



PORTO SEGURO

NOVO MERCADO
BOVESPA BRASIL

3Q11 and 9M11 Conference Call

Date: 11.08.11 at 08:00 a.m. *(NY Time)*

Revenue
Total Revenue

Total revenue in 3Q11 was 12% higher (vs 3Q10), mainly due to premiums growth from Porto Seguro Auto, Homeowner and Health lines.

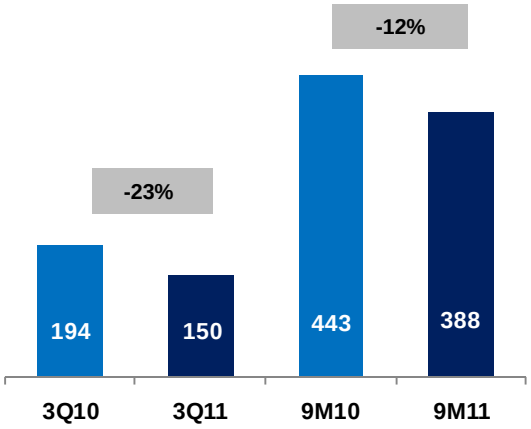
Revenues	3Q11	3Q10	Var.%	9M11	9M10	Var.%
Total Written Premiums	2,258	2,059	10	6,302	5,714	10
Pension Plan Contribution	39	38	5	113	100	12
Surveillance Services	18	15	15	49	43	15
Consortium	41	34	20	116	98	18
Credit Operations	55	43	29	151	124	22
Other	36	24	51	94	61	55
Net Financial Results	255	205	25	645	538	20
Total Revenue	2,703	2,418	12	7,469	6,677	12

3Q11 Results
Net Income

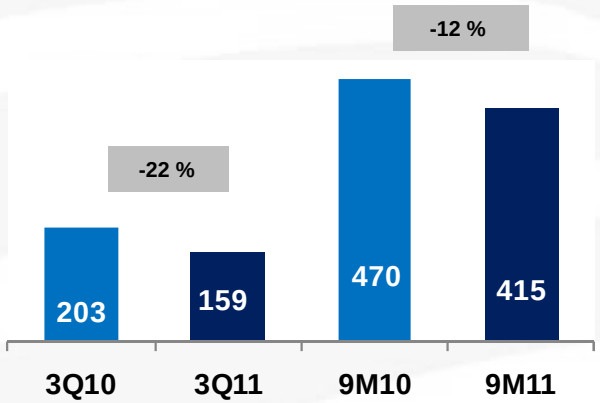
Net Earnings (IFRS) was down 23% in the quarter, mainly due to the 2.9 p.p. increase in the loss ratio, partially offset by the 25% growth in financial revenues

Net Income (R$ million)

*** IFRS with Business Combination**



***IFRS without Business Combination**



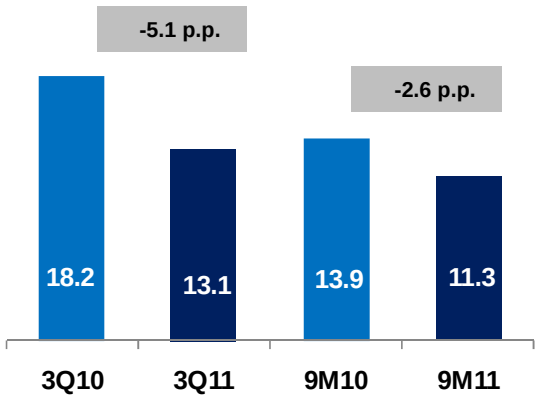
*Since this quarter, according to the brazillian Law the values in BR GAAP standard converge to the IFRS accounting practices, for this reason we chose report only in the IFRS Standard.

3Q11 Results
Return on Equity

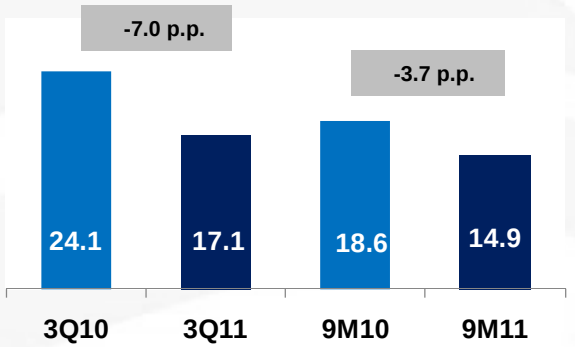
ROAE reached 17.1% (IFRS without Business Combination) in the quarter

