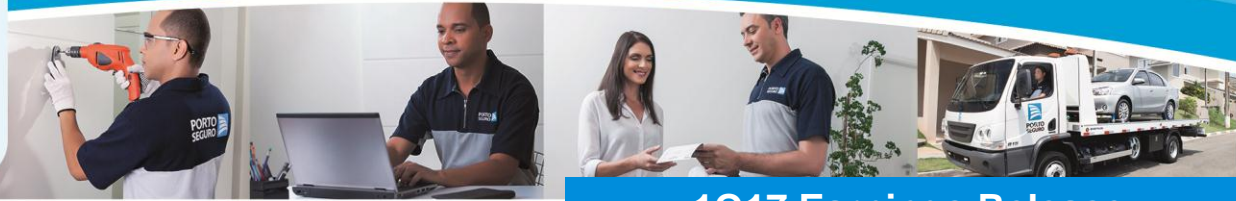




**PORTO
SEGURO**



1Q17 Earnings Release

In the first quarter of 2017, the results were impacted by the recessive macro economic scenario and by the falling interest rate. However, we already have recovery signs in the economy such as the inflation under control and improvements in Brazilian consumer confidence indicators.

The auto segment faced a challenging competition scenario, that related to the reduced new vehicle sales and our price adjustments policy focused on enhance profitability, pressured the premiums growth.

On the other hand, the diversify strategy of business, boosted by the greater performance of Life, Pension and Financial and Services Businesses partially offset the lower financial result in the period. The operational result improved 22% (vs. 1Q16).

In the insurance operation, written premiums decreased 1% in the 1Q17 mainly explained by the sales reduction of Auto insurance (-3%). The combined ratio remained practically stable, achieving 99.1% (+0.2 p.p.) in the quarter. The auto loss ratio increased 2 p.p. chiefly due to price adjustments, the slowdown of earned premiums and a higher theft frequency. However, the total loss ratio remained almost stable (+0.1 p.p.), partially offset by the lower losses of Life (-3.7 p.p.), Porto Commercial (-3.1 p.p.) and Dental (-14.1 p.p.). Finally, the administrative expenses increased 2% while the operational expenses decreased 10%, both below the inflation rate as a result of our efforts to enhance the Company operational efficiency.

The revenues from financial and service businesses increased 19% in the quarter mainly propelled by the growth of credit card and financing products. The portfolio NPL (over 90 days) ended the quarter reporting the lowest level in the last 4 years (2.4 p.p. better than the market average).

The return on financial investments performed above the benchmark, mainly driven by the inflation linked bonds and the equities performance. The total yield (excluding pension) was 3.4% (112% of the CDI). However, the quarterly financial result declined 13%, mostly affected by the decreased average CDI* (-7% vs. 1Q16).

The net earnings achieved R\$ 216 million in the 1Q17, a decrease of 10% when compared to the same period of 2016. The ROAE was 13.8% in the quarter.

*CDI – Risk Free Rate (Similar to LIBOR)

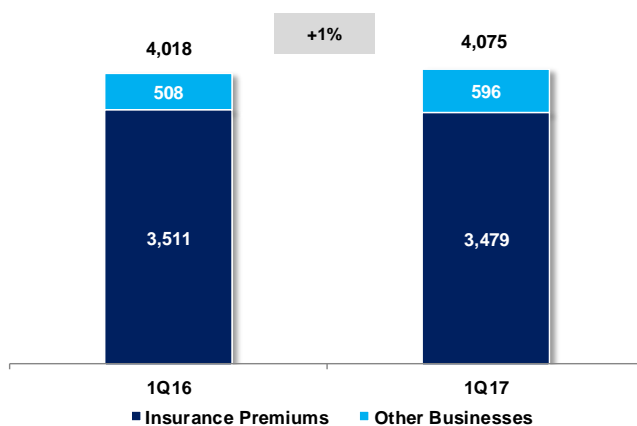
Earnings Conference Call – 1Q17

(05/05/17) – Portuguese/English 10:00 a.m. (NY) / 11:00 a.m. (Brasília)

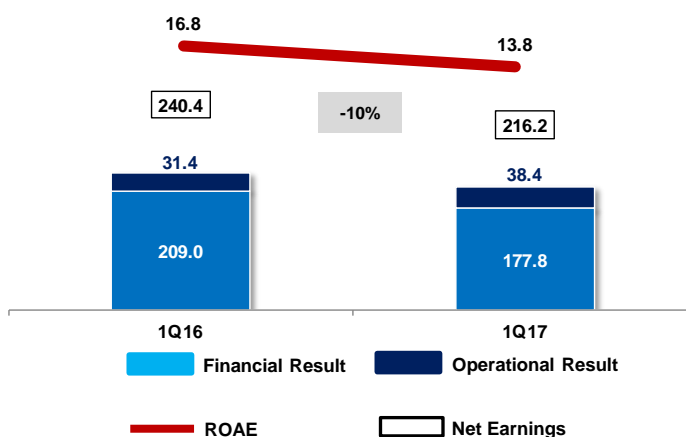
Highlights

- ▣ Total revenues increased 1% in the quarter when compared to the 1Q16.
- ▣ The total written premiums reduced 1% in the quarter
- ▣ The net income was R\$ 216 million (-10%) in 1Q17 (w/o business combination)
- ▣ ROAE of 13.8% (-3.0 p.p.) for the quarter (w/o business combination)
- ▣ The Combined Ratio attained 99.1% (+0.2 p.p.) in the 1Q17. Amplified Combined Ratio reached 92.4% (+1.4 p.p.) in the 1Q17
- ▣ Financial results attained R\$ 306 million in the 1Q17 (-13% vs. 1Q16)
- ▣ The financial investment portfolio gains (ex. pension plans) achieved R\$ 260 million in the 1Q17 (-8% vs. 1Q16), which represents a total yield of 3.4% (112% of the CDI) in the quarter

Total Revenue (R\$ Million)¹

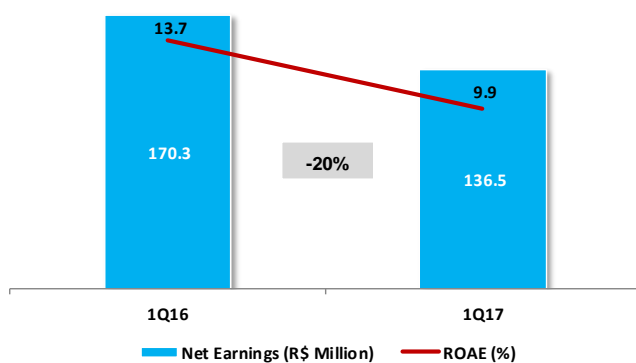


Consolidated Results (R\$ Million)²

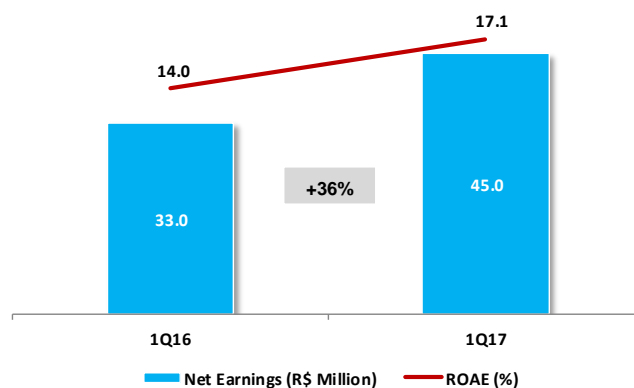


Results by Business Lines (R\$ Million)

Insurance³



Financial and Service Businesses⁴



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

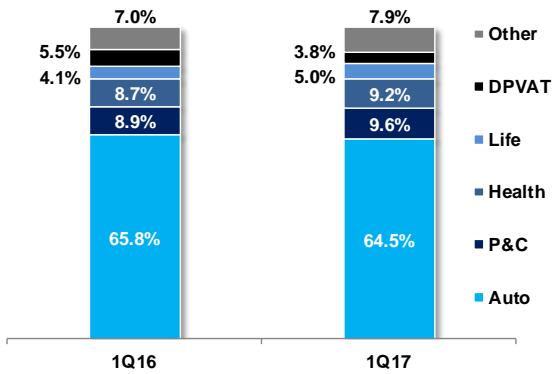
² The effective tax was applied for the financial result calculation, while the operational result is the difference between net income (w/o business combination) and the financial result net of taxes

³ Including insurance operations results, pension and capitalization

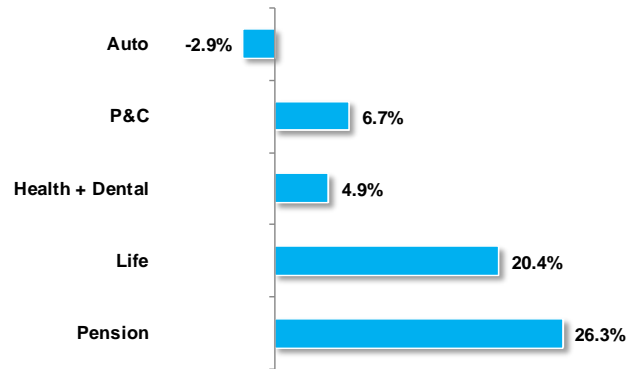
⁴ Represents Financial and Service Businesses results such as Consortium, Credit Card and Financing, Mobile Operator, Surveillance and Monitoring, Medical Services, among others.



