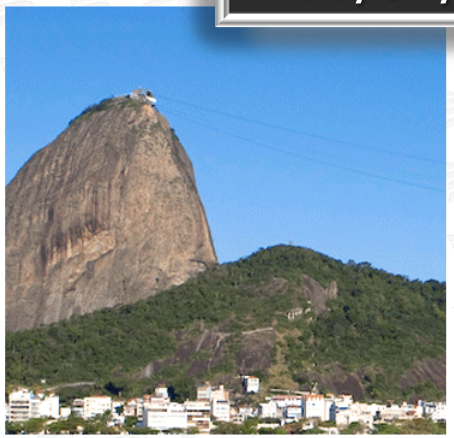
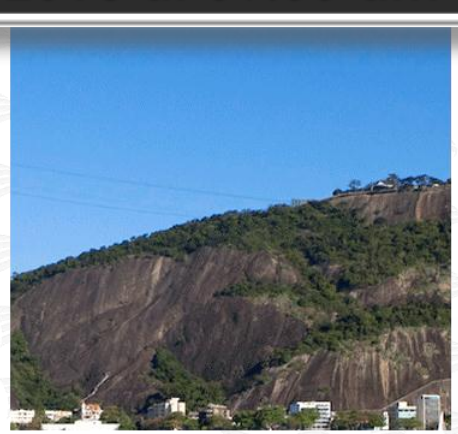
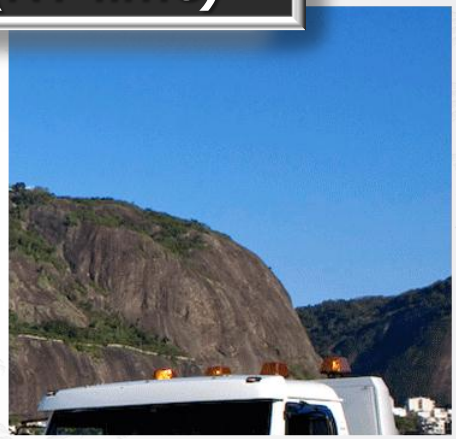
PORTO SEGURO

Conference Call
3Q16 and 9M16
11/01/2016 at 09:00 am (NY time)





NOVO MERCADO
BOVESPA BRASIL

Agenda
3Q16 and 9M16

- *Principal Accomplishments and Highlights*
- *Business Growth – Revenues and Premiums*
- *Margin and Operational Efficiency*
- *Return on Investments and Financial Results*
- *Net Income and ROAE*

Executive Summary: Principal Accomplishments 3Q16 and 9M16

- Porto Seguro has improved its total revenues in the main business lines. The insured fleet has increased 8% reaching the peak of 5.6 million vehicles while the number of members in the life and dental insurance has improved more than 7%. Furthermore, Porto Conecta surpassed 100 thousand clients and Credit Card product achieved 2 million units (+10%), enhancing our diversification strategy

- The auto insurance portfolio of Chubb was incorporated to the Porto Seguro's portfolio brand in the 3Q16, strengthening our position in the premium segment

- The combined ratio was affected by the a higher loss ratio, especially in the Auto and Health segment, which also impacted the industry. In addition, the result suffered in comparison basis to the same period of 2015, when the auto segment posted a greater performance in comparison to the historical average.

- On the other hand, the Company results already show signs of improvement in the quarter, both in the insurance operations and financial businesses and services

- Our efforts to improve the operational efficiency has contributed to reduce expenses – nominal administrative expenses have declined in the quarter and have increased less than 1% during the year

