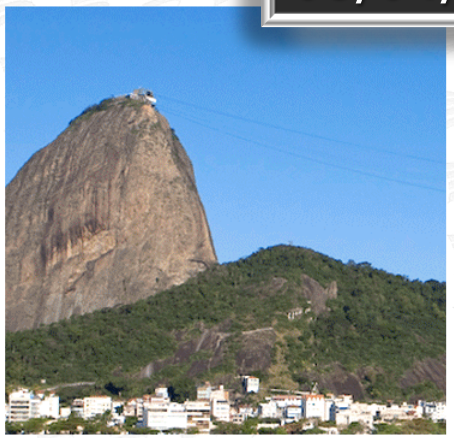
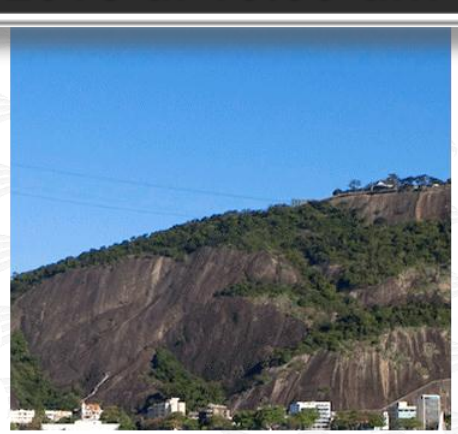
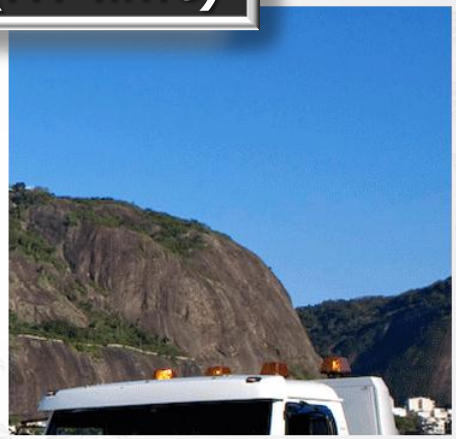
PORTO SEGURO

Conference Call
2Q16 and 1H16
08/04/2016 at 10:00 am (NY time)





NOVO MERCADO
BOVESPA BRASIL

Agenda
2Q16 and 1H16

- *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 2Q16 and 1H16

- Porto Seguro has improved its total revenues in the main business lines mostly driven by the geographic expansion strategy and the product diversification, which has contributed to enhance the client base

- The auto insurance premiums of Porto Seguro's brands increased 6% in the 1H16 while the market declined 4% (Jan-May/16), strengthening our market share leadership in the country, except in the South and Mid-West regions, where we hold the second position

- The insured fleet has increased 361 thousand vehicles while life and dental insurance grew by 800 thousand (+12%) and 492 thousand (+14%) members, respectively

- The operational result was affected by the increased loss ratio chiefly in auto insurance

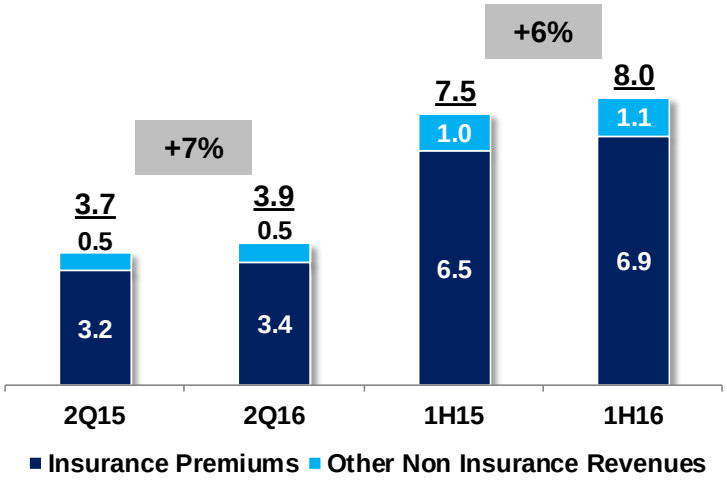
- We improved the operational efficiency – the administrative expenses remained almost stable throughout the quarter

