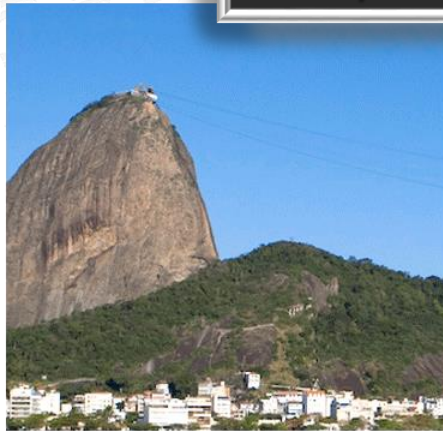
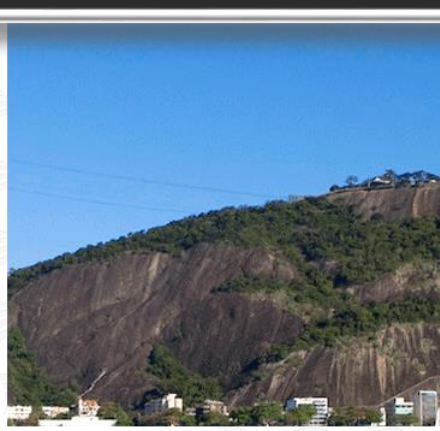




Conference Call 4Q18 and 2018

02/06/2018 at 08:00 am (NY time)



The forward-looking statements in the conference call are based on the beliefs and assumptions of Porto Seguro's management, and on currently available information.

It involves risks, uncertainties and assumptions related to future events and therefore depend on circumstances that may or may not occur in the time ahead.

Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Porto Seguro and cause results to differ materially from those expressed in such forward-looking statements.

 ***Executive Summary***

 ***Insurance Results***

 ***Financial and Service Businesses Results***

 ***Financial Investments Results***

 ***Consolidated Results***

Executive Summary

4Q18 and 2018

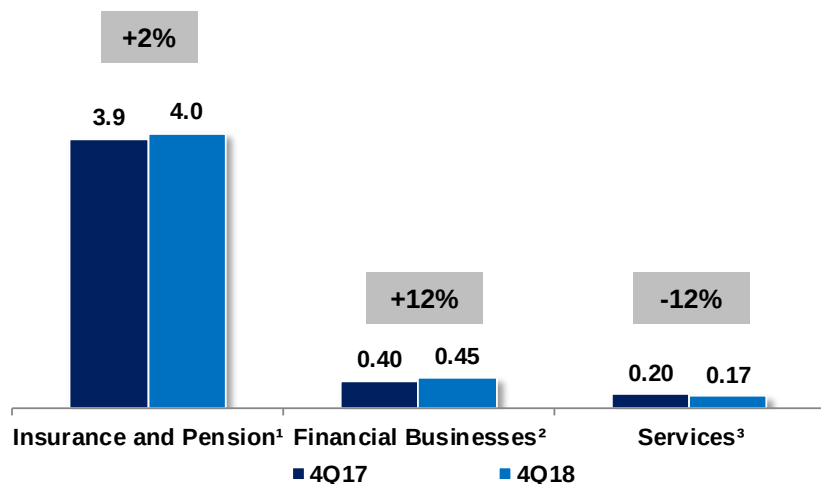
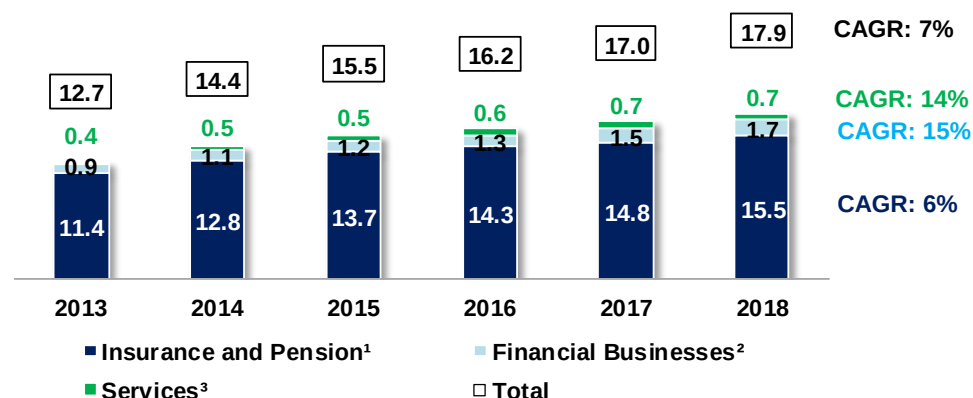
- In 2018, profitability has increased through a significant growth in the operational result (146% vs. 2017). At the same time, the return on financial investments outran the benchmark (CDI), softening the effects in the reduction of interest rates
- The best combined ratio in history (92.2%) was achieved in the insurance business in 2018, mainly driven by the notable decrease in loss ratio and from the increase in operational efficiency
- Recapturing in the growth of our insured fleet, with an increase of roughly 180 thousand vehicles compared to 2017
- The result of the Financial and Service Businesses rose considerably in the quarter, mainly due to the better performance of credit operations and by the reduction in costs linked to Conecta
- Total dividends paid in 2018 soared to approximately R\$1.5 billion, the highest value in history, underpinning the increase in efficiency of the usage of capital
- Intensification in the interaction / customer service through digital developments, such as the “Trânsito+Gentil” application, service request through the “SOS Link” and online chat bots, and therefore improves self service for clients
- Among the awards received in 2018, Porto Seguro was elected as the most remembered insurer and the most beloved by the clients (Folha de S. Paulo and O Estado de S. Paulo), the most trustable insurer (Revista Seleções) and the 17th most valuable brand in Brazil (Ranking Interbrand)