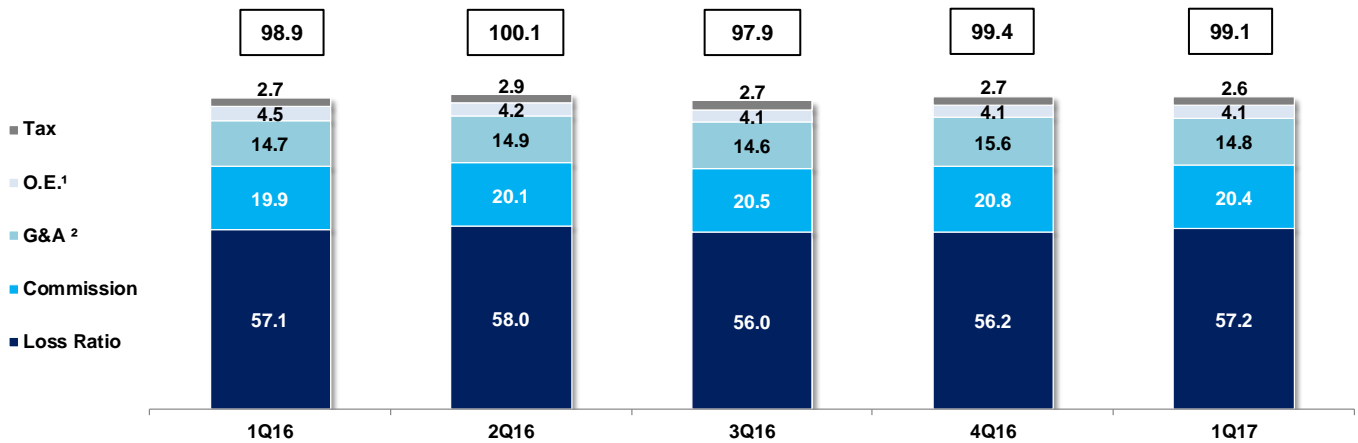
Insurance Written Premiums Breakdown



Top Products Growth* – 1Q17 x 1Q16

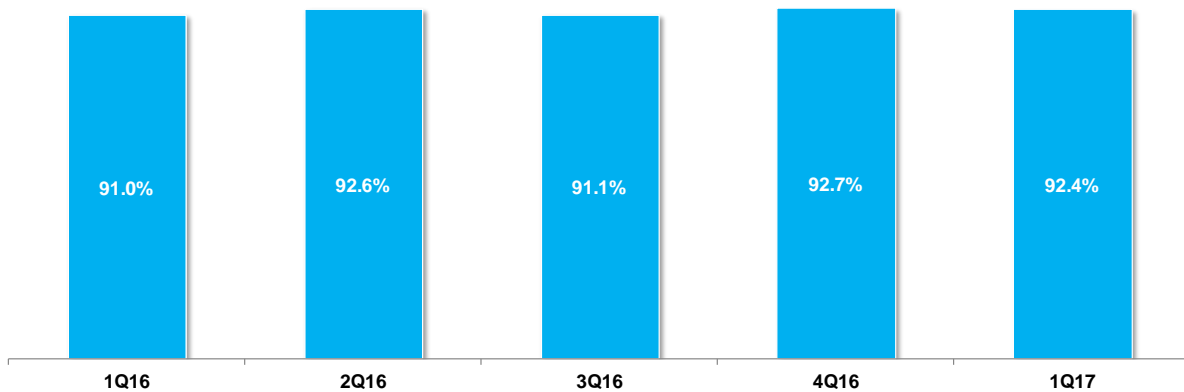


Insurance Combined Ratio (%)



The Combined Ratio (1Q17 vs. 1Q16) reported a slight increase of 0.2 p.p. chiefly due to the higher commission (+0.5 p.p.) as a result of changes in the portfolio mix.

Insurance Amplified Combined Ratio



The Amplified Combined Ratio in the quarter (including the insurance financial result) worsened 1.4 p.p. when compared to 1Q16, explained by the lower operational and financial result 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>	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	1,068.5	1,126.4	(5.1)
Earned Premium (R\$ million)	1,144.3	1,149.2	(0.4)
Loss Ratio (%) - Var (p.p.)	56.9	53.9	3.0
Insured Vehicles (thousand)	2,282	2,295	(0.6)

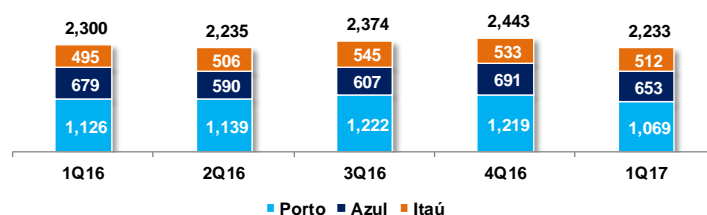
<i>Azul Seguros Auto</i>	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	653.2	679.0	(3.8)
Earned Premium (R\$ million)	624.4	611.1	2.2
Loss Ratio (%) - Var (p.p.)	64.3	61.6	2.7
Insured Vehicles (thousand)	1,842	1,811	1.7

<i>Itaú Seguros Auto¹</i>	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	511.6	494.6	3.4
Earned Premium (R\$ million)	520.9	512.2	1.7
Loss Ratio (%) - Var (p.p.)	62.2	63.2	(1.0)
Insured Vehicles (thousand)	1,256	1,269	(1.0)

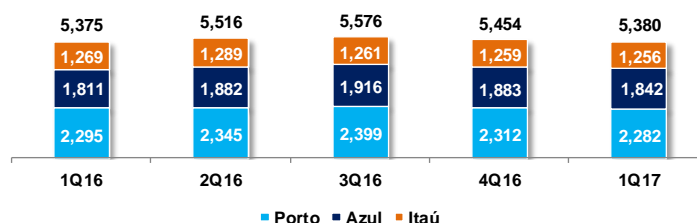
<i>Auto Consolidated</i>	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	2,233.3	2,300.0	(2.9)
Earned Premium (R\$ million)	2,289.6	2,272.5	0.8
Loss Ratio (%) - Var (p.p.)	60.1	58.1	2.0
Insured Vehicles (thousand)	5,380	5,375	0.1

¹ The Company started in the fourth quarter of 2016 the issues migration from auto insurance policies of Itaú brand, previously issued by the company Itaú Auto e Residência, to the company Porto Cia., which is now operating the brands Porto Seguro and Itaú Auto.

Premiums (R\$ million)



Insured Fleet (thousand)



Loss Ratio

Loss Ratio	1Q16	2Q16	3Q16	4Q16	1Q17
TOTAL AUTO	58.1%	59.2%	57.7%	58.5%	60.1%
Porto	53.9%	55.8%	52.6%	55.5%	56.9%
Azul	61.6%	62.7%	63.1%	63.3%	64.3%
Itaú	63.2%	62.7%	62.3%	60.7%	62.2%

The auto insurance was impacted by the economic crisis effect, which resulted in a weaker demand, that related to our focus on increasing margins and the stronger industry competition, has led to a decrease in the number of insured vehicles. The insured fleet reduced 74 thousand items when compared to the previous quarter (1Q17 vs. 4Q16). The total auto premiums decreased 3% in the quarter (vs. 1Q16), while the auto insurance market increased 3.3% (1B17 vs. 1B16 – Susep Data). Also, the loss ratio was impacted by the increased auto theft frequency, especially in Rio de Janeiro and Espírito Santo states.

