

Report on
CORPORATE GOVERNANCE

Corporate Governance Advisory

2016

Q3



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Single Social Security Fund of the State of Rio de Janeiro

Rioprevidência was established under Law No. 3,189 of February 22nd, 1999, in the form of an Independent Public Autarchy, for the purposes of managing the financial assets, with the aim of funding the payment of remuneration, pensions and other social security benefits. Following the legal requirement of Constitutional Amendment No. 41, dated December 19th, 2003, the Law No. 5,109, of October 15th, 2007, ordered the termination of the Instituto de Previdência do Estado do Rio de Janeiro – IPERJ (Social Security Institute of the State of Rio de Janeiro), transferring the authority for qualification, management and payment of social security benefits to Rioprevidência, as provided under the state law, which provides the social security system for public servants in the State of Rio de Janeiro and their dependents. On December 11th, 2007, Law No. 5,154 amends annexes II and III of Law. 5,109/2007. The publication of State Law No. 5,260, of June 11th, 2008, brought about the unification of the individual and unique Legal Framework relating to Social Security of the Members of the Judiciary Branch, the Public Prosecutors Office, the Public Defender's Office, the Accounting Court and the Statutory Public Servants of the State of Rio de Janeiro, and Rioprevidência assumed responsibility for the management of this social security system. On December 18th, 2008, with the publication of State Law 5,352, items related to the definition and update of remuneration, survivors' pension of the beneficiary, and allowance during imprisonment have been amended.

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PRESENTATION

Based on the period from **July to September 2016**, this report aims at providing information that enables policyholders, beneficiaries and the general public to follow the main activities of the Fund, taking into account the basic principles of corporate governance: transparency, fairness, accountability and social responsibility.



1. INSTITUTIONAL

- 1.1 Personnel Management
- 1.2 Cost Management
- 1.3 Internal Audit and Compliance
- 1.4 Institutional Image
- 1.5 Legal

1. INSTITUTIONAL

1.1 – PERSONNEL MANAGEMENT

The management of Rioprevidência personnel aims at constantly developing its public servant workforce, for those holding operational, technical and managerial positions, through qualification and certification as assumption.

1.1.1 – Composition of the Workforce

In Q3 of 2016, the Autarchy's workforce totaled 434 public servants. This is a 2.69% decrease compared to Q2, with 446 public servants.

Chart 01
Number of Active Employees
(units)

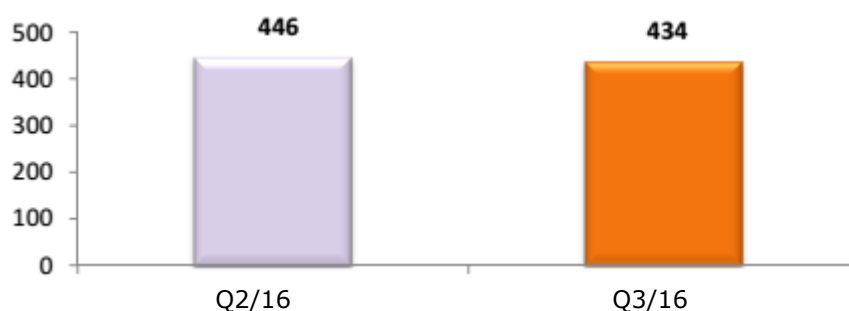
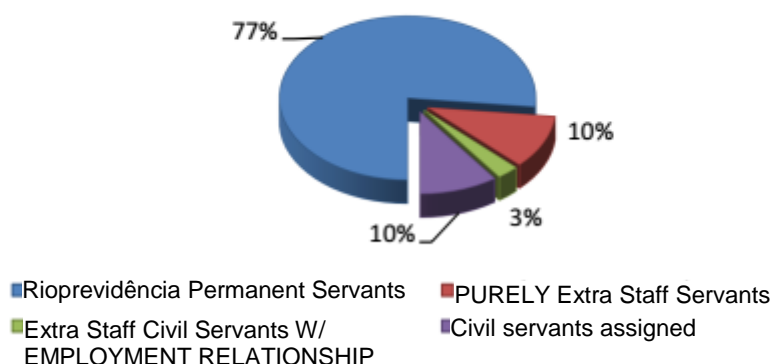


Chart 02
Composition of the Workforce (Q3/16)



1.1.2 – Age groups and education

Chart 03
Statement – Age Group Q3/16

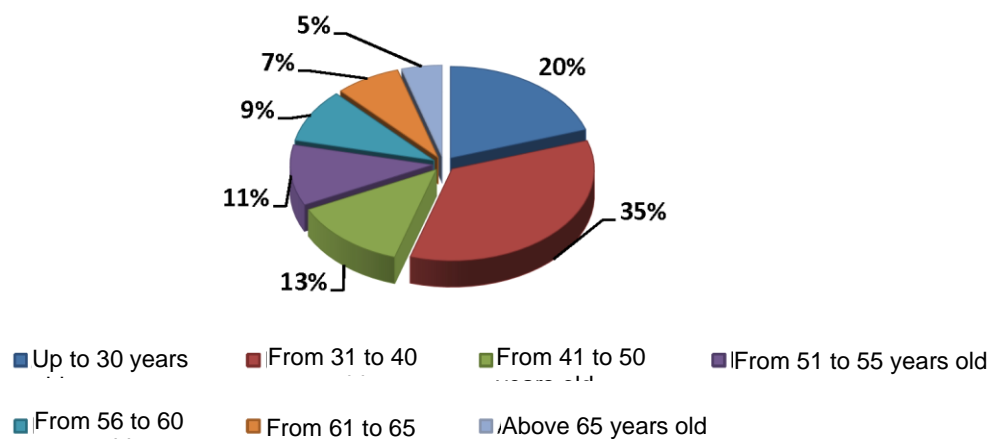
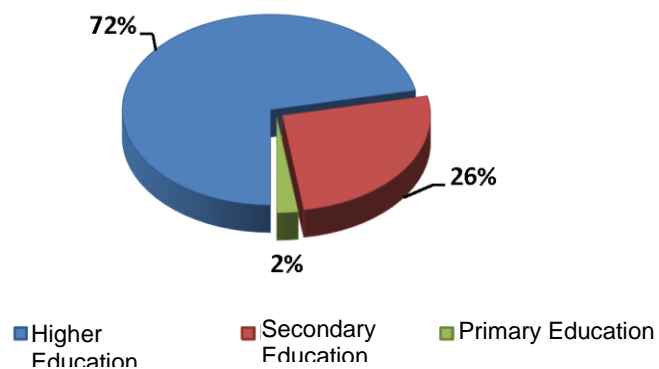


Chart 04
Statement – Education Q3/16



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1.1.3 – Courses

Table 1 July

Course	Participants	Hours	Persons x Hours
Analysis and Improvement of Organizational Processes	3	32	96
Basic Course on Public Planning and Budget – Remote Modality	4	35	140
Contract Management – 2016	2	16	32
Economic and Social Indicators: a Systemic Approach to Public Management	1	24	24
Information Research and Selection: The Need to Know	1	16	16
Strategy Planning and Formulation in Public Administration	3	16	48
Accountability of agents before the TCE-RJ (Accounting Court of the State of Rio de Janeiro)	4	24	96
Social Security Friday – Social Security of State Public Service (Rioprevidência) and Social Security and Planning for Retirement – RJPREV	4	8	32
Price Registration System – SRP	1	16	16
Contract Management and Supervision	25	16	400
The Ritual View of Public Procurement and Focus on Results	1	5	5
Lecture "Internal Controls and Risk Management"	30	2	60
TOTAL	79	210	965

August

Course	Participants	Hours	Persons x Hours
Price Formation in Public Procurement	1	16	16
Contract Management – 2016	2	16	32
Procedures Prior to Government Contracts: Bidding Process, Acts of Waiver and Unenforceability of Bidding	3	40	120
Program of Qualification in Social Security	72	14	1008
Program of Qualification in Social Security – Modules	34	7.5	255
Supervisor Training – GAT	12	8	96
TOTAL	124	101.5	1527

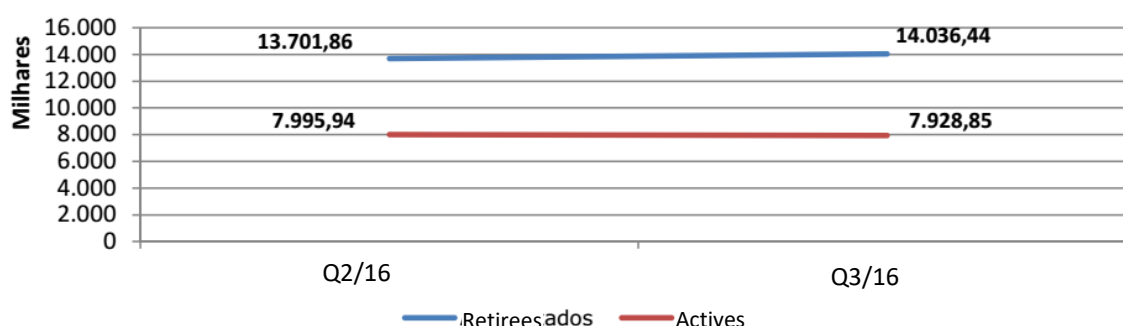
September

Course	Participants	Hours	Persons x Hours
Means of Admission, Retirement and Pension in the Government	1	40	40
Equity Assets Management	1	32	32
Introduction to Using R Software	4	36	144
Social Security Friday – Social Security of State Public Service (Rioprevidência) and Social Security and Planning for Retirement – RJPREV	4	8	32
Instrumental Portuguese: Main Difficulties	3	32	96
Drafting of Official Documents	5	32	160
Workshop "Financial Markets Friday"	1	6	6
Terms of Reference and Basic Design – Planning and production of evidence in the internal phase of procurement	1	16	16
Program of Qualification in Social Security	69	14	966
TOTAL	89	216	1492

1.1.4 – Rioprevidência Payroll – Gross Value (active civil servants on staff and retirees of the Autarchy)

As shown in *Chart 01*, the number of staff of the Autarchy underwent a decrease in Q3 of 2016 in relation to the previous quarter. Regarding payroll, from July to September 2016, there was an increase of 2.44% in the Rioprevidência retiree payroll, and a decrease of 0.84% in the Fund's active payroll, as shown in *Table 02*. The Chart below shows the evolution in payroll for the accounting period, between Q2 and Q3 of 2016.

Chart 05
Rioprevidência Payroll
(Monthly Statement – Q3/16 – in R\$)



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Note: Due to the change in the monthly payroll accounting system, the amount of the 13th salary was registered in a separate account and absorbed monthly. As from 2014, this book-keeping was done through the accrual basis.

By analyzing the total amount paid in Q3 of 2016, compared to the previous period, there was an increase of 1.23% in the total payroll of the Autarchy (actives and retirees), as shown in the following table.

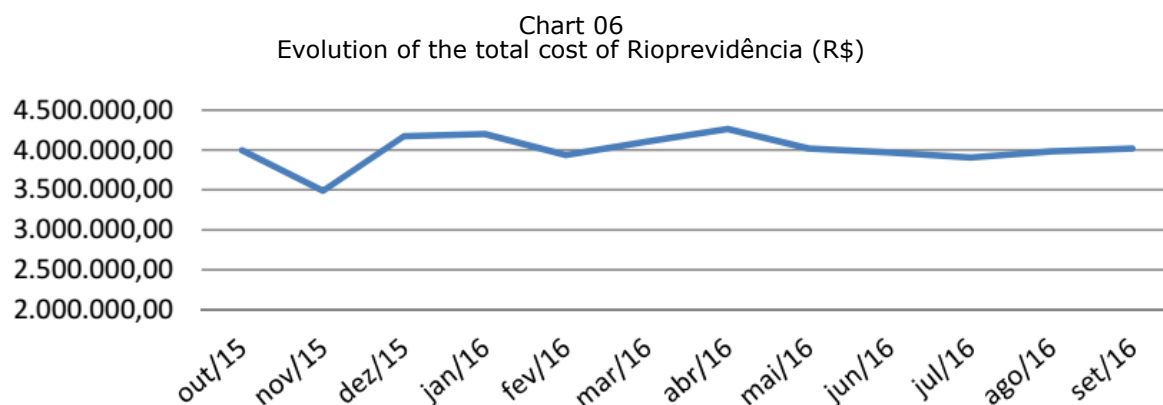
Table 2

Gross Payroll (accounting period)	Q2/16 (R\$)	Q3/16 (R\$)	Δ%
Retirees	13,701,859.36	14,036,437.35	2.44%
Rioprevidência Actives	7,995,937.65	7,928,845.04	-0.84%
Total	21,697,797.01	21,965,282.39	1.23%

Source: CRH/ATE

1.2 – RIOPREVIDÊNCIA COST MANAGEMENT

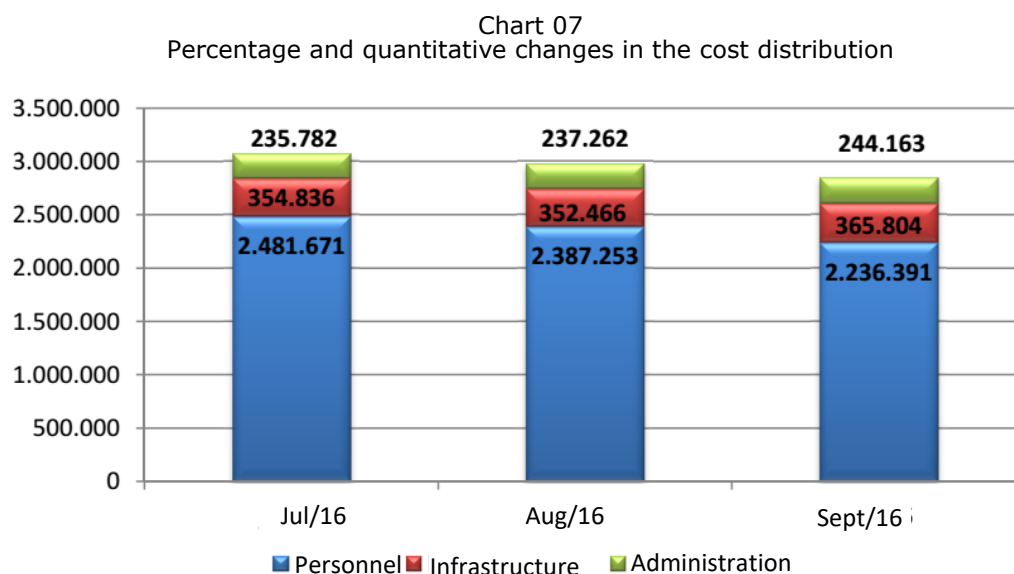
1.2.1 – Evolution of the Total Cost of the Fund



There was no great variation in total costing in the Q3 of 2016.

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1.2.2 – Evolution of the Costs Divided into Personnel, Administration and Infrastructure



1.2.3 – Distribution of the Costs per Board

The following charts show that the Social Security Board, responsible for all procedural management of the Fund benefits and the Administration and Finance Board, Rioprevidência ancillary area, and the Channels are responsible for approximately 56.23% of the costs in Q3 of 2016.

