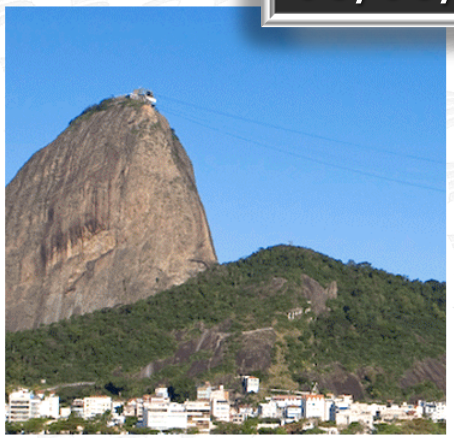
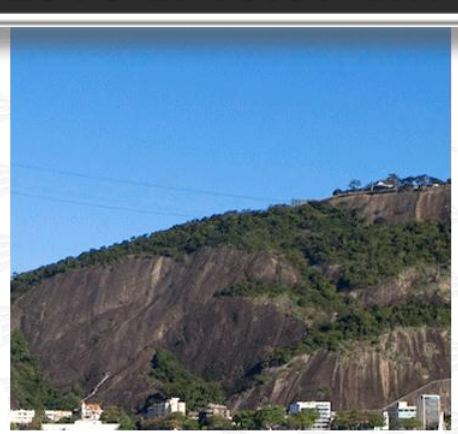
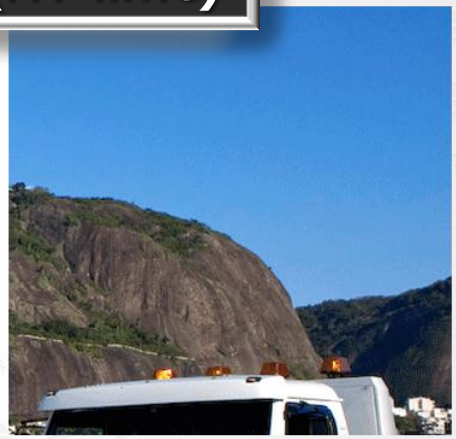
PORTO SEGURO

Conference Call
1Q16
05/05/2016 at 10:00 am (NY time)





NOVO MERCADO
BOVESPA BRASIL

Agenda
1Q16

- *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 1Q16

- The most challenging macroeconomic scenario has impacted the pace of the insurance market growth reported over the last years. However, the Brazilian insurance industry is low penetrated and the market still presents several opportunities both in traditional models as well as in new niches and unexplored regions

- Porto Seguro has improved its total revenues, written premiums and profitability – Azul and Itaú Auto, Life and Dental products and the Consortium operation have increased by 15%

- Our client base continues to expand. The insured fleet has increased more than 250 thousand vehicles, life products grew by 400 thousand members and insured residences of Porto brand increased by 200 thousand

- Porto Seguro acquired the Auto portfolio of Chubb in order to improve its positioning in the luxury vehicles segment

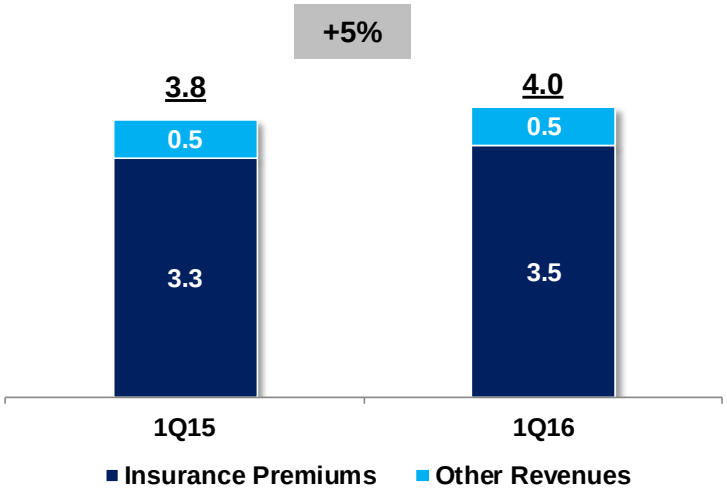
- Porto Conecta was awarded as the best postpaid mobile operator according to the customer satisfaction survey conducted by Anatel (telecom regulator agency)

