.8%	3,791	1.4%			
Assets under Management (R\$ billion)	44.8	44.8	0.1%	44.7	0.1%			
Private Pension Reserves (R\$ billion)	9.6	8.1	18.6%	9.6	0.0%			

Among the main highlights in the 2nd quarter of 2021 (2Q21) and the 1st half of 2021 (1H21), it is worth noting:

- increase of 8.6% in total operating revenues in the quarter and 7.0% in the first half of 2021, propelled by the good performance in all segments, especially health, dental and private pension;
- addition of over 503 thousand beneficiaries in health and dental group plans (+13.6%) over 2Q20, reaching 4.2 million;
- organic growth of 409 thousand beneficiaries in health and dental group plans (+11.0%) in relation to 2Q20 and of 28 thousand lives compared to 1Q21;
- addition of 344 thousand members in life insurance over 2Q20, with an increase of 11.9% in revenues;
- in 2Q21, administrative expenses ratio of 5.8% and 6.7% when considering the ratio adjusted by extraordinary items in the period, further evidence of the Company's commitment towards operating efficiency gains;
- consolidated loss ratio of 85.8% in the quarter, extraordinarily worse than recurring levels, impacted by the still high volume of COVID-19 cases combined with frequencies of elective procedures closer to normality in the health segment, besides the increase of pandemic-related deaths in life insurance;
- positive effective income tax rate (IR/CSLL) in 2Q21, impacted by the constitution of tax credits related to the losses registered in the life insurance operation – more severely affected by the pandemic - in the first half of 2021; and
- net income of R\$29.6 million in 2Q21 and R\$83.6 million in 1H21, negative variations in both periods, mainly due to higher loss ratios in health and life segments, when compared to the same periods of 2020, which were positively impacted, in health, by the significant reduction in the frequency of elective and non-urgent procedures with the high levels of social distancing in those periods.

¹ Includes saving bonds and other revenues. ² Adjusted EBITDA does not consider extraordinary items in the administrative expenses, as detailed in sections 5 and 9 of this earnings release. ³ Recurring ROAE considers only continuing operations since 3Q20.

2. Health & Dental

(R\$ million)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Operating Revenues	4,840.0	4,502.9	7.5%	4,837.9	0.0%	9,677.9	9,073.9	6.7%
Insurance	4,787.5	4,467.3	7.2%	4,797.4	-0.2%	9,584.9	9,001.7	6.5%
Group	4,221.4	3,908.6	8.0%	4,222.7	0.0%	8,444.1	7,877.2	7.2%
Corporate/Affinity	2,601.1	2,455.9	5.9%	2,622.4	-0.8%	5,223.6	4,971.7	5.1%
SME	1,517.2	1,361.4	11.4%	1,500.9	1.1%	3,018.1	2,720.3	11.0%
Dental	103.0	91.3	12.9%	99.3	3.7%	202.3	185.3	9.2%
Individual Health	566.1	558.7	1.3%	574.7	-1.5%	1,140.9	1,124.5	1.5%
Administrative Services Only	21.5	18.2	17.9%	18.5	16.4%	40.0	35.4	12.9%
Other Operating Revenues	31.0	17.4	78.2%	22.0	40.9%	52.9	36.8	43.8%
Changes in Technical Reserves	-17.8	-11.4	-55.4%	-11.5	-54.4%	-29.2	-21.8	-34.3%
Insurance	-17.8	-11.4	-55.4%	-11.5	-54.4%	-29.2	-21.8	-34.3%
Operating Expenses	-4,543.1	-3,584.6	-26.7%	-4,354.0	-4.3%	-8,897.1	-7,787.7	-14.2%
Insurance	-4,540.0	-3,581.1	-26.8%	-4,350.6	-4.4%	-8,890.6	-7,778.1	-14.3%
Administrative Services Only	-3.1	-3.5	10.8%	-3.4	7.2%	-6.5	-9.6	32.4%
Gross Margin	279.1	906.9	-69.2%	472.4	-40.9%	751.5	1,264.5	-40.6%
Insurance	229.8	874.7	-73.7%	435.3	-47.2%	665.1	1,201.8	-44.7%
Administrative Services Only	18.4	14.7	24.8%	15.1	21.6%	33.5	25.8	29.7%
Other	31.0	17.4	78.2%	22.0	40.9%	52.9	36.8	43.8%
Loss Ratio	85.7%	69.5%	-1620 BPS	80.6%	-500 BPS	83.1%	76.0%	-710 BPS
Acquisition Cost	6.5%	6.5%	0 BPS	6.8%	30 BPS	6.7%	6.6%	-10 BPS

Operating revenues for the health and dental segment grew 7.5% in the quarter and 6.7% in 1H21, when compared to the same periods of the previous year, reflecting the performance in all group portfolios, notably the dental portfolio (+12.9% vs. 2Q20 and +9.2% vs. 1H20) and small and medium-sized enterprises – SME (+11.4% vs. 2Q20 and +11.0% vs. 1H20). The corporate/affinity portfolio also performed positively, as has been the trend in the last few quarters (+5.9% vs. 2Q20 and +5.1% vs. 1H20).

It is worth noting that price increases suspended in 2020, either voluntarily by the Company in the beginning of the pandemic or as determined by the National Supplementary Health Agency (ANS) in the second half of 2020, does not impact the analysis of operating revenues in 2021, since the amounts had already been booked last year. By the end of June/21, the amounts of postponed price increases still pending collection totaled approximately R\$223 million. It is important to point out that delinquency indicators remain within historical levels.

In July/21, ANS established the annual price readjustment for the individual health portfolio, which is regulated. The effects of the announced negative readjustment will be observed only from 3Q21 onwards. It is worth reminding that only individual plans will be affected, as group plans – whose readjustments are concentrated in the third quarter – have a different negotiation process which are following their regular course.

The consistent performance in group plans operating revenues highlights the Company's efforts aimed at organic and inorganic growth. Based on its growth strategy, SulAmérica has managed to expand its product portfolio, capturing commercial opportunities and offering even more affordable options, always with high quality assistance, which allows the expansion of healthcare access, presence in new regions and solid membership growth, despite a still challenging scenario during the pandemic.

