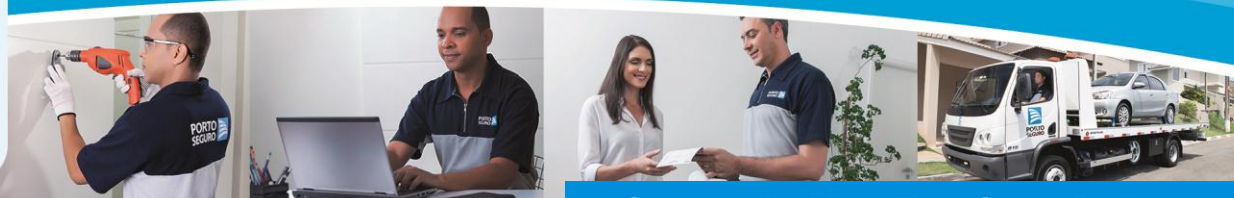




PORTO SEGURO



3Q17 and 9M17 Earnings Release

We ended the third quarter and the 9M17 reporting an increased profitability, despite the economic crisis and the competitive environment.. Our focus on recovering margins led to the gradual improvement of operational results, resulting in the best quarterly insurance combined ratio from the last 2 years. In addition, the financial application achieved a positive return, reverting the losses in the previous quarter, reporting a better performance in comparison to the CDI in 2 years.

In the insurance operation, written premiums rose 3% in the quarter and 2% in the 9M17. The auto insurance premiums of Porto Seguro's brands (Porto Seguro + Azul + Itaú) reported an increase of 3% in the quarter, chiefly due to price adjustments, while the insured fleet reduced 5% (vs. 3Q16) as a result of the stronger industry competition and a weaker demand. However, the market already shows signs of recovery, reporting an improvement of 8% in the brand new vehicle sales (source: Anfavea – 9M17 vs. 2016). In the other insurance, the premiums of Health, Dental, Life and Cargo presented a growth higher than 10% in the quarter.

The combined ratio improved 1.5 p.p. in the quarter, achieving 96,4%, as a result of the reduction of 1.7 p.p. on the total claims. This was mainly driven by the lower loss ratio of Azul and Itaú brand, chiefly due to the price adjustments during this period. Furthermore, the P&C losses have improved mainly propelled by the lower incidence of climate events in the quarter. Finally, the consolidated G&A and O.E ratio remained stable in the quarter.

The revenues from financial and service businesses increased 10% in the quarter mostly due to the growth of credit card and financing products and our MVNO Company. The portfolio NPL (over 90 days) reached 4.9% in the quarter, remaining 1.9% lower than the market average.

The recurring return on financial investments decreased slightly 4% in the quarter as a result of the lower average CDI* (-35%). However, the results performed better than the benchmark mainly driven by the equities and inflation linked bonds performance. The total yield (excluding pension) was 3.0% (134% of the CDI) in the quarter and 8.8% (109% of the CDI) in the 9M17.

The quarterly net earnings have achieved R\$ 385 million (88% vs. 3Q16) and ROAE attained 23.5%. In the 9M17, net earnings amounted R\$ 839 million (+35% vs. 9M16) and ROAE reached 17.2%. However, the results in the quarter were boosted by the sales of IRB (IRB – Brasil Resseguros S.A.) shares in the net amount of R\$ 126 million. Excluding this effect and equalizing the tax basis in the periods (there was a tax benefit in 2Q17 due to change in the JCP credit schedule¹), the net earnings would have been 27% higher in the quarter and 5% in the year (2017 vs. 2016).

*CDI – Risk Free Rate (Similar to LIBOR)

Highlights

Earnings Conference Call – 3Q17 and 9M17

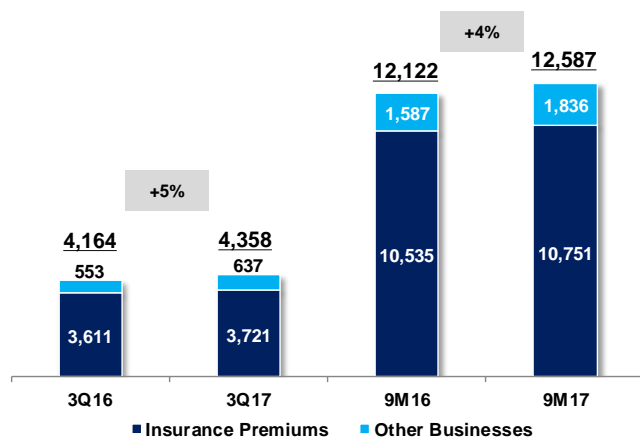
(11/01/17) – Portuguese/English 09:00 a.m. (NY) / 11:00 a.m. (Brasília)

- ▣ Total revenues reported growth of 5% in the 3Q17 (vs. 3Q16) and 4% in the 9M17 (vs. 9M16)
- ▣ The total written premiums increased 3% in the third quarter and 2% in the first nine months of 2017
- ▣ The net income was R\$ 385 million (+88%) in 3Q17 and R\$ 839 million (+35%) in the 9M17 (w/o business combination)
- ▣ ROAE of 23.5% (+10.0 p.p.) for the quarter and 17.2% (+3.3 p.p.) for the 9M17 (w/o business combination)
- ▣ Excluding the effects of the sales of shares of IRB – Brasil Resseguros S.A. in the 3Q17 and the payment of interests on capital¹ in the 2Q17, the quarterly recurring net income would have been R\$ 259 million (+27%) and the ROAE would be 16.1% (+2.6 p.p.). In the year, the recurring net income would achieve R\$ 651 million (+5%) and the ROAE would reach 13.6% (-0.3 p.p.) – ex. pension plans
- ▣ The Combined Ratio attained 96.4% (-1.5 p.p.) in the 3Q17 and 97.7% (-1.3 p.p.) in the 9M17. Amplified Combined Ratio reached 90.5% (-0.6 p.p.) in the 3Q17 and 92.0% (+0.5 p.p.) in the 9M17
- ▣ Financial results of R\$ 474 million in the 3Q17 (+67% vs. 3Q16) and R\$ 977 million in the 9M17 (+3% vs. 9M16). Excluding the effect of the sales of IRB shares, the financial results would have been R\$ 273 million in the 3Q17 (-4%) and R\$ 776 million in the 9M17 (-18%)
- ▣ The financial investment portfolio gains (ex. pension plans) have achieved R\$ 238 million in the 3Q17 (-6% vs. 3Q16) and R\$ 660 million in the 9M17 (-17% vs. 9M16), which represents a total yield of 3.0% (134% of the CDI) in the quarter and 8.8% (109% of the CDI) in the year

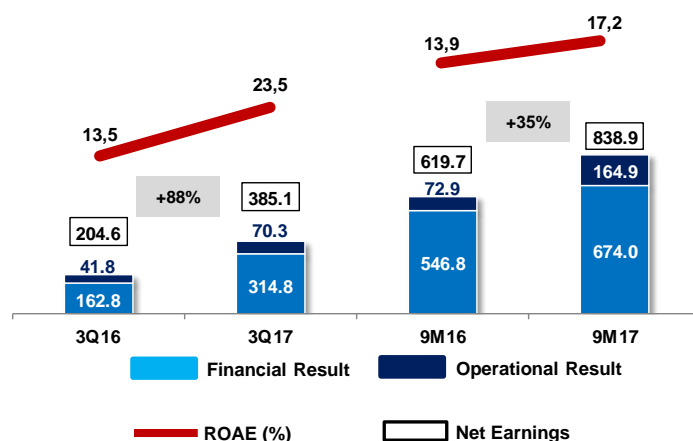
¹The Company will complement the payment of interests on capital in the 4Q17.

Consolidated Results (R\$ Million)

Total Revenues¹

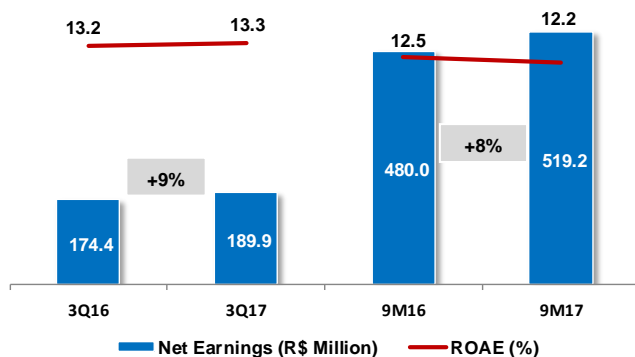


Profitability²

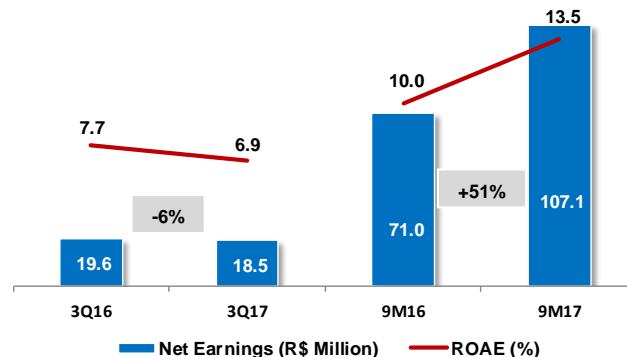


Results by Business Lines (R\$ Million)