ROAE%

***IFRS with Business Combination**



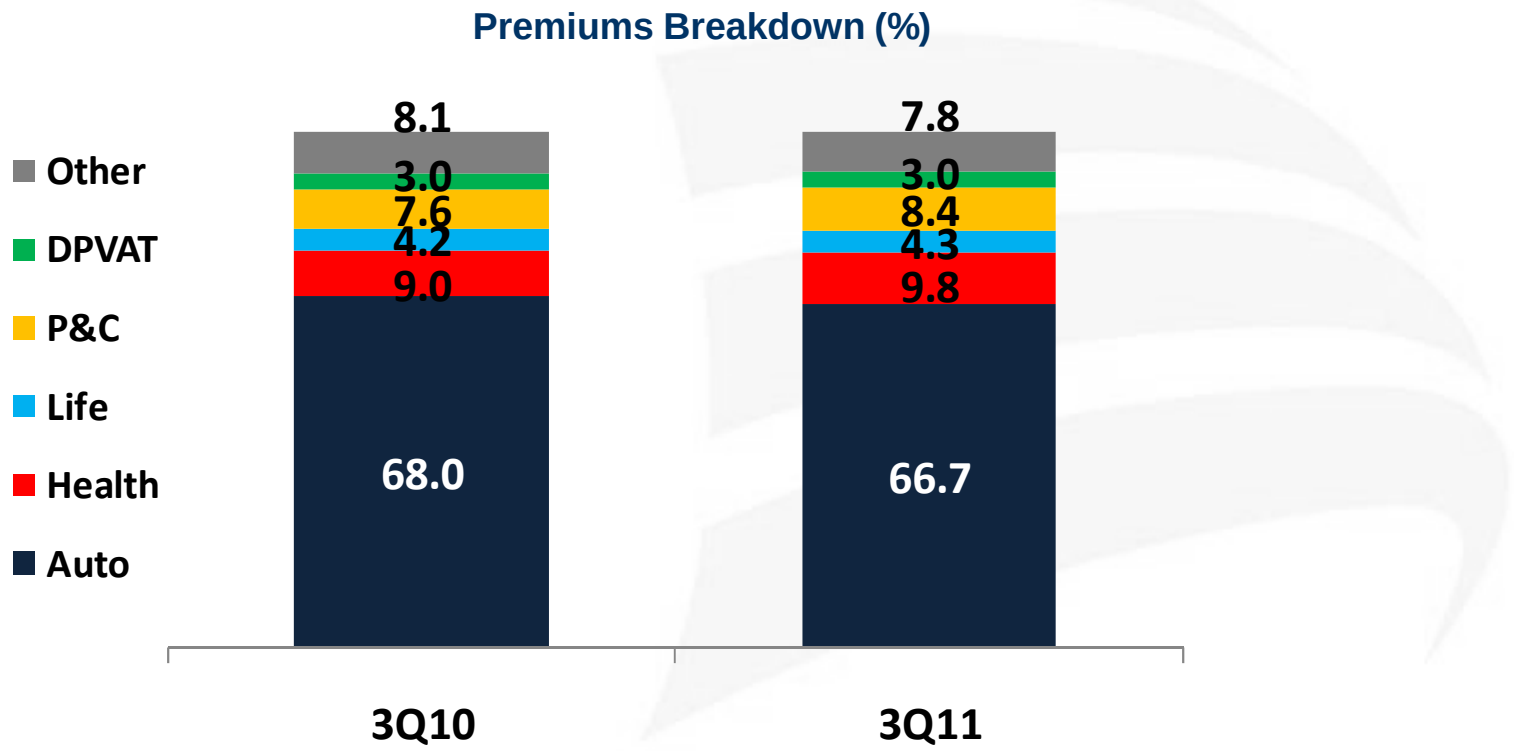
***IFRS without Business Combination**



*Since this quarter, according to the brazillian Law the values in BR GAAP standard converge to the IFRS accounting practices, for this reason we chose report only in the IFRS Standard.

Breakdown of Written Premiums

Health and P&C lines have increased share in the portfolio

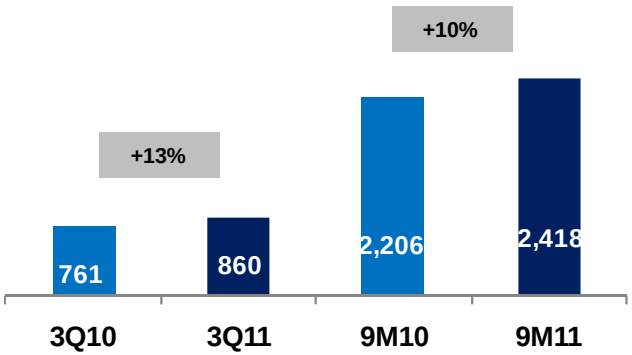


Includes Porto Seguro, Azul, Itau brand ,VGBL and Uruguay.
Source: Porto Seguro

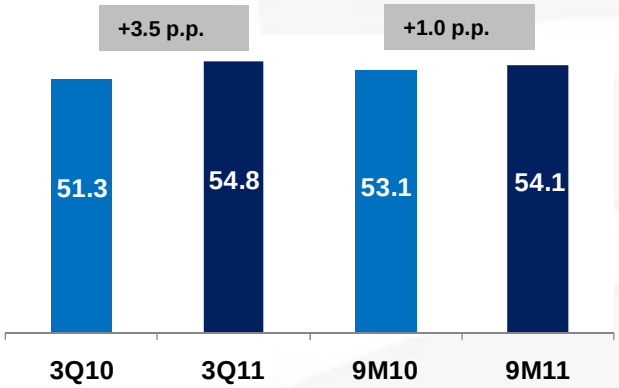
Porto Seguro Auto

In Porto Seguro brand, written premiums were 13% higher in the quarter – the loss ratio increased 3.5 p.p.. For the year, the loss ratio increasead moderately (1p.p.)

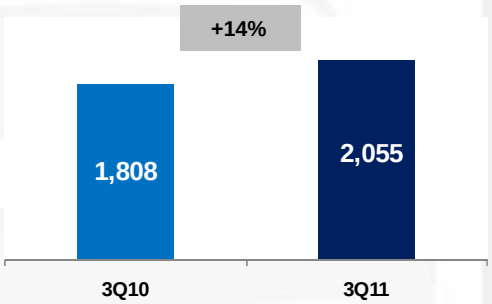
Written Premiums
(R$ million)



Loss Ratio (%)



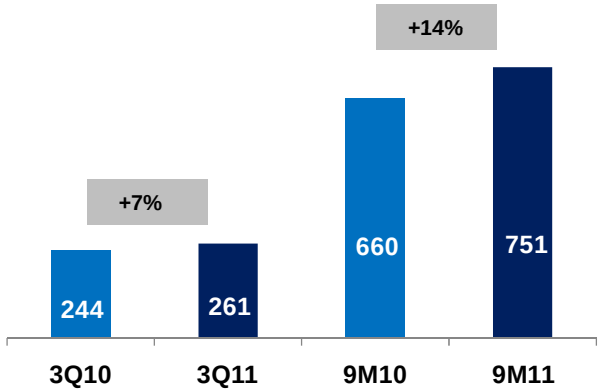
Insured Fleet
(thousand)



