

4Q17 and 2017 Earnings Release

Despite the end of the economic recession in the second semester of 2017, Brazil has suffered the crisis effect. Some facts such as weaker demand, higher criminality in some states, a sharp decrease in interest rates and a competitive environment in the auto segment were challenging for the insurance industry. However, we have increased in our main business lines. The net earnings improved supported by the strategy of geographical expansion, products diversification and our discipline on prices recovering, which has led to an operational result three times higher than 2016. In addition, the financial investments presented a greater performance, an important accomplishment in a year that the interest rates plunged.

In the insurance operation, written premiums rose 8% in the quarter and 3% in the year. The auto insurance premiums reported an increase of 5% in the 4Q17, chiefly due to price adjustments, while the insured fleet reduced 3% (vs. 4Q16), reaching 5.3 million vehicles, as a result of the industry competition and a weaker demand. However, the market already shows recovery signs, reporting an improvement of 9% in the brand new vehicle sales (source: Anfavea). In the other insurance, the premiums of P&C, Health, Life, Dental and Cargo grew more than 10% in the quarter.

The combined ratio improved 4.8 p.p. in the quarter and 2.2 p.p. in 2017, achieving 94.6% and 96.9%, respectively (vs. 2016). The quarterly loss ratio reached 51.2% (-5.0 p.p. vs. 4Q16), which represents the best result from the last 10 years. This was mainly propelled by price adjustments in the auto segment and a refinement of the underwriting model and lower climate events in the P&C products. The insurance G&A ratio increased 0.7 p.p. in the 4Q17 and 0.3 p.p. in 2017, mostly affected by the slowdown of earned premiums. However, the sum of general and operational expenses ratio remained practically stable (-0.1 p.p. vs 2016).

The revenues from financial and service businesses increased 13% in the quarter mostly due to the growth of credit card and financing products. The portfolio NPL (over 90 days) reached 4.5% in the quarter, the lowest level from the last 5 years and 1.7 p.p. below the market average.

The return on financial investments decreased 43% in the quarter (vs. 4Q16) as a result of the lower average CDI* (-46%). However, the results were better than the benchmark mainly driven by fixed income and inflation linked-bonds outcome. The total yield (excluding pension) was 1.9% (107% of the CDI) in the quarter and 10.8% (109% of the CDI) in 2017.

The quarterly net earnings have achieved R\$ 270 million (-11% vs. 4Q16) and ROAE attained 15.7%. Excluding the effect and equalizing the tax basis in the periods, due to the payment of interests on capital¹, the recurring net income would have increased 9% in the 4Q17 (vs. 4Q16). In 2017, the net earnings reached R\$ 1.108 million (+20%) and the ROAE was 16.9%. The results in the year were boosted by the sales of IRB (IRB – Brasil Resseguros S.A.) shares in the net amount of R\$ 126 million. Excluding this effect the net earnings would have been R\$ 982 million (6%) and the ROAE would have reached 15.1%.

In 2017, Porto Seguro developed several projects in order to streamline process, modernized the service structure and increased the focus on digital channels, aiming to improve the customer experience and support the brokers. We believe to be well positioned to develop and seize opportunities in the segments we operate, with differentiation and synergy between products.

Finally, we would like to thank all employees, brokers, partners and investors for another year of dedication and trust in our Company.

*CDI – Interbank Certificate of Deposit

Earnings Conference Call – 4Q17 and 2017

(02/07/18) – Portuguese/English 08:00 a.m. (NY) / 11:00 a.m. (Brasília)

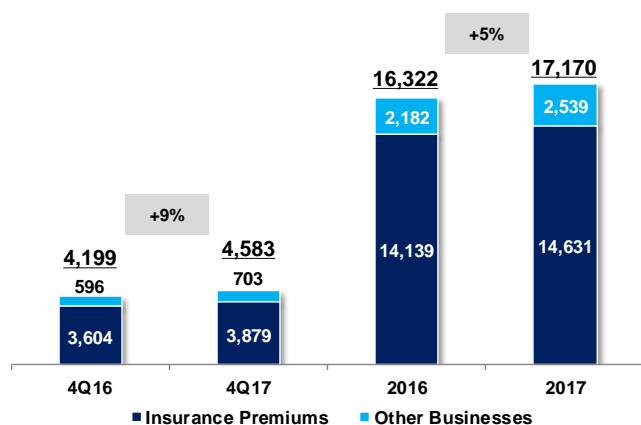
Highlights

- Total revenues reported growth of 9% in the 4Q17 (vs. 4Q16) and 5% in 2017 (vs. 2016) while total written premiums increased 8% in the 4Q17 (vs. 4Q16) and 3% in the year (vs. 2016)
- The net income was R\$ 270 million (-11%) in 4Q17 and the ROAE reached 15.7% (-3.9 p.p.). Excluding the effects of the schedule changes for the payment of interests on capital¹, the quarterly recurring net income would have increased 9% (vs. 4Q16)
- The net income was R\$ 1,108 million (+20%) in the year while the ROAE achieved 16.9% (+1.4 p.p.) for the year (w/o business combination). Excluding the effects of the sales of IRB shares – the recurring net income would have reached R\$ 982 million (+6%) and the ROAE would have been 15.1% (-0.4 p.p.) in the year (w/o business combination)
- The Combined Ratio attained 94.6% (-4.8 p.p.) in the 4Q17 and 96.9% (-2.2 p.p.) in the year. Amplified Combined Ratio reached 91.0% (-1.7 p.p.) in the 4Q17 and 91.7% (-0.1 p.p.) in 2017
- Financial results of R\$ 154 million in the 4Q17 (-43% vs. 4Q16) and R\$ 1,131 million in 2017 (-7% vs. 2016). Excluding the IRB shares sales effect, the financial results would have been R\$ 940 million in the 2017 (-23% vs. 2016)
- The financial investment portfolio gains (ex. pension plans) has achieved R\$ 161 million in the 4Q17 (-27% vs. 4Q16) and R\$ 821 million in year (-19% vs. 2016), which represents a total yield of 1.9% (107% of the CDI) in the quarter and 10.8% (109% of the CDI) in the year

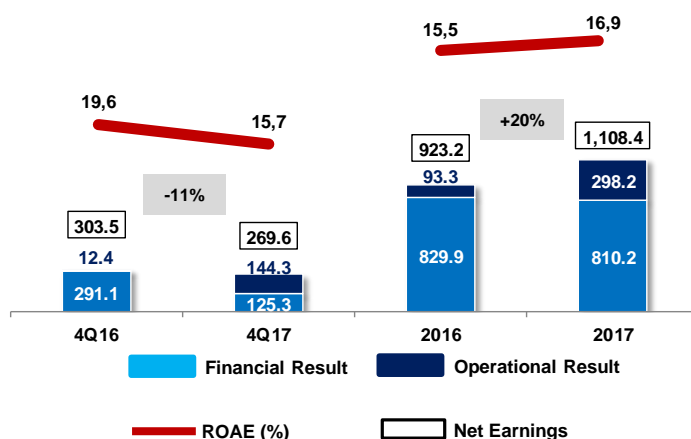
¹ In 2017, the interests on capital were paid in the 2Q17 and 4Q17, while in 2016 it occurred only in the fourth quarter, resulting in a difference between the tax rates of the periods

Consolidated Results (R\$ Million)