- Our capital expenditure continue to focus on technologies in order to enhance system procedures, support each business line expansion and portfolio diversification

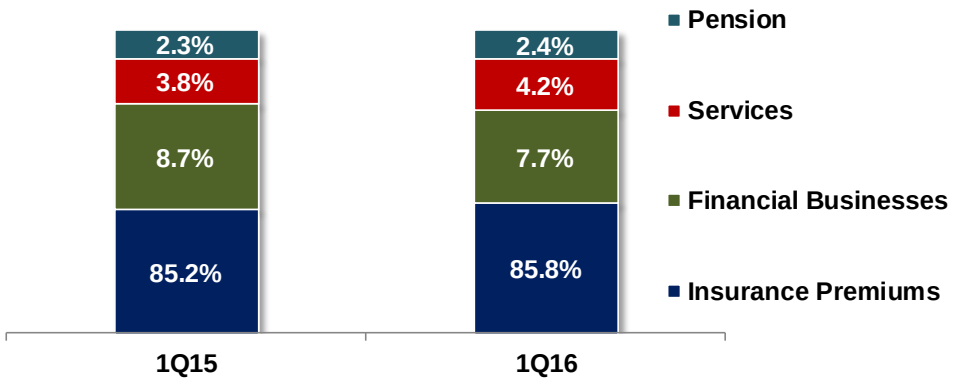
Revenues and Premiums

Total revenues and written premiums increased 5% in the quarter mainly explained by the premiums expansion of 15% in Itaú Auto, Azul Auto and Life insurance. However, the growth was partially offset by premiums reduction of Porto Auto (-4%)

Total Revenue (R$ Billion)



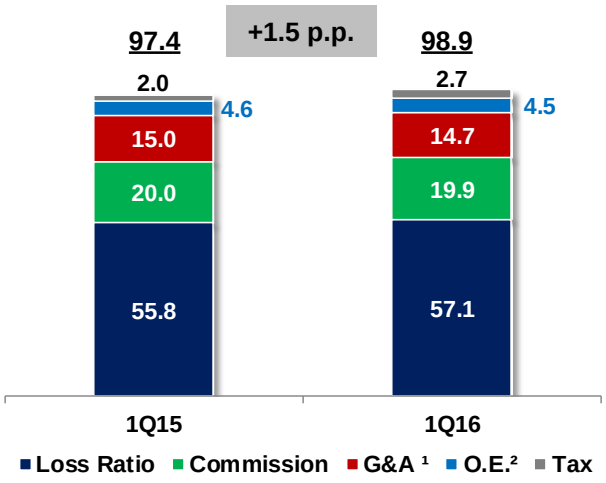
Total Revenue Portfolio (%)



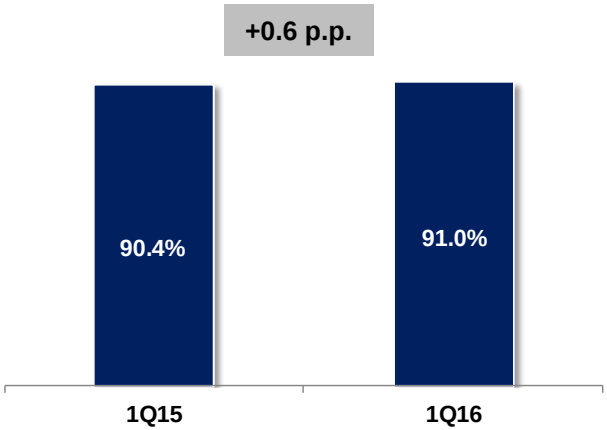
Operational Results - Insurance

The Combined Ratio was higher in the quarter chiefly due to the increased loss ratio of Auto and Health segments and higher tax expenses – In the 1Q15, the tax ratio was benefitted by the deferred asset accrued from the return of COFINS tax