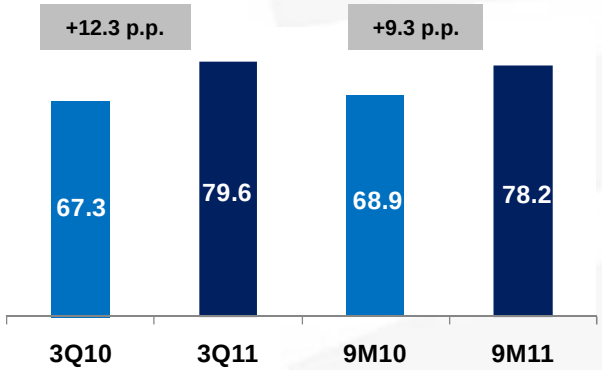
Azul Seguros Auto

Written Premiums were 7% higher in the quarter, offset by a lower average premium. The loss ratio increased 12 p.p., due to the change in pricing practices and competitive environment pressure

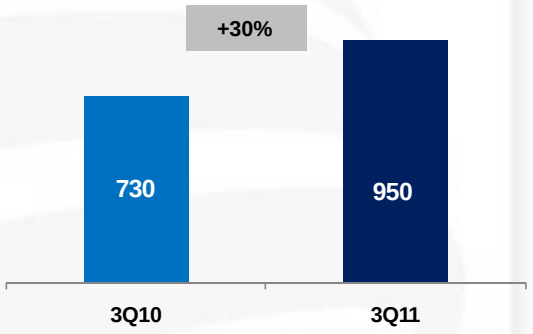
Written Premiums
(R$ million)



Loss Ratio (%)



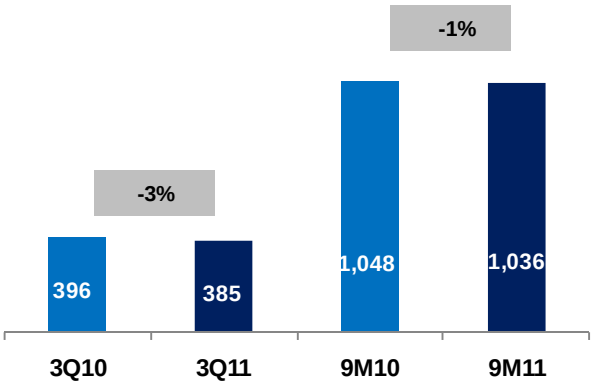
Insured Fleet
(thousand)



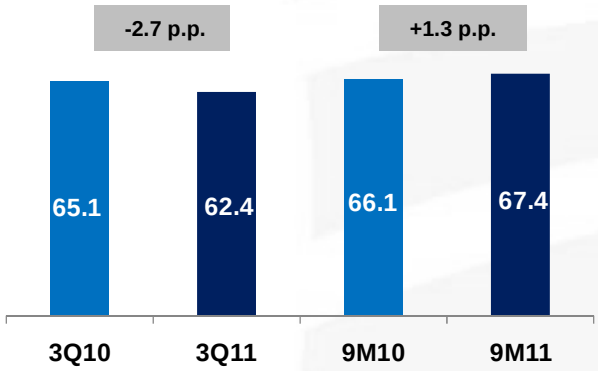
Itaú Seguros Auto

Itaú Auto premiums remained stable, with a reduction of approximately 3 p.p. in the loss ratio, due to price and underwriting adjustments

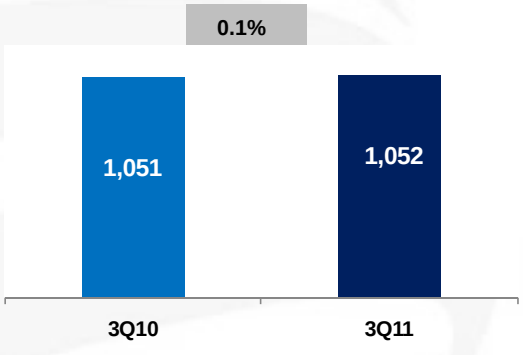
Written Premiums
(R$ million)



Loss Ratio (%)



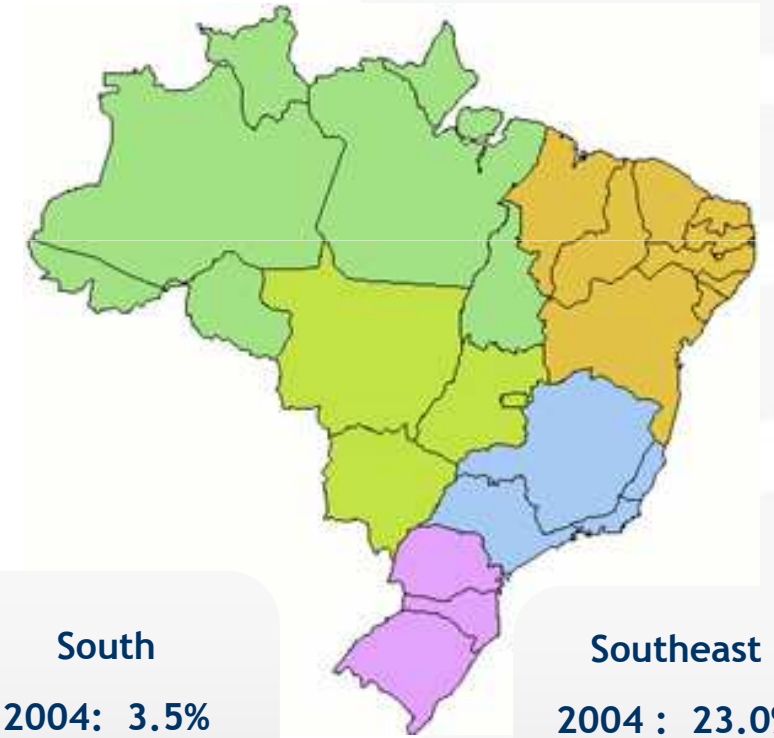
Insured Fleet
(thousand)