Total Revenues¹

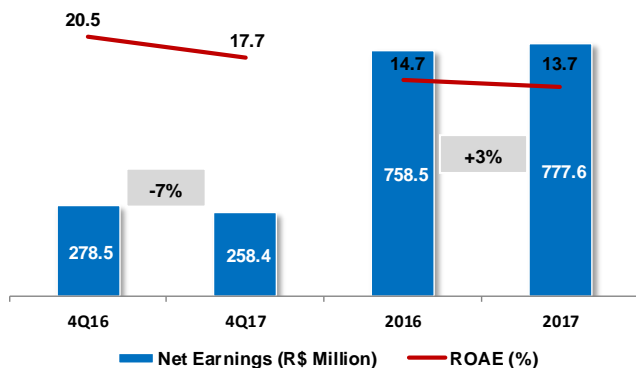


Profitability²

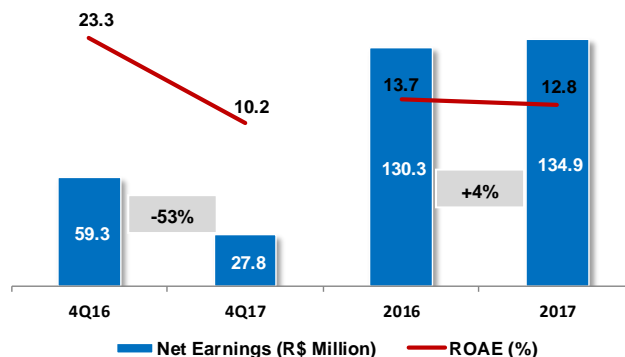


Results by Business Lines (R\$ Million)

Insurance³



Financial and Service Businesses⁴



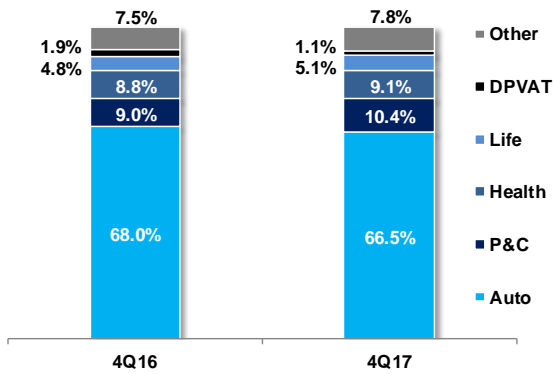
1 Insurance Written Premiums + Financial and Service Businesses + Other Operational Revenues

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

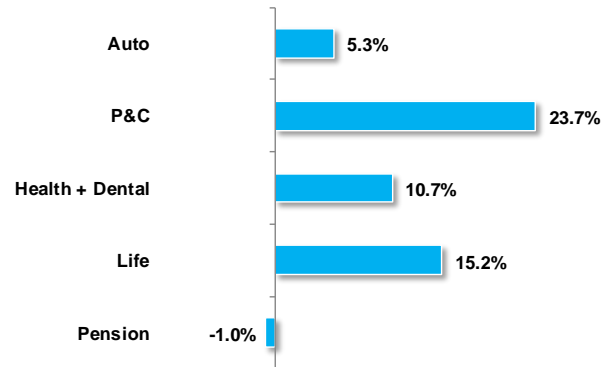
3 Including insurance operational results, pension and capitalization

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

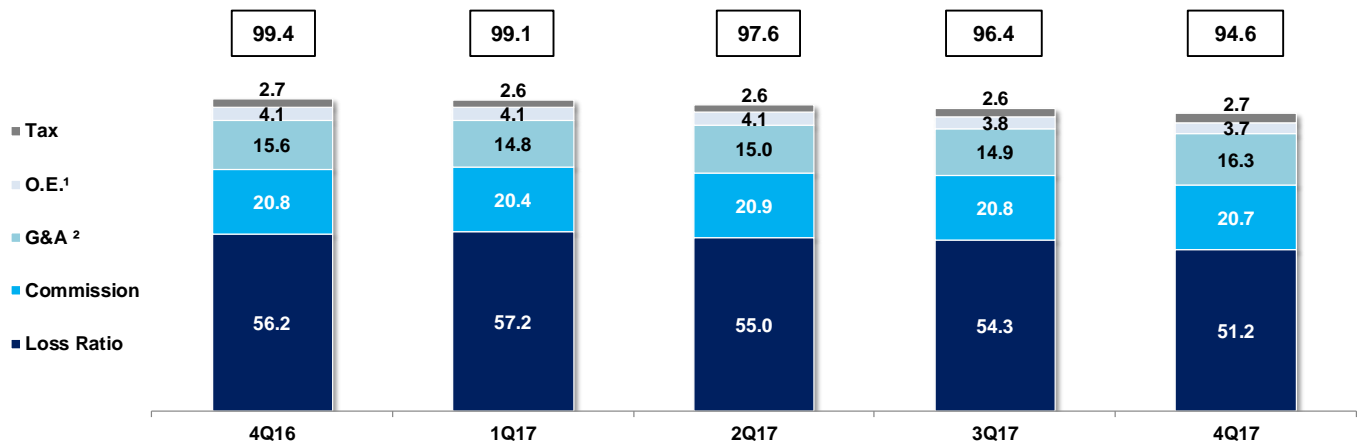
Insurance Written Premiums Breakdown



Top Products Growth* – 4Q17 x 4Q16

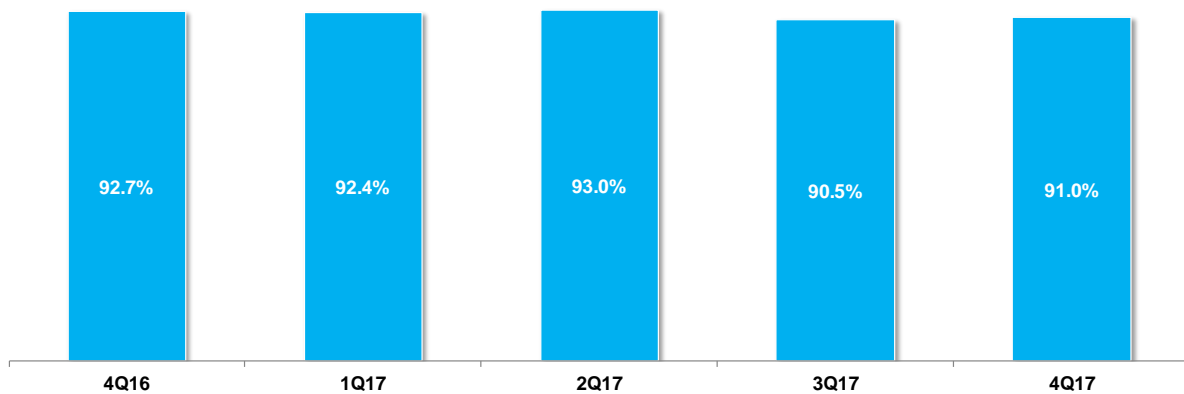


Insurance Combined Ratio (%)



The Combined Ratio (4Q17 vs. 4Q16) reduced 4.8 p.p., chiefly due to the decreased loss ratio (-5.0 p.p.), as a result of the improvement of Auto and P&C segments. The quarterly combined ratio is the best from the last 4 years.

