



3Q16 and 9M16 Earnings Release

We ended the third quarter and the 9M16 reporting an increase in the main business lines. The Company results in the quarter already show signs of improvement, both in the insurance operations and financial businesses and services. The insurance combined ratio was the best in the year as well as the other businesses recurring results.

In the insurance operation, written premiums increased 5% in the quarter and 6% in the 9M16. The auto insurance premiums of Porto Seguro's brands reported a growth of 3% in the quarter while the auto insurance market¹ decreased 3% between July and August. The insured fleet reached 5.6 million vehicles (+8%) while the number of members in the life and dental insurance improved more than 7% in the year. The combined ratio worsened mainly due to the higher loss ratio, reaching 97.9% (+1.6 p.p.) in the quarter and 99.0% (+2.7 p.p.) in the 9M16.

The loss ratio was pressured in the quarter by the higher frequency of car thefts and by the comparison basis with the same period of 2015, that presented a better result when compared to the historical average. Furthermore, the increased usage frequency of health insurance also affected the ratio. On the other hand, the insurance G&A ratio decreased 1.1 p.p. while the nominal expenses declined 3% in the quarter and increased less than 1% during the year, as a result of the greater operational efficiency.

The revenues from financial businesses and services increased 11% in the quarter mainly propelled by the improved sales of our MVNO company (Porto Conecta) and by credit card and financing products, which began to show growth and profitability again. The portfolio NPL (over 90 days) remained approximately 2 p.p. lower in comparison to the market average. In the 9M16, the growth of non-insurance businesses was 5%.

The quarterly financial result presented a rise of 35% as a result of greater returns on the financial investment portfolio, especially due to the equities performance and the comparison basis with 2015, that reported a performance lower than the CDI*. The total yield (excluding pension) was 3.5% (100% of the CDI) in the quarter and 11.4% (109% of the CDI) in the 9M16.

Finally, the net earnings achieved R\$ 205 million in the quarter and R\$ 620 million in the 9M16, which represents a decrease of 2% and 13% when compared to the same period of 2015, respectively. The ROAE was 13.5% in the 3Q16 and 13.9% in the 9M16. However, there was in the 3Q15, a non-recurring² event increasing the net income by R\$ 28 million. Excluding this effect, the net income would have been 13% higher in the quarter and 10% lower in the 9M16.

¹ Data available until August, 2016 (ex. health insurance)

² 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 of R\$ 28 million

*CDI – Risk Free Rate (Similar to LIBOR)

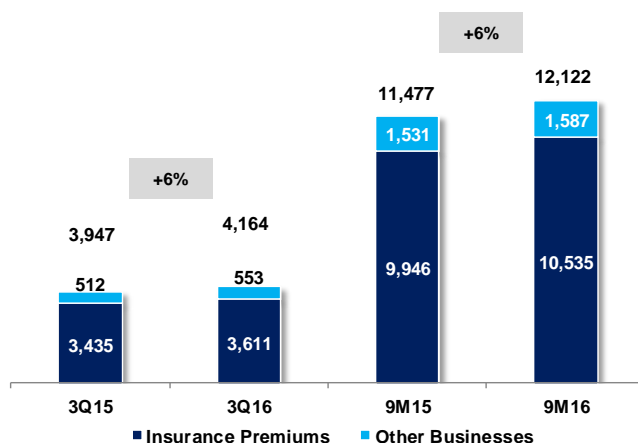
Highlights

Earnings Conference Call – 3Q16

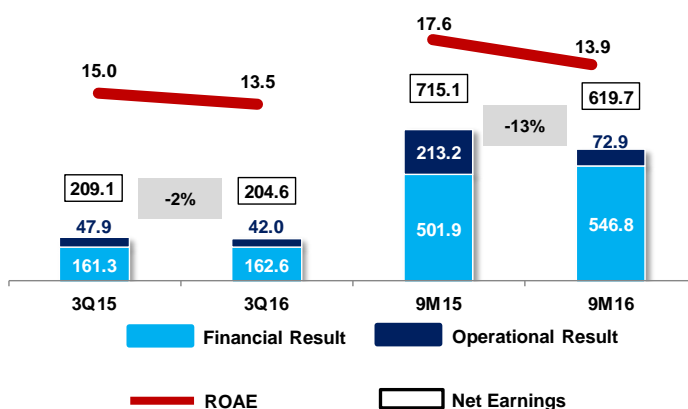
(11/01/16) – Portuguese/English 09:00 a.m. (NY) / 11:00 a.m. (Brasília)

- ▣ Total revenues reported a growth of 6% in the 3Q16 and in the 9M16 (2016 vs. 2015)
- ▣ The total written premiums increased 5% in the third quarter and 6% in the 9M16
- ▣ The net income was R\$ 205 million (-2%) in 3Q16 and R\$ 620 million (-13%) in the 9M16 (w/o business combination). Excluding the non-recurring effect ², which affected the quarter, the net income variation would have been +13% in the quarter and -10% in the 9M16
- ▣ ROAE of 13.5% (-1.5 p.p.) for the quarter and 13.9% (-3.7 p.p.) for the 9M16 (w/o business combination)
- ▣ The Combined Ratio attained 97.9% (+1.6 p.p.) in the 3Q16 and 99.0% (+2.7 p.p.) in the 9M16. Amplified Combined Ratio reached 91.1% (+0.9 p.p.) in the 3Q16 and 91.5% (+1.9 p.p.) in the 9M16
- ▣ Financial results attained R\$ 284 million in the 3Q16 (+35% vs. 3Q15) and R\$ 948 million in the 9M16 (+24% vs. 9M15)
- ▣ The financial investment portfolio gains (ex. pension plans) achieved R\$ 252 million in the 3Q16 (+78% vs. 3Q15) and R\$ 791 million in the 9M16 (+44% vs. 9M15), which represents a total yield of 3.5% (100% of the CDI) in the quarter and 11.4% (109% of the CDI) in the 9M16

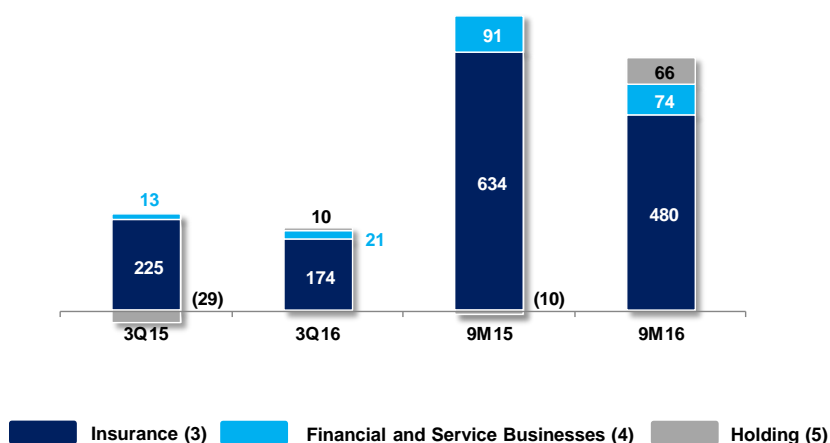
Total Revenue (R\$ Million)¹



Consolidated Results (R\$ Million)



Results by Business Lines (R\$ Million)²



¹ Insurance written premiums + Financial and Service Businesses + Other Operational Revenues

² Considering results without business combination – excluding taxes

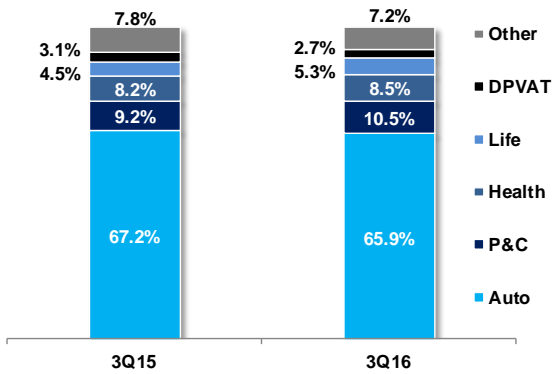
³ Including insurance operations results, pension and capitalization

⁴ Represents Financial and Service Businesses results such as Consortium, Credit Card and Financing, Mobile Operator, Surveillance and Monitoring, Medical Services, among others.