Auto Insurance
Geographic Expansion

We have increased market share in all regions, mainly in the North and South

Market Share by Region



North

2004: 9.6%
3Q10*: 16.7%
3Q11*: 20.8%

Northeast

2004 : 10.0%
3Q10* :15.6%
3Q11*: 16.3%

Mid-West

2004: 6.0%
3Q10*: 13.9%
3Q11*: 15.9%

Brazil

2004 : 16.8 %
3Q10* : 25.8%
3Q11*: 26.2%

South

2004: 3.5%
3Q10*: 8.0%
3Q11*: 10.2%

Southeast

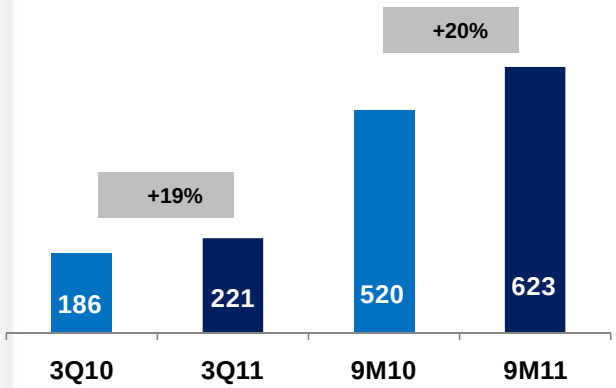
2004 : 23.0%
3Q10 *:34.6%
3Q11*: 34.9%

Source: Susep,
***data from july 2011 and 2010**

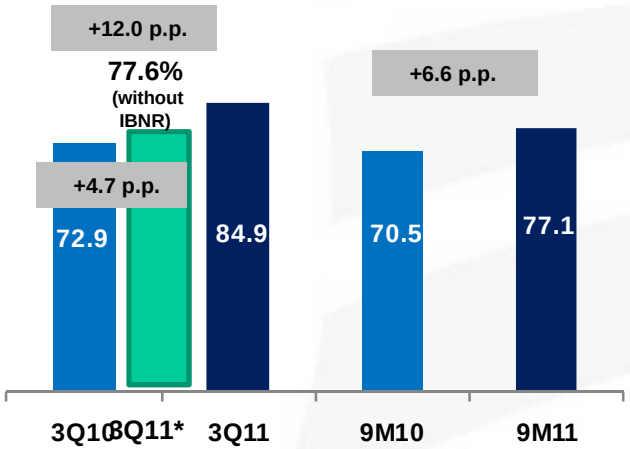
Health Insurance

Health grew 19% in 3Q11, with a higher number of insured lives. Loss Ratio increased 4.7 p.p. reaching 77.6%*, mainly due to the change in the frequency of contract readjustment, higher usage frequency and increase in medical inflation

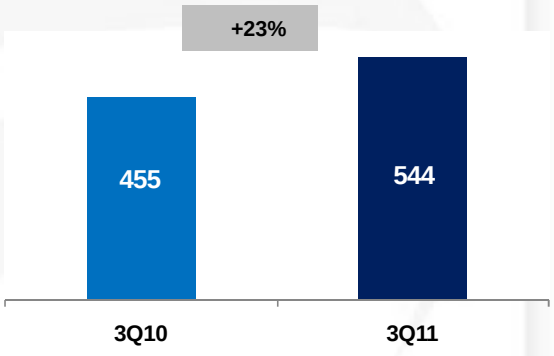
Written Premiums
(R$ million)



Loss Ratio (%)



Insured Lives
(thousand)



*Excluding the IBNR provisions

Property & Casualty Insurance

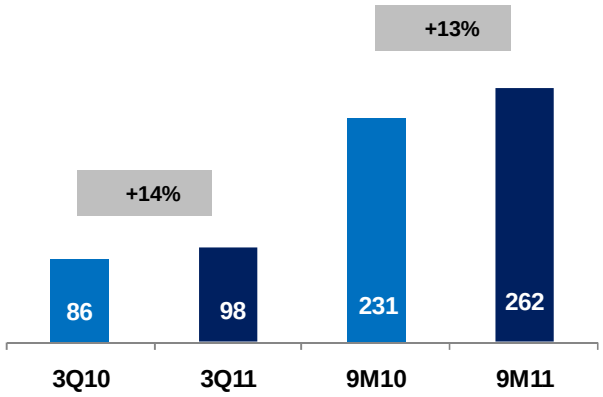
Hilight to Homeowner in the P&C group, which was up 37% in the quarter (mainly Itaú), and the total Loss Ratio reduced 1.6 p.p., due to client's risks underwrtting adjustments

