(A free translation of the original in Portuguese)

Porto Seguro S.A.

Quarterly Information (ITR) at March 31, 2018 and report on review of quarterly information

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Company Information/Capital Composition

Quantity of shares (thousand)	Current quarter 03/31/2018
Paid-in capital	
Common	323,293
Preferred	0
Total	323,293
Held in treasury	
Common	0
Preferred	0
Total	0

Company information / Cash proceeds

Event	Approval	Dividend	Start payment	Nature of share	Type of share	Earnings per share (R$ / share)
Annual and Special Shareholders' Meeting	03/29/2018	Interest on own capital	04/11/2018	Common		0.75353
Annual and Special Shareholders' Meeting	03/29/2018	Interest on own capital	04/11/2018	Common		0.74910
Annual and Special Shareholders' Meeting	03/29/2018	Dividends	04/11/2018	Common		0.85141

Individual Financial Statements/Balance Sheet - Assets

(In thousand of Brazilian reais)

Code of account	Account description	Current quarter 03/31/2018	Prior year 12/31/2017
1	Total assets	8,537,994	8,273,939
1.01	Current assets	1,585,689	1,210,097
1.01.01	Cash and cash equivalents	333,755	260,188
1.01.02	Interest earnings bank deposits	1,229,118	924,614
1.01.02.01	Interest earning bank deposits measured at fair value	1,229,118	924,614
1.01.02.01.01	Trading securities	0	914,408
1.01.02.01.02	Securities available for sale	0	10,206
1.01.02.01.03	Financial instruments at fair value through profit or loss	1,229,118	0
1.01.06	Recoverable taxes	21,532	21,408
1.01.06.01	Current taxes recoverable	21,532	21,408
1.01.06.01.01	Recoverable taxes and contributions	21,532	21,408
1.01.08	Other current assets	1,284	3,887
1.01.08.03	Other	1,284	3,887
1.01.08.03.01	Other assets	1,284	3,030
1.01.08.03.02	Derivative financial instruments	0	857
1.02	Non-current assets	6,952,305	7,063,842
1.02.01	Long-term assets	2,922	1,945
1.02.01.09	Other non-current assets	2,922	1,945
1.02.01.09.03	Other assets	2,922	1,945
1.02.02	Investments	6,949,383	7,061,897
1.02.02.01	Equity interest	6,949,383	7,061,897
1.02.02.01.02	Interest in subsidiaries	6,949,383	7,061,897

Individual Financial Statements/Balance Sheet - Liabilities

(In thousand of Brazilian reais)

Code of account	Account description	Current quarter 03/31/2018	Prior year 12/31/2017
2	Total liabilities	8,537,994	8,273,939
2.01	Current liabilities	472,621	285,213
2.01.03	Tax obligations	5,894	1,129
2.01.03.01	Federal tax obligations	5,894	1,129
2.01.03.01.02	Taxes and contributions payable	5,894	1,129
2.01.05	Other obligations	466,727	284,084
2.01.05.02	Other	466,727	284,084
2.01.05.02.01	Dividends and interest on own capital payable	439,538	257,067
2.01.05.02.04	Derivative financial instruments	330	0
2.01.05.02.05	Other liabilities	26,859	27,017
2.02	Non-current liabilities	261,306	274,362
2.02.03	Deferred taxes	260,108	274,362
2.02.03.01	Deferred income and social contribution taxes	260,108	274,362
2.02.04	Provisions	1,198	0
2.02.04.01	Tax, social security, labor and civil provisions	1,198	0
2.03	Shareholders' equity	7,804,067	7,714,364
2.03.01	Realized capital	4,000,000	3,500,000
2.03.02	Capital reserves	0	3,984
2.03.02.08	Disposal reserve of treasury shares	0	3,984
2.03.04	Profit reserves	3,701,263	4,137,274
2.03.04.08	Additional dividend proposed	0	175,698
2.03.04.10	Profit reserves	3,425,139	3,961,576
2.03.04.11	Retained earnings	276,124	0
2.03.08	Other comprehensive income	102,804	73,106

Individual Financial Statements/ Statement of Income

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2018–03/31/2018	Accumulated of the prior year 01/01/2017–03/31/2017
3.04	Operating expenses/income	225,620	167,196
3.04.02	General and administrative expenses	-6,956	-5,222
3.04.02.01	Administrative expenses	-6,929	-5,118
3.04.02.02	Tax expenses	-27	-104
3.04.05	Other operating expenses	-3,156	-9,083
3.04.06	Equity in net income of subsidiaries	235,732	181,501
3.04.06.01	Equity in net income of subsidiaries	235,732	181,501
3.05	Income (loss) before financial income (loss) and taxes	225,620	167,196
3.06	Financial income	49,242	45,842
3.06.01	Financial income	50,792	48,368
3.06.02	Financial expenses	-1,550	-2,526
3.07	Income (loss) before income tax	274,862	213,038
3.08	Income and social contribution taxes	1,262	1,262
3.08.01	Current	-12,992	-8,190
3.08.02	Deferred	14,254	9,452
3.09	Net income (loss) of continued operations	276,124	214,300
3.11	Income/loss for the period	276,124	214,300
3.99.01.01	Common shares	0.85410	0.66316
3.99.02.01	Common shares	0.85410	0.66316

Individual Financial Statements/Statement of Comprehensive Income

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2018–03/31/2018	Accumulated of the prior year 01/01/2017–03/31/2017
4.01	Net income for the period	276,124	214,300
4.02	Other comprehensive income	29,698	25,943
4.02.01	Adjustments to securities in subsidiaries	52,802	50,887
4.02.02	Tax effects over adjustments to securities	-23,761	-22,905
4.02.03	Accumulated translation adjustments	1,548	-2,039
4.02.04	Other equity valuation adjustments	-891	0
4.03	Comprehensive income for the period	305,822	240,243

Individual Financial Statement/Statement of Cash Flows - Indirect Method

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2018–03/31/2018	Accumulated of the prior year 01/01/2017–03/31/2017
6.01	Net cash from operating activities	-257,200	-172,518
6.01.01	Cash generated in operations	43,548	35,955
6.01.01.01	Net income for the period	276,124	214,300
6.01.01.02	Amortizations	3,156	3,156
6.01.01.03	Equity in net income of subsidiaries	-235,732	-181,501
6.01.02	Changes in assets and liabilities	-292,261	-208,473
6.01.02.01	Financial instruments at fair value through profit or loss	-314,710	-200,853
6.01.02.02	Financial instruments – other categories	10,206	5,193
6.01.02.03	Recoverable taxes and contributions	-124	7,783
6.01.02.05	Other assets	769	-7,959
6.01.02.06	Derivative financial instruments	1,187	874
6.01.02.07	Taxes and contributions payable	13,252	601
6.01.02.08	Deferred income and social contribution taxes	-14,254	-9,452
6.01.02.09	Provisions	1,198	-8,682
6.01.02.10	Other liabilities	10,215	4,022
6.01.03	Other	-8,487	0
6.01.03.01	Income and social contribution taxes paid	-8,487	0
6.02	Net cash used in investment activities	330,767	169,428
6.02.02	Dividends and interest on own capital received	350,069	182,428
6.02.03	Capital increase - subsidiaries	-19,302	-13,000
6.03	Net cash from financing activities	0	-20,506
6.03.01	Treasury shares	0	-20,506
6.05	Increase (decrease) in cash and cash equivalents	73,567	-23,596
6.05.01	Opening balance of cash and cash equivalents	260,188	145,243
6.05.02	Closing balance of cash and cash equivalents	333,755	121,647

Individual Financial Statements/Statement of Changes in Equity - 01/01/2018 to 03/31/2018

(In thousand of Brazilian reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	3,500,000	3,984	4,137,274	0	73,106	7,714,364
5.03	Adjusted opening balances	3,500,000	3,984	4,137,274	0	73,106	7,714,364
5.04	Capital transactions with partners	500,000	-3,984	-712,135	0	0	-216,119
5.04.01	Capital increases	500,000	-3,984	-496,016	0	0	0
5.04.08	Initial adoption - IFRS 9	0	0	-40,421	0	0	-40,421
5.04.09	Additional dividend/interest on own capital proposed	0	0	-175,698	0	0	-175,698
5.05	Total comprehensive income	0	0	0	276,124	29,698	305,822
5.05.01	Net income for the period	0	0	0	276,124	0	276,124
5.05.02	Other comprehensive income	0	0	0	0	29,698	29,698
5.05.02.01	Financial instrument adjustments	0	0	0	0	29,041	29,041
5.05.02.03	Equity income (loss) on compreh. income - subsidiaries and associated companies	0	0	0	0	1,548	1,548
5.05.02.06	Other equity valuation adjustments in subsidiaries (comprehensive income)	0	0	0	0	-891	-891
5.07	Closing balances	4,000,000	0	3,425,139	276,124	102,804	7,804,067

Individual Financial Statements/Statement of Changes in Equity - 01/01/2017 to 03/31/2017

(In thousand of Brazilian reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	3,170,000	0	3,812,170	0	16,896	6,999,066
5.03	Adjusted opening balances	3,170,000	0	3,812,170	0	16,896	6,999,066
5.04	Capital transactions with partners	330,000	-20,506	-438,675	0	0	-129,181
5.04.01	Capital increases	330,000	0	-330,000	0	0	0
5.04.04	Treasury shares acquired	0	-20,506	0	0	0	-20,506
5.04.09	Payment of additional dividends proposed - prior year	0	0	-108,675	0	0	-108,675
5.05	Total comprehensive income	0	0	0	214,300	25,943	240,243
5.05.01	Net income for the period	0	0	0	214,300	0	214,300
5.05.02	Other comprehensive income	0	0	0	0	25,943	25,943
5.05.02.01	Financial instrument adjustments	0	0	0	0	27,982	27,982
5.05.02.03	Equity income (loss) on compreh. income - subsidiaries and associated	0	0	0	0	-2,039	-2,039
5.07	Closing balances	3,500,000	-20,506	3,373,495	214,300	42,839	7,110,128

Individual Financial Statements/Statement of Value Added

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2018–03/31/2018	Accumulated of the prior year 01/01/2017–03/31/2017
7.02	Inputs acquired from third parties	-673	-6,778
7.02.02	Materials, Energy, outsourced services and other	-423	-462
7.02.04	Other	-250	-6,316
7.02.04.01	Outsourced services, net commissions	-250	-6,316
7.03	Gross added value	-673	-6,778
7.04	Retentions	-3,156	-3,156
7.04.01	Depreciation, amortization and depletion	-3,156	-3,156
7.05	Net added value produced	-3,829	-9,934
7.06	Added value received as transfer	286,171	229,652
7.06.01	Equity in net income of subsidiaries	235,732	181,501
7.06.02	Financial income	50,792	55,143
7.06.03	Other	-353	-6,992
7.07	Total added value payable	282,342	219,718
7.08	Distribution of added value	282,342	219,718
7.08.01	Personnel	6,131	4,202
7.08.01.01	Direct remuneration	627	327
7.08.01.02	Benefits	5,504	3,875
7.08.02	Taxes, rates and contributions	-1,110	-1,093
7.08.02.01	Federal	-1,110	-1,093
7.08.03	Third-party capital remuneration	1,197	2,309
7.08.03.01	Interest	1,197	2,309
7.08.04	Remuneration of own capital	276,124	214,300
7.08.04.03	Retained earnings / Loss for the period	276,124	214,300

Consolidated Financial Statements/Balance Sheet – Assets

(In thousand of Brazilian reais)

Code of account	Account description	Current quarter 03/31/2018	Prior year 12/31/2017
1	Total assets	29,184,542	28,978,126
1.01	Current assets	20,844,240	21,857,936
1.01.01	Cash and cash equivalents	832,278	1,266,575
1.01.02	Interest earnings bank deposits	9,650,110	9,934,648
1.01.02.01	Interest earning bank deposits measured at fair value	9,650,110	9,934,648
1.01.02.01.01	Trading securities	0	9,905,336
1.01.02.01.02	Securities available for sale	0	29,312
1.01.02.01.03	Financial instruments at fair value through profit or loss	9,630,604	0
1.01.02.01.04	Financial instruments at fair value through other comprehensive income	19,506	0
1.01.03	Accounts receivable	8,112,041	8,271,866
1.01.03.01	Clients	8,112,041	8,271,866
1.01.03.01.01	Premiums receivable from insured parties	3,499,623	3,597,097
1.01.03.01.02	Loan operations	1,294,350	1,173,609
1.01.03.01.03	Securities and credits receivable	3,226,286	3,406,636
1.01.03.01.04	Accounts receivable from rendering of services	91,782	94,524
1.01.06	Recoverable taxes	114,402	106,996
1.01.06.01	Current taxes recoverable	114,402	106,996
1.01.06.01.01	Recoverable taxes and contributions	114,402	106,996
1.01.08	Other current assets	2,135,409	2,277,851
1.01.08.03	Other	2,135,409	2,277,851
1.01.08.03.01	Non-financial assets held for sale	206,271	177,809
1.01.08.03.02	Deferred acquisition costs	1,392,706	1,559,619
1.01.08.03.03	Other assets	435,305	415,489
1.01.08.03.04	Derivative financial instruments	0	1,071
1.01.08.03.05	Reinsurance assets	101,127	123,863
1.02	Non-current assets	8,340,302	7,120,190
1.02.01	Long-term assets	4,711,221	3,523,882
1.02.01.01	Interest earning bank deposits measured at fair value	2,924,970	2,295,853
1.02.01.01.01	Trading securities	0	4,778
1.02.01.01.02	Securities available for sale	0	2,291,075
1.02.01.01.03	Financial instruments at fair value through profit or loss	4,837	0
1.02.01.01.04	Financial instruments at fair value through other comprehensive income	2,920,133	0
1.02.01.02	Interest earning bank deposits measured at amortized cost	582,851	0
1.02.01.02.01	Securities held to maturity	582,851	0
1.02.01.03	Accounts receivable	417,645	383,533
1.02.01.03.01	Clients	416,571	382,558
1.02.01.03.02	Other accounts receivable	1,074	975
1.02.01.06	Deferred taxes	399,288	462,842
1.02.01.06.01	Deferred income and social contribution taxes	394,465	458,019
1.02.01.06.04	Recoverable taxes and contributions	4,823	4,823
1.02.01.09	Other non-current assets	386,467	381,654
1.02.01.09.03	Reinsurance assets	3,086	1,984
1.02.01.09.04	Deferred acquisition costs	26,128	23,318
1.02.01.09.05	Other assets	357,253	356,352
1.02.02	Investments	7,865	8,358
1.02.02.02	Investment property	7,865	8,358
1.02.03	Property, plant and equipment	1,643,121	1,636,474
1.02.03.01	Fixed assets in operation	1,643,121	1,636,474
1.02.04	Intangible assets	1,978,095	1,951,476

Consolidated Financial Statements/Balance Sheet - Liabilities

(In thousand of Brazilian reais)

Code of account	Account description	Current quarter 03/31/2018	Prior year 12/31/2017
2	Total liabilities	29,184,542	28,978,126
2.01	Current liabilities	15,589,005	15,619,235
2.01.03	Tax obligations	403,247	419,671
2.01.03.01	Federal tax obligations	403,247	419,671
2.01.03.01.02	Taxes and contributions payable	403,247	419,671
2.01.05	Other obligations	15,185,758	15,199,564
2.01.05.02	Other	15,185,758	15,199,564
2.01.05.02.01	Dividends and interest on own capital payable	443,360	260,978
2.01.05.02.04	Insurance contract liabilities	8,357,610	8,451,302
2.01.05.02.05	Debts from insurance and reinsurance operations	380,538	362,462
2.01.05.02.06	Financial liabilities	5,288,562	5,374,687
2.01.05.02.07	Derivative financial instruments	2,847	1,522
2.01.05.02.08	Other liabilities	712,841	748,613
2.02	Non-current liabilities	5,789,803	5,642,792
2.02.02	Other obligations	5,416,505	5,267,243
2.02.02.02	Other	5,416,505	5,267,243
2.02.02.02.03	Insurance contract liabilities	5,274,246	5,122,614
2.02.02.02.04	Financial liabilities	95,705	95,698
2.02.02.02.05	Derivative financial instruments	1,408	1,211
2.02.02.02.06	Other liabilities	45,146	47,720
2.02.03	Deferred taxes	266,418	276,063
2.02.03.01	Deferred income and social contribution taxes	266,418	276,063
2.02.04	Provisions	106,880	99,486
2.02.04.01	Tax, social security, labor and civil provisions	106,880	99,486
2.02.04.01.01	Tax provisions	64,706	62,095
2.02.04.01.02	Social security and labor provisions	16,378	14,513
2.02.04.01.04	Civil provisions	25,796	22,878
2.03	Consolidated shareholders' equity	7,805,734	7,716,099
2.03.01	Realized capital	4,000,000	3,500,000
2.03.04	Profit reserves	3,425,139	4,141,258
2.03.04.08	Additional dividend proposed	0	175,698
2.03.04.10	Reserves	3,425,139	3,965,560
2.03.05	Retained Earnings/Losses	276,124	0
2.03.08	Other comprehensive income	102,804	73,106
2.03.09	Non-controlling interest	1,667	1,735

Consolidated Financial Statements/Income Statement

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2018–03/31/2018	Accumulated of the prior year 01/01/2017–03/31/2017
3.01	Income from sales of goods and/or services	4,341,394	4,025,801
3.01.01	Insurance premiums issued and net considerations	3,706,316	3,463,476
3.01.02	(-) Premiums - reinsurance ceded	-25,295	-20,878
3.01.03	Income from loans	328,753	274,805
3.01.04	Income from services rendered	279,170	256,441
3.01.05	Contributions to pension plan	43,830	45,137
3.01.06	Income from special savings bonds	8,620	6,820
3.03	Gross income (loss)	4,341,394	4,025,801
3.04	Operating expenses/income	-4,098,611	-3,964,374
3.04.02	General and administrative expenses	-755,576	-717,496
3.04.02.01	Administrative expenses	-634,353	-600,868
3.04.02.02	Tax expenses	-121,223	-116,628
3.04.04	Other operating income	45,988	34,419
3.04.04.01	Income from income property	3,065	3,175
3.04.04.02	Other operating income	42,923	31,244
3.04.05	Other operating expenses	-3,389,023	-3,281,297
3.04.05.01	Changes in technical reserves - Insurance	-213,143	-135,590
3.04.05.02	Changes in technical reserves - pension	-38,519	-39,802
3.04.05.03	Retained claims - Gross	-2,124,797	-2,224,573
3.04.05.04	Private pension plan benefits	-9,407	-7,997
3.04.05.05	Recovery of reinsurance	10,275	10,572
3.04.05.06	Recovery of salvage and reimbursements	246,178	256,679
3.04.05.07	Acquisition cost - insurance	-750,539	-698,842
3.04.05.08	Acquisition costs - other	-44,773	-30,672
3.04.05.09	Cost of services rendered	-82,961	-81,142
3.04.05.10	Other operating expenses	-381,337	-329,930
3.05	Income (loss) before financial income (loss) and taxes	242,783	61,427
3.06	Financial income	235,803	305,859
3.06.01	Financial income	381,653	507,796
3.06.02	Financial expenses	-145,850	-201,937
3.07	Income (loss) before income tax	478,586	367,286
3.08	Income and social contribution taxes	-202,737	-153,837
3.08.01	Current	-148,828	-125,267
3.08.02	Deferred	-53,909	-28,570
3.09	Net income (loss) of continued operations	275,849	213,449
3.11	Consolidated income (loss) for the period	275,849	213,449
3.11.01	Attributed to the Parent company's partners	276,124	214,300
3.11.02	Attributed to non-controlling partners	-275	-851
3.99.01.01	Common shares	0.85325	0.66052
3.99.02.01	Common shares	0.85325	0.66052

Consolidated Financial Statements/Statement of Comprehensive Income

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2018–03/31/2018	Accumulated of the prior year 01/01/2017–03/31/2017
4.01	Consolidated net income for the period	275,849	213,449
4.02	Other comprehensive income	29,698	25,943
4.02.01	Adjustments of securities	52,802	50,887
4.02.02	Tax effects over adjustments to securities	-23,761	-22,905
4.02.03	Accumulated translation adjustments	1,548	-2,039
4.02.04	Other equity valuation adjustments	-891	0
4.03	Consolidated comprehensive income for the period	305,547	239,392
4.03.01	Attributed to the Parent company's partners	305,822	240,243
4.03.02	Attributed to non-controlling partners	-275	-851