Table 3
July (R\$)

	Presidency	DAF (Administration and Finance Board)	DIN (informatics Board)	DJU (Legal Board)	DSE (Social Security Board)	CHANNELS
Personnel	188,538.14	780,487.53	181,709.33	202,909.54	652,963.70	475,063.16
Administration	28,992.70	142,018.06	20,389.30	21,065.79	61,655.47	80,715.09
Infrastructure	46,068.23	46,740.20	9,935.12	13,044.52	43,551.30	76,442.45
Total	263,599.08	969,245.79	212,033.75	237,019.85	758,170.47	632,220.70

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Chart 08
Rioprevidência Costs
April/2016

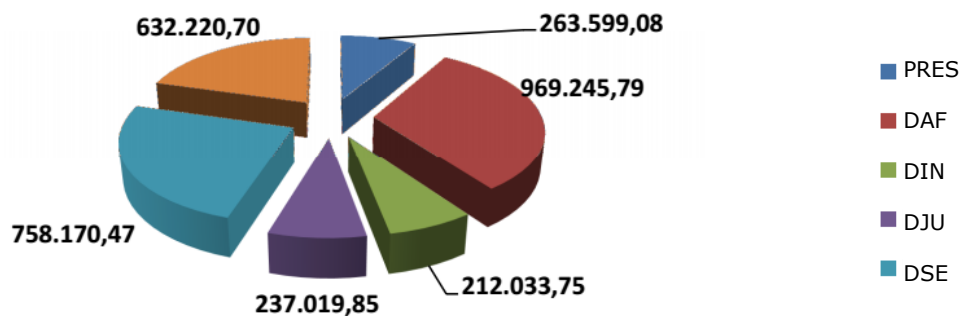
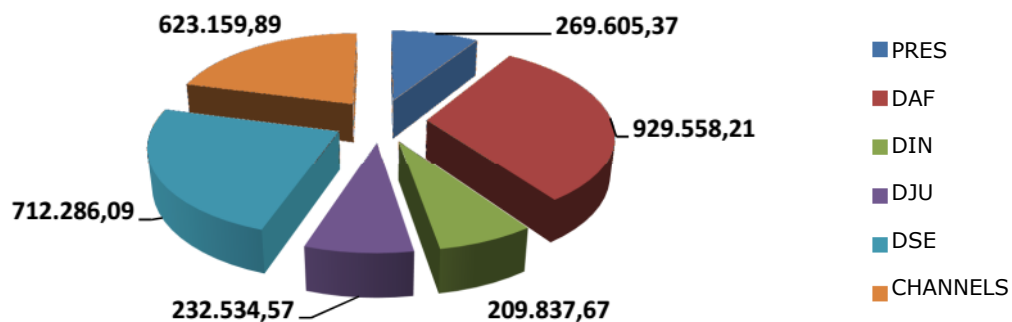


Table 4
August (R\$)

	Presidency	DAF (Administration and Finance Board)	DIN (informatics Board)	DJU (Legal Board)	DSE (Social Security Board)	CHANNELS
Personnel	186,920.34	751,955.08	181,699.50	195,735.09	605,218.09	465,725.32
Administration	36,573.02	130,521.58	18,235.93	23,772.38	64,531.33	78,831.83
Infrastructure	46,112.01	47,081.55	9,902.24	13,027.10	42,536.67	78,602.74
Total	269,605.37	929,558.21	209,837.67	232,534.57	712,286.09	623,159.89

Chart 09
Rioprevidência Costs
May/2016

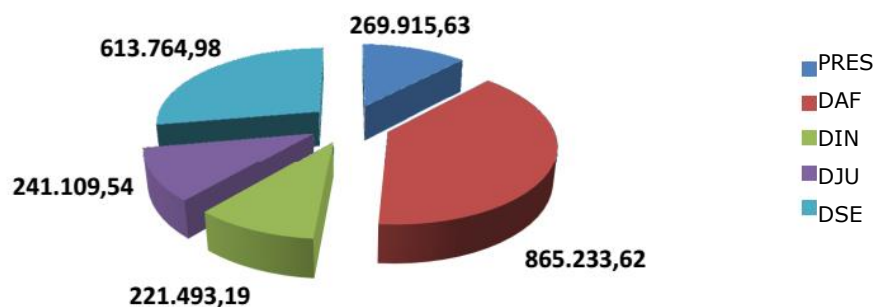


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Table 5 September (R\$)

	Presidency	DAF (Administration and Finance Board)	DIN (informatics Board)	DJU (Legal Board)	DSE (Social Security Board)	CHANNELS
Personnel	189,941.35	674,144.70	192,572.54	205,331.20	506,492.37	467,908.94
Administration	32,423.78	142,937.23	18,534.01	22,249.48	63,199.60	86,459.65
Infrastructure	47,550.50	48,151.69	10,386.64	13,528.86	44,073.01	80,472.46
Total	269,915.63	865,233.62	221,493.19	241,109.54	613,764.98	634,841.05

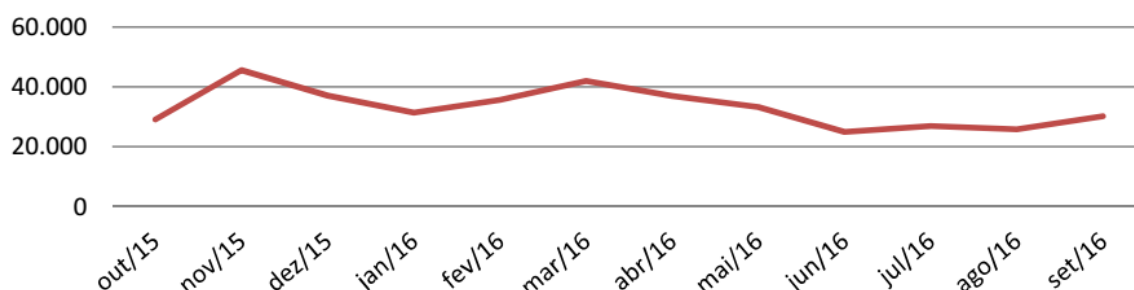
Chart 10
Rioprevidência Costs
June 2016



1.2.4 – Evolution of the largest cost aggregates

The three largest Rioprevidência costs are publications, postal costs and its own Rioprevidência payroll.

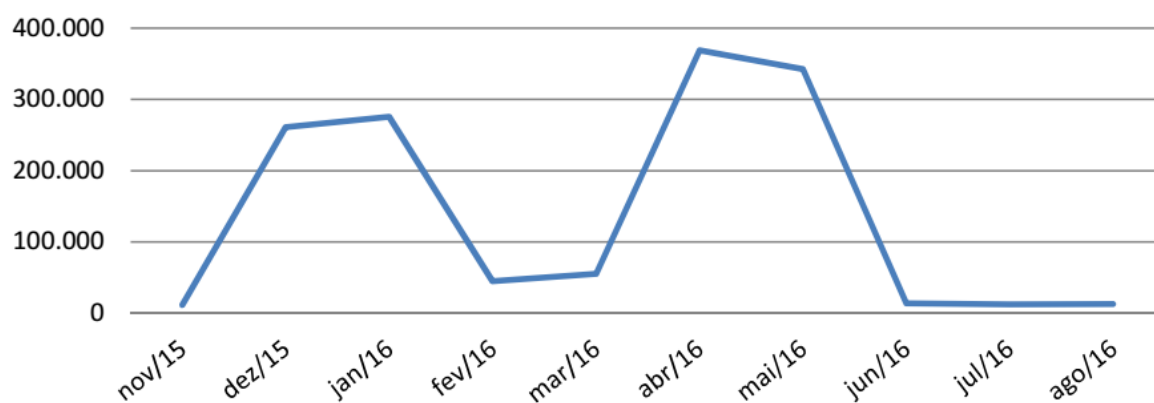
Chart 11
Evolution of costs with publication (R\$)



Spending on publication did not change greatly in Q3 of 2016.

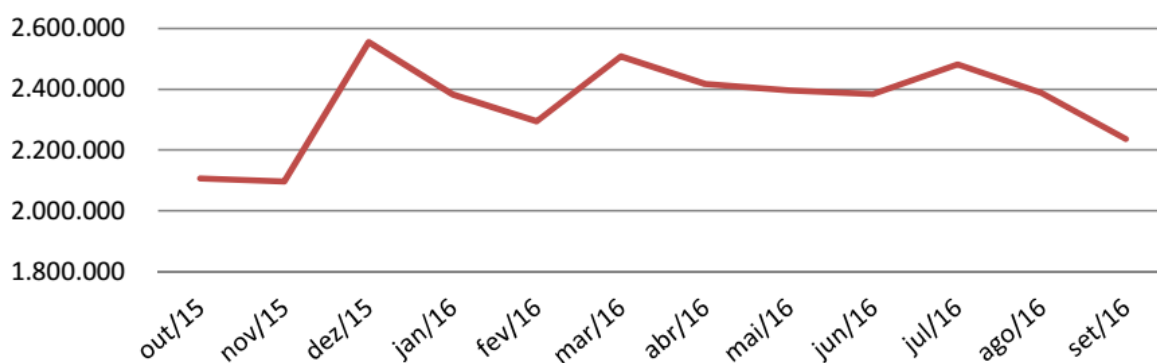
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Chart 12
Evolution of the costs with mail services (R\$)



The increase in the amount of postal services during the months of April and May was due to the issuance of the Insured Income Reports.

Chart 13
Evolution of costs with Rioprevidência payroll (R\$)



The costs of its own Rioprevidência payroll showed a decrease during Q3 of 2016.

1.3 – INTERNAL AUDIT AND COMPLIANCE

1.3.1 – Activities

1.3.1.1 – Internal Audit

July 2016

- Monitoring of Tax Good Standing;
- Storeroom – We checked the monthly rendering of accounts (June 2016) and found parity between accounting and storeroom;
- Monthly monitoring of accounting balances of personal properties;
- Verification of depreciation of personal property.

August 2016

- Storeroom – We checked the monthly rendering of accounts (July 2016) and found parity between accounting and storeroom;
- Monitoring of Tax Good Standing;
- Monthly monitoring of accounting balances of personal properties;
- Verification of depreciation of personal property.

September 2016

- Monitoring of Tax Good Standing;
- Storeroom – We checked the monthly rendering of accounts (August 2016) and found parity between accounting and storeroom;
- Monthly monitoring of accounting balances of personal properties;
- Verification of depreciation of personal property;
- Conclusion of the Internal Audit Report on Accountability of the Expenditure Authorizer for the Social Security and Financial Fund.

1.3.1.2 – Internal Control

July 2016

- Follow-up and daily monitoring of investment operations;

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- Daily checking of compliance of the APRs – Authorization for Investment and Redemption, issued by GOP, with respect to the regulation of current Resolution;
- Preparation and submittal to the Ministry of Labor and Social Security of the Statement of Applications and Investments of Funds referring to the two-month period of May-June 2016, in accordance with Resolution 3,922/2010;
- Analysis of the processes of the Administration and Finance Board to check compliance;
- Analysis of the measures taken by the TCE in the processes of Eligibility to Pension;
- Analysis and control of the measures taken by the Public Prosecutor's Office and the State General Audit;
- Analysis and monitoring of Comprex Revenue;
- Follow-up of the Audits of Legatees and Widows.

August 2016

- Follow-up and daily monitoring of investment operations;
- Daily checking of compliance of the APRs – Authorization for Investment and Redemption, issued by GOP, with respect to the regulation of current Resolution;
- Analysis of the processes of the Administration and Finance Board to check compliance;
- Analysis of the measures taken by the TCE in the processes of Eligibility to Pension;
- Analysis and control of the measures of the Public Prosecutor's Office, General Audit of the State and General Accounting of the State;
- Analysis and monitoring of Comprex Revenue;
- Monitoring of Social Security Revenue from the Notary Portfolio, Leave of Absence without Pay, and Debit of Termination of the payroll of Retirees and Pensioners.

September 2016

- Follow-up and daily monitoring of investment operations;
- Daily checking of compliance of the APRs – Authorization for Investment and Redemption, issued by GOP, with respect to the regulation of current Resolution;
- Analysis of compliance of the Statement of Applications and Investments of Funds referring to the two-month period of July/August 2016, in accordance with Resolution 3,922/2010;
- Analysis of the processes of the Administration and Finance Board to check compliance;
- Analysis of the measures taken by the TCE in the processes of Eligibility to Pension;
- Analysis and monitoring of Comprex Revenue;

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- Monitoring of Social Security Revenue from the Notary Portfolio, Leave of Absence without Pay, and Debit of Termination of the payroll of Retirees and Pensioners.

"The Social Security Good Standing Certificate – CRP – is valid until March 27th, 2017."

"The FGTS Certificate - CRF - is valid from October 17th, 2016 to November 15th, 2016."

"The Certificate of Debt with Clearance Effects related to Federal Taxes and Overdue Federal Tax Liability is valid until October 15th, 2016."

"Complementary Tax Status Report issued on June 24th, 2016. No additional pending issues and suspended enforceability were detected in the controls of the Federal Revenue Service and the Office of the General Counsel for the National Treasury."

1.3.2 – Bidding Processes

In Q3 of 2016, Rioprevidência carried out three bidding processes. In the bidding processes completed from July to September 2016, Rioprevidência obtained a gain of 0.0001% in the modalities, as shown in the following tables.

Table 6

Bidding No.	Purpose	Modality	Authorization date	Estimated Values	Final Proposal
E-01/008/1593/2014	Rua da Alfândega, 357 - Centro - RJ	Public Tender No. 21/2014	29/07/2016	R\$ 1,795,000.00	R\$ 1,795,001.00
E-01/060/2403/2015	Rua da Alfândega, 375A - Centro - RJ	Public Tender No. 26/2015	01/08/2016	R\$ 886,000.00	R\$ 886,001.00
E-01/060/1674/2016	Rua da Alfândega, 365 - Centro - RJ	Public Tender No. 17/2016	05/09/2016	R\$ 1.610.000,00	R\$ 1.610.001,00

Table 7

Modality	Estimated Value – Total	Final Proposal – Total	Gains/Savings
Public Tender	R\$ 4,291,000.00	R\$ 4,291,003.00	0.0001%

1.3.3 – Manual Processes

Internal Control and Audit Management, along with the Directors and Consultants, are documenting procedures for each of the Fund's departments, aimed at improving their safety and efficiency.

Table 8

By September 2016	Number	% (compared to total)
DSE	24	92.3%
DAF	34	68%
DJU	5	100%
DIN	17	94.4%
AGC	7	100%

1.4 – INSTITUTIONAL IMAGE

1.4.1 – Website

Following the principles of transparency and accountability, Rioprevidência discloses corporate information on its website. There is space reserved for Internet users with links on public use, news, an open channel with the Ombudsman and social security information. In Q3 of 2016, the website had 227,580 single hits, which represented a decrease of 23.07% as compared to Q2. The number of visits in the quarter decreased by 21.01%, adding up to 490,286 visits. It is important to clarify that the number of hits is calculated based on the total site visits and not on the number of single visits. For a better understanding, more detailed information on site hits is show in the following table.