Written premiums of *Porto Seguro* auto attained R\$ 1,069 million in the quarter, 5% lower when compared to 1Q16 chiefly explained by the falling new insurance sales and price adjustments to improve the portfolio profitability. The loss ratio increased 3.0 p.p. mainly due to the higher theft frequency and the slowdown in earned premiums.

Azul Seguros reported written premiums of R\$ 653 million in the quarter, decreasing 4% in relation to the 1Q16 mostly due to the reduction of new insurance sales. Loss ratio rose 2.7 p.p., reaching 64.3%, mainly explained by the increased theft frequency.

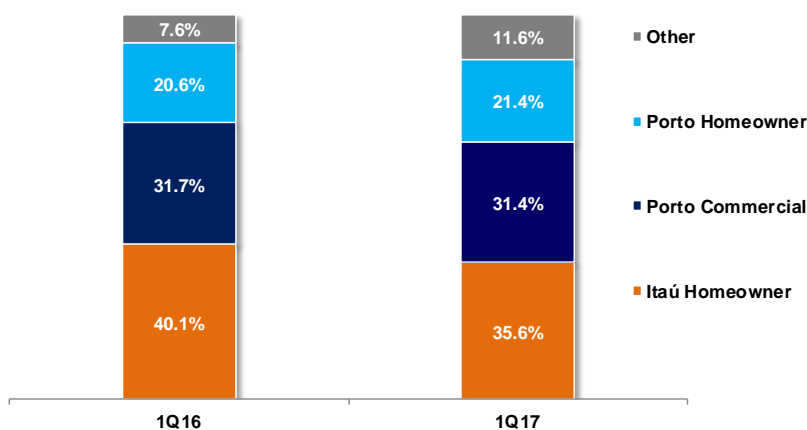
Itaú Auto e Residência portfolio reached R\$ 512 million in the quarter, 3% higher than the 1Q16, mainly due to price adjustments. The quarterly loss ratio was 1.0 p.p. better in comparison to the 1Q16 as a result of improvements in the underwriting process in the corporate fleet segment.

Property & Casualty

<i>Itaú Homeowner</i>	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	118.2	124.9	(5.4)
Loss Ratio (%) - Var (p.p.)	35.6	35.0	0.6
<i>Porto Commercial</i>	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	104.2	98.7	5.6
Loss Ratio (%) - Var (p.p.)	32.6	35.7	(3.1)
<i>Porto Homeowner</i>	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	71.1	64.0	11.1
Loss Ratio (%) - Var (p.p.)	44.4	40.3	4.1
<i>Porto Other</i>	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	38.7	23.6	64.0
Loss Ratio (%) - Var (p.p.)	24.8	24.1	0.7
<i>Total P&C</i>	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	332.2	311.2	6.7
Earned Premium (R\$ million)	318.2	308.8	3.0
Loss Ratio (%) - Var (p.p.)	35.2	35.3	(0.1)

- Total written premiums of Property & Casualty insurance amounted to R\$ 332 million in 1Q17 (+7% vs. 1Q16) while the market premiums remained stable in the period (Source: Susep – data available until Feb,17).
- The homeowner and commercial products of Porto Seguro brand increased 11% and 6%, respectively. The increase is chiefly explained by the geographical expansion, a greater number of brokers selling the products and the launch of new products and coverage throughout 2016. However, the Itaú homeowner premiums have decreased 5% as a consequence of the lower bank channel performance – the product will have new initiatives during the year in order to enhance sales.
- Total losses achieved 35.2% (-0.1 p.p.) in the quarter, remaining almost stable in comparison to the 1Q16.

P&C Premiums Breakdown

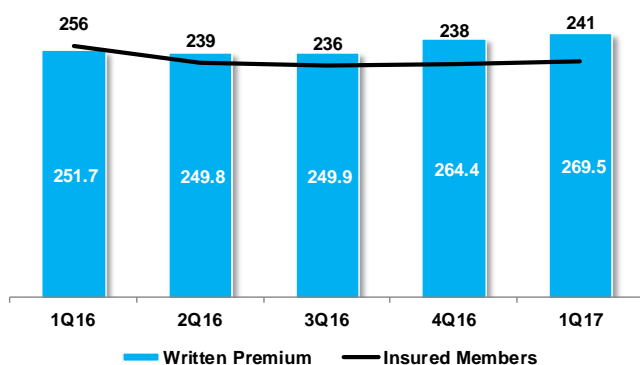


Health Insurance

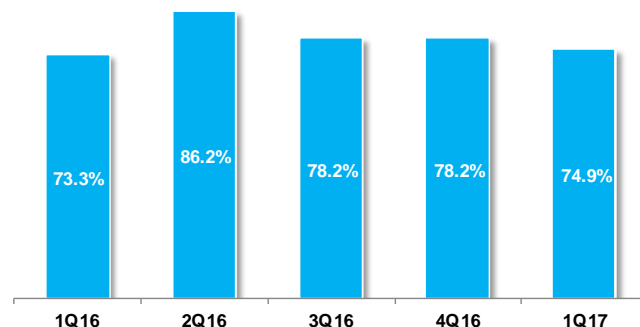
Health Insurance	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	269.5	251.7	7.1
Earned Premium (R\$ million)	269.6	251.9	7.0
Loss Ratio (%) - Var (p.p.)	74.9	73.3	1.6
Insured Members (thousand)	241	256	(5.9)

- Health insurance segment premiums totaled R\$ 270 million in 1Q17, 7% higher than 1Q16 mainly due to price adjustments and sales campaign during that period. However, the growth was partially offset by the reduction in the insured members (-6% vs. 1Q16).
- Health insurance average premium has increased 14% in the quarter (1Q17 x 1Q16).
- The loss ratio attained 74,9% in 1Q17, an increase of 1.6 p.p. (vs. 1Q16) 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

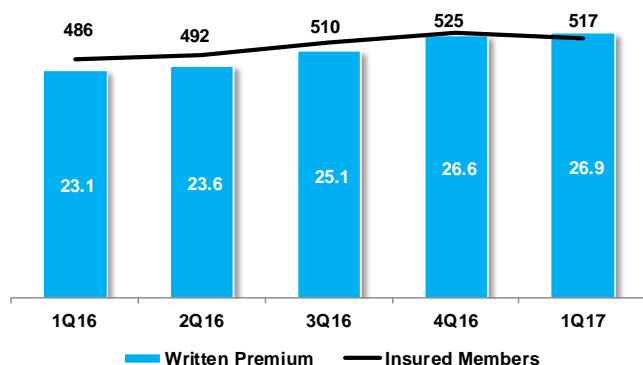


Dental Insurance

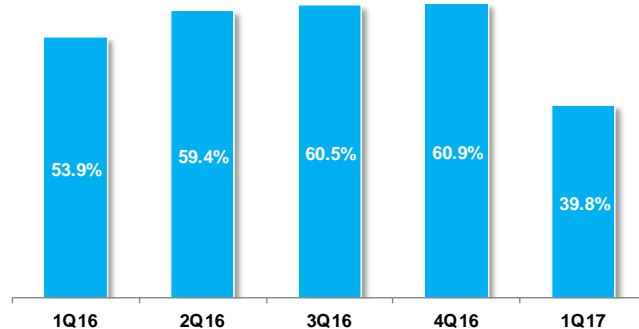
Dental Insurance	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	26.9	23.1	16.5
Earned Premium (R\$ million)	26.9	23.1	16.5
Loss Ratio (%) - Var (p.p.)	39.8	53.9	(14.1)
Insured Members (thousand)	517	486	6.4

- Dental insurance premiums amounted R\$ 27 million in 1Q17, 17% above 1Q16, due to the increase of 6% in insured members, achieving 517 thousand people. The growth was driven by the product expansion outside of greater São Paulo and adjustments in the product prices.
- The loss ratio reached 39.8% in the quarter, a decrease of 14.1 p.p. chiefly due to our efforts to improve claims process and the lower use frequency.

