



SOMPO
SEGUROS



Annual Report 2019

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Message from the president

Overcoming challenges with innovation

2019 started out as a year full of expectations but proved to be challenging in the early quarters. The company faced an increase in the number of claims and a dormant, though extremely competitive market. However, the year ended with significant, tangible achievements that made the entire company proud: 102% of our target net income reached, with net sales of R\$ 3.86 billion, 3% above plan.

Beyond the achievement of good numbers, our area of greatest growth was in creating value for our audiences. First, significant investments were made internally to transform and modernize our facilities to better accommodate everyone and forge our identity with greater flexibility and diversity.

We also enhanced our customer care and services, expanding listening channels

and streamlining responses and solutions to the problems of our policyholders, as well as reviewing our position on social and environmental responsibility.

After all, as an insurance company, our greatest value and mission is to protect and promote well-being by taking care of what is most important: our life, our business, our assets. Commitment to this mission made 2019 a year of profound achievements and earned the company four publicly recognized awards.

For the first time we were featured in the ranking of the 150 Best Companies to Work For, of *Guia Você S/A*, and received the 2019 “Revelation” Company award for achieving the highest Happiness at Work Index among organizations entering the ranking for the first time.

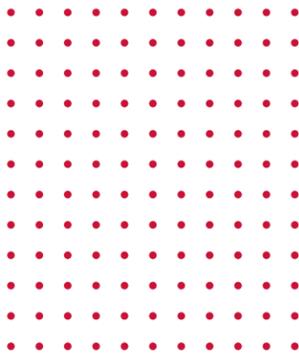
We ranked second in the National Quality of Life Award (PNQV), sponsored by the Brazilian Association for Quality of Life; we ranked

first as the Most Innovative Company in the Privately Held segment for the *Estadão Empresas Mais* award; and we were considered the best positioned insurance company in the ranking of the 150 most innovative companies in Brazil in the *Valor Inovação Brasil* yearbook.

We believe in the culture of innovation as a means to secure a better world: innovation related not only to technology, but also to ideas, behaviors, relationships with external and internal audiences, and even to the environment. Our company will evolve continuously by understanding the new demands of society and launching products that contribute to improving the lives of Brazilians. Our 2019 achievements lead us to believe that we are on the right track and will continue to obtain even better results for everyone in 2020.



Francisco Caiuby Vidigal Filho
President of Somo Seguros



Highlights of the year

R\$ **5.4**
billion
in assets

R\$ **69**
million
in net income

R\$ **3.8**
billion
in premiums

R\$ **1.8**
billion
in insurance claims
paid to the public

- Segments with the most relevant growth in terms of premiums compared with the previous year:

Life
65.4%

**Corporate Property
and Casualty**
30.2%

Agriculture
20%

Auto
19.2%

Marine
19.1%

- Included among the 150 Best Companies to Work For in *Guia VOCÊ S/A*, with the highest Happiness at Work Index among those making their debut in the ranking
- One of the 150 Most Innovative Companies in Brazil, according to the *Valor Inovação Brasil* yearbook.
- 42 branches across Brazil.
- 1,872 employees.
- 26,000 partner brokers.
- Reputation index of 8.1,

classified as Great on the “*Reclame Aqui*” site, based on the last 12 months.

- NPS (Net Promoter Score) customer satisfaction index of 61 for the year, exceeding the target.
- Launch of the institutional, broker and policyholder portals.
- Effective participation of the Diversity Committees created in 2018: multidisciplinary groups formed by employees to address the topics of gender, age, race and ethnicity, people with disabilities, and LGBTI+.
- Adherence to commitments such as the Global Compact, PSI - Unep FI Principles for Sustainability in Insurance, Forum of LGBTI+ Companies and Rights and its work agenda expressed in the 10 Commitments, Women Empowerment Principles (WEP), and Pact for Inclusion of People with Disabilities.
- Support for the project *Observando os Rios* (Looking Out for Rivers), from *Fundação SOS Mata Atlântica*.



Who we are

Strong in Brazil and worldwide

Sompo Seguros S.A. is a subsidiary of the Sompo Holdings Group – one of the largest insurance groups in Japan and the world. The group has been operating for over 130 years and is present in 218 cities in 30 countries, spread across the five continents. It has 80,000 employees committed to generating well-being for more than 20 million policyholders.

Worldwide

US\$ **108 billion**
in assets in 2018

US\$ **16 billion**
in net equity in 2018

US\$ **24,5 billion**
in insurance premiums in 2018

In Brazil, Sompo Seguros was established in 2016, integrating the operations of Marítima Seguros (founded in Santos in 1943) and Yasuda Seguros (operating in the country since 1959), thereby combining the knowledge of a local player with the experience of a global company. The company was founded to humanize the relationship between insurance and policyholders, driven by the mission to “Generate well-being and protection to society by providing high-quality services.

With 42 branches spread across all regions of the country, Sompo has its headquarters in the district of Paraíso, and the Call Center in the city center, both in the city of São Paulo. The company has 1,872 employees who perform with excellence in the areas of Corporate and Personal Insurance, offering more than 30 products (*learn more in section Our Business*).

In Brazil

R\$ **3.8 billion**
in premiums written in 2019

R\$ **1.8 billion**
in insurance claims paid to the public

R\$ **5.4 billion**
in assets in 2019

R\$ **1.3 billion**
in shareholders' equity in 2019

26,000
registered brokers in the country



Our culture

The company's strategy, as well as its way of being and doing business, is based on its mission, vision and values.



Mission

Generate well-being and protect society by providing high-quality services.



Vision

To be the insurance company of choice for customers and maintain sustainable growth.



Values

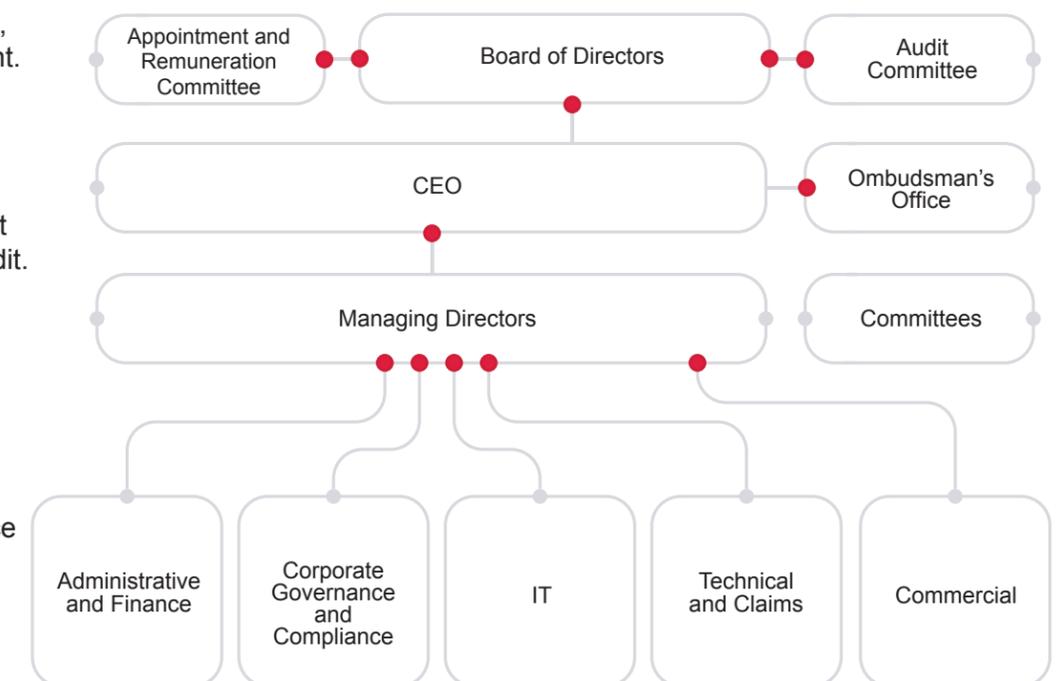
- Agility
- Credibility
- Quality of services
- Valuing people
- Customer-oriented
- Results-oriented

Corporate governance

To guarantee the effectiveness of its processes and policies, Sompo Seguros follows best corporate governance practices in the market, grounding its performance in:

- Strengthening the framework of internal controls, compliance, and risk management.
- Effectiveness testing of internal controls validated through internal audit and independent audit.
- Committees designed to carry out and improve internal studies, support decision-making, formalize corporate governance practices, and monitor results.

