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Terra Report

Report on the Brazilian Reinsurance Market

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Ratings:

A.M. Best

B++/bbb

Global (*Investment Grade*)
Stable Outlook

Standard & Poor's

brAA+

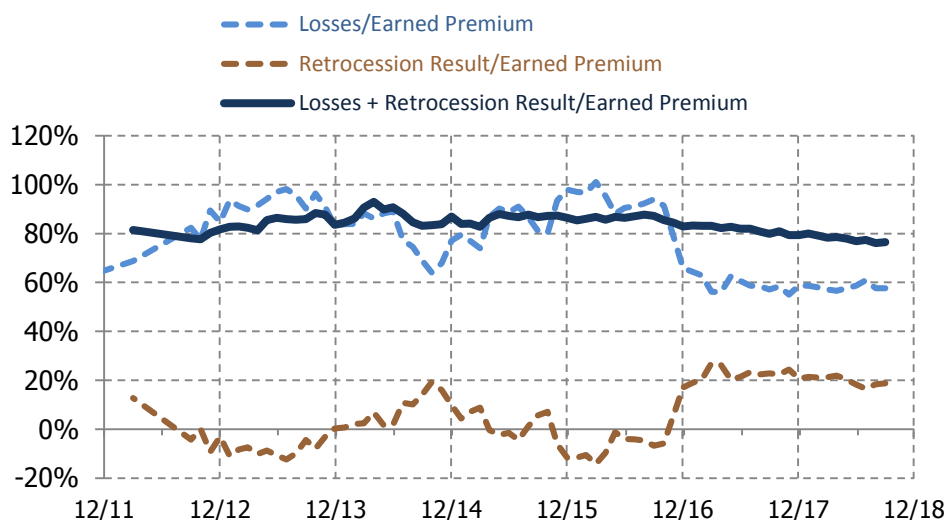
Local
Stable Outlook

Shareholders:



- From January to September 2018, the total amount of ceded reinsurance originated by Brazilian insurers (gross of commission) stood at BRL 9.10 bn, an increase of 7.6% in comparison to the same period of 2017.
- Close to 70% of this total (BRL 6.39 bn) was placed in Local Reinsurance, a decrease of three percentage points from the 73% observed during the same period of 2017. Additionally, in the same period, Local Reinsurers accepted a reinsurance volume (gross of commission) from abroad estimated at BRL 2.21 bn, an increase of 29.8% in comparison to the same period in 2017.
- Altogether, the premium written by Local Reinsurers (gross of commission) throughout January to September 2018 reached BRL 8.60 bn, an increase of 8.9% in comparison to the same period of the previous year.
- Up to the third quarter of 2018, Local Reinsurer's Gross Loss Ratio stood at 61%, stable when compared to the same period of 2017.
- Combined Ratio, positively influenced by IRB's results, stood at 90%, a relevant improvement when in comparison to the 95% ratio presented for the third quarter of 2017.
- Up to September 2018, Local Reinsurer's profit reached BRL 994 mm (IRB BRL 846 mm and Other Local BRL 149 mm), 8.4% higher than the BRL 918 mm achieved in the same period of the last year.

Loss Ratio and Retrocession Result dynamics, Local Reinsurers



Source: SUSEP, ANS, Terra Brasis Re, 12-month aggregate

Introduction

Dear Reader,

Starting with this edition, when analyzing insurers and local reinsurers, we will include a ratio composed of the sum of (gross) losses and reinsurance result divided by earned premium. This metric is a proxy for retained losses. As the graph on the cover illustrates, it is a more stable ratio than the usual (gross) loss ratio.

In 2011, Brazilian regulators introduced changes to the accounting standard that eliminated the concept of retained premium. From then on the relationship between the cedent and its reinsurers was isolated into an accounting group named reinsurance result. Terra Report's 6th Edition, from August 2012 and available on our website elaborates on this change.

Under the Brazilian accounting standards, loss ratio (gross of reinsurance, net of commission to cedents) and retrocession result ratio have a complementary behavior. When (gross) loss ratio is low, the local reinsurer pays retrocession premium however does not recover claims from its retrocessionaire, therefore incurring in a high retrocession cost. On the flip side, when (gross) loss ratio is high, the reinsurer besides paying retrocession premium, does recover claims from the retrocessionaire incurring in a low cost or even a positive result from its retrocession operation. The same dynamic applies on the relationship between insurers and reinsurers.

The (gross) loss ratio and the retrocessionaire result have both been quite volatile over the past number of years, with the former ranging between 58% to 101% and the latter between -14% to 27%. During the same period, the sum of (gross) loss ratio and retrocession result ratio ranged between 76% to 93%, a more stable behavior. Therefore, we do see value in analyzing such metric.

This edition analyses the behavior of the Brazilian market during the third quarter of 2018. In general terms, the year continues to follow a positive trend with stable indicators and positive results for the insurance and reinsurance market.

Local reinsurers continue to export reinsurance at an accelerated pace. In 2018 up to September local reinsurers' premium volume from operation abroad was 30% higher than that of the same period in 2017. On the other hand, as expected, the participation of local reinsurers on the premium ceded by Brazilian insurers started to retreat, as a function of the regulatory changes implemented at the end of 2017 which further opened the Brazilian market to importing reinsurance. In 2018 up to September, local reinsurers received 70% of the premium ceded by Brazilian insurers, compared to 73% over the same period of 2017. We believe their market share could continue to fall in 2019.

In regards to results, local reinsurers presented an after tax profit of BRL 994 mm (IRB with BRL 846 mm and other locals with BRL 149 mm). This result is 8.4% higher than the BRL 918 mm presented in the same period of 2017 (IRB with BRL 676 mm and Other Locals with BRL 242 mm).

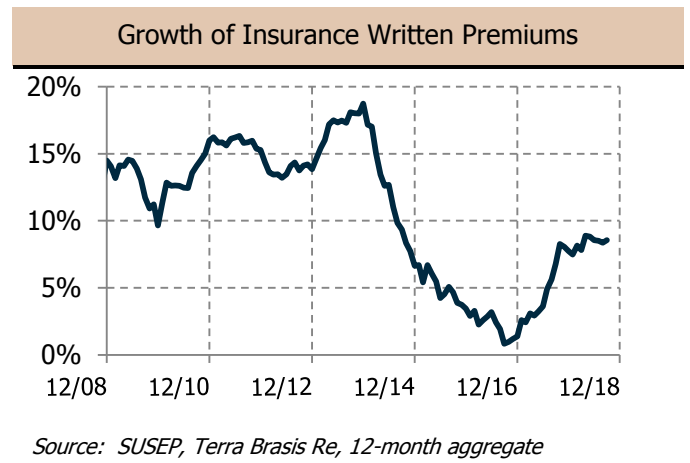
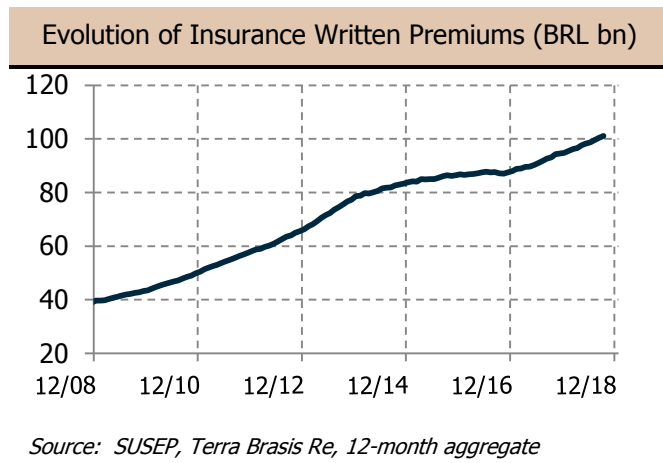
Enjoy your reading,

Rodrigo Botti

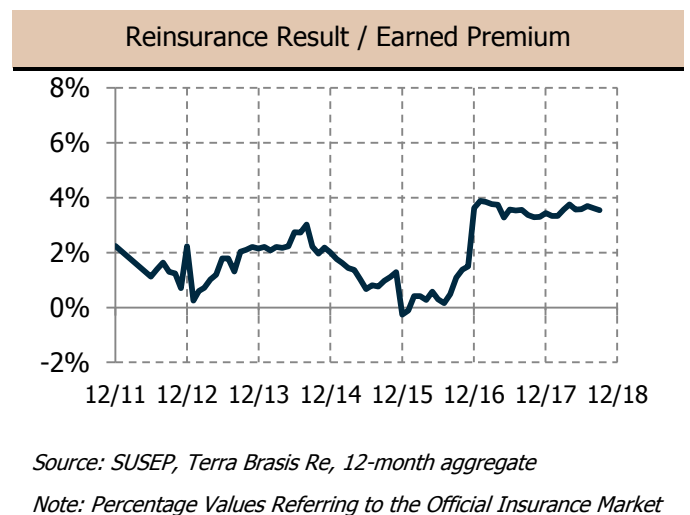
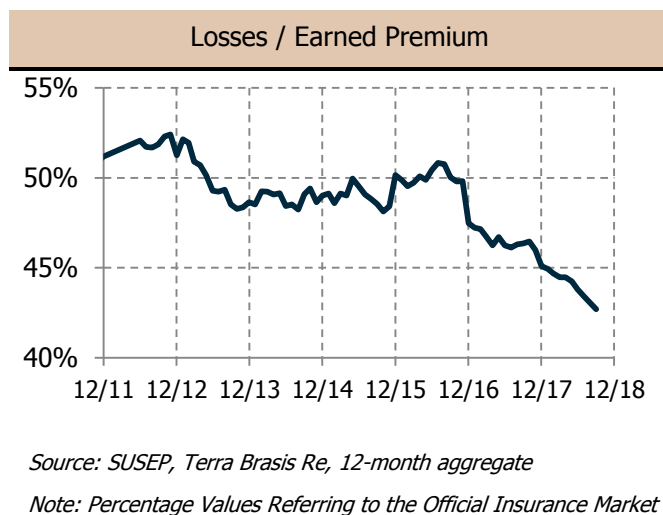
Brazilian General Insurance Market

The **General Insurance Market**, defined as per methodology presented on Exhibit 1, keeps showing signs of improvement. The growth of general insurance premium reached higher levels than the average of the last years.

For the 12 months aggregate ending in September 2018, Brazilian Market generated BRL 101 bn in insurance premium, compared to BRL 93 bn in the same period of previous year, representing an annual growth of 8.6% versus 6.8% for the same period in 2017.



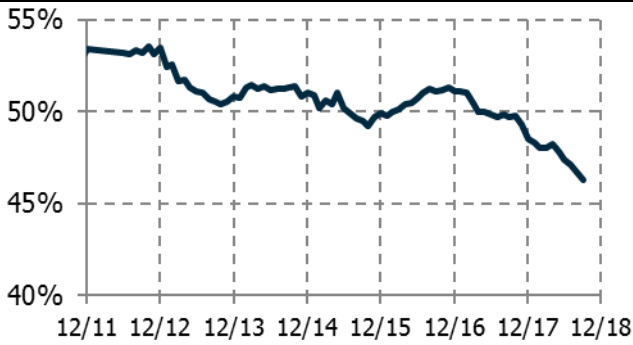
The **Loss Ratio**, obtained as a result of occurred losses over earned premium from the Income Statement of all Brazilian market insurers, showed a significant recovery in the year of 2018 when in comparison to the last periods. For the 12 months aggregate ending in September of 2018, the loss ratio stood at 42.7% compared to 46.4% for the same previous period.



In the same period, the **Reinsurance Result Ratio**, defined as reinsurance result divided by earned premium, has remained stable, ending the 12 months aggregate ending in September 2018 with a 3.5% ratio.

As elaborated at the Introduction session, from this edition on, we also include information about **Loss Ratio + Reinsurance Result Ratio**. During 2018 this metric has shown a relevant improvement, ending the 12-month aggregate period up to September 2018 at 46.2%, the best figure since, at least, end of 2011.

(Loss + Reinsurance Result) / Earned Premium



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Note: Percentage Values Referring to the Official Insurance Market

The **Commercial Expense Ratio**, for the 12 months aggregate ending in September 2018, stood at 25.0%, practically stable when compared to the 12 months aggregate ending in September 2017.

The **Administrative Expense Ratio (including taxes and other expenses)** finished the period with a slight improvement in comparison to the previous period, finishing the 12 months aggregate by September 2018 in 16.1% in comparison to 16.5% for the period previous period of 2017.

Commercial Expense / Earned Premium



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Note: Percentage Values Referring to the Official Insurance Market

(Administrative, Tax and Other Expenses) / Earned Premium



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Note: Percentage Values Referring to the Official Insurance Market

The **Combined Ratio** continues to show improvement signs, closing the 12 months aggregate ending in September 2018 at 87.3% in comparison to 91.5% for the same previous period, especially due to the decrease at Loss Ratio. This Combined ratio is close to the index presented at mid-2014 of 86.4%, period that insurers presented the lowest Combined ratio over the last years.

Combined Ratio



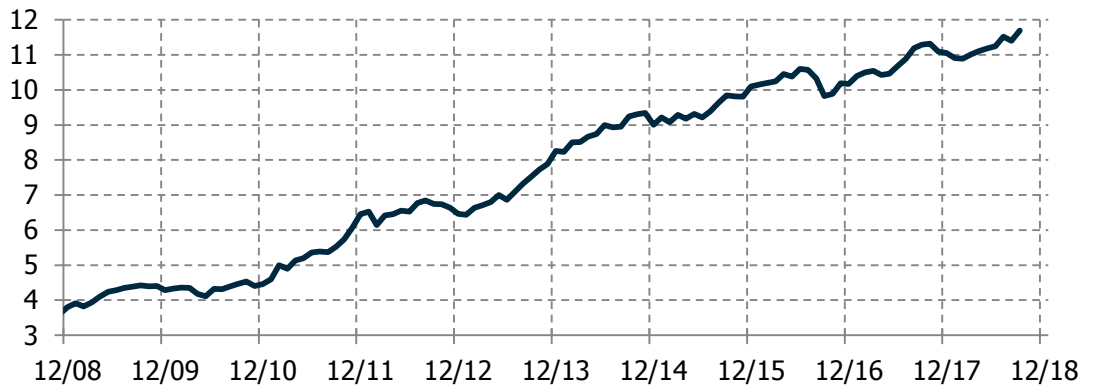
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Brazilian Reinsurance Market

We start this section’s analysis using 12-month aggregate data.

The 2018 figures showed a stable behavior in the reinsurance volume originated by Brazilian cedants related to the previous period. In the aggregate of 12 months ending in September 2018, **the Brazilian market reinsurance volume (gross of commission)** stood at BRL 11.70 bn, an increase of 3.56% related to the previous period.

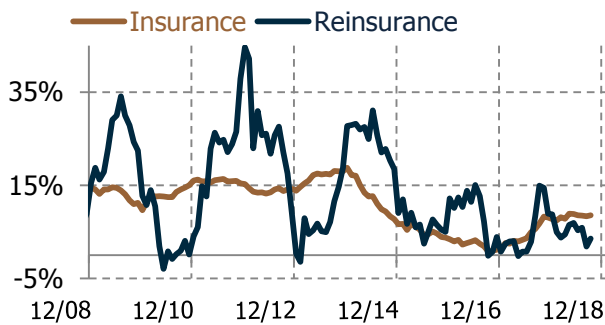
12-Month Aggregate Reinsurance Premium Ceded (Gross of Commission, BRL bn)



Source: SUSEP, Terra Brasis Re, 12-month aggregate

For the same period, the proportion of reinsurance ceded over general insurance premium stood at 11.6%, a slight decrease in comparison to 12.1% in the previous period.