Consolidated Financial Statement/Statement of Cash Flows - Indirect Method

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2018–03/31/2018	Accumulated of the prior year 01/01/2017–03/31/2017
6.01	Net cash from operating activities	-317,712	-196,958
6.01.01	Cash generated in operations	334,544	269,451
6.01.01.01	Net income for the period	275,849	213,449
6.01.01.03	Depreciations - property, plant and equipment	35,251	34,797
6.01.01.04	Depreciation - investment properties	509	49
6.01.01.05	Amortizations	22,463	20,615
6.01.01.06	Income (loss) from the sale of property, plant and equipment	472	541
6.01.02	Changes in assets and liabilities	-606,837	-422,391
6.01.02.01	Financial instruments at fair value through profit or loss	274,673	-941,986
6.01.02.02	Financial instruments – other categories	-1,202,103	-81,711
6.01.02.03	Premiums receivable from insured parties	97,375	89,772
6.01.02.04	Loan operations	-154,754	-48,861
6.01.02.05	Securities and credits receivable	180,350	55,665
6.01.02.06	Reinsurance assets	21,634	3,192
6.01.02.07	Deferred income tax and social contribution	53,909	28,570
6.01.02.08	Recoverable taxes and contributions	-7,406	49,016
6.01.02.10	Goods for sale	-28,462	-12,778
6.01.02.11	Other assets	-17,469	4,868
6.01.02.12	Deferred acquisition costs	164,103	5,302
6.01.02.13	Insurance contract liabilities	57,940	307,092
6.01.02.14	Debts from operations with insurance and reinsurance	18,076	-21,814
6.01.02.15	Financial liabilities	-61,493	161,680
6.01.02.16	Taxes and contributions payable	58,900	45,674
6.01.02.17	Provisions	7,394	-6,813
6.01.02.18	Other liabilities	-72,097	-67,874
6.01.02.19	Derivative financial instruments	2,593	8,615
6.01.03	Other	-45,419	-44,018
6.01.03.01	Financial instrument adjustments	29,698	25,943
6.01.03.02	Non-controlling interest	207	1,188
6.01.03.04	Income and social contribution taxes paid	-75,324	-71,149
6.02	Net cash used in investment activities	-91,960	-90,100
6.02.01	Disposal of property, plant and equipment	8,804	8,223
6.02.02	Acquisition of property, plant and equipment	-51,295	-49,542
6.02.03	Acquisition of intangible assets	-49,469	-48,781
6.03	Net cash from financing activities	-24,625	-36,382
6.03.01	Treasury shares	0	-20,506
6.03.04	Funding interest paid	-24,625	-15,876
6.05	Increase (decrease) in cash and cash equivalents	-434,297	-323,440
6.05.01	Opening balance of cash and cash equivalents	1,266,575	882,067
6.05.02	Closing balance of cash and cash equivalents	832,278	558,627

Consolidated Financial Statements/Statement of Changes in Equity - 01/01/2018 to 03/31/2018

(In thousand of Brazilian reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Non-controlling interest	Consolidated shareholders' equity
5.01	Opening balances	3,500,000	3,984	4,137,274	0	73,106	7,714,364	1,735	7,716,099
5.03	Adjusted opening balances	3,500,000	3,984	4,137,274	0	73,106	7,714,364	1,735	7,716,099
5.04	Capital transactions with partners	500,000	-3,984	-712,135	0	0	-216,119	207	-215,912
5.04.01	Capital increases	500,000	-3,984	-496,016	0	0	0	0	0
5.04.08	Initial adoption - IFRS 9	0	0	-40,421	0	0	-40,421	0	-40,421
5.04.09	Additional dividend/interest on own capital proposed	0	0	-175,698	0	0	-175,698	0	-175,698
5.04.10	Increase in non-controlling interest in subsidiaries	0	0	0	0	0	0	207	207
5.05	Total comprehensive income	0	0	0	276,124	29,698	305,822	-275	305,547
5.05.01	Net income for the period	0	0	0	276,124	0	276,124	-275	275,849
5.05.02	Other comprehensive income	0	0	0	0	29,698	29,698	0	29,698
5.05.02.01	Financial instrument adjustments	0	0	0	0	29,041	29,041	0	29,041
5.05.02.03	Equity income (loss) on compreh. income - Associated Companies	0	0	0	0	1,548	1,548	0	1,548
5.05.02.06	Other equity valuation adjustments in subsidiaries (comprehensive income)	0	0	0	0	-891	-891	0	-891
5.07	Closing balances	4,000,000	0	3,425,139	276,124	102,804	7,804,067	1,667	7,805,734

Consolidated Financial Statements/Statement of Changes in Equity - 01/01/2017 to 03/31/2017

(In thousand of Brazilian reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Non-controlling interest	Consolidated shareholders' equity
5.01	Opening balances	3,170,000	0	3,812,170	0	16,896	6,999,066	1,733	7,000,799
5.03	Adjusted opening balances	3,170,000	0	3,812,170	0	16,896	6,999,066	1,733	7,000,799
5.04	Capital transactions with partners	330,000	-20,506	-438,675	0	0	-129,181	1,188	-127,993
5.04.01	Capital increases	330,000	0	-330,000	0	0	0	0	0
5.04.04	Treasury shares acquired	0	-20,506	0	0	0	-20,506	0	-20,506
5.04.09	Payment of additional dividends proposed - prior year	0	0	-108,675	0	0	-108,675	0	-108,675
5.04.10	Increase in non-controlling interest in subsidiaries	0	0	0	0	0	0	1,188	1,188
5.05	Total comprehensive income	0	0	0	214,300	25,943	240,243	-851	239,392
5.05.01	Net income for the period	0	0	0	214,300	0	214,300	-851	213,449
5.05.02	Other comprehensive income	0	0	0	0	25,943	25,943	0	25,943
5.05.02.01	Financial instrument adjustments	0	0	0	0	27,982	27,982	0	27,982
5.05.02.03	Equity income (loss) on compreh. income - Associated Companies	0	0	0	0	-2,039	-2,039	0	-2,039
5.07	Closing balances	3,500,000	-20,506	3,373,495	214,300	42,839	7,110,128	2,070	7,112,198

Consolidated Financial Statements/Statement of Value Added

(In thousand of Brazilian reais)

Code of account	Account description	Accumulated of the current year 01/01/2018–03/31/2018	Accumulated of the prior year 01/01/2017–03/31/2017
7.01	Income	2,164,736	1,883,344
7.01.02	Other income	2,298,944	1,957,011
7.01.02.01	Income with insurance operations	3,697,002	3,463,476
7.01.02.02	Loan operations	328,753	274,805
7.01.02.03	Rendering of services	297,288	274,769
7.01.02.04	Income from pension operations	43,830	45,137
7.01.02.06	Other	52,170	39,535
7.01.02.08	Changes in technical reserves - Insurance	-213,143	-135,590
7.01.02.09	Changes in technical reserves - pension	-38,519	-39,802
7.01.02.10	Retained claims	-1,859,030	-1,957,322
7.01.02.11	Expenses with benefits	-9,407	-7,997
7.01.04	Formation/reversal of allowance for doubtful accounts	-134,208	-73,667
7.02	Inputs acquired from third parties	-1,252,049	-1,178,336
7.02.01	Cost of products, goods and services sold	-82,961	-81,142
7.02.02	Materials, Energy, outsourced services and other	-238,849	-215,754
7.02.03	Loss/recovery of asset values	1,059	-348
7.02.04	Other	-931,298	-881,092
7.02.04.03	Outsourced services, net commissions	-943,088	-877,044
7.02.04.04	Change in deferred acquisition costs	11,790	-4,048
7.03	Gross added value	912,687	705,008
7.04	Retentions	-58,223	-55,461
7.04.01	Depreciation, amortization and depletion	-58,223	-55,461
7.05	Net added value produced	854,464	649,547
7.06	Added value received as transfer	246,042	324,578
7.06.02	Financial income	381,653	507,796
7.06.03	Other	-135,611	-183,218
7.07	Total added value payable	1,100,506	974,125
7.08	Distribution of added value	1,100,506	974,125
7.08.01	Personnel	409,724	392,139
7.08.01.01	Direct remuneration	235,011	230,358
7.08.01.02	Benefits	158,112	145,046
7.08.01.03	Severance Pay Fund (FGTS)	16,601	16,735
7.08.02	Taxes, rates and contributions	395,748	343,240
7.08.02.01	Federal	374,224	321,642
7.08.02.02	State	7,523	9,983
7.08.02.03	Municipal	14,001	11,615
7.08.03	Third-party capital remuneration	19,185	25,297
7.08.03.01	Interest	6,665	15,495
7.08.03.02	Rents	12,520	9,802
7.08.04	Remuneration of own capital	275,849	213,449
7.08.04.03	Retained earnings / Loss for the period	276,124	214,300
7.08.04.04	Non-controlling interest in retained earnings	-275	-851



1Q18 Earnings Release

Improvements on the operational results propelled net earnings

In the first quarter of 2018, Porto Seguro has reported consistent results chiefly due to the discipline on prices recovering in the insurance segment throughout 2017. The operational result was three times higher in comparison to the 1Q17, as a result of the best combined ratio achieved within the last 10 years, outpacing the financial performance in the period. The success on improving operations while the financial result was affected by the lowest historical Brazilian interest rates, ratifies the view that these two types of results must be analyzed and managed in an integrated way.

The auto insurance resilience in a scenario combined with the greater growth dynamics of other businesses, provided an 8% increase in total revenues and 7% in insurance written premiums, while the revenues from financial and service businesses grew 14% in the period.

In the insurance operation, the measures aiming the margins recovery in the auto segment presented distinct results between brands, with Porto Seguro premiums remaining stable and Azul and Itaú increasing double digits. In terms of expenses, the loss ratio has reduced significantly in the three brands.

In the other businesses, Health, Life and Credit Card products reported the biggest revenues growth, increasing more than 10%, mainly driven by the clients volume expansion. However, the results of service operations are still pressured by younger businesses, especially Porto Conecta.

The return on financial investments decreased, as a result of the lower average CDI* (-48% vs. 1Q17), which led to a reduction of 23% in the quarterly financial result. However, the results were better than the benchmark, achieving 146% of the CDI, mostly explained by fixed income and inflation linked-bonds outcome, besides the better equities performance.

In this context, net income attained R$ 278 million, a record for the first quarter, which represents an increase of 29% compared to the 1Q17. This increase comes mainly from the improved auto insurance results, which doubled its profitability in the period.

The ROAE achieved 15.9% in the quarter (+2.1 p.p. vs. 1Q17). As a reference, the Company's ROAE adjusting the capital (excluding surplus capital) and considering an investment return of 100% of CDI* would have been 20.9%.

Therefore, we are optimistic about the prospect of the recovery in the economy, which should contribute both for the insurance segment continue to grow above GDP in the coming years, as well as to the expansion of the other businesses where we operate.

*CDI – Interbank Certificate of Deposit

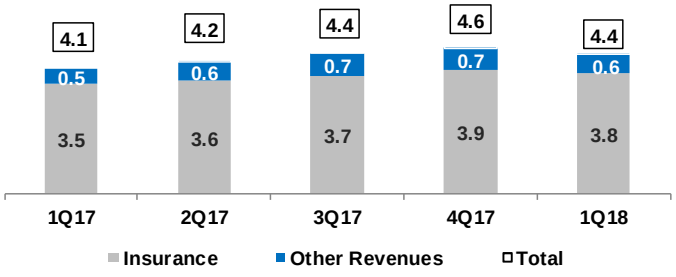
Highlights

Earnings Conference Call – 1Q18
(05/04/18) – Portuguese/English 10:00 a.m. (NY) / 11:00 a.m. (Brasília)

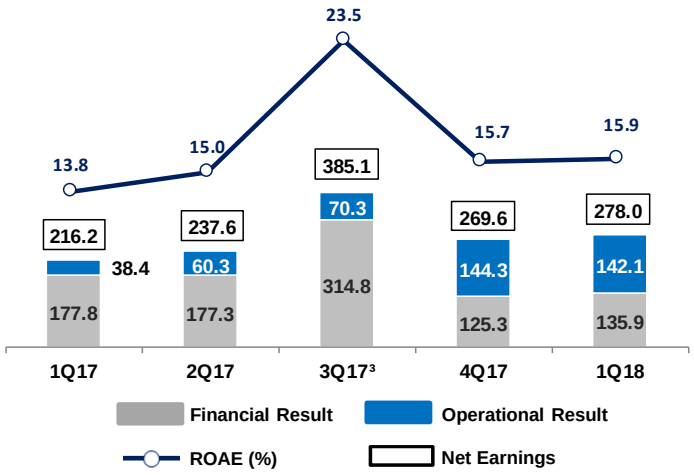
R$ 4.4 bi Total Revenues	R$ 3.7 bi Written Premiums	R$ 608 MM Other Businesses Revenues	R$ 236 MM Financial Results	93.5% Combined Ratio	R$ 278 MM Net Income
+8%	+7%	+14%	-23%	+5.7 p.p.	+29%

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Total Revenues[1]
(R$ Billion)



Profitability[2]
(R$ Million)



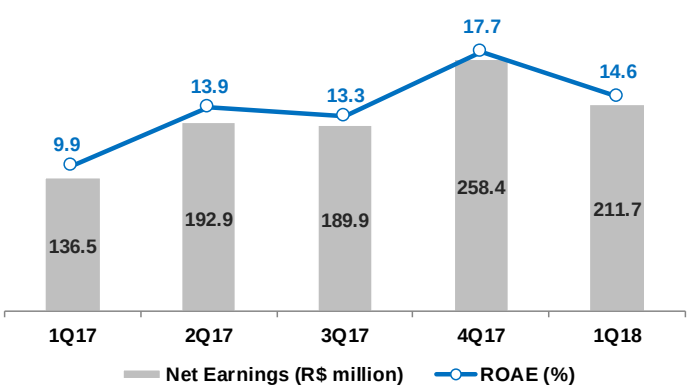
Main Results

Main Results	1Q18	1Q17	Var. %/p.p.
Operational Insurance Results	*247.2*	*39.7*	*522.7*
Operational Results - Other Business	*56.3*	*70.4*	*(20.0)*
Consolidated Financial Results	*235.8*	*305.9*	*(22.9)*
Earnings before Income / Social contribution and Profit Sharing	*539.3*	*416.0*	*29.6*
Income / Social contribution taxes	*(202.7)*	*(153.8)*	*31.8*
Tax and Social Contribution over Net Income before Tax	*42.4*	*41.9*	*0.5*
Profit Sharing	*(60.5)*	*(47.9)*	*26.3*
Net Earnings with Business Combination - R$ million - var. %	***276.1***	***214.3***	***28.8***
Net Earnings w/o Business Combination - R$ million - var. %	***278.0***	***216.2***	***28.6***
ROAE w/o Business Combination	***15.9***	***13.8***	***2.1***

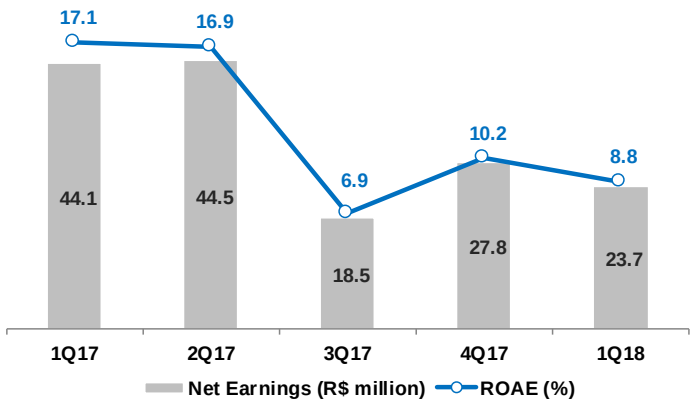
- The increase in net earnings is mainly explained by the better performance in the insurance segment, which is chiefly due to the lower auto loss ratio. Comparing to the first quarter of 2017, the operational insurance result was approximately 6 times higher.

Results by Business Lines* (R$ Million)

Insurance[4]



Financial and Service Businesses[5]



1 Insurance Written Premiums + Financial and Service Businesses + Other Operational Revenues

2 The effective tax was applied to the financial result calculation, while the operational result is the difference between the net income (w/o business combination) and the financial result net of taxes

3 The 3Q17 result was favored by the sales of IRB (IRB – Brasil Resseguros S.A.) in the net amount of R$ 126 million

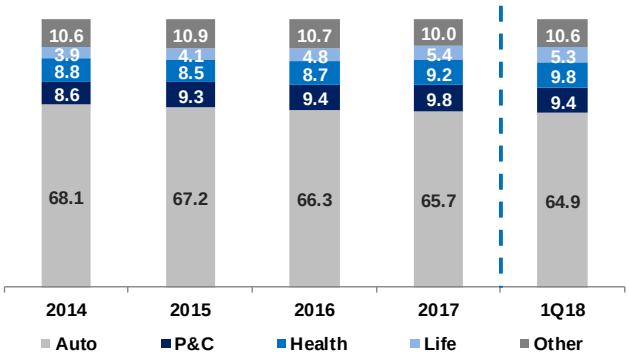
4 Including insurance operational results, pension and capitalization

5 Represents Financial and Service Businesses results such as Consortium, Credit Card and Financing, Mobile Operator, Surveillance and Monitoring, Medical Services, among others.

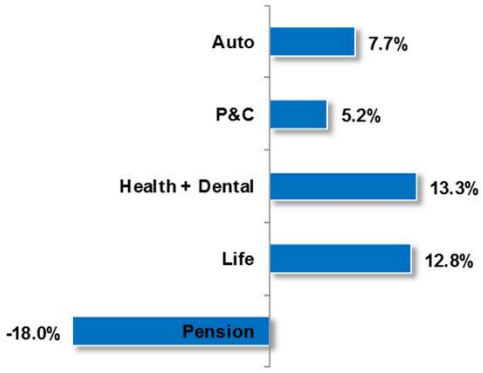
*Excluding the holding results

INSURANCE

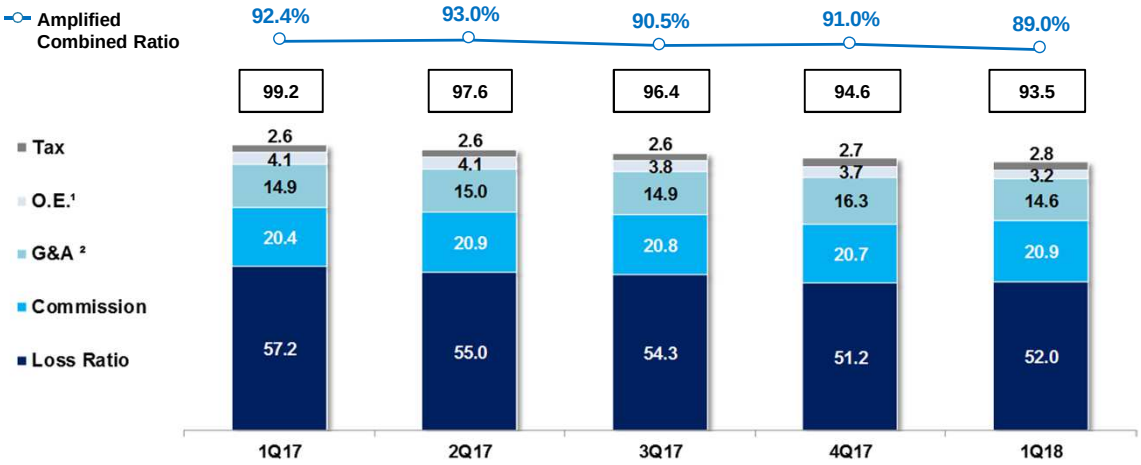
Insurance Written Premiums Breakdown



Top Products Growth* – 1Q18 x 1Q17

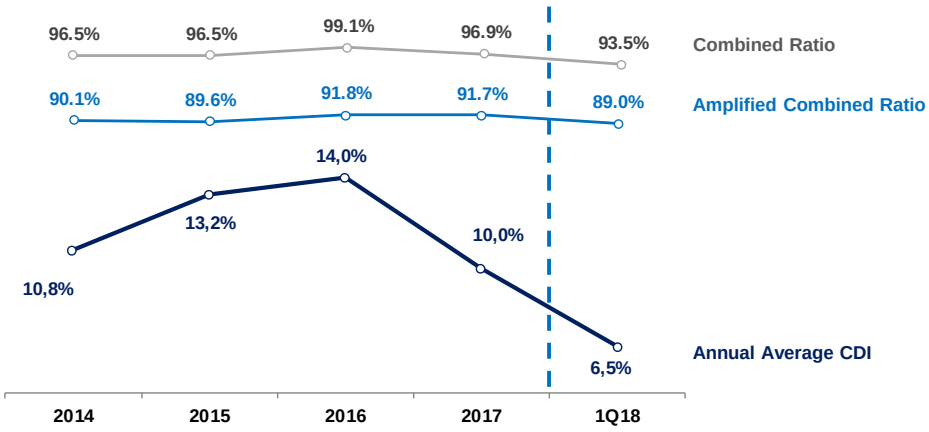


Insurance Combined Ratio** (%)



In this quarter, the combined ratio achieved the best level within the last 10 years, mostly as a result of the relevant decrease in losses. Historically, we have compensated the reduction of financial revenues through the increased operational performance, while the amplified combined ratio (including financial results) has been showing a low oscillation. However, the quarterly amplified combined ratio has improved 3.4 p.p. in comparison to the 1Q17.