Chart 16
Number of website visits

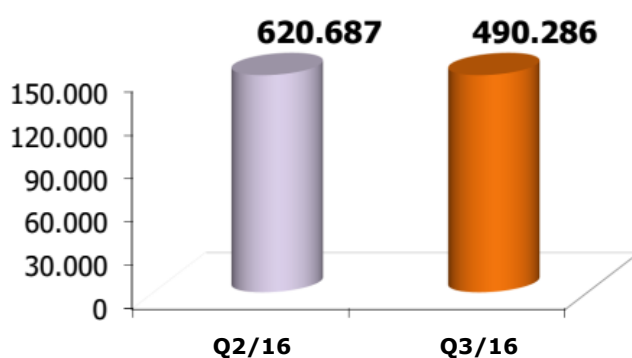


Table 9

Information – Website	Q2/16	Q3/16	Δ%
Number of visitors	295,837	227,580	-23.07%
Visits (number of visitor hits)	620,687	490,286	-21.01%
Average hits per visitor	4.72	4.34	-7.99%
Page views (number of pages accessed in visits)	2,969,690	2,129,399	-28%
Average pages accessed per visit	4.72	4.34	-7.99%
Bounce Rate	18.05%	19.80%	9.68%

Source: GIN

Note: Bounce rate only refers to number of homepage hits.

1.5 – LEGAL

1.5.1 – Judgments Fulfilled (Pension Review) and Notified to the Judicial Branch

From July to September 2016, the number of warrants issued to the Judicial Branch to notify compliance with court decisions reviewing pensions was 21.02% higher than in Q2 of 2016 and 13.10% higher than in Q3 of 2015.

Chart 20
Number of Judgments (units)

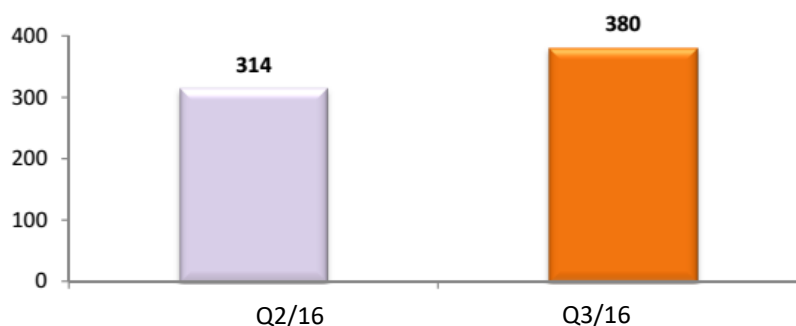
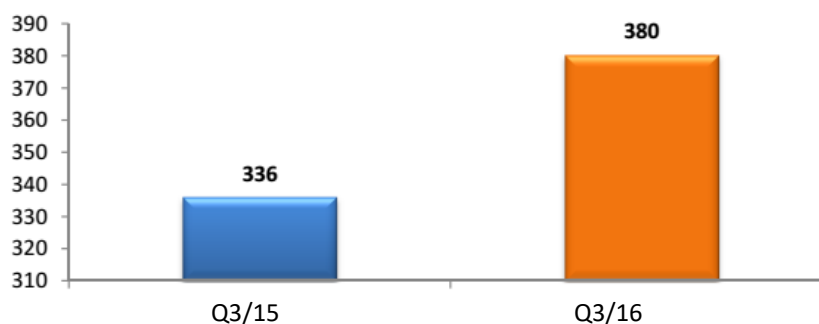


Chart 21
Number of Judgments (units)



1.5.2 – Relevant Data on the Review of Bidding Processes, Contracts and Legal Opinions

Table 10

Activities	Q2/16	Q3/16	Δ%
(*) Approval of direct procurement (bidding exemption/waiver)	5	5	0%
Pronouncements on bidding appeals or challenges	0	0	0%
Approval of invitation and contract drafts	57	44	-23%
Opinions issued by the DJU	3	0	-100%

Source: DJU

(*) The reformulation of PGE (State Attorney General's Office) Statement No. 18, published on April 25th, 2008, exempts the manifestation of the legal sector in cases exempt from bidding due to the value of up to R\$ 8,000.00 (Article 24, I, Law No. 8,666/93).



2. INVESTMENT MANAGEMENT

- 2.1 Cash Flow
- 2.2 Financial Investments
- 2.3 Fund Assets
- 2.4 Budget
- 2.5 Real Estate Portfolio

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2. INVESTMENT MANAGEMENT

Rioprevidência adopts best practices in investment management, with the approval of the Annual Investment Plan, respecting the provisions of the Resolution of the National Monetary Council – CMN.

2.1– CASH FLOW

2.1.1 – Inflows

2.1.1.1 – Inflows of the Financial Fund

Inflows in Q3 of 2016 reached **R\$ 4,504,772,725** and represent a variation of 42.24% compared to Q2 of 2016, and 62.50% over Q3 of 2015, according to the following tables.

Table 11

Inflows of Funds (Cash flow from Financing)	Q2/2016		Q3/2016		Δ%
	R\$	%	R\$	%	
Employer's Contribution	552,872,052	17.46%	1,129,949,042	25.08%	104.38%
Public Servant Contribution	238,390,232	7.53%	892,901,196	19.82%	274.55%
Retirees Social Security Contribution	0	0.00%	0	0.00%	-
Royalties	0	0.00%	33,214,281	0.74%	-
Special Oil Fund	0	0.00%	209,065	0.00%	-
Special Part. of Royalties (PEA)	0	0.00%	0	0.00%	-
Investment Yield	523,019	0.02%	427,316	0.01%	-18.30%
Comprev	22,938,435	0.72%	23,550,952	0.52%	2.67%
Real Estate Property	12,760,249	0.40%	12,851,513	0.29%	0.72%
Other	15,265,530	0.48%	32,681,019	0.73%	114.08%
Transfer of Funds raised/Outstanding Debt	0	0.00%	0	0.00%	-
Collection – Leave of Absence without Pay	2,126,583	0.07%	2,666,830	0.06%	25.40%
Funds LC 163/2015 (judicial deposits)	0	0.00%	0	0.00%	-
Treasury Contributions	2,322,151,398	73.32%	2,376,321,511	52.75%	2.33%
Total inflows	3,167,027,499	100.00%	4,504,772,725	100.00%	42.24%

Source: Financial Flow – ATE/GOP

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Most of the revenue increase in the third quarter compared to the second quarter of 2016 was derived from treasury contribution.

Table 12

Inflows of Funds (Cash flow from Financing)	Q3/2015		Q3/2016		Δ%
	R\$	%	R\$	%	
Employer's Contribution	316,396,622	11.41%	1,129,949,042	25.08%	104.38%
Public Servant Contribution	324,044,163	11.69%	892,901,196	19.82%	274.55%
Retirees Social Security Contribution	119,023,974	4.29%	0	0.00%	-
Royalties	254,415,195	9.18%	33,214,281	0.74%	-
Special Oil Fund	165,515	0.01%	209,065	0.00%	-
Special Part. of Royalties (PEA)	437,798,636	15.79%	0	0.00%	-
Investment Yield	41,833,159	1.51%	427,316	0.01%	-18.30%
Comprev	19,506,354	0.70%	23,550,952	0.52%	2.67%
Real Estate Property	4,673,098	0.17%	12,851,513	0.29%	0.72%
Other	51,287,852	1.85%	32,681,019	0.73%	114.08%
Transfer of Funds raised/Outstanding Debt	295,197	0.01%	0	0.00%	-
Collection – Leave of Absence without Pay	2,183,389	0.08%	2,666,830	0.06%	25.40%
Funds LC 163/2015 (judicial deposits)	1,200,596,902	43.31%	0	0.00%	-
Treasury Contributions	0	0.00%	2,376,321,511	52.75%	-
Total inflows	2,772,220,056	100.00%	4,504,772,725	100.00%	62.50%

Source: Financial Flow – ATE/GOP

2.1.1.2 – Inflows to the Social Security Fund

Inflows in Q3 of 2016 reached **R\$ 105,065,472** and represent a variation of 389.03% compared to Q2 of 2016.

Table 13

Fund Inflows (Financial Flow)	Q2/2016		Q3/2016		Δ%
	R\$	%	R\$	%	
Employer's Contribution	3,063,206	14.26%	66,386,169	63.19%	2067.21%
Public Servant Contribution	7,471,124	34.77%	22,231,433	21.16%	197.56%
Investment Yield	10,950,123	50.97%	16,447,870	15.65%	50.21%
Total inflows	21,484,453	100.00%	105,065,472	100.00%	389.03%

2.1.2 – Expenditure

2.1.2.1 – Expenditure of the Financial Fund

The following tables show the composition of expenditures for Q3 of 2016, compared to Q2 of 2016 and Q3 of 2015.

Table 14

Expenditure	Q2/2016		Q3/2016		Δ%
	R\$	%	R\$	%	
Net Payroll for Retirees	1,495,799,449	46.89%	1,772,981,845	39.36%	18.53%
Net Payroll for Other Retirees	435,707,432	13.66%	465,726,828	10.34%	6.89%
Net Payroll for Pensioners	599,265,003	18.79%	746,949,629	16.58%	24.64%
Net Payroll for 13 th Salary	95,077,519	2.98%	-	0.00%	-
Judicial net payroll, PYE and Other	87,526	0.00%	2,261,666	0.05%	2484.00%
Total Net Payroll	2,625,936,928	82.32%	2,987,919,968	66.34%	13.78%
Income Tax	110,984,249	3.48%	800,291,726	17.77%	621.09%
Retirees Social Security Contribution	21,024	0.00%	199,308,899	4.43%	947896.64%
Consignments	414,694,991	13.00%	444,630,542	9.87%	7.22%
Total Gross Payroll	3,151,637,192	98.79%	4,432,151,135	98.41%	40.63%
Gross Payroll Rioprevid Employees*	8,636,353	0.27%	10,761,553	0.24%	24.61%
Net Payroll Rioprevid 13 th Salary	97,683	0.00%	0	0.00%	-
Proc. common shares and other	2,812,601	0.09%	1,944,558	0.04%	-30.86%
Administrative Costs* ¹	9,387,730	0.29%	8,889,533	0.20%	-5.31%
PASEP	17,515,940	0.55%	50,227,899	1.12%	186.76%
Total expenditure	3,190,087,498	100.00%	4,503,974,678	100.00%	41.19%

Source: Financial Flow – DIN

Table 15

Expenditure	Q3/2015		Q3/2016		Δ%
	R\$	%	R\$	%	
Net Payroll for Retirees	1,600,878,074	38.16%	1,772,981,845	39.36%	10.75%
Net Payroll for Other Retirees	441,647,108	10.53%	465,726,828	10.34%	5.45%
Net Payroll for Pensioners	629,733,494	15.01%	746,949,629	16.58%	18.61%
Net Payroll for 13 th Salary	562,846,729	13.42%	-	0.00%	-
Judicial net payroll, PYE and Other	1,825,371	0.04%	2,261,666	0.05%	23.90%
Total Net Payroll	3,236,930,775	77.15%	2,987,919,968	66.34%	-7.69%
Income Tax	378,129,967	9.01%	800,291,726	17.77%	111.64%
Retirees Social Security Contribution	117,827,885	2.81%	199,308,899	4.43%	69.15%
Consignments	392,246,977	9.35%	444,630,542	9.87%	13.35%
Total Gross Payroll	4,125,135,604	98.32%	4,432,151,135	98.41%	7.44%
Gross Payroll Rioprevid Employees*	8,132,647	0.19%	10,761,553	0.24%	32.33%
Net Payroll Rioprevid 13 th Salary	1,081,263	0.03%	0	0.00%	-100.00%
Proc. common shares and other	3,476,458	0.08%	1,944,558	0.04%	-44.06%
Administrative Costs* ¹	11,663,253	0.28%	8,889,533	0.20%	-23.78%
PASEP	46,128,792	1.10%	50,227,899	1.12%	8.89%
Total expenditure	4,195,618,016	100.00%	4,503,974,678	100.00%	7.35%

* Amount calculated on a cash basis. In this amount we include the amounts relating to: the Employer INSS, Supplemental Payroll and Prior Year Expenditure (PYE).

* Total Administrative Costs of Rioprevidência

2.12.2 – Expenses of the Social Security Fund

Table 16

Expenditure	Q2/2016		Q3/2016		Δ%
	R\$	%	R\$	%	
Net Payroll for Pensioners	126,125	23.57%	148,816	0.81%	17.99%
Net Payroll for 13 th Salary	-	0.00%	0	0.00%	-
Administrative Costs	-	0.00%	17,551,558	95.83%	-
PASEP	535,129	100.00%	615,161	3%	14.96%
Total expenditure	535,129	100.00%	18,315,534	99.19%	14.96%

2.1.3.1 – Balance of Available Funds – Financial Fund

The balance of available funds ended the Q3 of 2016 at R\$ 11,035,738, representing an increase of 7.80% over the previous quarter.

Table 17

Balance of Available Funds	Q2 of 2016 (closing of June)	Q3 of 2016 (closing of September)	Δ%
Amount (R\$)	10,237,694	11,035,738	7.80%

2.1.3.2 – Balance of Available Funds – Social Security Fund

The balance of available funds of the Social Security Fund ended the Q3 of 2016 at R\$ **431,585,611**, representing a variation of 25.16% over the previous quarter.

Table 18

Balance of Available Funds	Q2 of 2016 (closing of June)	Q3 of 2016 (closing of September)	Δ%
Amount (R\$)	344,835,673	431,585,611	25.16%

2.2 – FINANCIAL INVESTMENTS

2.2.1 – Allocation

2.2.1.1 – Allocation of the Financial Fund

From July to September 2016, the financial investments of the Fund's availability focused on fund quotas of classified investments, such as fixed income referenced to DI (Interbank Deposit) or IRFM-1 (Index of Market Fixed Income). The strategy to allocate funds follows the criteria established by current legislation, the Annual Investment Plan and Investment Committee.