Growth of General Insurance Premium and Reinsurance Ceded Premium



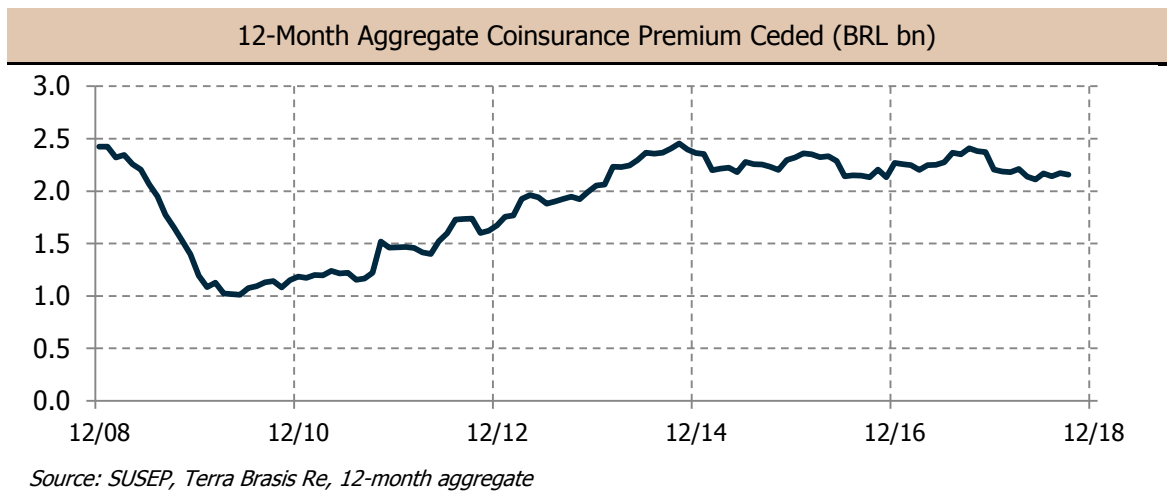
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Ceded / General Insurance Premium

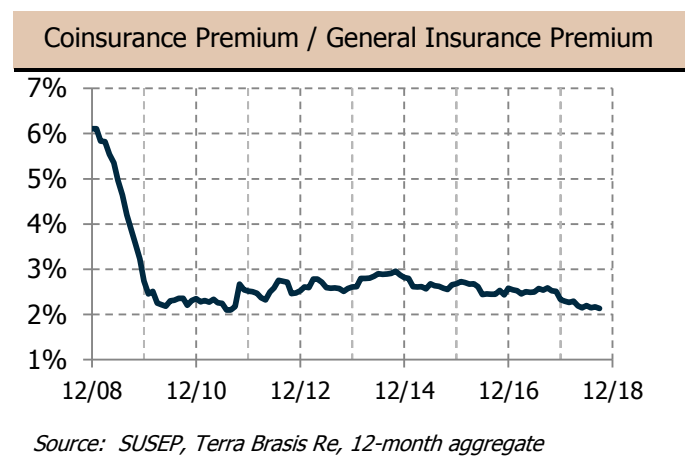
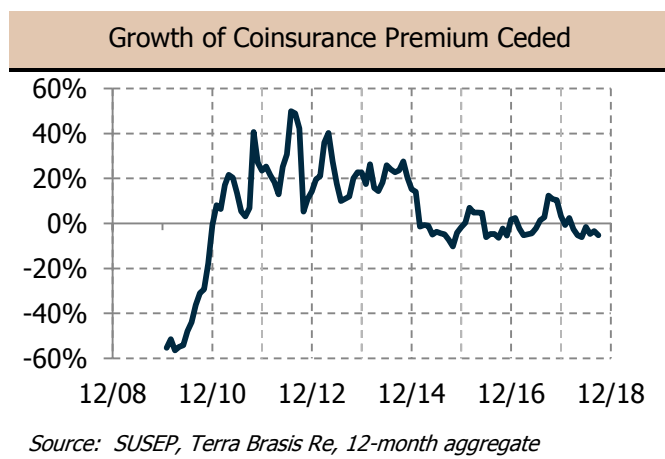


Source: SUSEP, Terra Brasis Re, 12-month aggregate

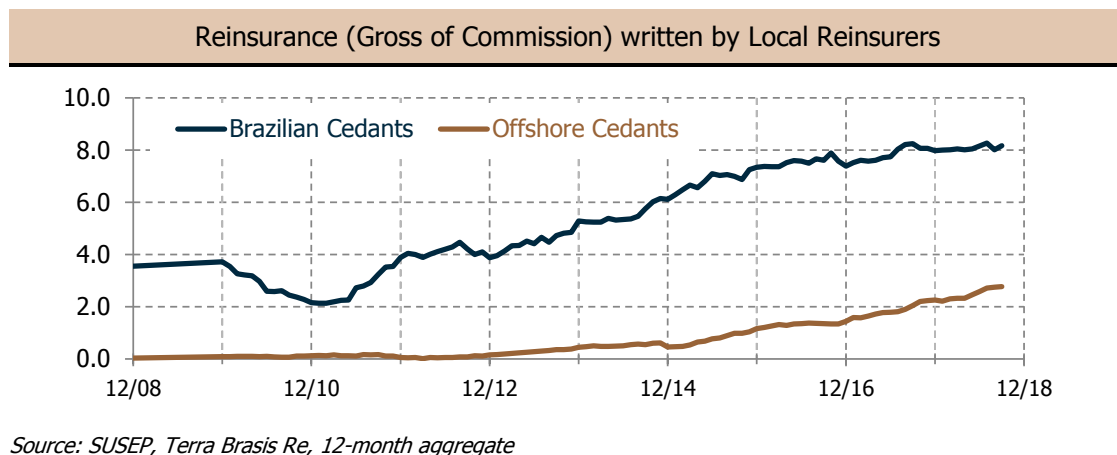
The 12 months aggregate **Coinsurance Premium Volume** ending in September 2018 stood at BRL 2.16 bn, a 10,5% decrease compared to BRL 2.41 bn recorded in the same period of the previous year.



The Coinsurance Premium Volume in the 12 months aggregate ending in September 2018 represented 2.1% of the general Insurance premium volume compared to 2.6% registered in the previous period of 2017.



Throughout the 12-month aggregate period up to September 2018, the **Reinsurance Volume (gross of commission)** written by Local Reinsurers ceded by Brazilian insurers stood at BRL 8.2 bn, corresponding to a 0.9% decrease when compared to the previous period. For the same period, the volume arising from offshore cedants reached BRL 2.8 bn against BRL 2.0 bn for the same period of the previous year, an annual growth of 35.5%. Offshore cedants are now responsible for 25.3% of the total reinsurance volume received by the Local Resinsurers.



The local market closed the 12 months aggregate ending in September 2018 detaining 69.9% of the volume ceded by Brazilian insurers, percentage higher over the 73% presented in the previous period of 2017.

Growth in Reinsurance Premium Ceded to Local Reinsurers by Brazilian Insurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

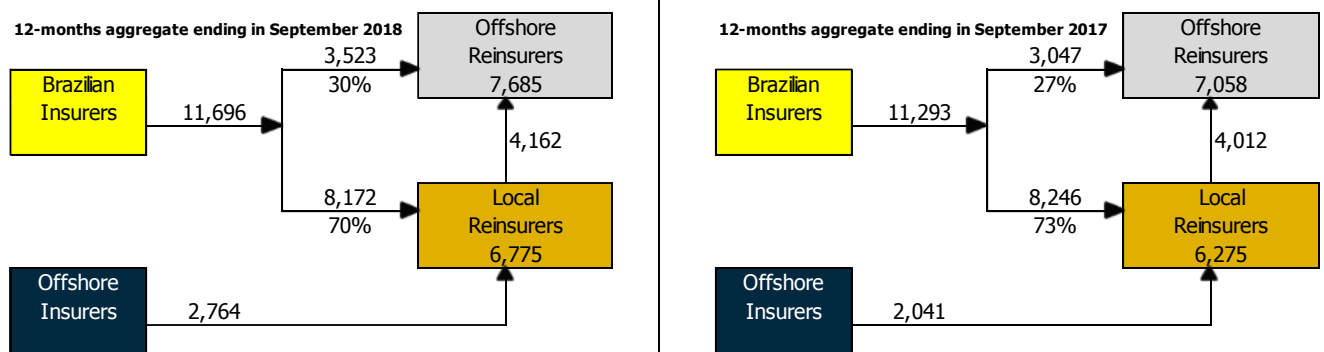
Gross Reinsurance Premium Ceded to Local Reinsurers as Percentage of Total Reinsurance Premium Ceded



Source: SUSEP, Terra Brasis Re, 12-month aggregate

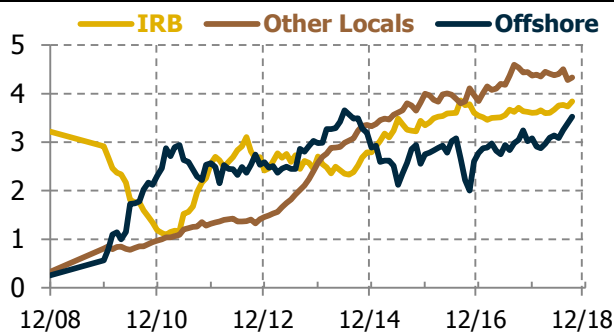
The following flowcharts show the volume of reinsurance premiums and retrocession, gross of commission, in the Brazilian market for the 12 month period ending in September 2018 and the preceding 12 month period. We notice a significant increase in the retained premium by Local Reinsurers. For the 12 month period ending in September 2018, Local Reinsurers retained BRL 6.78 bn, a growth of 8.0% compared to the BRL 6.28 bn of the preceding period.

Reinsurance Flow in the Brazilian Market for the 12 month period ending September 2018 and the preceding 12 month period (gross of commission, BRL mm)



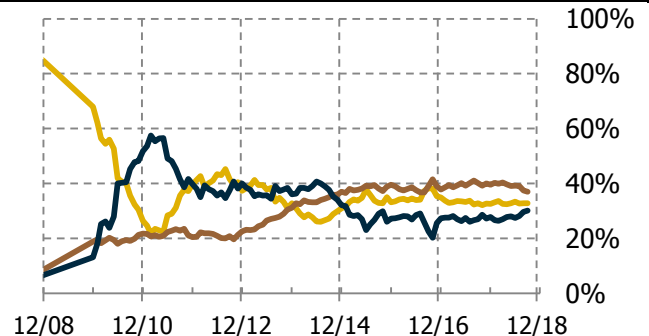
Source: SUSEP, Terra Brasis Re, BRL millions, reinsurance gross of commission figures

Gross Reinsurance Premium Ceded by Brazilian Insurers (BRL bn)



Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Participation in the Gross Reinsurance Premium Ceded by Brazilian Insurers



Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

We now move to the analysis of the current year's figure

During the first nine months of this year, we estimate that the Local Reinsurers accepted from offshore insurers a premium 30% higher than the same period of the previous year, while the insurance accepted from Brazilian Insurers increased 3%.

Premium Ceded by Brazilian Insurers and Premium Received by Local Reinsurers from January to September (BRL mm)

Gross Reinsurance ceded by Brazilian Insurers (gross of comission):

| | 2018/09 | 2017/09 | 18/17 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---------------------------|--------------|--------------|-----------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| to IRB | 3,122 | 2,885 | 8% | 3,602 | 3,546 | 3,348 | 2,788 | 2,707 | 2,419 | 2,562 | 1,181 | 2,915 | 3,219 |
| to other Local Reinsurers | 3,264 | 3,303 | -1% | 4,373 | 3,845 | 3,999 | 3,328 | 2,572 | 1,459 | 1,319 | 967 | 806 | 329 |
| Total Local Market | 6,386 | 6,188 | 3% | 7,974 | 7,391 | 7,347 | 6,116 | 5,279 | 3,878 | 3,882 | 2,148 | 3,721 | 3,548 |
| to Offshore Reinsurers | 2,710 | 2,268 | 20% | 3,081 | 2,777 | 2,751 | 2,888 | 2,980 | 2,588 | 2,569 | 2,310 | 565 | 254 |
| Total | 9,096 | 8,456 | 8% | 11,055 | 10,168 | 10,098 | 9,004 | 8,259 | 6,466 | 6,451 | 4,458 | 4,286 | 3,802 |

Gross Reinsurance accepted by Local Reinsurers (gross of comission):

| | 2018/09 | 2017/09 | 18/17 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|----------------------------------|--------------|--------------|------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| from Brazilian Insurers | 6,386 | 6,188 | 3% | 7,974 | 7,391 | 7,347 | 6,116 | 5,279 | 3,878 | 3,882 | 2,148 | 3,721 | 3,548 |
| from Offshore Insurers | 2,213 | 1,705 | 30% | 2,257 | 1,437 | 1,161 | 451 | 443 | 149 | 50 | 119 | 84 | 31 |
| Gross Reinsurance Premium | 8,599 | 7,893 | 9% | 10,231 | 8,828 | 8,508 | 6,566 | 5,722 | 4,027 | 3,932 | 2,267 | 3,805 | 3,578 |
| Retrocession | 3,180 | 2,973 | 7% | 3,955 | 3,483 | 3,480 | 2,804 | 2,516 | 1,813 | 2,156 | 916 | 1,845 | 1,937 |
| Net Retained Premium | 5,419 | 4,920 | 10% | 6,276 | 5,345 | 5,028 | 3,763 | 3,207 | 2,214 | 1,788 | 1,351 | 1,960 | 1,642 |

Source: SUSEP, Terra Brasis Re

Considering the distribution volume of reinsurance from Brazilian Insurers, IRB ended the third quarter of 2018 with a market share of 34%, while other Local Reinsurers ended the period with 36% share and offshore reinsurers 30%.