Historical Operational Results vs. Interest Rates (%)



¹O.E = Other Revenues – Operational Expenses
²General and Administrative Expenses
*Considering insurance written premiums and pension gross funding (Total Contributions + Inputs + Incoming Portability)
**As of 2018, adjustments were made in our financial statements as a result of the Initial Hiring Costs, which are now recorded as Deferred Acquisition Costs (DAC), following the same appropriation system of the results according to the term and risk. This regulation does not affect the Combined Ratio, representing just adjustments between accounts . Although, the adjustments were made in the numbers of the Press Release 2018 (pro forma) to maintain the same basis of comparison.

Auto Insurance

Porto Seguro Auto	1Q18	1Q17	Var. %/p.p.
Written Premiums (R$ million)	1,059.5	1,068.5	(0.8)
Earned Premium (R$ million)	1,136.3	1,144.3	(0.7)
Loss Ratio (%) - Var (p.p.)	52.1	56.9	(4.8)
Insured Vehicles (thousand)	2,152	2,282	(5.7)

Azul Seguros Auto	1Q18	1Q17	Var. %/p.p.
Written Premiums (R$ million)	769.3	653.2	17.8
Earned Premium (R$ million)	701.1	624.4	12.3
Loss Ratio (%) - Var (p.p.)	55.1	64.3	(9.2)
Insured Vehicles (thousand)	1,857	1,842	0.8

Itaú Seguros Auto[1]	1Q18	1Q17	Var. %/p.p.
Written Premiums (R$ million)	576.4	511.6	12.7
Earned Premium (R$ million)	560.0	520.9	7.5
Loss Ratio (%) - Var (p.p.)	53.3	62.2	(8.9)
Insured Vehicles (thousand)	1,239	1,256	(1.4)

Auto Consolidated	1Q18	1Q17	Var. %/p.p.
Written Premiums (R$ million)	2,405.2	2,233.3	7.7
Earned Premium (R$ million)	2,397.4	2,289.6	4.7
Loss Ratio (%) - Var (p.p.)	53.3	60.1	(6.8)
Insured Vehicles (thousand)	5,248	5,380	(2.5)

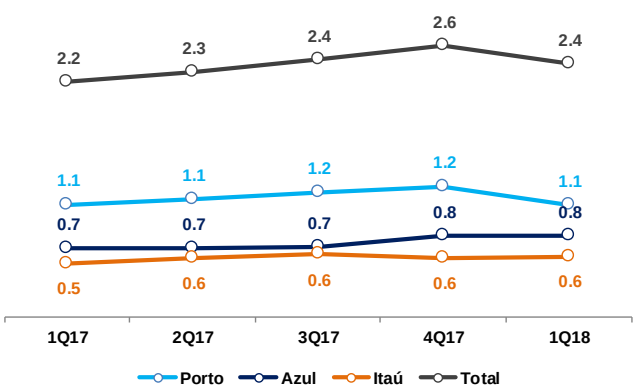
- Our 3 auto insurance brands reported improved results in the quarter. Total auto premiums have grown 8%, increasing the market share, while the loss ratio decreased significantly by 7 p.p., remaining 13 p.p. below the market average. The measures that have been taken to adjust tariffs focusing on better underwriting, in combination with the favorable competitive environment and the lower losses frequency, led to an improved profitability. In addition, the recovery in the sales of new brand vehicles should gradually provide a resumption of the insured fleet.

- In the Porto Seguro brand, the price adjustments stood in the way of the product growth, causing a loss of customers (reduction of 130 thousand vehicles), mainly explained by the product positioning on the premium segment. On the other hand, the loss ratio decreased, leading to a significant increase of margins.

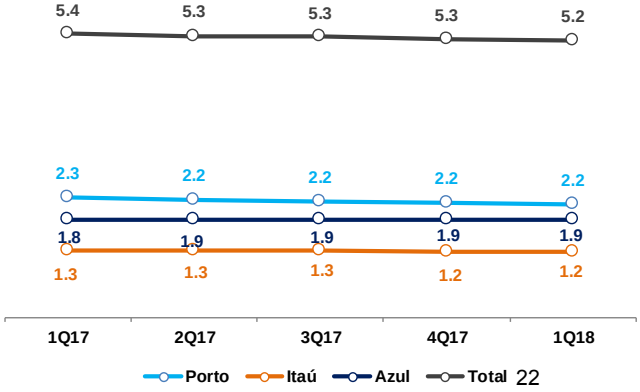
- The written premiums of Azul Seguros improved 18%, increasing its market share with 1.3 p.p.. The insured fleet, although discretely, resumed the growth, favored by the more rational competition and better macroeconomic scenario. Furthermore, the loss ratio decreased 9.2 p.p., a sharp fall, as a result of the higher average premium, a more restrictive underwriting, reduction of loss frequencies and the success in managing the costs of repair.

- The *Itaú Auto e Residência* portfolio increased 13%, mostly explained by the price adjustments. The loss ratio was also favored by the higher tariffs and lower loss frequencies, both in individual and fleet insurance.

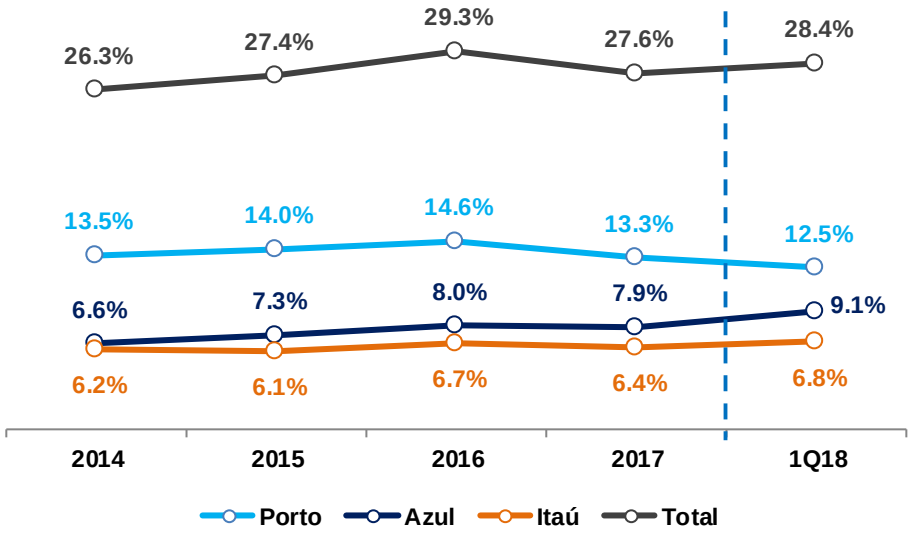
Premiums (R$ billion)



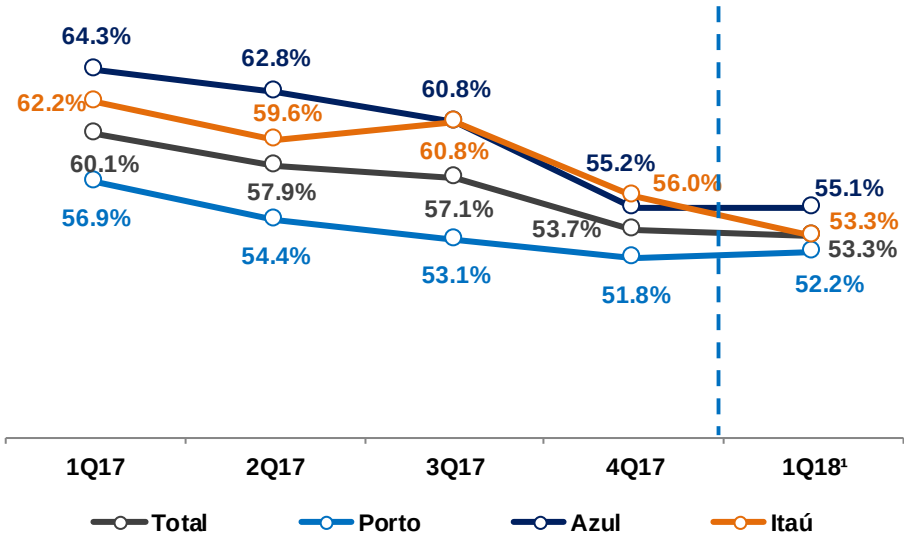
Insured Fleet (million)



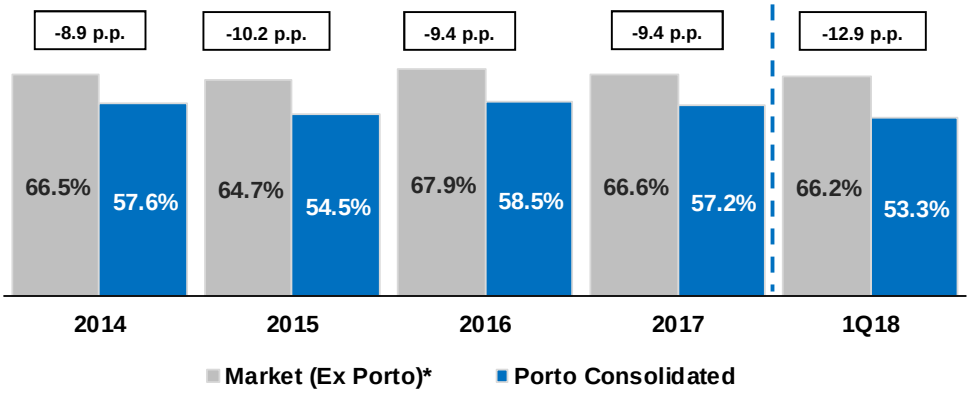
Market Share – Auto* (%)



Auto Loss Ratio[1]



Loss Ratio – Porto Auto *vs*. Market (%)[1]



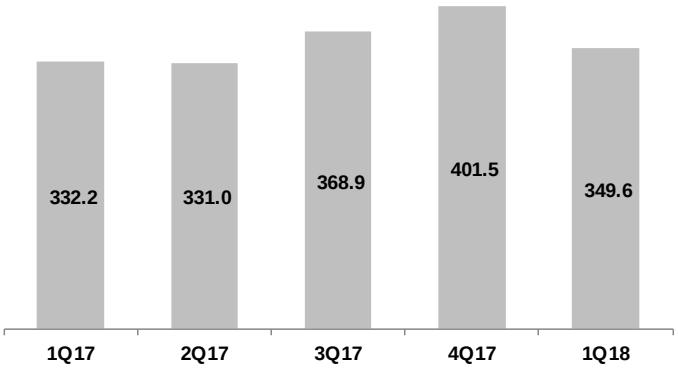
[1]As of 2018, adjustments were made in our financial statements as a result of the Initial Hiring Costs, which are now recorded as Deferred Acquisition Costs (DAC), following the same appropriation system of the results according to the term and risk. This regulation does not affect the Combined Ratio, representing just adjustments between accounts . However, adjustments were made in the numbers of the Press Release 2018 (pro forma) to maintain the same basis of comparison.
*Source: Susep.

Property & Casualty

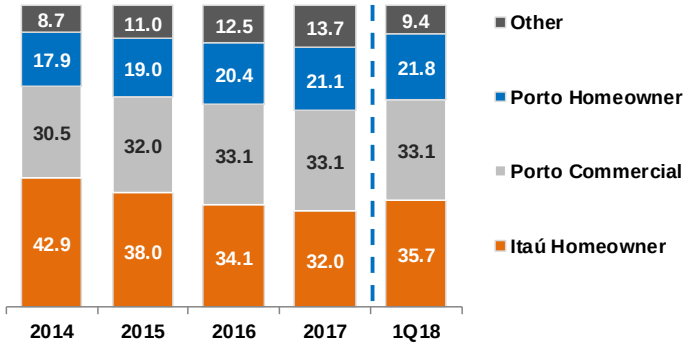
Itaú Homeowner	1Q18	1Q17	Var. %/p.p.
Written Premiums (R$ million)	124.8	118.2	5.6
Loss Ratio (%) - Var (p.p.)	31.4	35.6	(4.2)
Porto Commercial	**1Q18**	**1Q17**	**Var. %/p.p.**
Written Premiums (R$ million)	115.7	104.2	11.0
Loss Ratio (%) - Var (p.p.)	29.2	32.6	(3.4)
Porto Homeowner	**1Q18**	**1Q17**	**Var. %/p.p.**
Written Premiums (R$ million)	76.3	71.1	7.3
Loss Ratio (%) - Var (p.p.)	37.6	44.4	(6.8)
Porto Other	**1Q18**	**1Q17**	**Var. %/p.p.**
Written Premiums (R$ million)	32.8	38.7	(15.2)
Loss Ratio (%) - Var (p.p.)	36.2	24.8	11.4
Total P&C	**1Q18**	**1Q17**	**Var. %/p.p.**
Written Premiums (R$ million)	349.6	332.2	5.2
Earned Premium (R$ million)	338.0	318.2	6.2
Loss Ratio (%) - Var (p.p.)	32.5	35.2	(2.7)

- In the quarter, the P&C premiums increased 5% while the loss ratio decreased 2.7 p.p., favored by both price adjustments aiming to improve profitability as well as the lower incidence of climate events. However, the growth pace reduced compared to the 1Q17, chiefly due to the stronger competition.
- The Itaú homeowner insurance hasn't had any sales campaigns in this quarter, unlike 1Q17. Even though, the portfolio grew due to the better positioning of the product and the reinforcement of the commercial structure.
- Throughout the last 5 years, we have increased market share in the P&C segment, maintaining our leadership in the homeowner and growing 7 p.p. in the commercial segment. Nevertheless, there are still opportunities in these segments that have low penetration. For this, we are developing some actions to enhance the expansion such as the modernization of distribution channels and the hiring of sales specialists.

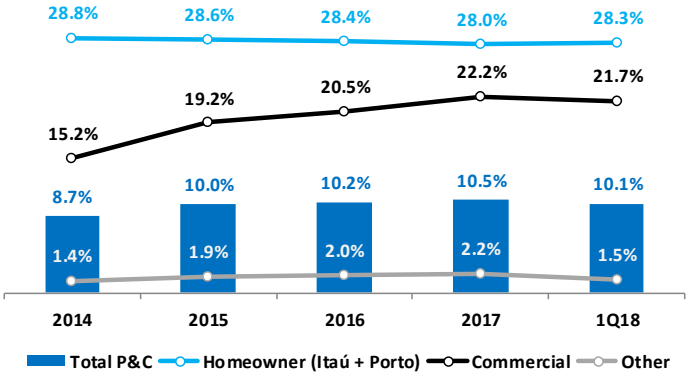
P&C Premiums (R$ Million)



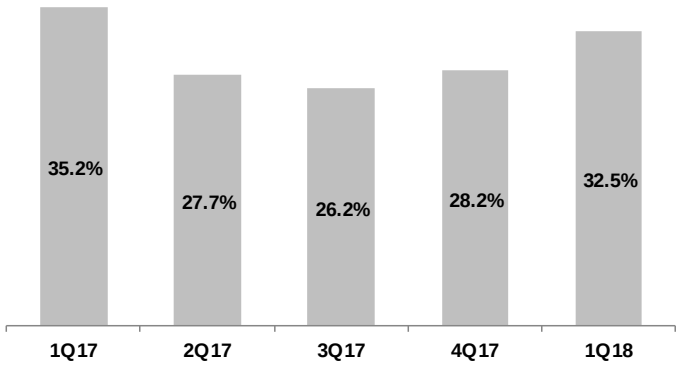
P&C Premiums Breakdown (%)



P&C Market Share* (%)



Loss Ratio (%)



*Source: Susep

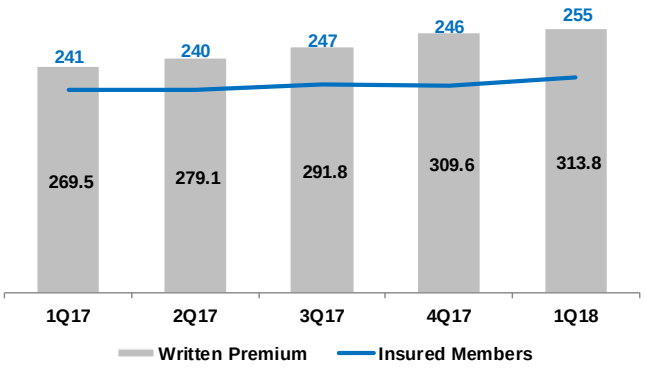
Health Insurance

Health Insurance	1Q18	1Q17	Var. %/p.p.
Written Premiums (R$ million)	323.1	269.5	19.9
Earned Premium (R$ million)	322.6	269.6	19.7
Loss Ratio (%) - Var (p.p.)	79.3	74.9	4.4
Insured Members (thousand)	255	241	5.8

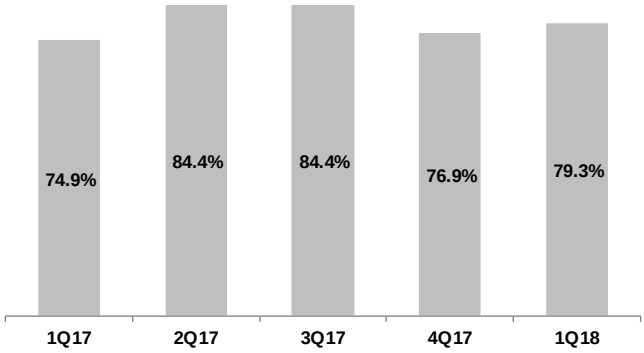
- Since 2017, we have implemented changes in the Health operations in order to intensify the focus on SME (small and medium-sized enterprises). Thus, we launched the product “SME 5 lives”, which has been contributing consistently to our growth. In addition, we have decided to expand the product outside of São Paulo, starting with an operation in Rio de Janeiro. In the quarter, Health insurance segment premiums were 16% higher, reporting an increase of insured members.

- In terms of expenses, there was an increase in the frequencies of all categories: medical exams, appointments and especially hospitalizations, which represents the majority of claims. However, we still have opportunities to reduce loss ratio, mainly through the improvement in the management of medical bills.

Written Premiums (R$ million) **and Insured Members** (thousand) **- Health**



Loss Ratio - Health



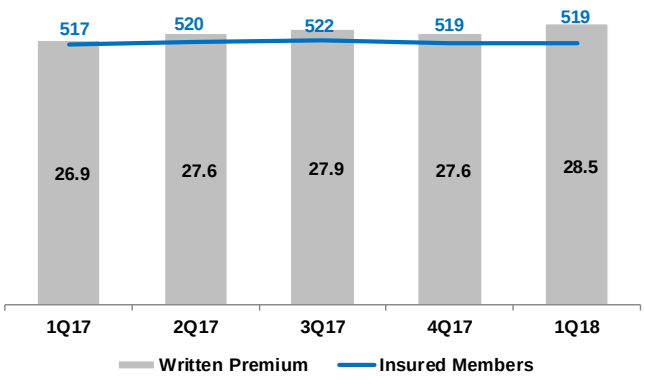
Dental Insurance

Dental Insurance	1Q18	1Q17	Var. %/p.p.
Written Premiums (R$ million)	28.5	26.9	5.9
Earned Premium (R$ million)	28.5	26.9	5.9
Loss Ratio (%) - Var (p.p.)	39.0	39.8	(0.8)
Insured Members (thousand)	519	517	0.4

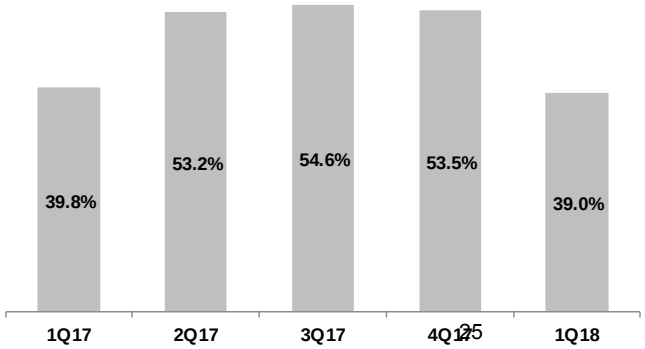
- Dental insurance premiums increased 6% above 1Q17, chiefly explained by price adjustments, while the insured members remained stable. Despite the stronger competitive environment during the last months, we are focused on improving market share through the implementation of several initiatives such as the development of commercial campaigns, increase of the accredited network and intensification of cross-selling with the Health product.