Executive Summary

Operational Results 4Q18 and 2018

In the 4Q18, total revenues were up 3% (vs. 4Q17), mainly driven by the double-digit growth of Health and Credit Operations – on the other hand, the premiums of Auto products slowed down, as a consequence of the price adjustments, due to the fall in claims frequency throughout the year

Revenues by Business Lines (R\$ Billion)



¹ Taking insurance written premiums and pension contribution into account

² Represents the revenues of Financial Products: Consortium, Credit Card, Financing and Asset Management

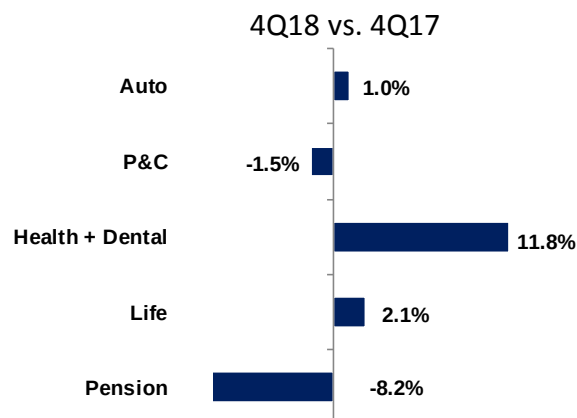
³ Represents the revenues of Services: Mobile Operator, Surveillance and Monitoring Services, Medical Services, H4Pet, etc

Insurance Results

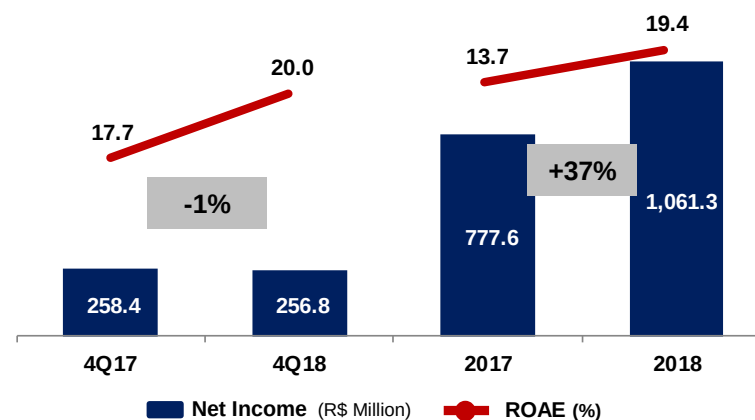
Main Results 4Q18 and 2018

The significant reduction in loss ratio and gains in efficiency have boosted the profitability of the insurance operations in 2018 – the quarterly combined ratio decreased 1.4 p.p. (vs. 4Q17), explained by the shrinkage of 2.2 p.p. in administrative and operational expenses ratio

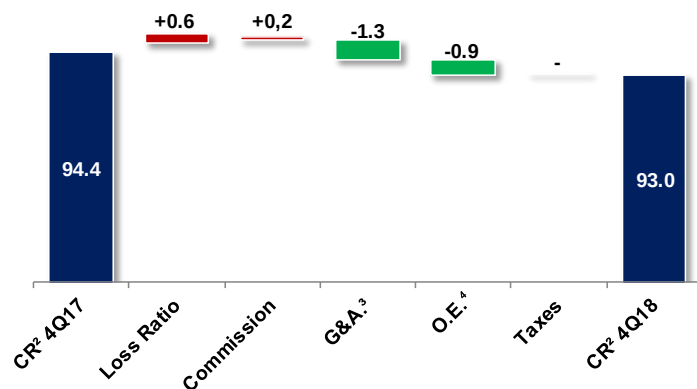
Insurance Premiums Growth¹ (%)



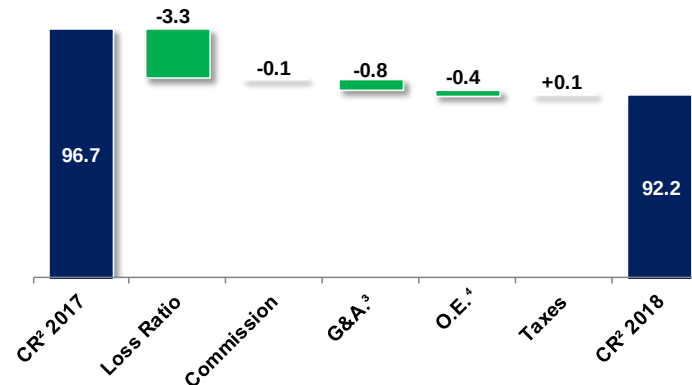
Insurance Profitability



Combined Ratio 4Q18* (%)



Combined Ratio 2018 (%)