Reinsurance Market Share (gross of commission) generated by Brazilian Insurers

Market Share of Ceded Reinsurance by Brazilian Insurers (gross commission):

| | 2018/09 | 2017/09 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------------------|---------|---------|------|------|------|------|------|------|------|------|------|------|
| IRB | 34% | 34% | 33% | 35% | 33% | 31% | 33% | 37% | 40% | 26% | 68% | 85% |
| Other Local Reinsurers | 36% | 39% | 40% | 38% | 40% | 37% | 31% | 23% | 20% | 22% | 19% | 9% |
| Offshore Reinsurers | 30% | 27% | 28% | 27% | 27% | 32% | 36% | 40% | 40% | 52% | 13% | 7% |
| Total ceded by local cedants | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Market Share between Local Reinsurers (gross of commission)

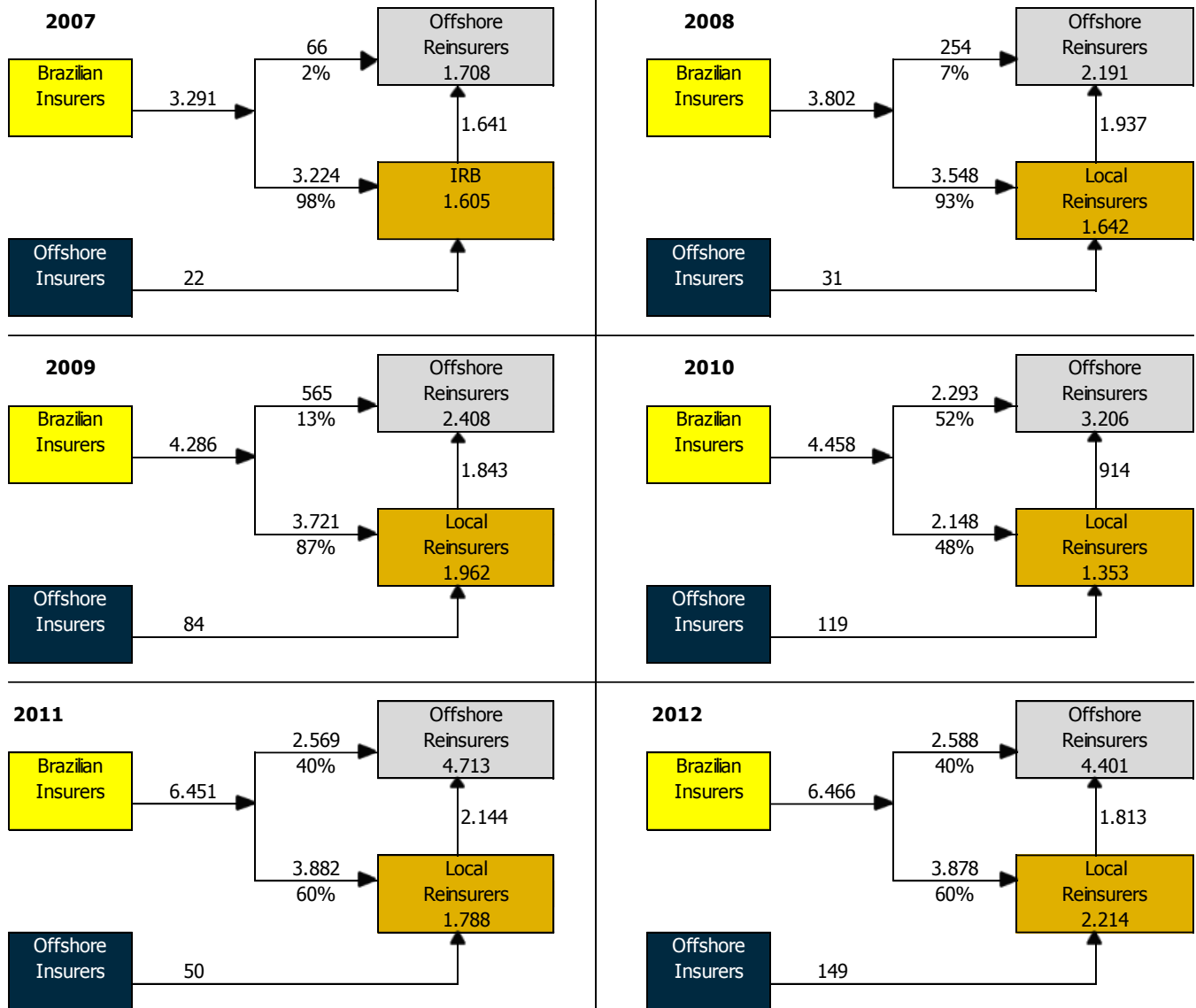
| | 2018/09 | 2017/09 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| IRB | 49% | 47% | 45% | 48% | 46% | 46% | 51% | 62% | 66% | 55% | 78% | 91% |
| Other Local Reinsurers | 51% | 53% | 55% | 52% | 54% | 54% | 49% | 38% | 34% | 45% | 22% | 9% |
| Total placed in the local market | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Source: SUSEP, Terra Brasis Re

Analyzing only the Local Reinsurance Market, IRB detained 49% of market share, while the Other Local Reinsurers shared the remaining 51%.

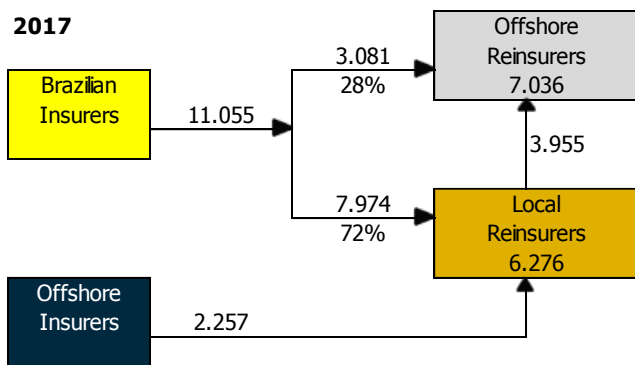
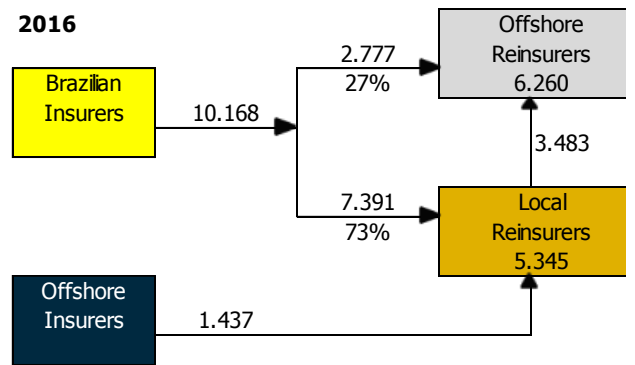
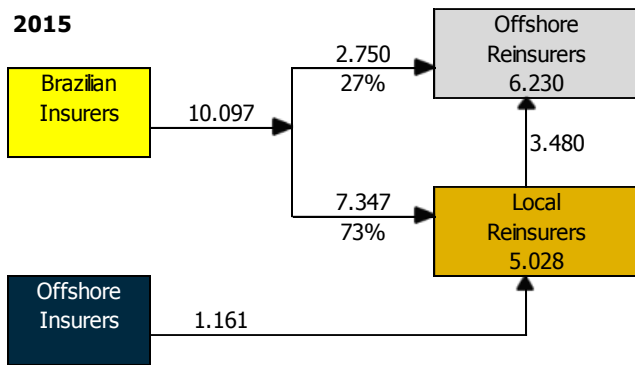
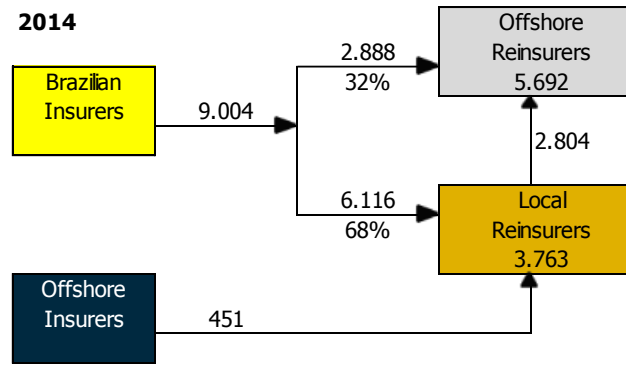
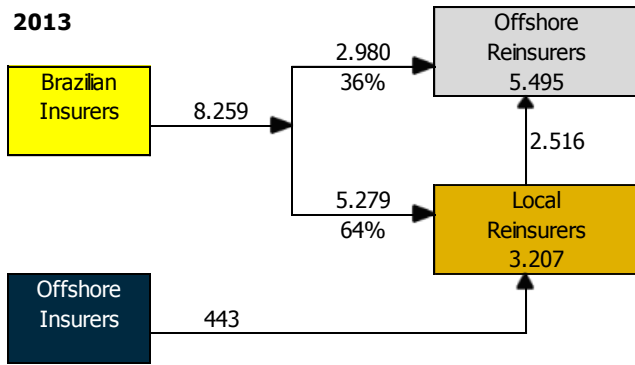
Next page's flowcharts show the reinsurance and retrocession volumes since 2007, the last year of the monopolistic reinsurance regime.

Reinsurance Annual Flow in the Brazilian Market since 2007 (Gross of Commission, BRL mm)



Source: SUSEP, Terra Brasis Re, BRL millions, reinsurance gross of commission figures.

Reinsurance Annual Flow in the Brazilian Market since 2007 (Gross of Commission, BRL mm)

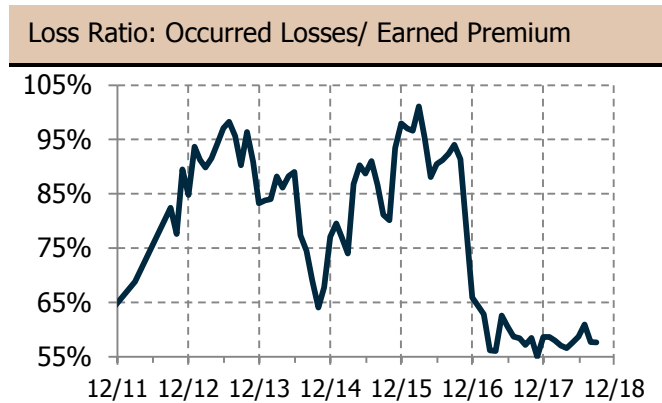


Source: SUSEP, Terra Brasis Re, BRL millions, reinsurance gross of commission figures.

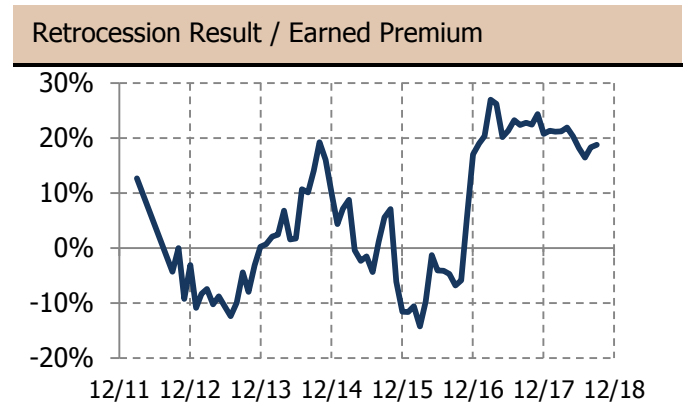
Local Reinsurers' Results

The figures of the third quarter of 2018 showed positive results for most Local Reinsurers, exhibiting a maintenance of the figures shown in 2017.

In the 12 months aggregate ending in September 2018, the **Loss Ratio** experienced by the Local Reinsurance Market reached 58%, stable in comparison to 57% registered in the same period of 2017. It is worth emphasizing that this is the Gross Loss Ratio, calculated from the gross occurred losses divided by the gross earned premium (i.e. gross of retrocession, net of commission).



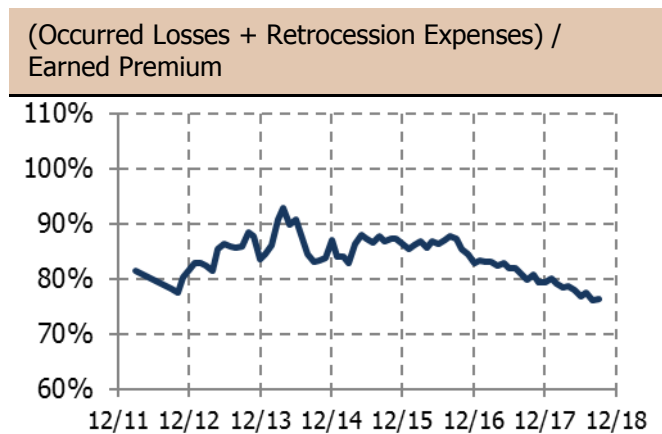
Source SUSEP, Terra Brasis Re, 12-month aggregate



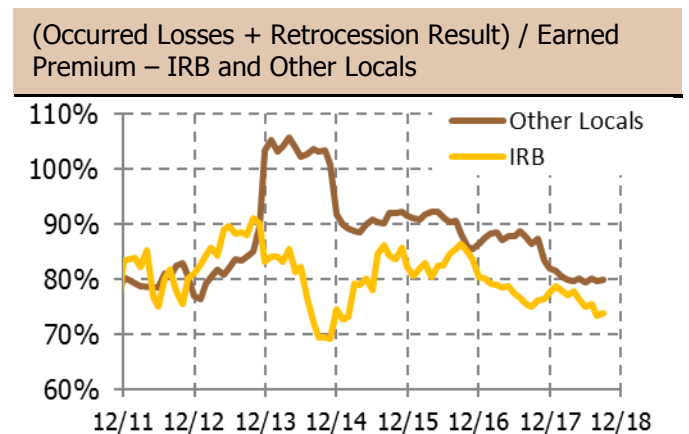
Source: SUSEP, Terra Brasis Re, 12-month aggregate

The **Retrocession Result Ratio**, for the 12 months aggregate ending in September 2018, reached 18.8% against 22.8% registered in the same period of 2017, showing that Local Reinsurers kept a positive result in their retrocession operations, paying more in premium than what was recovered in claims.

As elaborated at the Introduction session, from this edition on, we also include information about **Loss Ratio + Reinsurance Result Ratio**. This metric shows a stable behavior from 2014 to 2016 and improves from 2017 on. For the 12-month aggregate as per September 2018, it has reached the lowest point of the series, 76.4%, in comparison to 79.9% for the same period of the preceding year.



Source: SUSEP, Terra Brasis Re, 12-month aggregate

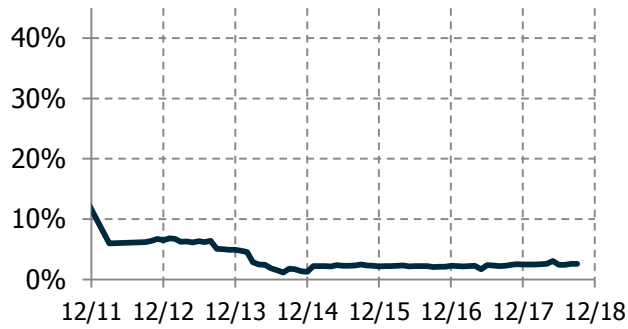


Source: SUSEP, Terra Brasis Re, 12-month aggregate

This improvement is observed for both IRB and Other Locals as shown in the above graph, to the right. It is also noted that this metric, up to this moment, is inferior for IRB than for the set of Other Local Reinsurers.

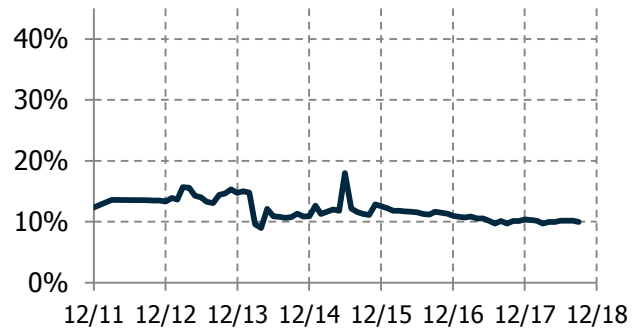
The **Commercial Expense Ratio** had a small increase, closing the period in 2.6% compared to 2.3% registered in the same period of the previous year.