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



Loss Ratio - Dental



Life Insurance

Life Insurance	1Q17	1Q16	Var. %/p.p.
Written Premiums (R\$ million)	172.5	143.3	20.4
Earned Premium (R\$ million)	167.4	140.5	19.1
Loss Ratio (%) - Var (p.p.)	29.5	33.2	(3.7)
Members insured (thousand)	6,890	7,083	(2.7)

Written premiums totaled R\$ 173 million in the quarter, 20% greater than 1Q16 mostly due to the growth of products with a higher average ticket. The Company has been conducting commercial development initiatives in order to take advantage of the low segment penetration in Brazil.

The decreased losses of 3.7 p.p. in the quarter was driven mainly by the reduction of the average amount of indemnity in Individual Life insurance.

Pension

Pension Plan	1Q17	1Q16	Var. %/p.p.
Pension Premiums and Contributions (R\$ million) ¹	119.6	94.7	26.3
Net Funding ²	94.9	0.6	-
Technical Provisions (R\$ million)	4,168.0	3,379.7	23.3
Total Active Participants (thousands)	140	135	3.7

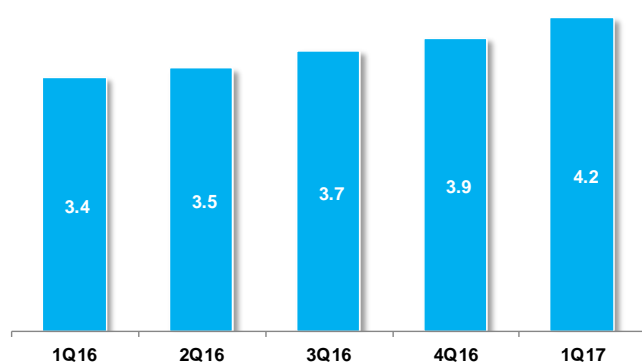
¹ Pension Premiums and Contributions = Total Contributions - portabilities and withdrawals

² Net Funding = Gross funding (total contributions + inputs + incoming portability) - withdrawals - outgoing portability

Total contributions for pension products (excluding portabilities and withdrawals) reached R\$ 120 million in the quarter, 26% higher when compared to 1Q16. The increase is mainly explained by the higher sales in the period. Also, the net funding attained R\$ 95 million in the quarter.

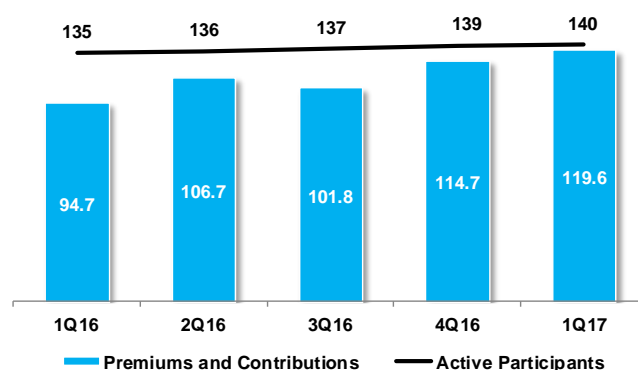
Assets under management reached R\$ 4.2 billion in the quarter, representing an increase of 23% (1Q17 x 1Q16).

Assets under Management² (R\$ billion)



² Considering only clients reserves

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



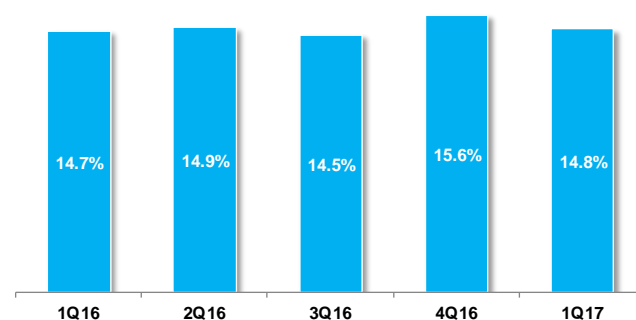
³ Pension contribution revenues + VGBL Premiums

G&A – Insurance

Administrative Expenses - Insurance			
R\$ thousand	1Q17	1Q16	Var. %/p.p.
General Administrative Expenses	496.9	486.7	2.1
Marketing	11.7	14.2	(17.6)
Profit Sharing	35.6	43.4	(18.0)
Total Administrative Expenses - Insurance	544.2	544.3	(0.0)
Total Administrative Expenses - excluding profit sharing	508.6	500.9	1.5
Earned Premiums	3,423.6	3,410.9	0.4

G&A Insurance Ratio

- Insurance G&A (excluding profit sharing) grew 2% in the quarter (vs. 1Q16), while the inflation rate in the period was 4.6%.
- The insurance G&A ratio reached 14.8% in the 1Q17 (+0,1 p.p. vs. 1Q16), remaining practically stable even considering the slowdown of earned premiums, as a result of our efforts to enhance the Company process.



Other Operational Expenses/Revenues

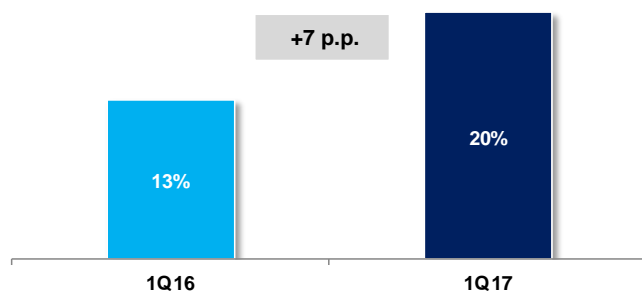
Other Operational Expenses/Revenues - Insurance			
R\$ thousand	1Q17	1Q16	Var. %/p.p.
Other Operating Revenues - Insurance	15.5	14.8	4.7
Other Operating Expenses - Insurance	155.1	169.6	(8.5)
Total Other Operational Expenses/Revenues	(139.6)	(154.8)	(9.8)
Index (Vs. premiums) Var p.p.	4.1	4.5	(0.4)

- Other operational income – insurance totaled R\$ 16 million in 1Q17, an increase of 5%, explained by higher revenues from the DPVAT consortium.
- Other operational expenses – insurance totaled R\$ 155 million in 1Q17, a decrease of 9% when compared to the 1Q16 mainly due to the reduced insurance contracts expenses in the period.
- The O.E ratio (total other operational revenues and expenses / earned premium) reduced 0.4 p.p. in the quarter.
- Total expenses (G&A + O.E) decreased 1%, in line with the premiums fluctuation.

Financial and Service Businesses

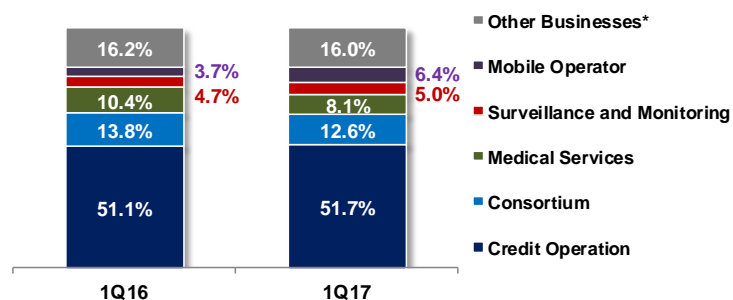
Summarized Income Statement - Non Insurance			
(R\$ thousand)	1Q17	1Q16	Var. %
Revenues from Credit Operation	274.8	228.1	20.5
Revenues from Services - services	256.4	218.0	17.6
TOTAL REVENUE	531.2	446.1	19.1
Allowance for delinquent accounts - Financial	(69.1)	(45.5)	51.9
Costs of services rendered (a)	(81.1)	(62.4)	30.0
Commercial Expenses (b)	(26.0)	(22.5)	15.6
G&A - General Expenses (c)	(151.6)	(139.0)	9.1
Other Operational Revenues/Expenses (d)	(87.6)	(87.4)	0.2
Total (a+b+c+d)	(346.3)	(311.3)	11.2
Tax	(26.9)	(23.2)	15.9
TOTAL G&A AND OPERATIONAL EXPENSES	(442.3)	(380.0)	16.4
Depreciation	(8.0)	(5.3)	50.9
OPERATING INCOME	80.9	60.8	33.1
Financial and Equity Accounting Results	12.4	13.3	(6.8)
INCOME BEFORE TAX	93.3	74.1	25.9
Income Tax and Social Contribution	(40.6)	(33.8)	20.1
Profit Sharing	(8.6)	(8.4)	2.4
NET INCOME	44.1	31.9	38.2
ROAE	17.1	14.0	3.1