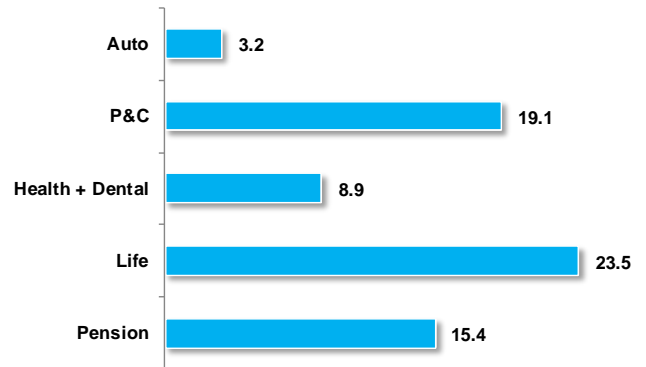
⁵ Results arising from the financial funds held by the Holding, which is a relevant part of the Company free resources – excluding G&A and tax expenses



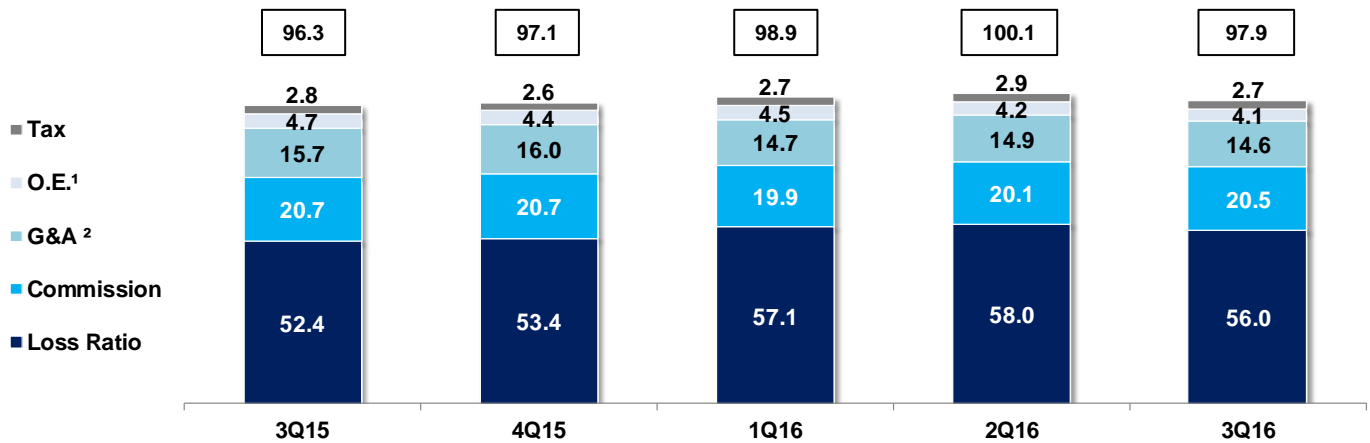
Insurance Written Premiums Breakdown (%)



Top Products Growth* – 3Q16 x 3Q15 (%)

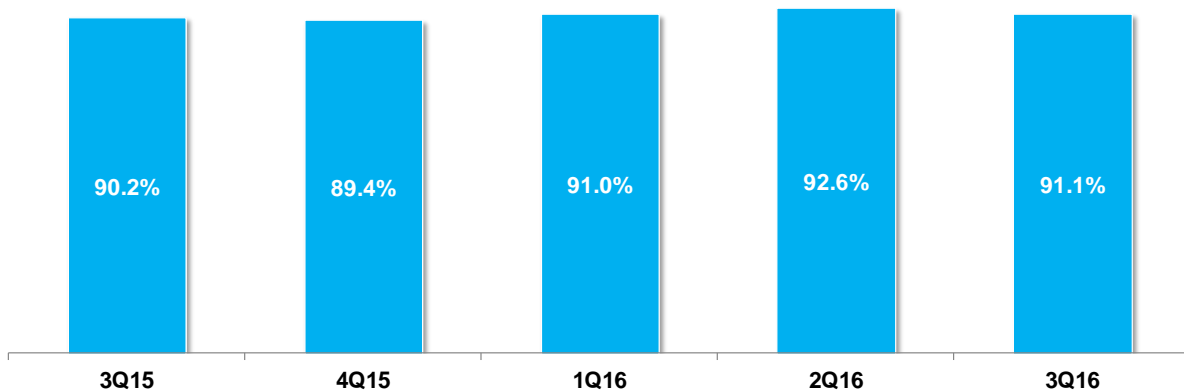


Insurance Combined Ratio (%)



The Combined Ratio (3Q16 vs. 3Q15) increased 1.6 p.p. chiefly due to the higher loss ratio of Auto, P&C and Health. Total loss ratio grew 3.6 p.p. in the quarter.

Insurance Amplified Combined Ratio (%)



The Amplified Combined Ratio in the quarter (including the insurance financial result) worsened 0.9 p.p. when compared to 3Q15 explained by the lower operational result in the period and partially offset by the higher insurance financial returns in the period.

*Considering insurance written premiums and total pension revenues

¹O.E = Other Revenues – Operational Expenses

²General and Administrative Expenses

Auto Insurance

<i>Porto Seguro Auto</i>	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	1,222.3	1,134.1	7.8	3,487.4	3,413.4	2.2
Earned Premium (R\$ million)	1,182.4	1,171.8	0.9	3,481.2	3,438.8	1.2
Loss Ratio (%) - Var (p.p.)	52.6	49.9	2.7	54.1	51.0	3.1
Insured Vehicles (thousand)	2,399	2,328	3.0	2,399	2,328	3.0

<i>Azul Seguros Auto</i>	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	607.0	583.5	4.0	1,876.4	1,702.9	10.2
Earned Premium (R\$ million)	648.5	592.3	9.5	1,890.3	1,714.0	10.3
Loss Ratio (%) - Var (p.p.)	63.1	57.0	6.1	62.5	57.5	5.0
Insured Vehicles (thousand)	1,916	1,651	16.1	1,916	1,651	16.1

<i>Itaú Seguros Auto</i>	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	544.7	582.5	(6.5)	1,545.7	1,473.7	4.9
Earned Premium (R\$ million)	536.0	500.7	7.1	1,576.4	1,484.4	6.2
Loss Ratio (%) - Var (p.p.)	62.3	58.5	3.8	62.7	60.0	2.7
Insured Vehicles (thousand)	1,261	1,207	4.5	1,261	1,207	4.5

<i>Auto Consolidated</i>	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	2,374.0	2,300.1	3.2	6,909.5	6,590.0	4.8
Earned Premium (R\$ million)	2,366.9	2,264.8	4.5	6,947.9	6,637.2	4.7
Loss Ratio (%) - Var (p.p.)	57.7	53.7	4.0	58.3	54.7	3.6
Insured Vehicles (thousand)	5,576	5,186	7.5	5,576	5,186	7.5

The total premiums and insured fleet (Porto Seguro, Itaú and Azul) increased 3% and 8% when compared to 3Q15, which represents a growth of R\$ 74 million and 390 thousand items, respectively, while the auto insurance market premiums (ex. Porto Seguro) decreased 3% in July and August (data available at SUSEP website until August, 2016).

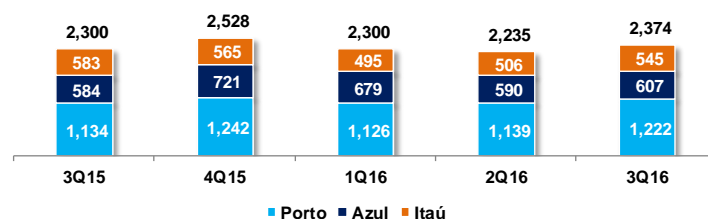
The auto insurance was affected by a higher criminality and also by the comparison basis with 2015, that presented a loss ratio lower than last year's average. The quarterly loss ratio remained in line with the average of the last 5 years.

Written premiums of *Porto Seguro* auto attained R\$ 1.222 Million in the quarter, 8% higher when compared to 3Q15 chiefly explained by price readjustments and the insured fleet expansion in the period. 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. Excluding this effect, the premiums and the insured fleet would have grown 2% and 1%, respectively. The loss ratio increased 2.7 p.p. mainly due to the higher claims frequency.

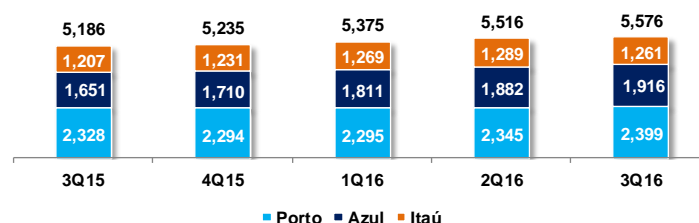
Azul Seguros reported written premiums of R\$ 607 million in the quarter, growing 4% in relation to the 3Q15, driven by the higher number of insured vehicles (+16% vs. 3Q15, boosted by geographic expansion). Loss ratio rose 6.1 p.p., reaching 63.1%, mainly explained by the increased claims frequency during the quarter and the product repositioning, that reduced its margins as a result of the economic crisis, since client's demands for lower prices. However, the loss ratio is still better than the average in the last 5 years (approximately 3 p.p.) and remains within Company expectations.

Itaú Auto e Residência portfolio reached R\$ 545 million in 3Q16, a decrease of 7% in comparison to the 3Q15 mainly due to the strategy to enhance profitability through the prices increase, which impacted the sales (the number of clients fell 2% vs. 2Q15). The loss ratio worsened 3.8 p.p. due to the higher claims frequency (especially on the corporate fleet segment).