Commercial Expenses / Earned Premium



Fonte: SUSEP, Terra Brasis Re, acumulado de 12 meses

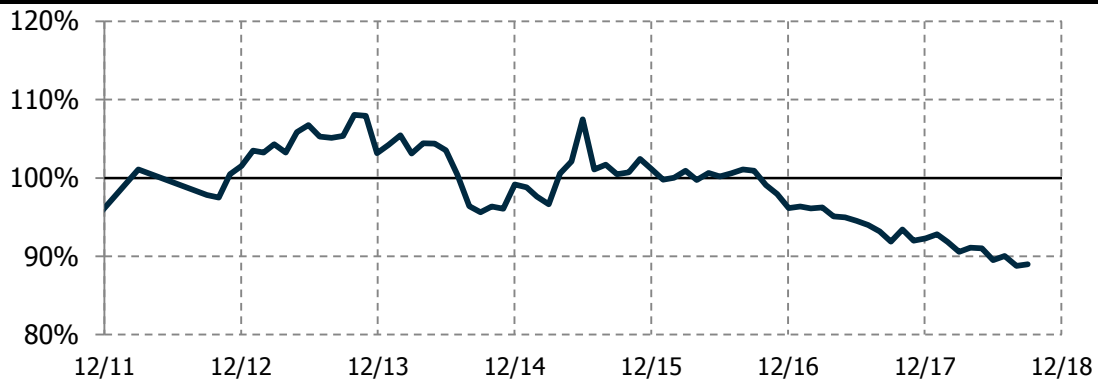
Administrative Expense Ratio (including taxes and other expenses) / Earned Premium



Fonte: SUSEP, Terra Brasis Re, acumulado de 12 meses

In the same period, the **Administrative Expense Ratio (including taxes and other expenses)** stood at 10.0%, stable when comparison to the previous period

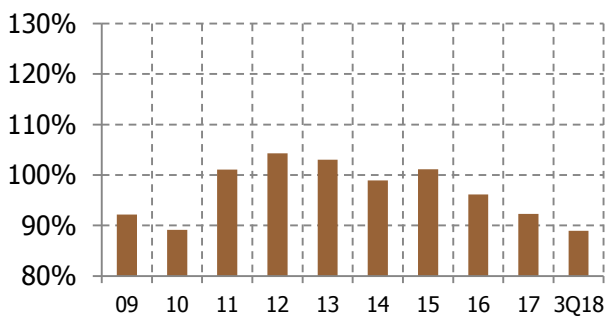
Combined Ratio



Source: SUSEP, Terra Brasis Re, 12-month aggregate

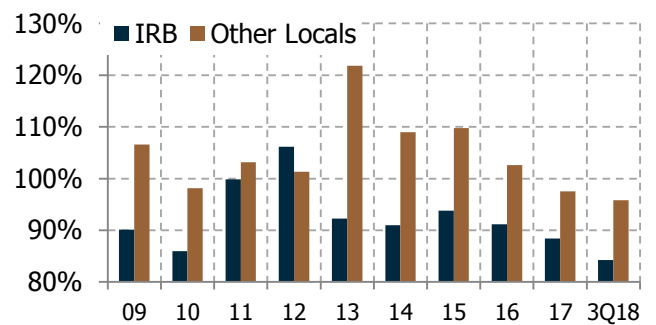
In the 12 months aggregate ending in September 2018, **Combined Ratio** reached 89.0% versus 91.9% showed in the same period of 2017.

Combined Ratio Local Reinsurance Market



Source: SUSEP, Terra Brasis Re

Combined Ratio IRB and Other Locals



Source: SUSEP, Terra Brasis Re

We show below a summary of results for the local reinsurance market in the third quarter of 2018 and 2017.

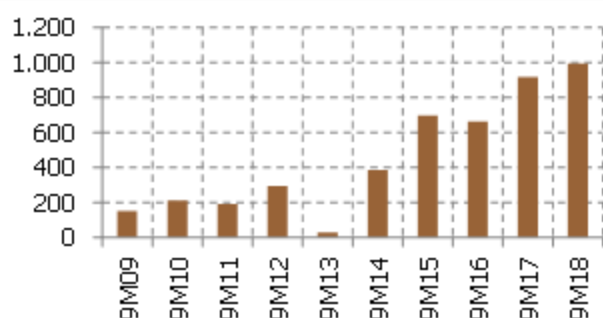
Summary of Results and Main Indexes for Local Reinsurers for January to September 2018 and 2017

| | Consolidated Local Reinsurers | | IRB | | Other Local Reinsurers | |
|--|----------------------------------|---------------|---------------|---------------|---------------------------|---------------|
| | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 |
| Total Assets | 31,705 | 28,562 | 15,767 | 14,116 | 15,938 | 14,446 |
| Cash and Cash Equivalents | 12,095 | 11,842 | 5,673 | 5,512 | 6,421 | 6,330 |
| S.E. at beginning of period | 7,354 | 6,972 | 3,581 | 3,328 | 3,773 | 3,644 |
| S.E. end of period | 7,720 | 7,239 | 3,762 | 3,439 | 3,958 | 3,799 |
| Gross Written Premium | 8,599 | 7,893 | 4,993 | 4,325 | 3,606 | 3,568 |
| Written Premium | 7,466 | 6,860 | 4,582 | 3,981 | 2,884 | 2,879 |
| Earned Premium | 6,809 | 6,059 | 4,085 | 3,529 | 2,724 | 2,530 |
| Loss Ratio | 61% | 63% | 47% | 55% | 82% | 74% |
| Retrocession Result/Earned Premium | 17% | 20% | 26% | 24% | 4% | 15% |
| Loss Ratio + Retro Result/ Earned Premium | 79% | 83% | 74% | 79% | 86% | 89% |
| Commercial Expenses/ Earned Premium | 2% | 2% | 3% | 3% | 2% | 2% |
| Administrative + Other/ Earned Premium | 6% | 7% | 5% | 6% | 9% | 9% |
| Tax/ Earned Premium | 3% | 2% | 2% | 2% | 3% | 3% |
| Combined Ratio | 90% | 95% | 84% | 89% | 100% | 103% |
| Reinsurance Operational Result | 663 | 308 | 668 | 381 | -5 | -73 |
| Financial Result and Equity Pick-up | 704 | 1,047 | 378 | 532 | 326 | 515 |
| Income Tax and Contributions | -373 | -437 | -200 | -237 | -173 | -200 |
| Net Profit for the Period | 994 | 918 | 846 | 676 | 149 | 242 |
| <i>ROE (annualized)</i> | <i>18.0%</i> | <i>17.6%</i> | <i>31.5%</i> | <i>27.1%</i> | <i>5.3%</i> | <i>8.9%</i> |

Source: SUSEP, Terra Brasis Re, numbers in BRL Million

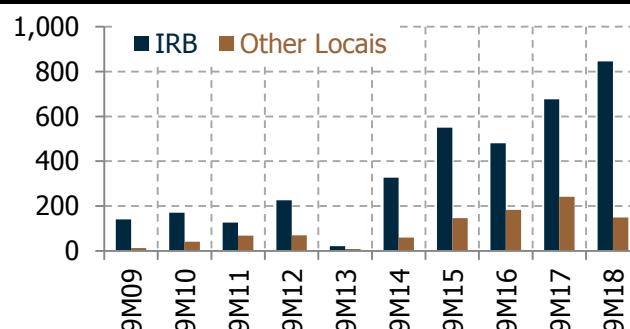
In the third quarter of 2018, Local Reinsurers produced a net profit of BRL 994 mm, in contrast to a net profit of BRL 918 mm registered in 2017. In this period, IRB reported a BRL 846 mm result, while the other local reinsurance reported a result of BRL 149 mm.

Net Profits - 9M2018 (BRL mm)
Total Local Reinsurers



Source: SUSEP, Terra Brasis Re

Net Profits - 9M2018 (BRL mm)
IRB and Other Locals



Source: SUSEP, Terra Brasis Re

As mentioned in previous editions, the group of Other Local Reinsurers is not homogeneous and, therefore, their analysis becomes more complex. Therefore, we continue the analysis of reinsurers based on their operation start, which we call "Class".

Comparing the **Net Profit for the Period**, with exception of the class of 2014, all the other classes and IRB showed a positive net result for the third quarter of the year.

Excluding IRB, all the other classes showed a worsening in **Loss Ratio**. Except the classes of 2014, IRB and all the other classes showed an improvement in **Combined Ratio**.

The youngest class of 2014 shows a negative result higher than the previous period. These results, however, should take into consideration that they these reinsurers are still building their portfolio and therefore have very high administrative expenses and retrocession expenses relative to the volume of premium produced. They also have greater volatility in their business portfolio.

Summary of Results and Main Indexes for Local Reinsurers by Class, comprising January to September 2018 and 2017

| | IRB | | Class of 2008 | | Class of 2010 | | Class of 2012 | | Class of 2014 | |
|--|---------------|---------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 |
| Total Assets | 15,767 | 14,116 | 5,183 | 5,031 | 2,889 | 2,265 | 6,576 | 6,076 | 1,291 | 1,075 |
| Cash and Cash Equivalents | 5,673 | 5,512 | 2,586 | 2,668 | 850 | 776 | 2,628 | 2,598 | 357 | 288 |
| S.E. at beginning of period | 3,581 | 3,328 | 1,515 | 1,513 | 519 | 495 | 1,321 | 1,280 | 417 | 356 |
| S.E. end of period | 3,762 | 3,439 | 1,580 | 1,586 | 548 | 496 | 1,346 | 1,334 | 483 | 383 |
| Gross Written Premium | 4,993 | 4,325 | 1,127 | 969 | 635 | 674 | 1,360 | 1,539 | 484 | 386 |
| Written Premium | 4,582 | 3,981 | 842 | 740 | 530 | 563 | 1,107 | 1,247 | 404 | 328 |
| Earned Premium | 4,085 | 3,529 | 753 | 605 | 460 | 569 | 1,156 | 1,056 | 354 | 301 |
| Loss Ratio | 47% | 55% | 85% | 74% | 96% | 79% | 70% | 68% | 93% | 87% |
| Retrocession Result/Earned Premium | 26% | 24% | 3% | 14% | -15% | 12% | 17% | 22% | -10% | -5% |
| Loss Ratio + Retro Result/ Earned Premium | 74% | 79% | 88% | 88% | 81% | 92% | 87% | 90% | 83% | 82% |
| Commercial Expenses/ Earned Premium | 3% | 3% | 2% | 2% | 2% | 3% | 3% | 2% | 2% | 1% |
| Administrative + Other/ Earned Premium | 5% | 6% | 7% | 9% | 11% | 6% | 8% | 9% | 15% | 13% |
| Tax/ Earned Premium | 2% | 2% | 3% | 4% | 3% | 1% | 3% | 4% | 3% | 3% |
| Combined Ratio | 84% | 89% | 100% | 103% | 97% | 101% | 101% | 105% | 102% | 100% |
| Reinsurance Operational Result | 668 | 381 | -3 | -20 | 13 | -4 | -8 | -50 | -8 | 1 |
| Financial Result and Equity Pick-up | 378 | 532 | 128 | 224 | 58 | 65 | 178 | 220 | -38 | 6 |
| Income Tax and Contributions | -200 | -237 | -59 | -94 | -34 | -22 | -78 | -71 | -2 | -13 |
| Net Profit for the Period | 846 | 676 | 67 | 110 | 38 | 39 | 92 | 99 | -48 | -6 |
| <i>ROE (annualized)</i> | 31.5% | 27.1% | 5.9% | 9.7% | 9.7% | 10.4% | 9.3% | 10.3% | -15.3% | -2.2% |

Source: SUSEP, Terra Brasis Re

Below we show written premium, net of commission, gross of retrocession, including Brazilian cedants and offshore cedants, as well as the market share of each local reinsurer, divided by "class". We indicated in red a decrease in the volume of premium or market share.

| Main Index for Local Reinsurers classified by Class | | | | | | | |
|---|-----------------------|-----------------|--------------|-------------|-------------|--------------|--------------|
| Company | Authorization Date | Written Premium | | Change | | Market Share | |
| | | 2018/09 | 2017/09 | BRL mm | (%) | 2018/09 | 2017/09 |
| IRB | 03/abr/39 | 4.582 | 3.981 | 601 | 15% | 61,4% | 58,0% |
| | IRB | 4.582 | 3.981 | 601 | 15% | 61,4% | 58,0% |
| JM | 23/mai/08 | 197 | 210 | -14 | -6% | 2,6% | 3,1% |
| Munich | 23/mai/08 | 471 | 353 | 118 | 33% | 6,3% | 5,1% |
| Mapfre | 14/nov/08 | 133 | 136 | -3 | -2% | 1,8% | 2,0% |
| XL | 05/dez/08 | 42 | 41 | 1 | 2% | 0,6% | 0,6% |
| | Classe de 2008 | 842 | 740 | 102 | 14% | 11,3% | 10,8% |
| Chubb | 25/nov/09 | 165 | 111 | 54 | 49% | 2,2% | 1,6% |
| Austral | 31/jan/11 | 295 | 380 | -84 | -22% | 4,0% | 5,5% |
| AIG | 04/abr/11 | 70 | 73 | -3 | -4% | 0,9% | 1,1% |
| | Classe de 2010 | 530 | 563 | -33 | -6% | 7,1% | 8,2% |
| Zurich | 05/jan/12 | 247 | 445 | -198 | -45% | 3,3% | 6,5% |
| Markel | 17/jan/12 | 52 | 31 | 21 | 66% | 0,7% | 0,5% |
| Swiss | 14/jun/12 | 300 | 241 | 59 | 25% | 4,0% | 3,5% |
| Terra Brasis | 04/out/12 | 98 | 79 | 18 | 23% | 1,3% | 1,2% |
| Allianz | 20/dez/12 | 211 | 203 | 8 | 4% | 2,8% | 3,0% |
| BTG | 26/fev/13 | 200 | 249 | -49 | -20% | 2,7% | 3,6% |
| | Classe de 2012 | 1.107 | 1.247 | -141 | -11% | 14,8% | 18,2% |
| Scor | 06/ago/14 | 239 | 183 | 57 | 31% | 3,2% | 2,7% |
| AXA | 25/ago/14 | 165 | 145 | 20 | 14% | 2,2% | 2,1% |
| | Classe de 2014 | 404 | 328 | 77 | 23% | 5,4% | 4,8% |
| | Total | 7.466 | 6.860 | 606 | 9% | 100% | 100% |

Source: SUSEP, Terra Brasis Re. Figures in red represent an deterioration in relation to the previous period

In terms of production, the classes of 2010 and 2012 presented a decrease in the written premium. When it comes to the market share, the classes of 2010 and 2012 stepped down, while all remaining classes increased.

The tables below represent the summary of results of Local Reinsurers from January to September of 2018 and 2017.