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

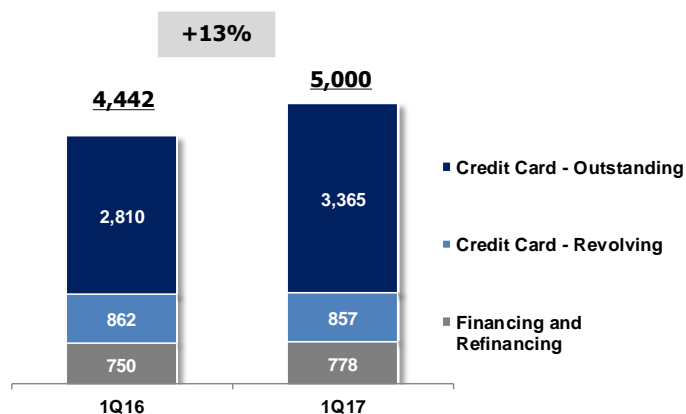
- Total revenues from financial and service businesses attained R\$ 531 million in 1Q17, 19% above 1Q16, driven mainly by the increase of Porto Seguro Conecta (MVNO Company) and credit operations.
- Consolidated ROAE from financial and services businesses totaled 17.1% in the quarter, an increase of 3.1 p.p., mainly explained by the greater performance of credit operations.
- 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 and consortium, among others.

Credit Card and Financing

Credit Operations (Portoseg) - R\$ thousand	1Q17	1Q16	Var. %/p.p.
Revenues from Financial Intermediation (R\$ million)	151.7	126.6	19.8
Revenues from Services	105.7	86.8	21.8
Other Revenues	17.4	14.7	18.4
Revenues from Credit Operation and Financing (R\$ million)	274.8	228.1	20.5
Loan Loss Provisions (%) p.p.	5.7	7.3	(1.6)
Total Financing Clients (thousand)	47	47	-
Credit Card Clients (million)	2,005	1,974	1.6

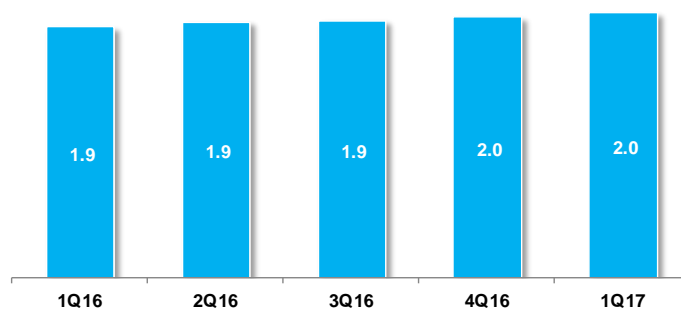
- The income from credit operations totaled R\$ 275 million in 1Q17, 21% higher when compared to 1Q16, mainly driven by higher revenues from services, especially due to the increased interchange volume. It's worthy to emphasize that the revenues from financial intermediation increased even considering the slight decrease in the revolving credit card portfolio (R\$ 857 MM in the 1Q17 vs. R\$ 862 MM in the 1Q16).
- NPL (over 90 days) reached 4.9% in the quarter, lower than the market average of 7.3% (Source: Banco Central – available data until February/17). The NPL achieved the lowest level in 4 years 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 5.7%, a reduction of 1.6 p.p. in the quarter when compared to 1Q16. The coverage rate – a result of loan loss provisions balance related to the balance of overdue payments operations (over 90 days) – attained 117.2% in the quarter, which represents an increase of 4.3 p.p. in comparison to the 1Q16.
- The percentage of the portfolio's risk costs (provision costs + credit loss / net revenues from financial intermediation) ended the quarter reporting a decrease of 18.4 p.p. when compared to the 1Q16.
- The total credit portfolio reached R\$ 5.0 billion by the end of 1Q17 and the largest part (67%) is comprised of outstanding payments from credit card products.

Credit Operation Portfolio (R\$ million)*



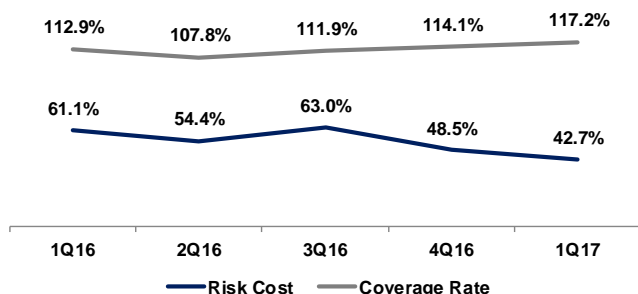
* The balance of credit card operations portfolio – excluding private label operations – amounted R\$ 4,368 MM (R\$ 3,790 MM in 1Q16)

Credit Card (million of units)*

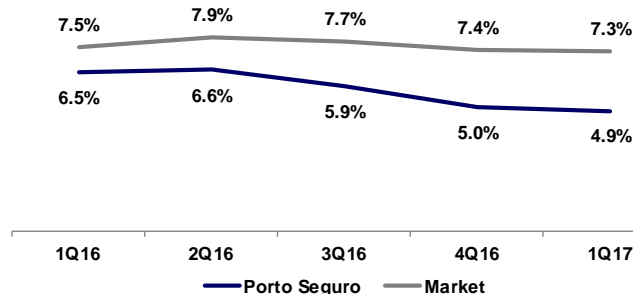


*Cards apt for use, including card holders and additional

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

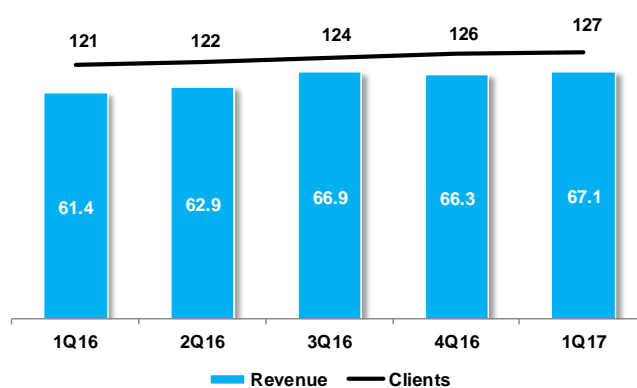
¹The NPL over 90 days was adjusted to stay in line with the Central Bank methodology, which establishes that the balance of agreement operations related to late payments are not considered delinquent

Consortium

Consortium	1Q17	1Q16	Var. %/p.p.
Revenues from Consortium operation (R\$ million)	67.1	61.4	9.3
Consortium Members (thousand)	127	121	5.0

- Income from consortium fees totaled R\$ 67 million in 1Q17, an increase of 9% driven by the sales growth from products with higher average tickets.

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

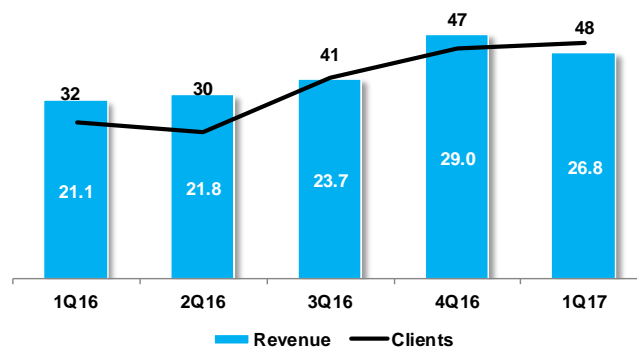


Surveillance and Monitoring

Surveillance and Monitoring	1Q17	1Q16	Var. %/p.p.
Revenues (R\$ million)	26.8	21.1	27.0
Clients (thousand)	48	32	50.0

- Revenues from monitoring services and security products sales increased 27% in the period, amounting R\$ 27 million.
- The sales were enhanced by the higher number of clients as a result of changes in the portfolio mix and the launch of new products such as the Porto Seguro Rastreador + Seguro and monitoring services with cheaper prices.