- The financial result was higher in the quarter, outperforming the benchmark and partially offsetting the lower operational result

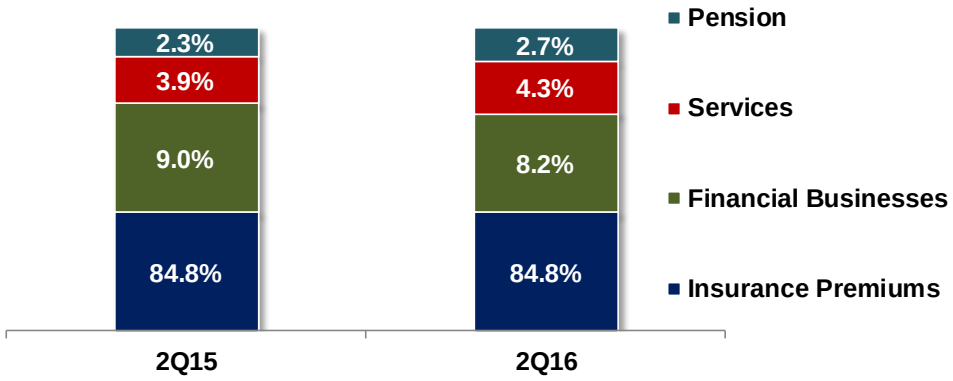
Revenues and Premiums

Total revenues and written premiums increased 7% and 8% in the quarter (respectively) mainly propelled by the growth of Auto (+7%) and Life insurance (+21%). Despite the economic crisis, many products reported a double digit growth such as Azul Auto, Pension, Dental and Conecta

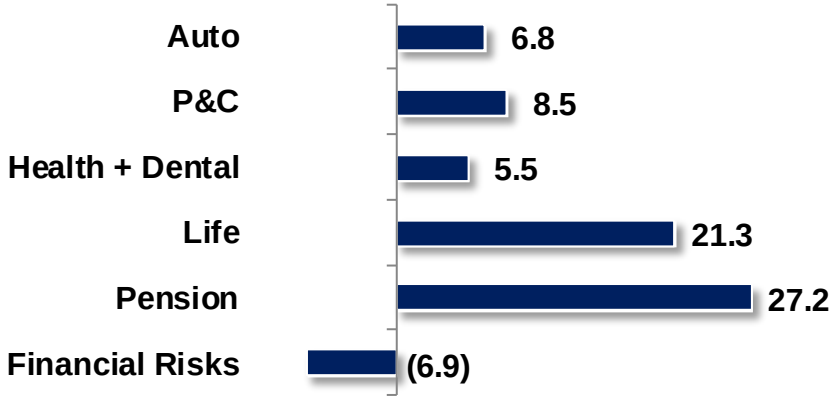
Total Revenue (R$ Billion)



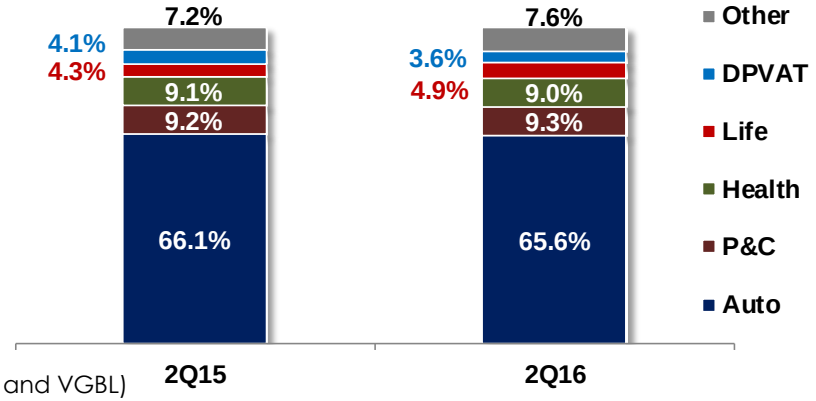
Total Revenue Portfolio (%)