Sompo Seguros Organizational Structure



Committees

In order to support the Board of Directors, two committees - Audit and Remuneration - were set up to deal with the company's relevant and strategic topics. Each committee relies on a team of specialists on these topics, who take on challenges and goals to be debated and presented to the Board of Directors. In addition, the company prepares a monthly report to Board Members, with strategic and updated information.

In 2019, the Sompo Holdings Group redesigned the management structure of subsidiaries to improve their corporate governance and drive the group's growth outside Japan. The measures include new operations and leadership. Among the most important initiatives is the creation of the Sompo Retail platform to manage countries with high retail potential, such as Brazil.

Corporate image

In 2019, Sompo worked globally — in line with the Sompo Holdings Group — to manage and strengthen its brand.

In view of an increasingly connected society, which shares experiences and opinions, and with newcomers entering the insurance market, the company defined some procedures to be followed to ensure transparency and positive relationships with all its stakeholders.

In addition, attentive to the image and reputation risks that every company faces, Sompo listed its emerging risks in line with Enterprise Risk Management (ERM). This work generated a series of training initiatives and improvements in controls:

- Specific risk management training, including in Business Continuity Management (BCM), with the participation of the Executive Board.



- Creation of new controls, such as monitoring SAC (Customer Services) and Procon (Consumer Protection), for a more accurate risk analysis. The next step will be to monitor digital presence through user profiles.

- New projects focused on operational efficiency.

- Actions within the Ethics and Compliance Program.

Ethics and compliance

Acting ethically, transparently, and with integrity is part of Sompo's way of being and doing business. Annually, Sompo conducts training on this topic and reinforces the concepts of its Code of Ethics.

In 2019, Sompo took the concepts of compliance to the insurance market's production chain. Partners across Brazil, such as insurance brokers and auto repair shops, participated in events

to address the importance of ethics and integrity in business relationships.

Training also addressed prevention of fraud and corruption and demonstrated how alignment with the production chain and proper conduct reduce risks and losses for all. In all, 36 risk management and compliance training initiatives were conducted, including on-site meetings and e-learning.

Whistleblowing channels

To give voice to all its stakeholders (employees, insurance brokers, business partners, suppliers, customers, and the community), Sompo has whistleblowing channels in place to receive reports related to violations of the Code of Ethics, suspected fraud operations, corruption and money laundering crimes, and information on possible non-compliance with legal and regulatory provisions applicable to insurance companies.



These channels are constantly being improved. Reports can be made anonymously by means of a form on the website, through the intranet, via a toll-free number, and by e-mail. Anonymity, absolute confidentiality, and impartial investigations are guaranteed.

The Risk Management and Compliance and Human Resources areas are responsible for managing the channel, and all reports are shared with the Audit Committee. An internal survey conducted in 2019 shows that 89% of employees trust the channels.

In 2019, Sompo Seguros received a total of 201 reports, including internal and external reports. Of these, 79% came through the website. Of the total, 82 referred to topics related to the Code of Ethics and 119 were about suspected fraud.

When we closed this report, 85% of the cases had been addressed within 30 days. The others required additional time but were duly answered. The valid cases were addressed according to the Code of Ethics and current legislation.

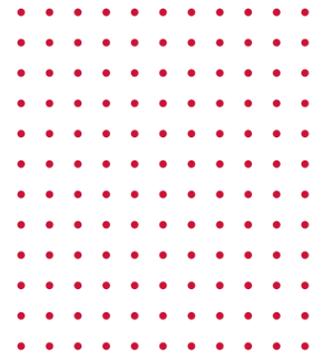
More secure and updated data

Customer and company data are included among the most valuable assets for Sompo Seguros. For this reason, the company has increasingly invested in actions to protect this information and manage it with greater efficiency and use of technology, starting with the migration of the Data Center, which was transferred from the company's headquarters to a designated location that has the necessary characteristics to support critical services. This established the project for an external Data Center with high availability, better performance, more security and better cost-benefit ratio. The initiative also targeted the company's digital transformation, since it involved the integration of new systems.

In addition, a Corporate Data Warehouse was implemented to generate centralized and reliable information, improving transparency and strategic decision-making.

As for financial data, Sompo began working with Risk Adjusted Profit (RAP) - Economic Value Added (EVA), an indicator that simply and objectively shows the operating profit and the capital resources required to generate it.

To validate all this work, the company undergoes external accounting audits and has outsourced internal audits. Both are carried out by well-respected companies in the market.



Data privacy above all

Sompo has in place a Privacy Management Program to oversee all projects created to help its processes comply with the General Data Protection Law (GDPL). This program is managed by the Information Security area and relies on the collaboration of a multidisciplinary team.

Work began in March 2019 with a Privacy Assessment to identify areas that process personal data and the flow of such data in order to map risks. Procurement processes were then adjusted based on a survey to determine all partners who have access to the personal data of Sompo's customers. Part of this work included the adjustment of contract models, in a joint effort with the Legal Department, including confidentiality agreements and execution of addendums

to include data privacy clauses required by law.

Policies to classify information were also created in order to configure new Data Loss Prevention (DLP) tools, and new information security tools were implemented to detect threats and generate alerts.

In 2020, work will continue via other efforts, such as the development of the Consent Solution, which will be integrated across all channels that collect personal data, to inform visitors about the types of data that will be collected and their respective purposes and request their consent.



Business strategy

One of the strategic objectives of Sompo Holdings is to significantly increase the representation of its subsidiaries in the composition of the group's profitability. As a result of this objective and aiming to improve corporate governance, a management model among subsidiaries outside Japan, Sompo International Holdings was created, which segregated all subsidiaries into two platforms - Commercial and Retail - whose purpose is to drive synergy between the companies. Sompo International has also created a platform, called AgriSompo, that focuses on Agricultural Insurance.

Sompo Seguros is included in the Retail platform and has high representation in the AgriSompo platform, given the potential of Brazil's characteristic retail and agricultural markets. With the expected recovery of the economy and, consequently, consumption, the operation in Brazil occupies an important position in the global strategy.

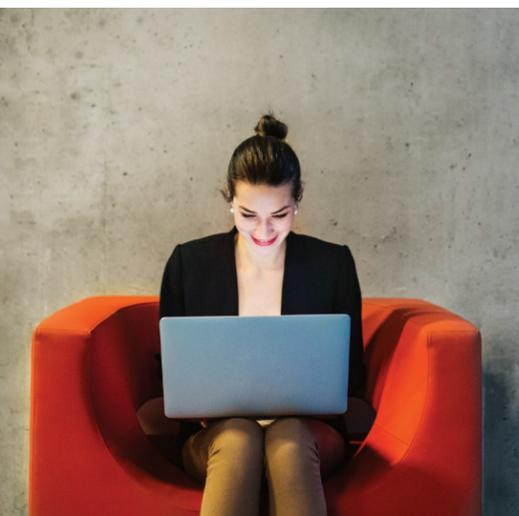
This outlook directly influences our performance as Sompo Seguros, whose key guideline for the execution of our corporate, tactical and operational strategies is to seek sustainable growth of the operation, as stated in our vision for the future: "To be the insurance company of choice for customers and maintain sustainable growth."

For the coming years, the executive leadership

of Sompo Seguros has promoted, in line with the guidelines of Sompo International Holding and the ambitions for the Retail and AgriSompo platforms, a diagnosis process and development of a strategic business transformation plan, which resulted in the definition and prioritization of multiyear initiatives to achieve the vision for the future.

In order to be the insurance company of choice for customers, we are strengthening knowledge of and consideration for our brand, which involves delivering a differentiated and positive experience to our potential customers. Providing convenience, agility, and practicality in serving and providing services to our customers and partners is a central point of our strategy.





In order to promote sustainable growth, with a focus on maintaining results, we have in place mechanisms to protect our capital, strategies to control claims, reinsurance management, discipline in underwriting, increased operational efficiency through process automation, implementation of digital solutions, and expense control.

Internal campaign to communicate our strategy

We have been working on communicating our strategy since 2018, when we launched the internal campaign Conquistadores 2022 (Conquerors 2022). In order to advance the strategy's communication plan, in 2019 the company invested in gamification.

A Strategic Map was developed with the theme of a journey through space. The objective is for each employee to become a *Sompo Conqueror*.