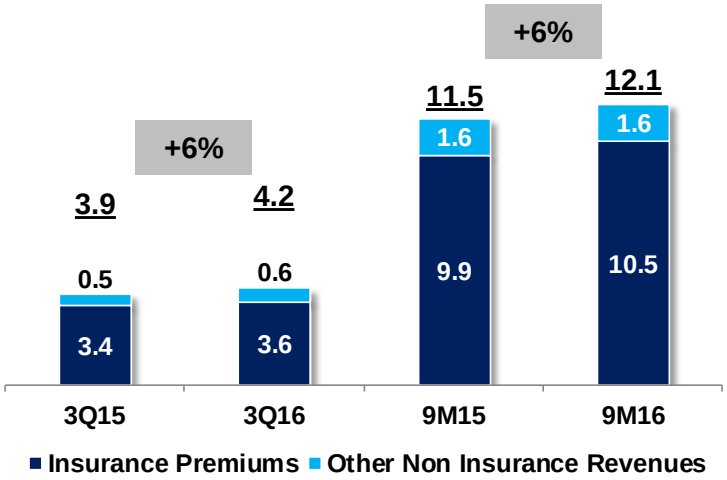
- The financial businesses and services improved its performance mainly propelled by the increased sales of Porto Conecta and the lower NPL in the Credit Card product

- The returns on the financial investment portfolio remained in line with the CDI reporting an increase when compared to the same period of 2016

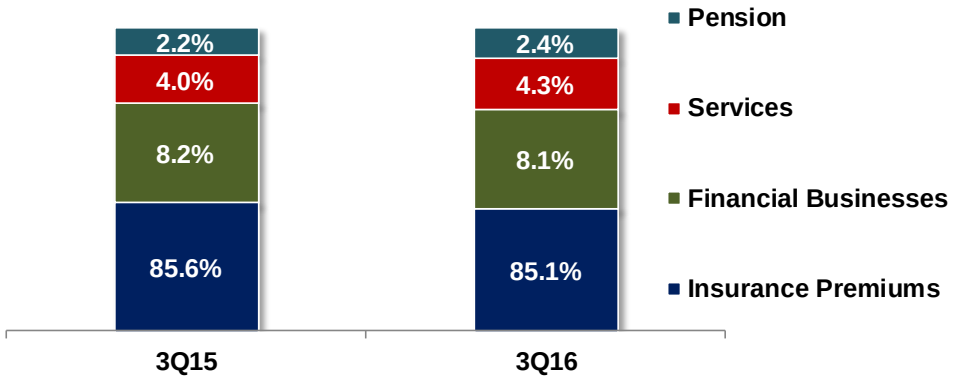
Revenues and Premiums

Total revenues and written premiums have increased 6% in the quarter mainly boosted by the growth of Auto (+8%), P&C (+19%) and Life insurance (+24%), although the focus to improve the auto profitability has reduced the growth

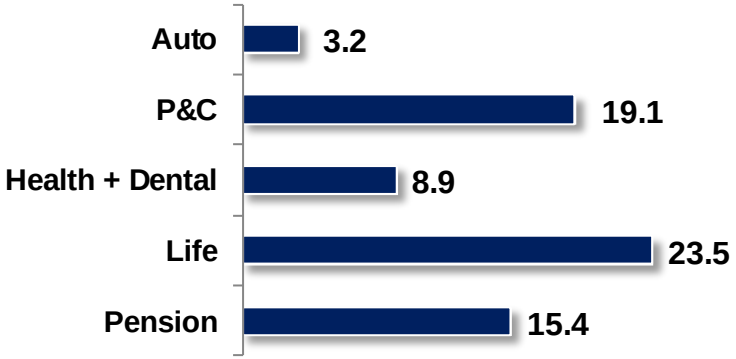
Total Revenue (R$ Billion)