Insurance³



Financial and Service Businesses⁴



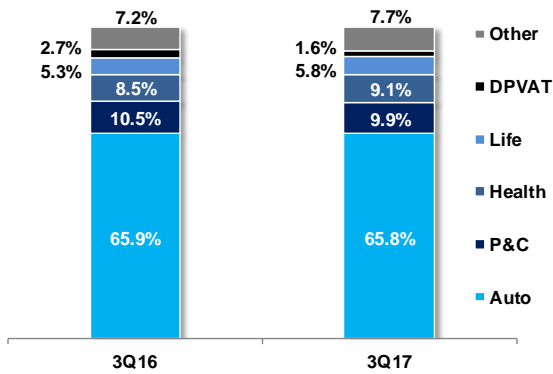
1 Insurance Written Premiums + Financial and Service Businesses + Other Operational Revenues

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

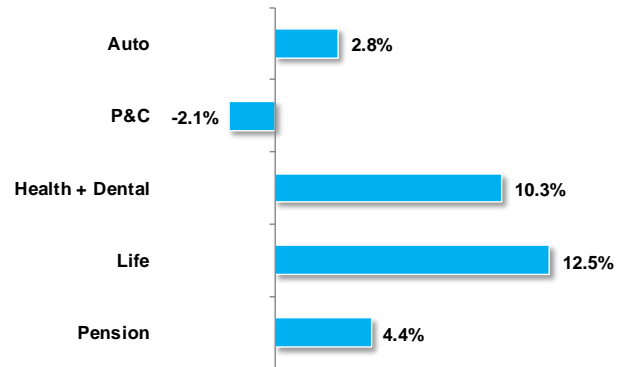
3 Including insurance operations results, pension and capitalization

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

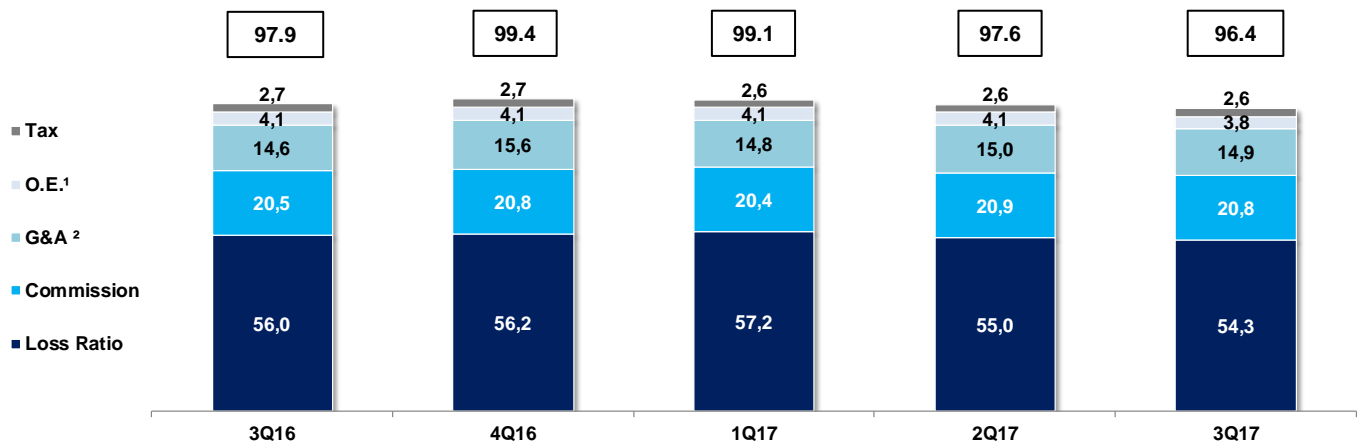
Insurance Written Premiums Breakdown



Top Products Growth* – 3Q17 x 3Q16

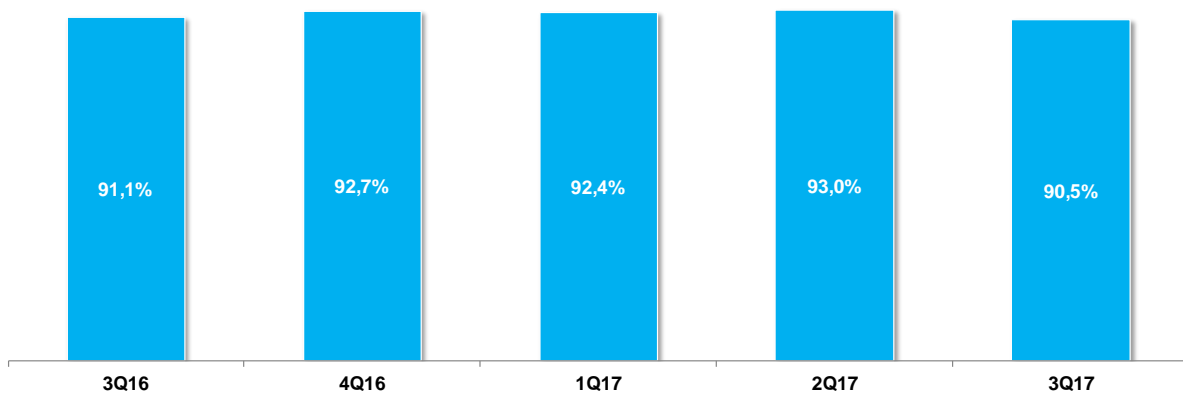


Insurance Combined Ratio (%)



The Combined Ratio (3Q17 vs. 3Q16) have reduced 1.5 p.p. chiefly due to the decreased loss ratio (-1.7 p.p.), as a result of the improvement of Auto, P&C and Health segments. The combined ratio in the third quarter was the best from the last 2 years.

Insurance Amplified Combined Ratio



The Amplified Combined Ratio in the quarter (including the insurance financial result) was 0.6 p.p. better when comparing to the 3Q16, chiefly due to the increased operational result. However, the result was partially offset 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>	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Written Premiums (R\$ million)	1,182.8	1,222.3	(3.2)	3,367.9	3,487.4	(3.4)
Earned Premium (R\$ million)	1,145.7	1,182.4	(3.1)	3,428.2	3,481.2	(1.5)
Loss Ratio (%) - Var (p.p.)	53.1	52.6	0.5	54.8	54.1	0.7
Insured Vehicles (thousand)	2,207	2,399	(8.0)	2,207	2,399	(8.0)

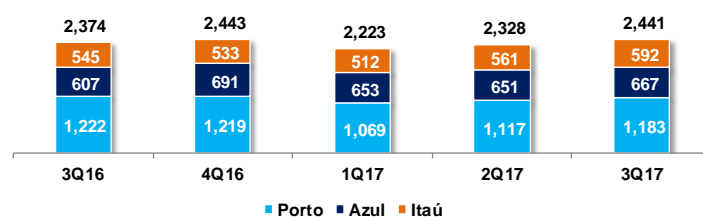
<i>Azul Seguros Auto</i>	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Written Premiums (R\$ million)	666.9	607.0	9.9	1,970.6	1,876.4	5.0
Earned Premium (R\$ million)	663.0	648.5	2.2	1,924.5	1,890.3	1.8
Loss Ratio (%) - Var (p.p.)	60.8	63.1	(2.3)	62.6	62.5	0.1
Insured Vehicles (thousand)	1,850	1,916	(3.4)	1,850	1,916	(3.4)

<i>Itaú Seguros Auto¹</i>	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Written Premiums (R\$ million)	591.7	544.7	8.6	1,664.4	1,545.7	7.7
Earned Premium (R\$ million)	552.0	536.0	3.0	1,603.7	1,576.4	1.7
Loss Ratio (%) - Var (p.p.)	60.8	62.3	(1.5)	60.9	62.7	(1.8)
Insured Vehicles (thousand)	1,260	1,261	(0.1)	1,260	1,261	(0.1)

<i>Auto Consolidated</i>	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Written Premiums (R\$ million)	2,441.4	2,374.0	2.8	7,002.9	6,909.5	1.4
Earned Premium (R\$ million)	2,360.7	2,366.9	(0.3)	6,956.4	6,947.9	0.1
Loss Ratio (%) - Var (p.p.)	57.1	57.7	(0.6)	58.4	58.3	0.1
Insured Vehicles (thousand)	5,317	5,576	(4.6)	5,317	5,576	(4.6)

Premiums (R\$ million)

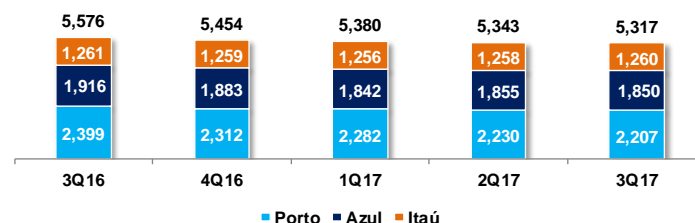
Our discipline on improving profitability has led to a gradual decrease in loss ratio. However, the price adjustments that have been made in the current scenario, with a competitive environment and the economic recession, affected the insured fleet growth (-5% vs. 3Q16).



The total auto premiums increased 3% and the loss ratio improved 0.6 p.p. (vs. 3Q16), even when considering the higher theft frequency in some country regions.