Summary of Results – Local Reinsurers for January to September 2018 and 2017 (BRL mm)

Total Local Market, IRB and Other Locals

| | Total Local Market | | IRB | | Other Locals | |
|---|--------------------|--------------|--------------|--------------|--------------|--------------|
| | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 |
| Assets | 31.705 | 28.562 | 15.767 | 14.116 | 15.938 | 14.446 |
| Cash and Cash Equivalents | 12.095 | 11.842 | 5.673 | 5.512 | 6.421 | 6.330 |
| S.E. at beginning of period | 7.354 | 6.972 | 3.581 | 3.328 | 3.773 | 3.644 |
| S.E. end of period | 7.720 | 7.239 | 3.762 | 3.439 | 3.958 | 3.799 |
| Gross Reinsurance | 8.599 | 7.893 | 4.993 | 4.325 | 3.606 | 3.568 |
| Gross Reinsurance Premium | 6.496 | 6.294 | 3.127 | 2.908 | 3.370 | 3.386 |
| Commission | -1.133 | -1.033 | -410 | -344 | -722 | -689 |
| Non-Issued Risks in force | 82 | 69 | 65 | 35 | 17 | 34 |
| International Operations | 937 | 771 | 801 | 701 | 136 | 70 |
| Written Retrocession | 1.083 | 758 | 1.001 | 680 | 83 | 78 |
| Written Premium | 7.466 | 6.860 | 4.582 | 3.981 | 2.884 | 2.879 |
| Change in Reserves | -658 | -801 | -497 | -452 | -160 | -349 |
| Earned Premium | 6.809 | 6.059 | 4.085 | 3.529 | 2.724 | 2.530 |
| Losses Incurred | -4.161 | -3.810 | -1.937 | -1.933 | -2.224 | -1.877 |
| Commercial Expenses | -169 | -143 | -107 | -93 | -62 | -50 |
| Other Operational Expenses | -55 | -48 | -29 | -32 | -26 | -15 |
| Administrative Expenses | -386 | -405 | -168 | -194 | -218 | -211 |
| Tax Expenses | -188 | -136 | -99 | -57 | -89 | -79 |
| Industrial Result Pre Retro | 1.850 | 1.517 | 1.746 | 1.219 | 104 | 299 |
| Retrocession Result | -1.187 | -1.210 | -1.078 | -838 | -109 | -372 |
| Industrial Result | 663 | 308 | 668 | 381 | -5 | -73 |
| Financial Result | 643 | 1.027 | 264 | 495 | 378 | 532 |
| Equity Pickup | 61 | 20 | 114 | 37 | -53 | -16 |
| Operating Result | 1.367 | 1.355 | 1.046 | 913 | 321 | 442 |
| Non-recurring Gains | 1 | 0 | 0 | 0 | 1 | 0 |
| EBT | 1.367 | 1.355 | 1.046 | 913 | 321 | 442 |
| Income Tax | -141 | -199 | -49 | -96 | -92 | -103 |
| Social Tax | -223 | -227 | -151 | -140 | -72 | -87 |
| Profit Sharing | -8 | -11 | 0 | -1 | -8 | -10 |
| Net Income | 994 | 918 | 846 | 676 | 149 | 242 |
| Loss Ratio | 61% | 63% | 47% | 55% | 82% | 74% |
| Retro Result/Earned Premium | 17% | 20% | 26% | 24% | 4% | 15% |
| (Loss Ratio + Retro Result) / Earned Premium | 79% | 83% | 74% | 79% | 86% | 89% |
| Comm. Exp/Earned Premium | 2% | 2% | 3% | 3% | 2% | 2% |
| Adm. Exp / Earned Premium | 6% | 7% | 4% | 6% | 8% | 8% |
| Tax Exp / Earned Premium | 3% | 2% | 2% | 2% | 3% | 3% |
| Other Exp / Earned Premium | 1% | 1% | 1% | 1% | 1% | 1% |
| Expense Ratio | 12% | 12% | 10% | 11% | 15% | 14% |
| Combined Ratio | 90% | 95% | 84% | 89% | 100% | 103% |
| (Non-Rec.+ Fin.+ Equity) /Earned Prem | -10% | -17% | -9% | -15% | -12% | -20% |
| (Income tax+Social tax+Profit share) | 5% | 7% | 5% | 7% | 6% | 8% |
| R.O.E.⁽¹⁾ | 18,0% | 17,6% | 31,5% | 27,1% | 5,3% | 8,9% |
| Annualised Earned Premium/SE | 118% | 112% | 145% | 137% | 92% | 89% |

Source: SUSEP, Terra Brasis Re

(1) R.O.E. Defined herein as annual net income divided by the shareholders equity of the beginning of the period.

Summary of Results – Local Reinsurers for January to September 2018 and 2017 (BRL mm)

JM, Munich, Mapfre and XL

| | JM | | Munich | | Mapfre | | XL | |
|---|--------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------|
| | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 |
| Authorization Date | May 23, 2008 | | May 23, 2008 | | Nov 14, 2008 | | Dec 05, 2008 | |
| Assets | 1.517 | 1.531 | 2.279 | 2.182 | 846 | 832 | 541 | 486 |
| Cash and Cash Equivalents | 677 | 746 | 1.091 | 1.110 | 402 | 402 | 416 | 410 |
| S.E. at beginning of period | 604 | 655 | 447 | 372 | 176 | 172 | 289 | 313 |
| S.E. end of period | 629 | 691 | 463 | 405 | 190 | 192 | 299 | 298 |
| Gross Reinsurance | 319 | 327 | 593 | 431 | 156 | 159 | 59 | 53 |
| Gross Reinsurance Premium | 317 | 319 | 562 | 405 | 154 | 156 | 58 | 51 |
| Commission | -122 | -117 | -122 | -78 | -23 | -23 | -17 | -11 |
| Non-Issued Risks in force | 2 | 8 | 5 | 8 | 0 | 0 | 0 | 1 |
| International Operations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Written Retrocession | 0 | 0 | 26 | 17 | 3 | 2 | 0 | 0 |
| Written Premium | 197 | 210 | 471 | 353 | 133 | 136 | 42 | 41 |
| Change in Reserves | -74 | -101 | -22 | -32 | 8 | 1 | -1 | -4 |
| Earned Premium | 122 | 109 | 448 | 321 | 141 | 137 | 42 | 38 |
| Losses Incurred | 17 | -33 | -487 | -284 | -139 | -101 | -33 | -29 |
| Commercial Expenses | 0 | 0 | -8 | -7 | -4 | -3 | -1 | -1 |
| Other Operational Expenses | -1 | 0 | -3 | -10 | -5 | -2 | 0 | 0 |
| Administrative Expenses | -6 | -7 | -29 | -28 | -6 | -7 | -4 | -3 |
| Tax Expenses | -4 | -5 | -13 | -12 | -6 | -6 | -2 | -2 |
| Industrial Result Pre Retro | 128 | 64 | -91 | -20 | -20 | 19 | 2 | 2 |
| Retrocession Result | -111 | -57 | 69 | -18 | 22 | -10 | -2 | -1 |
| Industrial Result | 17 | 7 | -22 | -38 | 2 | 9 | 0 | 1 |
| Financial Result | 33 | 57 | 55 | 99 | 23 | 29 | 18 | 40 |
| Equity Pickup | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Result | 50 | 64 | 33 | 62 | 25 | 38 | 18 | 40 |
| Non-recurring Gains | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBT | 50 | 64 | 33 | 62 | 25 | 38 | 18 | 40 |
| Income Tax | -12 | -16 | -7 | -15 | -6 | -9 | -4 | -10 |
| Social Tax | -10 | -13 | -6 | -12 | -5 | -7 | -4 | -8 |
| Profit Sharing | 0 | -1 | -3 | -3 | -1 | -1 | 0 | 0 |
| Net Income | 27 | 35 | 16 | 32 | 14 | 20 | 10 | 22 |
| Loss Ratio | -14% | 30% | 109% | 89% | 99% | 73% | 79% | 78% |
| Retro Result/Earned Premium | 91% | 52% | -15% | 5% | -16% | 7% | 4% | 4% |
| (Loss Ratio + Retro Result) / Earned Premium | 77% | 83% | 93% | 94% | 83% | 80% | 84% | 81% |
| Comm. Exp/Earned Premium | 0% | 0% | 2% | 2% | 3% | 2% | 2% | 3% |
| Adm. Exp / Earned Premium | 5% | 6% | 6% | 9% | 5% | 5% | 10% | 9% |
| Tax Exp / Earned Premium | 3% | 4% | 3% | 4% | 5% | 4% | 4% | 5% |
| Other Exp / Earned Premium | 1% | 0% | 1% | 3% | 4% | 2% | 0% | 0% |
| Expense Ratio | 9% | 10% | 12% | 18% | 15% | 13% | 16% | 17% |
| Combined Ratio | 86% | 93% | 105% | 112% | 98% | 93% | 100% | 98% |
| (Non-Rec. + Fin. + Equity) / E.P. | -27% | -52% | -12% | -31% | -16% | -21% | -42% | -105% |
| (Inc. tax+Social tax+Profit share) | 19% | 27% | 4% | 9% | 8% | 13% | 19% | 48% |
| R.O.E.⁽¹⁾ | 6,0% | 7,1% | 4,8% | 11,6% | 10,4% | 15,9% | 4,5% | 9,4% |
| Annualised Earned Premium/SE | 26% | 21% | 129% | 106% | 99% | 95% | 19% | 17% |

Source: SUSEP, Terra Brasis Re

(1) R.O.E. Defined herein as annual net income divided by the shareholders equity of the beginning of the period.

Summary of Results – Local Reinsurers for January to September 2018 and 2017 (BRL mm)

Chubb, Austral, AIG and Zurich

| | Chubb | | Austral | | AIG | | Zurich | |
|---|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|
| | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 |
| Authorization Date | Nov 25, 2009 | | Jan 31, 2011 | | Apr 04, 2011 | | Jan 05, 2012 | |
| Assets | 835 | 643 | 1.155 | 961 | 898 | 661 | 1.502 | 1.577 |
| Cash and Cash Equivalents | 278 | 234 | 420 | 392 | 152 | 150 | 581 | 632 |
| S.E. at beginning of period | 137 | 117 | 282 | 283 | 100 | 95 | 256 | 239 |
| S.E. end of period | 164 | 125 | 288 | 267 | 97 | 104 | 267 | 266 |
| Gross Reinsurance | 188 | 125 | 354 | 438 | 93 | 110 | 295 | 557 |
| Gross Reinsurance Premium | 190 | 129 | 298 | 417 | 76 | 108 | 292 | 546 |
| Commission | -23 | -14 | -59 | -58 | -23 | -38 | -48 | -112 |
| Non-Issued Risks in force | -2 | -3 | 25 | -3 | 16 | 2 | -12 | 4 |
| International Operations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Written Retrocession | 0 | 0 | 31 | 24 | 1 | 0 | 15 | 7 |
| Written Premium | 165 | 111 | 295 | 380 | 70 | 73 | 247 | 445 |
| Change in Reserves | -37 | -3 | -20 | 3 | -13 | 5 | 105 | -51 |
| Earned Premium | 127 | 108 | 275 | 383 | 57 | 78 | 352 | 394 |
| Losses Incurred | -33 | -79 | -219 | -379 | -190 | 7 | -268 | -312 |
| Commercial Expenses | -2 | -7 | -8 | -7 | 0 | 0 | -2 | 0 |
| Other Operational Expenses | 9 | 6 | -31 | -11 | -1 | 0 | 0 | 0 |
| Administrative Expenses | -10 | -12 | -13 | -12 | -5 | -4 | -5 | -6 |
| Tax Expenses | -7 | -4 | -3 | 6 | -2 | -5 | -12 | -7 |
| Industrial Result Pre Retro | 84 | 12 | 1 | -21 | -140 | 75 | 66 | 69 |
| Retrocession Result | -45 | -14 | -10 | 19 | 124 | -75 | -66 | -80 |
| Industrial Result | 39 | -3 | -10 | -2 | -16 | 1 | -1 | -11 |
| Financial Result | 17 | 24 | 31 | 26 | 10 | 14 | 46 | 43 |
| Equity Pickup | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Result | 56 | 21 | 21 | 24 | -6 | 15 | 45 | 33 |
| Non-recurring Gains | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| EBT | 56 | 21 | 21 | 24 | -6 | 15 | 45 | 33 |
| Income Tax | -13 | -5 | -7 | -2 | 1 | -4 | -11 | -5 |
| Social Tax | -11 | -4 | -4 | -2 | 1 | -3 | -9 | -6 |
| Profit Sharing | 0 | 0 | -1 | -2 | 0 | 0 | 0 | 0 |
| Net Income | 32 | 12 | 9 | 19 | -4 | 8 | 25 | 21 |
| Loss Ratio | 26% | 74% | 80% | 99% | 331% | -9% | 76% | 79% |
| Retro Result/Earned Premium | 35% | 13% | 4% | -5% | -217% | 96% | 19% | 20% |
| (Loss Ratio + Retro Result) / Earned Premium | 61% | 87% | 83% | 94% | 114% | 87% | 95% | 99% |
| Comm. Exp/Earned Premium | 2% | 6% | 3% | 2% | 0% | 0% | 0% | 0% |
| Adm. Exp / Earned Premium | 8% | 11% | 5% | 3% | 9% | 5% | 2% | 1% |
| Tax Exp / Earned Premium | 6% | 4% | 1% | -2% | 4% | 7% | 3% | 2% |
| Other Exp / Earned Premium | -7% | -6% | 11% | 3% | 1% | 0% | 0% | 0% |
| Expense Ratio | 8% | 15% | 20% | 6% | 14% | 12% | 5% | 3% |
| Combined Ratio | 69% | 102% | 103% | 101% | 128% | 99% | 100% | 103% |
| (Non-Rec.+ Fin.+ Equity) /Earned Prem | -13% | -22% | -11% | -7% | -18% | -18% | -13% | -11% |
| (Income tax+Social tax+Profit share) | 19% | 9% | 4% | 1% | -4% | 9% | 6% | 3% |
| R.O.E.⁽¹⁾ | 31,5% | 13,3% | 4,2% | 8,8% | -4,8% | 11,6% | 13,0% | 11,9% |
| Annualised Earned Premium/SE | 104% | 115% | 128% | 191% | 79% | 100% | 176% | 197% |

Source: SUSEP, Terra Brasis Re,

(1) R.O.E. Defined herein as annual net income divided by the shareholders equity of the beginning of the period.