Premiums (R\$ million)



Insured Fleet (thousand)



Loss Ratio

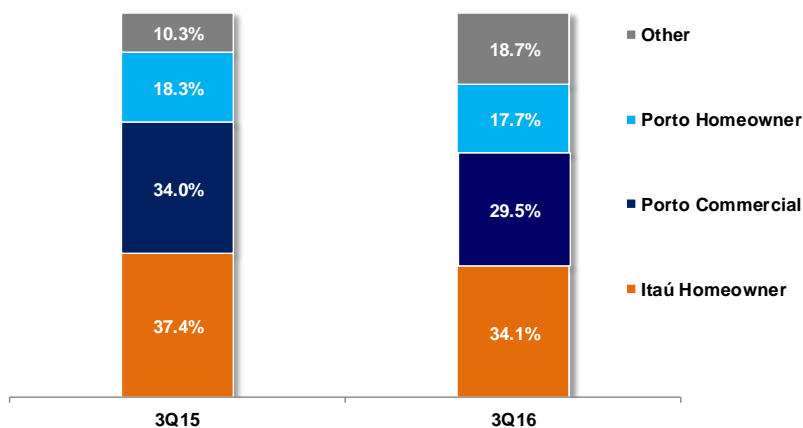
Loss Ratio	3Q15	4Q15	1Q16	2Q16	3Q16
TOTAL AUTO	53.7%	53.7%	58.1%	59.2%	57.7%
Porto	49.9%	51.7%	53.9%	55.8%	52.6%
Azul	57.0%	54.7%	61.6%	62.7%	63.1%
Itaú	58.5%	57.1%	63.2%	62.7%	62.3%

Property & Casualty

<i>Itaú Homeowner</i>	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	128.5	118.4	8.5	346.0	344.1	0.6
Loss Ratio (%) - Var (p.p.)	28.2	30.6	(2.4)	31.6	31.0	0.6
<i>Porto Commercial</i>	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	111.2	107.5	3.4	317.6	285.0	11.4
Loss Ratio (%) - Var (p.p.)	34.4	26.0	8.4	33.3	27.7	5.6
<i>Porto Homeowner</i>	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	66.6	57.8	15.2	194.5	167.9	15.8
Loss Ratio (%) - Var (p.p.)	34.3	28.9	5.4	38.4	34.3	4.1
<i>Porto Other</i>	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	70.6	32.7	115.9	145.1	103.1	40.7
Loss Ratio (%) - Var (p.p.)	28.8	22.3	6.5	25.3	19.6	5.7
<i>Total P&C</i>	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	376.9	316.4	19.1	1,003.2	900.1	11.5
Earned Premium (R\$ million)	293.2	292.3	0.3	897.5	835.2	7.5
Loss Ratio (%) - Var (p.p.)	31.4	28.1	3.3	32.9	29.6	3.3

- Total written premiums of Property & Casualty insurance were R\$ 377 million in 3Q16 (+19% vs. 3Q15). The increase is chiefly explained by the geographical expansion and a greater number of brokers selling the homeowner insurance.
- The premiums of Itaú Homeowner increased 9% when compared to 3Q15 mainly propelled by the sales campaign in the period.
- Total losses achieved 31.4% in the quarter, 3.3 p.p. higher than the 3Q15 as a consequence of the increased incidences of fires in homeowner insurance, the rise in the theft frequency of construction equipment and also by the comparison basis, since the loss ratio was unusually low in 2015.

P&C Premiums Breakdown



Health Insurance

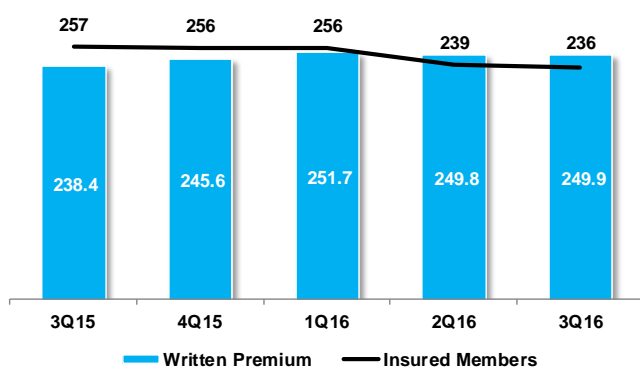
Health Insurance	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	249.9	238.4	4.8	751.4	745.1	0.8
Earned Premium (R\$ million)	249.6	238.0	4.9	750.2	744.1	0.8
Loss Ratio (%) - Var (p.p.)	84.3	78.9	5.4	81.2	74.8	6.4
Insured Members (thousand)	236	257	(8.2)	236	257	(8.2)

Health insurance segment premiums totaled R\$ 250 million in 3Q16, 5% higher than 3Q15 mainly due to price adjustments. However, the growth was partially offset by the reduction of insured members, as a result of the greater unemployment rate in Brazil.

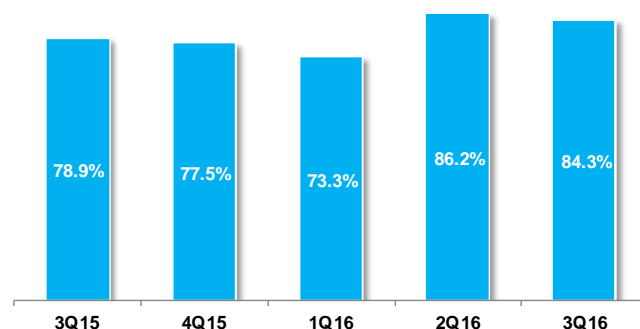
Health insurance average premium has increased 14% in the quarter (3Q16 x 3Q15).

The loss ratio attained 84.3% in 3Q16, an increase of 5.4 p.p. (vs. 3Q15) chiefly explained by the higher hospitalization and emergency costs and the greater medical exams frequency. Furthermore, the increased frequencies of elective surgeries as a consequence of the economic crisis, worsened the loss ratio.

Written Premiums (R\$ million) and Insured Members (thousand) - Health



Loss Ratio - Health



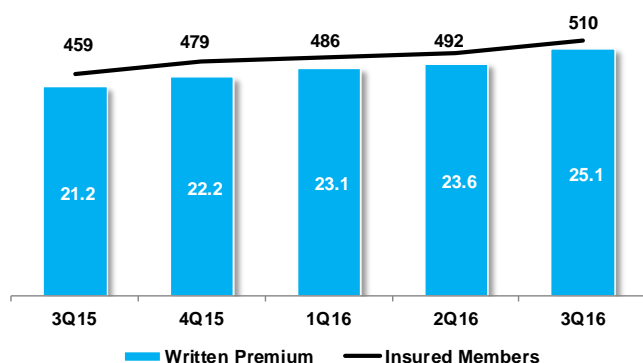
Dental Insurance

Dental Insurance	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	25.1	21.2	18.4	71.8	57.9	24.0
Earned Premium (R\$ million)	25.1	21.2	18.4	71.8	57.9	24.0
Loss Ratio (%) - Var (p.p.)	54.3	66.2	(11.9)	55.9	58.5	(2.6)
Insured Members (thousand)	510	459	11.1	510	459	11.1

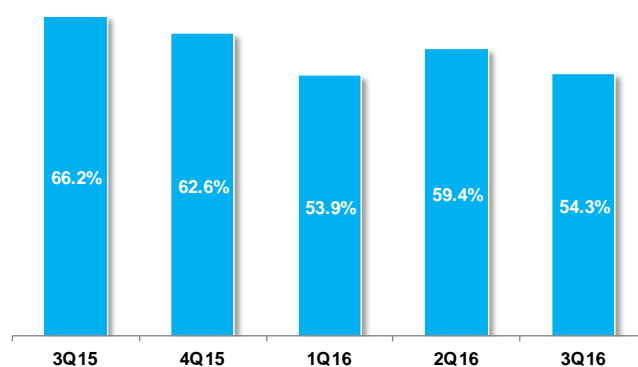
Dental insurance premiums amounted R\$ 25 million in 3Q16, 18% above 3Q15, due to the increase of 7% in insured members. The growth was driven by the product expansion outside of greater São Paulo and adjustments in the product prices.

The loss ratio reached 54.3% in the quarter, a decrease of 11.9 p.p. explained by the lower use frequency.

Written Premiums (R\$ million) and Insured Members (thousand) - Dental



Loss Ratio - Dental



Life Insurance

Life Insurance	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Written Premiums (R\$ million)	190.0	153.8	23.5	499.4	413.1	20.9
Earned Premium (R\$ million)	164.8	134.6	22.4	456.7	377.2	21.1
Loss Ratio (%) - Var (p.p.)	29.8	26.5	3.3	30.4	26.6	3.8
Members insured (thousand)	7,196	6,670	7.9	7,196	6,670	7.9

Written premiums totaled R\$ 190 million in the quarter, 24% greater than 3Q15 mostly due to the increased sales force and the growth of products with a higher average ticket. The Company is taking measures to attract new brokers, enhance the cross-selling and take advantage of the low segment penetration in Brazil.

The losses increase of 3.3 p.p. in the 3Q16 was driven by the higher claims frequency and average amount of indemnity in Individual Life insurance. However, the loss ratio remained in line with the portfolio expectations.

Pension

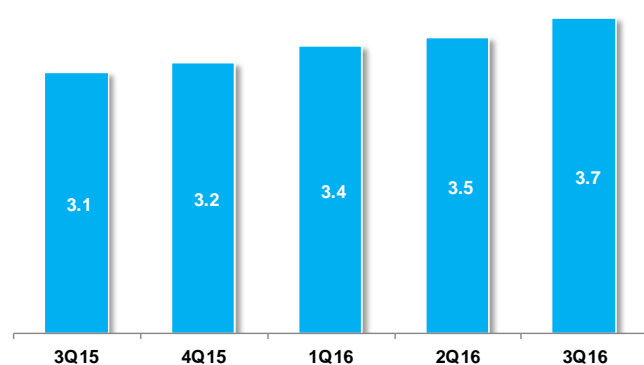
Pension Plan	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Pension Plan Contribution ¹ - PGBL (R\$ million)	43.4	41.5	4.6	130.6	126.8	3.0
Premiums - VGBL (R\$ million)	58.4	46.7	25.1	172.6	132.6	30.2
Total Pension Plan (R\$ million)	101.8	88.2	15.4	303.2	259.4	16.9
Technical Provisions (R\$ million)	3,730.6	3,089.6	20.7	3,730.6	3,089.6	20.7
Total Active Participants (thousands)	137	137	-	137	137	-

¹ Total Contributions – portabilities and withdrawals

Total contributions for pension plans reached R\$ 102 million in the quarter, 15% higher when compared to 3Q15. The increase is mainly explained by the higher investments volume in the Company.