Top Insurance Products Growth[1] – 2Q16



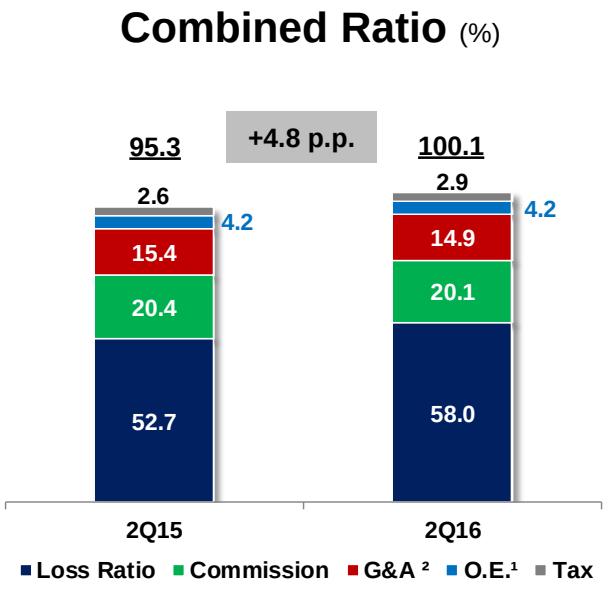
Written Premiums Breakdown (%)

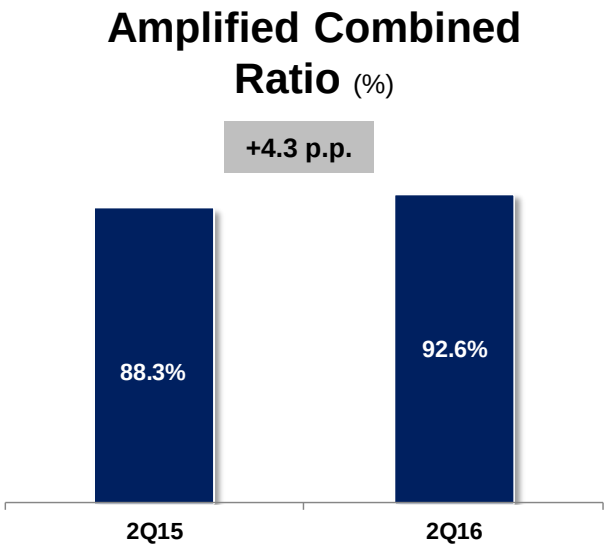


[1] Considering insurance written premiums and total net pension revenues (PGBL and VGBL)

Operational Results - Insurance

The Combined Ratio was 4.8 p.p. higher in the quarter chiefly due to the increased loss ratio – the greater incidence of flooding, hailstorms and thefts have pressured the auto insurance claims while the health was affected mainly by the higher usage frequency and medical inflation



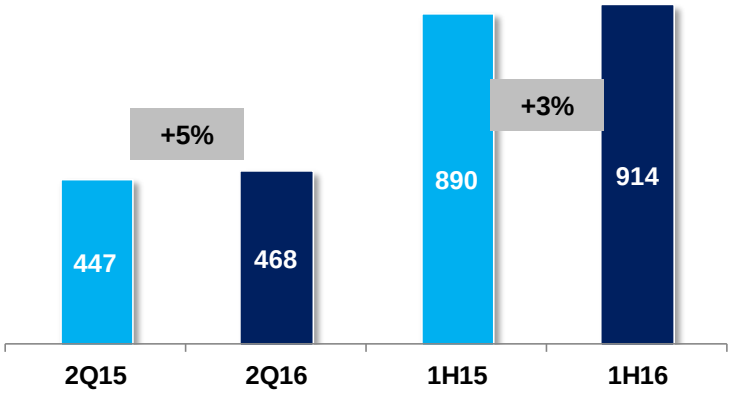


[1] Net of Operational Income and Expenses ratio
[2] Insurance Administrative Expenses ratio