Summary of Results – Local Reinsurers for January to September 2018 and 2017 (BRL mm)
 Markel, Swiss, Terra Brasis and Allianz

| | Markel | | Swiss | | Terra Brasis | | Allianz | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 |
| Authorization Date | Jan 17, 2012 | | Jun 14, 2012 | | Oct 04, 2012 | | Dec 20, 2012 | |
| Assets | 267 | 197 | 1.286 | 1.211 | 383 | 311 | 1.617 | 1.440 |
| Cash and Cash Equivalents | 156 | 138 | 609 | 605 | 149 | 146 | 619 | 602 |
| S.E. at beginning of period | 82 | 80 | 253 | 217 | 104 | 102 | 239 | 224 |
| S.E. end of period | 78 | 80 | 271 | 255 | 104 | 105 | 231 | 238 |
| Gross Reinsurance | 74 | 40 | 387 | 296 | 124 | 100 | 231 | 235 |
| Gross Reinsurance Premium | 73 | 36 | 390 | 282 | 86 | 83 | 256 | 224 |
| Commission | -23 | -8 | -88 | -55 | -27 | -21 | -19 | -32 |
| Non-Issued Risks in force | 0 | 0 | 3 | -3 | 1 | -3 | -29 | 8 |
| International Operations | 0 | 0 | 0 | 0 | 32 | 18 | 0 | 0 |
| Written Retrocession | 1 | 3 | -6 | 17 | 5 | 2 | 3 | 3 |
| Written Premium | 52 | 31 | 300 | 241 | 98 | 79 | 211 | 203 |
| Change in Reserves | -6 | -5 | -9 | -26 | -6 | -7 | 27 | 22 |
| Earned Premium | 45 | 26 | 290 | 214 | 92 | 72 | 238 | 225 |
| Losses Incurred | -58 | -21 | -212 | -173 | -58 | -38 | -215 | -145 |
| Commercial Expenses | -1 | -1 | -7 | -4 | -3 | -2 | -10 | -6 |
| Other Operational Expenses | -2 | -1 | 3 | -6 | -2 | -1 | -1 | 0 |
| Administrative Expenses | -8 | -11 | -19 | -24 | -12 | -13 | -38 | -34 |
| Tax Expenses | -2 | -2 | -8 | -9 | -3 | -2 | -8 | -15 |
| Industrial Result Pre Retro | -25 | -9 | 49 | -2 | 14 | 16 | -35 | 24 |
| Retrocession Result | 16 | -3 | -50 | 6 | -15 | -27 | 6 | -68 |
| Industrial Result | -9 | -12 | -2 | 5 | -1 | -11 | -29 | -43 |
| Financial Result | 9 | 10 | 36 | 47 | 6 | 29 | 49 | 52 |
| Equity Pickup | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Result | 0 | -2 | 34 | 52 | 5 | 19 | 20 | 8 |
| Non-recurring Gains | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBT | 0 | -2 | 34 | 52 | 5 | 19 | 20 | 8 |
| Income Tax | -1 | 0 | -4 | -9 | -1 | -4 | -9 | -2 |
| Social Tax | 0 | 0 | -4 | -8 | -1 | -3 | -7 | -3 |
| Profit Sharing | 0 | 0 | -2 | -3 | 0 | 0 | 0 | 0 |
| Net Income | -1 | -3 | 24 | 31 | 3 | 12 | 5 | 4 |
| Loss Ratio | 128% | 81% | 73% | 81% | 63% | 53% | 74% | 64% |
| Retro Result/Earned Premium | -36% | 12% | 17% | -3% | 16% | 37% | 23% | 30% |
| (Loss Ratio + Retro Result) / Earned Premium | 92% | 93% | 90% | 78% | 79% | 90% | 96% | 94% |
| Comm. Exp/Earned Premium | 2% | 3% | 2% | 2% | 4% | 3% | 2% | 3% |
| Adm. Exp / Earned Premium | 18% | 43% | 6% | 11% | 13% | 18% | 15% | 15% |
| Tax Exp / Earned Premium | 5% | 6% | 3% | 4% | 3% | 3% | 4% | 7% |
| Other Exp / Earned Premium | 4% | 2% | -1% | 3% | 2% | 2% | 1% | 0% |
| Expense Ratio | 28% | 54% | 10% | 20% | 22% | 25% | 23% | 25% |
| Combined Ratio | 120% | 147% | 101% | 98% | 101% | 115% | 119% | 119% |
| (Non-Rec.+ Fin.+ Equity) /Earned Prem | -20% | -39% | -12% | -22% | -7% | -40% | -26% | -23% |
| (Income tax+Social tax+Profit share) | 2% | 3% | 3% | 9% | 2% | 10% | 92% | 2% |
| R.O.E.⁽¹⁾ | -1,9% | -4,6% | 12,8% | 19,3% | 4,4% | 15,2% | 2,5% | 2,4% |
| Annualised Earned Premium/SE | 77% | 44% | 143% | 112% | 117% | 92% | 138% | 126% |

Source: SUSEP, Terra Brasis Re,

(1) R.O.E. Defined herein as annual net income divided by the shareholders equity of the beginning of the period.

Summary of Results – Local Reinsurers for January to September 2018 and 2017 (BRL mm)

BTG, Scor and AXA

| | BTG | | Scor | | AXA | |
|---|--------------|--------------|--------------|-------------|---------------|--------------|
| | 2018/09 | 2017/09 | 2018/09 | 2017/09 | 2018/09 | 2017/09 |
| Authorization Date | Feb 26, 2013 | | Aug 06, 2014 | | Aug 25, 2014 | |
| Assets | 1.522 | 1.339 | 442 | 437 | 848 | 637 |
| Cash and Cash Equivalents | 514 | 475 | 213 | 195 | 143 | 93 |
| S.E. at beginning of period | 386 | 418 | 103 | 97 | 314 | 259 |
| S.E. end of period | 395 | 390 | 109 | 100 | 373 | 283 |
| Gross Reinsurance | 248 | 312 | 306 | 236 | 178 | 150 |
| Gross Reinsurance Premium | 252 | 303 | 247 | 190 | 117 | 138 |
| Commission | -49 | -63 | -67 | -53 | -13 | -5 |
| Non-Issued Risks in force | -4 | 9 | 0 | 0 | 12 | 4 |
| International Operations | 0 | 0 | 57 | 45 | 47 | 7 |
| Written Retrocession | 0 | 0 | 2 | 1 | 2 | 1 |
| Written Premium | 200 | 249 | 239 | 183 | 165 | 145 |
| Change in Reserves | -62 | -125 | -14 | -6 | -36 | -21 |
| Earned Premium | 138 | 124 | 225 | 177 | 129 | 124 |
| Losses Incurred | 0 | -26 | -169 | -139 | -162 | -122 |
| Commercial Expenses | -10 | -8 | -1 | -1 | -5 | -3 |
| Other Operational Expenses | 10 | 11 | 0 | 0 | -4 | 0 |
| Administrative Expenses | -14 | -12 | -15 | -14 | -32 | -25 |
| Tax Expenses | -6 | -6 | -6 | -5 | -6 | -5 |
| Industrial Result Pre Retro | 118 | 82 | 35 | 19 | -79 | -32 |
| Retrocession Result | -83 | -60 | -31 | -28 | 67 | 43 |
| Industrial Result | 35 | 22 | 4 | -9 | -12 | 11 |
| Financial Result | 31 | 39 | 8 | 12 | 7 | 11 |
| Equity Pickup | 0 | 0 | 0 | 0 | -53 | -17 |
| Operating Result | 65 | 61 | 13 | 3 | -58 | 5 |
| Non-recurring Gains | 0 | 0 | 0 | 0 | 0 | 0 |
| EBT | 65 | 61 | 13 | 3 | -58 | 5 |
| Income Tax | -16 | -15 | -3 | -1 | 1 | -5 |
| Social Tax | -13 | -12 | -2 | -1 | 1 | -5 |
| Profit Sharing | 0 | 0 | 0 | 0 | 0 | -1 |
| Net Income | 36 | 34 | 8 | 1 | -56 | -7 |
| Loss Ratio | 0% | 21% | 75% | 78% | 125% | 99% |
| Retro Result/Earned Premium | 61% | 49% | 14% | 16% | -52% | -35% |
| (Loss Ratio + Retro Result) / Earned Premium | 60% | 70% | 88% | 94% | 73% | 64% |
| Comm. Exp/Earned Premium | 7% | 7% | 0% | 0% | 4% | 3% |
| Adm. Exp / Earned Premium | 10% | 10% | 7% | 8% | 25% | 20% |
| Tax Exp / Earned Premium | 4% | 5% | 3% | 3% | 4% | 4% |
| Other Exp / Earned Premium | -7% | -9% | 0% | 0% | 3% | 0% |
| Expense Ratio | 15% | 13% | 10% | 11% | 36% | 27% |
| Combined Ratio | 75% | 82% | 98% | 105% | 109% | 91% |
| (Non-Rec.+ Fin.+ Equity) /Earned Prem | -22% | -31% | -4% | -7% | 36% | 5% |
| (Income tax+Social tax+Profit share) | 21% | 22% | 2% | 1% | -2% | 10% |
| R.O.E.⁽¹⁾ | 12,5% | 10,7% | 10,5% | 1,7% | -23,7% | -3,6% |
| Annualised Earned Premium/SE | 46% | 42% | 275% | 235% | 46% | 58% |

Source: SUSEP, Terra Brasis Re,

(2) R.O.E. Defined herein as annual net income divided by the shareholders equity of the beginning of the period.

Results by Lines of Business

In this section we analyze the different lines of business in the Brazilian Market. In order to analyze the different lines of business, we use the information from SUSEP's Table of Operations (TO), differently from the previous sections which are based on data from the Financial Statements of local insurers and reinsurers.

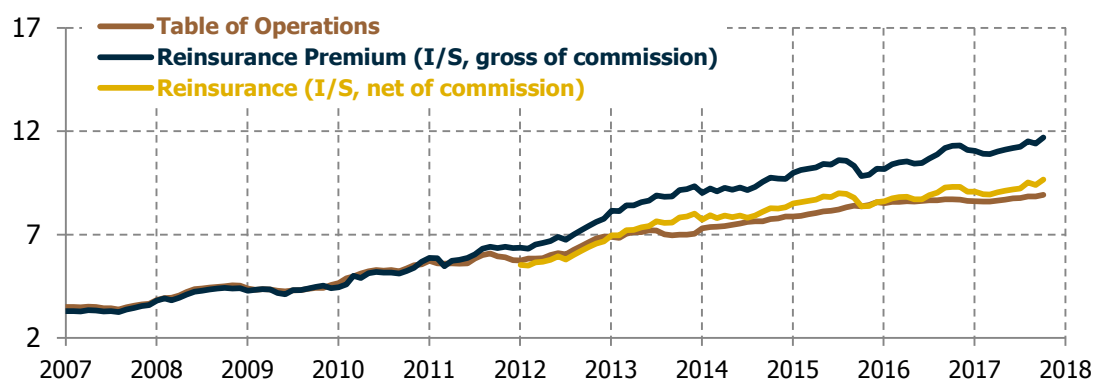
General Insurance and Reinsurance Premiums for January to September 2018 and 2017 (BRL mm)

| | General Insurance Premium | | | Reinsurance Premium (TO) | | | Local Reinsurance Premium | | |
|------------------------|---------------------------|---------------|-----------|--------------------------|--------------|-----------|---------------------------|--------------|-----------|
| | 2018/09 | 2017/09 | Chg | 2018/09 | 2017/09 | Chg | 2018/09 | 2017/09 | Chg |
| Property | 10,881 | 10,052 | 8% | 2,341 | 2,286 | 2% | 1,560 | 1,676 | -7% |
| Special Risks | -100 | 234 | -143% | 78 | 356 | -78% | 5 | 188 | -97% |
| Liability | 1,265 | 1,198 | 6% | 396 | 394 | 1% | 256 | 233 | 10% |
| Hull | | -1 | -155% | 2 | 1 | | | | |
| Auto | 26,639 | 24,975 | 7% | 302 | 279 | 8% | 271 | 353 | -23% |
| Transportation | 2,528 | 2,216 | 14% | 520 | 450 | 15% | 456 | 377 | 21% |
| Surety | 3,170 | 2,951 | 7% | 811 | 709 | 14% | 868 | 814 | 7% |
| Credit | -2 | 8 | -126% | | | | | | |
| Group Life | 20,969 | 19,164 | 9% | 462 | 462 | 0% | 358 | 479 | -25% |
| House Financing | 2,996 | 2,803 | 7% | 53 | 59 | -11% | 47 | 55 | -14% |
| Rural | 3,462 | 3,090 | 12% | 1,020 | 988 | 3% | 795 | 806 | -1% |
| Others | | | | | | | 1,924 | 1,531 | 26% |
| Individual Life | 2,924 | 2,479 | 18% | 50 | 44 | 14% | 72 | 108 | -33% |
| Marine | 256 | 295 | -13% | 149 | 162 | -8% | 119 | 84 | 42% |
| Aviation | 278 | 239 | 16% | 204 | 217 | -6% | 122 | 85 | 44% |
| Microinsurance | 292 | 252 | 16% | | 1 | -83% | | | |
| Petroleum | 696 | | | 331 | | | 491 | | |
| Nuclear | | | | 9 | | | | | |
| Health | | | | | | | 39 | | |
| Life Pension | 8 | | | | | | | | |
| | 76,263 | 69,955 | 9% | 6,725 | 6,409 | 5% | 7,383 | 6,789 | 9% |

Source: SUSEP, Terra Brasis Re, data obtained from the Table of Operations (TO)

After additional analysis, we understand that there was a change concerning data definition in the Table of Operations. By mid-2012, the Table of Operations contained Reinsurance Volume gross of Commission. From this point forward, after a transitional period, the Table of Operations seems to present data for Reinsurance Volume net of Commission. The graph below illustrates.

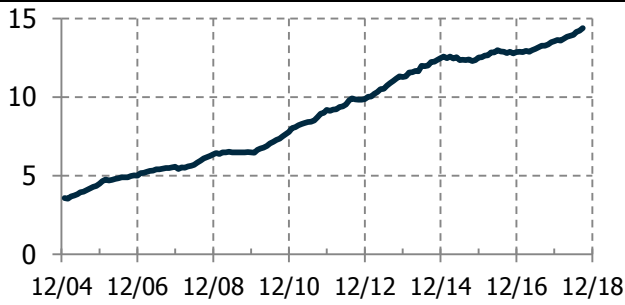
Ceded Reinsurance from different data sources (BRL bn)



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Group: Property

Insurance Premium



Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Growth of Insurance Premium



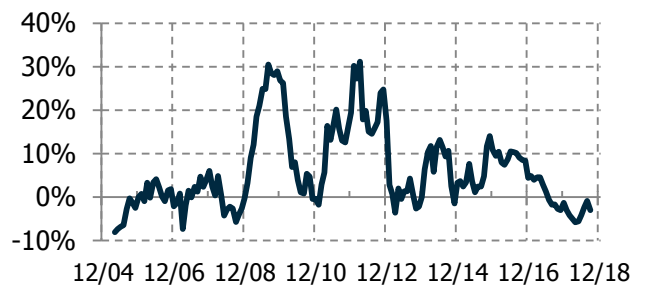
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Premium



Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Growth of Reinsurance Premium



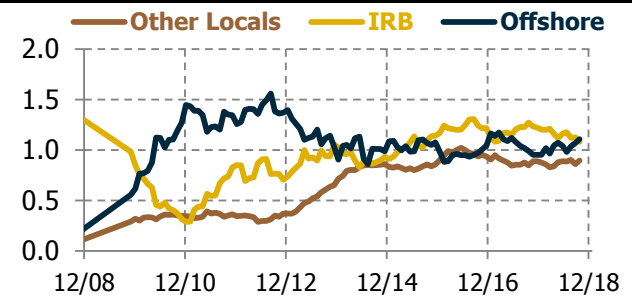
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Premium / Insurance Premium



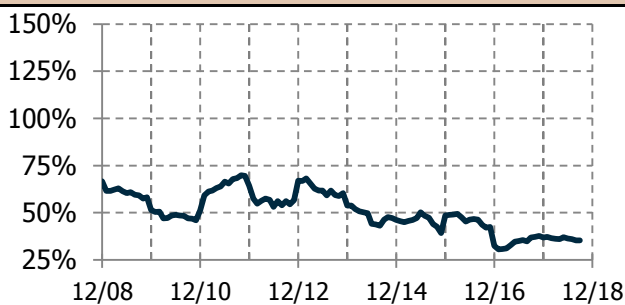
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Split of Reinsurance Premium by Type of Company



