



2Q17 and 1H17 Earnings Release

We ended the second quarter and the first semester of 2017 reporting insurance premiums growth, reverting the fall in the first quarter. Our focus on recovering the margins led to the improvement of insurance operations, which presented a lower combined ratio. Furthermore, the financial and service businesses increased its profitability. However, the financial results decreased as a result of the lower interest rates and inflation.

In the insurance operation, written premiums improved 4% in the quarter and 2% in the semester. The auto insurance premiums of Porto Seguro's brands (Porto Seguro + Azul + Itaú) reported an increase of 4% in the quarter, chiefly due to price adjustments, while the insured fleet reduced 3% (vs. 2Q16) as a result of the stronger industry competition and a weaker demand. However, the brand new vehicle sales already show signs of recovery, growing 4% in the semester (source: Anfavea – vs. 1H16). In the other insurance, main products (Health, Homeowner and Life) presented a double digit increase, in line with the diversifying strategy of business.

The combined ratio decreased 2.5 p.p. in the quarter, achieving 97.6%, as a result of the reduction of 3.0 p.p. on the total loss ratio. The losses of Auto and Health insurance have declined 1.3 p.p. and 5.2 p.p. respectively, mainly explained by the price adjustments during this period. Furthermore, the P&C losses have improved 4.3 p.p. chiefly due to the lower incidence of climate events in the quarter. Finally, the G&A and O.E ratio remained practically stable in the quarter, even considering the slowdown of earned premiums.

The revenues from financial and service businesses increased 14% in the quarter mainly propelled by the growth of credit card and financing products and our MVNO Company. The portfolio NPL (over 90 days) reached 5.0% in the quarter, remaining 2.3% lower than the market average. The participation of financial and services businesses in the company's total profit increased by 8 p.p., confirming our portfolio diversification strategy, which still offers significant opportunities to strategically expand these businesses.

The return on financial investments decreased 37% in the quarter, mainly due to the lower average CDI* (-24%) and the weaker performance of inflation linked bonds and equities, which were affected by the political scenario uncertainties and the falling inflation rate. The total yield (excluding pension) was 2.1% (82% of the CDI) in the quarter and 5.6% (98% of the CDI) in the semester.

The quarterly net earnings have achieved R\$ 238 million (36% vs. 2Q16) and ROAE attained 15.0%. In the semester, net earnings amounted R\$ 454 million (+9% vs. 1H16) and ROAE reached 14.5%. However, the results were enhanced by the fiscal benefit arising from the payment of the first part of interests on capital¹, that amounted R\$ 243 million. Excluding that effect, the net income would have decreased 1% in the quarter and 6% in the semester

¹The Company will complement the payment of interests on capital in the 4Q17.

*CDI – Risk Free Rate (Similar to LIBOR)

Earnings Conference Call – 2Q17 and 1H17

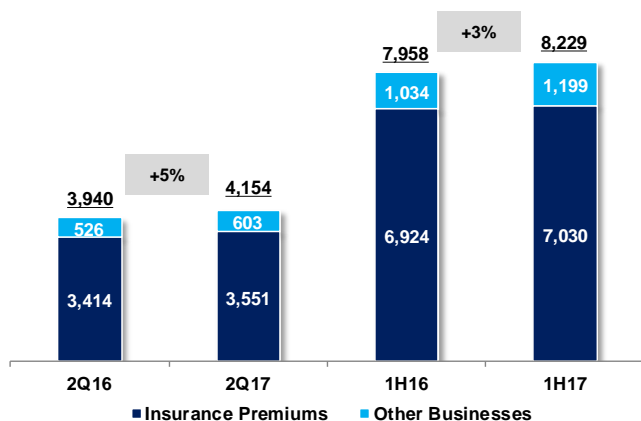
(08/03/17) – Portuguese/English 09:00 a.m. (NY) / 10:00 a.m. (Brasília)

Highlights

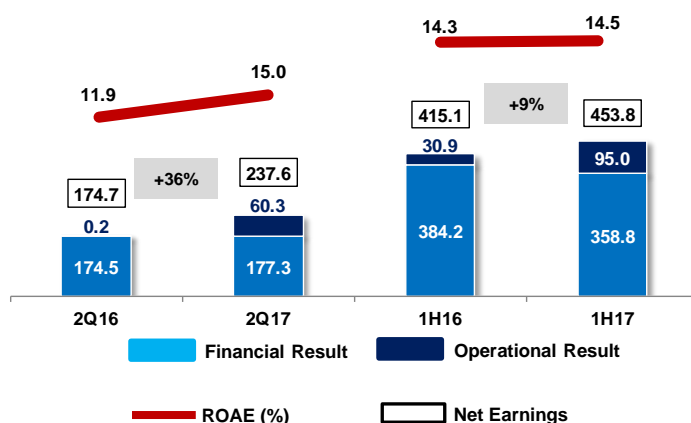
- ▣ Total revenues reported growth of 5% in the 2Q17 (vs. 2Q16) and 3% in the 1H17 (vs. 1H16)
- ▣ The total written premiums increased 4% in the second quarter and 2% in the semester
- ▣ The net income was R\$ 238 million (+36%) in 2Q17 and R\$ 454 million in the 1H17 (w/o business combination). Excluding the fiscal benefit regarding the interests on capital paid in the quarter, the net income would have decreased 1% in the quarter and 6% in the semester
- ▣ ROAE of 15.0% (+3.1 p.p.) for the quarter and 14.5% (+0.2 p.p.) for the semester (w/o business combination)
- ▣ The Combined Ratio attained 97.6% (-2.5 p.p.) in the 2Q17 and 98.4% (-1.1 p.p.) in the 1H17. Amplified Combined Ratio reached 93.0% (+0.4 p.p.) in the 2Q17 and 92.7% (+0.9 p.p.) in the 1H17
- ▣ Financial results attained R\$ 197 million in the 2Q17 (-37% vs. 2Q16) and R\$ 503 million in the 1H17 (-24% vs. 1H16)
- ▣ The financial investment portfolio gains (ex. pension plans) have achieved R\$ 182 million in the 2Q17 (-29% vs. 2Q16) and R\$ 442 million in the 1H17 (-18% vs. 1H16), which represents a total yield of 2.1% (82% of the CDI) in the quarter and 5.6% (98% of the CDI) in the 1H17

Consolidated Results (R\$ Million)

Total Revenue¹

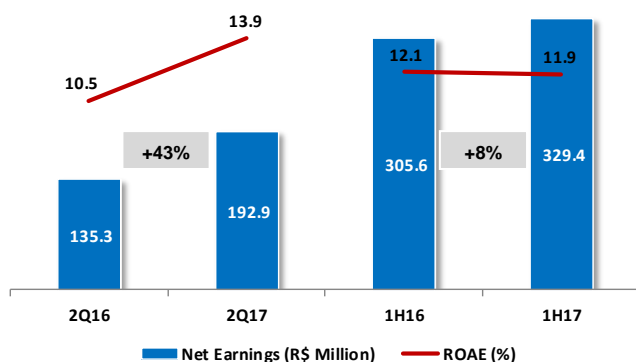


Profitability²

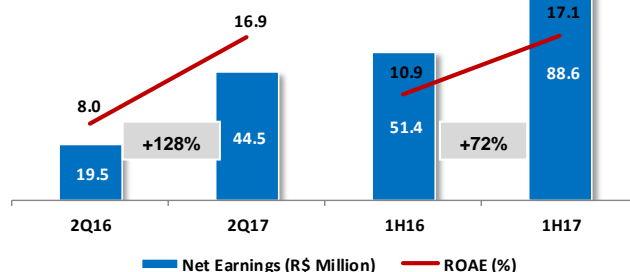


Results by Business Lines (R\$ Million)

Insurance³



Financial and Service Businesses⁴



1 Insurance Written Premiums + Financial and Service Businesses + Other Operational Revenues

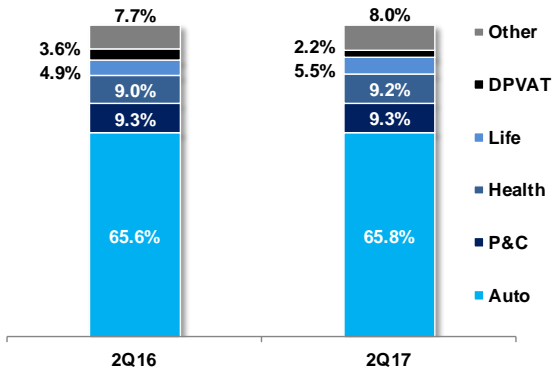
2 The effective tax was applied to the financial result calculation, while the operational result is the difference between the net income (w/o business combination) and the financial result net of taxes

3 Including insurance operations results, pension and capitalization

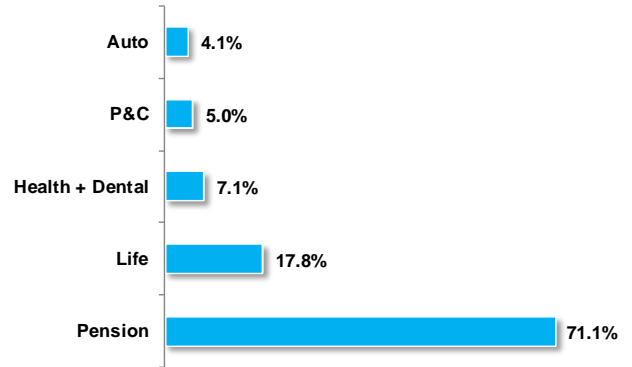
4 Represents Financial and Service Businesses results such as Consortium, Credit Card and Financing, Mobile Operator, Surveillance and Monitoring, Medical Services, among others.