- The loss ratio reached 39.0% in the quarter, a slight reduction of 0.8 p.p., remaining in line with the Company’s expectation as a result of our efforts to improve loss processes.

Written Premiums (R$ million) **and Insured Members** (thousand) **- Dental**



Loss Ratio - Dental

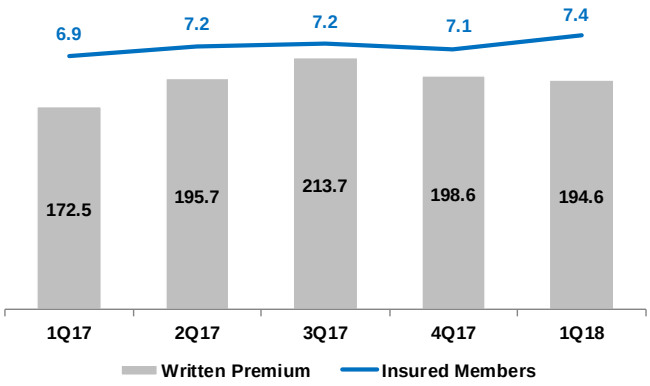


Life Insurance

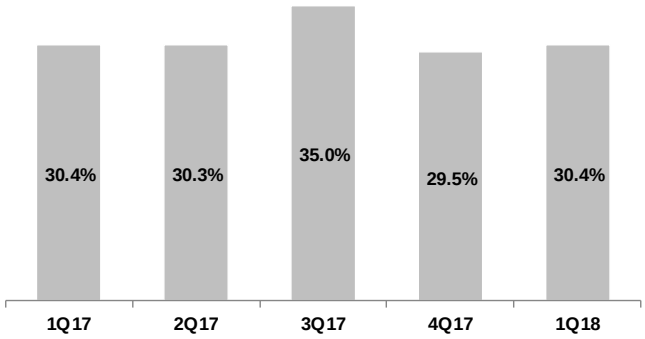
Life Insurance	1Q18	1Q17	Var. %/p.p.
Written Premiums (R$ million)	194.6	172.5	12.8
Earned Premium (R$ million)	191.4	167.4	14.3
Loss Ratio (%) - Var (p.p.)	30.4	30.4	-
Members insured (thousand)	7,443	6,890	8.0

- We have increased the Life segment participation in the Company's revenues, mainly by expanding the sales force, by having more brokers offering the product, and also by increasing the average ticket to adjust to the risk, which is usually very low in Brazil.
- In the Group Life products, we continue to focus on small and medium-sized enterprises and on the adjustment of tariffs in order to improve profitability. In this quarter, premiums grew 13%, mainly due to the higher performance of the Individual Life product.
- In the expenses side, the loss ratio remained stable in the quarter.

Written Premiums (R$ million) **and Insured Members** (thousand) **- Life**



Loss Ratio - Life



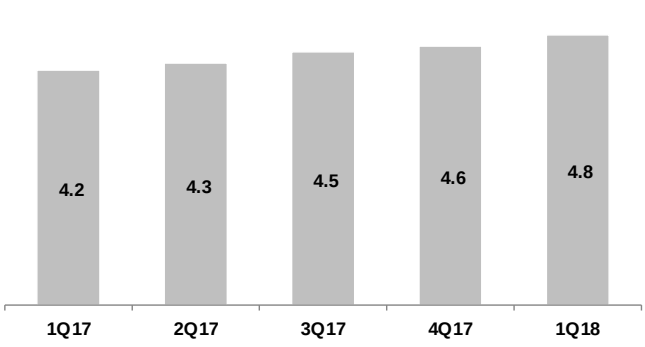
Pension

Pension Plan	1Q18	1Q17	Var. %/p.p.
Gross Funding (R$ million)[1]	162.6	198.3	(18.0)
Net Funding (R$ million)[2]	11.7	94.9	(87.7)
Technical Provisions (R$ million)	4,803.2	4,168.0	15.2
Total Active Participants (thousands)	145	140	3.6

[1] Gross Funding = Total Contributions + inputs + incoming portability
[2] Net Funding = Gross funding - withdrawals - outgoing portability

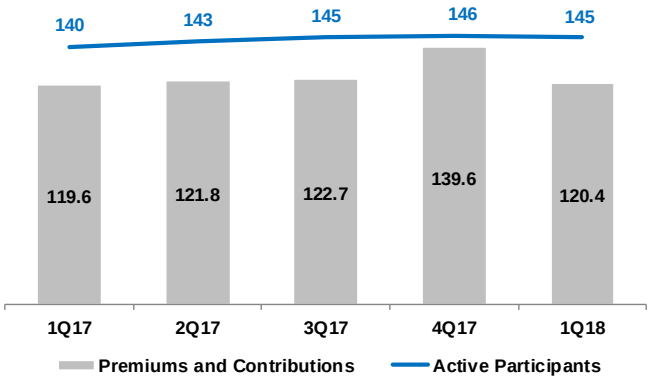
- The adverse macroeconomic scenario has slowed the pace of growth of the Pension product in the beginning of 2017. The market net funding for pension products is still positive, however it has decreased 35% (1Q18 vs 1Q17), whilst the Porto Seguro's net funding decreased 88% in the period.
- On the other hand, we were able to expand the clients base by 4%, thanks to our efforts to promote the broker portfolio diversification.

Assets under Management[3] (R$ billion)



[3] Considering only clients reserves

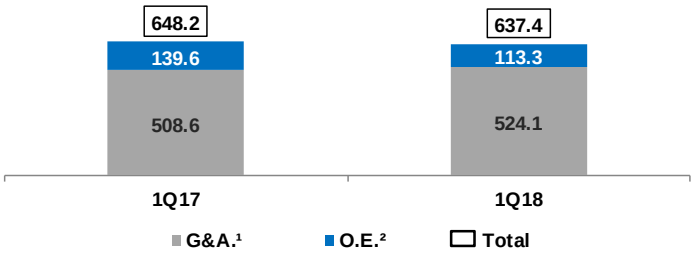
Active Participants (thousand) **and Contributions**[4] (R$ million)



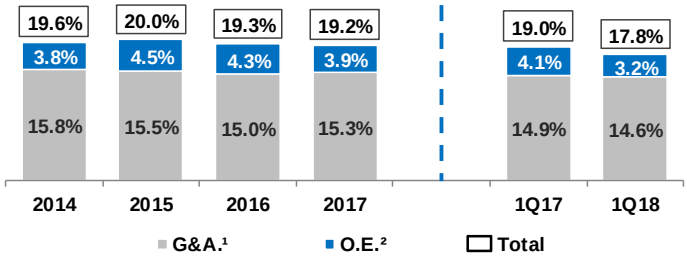
[4] Pension contribution revenues (risk + accumulation) + VGBL Premiums

*G&A and OPERATIONAL EXPENSES**

Insurance G&A and Other Operational Revenues/Expenses (O.E) – R$ Million



Insurance G&A and Other Operational Revenues/Expenses (O.E) **Ratio** – R$ Million



- The insurance G&A is under control and in line with the Company's strategy that focus on improving the operational efficiency. We are committed to improve the operational scale gain while using technological resources to enhance productivity. The G&A expenses increased 3% in the quarter, lower than the earned premiums growth (+5%), resulting in a decrease of 0.3 p.p. in the G&A ratio.
- Other operational expenses declined 19% in the 1Q18, leading to an operational expenses ratio 0.9 p.p. lower than 1Q17, due to the decrease of expenses with 24h assistance, track devices and insurance contracts in the period.
- The Company has focused its efforts on capturing the synergies and benefits of the projects / investments made in the last years, resulting in the expenses optimization. In the quarter, the total administrative and operational expenses (G&A. + O.E.) decreased by 1.2 p.p.

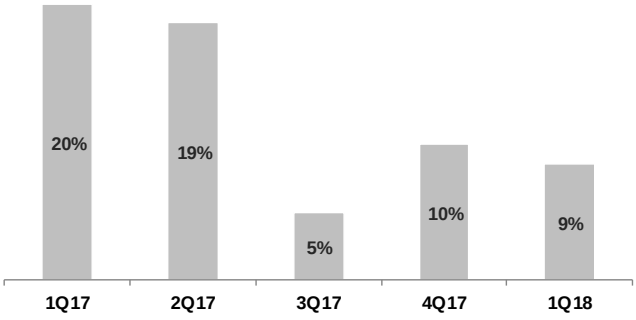
¹G&A = General and Administrative Expenses (Excluding profit sharing)
²O.E = Other Revenues – Operational Expenses
*As of 2018, adjustments were made in our financial statements as a result of the Initial Hiring Costs, which are now recorded as Deferred Acquisition Costs (DAC), following the same appropriation system of the results according to the term and risk. This regulation does not affect the Combined Ratio, representing just adjustments between accounts . However, adjustments were made in the numbers of the Press Release 2018 (pro forma) to maintain the same basis of comparison.

FINANCIAL AND SERVICE BUSINESSES

Summarized Income Statement - Non Insurance			
(R$ thousand)	1Q18	1Q17	Var. %
Revenues from Credit Operation[1]	418.0	357.1	17.1
Revenues from Services[2]	189.9	174.1	9.1
TOTAL REVENUE	**607.9**	**531.2**	**14.4**
Allowance for delinquent accounts - Financial	(121.2)	(69.1)	75.4
Costs of services rendered (a)	(83.0)	(81.1)	2.3
Commercial Expenses (b)	(39.0)	(26.0)	50.0
G&A - General Expenses (c)	(168.7)	(160.2)	5.3
Other Operational Revenues/Expenses (d)	(109.0)	(87.6)	24.4
Total (a+b+c+d)	**(399.7)**	**(354.9)**	**12.6**
Tax	(24.6)	(26.9)	(8.6)
TOTAL G&A AND OPERATIONAL EXPENSES	**(545.5)**	**(450.9)**	**21.0**
Depreciation	(7.2)	(8.0)	(10.0)
OPERATING INCOME	**55.2**	**72.3**	**(23.7)**
Financial and Equity Accounting Results	4.4	12.4	(64.5)
INCOME BEFORE TAX	**59.6**	**84.7**	**(29.6)**
Income Tax and Social Contribution	(35.9)	(40.6)	(11.6)
NET INCOME	**23.7**	**44.1**	**(46.3)**
ROAE	**8.8**	**17.1**	**(8.3)**

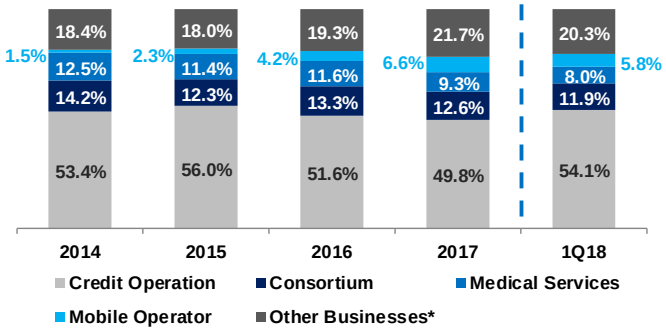
[1]Credit Card, Financing, Consortium and Assets Management / [2]Medical Services, Surveillance and Monitoring, Mobile Services, among others

Financial and Service Businesses in Net Earnings*



*In relation to the Total Net Earnings (without Business Combination)

Revenues Breakdown – Financial and Service Businesses



*Represents especially the revenues of Call Center operations, Surveillance and Monitoring, Assets Management, among others.

- Total revenues from financial and service businesses improved 14%, manly driven by the increase of Credit Operations and Financing products, while other products reported a moderate growth in the period.
- Consolidated ROAE from financial and services businesses totaled 8.8% in the quarter, a decrease of 8.3 p.p, mainly explained by the increase in the allowance for delinquent accounts in the credit card and financing operations. Besides that, Porto Conecta worsened results chiefly due to the sales slowdown caused by the stronger competitiveness in the mobile segment.
- The more mature businesses, such as credit card and consortium, among others, increased its result in comparison to the younger business (e.g. Porto Conecta).

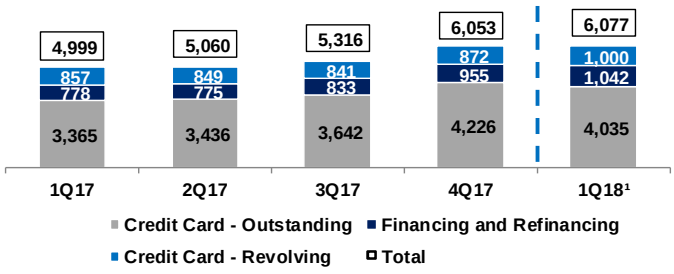
Credit Card and Financing

Credit Operations (Portoseg) - *R$ thousand*	1Q18	1Q17	Var. %/p.p.
Revenues from Financial Intermediation (R$ million) [1]	*177.1*	*151.7*	*16.7*
Revenues from Services [2]	*127.2*	*105.7*	*20.3*
Other Revenues [3]	*24.5*	*17.4*	*40.8*
Revenues from Credit Operation and Financing (R$ million)	***328.8***	***274.8***	***19.7***
Loan Loss Provisions (%) p.p.	***7,4%***	***5,7%***	***1.7***
Total Financing Clients (thousand)	*59*	*47*	*25.5*
Credit Card Clients (thousand)	*2,389*	*2,005*	*19.2*

[1] Revenues arising from interest income charged on installments of credit card invoices and loans / [2] Revenues from interchange and credit card annuity
[3] Interest and delay charges on late payments

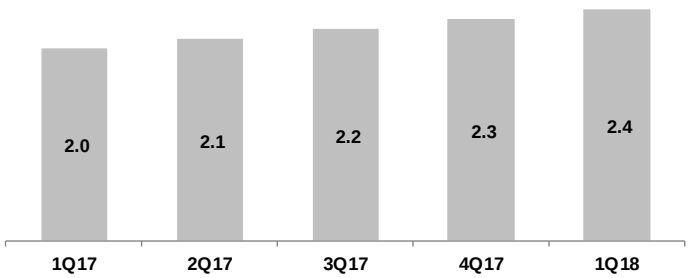
- The income from credit operations improved in the quarter, driven mainly by the increase of consumption from our clients and also by the clients base expansion, resulting in higher revenues from services, especially due to the increased interchange volume. In the financing operations, we expanded the portfolio as a result of our focus on a digital and customer-focused approach.
- The NPL remained in line with the Company's expectation, driven by measures that the Company has been taking to gradually reduce the risk, aiming to offset the economic crisis effects. In the 1Q18, the NPL (over 90 days) reached 4.6%, below the market average, that reached 5.8% (Source: Banco Central – available data until February/18).
- In the quarter, the rise in the allowance for delinquent accounts was chiefly explained by the IFRS9 methodology implementation in order to constitute provisions according to the expected loss and also by the relatively increase on the portfolio risk cost. However, the product profitability is in line with the Company's expectation.
- The coverage rate[1] – a result of a loan loss provisions balance related to the balance of overdue payments operations (over 90 days) – attained 161.3% in the quarter, 44.1 p.p. higher, while the percentage of the portfolio's risk costs[2] (provision costs + credit loss / net revenues from financial intermediation) increased by 22.1 p.p. in comparison to 1Q17.
- The total credit portfolio reached R$ 6.1 billion by the end of the 1Q18 and the largest part (66%) consists of outstanding payments from credit card products.

Credit Operation Portfolio (R$ million)*



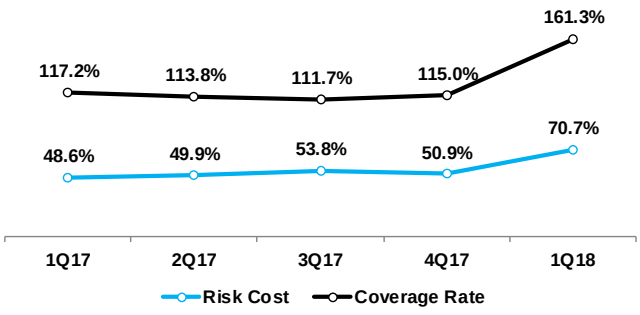
*The balance of credit card operations portfolio (excluding private label operations) amounted R$ 5,387 MM (R$ 4,368 MM in 1Q17) / [1] The balance of credit card operations portfolio – excluding accrual operations, according to the IFRS9, amounted R$ 6,058 MM (there is no impact in 2017)

Credit Card (million of units)*



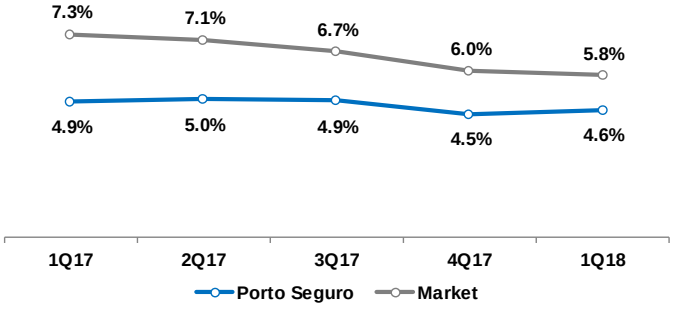
*Cards apt for use, including card holders and additional

Coverage Rate[1] and Risk Cost[2] (%)



[1] Considering late payments over 90 days within the active portfolio. Does not consider active agreement operations - (Central Bank methodology)
[2] Credit Loss/ Net Revenues from Financial Intermediation

NPL over 90 days[1]



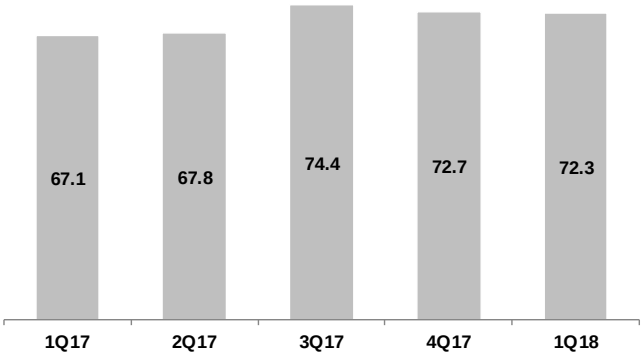
[1]The NPL over 90 days was adjusted to stay in line with the Central Bank methodology, which establishes that the balance of agreement operations related to late payments are not considered delinquent

Consortium

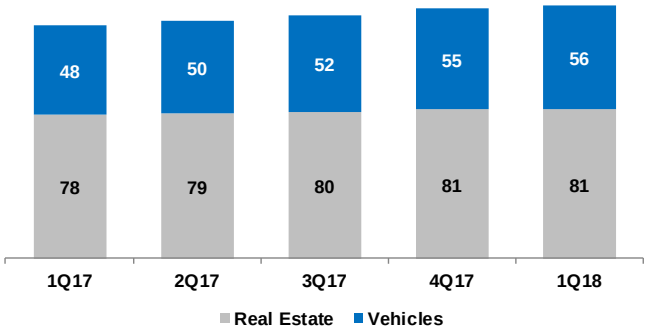
Consortium	1Q18	1Q17	Var. %/p.p.
Revenues from Consortium operation (R$ million)	*72.3*	*67.1*	*7.7*
Consortium Members - (thousand)	*137*	*127*	*7.9*

- Income from consortium fees improved 8% in the quarter (vs. 1Q17), while the market share remained stable in real estate and vehicles products. The sales of consortium has increased boosted by the clients base growth, which is supported by the regional expansion, intensification of sales channels and market potential.
- In the last 10 years, the product average growth was higher than 10%, and has proved to be an interesting financing alternative to build the customer's equity. Porto Seguro Consórcio has the second largest real estate portfolio in Brazil.
- In terms of expenses, the NPL remained practically stable and 3.5 p.p. below the market average (1Q18 vs. 1Q17).