Chart 22
Evolution of Financial Investments in Investment Funds
(in million)

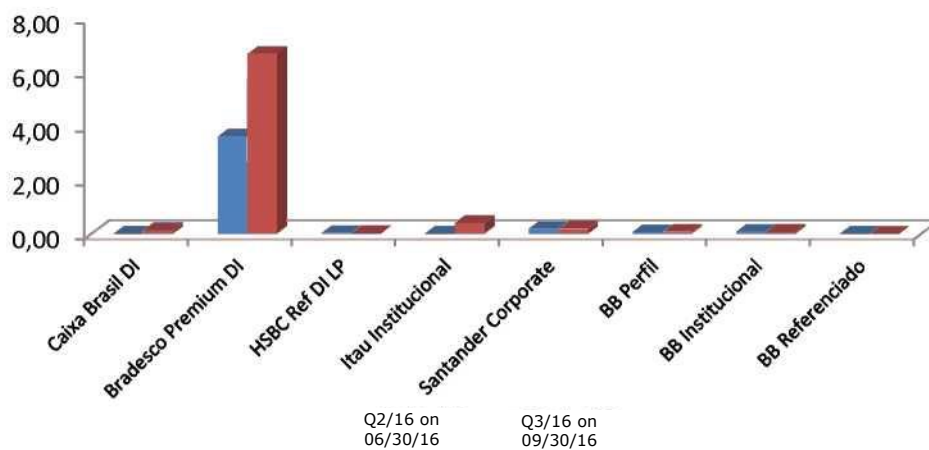


Chart 23
Evolution of Financial Investments
(R\$ million)

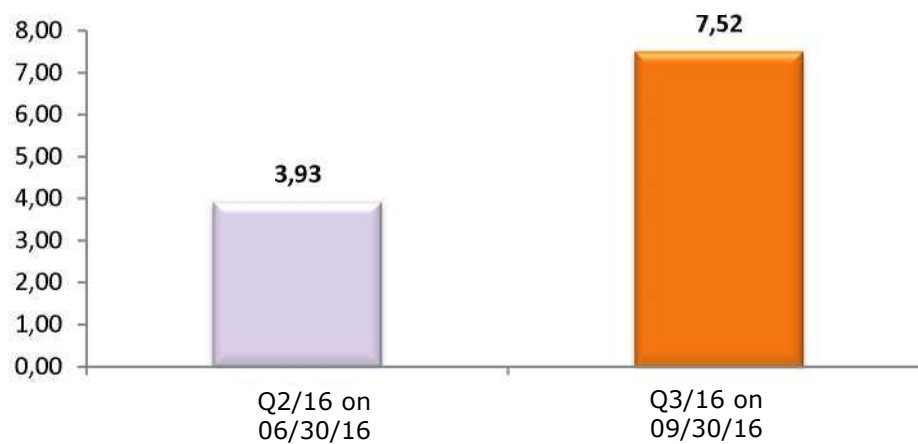
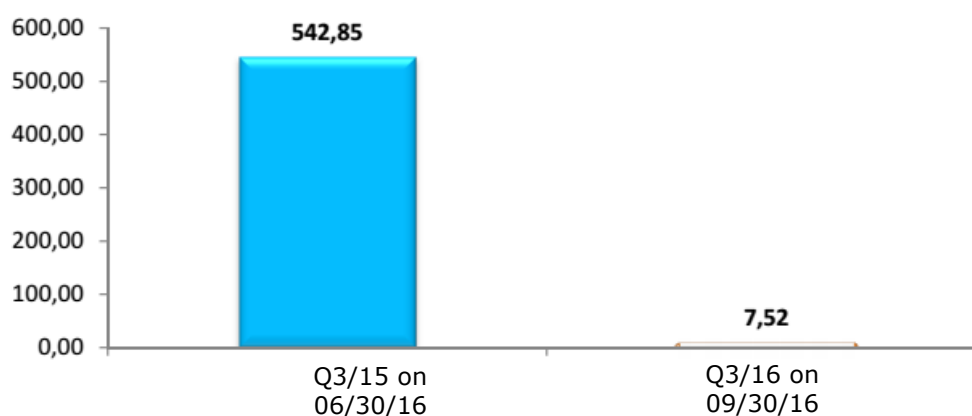


Chart 24
Evolution of Financial Investments
(R\$ million)



2.2.1.2 – Allocation of the Social Security Fund

Chart 25
Evolution of Financial Investments in Investment Funds
(in million)

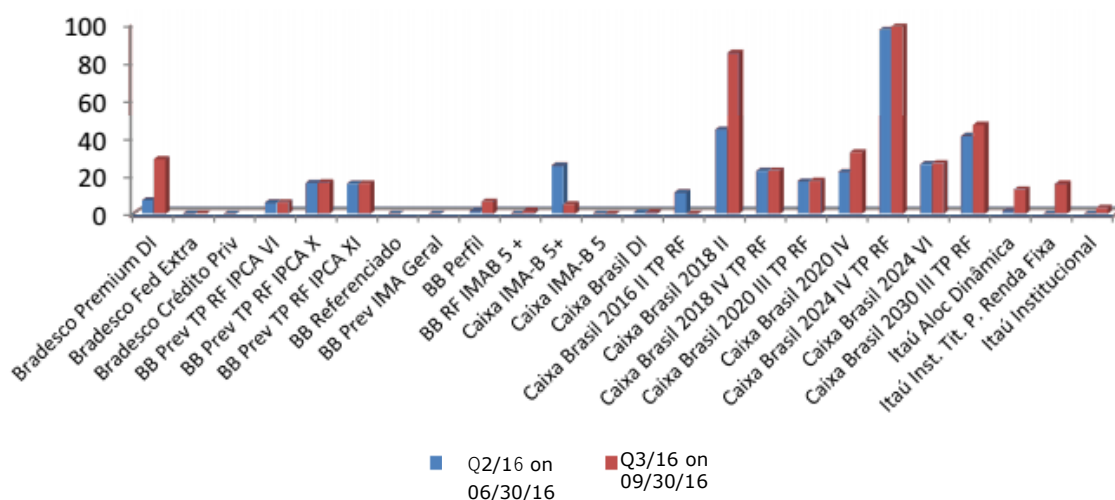
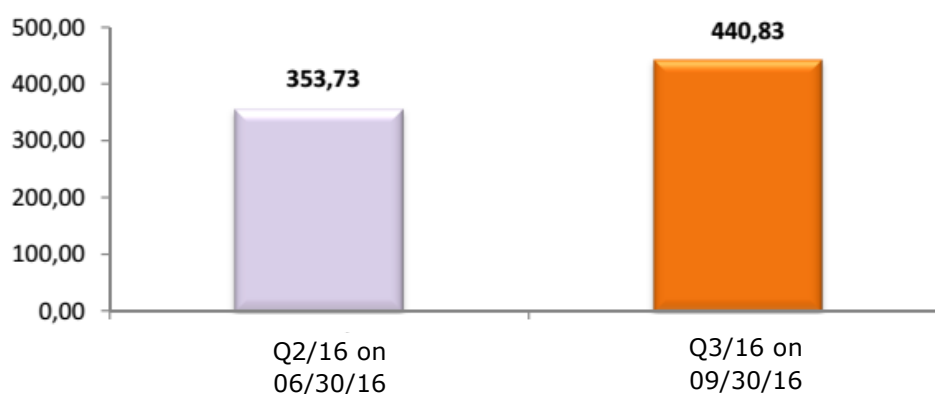


Chart 26
Evolution of Financial Investments
(R\$ million)



2.2.2 – Risk

Rioprevidência's financial operations are concentrated on low market risk investment, since they all have floating rate yields pegged to daily interest rate variations (CDI - Interbank Deposit Certificate), as well as investments pegged to IMA (the ANBIMA Market Index - Brazilian Association of Financial and Capital Markets Entities). With respect to credit risk, the Fund also acts conservatively. Investments are backed by federal government bonds (over 90%) and corporate bonds with low credit risk.

2.2.3 – Yield

The Fund's asset portfolio is assessed monthly by the weighted average on the balance of funds invested. Investment funds follow the variance in short-term interest rates used in the Market (CDI and IRFM-1), and purchase and sale commitments follow CDI.

The composition of Rioprevidência investments at the end of Q3 of 2016 is within the limits established by CMN Resolution 3,922/10 and the Annual Investment Plan.

CORPORATE GOVERNANCE

2.2.3.1 – Yield of the Financial Fund

Chart 27
Portfolio Monthly Yield/Actuarial Target (%)
Jan/2013 to Sept/2016

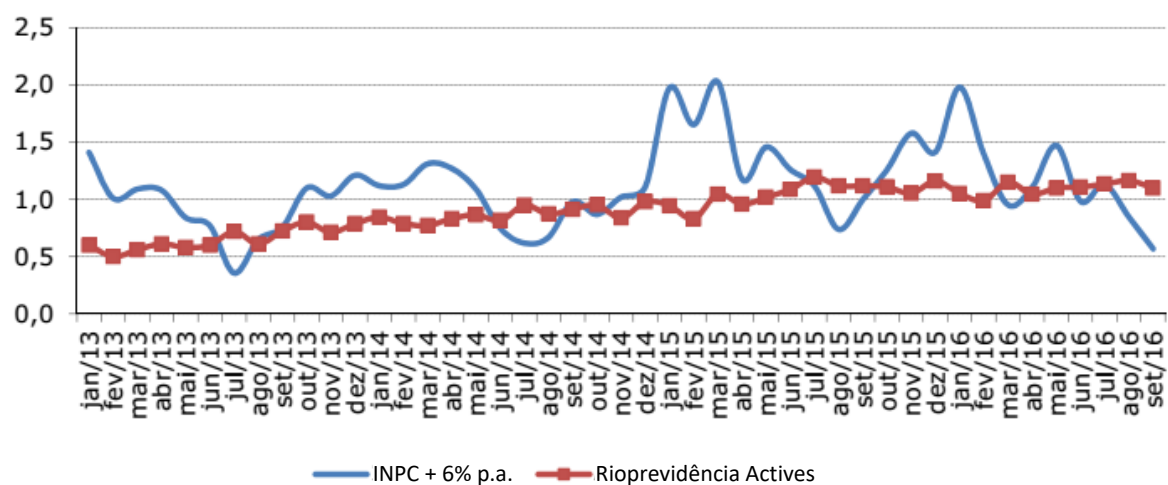
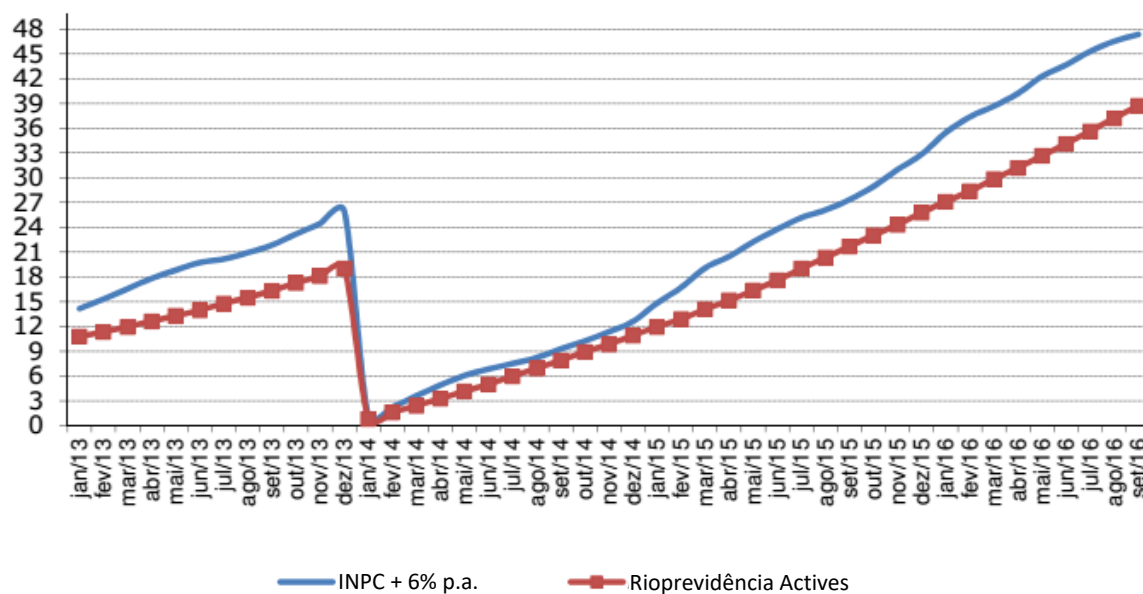


Chart 28
Portfolio Accumulated Yield/Actuarial Target
Jan/2013 to Sept/2016 (%)



See below the consolidated position of the portfolio by type of risk in the Q2 of 2016 and Q3 of 2016 and the position of the portfolio relating to CMN Resolution No. 3,922/10, at the end of Q3 of 2016.

CORPORATE GOVERNANCE

Table 19

Position of Portfolio by Risk Type	Q2/16 (closing of June)		Q3/16 (closing of September)	
	(R\$)	(% of Total)	(R\$)	(% of Total)
1 – Federal Government Bonds	2,539,759	0.7%	27,230,844	6.9%
1.1 – Prefixed (LTN, NTN-F - Treasury Notes, Treasury Bills-F)	4,264	0.0%	188	0.0%
1.2 – Post-fixed (LFT - Treasury Bonds - Selic - Special System for Settlement and Custody, LTN with DI-1 Selic Comm. Op.)	1,306,438	0.4%	13,490,308	3.4%
1.3 - Purchase and Sale Commitments	1,229,057	0.3%	13,740,348	3.5%
2 - Private Bonds with low credit risk (I)	1,379,092	0.4%	11,940,341	3.0%
2.1 - CDB	212,828	0.1%	1,395,040	0.4%
2.2 - Financial Bill	1,013,555	0.3%	9,201,165	2.3%
2.3 - Debentures	136,226	0.0%	1,195,532	0.3%
2.4 - DPGE	14,488	0.0%	131,539	0.0%
2.5 - Other Bonds	1,994	0.0%	17,065	0.0%
3 – Fund Quotas (II)	7,830	0.0%	34,074	0.0%
4 – Treasury (III)	2	0.0%	16	0.0%
5 – Real Estate Property (IV)	359,750,983	98.9%	354,425,983	90.0%
Total Portfolio	363,677,666	100.0%	393,631,258	100.0%

Source: Rioprevidência, Banco do Brasil, BTG Pactual, Bradesco, Caixa, HSBC, Itaú and Santander.

(I) Value of BB Institucional, BB Prev. Perfil, Bradesco Premium DI, Caixa FI Brasil DI, HSBC DI LP, Itaú Institucional DI and Santander Corporate Fund Quotas that are allocated in private bonds with low credit risk.

(II) Value of Fund Quotas: BB Institucional, BB Prev. Perfil, Bradesco Premium DI HSBC DI LP and Santander Corporate invested in other investment funds.

(III) Funds held in Treasury in invested funds.

(IV) It refers to the values calculated on June 30, 2016 and September 30, 2016.

CORPORATE GOVERNANCE

Table 20

Segment	Type of Asset	Amounts (R\$)	%	Limits PAI (% total)	Limit of Resolution no. 3.922/10
Fixed Income (I)	FI/FIC RF or Referenced (Art. 7, IV)	39,205,275	0.11%	8.0%	Up to 30.0%
Total Fixed Income	-	39,205,275	0.11%	-	-
Real Property (III)	Lands and Buildings	354,425,983	-	-	-
Rioprevidência Total Assets (II)	-	36,769,941,865	-	-	-

Source: Rioprevidência, Banco do Brasil, Bradesco, BTG Pactual, Caixa, HSBC, Itaú and Santander.

FI/FIC – Investment Funds

PAI – Annual Investment Plan (limits defined in PAI)

(I) Any Fixed Income performance indicator. Includes values of Fund Quotas: BB Institucional RF, Bradesco Premium DI, Caixa FI Brasil DI, HSBC DI LP and Itaú Institucional DI, which allows allocation in proven low credit risk bonds.