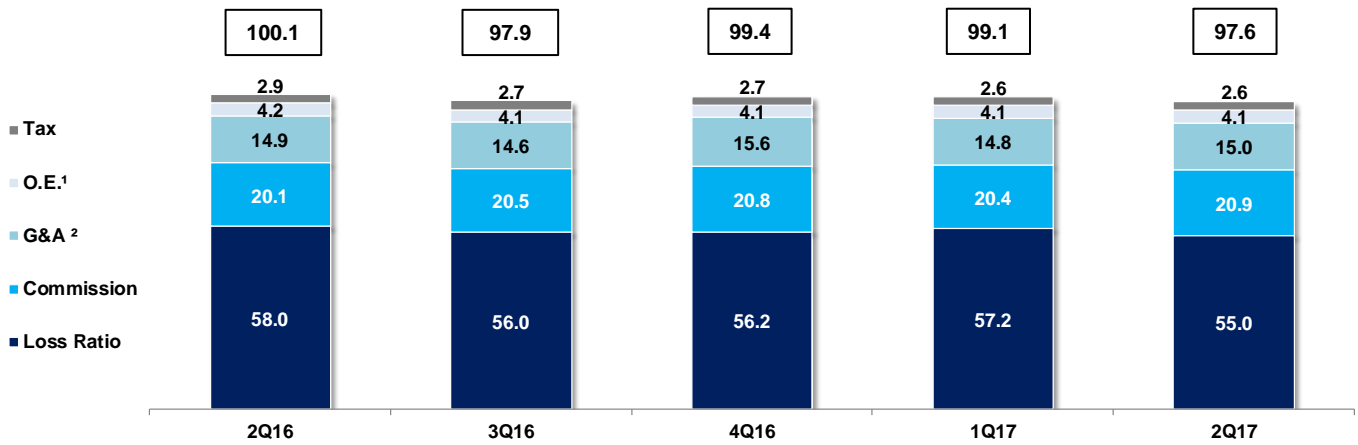
Insurance Written Premiums Breakdown



Top Products Growth* – 2Q17 x 2Q16

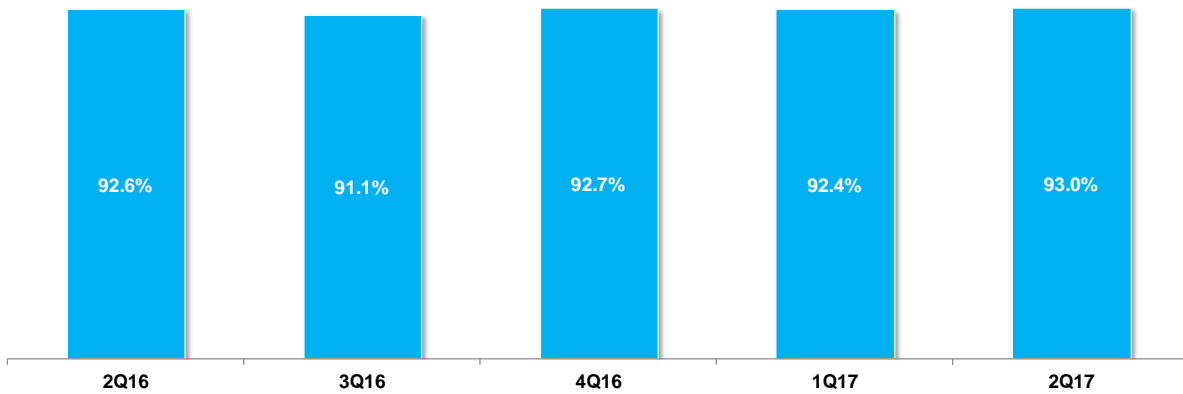


Insurance Combined Ratio (%)



The Combined Ratio (2Q17 vs. 2Q16) have improved 2.5 p.p. chiefly due to the decreased loss ratio (-3.0 p.p.), as a result of lower losses of Auto, P&C and Health segments.

Insurance Amplified Combined Ratio



The Amplified Combined Ratio in the quarter (including the insurance financial result) worsened 0.4 p.p. when compared to 2Q16, explained by the lower financial result in the period.

*Considering insurance written premiums and pension gross funding (Total Contributions + Inputs + Incoming Portability)

¹O.E = Other Revenues – Operational Expenses

²General and Administrative Expenses

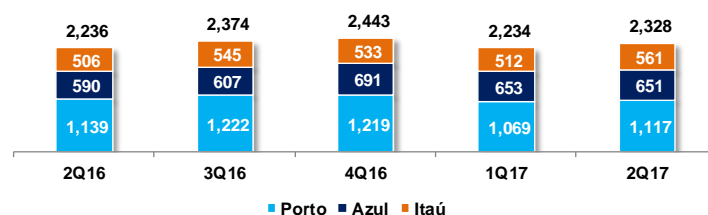
Auto Insurance

<i>Porto Seguro Auto</i>	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Written Premiums (R\$ million)	1,116.6	1,138.7	(1.9)	2,185.1	2,265.1	(3.5)
Earned Premium (R\$ million)	1,138.2	1,149.6	(1.0)	2,282.5	2,298.8	(0.7)
Loss Ratio (%) - Var (p.p.)	54.4	55.7	(1.3)	55.6	54.8	0.8
Insured Vehicles (thousand)	2,230	2,345	(4.9)	2,230	2,345	(4.9)
<i>Azul Seguros Auto</i>	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Written Premiums (R\$ million)	650.5	590.4	10.2	1,303.7	1,269.4	2.7
Earned Premium (R\$ million)	637.0	630.7	1.0	1,261.5	1,241.8	1.6
Loss Ratio (%) - Var (p.p.)	62.8	62.7	0.1	63.6	62.2	1.4
Insured Vehicles (thousand)	1,855	1,882	(1.4)	1,855	1,882	(1.4)
<i>Itaú Seguros Auto¹</i>	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Written Premiums (R\$ million)	561.1	506.4	10.8	1,072.7	1,001.0	7.2
Earned Premium (R\$ million)	530.8	528.2	0.5	1,051.7	1,040.4	1.1
Loss Ratio (%) - Var (p.p.)	59.6	62.7	(3.1)	60.9	63.0	(2.1)
Insured Vehicles (thousand)	1,258	1,289	(2.4)	1,258	1,289	(2.4)
<i>Auto Consolidated</i>	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Written Premiums (R\$ million)	2,328.2	2,235.5	4.1	4,561.5	4,535.5	0.6
Earned Premium (R\$ million)	2,306.0	2,308.5	(0.1)	4,595.7	4,581.0	0.3
Loss Ratio (%) - Var (p.p.)	57.9	59.2	(1.3)	59.0	58.7	0.3
Insured Vehicles (thousand)	5,343	5,516	(3.1)	5,343	5,516	(3.1)

¹The Company started in the fourth quarter of 2016 the issues migrating 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)

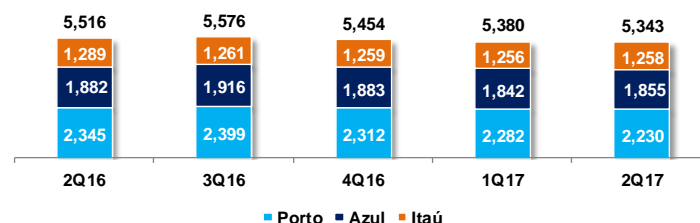
The auto insurance segment still faces the effects of a competitive environment and the economic crisis, which impacted the insured fleet with a reduction of 3% (vs. 2Q16). However, our focus on improving profitability through price adjustments led to an increase of premiums and a decrease of loss ratio, reverting the results of the first quarter.



The total auto premiums improved 4% while the loss ratio declined 1.3 p.p. (vs. 2Q16), even when considering the increased theft frequency in regions crisis such as in Rio de Janeiro and Espírito Santo states.

Insured Fleet (thousand)

Written premiums of *Porto Seguro* auto attained R\$ 1,117 million in the quarter, 2% lower when compared to 2Q16 chiefly explained by the reduction of 5% in the insured fleet. The loss ratio decreased 1.3 p.p. mainly due to price adjustments focused on better margins.



Azul Seguros reported written premiums of R\$ 651 million in the quarter, increasing 10% when compared to the 2Q16, chiefly explained by the price adjustments. The loss ratio remained practically stable (+0.1 p.p.) during this period.