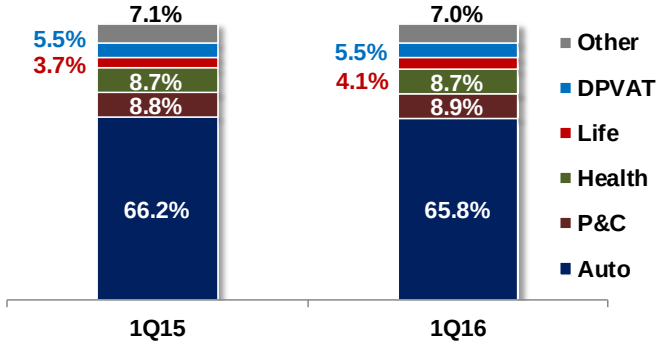
Combined Ratio (%)



Amplified Combined Ratio (%)



Written Premiums Breakdown (%)

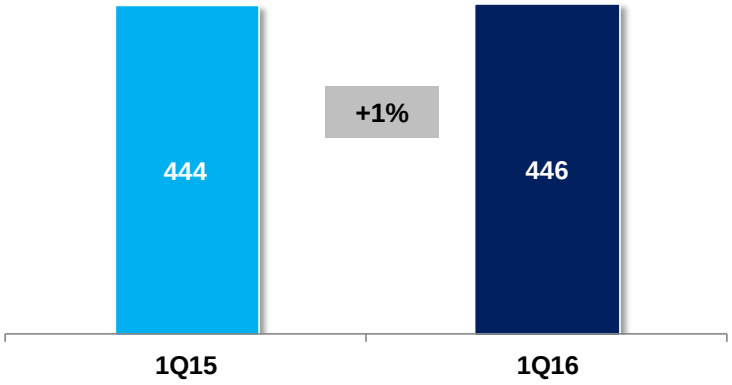


[1] Insurance Administrative Expenses ratio
[2] Net of Operational Income and Expenses ratio

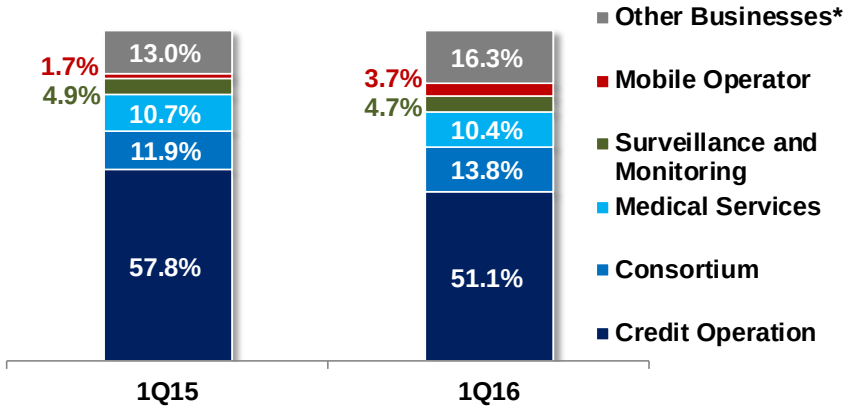
Financial and Service Businesses Operating Results

The Financial and Service businesses revenues remained stable in the quarter while the total ROAE attained 14.0% (-6.5 p.p.) chiefly due to the consumption contraction that affected the credit card product, and by the measures adopted for risk containment

Total Revenue (R$ Million)