Insurance Amplified Combined Ratio



The Amplified Combined Ratio in the quarter (including the insurance financial result) was 1.7 p.p. better when comparing to the 4Q16, 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

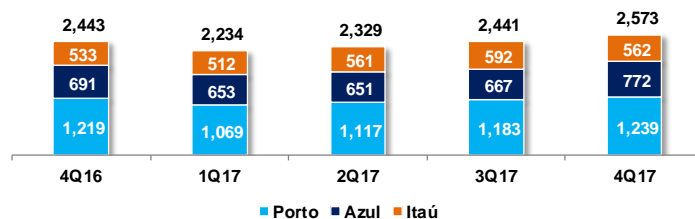
<i>Porto Seguro Auto</i>	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Written Premiums (R\$ million)	1,238.6	1,218.9	1.6	4,606.5	4,706.3	(2.1)
Earned Premium (R\$ million)	1,162.8	1,195.7	(2.8)	4,591.0	4,677.0	(1.8)
Loss Ratio (%) - Var (p.p.)	51.8	55.5	(3.7)	54.0	54.4	(0.4)
Insured Vehicles (thousand)	2,177	2,312	(5.8)	2,177	2,312	(5.8)

<i>Azul Seguros Auto</i>	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Written Premiums (R\$ million)	772.0	691.1	11.7	2,742.6	2,567.5	6.8
Earned Premium (R\$ million)	684.6	653.0	4.8	2,609.1	2,543.3	2.6
Loss Ratio (%) - Var (p.p.)	55.2	63.3	(8.1)	60.7	62.7	(2.0)
Insured Vehicles (thousand)	1,852	1,883	(1.6)	1,852	1,883	(1.6)

<i>Itaú Seguros Auto¹</i>	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Written Premiums (R\$ million)	562.2	533.3	5.4	2,226.6	2,079.0	7.1
Earned Premium (R\$ million)	560.6	528.6	6.1	2,164.3	2,105.0	2.8
Loss Ratio (%) - Var (p.p.)	56.0	60.7	(4.7)	59.6	62.2	(2.6)
Insured Vehicles (thousand)	1,249	1,266	(1.3)	1,249	1,266	(1.3)

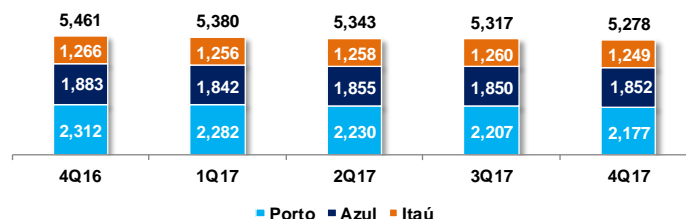
<i>Auto Consolidated</i>	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Written Premiums (R\$ million)	2,572.8	2,443.3	5.3	9,575.7	9,352.8	2.4
Earned Premium (R\$ million)	2,408.0	2,377.3	1.3	9,364.4	9,325.2	0.4
Loss Ratio (%) - Var (p.p.)	53.7	58.8	(5.1)	57.2	58.5	(1.3)
Insured Vehicles (thousand)	5,278	5,461	(3.4)	5,278	5,461	(3.4)

Premiums (R\$ million)



Our discipline on improving profitability through the focus on price adjustments and better underwriting has contributed to a reduction of 5.1 p.p. in the quarterly loss ratio of auto segment. Total auto premiums increased 5% in the quarter mainly due to tariff adjustments. However, the insured fleet reduced 3% when comparing to the 4Q16 as a result of the competitive scenario and the lower demand.

Insured Fleet (thousand)



Written premiums of *Porto Seguro* auto attained R\$ 1,239 million in the quarter, 2% higher compared to 4Q16, mostly explained by price adjustments. The result was partially offset by the decrease of 6% in the insured fleet. The loss ratio declined 3.7 p.p. chiefly due to pricing and underwriting adjustments.

Azul Seguros reported written premiums of R\$ 772 million in the quarter, increasing 12% in comparison to the 4Q16 mostly driven by price adjustments. The loss ratio decreased 8.1 p.p. as a result of tariff adjustments, measures aiming the risk reduction and lower losses in the period.

Loss Ratio

Loss Ratio	4Q16	1Q17	2Q17	3Q17	4Q17
TOTAL AUTO	58.8%	60.1%	57.9%	57.1%	53.7%
Porto	55.5%	56.9%	54.4%	53.1%	51.8%
Azul	63.3%	64.3%	62.8%	60.8%	55.2%
Itaú	60.7%	62.2%	59.6%	60.8%	56.0%

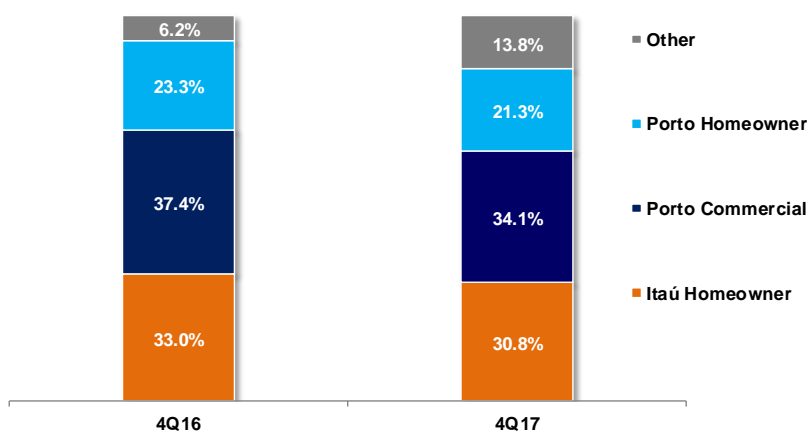
Itaú Auto e Residência portfolio reached R\$ 562 million in the quarter, 5% higher than the 4Q16 favored by the fleet insurance segment performance. The loss ratio declined 4.7 p.p. mainly enhanced by the price adjustments that have been made during this period.

Property & Casualty

	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Itaú Homeowner						
Written Premiums (R\$ million)	123.8	107.2	15.5	458.9	453.2	1.3
Loss Ratio (%) - Var (p.p.)	30.2	31.4	(1.2)	29.5	31.5	(2.0)
Porto Commercial						
Written Premiums (R\$ million)	136.7	121.4	12.6	475.2	439.0	8.2
Loss Ratio (%) - Var (p.p.)	31.1	34.6	(3.5)	28.0	33.6	(5.6)
Porto Homeowner						
Written Premiums (R\$ million)	85.5	75.7	12.9	302.6	270.2	12.0
Loss Ratio (%) - Var (p.p.)	29.0	38.2	(9.2)	33.3	38.4	(5.1)
Porto Other						
Written Premiums (R\$ million)	55.4	20.1	175.6	196.9	165.3	19.1
Loss Ratio (%) - Var (p.p.)	14.0	28.3	(14.3)	24.7	26.2	(1.5)
Total P&C						
Written Premiums (R\$ million)	401.4	324.4	23.7	1,433.6	1,327.7	8.0
Earned Premium (R\$ million)	345.3	312.5	10.5	1,316.6	1,210.0	8.8
Loss Ratio (%) - Var (p.p.)	28.2	33.6	(5.4)	29.3	33.1	(3.8)

- Total written premiums of Property & Casualty insurance amounted to R\$ 401 million in 4Q17 (+24% vs. 4Q16). The increase was supported by the growth higher than 10% in the main P&C products.
- The premiums of Itaú homeowner (+16%) were favored by the sales campaign through the bank channel while the homeowner products of Porto Seguro (+13%) increased mainly driven by our efforts to expand geographically. Finally, Porto Commercial grew 13% boosted by commercial actions and price adjustments.
- Total losses achieved 28.2%, a reduction of 5.4 p.p. in the quarter, mainly due to the lower incidence of climate events in that period and underwriting enhancements.