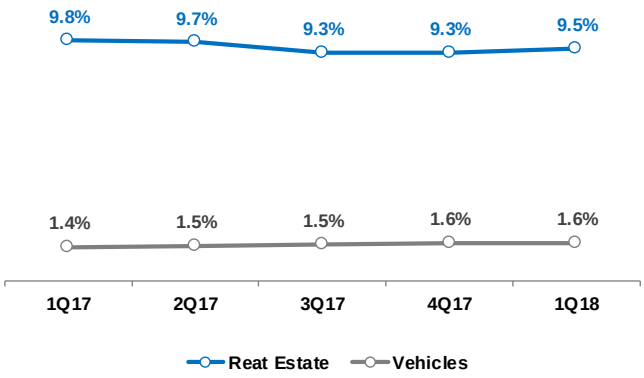
Total Revenue (R$ million)



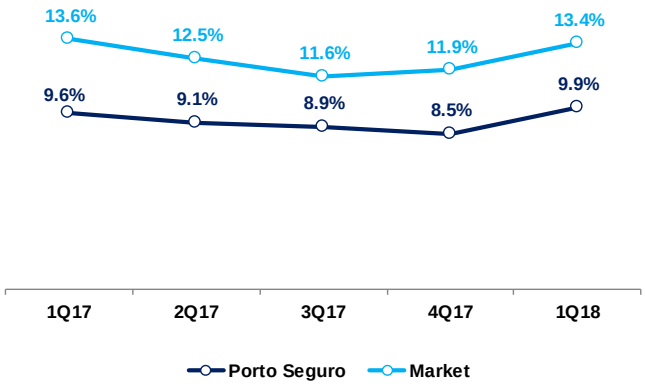
Active Clients (Thousand)



Market Share[1]
(consortium members)



NPL[1] (%)



[1]Source: Bacen (Brazilian Central Bank) – Data available until February / 2018

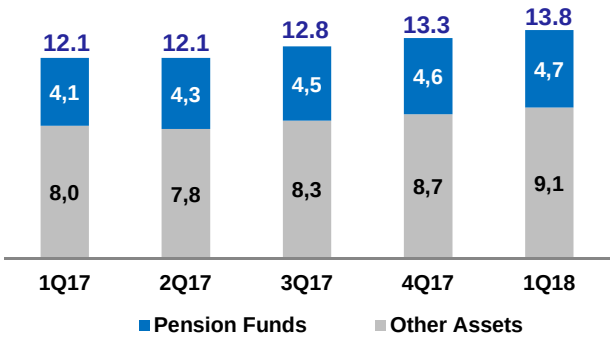
FINANCIAL RESULTS[1]

Financial Revenues (ex. pension)	1Q18	1Q17	Var. %/p.p.
Investment	207.2	259.7	(20.2)
Other Financial Revenues/Expenses[2]	23.2	38.5	(39.7)
Total Financial Income	**230.4**	**298.2**	**(22.7)**
Financial Revenues - Pension	**1Q18**	**1Q17**	**Var. %/p.p.**
Investment	94.7	133.7	(29.2)
Other Financial Revenues/Expenses[3]	(89.3)	(126.0)	(29.1)
Total Financial Income - Pension	**5.4**	**7.7**	**(29.9)**
Total Financial Result	**1Q18**	**1Q17**	**Var. %/p.p.**
Total Financial Result	**235.8**	**305.9**	**(22.9)**

- Financial revenues were R$ 236 million in the 1Q18 (-23% *vs.* 1Q17), mainly explained by the lower average CDI* (-48%) in the period.
- The total return on the financial investment portfolio (total AUM of R$ 13.8 billion) was 2.4% (151% of CDI*) in the quarter. Excluding pension funds, the portfolio results (R$ 9.1 billion) generated a return of 2.3% (146% of CDI*).
- The financial investment portfolio's profitability in the 1Q18 (excluding pension funds) was favored by the fixed income and inflation-linked bonds, and, to a lesser extent, by the equities performance.

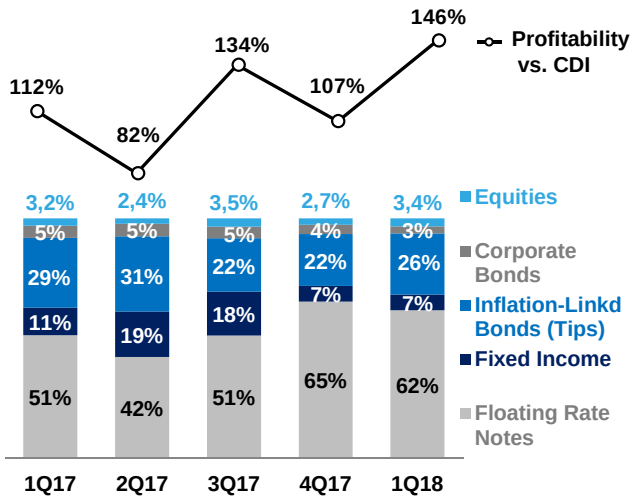
*CDI – Interbank Certificate of Deposit

Revenue from Investments Assets
(R$ Billion)



Quarterly Performance

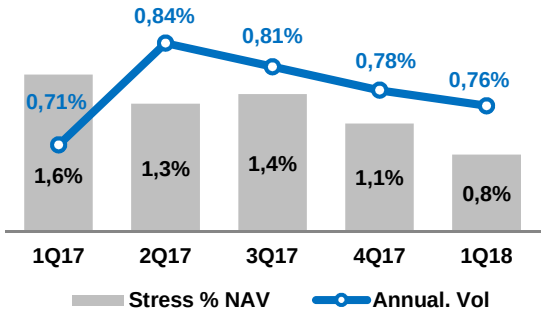
Allocation and Returns on the Financial Portfolio (ex-Pension Funds) **vs. CDI**



Returns on Financial Investments (ex. Pension) vs. CDI		
	Ex-Pension	% of CDI
Last 3 Months	2.3%	146.2%
Last 12 Months	9.7%	114.9%
Last 60 Months	69.9%	100.0%

Date: *3/29/2018*

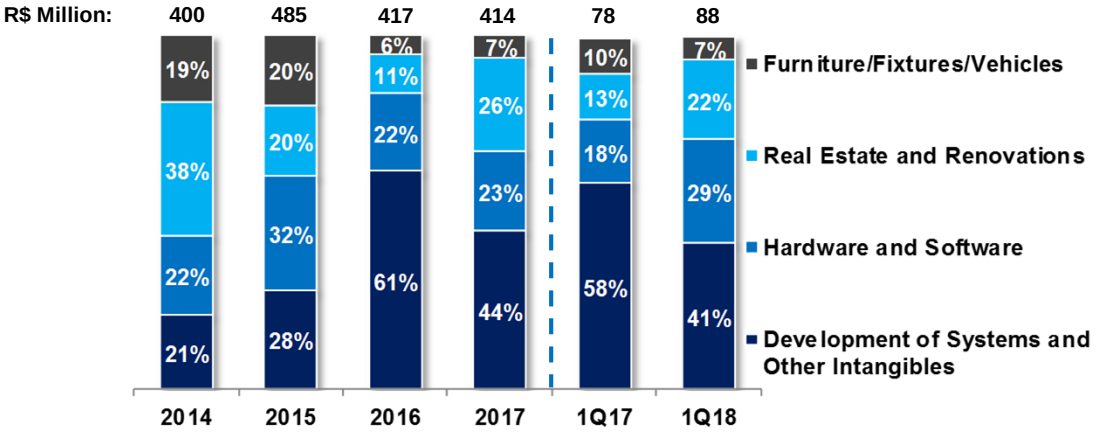
Risk Exposure
(ex-Pension Funds)[4]



[1]Future exposures included / [2] Results from additional fractioning of insurance premiums, monetary correction of insurance liabilities, among others
[3] Results from monetary correction of pension liabilities [4] Brazilian Future Exchange (BM&FBOVESPA) stress scenarios.

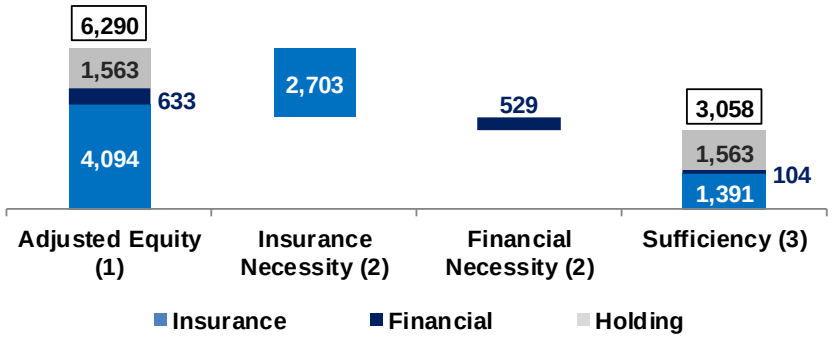
INVESTMENTS AND CAPITAL REQUIREMENTS

CAPEX Breakdown (%)



- The vast part of investments were allocated in system development, acquisition of software licenses and hardware's such as mainframes and notebooks, representing over 70% of the total amount, in order to enhance the Company's process and expand segments such as Life Insurance, P&C Insurance and new businesses.
- Additionally, improvements on the Company's real properties were made in the quarter, highlighting the new call center implementation.

Capital Requirements by Company – 1Q18 (R$ million)



[1] Equity adjusted by additions and exclusions according to agencies standardization (SUSEP, BACEN and ANS)

[2] Necessity of Capital required according to regulators (SUSEP, BACEN e ANS)

[3] Refers to the difference between adjusted equity and necessity of capital requirement

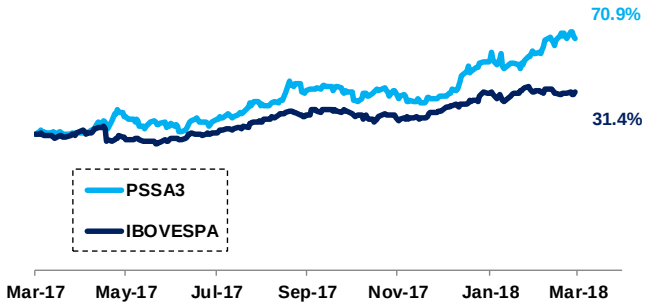
HISTORICAL PERFORMANCE

Variação Histórica* PSSA3 x Ibov	
PSSA3	IBOVESPA
597%	255%

* From November 2004 (IPO) to March, 2018

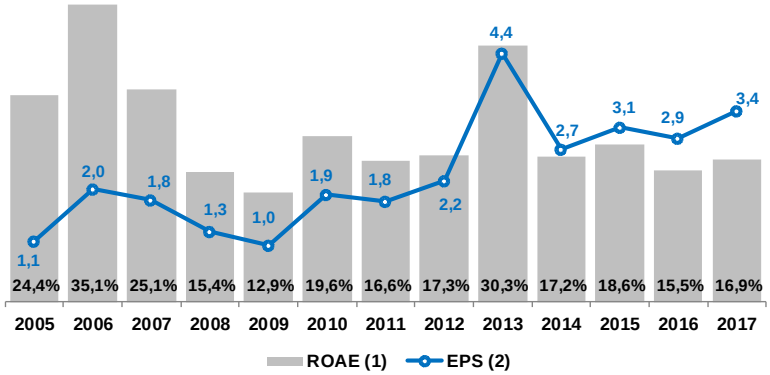
Annual Performance PSSA3 *vs.* Ibovespa

last 12 months



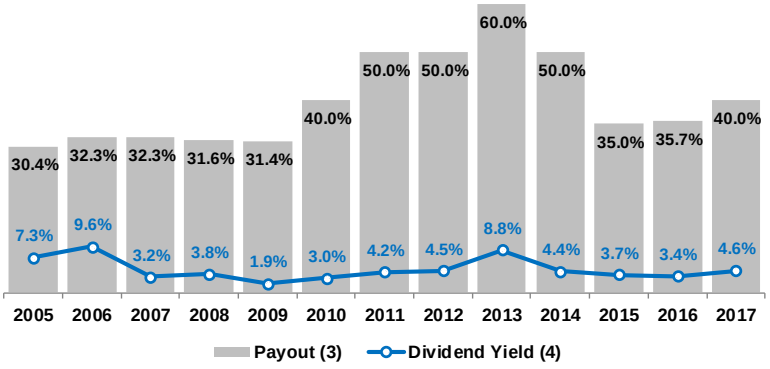
Profitability

(without Business Combination)



Porto Seguro S.A. Data	
Corporate Taxpayer' ID	*02.149.201/0001-69*
BM&Fbovespa	*PSSA3*
Sector	*Insurance*
Share price in 03/31/2018	*48.56*
52 Week Low - 04/20/2017 - R$	*28.30*
52 Week High - 03/26/2018 - R$	*49.86*
Number of shares in the Free Float (million)	*94.3*
Market Value (R$ billion) in 03/31/2018	*15.7*
Price Book Value in 03/31/2018	*2.0*

Payout and Dividend Yield



Analysts Coverage		
Bank / Broker	**Analyst**	**Phone**
Banco Plural	*Eduardo Nishio*	55 (11) 3206-8240
Bradesco	*Rafael Frade*	55 (11) 2178-5329
BTG Pactual	*Eduardo Rosman*	55 (11) 3383-2772
Credit Suisse	*Lucas Lopes*	55 (11) 3701-6052
Deutsche Bank	*Tito Labarta*	1 (212) 250-5944
JP Morgan	*Gustavo Lobo*	55 (11) 4950-2901
Merril Lynch	*Mario Pierry*	1 646 743 0047
Morgan Stanley	*Jorge Kury*	1 (212) 761-6341
Santander	*Henrique Navarro*	55 (11) 3012-5756
UBS	*Frederic de Mariz*	55 (11) 3513-6511

(1) Return on Average Equity (without Business Combination)
(2) Net Earnings per Share in R$ (without Business Combination)
(3) Total Dividends Paid (Dividends + Interest on Capital Excluding Tax) divided by Adjusted Net Income
(4) Dividends Profitability in relations to the Share price (Total Dividends Paid divided by the Share Price on the las day of the period)

REVENUES (in R$ million)			
INSURANCE WRITTEN PREMIUMS, PENSION AND CAPITALIZATION REVENUES	**1Q18**	**1Q17**	**Var.%**
Porto Seguro – Auto	*1,059.5*	*1,068.5*	*(0.8)*
Azul Seguros – Auto	*769.3*	*653.2*	*17.8*
Itaú Auto e Residência - Auto	*576.4*	*511.6*	*12.7*
Total Auto	***2,405.2***	***2,233.3***	***7.7***
P&C - Porto Seguro and Azul Seguros	*224.8*	*214.0*	*5.0*
P&C - Itaú (Homeowner)	*124.8*	*118.2*	*5.6*
Total P&C	***349.6***	***332.2***	***5.2***
Health	*323.1*	*269.5*	*19.9*
Dental	*28.5*	*26.9*	*5.9*
Portomed (health care plan)	*10.7*	*23.4*	*(54.3)*
Total Health (Health + Dental + Portomed)	***362.3***	***319.8***	***13.3***
Life	*194.6*	*172.5*	*12.8*
DPVAT (Cars/Personal Injured Liability)	*98.5*	*131.5*	*(25.1)*
Porto Seguro Uruguay	*72.4*	*66.1*	*9.5*
Written Premiums VGBL	*76.6*	*74.5*	*2.8*
Cargo	*45.9*	*42.9*	*7.0*
Financial Risks	*87.5*	*80.5*	*8.7*
Other Insurance[1]	*13.7*	*10.2*	*34.3*
Total Written Premiums	***3,706.3***	***3,463.5***	***7.0***
Other Operational Revenues - Insurance	16.8	15.6	7.7
Total Earned Premiums	***3,589.9***	***3,423.6***	***4.9***
Total Pension Revenues (PGBL + VGBL)	*120.4*	*119.6*	*0.7*
Capitalization Total Revenues	*8.6*	*6.8*	*26.5*

REVENUES FROM FINANCIAL AND SERVICE BUSINESSES	**1Q18**	**1Q17**	**Var.%**
Credit Card and Financing	*328.8*	*274.8*	*19.7*
Consortium	*72.3*	*67.1*	*7.7*
Asset Management	*16.9*	*15.2*	*11.2*
Financial Businesses - Total Revenues	***418.0***	***357.1***	***17.1***
Medical Services	*48.6*	*43.1*	*12.8*
Call Center	*48.7*	*47.3*	*3.0*
Surveillance and Monitoring Services	*23.3*	*26.8*	*(13.1)*
Mobile Operator	*35.1*	*34.2*	*2.6*
Other Revenues	*34.2*	*22.7*	*50.7*
Financial Services - Total Revenues	***189.9***	***174.1***	***9.1***
Financial Businesses and Services - Total Revenues	***607.9***	***531.2***	***14.4***
Other Operational Revenues - Financial Businesses and Services	*16.6*	*9.4*	*76.6*
Real Estate Revenues	*3.1*	*3.2*	*(3.1)*
Total Revenues	***4,403.1***	***4,074.8***	***8.1***
FINANCIAL RESULTS	**1Q18**	**1Q17**	**Var.%**
Financial Results - Insurance	*182.1*	*247.7*	*(26.5)*
Financial Results - Other (Financial Businesses / Services / Holding)	*53.7*	*58.2*	*(7.7)*
Total Financial Results	***235.8***	***305.9***	***(22.9)***

INDEX (%)			
LOSS RATIO	**1Q18**	**1Q17**	**Var. p.p**
Porto Seguro – Auto	*52.2*	*56.9*	*(4.7)*
Azul Seguros – Auto	*55.1*	*64.3*	*(9.2)*
Itaú Auto e Residência - Auto	*53.3*	*62.2*	*(8.9)*
Total Auto	***53.3***	***60.1***	***(6.8)***
P&C - Porto Seguro and Azul Seguros	*33.1*	*35.0*	*(1.9)*
P&C - Itaú Auto e Residência	*31.4*	*35.6*	*(4.2)*
Total P&C	***32.5***	***35.2***	***(2.7)***
Health	*79.3*	*74.9*	*4.4*
Dental	*39.0*	*39.8*	*(0.8)*
Portomed (Healthcare Plan)	*88.6*	*85.7*	*2.9*
Health (Health + Dental + Portomed)	***76.4***	***72.8***	***3.6***
Life	*30.4*	*30.4*	-
Total Loss Ratio	***52.0***	***57.2***	***(5.2)***
INSURANCE COMMISSION RATIO	**1Q18**	**1Q17**	**Var. p.p**
Acquisition costs - Insurance	***20.9***	***20.4***	***0.5***
INSURANCE - OPERATING AND ADMINISTRATIVE EXPENSES	**1Q18**	**1Q17**	**Var. p.p**
G&A – Insurance	14.6	14.9	(0.3)
Other Operatinal Revenues/Expenses - Insurance	3.2	4.1	(0.9)
Total Administrative and Operational Expenses	***17.8***	***19.0***	***(1.2)***
Tax - Insurance	*2.8*	*2.6*	*0.2*
MARGIN AND PROFITABILITY	**1Q18**	**1Q17**	**Var. p.p**
Combined Ratio - Insurance - var.p.p	***93.5***	***99.2***	***(5.7)***
Amplified Combined Ratio - Insurance - var. p.p.	*89.0*	*92.4*	*(3.4)*
Shareholder's Equity w/o Business Combination - R$ million - var. %	*7,032.0*	*6,330.5*	*11.1*
Shareholder's Equity with Business Combination - R$ million - var. %	*7,804.1*	*7,110.1*	*9.8*
Net Earnings w/o Business Combination - R$ million - var. %	***278.0***	***216.2***	***28.6***
Net Earnings with Business Combination - R$ million - var. %	*276.1*	*214.3*	*28.8*
ROAE w/o Business Combination - p.p.	***15.9***	***13.8***	***2.1***
ROAE with Business Combination - p.p.	*14.2*	*12.2*	*2.0*
EPS w/o Business Combination - R$ - var. %	*0.86*	*0.67*	*28.6*
EPS with Business Combination - R$ var. %	*0.85*	*0.66*	*28.8*
# of thousand shares - var. %	*323,293*	*323,151*	-

[1]Composed of Rural / Animal Insurance and Responsibility Insurance

1. OPERATIONS AND GENERAL INFORMATION

Porto Seguro S.A. ("Parent Company") is a publicly-held company headquartered at Alameda Barão de Piracicaba, nº 618/634 - Torre B - 11º andar, Campos Elíseos, São Paulo/SP, Brazil, with shares traded on B3's Novo Mercado, under the acronym PSSA3. It's business purpose is to participate as a shareholder or partner in other companies, Brazilian or foreign (known herein, jointly with Porto S.A. "Porto Seguro" or "Company"), which may be engaged in the following activities: insurance, in all lines; financial institutions, similar organizations, and consortia administration entities; as well as activities related to, associated with or supplementary to the activities described above.

During the period, there was no change in the corporate structure of Porto Seguro and, consequently, on the list of subsidiaries that are consolidated, in relation to the corporate structure reported in the financial statements for the year ended December 31, 2017.

On April 24, 2018, the Company entered into an agreement, associated to operating agreement, for the disposal of "Porto Seguro Centros Médicos Ltda." ("Centros Médicos") - subsidiary that owns 10 medical centers in the metropolitan region of São Paulo - for the amount of R$50,000 to be received when transaction is made effective. Making this transaction effective also depends on government approvals and licenses.

2. DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and calculation methods adopted in the preparation of this quarterly information were the same as those used in the preparation of annual financial statements of Porto Seguro in the year ended December 31, 2017, except for the adoption of IFRS 9 / CPC 48 - Financial Instruments in January 1, 2018, which introduced new classification requirements, measurement and determination of financial asset impairment.