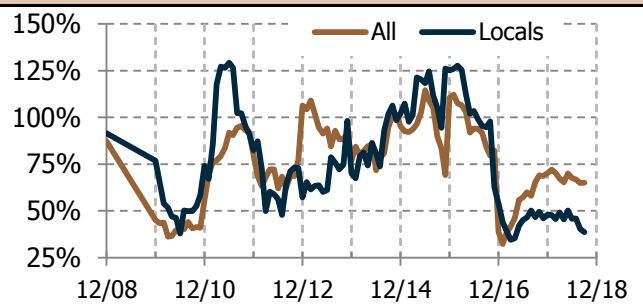
Source: SUSEP, Terra Brasis Re, BRL billions 12-month aggregate

Loss Ratio: Insurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

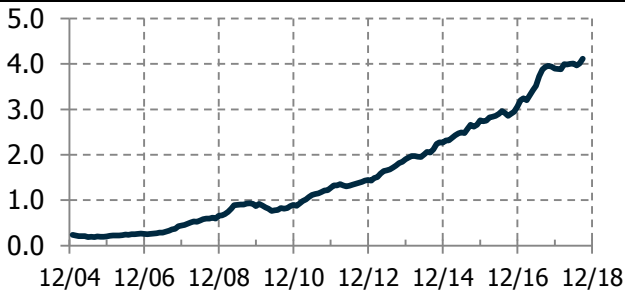
Loss Ratio: Local Reinsurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Group: Financial Risks

Insurance Premium



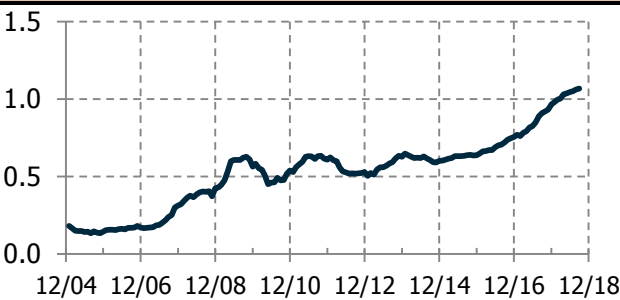
Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Growth of Insurance Premium



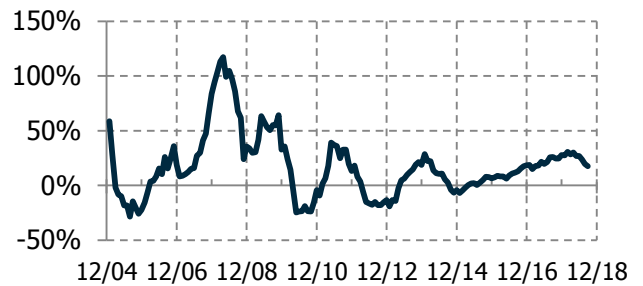
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Premium



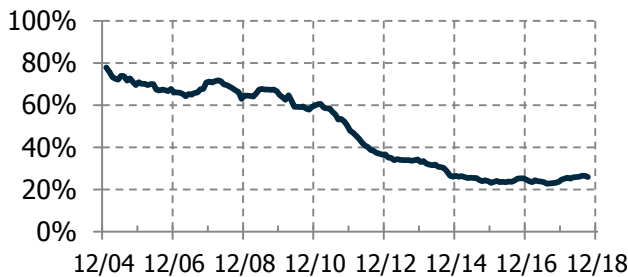
Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Growth of Reinsurance Premium



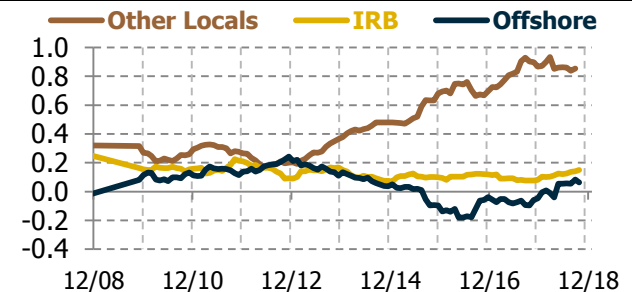
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Premium / Insurance Premium



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Split of Reinsurance Premium by Type of Company



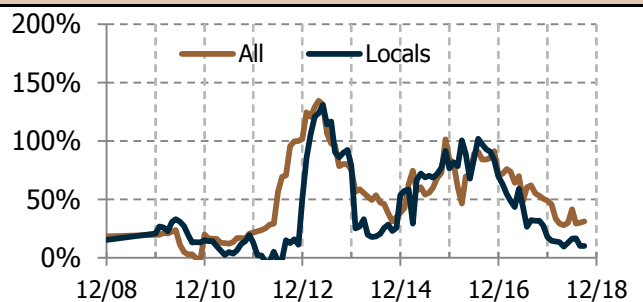
Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Loss Ratio: Insurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

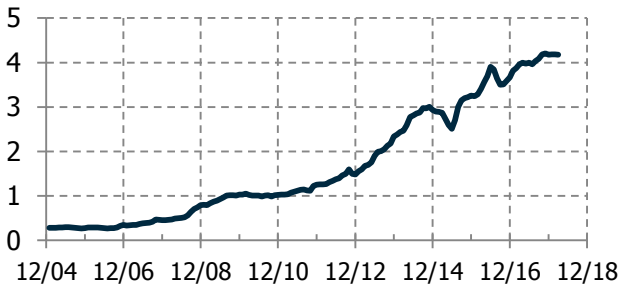
Loss Ratio: Local Reinsurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Group: Rural

Insurance Premium



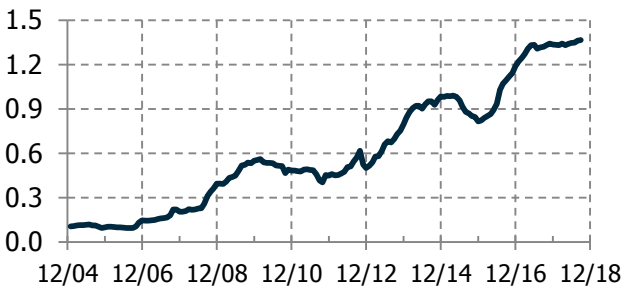
Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Growth of Insurance Premium



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Premium



Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Growth of Reinsurance Premium



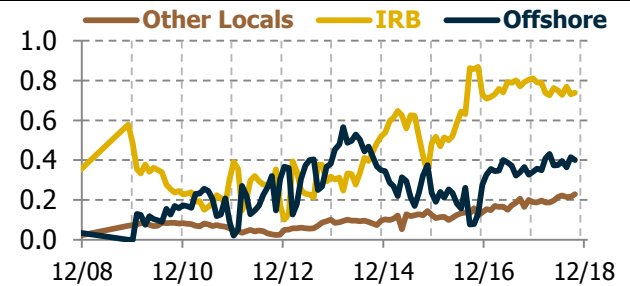
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Premium / Insurance Premium



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Split of Reinsurance Premium by Type of Company



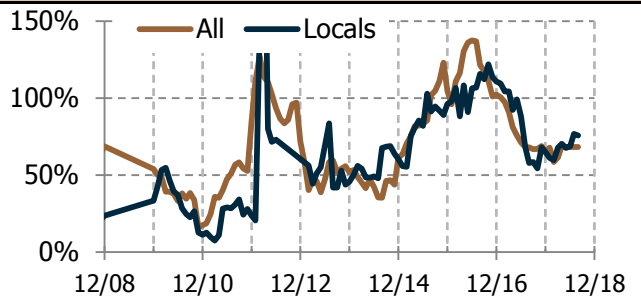
Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Loss Ratio: Insurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

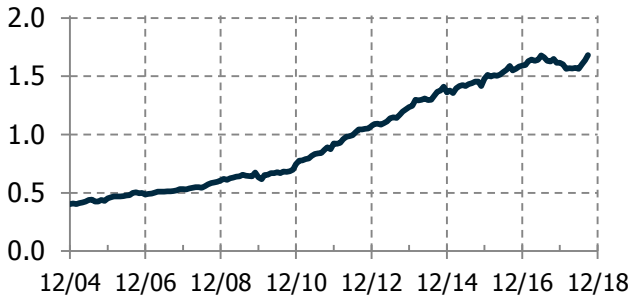
Loss Ratio: Local Reinsurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Group: Liability

Insurance Premium



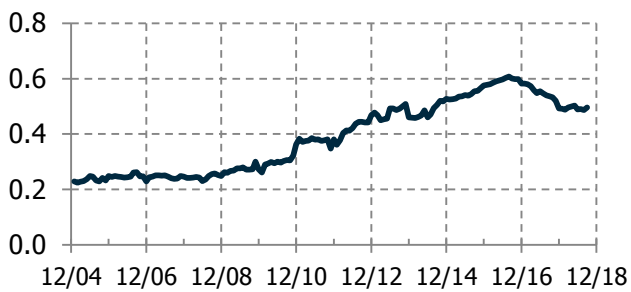
Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Growth of Insurance Premium



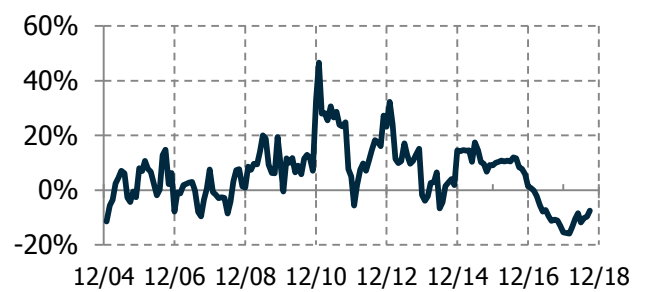
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Premium



Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Growth of Reinsurance Premium



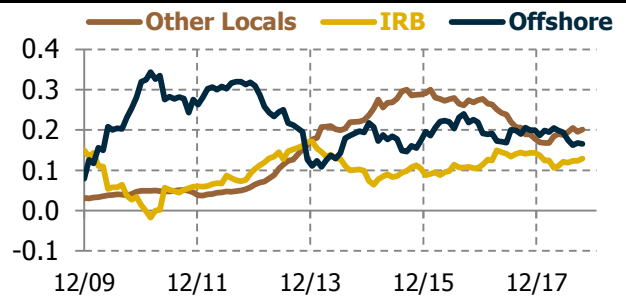
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Premium / Insurance Premium



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Split of Reinsurance Premium by Type of Company



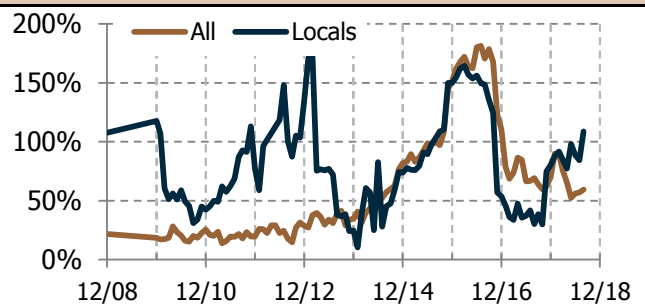
Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Loss Ratio: Insurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

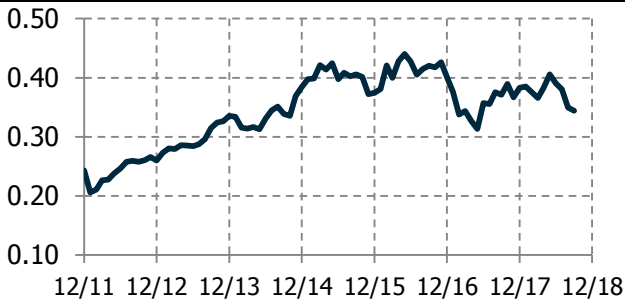
Loss Ratio: Local Reinsurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

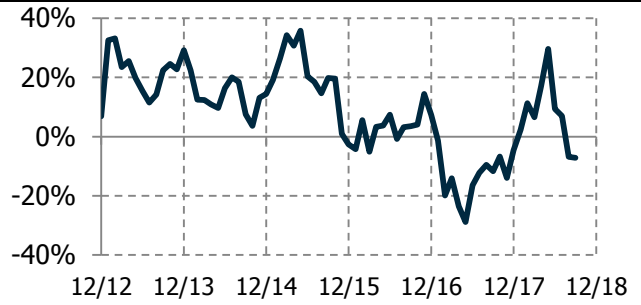
Group: Marine

Insurance Premium



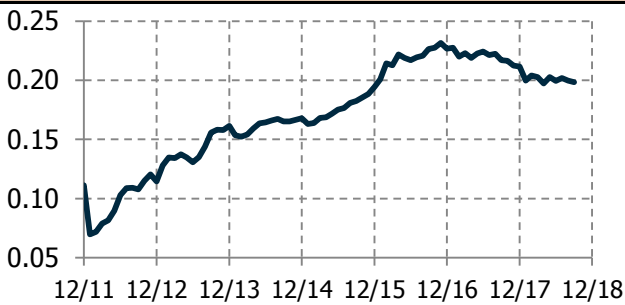
Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Growth of Insurance Premium



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Premium



Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Growth of Reinsurance Premium



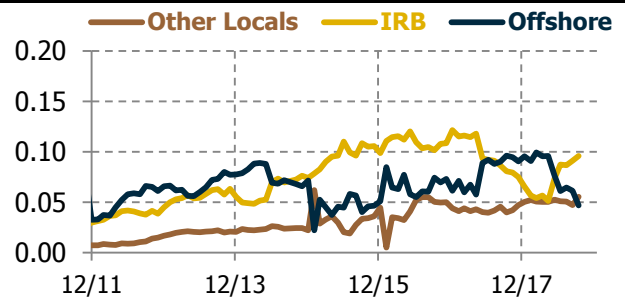
Source: SUSEP, Terra Brasis Re, 12-month aggregate

Reinsurance Premium / Insurance Premium



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Split of Reinsurance Premium by Type of Company



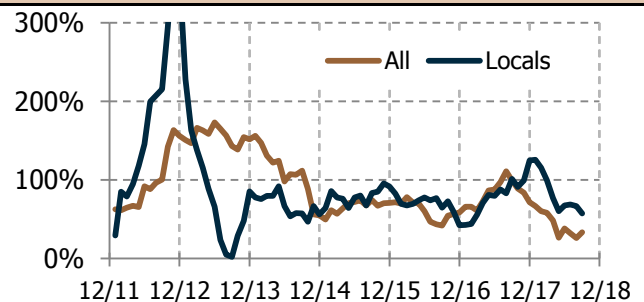
Source: SUSEP, Terra Brasis Re, BRL billions, 12-month aggregate

Loss Ratio: Insurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Loss Ratio: Local Reinsurers



Source: SUSEP, Terra Brasis Re, 12-month aggregate

Exhibit 1: Brazilian Insurance Segments per Susep's Classes

In the table below are definitions by Terra Brasis of the segments referring to different lines of business supervised by SUSEP. The lines in grey denote lines of business that are deactivated or in rundown. In this report, for the definition of General Insurance, the classes related to DPVAT were excluded, since we believe that such classes should be an independent category. Other classes related to VGBL, which Terra Brasis believes should be presented together with other Retirement Plan modalities, were also excluded.