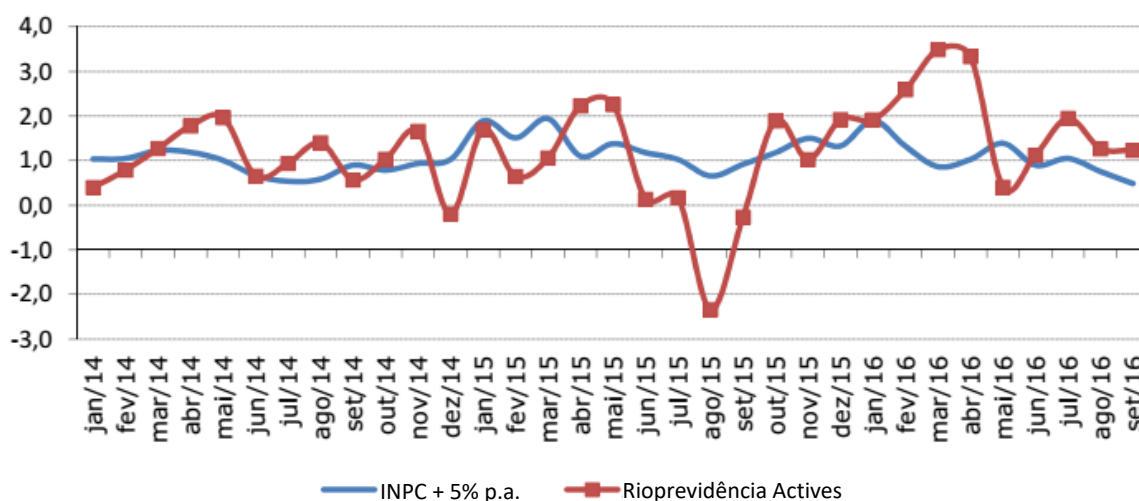
(II) Total value of Rioprevidência Assets on September 30, 2016.

(III) It refers to the value calculated on September 30, 2016.

(IV) It refers to the value of total assets calculated on 09/30/2016.

2.2.3.2 – Yield of the Social Security Fund

Chart 29
Portfolio Monthly Yield/Actuarial Target (%)
Jan 2014 to Sept 2016



CORPORATE GOVERNANCE

Chart 30
Portfolio Accumulated Yield/Actuarial Target
Jan 2014 to Jun 2016 (%)

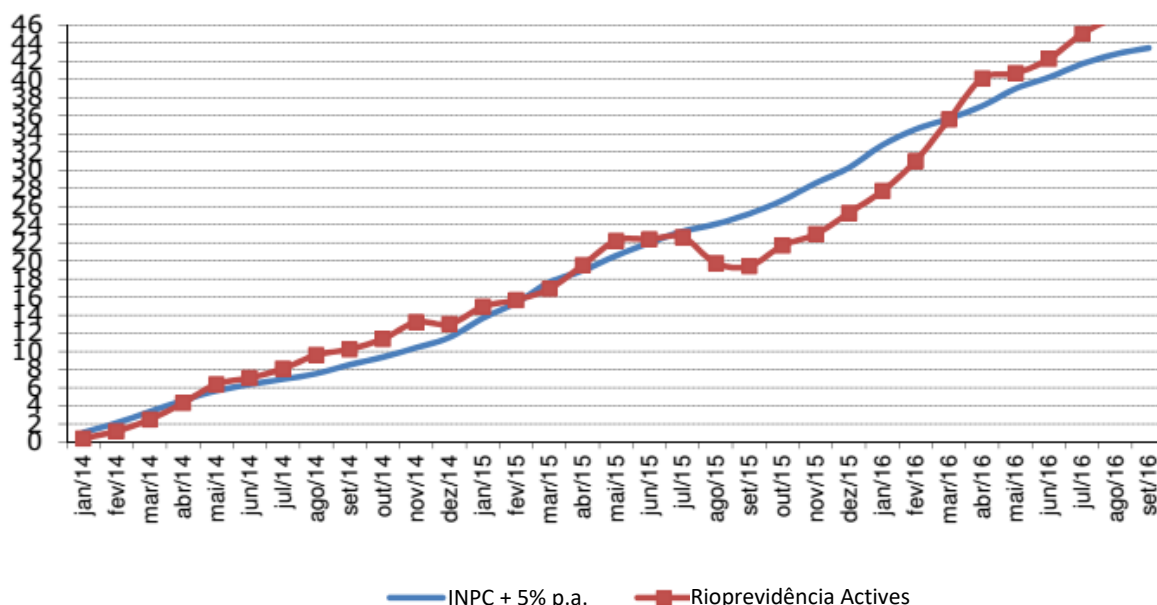


Table 21

Position of Portfolio by Risk Type	Q2/16 (closing of June)		Q3/16 (closing of September)	
	(R\$)	(% of Total)	(R\$)	(% of Total)
1 – Federal Government Bonds	349,123,127	98.7%	359,575,313	98.4%
1.1 – Prefixed (LTN, NTN-F - Treasury Notes, Treasury Bills-F)	11,552	0.0%	0	0.0%
1.2 – Post-fixed (LFT - Selic, LTN with DI-1 Selic, Comm. Op.)	2,926,099	0.8%	4,723,511	1.3%
1.3 – IPCA - Broad National Consumer Price Index (NTN-B)	339,260,424	95.9%	348,728,081	95.4%
1.4 – Purchase and Sale Commitments	6,925,052	2.0%	6,123,721	1.7%
2 - Private Bonds with low credit risk (I)	3,141,902	0.9%	4,297,060	1.2%
2.1 - CDB	419,273	0.1%	460,099	0.1%
2.2 - Financial Bill	2,360,506	0.7%	3,350,153	0.9%
2.3 - Debentures	296,397	0.1%	387,415	0.1%
2.4 - DPGE	52,313	0.0%	81,224	0.0%

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2.5 - Other Bonds 13,413	0.0%	18,170	0.0%
3 – Fund Quotas (II) 1,457,336	0.4%	1,486,931	0.4%
4 – Treasury (III) 2,726	0.0%	1,403	0.0%
5 – Real Property (IV) 0	0.0%	0	0.0%
Total Portfolio 353,725,090	100.0%	365,360,708	100.0%

Source: Rioprevidência, Bradesco, Banco do Brasil, Caixa and Itaú.

(I) Value in quotas of funds BB Prev. Perfil, Bradesco Premium DI and Caixa FI Brasil DI that are allocated in private bonds with low credit risk.

(II) Value of BB Prev. Perfil, Bradesco Premium DI and Itaú Institucional Alocação Dinâmica Fund Quotas invested in other investment funds.

(III) Funds held in Treasury in invested funds.

Table 22

Segment	Type of Asset	Amounts (R\$)	%	Limits PAI (% total)	Limit of Resolution no. 3.922/10
Fixed Income (I)	FI 100% bonds TN (Art. 7, I, b)	350,010,564	0.96%	100.0%	Up to 100.0%
Fixed Income (II)	FI/FIC RF or Referenced (Art. 7, IV)	15,350,143	0.04%	30.0%	Up to 30.0%
Total Fixed Income	-	365,360,708	1.01%	-	-
Real Estate Property	Lands and Buildings	0	-	-	-
Total Rioprevidência Assets (III)	-	36,769,941,865	-	-	-

Source: Rioprevidência, Banco do Brasil, Bradesco, Caixa and Itaú.

FI/FIC – Investment Funds

PAI – Annual Investment Plan (limits defined in PAI)

(I) IMA or IDkA (ANBIMA Constant Duration Index) Sub-Indices, except subindex pegged to the one-day interest rate.

(II) Any Fixed Income performance indicator. Includes value in quotas of Bradesco Premium DI and Caixa FI Brasil DI funds, which allows allocation in private securities of low credit risk.

(III) Total amount of total Assets calculated on September 30, 2016.

2.3 – FUND ASSETS

2.3.1 – Composition of Assets

2.3.1.1 – Composition of Assets – Financial Fund

The Fund's Total Assets in the Q3 of 2016 was R\$ 36.77 billion, while the amount achieved in Q2 of 2016 was R\$ 36.20 billion, representing an increase of 1,57%.

Table 23

Assets	Q2/2016 (Closing of September) (R\$)	Q3/2016 (Closing of September) (R\$)	Δ%
* Royalties	29,524,865,029	29,491,650,747	-0.11%
* Cash and cash equivalents	386,898,062	485,427,016	25.47%
* Overdue Debt	41,464,894	928,740,460	2139.82%
Real Property + Immovable Assets	382,197,388	382,197,388	0.00%
* ICMS in installments	2,826,997,696	2,837,705,237	0.38%
* FUNDES (Economic and Social Development Fund)	376,604,059	363,843,549	-3.39%
* Amounts receivable from ERJ + BERJ	407,041,094	407,041,094	0.00%
* Other	2,254,034,540	1,873,336,373	-16.89%
* Total Assets	36,200,102,763	36,769,941,865	1.57%

Source: DIN/GOP

(I) Revenue from FREMF began to be collected in December 2010. * Provisional amounts.

2.3.1.2 – Composition of the Assets – Social Security Fund

The Fund's Total Assets in the Q3 of 2016 was R\$ 513.70 million, while the amount achieved in Q2 of 2016 was R\$ 435.83 million, representing an increase of 17.87%.

Table 24

Assets	Q2/2016	Q3/2016	Δ%
	(Closing of June) (R\$)	(Closing of September) (R\$)	
Cash and Cash Equivalents	362,589,205	453,263,174	25.01%
Other	73,248,841	60,445,151	-17.48%
Total Assets	435,838,046	513,708,325	17.87%

2.4 – BUDGET

The spending transaction limit in 2016 by Rioprevidência was determined by Decree 43,911/2012, which provides for a budget and financial schedule and sets standards for budgeting for the Executive Branch for the year.

2.4.1 – Revenues

The State budget execution is established considering the inflow of funds. The tables below show the behavior of the revenues obtained in Q2 and Q3 of 2016.

Table 25

Budgetary Revenues (Collected)	Q2/2016 (Cumulative total)		Q3/2016 (Cumulative total)		Δ%
	R\$	Participation	R\$	Participation	
Royalties	0	0.00%	33,214,281	1.52%	-
Special Participation	0	0.00%	0	0.00%	-
FEP	0	0.00%	0	0.00%	-
Public Servant Contribution - Financial Plan	291,965,041	30.35%	894,518,121	40.91%	206.38%
Employer Contribution - Financial Plan	551,601,279	57.33%	1,081,056,174	49.44%	95.99%
COMPREV	43,558,712	4.53%	16,154,878	0.74%	-62.91%
FUNDES/FREMF Transfer	15,706,967	1.63%	12,760,510	0.58%	-18.76%
Financial Investment Proceeds - Financial Plan	2,317,548	0.24%	472,901	0.02%	-79.59%
Other Revenues	-2,576,281	-0.27%	58,178,028	2.66%	-2358.22%

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SUBTOTAL	902,573,266	93.81%	2,096,354,894	95.87%	132.26%
Public Servant Contribution - Social Security Plan	7,928,198	0.82%	26,076,867	1.19%	228.91%
Financial Investment Proceeds - Social Security Plan	40,352,810	4.19%	16,842,131	0.77%	-58.26%
Employer Contribution - Social Security Plan	15,573,451	1.62%	49,020,152	2.24%	214.77%
Other Income – Social Security Plan	-4,334,881	-0.45%	-1,606,787	-0.07%	-63%
SUBTOTAL	59,519,578	6.64%	90,332,362	4.20%	51.77%
TOTAL	962,092,844	100.5%	2,186,687,256	100.1%	127.28%

Source: DIN/GOP

* The lack of revenue from Royalties and Special Participation in Q2/16 is a result of the decrease in the price of barrel of Brent oil, payment of part of the Federal Government's debt, and deduction of interest and charges from External Loan Assignment Transactions carried out in 2014.

** In Q2/16, revenues from COMPREV, FUNDES and Earnings from Financial Investments were recorded in the respective accounts. Due to problems in the accounting routines of SIAFE-Rio, they were being recorded in the "Other Revenues" line item.

*** Adjustments have been made to the accounting of revenues for the Pension Plan.

2.4.2. – Expenses

In Q3 of 2016, the committed expenses were R\$ 3,774,998,319, an amount 8.12% less than Q2 of 2016. Regarding the Q3 of 2015, the decrease was 1.97%.

Table 26

EXPENSES	Q2/2016			Q3/2016			Δ%
	Committed	Settled	Paid	Committed	Settled	Paid	
Retirees	3,025,412,906	2,793,202,283	2,349,872,639	2,836,307,523	2,839,747,042	3,067,550,016	-6.25%
Pensioners	952,456,532	879,198,851	701,323,094	865,964,694	914,942,755	652,497,107	-9.08%
Own Personnel	11,062,558	10,016,555	11,819,293	9,751,279	9,654,233	7,709,169	-11.85%
Maintenance of the Agency	8,523,267	6,349,068	6,203,715	2,588,150	5,902,220	5,982,800	-69.63%
Court Judgments	3,117,079	10,567,171	3,157,138	1,912,681	2,228,686	2,568,215	-38.64%
PYE	108,049,149	108,049,149	161,475,691	510,046	510,046	510,046	-99.53%
Construction Works and Facilities	0	0	0	0	0	0	-
Other Expenses	64,108	11,294,874	25,519,299	33,973,802	49,480,691	49,614,934	52894.27%
SUBTOTAL	4,108,685,600	3,818,677,951	3,259,370,869	3,751,008,173	3,822,465,673	3,786,432,288	-8.71%
Pensioners-Social Security Plan	125175.89	115546.97	0	67285.72	62109.9	31452	-46.25%
PASEP-Social Security Plan	0	222,334	222,334	3193466.42	1,413,227.42	475,539.82	-
Administrative Expenses	0	0	0	9533507.44	6,355,671.60	6,355,671.60	-

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PYE	0	0	0	11195886.08	11,195,886.08	0.00	-
SUBTOTAL	125,176	337,881	222,334	23,990,146	19,026,895	6,862,663	19065.15%
TOTAL	4,108,810,776	3,819,015,832	3,259,593,203	3,774,998,319	3,841,492,568	3,793,294,951	-8.12%

Source: DIN/GOP

* Expenses with the payment of Retirees and Pensioners did not change significantly from Q1 to Q2. The payroll of December 2015 and 80% of the second installment of the 13th salary were committed to the account of the 2016 budget as Expenditure for Previous Years.

** In the line item "Other Expenses", the amount of R\$ 88 MM was committed to the payment of PASEP (installment payment of the debt and the monthly amount for the fiscal year).

Table 27

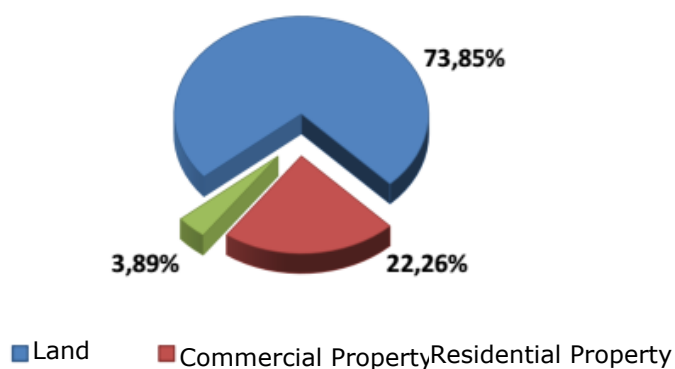
EXPENSES	Q3/2015		Q3/2016		Δ%
	Committed	Committed	Settled	Paid	
Retirees	2,821,991,492	2,836,307,523	2,839,747,042	3,067,550,016	0.51%
Pensioners	890,178,718	865,964,694	914,942,755	652,497,107	-2.72%
Own Personnel	9,039,030	9,751,279	9,654,233	7,709,169	7.88%
Maintenance of the Agency	78,587,625	2,588,150	5,902,220	5,982,800	-96.71%
Court Judgments	2,802,892	1,912,681	2,228,686	2,568,215	-31.76%
PYE	2,435,449	510,046	510,046	510,046	-79.06%
Construction Works and Facilities	0	0	0	0	-
Other Expenses	21,343,592	33,973,802	49,480,691	49,614,934	59.18%
SUBTOTAL	3,826,378,799	3,751,008,173	3,822,465,673	3,786,432,288	-1.97%
Pensioners-Social Security Plan	100,863	67285.72	62109.9	31452	-33.29%
PASEP-Social Security Plan	741,444	3193466.42	1,413,227	475,539.82	330.71%
Administrative Expenses	-	9533507.44	6,355,672	6,355,671.60	-
PYE	-	11195886.08	11,195,886	0.00	-
SUBTOTAL	741,444	23,990,146	19,026,895	6,862,663	3135.60%
TOTAL	3,827,120,242	3,774,998,319	3,841,492,568	3,793,294,951	-1.36%

2.5 – REAL ESTATE PORTFOLIO

2.5.1 – Portfolio Composition

Ending September 2016, Rioprevidência had 209 plots of land, 63 commercial properties and 11 residential properties in its real estate portfolio amounting to 283.