IFRS 9 determines that financial assets classification must be determined by periodic evaluation of business model and test of contract cash flows denominated "SPPJ" (Only Payment of Principal and Interest), that is, financial assets whose contract terms originate cash flows comprised solely of payments of principal and interest on outstanding principal amount.

Financial assets that did not pass through SPPJ test will not be measured at fair value through profit or loss. For assets that pass SPPJ test, a test on business model evaluates the purpose of maintaining the asset in its current classification. Business model evaluation for financial assets may be summarized as follows:

(a) Financial assets are evaluated at **amortized cost** if they are held in a business model that maintains assets for the purpose of collecting contract cash flows ("maintain to collect" business model).

(b) Financial assets are measured **at fair value through other comprehensive income (FVTOCI)** if they are held within a business model whose purpose is both collection of contract cash flows and possible sale of these financial assets ("maintain to collect and sell");

(c) Financial assets are measured **at fair value through profit or loss (FVTPL)** if they do not meet prior business models.

In addition, this new standard introduces the concept of expected impairment losses. Accordingly, amount of provision for portfolio of investments and loans must be calculated through a methodology that captures, in addition to incurred losses, those expected during contract flow of assets.

Income from interest on granted loans and financing continues to be recognized even after contract is in delay. Beginning as of the time in which the asset is greatly deteriorated, (migration to stage 3 – see note 9.2), revenue is now recognized at net value of the asset for which a provision was recorded.

Porto Seguro did not apply exemption of IFRS 9 adoption up to adoption of the new insurance standard, IFRS 17, in 2021. Notes 2.2.1, 2.2.2, 8 and 9 present new information on impacts and makes presentations in accordance with the new standard.

2.1 PREPARATION BASIS

Individual and consolidated quarterly information (ITR) has been prepared and is presented in the condensed format in accordance with technical pronouncement CPC 21 (R1) – "Interim Statement", and with international accounting standard IAS 34 – "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), applicable to the preparation of quarterly information (ITR) and presented in compliance with standards issued by the Securities Commission (CVM).

This quarterly information is presented in line with the concept of selected explanatory notes, without repeating certain notes disclosed previously, but with the changes that occurred in the period, and therefore should be read in conjunction with the annual financial statements of Porto Seguro for the year Ended on December 31, 2017, available on the Company's website (www.portoseguro.com.br/ri) and CVM website (www.cvm.gov.br). A list of notes to the financial statements that are not repeated in this ITR can be found in note 38.

All relevant information specific to the financial statements, and only such information, is being evidenced, and corresponds to the information used by Company's Management. Quarterly information was approved and publication was authorized by the Board of Directors on April 25, 2018.

2.1.1 RECLASSIFICATIONS – INITIAL CONTRACTING COSTS

Initial Contracting Costs (CIC), which, up to the end of 2017, were recognized through a premium, beginning as of Jan 1, 2018, start to be recorded as Deferred Acquisition Costs (CAD), following the same system for recognition in income according to risk effective period. With this change, the Company reclassified the following balances for better comparison:

			Consolidated
	12/31/2017	Adjustment	12/31/2017
Assets			
Deferred acquisition costs - Current	1,265,450	294,169	1,559,619
Liabilities			
Insurance contract liabilities - Current	8,157,133	294,169	8,451,302

			Consolidated
	03/31/2017	Adjustment	03/31/2017
Income (loss)			
Changes in technical reserves - Insurance	(18,958)	(116,632)	(135,590)
Administrative expenses	(717,500)	116,632	(600,868)

2.2 INITIAL ADOPTION OF IFRS 9

2.2.1 CLASSIFICATION OF FINANCIAL INSTRUMENTS

Initial classification in accordance with IFRS 9 (see note 2) generated the following balance reclassifications:

	Parent company			Consolidated		
	12/31/2017	Adjustment IFRS 9	01/01/2018	12/31/2017	Adjustment IFRS 9	01/01/2018
Current assets						
Financial assets available for sale	10,206	(10,206)	-	29,312	(29,312)	-
Financial instruments at fair value through profit or loss	914,408	10,206	924,614	9,905,336	(575,157)	9,330,179
Financial instruments at fair value through other comprehensive income	-	-	-	-	19,106	19,106
Total current assets	**924,614**	**-**	**924,614**	**9,934,648**	**(585,363)**	**9,349,285**
Non-current assets						
Financial assets available for sale	-	-	-	2,291,075	(2,291,075)	-
Financial instruments at fair value through profit or loss	-	-	-	4,778	-	4,778
Financial instruments at fair value through other comprehensive income	-	-	-	-	2,288,786	2,288,786
Financial instruments measured at amortized cost	-	-	-	-	587,652	587,652
Total non-current assets	**-**	**-**	**-**	**2,295,853**	**585,363**	**2,881,216**
Total current and non-current assets	**924,614**	**-**	**924,614**	**12,230,501**	**-**	**12,230,501**

2.2.2 IMPAIRMENT AND ACCRUAL OF LOANS AND FINANCING

Initial adoption of expected impairment losses model and the new methodology for recognition of interest (accrual) on loans and financing granted by the Company generated the following adjustments:

Balance at December 31, 2017 of loans and financing (i)	**4,962,803**
Increase in impairment (ii)	(92,643)
Adjustment of accrual (ii)	19,255
Gross effect in loans and financing	**(73,388)**
Balance at January 1, 2018 of loans and financing (i)	**4,889,415**
Gross effect in loans and financing	**(73,388)**
Income and social contribution taxes (45%)	33,025
Impact in shareholders' equity	**(40,421)**

b

(i) It includes trade notes and credits receivable, credit card transactions, financing and loans (see note 9).
(ii) See Note 2.

3. ESTIMATES AND ACCOUNTING JUDGMENTS

Accounting estimates and judgments are constantly assessed and are based on prior experience and other factors, including expected future events considered as reasonable in view of circumstances. Criteria for determining estimates regarding financial statements for the year ended December 31, 2017 were not amended, except for the calculation of financial asset impairment due to the adoption of IFRS 9 as described in Note 2.

4. RISK MANAGEMENT

Porto Seguro is exposed to a set of risks inherent to its activities and, in order to manage these risks, it has a set of principles, guidelines, actions, roles and responsibilities necessary for identifying, evaluating, treatment and controlling risks.

In the period ended March 31, 2018, when compared to the year ended December 31, 2017, there were no significant changes in risks: (i) liquidity risk, since the average durations of the Company's main assets and liabilities have not changed significantly; and (ii) liquidity risk, since the average durations of the Porto Seguro's main assets and liabilities have not changed significantly. While for credit risk, changes derive mainly from adoption of IFRS 9, as detailed in notes 2 and 9.

4.1 MARKET RISK

The following table shows the sensitivity analysis of the portfolio of financial instruments, on March 31, 2018, pursuant to CVM Instruction 475/08:

Risk factor	Scenario	Impact
Price indices	± 50 b.p.	215,753
	± 25 b.p.	118,655
	± 10 b.p.	50,351
Prefixed interest	± 50 b.p.	101,044
	± 25 b.p.	51,272
	± 10 b.p.	20,725
Shares	± 17%	61,884
Post-fixed interest	± 50 b.p.	19,546
	± 25 b.p.	16,296
	± 10 b.p.	13,036

(*) B.P. = “basis points”. The baseline scenario used is the possible “stress” scenario for each risk factor, made available by B3.

It should be noted that given the Company’s ability to react, the impacts presented above can be minimized. Moreover, the Company has derivative instruments that reduce its exposure to risks, as shown in Note 14. This sensitivity analysis shows the Company’s exposure already with the use of derivative instruments used in order to hedge its operations.

5. CAPITAL MANAGEMENT

Capital adequacy is assessed according to the criteria issued by CNSP, SUSEP, ANS and BACEN. In this sense, the capital requirements necessary to support the inherent risks, including credit, market, operational and underwriting risks, are assessed.

Capital levels are above the required minimum regulatory level, which provides comfort for adapting to possible regulatory changes and capital requirements.

6. OPERATING SEGMENTS – CONSOLIDATED

Porto Seguro offers a wide range of products and services for individuals and legal entities in Brazil (primarily) and also in Uruguay. The Company applied IFRS 8 – Operating Segments, and designated the following segments, according to qualitative and quantitative criteria and considering the similarities between the services and products offered, in order to determine reportable segments:

- Automobile insurance: includes auto insurance premiums issued by Porto Cia, Itaú Auto e Residência, and Azul Seguros, net of cancellations, refunds and reinsurance assignments.

- Health insurance and health plans: comprise health and dental insurance premiums issued by Porto Saúde, net of cancellations and refunds, and the net consideration from the health plans marketed by Portomed.

- Personal insurance and supplementary pension insurance: comprising: (i) the insurance premiums of persons issued by Porto Cia and Porto Vida, net of cancellations, refunds and assignments of reinsurance, and (ii) income from management fees and contributions made monthly by participants in pension plans operated by Porto Vida.

- Insurance – other lines: comprising insurance premiums for damages (other than auto) and DPVAT issued by Porto Cia, Itaú Auto e Residência, and Azul Seguros, net of cancellations, refunds and reinsurance assignments, in addition to insurance issued in Uruguay by Porto Seguro Uruguai.

- Financial entities and assets consortia: comprising (a) income from management fees of consortia groups operated by Porto Consórcio; (b) income of Portoseg from credit operations comprised of interest on loans, financing operations, and credit cards in the use of the revolving credit or installment payment of the credit card bill, and (c) income from the management of investment funds and management of financial assets of Portopar and Porto Investimentos.

- Other: mainly comprised of revenue from services rendered by all other companies of the Company (including income from services rendered in Uruguay by Porto Serviços Uruguai) and revenue from special savings bonds.

The Company takes into account the internal financial performance reports of each segment and geographic region in which it operates, which are used by Management in conducting its business. “Net Income/(Loss)” is the main indicator used by Company Management to manage segment performance.

Of the total income on March 31, 2018 and 2017, 98.3% were from Brazil and the rest from Uruguay. At Porto Seguro, there is no concentration of income by client or by economic group.

	Auto Insurance	Health plans and insurance	Personal insurance and supplementary pension	Insurance - other lines	Financial entities and consortia	Other	March 2018	March 2017
Insurance premiums issued and net considerations	2,405,207	352,887	276,486	662,422	-	-	3,697,002	3,463,476
Changes in technical reserves for insurance and reinsurance premiums ceded	(5,171)	(431)	(75,817)	(157,019)	-	-	(238,438)	(39,836)
Premium earned	**2,400,036**	**352,456**	**200,669**	**505,403**	**-**	**-**	**3,458,564**	**3,423,640**
Income from loans	-	-	-	-	328,753	-	328,753	274,805
Income from rendering of services	-	-	-	-	89,293	189,877	279,170	256,441
Pension plan contribution	-	-	43,830	-	-	-	43,830	45,137
Income from special savings bonds	-	-	-	-	-	8,620	8,620	6,820
Withheld claims and supplementary pension benefits - net (i)	(1,280,563)	(266,951)	(75,375)	(245,548)	-	-	(1,868,437)	(1,965,319)
Costs of purchase	(497,949)	(28,059)	(67,078)	(159,044)	(30,835)	(12,347)	(795,312)	(729,514)
Cost of services rendered	-	-	-	-	-	(82,961)	(82,961)	(81,142)
Changes in pension technical reserves	-	-	(38,519)	-	-	-	(38,519)	(39,802)
Other income (expenses)	(516,723)	(42,996)	(51,113)	(35,040)	(312,221)	(132,832)	(1,090,925)	(1,129,639)
Operating income	**104,801**	**14,450**	**12,414**	**65,771**	**74,990**	**(29,643)**	**242,783**	**61,427**
Financial income	93,518	9,185	10,747	67,777	5,222	49,354	235,803	305,859
Income (loss) before taxes	**198,319**	**23,635**	**23,161**	**133,548**	**80,212**	**19,711**	**478,586**	**367,286**
Income and social contribution taxes	(73,235)	(10,637)	(8,111)	(67,545)	(41,054)	(2,155)	(202,737)	(153,837)
Net income - March 2018	**125,084**	**12,998**	**15,050**	**66,003**	**39,158**	**17,556**	**275,849**	**213,449**
Net income - March 2017	**54,764**	**17,416**	**14,691**	**56,185**	**61,892**	**8,501**		

Assets and liabilities							**March 2018**	**December 2017**
Assets related to segments	8,165,294	418,750	4,552,434	3,011,629	4,859,369	497,530	21,505,006	21,807,290
Fixed and intangible assets (ii)	167,385	-	-	316,148	-	2,516,609	3,000,142	2,966,828
Goodwill from business combination (iii)	109,902	-	-	236,898	-	28,322	375,122	375,122
Intangible asset with undefined useful life	77,958	-	-	168,042	-	-	246,000	246,000
Other assets (iv)	-	-	-	-	-	4,058,272	4,058,272	3,582,886
	8,520,539	**418,750**	**4,552,434**	**3,732,717**	**4,859,369**	**7,100,733**	**29,184,542**	**28,978,126**
Liabilities related to segments	5,830,668	342,875	5,115,640	2,342,673	5,640,210	1,025,379	20,297,445	20,348,672
Other liabilities	-	-	-	-		1,081,363	1,081,363	913,355
	5,830,668	**342,875**	**5,115,640**	**2,342,673**	**5,640,210**	**2,106,742**	**21,378,808**	**21,262,027**

(i) Amounts related to retained claims are presented net of recovery of reinsurance, co-insurance, recovery, salvages, and reimbursements.
(ii) Intangible assets allocated to the “Automobile insurance” and “Insurance – other lines” segments refer mainly to those stemming from the acquisition of Itaú Auto e Residência (see Note 18).
(iii) Goodwill and intangible assets with indefinite useful lives allocated to the “Automobile insurance” and “Insurance – other lines” segments refer to those stemming from the acquisition of Itaú Auto e Residência (see Note 18). The goodwill allocated to the “Others” segment refers to that stemming from the acquisition of Bioqualynet and H4P.
(iv) Refer mainly to financial assets not linked to technical reserves, deferred income tax and social contributions, and recoverable taxes and contributions.

7. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	March 2018	December 2017	March 2018	December 2017
Cash equivalents (*)	333,710	260,129	660,223	1,087,328
Bank deposits	45	59	172,055	179,247
	333,755	**260,188**	**832,278**	**1,266,575**

(*) Composed of repurchase agreements levered mainly by National Treasury Bills (LTNs) and National Treasury Bills (NTNs), with original maturities of up to 3 months.

8. FINANCIAL INSTRUMENTS (*)

8.1 MEASURED AT FAIR VALUE

8.1.1 THROUGH PROFIT OR LOSS (FVTPL)

	March 2018				
	Parent company	Insurance	Pension	Other activities	Total consolidated
Open-end funds					
Investment Fund Quotas (i)	-	973,596	90,460	7,245	1,071,301
Equity fund quotas	30,825	-	-	-	30,825
Other investments	-	1,680	-	-	1,680
	30,825	**975,276**	**90,460**	**7,245**	**1,103,806**
Exclusive funds					
LFTs	679,515	2,966,722	1,326,798	198,195	5,171,230
LTNs (National Treasury Bills)	19,093	-	1,237,749	-	1,256,842
NTNs - B	9,152	48,735	523,772	-	581,659
NTNs - C	-	37,617	24,146	-	61,763
Financial Bills - Private	50,166	9,052	372,738	9,790	441,746
Debentures	79,736	13,828	336,107	15,558	445,229
Fund quotas	260,970	5	28,166	451	289,592
Shares of publicly-held	75,058	-	86,888	-	161,946
CDBs	23,760	5,675	80,867	8,342	118,644
DPGEs	843	-	1,975	166	2,984
	1,198,293	**3,081,634**	**4,019,206**	**232,502**	**8,531,635**
Total	**1,229,118**	**4,056,910**	**4,109,666**	**239,747**	**9,635,441**
Current	1,229,118				9,630,604
Non-current	-				4,837

(i) Substantially comprised by open-end or exclusive investment fund quotas and financial bills from private institutions, and the adjusted cost value of these securities reasonably approximates their fair value.
(ii) In the insurers and pension funds, refer mainly to the mutual fund quotas of the DPVAT Agreement, whose portfolio is substantially composed of government bonds.

(*) Comparison values are not presented, as first-time adoption of new financial instruments' classification in accordance with IFRS 9 occurred on Jan 1, 2018, as permitted by the rule (see note 2.2.1).

8.1.2 THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	March 2018		
	Insurance	Pension	Total consolidated
Own portfolio (*)			
NTNs - B	1,979,044	-	1,979,044
LTNs (National Treasury Bills)	594,740	-	594,740
NTNs - C	189,760	123,995	313,755
Debentures	52,100	-	52,100
Total	**2,815,644**	**123,995**	**2,939,639**
Current			19,506
Non-current			2,920,133

(*) The curve value (adjusted cost) of the securities in "Own portfolio" on March 31, 2018 was R$ 2,770,889 (R$ 2,191,944 on December 31, 2017), thus generating a non-recurring gain recorded in shareholders' equity of R$ 168,750 (R$ 115,948 on December 31, 2017), and an effect of R$ 52,802 (R$ 102,585 on December 31, 2017) in the statement of comprehensive income, gross of tax effects.

8.1.3 FAIR VALUE HIERARCHY - CONSOLIDATED (*)

	March 2018			December 2017		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Exclusive funds	7,540,663	1,008,603	8,549,266	7,266,996	1,077,914	8,344,910
Own portfolio	2,887,539	52,100	2,939,639	2,250,782	57,110	2,307,892
Open-end funds	1,072,981	-	1,072,981	997,347	-	997,347
Equity fund quotas	-	30,825	30,825	-	10,206	10,206
Total	**11,501,183**	**1,091,528**	**12,592,711**	**10,515,125**	**1,145,230**	**11,660,355**
Current			9,667,741			9,366,791
Non-current			2,924,970			2,293,564

(*) Given the short-term characteristics and constant recoverability assessments, it is estimated that the book values of other financial assets, less impairment, are the fair values thereof.

8.2 MEASURED AT AMORTIZED COST

	March 2018			
	Insurance	Pension	Other activities	Total consolidated
Exclusive funds *				
NTNs - B	-	54,245	-	54,245
NTNs - C	-	526,305	-	526,305
	-	**580,550**	**-**	**580,550**
Other investments				
Other	1,972	187	142	2,301
	1,972	**187**	**142**	**2,301**
Total	**1,972**	**580,737**	**142**	**582,851**

(*) Market value of "Own portfolio" papers on March 31, 2018 was R$ 656,371.

8.3 CHANGES IN FINANCIAL INSTRUMENTS DURING THE PERIOD – CONSOLIDATED

	March 2018	December 2017
Opening balance	12,230,501	10,637,066
Investments	5,472,662	19,601,419
Redemptions	(4,899,979)	(19,307,937)
Net income	301,945	1,197,368
Mark-to-Market	52,802	102,585
Closing balance	**13,157,931**	**12,230,501**
Current	9,650,110	9,934,648
Non-current	3,507,821	2,295,853

8.4 CONTRACTED INTEREST RATES

The main contracted average annual interest rates on short-term investments are shown below (in %):

	March 2018		December 2017	
	Parent company	Consolidated	Parent company	Consolidated
Cash equivalents (*)	6.38	6.39	6.88	6.89
Exclusive funds				
LTNs (National Treasury Bills)	11.88	9.33	11.88	9.38
NTNs C - IGPM +	-	5.47	-	6.21
NTNs B - IPCA +	-	6.21	-	5.44
Financial Bills %CDI	109.18	110.06	107.03	108.39
Own portfolio				
LTNs (National Treasury Bills)	-	11.34	-	11.34
NTNs B - IPCA +	-	5.53	-	5.97
NTNs C - IGPM +	-	5.66	-	5.66

(*) See Note 7.

9. LOANS AND FINANCING (AT AMORTIZED COST) - CONSOLIDATED

	March 2018	December 2017
Securities and credits receivable (i)	3,359,978	3,445,705
Credit card operations (ii)	990,739	872,131
Financing (iii)	780,064	724,492
Loans	256,486	230,269
	5,387,267	**5,272,597**
Provision for credit risks	(450,060)	(309,794)
	4,937,207	**4,962,803**
Current	4,520,636	4,580,245
Non-current	416,571	382,558

(i) Refer to amounts receivable from credit cards due or unbilled, classified in current assets. These amounts are classified with credit-granting characteristics and have, as their counterpart, accounts payable to affiliated establishments recorded under “Credit card transactions” (see Note 21).
(ii) Refers to amounts receivable from credit card transactions billed, past due, or paid in installments.
(iii) Refers to vehicle financing in the form of Direct Consumer Credit (CDC).