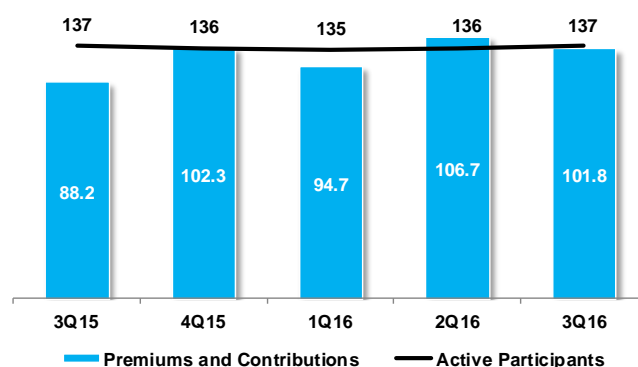
Assets under management reached R\$ 3.7 billion in the quarter, representing an increase of 21% (3Q16 x 3Q15).

Assets under Management² (R\$ billion)



² Considering only clients reserves

Active Participants (thousand) and Contributions³ (R\$ million)

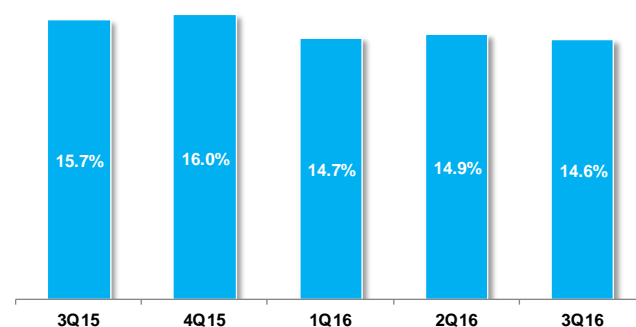


³ Pension contribution revenues + VGBL Premiums

G&A – Insurance

Administrative Expenses - Insurance						
R\$ thousand	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
General Administrative Expenses	478.4	476.0	0.5	1,444.5	1,408.7	2.5
Marketing	22.7	38.5	(41.0)	60.2	82.0	(26.6)
Profit Sharing	38.2	54.8	(30.3)	128.4	152.3	-15.7
Total Administrative Expenses - Insurance	539.3	569.3	(5.3)	1,633.1	1,643.0	-0.6
Total Administrative Expenses - excluding profit sharing	501.1	514.5	(2.6)	1,504.7	1,490.7	0.9
Earned Premiums	3,422.7	3,276.6	4.5	10,209.2	9,695.4	5.3

G&A Insurance Ratio



Insurance G&A (excluding profit sharing) totaled R\$ 501 million, a reduction of 3% when compared to 3Q15. In the 9M16, the insurance G&A growth was lower than 1%, while the inflation rate in the period was 8.5%.

The insurance G&A ratio attained 14.6% in the 3Q16 (-1.1 p.p. vs. 3Q15) and 14.7% in the 9M16 (-0.7 p.p. vs. 9M15) as a result of our efforts to enhance the Company process.

Other Operational Expenses/Revenues

Other Operational Expenses/Revenues - Insurance						
R\$ thousand	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Other Operating Revenues - Insurance	7.0	9.5	(26.3)	29.5	33.7	(12.5)
Other Operating Expenses - Insurance	147.7	165.0	(10.5)	468.7	468.4	0.1
Total Other Operational Expenses/Revenues	(140.7)	(155.5)	(9.5)	(439.2)	(434.7)	1.0
Index (Vs. premiums) Var p.p.	4.1	4.7	(0.6)	4.3	4.4	(0.1)

Other operational income – insurance totaled R\$ 7 million in 3Q16, a reduction of 26% over the R\$ 10 million totaled in 3Q15, explained by lower revenues from the DPVAT consortium.

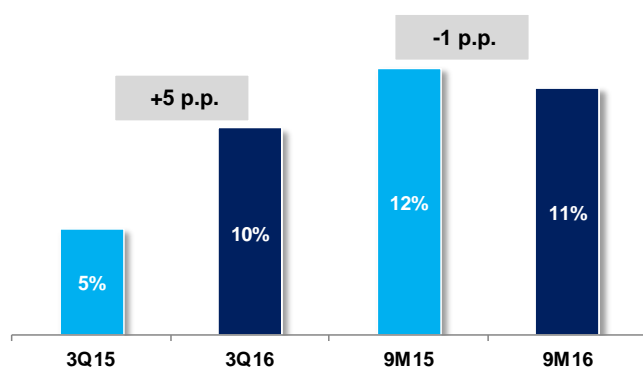
Other operational expenses – insurance totaled R\$ 148 million in 3Q16, a decrease of 11% when compared to the 3Q15 mainly due to the reduced contracts expenses in the period.

The O.E ratio (total other operational revenues and expenses / earned premium) reduced 0.6 p.p. in the quarter and 0.2 p.p. in the year.

Financial and Service Businesses

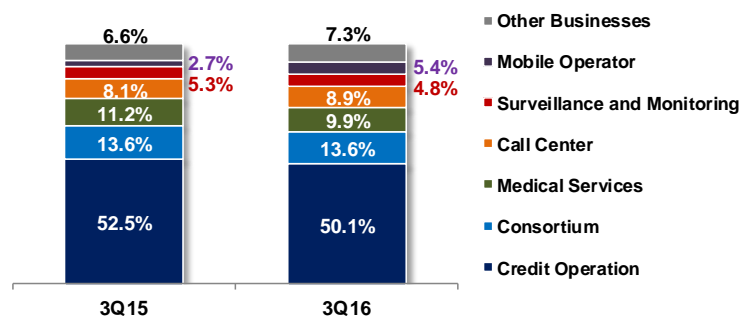
Summarized Income Statement - Non Insurance						
(R\$ thousand)	3Q16	3Q15	Var. %	9M16	9M15	Var. %
Revenues from Credit Operation	246.6	233.0	5.8	713.5	741.1	(3.7)
Revenues from Services - services	245.2	211.2	16.1	692.6	593.5	16.7
TOTAL REVENUE	491.8	444.2	10.7	1,406.1	1,334.6	5.4
Allowance for delinquent accounts - Financial	(72.0)	(118.1)	(39.0)	(198.8)	(251.7)	(21.0)
Costs of services rendered (a)	(73.3)	(73.9)	(0.8)	(203.7)	(178.1)	14.4
Commercial Expenses (b)	(26.7)	(25.6)	4.3	(74.8)	(65.0)	15.1
G&A - General Expenses (c)	(152.2)	(124.9)	21.9	(438.0)	(381.9)	14.7
Other Operational Revenues/Expenses (d)	(89.4)	(81.7)	9.4	(255.5)	(247.6)	3.2
Total (a+b+c+d)	(341.6)	(306.1)	11.6	(972.0)	(872.6)	11.4
Tax	(24.5)	(23.7)	3.4	(72.0)	(69.8)	3.2
TOTAL G&A AND OPERATIONAL EXPENSES	(438.1)	(447.9)	(2.2)	(1,242.8)	(1,194.1)	4.1
Depreciation	(9.3)	(7.8)	19.2	(20.4)	(21.9)	(6.8)
OPERATING INCOME	44.4	(11.5)	(486.1)	142.9	118.6	20.5
Financial and Equity Accounting Results	12.1	15.5	(21.9)	38.7	40.7	(4.9)
INCOME BEFORE TAX	56.5	4.0	1,312.5	181.6	159.3	14.0
Income Tax and Social Contribution	(27.6)	13.1	(310.7)	(82.5)	(51.8)	59.3
Profit Sharing	(9.3)	(6.7)	38.8	(28.1)	(19.0)	47.9
NET INCOME	19.6	10.4	88.5	71.0	88.5	(19.8)
ROAE	7.7	4.5	3.2	10.0	13.4	(3.4)

Financial and Service Businesses in Net Earnings*



*In relation to the Total Net Earnings (without Business Combination)

Revenues Breakdown – Financial and Service Businesses



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

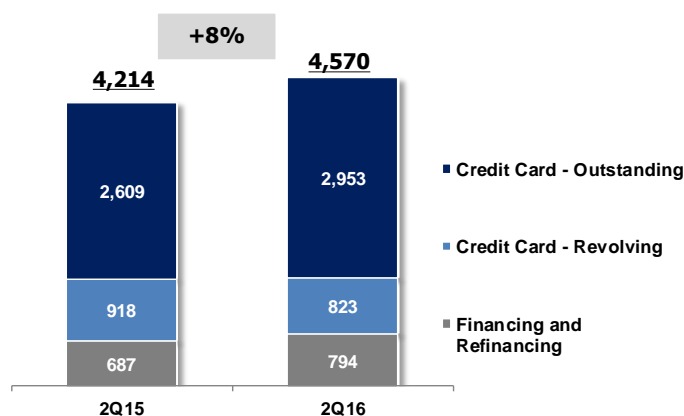
- Total revenues from financial and service businesses attained R\$ 492 million in 3Q16, 11% above 3Q15, driven mainly by the increase of our MVNO Company (Porto Conecta), Credit Operations and Consortium.
- Consolidated ROAE from financial and services businesses totaled 7.7% in the quarter, an increase of 3.2 p.p., mainly explained by the losses reduction of Porto Conecta.
- The returns have been reduced by the start-up operations, which still have deficit margins, being offset by more mature businesses such as Credit Card, Consortium, among others.