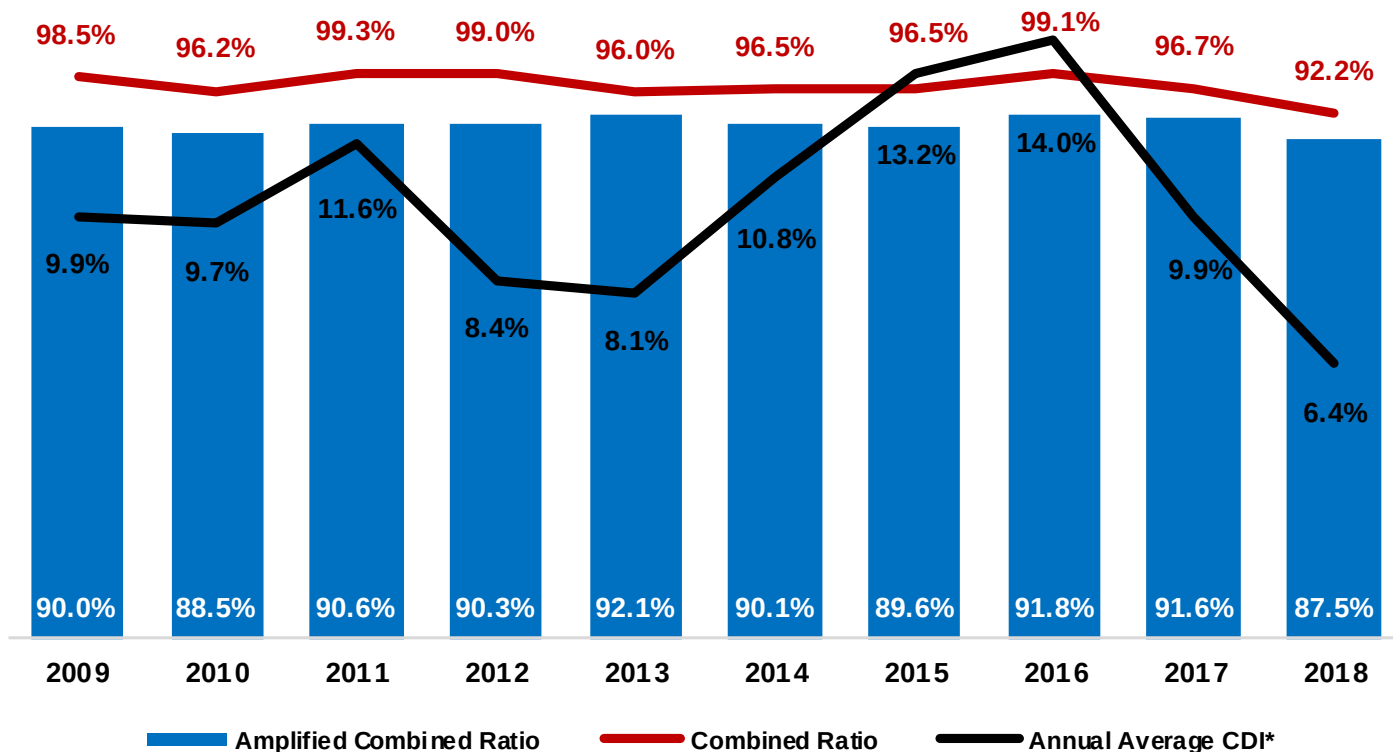
¹ Insurance Premiums and Pension Gross Funding/ ² Insurance Combined Ratio/ ³ G&A Ratio/ ⁴ O.E Ratio (Total other operational revenues and expenses / earned premium)

*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. Adjustments were made in the numbers of the Press Release 2018 (pro forma) to maintain the same basis of comparison.

Historical Operational Performance

The operational result in 2018 has shown to be the best since last 10 years, whereas at the same time the lowest historical interest rate was registered – along the years, solid consistent results have been achieved in the amplified combined ratio, which has remained stable

Porto Seguro Operational Performance vs. Interest Rates (%)



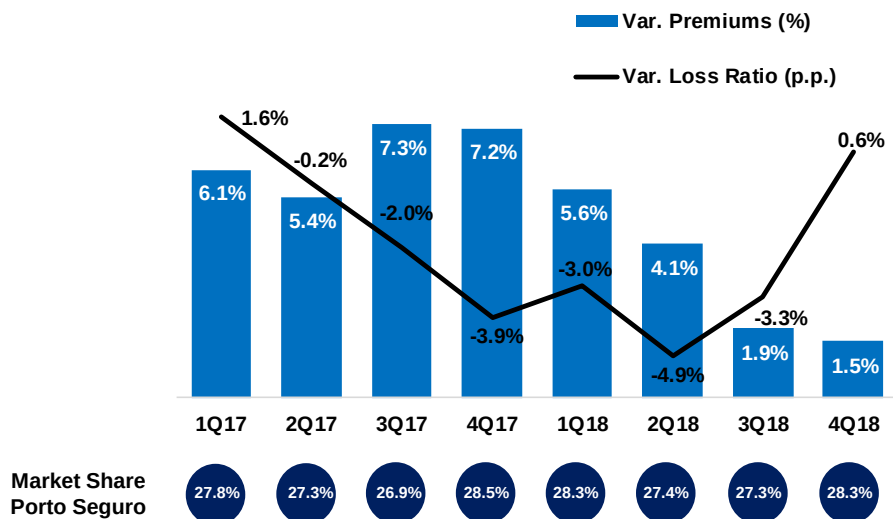
*CDI – Interbank Deposit Certificate
Source: CETIP