Insured Fleet (thousand)

Written premiums of *Porto Seguro* auto attained R\$ 1,183 million in the quarter, 3% lower when compared to 3Q16 mostly explained by the reduction of 8% in the insured fleet. The loss ratio increased 0.5 p.p. mainly due to the lower earned premium (-3%).



Azul Seguros reported written premiums of R\$ 667 million in the quarter, increasing 10% compared to the 3Q16, while the loss ratio decreased 2.3 p.p., both favored by price adjustments.

Loss Ratio

Itaú Auto e Residência portfolio reached R\$ 592 million in the quarter, 9% higher than the 3Q16, while the loss ratio declined 1.5 p.p. mainly enhanced by the price adjustments that have been made during this period.

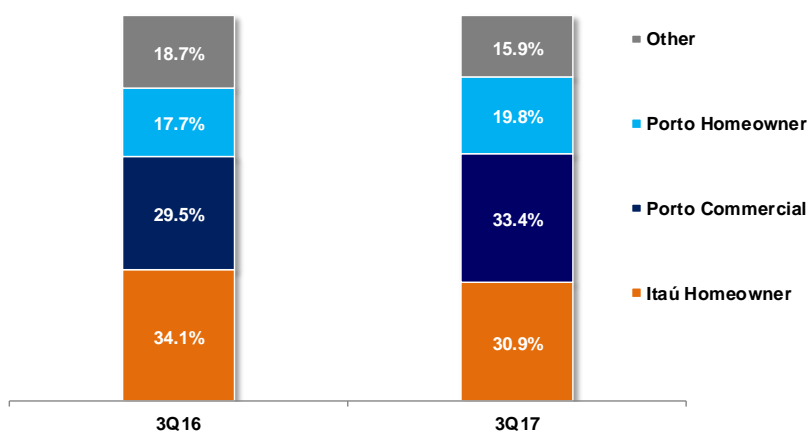
Loss Ratio	3Q16	4Q16	1Q17	2Q17	3Q17
TOTAL AUTO	57.7%	58.5%	60.1%	57.9%	57.1%
Porto	52.6%	55.5%	56.9%	54.4%	53.1%
Azul	63.1%	63.3%	64.3%	62.8%	60.8%
Itaú	62.3%	60.7%	62.2%	59.6%	60.8%

Property & Casualty

	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Itaú Homeowner						
Written Premiums (R\$ million)	114.2	128.5	(11.1)	335.1	346.0	(3.2)
Loss Ratio (%) - Var (p.p.)	25.3	28.2	(2.9)	29.2	31.6	(2.4)
Porto Commercial						
Written Premiums (R\$ million)	123.2	111.1	10.9	338.5	317.6	6.6
Loss Ratio (%) - Var (p.p.)	24.0	34.4	(10.4)	26.9	33.3	(6.4)
Porto Homeowner						
Written Premiums (R\$ million)	72.9	66.6	9.5	217.2	194.5	11.7
Loss Ratio (%) - Var (p.p.)	28.0	34.3	(6.3)	34.9	38.4	(3.5)
Porto Other						
Written Premiums (R\$ million)	58.7	70.7	(17.0)	141.4	145.1	(2.5)
Loss Ratio (%) - Var (p.p.)	31.9	28.8	3.1	28.7	25.3	3.4
Total P&C						
Written Premiums (R\$ million)	369.0	376.9	(2.1)	1,032.2	1,003.2	2.9
Earned Premium (R\$ million)	328.5	293.2	12.0	971.3	897.5	8.2
Loss Ratio (%) - Var (p.p.)	26.2	31.4	(5.2)	29.6	32.9	(3.3)

- Total written premiums of Property & Casualty insurance amounted to R\$ 369 million in 3Q17 (-2% vs. 3Q16) mainly explained by the decreased premiums of Itaú homeowner, that were affected by the lack of sales campaigns and the reduction of new insurance sales in that period.
- The commercial and homeowner products of Porto Seguro have increased 10% and 11% (vs. 3Q16) respectively, both favored by commercial actions that have been done in the quarter.
- Total losses achieved 26.2%, a reduction of 5.2 p.p. in the quarter, mainly due to the lower incidence of climate events in that period.

P&C Premiums Breakdown



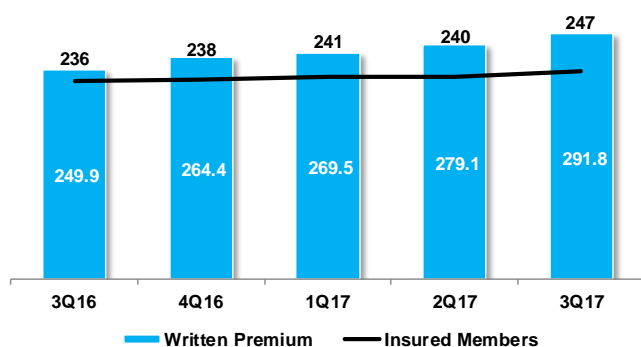
Health Insurance

Health Insurance	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Written Premiums (R\$ million)	291.8	249.9	16.8	840.4	751.4	11.8
Earned Premium (R\$ million)	291.6	249.6	16.8	840.3	750.2	12.0
Loss Ratio (%) - Var (p.p.)	84.4	84.3	0.1	80.2	81.2	(1.0)
Insured Members (thousand)	247	236	4.7	247	236	4.7

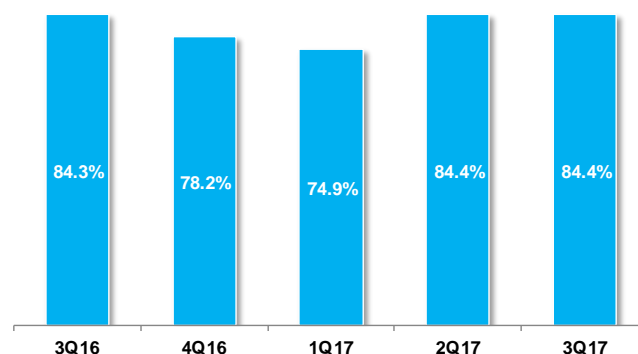
Health insurance segment premiums totaled R\$ 292 million in 3Q17, 17% higher than 3Q16 mainly due to price adjustments and the increase of insured members (+5%) as a result of sales campaigns and marketing initiatives with brokers. The average health insurance premiums have increased 12% in the quarter (3Q17 x 3Q16).

The loss ratio attained 84.4% in 3Q17, remaining practically stable (+0.1 p.p.) in comparison to the 3Q16.

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



Loss Ratio - Health



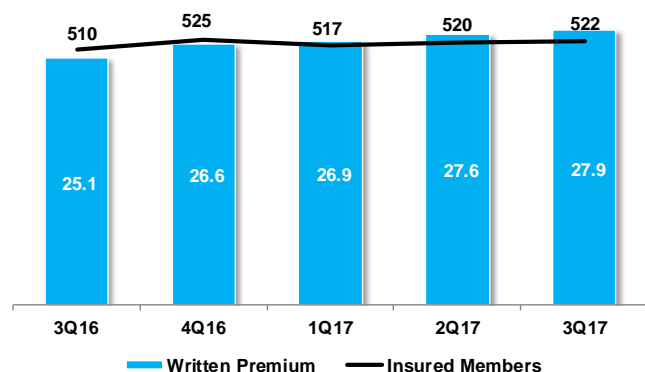
Dental Insurance

Dental Insurance	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Written Premiums (R\$ million)	27.9	25.1	11.2	82.4	71.8	14.8
Earned Premium (R\$ million)	27.9	25.1	11.2	82.4	71.8	14.8
Loss Ratio (%) - Var (p.p.)	54.6	54.3	0.3	49.3	55.9	(6.6)
Insured Members (thousand)	522	510	2.4	522	510	2.4

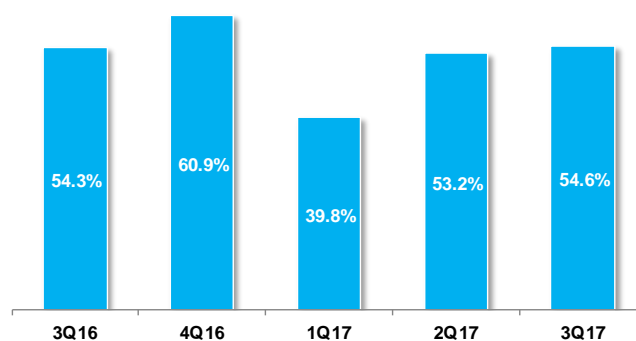
Dental insurance premiums amounted to R\$ 28 million in 3Q17, 11% above 3Q16, due to an increase of 2% in insured members. The growth was driven by the product expansion outside of greater São Paulo and adjustments in the product prices.

The loss ratio reached 54.6% in the quarter, an increase of 0.3 p.p. chiefly due to the higher use frequency in the period

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



Loss Ratio - Dental



Life Insurance

Life Insurance	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Written Premiums (R\$ million)	213.7	190.0	12.5	581.9	499.4	16.5
Earned Premium (R\$ million)	188.1	164.8	14.1	530.4	456.7	16.1
Loss Ratio (%) - Var (p.p.)	34.4	29.8	4.6	31.5	30.4	1.1
Members insured (thousand)	7,221	7,196	0.3	7,221	7,196	(0.3)

Written premiums totaled R\$ 214 million in the quarter, 13% better than 3Q16 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 4.6 p.p. in the quarter were driven mainly by the higher severity of losses in the Group Life Insurance.