Therefore, according to the most recent data for market revenues disclosed by ANS, SulAmérica reached the second place of the market, holding 10.7% of market share in the last twelve months ended in March/21. The following table shows the recent performance of health and dental membership, further evidence of the positive performance observed:

(Thousand members)	2Q21	2Q20	Δ	1Q21	Δ
Group Health	2,332	2,156	8.2%	2,322	0.5%
Corporate/Affinity Health	1,326	1,176	12.7%	1,320	0.5%
SME Health	551	514	7.1%	551	-0.1%
Administrative Services Only	456	465	-2.1%	451	1.0%
Dental	1,879	1,552	21.0%	1,862	0.9%
Dental	1,849	1,526	21.2%	1,834	0.8%
Administrative Services Only	30	27	11.3%	28	6.4%
Group Total	4,211	3,708	13.6%	4,184	0.7%
Individual Health	128	139	-7.9%	132	-2.6%
Total	4,339	3,847	12.8%	4,315	0.6%

2. Health & Dental (cont.)

The portfolio of health and dental group plans grew 13.6% in 2Q21 or 503 thousand net adds in relation to the same period of 2020, reaching 4.2 million beneficiaries in the period, including the lives of *Paraná Clínicas*, acquired in 3Q20. The performance was also positive in organic terms, presenting growth of 409 thousand beneficiaries when compared to 2Q20 and 28 thousand lives in relation to March/21.

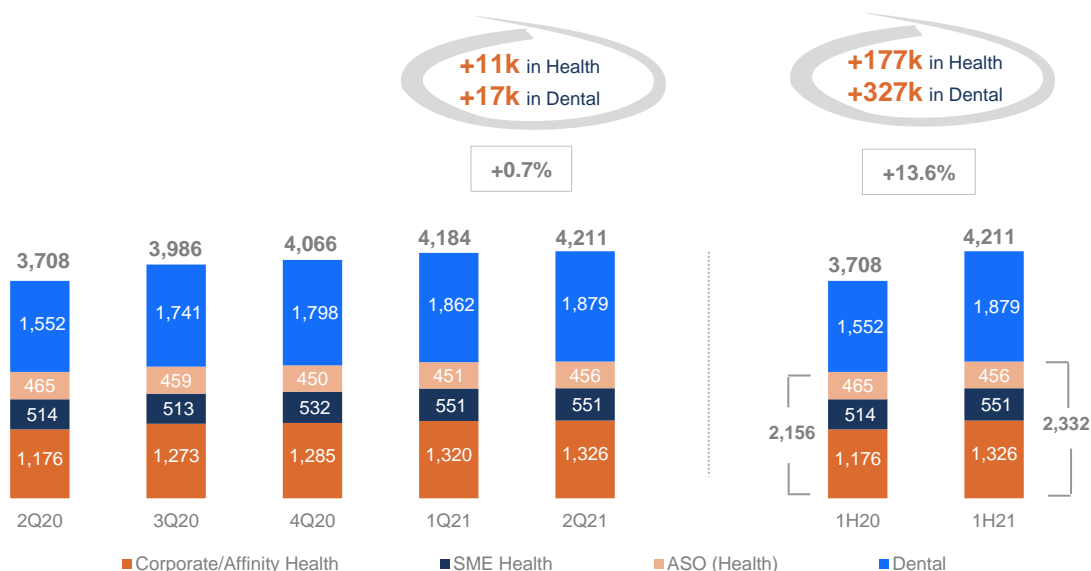
The health segment presented increase of 177 thousand lives (+8.2%) compared to 2Q20, including the lives of *Paraná Clínicas*, and an organic growth of 82 thousand lives (+3.8%), following the expansion trend observed in the last few quarters. The corporate/affinity portfolio was one of the main highlights, posting net adds of 150 thousand lives (+12.7%) in 2Q21, being 56 thousand lives (+4.7%) in organic terms, when compared to the same period of the previous year. The portfolio also presented growth when compared to 1Q21, with net adds of 6 thousand lives in the period. The SME portfolio maintained a good performance in the year, presenting an increase of 7.1% (+36 thousand lives) in relation to 2Q20 and stable in comparison to 1Q21.

The reported numbers reinforces the Company's capacity to present growth in different scenarios, which has been reached through the strength of SulAmérica's brand and its attractive products and solutions. With a solid partnership between brokers and the commercial team, the Company continues increasing new sales and maintaining good retention levels, which are translated into market share gains, growing more than its competitors. At the same time, there has been an increased focus on expanding the portfolio and also regions served, with solutions for several client profiles.

The dental portfolio was also one of the highlights of the quarter, increasing 327 thousand lives (+21.0%) in relation to 2Q20, ending the period with 1.9 million beneficiaries. The positive performance presented not only in this quarter, but since the end of last year is driven by an increase in sales in all channels and also by the implementation of the dental plan for health beneficiaries in the affinity portfolio in 3Q20, as mentioned in previous quarters and which benefited the portfolio in the last 12 months. When compared to 1Q21, the portfolio presented net adds of 17 thousand lives.

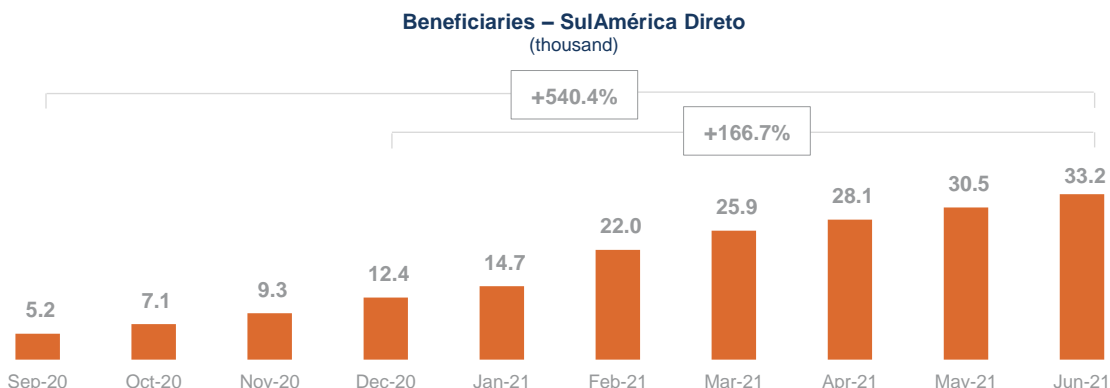
Portfolio of Beneficiaries in Group Plans