The launch featured presentations at the company headquarters and branches, reaching 100% of the internal audience. In 2019, a game platform called *Conquistadores 2022 – O Jogo (Conquerors 2022 – The Game)* was adopted to check for understanding, put into practice the knowledge acquired in the first stage, and emphasize the connection between different topics and the company's strategy.

Innovation in practice

In 2019, a survey conducted by Strategy&, PwC's strategic consultancy, for the fifth edition of the Valor Inovação Brasil yearbook, put Sompo among the best positioned insurance companies. Innovation is part of Sompo's daily routine, here in Brazil and abroad. Sompo invests in Digital Labs, located in the main innovation hubs in the world: Silicon Valley (United States), Tel Aviv (Israel) and Tokyo (Japan).

All this to expand the field of ideas, develop new projects and generate results. The main objective is to create business opportunities and improve the customer experience.

In Brazil, the work of innovation began with the recruitment of innovation agents, responsible for spreading the culture and developing projects. There are 78 innovation agents: 48 have already developed projects and 30 are working on new challenges. In 2019, nine projects were initiated and completed.

Among the proposals developed by the agents, it is worth mentioning the *Seguro Sompo Equipamentos de Mobilidade (Sompo Mobility Equipment)*, an unprecedented product in Brazil that covers damages to equipment used by people with disabilities (PwD) or reduced mobility, such as prosthetics and wheelchairs.

The project won the Antonio Carlos de Almeida Braga Award for Innovation in Insurance, granted by the National Confederation of General Insurance Private Pension and Life, Supplementary Health and Capitalization Companies (CNseg), in the Products and Services category.

Recognition

In 2019, Sompo received recognition for many of its efforts and practices and ended the year with a special distinction: inclusion in the list of the 150 Best Companies to Work For and the award for the 'Revelation' Company of the Year. See the six awards received in the period:

2019 edition of the 150 Best Companies to Work For
Organized by: Guia VOCÊ S/A
Rank: 41st position
Highlight: 1st company with the highest Happiness at Work Index among the companies that entered the list for the first time

National Quality of Life Award (PNQV) - 22nd edition
Organized by: Brazilian Quality of Life Association (ABQV)
Rank: Silver in the "Large Companies" category

Estadão Empresas Mais - 5th edition
Organized by: Grupo O Estado de S.Paulo, Austin Rating agency, and Fundação Instituto de Administração (FIA)
Rank: 1st place as the most innovative company in the Privately Held segment

Valor Inovação Brasil 2019
Organized by: Valor Econômico journal and Strategy&
Rank: 2nd place in the Insurance and Health Plans category

Caio 2019
Organized by: Eventos Magazine
Rank: Silver in the "Design of Large Booths and Scenographic Environments" category for the 3D booth at the São Paulo Insurance Brokers Conference

Gaivota de Ouro Award
Organized by: Seguro Total Magazine
Rank: Gold in the "Excellence" category in Marine Insurance



Our relationships

Generate well-being and protect society by providing high quality services. This is Sompo Seguros' mission statement. Based on this guideline, the company defines its practices, policies, and conduct toward its various stakeholders.

To its professionals, the company offers quality in the work environment, encourages diversity and promotes career growth opportunities. It invests in a long-term relationship with its partner brokers and places the customer at the center of the business, understanding the current demands. This is how Sompo relates to its audiences.

Happy employees

It is a fact that happy teams work better. For its 1,872 employees in Brazil, Sompo has worked to promote health, quality of life, and continuing education in an environment that values respect in all relationships, open communication, and diversity of thoughts and personal characteristics.

To ensure equal opportunities and benefits, Sompo has

an inclusive organizational culture, in which listening is essential to improve and innovate human resources policies.

There were many innovations in 2019 that showed the company's increased flexibility in meeting the changes in society and the labor market. Small details can make a big difference in the organizational climate, such as being able to work in shorts and flip flops and even relax by getting a quick massage.

One of the highlights that improved the quality of the work environment was the project to restructure corporate spaces to make them more comfortable, modern, humanized, and even environmentally sustainable, contributing not only to the well-being of employees, but also opting for more sustainable materials and solutions (*more information in section Our Responsibilities*).

Sompo values and invests in the relationship with its customers, brokers and employees.





These and other actions were recognized as differentiators for the internal audience and resulted in the inclusion of Somo Seguros in the ranking 150 Best Companies to Work for from Guia Você S/A; and in the National Quality of Life Award (PNQV).

One component that also contributed to this result was the high score, above average, on the Work Environment Quality Index (IQAT), in several categories:

- **Employer Branding:** the company's reputation as a good employer.
- **Sustainability and Diversity Management:** good company communication

with employees, from a freedom and openness standpoint.

- **Internal Communication Management:** good company communication with employees, from a freedom and openness standpoint.

- **Strategic Management and Management of Objectives:** assesses how aware and engaged employees are in fulfilling the strategies.

- **Management of Health, Safety and Quality of Working Life (QWL):** determines how much employees feel appreciated in relation to their work.

1,872 employees

Age group

18-25	152
26-35	591
36-45	733
46 and older	396
Grand total	1,872

Time with the company

Up to 2 years	608
3-5 years	522
6-10 years	402
11-20 years	236
21 years or more	104
Grand total	1,872

Gender

Women	1,061
Men	811
Grand total	1,872

Education

Completed higher education	886
Graduate degree	210
No higher education	776
Grand total	1,872

Women in leadership

Grand total	127
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PwD %

Hearing	28	29%
Physical	52	55%
Visual	13	14%
Other	2	2%
Grand total	95	100%

Diverse environment

In order to strengthen and increase inclusion practices in its environment, Somo Seguros established Diversity Committees. They are affinity groups, made up of employees, aiming to implement actions, practices, and policies that promote equal opportunities and integration with and respect for the corporate environment.

The committees are divided into five pillars: gender, age, race and ethnicity, people with disabilities and LGBTI+.

In 2019, work was intensified with the social commitments made by the company to contribute to a diverse environment:

- **Forum of LGBTI+ Companies and Rights** (Letter of Adherence to the Forum and 10 Company Commitments to the Promotion of LGBTI+ Rights).
- **Women's Empowerment Principles** – UN Women.
- **Pact for Inclusion of People with Disabilities** – Corporate Social Inclusion Network (*REIS - Rede Empresarial de Inclusão Social*).

Health and quality of life

Taking care of health and encouraging the quality of life of its employees is also part of the company's purpose. In 2019, actions on both topics were strengthened:

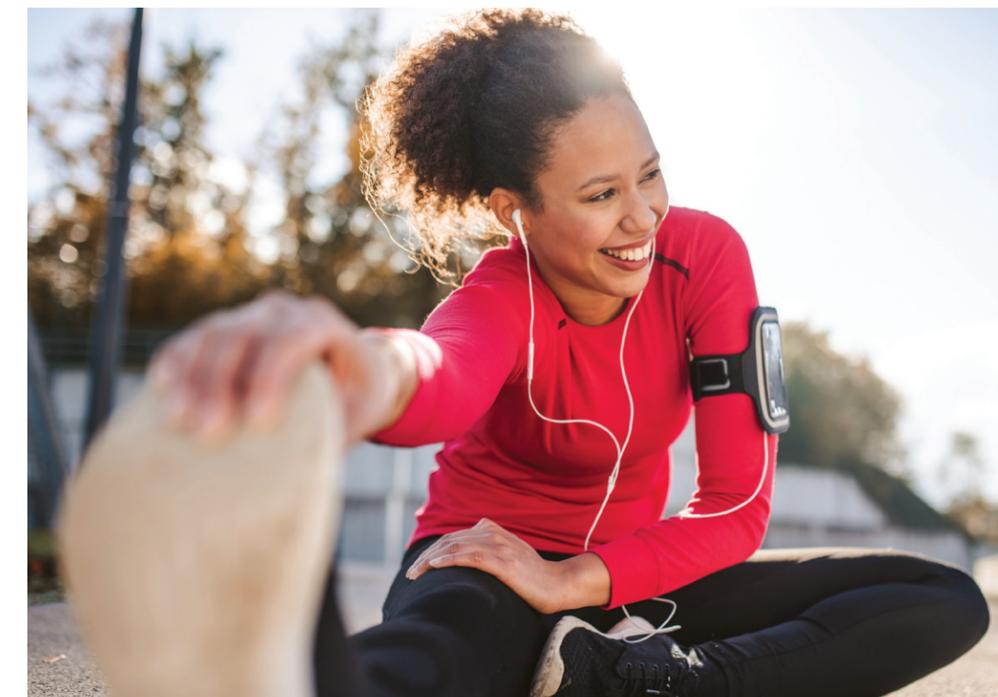
- **Presentations** on anxiety, depression, and other topics.
- **Event #Cultive Bem-Estar**, focused on activities related to ergonomics, obesity control, smoking, meditation practices, mindfulness, and guidance on nutrition and posture.
- **Meditation** practices, mindfulness, and guidance on nutrition and posture.