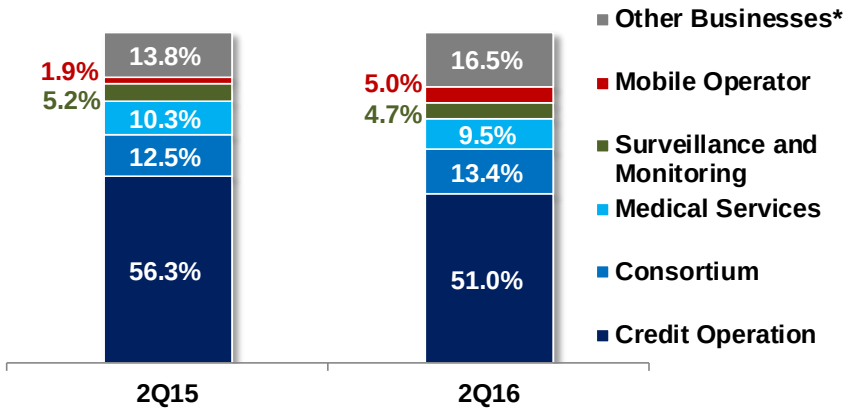
Financial and Service Businesses Operating Results

The Financial and Service business revenues increased 5% in the quarter while the total ROAE attained 8.0% (-7.4 p.p.) – the decrease of revenues coming from interests has reduced the credit card results, in consonance with the Company strategy to reduce and manage the portfolio risk

Total Revenue (R$ Million)

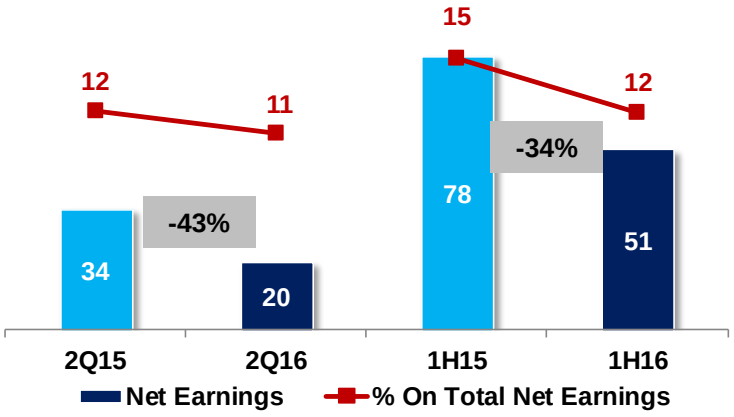


Revenue Distribution (%)



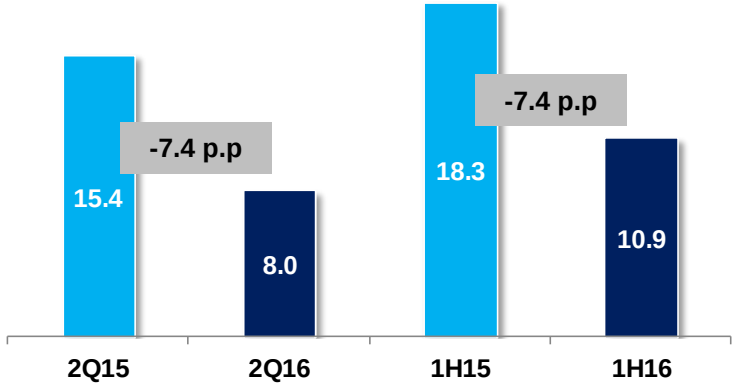
*Represents the services provided to the Porto Seguro group

Net Earnings[1] (R$ Million)



[1]Without Business Combination

ROAE[1] (%)