(Thousand)



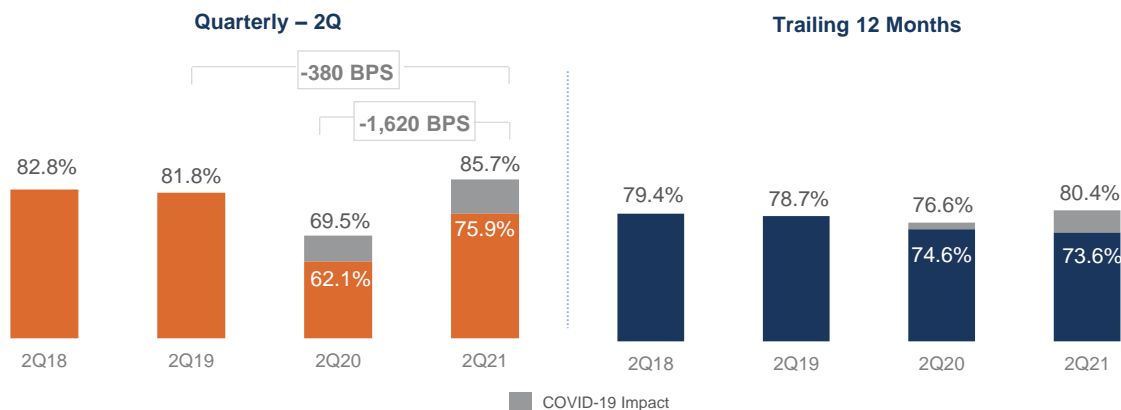
2. Health & Dental (cont.)

The Direto product line continues its expansion to other regions, showing the capacity to format more accessible products and proving it to be a consistent strategy with great growth potential. In this quarter, two more “Direto” products were launched with partners of recognized quality in Belo Horizonte (MG) and Brasília (DF), reaching 9 regions in total already. The geographical expansion will strengthen sales growth of this product, which has been observed since the end of last year. Compared to September/20, growth reached 540.4% (+28 thousand lives), while in 2021 the expansion was of +166.7% (+21 thousand lives).



The Company remains focused on the strategy of mid-ticket segment expansion, which has contributed to the solid membership growth in last quarters. Adding the organic growth of Direto products - whose arrival in new strategic locations is still being evaluated - to the inorganic growth in new regions and more affordable price ranges – *Paraná Clínicas* and *Santa Casa de Ponta Grossa*, the latter pending conclusion - SulAmérica already has more than 150 thousand lives in a new addressable market, opening up a new path for growth acceleration.

Loss Ratio – Health and Dental (% Earned premiums)



In 2Q21, medical loss ratio reached 85.7%, as a result of an atypical scenario observed during the period, which combined **still high levels of hospitalizations and procedures related to COVID-19** with, also, an **important recovery of elective and non-urgent procedures**, which reached levels closer to normality, following the flexibilization of the social distancing measures that had been imposed in 1Q21 in the main regions. Such dynamic pressured 2Q21 results in an extraordinary way, leading to an increase of 1,620 BPS in the medical loss ratio when compared to 2Q20, which, it is important to mention, had also been an atypical period, affected, that time around, by the strong reduction in the frequency of elective and non-urgent procedures during the first wave of the COVID-19 pandemic. Therefore, both atypical periods should not be compared. In relation to 2Q19, the loss ratio increase in the quarter was of 380 BPS.

2. Health & Dental (cont.)

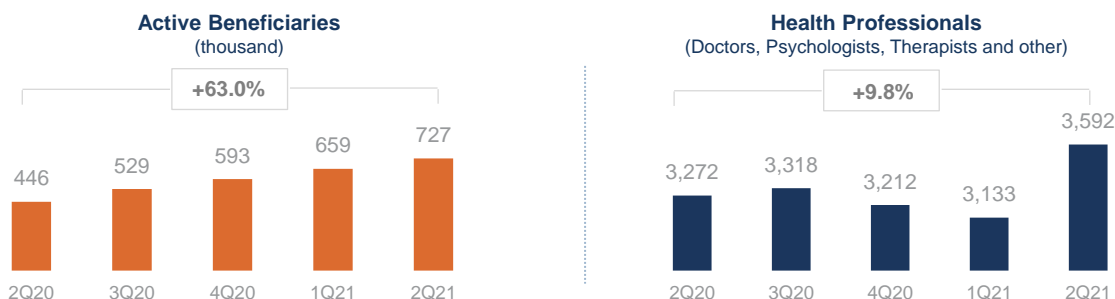
In 2Q21, costs with COVID-19 totaled approximately R\$468 million for a total of around R\$1.7 billion since the beginning of the pandemic. Excluding COVID-19 effects, loss ratio would have been of 75.9% in 2Q21.

More recently, since the beginning of July/21, it has been observed a more sharp decrease in the number of cases and hospitalizations related to the new coronavirus, which indicates a gradual reduction in terms of costs associated with COVID-19 for the next periods and a more positive outlook for the normalization of claims frequencies, especially with the acceleration of the vaccination process.

Looking at a longer period, which is always more suitable to analyze the behavior of the portfolio, the medical loss ratio remains under control, even with the atypical scenario in terms of claims, reaching 80.4% in the last 12 months ended in June/21. Just to illustrate the impact, excluding the costs associated with COVID-19, the loss ratio would have been of 73.6% in the last 12 months. Even more important is the fact that the Company is focused on the sustainability of this ratio. Despite the extraordinary variations that have been observed since March/20 due to the pandemic, the Company continues directing its efforts to maintain the loss ratio under control in the long-term, intensifying its claims management and Coordinated Care initiatives, always combined with a disciplined underwriting. SulAmérica's positive trend in terms of loss ratio control, including a long track record of positive results over the years, supports the effectiveness of this strategy, that shall continue to bring consistent results, especially as the pandemic situation normalizes.