P&C Premiums Breakdown



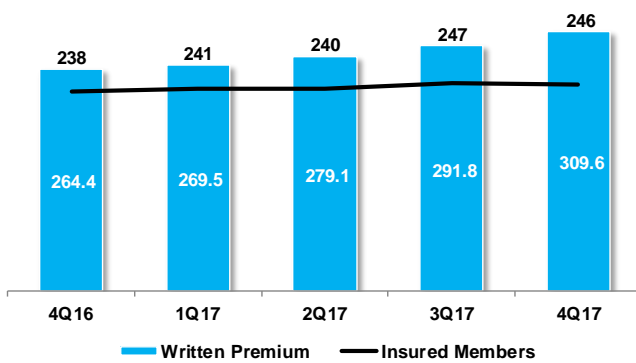
Health Insurance

Health Insurance	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Written Premiums (R\$ million)	309.6	264.4	17.1	1,150.0	1,015.8	13.2
Earned Premium (R\$ million)	309.1	263.9	17.1	1,149.4	1,014.1	13.3
Loss Ratio (%) - Var (p.p.)	76.9	78.2	(1.3)	79.3	80.4	(1.1)
Insured Members (thousand)	246	238	3.4	246	238	3.4

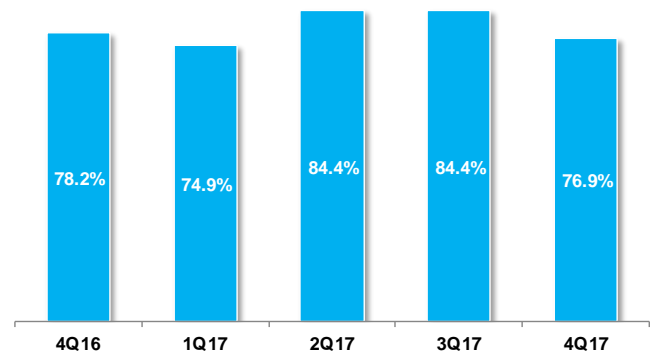
Health insurance segment premiums totaled R\$ 310 million in 4Q17, 17% higher than 4Q16 mainly due to price adjustments and the increase of insured members (+3%). This is the result of both sales campaigns and marketing initiatives with brokers. The average health insurance premiums have increased 13% in the quarter (4Q17 x 4Q16).

The loss ratio attained 76.9% in 4Q17, a reduction of 1.3 p.p. in comparison to the 4Q16 mainly due to the lower losses and price adjustments in the period.

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



Loss Ratio - Health



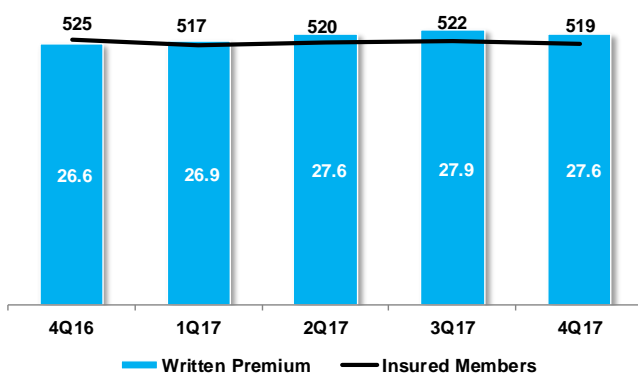
Dental Insurance

Dental Insurance	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Written Premiums (R\$ million)	27.6	26.6	3.8	110.0	98.4	11.8
Earned Premium (R\$ million)	27.6	26.6	3.8	110.0	98.4	11.8
Loss Ratio (%) - Var (p.p.)	53.5	60.5	(7.0)	50.3	57.1	(6.8)
Insured Members (thousand)	519	525	(1.1)	519	525	(1.1)

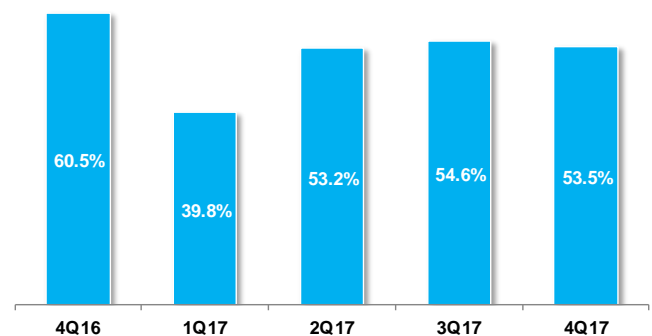
Dental insurance premiums amounted to R\$ 28 million in 4Q17, 4% above 4Q16, chiefly explained by price adjustments. However, the growth was partially offset by the decrease of 1% in insured members.

The loss ratio reached 53.5% in the quarter, a reduction of 7.0 p.p., as a result of our efforts to improve loss processes and the lower use frequency in the period.

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



Loss Ratio - Dental



Life Insurance

Life Insurance	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Written Premiums (R\$ million)	198.6	172.4	15.2	780.5	671.8	16.2
Earned Premium (R\$ million)	188.8	164.3	14.9	719.2	621.0	15.8
Loss Ratio (%) - Var (p.p.)	29.7	28.7	1.0	31.0	29.9	1.1
Members insured (thousand)	7,086	6,905	2.6	7,086	6,905	2.6

Written premiums totaled R\$ 199 million in the quarter, 15% better than 4Q16, 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 1.0 p.p. in the quarter were driven mainly by the higher severity of losses in the Group Life Insurance.

Pension

Pension Plan	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Gross Funding (R\$ million) ¹	204.2	206.2	(1.0)	838.2	642.6	30.4
Net Funding (R\$ million) ²	58.0	114.6	(49.4)	358.1	244.3	46.6
Technical Provisions (R\$ million)	4,585.0	3,893.0	19.0	4,585.0	3,893.0	19.0
Total Active Participants (thousands)	146	139	5.0	146	139	5.0

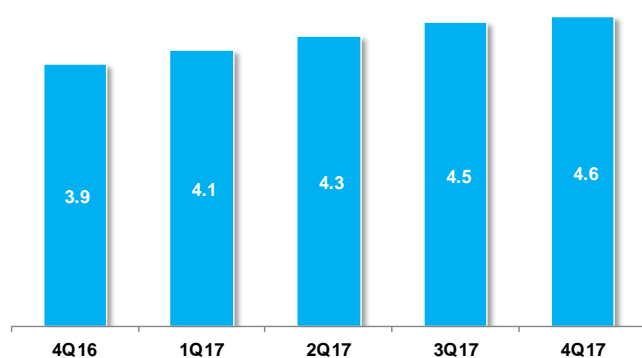
¹ Gross Funding = Total Contributions + inputs + incoming portability

² Net Funding = Gross funding - withdrawals - outgoing portability

The gross funding for pension products reached R\$ 204 million in the quarter, 1% lower compared to 4Q16. Also, the net funding attained R\$ 58 million (-49% vs. 4Q16) chiefly due to the higher withdrawal in the period. However, the net funding increased 47% in the year.

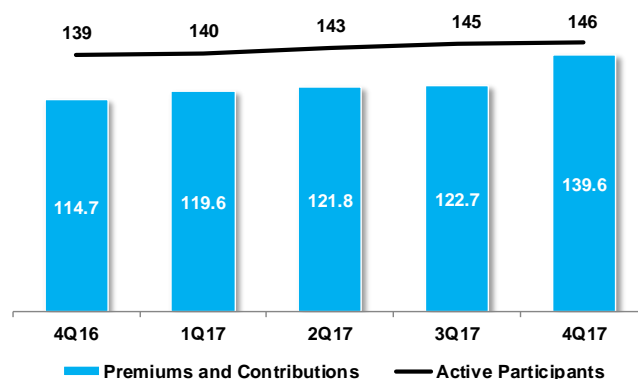
Assets under management reached R\$ 4.7 billion in the quarter, representing an increase of 19% (4Q17 x 4Q16).