Loss Ratio

Itaú Auto e Residência portfolio reached R\$ 561 million in the quarter, 11% higher than the 2Q16 while the loss ratio declined 3.1 p.p., both favored by the price adjustments that have been done during this period.

Loss Ratio	2Q16	3Q16	4Q16	1Q17	2Q17
TOTAL AUTO	59.2%	57.7%	58.5%	60.1%	57.9%
Porto	55.7%	52.6%	55.5%	56.9%	54.4%
Azul	62.7%	63.1%	63.3%	64.3%	62.8%
Itaú	62.7%	62.3%	60.7%	62.2%	59.6%

Property & Casualty

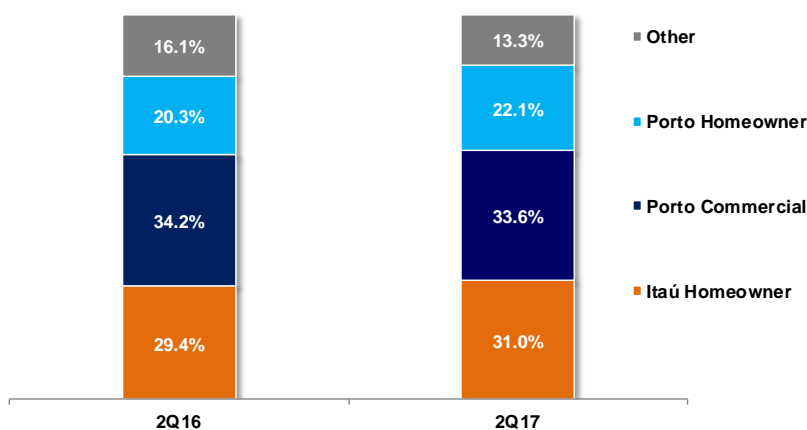
	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Itaú Homeowner						
Written Premiums (R\$ million)	102.7	92.6	10.9	220.9	217.5	1.6
Loss Ratio (%) - Var (p.p.)	26.9	31.3	(4.4)	31.2	33.2	(2.0)
Porto Commercial						
Written Premiums (R\$ million)	111.1	107.8	3.1	215.3	206.5	4.3
Loss Ratio (%) - Var (p.p.)	24.4	29.5	(5.1)	28.4	32.7	(4.3)
Porto Homeowner						
Written Premiums (R\$ million)	73.2	63.9	14.6	144.3	127.9	12.8
Loss Ratio (%) - Var (p.p.)	32.9	40.9	(8.0)	38.5	40.6	(2.1)
Porto Other						
Written Premiums (R\$ million)	44.0	50.8	(13.4)	82.7	74.4	11.2
Loss Ratio (%) - Var (p.p.)	29.5	23.3	6.2	27.2	23.7	3.5
Total P&C						
Written Premiums (R\$ million)	331.0	315.1	5.0	663.2	626.3	5.9
Earned Premium (R\$ million)	324.6	295.5	9.8	642.8	604.3	6.4
Loss Ratio (%) - Var (p.p.)	27.7	32.0	(4.3)	31.4	33.7	(2.3)

▶ Total written premiums of Property & Casualty insurance amounted to R\$ 331 million in 2Q17 (+5% vs. 2Q16) mainly explained by the homeowner insurance growth. The homeowner insurance premiums of Itaú brand were enhanced by measures that have been adopted to improve the clients retention while in the Porto Seguro brand premiums were boosted by commercial actions focused on the cross-selling leverage.

▶ The commercial products of Porto Seguro have increased 3% (vs. 2Q16), a slower path when compared to the last quarters, chiefly due to the economic crisis impact. However, the performance was greater than the market, which decreased 4% in the period. (Source: Susep – data available until May,17).

▶ Total losses achieved 27.7%, a reduction of 4.3 p.p. in the quarter, mainly due to the lower incidence of climate events in the period.

P&C Premiums Breakdown

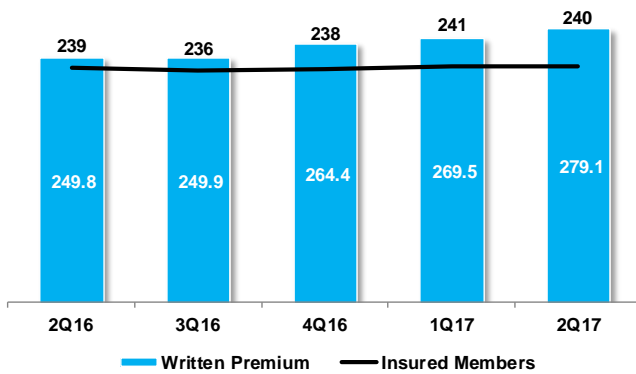


Health Insurance

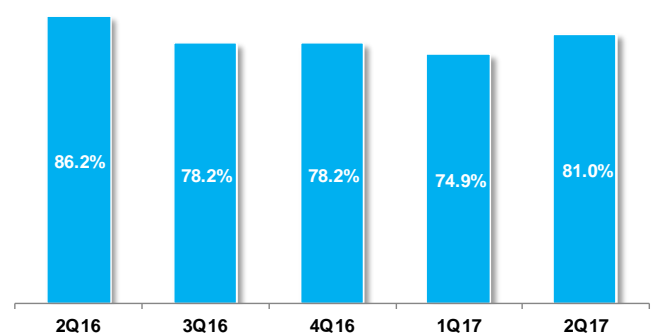
Health Insurance	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Written Premiums (R\$ million)	279.1	249.8	11.7	548.6	501.5	9.4
Earned Premium (R\$ million)	279.1	248.7	12.2	548.7	500.6	9.6
Loss Ratio (%) - Var (p.p.)	81.0	86.2	(5.2)	78.0	79.8	(1.8)
Insured Members (thousand)	240	239	0.4	240	239	0.4

- Health insurance segment premiums totaled R\$ 279 million in 2Q17, 12% higher than 2Q16 mainly due to price adjustments. Health insurance average premium has increased 11% in the quarter (2Q17 x 2Q16).
- The loss ratio attained 81.0% in 2Q17, a decrease of 5.2 p.p. when compared to the 2Q16, chiefly explained by the lower losses frequency in the period.

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



Loss Ratio - Health

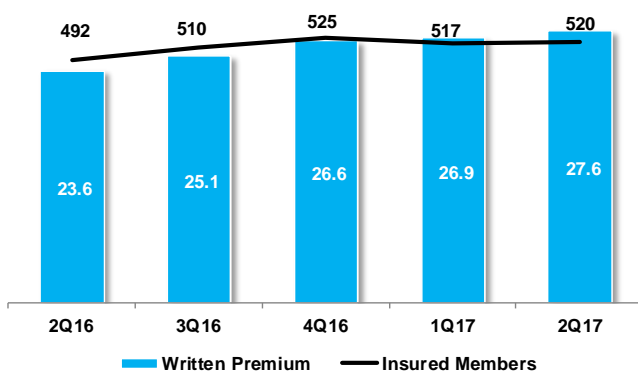


Dental Insurance

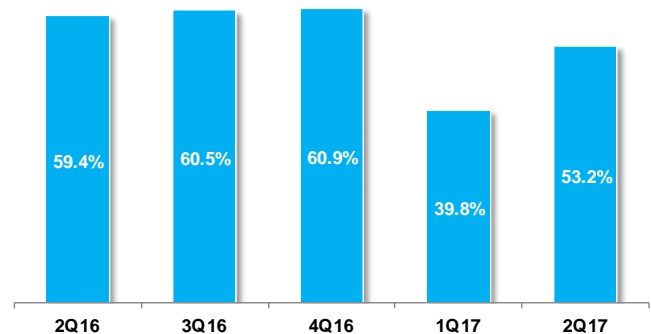
Dental Insurance	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Written Premiums (R\$ million)	27.6	23.6	16.9	54.5	46.7	16.7
Earned Premium (R\$ million)	27.6	23.6	16.9	54.5	46.7	16.7
Loss Ratio (%) - Var (p.p.)	53.2	59.4	(6.2)	46.6	56.7	(10.1)
Insured Members (thousand)	520	492	5.7	520	492	5.7

- Dental insurance premiums amounted to R\$ 28 million in 2Q17, 17% above 2Q16, due to the increase of 6% in insured members, achieving 520 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 53.2% in the quarter, a decrease of 6.2 p.p. chiefly due to our efforts to improve the claims process and the lower use frequency.

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



Loss Ratio - Dental



Life Insurance

Life Insurance	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Written Premiums (R\$ million)	195.7	166.1	17.8	368.2	309.4	19.0
Earned Premium (R\$ million)	174.9	151.4	15.5	342.3	291.9	17.3
Loss Ratio (%) - Var (p.p.)	30.1	28.5	1.6	29.8	30.7	(0.9)
Members insured (thousand)	7,165	7,544	(5.0)	7,165	7,544	(5.0)

Written premiums totaled R\$ 196 million in the quarter, 18% greater than 2Q16 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 higher losses of 1.6 p.p. in the quarter was driven mainly by the increased losses in the Group Life Insurance.