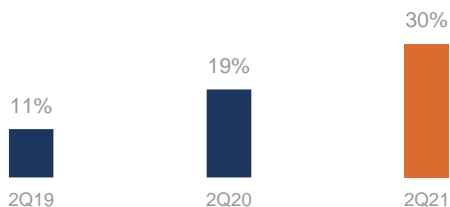
In this challenging context, in which the Company's priority was always to ensure high quality assistance and healthcare access, it was essential to continue expanding the Coordinated Care strategy, with a closer tracking of the beneficiaries' journey, increased use of digital tools and more and more touch points with insured members. There were more than 1.3 million remote appointments since January/20, 670 thousand of those in the first six months of 2021 alone, considering virtual appointments with physicians on duty, specialists and therapists (telemedicine), as well as medical phone orientation.

Coordinated Care

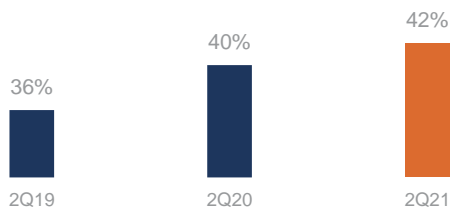


At the end of 2Q21, there were 727 thousand active beneficiaries within Coordinated Care, an increase of 63.0% in relation to the same period of the previous year, reaching approximately 30% of total health membership. At the same time, the Company has been expanding and strengthening its partnership with the network of medical providers, advancing in the development of new payment models with them, which today represent 42% of total claims, bringing more predictability and sustainability for the private healthcare industry.

Active Beneficiaries in Coordinated Care (% of total beneficiaries)



New Payment Models (% of total claims)



2. Health & Dental (cont.)

Health Administrative Services Only (ASO)

ASO plans presented an increase in revenues both in the quarter (+17.9%) and in the first half of the year (+12.9%), when compared to the same periods of 2020. The positive performance is also observed in the gross margin which, with the reduction of the operating expenses combined with higher revenues in both periods, resulted in an expansion of 24.8% in 2Q21 and 29.7% in 1H21. The portfolio continues with a consistent membership performance, presenting net adds of 6 thousand beneficiaries in relation to 1Q21, being 5 thousand of those in the health segment.

3. Life and Private Pension

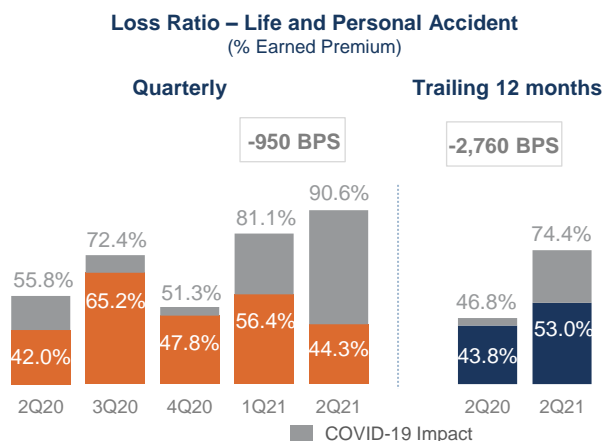
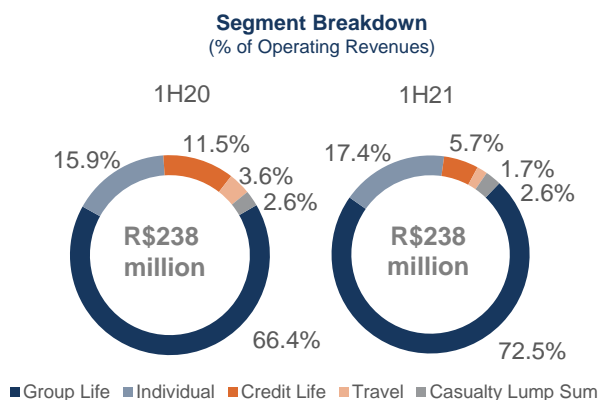
(R\$ million)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Operating Revenues	313.4	275.0	14.0%	317.9	-1.4%	631.4	598.6	5.5%
Insurance	135.5	121.1	11.9%	102.5	32.2%	238.0	237.9	0.0%
Private Pension	177.8	153.5	15.9%	215.3	-17.4%	393.1	359.2	9.4%
Other Operating Revenues	0.1	0.5	-79.9%	0.1	-35.0%	0.2	1.4	-82.6%
Changes in Technical Reserves	-148.5	-130.2	-14.1%	-163.6	9.2%	-312.1	-302.7	-3.1%
Insurance	-2.2	-8.5	73.6%	15.7	NA	13.5	-5.1	NA
Private Pension	-146.2	-121.7	-20.2%	-179.3	18.4%	-325.5	-297.6	-9.4%
Operating Expenses	-209.1	-134.6	-55.4%	-173.5	-20.5%	-382.6	-268.2	-42.6%
Insurance	-171.4	-109.2	-56.9%	-146.2	-17.2%	-317.6	-216.7	-46.5%
Private Pension	-37.7	-25.3	-48.8%	-27.4	-37.8%	-65.1	-51.5	-26.3%
Gross Margin	-44.1	10.3	NA	-19.2	-130.0%	-63.3	27.6	NA
Insurance	-38.1	3.4	NA	-28.0	-36.0%	-66.1	16.1	NA
Private Pension	-6.1	6.5	NA	8.7	NA	2.6	10.1	-74.7%
Other	0.1	0.5	-79.9%	0.1	-35.0%	0.2	1.4	-82.6%
Loss Ratio	90.6%	55.8%	-3480 BPS	81.1%	-950 BPS	86.1%	52.3%	-3380 BPS
Acquisition Cost	30.4%	30.6%	20 BPS	33.1%	270 BPS	31.7%	30.6%	-100 BPS

Life Insurance

Operating revenues of the life insurance segment totaled R\$135.5 million in 2Q21, presenting an increase both in relation to the 2Q20 (+11.9%) and 1Q21 (+32.2%), presenting a recovery with growth in almost all portfolios, including travel insurance - which had been more affected by the dynamics of social distancing and travel restrictions – propelled by the increase in mobility due to the relaxation of isolation measures.

However, despite the positive print in revenues, loss ratio in 2Q21 was still severely impacted by the pandemic. In the quarter, the loss ratio reached 90.6%, basically following the still high volume of COVID-19-related deaths in the period. Excluding the costs associated with the new coronavirus, which totaled approximately R\$63 million in the quarter and R\$104 million in the last 12 months – which are still subject to revision considering the potential underreporting of cases, still pending assessment – loss ratio would have been of 44.3% in 2Q21 and 53.0% in the trailing 12 months.