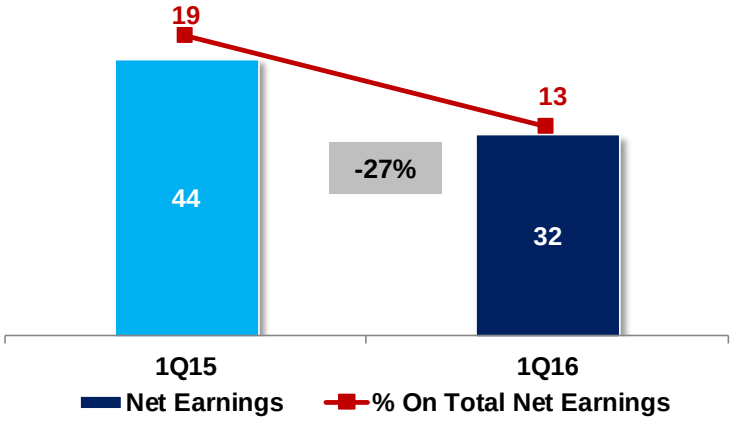


Revenue Distribution (%)

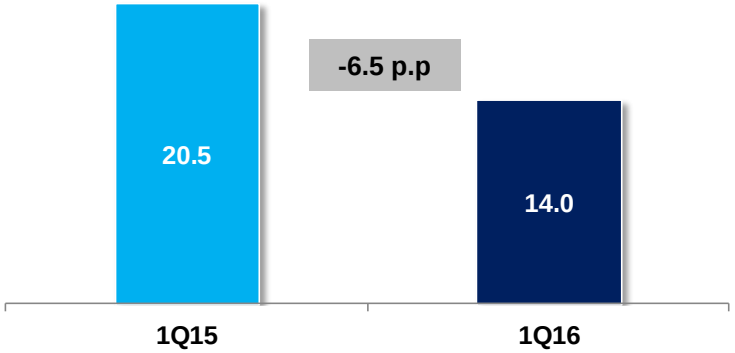


*Other – Represents the services provided to the Porto Seguro group

Net Earnings[1] (R$ Million)



ROAE[1] (%)



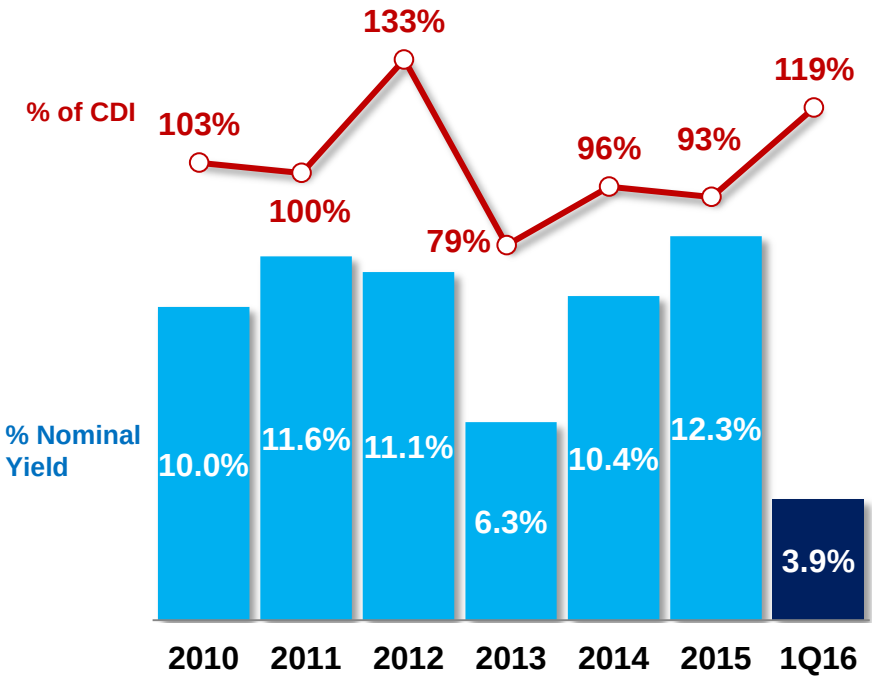
[1]Without Business Combination

Financial Results
Yield and Income

The quarterly financial result increased 30% (vs. 1Q15) boosted by the inflation-linked bonds and equities (strategic allocation) – yield (ex-pension) was 3.9% (119% of CDI)*