- **Encouragement of physical activities**, through agreements with Gympass, in addition to the internal programs Somo Runners (running groups) and Somo Balance (yoga, pilates, and zumba classes).

- **PAE** – employee and family support program that offers psychological, economic, and legal assistance, by telephone and in person.

- **Somo Gestar** – specialized team providing guidance on health and self-care during pregnancy.

- **Você mais Leve Program** – biweekly follow-up with a psychologist and nutritionist to encourage changes in eating habits.





Continuing education

Throughout 2019, a total of 540 in-person training sessions and 327 e-learning courses were conducted, totaling 18,986 participants from the entire company. In addition to corporate training, Sampo encourages lifelong learning through e-learning courses in the *Portal do Saber* platform, offers scholarships (undergraduate, graduate and English courses) and develops periodic programs concentrated in three modalities:

- **On Top of the Business** – knowledge sessions about the value chain of Sampo products.
- **Exchange** – develops global competencies and promotes the exchange among employees to our Headquarters in Japan.
- **Sampo Saber Program** – participation of employees as multipliers in technical and behavioral training, as well as in various subjects, who act as volunteers, sharing their knowledge outside working hours.



Career Counseling Program

This initiative provides self-knowledge and helps employees find alternatives that meet their expectations in relation to their professional development and planning their careers. In this way, we can make the most of our best internal talents. To meet this demand, ten groups were created, and three 4-hour workshops were held, totaling more than 540 hours of training. In 2019, a total of 75 employees participated in this program.

Voice to employees

Sampo believes that dialogue is the best way to share ideas, exchange experiences, and listen to criticisms and suggestions. To encourage this attitude among its professionals, the company has channels and tools in place and provides time for these interactions:

- **HR with You** a week dedicated to publicizing HR processes and listening to team suggestions.



Employee Engagement Level

To monitor engagement level, Sampo Holdings, in partnership with Gallup, conducts an annual Engagement Survey in all countries where it has subsidiaries. In 2019, the overall index increased by 0.24 percentage points, from a rating scale of 1.0 to 5.0

- **Talk to HR** an email address where employees can send questions and suggestions.
- **Talk to the President** an initiative created to bring senior management closer to the entire organization. In these opportunities, in addition to getting to know the President better, both professionally and personally, employees ask a variety of questions about the corporate environment.
- **HR and internal communication agents** – they are professionals responsible for passing on company matters to leaders and teams to expand communication between all.
- **Research on HR products and services, and benefits** the results of the study contribute to the improvement or adjustments to the products and services offered.

- **Reporting channels** channels available on Sampo's website and intranet for anonymous reports from employees, service providers, policyholders, and brokers. A monthly forum is held with the Executive Board to address all reports and their resolutions. Available channels: Code of Ethics, fraud and money laundering.

In addition to these channels, the company provides an intranet, a weekly newsletter with news for the period, and TV Corporativa Sampo. An opinion poll is conducted annually, which has shown an increase in employee satisfaction with internal communication. In 2019, 84% of employees rated communication as good and very good.

Attracting new talent

In 2019, Sompo invested in the Novos Talentos Sompo Program to attract students to the company's intern selection process. More than 7,000 candidates applied. We hired 30 new interns, who started work in January 2020. This group, which joined the 18 interns who started in 2019, starts with the mission of working on multidisciplinary projects focused on end consumers. The projects will be presented at the end of 2020, and the best will be implemented by the company after a feasibility study.

For families

The company promotes entertainment for employees' children, spouses, and parents.

• Sompo + MAM

Chaperoned visits to São Paulo's Museum of Modern Art (MAM) in order to encourage education, art and culture.

• Sompo Kids and Sompo Teen

Open doors for employees' children (children aged 5 to 11 and young adults aged 12 to 15) to spend a day at the company and get to know the routine and work environment of their parents. A total of 312 people participated in the programs in 2019.

Partnership brokers

Insurance brokers – the company's main business partners, are just as important as employees for Sompo's business excellence.

Currently, Sompo has 26,000 brokers to take its products to customers. The commercial area develops specific policies and conduct to motivate brokers and keep them informed about the company's products, services, and news.

To learn – training and lectures

Training, carried out at the branches, is conducted by account executives and the products are presented by the technical areas. In addition to becoming familiar with the portfolio, brokers are invited to participate in lectures through the Ethics and Compliance Program. The aim is to ensure ethics and integrity and minimize risks to image and of liabilities. These opportunities also allow us to get closer to business



partners, which is essential to share the company's values with transparency.

regular registration with the Superintendence of Private Insurance (SUSEP).

To motivate – campaigns and awards

Fraternidade Sompo is a productivity incentive program to enhance talents and offer rewards. The 20 winners in 2019 completed the Customer Experience course at the campus of the University of Central Florida (UCF) and Universal Orlando, United States, and earned an international certification. This campaign is exclusively for brokers who sell Auto, Corporate, and Life insurance, with

Mestre Sompo rewards professionals who meet the production goals established in the campaign. The bonus consists of additional commissions on the Net Premium. The award recognizes professionals who perform as masters in the field, with dedication, technique, and professionalism.

Ponto a ponto program recognizes brokers who sell new Life, Personal Accident, and Health insurance products. For every new sale, brokers earn points that can be redeemed for different types of prizes.





Our priority is to take care of our customers, contributing to their well-being and quality of life.

Clients always well!

This mission is practiced on a daily basis. Promoting well-being and quality of life and protecting customers has been a priority for Sampo Seguros for over 130 years. Customers are always the focus of strategic decisions, the development of services, the improvement of procedures, and of each service provided. It is no coincidence that the company's strategic vision is to be the insurance company of choice for customers. And what does Sampo do to achieve that? The company practices the culture of "being in the customers' shoes," seeing through their eyes, welcoming the demand,

and getting involved in the solution. It also combines technological innovations with excellence in human service, which in practice translates into:

- **Agility** in resolving cases
- **Care** for details to exceed expectations
- **Proximity** to customers to personalize products and services
- **High quality** guaranteed by adoption of best practices
- **Customer-centered** relationships

In 2019, all these concepts were followed and improved in their execution with important measures taken throughout the year.

Being in the customers' shoes

See through the customer's eyes, understand their doubts, pains, and challenges, and fight for their rights and interests. These sayings sound like they are coming out of a consumer protection guide, but they are not. This is Sampo Seguros' internal culture, which involves not only all company employees, but also partners. The goal is to generate solid, agile, and intelligent results for customers. This culture is based on three pillars:

- **Promote customer care:** listen attentively, show that you care, do not let them feel like

they are just another customer.

- **Get involved in the solution:** act internally to resolve the issue, involving the solution team (regardless of hierarchy) to explain the situation to the customer and provide all information in clear language.

- **Commit to the customer:** build a relationship of trust, closeness, and transparency and guarantee results.

These pillars were the basis for creating the #DeixaComigo campaign, aimed at helping brokers serve customers, as well as the precepts Sampo Seguros adheres to in any matter related to assisting policyholders.