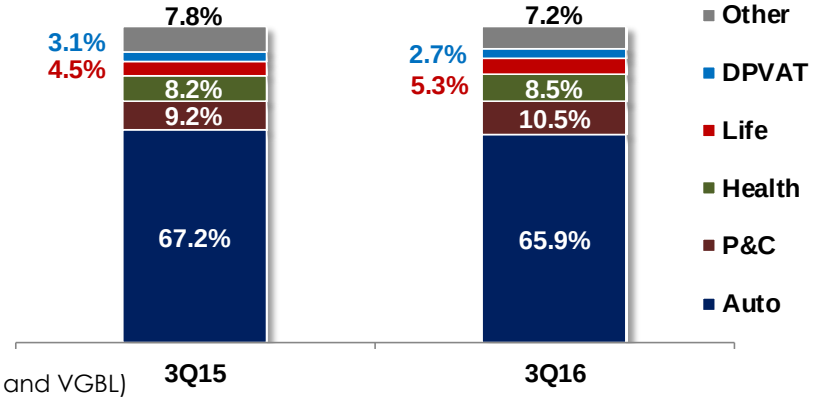
Total Revenue Portfolio (%)



Top Insurance Products Growth[1] 3Q16 vs. 3Q15



Written Premiums Breakdown (%)

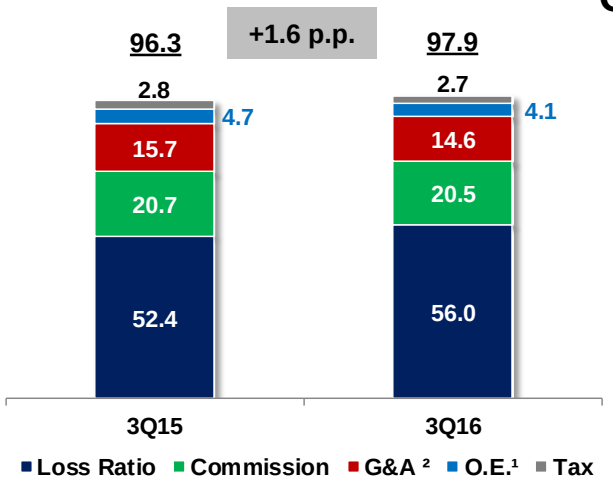


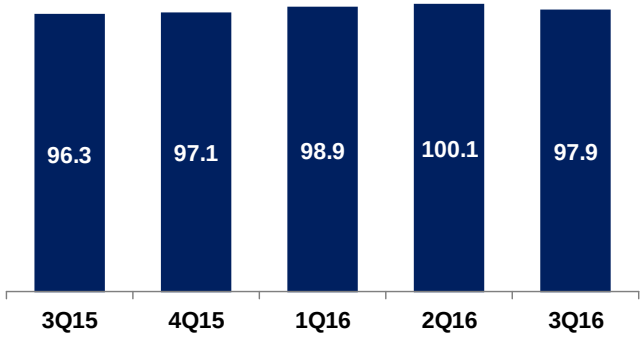
[1] Considering insurance written premiums and total net pension revenues (PGBL and VGBL)

Operational Results - Insurance

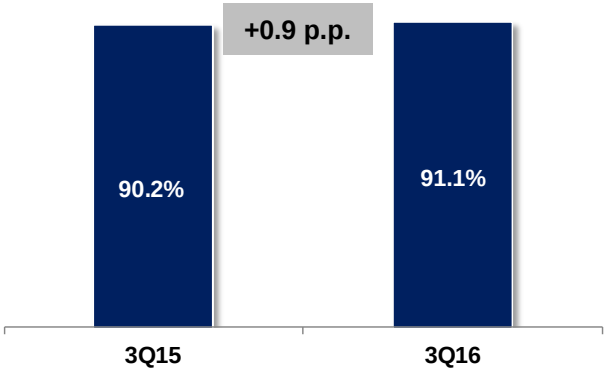
The Combined Ratio was 1.6 p.p. higher vs. 3Q15 (although it has been the best of 2016) chiefly due to increased loss ratio, that were pressured by the greater incidence of car thefts as well as the higher usage frequency and medical inflation in the health insurance – the G&A ratio declined 1.1 p.p.