Insurance Results

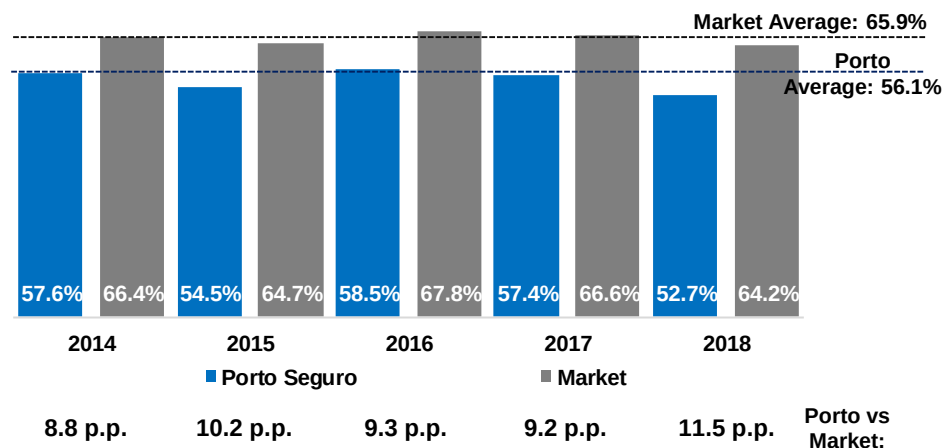
Auto Insurance Porto x Market

The industry's loss ratio slightly edged up in 4Q18 – however, the difference between the loss ratio from the market and Porto Seguro enlarged from 9 p.p. to 12 p.p., and is 3.4 p.p. below the average over the last years

**Market Premiums and
Loss Ratio Variation**
(vs. same quarter of previous year)



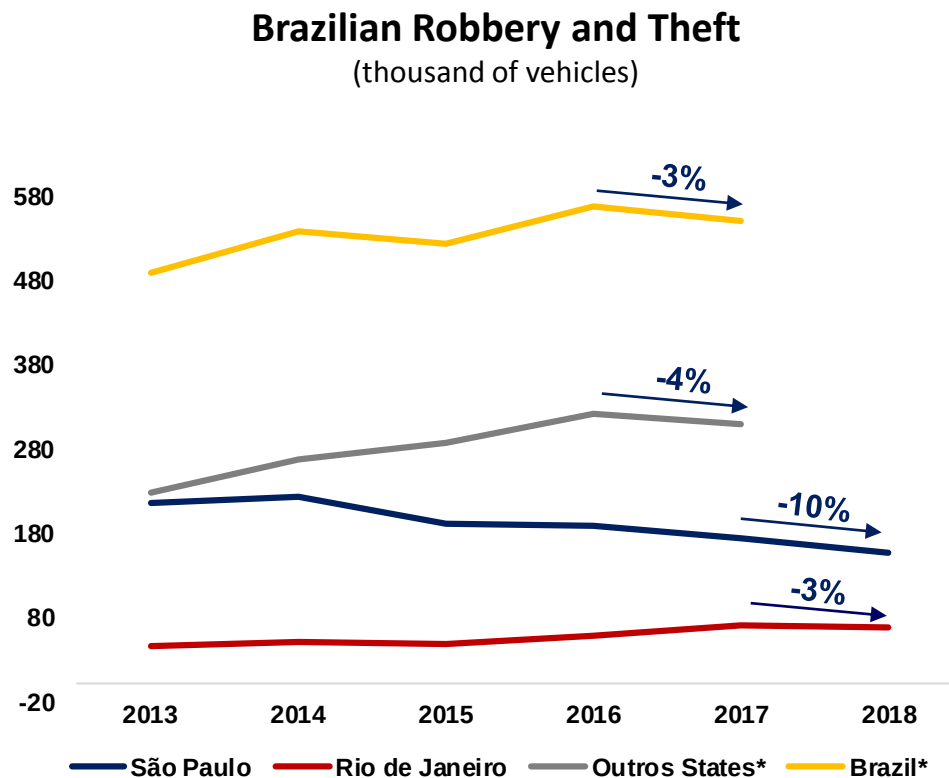
**Loss Ratio
Porto x Market¹**



Insurance Results

Thefts Reduction

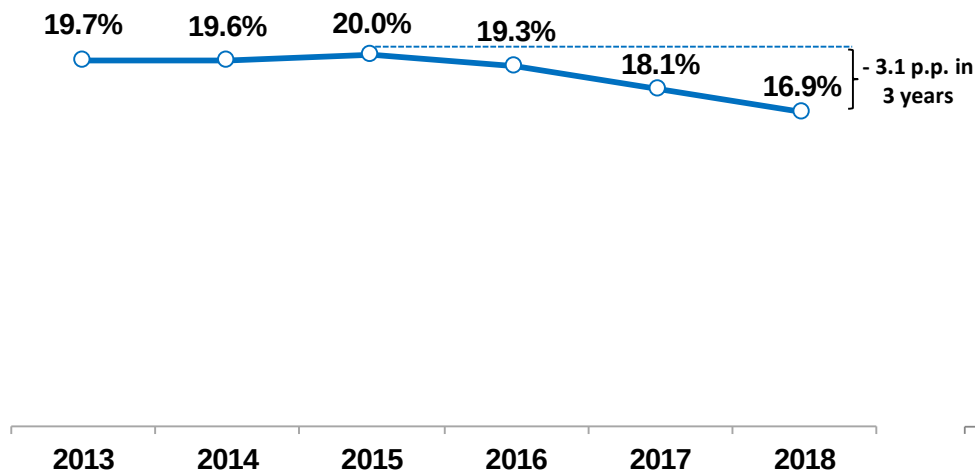
The market frequency of losses reduced in 2018 – although the data points out an increase in robbery and thefts of vehicles in Brazil between 2013 and 2016, more recent data has shown a reversion of the tendency