Credit Card and Financing

Credit Operations (Portoseg) - R\$ thousand	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Revenues from Financial Intermediation (R\$ million)	136.7	140.0	(2.4)	396.0	468.2	(15.4)
Revenues from Services	95.2	80.4	18.4	273.3	231.4	18.1
Other Revenues	14.7	12.6	16.7	44.2	41.5	6.5
Revenues from Credit Operation and Financing (R\$ million)	246.6	233.0	5.8	713.5	741.1	(3.7)
Loan Loss Provisions (%) p.p.	6.6	8.3	(1.7)	6.6	8.3	(1.7)
Total Financing Clients (thousand)	55	44	25.0	55	44	25.0
Credit Card Clients (million)	2,013	1,838	9.5	2,013	1,838	9.5

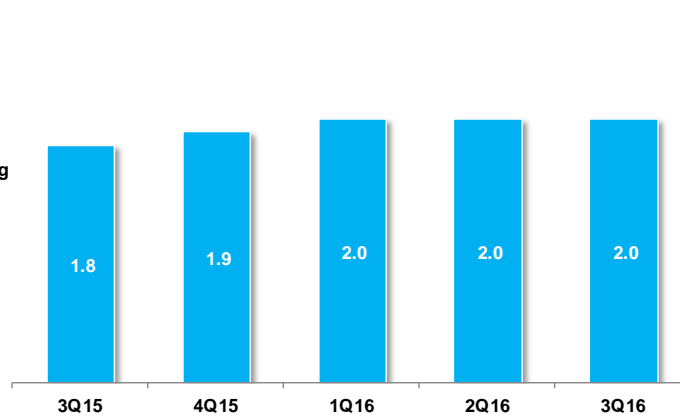
- The income from credit operations totaled R\$ 247 million in 3Q16, 6% higher when compared to 3Q15, mainly driven by higher revenues from services, especially due to the increased exchange volume.
- NPL (over 90 days) reached 5.9% in the quarter, lower than the market average of 7.7% (Source: Banco Central). The NPL reduced 0.6 p.p. when compared to the second quarter as a result of measures that the Company has been taking to gradually reduce the risk, aiming to offset the economic crisis effects.
- The allowance for delinquent accounts in the quarter reached 6.6%, a reduction of 1.7 p.p. in the quarter when compared to 3Q15. The coverage rate – a result of loan loss provisions balance related to the balance of late payments operations (over 90 days) – attained 112% in the quarter, which represents a decrease of 19.4 p.p. in comparison to the 3Q15.
- The percentage of the portfolio's risk cost (provision costs + credit loss / net revenues from financial intermediation) ended the quarter reporting a decrease of 1.1 p.p. when compared to the 3Q15.
- The total credit portfolio reached R\$ 4.6 billion by the end of 3Q16 and the largest part (65%) is comprised of outstanding payments from credit card products.

Credit Operation Portfolio (R\$ million)*



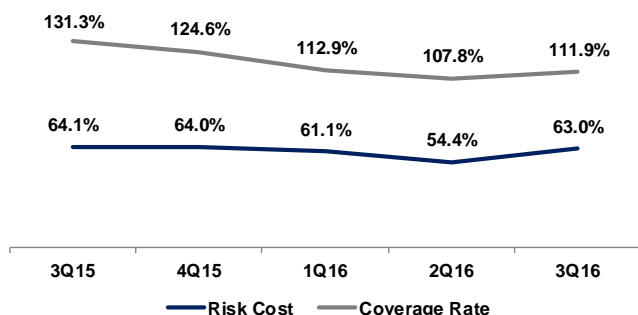
* The balance of credit card operations portfolio – excluding private label operations – amounted R\$ 3,974 MM (R\$ 3,579 MM in 3Q15)

Credit Card (million of units)*

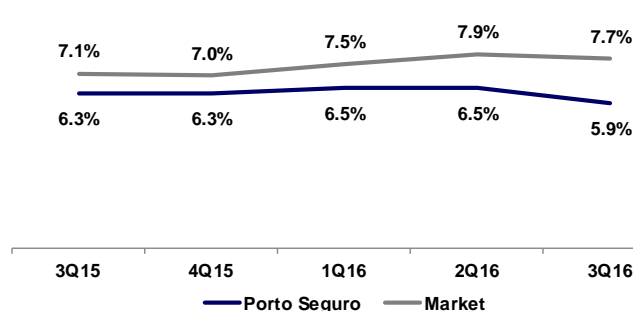


*Cards apt for use, including card holders and additional

Coverage Rate¹ and Risk Cost² (%)



NPL over 90 days¹



¹ Considering late payments over 90 days within the active portfolio. Does not consider active agreement operations - (Central Bank methodology)

² Credit Loss/ Net Revenues from Financial Intermediation

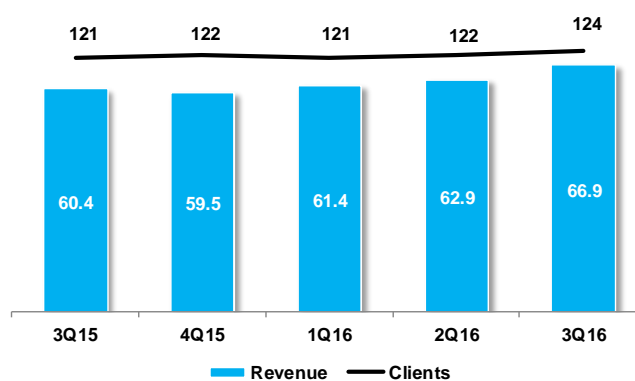
¹The NPL over 90 days was adjusted to stay in line with the Central Bank methodology, which establishes that the balance of agreement operations related to late payments are not considered delinquent

Consortium

Consortium	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Revenues from Consortium operation (R\$ million)	66.9	60.4	10.8	191.2	168.9	13.2
Consortium Members (thousand)	124	121	2.5	124	121	2.5

- Income from consortium fees totaled R\$ 67 million in 3Q16, an increase of 11% driven by the sales growth from products with higher average tickets.

Total Revenue (R\$ million) and Active Clients (thousand)

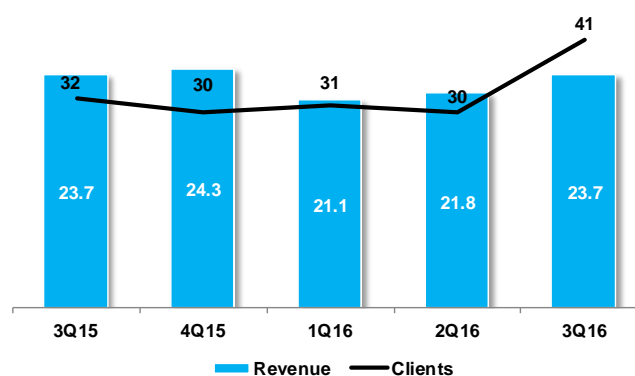


Surveillance and Monitoring

Surveillance and Monitoring	3Q16	3Q15	Var. %/p.p.	9M16	9M15	Var. %/p.p.
Revenues (R\$ million)	23.7	23.7	(0.0)	66.6	68.5	(2.8)
Clients (thousand)	41	32	28.1	41	32	28.1

- Revenues from monitoring services and security products sales remained stable in the quarter, amounting R\$ 24 million.
- Despite the increased number of clients (+28%), the change in the portfolio mix of products with lower average ticket didn't allow for revenues growth in the quarter.

Total Revenue (R\$ million) and Active Clients (thousand)



Financial Income/Expenses

Financial Revenues		3Q16	3Q15	Var. %	9M16	9M15	Var. %
Investment - Ex-Pension Funds*		254.7	164.1	55.2	824.0	573.5	43.7
Investment - Pension Funds Plan		118.0	35.0	237.1	394.4	200.4	96.8
Total Investment		372.7	199.1	87.2	1,218.4	773.9	57.4
Other Revenues		112.7	134.3	(16.1)	344.7	374.7	(8.0)
Total Financial Income		485.4	333.4	45.6	1,563.1	1,148.6	36.1
(*) Pension funds own Revenues Included							
Financial Expenses		3Q16	3Q15	Var. %	9M16	9M15	Var. %
Pension Plan Operations		(117.8)	(41.4)	184.5	(363.1)	(194.8)	86.4
Insurance Operations		(46.2)	(37.9)	21.9	(133.4)	(110.6)	20.6
P&L - Fixed Income Bonds classified as available-for-sale		(2.9)	(22.9)	(87.3)	(32.8)	(24.3)	35.0
P&L - Fixed Income Bonds classified as available-for-sale - Pension Funds		0.0	0.0	0.0	(3.9)	0.0	0.0
Other Expenses		(34.3)	(21.0)	63.3	(82.0)	(55.3)	48.3
Total Financial Expenses		(201.2)	(123.2)	63.3	(615.2)	(385.0)	59.8
Financial Income		3Q16	3Q15	Var. %	9M16	9M15	Var. %
Total Financial Income		284.2	210.2	35.2	947.9	763.6	24.1

Financial revenues were R\$ 485 million in the 3Q16 (+46% vs. 3Q15).