Combined Ratio (%)

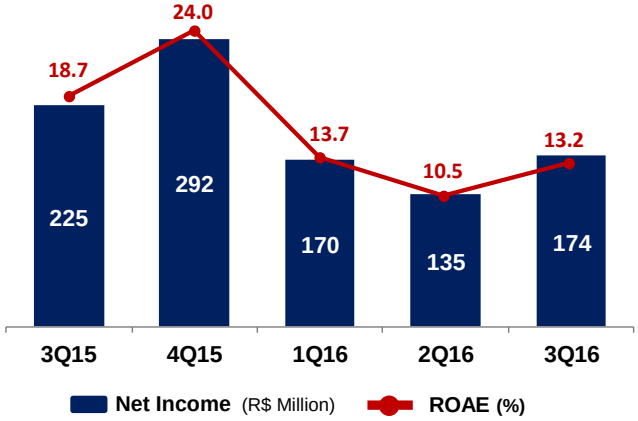




Amplified Combined Ratio (%)



Insurance Profitability

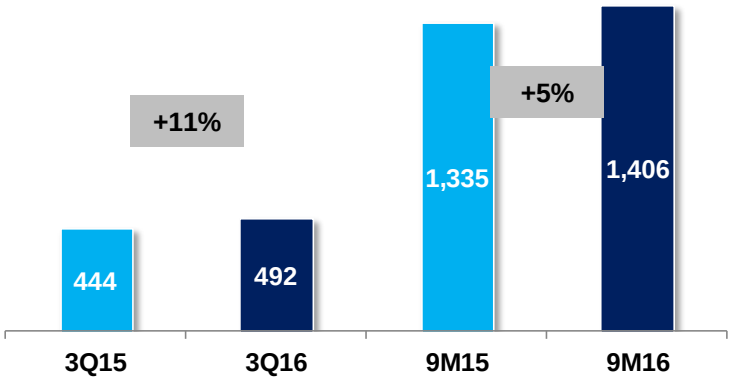


¹ Net of Operational Income and Expenses ratio
² Insurance Administrative Expenses ratio

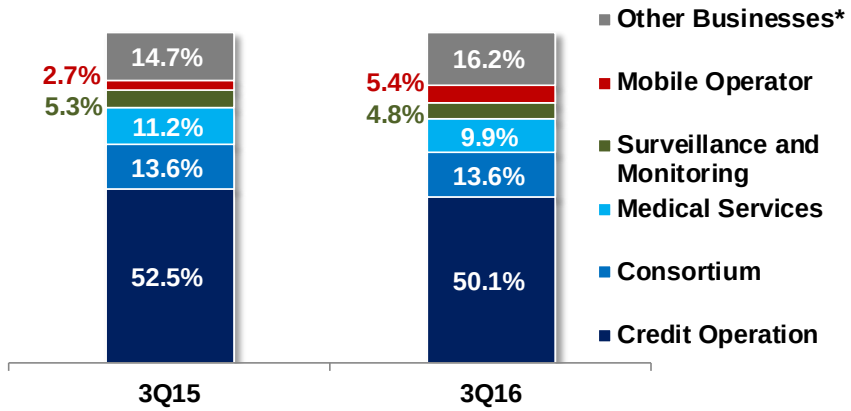
Financial and Service Businesses Operating Results

Financial and Service business revenues improved 11% in the quarter while the total ROAE attained 7.7% (+3.2 p.p.) – the decreased NPL in credit card products and the increased sales of Porto Conecta has contributed to a higher profitability

Total Revenue (R$ Million)

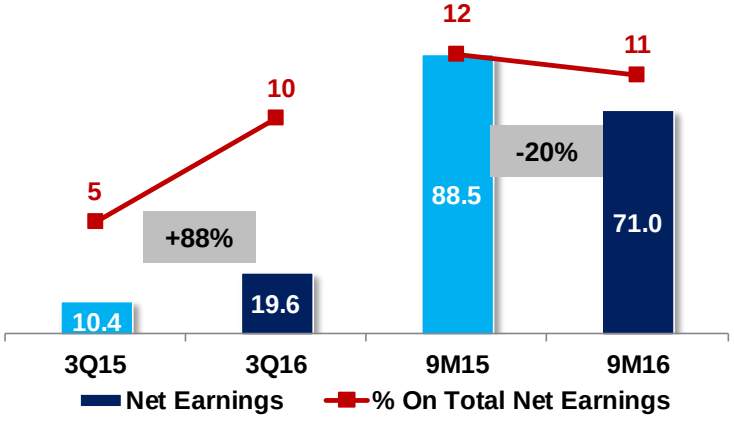


Revenue Distribution (%)