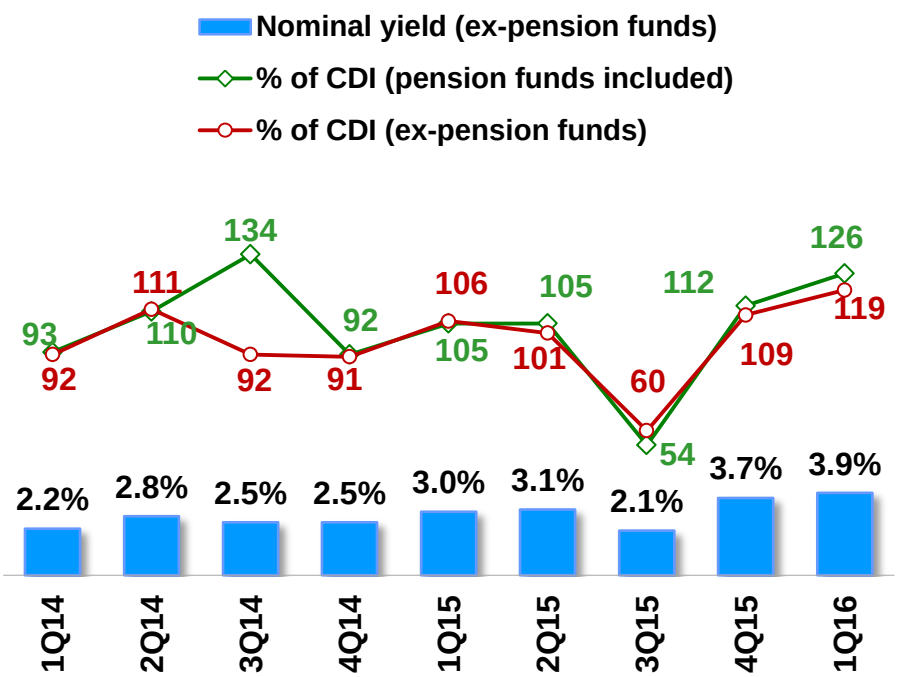
Return on Investment Portfolio

(Total Assets, excluding Pension Funds)



*CDI – Risk Free Rate (Similar to LIBOR)

Quarterly Performance

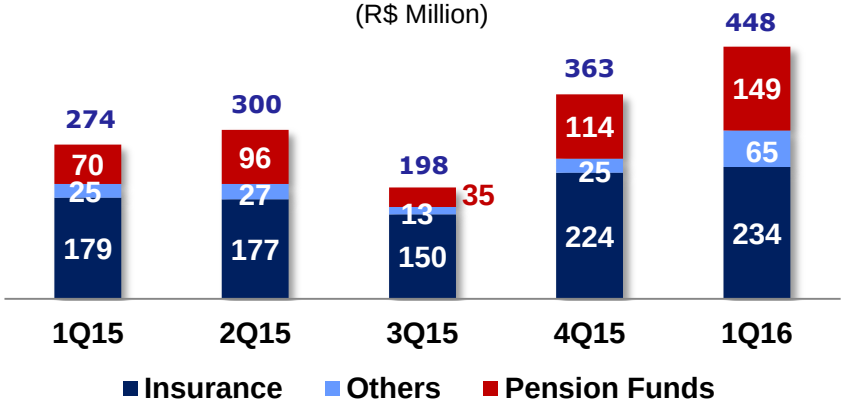


Financial Results
Yield and Income

Total portfolio achieved R$ 10.8 BI, generating a financial revenue of R$ 448 MM in the quarter. Excluding pension funds, the portfolio achieved R$ 7.5 BI and produced a financial income of R$ 299 MM