As mentioned in the health and dental section, in the beginning of 3Q21 it has been possible to observe a reduction of COVID-19 cases in the main regions of the country, which indicates signs of improvement in the pandemic scenario, especially with the acceleration of the vaccination process in the country, and should contribute to the gradual return to the recurring profitability levels for this portfolio.

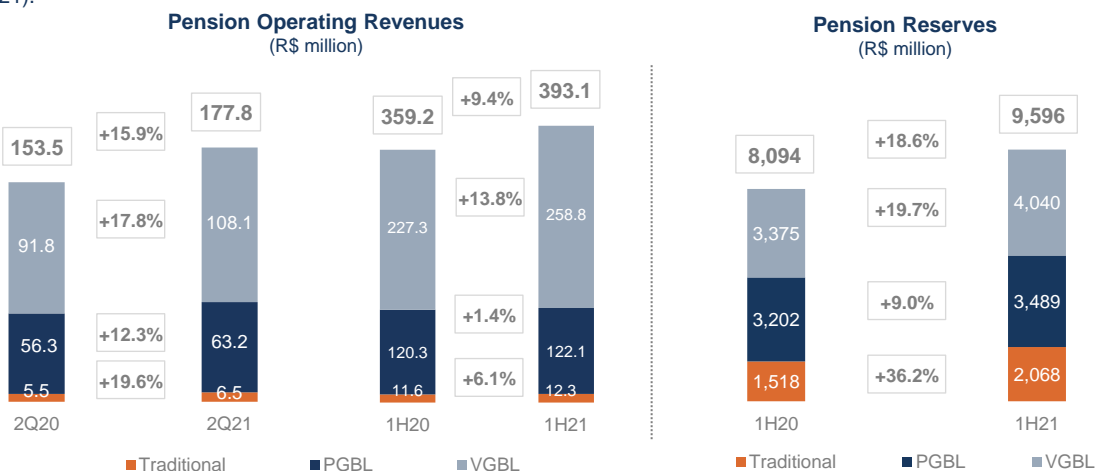


3. Life and Private Pension (cont.)

Private Pension

Pension reserves maintained the growth pace observed in the last few quarters, totaling R\$9.6 billion at the end of June/21, an increase of 18.6% when compared to the same period of the previous year, mainly following the profitability of pension funds balances in the period.

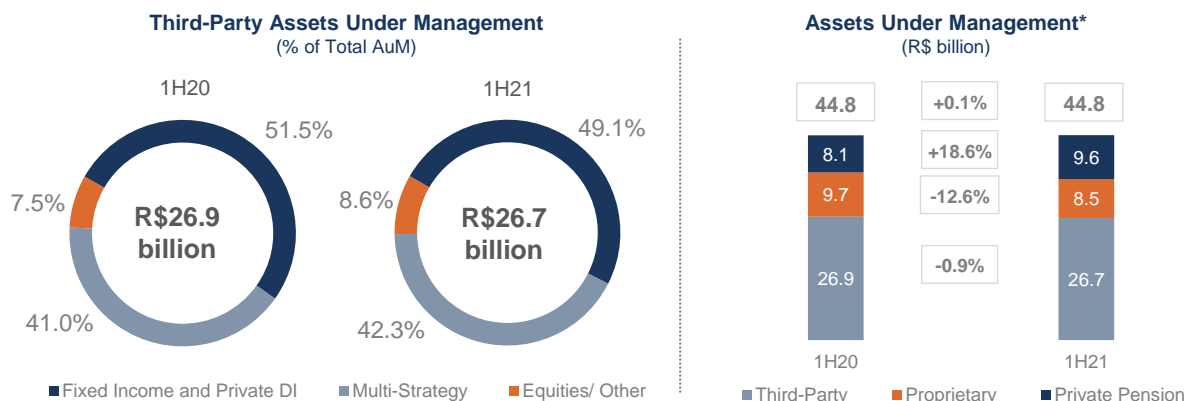
The segment's operating revenues were of R\$177.8 million in the quarter and R\$393.1 million in the first half of 2021, and, as well as reserves, continued to present a positive performance when compared to the last year, registering increases of 15.9% and 9.4%, respectively, mainly boosted by higher revenues in the VGBL product (+17.8% in 2Q21 and +13.8% in 1H21).



4. Asset Management

(R\$ million)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Operating Revenues	27.3	15.4	78.0%	13.9	96.4%	41.3	32.4	27.3%
Management Fee	13.7	14.8	-7.9%	13.8	-0.9%	27.5	30.9	-11.2%
Performance Fee	13.7	0.5	NA	0.1	NA	13.8	1.5	821.6%
Operating Expenses	-1.5	-1.1	-37.1%	-1.3	-9.9%	-2.8	-3.1	9.1%
Gross Margin	25.9	14.3	81.1%	12.6	105.6%	38.5	29.3	31.2%

SulAmérica Investimentos, the Company's asset manager, ended the first half of 2021 with R\$44.8 billion in assets under management (AuM), stable over the same period of last year. The segment's operating revenues totaled R\$27.3 million in the quarter, 78.0% higher than 2Q20, led by an increase in performance fee revenues as a result of the greater profitability of equity funds in the period. Such positive performance more than offset the lower management fee revenues, which mainly followed a migration to funds with lower risk profiles between the periods, leading to an expansion of the gross margin of 81.1% to R\$25.9 million in 2Q21.



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

4. Asset Management (cont.)

In terms of third-party allocation, fixed income funds accounted for the largest share of the portfolio (49.1%), followed by multi-strategy funds (42.3%) and equities (8.6%). It should be noted that, since 3Q20, proprietary assets do not include amounts related to the divested auto and P&C segments, which became third-party assets totaling approximately R\$2.2 billion in 2Q21, therefore impacting the volume of proprietary assets when comparing to June/20.

5. Administrative Expenses

The table below considers only continuing operations, excluding the auto and P&C segments in 2Q20 and 1H20.