9.1 RATING OF LAONS AND FINANCING

The table below shows the "Notes and credits receivable" and "Lending operations" classified by ratings, less allowance for losses, based on criteria provided for in CMN Resolution 2682/99:

	March 2018	December 2017
AA	73,144	59,830
A	4,614,119	4,607,143
B	154,175	117,027
C	119,196	96,738
D	85,834	65,884
E - F	115,652	101,018
G - H	225,147	224,957
	5,387,267	**5,272,597**
Provision for credit risks	(450,060)	(309,794)
	4,937,207	**4,962,803**
Current	4,520,636	4,580,245
Non-current	416,571	382,558

9.2 CHANGES IN IMPAIRMENT OF LOANS AND FINANCING - CONSOLIDATED

With new methodology defined by IFRS 9 for expected losses, the purpose of recognizing and measuring losses is to measure provisions with the requirement of capturing both losses already incurred and expected losses, therefore, assets must be classified in three different stages, according to counterparty credit quality, as follows:

- **Stage 1:** With no significant credit deterioration since initial recognition or low credit risk on calculation date (12 months);
- **Stage 2:** Significant deterioration in credit since initial recognition, but no objective evidence of impairment;
- **Stage 3:** Objective evidence of impairment on observation date.

For each stage, a specific expected loss must be calculated so as to reflect a higher or lower risk in each transaction. Movement among stages in the period are as follows:

	Estágio 1	Estágio 2	Estágio 3	Total (i)
Balance at December 31, 2017	**-**	**-**	**-**	**309,794**
Initial adoption IFRS09 (ii)	-	-	-	92,643
Balance at January 01, 2018	**135,828**	**66,018**	**200,590**	**402,436**
New entries	70,653	45,604	51,152	167,409
Improvement in stage	8,753	(6,607)	(2,147)	-
Worsening of stage	(19,235)	(7,964)	27,199	-
Settlements	(35,642)	(15,858)	(68,285)	(119,785)
Balance at March 31, 2018	**160,357**	**81,193**	**208,509**	**450,060**

(i) The amount recognized as loss from loan operations was R$ 73,569 on March 31, 2018 (R$ 257,450 as of December 31, 2017).
(ii) First-time adoption of provision calculated through expected losses methodology, as defined by IFRS 9, gross of tax effects, and recorded against the Company's shareholders' equity.

10. PREMIUMS RECEIVABLE FROM INSURED PARTIES - CONSOLIDATED

	March 2018			December 2017		
	Premiums receivable from insured parties	Provision for credit risks	Premiums receivable, net	Premiums receivable from insured parties	Provision for credit risks	Premiums receivable, net
Auto	2,395,927	(2,421)	2,393,506	2,475,628	(1,575)	2,474,053
Property and Casualty Insurance Lines	594,289	(6,832)	587,457	613,550	(6,251)	607,299
Life	321,195	(8,164)	313,031	327,890	(6,448)	321,442
Health	114,259	(5,449)	108,810	113,682	(6,759)	106,923
Porto Uruguai	75,579	(5,781)	69,798	76,032	(9,346)	66,686
Transportation	28,459	(364)	28,095	21,958	(289)	21,669
	3,529,708	**(29,011)**	**3,500,697**	**3,628,740**	**(30,668)**	**3,598,072**
Current			3,499,623			3,597,097
Non-current			1,074			975

10.1 CHANGES IN PREMIUMS RECEIVABLE FROM INSURED PARTIES - CONSOLIDATED

	March 2018	December 2017
Opening balance	**3,598,072**	**3,328,757**
Premiums issued	3,800,437	14,997,525
IOF	198,912	839,046
Interest for installment insurance payment	68,392	267,521
Canceled premiums	(259,264)	(996,223)
Receipts	(3,907,509)	(14,829,612)
Provision for credit risks	1,657	(8,942)
Closing balance	**3,500,697**	**3,598,072**

10.2 CHANGES IN IMPAIRMENT OF PREMIUMS RECEIVABLE FROM INSURED PARTIES - CONSOLIDATED

	March 2018	December 2017
Opening balance	**30,668**	**21,726**
Formations	8,212	26,553
Reversals and write-offs to loss	(9,869)	(17,611)
Closing balance	**29,011**	**30,668**

Expenses/reversals of provisions for credit risks were recorded in the "Other operating expenses" account of the Income Statement (see Note 34).

11. TAXES

11.1 RECOVERABLE TAXES AND CONTRIBUTIONS – CONSOLIDATED (*)

	March 2018	December 2017
Income tax	48,891	50,981
Social contribution	20,360	19,864
PIS and COFINS	19,011	13,349
Taxes - Uruguay	15,638	12,706
INSS	4,921	4,624
Other	10,404	10,295
	119,225	**111,819**
Current	114,402	106,996
Non-current	4,823	4,823

(*) The Parent Company's balances refer to income and social contribution taxes.

11.2 TAXES AND CONTRIBUTIONS PAYABLE - CONSOLIDATED (i)

	March 2018	December 2017
IOF over insurance premiums	208,548	213,829
PIS and COFINS	56,440	53,714
IRRF	33,453	23,320
Income tax (ii)	28,230	28,350
Social contribution (ii)	22,767	29,145
INSS and FGTS	22,134	40,284
ISS	8,595	8,934
Other	23,080	22,095
	403,247	**419,671**

(i) Parent company's balances refer mainly to income tax withholdings and PIS/COFINS on interest on own capital.
(ii) Refers to provisions, net of prepaid amounts.

11.3 DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES

11.3.1 ASSETS - CONSOLIDATED

	December 2017	Formation	Reversal/Realization	March 2018
Income and social contribution taxes on tax loss and negative basis	53,275	11,562	(12,054)	52,783
	53,275	**11,562**	**(12,054)**	**52,783**
Temporary differences arising from:				
Provision for legal obligations	189,440	433	(3,401)	186,472
Provision for credit risks	143,046	4,946	(11,365)	136,627
PIS and COFINS over PSL and IBNR	68,487	2,960	(2,403)	69,044
Provision for profit sharing	72,689	21,285	(53,227)	40,747
Provision for lawsuits - civil and labor	21,398	2,630	(337)	23,691
Other provisions	79,016	58,591	(51,000)	86,607
	574,076	**90,845**	**(121,733)**	**543,188**
Offset of deferred asset/liability (*)	(169,332)	-	-	(201,506)
	458,019	**-**	**-**	**394,465**

(*) Deferred income and social contribution tax assets and liabilities are presented in the balance sheet, offset by the Company.

11.3.2 LIABILITIES

	Parent company			Consolidated			
	December 2017	Reversal/Realization	March 2018	December 2017	Formation	Reversal/Realization	March 2018
Income and social contribution taxes over business combination (*)	284,789	(1,262)	283,527	285,558	-	(1,485)	284,073
Income and social contribution over revaluation of real estate	-		-	59,239	-	(214)	59,025
Deferred income and social contribution taxes	-		-	30,395	1,032	(729)	30,698
Income and social contribution taxes over financial instruments' adjustments	-		-	52,094	23,778	(17)	75,855
Income and social contribution taxes over employee benefit	-		-	3,641	-	-	3,641
Other	8,102		8,102	14,468	164	-	14,632
	292,891	**(1,262)**	**291,629**	**445,395**	**24,974**	**(2,445)**	**467,924**
Offset of deferred assets/liabilities	(18,529)	-	(31,521)	(169,332)	-	-	(201,506)
	274,362	-	**260,108**	**276,063**	-	-	**266,418**

(*) See Note 16.

11.4 RECONCILIATION OF INCOME AND SOCIAL CONTRIBUTION TAX EXPENSE ON INCOME

	Parent company		Consolidated	
	March 2018	March 2017	March 2018	March 2017
Income (loss) before income (IRPJ) and social contribution taxes (CSLL) (A)	274,862	213,038	478,586	367,286
Current rate (*)	34%	34%	45%	45%
Income and social contribution taxes (at nominal rate) (B)	**(93,453)**	**(72,433)**	**(215,364)**	**(165,279)**
Equity in net income of subsidiaries	79,498	59,695	-	-
Tax incentives	-	-	1,757	2,346
Other	15,217	14,000	10,870	9,096
Total effects of Corporate Income and Social Taxes on permanent differences (C)	**94,715**	**73,695**	**12,627**	**11,442**
Total income tax and social contribution (D = B + C)	**1,262**	**1,262**	**(202,737)**	**(153,837)**
Effective rate (D/A)			**42.4%**	**41.9%**

(*) The rate used in this reconciliation of income tax and social contribution expense refers to the nominal rate of Porto Seguro's insurance companies and financial companies, which correspond to the companies that contribute the most to

consolidated net income.

12. GOODS FOR SALE – CONSOLIDATED

	March 2018	December 2017
Salvage (*)	234,855	206,453
Vehicles recovered from financing agreements	4,236	5,444
Vehicles retired from leases	4,691	3,251
Provision for impairment (*)	(37,511)	(37,339)
	206,271	**177,809**

(*) Deriving mainly from full indemnifications for auto claims, recorded at the estimated realizable value, based on historical studies of recovery.

13. DEFERRED ACQUISITION COSTS (DAC) - CONSOLIDATED

	March 2018	December 2017
Auto	1,008,715	1,134,705
Equity	208,946	226,193
People	95,214	111,403
Financial risks	51,221	52,725
Health	29,873	28,245
Liabilities	1,572	1,945
Transportation	2,071	5,289
Other	21,222	22,432
	1,418,834	**1,582,937**
Current	1,392,706	1,559,619
Non-current	26,128	23,318

The average term of deferral of the DAC is 12 months.

13.1 CHANGES IN THE CAD PERIOD – CONSOLIDATED

	March 2018	December 2017
Opening balance	**1,582,937**	**1,241,623**
Formation	658,788	2,895,203
Appropriation to expense	(822,891)	(2,553,889)
Closing balance	**1,418,834**	**1,582,937**

14. DERIVATIVE FINANCIAL INSTRUMENTS – CONSOLIDATED

				March 2018	December 2017
	Contracted average rate (p.a.)	Notional value	Curve value	Fair value	Fair value
Swap – asset leg (Libor USD6M)	0.7% + Libor	34,029	15,667	15,528	15,439
"Swap" - liability side: post-fixed rate at CDI (i)	90.80%	(34,029)	(18,570)	(18,464)	(18,172)
Loss from mark-to-market				**(2,936)**	**(2,733)**
Swap - Asset leg: Post-fixed rate at CDI (ii)	100.00%	14,000	-	22,036	21,691
"Swap" - liability side: IGPM rate + fixed rate (ii)	5.75%	(14,000)	-	(22,275)	(21,477)
Gain/(loss) from mark-to-market (iii)				**(239)**	**214**
Variable income options		116,863	-	112	589
Dollar futures contract		41,490	-	(379)	-
Futures contract of prefixed interest		19,172	-	(26)	-
Index futures contract		10,627	-	(149)	-
Dollar future option		2,907	-	(638)	268
Futures exchange rate agreement		29	-	-	-
Options and futures contracts (iii)				**(1,080)**	**857**
Total assets (current)				**-**	**1,071**
Total - liabilities (current and non-current)				**(4,255)**	**(2,733)**

(i) Exchange the difference between the long position (change in Libor rate + USD) and the short position (change in CDI rate), aimed at mitigating the risk of exchange-rate change on foreign currency borrowings, maturing by April 2020 (see Note 21).
(ii) Exchange the difference between the asset side (change in CDI rate) and the liability side (accumulated inflation + fixed rate), aimed at mitigating the real interest rate risk of investment in NTN-Cs.
(iii) Instruments allocated to the Company's investment funds.

15. OTHER ASSETS – CONSOLIDATED

	March 2018	December 2017
Commissions in processing (i)	84,063	73,190
Prepaid expenses	81,293	67,561
Administrative advances	47,992	23,781
Other credits receivable from credit card	37,054	87,852
Amounts receivable - insurance	24,367	36,240
Reinsurance receivables	21,017	14,113
Checks to deposit	20,148	18,443
Storeroom	19,848	21,852
Profit Sharing	16,873	13,731
Accounts receivable from insured parties	10,901	11,894
DPVAT agreement	6,632	6,447
Other	65,117	40,385
Current	**435,305**	**415,489**
Judicial deposits (iii)	332,610	331,205
Administrative advances	7,154	7,440
Other	17,489	17,707
Non-current	**357,253**	**356,352**
	792,558	**771,841**

(i) Represent payments of commissions to brokers on current and non-issued risks.
(ii) See Note 15.1.

15.1 JUDICIAL DEPOSITS

	March 2018	December 2017
Lawsuits from adhesion to REFIS (*)	187,575	186,018
Judicial claims	91,319	92,436
PIS/COFINS	35,733	35,365
Other	17,983	17,386
	332,610	**331,205**

(*) Refers to the difference between the amount of the judicial deposit and the provisions for legal obligations arising from the benefits provided for in the REFIS. See Note 22 (a).

16. INVESTMENTS IN SUBSIDIARIES – PARENT COMPANY

	Interest (%)	Balances at December 2017	Equity income (loss)	Capital increase/(decrease)	Financial instrument adjustments	Translation adjustment/ other	Dividends	Balances in March 2018
Porto Cia	99.99	**4,045,172**	148,795	-	19,527	596	(290,000)	**3,924,090**
Itaú Auto e Residência	99.99	**500,617**	16,548	-	5,013	-	-	**522,178**
Portoseg (ii)	99.99	**554,617**	29,788	-	-	(40,421)	(34,997)	**508,987**
Azul Seguros	69.05	**520,774**	42,343	-	4,503	-	-	**567,620**
Porto Serviços e Comércio	99.99	**163,571**	(22,606)	20,702	-	60	-	**161,727**
Porto Consórcio	99.99	**67,857**	13,333	-	-	-	(14,999)	**66,191**
Medical Services	99.99	**63,078**	1,215	(5,000)	-	-	-	**59,293**
Protection and monitoring	99.98	**38,849**	(1,867)	-	-	-	-	**36,982**
Portomed	99.99	**18,806**	54	-	-	-	-	**18,860**
Porto Investimentos	99.99	**6,512**	7,376	-	-	-	(8,999)	**4,889**
Portopar	99.99	**5,603**	363	-	-	-	-	**5,966**
Renova	99.99	**4,950**	(1,559)	-	-	-	-	**3,391**
Crediporto	99.80	**1,222**	(40)	-	-	-	(669)	**513**
Porto Odonto	99.98	**328**	(7)	-	-	-	-	**321**
Medical Centers	99.99	**11,171**	1,996	-	-	-	(406)	**12,761**
Business combination (i)	-	**1,058,770**	-	-	-	(3,156)	-	**1,055,614**
		7,061,897	**235,732**	**15,702**	**29,043**	**(42,921)**	**(350,070)**	**6,949,383**

(i) On August 23, 2009, Porto Seguro entered into an association with Itaú Unibanco Holding S.A., aimed at unifying its home and auto insurance operations, as well as an operational agreement for the exclusive offer and distribution of these products to clients of Itaú Unibanco in Brazil and Uruguay. On November 30, 2009, Itaú Auto e Residência, a company that received the assets and liabilities of this operation from Itaú Seguros S.A., became controlled by Porto Seguro. Goodwill and other intangible assets originated from this business combination (see Note 18).
(ii) See Note 2.2.2.

Indirect subsidiaries	**Interest %**
Porto Vida	99.97
Porto Saúde	99.99
Azul Seguros	30.75
Porto Capitalização	100.00
Porto Seguro Uruguai	100.00
Porto Serviços Uruguai	100.00
Porto Atendimento	99.99
Porto Conecta	100.00
Bioqualynet	100.00
Franco	100.00
Porto Locadora	100.00
Health For Pet	54.00
Renova Peças Novas	99.99

16.1 RELATED PARTY TRANSACTIONS

Related party transactions are carried out at values, terms and average rates in compliance with the rates used with third-parties, if any, at the respective dates. The main transactions are:

(i) Administrative expenses transferred by Porto Cia, Porto Vida, Porto Saúde, and Azul Seguros for the use of the physical and personnel structure;

(ii) Health insurance and health plan services contracted from Porto Saúde and Portomed;
(iii) Monitoring services carried out by "Protection & Monitoring";
(iv) Agreement for apportioning administrative costs between Itaú Auto e Residência and the companies of the Itaú Unibanco Group, due to the use of infrastructure;
(v) Portfolio management and administration services by Porto Investimento and Portopar;
(vi) Agreement to use the means for credit card payment with Portoseg;
(vii) Medical clinic services and administrative and agreement for apportioning operational costs among "Medical Services," Porto Saúde, and Portomed;
(viii) Call center services contracted from Porto Atendimento;
(ix) Subscription of special savings bonds issued by Porto Capitalização;
(x) Fund raising with companies of the Itaú Unibanco Group;
(xi) Income from rendering of telecommunication services by Porto Conecta.

The amounts of related-party transactions are as follows:

	Income		Expenses	
Statement of operations	**March 2018**	**March 2017**	**March 2018**	**March 2017**
Porto Cia	158,765	168,997	60,505	55,723
Porto Atendimento	53,371	52,193	17,719	16,420
Porto Saúde	32,203	36,555	33,260	36,350
Medical Services/ Medical Centers	21,284	16,950	12,020	18,704
Conecta	9,357	8,491	6,633	7,274
Crediporto	5,723	3,397	432	375
Portoseg	5,425	4,360	40,350	31,053
Porto Investimentos	2,495	2,245	812	893
Porto Capitalização	2,097	1,058	2,434	1,707
Porto Vida	1,226	1,313	5,316	5,743
Protection and monitoring	784	1,058	7,071	7,092
Azul Seguros	688	688	61,650	66,508
Portomed	-	1,679	6,823	4,700
Itaú Auto e Residência	-	-	24,902	35,638
Other	4,210	5,023	17,701	15,827
	297,628	**304,007**	**297,628**	**304,007**

Up to March 31, 2018, R$ 7,954 (R$ 15,479 by March 31, 2017) were recognized in Portoseg's Income and R$ 282,376 (R$ 132,932 in December 2017) in Portoseg's liabilities related to the raising of funds with Itaú Unibanco Group companies.

	Parent company	
	March 2018	**December 2017**
Liabilities		
Dividends and interest on own capital payable (*)	439,538	257,067
	439,538	**257,067**

(*) See Note 24 (b).

16.2 TRANSACTIONS WITH KEY PERSONNEL

Transactions with key Management personnel refer to amounts recognized in Income for the period, such as profit sharing, fees, and charges to the Board of Directors, directors, and members of the Audit Committee and Tax Council, as shown below:

	Parent company		Consolidated	
	March 2018	December 2017	March 2018	December 2017
Profit sharing - Directors	5,500	19,500	15,441	77,913
Fees and charges	752	2,477	4,463	19,504
	6,252	**21,977**	**19,904**	**97,417**

17. FIXED ASSETS - CONSOLIDATED

		Changes				March 2018			
	Residual balance in December 2017	Acquisitions	Write-offs/sales	Depreciation expenses	Other /Transfers	Cost	Accumulated depreciation	Net value	Annual depreciation rates (%)
Buildings (i)	792,474	152	-	(4,661)	(95)	892,172	(104,302)	787,870	2.4
Land	298,051	-	-	-	-	298,051	-	298,051	-
Works in progress	36,288	99	-	-	972	37,359	-	37,359	-
Leasehold improvements	124,518	19,320	-	(1,409)	(65)	213,481	(71,117)	142,364	20.0–33.3
	1,251,331	**19,571**	**-**	**(6,070)**	**812**	**1,441,063**	**(175,419)**	**1,265,644**	
Equipment	174,934	12,906	(143)	(16,251)	361	513,060	(341,252)	171,808	20.0–33.3
Furniture, machinery and fixtures	39,600	2,865	(122)	(3,407)	16	131,349	(92,398)	38,951	10.0–50.0
Trackers	29,226	2,192	-	(4,100)	-	211,695	(184,377)	27,318	25.0–33.3
Equipment	22,359	922	(23)	(1,803)	(89)	76,483	(55,117)	21,366	10.0–14.3
Vehicles	3,365	1	-	(284)	44	8,478	(5,352)	3,126	7.0–20.0
	269,484	**18,886**	**(288)**	**(25,845)**	**332**	**941,065**	**(678,496)**	**262,569**	
Vehicles and equipment leased to third-parties	115,659	12,838	(8,814)	(3,336)	(1,440)	151,645	(36,737)	114,908	7.0–20.0
	115,659	**12,838**	**(8,814)**	**(3,336)**	**(1,440)**	**151,645**	**(36,737)**	**114,908**	
	1,636,474	**51,295**	**(9,102)**	**(35,251)**	**(296)**	**2,533,773**	**(890,652)**	**1,643,121**	

(i) For this item, the weighted average rate was used;

18. INTANGIBLE ASSETS - CONSOLIDATED

		Changes				March 2018			
	Residual balance in December	Acquisitions	Decreases	Amortization expenses	Other /Transfers	Cost	Accumulated amortization	Net value	Amortization annual rates (%)
Software	841,089	48,543	(174)	(16,048)	(370)	1,179,830	(306,790)	873,040	6.67–20.0
Other intangible assets	21,413	926	-	(3,025)	157	39,002	(19,531)	19,471	10.0–46.1
	862,502	**49,469**	**(174)**	**(19,073)**	**(213)**	**1,218,832**	**(326,321)**	**892,511**	
Brand	246,000	-	-	-	-	246,000	-	246,000	-
Distribution channel	465,970	-	-	(3,155)	-	568,000	(105,185)	462,815	2.2
Goodwill on acquisition of investments	346,800	-	-	-	-	346,800	-	346,800	-
Business combination - Itaú Auto e Residência (*)	**1,058,770**	**-**	**-**	**(3,155)**	**-**	**1,160,800**	**(105,185)**	**1,055,615**	
Goodwill on acquisition of investments	28,323	-	-	-	-	28,323	-	28,323	-
Other intangible assets	1,881	-	-	(235)	-	8,984	(7,338)	1,646	14.29–25.0
Other business combinations	**30,204**	**-**	**-**	**(235)**	**-**	**37,307**	**(7,338)**	**29,969**	
	1,951,476	**49,469**	**(174)**	**(22,463)**	**(213)**	**2,416,939**	**(438,844)**	**1,978,095**	

(*) See Note 16.