Commercial	3Q11	3Q10	Var. %	9M11	9M10	Var.%
Written Premiums (R$ million)	59.6	55.1	8.2	160.5	145.2	10.5
Loss Ratio (%) - Var (p.p.)	38.2	43.7	(5.5)	47.5	43.0	4.5
Building	3Q11	3Q10	Var. %	9M11	9M10	Var.%
Written Premiums (R$ million)	3.9	4.2	(7.1)	10.5	11.3	(7.1)
Loss Ratio (%) - Var (p.p.)	(1.2)	38.8	(40.0)	39.0	52.6	(13.6)
Porto Homeowner	3Q11	3Q10	Var. %	9M11	9M10	Var.%
Written Premiums (R$ million)	21.6	19.6	10.2	62.5	56.6	10.4
Loss Ratio (%) - Var (p.p.)	43.0	47.2	(4.2)	43.8	50.7	(6.9)
Other	3Q11	3Q10	Var. %	9M11	9M10	Var.%
Written Premiums (R$ million)	13.0	14.5	(10.3)	28.6	28.1	1.8
Loss Ratio (%) - Var (p.p.)	20.6	12.6	8.0	18.7	19.9	(1.2)
Total Porto P&C	3Q11	3Q10	Var. %	9M11	9M10	Var.%
Written Premiums (R$ million)	98.1	93.4	5.0	262.1	241.2	8.7
Loss Ratio (%) - Var (p.p.)	36.1	41.5	(5.4)	43.5	43.5	0.0
Azul P&C	3T11	3T10	Var. %	9M11	9M10	Var. %
Written Premiums (R$ million)	0.9	1.0	(10.0)	2.7	3.0	(10.0)
Loss Ratio (%) - Var (p.p.)	26.7	68.0	(41.3)	48.6	46.1	2.5
Itaú Auto e Residência Homeowner	3Q11	3Q10	Var. %	9M11	9M10	Var.%
Written Premiums (R$ million)	91.6	62.9	45.6	245.0	197.4	24.1
Loss Ratio (%) - Var (p.p.)	28.3	25.1	3.2	28.3	27.2	1.1
Total P&C (Porto, Azul and Itaú)	3Q11	3Q10	Var. %	9M11	9M10	Var.%
Written Premiums (R$ million)	190.6	157.3	21.2	509.8	441.6	15.4
Loss Ratio (%) - Var (p.p.)	32.4	34.0	(1.6)	36.7	35.5	1.2

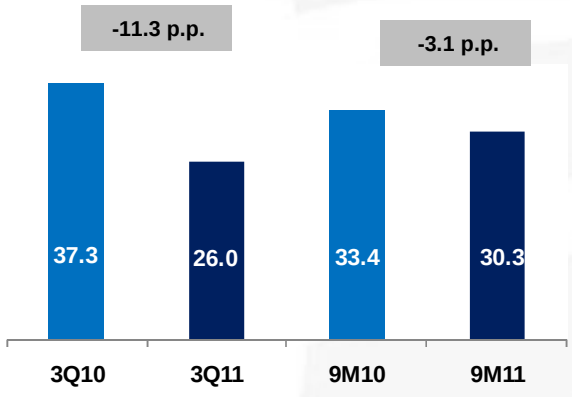
Life Insurance

Life had 14% growth in written premiums in the 3Q11, with higher number of insured lives. Loss ratio was 11.3 p.p. lower than 3Q10, driven by the elimination of unprofitable policies and risk underwriting adjustments

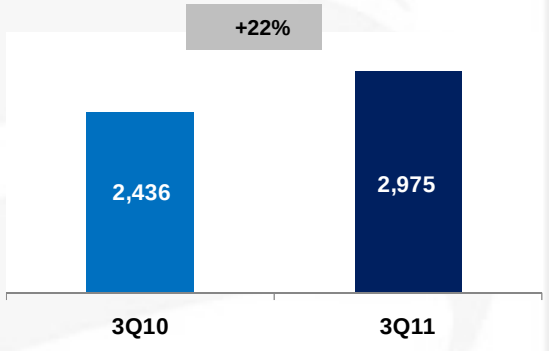
Written Premiums
(R$ million)



Loss Ratio (%)



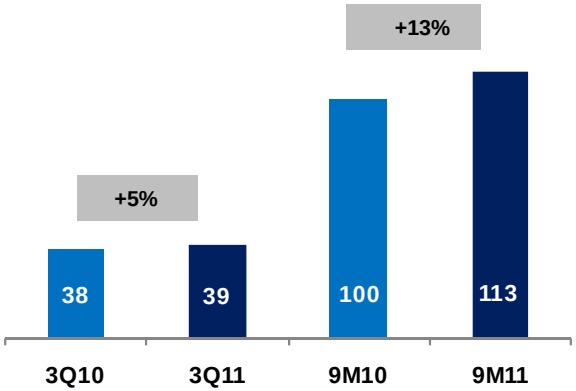
Insured Lives
(thousand)



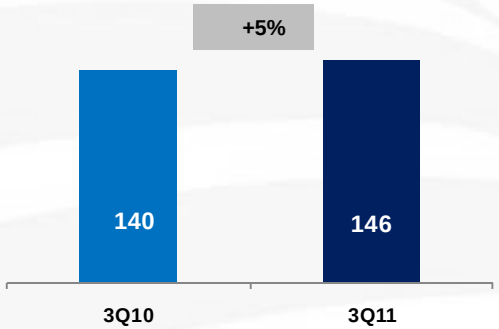
Pension

Growth of 24% in PGBL and of 5% in VGBL, due to a higher number of active participants and the increase in average contributions

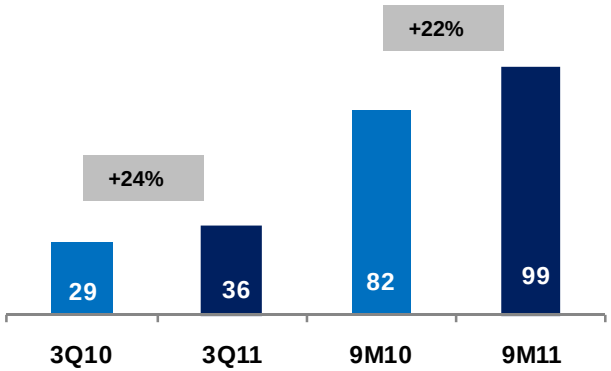
Pension Plan Contributions
(R$ million)