(R\$ million)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Personnel Expenses	-168.7	-170.4	1.0%	-198.0	14.8%	-366.7	-328.4	-11.7%
Third-Party Services	-106.8	-109.8	2.8%	-100.3	-6.5%	-207.1	-204.2	-1.4%
Buildings and Maintenance	-47.1	-39.1	-20.5%	-48.1	2.2%	-95.2	-74.1	-28.4%
Other Administrative Expenses	-27.4	-37.4	26.7%	-14.7	-86.6%	-42.1	-51.8	18.8%
Profit Sharing	-17.1	-12.1	-40.5%	-21.6	21.0%	-38.6	-26.4	-46.3%
Tax Expenses	62.6	-10.8	NA	-6.1	NA	56.5	-22.3	NA
Total	-304.4	-379.6	19.8%	-388.8	21.7%	-693.2	-707.3	2.0%
G&A Expenses Ratio (% operating revenues)	5.8%	7.9%	210 BPS	7.5%	160 BPS	6.7%	7.3%	60 BPS
G&A Expenses Ratio ex-extraordinary items	6.7%	7.3%	50 BPS	7.2%	40 BPS	7.0%	6.8%	-10 BPS

The administrative expenses (G&A) ratio – measured by the ratio of total administrative expenses to total operating revenues – reached 5.8% in the quarter and 6.7% in the first half of 2021, positive evolutions of 210 BPS and 60 BPS, respectively, in comparison to the same periods of the previous year.

It is worth mentioning that administrative expenses in 2Q21 were extraordinarily benefited by the reversal of approximately R\$65 million in provisions related to the collection of ANS fees, which were being judicially challenged. Since there was a definitive decision favoring the Company, there was a reversal in the provisions, with a positive effect in the tax expenses line. Additionally, as mentioned since 3Q20, the Company has been registering expenses related to a transition service agreement (TSA) provided to the Allianz Group regarding temporary support to the auto and P&C operations, which has a positive counterpart on the other operating revenues. Since then, the amounts have been considered as extraordinary items to allow better comparability between the periods. In 2Q21, the amount related to these expenses was approximately R\$19 million. Lastly, it is also important to mention that in 2Q20 there were approximately R\$31 million in one-off expenses associated with the sale of the auto and P&C segments, which was concluded in July/20.

Excluding the effect of the extraordinary expenses mentioned above, G&A expenses ratio would have been of 6.7% in 2Q21, compared to 7.3% in 2Q20. In the first half of the year, also excluding the extraordinary effects of the period, the ratio would have been of 7.0%.

It is worth mentioning that the donations made by the Company during the pandemic are allocated in the other administrative expenses line, and totaled approximately R\$4 million in 2Q21 and R\$10 million in 2Q20.

The consistent performance in the G&A ratio is a result of the Company's increased focus on delivering operating efficiency gains, even with significant investments in projects focused on the digital transformation and Coordinated Care initiatives, two fundamental pillars of the Company's growth strategy.

6. Investment Income

The tables below consider only continuing operations, excluding the auto and P&C segments in 2Q20 and 1H20.

(R\$ million)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Investment Income ex-Private Pension	71.3	69.2	3.1%	18.9	277.3%	90.2	75.0	20.3%
Return on Investment Portfolio	95.2	85.7	11.1%	56.0	70.0%	151.2	108.9	38.9%
Debt Service Cost	-23.6	-22.7	-3.7%	-16.0	-47.0%	-39.6	-46.6	15.1%
Other Investment Income	-0.3	6.3	NA	-21.1	98.6%	-21.4	12.8	NA
Investment Income from Private Pension	-36.8	0.6	NA	-3.0	NA	-39.8	1.0	NA
Return on Investment Portfolio of Private Pension	273.7	260.4	5.1%	82.4	232.1%	356.2	-25.3	NA
Change in Liabilities of Private Pension	-310.5	-259.7	-19.6%	-85.4	-263.6%	-395.9	26.3	NA
Total Investment Income	34.5	69.9	-50.6%	15.9	116.6%	50.5	76.0	-33.6%

Balance

(R\$ million)	2Q21	2Q20	Δ	1Q21	Δ
Balance Excluding Private Pension	8,883.0	8,137.5	9.2%	8,970.0	-1.0%
Private Pension Operations Balance	9,596.5	8,094.5	18.6%	9,593.7	0.0%
Total Balance	18,479.5	16,232.0	13.8%	18,563.7	-0.5%

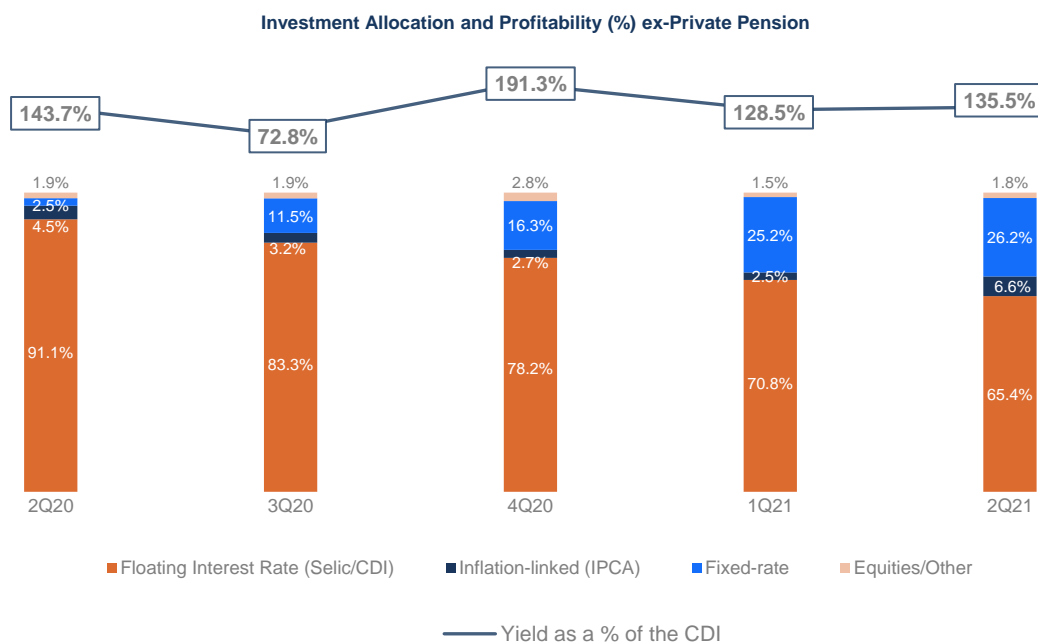
6. Investment Income (cont.)