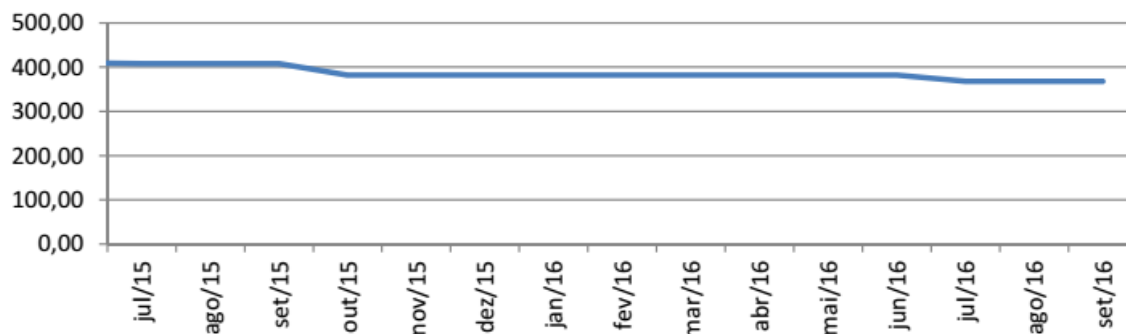
Chart 31
Composition of the Real Estate Portfolio
Q3/16



2.5.2 – Value of Real Estate Asset

In Q3 of 2016, the carrying amount of the Fund's real estate portfolio ended at R\$ 368.72 million, as shown in the chart below.

Chart 32
Value of Real Estate Asset
(R\$ million)

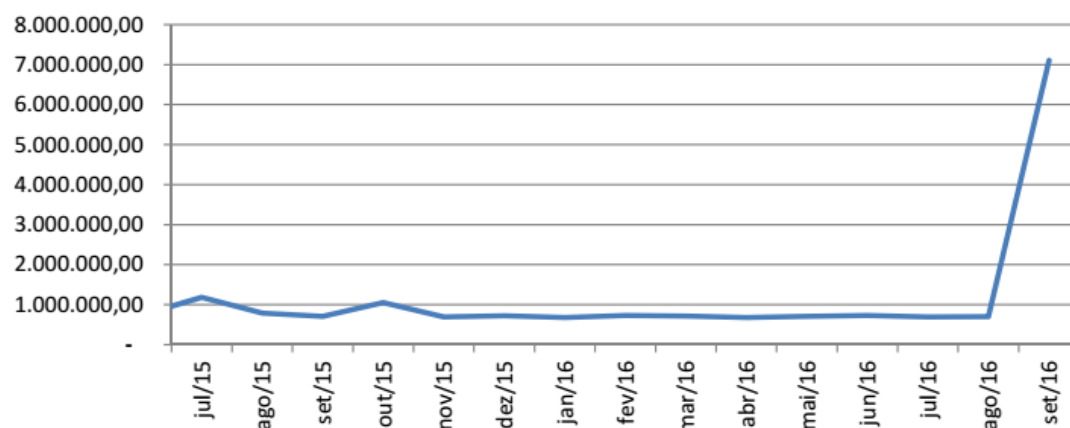


CORPORATE GOVERNANCE

2.5.3 – Collection

In Q3 of 2016, the carrying amount of the Fund's real estate portfolio closed with revenue of R\$ 8,503,133.86. Compared with Q2, when the Fund raised R\$ 2,122,689.25, there was an increase of 300.58% in revenue, as can be seen in the following chart.

Chart 33
Real Estate Portfolio Collecting
(R\$ thousand/month)



2.5.4 – Portfolio Management

The following table summarizes the main activities in Q3 of 2016 relating to the management of the Rioprevidência real estate portfolio.

Table 28

Activities related to real estate occupation	Q2/16	Q3/16	Δ%
Published bidding notices for Real Estate Occupancy	0	0	0.00%
Drafting of Assignment/Permission/Termination Agreements	0	0	0.00%
Accomplished notifications	23	4	-82.61%
Enforcing Repossession Warrants	1	0	100.00%
Performed Inspections	36	61	69.44%

CORPORATE GOVERNANCE

Activities related to Disposal of Real Property	Q2/16	Q3/16	Δ%
Published bidding notices for Real Estate Disposal	11	8	-27.27%
Deeds for Performed Purchases and Sales	10	8	-20.00%
Revalued Property	14	3	-78.57%
Report analysis	0	1	-
Approved reports	0	0	0.00%
CEN Reports Issued	14	8	-42.86%

Activities Related to Real Estate Regularization	Q2/16	Q3/16	Δ%
Certificate request to notary public offices	32	34	6.25%
Registration and entry request to notary public offices	0	0	0.00%
Preparation of Transfer Instruments	0	0	0.00%
Municipal Registration Request	0	0	0.00%

Billing Procedures and registration of outstanding debt	Q2/16	Q3/16	Δ%
Issuance of bank-issued invoices for the payment of monthly occupancy rate and installment payments	93	151	62.37%
Filing of Supporting Documents of Processes to Grant Debt Installment	3	2	-33.33%
Subscription in Outstanding Debt sent to PGE (State Attorney General)	12	14	16.67%

Procedures related to taxes	Q2/16	Q3/16	Δ%
Request emphyteutic certificate	0	21	-
Request for Fire Fee Exemption - CBMERJ (Military Firefighters Department of the State of Rio de Janeiro)	0	0	0.00%

Procedures related to IPERJ real estate mortgages	Q2/16	Q3/16	Δ%
Number of concluded processes to write off mortgages	4	3	-25.00%



3. RETIREES AND PENSIONERS

3.1 Number of retirees and pensioners

3.2 Summary of the payroll

3.3 COMPREV Core

3.4 Revenue from public servants on leave

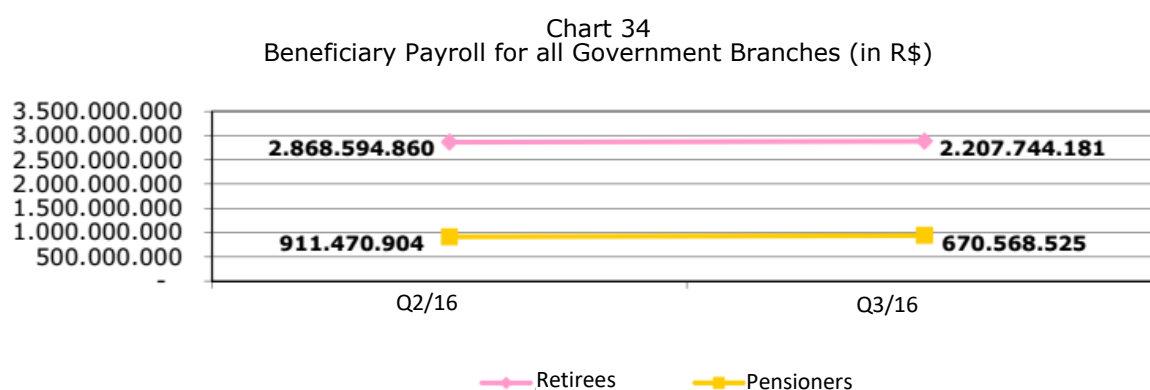
3. RETIREES AND PENSIONERS

3.1 – NUMBER OF RETIREES AND PENSIONERS

In Q3 of 2016, the total number of retirees was 163,293 and of pensioners was 89,356.

3.2 – SUMMARY OF BENEFIT PAYROLL FOR ALL STATE RETIREES AND PENSIONERS

In the period from July to September 2016, there was a 23.03% decrease in the retiree payroll compared to Q2 of 2016. In the same period, the pensioner payroll decreased by 26.43%.



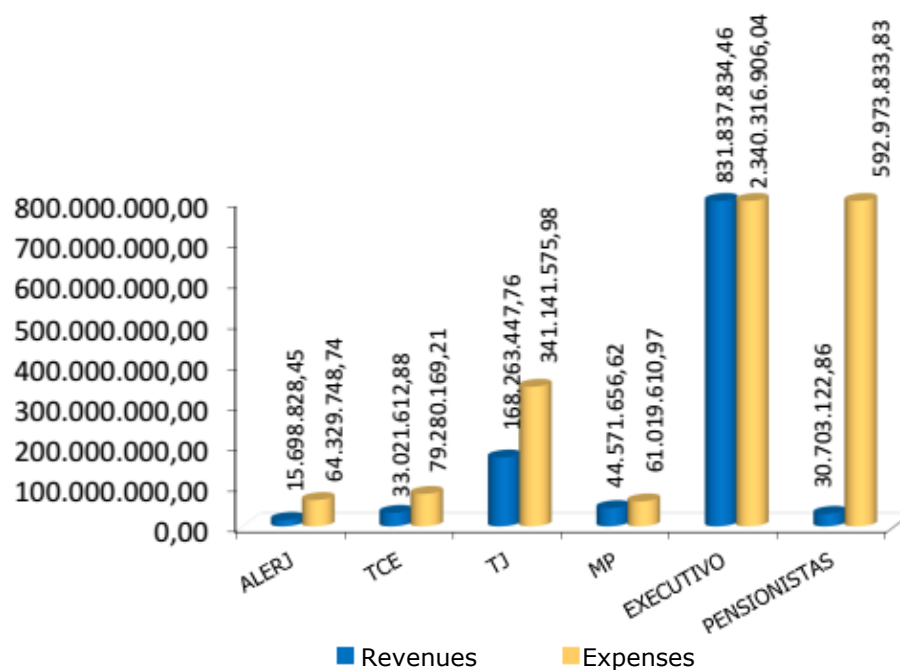
Upon examination of the social security revenue (employer dues, contribution from working and retired public servants and pensioners) in relation to the social security expenditure (Benefit payroll), a difference was observed in Q3 of 2016 of R\$ **2,702,954,583.21**, that is, the collections covered only 29.37% of the expense in the period. In the table and chart below this ratio is shown.

CORPORATE GOVERNANCE

Table 29 (Q3/2016)

Government Branches	Employer Contribution, Active and Inactive Civil Servant, and Pensioner	Inactive Civil Servant and Pensioner Payroll Revenue/Expense	Difference in R\$	
	(Revenue – R\$)	(Expense – R\$)		
	A	B	A/B (%)	
ALERJ (Legislature of the State of Rio de Janeiro)	15,698,828.45	64,329,748.74	24.40%	-48,630,920.29
TCE	33,021,612.88	79,280,169.21	41.65%	-46,258,556.33
TJ (Court of Appeals)	168,263,447.76	341,141,575.98	49.32%	-172,878,128.22
MP (Prosecution Office)	44,571,656.62	61,019,610.97	73.04%	-16,447,954.35
EXECUTIVE	831,837,834.46	2,340,316,906.04	35.54%	-1,508,479,071.58
Partial	1,093,393,380.17	2,886,088,010.94	37.88%	-1,792,694,630.77
PENSIONERS	30,703,122.86	940,963,075.30	3.26%	-910,259,952.44
Total	1,124,096,503.03	3,827,051,086.24	29.37%	-2,702,954,583.21

Chart 35
Social Security Revenues x Social Security Expenses
(R\$ thousand)



3.3– COMPREV CORE

3.3.1 – Collected Amounts

From July to September 2016, R\$ 21,937,795.13 were raised with the social security compensation. When comparing the Q3 of 2016 financial results with the previous quarter's result – R\$ 24,596,042.26 – there was a 12% decrease. In relation to the same period of 2015, there was an increase of 39.09%. The table below shows the behavior of this revenue.

Table 30

October/15 (R\$)	November/15 (R\$)	December/16 (R\$)	January/16 (R\$)	February/16 (R\$)	March/16 (R\$)
6,444,535.25	11,236,398.91	6,329,647.45	6,583,172.43	7,707,457.04	7,251,954.31
April/16 (R\$)	May/16 (R\$)	June/16 (R\$)	July/16 (R\$)	August/16 (R\$)	September/16 (R\$)
7,510,765.17					
Source:	7,961,588.65	9,123,688.44	6,920,570.63	7,212,437.48	7,804,787.02
COMPREV					

It is important to emphasize that the financial revenue from COMPREV is accounted for on an accrual basis and not on a cash basis. This means that the flow recorded in a given month effectively only becomes cash in the following month. The data below shows the production of the COMPREV Nucleus.

3.3.2 – Applications Submitted and Approved

In Q3 of 2016, the number of applications submitted to INSS increased by 0.73% and the number of approved documents decreased 32.08% compared to the previous quarter. Compared to Q3 of 2015, there was a decrease of 0.08% in applications submitted and an increase of 108.70% for those approved. This number relies solely on the actions of INSS.