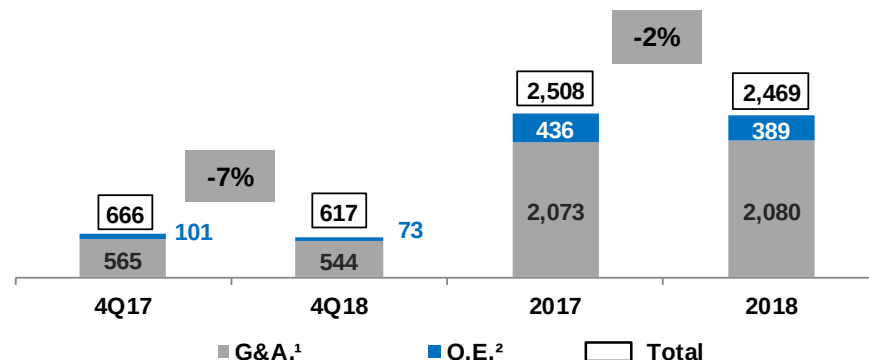
Administrative and Operational Expenses

Efforts to generate more efficiency have led to a nominal reduction in G&A + O.E. ratio in 2018 – over the last 3 years, the intensification in the usage of technology and adjustments of processes resulted in a 3 p.p. decrease in the consolidated administrative and operational expenses ratio

G&A¹ + O.E.² Ratio – Porto Seguro



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



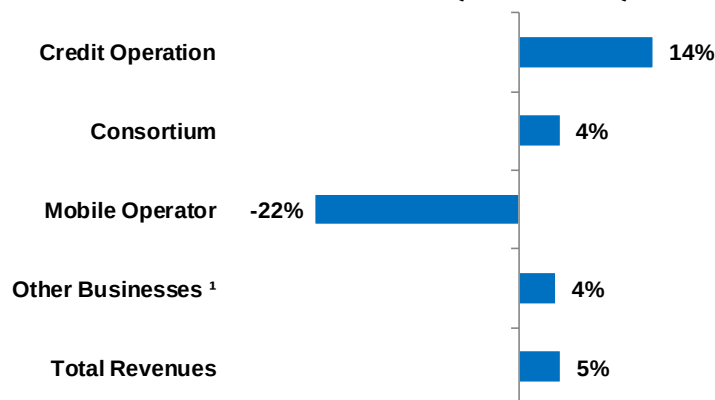
¹G&A = General and Administrative Expenses (Excluding profit sharing)

²O.E = Other Revenues – Operational Expenses

PS: 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. Adjustments were made in the numbers of the Press Release 2018 (pro forma) to maintain the same basis of comparison.

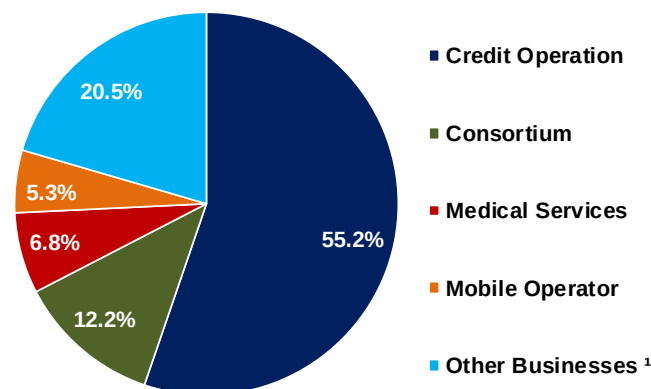
The net earnings in 4Q18 was favored by the great performance of the Credit Operations, which grew double-digit, with a NPL remaining at the market average, as well as by the reduction of expenses related to Conecta

Revenues Evolution – 4Q18 vs. 4Q17



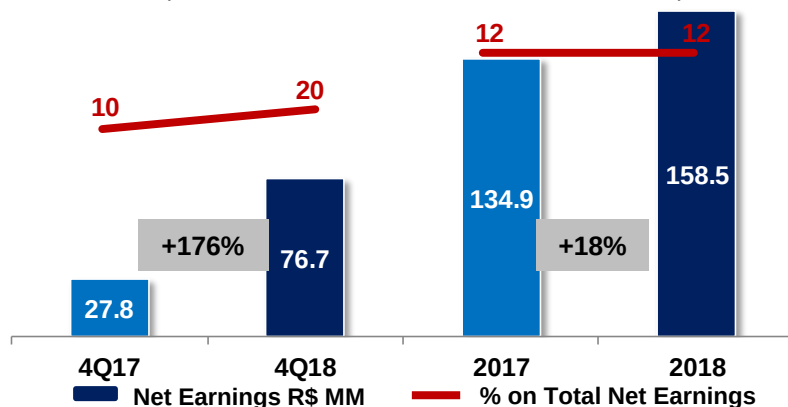
¹Represents especially the revenues of Call Center operations, Surveillance and Monitoring, Assets Management, among others.