Pension

Pension Plan	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Gross Funding (R\$ million) ¹	249.0	145.5	71.1	447.3	257.4	73.8
Net Funding (R\$ million) ²	137.6	44.8	207.1	232.5	45.4	412.1
Technical Provisions (R\$ million)	4,387.6	3,524.4	24.5	4,387.6	3,524.4	24.5
Total Active Participants (thousands)	143	136	5.1	143	136	5.1

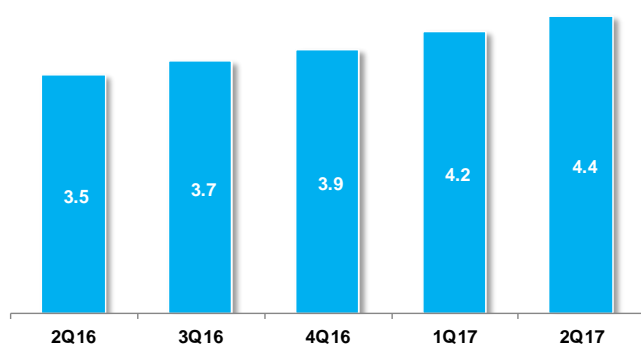
¹ Gross Funding = Total Contributions + inputs + incoming portability

² Net Funding = Gross funding - withdrawals - outgoing portability

The gross funding for pension products reached R\$ 249 million in the quarter, 71% higher when compared to 2Q16. The increase is mainly explained by the improvement of products, process and interfaces. Also, the net funding attained R\$ 138 million (+207%) in the quarter, reverting the unfavorable scenario from 2016.

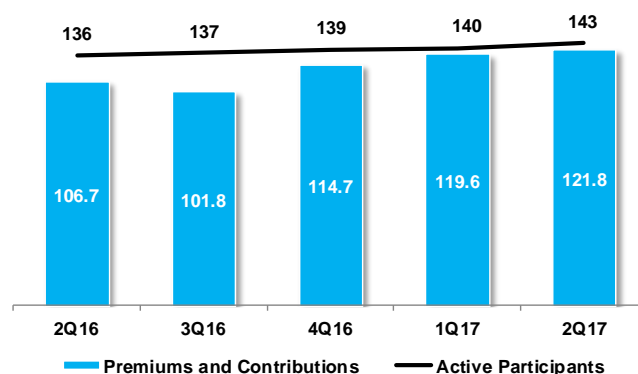
Assets under management reached R\$ 4.4 billion in the quarter, representing an increase of 25% (2Q17 x 2Q16).

Assets under Management³ (R\$ billion)



³ Considering only clients reserves

Active Participants (thousand) and Contributions⁴ (R\$ million)



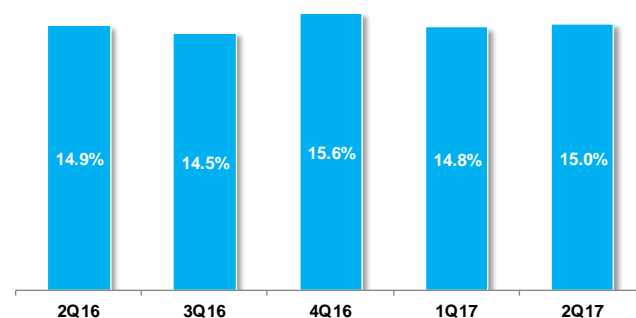
⁴ Pension contribution revenues (risk + accumulation) + VGBL Premiums

G&A – Insurance

Administrative Expenses - Insurance						
R\$ thousand	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
General Administrative Expenses	493.2	483.0	2.1	985.7	966.1	2.0
Marketing	18.9	19.7	(4.1)	35.0	37.5	(6.7)
Profit Sharing	60.1	46.8	28.4	95.7	90.2	6.1
Total Administrative Expenses - Insurance	572.2	549.5	4.1	1,116.4	1,093.8	2.1
Total Administrative Expenses - excluding profit sharing	512.1	502.7	1.9	1,020.7	1,003.6	1.7
Earned Premiums	3,415.2	3,375.6	1.2	6,838.8	6,786.5	0.8

G&A Insurance Ratio

- Insurance G&A (excluding profit sharing) grew 1.9% in the quarter (vs. 2Q16), while the inflation rate in the period was 3.0%.
- The insurance G&A ratio reached 15.0% in the 2Q17 (+0,1 p.p. vs. 2Q16), remaining practically stable even considering the slowdown of earned premiums, as a result of our efforts to streamline the Company process.



Other Operational Expenses/Revenues

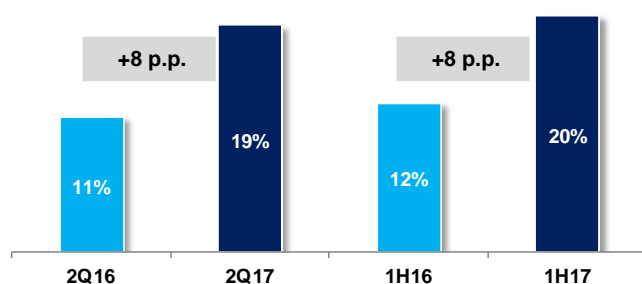
Other Operational Expenses/Revenues - Insurance						
R\$ thousand	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Other Operating Revenues - Insurance	10.4	7.6	36.8	26.0	22.5	15.6
Other Operating Expenses - Insurance	151.8	151.4	0.3	306.9	321.0	(4.4)
Total Other Operational Expenses/Revenues	(141.4)	(143.8)	(1.7)	(280.9)	(298.5)	(5.9)
Index (Vs. premiums) Var p.p.	4.1	4.2	(0.1)	4.1	4.4	(0.3)

- Other operational income – insurance totaled R\$ 10 million in 2Q17, an increase of 37%, explained by higher revenues from the DPVAT consortium.
- Other operational expenses – insurance totaled R\$ 152 million in 2Q17, remaining stable when compared to the 2Q16.
- The O.E ratio (total other operational revenues and expenses / earned premium) remained practically stable in comparison to the same period of 2016.
- Total expenses (G&A + O.E) increased 1% in the quarter, in line with the premiums fluctuation.

Financial and Service Businesses

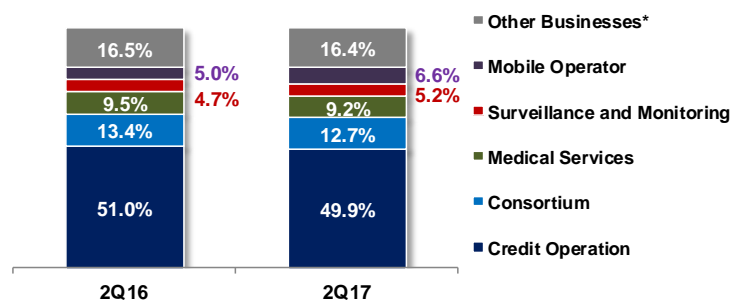
Summarized Income Statement - Non Insurance						
(R\$ thousand)	2Q17	2Q16	Var. %	1H17	1H16	Var. %
Revenues from Credit Operation	267.2	238.8	11.9	542.0	466.9	16.1
Revenues from Services - services	267.8	229.4	16.7	524.3	447.4	17.2
TOTAL REVENUE	535.0	468.2	14.3	1,066.3	914.3	16.6
Allowance for delinquent accounts - Financial	(65.2)	(81.2)	(19.7)	(134.3)	(126.7)	6.0
Costs of services rendered (a)	(76.6)	(68.0)	12.6	(157.8)	(130.4)	21.0
Commercial Expenses (b)	(31.7)	(25.6)	23.8	(57.7)	(48.1)	20.0
G&A - General Expenses (c)	(162.7)	(146.8)	10.8	(314.3)	(285.8)	10.0
Other Operational Revenues/Expenses (d)	(93.8)	(78.7)	19.2	(181.4)	(166.1)	9.2
Total (a+b+c+d)	(364.8)	(319.1)	14.3	(711.2)	(630.4)	12.8
Tax	(26.7)	(24.4)	9.4	(53.6)	(47.6)	12.6
TOTAL G&A AND OPERATIONAL EXPENSES	(456.7)	(424.7)	7.5	(899.1)	(804.7)	11.7
Depreciation	(7.2)	(5.8)	24.1	(15.2)	(11.1)	36.9
OPERATING INCOME	71.1	37.7	88.6	152.0	98.5	54.3
Financial and Equity Accounting Results	6.9	13.3	(48.1)	19.3	26.6	(27.4)
INCOME BEFORE TAX	78.0	51.0	52.9	171.3	125.1	36.9
Income Tax and Social Contribution	(28.7)	(21.1)	36.0	(69.3)	(54.9)	26.2
Profit Sharing	(4.8)	(10.4)	(53.8)	(13.4)	(18.8)	(28.7)
NET INCOME	44.5	19.5	128.2	88.6	51.4	72.4
ROAE	16.9	8.0	8.9	17.1	10.9	6.2