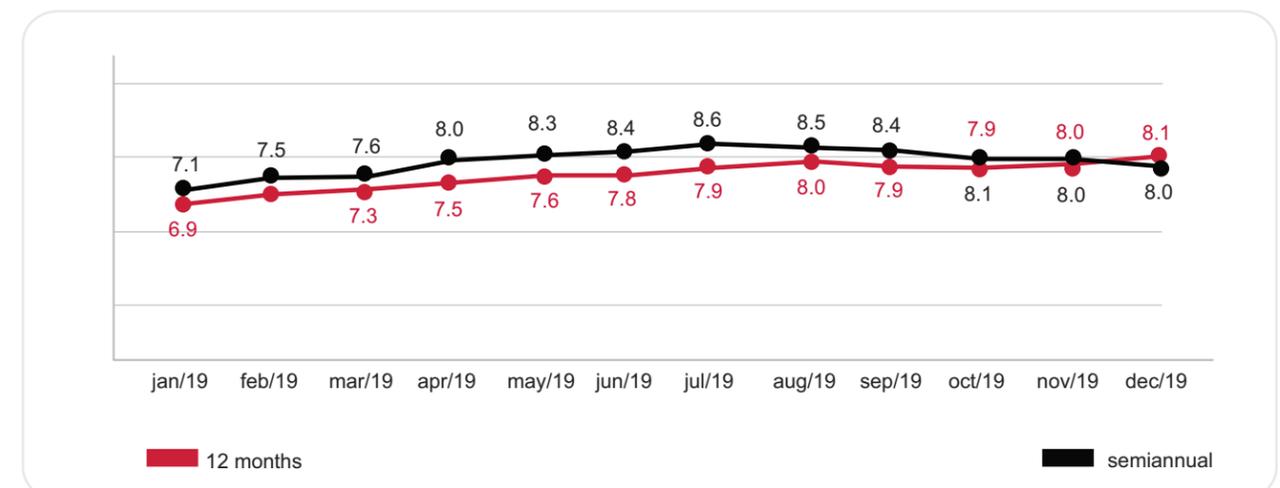
Sampo increases satisfaction

In 2019, we grew in two important customer metrics:

- **Reclame Aqui (RA)** We ended 2019 with an 8.1 (Great) reputation score in *Reclame Aqui*, based on the last 12 months, and for two months we were awarded the RA1000.

- **NPS (Net Promoter Score)** We ended 2019 with a score of 61, indicating that we are in the QUALITY range.

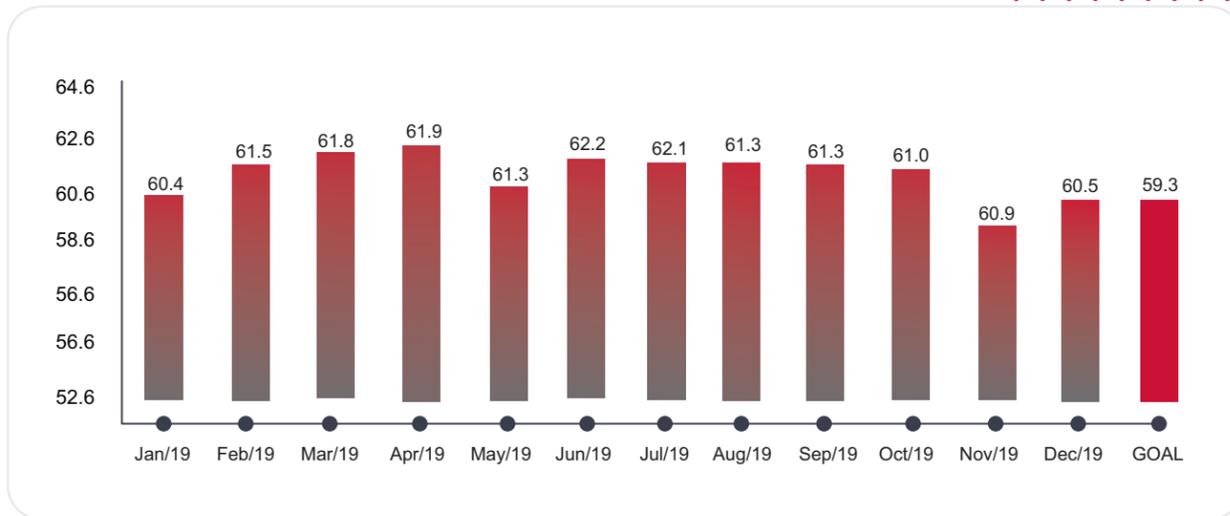
Reclame Aqui Evolution Indicator– Insurance



In the NPS, the company exceeded the goal established for 2019 (including customers with and without claims) and is moving toward winning more promoters, i.e., fans of the company who may come to spontaneously speak well of their experience with the brand.

In both cases, the dissemination of the *Jeito Sampo de Resolver* (Sampo's way of resolving) and internal training made teams more proactive, quick, and autonomous in solving problems. This effectively yielded results.

NPS Sampo 2019



Training for excellence

Investments in training teams means reaping rewards from customers. Sampo offered 59 training courses and lectures to its Call Center team in 2019. In general terms, they all aim

to connect professionals with the company's mission, vision, and values, training to promote well-being. However, seven of these courses were offered to the service team, which acquired knowledge on medical removal, business, collection, and life insurance, among others.



Sayuri

Quality from the inside out

For customers to have the best possible experience, Sampo Seguros created a quality control team in 2019, with 12 professionals to work on the end-to-end journey of policyholders, covering 24-hour assistance services.

We implemented a hybrid management model, in which the team of partners works from Sampo Seguros facilities. In addition, we monitor the service process online where we can adjust the route during the journey, in order to mitigate the risks of conflict and ensure high quality.

This team monitors customer service provided by partner service companies. In addition to controlling the quality of the work of its partners, Sampo's team acts preventively and points out opportunities for

improvement. In this way, the company also adds its touch and identity to each service. The evolution of this process is continuous to guarantee high levels of quality in services and a fluid and differentiated journey for customers. The PDCA methodology will guarantee the growth of the process.

Multichannel presence

Serving well in the digital age means talking to customers through their channels of choice. It is up to the company to have the competence to navigate these channels and, above all, to create a simple and friendly way of accessing each of the platforms or social networks. This was one of the goals for 2019: to be multichannel, offering more means of communication with its audiences.

• **Launch of the institutional, broker, and customer portals.**

- **Improvement of apps** with more operations and intuitive usability.
- **Progress on an omnichannel strategy**, a process that began two years ago.
- **Update and expansion of Sayuri**, Sampo Seguros chatbot.

Sayuri – Sampo virtual assistant

Sayuri was launched in November 2018 to quickly and simply meet the demands of our brokers and policyholders. We have a curatorial team that works daily and continuously on improvement and development in search of greater agility, assertiveness, and expansion of the scope of service. It is a continuous development and learning process for Sayuri to serve customers in their channels of choice.

Customer service	2017	2018	2019
Call center	1.8 million+	1.4 million+	1.3 million+
Sayuri	0	37,000+	456,000+

Our responsibilities

Respect for life and environment care is a cause taken up by Sompo Seguros as a strategic responsibility toward its employees, customers, and the population.

Based on these premises, the company develops social and environmental responsibility actions in line with the Sustainable Development Goals (SDG), established by the United Nations (UN).

Sompo has chosen two main pillars to work on: human rights and the environment. All of its investments in social and environmental responsibility, as well as the company's internal and external campaigns, are committed to these pillars. The contributions occur in several ways: direct funds, incentive laws, exchanges, institutional support, and various volunteer actions through the *Semear o Bem* project.



Our Actions

4 QUALITY EDUCATION


5 GENDER EQUALITY


8 DECENT WORK AND ECONOMIC GROWTH


10 REDUCED INEQUALITIES


17 PARTNERSHIPS FOR THE GOALS


HUMAN RIGHTS

- MASP Professoras
- Transempregos partnership
- Respect Week
- Citizen Company
- MAM Partnership
- Scholarship and Languages
- Diversity E-learning
- Career Counseling Program
- Diversity Census
- Sompo Saber

HEALTH MODEL

- Flu Vaccine
- #Cultive Bem-Estar Event
- Pink October and Blue November
 - Health Calendar (Educational Campaigns)
 - Quick Massage
 - Sompo Runners
 - Sompo Balance
- Employee Support Program (PAE)
- Monitoring of Employees on Leave
 - Decompression Lounge
 - Obesity control
 - Sompo Gestar
 - Mommy's room

3 GOOD HEALTH AND WELL-BEING


17 PARTNERSHIPS FOR THE GOALS


- SOS Atlantic Rainforest
 - Paperless Project
- Solidarity Garden Project
 - Recycle Project
- Recycled Water Project
 - Energy Efficiency
- Sowing the Good Program
- Green Building Branches
 - Sustainable Partners
 - Sustainable Booth

6 CLEAN WATER AND SANITATION


13 CLIMATE ACTION


15 LIFE ON LAND


17 PARTNERSHIPS FOR THE GOALS


PRIORITY ENVIRONMENTAL CHALLENGES

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE


ADVANCES IN TECHNOLOGY AND INNOVATION

- Mobility Equipment
- APP Sompo
- Top Mulher Insurance
- Whatsapp Claims
- Pre-inspection of agricultural machinery through image
- Chatbot Service
- Drone RE
- Gamification
- New portals: Institutional, Broker, Policyholders, Health and Claims
- Process digitization and automation
- New quoters: Automobile, Fleet and Agribusiness



Our employees engage in volunteer causes to make a difference in people's lives.