Pension

Pension Plan	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Gross Funding (R\$ million) ¹	186.7	178.9	4.4	634.0	436.3	45.3
Net Funding (R\$ million) ²	67.6	84.3	(19.8)	300.1	129.7	131.4
Technical Provisions (R\$ million)	4,562.9	3,730.6	22.3	4,562.9	3,730.6	22.3
Total Active Participants (thousands)	145	137	5.8	145	137	5.8

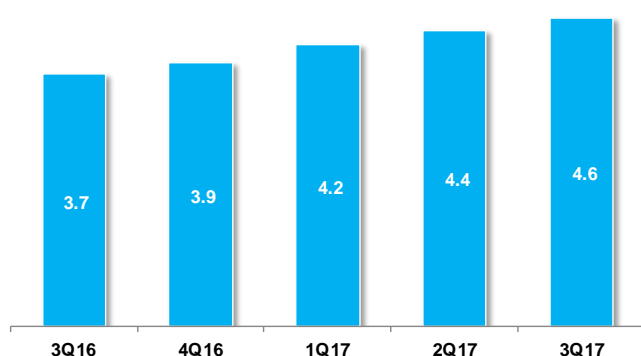
¹ Gross Funding = Total Contributions + inputs + incoming portability

² Net Funding = Gross funding - withdrawals - outgoing portability

The gross funding for pension products reached R\$ 187 million in the quarter, 4% higher compared to 3Q16. The increase is mainly explained by the improvement of products, processes and interfaces. Also, the net funding attained R\$ 68 million (-20%) in the quarter, chiefly due to the higher withdrawal in the period. However, the net funding remains growing in the year (+131% vs. 9M16).

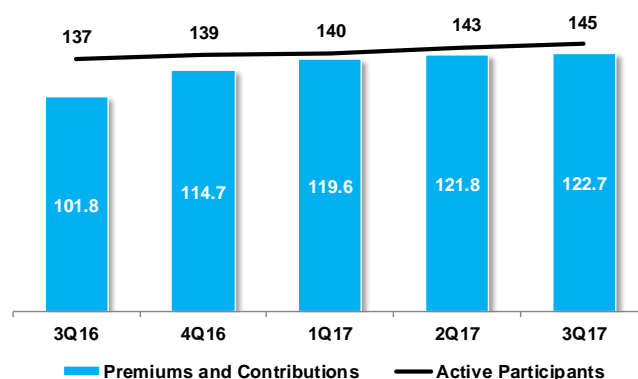
Assets under management reached R\$ 4.6 billion in the quarter, representing an increase of 22% (3Q17 x 3Q16).

Assets under Management³ (R\$ billion)



³ Considering only clients reserves

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



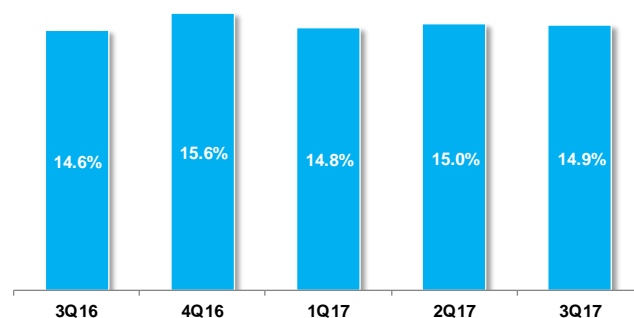
⁴ Pension contribution revenues (risk + accumulation) + VGBL Premiums

G&A – Insurance

Administrative Expenses - Insurance						
R\$ thousand	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
General Administrative Expenses	493.7	478.4	3.2	1,479.4	1,444.5	2.4
Marketing	25.7	22.7	13.2	60.7	60.2	0.8
Profit Sharing	92.5	38.2	142.1	188.2	128.4	46.6
Total Administrative Expenses - Insurance	611.9	539.3	13.5	1,728.3	1,633.1	5.8
Total Administrative Expenses - excluding profit sharing	519.4	501.1	3.7	1,540.1	1,504.7	2.4
Earned Premiums	3,486.7	3,422.7	1.9	10,325.6	10,209.2	1.1

G&A Insurance Ratio

- Insurance G&A (excluding profit sharing) grew 3.7% in the quarter (vs. 3Q16).
- The insurance G&A ratio reached 14.9% in the 3Q17 (+0,3 p.p. vs. 3Q16), mainly due to the slowdown of earned premiums in the period.



Other Operational Expenses/Revenues

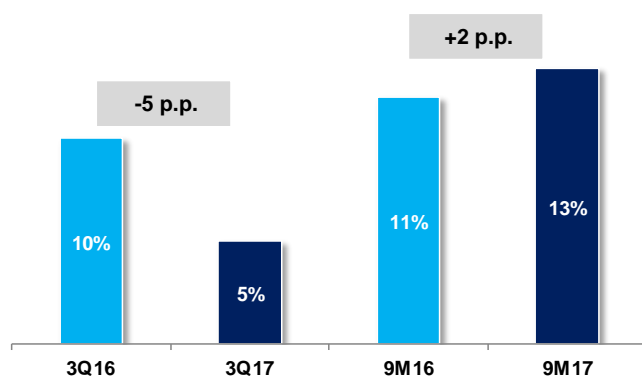
Other Operational Expenses/Revenues - Insurance						
R\$ thousand	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Other Operating Revenues - Insurance	12.8	7.0	82.9	38.8	29.6	31.1
Other Operating Expenses - Insurance	145.5	147.7	(1.5)	452.4	468.8	(3.5)
Total Other Operational Expenses/Revenues	(132.7)	(140.7)	(5.7)	(413.6)	(439.2)	(5.8)
Index (Vs. premiums) Var p.p.	3.8	4.1	(0.3)	4.0	4.3	(0.3)

- Other operational income – insurance totaled R\$ 13 million in 3Q17, an increase of 83% when comparing to the 3Q16, explained by higher revenues of reception and regulation of claims from the DPVAT consortium.
- Other operational expenses – insurance totaled R\$ 146 million in 3Q17, a reduction of 2% in comparison to the same period of 2016 mainly due to the lower 24h assistance expenses.
- The O.E ratio (total other operational revenues and expenses / earned premium) achieved 3.8% in the quarter, decreasing 0.3 p.p. compared to the 3Q16.
- Total expenses (G&A + O.E) increased 2% in the quarter, in line with the earned premiums fluctuation.

Financial and Service Businesses

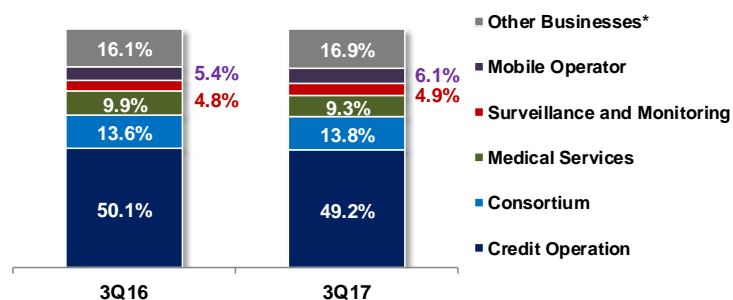
Summarized Income Statement - Non Insurance						
(R\$ thousand)	3Q17	3Q16	Var. %	9M17	9M16	Var. %
Revenues from Credit Operation	265.8	246.6	7.8	807.8	713.5	13.2
Revenues from Services - services	274.8	245.2	12.1	799.1	692.6	15.4
TOTAL REVENUE	540.6	491.8	9.9	1,606.9	1,406.1	14.3
Allowance for delinquent accounts - Financial	(68.2)	(72.1)	(5.4)	(202.5)	(198.8)	1.9
Costs of services rendered (a)	(84.1)	(73.3)	14.7	(241.9)	(203.7)	18.8
Commercial Expenses (b)	(37.6)	(26.7)	40.8	(95.3)	(74.8)	27.4
G&A - General Expenses (c)	(164.2)	(152.2)	7.9	(478.5)	(438.0)	9.2
Other Operational Revenues/Expenses (d)	(104.0)	(89.4)	16.3	(285.4)	(255.5)	11.7
Total (a+b+c+d)	(389.9)	(341.6)	14.1	(1,101.1)	(972.0)	13.3
Tax	(27.7)	(24.4)	13.5	(81.3)	(72.0)	12.9
TOTAL G&A AND OPERATIONAL EXPENSES	(485.8)	(438.1)	10.9	(1,384.9)	(1,242.8)	11.4
Depreciation	(7.7)	(9.3)	(17.2)	(22.9)	(20.4)	12.3
OPERATING INCOME	47.1	44.4	6.1	199.1	142.9	39.3
Financial and Equity Accounting Results	7.5	12.1	(38.0)	26.8	38.7	(30.7)
INCOME BEFORE TAX	54.6	56.5	(3.4)	225.9	181.6	24.4
Income Tax and Social Contribution	(30.3)	(27.6)	9.8	(99.6)	(82.5)	20.7
Profit Sharing	(5.8)	(9.3)	(37.6)	(19.2)	(28.1)	(31.7)
NET INCOME	18.5	19.6	(5.6)	107.1	71.0	50.8
ROAE	6.9	7.7	(0.8)	13.5	10.0	3.5