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

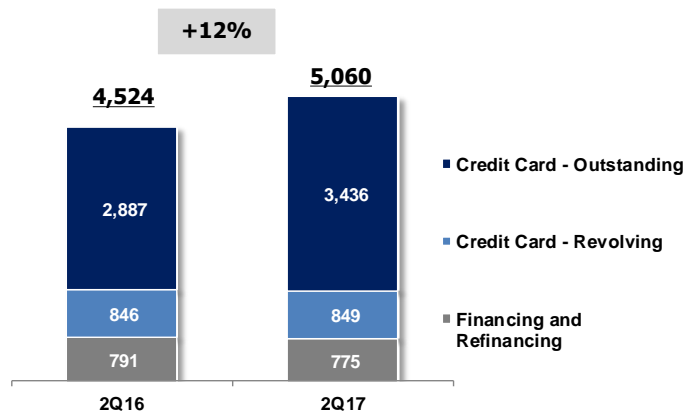
- Total revenues from financial and service businesses attained R\$ 535 million in 2Q17, 14% above 2Q16, driven mainly by the increase of Credit Operations and Financing products and Porto Seguro Conecta (MVNO Company).
- Consolidated ROAE from financial and services businesses totaled 16.9% in the quarter, an increase of 8.9 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	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Revenues from Financial Intermediation (R\$ million)	141.8	132.7	6.9	293.5	259.3	13.2
Revenues from Services	108.3	91.3	18.6	214.0	178.1	20.2
Other Revenues	17.1	14.8	15.5	34.5	29.5	16.9
Revenues from Credit Operation and Financing (R\$ million)	267.2	238.8	11.9	542.0	466.9	16.1
Loan Loss Provisions (% p.p.)	5.7	7.1	(1.4)	5.7	7.1	(1.4)
Total Financing Clients (thousand)	47	48	(2.1)	47	48	(2.1)
Credit Card Clients (million)	2,086	2,010	3.8	2,086	2,010	3.8

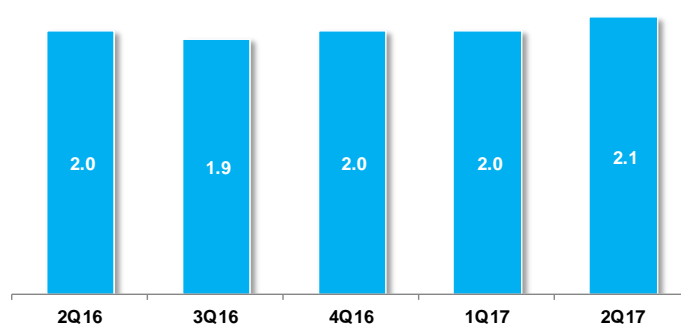
- The income from credit operations totaled R\$ 267 million in 2Q17, 12% higher when compared to 2Q16, mainly driven by higher revenues from services, especially due to the increased interchange volume. It's worth to emphasize that the revenues from financial intermediation increased even considering that the revolving credit card portfolio remained practically stable (R\$ 849 MM in the 2Q17 vs. R\$ 846 MM in the 2Q16).
- NPL (over 90 days) reached 5.0% in the quarter, lower than the market average of 7.3% (Source: Banco Central – available data until May/17). The NPL remained stable in comparison to the first quarter of 2017 (+0.1 p.p.) and in line with the Company's expectation 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 1.4 p.p. in the quarter when compared to 2Q16. The coverage rate – a result of a loan loss provisions balance related to the balance of overdue payments operations (over 90 days) – attained 113.8% in the quarter, which represents an increase of 6.0 p.p. in comparison to the 2Q16.
- The percentage of the portfolio's risk costs (provision costs + credit loss / net revenues from financial intermediation) ended the quarter reporting a decrease of 3.9 p.p. when compared to the 2Q16.
- The total credit portfolio reached R\$ 5.1 billion by the end of 2Q17 and the largest part (68%) is comprised of outstanding payments from credit card products.

Credit Operation Portfolio (R\$ million)*



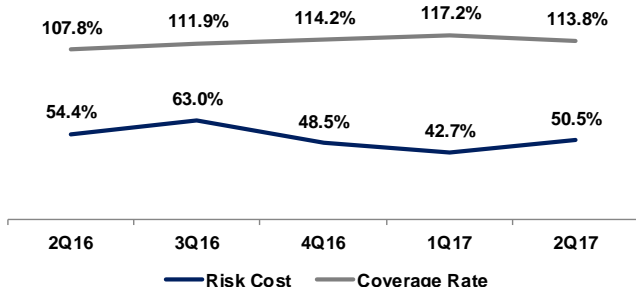
* The balance of credit card operations portfolio – excluding private label operations – amounted R\$ 4,379 MM (R\$ 3,921 MM in 2Q16)

Credit Card (million of units)*

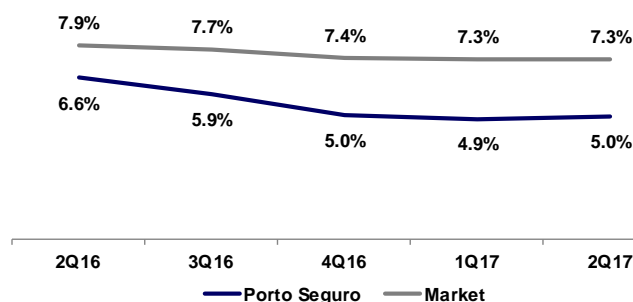


*Cards apt for use, including card holders and additional

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

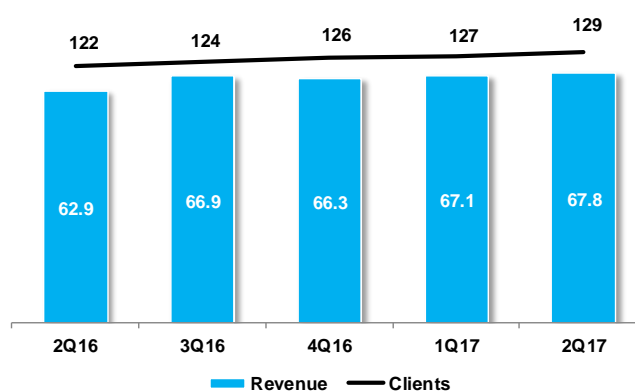
¹The NPL over 90 days was adjusted to stay in line with the Central Bank methodology, which establishes that the balance of agreement operations related to late payments are not considered delinquent

Consortium

Consortium	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Revenues from Consortium operation (R\$ million)	67.8	62.9	7.8	134.9	124.3	8.5
Consortium Members (thousand)	129	122	5.7	129	122	5.7

- Income from consortium fees totaled R\$ 68 million in 2Q17, an increase of 8% driven by the clients base expansion.

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

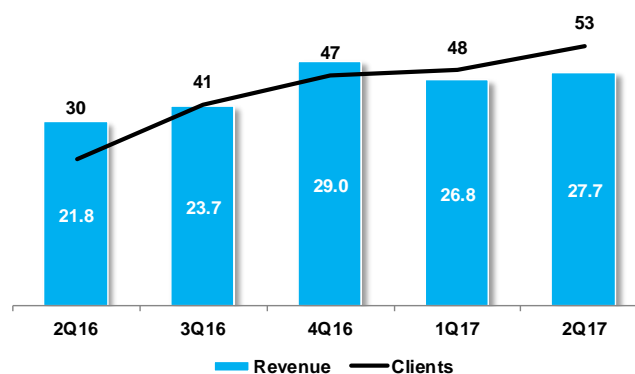


Surveillance and Monitoring

Surveillance and Monitoring	2Q17	2Q16	Var. %/p.p.	1H17	1H16	Var. %/p.p.
Revenues (R\$ million)	27.7	21.8	27.1	54.5	42.9	27.0
Clients (thousand)	53	30	76.7	53	30	76.7

- Revenues from monitoring services and security products sales increased 27% in the period, amounting to R\$ 28 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	2Q17	2Q16	Var. %	1H17	1H16	Var. %
Investment - Ex-Pension Funds*	195.1	270.3	(27.8)	461.6	569.3	(18.9)
Investment - Pension Funds Plan	54.5	127.8	(57.4)	188.8	276.4	(31.7)
Total Investment	249.6	398.1	(37.3)	650.4	845.7	(23.1)
Other Revenues	108.6	110.1	(1.4)	223.0	232.0	(3.9)
Total Financial Income	358.2	508.2	(29.5)	873.4	1,077.7	(19.0)

(*) Pension funds own Revenues Included

Financial Expenses	2Q17	2Q16	Var. %	1H17	1H16	Var. %
Pension Plan Operations	(61.5)	(112.8)	(45.5)	(187.5)	(245.3)	(23.6)
Insurance Operations	(40.1)	(46.5)	(13.8)	(90.7)	(87.2)	4.0
P&L - Fixed Income Bonds classified as available-for-sale	(12.7)	(12.1)	5.0	(19.5)	(29.9)	(34.8)
P&L - Fixed Income Bonds classified as available-for-sale - Pension Funds	(19.9)	(3.9)	410.3	(20.5)	(3.9)	425.6
Other Expenses	(26.7)	(22.0)	21.4	(52.0)	(47.7)	9.0
Total Financial Expenses	(160.9)	(197.3)	(18.4)	(370.2)	(414.0)	(10.6)

Financial Income	2Q17	2Q16	Var. %	1H17	1H16	Var. %
Total Financial Income	197.3	310.9	(36.5)	503.2	663.7	(24.2)

Financial revenues were R\$ 358 million in the 2Q17 (-30% vs. 2Q16).

