
PORTO SEGURO S.A.

Publicly-Held Company

CVM no. 01665-9

Corporate Taxpayer's ID (CNPJ/MF): 02.149.205/0001-69

Company Registry (NIRE): 35.3.0015166.6

ISIN Code: BRPSSAACNOR7

Alameda Barão de Piracicaba, nº 618/634 – 11º andar – Campos Elíseos – São Paulo/SP

MATERIAL FACT

PORTO SEGURO S.A. (BOVESPA: PSSA3), pursuant to applicable regulations, hereby informs its shareholders and the market that its Board of Directors approved, at a meeting held on January 31, 2018, the renewal of the Company's share buyback program ("Share Buyback Program").

As in previous years, the Board of Directors will have the option, if economic conditions and trading prices of the Company's shares on the B3 stock exchange are favorable, to execute (or not) the acquisition of shares, in adequate quantity and prices, under the following terms and conditions:

1. Justify, in detail, the objective and expected economic effects of the transaction: The Share Buyback Program, through the acquisition of shares issued by the Company to be kept in treasury, cancelled or sold, without reducing its share capital, has as its main purpose, under favorable conditions, the creation of an additional alternative for generating shareholder value.

2. Inform the amount (i) outstanding shares and (ii) shares held in treasury: (i) On January 31, 2018, the number of outstanding shares, as defined by Article 8, Paragraph 3 of CVM Instruction 567/15, is 94,313,191 common shares; (ii) On of January 31, 2018, there are no shares issued by the Company held in treasury.

3. Inform the number of shares that may be acquired or sold: The acquisition will respect the limit of up to five million (5,000,000) common shares, which represent approximately five percent (5%) of the total number of outstanding shares. All shares that are eventually repurchased may be sold under the Program.

4. Describe the main characteristics of the derivative instruments that the Company may use, if applicable: The Company will not use derivative instruments.

5. Describe, if applicable, agreements or voting guidelines that exist between the company and a counterparty of the transactions: There are no agreements or voting guidelines between the Company and its counterparties of the transactions carried out under the Share Buyback Program. Transactions will take place on the stock exchange.

6. In the event of transactions executed outside of organized securities markets, inform: a) the maximum (minimum) price at which the shares will be acquired (sold); and (b) when applicable, identify cases and reasons that justify transactions in which shares were acquired at prices higher than ten percent (10%) or were sold at prices lower than ten percent (10%), of the weighted average price of the last ten (10) trading sessions: The acquisitions will take place at B3 trading sessions.

7. Inform, if applicable, the impacts that the transaction will have on the composition of the Company's shareholding control or administrative structure: Transactions within the scope of the Share Buyback Program will not impact the composition of the Company's shareholding control or administrative structure.

8. Identify the counterparties, if known, and, if there are any related parties to the company, as defined by the accounting rules that deal with this matter, also provide the information required by Article 8 of CVM Instruction 481 dated December 17, 2009: The Share Buyback Program is destined without distinction to all of the Company's shareholders.

9. Indicate the use of proceeds obtained, if applicable: The decision to keep in treasury, cancel or sell the shares eventually acquired, will be taken in due time by the Company's Board of Directors, without the need for additional approvals by the Board of Directors during the term of this Share Buyback Program, and communicated to the market. Any resulting proceeds will be used towards the Company's operations.

10. Indicate the maximum deadline for the settlement of authorized transactions: The maximum settlement deadline of transactions with shares issued by the Company under this Share Buyback Program is one (1) year, starting on February 1, 2018 and ending on February 1, 2019.

11. Indicate the institutions which will act as intermediaries, if applicable: Itaú Corretora de Valores S.A., headquartered at Avenida Brigadeiro Faria Lima, nº 3.500, 3º Andar, Parte, Itaim Bibi – São Paulo – SP and registered under Corporate Taxpayer's ID (CNPJ/MF) number 61.194.353/0001-64.

12. Specify the available funds to be used, pursuant to Article 7, Paragraph 1, of CVM Instruction 567 dated of September 17, 2015: The share buybacks will be made with the use of funds available in the Profit Reserve account, which, according to the Interim Financial Statements of September 2017, totaled R\$3,963,593 thousand.

13. Specify why the members of the board of directors are comfortable that the repurchase of shares will not affect the fulfillment of obligations assumed with creditors or the payment of mandatory fixed or minimum dividends:

The decision to purchase, or not, shares is exclusively up to the Board of Executive Officers, who is responsible, at the time of the eventual purchase, to assess whether the Company's financial condition, market conditions and other relevant factors are favorable for the intended transaction. Based on the Interim Financial Statements of September 30, 2017, the Company's cash and cash equivalent balance was R\$1,711,576 thousand, which is significantly higher than the amount that would be necessary for the eventual repurchase of the five million (5,000,000) common shares that are the object of the Share Buyback Program (considering the weighted average share price of the last 30 trading sessions), totaling R\$ 38,99 (thirty eight reais and ninety nine cents). For such reasons, the members of the Board of Directors believe that the share buyback will not affect the obligations assumed with creditors. In addition, the members of the Board of Directors clarify that the shares issued by the Company do not entitle their holders to receive fixed or minimum dividends.

São Paulo, January 31, 2018.

Porto Seguro S.A.
Marcelo Barroso Picanço
Investor Relations Officer