Net investment income was of R\$34.5 million in 2Q21, a decrease of 50.6% in relation to the same period of 2020, mainly following the investment income of the private pension segment, particularly related to the traditional product, caused by the extraordinary mismatch between IPCA and IGP-M in the period. On the other hand, the return on investment portfolio has been presenting a positive evolution, growing 11.1% and 70.0% in relation to 2Q20 and 1Q21, respectively, reflecting mainly the performance of inflation-linked and fixed-rate assets, in addition to the increase in the average Selic rate when comparing the periods.

These effects led to a consistent performance of the proprietary assets portfolio (ex-private pension): 135.5% of the CDI (benchmark rate) in 2Q21, compared to 143.7% in 2Q20 and 128.5% in 1Q21.

For the next quarters, considering the ongoing monetary policy being conducted by the Central Bank and the hikes in the Selic rate, the Company's return on the investment portfolio line should continue to be benefited from this movement, which ought to bring a positive contribution to this line.

The Company has 65.4% of its proprietary assets (ex-private pension) allocated in assets indexed to Selic/CDI, 26.2% in fixed-rate securities, 6.6% in inflation-linked assets (IPCA) and 1.8% in equities and other assets. Approximately 88.1% of investments (ex-PGBL and VGBL) are allocated in fixed income bonds AAA-rated or sovereign (Brazilian government bonds).



7. Return on Equity

The table below presents the calculation of the return on average equity (ROAE) in the last 12 months, considering, in addition to the accounting ROAE usually disclosed, also the recurring ROAE (continuing operations) excluding the effect of discontinued operations in 3Q20, which essentially represent the net gain with the sale of the auto and P&C operations, recognized in that quarter.

(R\$ million)	2Q21	2Q20	Δ
Average Shareholders' Equity (last 12 months)	7,764.4	7,132.9	8.9%
Net Income (last 12 months)	1,853.3	1,276.3	45.2%
Return on Average Equity (ROAE)	23.9%	17.9%	600 BPS
Adjusted Net Income (last 12 months)	412.2	1,276.3	-67.7%
Recurring ROAE*	5.3%	17.9%	-1260 BPS

*Excluding the result from discontinued operations in 3Q20.

7. Return on Equity (cont.)

Additionally, considering the new composition of SulAmérica's results, the Company has been displaying the return on the minimum regulatory capital for the Health and Dental segment, which accounted for approximately 92% of total revenues in 2Q21, calculated considering the managerial net income and the regulatory capital (solvency margin) for the companies of the segment, according to ANS requirements, as presented below, to better represent the profitability of the Company's main operational segment, as well as to isolate excess capital effects:

(R\$ million)	2Q21	2Q20	Δ
Regulatory Capital (Solvency Margin)	4,125.0	4,079.9	1.1%
Net Income - Health and Dental (last 12 months)	626.0	1,126.0	-44.4%
Return on regulatory capital	15.2%	27.6%	-1240 BPS

8. Summary Income Statement

(R\$ million)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Operating Revenue	5,204.4	4,793.2	8.6%	5,192.5	0.2%	10,396.9	9,719.8	7.0%
Insurance	4,923.1	4,587.8	7.3%	4,899.9	0.5%	9,822.9	9,239.1	6.3%
Private Pension	177.8	153.5	15.9%	215.3	-17.4%	393.1	359.2	9.4%
Saving Bonds	0.2	0.1	139.5%	0.4	-47.4%	0.6	14.6	-95.9%
ASO	21.5	18.2	17.9%	18.5	16.4%	40.0	35.4	12.9%
Asset Management	27.3	15.4	78.0%	13.9	96.4%	41.3	32.4	27.3%
Other	54.5	18.2	199.7%	44.5	22.4%	99.0	39.1	153.4%
Changes in Premium Technical Reserves	-166.2	-141.6	-17.4%	-175.1	5.0%	-341.3	-324.5	-5.2%
Insurance	-20.0	-19.9	-0.4%	4.2	NA	-15.8	-26.9	41.3%
Private Pension	-146.2	-121.7	-20.2%	-179.3	18.4%	-325.5	-297.6	-9.4%
Operating Expenses	-4,757.1	-3,718.1	-27.9%	-4,532.9	-4.9%	-9,290.0	-8,062.9	-15.2%
Insurance	-4,714.1	-3,688.0	-27.8%	-4,500.7	-4.7%	-9,214.8	-7,994.2	-15.3%
Claims	-4,239.9	-3,202.1	-32.4%	-3,993.0	-6.2%	-8,232.9	-7,025.6	-17.2%
Acquisition Costs	-352.8	-329.8	-7.0%	-369.3	4.5%	-722.0	-672.0	-7.4%
Other	-121.4	-156.1	22.3%	-138.5	12.4%	-259.9	-296.6	12.4%
Private pension	-37.7	-25.3	-48.7%	-27.4	-37.8%	-65.1	-51.5	-26.3%
Benefits and Redemptions Expenses	-24.0	-13.9	-73.0%	-14.0	-71.6%	-38.0	-29.2	-30.3%
Acquisition Costs	-9.2	-8.5	-7.2%	-9.1	-0.5%	-18.3	-17.3	-5.6%
Other	-4.5	-2.9	-54.5%	-4.3	-6.7%	-8.8	-5.1	-73.8%
Saving Bonds	-0.7	0.1	NA	-0.1	-513.9%	-0.8	-4.5	81.6%
ASO	-3.1	-3.7	14.3%	-3.3	6.1%	-6.5	-9.6	32.6%
Asset Management	-1.5	-1.1	-37.2%	-1.3	-9.9%	-2.8	-3.1	9.1%
Operating Gross Margin	281.1	933.5	-69.9%	484.6	-42.0%	765.6	1,332.4	-42.5%
General and Administrative Expenses	-304.4	-379.6	19.8%	-388.8	21.7%	-693.2	-707.3	2.0%
Net Investment Income	34.5	69.9	-50.6%	15.9	116.6%	50.5	76.0	-33.6%
Equity Interest Income	-4.3	-4.0	-8.4%	-3.7	-17.3%	-8.0	-3.9	-108.2%
Other Equity Income / Expenses	5.6	0.3	NA	6.1	-8.9%	11.7	-4.2	NA
Income before tax and social contribution	12.5	620.1	-98.0%	114.1	-89.0%	126.6	693.0	-81.7%
Income Tax and Social Contribution	17.1	-221.4	NA	-60.1	NA	-43.0	-224.4	80.8%
Net Income from Continuing Operations	29.6	398.7	-92.6%	54.0	-45.2%	83.6	468.6	-82.2%
Net Income from Discontinued Operations	0.0	99.7	NA	0.0	NA	0.0	109.4	NA
Attributable to Non-Controlling Shareholders	-0.2	-0.1	-189.4%	-0.1	-134.3%	-0.4	0.1	NA
Net Income After Non-Controlling Interests	29.3	498.3	-94.1%	53.9	-45.6%	83.2	578.1	-85.6%