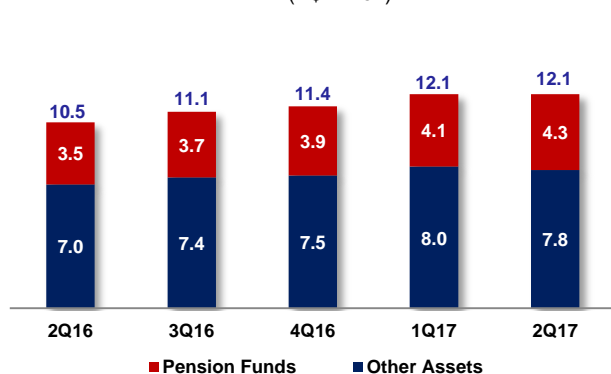
Financial results achieved R\$ 197 million for the quarter, 37% lower when compared to 2Q16.

The total return on the financial investment portfolio (total AUM of R\$ 12.1 billion) was 1.7% (67% of CDI*) in the 2Q17. Excluding pension funds, the portfolio results (R\$ 7.8 Billion) produced a return of 2.1% (82% of CDI*).

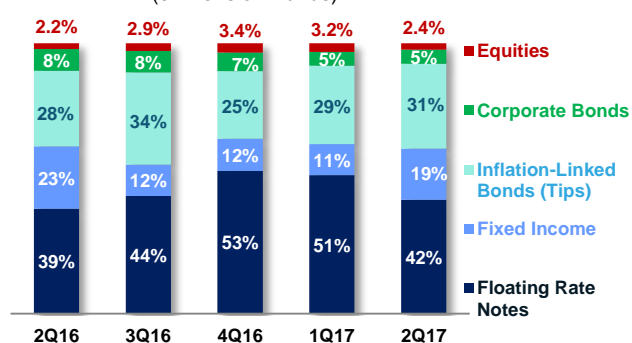
The financial investment portfolio profitability in the 2Q17 (excluding pension funds) was impacted by the lower average CDI (-24%) and the inflation linked bonds performance, as a result of the lower inflation rate and the strong prices oscillation of fixed income assets. Also, the equities investments reported a weaker performance in the quarter, mainly explained by the uncertainties of political and fiscal scenario.

*CDI – Risk Free Rate (Similar to LIBOR)

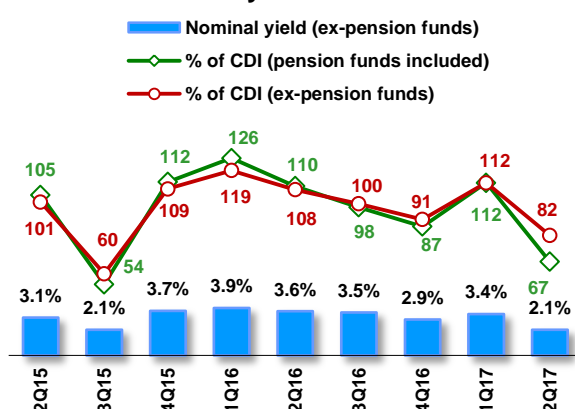
Revenue from Investments Assets
(R\$ Billion)



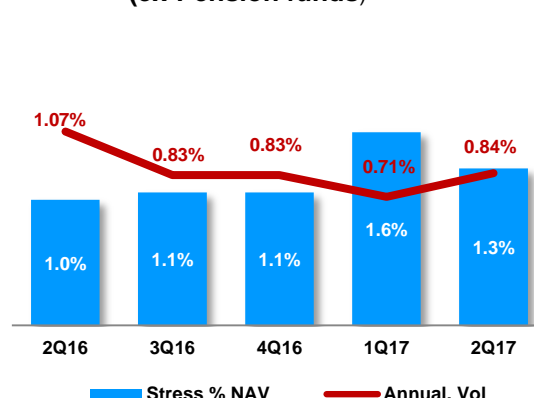
Allocation¹
(ex-Pension Funds)



Quarterly Performance



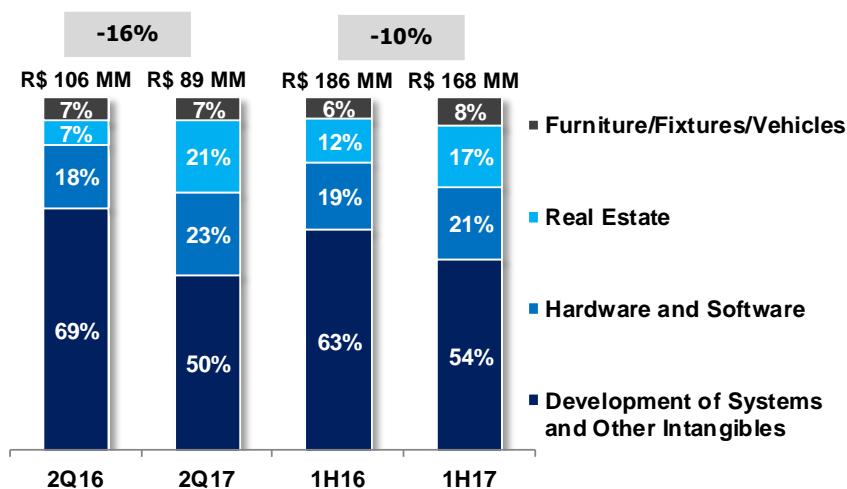
Risk Exposure
(ex-Pension funds)²



¹ Future exposures included.

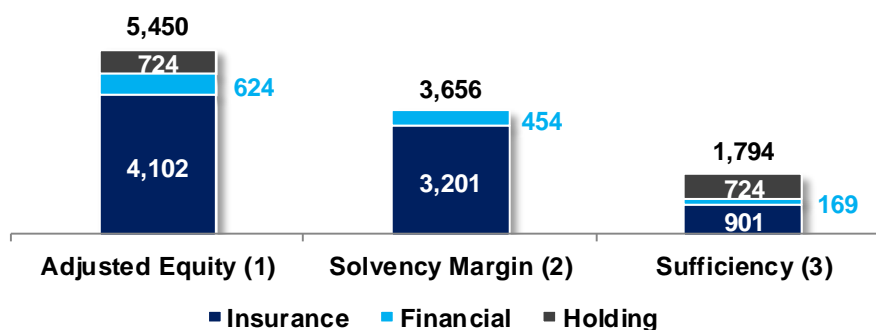
² Brazilian Future Exchange (BM&FBOVESPA) stress scenarios.

CAPEX Breakdown (%)



The investments were reduced by 16% in the quarter mainly due to the decreased expenses with projects that are on the verge of being finished. The vast part of investments were allocated to system development and acquisition of software licenses, representing over 70% of the total amount, in order to enhance the Company process and expand segments such as Life Insurance, P&C Insurance and new businesses.

Capital Requirements – 2Q17 (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