Chart 36
Number of Applications (units)

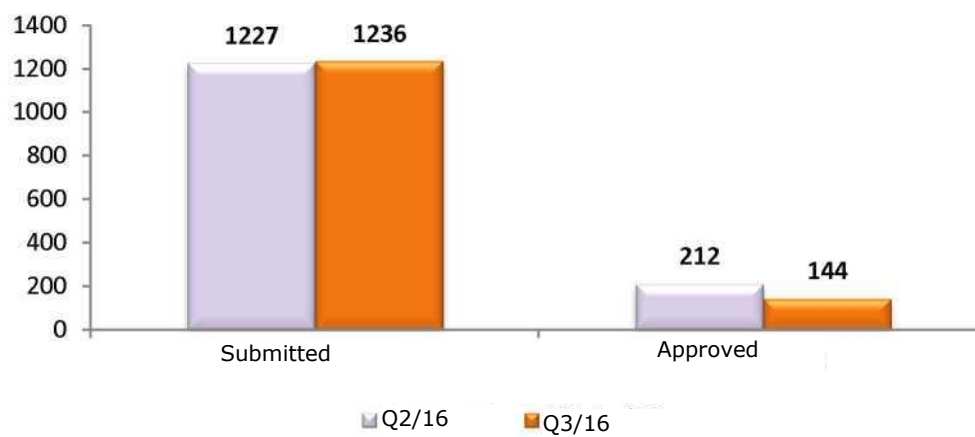
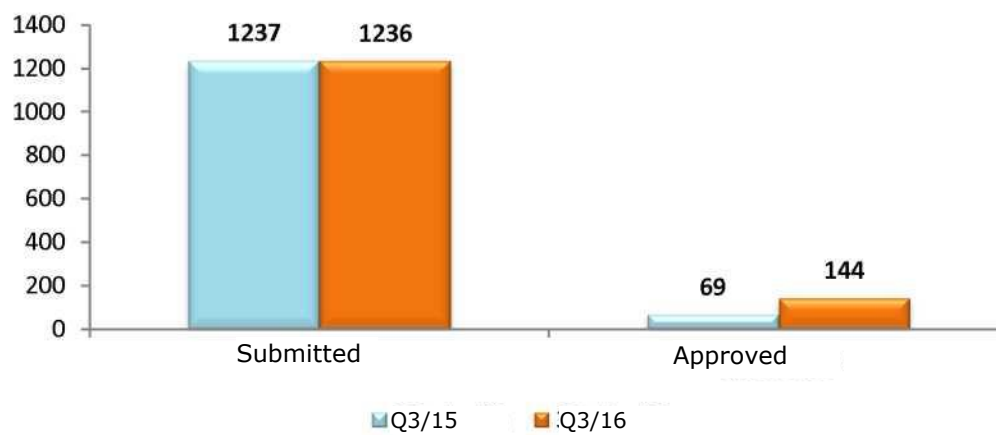


Chart 37
Number of Applications (units)



3.3.3 – Financial result per accounting period:

Table 31

Reference Date	Flow withheld in stock (Credit assessed in the period from 88 to 99) R\$			Flow to transfer (Amount credited to Rioprevidência) R\$			Total Credit
	Credit (RO)	Expense (RI)*	Balance	Credit (RO)	Expense (RI)*	Balance	
Oct/15	40,044.60	0.00	40,044.60	6,444,535.25	57,221.19	6,387,314.06	6,427,358.66
Nov/15	28,661.89	0.00	28,661.89	11,236,398.91	114,442.38	11,121,956.53	11,150,618.42
Dec/15	18,413.53	0.00	18,413.53	6,329,647.45	85,367.95	6,244,279.50	6,262,693.03
Jan/16	64,359.67	0.00	64,359.67	5,898,498.75	64,818.45	5,833,680.30	5,898,039.97
Feb/16	114,612.30	0.00	114,612.30	6,501,835.12	50,190.65	6,451,644.47	6,566,256.77
Mar/16	129,962.75	0.00	129,962.75	6,519,531.20	50,901.75	6,468,629.45	6,598,592.20
Apr/16	71,137.06	0.00	71,137.06	6,510,353.10	62,475.91	6,447,877.19	6,519,014.25
May/16	18,824.91	0.00	18,824.91	5,752,710.20	61,142.25	5,691,567.95	5,710,392.86
Jun/16	320,040.51	0.00	320,040.51	7,370,095.91	74,318.02	7,295,777.89	7,615,818.40
Jul/16	9,135.00	0.00	9,135.00	7,009,289.68	97,854.05	6,911,435.63	6,920,570.63
Aug/16	1,483.16	38,075.17	-36,592.01	7,396,073.95	147,044.46	7,249,029.49	7,212,437.48
Sep/16	16,733.32	0.00	16,733.32	7,861,910.44	73,856.74	7,788,053.70	7,804,787.02

Source: COMPREV Nucleus

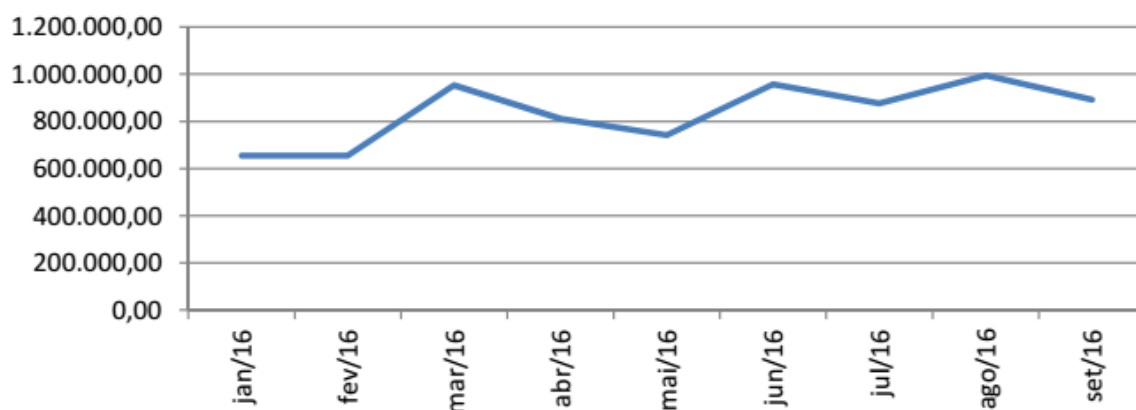
(*) Started in November 2008, analysis of the RI module - payments for RGPS (Statutory Social Security) - offset by inventory and flow receivable.

RO: Credit in favor of Rioprevidência

RI: Credit in favor of INSS

3.4 – REVENUE FROM LEAVE OF ABSENCE WITHOUT PAY, DEBIT FROM CLOSING OF RETIREE AND PENSIONER PAYROLL AND NOTARY CLERKS

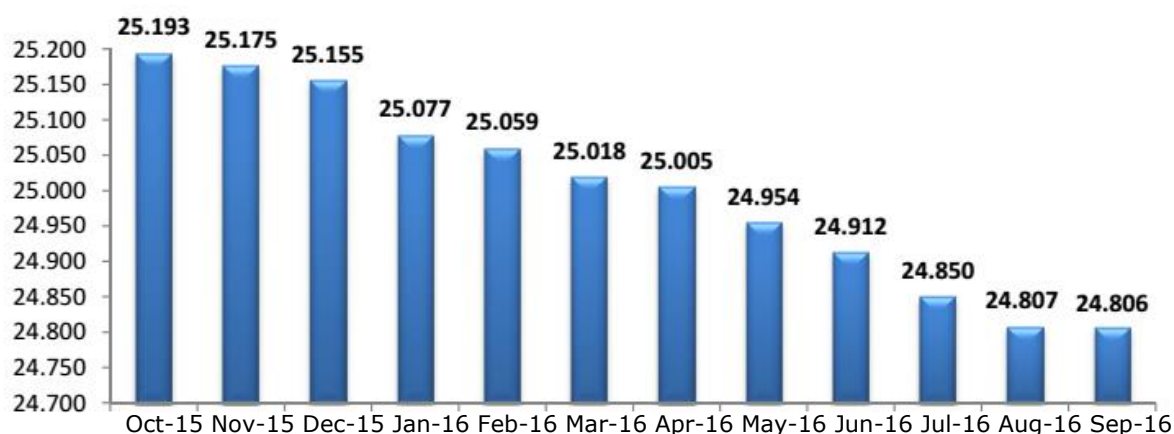
Chart 38
Collection from civil servants on unpaid leave



3.5 – VALUE OF THE BENEFIT GRANTED TO "OVER-AGE DAUGHTERS"

Rioprevidência has been conducting audits on the social security benefits granted, as determined by the Law. The Fund has achieved significant results with these audits, mainly the pensions granted to "over-age daughters". In this case, the condition to maintain the pension is that the beneficiary remains single, but many contract marriage and do not inform this to Rioprevidência, for this reason this audit – started in 2013 – is necessary.

Chart 39
Benefit granted to "Over-Age Daughters"



4. SERVICE CHANNELS



4.1. Customer Services (SAC)

4.2 Ombudsman

4.3 Agencies, Service Outlets, Time Savers
(Poupa Tempo) and Mobile Units

4.4 Scheduled Appointments

4. SERVICE CHANNELS

4.1 – CUSTOMER SERVICES (SAC)

Toll free number – 0800 285 8191

The SAC served 48,077 persons in Q3 of 2016, with the items Appointments, Statement of Payroll Deductions, and Inquiry Proceedings being the most sought by the beneficiaries. There was a 7.47% decrease compared to Q2 of 2016 and a 10.39% decrease compared to Q3 of 2015.

Chart 40
Number of answered calls per quarter (units)

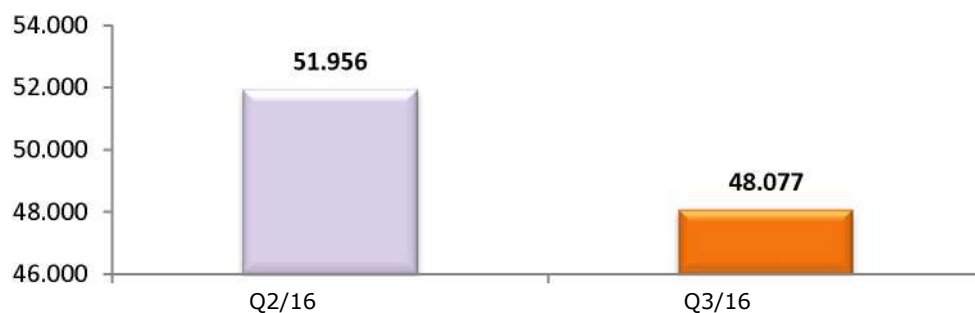
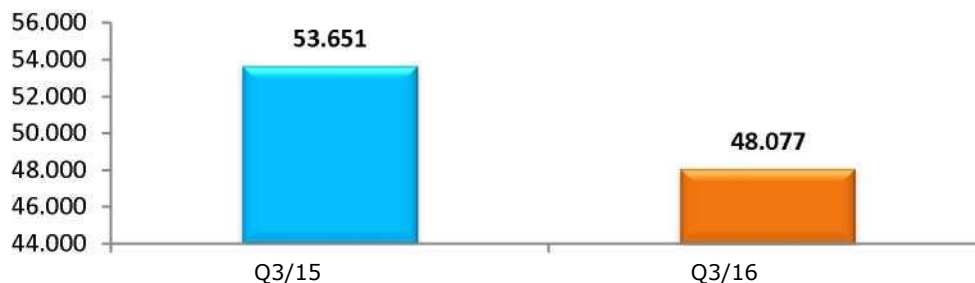


Chart 41
Number of answered calls per quarter (units)



4.2 – OMBUDSMAN

From July to September 2016, 2,355 complaints were received by the Ombudsman. The main subjects raised were: Statement of Payroll Deductions and Eligibility to Pension. There was a 76% increase compared to Q2 of 2016 and a 46.72% increase compared to Q3 of 2015.

Chart 42
Number of answered calls per quarter (units)

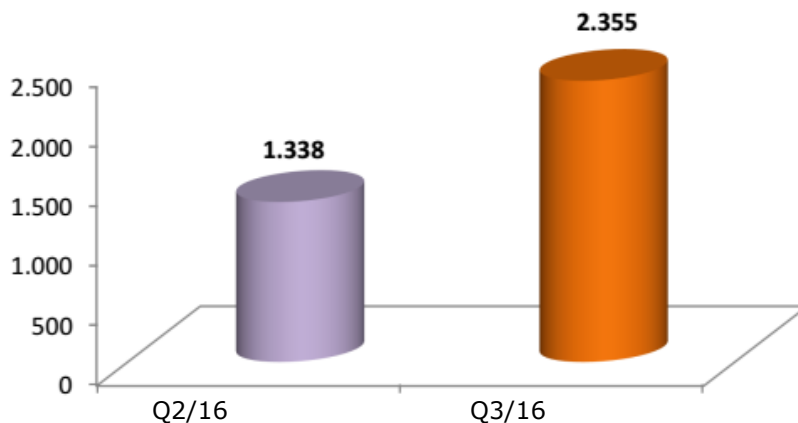
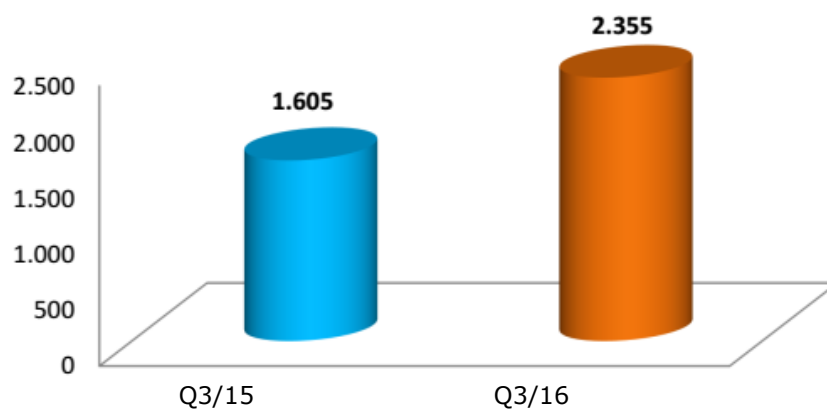


Chart 43
Number of answered calls per quarter (units)



4.3 – AGENCIES, SERVICE OUTLETS, TIME SAVERS (POUPA TEMPO) AND MOBILE UNITS

Rioprevidência has **22 Customer Service units**, as well as a mobile unit in its structure. They are distributed as follows:

CORPORATE GOVERNANCE

- **11 agencies:** five in the city of Rio de Janeiro and eight in municipalities within the interior of the state: Central, Tijuca, Méier, Icarai, Miracema, Valença, Três Rios, Nova Friburgo, Petrópolis, Teresópolis and Campos.
- **7 service outlets:** CBMERJ Méier, CBMERJ Centro, PMERJ (São Cristóvão), TCE, PCERJ (Civil Police of the State of Rio de Janeiro), PGE and DPGE (State General Public Defender's Office).
- **4 units of Rio Poupa Tempo:** Bangu, São João de Meriti, São Gonçalo and Cantagalo.
- **Mobile unit:** visits locations without agencies or service outlets each month.

Some of the services provided by Rioprevidência are the following:

- Process consultation;
- Update Address/Change Registration;
- Eligibility to pension;
- Pension quota in arrears;
- Revision of pension;
- Revision of pension quotas;
- Allowance during imprisonment;
- 2nd Copy of paycheck and income tax;
- Request for existing balance and end pension;
- Declaration of dependence;
- Declaration of PASEP benefit.

Analyzing Q3 of 2016, Rioprevidência attended **13,949 visitors**. There was a 11.4% decrease in the number of calls compared to Q2, and a 1.49% increase compared to Q3 of 2015.