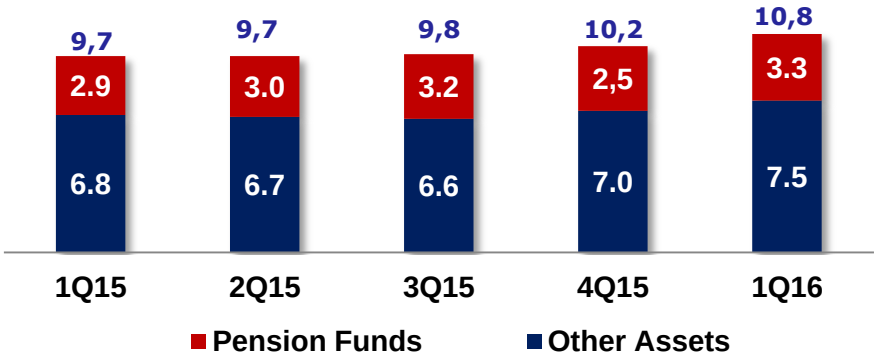
Revenue from Investments Assets

(R$ Million)

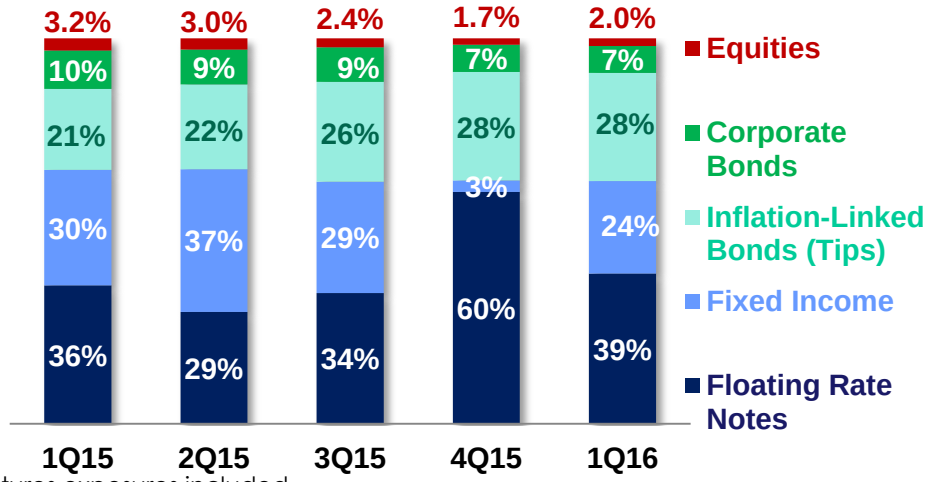


Net Asset Value

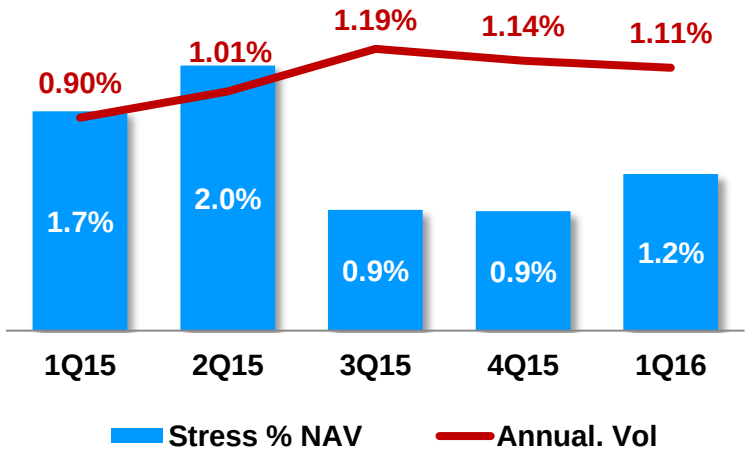
(R$ Billion)



Allocation[1] (ex-Pension Funds)



Risk Exposure[2] (ex-Pension funds)