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

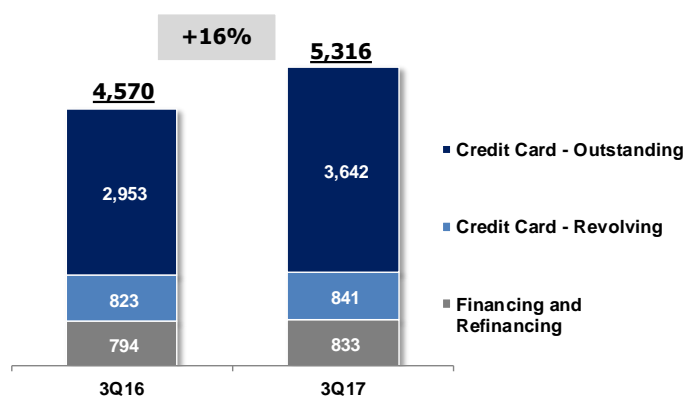
- Total revenues from financial and service businesses attained R\$ 541 million in 3Q17, 10% above 3Q16, driven mainly by the increase of Credit Operations and Financing products and Porto Seguro Conecta (MVNO Company).
- Consolidated ROAE from financial and services businesses totaled 6.9% in the quarter, a decrease of 0.8 p.p., mainly explained by the higher expenses of Porto Seguro Conecta.
- The non-insurance results 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	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Revenues from Financial Intermediation (R\$ million)	137.9	136.7	0.9	431.4	396.0	8.9
Revenues from Services	112.2	95.2	17.9	326.2	273.3	19.4
Other Revenues	15.7	14.7	6.8	50.2	44.2	13.6
Revenues from Credit Operation and Financing (R\$ million)	265.8	246.6	7.8	807.8	713.5	13.2
Loan Loss Provisions (% p.p.)	5.5	6.6	(1.1)	5.5	6.6	(1.1)
Total Financing Clients (thousand)	50	49	2.0	50	49	2.0
Credit Card Clients (million)	2,203	2,013	9.4	2,203	2,013	9.4

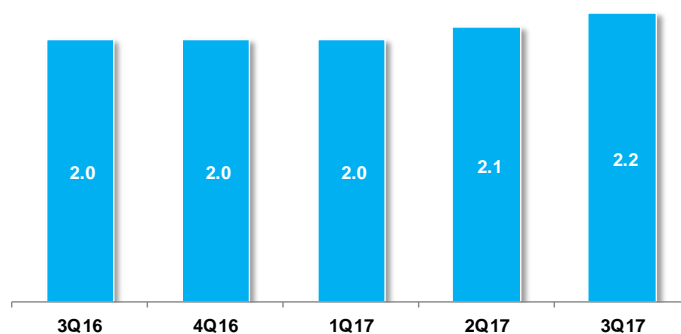
- The income from credit operations totaled R\$ 266 million in 3Q17, 8% higher when comparing to 3Q16, mainly driven by higher revenues from services, especially due to the increased interchange volume.
- NPL (over 90 days) reached 4.9% in the quarter, lower than the market average of 6.8% (Source: Banco Central – available data until August/17). The NPL remained stable throughout the year, and in line with the Company's expectation, as a result of the 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 5.5%, a reduction of 1.1 p.p. in the quarter compared to 3Q16. The coverage rate – a result of a loan loss provisions balance related to the balance of overdue payments operations (over 90 days) – attained 111.7% in the quarter, remaining practically stable (-0.2 p.p.) in comparison to the 3Q16.
- The percentage of the portfolio's risk costs (provision costs + credit loss / net revenues from financial intermediation) ended the quarter reporting a decrease of 5.6 p.p. in comparison to the 3Q16.
- The total credit portfolio reached R\$ 5.3 billion by the end of 3Q17 and the largest part (69%) consists of outstanding payments from credit card products.

Credit Operation Portfolio (R\$ million)*



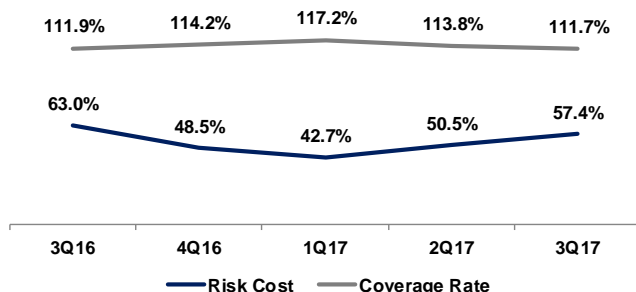
* The balance of credit card operations portfolio – excluding private label operations – amounted R\$ 4,429 MM (R\$ 3,974 MM in 3Q16)

Credit Card (million of units)*

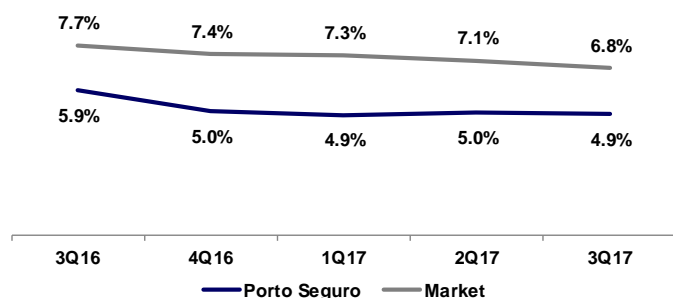


*Cards apt for use, including card holders and additional

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

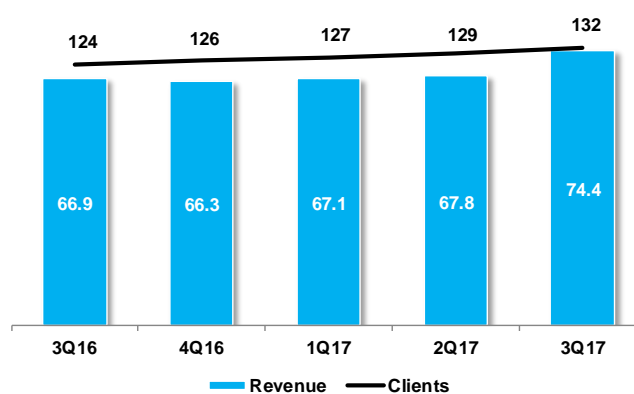
¹The NPL over 90 days was adjusted to stay in line with the Central Bank methodology, which establishes that the balance of agreement operations related to late payments are not considered delinquent

Consortium

Consortium	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Revenues from Consortium operation (R\$ million)	74.4	66.9	11.2	209.3	191.2	9.5
Consortium Members (thousand)	132	124	6.5	132	124	6.5

Income from consortium fees totaled R\$ 74 million in 3Q17, an increase of 11% driven by the clients base expansion.

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



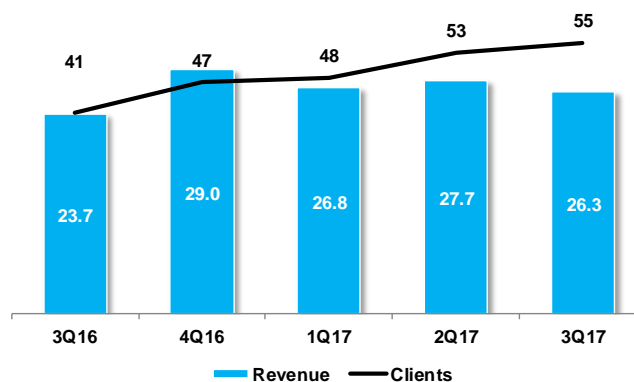
Surveillance and Monitoring

Surveillance and Monitoring	3Q17	3Q16	Var. %/p.p.	9M17	9M16	Var. %/p.p.
Revenues (R\$ million)	26.3	23.7	11.0	80.8	66.6	21.3
Clients (thousand)	55	41	34.1	55	41	34.1

Revenues from monitoring services and security products sales increased 11% in the period, added up to R\$ 26 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	3Q17	3Q16	Var. %	9M17	9M16	Var. %
Investment - Ex-Pension Funds*	238.3	254.7	(6.4)	682.7	824.0	(17.1)
Investment - Pension Funds Plan	127.3	118.0	7.9	333.3	394.4	(15.5)
Total Investment	365.6	372.7	(1.9)	1,016.0	1,218.4	(16.6)
Other Revenues	275.2	112.7	144.2	498.2	344.7	44.5
Total Financial Income	640.8	485.4	32.0	1,514.2	1,563.1	(3.1)

(*) Pension funds own Revenues Included

Financial Expenses	3Q17	3Q16	Var. %	9M17	9M16	Var. %
Pension Plan Operations	(108.8)	(117.8)	(7.6)	(296.3)	(363.1)	(18.4)
Insurance Operations	(37.3)	(46.2)	(19.3)	(128.0)	(133.4)	(4.0)
P&L - Fixed Income Bonds classified as available-for-sale - Ex. Pension Funds	(0.8)	(2.9)	(72.4)	(22.7)	(32.8)	(30.8)
P&L - Fixed Income Bonds classified as available-for-sale - Pension Funds	0.0	0.0	0.0	(18.1)	(3.9)	364.1
Other Expenses	(20.3)	(34.3)	(40.8)	(72.3)	(82.0)	(11.8)
Total Financial Expenses	(167.2)	(201.2)	(16.9)	(537.4)	(615.2)	(12.6)

Financial Income	3Q17	3Q16	Var. %	9M17	9M16	Var. %
Total Financial Income	473.6	284.2	66.6	976.8	947.9	3.0

Financial revenues were R\$ 641 million in the 3Q17 (+32% vs. 3Q16).