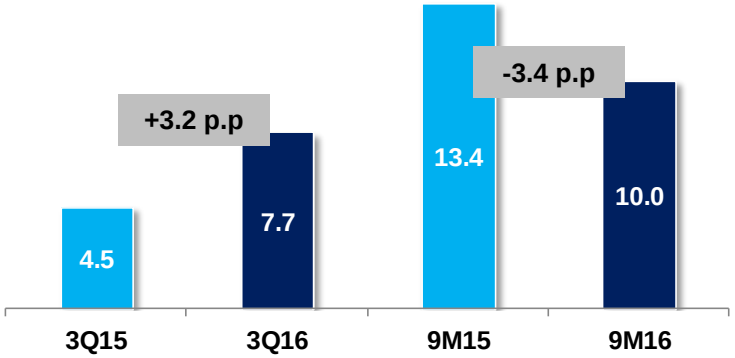
*Represents the services provided to the Porto Seguro group

Net Earnings[1] (R$ Million)



[1]Without Business Combination

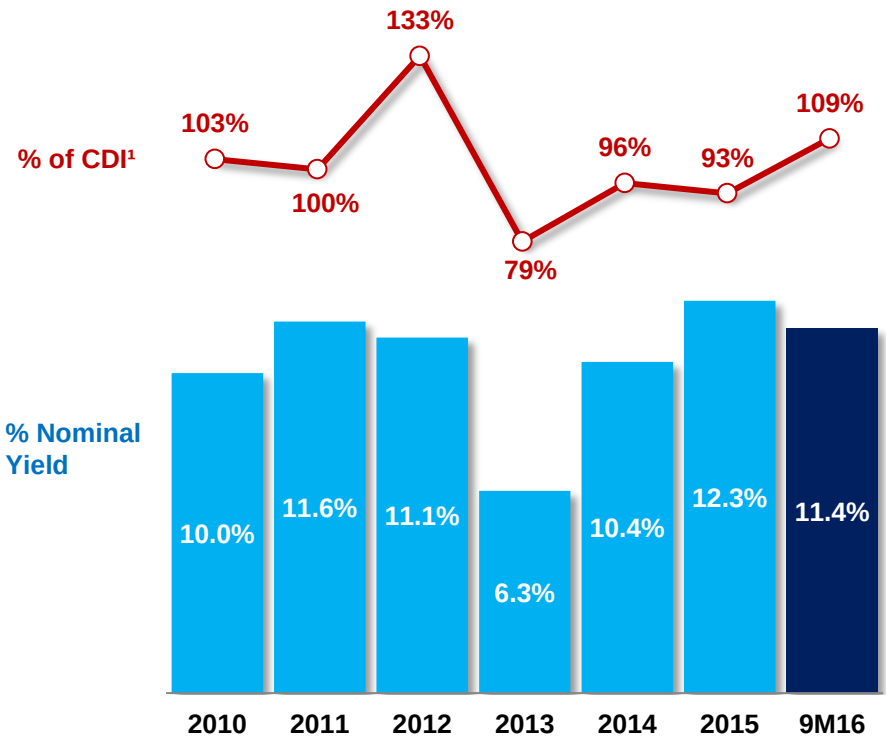
ROAE[1] (%)