Focus on human rights

In 2019, several initiatives were developed, within the company and in partnership with other institutions, to promote inclusion and respect for diversity. Below are some of the highlights:

• Diversity Committee

Composed of five affinity groups - gender, age, people with disabilities, LGBTI+, race and ethnicity - the mission of the Diversity Committee is to maintain an increasingly inclusive and open work environment for the New. It promotes bimonthly discussions on the topic, develops educational

activities, and supports employees who wish to discuss diversity.

• Respect Week

Held every year for Somo employees, the 2019 Respect Week was centered on empathy and respect. In addition to rounds of conversation with guest experts, on-site presentations, and activities with a historical and cultural approach (in the case of the group for race and ethnicity), the professionals participated in an online course on Unconscious Bias, and leaders also had access to a training course called Inclusive Leader. A talk on Diversity was also held from a Human Rights standpoint. Participation was significant, with 5,000 views on the intranet and 1,800 employees trained in the courses.

In addition to these activities, in June 2019 a chat was held with the leadership on the International LGBTI+ Pride Day.

• Canto Cidadão

The non-governmental organization *Canto Cidadão* develops social programs in the areas of health, education, and culture using art and communication. Somo was one of the sponsors of the *Canto Cidadão* Annual Plan, a project that trains volunteers to develop activities that use art in hospitals in the Greater São Paulo region to create a more welcoming environment for patients.

• #PetLoversSomo

Somo also supports the animal cause and, in October 2019, promoted #PetLoversSomo. The event brought together several partners and non-governmental organizations (NGOs) for programs promoting dog adoptions, a novelty fair for pets, and food trucks. Part of the proceeds from the event went to NGOs that assist abandoned animals.

• MASP

Somo supported the *MASP Professoras* (MASP Teachers) program, which holds meetings on art and education to train educators and interested parties. The activities are free and take

place one Saturday each month. In 2019, the meetings were centered on exhibits relating to "Stories of Women, Feminist Stories."

Semear o Bem

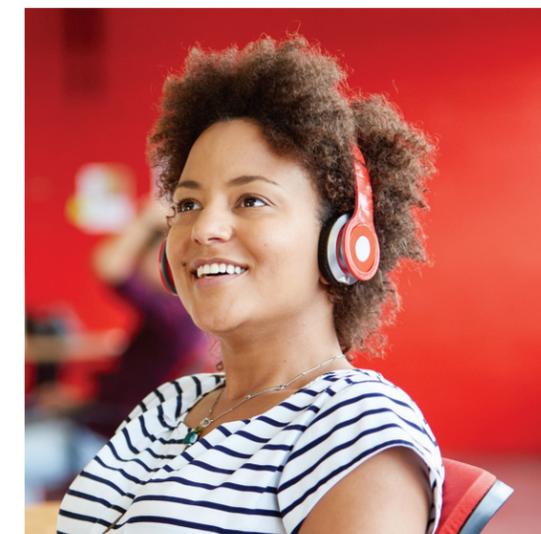
Somo's volunteer program, *Semear o Bem* (Sowing the Good), works on two fronts. One of them is *Abraçando uma Causa* (Embracing a Cause), which supports and encourages projects developed by employees who are interested in making a difference in other people's lives and in building a better world. The other is *Sinal Verde para o Futuro* (Green Light for the Future), whose goal is to provide information and raise awareness, in a playful way, on safe behavior in traffic as a pedestrian, cyclist, and future driver to children ages 7-9.

Embracing a Cause in 2019:

- 4 projects supported
- 1,057 people benefited
- 60 volunteers involved
- 156 volunteer activities
- 3 training courses

Green Light for the Future in 2019:

- 292 children aged 8-10 benefited
- 24 volunteers involved
- 162 hours dedicated
- 13 groups served



Commitments made

Being part of social pacts and signing letters of adherence is a way to publicly commit to adopting best practices, conduct, and policies with respect to causes related to human rights and respect for diversity and the environment. Sompo adhered to the following pacts and commitments:

Global Compact – United Nations (UN) initiative to encourage companies around the world to adopt sustainability policies and social responsibility aimed at a more inclusive and sustainable global market.

PSI – Unep FI Principles for Sustainability in Insurance – Commitment of insurance companies to uphold a

sustainable environment. On the agenda for 2019, the following stood out: integration of environmental, social, and governance issues into the strategy and day-to-day business and the importance of sustainability and of the partnerships with the World Wide Fund for Nature (WWF) and UNESCO for World Heritage Sites.

Forum of LGBTI+ Companies and Rights and its work agenda expressed in the 10 Commitments – Sompo Seguros formalized the signing of the Letter of Adherence to the Forum and the 10 Company Commitments to the Promotion of LGBTI+ Rights at the Forum of LGBTI+ Companies and Rights.

Women's Empowerment Principles (WEPs) – The company formalized the signing of the Women's Empowerment Principles (WEPs), a UN Women's initiative with the Global Compact that sets parameters for companies to achieve gender equality through women's empowerment.

Pact for Inclusion of People with Disabilities – Sompo joined the Pact for Inclusion of People with Disabilities, an action of the Corporate Social Inclusion Network (REIS - Rede Empresarial de Inclusão Social) to promote policies and practices that contribute to the development of a culture and an inclusive and accessible environment that provides equal working conditions for people with disabilities (PwD).



Environmental actions

Sompo has in place several initiatives to preserve the environment. In addition to acting internally, such as adapting the company's physical facilities to sustainable solutions, we work on global fronts in caring for nature.

• SOS Mata Atlântica
In 2019, the highlight was the participation, through financial support, in SOS Mata Atlântica Foundation's project called *Observando os Rios* (Looking out for Rivers), to promote access to clean water, basic sanitation, and health for the population. The project monitors the quality of the water in the Atlantic Rainforest river basin, engages the local population in the preservation of this resource, and improves public policies for these purposes.

This initiative has more than 250 monitoring groups, which analyze approximately 300 spots and 230 rivers in the 17 states covered by the Atlantic Rainforest and in the Federal District. This has become a priority cause for the company, since it is in line with the company's strategic fronts in order protect and promote well-being among the population. Clean

water is an essential and irreplaceable factor for the health of people and the environment. To discuss the importance of this topic, Sompo sponsored the mini documentary *Observando os Rios*, which talks about the project and raises awareness on this topic. See the video through the QRCode or on Sompo's YouTube channel.



• Sustainable buildings
In 2019, Sompo renovated 21 units to make them more modern and welcoming to employees. The company then went a step further and included the Green Building concept in the renovations. Two other units have already been built following this concept, which is fully environmentally responsible.

- Installation of high efficiency LED lamps, replacement of air conditioning equipment, pressure regulator on sinks.

- Replacement of elevators for more modern and efficient ones.

- Replacement of generators, covering 100% of the building load.

- 100% automation of the lighting system.

- Replacement of flushometer valves for toilets with flush tanks.

- Replacement of all network cables for CAT6.

• Solidarity garden
Renovation of the company's headquarters building in São Paulo also included the installation of a hydroponic vegetable garden. The vegetables harvested are donated to three institutions: Lar Redenção, which supports children with severe physical or mental disabilities; Centro de Recuperação e Educação Nutricional (CREN), which combats malnutrition through nutritional education for children and young adults; and CAF, an association responsible for distributing food to various institutions. In 2019, Sompo harvested and donated 10,800 garden produce items.

• Water savings
During the renovation, cisterns were also built to harvest rainwater used to wash outside areas and water plants. In addition, other measures were adopted to reduce water consumption, such as the installation of a flow reducer and a balloon in the flush tanks.

Recycle Project

Sompo sends 100% of the waste collected in its São Paulo units for recycling. This process includes the collection, sorting, identification, and marine of waste. The idea is to reduce the extraction of natural resources, reduce soil, water, and sea pollution and preserve the soil. The project, already registered with city authorities, will be extended to the company's branches in 2020. In addition, Sompo will install collection points in the parking lots of its units for company employees and the surrounding community to discard their waste for recycling.

Green Building

Two Sompo units have already been built following the concept of sustainable and environmentally responsible building, with solar panels, LED lamps with drivers, cisterns, flow reducers for saving water, and other resources that reduce environmental impacts. In 2020, the goal is to achieve Leadership in Energy and Environmental Design (LEED), an international certification seal for buildings with environmental and energy sustainability.