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



Financial Income/Expenses

Financial Revenues	1Q17	1Q16	Var. %
Investment - Ex-Pension Funds*	266.5	299.0	(10.9)
Investment - Pension Funds Plan	134.3	148.6	(9.6)
Total Investment	400.8	447.6	(10.5)
Other Revenues	114.4	121.9	(6.2)
Total Financial Income	515.2	569.5	(9.5)

(*) Pension funds own Revenues Included

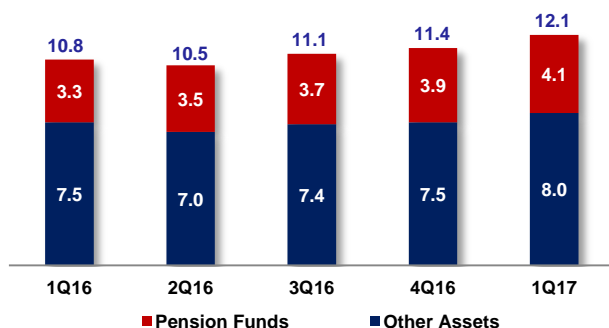
Financial Expenses	1Q17	1Q16	Var. %
Pension Plan Operations	(126.0)	(132.5)	(4.9)
Insurance Operations	(50.6)	(40.7)	24.3
P&L - Fixed Income Bonds classified as available-for-sale	(6.8)	(17.8)	(61.8)
P&L - Fixed Income Bonds classified as available-for-sale - Pension Funds	(0.6)	-	-
Other Expenses	(25.3)	(25.7)	(1.6)
Total Financial Expenses	(209.3)	(216.7)	(3.4)

Financial Income	1Q17	1Q16	Var. %
Total Financial Income	305.9	352.8	(13.3)

- Financial revenues were R\$ 515 million in the 1Q17 (-10% vs. 1Q16).
- Financial results achieved R\$ 306 million for the quarter, 13% lower when compared to 1Q16.
- The total return on the financial investment portfolio achieved a total AUM of R\$ 12.1 billion. Excluding pension funds, the portfolio results (R\$ 8.0 Billion). The total return of both was 3.4% (112% of CDI*).
- The financial investment portfolio profitability in the 1Q17 (excluding pension funds) was boosted by the inflation linked bonds (mark-to-market) and by the equities performance.

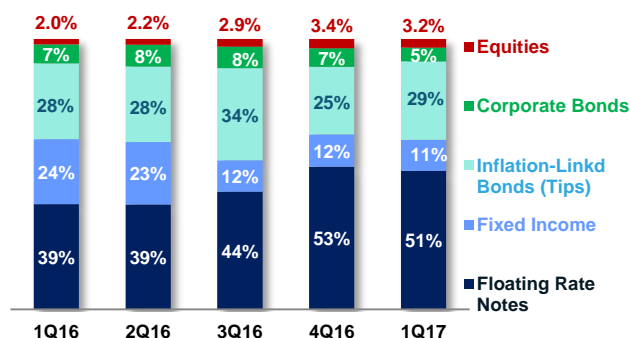
*CDI – Risk Free Rate (Similar to LIBOR)

Revenue from Investments Assets (R\$ Billion)



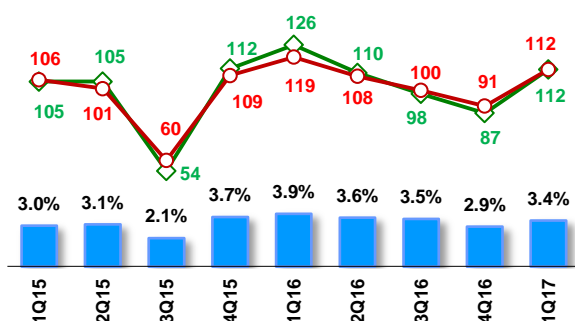
Allocation¹

(ex-Pension Funds)

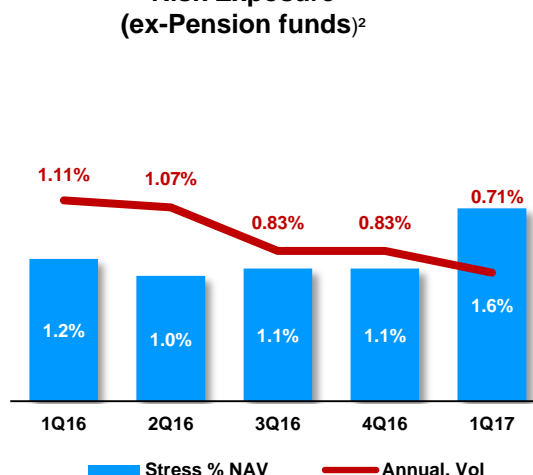


Quarterly Performance

- Nominal yield (ex-pension funds)
- % of CDI (pension funds included)
- % of CDI (ex-pension funds)



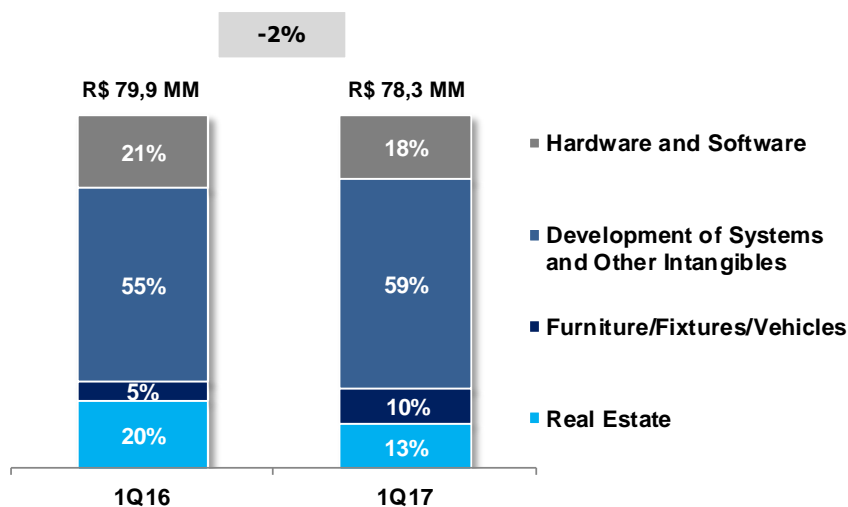
Risk Exposure (ex-Pension funds)²



¹ Future exposures included.

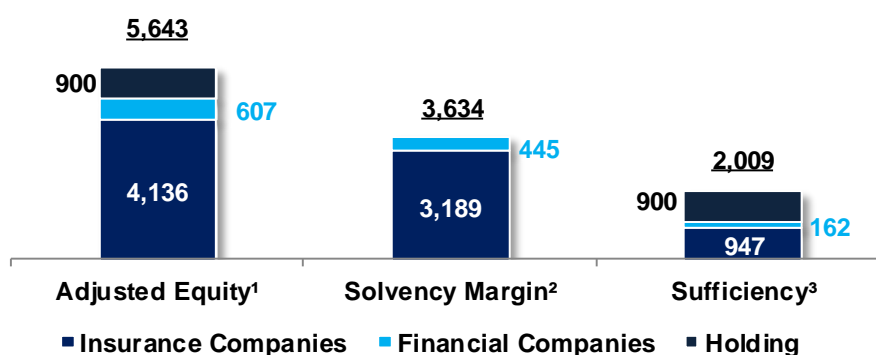
² Brazilian Future Exchange (BM&FBOVESPA) stress scenarios.

CAPEX Breakdown (%)



The vast part of investments were allocated to system development and acquisition of software licenses, representing about 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 are still ongoing.