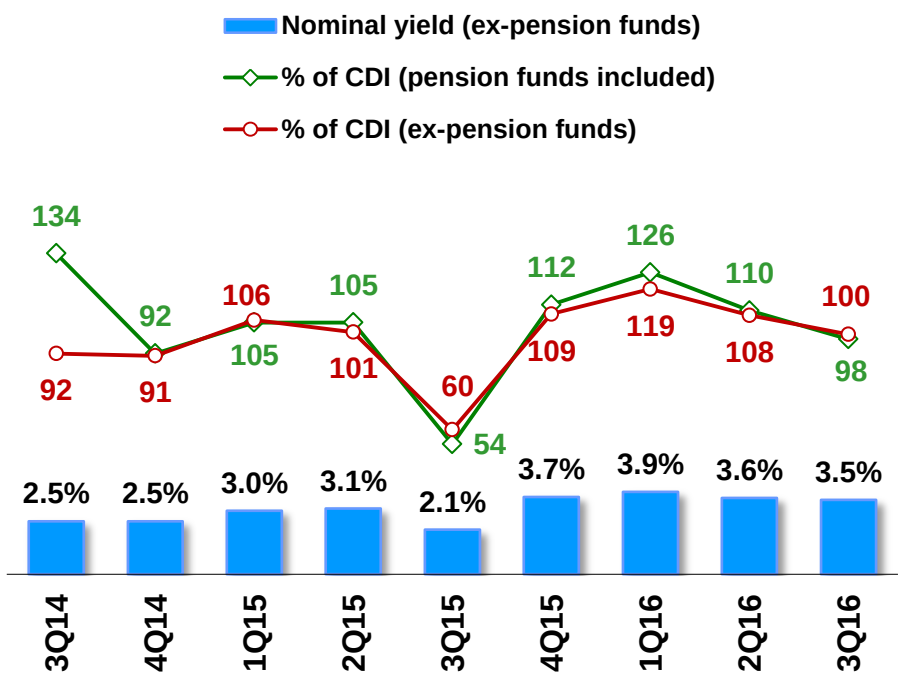
Financial Results
Yield and Income

The quarterly financial result increased 35% driven mainly by a greater performance of equities and fixed income, nevertheless real interest bonds remained below the CDI[1] – the yield (ex-pension) achieved 3.5% in the quarter and 11.4% in the 9M16

Return on Investment Portfolio
(Total Assets, excluding Pension Funds)



Quarterly Performance

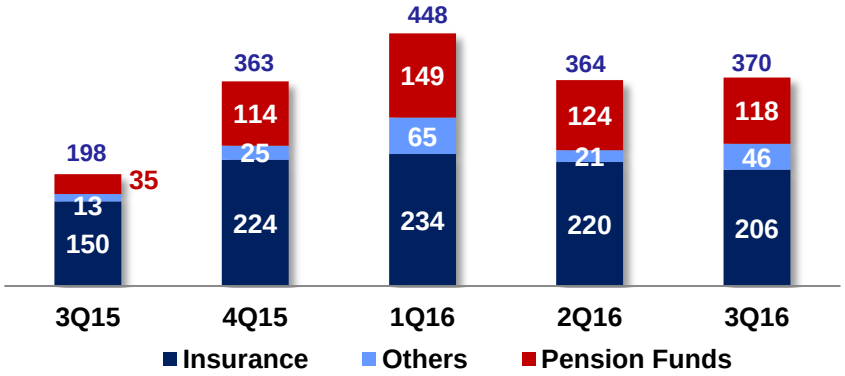


[1]CDI – Risk Free Rate (Similar to LIBOR)