Chart 44
Number of answered calls per quarter (units)

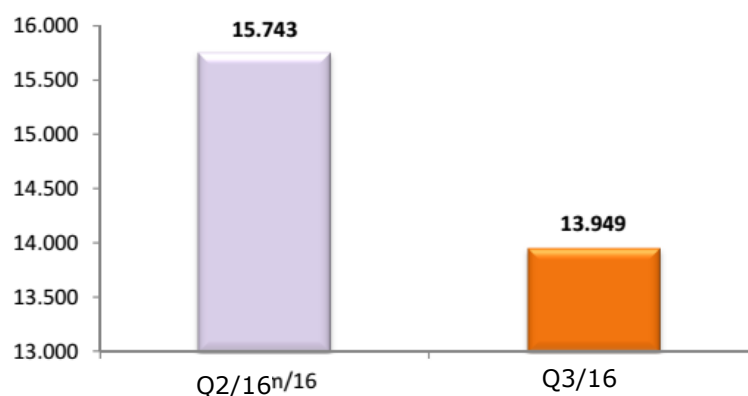
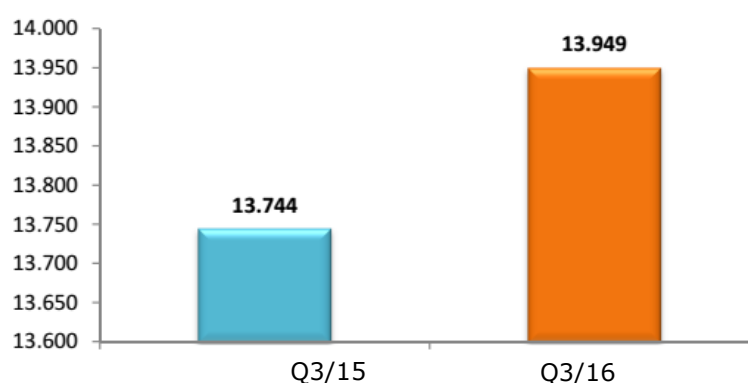


Chart 45
Number of answered calls per quarter (units)



The most requested services in Q3 of 2016 at the agencies were: 2nd copy of paycheck, maximum total deduction allowed and registration of email to access the paycheck.

4.4 – SCHEDULED APPOINTMENTS

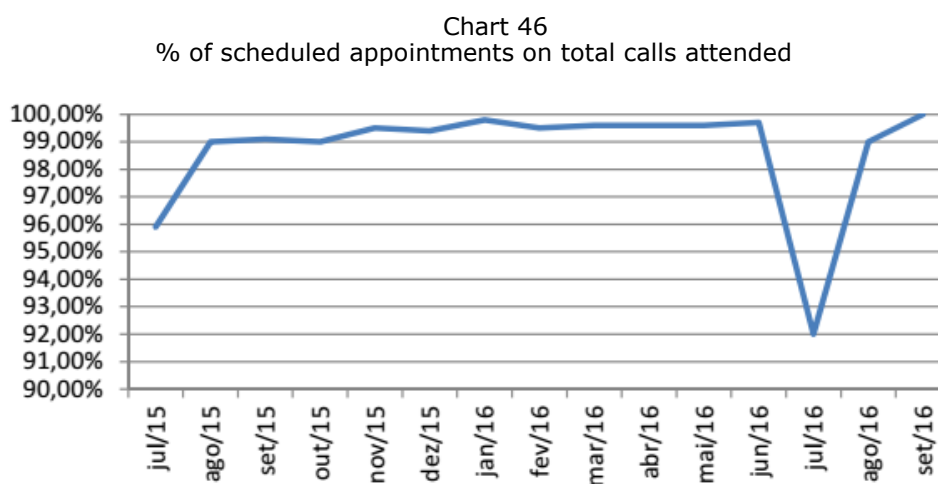
Aimed at increasing the effectiveness of the service, Rioprevidência has implemented **Scheduled Appointment**. This procedure intends to facilitate, expedite and give more comfort to the policyholders so that a single visit to the agency resolves the request in most cases.

CORPORATE GOVERNANCE

It can also be scheduled through the Rioprevidência website as from June 2011, through "Online Scheduling".

4.4.1 – Current Scenario

The chart below shows the change in total service in branches and outlets versus the number of appointments scheduled in the same period.



Note: The total services in this chart do not include the numbers from the mobile unit.



5. BOARDS

5.1 Board of Directors – CONAD

5.2 Audit Committee – CONFIS

5. BOARDS

Chapter II of Law 3,189/99 establishes the Rioprevidência management structure comprising the Executive Board and the Board of Directors. The law also provides for the operation of the Audit Committee with the Fund.

5.1 BOARD OF DIRECTORS – CONAD

As expressly provided in the relevant legislation, CONAD Directors should meet at least quarterly or hold special meetings convened by its Chairman or a majority of its members. In Q3 of 2016, the 69th and 70th Meetings of CONAD were held in July and October, respectively. The next CONAD meeting will be held in December.

5.2 – AUDIT COMMITTEE – CONFIS

The CONFIS directors met on July 5th and October 4th. The following subjects were submitted to the Directors: approval of trial balances of January, February and March 2016, audit of benefits, and approval of the trial balances of April, May, June and July 2016, audit of benefits, tax good standing and storeroom, and report of investments. The next CONFIS meeting will be held in December.



6. Rioprevidência Cultural

6. RIOPREVIDÊNCIA CULTURAL

6.1 – NUMBER OF PARTICIPANTS

In Q3 of 2016, Rioprevidência Cultural welcomed 4,437 participants in courses, events, tours, excursions, activities on Saturdays, using the multi-purpose and training room.

Table 32

	Jul/16	Aug/16	Sep/16	Total
Multipurpose Room	122	140	120	382
Courses	566	586	596	1748
Events	379	322	1,501	2202
Training	60	45	0	105
Excursions	0	0	0	0
Saturdays*	0	0	0	0
Total	1,127	1,093	2,217	4,437

6.2 – ACTIVITIES

In Q3, Rioprevidência Cultural offered excursions, artistic activities, exhibitions, physical activities, theater and regular courses and workshops.

6.2.1 – Artistic activities

- Choir;
- Acting Workshop for adults;
- Theater;
- Tea with music;
- Art Troupe;
- Memory Recreation Workshop;
- Crochet Workshop;
- Jewelry Workshop.

6.2.2 – Exhibitions

- Memoir Area

6.2.3 – Physical Activities

- Gymnastics;
- Ballroom Dance;
- Gypsy Dance;
- Senior Dance;
- Belly Dance;
- Circular Dance;
- Alexander Technique (Body Expression);
- Body Awareness and Expression.

6.2.4 – Courses

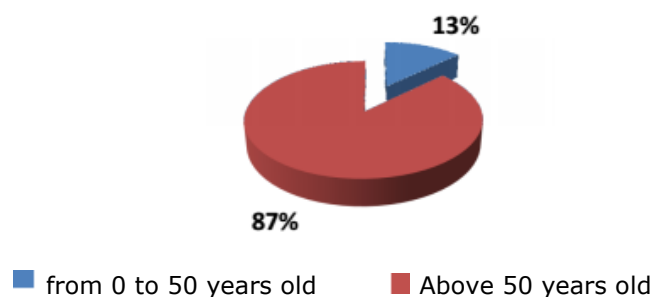
- English;
- Spanish;
- Computer Science;
- Guitar;
- Sweet Flute.

6.2.5 – Special Schedule

- Choir Festival.

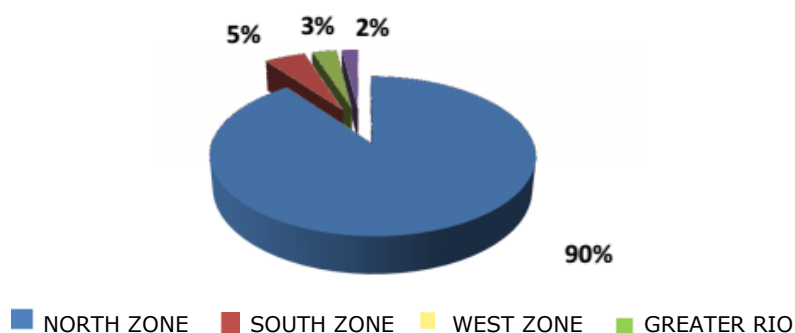
6.3 – AGE GROUP OF PARTICIPANTS

Chart 47
Q3/16



6.4 – PARTICIPANTS PER PLACE OF RESIDENCE

Chart 48
Q1/16



6.5 – COSTS

Table 33

	July/16 (R\$)	August/16 (R\$)	September/16 (R\$)
Personnel	16,679.83	19,028.78	16,311.83
Electricity/water/gas	600.14	430.10	717.42
Pantry/Cleaning/Reception	5,055.47	4,142.62	4,216.56
IT	1,605.26	1,605.26	1,605.26
Overhead Expenses	165.31	265.82	358.12
Security	8,300.64	5,533.76	5,533.76
Telephony	118.47	111.34	108.12
Transportation	0	0	0
Total	32,525.11	31,117.68	28,851.06



7. SCHOOL OF FINANCIAL EDUCATION

The School of Financial Education of Rioprevidência is a place for interaction and learning, with the aim of developing skills in the areas of economics and finance, in a didactic and differentiated manner, contributing so that people may improve their decisions in relation to consumption, savings and the use of credit, permitting responsible and conscious administration of one's own income and assets. It is located at Avenida Manuel de Abreu, no. 300, Maracanã and will serve any citizen, with the following audience as its target:

- **Young and school-age children** in the final years of elementary school and throughout high school, primarily students from state schools.
- **Adults interested in taking part in the program**, public servants and their families, university students, social project facilitators involved in the topics proposed by the program.
- **Senior citizens**, Rioprevidência retirees and pensioners, people attending Rioprevidência Cultural and others interested in taking part in the program.

You can register for these via phone (21) 2334-1846 and the School website at (<http://www.rioprevidencia.rj.gov.br/eef/index.html>).

7.1 – PARTNERS

The School of Financial Education have signed partnerships with the following institutions: CVM, DPGE-RJ, Bovespa, ANBIMA, APIMEC, UERJ, UFRJ, Central Bank, National Treasury, RJPrev, SUSEP, TCE-RJ and CCR-RJ, to conduct qualifications.





7.2 – ACTIVITIES E EXPENSES

Table 34

Activities	Jul/16	Aug/16	Sep/16
Direct Treasury	✓	✓	✓
Introduction to the Capital Market		✓	
Get to know the Real Estate Investment Funds		✓	
Organize your finances – Family Budget in Excel	✓		✓
Personal financial planning oriented to prosperity	✓	✓	✓
Personal Financial Management	✓		✓
Financial Education and Conscious Consumption for Women	✓	✓	
Indebtedness and Psychology of Responsible Consumption	✓		✓
Bank Contracts and Over-Indebtedness	✓	✓	
Psychological Aspects of Indebtedness	✓		✓
Dr. Finance	✓	✓	✓
Contact the Defense Counsel	✓	✓	

CORPORATE GOVERNANCE

The Importance of Financial Protection – Open Complementary Pension Plans			✓
Questions about Debts	✓	✓	
Financial Mathematics with Spreadsheet Excel	✓	✓	✓
Value of the Real Estate Property			✓
From Conscious Consumption to Financial Planning	✓	✓	
The Importance of Financial Protection – Insurance	✓		
Organize your life, cleaning your house	✓		

Table 35

Expenses	Jul/16	Aug/16	Sep/16
Electricity	550.92	396.12	678.75
Water	49.22	33.98	38.67
Telephone	215.80	200.54	144.96
Security	8,300.64	5,533.76	5,533.76
Cleaning	2,739.05	1,826.20	1,184.72
Receptionist	1,184.72	1,184.72	1,900.14
Personnel	13,549.88	12,379.08	12,601.45
Intern	938.00	765.00	765.00
Benefits (VT and AA)	0	252.00	252.00
IT	4,815.78	4,815.78	4,815.78
Consumables	0	265.82	358.12
Transportation	0	0	0
Reprography/Prints	0	0	0
Airline tickets	0	0	0
Pantry Services	1,131.70	1,131.70	1,131.70
Total	33,475.70	28,784.70	29,405.04

Table 36

General Information	Jul/16	Aug/16	Sep/16	Total
Workload	54.5	33	44	131.5
Number of Courses, Lectures and Consultations	17	11	13	41
Enrolled through the website (a)	342	174	179	695
Vacancies (A)	460	280	340	1,080
Internal Graduates (C)	229	65	74	368
Missed (a-C)	109	78	68	255

CORPORATE GOVERNANCE

Unused vacancies (A-C)	256	215	266	737
Public Servants (in School) (D)	58	21	19	98
External Graduates (c)	600	160	300	1,060
Public Servants (External Lecture) (d)	470	80	170	720
TOTAL of Public Servants (D)+(d)	528	101	189	818
TOTAL PARTICIPANTS (C) + (c)	829	225	374	1,428

Occupancy Rate (C/A)	33.91%
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8. HIGHLIGHTS

8. HIGHLIGHTS

8.1 – Rioprevidência saves R\$ 1 billion with Audit of Benefits

Since June 2012, Rioprevidência has been carrying out a robust audit with the aim of preventing undue payments on its benefits. Since then, the Fund has already audited survivor's pensions paid to Over-Age Daughters, Legatees, Provisional Pensions, among other categories. As a result, it achieved an accumulated savings of more than R\$ 1 billion and canceled almost 11,000 benefits that were not due.

For the year 2016, the expected savings are R\$ 420 million. If we carry out an actuarial projection of this annual savings amount, the reduction of the actuarial liabilities for the Fund will be R\$ 6.732 billion.

Another measure that is having great effect with this audit is the cross-checking of Rioprevidência database against some municipalities of the State, such as Rio de Janeiro, Nova Iguaçu, Duque de Caxias, Queimados, in addition to the Federal District. This measure allowed the identification of undue benefits such as the accumulation of two or more retirement pensions, disability retirements with the beneficiary working in another municipality, among other illegalities.

"For this year, we will keep the audits on social security benefits and also the cross-checking of Rioprevidência database against other municipalities of the State of Rio de Janeiro. We are trying to negotiate the performance of a data crossing against the INSS base, which must generate even greater savings", says Gustavo Barbosa, the Fund's Chief Executive Officer.

All of these measures were validated by the State Attorney General's Office and fully supported by the Planning and Management Secretariat and the Board of Directors of the Autarchy, which is also composed of representatives of the Secretariats of Chief of Staff, Finance, State Public Defender's Office, State Accounting Courts, the Public Prosecutor's Office, the Court of Appeals and representatives of the State's servants.

CORPORATE GOVERNANCE

8.2– School of Financial Education takes part in the debate about over-indebtedness

The School of Financial Education of Rioprevidência participated in the Debate about Over-Indebtedness in Palmas, Tocantins. The purpose of the event was to qualify public servants to receive, identify and deal with consumers who are in a situation of over-indebtedness, due to the increase in the demand from consumers in debt as a result of the financial crisis in Brazil.

This Debate about Over-Indebtedness will enable the establishment of mechanisms aimed at preserving the minimum level of income for the consumer, guaranteeing the maintenance of family subsistence, financial education and restoration of the necessary conditions for the concession of conscious credit lines, besides the reintegration of the consumer into the consumer market and the decrease in the number of consumers in a situation of over-indebtedness, which is likely to reduce the court demands related to financial matters.

The event was a partnership among the Specialized Center for Consumer Protection (NUDECON), the Center for Legal Studies of the Public Defender's Office of the State of Tocantins (CEJUR), and PROCON/TO (Consumer Protection Office).



8.3 – Rioprevidência sells real estate properties in Cordeiro

Rioprevidência carried out the sale of eleven real estate properties in the municipality of Cordeiro, in the Mountain Region of Rio de Janeiro. From February 2015 to last September 6, the Fund raised approximately R\$ 795 million from these sales. Out of the 11 real estate properties offered in the bidding process, five were bought by the same family.

The Control and Registration Management (GCR) has made an effort to sell real estate properties so as to reduce expenses with surveys and prevent invasions, besides being a way to capitalize Rioprevidência in times of crisis. The coordinator of the area, Leonardo Monteiro, pointed out that there is a prospect of increase in real estate sales in that municipality, in addition to other ones transferred to Rioprevidência by the State.



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