Less paper

The Paperless program, launched at Sompo in 2017, aims to reduce paper use by both employees and customers by up to 80%. As of 2019, the actions promoted reduced printing by 44%. To this end, Sompo invested in:

- **Control equipment next to the printers** in its units so that printing is only possible after employees swipe their badges.
- **Development of campaigns that encourage customers** to opt for digital documents. When they opt for the digital policy, Sompo donates R\$ 0.02 to projects for the conservation and restoration of the most threatened forests in Brazil.
- **Use of technology,** developed in partnership with Xerox, capable of "reading" the documentation and digitizing data into the system.

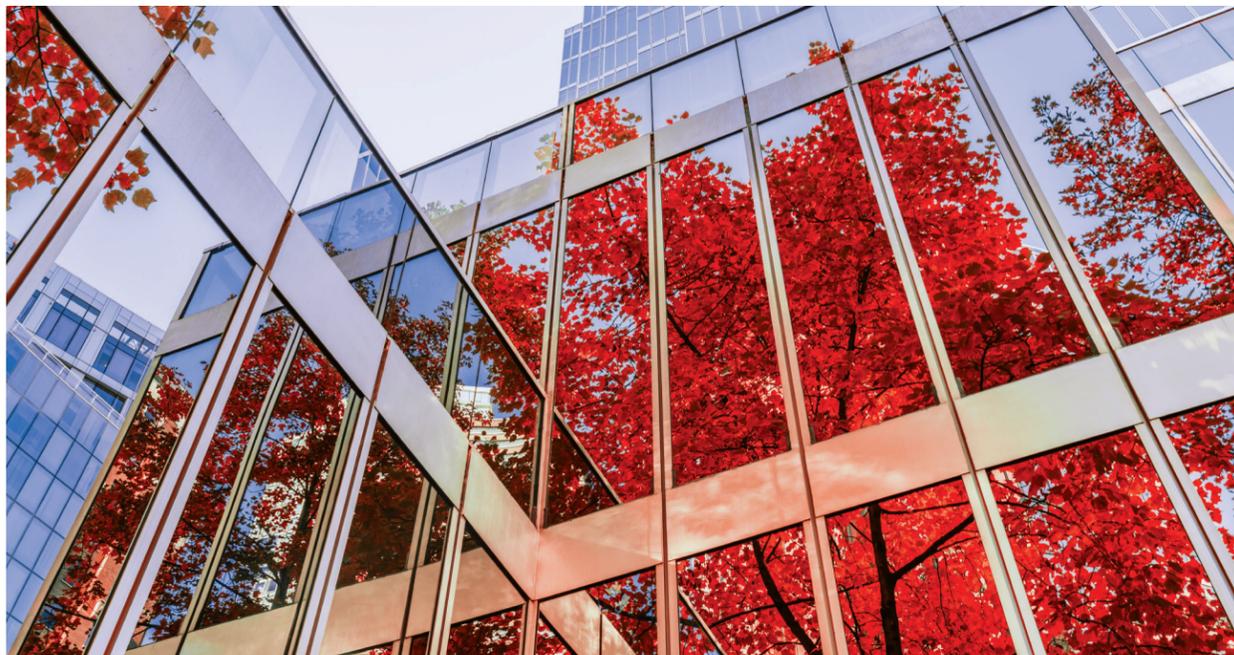
Fleet management

Like many companies, Sompo makes cars available to several employees who are on the move visiting customers or performing other activities. Aware of its environmental responsibility, Sompo only hires fleet suppliers that have projects focused on

environmental protection, such as "CO2 Offsetting" through tree planting and purchase of carbon credit for application in sustainable power generation plants.

Spread the good

On Sompo's Facebook and Instagram, you can find posts with information on how to respect the environment and human rights. The campaign called Dicas Faixa Preta can be found on Facebook, with advice on how to help preserve the environment through simple and practical approaches. Topics such as respect for diversity are also addressed. Important internal considerations are replicated outside the company. On Instagram, posts of the campaign called Anônimos do Bem can be found, with examples of how ordinary people strive to help people and nature. It is a way to reinforce Sompo's purpose, which stimulates a culture that promotes attitudes of respect for life and care for the environment!



Our business

Brazil: a strategic market



For the Sampo Group, Brazil is an extremely strategic and promising market, since it already occupies the third position in the group's operations, only behind the United States and Japan, the company's home country. This scenario reaffirms the confidence and interest in continuing to expand its business in the region with investments, innovations, and differentiated products.

Sompo continues to lead in marine insurance, stands out in service to agribusiness, and ranks sixth in the corporate insurance category and ninth in automobiles. In 2019, the product portfolio

was restructured to improve some of the insurance products and launch new products and services, expanding diversity in meeting current customer demands.

Portfolio diversification is as important as the improvement of those services already offered. The company invested in a program of actions to make products and services more attractive and competitive. Among the changes made during the year are investments in the area of car pricing, extension of benefits, improvement in the quality of assistance, and the use

of new technologies to add value.

Market response was clear. In addition to an increase in the satisfaction of policyholders, financial results were positively impacted. In 2019, Sompo recorded R\$ 3.86 billion in premiums and R\$ 75.5 million in net income, significant values for a recession year.

structure with a team specializing in agribusiness in Brazil and is supported by the global expertise of the AgriSompo platform, of Sompo International Holdings for this market. The sector generates more than R\$ 2 billion in premiums in Brazil.

for brokers prepares quotes in 20 seconds, streamlining customers' decision-making and demonstrating agility in serving prospects. Currently, Sompo receives 1 million online quote requests per month in the Individual Auto segment.

Diversified portfolio

In all, Sompo offers more than 30 products to meet the needs of customers and their businesses in various fields of activity

- Auto
- Agriculture
- Condominium
- Fleet
- Surety Reinsurance
- Civil Liability
- Residential
- Miscellaneous Risks
- Engineering Risks
- Petroleum Risks
- Business Insurance
- Corporate Health Insurance
- Marine
- Life

To learn more about Sompo Seguros products and services, visit www.sompo.com.br

Marine

Leading the segment since 2017, the company has a 20.2% share of the Brazilian market. It stands out for offering risk management services and cargo tracking and monitoring with 24-hour assistance through Sompo Services. In 2019, a total of 64,400 shipments were monitored, which represented R\$ 225 billion in cargo.

Agriculture

In 2019, the company began to offer Sompo Agrícola Custeio (compensation for losses in different crops) and Sompo Agrícola Produtividade (covering reduced production in insured crops). To meet this demand, the company has consolidated an internal

Rural Pledge and

Improvements

This insurance covers agricultural machinery against damage from external causes, with coverage for fire, lightning, explosion, tipping, collision, theft, and windstorms. In 2019, this segment grew 23% compared with the previous year and now ranks third in the Brazilian market.

Auto

With a 19.2% growth in 2019, this segment recorded good results, driven by a revision of the service package, improvement in the quality of 24-hour assistance, and a large investment in the Risk Management area in Auto Frota (Fleets). Another aspect that impacted growth was technology. The new platform

Life

This product outperformed the Brazilian market in 2019, up 65% from 2018, while the market grew by only 11%.

Large Risks

This segment also grew above market average in 2019: Sompo grew 30% over the previous year, compared to a 12% market growth. One of the reasons for this growth was the large investment in training in the Risk Management area.



Corporate and Condominium

Corporate and Condominium insurance gained prominence in 2019, ranking second in the Brazilian insurance market.

Mobility Equipment

Developed by the Brazilian innovation center, it is the first insurance in the country for people with disabilities or reduced mobility, covering equipment and accessories used by this audience. This insurance received the Antônio Carlos de Almeida Braga Award for Innovation in Insurance, granted by the National Confederation of General Insurance Private Pension and Life, Supplementary Health and Capitalization Companies (CNseg).

Corporate Day

One day of the week is focused on sales efforts for corporate products. This was the scope of the initiative carried out in all branches, with the Commercial and Technical Area working together, from November to December 2019.

More than 3,000 proposals were prepared, totaling premiums of nearly R\$ 9 million. This was a successful initiative that should be repeated.

Inspections using drones

The use of drones for inspections at Sampo Seguros was consolidated in 2019 and represented an improvement in risk management. They are used to investigate claims in Engineering Risks in places with difficult access. This innovation brought about several benefits:

- More effective access and valuation in hard-to-reach properties and buildings
- Assertiveness in verifying damage
- Reduced frustrated inspections

Our economic performance

In 2019, Sampo Seguros once again achieved a satisfactory result in its business, reaching R\$ 3.8 billion in premiums written.