Revenues Distribution – 2018



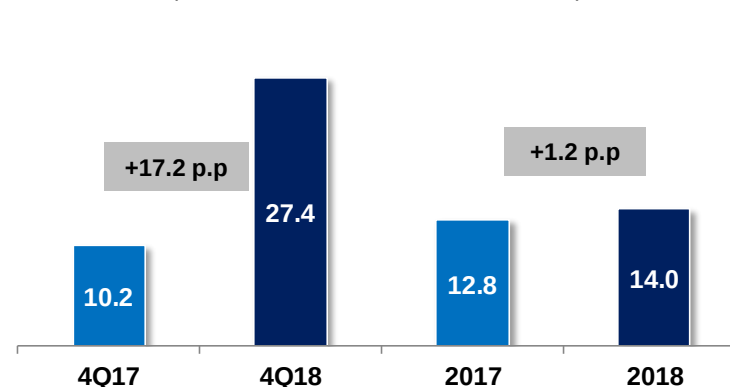
Recurring Net Earnings*

(w/o business combination – R\$ Million)



Recurring ROAE*

(w/o business combination – %)



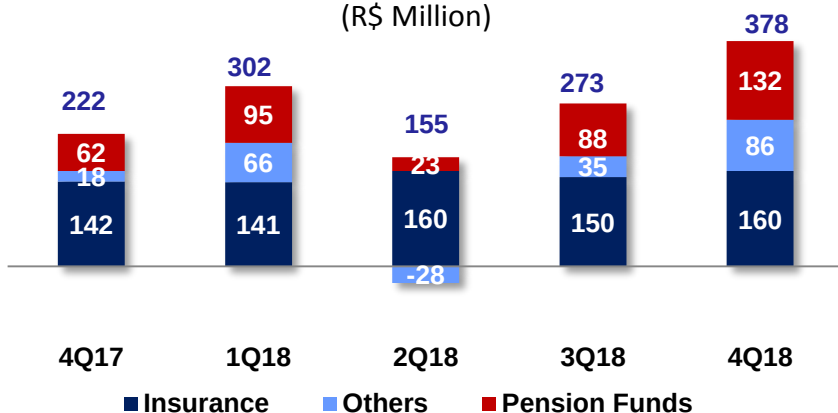
* Excluding the provisioning in Conecta's property and intangible assets at their realizable value (R\$ -85,6 million in annual net income) and the reduction of assets due to the transfer of the customers portfolio, with effect on Shareholder's Equity

Investments and Allocation – 4Q18 and 2018

The result on financial investments was positively affected by the performance of fixed income and inflation-linked bonds – the quarterly profitability reached 2.6% (166% of the CDI - ex-Pension)

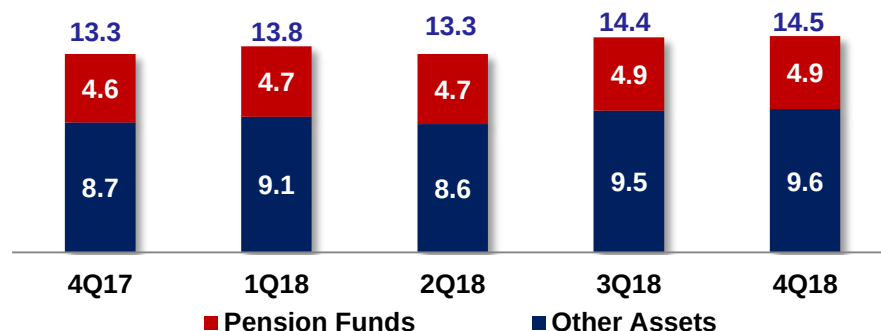
Revenue from Investments Assets

(R\$ Million)