Segmentation of the Brazilian Insurance Market Under SUSEP Supervision

| SUSEP Code | Code 1 | Code 2 | SUSEP Code | Code 1 | Code 2 |
|---|-------------------|--------------------|--|-------------------|--------------------|
| 0111 - INCÊNDIO TRADICIONAL | General Insurance | P&C Corporate | 0929 - Auxílio Funeral | General Insurance | Life and Accident |
| 0112 - Assistência - Bens em Geral | General Insurance | P&C Personal Lines | 0936 - Perda Certif. Habilit. de Vôo-PCHV | General Insurance | Life and Accident |
| 0113 - VIDROS | General Insurance | P&C Personal Lines | 0949 - CRÉDITO A EXPORTAÇÃO | General Insurance | Other |
| 0114 - Compreensivo Residencial | General Insurance | P&C Personal Lines | 0969 - Viagem | General Insurance | Life and Accident |
| 0115 - ROUBO | General Insurance | P&C Corporate | 0977 - Prestamista (exceto Habit e Rural) | General Insurance | Life and Accident |
| 0116 - Compreensivo Condomínio | General Insurance | P&C Corporate | 0980 - Educacional | General Insurance | Life and Accident |
| 0117 - TUMULTOS | General Insurance | P&C Corporate | 0981 - ACIDENTES PESSOAIS - INDIVIDUAL | General Insurance | Life and Accident |
| 0118 - Compreensivo Empresarial | General Insurance | P&C Corporate | 0982 - Acidentes Pessoais | General Insurance | Life and Accident |
| 0141 - LUCROS CESSANTES | General Insurance | P&C Corporate | 0983 - Dotal Misto | General Insurance | Life and Accident |
| 0142 - LUCROS CESSANTES COBERTURA SIMPLES | General Insurance | P&C Corporate | 0984 - Doenças Graves ou Doença Terminal | General Insurance | Life and Accident |
| 0143 - FIDELIDADE | General Insurance | P&C Personal Lines | 0986 - Dotal Puro | General Insurance | Life and Accident |
| 0167 - RISCOS DE ENGENHARIA | General Insurance | P&C Corporate | 0987 - Desemprego/Perda de Renda | General Insurance | Life and Accident |
| 0171 - RISCOS DIVERSOS | General Insurance | P&C Corporate | 0990 - Eventos Aleatórios | General Insurance | Life and Accident |
| 0173 - GLOBAL DE BANCOS | General Insurance | P&C Corporate | 0991 - Vida | General Insurance | Life and Accident |
| 0176 - RISCOS DIVERSOS - PLANOS CONJUGADOS | General Insurance | P&C Corporate | 0992 - VGBL/VAGP/VRGP/VRSA/PRI individual | VGBL | Pension |
| 0195 - Garantia Est./Ext.Gar-Bens em Geral | General Insurance | P&C Personal Lines | 0993 - VIDA EM GRUPO | General Insurance | Life and Accident |
| 0196 - Riscos Nomeados e Operacionais | General Insurance | P&C Corporate | 0994 - VGBL/VAGP/VRGP/VRSA/VRI | VGBL | Pension |
| 0234 - RISCOS DE PETRÓLEO | General Insurance | P&C Corporate | 0997 - VG/APC | General Insurance | Pension |
| 0272 - RISCOS NUCLEARES | General Insurance | P&C Corporate | 1061 - Seg.Habit.Apól. Merc. - Prestamista | General Insurance | Life and Accident |
| 0274 - SATÉLITES | General Insurance | P&C Corporate | 1065 - Seg.Habit.Apól.Merc.-Demais Cobert. | General Insurance | P&C Personal Lines |
| 0310 - R.C.Administradores e Diretores-D&O | General Insurance | P&C Corporate | 1066 - Seg.Habit.Sist.Financ. da Habitação | General Insurance | P&C Personal Lines |
| 0313 - R. C. Riscos Ambientais | General Insurance | P&C Corporate | 1068 - HABITACIONAL - FORA DO SFH | General Insurance | P&C Personal Lines |
| 0327 - Compreensivo Riscos Cibernéticos | General Insurance | P&C Corporate | 1101 - Seguro Agrícola sem cob. do FESR | General Insurance | Other |
| 0351 - R. C. Geral | General Insurance | P&C Corporate | 1102 - Seguro Agrícola com cob. do FESR | General Insurance | Other |
| 0378 - R. C. Profissional | General Insurance | P&C Corporate | 1103 - Seguro Pecuário sem cob. do FESR | General Insurance | Other |
| 0433 - Marítimos | General Insurance | P&C Corporate | 1104 - Seguro Pecuário com cob. do FESR | General Insurance | Other |
| 0435 - AERONÁUTICOS | General Insurance | P&C Corporate | 1105 - Seguro Aquícola sem cob. do FESR | General Insurance | Other |
| 0437 - RESPONSABILIDADE CIVIL HANGAR | General Insurance | P&C Corporate | 1106 - Seguro Aquícola com cob. do FESR | General Insurance | Other |
| 0457 - D. P. E. M. | General Insurance | P&C Corporate | 1107 - Seguro Florestas sem cob. do FESR | General Insurance | Other |
| 0484 - AERONÁUTICOS - BILHETE | General Insurance | P&C Corporate | 1108 - Seguro Florestas com cob. do FESR | General Insurance | Other |
| 0520 - Acidentes Pessoais Passageiros-APP | General Insurance | Life and Accident | 1109 - Seguro da Cédula do Produto Rural | General Insurance | Other |
| 0523 - RC T. ROD. INTEREST. E INTERNAC. | General Insurance | P&C Personal Lines | 1128 - PECUÁRIO | General Insurance | Other |
| 0524 - Garantia Est./ Exten. Garantia-Auto | General Insurance | P&C Personal Lines | 1129 - AQUÍCOLA | General Insurance | Other |
| 0525 - Carta Verde | General Insurance | P&C Personal Lines | 1130 - Seguro Benf. e Prod. Agropecuários | General Insurance | P&C Corporate |
| 0526 - Seguro Popular de Automóvel Usado | General Insurance | P&C Personal Lines | 1161 - AGRÍCOLA | General Insurance | Other |
| 0531 - Automóvel - Casco | General Insurance | P&C Personal Lines | 1162 - Penhor Rural | General Insurance | P&C Corporate |
| 0542 - Assistência e Outras Cobert. - Auto | General Insurance | P&C Personal Lines | 1163 - Penhor Rural Instit. Fin. Pub. | General Insurance | Other |
| 0544 - R.C.T.Viagem Intern-Pes Trans ou ã | General Insurance | P&C Personal Lines | 1164 - Seguros Animais | General Insurance | Other |
| 0553 - R. C. Facultativa Veículos - RCFV | General Insurance | P&C Personal Lines | 1165 - COMPREENSIVO DE FLORESTAS | General Insurance | Other |
| 0583 - DPVAT EXTINTO | DPVAT | Other | 1198 - Seguro de Vida do Produtor Rural | General Insurance | Life and Accident |
| 0588 - DPVAT | DPVAT | Other | 1279 - Seguros no Exterior | General Insurance | Other |
| 0589 - DPVAT RUN OFF | DPVAT | Other | 1285 - Saúde - Ressegurador Local | General Insurance | Other |
| 0621 - TRANSPORTE NACIONAL | General Insurance | P&C Corporate | 1286 - SAÚDE INDIVIDUAL | General Insurance | Other |
| 0622 - TRANSPORTE INTERNACIONAL | General Insurance | P&C Corporate | 1287 - SAÚDE GRUPAL | General Insurance | Other |
| 0623 - R.C.T.R.P. Viagem Interestad. ou Internac. | General Insurance | P&C Corporate | 1299 - SUCURSAIS NO EXTERIOR | General Insurance | Other |
| 0627 - Resp. Civil do Transp. Intermodal | General Insurance | P&C Corporate | 1329 - Auxílio Funeral | General Insurance | Life and Accident |
| 0628 - R.C.T.R.P. Viagem Municip. ou Intermun. | General Insurance | P&C Corporate | 1336 - Perda Certif. Habilit. de Vôo-PCHV | General Insurance | Life and Accident |
| 0632 - R.C.Trans.Carga Viag.Int.-RCTR-VI-C | General Insurance | P&C Corporate | 1369 - Viagem | General Insurance | Life and Accident |
| 0638 - R.C.Trans. Ferroviário Carga-RCTF-C | General Insurance | P&C Corporate | 1377 - Prestamista (exceto Habit. E Rural) | General Insurance | Life and Accident |
| 0644 - R.C. Viag.Int. Pessoas - Carta Azul | General Insurance | P&C Corporate | 1380 - Educacional | General Insurance | Life and Accident |
| 0652 - R. C. Trans. Aéreo Carga - RCTA-C | General Insurance | P&C Corporate | 1381 - Acidentes Pessoais | General Insurance | Life and Accident |
| 0654 - R.C. Trans. Rodoviário Carga-RCTR-C | General Insurance | P&C Corporate | 1383 - Dotal Misto | General Insurance | Life and Accident |
| 0655 - R.C. Trans. Desvio de Carga-RCF-DC | General Insurance | P&C Corporate | 1384 - Doenças Graves ou Doença Terminal | General Insurance | Life and Accident |
| 0656 - R.C. Trans. Aquaviário Carga-RCA-C | General Insurance | P&C Corporate | 1386 - Dotal Puro | General Insurance | Life and Accident |
| 0658 - R.C.Operador Transp. Multi.-RCOTM-C | General Insurance | P&C Corporate | 1387 - Desemprego/Perda de Renda | General Insurance | Life and Accident |
| 0739 - Garantia Financeira | General Insurance | Other | 1390 - Eventos Aleatórios | General Insurance | Life and Accident |
| 0740 - Garantia de Obrigações Privadas | General Insurance | Other | 1391 - Vida | General Insurance | Life and Accident |
| 0743 - Stop Loss | General Insurance | Other | 1392 - VGBL/VAGP/VRGP/VRSA/VRI | VGBL | Pension |
| 0745 - Garantia de Obrigações Públicas | General Insurance | Other | 1417 - Seg. Compreensivo Oper. Portuários | General Insurance | P&C Corporate |
| 0746 - FIANÇA LOCATÍCIA | General Insurance | Other | 1428 - R. C. Facult. para Embarcações-RCF | General Insurance | P&C Corporate |
| 0747 - Garantia de Concessões Públicas | General Insurance | Other | 1433 - Marítimos (Cascos) | General Insurance | P&C Corporate |
| 0748 - CRÉDITO INTERNO | General Insurance | Other | 1457 - DPEM | General Insurance | P&C Corporate |
| 0749 - CRÉDITO A EXPORTAÇÃO | General Insurance | Other | 1528 - R. C. Facult. para Aeronaves - RCF | General Insurance | P&C Corporate |
| 0750 - Garantia Judicial | General Insurance | Other | 1535 - Aeronáuticos (cascos) | General Insurance | P&C Corporate |
| 0775 - Garantia Segurado - Setor Público | General Insurance | Other | 1537 - RESPONSABILIDADE CIVIL HANGAR | General Insurance | P&C Corporate |
| 0776 - Garantia Segurado - Setor Privado | General Insurance | Other | 1597 - Resp. Explor. ou Transp. Aéreo-RETA | General Insurance | P&C Corporate |
| 0819 - Crédito à Exp. Risco Comercial | General Insurance | Other | 1601 - Microseguros de Pessoas | General Insurance | Life and Accident |
| 0848 - CRÉDITO INTERNO | General Insurance | Other | 1602 - Microseguros de Danos | General Insurance | P&C Personal Lines |
| 0849 - CRÉDITO A EXPORTAÇÃO | General Insurance | Other | 1603 - Microseguros - Previdência | General Insurance | Pension |
| 0859 - Crédito à Exportação Risco Político | General Insurance | Other | 1734 - RISCOS DE PETRÓLEO | General Insurance | P&C Corporate |
| 0860 - Crédito Doméstico Risco Comercial | General Insurance | Other | 1872 - RISCOS NUCLEARES | General Insurance | P&C Corporate |
| 0870 - Crédito Doméstico Risco P.Física | General Insurance | Other | 1985 - Saúde - Ressegurador Local | General Insurance | Other |
| | | | 2079 - Seguros no Exterior | General Insurance | Other |
| | | | 2199 - SUCURSAIS NO EXTERIOR | General Insurance | Other |
| | | | 2293 - Vida | General Insurance | Life and Accident |
| | | | 2201 - Sobrevivência de Assistido | General Insurance | Life and Accident |
| | | | 2202 - Fluxo Biométrico | General Insurance | Life and Accident |
| | | | 2203 - Índice Biométrico | General Insurance | Life and Accident |

Source: SUSEP, Terra Brasis Re

Exhibit 2: List of Technical Terms

Here follows an initial dictionary with the definitions that we used in this report for certain reinsurance terms. We intend to add to the list as the work progresses and believe that this would be worthwhile since several reinsurance terms have been used with different meanings.

Brazilian General Insurance Market: It is the market comprising insurance operations in accordance with official regulation by SUSEP, except for those classified in the DPVAT and VGBL modality.

Brazilian Reinsurance Market: It is formed by operations comprising cessions of reinsurance ceded by Brazilian insurers and assumed by reinsurers that are authorized to operate in Brazil and classified as local, admitted, or occasional.

Local Reinsurance Market: It is formed by operations comprising reinsurance business assumed by Local Reinsurers.

Written Premium or Gross Written Premium: It is the value of the premium written by Insurers or Reinsurers, before reinsurance or retrocession deductions. In the case of reinsurers, as of May 2011, it is net of commissions paid to Cedants.

Net Premium: It is the written premium net of the reinsurance or retrocession deductions.

Reinsurance Premium or Gross Reinsurance Premium: It is the same as Written Premium or Gross Written Premium by the Reinsurers. Even though, by definition, commissions are deducted from such value, temporarily at Terra Report we always indicate whether the reinsurance premium is net or gross of commission.

Net Reinsurance Premium: It is the reinsurance premium net of ceded retrocession premium. As for the Reinsurance Premium, temporarily at Terra Report we always indicate whether the reinsurance premium is net or gross of commission.

Commission: It is the value that the reinsurer or retrocessionaire pays to the Cedant, with the objective of covering part of the expenses incurred in the administration and production of the business.

Brokerage: It is the value paid to the broker ("broker") in compensation for the intermediation of the insurance, reinsurance, or retrocession.

Overriding: It is the part of the commission paid to Cedants in addition to their incurred commercial expenses.

Acknowledgements

It is with enthusiasm that we continue to publish our market report, Terra Report, a research piece covering the Brazilian Reinsurance Market, which we share with our clients, partners, and colleagues.

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We hope our readers appreciate this work as much as we appreciate developing it. Without a doubt, it is extremely gratifying to be involved in the Brazilian reinsurance market at such an important moment of its development. Any criticism, comment, or suggestion for this work is very welcome.

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Reactions

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BRAZILIAN REINSURER OF THE YEAR



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3º Lugar
Categoria Produtos e Serviços
Edição 2017



3º Lugar
Categoria Produtos e Serviços
Edição 2015



2º Lugar
Categoria Comunicação
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