Assets under Management³ (R\$ billion)



³ Considering only clients reserves

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

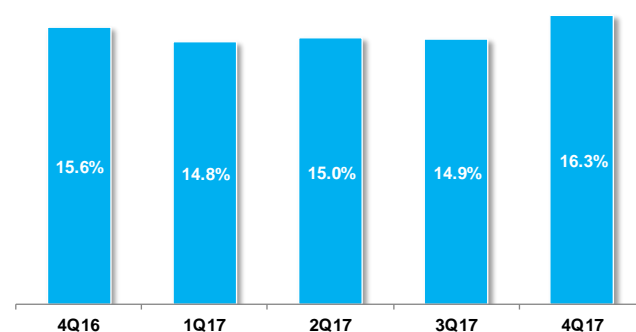


⁴ Pension contribution revenues (risk + accumulation) + VGBL Premiums

G&A – Insurance

Administrative Expenses - Insurance						
R\$ thousand	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
General Administrative Expenses	544.9	504.1	8.1	2,024.3	1,948.6	3.9
Marketing	30.5	32.7	(6.7)	91.2	92.9	(1.8)
Profit Sharing	40.8	38.3	6.5	229.0	166.7	37.4
Total Administrative Expenses - Insurance	616.2	575.0	7.2	2,344.5	2,208.2	6.2
Total Administrative Expenses - excluding profit sharing	575.4	536.8	7.2	2,115.5	2,041.5	3.6
Earned Premiums	3,539.4	3,439.8	2.9	13,865.0	13,649.0	1.6

G&A Insurance Ratio



Insurance G&A (excluding profit sharing) grew 7.2% in the quarter and 3.6% in the year (vs. 2016).

The insurance G&A ratio reached 16.3% in the 4Q17 (+0.7 p.p. vs. 4Q16), mainly due to the earned premiums deceleration. In 2017, the ratio was 15.3% (+0.3 p.p. vs 2016).

Other Operational Expenses/Revenues

Other Operational Expenses/Revenues - Insurance						
R\$ thousand	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Other Operating Revenues - Insurance	10.8	10.6	1.9	49.6	40.2	23.4
Other Operating Expenses - Insurance	142.2	152.2	(6.6)	594.6	621.0	(4.3)
Total Other Operational Expenses/Revenues	(131.4)	(141.6)	(7.2)	(545.0)	(580.8)	(6.2)
Index (Vs. premiums) Var p.p.	3.7	4.1	(0.4)	3.9	4.3	(0.4)

Other operational income – insurance totaled R\$ 11 million in 4Q17, an increase of 2% when comparing to the 4Q16, explained by higher revenues of receiving and regulation of claims from the DPVAT consortium.

Other operational expenses – insurance totaled R\$ 142 million in 4Q17, a reduction of 7% in comparison to the same period of 2016, mainly due to the lower expenses with 24h assistance and track devices.

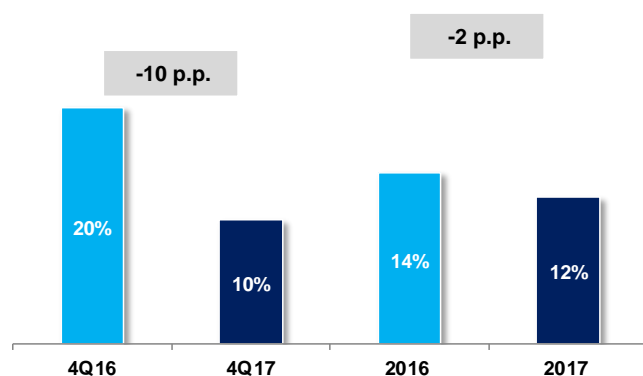
The O.E ratio (total other operational revenues and expenses / earned premium) achieved 3.7% in the quarter, decreasing 0.4 p.p. compared to the 4Q16.

Total expenses (G&A + O.E) increased 0.3 p.p. in the quarter and remained almost stable in the year (-0.1 p.p. vs. 2016), even considering the lower premiums growth.

Financial and Service Businesses

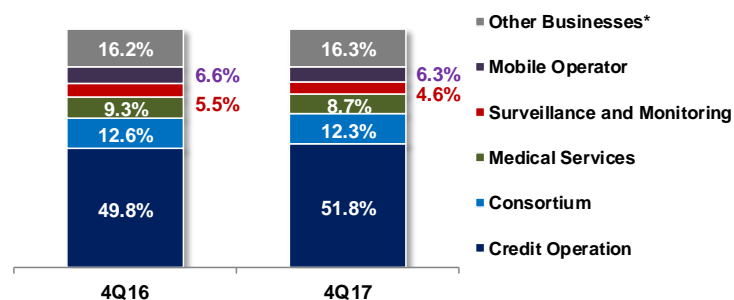
Summarized Income Statement - Non Insurance						
(R\$ thousand)	4Q17	4Q16	Var. %	2017	2016	Var. %
Revenues from Credit Operation	306.9	261.6	17.3	1,114.7	975.1	14.3
Revenues from Services - services	285.2	264.1	8.0	1,084.3	956.7	13.3
TOTAL REVENUE	592.1	525.7	12.6	2,199.0	1,931.8	13.8
Allowance for delinquent accounts - Financial	(76.2)	(62.6)	21.7	(278.7)	(261.4)	6.6
Costs of services rendered (a)	(96.9)	(80.5)	20.4	(338.8)	(284.2)	19.2
Commercial Expenses (b)	(40.2)	(26.3)	52.9	(135.5)	(101.1)	34.0
G&A - General Expenses (c)	(167.3)	(155.6)	7.5	(645.8)	(593.6)	8.8
Other Operational Revenues/Expenses (d)	(110.0)	(96.4)	14.1	(395.4)	(351.9)	12.4
Total (a+b+c+d)	(414.4)	(358.8)	15.5	(1,515.5)	(1,330.8)	13.9
Tax	(30.0)	(26.0)	15.4	(111.3)	(98.0)	13.6
TOTAL G&A AND OPERATIONAL EXPENSES	(520.6)	(447.4)	16.4	(1,905.5)	(1,690.2)	12.7
Depreciation	(7.4)	(7.7)	(3.9)	(30.3)	(28.1)	7.8
OPERATING INCOME	64.1	70.6	(9.2)	263.2	213.5	23.3
Financial and Equity Accounting Results	6.5	15.4	(57.8)	33.3	54.1	(38.4)
INCOME BEFORE TAX	70.6	86.0	(17.9)	296.5	267.6	10.8
Income Tax and Social Contribution	(30.4)	(18.1)	68.0	(130.0)	(100.6)	29.2
Profit Sharing	(12.4)	(8.6)	44.2	(31.6)	(36.7)	(13.9)
NET INCOME	27.8	59.3	(53.1)	134.9	130.3	3.5
ROAE	10.2	23.3	(13.1)	12.8	13.7	(1.0)

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

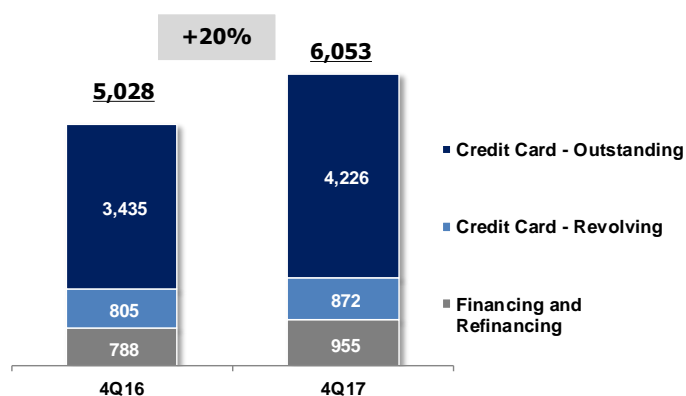
- Total revenues from financial and service businesses attained R\$ 592 million in 4Q17, 13% above 4Q16, mainly driven by the increase of Credit Operations and Financing products.
- Consolidated ROAE from financial and services businesses totaled 10.2% in the quarter, a decrease of 13.1 p.p., mainly explained by the lower operational result of Porto Seguro Conecta, which was affected by the weaker sales as a result of the stronger competition in the mobile segment.
- 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	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Revenues from Financial Intermediation (R\$ million)	160.2	142.4	12.5	591.6	538.4	9.9
Revenues from Services	127.8	103.6	23.4	454.0	376.9	20.5
Other Revenues	18.9	15.6	21.2	69.1	59.8	15.6
Revenues from Credit Operation and Financing (R\$ million)	306.9	261.6	17.3	1,114.7	975.1	14.3
Loan Loss Provisions (%) p.p.	5.1	5.7	(0.6)	5.1	5.7	(0.6)
Total Financing Clients (thousand)	55	48	14.6	55	48	14.6
Credit Card Clients (million)	2,331	1,973	18.1	2,331	1,973	18.1