9. EBITDA Conciliation

(R\$ million)	2Q21	2Q20	Δ	1Q21	Δ	1H21	1H20	Δ
Net Income - Continuing Operations	29.6	398.7	-92.6%	54.0	-45.2%	83.6	468.6	-82.2%
Income Tax and Social Contribution	-17.1	221.4	NA	60.1	NA	43.0	224.4	-80.8%
Net Investment Income	-34.5	-69.9	50.6%	-15.9	-116.6%	-50.5	-76.0	33.6%
Depreciation and Amortization	37.1	26.3	40.9%	34.2	8.4%	71.3	48.9	45.7%
EBITDA - Continuing Operations	15.1	576.6	-97.4%	132.4	-88.8%	147.4	665.9	-77.9%
Equity Interest Income	4.3	4.0	8.4%	3.7	17.3%	8.0	3.9	108.2%
Other Equity Income / Expenses	-5.6	-0.3	NA	-6.1	8.9%	-11.7	4.2	NA
Extraordinary items in Administrative Expenses	-46.3	30.6	NA	16.1	NA	-30.2	45.1	NA
Adjusted EBITDA - Continuing Operations	-32.5	610.8	NA	146.0	NA	113.5	719.1	-84.2%

10. Summary Balance Sheet

ASSETS

(R\$ million)	1H21	2020	Δ
Current Assets	19,090.8	18,990.3	0.5%
Cash, cash equivalents and marketable securities	17,024.9	16,793.0	1.4%
Receivables	1,352.3	1,597.9	-15.4%
Taxes	224.6	178.2	26.0%
Reinsurance assets	73.3	46.4	58.0%
Deferred acquisition costs	361.7	339.6	6.5%
Other	54.0	35.3	53.0%
Non-current assets	8,732.8	8,878.8	-1.6%
Marketable securities	1,498.2	1,315.3	13.9%
Receivables	1,632.2	1,591.6	2.5%
Judicial deposits	2,186.3	2,795.3	-21.8%
Reinsurance assets	8.5	7.6	11.2%
Deferred acquisition costs	771.5	706.7	9.2%
Taxes	1,420.9	1,257.8	13.0%
Other	9.6	6.3	53.9%
Leasing assets	152.4	164.1	-7.2%
Investments, property and equipment, and intangible assets	1,053.3	1,034.1	1.9%
Total Assets	27,823.6	27,869.1	-0.2%

LIABILITIES

(R\$ million)	1H21	2020	Δ
Current Liabilities	8,473.7	8,411.6	0.7%
Accounts payable	877.8	1,117.1	-21.4%
Loans and financing	664.6	579.1	14.8%
Insurance and reinsurance liabilities	286.4	343.1	-16.5%
Technical reserves - Insurance	6,472.5	6,215.4	4.1%
Judicial provisions	153.3	131.5	16.6%
Other	19.0	25.2	-24.7%
Non-current Liabilities	11,313.1	11,353.8	-0.4%
Accounts payable	221.8	232.5	-4.6%
Loans and financing	1,415.2	1,010.5	40.0%
Technical reserves - Insurance	7,878.8	7,766.2	1.5%
Judicial provisions	1,797.0	2,344.2	-23.3%
Other	0.2	0.3	-35.3%
Shareholders' Equity	8,036.8	8,103.8	-0.8%
Total Liabilities and Shareholders' Equity	27,823.6	27,869.1	-0.2%

11. Analyst Coverage

Firm	Analyst	Sector of Coverage	Phone
Bank of America	Mario Pierry	Insurance/Financials	+1 (646) 743 0047
BTG Pactual	Samuel Alves	Healthcare	+55 (11) 3383-2450
Citi	Gabriel Gusan	Insurance/Financials	+55 (11) 4009-5206
Credit Suisse	Mauricio Cepeda	Healthcare	+55 (11) 3701-6307
Eleven Financial	Mariana Ferraz	Healthcare	+55 (11) 4302-3340
Genial	Eduardo Nishio	Insurance/Financials	+55 (11) 3206-8240
Inter	Matheus Amaral	Insurance/Financials	+55 (11) 3014-1086
JP Morgan	Guilherme Grespan	Insurance/Financials	+55 (11) 4950-3058
Safra	Ricardo Boiati	Healthcare	+55 (11) 3175-8987
Santander	Henrique Navarro	Insurance/Financials	+55 (11) 3012-5756
UBS	Vinicius Ribeiro	Healthcare	+55 (11) 3513-6562
XP Investimentos	Marcel Campos	Insurance/Financials	+55 (11) 3526-1472

12. Glossary

Operating revenues: this account is comprised of (i) sum of net insurance retained premiums; (ii) contributions, management fees and other private pension revenues; (iii) collection revenues net of changes in technical provisions and other deductions; (iv) management fees and other revenues from Health Administrative Services Only (ASO) plans; (v) management and performance fees from the asset management operation; (vi) other revenues not directly linked to the operation. All operating revenues are presented net of direct taxes (ISS, PIS and Cofins).

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

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

EBITDA: this account is comprised of the net income for the period plus income and social contribution taxes, net investment income (financial revenues net of financial expenses) and depreciation and amortization.

Adjusted EBITDA: this account is comprised by the EBITDA plus equity interest income, other equity income/expenses and, occasionally, other extraordinary items for the period.

Insurance Operational Ratios

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

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

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

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

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

Other Consolidated Ratios

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

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

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

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

Solvency Margin: consists of the minimum capital required by the National Supplementary Health Agency (ANS) to determine the solvency of health insurers and operators, in relation to their respective adjusted minimum equity.

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