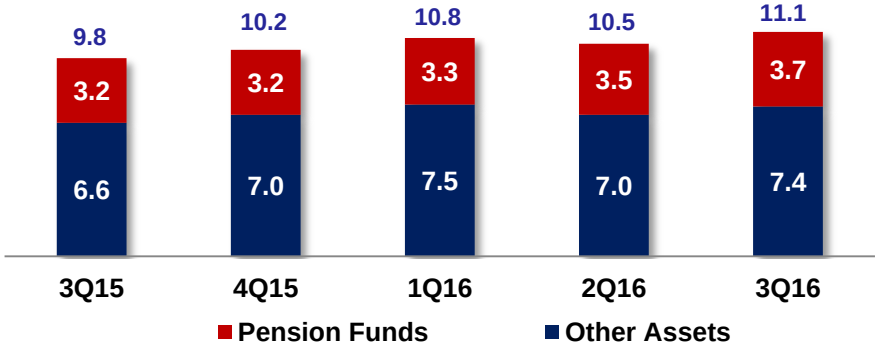
Financial Results
Yield and Income

The total portfolio achieved R$ 11.1 BI, resulting in a financial revenue of R$ 370 MM in the quarter. Excluding pension funds, the portfolio reached R$ 7.4 BI and produced a financial income of R$ 252 MM

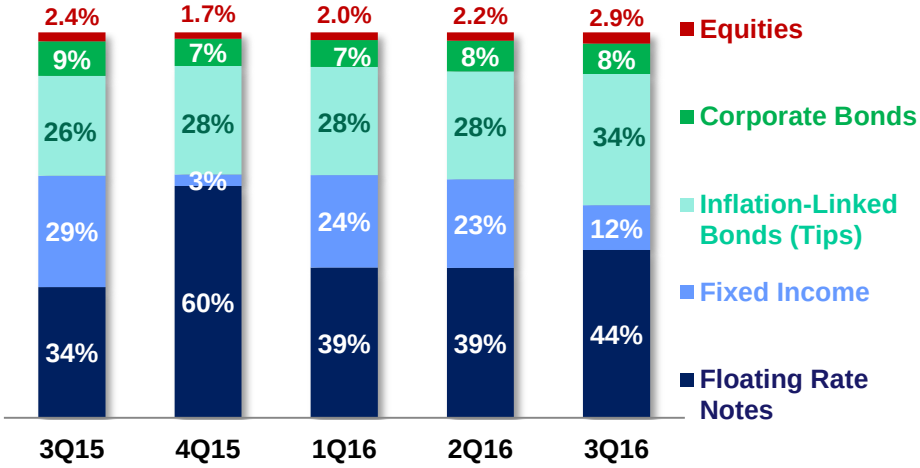
Revenue from Investments Assets
(R$ Million)



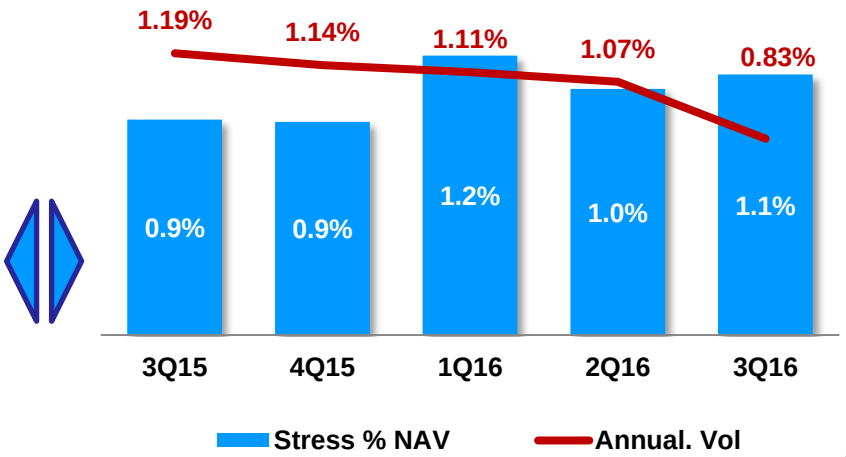
Net Asset Value
(R$ Billion)



Allocation[1] (ex-Pension Funds)



Risk Exposure[2] (ex-Pension funds)