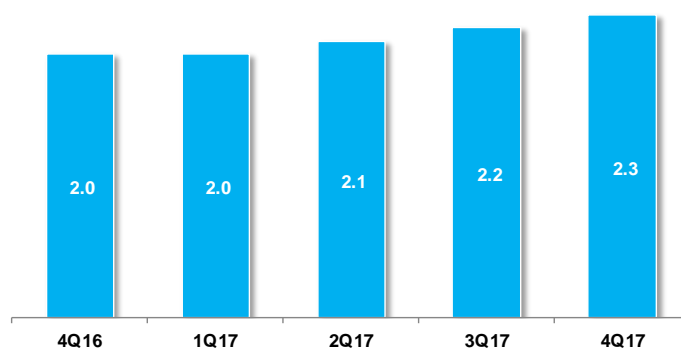
- The income from credit operations totaled R\$ 307 million in 4Q17, 17% higher when comparing to 4Q16, mainly driven by higher revenues from services, especially due to the increased interchange volume (proportional to the increased consumption by cardholders).
- NPL (over 90 days) reached 4.5% in the quarter, the lowest from the last 5 years and below the market average, that reached 6.2% (Source: Banco Central – available data until November/17). The NPL remained in line with the Company's expectation all over the year, 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 5.1%, a reduction of 0.6 p.p. in the quarter compared to 4Q16. The coverage rate – a result of a loan loss provisions balance related to the balance of overdue payments operations (over 90 days) – attained 115.0% in the quarter, which represents a slight increase compared to the 4Q16 (+0.8 p.p.).
- The percentage of the portfolio's risk costs (provision costs + credit loss / net revenues from financial intermediation) ended the quarter reporting a growth of 1.1. p.p. in comparison to the 4Q16.
- The total credit portfolio reached R\$ 6.1 billion by the end of the 4Q17 and the largest part (70%) consists of outstanding payments from credit card products.

Credit Operation Portfolio (R\$ million)*



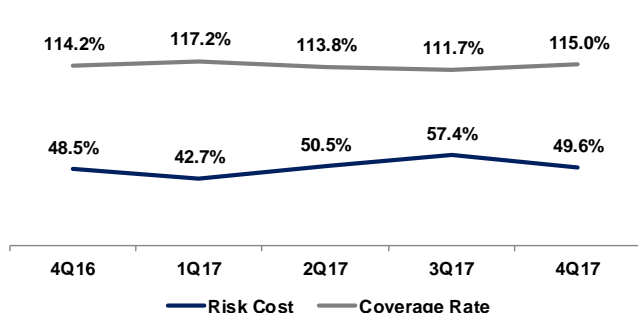
* The balance of credit card operations portfolio – excluding private label operations – amounted R\$ 5,273 MM (R\$ 4,376 MM in 4Q16)

Credit Card (million of units)*

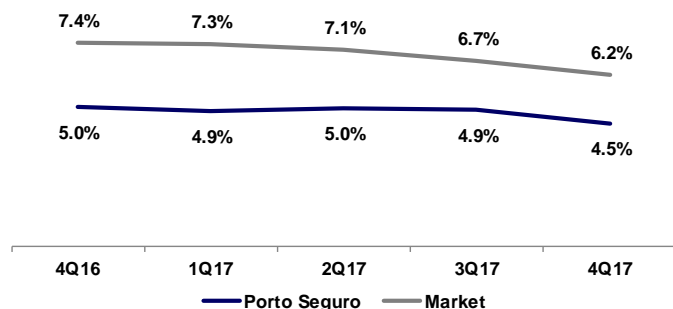


*Cards apt for use, including card holders and additional

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

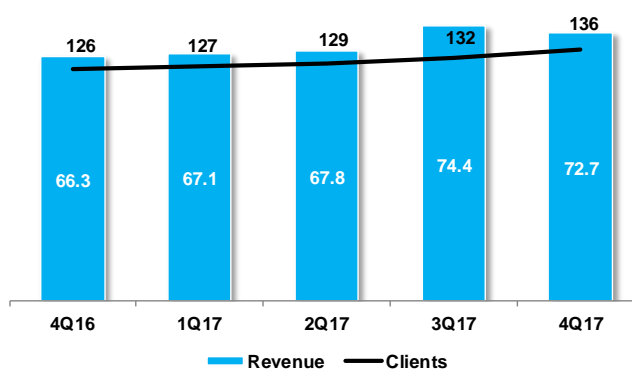
¹The NPL over 90 days was adjusted to stay in line with the Central Bank methodology, which establishes that the balance of agreement operations related to late payments are not considered delinquent

Consortium

Consortium	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Revenues from Consortium operation (R\$ million)	72.7	66.3	9.7	282.0	257.5	9.5
Consortium Members (thousand)	136	126	7.9	136	126	7.9

Income from consortium fees totaled R\$ 73 million in 4Q17, an increase of 10% mainly driven by the clients base expansion.

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

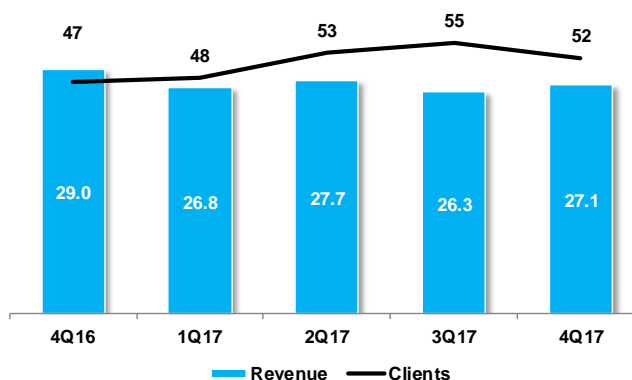


Surveillance and Monitoring

Surveillance and Monitoring	4Q17	4Q16	Var. %/p.p.	2017	2016	Var. %/p.p.
Revenues (R\$ million)	27.1	29.0	(6.5)	107.9	95.6	12.9
Clients (thousand)	52	47	10.6	52	47	10.6

Revenues from monitoring services and security products sales decreased 7% in the period chiefly explained by the mix change. In 2017, revenues increased 13% enhanced by the higher number of clients as a result of 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	4Q17	4Q16	Var. %	2017	2016	Var. %
Investment - Ex-Pension Funds*	171.3	247.7	(30.8)	854.0	1,071.7	(20.3)
Investment - Pension Funds Plan	66.3	104.8	(36.7)	399.6	499.2	(20.0)
Total Investment	237.6	352.5	(32.6)	1,253.6	1,570.9	(20.2)
Other Revenues	97.4	106.4	(8.5)	595.6	451.1	32.0
Total Financial Income	335.0	458.9	(27.0)	1,849.2	2,022.0	(8.5)

(*) Pension funds own Revenues Included

Financial Expenses	4Q17	4Q16	Var. %	2017	2016	Var. %
Pension Plan Operations	(65.8)	(96.3)	(31.7)	(362.1)	(459.4)	(21.2)
Insurance Operations	(73.0)	(36.0)	102.8	(201.0)	(169.4)	18.7
P&L - Fixed Income Bonds classified as available-for-sale	(10.7)	(27.2)	(60.7)	(33.4)	(60.0)	(44.3)
P&L - Fixed Income Bonds classified as available-for-sale - Pension Funds	(4.8)	(3.9)	23.1	(22.9)	(7.8)	193.6
Other Expenses	(26.8)	(24.9)	7.6	(99.1)	(106.9)	(7.3)
Total Financial Expenses	(181.1)	(188.3)	(3.8)	(718.5)	(803.5)	(10.6)

Financial Income	4Q17	4Q16	Var. %	2017	2016	Var. %
Total Financial Income	153.9	270.6	(43.1)	1,130.7	1,218.5	(7.2)

Financial revenues were R\$ 335 million in the 4Q17 (-27% vs. 4Q16).