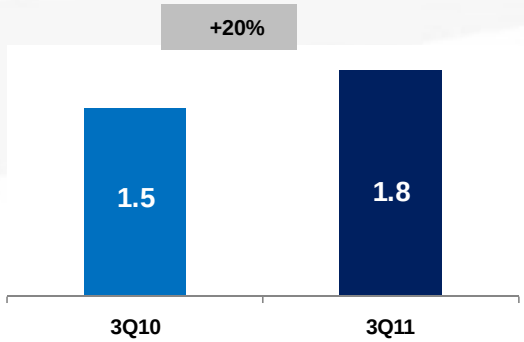
Insured Lives
(thousand)



VGBL Written Premiums
(R$ million)



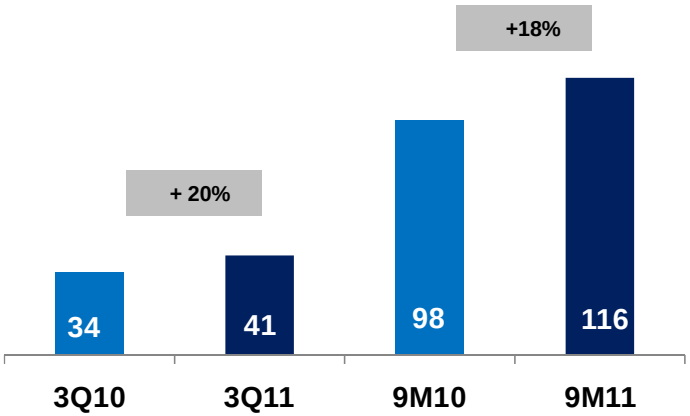
Assets Under Management
(R$ billion)



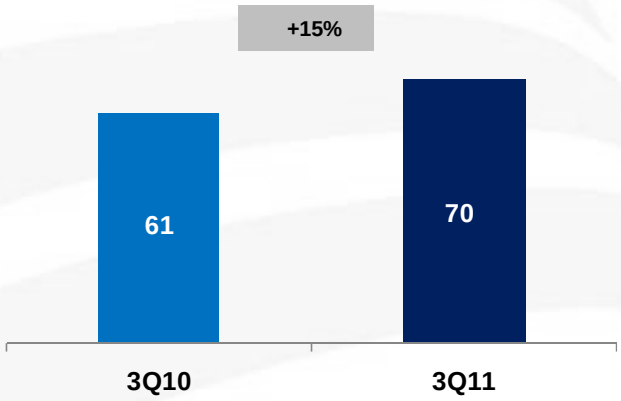
Consortium

Growth in revenues of 20% in 3Q11, with 15% increase in the number of active clients, which reached 70 thousand

Revenues
(R$ million)

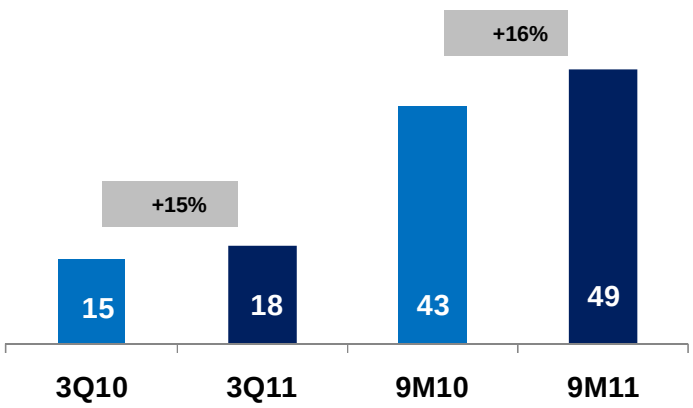


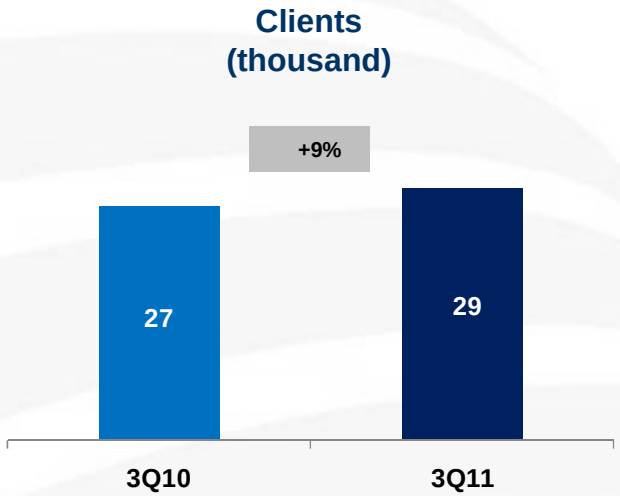
Consortium Clients
(thousand)



Surveillance and Monitoring

Revenue from surveillance services grew 15% in 3Q11, mainly due to increase in the number of clients and sales from more expensive products

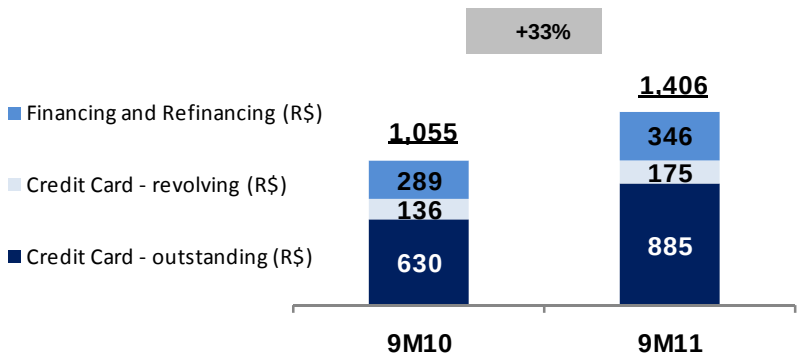




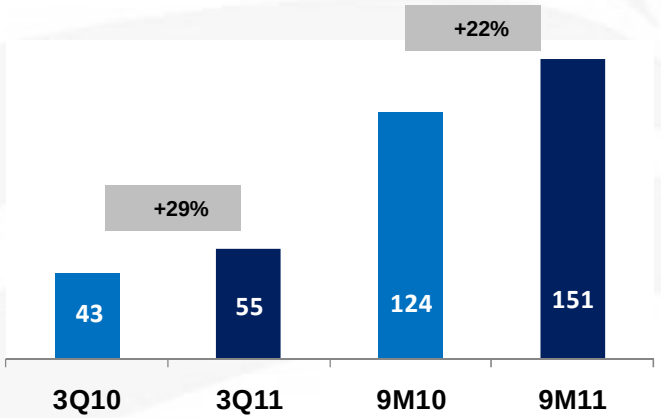
Credit Operations

Revenue from credit operations increased 29% in 3Q11, mainly due to the 38% increase in credit card operation – the portfolio reached R$ 1.4 billion