Financial results achieved R\$ 284 million for the quarter, 35% greater when compared to 3Q15.

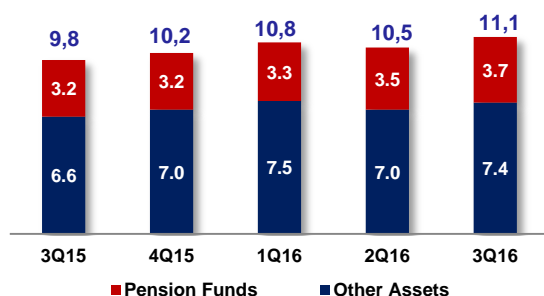
The total return on the financial investment portfolio (total AUM of R\$ 11.1 billion) was 3.4% (98% of CDI*) in the 3Q16.

Excluding pension funds, the portfolio results (R\$ 7.4 Billion) produced a return of 3.5% (100% of CDI*).

The financial investment portfolio profitability in the third quarter (excluding pension funds) was supported mainly by the equities performance and partially offset by the investments in fixed income which remained slightly below the CDI.

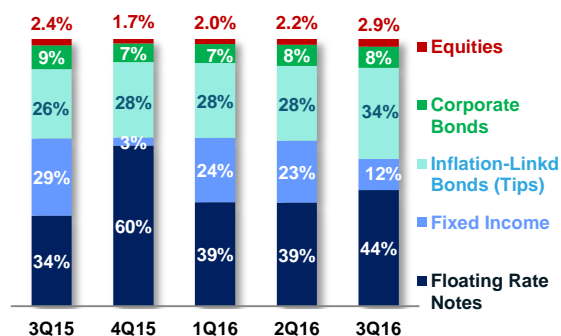
*CDI – Risk Free Rate (Similar to LIBOR)

Revenue from Investments Assets (R\$ Billion)

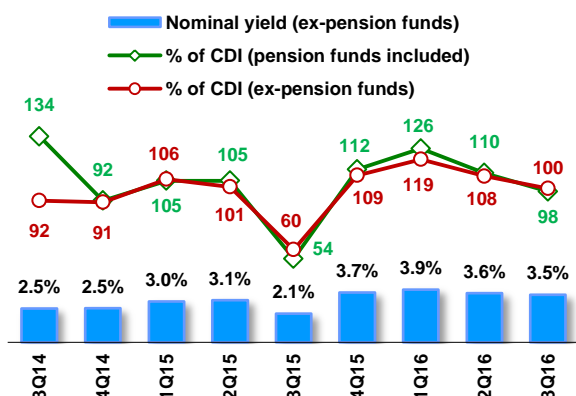


Allocation¹

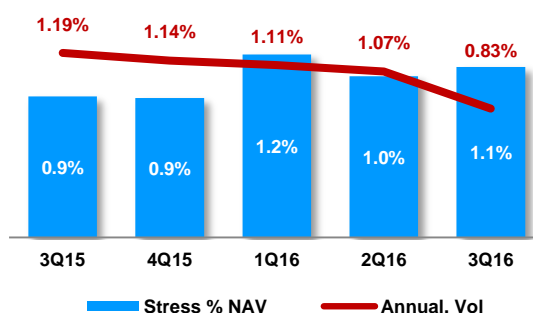
(ex-Pension Funds)



Quarterly Performance



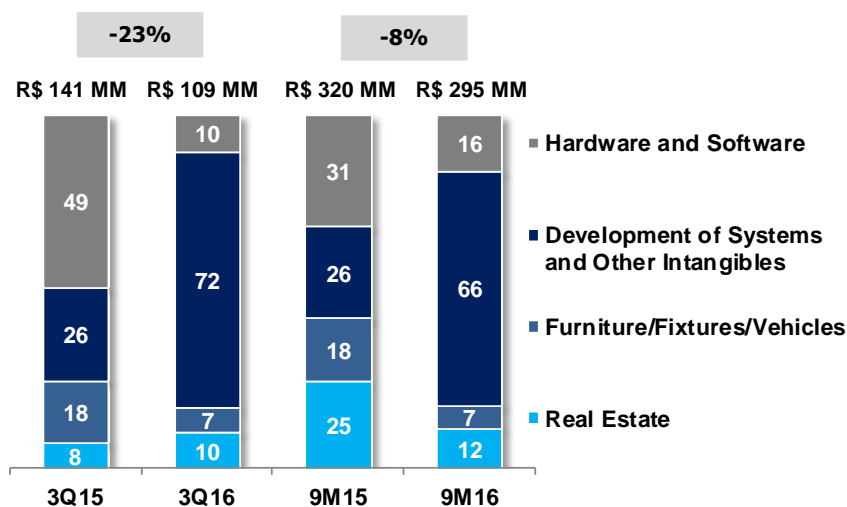
Risk Exposure (ex-Pension funds)²



¹ Futures exposures included.

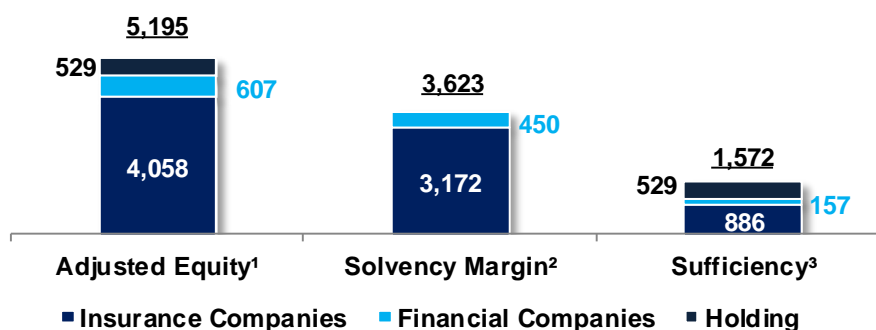
² Brazilian Futures Exchange (BM&FBOVESPA) stress scenarios.

CAPEX Breakdown (%)



The vast part of investments were allocated the system development and acquisition of software licenses, representing more than 80% of the total amount, in order to enhance the Company process and expand segments such as Life Insurance, P&C Insurance and new businesses. In addition, we also have other expenses, due to the implementation of corporate systems, that is still ongoing.

Capital Requirements – 3Q16 (R\$ million)



¹ Equity adjusted by additions and exclusions according to agencies standardization (SUSEP, BACEN and ANS)

² Necessity of Capital required according to regulators (SUSEP, BACEN e ANS)

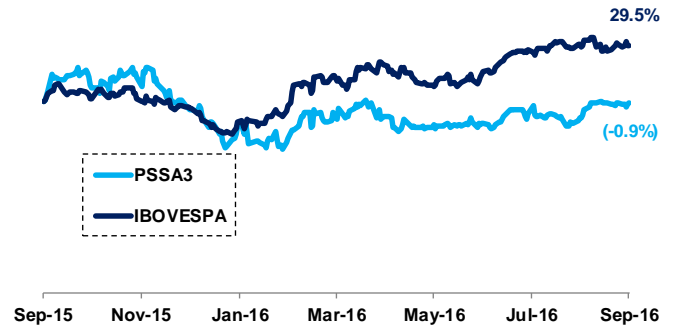
³ Refers to the difference between adjusted equity and necessity of capital requirement

Historical Variation*: PSSA3 x Ibov %

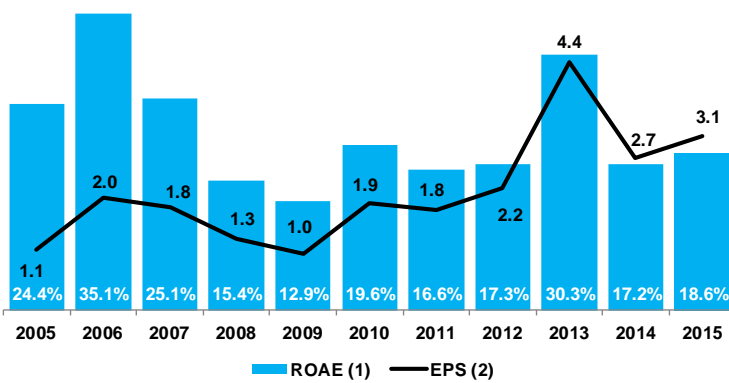
PSSA3	IBOVESPA
328%	143%

* From November 2004 (IPO) to September, 2016

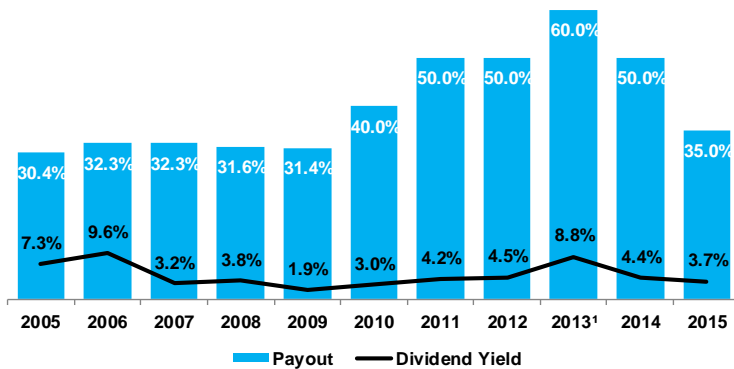
Annual Performance PSSA3 vs. Ibovespa
last 12 months



Profitability
(without Business Combination)