Financial results achieved R\$ 154 million for the quarter, 43% lower in comparison to the 4Q16, mainly due to the lower average CDI* in the period (-46%).

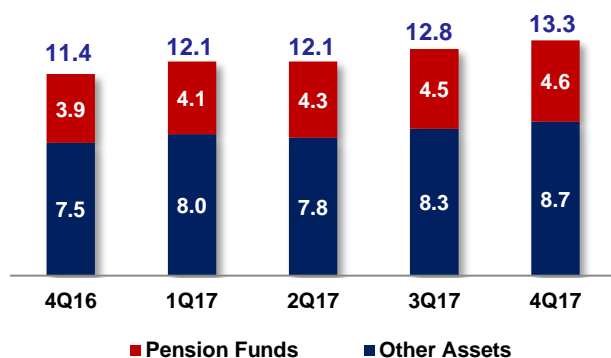
The total return on the financial investment portfolio (total AUM of R\$ 13.3 billion) was 1.8% (103% of CDI*) in the quarter. Excluding pension funds, the portfolio results (R\$ 8.7 billion) generated a return of 1.9% (107% of CDI*).

In 2017, the total return on the financial investment portfolio was 103% of the CDI. Excluding pension funds, the profitability was 109% of the CDI.

The financial investment portfolio's profitability in the 4Q17 (excluding pension funds) was favored by the fixed income and inflation-linked bonds and partially offset by the lower equities performance.

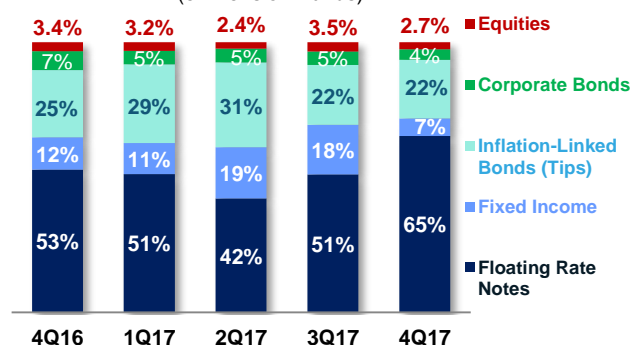
*CDI – Interbank Certificate of Deposit

Revenue from Investments Assets
(R\$ Billion)

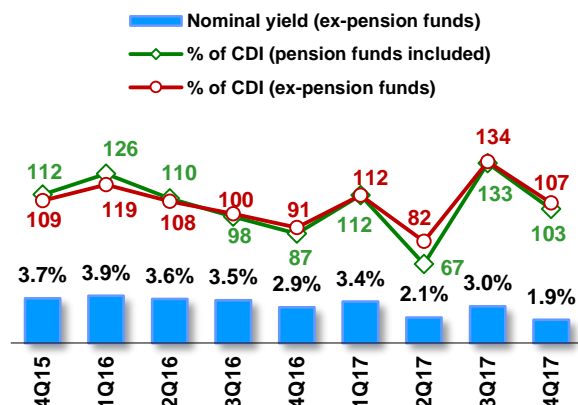


Allocation¹

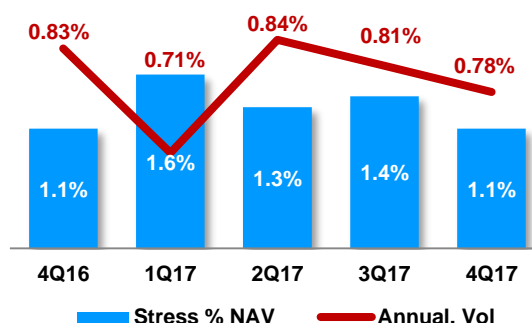
(ex-Pension Funds)



Quarterly Performance



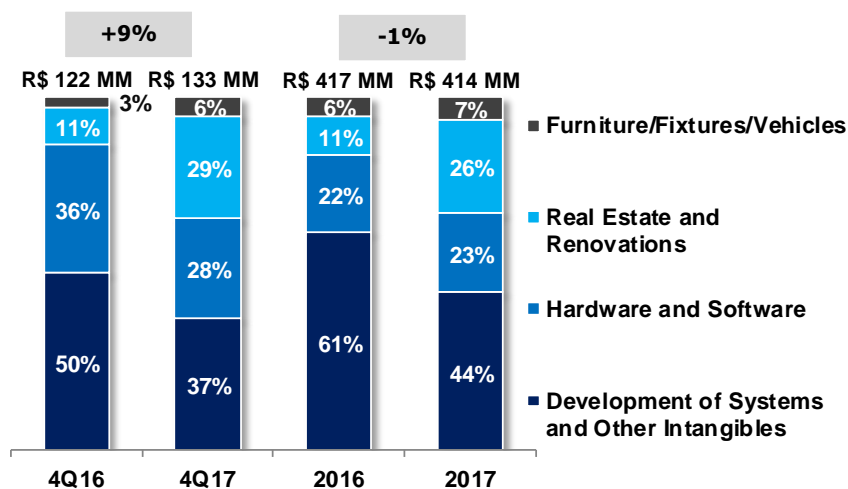
Risk Exposure
(ex-Pension funds)²



¹ Future exposures included.

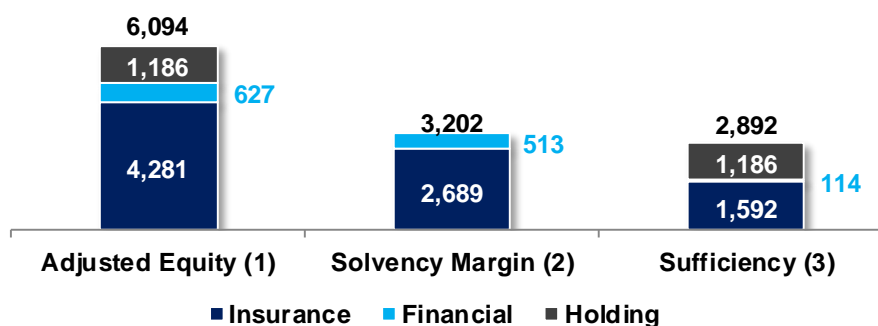
² Brazilian Future Exchange (BM&FBOVESPA) stress scenarios.

CAPEX Breakdown (%)



The vast part of investments were allocated in system development, acquisition of software licenses and hardware's such as mainframes and notebooks, representing over 65% 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. Additionally, improvements on the Company's real properties were made in the quarter, highlighting the new call center implementation.