Credit Operation Portfolio (R$ million)



Total Revenues (R$ million)



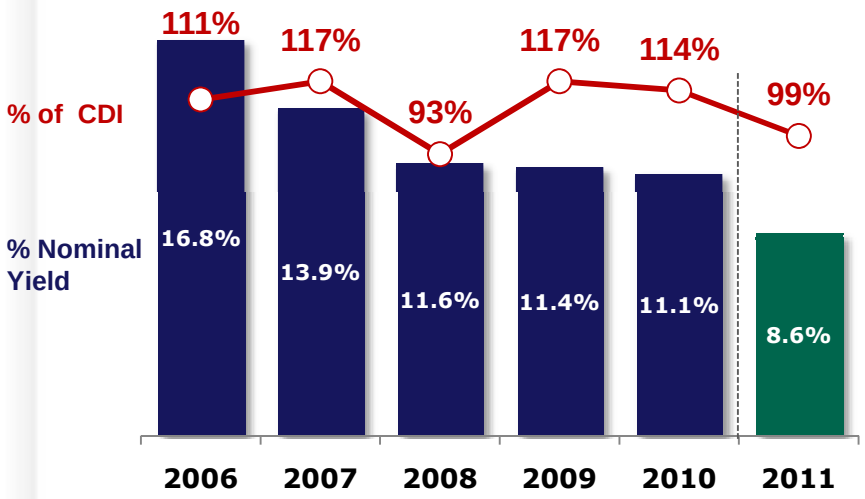
*Data of the end of the period.

Financial Results
Yield and income

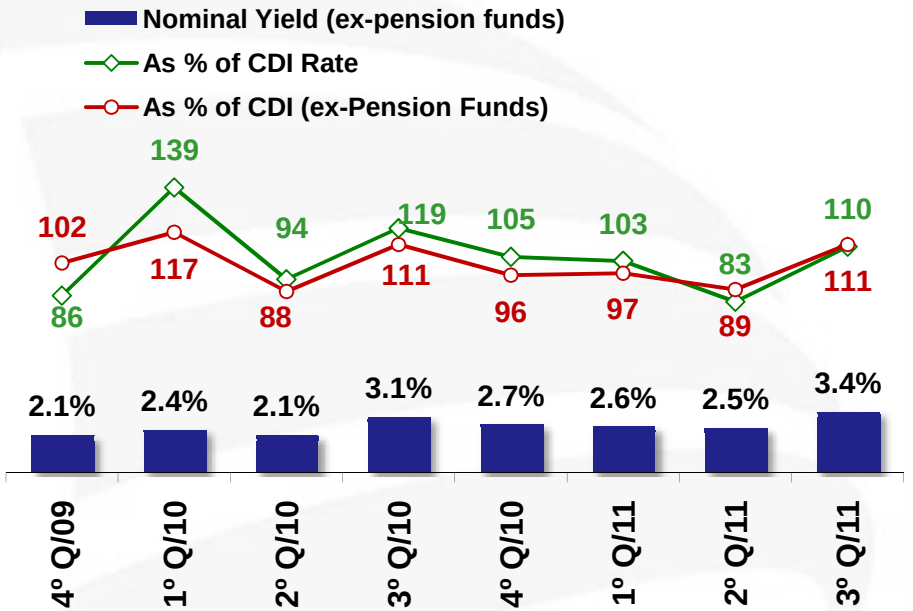
Total return on financial assets in the 3Q11 reached 3.3% (110% CDI) and 3.4% (111% of CDI) excluding pension funds. In the year the financial revenues achieved 8.6% (99% of CDI)

Return on Investiment Portfolio (% of CDI)

(Total Assets, Pension Funds Including)