It also outperformed the insurance market in terms of premiums written. The company grew 11% above 2018, while the market increased 6.1% compared with the previous year. This result is due to the good performance of some segments that had significant growth in relation to 2018, namely Auto, Life, Marine, Corporate Property & Casualties, and Agriculture.



Evolution in insurance premiums by segment

R\$ million	2019	%	2018	%	Variation (%)	2017	%	Variation (%)
Auto	963.4	25.2	808.3	23.4	19.2			
Massified Property & Casualty	517.2	13.5	548.7	15.9	(5.7)	1,043.4	31.4	(22.5)
Personal	344.6	9.0	208.4	6.0	65.4	763.2	22.9	14.9
Corporate Property & Casualty	579.3	15.1	445.1	12.9	30.2	194.1	5.8	7.4
Agriculture	212.3	5.5	176.9	5.1	20.0	284.4	8.5	3.4
Marine	690.1	18.0	579.4	16.8	19.1	336.2	10.1	72.3
Viagem Travel	43.1	1.1	106.4	3.1	(59.5)	106.2	3.2	0.3
DPVAT	24.3	0.6	64.1	1.9	(62.1)	69.5	2.1	(7.8)
Viagem Travel	455.8	11.9	513.4	14.9	(11.2)	531.0	16.0	(3.3)
Total	3,830.1	100.0	3,450.7	100.0	11.0	3,328.0	100.0	4.4

Performance of consolidated earnings



Net income reached R\$ 69 million in 2019, down 10% from the previous year, mainly due to the performance of earned premium and the increase in reinsurance ceding for protection of the Auto, Corporate Property & Casualties, and Marine portfolios.

Going forward, even in the face of a challenge such as Covid-19, Sompo remains firm, still believing in the growth of its business in 2020 and trusting that the Brazilian insurance market will find ways to guarantee the continuity of its good historical performance.

Evolution in technical provisions in insurance

R\$ million	2019	%	2018	%	Variation (%)	2017	%	Variation (%)
Provision of premiums	1,720.3	63.7	1,329.8	52.0	29.4	1,221.4	55.3%	8.9%
Provision of claims	981.9	36.3	1,229.3	48.0	(20.1)	987.2	44.7%	24.5%
Total	2,702.2	100.0	2,559.1	100.0	5.6	2,208.6	100%	15.9%

Consolidated balance sheets on December 31, 2019 and 2018 (R\$ thousand)

Asset	2019	2018
Current	3,156,663	3,326,330
Available	58,314	41,249
Cash and banks	58,314	41,249
Investments	382,627	1,037,589
Credits from insurance and reinsurance transactions	1,419,746	1,131,267
Premiums receivable	1,193,822	971,114
Operations with Insurance	19,279	44,392
Operations with Reinsurance	206,645	115,761
Other operating credits	107,433	53,131
Other operating credits	107,433	53,131
Reinsurance assets – technical provisions	775,556	743,031
Securities and credits receivable	61,647	31,663
Securities and credits receivable	17,082	11,430
Tax and social security credits	23,401	11,298
Other credits	21,164	8,935
Other amounts and assets	26,356	24,367
Assets for sale	20,103	21,651
Other amounts	6,253	2,716
Prepaid expenses	10,918	8,800
Deferred acquisition costs	314,066	255,233
Non-current assets	2,229,007	1,454,334
Long-Term Receivables	1,632,680	918,604
Investments	1,056,188	480,101
Credits from insurance and reinsurance transactions	55,369	11,907
Premiums receivable	55,369	11,907
Reinsurance assets – technical provisions	77,233	58,471
Securities and credits receivable	374,175	348,639
Securities and credits receivable	-	3,000
Tax and social security credits	123,265	107,896
Judicial deposits and tax contingencies	246,756	237,743
Other credits receivable	4,154	-
Compulsory loans and deposits	107	107
Prepaid expenses	1,481	2,402
Deferred acquisition costs	68,127	16,977
Insurance	68,127	16,977
Investments	1,308	1,349
Property held for income	1,026	1,067
Other investments	282	282
Fixed Assets	107,646	92,955
Property for own use	61,229	59,106
Goods and chattels	18,330	18,322
Other fixed assets	28,087	15,527
Intangible assets	487,373	441,426
Other intangible assets	487,373	441,426
Total assets	5,385,670	4,780,664



Liabilities

	2019	2018
Current	3,550,005	3,105,999
Accounts payable	185,075	181,730
Liabilities payable	55,188	79,817
Taxes e social security contributions payable	87,919	73,680
Payroll taxes	3,009	22,157
Loans and financing	1,787	2,515
Taxes and contributions	5,176	-
Other accounts payable	1,996	3,561
Debits from insurance and reinsurance transactions	925,110	591,930
Premiums to be refunded	411	3,547
Operations with Insurance	60,221	25,075
Operations with Reinsurance	658,044	397,106
Insurance and reinsurance brokers	206,011	166,202
Outros débitos operacionais	423	-
Other operating debits	93,667	37,479
Technical provisions – insurance	2,346,153	2,294,860
Damage	2,089,470	2,057,250
Personal	170,008	138,892
Life	13,055	11,101
Health	73,620	87,617
Non-current liabilities	553,041	394,118
Accounts payable	657	632
Liabilities payable	657	632
Debits from insurance and reinsurance transactions	7,633	2,842
Insurance and reinsurance brokersq	7,633	2,842
Technical provisions – insurance	356,035	242,101
Damage	248,936	224,621
Personal	82,497	15,582
Life	1,552	1,898
Health	23,050	22,183
Other debits	188,716	170,866
Provisions for legal contingencies	176,031	170,866
Other provisions	12,685	-
Net equity	1,282,624	1,236,041
Capital stock	1,010,832	985,586
Transaction cost	(7,256)	(7,256)
Capital reserves	14	14
Revenue reserves	281,424	257,085
Equity valuation adjustments	(2,287)	478
(-) treasury stock	(103)	-
Minority interest	-	134
Total liabilities and shareholders' equity	5,385,670	4,780,664



Consolidated income statements
Years ended December 31, 2019 and 2018
(R\$ thousand, except net income per thousand shares)

Statement of income for the year	2019	2018
Net premiums written	3,830,106	3,450,723
Variations in the technical provisions	(392,017)	(107,040)
Premiums earned	3,438,089	3,343,683
Revenue from policies issued	6,683	7,428
Claims incurred	(2,045,091)	(2,121,721)
Cost of acquisition	(682,441)	(666,046)
Other revenue and operating expenses	(97,776)	(140,979)
Income from reinsurance	(158,335)	41,971
Revenue from reinsurance	574,367	544,668
Reinsurance expenses	(732,702)	(509,033)
Administrative expenses	(448,469)	(415,633)
Tax expenses	(70,207)	(75,351)
Financial result	123,321	131,526
Equity accounting income	(9,180)	(6,071)
Operating income	56,594	98,807
Net gains or losses on non-current assets	325	(166)
Income before taxes and profit sharing	56,919	98,641
Income tax	6,998	(6,719)
Social contribution	5,059	(15,551)
Net income for the year	68,976	76,371
Minority interest	40	45
Net income for the year	69,016	76,416
Number of shares in the period	108,955,074	106,795,047
Number of common shares	108,946,242	106,786,176
Number of preferred shares	8,832	8,87

Consolidated statements of comprehensive income
Fiscal years ended December 31, 2019 and 2018
(R\$ thousand)

	2019	2018
Net income for the year	69,016	76,416
Change in fair value of financial assets available for disposal	(4,608)	4,262
Income tax and social contribution	1,843	(1,918)
Adjustment of marketable securities – subsidiary	-	(4)
Subtotal	(2,765)	2,340
Private pension	12,685	-
Income tax and social contribution	(5,074)	-
Subtotal	7,611	-
Total comprehensive income	73,862	76,756

Complete financial statements

To view Sompo Seguros' complete financial statements, go to <https://sompo.com.br/demonstracoes-financeiras/>



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Credits

General Coordination: Aline Ferreira Télis, Andre Gouw, and Celso Ricardo Mendes
Editorial Design and Writing: Quintal 22 / **Graphic Design and Layout:** CS Comunicação
Translation: Gotcha! Idiomas / **Photos:** Acervo Sompo Seguros.

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