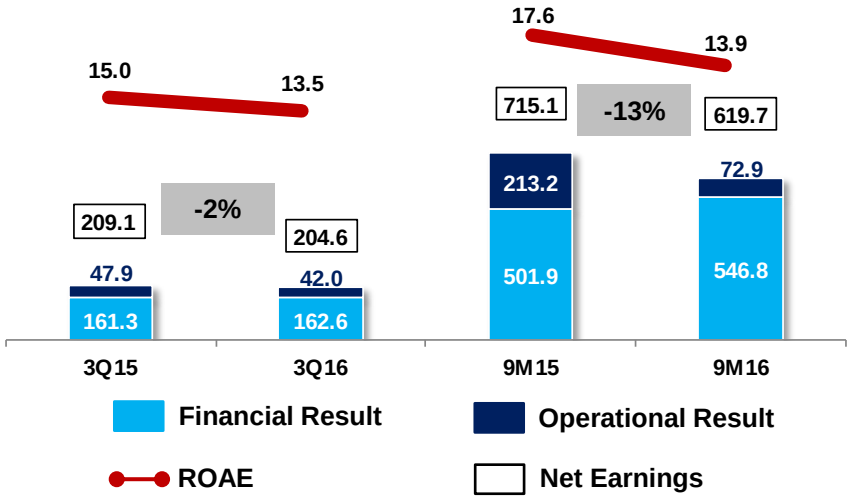


[1] Futures exposures included.
[2] Brazilian Futures Exchange (BM&FBOVESPA) stress scenarios.

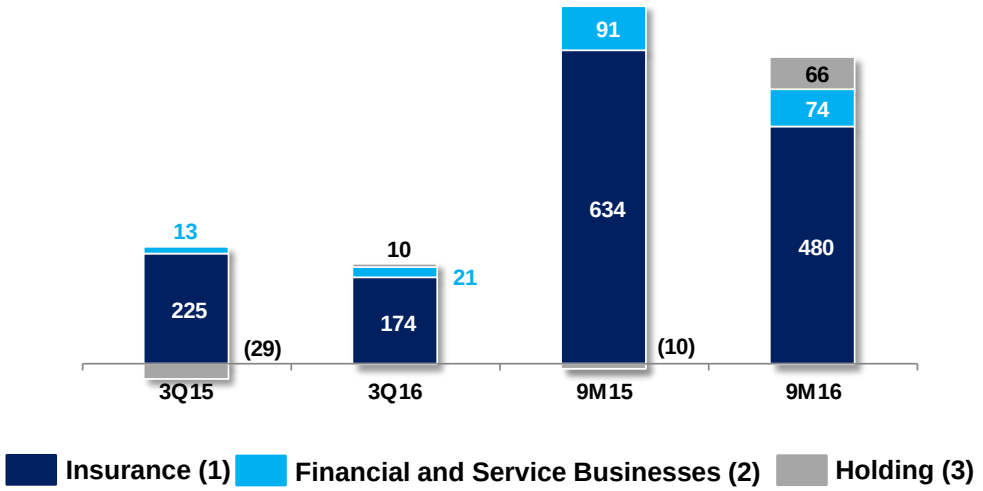
Results and ROAE

The net income was R$ 205 MM (-2%) in the 3Q16 and R$ 620 MM (-13%) in the 9M16 – the ROAE reached 13.5% (-1.5 p.p.) in the 3Q16 and 13.9% (-3.7 p.p.) in the 9M16 – However, excluding the 3Q15 non-recurring** effect, net income would have been 13% higher in the quarter and 10% lower in the 9M16

Net Earnings* (R$ Million) and ROAE*



Results by Business Lines* (R$ Million)



* Considering results without business combination – excluding taxes

1 Including insurance operations results, pension and capitalization

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

3 Results arising from the financial funds held by the Holding – excluding G&A and tax expenses

** The 3Q15 presented a non-recurring effect of R$ 51 million regarding to a credit tax stemming from the CSLL and an increase of R$ 23 million in the allowance for delinquent accounts on the credit operations, amounting a net effect (after taxes) of R$ 28 million

Investor Relations

Alameda Barão de Piracicaba, 618 – 11º andar, Campos Elíseos
01216-010 – São Paulo, SP, Brazil
(55 11) 2393-7090
(55 11) 2393-7092

gri@portoseguro.com.br

www.portoseguro.com.br