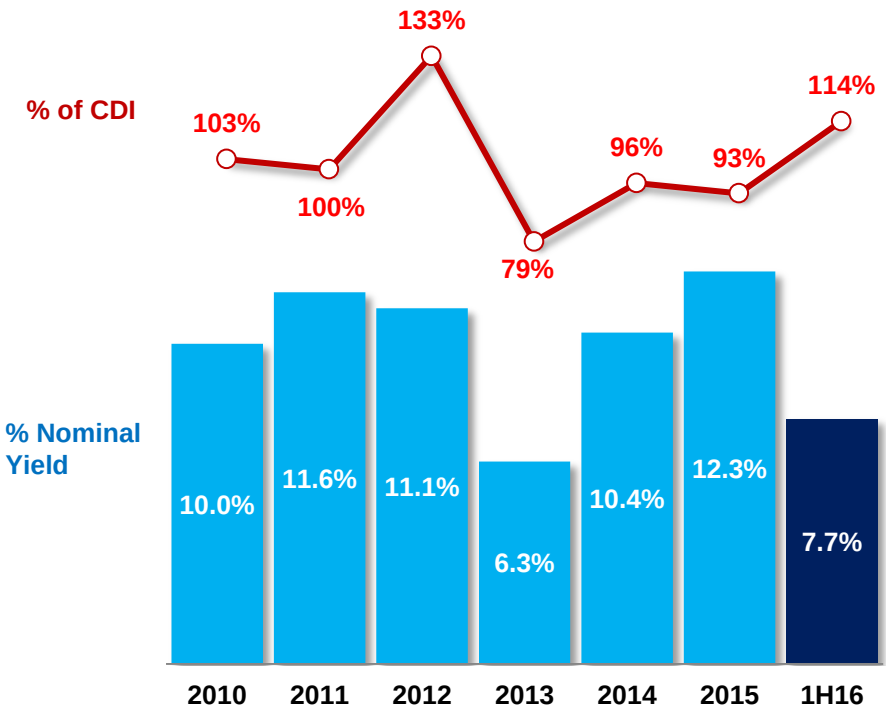


Financial Results
Yield and Income

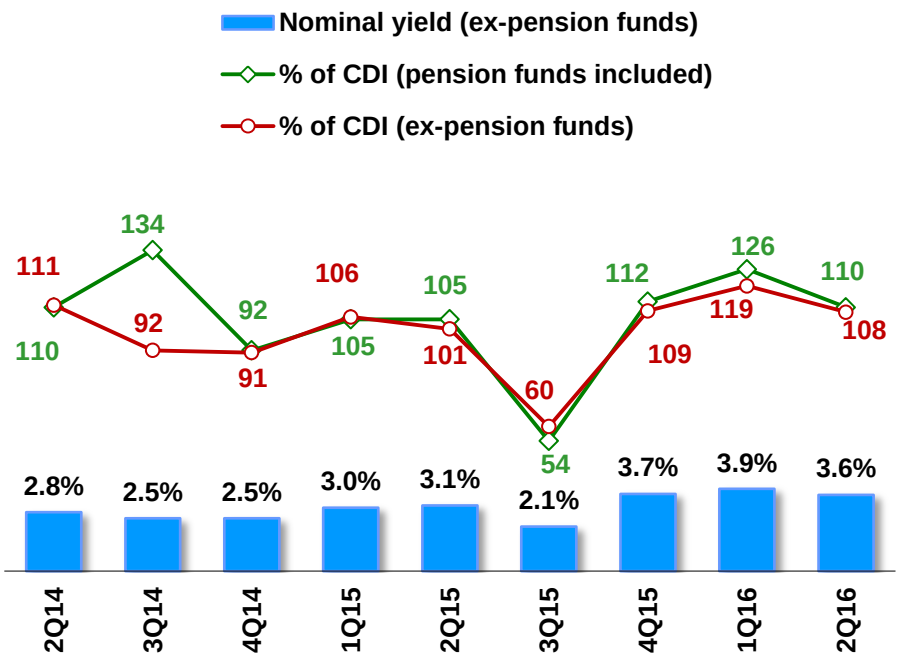
The quarterly financial result, mainly supported by the greater performance of assets linked to inflation-linked bonds and equities, reported yield (ex-pension) of 3.6% while the financial result improved 11% when compared to 2Q15

Return on Investment Portfolio

(Total Assets, excluding Pension Funds)



Quarterly Performance

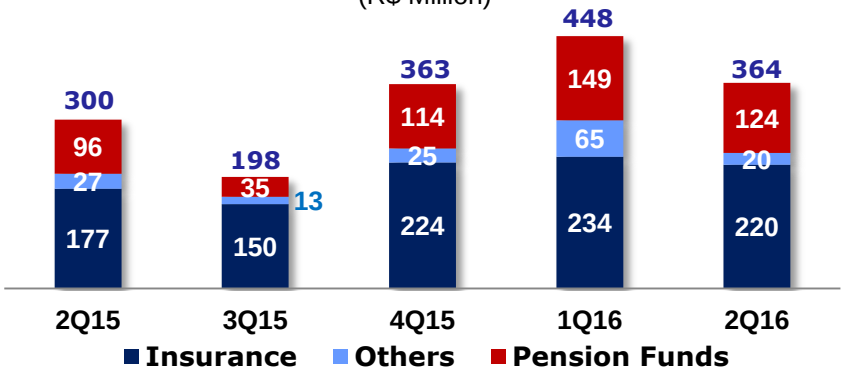


*CDI – Risk Free Rate (Similar to LIBOR)