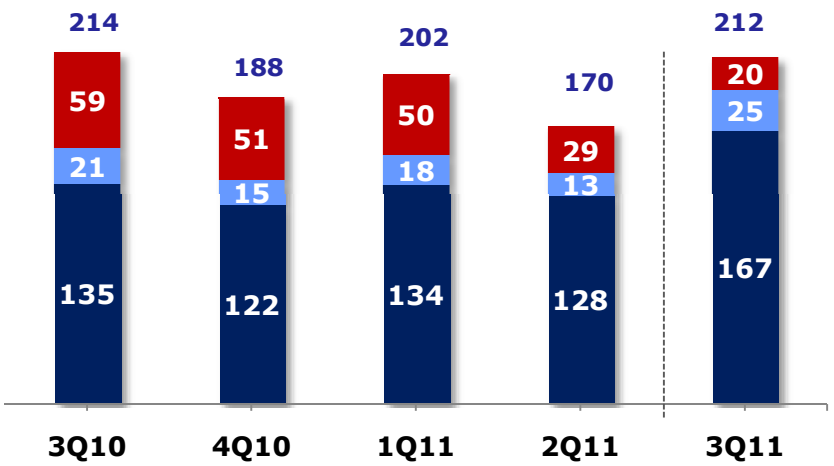
Quarterly Performance



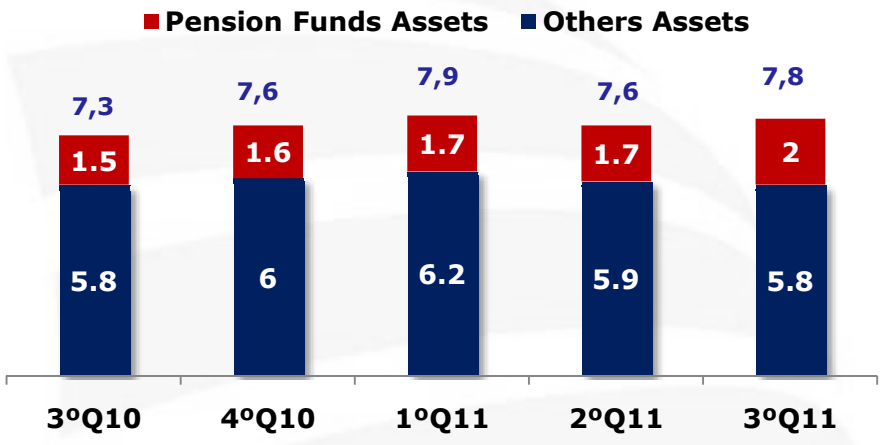
Financial Results
Yield and income

Total portfolio (R$ 7.8 billion) generated financial revenue of R$ 212 MM in the 3Q11 and 584 MM in the year (+ 24.5% vs 9M10). Excluding pension fund resources, the portfolio produced a financial income of R$ 192 MM in the quarter and 485 MM in the year (+20% vs 9M10)

Revenues from Investments Assets
(R$ Million)



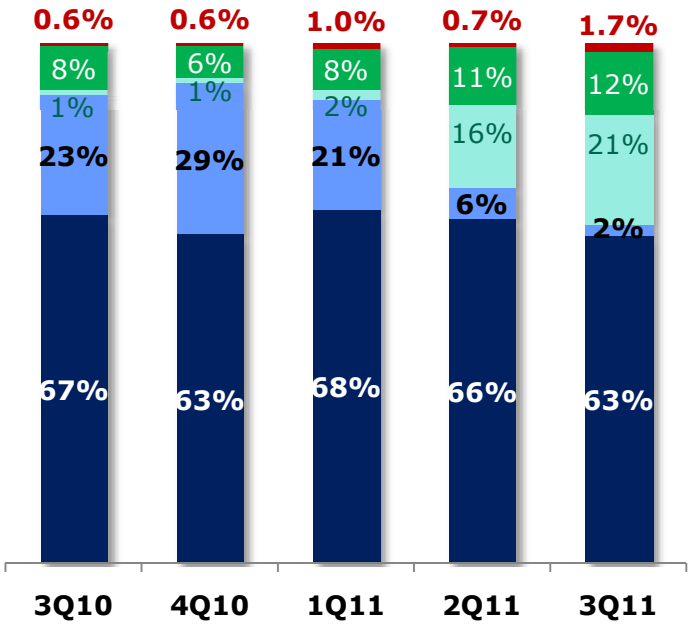
Net Assets Value
(R$ Billion)



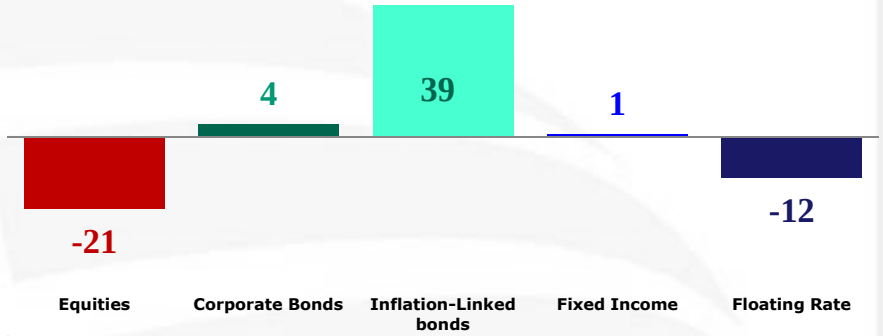
Financial Results
Allocation and risk

Allocation has remained in line with our long term strategy, highlighting the moderated increased allocation in inflation-linked bonds and equities in the 3rd quarter – However the risk profile remains conservative (1.2% stress)

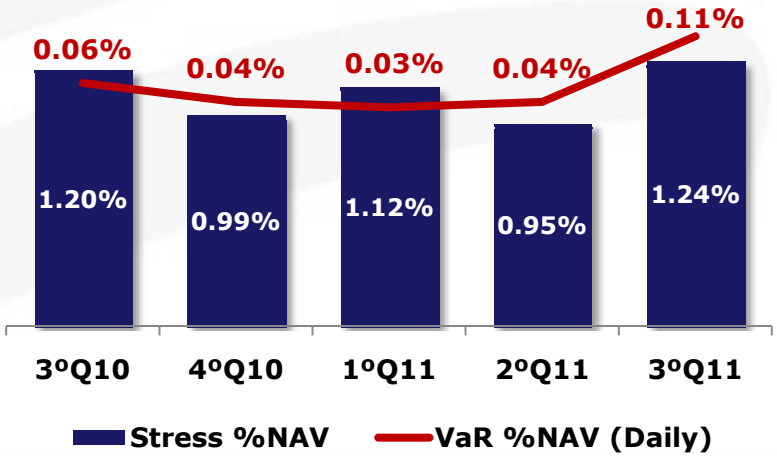
Allocation
(exc. Pension Funds)[1]



Performance Attribution - Gain above CDI per Risk Factor
(9M11)



Risk Exposure
(exc. Pension Funds)



[1] *Included BM&F/Bovespa exposure*
[2] *Scenarios provided by BM&FBOVESPA.*

Contact

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