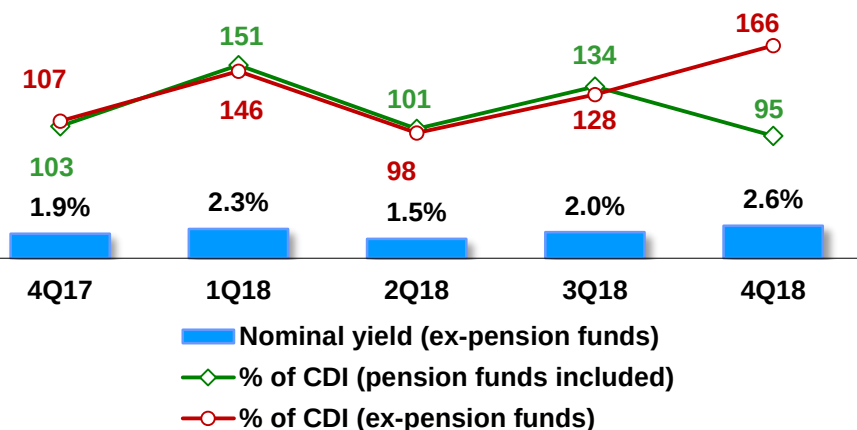


Net Asset Value

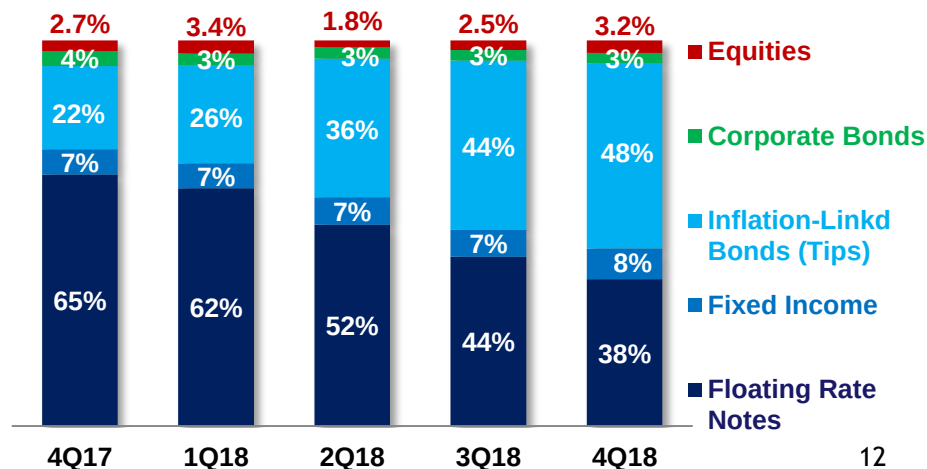
(R\$ Billion)



Quarterly Performance



Allocation¹ (ex-Pension Funds)



¹ Futures exposures included

The effective tax rate was impacted by the notable increase in pre-tax earnings (+41%), reducing the relative weight of the tax benefit (interest on capital) – in addition, effects such as the reversal of CSLL and the write-off of Conecta increased taxes paid

Effective Tax Rate Variation (2018 vs. 2017)

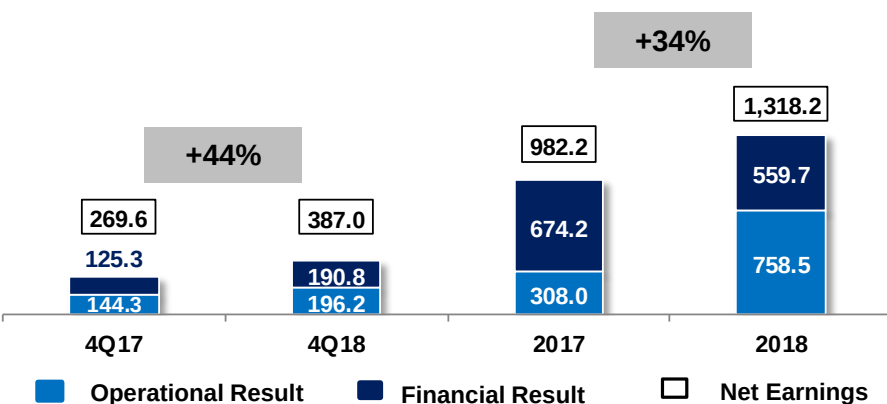
Income / Social contribution taxes	Real		Real		Variation (%)
	2017	Effective Tax Rate (%)	2018	Effective Tax Rate (%)	
Accounting Profit	1,812,616		2,430,363		34%
(-) Profit Sharing	(280,027)		(264,284)		-6%
Income / Social Contribution Tax - Base	1,532,589		2,166,079		41%
Income / Social Contribution Tax - Nominal	45%		45%		
Income / Social Contribution - Gross	689,665	45.0%	974,735	45.0%	41%
(-) Interests on Capital	(205,339)	-13.4%	(196,483)	-9.1%	-4%
Income / Social Contribution - After Interests on Capital	484,326	31.6%	778,253	35.9%	61%
Reversion of 5% on Social Contribution	1,232	0.1%	42,400	2.0%	
Conecta w rite-off effect	-	0.0%	21,619	1.0%	
Other*	(51,110)	-3.3%	14,430	0.7%	
Income / Social Contribution - Net	434,448	28.3%	856,702	39.6%	97.2%

* Mainly referred to the tax effects in regards to the sales of the stocks of IRB, considering the 45% and the write-off in deferred assets, realized in 2018

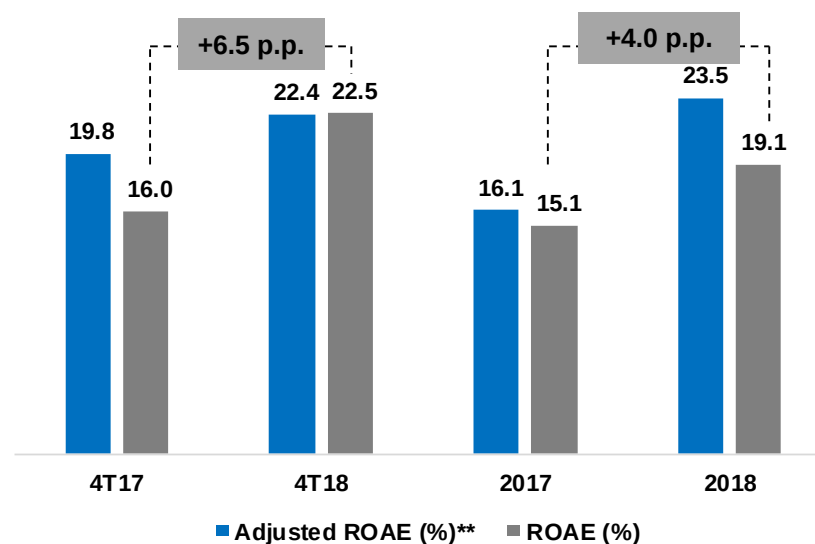
Net Earnings and ROAE - 4Q18 and 2018

Recurring net income increased 44% in the 4Q18 and 34% in 2018, whereas ROAE reached 22.5% in the quarter and 19.1% in the year – the increase in the result in 2018 is mostly due to the reduction in loss ratio in the Auto segment, as well as the gains in operational efficiency