PORTO SEGURO

Historical Performance

2Q17 and 1H17 Earnings Release

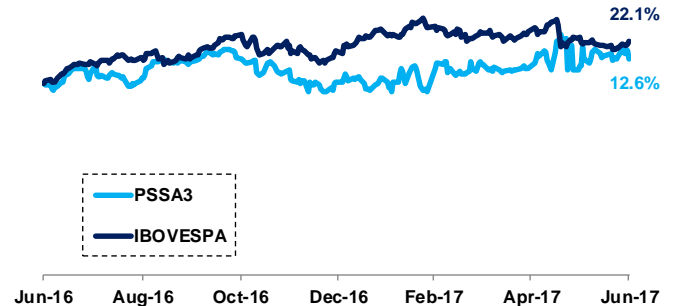
Historical Variation*: PSSA3 x Ibov %

PSSA3	IBOVESPA
332%	162%

* From November 2004 (IPO) to June, 2017

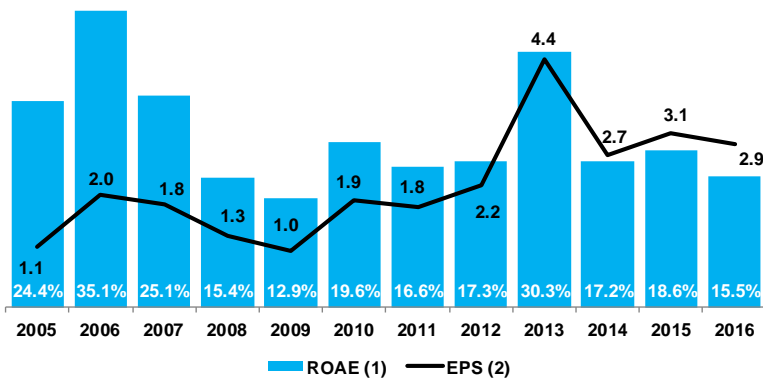
Annual Performance PSSA3 vs. Ibovespa

last 12 months



Profitability

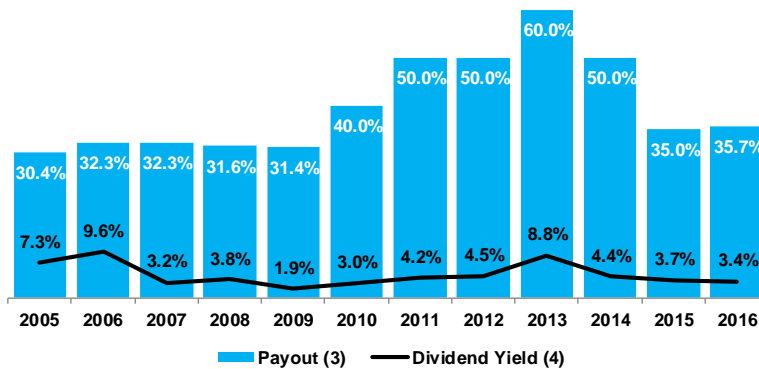
(without Business Combination)



Porto Seguro S.A. Data

Corporate Taxpayer' ID	02.149.201/0001-69
BM&Fbovespa	PSSA3
Sector	Insurance
Share price in 06/30/2017	30.11
52 Week Low - 02/02/2017 - R\$	25.58
52 Week High - 05/18/2017 - R\$	31.60
Number of shares in the Free Float (million)	94.3
Market Value (R\$ billion) in 06/30/2017	9.7
Price Book Value in 06/30/2017	1.4

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
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 JUNE 30th, 2017 and DECEMBER 31th, 2016
 (Amounts in thousand of reais)

	Consolidated			Consolidated	
	2017	2016		2017	2016
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
Current assets	<u>19,228,227</u>	<u>19,135,427</u>	Current liability	<u>14,421,054</u>	<u>14,305,435</u>
Cash and cash equivalents	892,628	882,067	Liabilities from insurance contracts and pension plans	8,483,100	8,399,908
Financial assets			Debits from insurance and reinsurance operations	318,738	354,252
Financial assets at fair value through income or loss	8,118,993	8,070,433	Financial liabilities	4,439,630	4,278,985
Financial assets available for sale	933,774	878,490	Taxes and contributions payable	378,962	408,033
Loans and Receivables			Dividends and interest on capital payable	195,494	219,185
Insurance premium receivable	3,316,899	3,327,930	Derivative financial instruments	11,553	13,139
Credit Operations	1,082,538	1,033,050	Other liabilities	593,577	631,933
Securities and amounts receivables	2,718,968	2,753,991			
Amount receivable from provided service	92,880	96,951	Non-current assets	<u>4,518,577</u>	<u>4,050,473</u>
Reinsurance assets	79,466	80,195	Liabilities from insurance contracts and pension plans	4,039,453	3,565,051
Taxes and contributions receivable	180,326	170,743	Financial liabilities	44,804	59,662
Non financial assets available for sale	193,104	188,672	Deferred income tax and social contribution	281,927	286,088
Deferred contract acquisition costs	1,222,219	1,224,605	Other liabilities	52,496	41,832
Derivative financial instruments	1,189	1,455	Legal provisions	96,329	97,840
Other assets	395,243	426,845	Derivative financial instruments	3,568	-
Long-term assets	<u>6,817,907</u>	<u>6,221,280</u>	Shareholders' Equity	<u>7,106,503</u>	<u>7,000,799</u>
Financial assets			Capital	3,500,000	3,170,000
Financial assets at fair value through income or loss	1,289	1,204	(-) Treasury stocks	(20,506)	-
Financial assets available for sale	2,241,232	1,686,939	Revenue reserves	3,373,495	3,703,495
Loans and Receivables			Additional proposed dividends	-	108,675
Insurance premium receivable	1,259	827	Retained Earnings	206,923	-
Credit Operations	290,004	300,744	Other comprehensive income	206,923	-
Reinsurance assets	1,182	979	Non-controlling interest	44,518	16,896
Deferred Income Tax and Social Contribution	469,476	501,508			
Taxes and contributions receivable	5,597	6,372			
Deferred contract acquisition costs	19,454	17,018			
Other assets	350,694	337,995			
Investments					
Real estate held as investment	8,456	8,554			
Fixed assets	1,539,432	1,535,599			
Intangible	1,889,832	1,823,541			
TOTAL ASSETS	<u>26,046,134</u>	<u>25,356,707</u>	TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	<u>26,046,134</u>	<u>25,356,707</u>

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

	2Q17	2Q16	2017	2015
Revenue				
Written insurance premiums and healthcare plan premiums	3,540,202	3,406,060	7,003,678	6,901,796
(-) Reinsurance premiums	(24,220)	(25,813)	(45,098)	(44,554)
(=) Written and billed premiums, Net of Reinsurance	3,515,982	3,380,247	6,958,580	6,857,242
Revenue from credit operations	267,180	238,713	541,985	466,860
Revenue from services	267,858	229,378	524,299	447,398
Private pension	44,792	41,791	89,929	87,194
Net Revenues from capitalization securities	7,529	6,164	14,349	13,608
Other operating revenues - Insurance	10,418	7,646	25,965	22,466
Other operating revenues - Other	21,938	22,154	39,437	36,048
Revenue from rent of properties	2,694	2,356	5,869	3,797
Total Revenues	4,138,391	3,928,449	8,200,413	7,934,613
Expenses				
Changes in net technical provisions - insurance	(100,773)	(4,653)	(119,731)	(70,725)
Changes in net technical provisions - pension	(52,557)	(20,708)	(92,359)	(61,416)
(=) Total Changes in net technical provisions	(153,330)	(25,361)	(212,090)	(132,141)
Gross retained claims	(2,134,644)	(2,222,314)	(4,359,217)	(4,459,064)
(-) Recovery of reinsurers	9,659	9,974	20,231	26,207
(-) Recovery of salvage vehicles and reimbursements	247,663	256,143	504,342	528,483
Supplementary pension plan benefits	(5,883)	(5,892)	(13,880)	(10,067)
(=) Expenses with claims and credited benefits, net	(1,883,205)	(1,962,089)	(3,848,524)	(3,914,441)
Acquisition costs - insurance	(712,746)	(679,312)	(1,411,588)	(1,357,439)
Acquisition costs - other	(36,731)	(29,590)	(67,403)	(55,771)
Administrative expenses - Insurance	(512,110)	(502,773)	(1,020,741)	(1,003,635)
Administrative expenses - Other	(238,958)	(212,517)	(447,827)	(412,281)
Tax expenses - Insurance	(88,871)	(98,120)	(178,490)	(190,922)
Tax expenses - Other	(43,735)	(24,400)	(70,744)	(47,559)
Cost of services rendered	(76,610)	(67,941)	(157,752)	(130,369)
Other operating expenses - Insurance	(151,768)	(151,368)	(306,873)	(320,994)
Other operating expenses - Other	(176,295)	(180,052)	(352,922)	(326,226)
Total Expenses	(4,074,359)	(3,933,523)	(8,074,954)	(7,891,778)
Operating result before financial result	64,032	(5,074)	125,459	42,835
Financial revenues - Insurance	310,839	457,512	755,219	951,485
Financial revenues - Other	47,368	50,646	118,168	126,209
Financial expenses - Insurance	(140,949)	(181,320)	(337,660)	(376,728)
Financial expenses - Other	(19,930)	(15,982)	(32,540)	(37,272)
	197,328	310,856	503,187	663,694
Operating income	261,360	305,782	628,646	706,529
Income before Income and social contribution taxes	261,360	305,782	628,646	706,529
Income and social contribution taxes	(26,494)	(134,186)	(180,331)	(297,525)
Current	(27,193)	(146,912)	(152,460)	(285,194)
Deferred	699	12,726	(27,871)	(12,331)
Net income for the period	234,866	171,596	448,315	409,004
Attributable to				
- Shareholders of the Company	235,703	172,794	450,003	411,304
- In subsidiaries Not Controlling Minority Shareholders	(837)	(1,198)	(1,688)	(2,300)
Effective Tax Rate: Tax and Social Contribution Over Net Income before Tax ¹	10.1%	43.9%	28.7%	42.1%

PORTO SEGURO S.A and Subsidiaries
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED IN JUNE, 30th
(In thousands of reais)