19. INSURANCE CONTRACT LIABILITIES AND SUPPLEMENTARY PENSION - CONSOLIDATED

	March 2018		December 2017	
	Gross reinsurance	Net of reinsurance	Gross reinsurance	Net of reinsurance
Insurance (17,1)	10,999,271	10,895,058	10,982,297	10,856,450
Supplementary Pension (17.2)	2,632,585	2,632,585	2,591,619	2,591,619
	13,631,856	**13,527,643**	**13,573,916**	**13,448,069**
Current	8,357,610		8,451,302	
Non-current	5,274,246		5,122,614	

19.1 INSURANCE – CONSOLIDATED

	March 2018		December 2017	
	Gross reinsurance	Net of reinsurance	Gross reinsurance	Net of reinsurance
Provision for unearned premiums	6,341,152	6,303,677	6,496,540	6,458,793
Mathematical provision - insurance	2,072,061	2,072,061	2,010,123	2,010,123
Unsettled claims (administrative and legal)	1,500,096	1,435,936	1,347,087	1,261,692
Provision for incurred but not reported claims - DPVAT	832,467	832,467	732,694	732,694
Provision for incurred but not reported claims	184,496	181,918	331,543	328,838
Other provisions	68,999	68,999	64,310	64,310
	10,999,271	**10,895,058**	**10,982,297**	**10,856,450**
Current	8,026,595		8,143,048	
Non-current	2,972,676		2,839,249	

19.2 SUPPLEMENTARY PENSION – CONSOLIDATED

	March 2018		December 2017	
	Gross reinsurance	Net of reinsurance	Gross reinsurance	Net of reinsurance
Mathematical provision for benefits to be granted	2,456,573	2,456,573	2,422,121	2,422,121
Mathematical provision for benefits granted	122,055	122,055	115,481	115,481
Supplementary provision for coverage	40,481	40,481	40,275	40,275
Other provisions	13,476	13,476	13,742	13,742
	2,632,585	**2,632,585**	**2,591,619**	**2,591,619**
Current	331,015		308,254	
Non-current	2,301,570		2,283,365	

19.3 CHANGES IN LIABILITIES OF INSURANCE CONTRACTS, SUPPLEMENTARY PENSION AND REINSURANCE ASSETS – CONSOLIDATED

	Liabilities from Insurance Contracts	Reinsurance contract assets
Balances at December 31, 2016	**11,964,959**	**81,174**
Constitutions arising from premiums/contributions	14,119,072	82,287
Deferral of the risk	(12,986,713)	(73,061)
Claim Notice	7,859,062	74,408
Payment of claims/benefits	(7,360,026)	(36,447)
Inflation adjustment and interest	563,166	24
Redemptions	(192,942)	-
Net portability	(392,662)	(2,538)
Balances at December 31, 2017	**13,573,916**	**125,847**
Constitutions arising from premiums/contributions	3,377,134	21,781
Deferral of the risk	(3,611,681)	(27,795)
Claim Notice	1,933,833	10,698
Payment of claims/benefits	(1,716,349)	(26,485)
Inflation adjustment and interest	127,168	167
Redemptions	(46,766)	-
Net portability	(5,399)	-
Balances at March 31, 2018	**13,631,856**	**104,213**

19.4 GUARANTEE ASSETS – CONSOLIDATED

Pursuant to the current rules, the following assets were linked to SUSEP and ANS:

	March 2018	December 2017
Total liabilities of insurance and supplementary pension plan (A)	**13,631,856**	**13,573,916**
Credits receivable (i)	2,680,313	2,686,590
Deferred and paid acquisition costs	895,719	893,107
Reinsurance assets	66,307	88,967
Judicial deposits	1,839	1,736
Funds and reserves retained by the IRB	2,219	2,243
Total assets that reduce the need for coverage (B)	**3,646,397**	**3,672,643**
Need to cover technical reserves (C = A - B)	**9,985,459**	**9,901,273**
Need for liquid assets (ii) (D)	**469,098**	**468,187**
Investment Fund Quotas	4,311,112	4,914,735
Fund quotas specially formed	3,962,304	3,859,329
Fixed income securities - Public	2,823,243	2,193,812
Private fixed income securities	38,117	41,793
Real estate - Uruguai	18,667	18,093
Total assets offered as guarantee (E)	**11,153,443**	**11,027,762**
Surplus (E - C - D)	**698,886**	**658,302**

(i) Amount corresponding to the installments due of the premiums receivable from insured parties and risk policies in progress.
(ii) Companies supervised by SUSEP must offer at least 20% of Risk Capital in National Treasury securities or funds composed of such securities.

20. DEBTS FROM INSURANCE AND REINSURANCE OPERATIONS - CONSOLIDATED

	March 2018	December 2017
Commissions on issued premiums	288,704	286,302
Reinsurance companies	55,728	54,094
Other insurance debts (*)	36,106	22,066
	380,538	**362,462**

(*) Refers mainly to amounts payable for assistance services offered to insured parties.

21. FINANCIAL LIABILITIES – CONSOLIDATED

	March 2018	December 2017
Credit card operations (i)	3,353,625	3,495,921
Interbank deposits (ii)	768,529	806,059
Acceptances and endorsements (iii)	575,437	515,968
Capitalization liabilities (iv)	538,233	503,282
Other loans and financing	132,914	133,716
Total financial liabilities valued under amortized cost	**5,368,738**	**5,454,946**
Funding and financing in foreign currency (v)	15,529	15,439
Total financial liabilities valued under fair value	**15,529**	**15,439**
	5,384,267	**5,470,385**
Current	5,288,562	5,374,687
Non-current	95,705	95,698

(i) Refer mainly to amounts payable to affiliated establishments.
(ii) Funding from Portoseg, remunerated at the average of 110.3% of CDI p.a. as of March 31, 2018 (110.0% as of December 31, 2017).
(iii) Funding from Portoseg, remunerated at the average of 105.4% of CDI p.a. as of March 31, 2018 (105.5% as of December 31, 2017).
(iv) These are comprised of: provisions for redemptions of special savings bonds, corrected for inflation according to the Remuneration Rate ("TR"), plus a fixed rate of 0.1% to 0.5% per annum, and provisions for sweepstakes drawings.
(v) Fund raising in foreign currency (Law 4131/62) of Porto Conecta, remunerated on average at the rate of 106.0% of the CDI rate per annum. There are hedge instruments linked to such loan, as shown in Note 14.

Financial liabilities measured at fair value are classified as "Level 2" in the fair value hierarchy.

21.1 CHANGES IN FINANCIAL LIABILITIES - CONSOLIDATED

	Credit card operations	Other financial liabilities	Total
Balance at December 31, 2016	**2,840,063**	**1,498,584**	**4,338,647**
Acquisition/formation	27,925,838	3,119,166	31,045,004
Inflation adjustment/interest	-	115,728	115,728
Settlement/reversal	(27,269,980)	(2,759,014)	(30,028,994)
Balance at December 31, 2017	**3,495,921**	**1,974,464**	**5,470,385**
Acquisition/formation	7,929,098	333,213	8,262,311
Inflation adjustment/interest	-	24,413	24,413
Settlement/reversal	(8,071,394)	(301,448)	(8,372,842)
Balance at March 31, 2018	**3,353,625**	**2,030,642**	**5,384,267**

22. JUDICIAL PROVISIONS – CONSOLIDATED

The Company is a party to ongoing tax, labor and civil lawsuits. Provisions from these lawsuits are estimated and updated by Management, backed by the opinion of the legal department and external legal advisors. However, there are uncertainties in determining the probability of loss of the lawsuits, in the expected amount of cash outflow and in the final term of these outflows. The balances and changes in the provisions are shown below:

	Tax (a)	Labor	Civil	Total
Balance at December 31, 2017	**1,307,090**	**22,447**	**30,678**	**1,360,215**
Formations	437	1,892	3,440	5,769
Successes/reversals	(203)	(598)	(168)	(969)
Payments	-	(708)	(1,217)	(1,925)
Inflation adjustment	12,266	1,021	642	13,929
Balance at March 31, 2018	**1,319,590**	**24,054**	**33,375**	**1,377,019**
(-) Judicial deposits	(1,254,884)	(7,676)	(7,579)	(1,270,139)
Net provision as of March 31, 2018	**64,706**	**16,378**	**25,796**	**106,880**
Number of lawsuits	29	985	2,162	3,176

(a) PROVISION FOR TAX AND SOCIAL SECURITY PROCESSES

Tax-related lawsuits, when classified as legal obligations, are subject to the formation of a provision irrespective of their likelihood of loss. The other tax lawsuits are provisioned, when the classification of risk of loss is 'probable.' The breakdown of these lawsuits is shown below, by nature of the lawsuit:

	Parent company		Consolidated	
	March 2018	December 2017	March 2018	December 2017
COFINS	105,207	104,221	274,321	271,909
PIS	22,660	22,448	507,637	503,404
Lawsuits from adhesion to REFIS	-	-	473,891	470,526
Other	-	-	63,741	61,251
Total	**127,867**	**126,669**	**1,319,590**	**1,307,090**
Judicial deposits	(127,867)	(126,669)	(1,254,884)	(1,244,995)
Net provision	**-**	**-**	**64,706**	**62,095**

23. OTHER LIABILITIES - CONSOLIDATED (*)

	March 2018	December 2017
Suppliers	196,662	182,571
Profit sharing	162,193	232,781
Provision for vacation and social security charges	131,154	117,243
Loyalty Program - Credit Card	93,598	87,519
Return to consortium members	69,375	66,770
Employee benefits	44,096	43,854
Third-party deposits	24,970	24,652
Other	35,939	40,943
	757,987	**796,333**
Current	712,841	748,613
Non-current	45,146	47,720

(*) The other liabilities of the Parent Company refer substantially to the profit- sharing payable.

24. SHAREHOLDERS' EQUITY – PARENT COMPANY

(a) CAPITAL

As of March 31, 2018, authorized, subscribed and paid-in capital amounted to R$ 4,000,000 (R$ 3,500,000 as of December 31, 2017), divided into 323,293,030 common, nominative, book-entry shares with no par value.

The Annual /Special Shareholder Meeting held on March 29, 2018 approved an increase in the Share Capital in the amount of R$ 500,000, arising from capital and statutory reserves for the adjustment of

profit according to the limits established by Law 6404/76, with no change in the amount of shares of the Parent Company.

(b) DIVIDENDS AND INTEREST ON OWN CAPITAL

The Annual/Special Shareholders' Meeting held on March 29, 2018 approved the distribution of Equity Interest in the amount of R$ 440,347 (R$ 264,649 imputed to minimum dividends and R$ 175,698 as additional), net of income tax, payable to the shareholders on April 11, 2018.

25. INSURANCE PREMIUMS ISSUED AND NET CONSIDERATIONS – CONSOLIDATED

The premiums earned comprise insurance premiums issued, net of cancellations, refunds and assignments of premiums to similar products and net consideration of health insurance plans. The amounts of the main groups of insurance lines are composed as follows:

	March 2018			March 2017		
	Earned premiums	Premiums ceded (reinsurance	Earned premiums, net	Earned premiums	Premiums ceded (reinsurance	Earned premiums, net
Auto	2,405,207	-	2,405,207	2,233,280	-	2,233,280
Equity	349,681	(13,941)	335,740	332,218	(11,947)	320,271
Health	362,200	-	362,200	319,771	-	319,771
People	194,567	(3,553)	191,014	172,534	(3,182)	169,352
DPVAT	98,457	-	98,457	131,475	-	131,475
Financial risks	87,473	(140)	87,333	80,463	(1,606)	78,857
VGBL	76,637	(112)	76,525	74,484	(154)	74,330
Uruguay	72,391	(516)	71,875	66,055	(544)	65,511
Transportation	45,892	(735)	45,157	42,930	(798)	42,132
Other	13,811	(6,298)	7,513	10,266	(2,647)	7,619
	3,706,316	**(25,295)**	**3,681,021**	**3,463,476**	**(20,878)**	**3,442,598**

26. INCOME FROM LOAN OPERATIONS - CONSOLIDATED

	March 2018	March 2017
Credit card	180,130	155,707
"Interchange" (*)	84,531	66,917
Financing	39,483	31,731
Loans	21,370	18,061
Other	3,239	2,389
	328,753	**274,805**

(*) Refers to the remuneration received from the credit card brands on the transactions processed.

27. INCOME FROM RENDERING OF SERVICES - CONSOLIDATED

	March 2018	March 2017
Porto Consórcio	72,347	67,056
Porto Atendimento	48,671	47,288
Medical services and centers	33,331	29,383
Porto Conecta	35,111	34,174
Protection and monitoring	23,294	26,768
Portopar and Porto Investimentos	16,946	15,175
Bioqualynet	15,260	13,727
Porto Locadora	9,189	3,758
Porto Serviços e Comércio	6,409	4,511
Other	18,612	14,601
	279,170	**256,441**

28. OTHER OPERATING INCOME - CONSOLIDATED

	March 2018	March 2017
Insurance (*)	16,753	15,547
Other income from credit card	12,754	5,421
Pension	8,849	7,809
Consortium	2,424	2,122
Other	2,143	345
	42,923	**31,244**

(*) Refers, mainly, to income from fees (honoraria) of the DPVAT Agreement for attending to insured parties.

29. CHANGES IN TECHNICAL RESERVES - CONSOLIDATED

	March 2018		March 2017	
	Gross reinsurance	Net of reinsurance	Gross reinsurance	Net of reinsurance
Mathematical Provision	77,095	77,095	73,057	73,057
Provision for unearned premiums	136,721	136,048	65,977	61,900
Provision of pension plan	38,519	38,519	39,802	39,802
Other provisions	-	-	633	633
	252,335	**251,662**	**179,469**	**175,392**

30. RETAINED CLAIMS – CONSOLIDATED

The retained claims (expenses on claims) comprise the indemnities notified and IBNR change. The following table shows the gross retained salvage claims and compensations.

	March 2018		March 2017	
	Gross reinsurance	Net of reinsurance	Gross reinsurance	Net of reinsurance
Auto	1,505,786	1,505,609	1,599,642	1,600,152
Health	276,907	276,907	240,300	240,300
Equity	114,746	110,806	117,111	113,226
DPVAT	84,137	84,137	113,101	113,101
People	60,070	58,263	51,413	50,783
Financial risks	35,464	35,030	47,942	47,018
Porto Uruguai	32,739	32,739	33,305	33,305
Other	14,948	11,031	21,759	16,116
	2,124,797	**2,114,522**	**2,224,573**	**2,214,001**

31. ACQUISITION COSTS – INSURANCE (*) - CONSOLIDATED

	March 2018	March 2017
Auto	507,133	476,259
Equity	99,740	89,890
People	60,903	53,165
Health	28,059	26,284
Financial risks	22,924	23,963
Porto Uruguai	19,648	17,246
DPVAT	1,181	1,552
Other	10,951	10,483
	750,539	**698,842**

(*) Includes amortization of deferred acquisition costs (Note 13) and non-deferred marketing expenses.

32. ADMINISTRATIVE EXPENSES - CONSOLIDATED (*)

	March 2018	March 2017
Personnel and post-employment benefits	325,635	325,946
Localization and operation	107,893	107,155
Outsourced services	91,285	78,433
Profit sharing	60,539	47,926
Advertising	15,802	12,777
Donations and contributions	10,552	12,003
Other	22,647	16,628
	634,353	**600,868**

(*) The Parent Company's administrative expenses refer mainly to profit sharing, fees, and charges. See Note 16.2.

33. TAX EXPENSES – CONSOLIDATED (*)

	March 2018	March 2017
COFINS	87,138	83,335
PIS	14,445	13,845
Service tax	7,051	6,094
Other	12,589	13,354
	121,223	**116,628**

(*) Tax expenses of the Parent Company refer substantially to PIS/COFINS on interest on own capital received.

34. OTHER OPERATING EXPENSES - CONSOLIDATED

	March 2018	March 2017
Credit card and financing expenses	114,952	90,601
Provision for credit risks - financial	121,191	69,061
Assistance services	45,558	50,502
Collection and Management of policies and contracts	36,066	42,917
Anti-theft device	19,213	22,346
Social charges upon insurance operations	9,318	9,433
Amortization of intangible assets and business combination	3,390	3,535
Other	31,649	41,535
	381,337	**329,930**

35. FINANCIAL INCOME (*)

	Consolidated	
	March 2018	March 2017
Valuation and interest from financial instruments at fair value through profit or loss	168,525	216,567
PGBL/VGBL Operations	73,908	109,855
Interest for installment insurance payment of insurance premiums	68,392	67,069
Gains of financial instruments – other categories	59,512	67,002
Inflation adjustments of judicial deposits	9,455	22,128
Other	1,861	25,175
	381,653	**507,796**

(*) The balances of the Parent Company refer mainly to the appreciation of securities at fair value.

36. FINANCIAL EXPENSES - CONSOLIDATED

	March 2018	March 2017
Inflation adjustment - PGBL and VGBL	70,260	107,694
Inflation adjustment - insurance liabilities	37,844	50,646
Inflation adjustment of provision for long-term taxes	6,664	15,495
Inflation adjustment - pension liabilities	19,064	18,318
Other	12,018	9,784
	145,850	**201,937**

37. EARNINGS PER SHARE - PARENT COMPANY

The Company's basic earnings per share is calculated by dividing the taxable income to the shareholders at the weighted average of the number of shares issued during the period, excluding any treasury shares repurchased during the disclosure period and classified as treasury shares as a reducing component in shareholders' equity.

Porto Seguro does not have financial instruments convertible into treasury shares or transactions that generate a dilutive or antidilutive effect (as defined by IAS 33 - Earnings per Share) on the earnings per share for the period. Accordingly, the basic earnings per share that were calculated for the period are equal to the diluted earnings per share. Earnings per share are shown as follow:

	March 2018	March 2017
Earnings attributable to Company's shareholders	276,124	214,300
Weighted average of the number of shares during the period	323,293	323,151
Basic and diluted earnings per share - R$	0.85410	0.66316

38. OTHER INFORMATION

38.1 NOTES REPEATED IN THE QUARTERLY INFORMATION

According to IAS 34/CPC 21 and Circular Letter CVM/SNC/SEP/nº 003/2011, in this quarterly information, Porto Seguro removed or condensed the following notes in relation to the Financial Statements for the year ended December 31, 2017:

Note number on the SFS	Title	Page in the SFS (*)
2	Description of significant accounting policies	43–58
3	Estimates and accounting judgments	59–60
4	Risk management	60–71
9.3.3	Realization estimate - Consolidated	84
14.1	Summarized financial information of subsidiaries	89
17.5	Behavior of provision for claims	95–96
20 (b) (c) (d)	Legal provisions - Consolidated	100–101
22 (b) (c)	Shareholders' equity	102–103
35	Employee benefits - Consolidated	109–111

(*) Page where the Note is located in the Standardized Financial Statements (SFS), available on the CVM website (www.cvm.gov.br).

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(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Porto Seguro S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Porto Seguro S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2018, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Porto Seguro S.A.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2018. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, April 25, 2018

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Carlos Eduardo Sá da Matta
Contador CRC 1SP216397/O-5