Financial results achieved R\$ 474 million for the quarter, 67% higher compared to 3Q16. Excluding the effects of the sales of shares of IRB – Brasil Resseguros S.A., the financial results would have been R\$ 273 million (-4%) in the 3Q17, affected by the lower CDI* in the period (-35%).

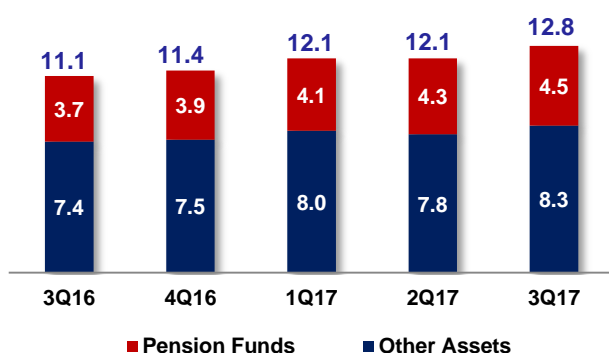
The total return on the financial investment portfolio (total AUM of R\$ 12.8 billion) was 3.0% (133% of CDI*) in the quarter. Excluding pension funds, the portfolio results (R\$ 8.3 billion) generated a return of 3.03% (134% of CDI*).

The financial investment portfolio's profitability in the 3Q17 (excluding pension funds) was favored by the equities and inflation linked bonds performance.

The portfolio maintained the allocation aligned with a long-term gain strategy in the quarter, reporting a slight increase of equities investments and a gradual reduction of inflation linked bond (mark-to-market).

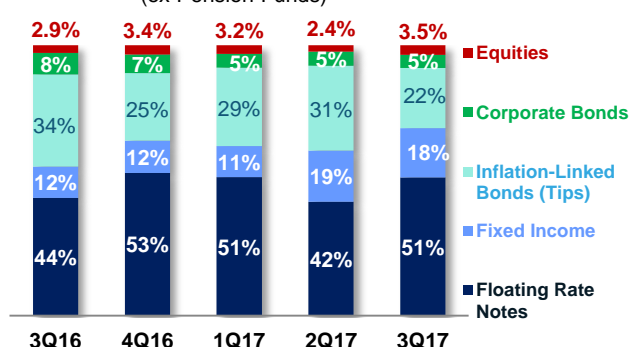
*CDI – Risk Free Rate (Similar to LIBOR)

Revenue from Investments Assets
(R\$ Billion)

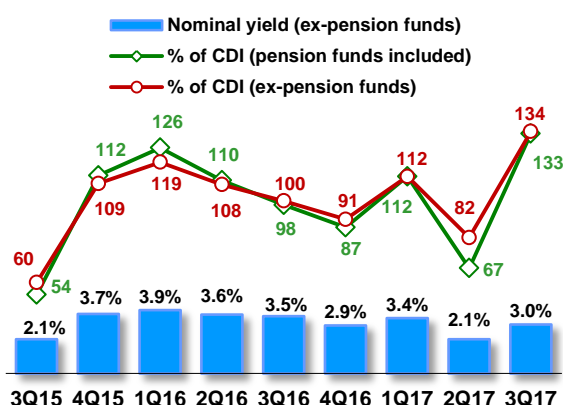


Allocation¹

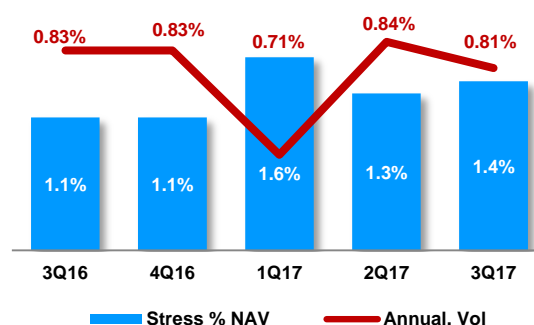
(ex-Pension Funds)



Quarterly Performance



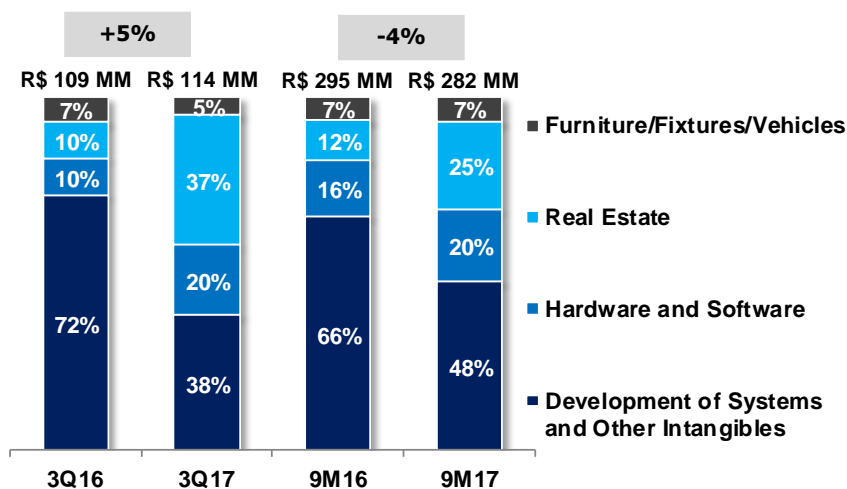
Risk Exposure (ex-Pension funds)²



¹ Future exposures included.

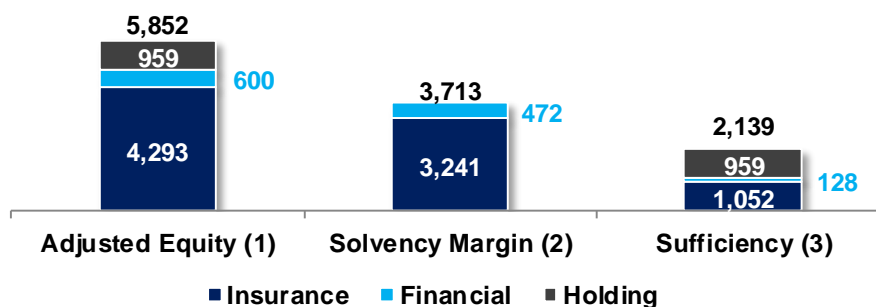
² Brazilian Future Exchange (BM&FBOVESPA) stress scenarios.

CAPEX Breakdown (%)



The vast part of investments were allocated in system development and acquisition of software licenses, representing over 58% of the total amount, in order to enhance the Company's process and expand segments such as Life Insurance, P&C Insurance and new businesses. Also, improvements on the Company's real properties were made in the quarter, highlighting the new call center implementation.

Capital Requirements – 3Q17 (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

3Q17 and 9M17 Earnings Release

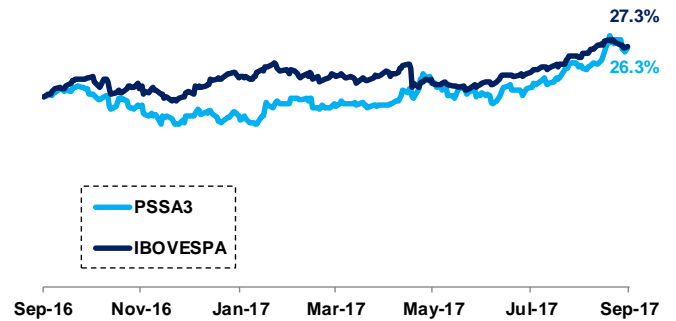
Historical Variation*: PSSA3 x Ibov %

PSSA3	IBOVESPA
441%	209%

* From November 2004 (IPO) to September, 2017

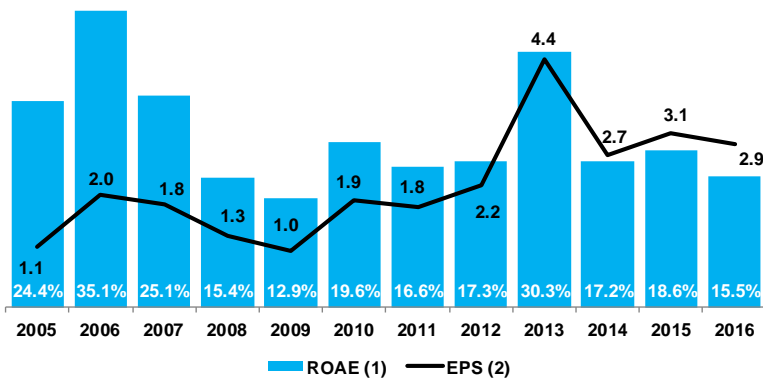
Annual Performance PSSA3 vs. Ibovespa

last 12 months



Profitability

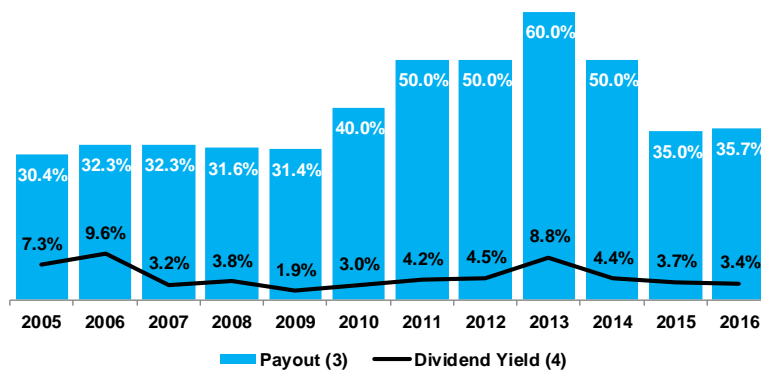
(without Business Combination)