Recurring Net Income* (R\$ Million)



ROAE (%) – Recurring*



*Excluding non-recurring effects of the sale of IRB (Brasil Resseguros S.A.) shares in the 2017

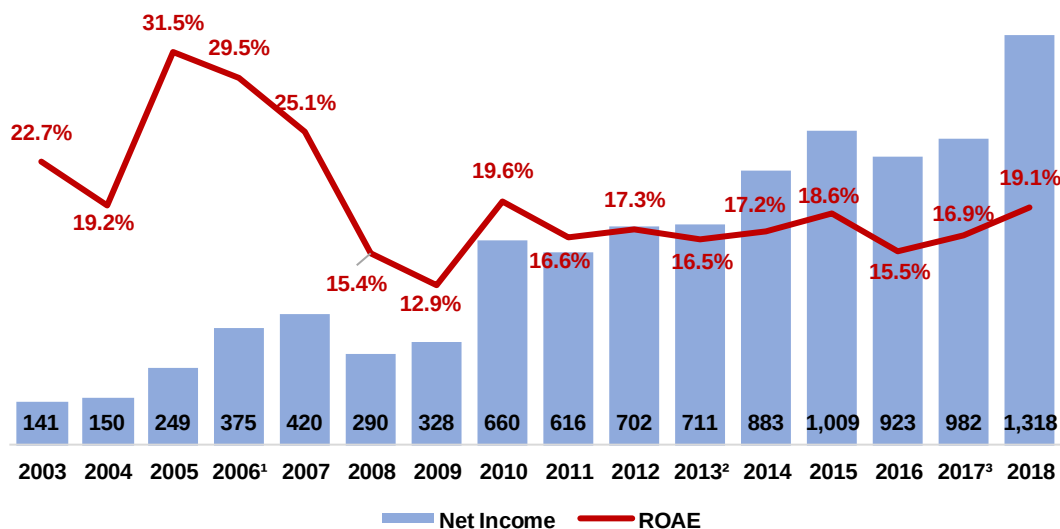
** Profitability of the Company's businesses with adjusted capital (w/o surplus capital) and considering an investment return of 100% CDI

Consolidated Results

Historical Profit and ROAE

Historically, Porto Seguro has delivered solid results, even in unfavorable economic periods – the average ROAE between 2003 and 2018 was 19.6%

Net Earnings (R\$ Million) and Historical ROAE (%)
Recurring Results¹



- Profit Growth Rate of 16% yearly
- Increase in profit in 12 of 15 years with publicly traded capital
- Double-digit ROAE throughout all the years
- Average ROAE of almost 20%

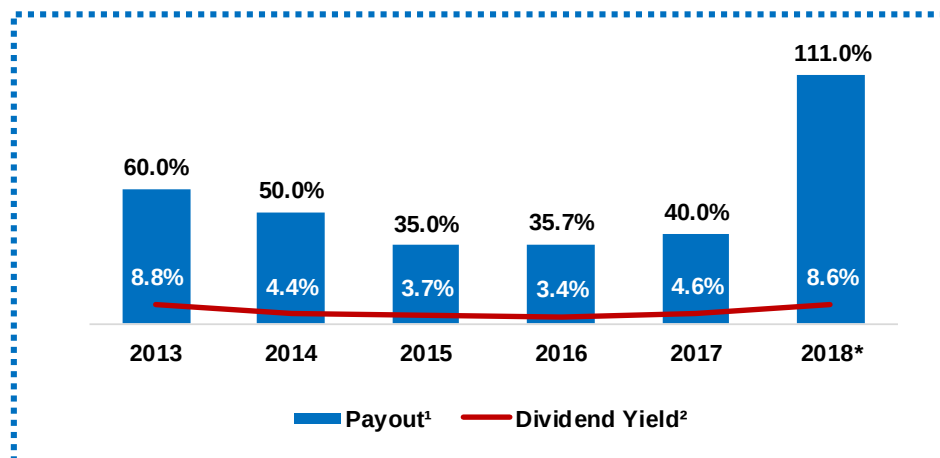
¹ Excluding non-recurring results of the COFINS provision and the sale of the remaining Individual Health portfolio

² Excluding the non-recurring results related to the tax benefit of the companies Porto Cia and Porto Vida Previdência up to an amount of R\$ 702 million, net of taxes, profit sharing and attorney's fees. This value had been provisioned by the Company since 1999 and was reversed in 4Q13

³ Excluding the non-recurring results of IRB (Brasil Resseguros S.A) in the net amount of R\$126 million

Increased dividend payments and thoughtful usage of real estate have efficiently strengthened the Company's capital utilization

% Distribution of Dividends (Payout)



¹ Total Dividends Paid (Dividends + Net Interests on Capital) divided by Adjusted Net Income

² Dividend yield in relation to Stock Price (Total Dividends paid Divided by Stock Price on the last day in the period)

* Proposed dividends determined by the Management, subjected to the approval of the General Meeting to be held on 03/29/2019

Initiatives in 2018



- Decrease in Capex of 36%, or 151 R\$ MM (vs. 2017)



- Reduction in capital surplus from 47% to 40% from the adjusted shareholders equity (vs. 2017)



- Extra dividends paid with a value of approximately R\$ 1.5 billion in 2018



- Reorganization in real estate usage, ex. home office, concentrated call center and ~100 million in real estate sales (R\$ 23 MM sold in 4Q18)

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