Payout and Dividend Yield



Porto Seguro S.A. Data

Corporate Taxpayer ID	02.149.201/0001-69
BM&Fbovespa	PSSA3
Sector	Insurance
Share price in 09/30/2016	29.82
52 Week Low - 02/26/2016 - R\$	22.71
52 Week High - 12/04/2015 - R\$	35.50
Number of shares in the Free Float (million)	94.3
Market Value (R\$ billion) in 09/30/2016	9.6
Price Book Value in 09/30/2016	1.4

Analysts Coverage

Bank / Broker	Analyst	Phone
Banco Haitong	Pedro Fonseca	55 (11) 3074-7356
Banco Plural	Eduardo Nishio	55 (11) 3206-8240
Banco Safra	Francisco Kops	55 (11) 3175-9073
Bradesco	Rafael Frade	55 (11) 2178-5329
BTG Pactual	Eduardo Rosman	55 (11) 3383-2772
Citibank	Juan Carlos Arandia	55 (11) 4009-2650
Credit Suisse	Lucas Lopes	55 (11) 3701-6052
Deutsche Bank	Tito Labarta	1 (212) 250-5944
Goldman Sachs	Carlos Macedo	1 (212) 902-7211
JP Morgan	Domingos Falavina	55 (11) 4950-3474
Merrill Lynch	Mario Pierry	1 646 743 0047
Morgan Stanley	Jorge Kury	1 (212) 761-6341
Santander	Henrique Navarro	55 (11) 3012-5756
UBS	Mariana Taddeo	55 (11) 3513-6512

(1) Return on Average Equity (without Business Combination)
 (2) Net Earnings per Share in R\$ (without Business Combination)
 (3) Total Dividends Paid (Dividends + Interest on Capital Excluding Tax) divided by Adjusted Net Income
 (4) Dividends Profitability in relations to the Share price (Total Dividends Paid divided by the Share Price on the las day of the period)

PORTO SEGURO S.A and Subsidiaries
BALANCE SHEETS ON SEPTEMBER, 30th AND DECEMBER, 31st
 (Amounts in thousand of reais)

	Consolidated			Consolidated	
	2016	2015		2016	2015
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
Current assets	<u>16,483,511</u>	<u>17,934,116</u>	Current liability	<u>13,623,195</u>	<u>13,636,485</u>
Cash and cash equivalents	848,993	1,154,904	Liabilities from insurance contracts	8,499,176	8,246,393
Financial assets			Debits from insurance and reinsurance operations	373,970	347,205
Financial assets at fair value through income or loss	6,938,213	6,146,412	Financial liabilities	3,746,273	3,747,835
Financial assets available for sale	12,753	2,090,094	Taxes and contributions payable	398,367	432,305
Loans and Receivables			Dividends and interest on capital payable	1,341	239,508
Insurance premium receivable	3,261,542	3,320,437	Derivative financial instruments	12,285	-
Credit Operations	1,034,319	965,115	Other liabilities	591,783	623,239
Securities and amounts receivables	2,328,565	2,253,601			
Amount receivable from provided service	84,755	55,362	Non-current assets	<u>3,657,658</u>	<u>3,112,813</u>
Reinsurance assets	78,108	73,364	Liabilities from insurance contracts	3,140,873	2,623,266
Taxes and contributions receivable	85,282	138,008	Financial liabilities	77,448	48,230
Non financial assets available for sale	181,718	167,098	Deferred income tax and social contribution	273,466	79,279
Deferred contract acquisition costs	1,205,198	1,188,206	Other liabilities	80,652	289,391
Derivative financial instruments	-	37,343	Legal provisions	85,219	72,647
Other assets	424,065	344,172			
			Shareholders' Equity	<u>6,983,846</u>	<u>6,440,196</u>
Long-term assets	<u>7,781,188</u>	<u>5,255,378</u>	Capital	3,170,000	2,782,000
Financial assets			Capital reserve	-	47,412
Financial assets at fair value through income or loss	1,157	1,026	Revenue reserves	3,175,838	3,516,426
Financial assets available for sale	3,360,524	986,174	Additional proposed dividends	-	112,259
Loans and Receivables			Retained Earnings	613,986	-
Insurance premium receivable	834	810	Other comprehensive income	21,763	(19,504)
Credit Operations	310,355	289,331	Non-controlling interest	2,259	1,603
Reinsurance assets	637	716			
Deferred Income Tax and Social Contribution	467,109	502,875			
Taxes and contributions receivable	6,362	6,328			
Deferred contract acquisition costs	13,575	7,072			
Other assets	332,954	324,098			
Investments					
Real estate held as investment	8,603	8,511			
Fixed assets	1,516,140	1,478,793			
Intangible	1,762,938	1,649,644			
TOTAL ASSETS	<u>24,264,699</u>	<u>23,189,494</u>	TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	<u>24,264,699</u>	<u>23,189,494</u>

PORTO SEGURO S.A.
INCOME STATEMENT
(in thousand of reais)

	<u>3Q16</u>	<u>3Q15</u>	<u>9M16</u>	<u>9M15</u>
Revenue				
Written insurance premiums and healthcare plan premiums	3,604,110	3,425,229	10,505,906	9,912,702
(-) Reinsurance premiums	(32,115)	(38,965)	(76,669)	(63,833)
(=) Written and billed premiums, Net of Reinsurance	3,571,995	3,386,264	10,429,237	9,848,869
Revenue from credit operations	246,595	233,020	713,455	741,099
Revenue from services	245,245	211,221	692,643	593,482
Private pension	43,454	41,515	130,648	126,792
Net Revenues from capitalization securities	6,575	4,357	20,183	11,802
Other operating revenues - Insurance	7,089	9,494	29,555	33,651
Other operating revenues - Other	16,678	25,463	44,817	68,189
Revenue from rent of properties	1,955	3,023	5,752	8,471
Total Revenues	<u>4,139,586</u>	<u>3,914,357</u>	<u>12,066,290</u>	<u>11,432,355</u>
Expenses				
Changes in net technical provisions - insurance	(149,327)	(109,714)	(220,052)	(153,451)
Changes in net technical provisions - pension	(37,311)	(38,618)	(98,727)	(113,643)
(=) Total Changes in net technical provisions	(186,638)	(148,332)	(318,779)	(267,094)
Gross retained claims	(2,188,671)	(1,976,230)	(6,647,735)	(5,964,776)
Supplementary pension plan benefits	(7,049)	(4,668)	(17,116)	(13,788)
(-) Recovery of reinsurers	11,728	16,763	37,935	45,497
(-) Recovery of salvage vehicles and reimbursements	260,929	243,027	789,412	721,079
(=) Expenses with claims and credited benefits, net	(1,923,063)	(1,721,108)	(5,837,504)	(5,211,988)
Acquisition costs - insurance	(701,777)	(677,128)	(2,059,216)	(1,974,253)
Acquisition costs - other	(31,002)	(29,118)	(86,773)	(74,654)
Administrative expenses - Insurance	(501,052)	(514,528)	(1,504,687)	(1,490,656)
Administrative expenses - Other	(215,819)	(198,620)	(628,100)	(587,588)
Tax expenses - Insurance	(91,706)	(90,107)	(282,628)	(238,300)
Tax expenses - Other	(24,490)	(23,677)	(72,049)	(69,830)
Cost of services rendered	(73,285)	(73,951)	(203,654)	(178,130)
Other operating expenses - Insurance	(147,801)	(164,985)	(468,795)	(468,333)
Other operating expenses - Other	(175,234)	(223,729)	(493,551)	(559,663)
Total Expenses	<u>(4,071,867)</u>	<u>(3,865,283)</u>	<u>(11,955,736)</u>	<u>(11,120,489)</u>
Operating result before financial result	<u>67,719</u>	<u>49,074</u>	<u>110,554</u>	<u>311,866</u>
Financial revenues - Insurance	446,144	318,083	1,397,629	1,077,829
Financial revenues - Other	39,225	15,275	165,434	70,765
Financial expenses - Insurance	(190,480)	(98,839)	(567,208)	(357,150)
Financial expenses - Other	(10,698)	(24,293)	(47,970)	(27,872)
	284,191	210,226	947,885	763,572
Operating income	<u>351,910</u>	<u>259,300</u>	<u>1,058,439</u>	<u>1,075,438</u>
Income before Income and social contribution taxes	<u>351,910</u>	<u>259,300</u>	<u>1,058,439</u>	<u>1,075,438</u>
Income and social contribution taxes	<u>(150,341)</u>	<u>(54,847)</u>	<u>(447,866)</u>	<u>(368,594)</u>
Current	(136,132)	(142,867)	(421,326)	(511,644)
Deferred	(14,209)	88,020	(26,540)	143,050
Net income for the period	<u>201,569</u>	<u>204,453</u>	<u>610,573</u>	<u>706,844</u>
Attributable to				
- Shareholders of the Company	202,682	207,233	613,986	709,378
- In subsidiaries Not Controlling Minority Shareholders	(1,113)	(2,780)	(3,413)	(2,534)
Effective Tax Rate: Tax and Social Contribution Over Net Income before Tax ¹	42.7%	21.2%	42.3%	34.3%

¹ Tax credit increase regarding to the CSLL from 15% to 20% and TJLP (Long-term interest rate) increase from 5% to 7%