Porto Seguro S.A. Data

Corporate Taxpayer' ID	02.149.201/0001-69
BM&Fbovespa	PSSA3
Sector	Insurance
Share price in 09/29/2017	37.67
52 Week Low - 02/10/2017 - R\$	25.58
52 Week High - 09/18/2017 - R\$	39.52
Number of shares in the Free Float (million)	94.3
Market Value (R\$ billion) in 09/29/2017	12.2
Price Book Value in 09/29/2017	1.6

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 SEPTEMBER 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>20,064,517</u>	<u>19,135,427</u>	Current liability	<u>14,754,822</u>	<u>14,305,435</u>
Cash and cash equivalents	1,711,576	882,067	Liabilities from insurance contracts and pension plans	8,548,145	8,399,908
Financial assets			Debits from insurance and reinsurance operations	346,843	354,252
Financial assets at fair value through income or loss	7,864,241	8,070,433	Financial liabilities	4,525,265	4,278,985
Financial assets available for sale	943,749	878,490	Taxes and contributions payable	425,588	408,033
Loans and Receivables			Dividends and interest on capital payable	200,097	219,185
Insurance premium receivable	3,498,474	3,327,930	Derivative financial instruments	23,633	13,139
Credit Operations	1,098,254	1,033,050	Other liabilities	685,251	631,933
Securities and amounts receivables	2,866,785	2,753,991			
Amount receivable from provided service	93,264	96,951	Non-current assets	<u>4,755,975</u>	<u>4,050,473</u>
Reinsurance assets	83,048	80,195	Liabilities from insurance contracts and pension plans	4,304,964	3,565,051
Taxes and contributions receivable	84,131	170,743	Financial liabilities	37,842	59,662
Non financial assets available for sale	168,854	188,672	Deferred income tax and social contribution	264,981	286,088
Deferred contract acquisition costs	1,222,836	1,224,605	Derivative financial instruments	2,244	-
Derivative financial instruments	182	1,455	Other liabilities	46,958	41,832
Other assets	429,123	426,845	Legal provisions	98,986	97,840
Long-term assets	<u>7,008,185</u>	<u>6,221,280</u>	Shareholders' Equity	<u>7,561,905</u>	<u>7,000,799</u>
Financial assets			Capital	3,500,000	3,170,000
Financial assets at fair value through income or loss	1,325	1,204	(-) Treasury stocks	3,984	-
Financial assets available for sale	2,346,091	1,686,939	Revenue reserves	3,373,495	3,703,495
Loans and Receivables			Additional proposed dividends	-	108,675
Insurance premium receivable	1,590	827	Retained Earnings	590,098	-
Credit Operations	317,850	300,744	Other comprehensive income	92,696	16,896
Reinsurance assets	1,134	979	Non-controlling interest	1,632	1,733
Deferred Income Tax and Social Contribution	442,446	501,508			
Taxes and contributions receivable	5,210	6,372			
Deferred contract acquisition costs	21,613	17,018			
Other assets	353,963	337,995			
Investments					
Real estate held as investment	8,407	8,554			
Fixed assets	1,595,742	1,535,599			
Intangible	1,912,814	1,823,541			
TOTAL ASSETS	<u>27,072,702</u>	<u>25,356,707</u>	TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	<u>27,072,702</u>	<u>25,356,707</u>

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

	<u>3Q17</u>	<u>3Q16</u>	<u>9M17</u>	<u>9M16</u>
Revenue				
Written insurance premiums and healthcare plan premiums	3,708,623	3,604,110	10,712,301	10,505,906
(-) Reinsurance premiums	(29,768)	(32,115)	(74,866)	(76,669)
(=) Written and billed premiums, Net of Reinsurance	3,678,855	3,571,995	10,637,435	10,429,237
Revenue from credit operations	265,858	246,595	807,843	713,455
Revenue from services	274,749	245,245	799,048	692,643
Private pension	44,270	43,454	134,199	130,648
Net Revenues from capitalization securities	7,267	6,575	21,616	20,183
Other operating revenues - Insurance	12,841	7,089	38,806	29,555
Other operating revenues - Other	21,727	16,678	61,164	44,817
Real Estate Revenues	30,606	1,955	36,475	5,752
Total Revenues	<u>4,336,173</u>	<u>4,139,586</u>	<u>12,536,586</u>	<u>12,066,290</u>
Expenses				
Changes in net technical provisions - insurance	(192,115)	(149,327)	(311,846)	(220,052)
Changes in net technical provisions - pension	(38,830)	(37,311)	(131,189)	(98,727)
(=) Total Changes in net technical provisions	(230,945)	(186,638)	(443,035)	(318,779)
Gross retained claims	(2,153,747)	(2,188,671)	(6,512,964)	(6,647,735)
(-) Recovery of reinsurers	7,675	11,728	27,906	37,935
(-) Recovery of salvage vehicles and reimbursements	252,249	260,929	756,591	789,412
Supplementary pension plan benefits	(7,351)	(7,049)	(21,231)	(17,116)
(=) Expenses with claims and credited benefits, net	(1,901,174)	(1,923,063)	(5,749,698)	(5,837,504)
Acquisition costs - insurance	(725,157)	(701,777)	(2,136,745)	(2,059,216)
Acquisition costs - other	(42,921)	(31,002)	(110,324)	(86,773)
Administrative expenses - Insurance	(519,454)	(501,052)	(1,540,195)	(1,504,687)
Administrative expenses - Other	(279,033)	(215,819)	(726,860)	(628,100)
Tax expenses - Insurance	(92,259)	(91,706)	(270,749)	(282,628)
Tax expenses - Other	(27,869)	(24,490)	(98,613)	(72,049)
Cost of services rendered	(84,169)	(73,285)	(241,921)	(203,654)
Other operating expenses - Insurance	(145,516)	(147,801)	(452,389)	(468,795)
Other operating expenses - Other	(185,941)	(175,234)	(538,863)	(493,551)
Total Expenses	<u>(4,234,438)</u>	<u>(4,071,867)</u>	<u>(12,309,392)</u>	<u>(11,955,736)</u>
Operating result before financial result	<u>101,735</u>	<u>67,719</u>	<u>227,194</u>	<u>110,554</u>
Financial revenues - Insurance	389,194	446,144	1,144,413	1,397,629
Financial revenues - Other	251,657	39,225	369,825	165,434
Financial expenses - Insurance	(160,512)	(190,480)	(498,172)	(567,208)
Financial expenses - Other	(6,767)	(10,698)	(39,307)	(47,970)
	473,572	284,191	976,759	947,885
Operating income	<u>575,307</u>	<u>351,910</u>	<u>1,203,953</u>	<u>1,058,439</u>
Income before Income and social contribution taxes	<u>575,307</u>	<u>351,910</u>	<u>1,203,953</u>	<u>1,058,439</u>
Income and social contribution taxes	<u>(192,876)</u>	<u>(150,341)</u>	<u>(373,207)</u>	<u>(447,866)</u>
Current	(182,792)	(136,132)	(335,252)	(421,326)
Deferred	(10,084)	(14,209)	(37,955)	(26,540)
Net income for the period	<u>382,431</u>	<u>201,569</u>	<u>830,746</u>	<u>610,573</u>
Attributable to				
- Shareholders of the Company	383,175	202,682	833,178	613,986
- In subsidiaries Not Controlling Minority Shareholders	(744)	(1,113)	(2,432)	(3,413)
Effective Tax Rate: Tax and Social Contribution Over Net Income before Tax ¹	33.5%	42.7%	31.0%	42.3%