Capital Requirements – 1Q17 (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)

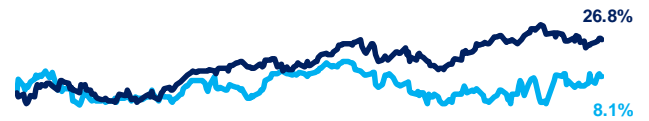
³ Refers to the difference between adjusted equity and necessity of capital requirement

Historical Variation*: PSSA3 x Ibov %

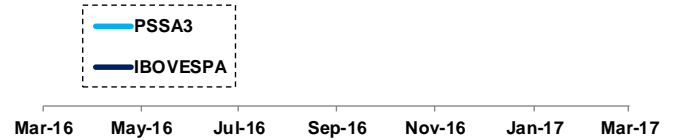
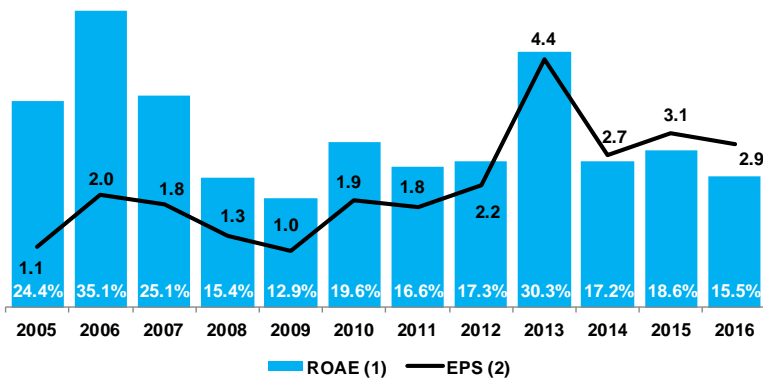
PSSA3	IBOVESPA
323%	170%

* From November 2004 (IPO) to March, 2017

Annual Performance PSSA3 vs. Ibovespa
last 12 months



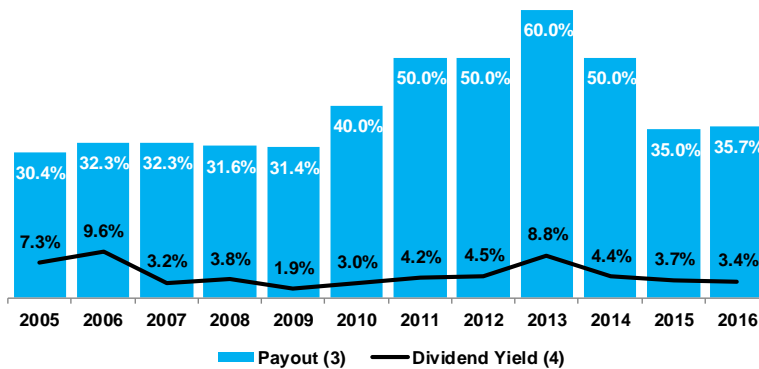
Profitability
(without Business Combination)



Porto Seguro S.A. Data

Corporate Taxpayer' ID	02.149.201/0001-69
BM&Fbovespa	PSSA3
Sector	Insurance
Share price in 03/31/2017	29.46
52 Week Low - 05/09/2016 - R\$	25.50
52 Week High - 10/21/2016 - R\$	31.60
Number of shares in the Free Float (million)	94.3
Market Value (R\$ billion) in 03/31/2017	9.5
Price Book Value in 03/31/2017	1.3

Payout and Dividend Yield



Analysts Coverage

Bank / Broker	Analyst	Phone
Banco Haitong	Pedro Fonseca	44 20 3364-6773
Banco Plural	Eduardo Nishio	55 (11) 3206-8240
Bradesco	Rafael Frade	55 (11) 2178-5329
BTG Pactual	Eduardo Rosman	55 (11) 3383-2772
Credit Suisse	Lucas Lopes	55 (11) 3701-6052
Deutsche Bank	Tito Labarta	1 (212) 250-5944
Goldman Sachs	Marcelo Cintra	55 (11) 33710833
JP Morgan	Domingos Falavina	55 (11) 4950-3474
Merril 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 MARCH 31th, 2017 and DECEMBER 31th, 2016
(Amounts in thousand of reais)

	Consolidated			Consolidated	
	2017	2016		2017	2016
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
Current assets	19,637,871	19,135,427	Current liability	14,417,655	14,305,435
Cash and cash equivalents	558,627	882,067	Liabilities from insurance contracts and pension plans	8,407,072	8,399,908
Financial assets			Debits from insurance and reinsurance operations	332,438	354,252
Financial assets at fair value through income or loss	9,012,379	8,070,433	Financial liabilities	4,393,802	4,278,985
Financial assets available for sale	906,802	878,490	Taxes and contributions payable	382,558	408,033
Loans and Receivables			Dividends and interest on capital payable	327,981	219,185
Insurance premium receivable	3,238,030	3,327,930	Derivative financial instruments	15,051	13,139
Credit Operations	1,089,935	1,033,050	Other liabilities	558,753	631,933
Securities and amounts receivables	2,698,326	2,753,991			
Amount receivable from provided service	102,569	96,951	Non-current assets	4,379,871	4,050,473
Reinsurance assets	76,424	80,195	Liabilities from insurance contracts and pension plans	3,864,979	3,565,051
Taxes and contributions receivable	122,113	170,743	Financial liabilities	90,649	59,662
Non financial assets available for sale	201,450	188,672	Deferred income tax and social contribution	280,103	286,088
Deferred contract acquisition costs	1,218,060	1,224,605	Other liabilities	47,017	41,832
Derivative financial instruments	848	1,455	Legal provisions	91,027	97,840
Other assets	412,308	426,845	Derivative financial instruments	6,096	-
Long-term assets	6,271,853	6,221,280	Shareholders' Equity	7,112,198	7,000,799
Financial assets			Capital	3,500,000	3,170,000
Financial assets at fair value through income or loss	1,244	1,204	(-) Treasury stocks	(20,506)	-
Financial assets available for sale	1,740,338	1,686,939	Revenue reserves	3,373,495	3,703,495
Loans and Receivables			Additional proposed dividends	-	108,675
Insurance premium receivable	955	827	Retained Earnings	214,300	-
Credit Operations	292,720	300,744	Other comprehensive income	214,300	-
Reinsurance assets	1,558	979	Non-controlling interest	42,839	16,896
Deferred Income Tax and Social Contribution	466,953	501,508			
Taxes and contributions receivable	5,986	6,372			
Deferred contract acquisition costs	18,261	17,018			
Other assets	342,274	337,995			
Investments					
Real estate held as investment	8,505	8,554			
Fixed assets	1,543,413	1,535,599			
Intangible	1,849,646	1,823,541			
TOTAL ASSETS	25,909,724	25,356,707	TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	25,909,724	25,356,707

PORTO SEGURO S.A.		
INCOME STATEMENT		
(in thousand of reais)		
	<u>1Q17</u>	<u>1Q16</u>
Revenue		
Written insurance premiums and healthcare plan premiums	3,463,476	3,495,736
(-) Reinsurance premiums	(20,878)	(18,741)
(=) Written and billed premiums, Net of Reinsurance	3,442,598	3,476,995
Revenue from credit operations	274,805	228,147
Revenue from services	256,441	218,020
Private pension	45,137	45,403
Net Revenues from capitalization securities	6,820	7,444
Other operating revenues - Insurance	15,547	14,820
Other operating revenues - Other	17,499	13,894
Revenue from rent of properties	3,175	1,441
Total Revenues	<u>4,062,022</u>	<u>4,006,164</u>
Expenses		
Changes in net technical provisions - insurance	(18,958)	(66,072)
Changes in net technical provisions - pension	(39,802)	(40,708)
(=) Total Changes in net technical provisions	(58,760)	(106,780)
Gross retained claims	(2,224,573)	(2,236,750)
(-) Recovery of reinsurers	10,572	16,233
(-) Recovery of salvage vehicles and reimbursements	256,679	272,340
Supplementary pension plan benefits	(7,997)	(4,175)
(=) Expenses with claims and credited benefits, net	(1,965,319)	(1,952,352)
Acquisition costs - insurance	(698,842)	(678,127)
Acquisition costs - other	(30,672)	(26,181)
Administrative expenses - Insurance	(508,631)	(500,862)
Administrative expenses - Other	(208,869)	(199,764)
Tax expenses - Insurance	(89,619)	(92,802)
Tax expenses - Other	(27,009)	(23,159)
Cost of services rendered	(81,142)	(62,428)
Other operating expenses - Insurance	(155,105)	(169,626)
Other operating expenses - Other	(176,627)	(146,174)
Total Expenses	<u>(4,000,595)</u>	<u>(3,958,255)</u>
Operating result before financial result	<u>61,427</u>	<u>47,909</u>
Financial revenues - Insurance	444,380	493,973
Financial revenues - Other	70,800	75,563
Financial expenses - Insurance	(196,711)	(195,408)
Financial expenses - Other	(12,610)	(21,290)
	305,859	352,838
Operating income	<u>367,286</u>	<u>400,747</u>
Income before Income and social contribution taxes	<u>367,286</u>	<u>400,747</u>
Income and social contribution taxes	<u>(153,837)</u>	<u>(163,339)</u>
Current	(125,267)	(230,555)
Deferred	(28,570)	67,216
Net income for the period	<u>213,449</u>	<u>237,408</u>
Attributable to		
- Shareholders of the Company	214,300	238,510
- In subsidiaries Not Controlling Minority Shareholders	(851)	(1,102)
Effective Tax Rate: Tax and Social Contribution Over Net Income before Tax ¹	41.9%	40.8%