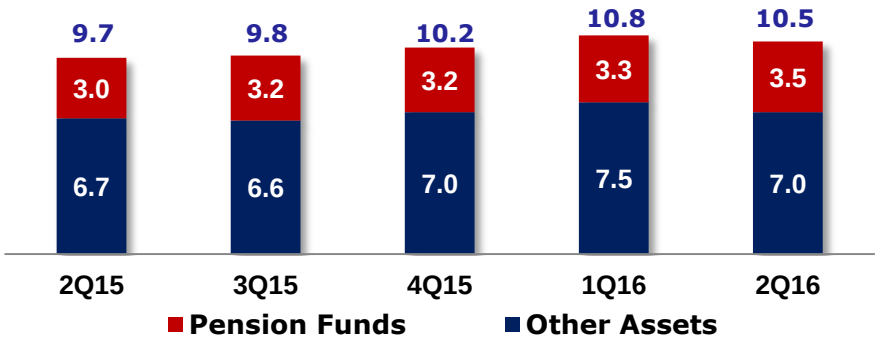
Financial Results
Yield and Income

The total portfolio achieved R$ 10.5 BI, resulting in a financial revenue of R$ 364 MM in the quarter. Excluding pension funds, the portfolio reached R$ 7.0 BI and produced a financial income of R$ 240 MM

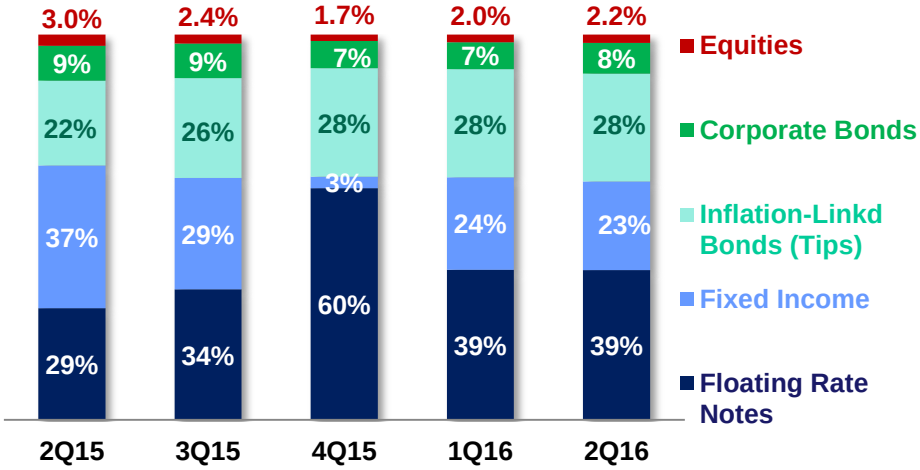
Revenue from Investments Assets
(R$ Million)



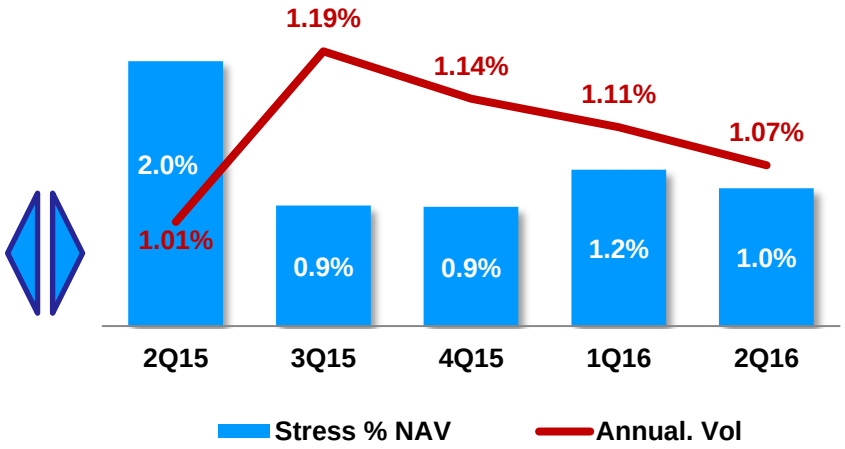
Net Asset Value
(R$ Billion)