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

	<u>2017</u>	<u>2016</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	1,500,863	351,004
CASH FLOW FROM OPERATING ACTIVITIES	1,030,612	765,986
Net Income For The Quarter	830,746	610,573
Depreciation - property, plant and equipment	104,123	91,654
Depreciation - investments real estate properties	147	145
Amortization	64,149	61,235
Proceeds from sale of fixed assets	31,447	2,379
Increase / decrease in assets	746,163	62,393
Financial assets at fair value through profit or loss	206,071	(791,932)
Available-for-sale financial assets	(724,411)	(297,009)
Premiums receivable from policyholders	(171,307)	58,871
Credit operations	(82,310)	(90,228)
Notes and credits receivable	(112,794)	(74,964)
Reinsurance assets	(3,008)	(4,665)
Deferred income tax and social contribution	37,955	19,841
Tax and contribution recoverable	87,774	52,692
Assets for sale	19,818	(14,620)
Other assets	(14,790)	(80,555)
Acquisition costs of deferred contracts	(2,826)	(23,495)
Liabilities of insurance contracts	888,150	770,390
Insurance and reinsurance payables	(7,409)	26,765
Financial liabilities	323,929	132,446
Derivative financial instruments	14,011	12,285
Taxes and contributions payable	272,129	383,983
Provisions	1,146	12,572
Other liabilities	14,035	(29,984)
Other	(275,912)	(477,375)
Other comprehensive results	75,800	41,267
Non-controlling interest	2,331	4,069
Funding costs	(99,469)	(104,790)
Income tax and social contribution paid	(254,574)	(417,921)
CASH FLOW FROM INVESTMENT ACTIVITIES	(348,903)	(306,390)
Sales of fixed assets and intangible	18,017	15,290
Acquisition of fixed assets	(203,059)	(100,232)
Investments on Intangible	(163,861)	(221,448)
CASH FLOW FROM FINANCING ACTIVITIES	(322,451)	(350,525)
Treasury stocks	3,984	-
Dividends paid	-	(45,763)
Interests on Capital paid	(326,435)	(304,762)
DECREASE IN CASH AND CASH EQUIVALENTS	829,509	(305,911)
Cash and Equivalents at Beginning of Period	882,067	1,154,904
Cash and Equivalents at End of Period	1,711,576	848,993



**PORTO
SEGURO**

Operating and Financial Highlights

3Q17 and 9M17 Earnings Release

REVENUES (in R\$ million)						
	3Q17	3Q16	Var. %	9M17	9M16	Var. %
INSURANCE WRITTEN PREMIUMS, PENSION AND CAPITALIZATION REVENUES						
Porto Seguro – Auto	1,182.8	1,222.3	(3.2)	3,367.9	3,487.4	(3.4)
Azul Seguros – Auto	666.9	607.0	9.9	1,970.6	1,876.4	5.0
Itaú Auto e Residência - Auto	591.7	544.7	8.6	1,664.4	1,545.7	7.7
Total Auto	2,441.4	2,374.0	2.8	7,002.9	6,909.5	1.4
P&C - Porto Seguro and Azul Seguros	254.8	248.4	2.6	697.1	657.2	6.1
P&C - Itaú Auto e Residência	114.2	128.5	(11.1)	335.1	346.0	(3.2)
Total P&C	369.0	376.9	(2.1)	1,032.2	1,003.2	2.9
Health	291.8	249.9	16.8	840.4	751.4	11.8
Dental	27.9	25.1	11.2	82.4	71.8	14.8
Portomed (health care plan)	17.9	31.1	(42.4)	61.6	93.2	(33.9)
Total Health (Health + Dental + Portomed)	337.6	306.1	10.3	984.4	916.4	7.4
Life	213.7	190.0	12.5	581.9	499.4	16.5
DPVAT (Cars/Personal Injured Liability)	60.0	96.7	(38.0)	268.0	410.0	(34.6)
Porto Seguro Uruguay	67.8	58.6	15.7	198.7	176.9	12.3
Written Premiums VGBL	78.4	58.4	34.2	229.9	172.6	33.2
Cargo	46.4	39.2	18.4	134.0	110.7	21.0
Financial Risks	78.5	83.1	(5.5)	238.3	260.2	(8.4)
Other Insurance	15.8	21.1	(25.1)	42.0	47.0	(10.6)
Total Written Premiums	3,708.6	3,604.1	2.9	10,712.3	10,505.9	2.0
Other Operational Revenues - Insurance	12.8	7.0	82.9	38.8	29.5	31.5
Total Earned Premiums	3,486.7	3,422.7	1.9	10,325.6	10,209.2	1.1
Total Pension Revenues (PGBL + VGBL)	122.7	101.8	20.5	364.1	303.2	20.1
Capitalization Total Revenues	7.3	6.6	10.6	21.6	20.2	6.9
REVENUES FROM FINANCIAL AND SERVICE BUSINESSES						
	3Q17	3Q16	Var. %	9M17	9M16	Var. %
Credit Card and Financing	265.8	246.6	7.8	807.8	713.5	13.2
Consortium	74.4	66.9	11.2	209.3	191.2	9.5
Medical Services	50.1	48.9	2.5	142.2	139.8	1.7
Call Center	47.5	43.9	8.2	141.8	128.2	10.6
Surveillance and Monitoring Services	26.3	23.7	11.0	80.8	66.6	21.3
Mobile Operator	32.9	26.6	23.7	102.5	66.6	53.9
Asset Management	16.4	14.9	10.1	47.6	39.3	21.1
Other Revenues	27.2	20.3	34.0	74.9	60.9	23.0
Financial Businesses and Services - Total Revenues	540.6	491.8	9.9	1,606.9	1,406.1	14.3
Other Operational Revenues - Financial Businesses and Services	14.0	9.5	47.4	36.8	24.1	52.7
Real Estate Revenues	30.6	2.0	-	36.5	5.8	-
Total Revenues	4,358.2	4,164.4	4.7	12,587.1	12,122.2	3.8
FINANCIAL RESULTS						
	3Q17	3Q16	Var. %	9M17	9M16	Var. %
Financial Results - Insurance	228.6	255.6	(10.6)	646.2	830.4	(22.2)
Financial Results - Other (Financial Businesses / Services / Holding)	244.9	28.6	-	330.5	117.5	181.3
Total Financial Results	473.5	284.2	66.6	976.7	947.9	3.0
INDEX (%)						
	3Q17	3Q16	Var. p.p	9M17	9M16	Var. %
LOSS RATIO						
Porto Seguro – Auto	53.1	52.6	0.5	54.8	54.1	0.7
Azul Seguros – Auto	60.8	63.1	(2.3)	62.6	62.5	0.1
Itaú Auto e Residência - Auto	60.8	62.3	(1.5)	60.9	62.7	(1.8)
Total Auto	57.1	57.7	(0.6)	58.4	58.3	0.1
P&C - Porto Seguro and Azul Seguros	26.7	33.5	(6.8)	29.9	33.8	(3.9)
P&C - Itaú Auto e Residência	25.3	28.2	(2.9)	29.2	31.6	(2.4)
Total P&C	26.2	31.4	(5.2)	29.6	32.9	(3.3)
Health	84.4	84.3	0.1	80.2	81.2	(1.0)
Dental	54.6	54.3	0.3	49.3	55.9	(6.6)
Portomed (Healthcare Plan)	80.4	98.7	(18.3)	84.7	101.2	(16.5)
Health (Health + Dental + Portomed)	81.7	83.3	(1.6)	77.9	81.3	(3.4)
Life	34.4	29.8	4.6	31.5	30.4	1.1
Total Loss Ratio	54.3	56.0	(1.7)	55.5	57.0	(1.5)
INSURANCE COMMISSION RATIO						
Acquisition costs - Insurance	20.8	20.5	0.3	20.7	20.2	0.5
INSURANCE - OPERATING AND ADMINISTRATIVE EXPENSES						
	3Q17	3Q16	Var. p.p	9M17	9M16	Var. %
G&A – Insurance	14.9	14.6	0.3	14.9	14.7	0.2
Other Operational Revenues/Expenses - Insurance	3.8	4.1	(0.3)	4.0	4.3	(0.3)
Total Administrative and Operational Expenses	18.7	18.7	-	18.9	19.0	(0.1)
Tax - Insurance	2.6	2.7	(0.1)	2.6	2.8	(0.2)
MARGIN AND PROFITABILITY						
	3Q17	3Q16	Var. p.p	9M17	9M16	Var. %
Combined Ratio - Insurance - var.p.p	96.4	97.9	(1.5)	97.7	99.0	(1.3)
Amplified Combined Ratio - Insurance - var. p.p.	90.5	91.1	(0.6)	92.0	91.5	0.5
Shareholder's Equity w/o Business Combination - R\$ million - var. %	6,784.4	6,198.1	9.5	6,784.4	6,198.1	9.5
Shareholder's Equity with Business Combination - R\$ million - var. %	7,560.3	6,981.6	8.3	7,560.3	6,981.6	8.3
Net Earnings w/o Business Combination - R\$ million - var. %	385.1	204.6	88.2	838.9	619.7	35.4
Net Earnings with Business Combination - R\$ million - var. %	383.2	202.7	89.0	833.2	614.0	35.7
ROAE w/o Business Combination - p.p.	23.5	13.5	10.0	17.2	13.9	3.3
ROAE with Business Combination - p.p.	20.9	11.8	9.1	15.3	12.2	3.1
EPS w/o Business Combination - R\$ - var. %	1.19	0.63	88.2	2.59	1.92	35.1
EPS with Business Combination - R\$ var. %	1.19	0.63	89.0	2.58	1.90	35.8
# of thousand shares - var. %	323,293	323,293	-	323,293	323,293	-