PORTO SEGURO S.A and Subsidiaries		
STATEMENTS OF CASH FLOWS		
FOR THE PERIODS ENDED IN SEPTEMBER 30th		
(In thousands of reais)		
	<u>2016</u>	<u>2015</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	351,004	460,459
CASH FLOW FROM OPERATING ACTIVITIES	765,986	853,395
Net Income For The Quarter	610,573	706,844
Depreciation - property, plant and equipment	91,654	87,467
Depreciation - investments real estate properties	145	140
Amortization	61,235	56,435
Proceeds from sale of fixed assets	2,379	2,509
Increase / decrease in assets	62,393	255,984
Financial assets at fair value through profit or loss	(791,932)	(536,136)
Available-for-sale financial assets	(297,009)	(226,557)
Premiums receivable from policyholders	58,871	78,752
Credit operations	(90,228)	(23,750)
Notes and credits receivable	(74,964)	267,423
Reinsurance assets	(4,665)	(14,746)
Deferred income tax and social contribution	19,841	(143,050)
Tax and contribution recoverable	52,692	1,292
Assets for sale	(14,620)	(4,783)
Other assets	(80,555)	(195,340)
Acquisition costs of deferred contracts	(23,495)	(9,005)
Liabilities of insurance contracts	770,390	563,889
Insurance and reinsurance payables	26,765	805
Financial liabilities	132,446	63,921
Derivative financial instruments	12,285	-
Taxes and contributions payable	383,983	460,445
Provisions	12,572	(23,626)
Other liabilities	(29,984)	(3,550)
Other	(477,375)	(648,920)
Financial instrument adjustments	41,267	(32,738)
Non-controlling interest	4,069	2,732
Funding costs	(104,790)	(159,901)
Income tax and social contribution paid	(417,921)	(459,013)
CASH FLOW FROM INVESTMENT ACTIVITIES	(306,390)	(328,492)
Sales of fixed assets and intangible	15,290	9,754
Acquisition of fixed assets	(100,232)	(185,763)
Investments on Intangible	(221,448)	(152,483)
CASH FLOW FROM FINANCING ACTIVITIES	(350,525)	(433,939)
Dividends paid	(45,763)	(205,689)
Interests on Capital paid	(304,762)	(228,250)
DECREASE IN CASH AND CASH EQUIVALENTS	(305,911)	(301,972)
Cash and Equivalents at Beginning of Period	1,154,904	1,003,862
Cash and Equivalents at End of Period	848,993	701,890



**PORTO
SEGURO**

Operating and Financial Highlights

3Q16 and 9M16 Earnings Release

REVENUES (in R\$ million)						
	3Q16	3Q15	Var.%	9M16	9M15	Var.%
INSURANCE WRITTEN PREMIUMS, PENSION AND CAPITALIZATION REVENUES						
Porto Seguro – Auto	1,222.3	1,134.1	7.8	3,487.4	3,413.4	2.2
Azul Seguros – Auto	607.0	583.5	4.0	1,876.4	1,702.9	10.2
Itaú Auto e Residência - Auto	544.7	582.5	(6.5)	1,545.7	1,473.7	4.9
Total Auto	2,374.0	2,300.1	3.2	6,909.5	6,590.0	4.8
P&C - Porto Seguro and Azul Seguros	248.4	198.0	25.5	657.2	556.0	18.2
P&C - Itaú Auto e Residência	128.5	118.4	8.5	346.0	344.1	0.6
Total P&C	376.9	316.4	19.1	1,003.2	900.1	11.5
Health	249.9	238.4	4.8	751.4	745.1	0.8
Dental	25.1	21.2	18.4	71.8	57.9	24.0
Portomed (health care plan)	31.1	21.5	44.7	93.2	56.7	64.4
Total Health (Health + Dental + Portomed)	306.1	281.1	8.9	916.4	859.7	6.6
Life	190.0	153.8	23.5	499.4	413.1	20.9
DPVAT (Cars/Personal Injured Liability)	96.7	105.8	(8.6)	410.0	417.5	(1.8)
Financial Risks	83.1	94.8	(12.3)	260.2	287.4	(9.5)
Written Premiums VGBL	58.4	46.7	25.1	172.6	132.6	30.2
Porto Seguro Uruguay	58.6	60.5	(3.1)	176.9	166.8	6.1
Cargo	39.2	38.8	1.0	110.7	109.1	1.5
Other Insurance	21.1	27.2	(22.4)	47.0	36.4	29.1
Total Written Premiums	3,604.1	3,425.2	5.2	10,505.9	9,912.7	6.0
Other Operational Revenues - Insurance	7.0	9.5	(26.3)	29.5	33.7	(12.5)
Total Earned Premiums	3,422.7	3,276.6	4.5	10,209.2	9,695.4	5.3
Total Pension Revenues (PGBL + VGBL)	101.8	88.2	15.4	303.2	259.4	16.9
Capitalization Total Revenues	6.6	4.4	50.0	20.2	11.8	71.2
REVENUES FROM FINANCIAL AND SERVICE BUSINESSES						
Credit Card and Financing	246.6	233.0	5.8	713.5	741.1	(3.7)
Consortium	66.9	60.4	10.8	191.2	168.9	13.2
Medical Services	48.9	49.6	(1.4)	139.8	143.0	(2.2)
Call Center	43.9	36.1	21.6	128.2	103.7	23.6
Surveillance and Monitoring Services	23.7	23.7	(0.0)	66.6	68.5	(2.8)
Mobile Operator	26.7	12.0	122.5	66.6	28.2	136.2
Asset Management	14.8	11.2	32.1	39.3	32.1	22.4
Other Revenues	20.3	18.2	11.5	60.9	49.1	24.0
Financial Businesses and Services - Total Revenues	491.8	444.2	10.7	1,406.1	1,334.6	5.4
Other Operational Revenues - Financial Businesses and Services	9.5	19.4	(51.0)	24.1	48.5	(50.3)
Real Estate Revenues	2.0	3.0	(33.3)	5.8	8.5	(31.8)
Total Revenues	4,164.4	3,947.2	5.5	12,122.2	11,476.6	5.6
FINANCIAL RESULTS						
Financial Results - Insurance	255.7	219.2	16.7	830.4	720.7	15.2
Financial Results - Other (Financial Businesses / Services / Holding)	28.5	(9.0)	(416.7)	117.5	42.9	173.9
Total Financial Results	284.2	210.2	35.2	947.9	763.6	24.1
INDEX (%)						
LOSS RATIO						
Porto Seguro – Auto	52.6	49.9	2.7	54.1	51.0	3.1
Azul Seguros – Auto	63.1	57.0	6.1	62.5	57.5	5.0
Itaú Auto e Residência - Auto	62.3	58.5	3.8	62.7	60.0	2.7
Total Auto	57.7	53.7	4.0	58.3	54.7	3.6
P&C - Porto Seguro and Azul Seguros	33.5	26.4	7.1	33.8	28.6	5.2
P&C - Itaú Auto e Residência	28.2	30.6	(2.4)	31.6	31.0	0.6
Total P&C	31.4	28.1	3.3	32.9	29.6	3.3
Health	84.3	78.9	5.4	81.2	74.8	6.4
Dental	54.3	66.2	(11.9)	55.9	58.5	(2.6)
Portomed (Healthcare Plan)	98.7	99.5	(0.8)	101.2	98.2	3.0
Health (Health + Dental + Portomed)	83.3	79.5	3.8	81.3	75.2	6.1
Life	29.8	26.5	3.3	30.4	26.6	3.8
Total Loss Ratio	56.0	52.4	3.6	57.0	53.6	3.4
INSURANCE COMMISSION RATIO						
Acquisition costs - Insurance	20.5	20.7	(0.2)	20.2	20.4	(0.2)
INSURANCE - OPERATING AND ADMINISTRATIVE EXPENSES						
G&A – Insurance	14.6	15.7	(1.1)	14.7	15.4	(0.7)
G&A and Other Operational Revenues/Expenses - Insurance	4.1	4.7	(0.6)	4.3	4.4	(0.1)
Total Administrative and Operational Expenses	18.7	20.4	(1.7)	19.0	19.8	(0.8)
Tax - Insurance	2.7	2.8	(0.1)	2.8	2.5	0.3
MARGIN AND PROFITABILITY						
Combined Ratio - Insurance - var.p.p	97.9	96.3	1.6	99.0	96.3	2.7
Amplified Combined Ratio - Insurance - var. p.p.	91.1	90.2	0.9	91.5	89.6	1.9
Shareholder's Equity w/o Business Combination - R\$ million - var. %	6,198.1	5,655.7	9.6	6,198.1	5,655.7	9.6
Shareholder's Equity with Business Combination - R\$ million - var. %	6,981.6	6,446.7	8.3	6,981.6	6,446.7	8.3
Net Earnings w/o Business Combination - R\$ million - var. %	204.6	209.1	(2.2)	619.7	715.1	(13.3)
Net Earnings with Business Combination - R\$ million - var. %	202.7	207.2	(2.2)	614.0	709.4	(13.4)
ROAE w/o Business Combination - p.p.	13.5	15.0	(1.5)	13.9	17.6	(3.7)
ROAE with Business Combination - p.p.	11.8	13.1	(1.3)	12.2	15.2	(3.0)
EPS w/o Business Combination - R\$ - var. %	0.63	0.65	(2.2)	1.92	2.21	(13.3)
EPS with Business Combination - R\$ var. %	0.63	0.64	(2.2)	1.90	2.19	(13.4)
# of thousand shares - var. %	323,293	323,293	-	323,293	323,293	-