PORTO SEGURO S.A and Subsidiaries
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED IN MARCH, 31th
(In thousands of reais)

	<u>2017</u>	<u>2016</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	(212,834)	316,857
CASH FLOW FROM OPERATING ACTIVITIES	269,451	288,045
Net Income For The Quarter	213,449	237,408
Depreciation - property, plant and equipment	34,797	30,201
Depreciation - investments real estate properties	49	47
Amortization	20,615	19,366
Proceeds from sale of fixed assets	541	1,023
Increase / decrease in assets	(422,391)	103,100
Financial assets at fair value through profit or loss	(941,986)	(117,528)
Available-for-sale financial assets	(81,711)	(116,364)
Premiums receivable from policyholders	89,772	138,386
Credit operations	(48,861)	(58,789)
Notes and credits receivable	55,665	99,745
Reinsurance assets	3,192	(15,817)
Deferred income tax and social contribution	28,570	25,057
Tax and contribution recoverable	49,016	61,720
Assets for sale	(12,778)	(54,187)
Other assets	4,868	(111,815)
Acquisition costs of deferred contracts	5,302	(19,670)
Liabilities of insurance contracts	307,092	373,760
Insurance and reinsurance payables	(21,814)	50,008
Financial liabilities	161,680	(156,288)
Derivative financial instruments	8,615	3,323
Taxes and contributions payable	45,674	52,148
Provisions	(6,813)	3,511
Other liabilities	(67,874)	(54,100)
Other	(59,894)	(74,288)
Other comprehensive results	25,943	30,116
Non-controlling interest	1,188	1,351
Funding costs	(15,876)	(12,223)
Income tax and social contribution paid	(71,149)	(93,532)
CASH FLOW FROM INVESTMENT ACTIVITIES	(90,100)	(81,008)
Sales of fixed assets and intangible	8,223	6,331
Acquisition of fixed assets	(49,542)	(33,632)
Investments on Intangible	(48,781)	(53,707)
CASH FLOW FROM FINANCING ACTIVITIES	(20,506)	-
Treasury stocks	(20,506)	-
DECREASE IN CASH AND CASH EQUIVALENTS	(323,440)	235,849
Cash and Equivalents at Beginning of Period	882,067	1,154,904
Cash and Equivalents at End of Period	558,627	1,390,753



REVENUES (in R\$ million)			
	1Q17	1Q16	Var.%
INSURANCE WRITTEN PREMIUMS, PENSION AND CAPITALIZATION REVENUES			
Porto Seguro – Auto	1,068.5	1,126.4	(5.1)
Azul Seguros – Auto	653.2	679.0	(3.8)
Itaú Auto e Residência - Auto	511.6	494.6	3.4
Total Auto	2,233.3	2,300.0	(2.9)
P&C - Porto Seguro and Azul Seguros	214.0	186.3	14.9
P&C - Itaú Auto e Residência	118.2	124.9	(5.4)
Total P&C	332.2	311.2	6.7
Health	269.5	251.7	7.1
Dental	26.9	23.1	16.5
Portomed (health care plan)	23.4	30.1	(22.3)
Total Health (Health + Dental + Portomed)	319.8	304.9	4.9
Life	172.5	143.3	20.4
DPVAT (Cars/Personal Injured Liability)	131.5	191.1	(31.2)
Porto Seguro Uruguay	66.1	64.1	3.1
Written Premiums VGBL	74.5	49.3	51.1
Cargo	42.9	35.3	21.5
Financial Risks	80.5	89.5	(10.1)
Other Insurance	10.2	7.0	45.7
Total Written Premiums	3,463.5	3,495.7	(0.9)
Other Operational Revenues - Insurance	15.6	14.8	5.4
Total Earned Premiums	3,423.6	3,410.9	0.4
Total Pension Revenues (PGBL + VGBL)	119.6	94.7	26.3
Capitalization Total Revenues	6.8	7.5	(9.3)
REVENUES FROM FINANCIAL AND SERVICE BUSINESSES			
	1Q17	1Q16	Var.%
Credit Card and Financing	274.8	228.1	20.5
Consortium	67.1	61.4	9.3
Medical Services	43.1	46.6	(7.5)
Call Center	47.3	40.3	17.4
Surveillance and Monitoring Services	26.8	21.1	27.0
Mobile Operator	34.2	16.7	104.8
Asset Management	15.2	11.6	31.0
Other Revenues	22.7	20.3	11.8
Financial Businesses and Services - Total Revenues	531.2	446.1	19.1
Other Operational Revenues - Financial Businesses and Services	9.4	7.3	28.8
Real Estate Revenues	3.2	1.4	128.6
Total Revenues	4,074.8	4,018.2	1.4
FINANCIAL RESULTS			
	1Q17	1Q16	Var.%
Financial Results - Insurance	247.7	298.6	(17.0)
Financial Results - Other (Financial Businesses / Services / Holding)	58.2	54.3	7.2
Total Financial Results	305.9	352.9	(13.3)
INDEX (%)			
	1Q17	1Q16	Var. p.p
LOSS RATIO			
Porto Seguro – Auto	56.9	53.9	3.0
Azul Seguros – Auto	64.3	61.6	2.7
Itaú Auto e Residência - Auto	62.2	63.2	(1.0)
Total Auto	60.1	58.1	2.0
P&C - Porto Seguro and Azul Seguros	35.0	35.4	(0.4)
P&C - Itaú Auto e Residência	35.6	35.0	0.6
Total P&C	35.2	35.3	(0.1)
Health	74.9	73.3	1.6
Dental	39.8	53.9	(14.1)
Portomed (Healthcare Plan)	85.8	102.3	(16.5)
Health (Health + Dental + Portomed)	72.8	74.7	(1.9)
Life	29.5	33.2	(3.7)
Total Loss Ratio	57.2	57.1	0.1
INSURANCE COMMISSION RATIO			
Acquisition costs - Insurance	20.4	19.9	0.5
INSURANCE - OPERATING AND ADMINISTRATIVE EXPENSES			
G&A – Insurance	14.8	14.7	0.1
Other Operational Revenues/Expenses - Insurance	4.1	4.5	(0.4)
Total Administrative and Operational Expenses	18.9	19.2	(0.3)
Tax - Insurance	2.6	2.7	(0.1)
MARGIN AND PROFITABILITY			
	1Q17	1Q16	Var. p.p
Combined Ratio - Insurance - var.p.p	99.1	98.9	0.2
Amplified Combined Ratio - Insurance - var. p.p.	92.4	91.0	1.4
Shareholder's Equity w/o Business Combination - R\$ million - var. %	6,330.5	5,810.1	9.0
Shareholder's Equity with Business Combination - R\$ million - var. %	7,110.1	6,597.3	7.8
Net Earnings w/o Business Combination - R\$ million - var. %	216.2	240.4	(10.1)
Net Earnings with Business Combination - R\$ million - var. %	214.3	238.5	(10.1)
ROAE w/o Business Combination - p.p.	13.8	16.8	(3.0)
ROAE with Business Combination - p.p.	12.2	14.6	(2.4)
EPS w/o Business Combination - R\$ - var. %	0.67	0.74	(9.5)
EPS with Business Combination - R\$ var. %	0.66	0.74	(10.8)
# of thousand shares - var. %	323,151	323,293	(0.0)