	<u>2017</u>	<u>2016</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	537,454	(186,615)
CASH FLOW FROM OPERATING ACTIVITIES	560,386	511,567
Net Income For The Quarter	448,315	409,004
Depreciation - property, plant and equipment	70,137	60,545
Depreciation - investments real estate properties	98	140
Amortization	42,033	40,006
Proceeds from sale of fixed assets	(197)	1,872
Increase / decrease in assets	201,030	(433,072)
Financial assets at fair value through profit or loss	(48,645)	(804,849)
Available-for-sale financial assets	(609,577)	(193,361)
Premiums receivable from policyholders	10,599	164,002
Credit operations	(38,748)	(92,446)
Notes and credits receivable	35,023	(421)
Reinsurance assets	526	(2,295)
Deferred income tax and social contribution	27,871	12,331
Tax and contribution recoverable	(8,808)	63,623
Assets for sale	(4,432)	(29,437)
Other assets	20,829	(77,636)
Acquisition costs of deferred contracts	(50)	(14,891)
Liabilities of insurance contracts	557,594	449,148
Insurance and reinsurance payables	(35,514)	18,540
Financial liabilities	214,648	(46,310)
Derivative financial instruments	2,248	8,118
Taxes and contributions payable	154,829	176,624
Provisions	(1,511)	7,118
Other liabilities	(75,852)	(70,930)
Other	(223,962)	(265,110)
Other comprehensive results	27,622	21,727
Non-controlling interest	1,177	2,797
Funding costs	(68,861)	(32,345)
Income tax and social contribution paid	(183,900)	(257,289)
CASH FLOW FROM INVESTMENT ACTIVITIES	(179,952)	(193,181)
Sales of fixed assets and intangible	16,616	8,084
Acquisition of fixed assets	(86,126)	(61,837)
Investments on Intangible	(110,442)	(139,428)
CASH FLOW FROM FINANCING ACTIVITIES	(346,941)	(350,525)
Treasury stocks	(20,506)	-
Dividends paid	-	(45,763)
Interests on Capital paid	(326,435)	(304,762)
DECREASE IN CASH AND CASH EQUIVALENTS	10,561	(730,321)
Cash and Equivalents at Beginning of Period	882,067	1,154,904
Cash and Equivalents at End of Period	892,628	424,583



**PORTO
SEGURO**

Operating and Financial Highlights

2Q17 and 1H17 Earnings Release

REVENUES (in R\$ million)						
	2Q17	2Q16	Var.%	1H17	1H16	Var.%
INSURANCE WRITTEN PREMIUMS, PENSION AND CAPITALIZATION REVENUES						
Porto Seguro – Auto	1,116.6	1,138.7	(1.9)	2,185.1	2,265.1	(3.5)
Azul Seguros – Auto	650.5	590.4	10.2	1,303.7	1,269.4	2.7
Itaú Auto e Residência - Auto	561.1	506.4	10.8	1,072.7	1,001.0	7.2
Total Auto	2,328.2	2,235.5	4.1	4,561.5	4,535.5	0.6
P&C - Porto Seguro and Azul Seguros	228.3	222.5	2.6	442.3	408.8	8.2
P&C - Itaú Auto e Residência	102.7	92.6	10.9	220.9	217.5	1.6
Total P&C	331.0	315.1	5.0	663.2	626.3	5.9
Health	279.1	249.8	11.7	548.6	501.5	9.4
Dental	27.6	23.6	16.9	54.5	46.7	16.7
Portomed (health care plan)	20.3	32.0	(36.6)	43.7	62.1	(29.6)
Total Health (Health + Dental + Portomed)	327.0	305.4	7.1	646.8	610.3	6.0
Life	195.7	166.1	17.8	368.2	309.4	19.0
DPVAT (Cars/Personal Injured Liability)	76.5	122.3	(37.4)	208.0	313.4	(33.6)
Porto Seguro Uruguay	64.9	54.1	20.0	130.9	118.2	10.7
Written Premiums VGBL	77.0	64.9	18.6	151.5	114.2	32.7
Cargo	44.6	36.2	23.2	87.6	71.5	22.5
Financial Risks	79.3	87.7	(9.6)	159.8	177.2	(9.8)
Other Insurance	16.0	18.8	(14.9)	26.2	25.8	1.6
Total Written Premiums	3,540.2	3,406.1	3.9	7,003.7	6,901.8	1.5
Other Operational Revenues - Insurance	10.5	7.7	36.4	26.0	22.5	15.6
Total Earned Premiums	3,415.2	3,375.6	1.2	6,838.8	6,786.5	0.8
Total Pension Revenues (PGBL + VGBL)	121.8	106.7	14.2	241.4	201.4	19.9
Capitalization Total Revenues	7.5	6.1	23.0	14.3	13.6	5.1
REVENUES FROM FINANCIAL AND SERVICE BUSINESSES						
Credit Card and Financing	267.2	238.8	11.9	542.0	466.9	16.1
Consortium	67.8	62.9	7.8	134.9	124.3	8.5
Medical Services	49.0	44.3	10.6	92.1	90.9	1.3
Call Center	47.0	44.0	6.8	94.3	84.3	11.9
Surveillance and Monitoring Services	27.7	21.8	27.1	54.5	42.9	27.0
Mobile Operator	35.4	23.3	51.9	69.6	40.0	74.0
Asset Management	16.0	12.8	25.0	31.2	24.4	27.9
Other Revenues	24.9	20.3	22.7	47.7	40.6	17.5
Financial Businesses and Services - Total Revenues	535.0	468.2	14.3	1,066.3	914.3	16.6
Other Operational Revenues - Financial Businesses and Services	13.5	7.3	84.9	22.8	14.6	46.3
Real Estate Revenues	2.7	2.4	12.5	5.9	3.8	55.3
Total Revenues	4,154.2	3,939.6	5.4	8,228.9	7,957.8	3.4
FINANCIAL RESULTS						
Financial Results - Insurance	169.9	276.2	(38.5)	417.6	574.8	(27.3)
Financial Results - Other (Financial Businesses / Services / Holding)	27.4	34.7	(21.0)	85.6	88.9	(3.7)
Total Financial Results	197.3	310.9	(36.5)	503.2	663.7	(24.2)
INDEX (%)						
LOSS RATIO						
Porto Seguro – Auto	54.4	55.7	(1.3)	55.6	54.8	0.8
Azul Seguros – Auto	62.8	62.7	0.1	63.6	62.2	1.4
Itaú Auto e Residência - Auto	59.6	62.7	(3.1)	60.9	63.0	(2.1)
Total Auto	57.9	59.2	(1.3)	59.0	58.7	0.3
P&C - Porto Seguro and Azul Seguros	28.1	32.5	(4.4)	31.5	34.0	(2.5)
P&C - Itaú Auto e Residência	26.9	31.3	(4.4)	31.2	33.2	(2.0)
Total P&C	27.7	32.0	(4.3)	31.4	33.7	(2.3)
Health	81.0	86.2	(5.2)	78.0	79.8	(1.8)
Dental	53.2	59.4	(6.2)	46.6	56.7	(10.1)
Portomed (Healthcare Plan)	87.7	102.5	(14.8)	86.5	102.4	(15.9)
Health (Health + Dental + Portomed)	79.1	85.9	(6.8)	75.9	80.3	(4.4)
Life	30.1	28.5	1.6	29.8	30.7	(0.9)
Total Loss Ratio	55.0	58.0	(3.0)	56.1	57.5	(1.4)
INSURANCE COMMISSION RATIO						
Acquisition costs - Insurance	20.9	20.1	0.8	20.6	20.0	0.6
INSURANCE - OPERATING AND ADMINISTRATIVE EXPENSES						
G&A – Insurance	15.0	14.9	0.1	14.9	14.8	0.1
Other Operational Revenues/Expenses - Insurance	4.1	4.2	(0.1)	4.1	4.4	(0.3)
Total Administrative and Operational Expenses	19.1	19.1	-	19.0	19.2	(0.2)
Tax - Insurance	2.6	2.9	(0.3)	2.7	2.8	(0.1)
MARGIN AND PROFITABILITY						
Combined Ratio - Insurance - var.p.p	97.6	100.1	2.5	98.4	99.5	(1.1)
Amplified Combined Ratio - Insurance - var. p.p.	93.0	92.6	0.4	92.7	91.8	0.9
Shareholder's Equity w/o Business Combination - R\$ million - var. %	6,326.7	5,974.0	5.9	6,326.7	5,974.0	5.9
Shareholder's Equity with Business Combination - R\$ million - var. %	7,104.4	6,759.4	5.1	7,104.4	6,759.4	5.1
Net Earnings w/o Business Combination - R\$ million - var. %	237.6	174.7	36.0	453.8	415.1	9.3
Net Earnings with Business Combination - R\$ million - var. %	235.7	172.8	36.4	450.0	411.3	9.4
ROAE w/o Business Combination - p.p.	15.0	11.9	3.1	14.5	14.3	0.2
ROAE with Business Combination - p.p.	13.3	10.4	2.9	12.8	12.5	0.3
EPS w/o Business Combination - R\$ - var. %	0.74	0.54	36.0	1.40	1.28	9.3
EPS with Business Combination - R\$ var. %	0.73	0.53	36.4	1.39	1.27	9.4
# of thousand shares - var. %	323,151	323,293	-	323,151	323,293	-