Allocation[1] (ex-Pension Funds)



Risk Exposure[2] (ex-Pension funds)

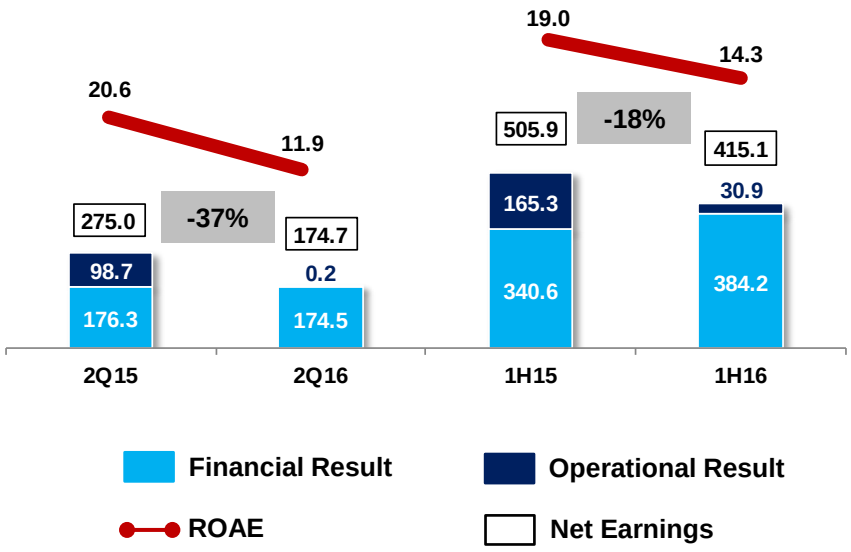


[1] Futures exposures included.
[2] Brazilian Futures Exchange (BM&FBOVESPA) stress scenarios.

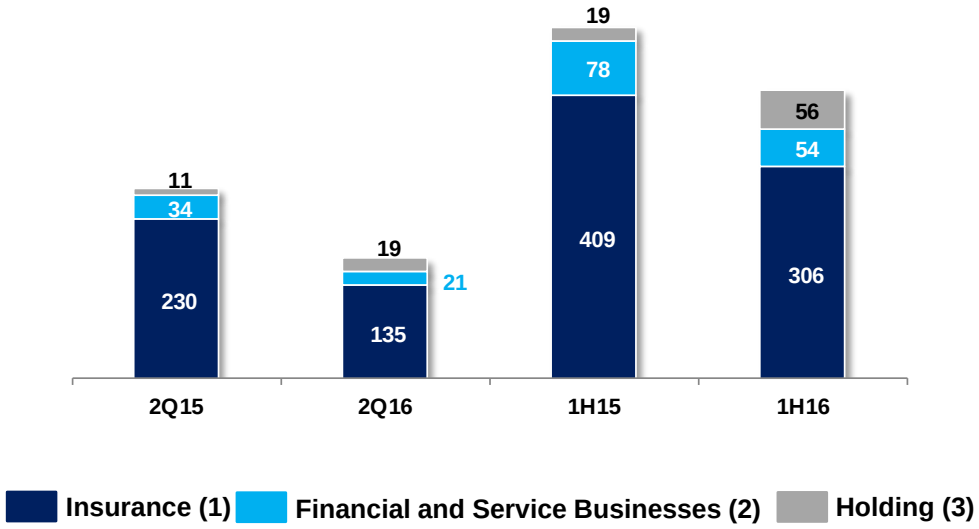
Results and ROAE

The net income was R$ 175 MM (-37%) in the quarter and R$ 415 MM (-18%) in the semester – the ROAE reached 11.9% (-8.7 p.p.) in the 2Q16 and 14.3% (-4.7 p.p.) in the 1H16

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

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