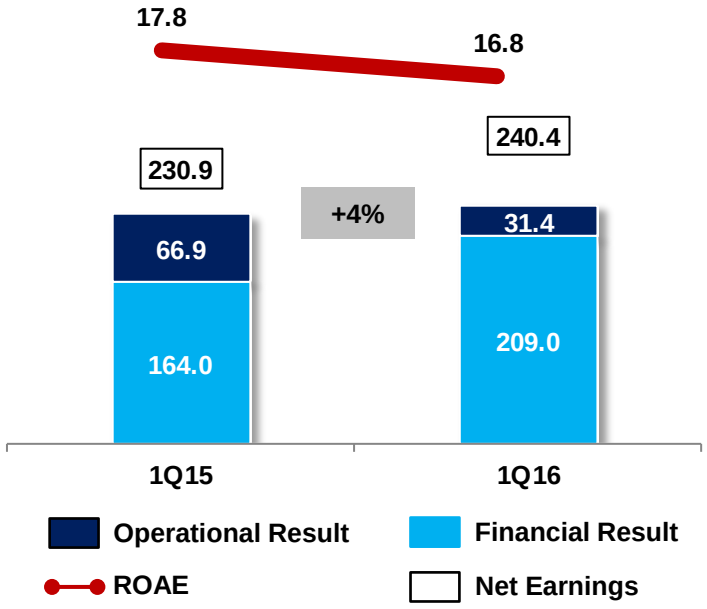


[1] Futures exposures included.
[2] Brazilian Futures Exchange (BM&FBOVESPA) stress scenarios.

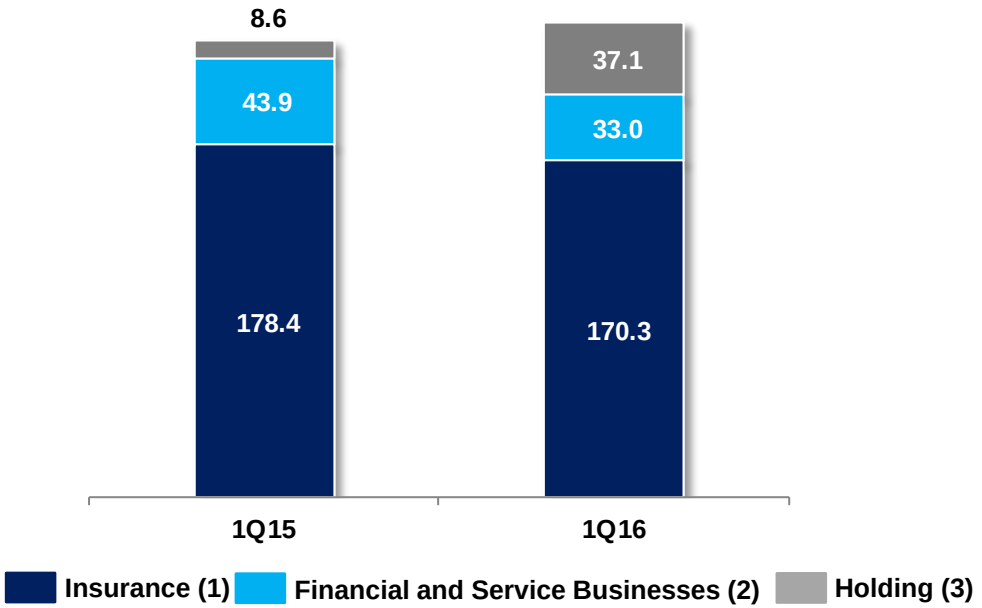
Results and ROAE

In 1Q16, the net income was R$ 240 MM (+4%) and the ROAE was 16.8% (-1.0 p.p.). Excluding the effect of a higher CSLL in the period (1Q16 vs. 1Q15) the net earnings would have been R$ 254 MM (+10%) and the ROAE would remain stable at 17.7%

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, which is a relevant part of the Company free resources – excluding G&A and tax expenses

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