Capital Requirements – 4Q17 (R\$ million)



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

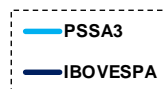
² Necessity of Capital required according to regulators (SUSEP, BACEN e ANS)

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

Historical Variation*: PSSA3 x Ibov %	
PSSA3	IBOVESPA
421%	218%

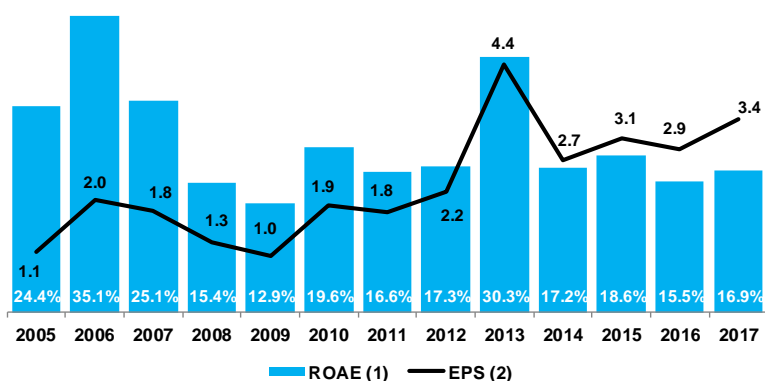
* From November 2004 (IPO) to December, 2017

Annual Performance PSSA3 vs. Ibovespa last 12 months



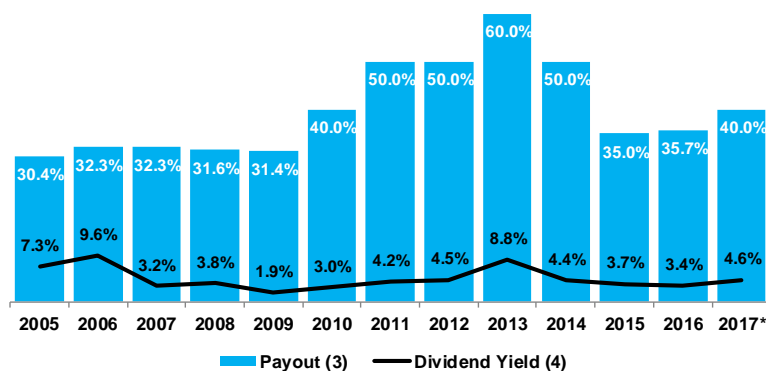
Dec-16 Feb-17 Apr-17 Jun-17 Aug-17 Oct-17 Dec-17

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 12/31/2017	36.33
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 12/31/2017	11.7
Price Book Value in 12/31/2017	1.5

Payout and Dividend Yield



Analysts Coverage		
Bank / Broker	Analyst	Phone
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	Gustavo Lobo	55 (11) 4950-2901
Merril Lynch	Mario Pierry	1 646 743 0047
Morgan Stanley	Jorge Kury	1 (212) 761-6341
Santander	Henrique Navarro	55 (11) 3012-5756
UBS	Frederic de Mariz	55 (11) 3513-6511

* Dividends proposed by the Management and subject to General Assembly approval on March 29th, 2017

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

	Consolidated			Consolidated	
	2017	2016		2017	2016
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
Current assets	<u>21,563,767</u>	<u>19,135,427</u>	Current liability	<u>15,325,066</u>	<u>13,775,833</u>
Cash and cash equivalents	1,266,575	882,067	Liabilities from insurance contracts and pension plans	8,157,133	7,874,953
Financial assets			Debits from insurance and reinsurance operations	362,462	354,252
Financial assets at fair value through income or loss	9,905,336	8,070,433	Financial liabilities	5,374,687	4,278,985
Financial assets available for sale	29,312	878,490	Taxes and contributions payable	419,671	408,033
Loans and Receivables			Dividends and interest on capital payable	260,978	219,185
Insurance premium receivable	3,597,097	3,327,930	Derivative financial instruments	1,522	8,492
Credit Operations	1,173,609	1,033,050	Other liabilities	748,613	631,933
Securities and amounts receivables	3,406,636	2,753,991			
Amount receivable from provided service	94,524	96,951	Non-current assets	<u>5,642,792</u>	<u>4,580,075</u>
Reinsurance assets	123,863	80,195	Liabilities from insurance contracts and pension plans	5,122,614	4,090,006
Taxes and contributions receivable	106,996	170,743	Financial liabilities	95,698	59,662
Non financial assets available for sale	177,809	188,672	Deferred income tax and social contribution	276,063	286,088
Deferred contract acquisition costs	1,265,450	1,224,605	Derivative financial instruments	1,211	4,647
Derivative financial instruments	1,071	1,455	Other liabilities	47,720	41,832
Other assets	415,489	426,845	Legal provisions	99,486	97,840
Long-term assets	<u>7,120,190</u>	<u>6,221,280</u>	Shareholders' Equity	<u>7,716,099</u>	<u>7,000,799</u>
Financial assets			Capital	3,500,000	3,170,000
Financial assets at fair value through income or loss	4,778	1,204	(-) Treasury stocks	3,984	-
Financial assets available for sale	2,291,075	1,686,939	Revenue reserves	3,961,576	3,703,495
Loans and Receivables			Additional proposed dividends	175,698	108,675
Insurance premium receivable	975	827	Other comprehensive income	73,106	16,896
Credit Operations	382,558	300,744	Non-controlling interest	1,735	1,733
Reinsurance assets	1,984	979			
Deferred Income Tax and Social Contribution	458,019	501,508			
Taxes and contributions receivable	4,823	6,372			
Deferred contract acquisition costs	23,318	17,018			
Other assets	356,352	337,995			
Investments					
Real estate held as investment	8,358	8,554			
Fixed assets	1,636,474	1,535,599			
Intangible	1,951,476	1,823,541			
TOTAL ASSETS	<u>28,683,957</u>	<u>25,356,707</u>	TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	<u>28,683,957</u>	<u>25,356,707</u>

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

	<u>4Q17</u>	<u>4Q16</u>	<u>9M17</u>	<u>9M16</u>
Revenue				
Written insurance premiums and healthcare plan premiums	3,868,708	3,593,199	14,581,009	14,099,105
(-) Reinsurance premiums	(26,807)	(25,961)	(101,673)	(102,630)
(=) Written and billed premiums, Net of Reinsurance	3,841,901	3,567,238	14,479,336	13,996,475
Revenue from credit operations	306,884	261,670	1,114,727	975,125
Revenue from services	285,248	263,986	1,084,296	956,629
Private pension	51,691	48,722	185,890	179,370
Net Revenues from capitalization securities	8,237	6,784	29,853	26,967
Other operating revenues - Insurance	18,759	10,600	49,565	40,155
Other operating revenues - Other	15,443	19,962	84,607	64,779
Real Estate Revenues	6,053	2,636	42,528	8,388
Total Revenues	<u>4,534,216</u>	<u>4,181,598</u>	<u>17,070,802</u>	<u>16,247,888</u>
Expenses				
Changes in net technical provisions - insurance	(302,514)	(127,438)	(614,360)	(347,490)
Changes in net technical provisions - pension	(55,541)	(46,973)	(186,730)	(145,700)
(=) Total Changes in net technical provisions	(358,055)	(174,411)	(801,090)	(493,190)
Gross retained claims	(2,106,480)	(2,216,158)	(8,619,444)	(8,863,893)
(-) Recovery of reinsurers	42,536	37,826	70,442	75,761
(-) Recovery of salvage vehicles and reimbursements	251,050	246,847	1,007,641	1,036,259
Supplementary pension plan benefits	(8,192)	(7,985)	(29,423)	(25,101)
(=) Expenses with claims and credited benefits, net	(1,821,086)	(1,939,470)	(7,570,784)	(7,776,974)
Acquisition costs - insurance	(733,729)	(714,250)	(2,870,474)	(2,773,466)
Acquisition costs - other	(45,841)	(30,713)	(156,165)	(117,486)
Administrative expenses - Insurance	(575,302)	(536,767)	(2,115,497)	(2,041,454)
Administrative expenses - Other	(235,621)	(218,718)	(962,481)	(846,818)
Tax expenses - Insurance	(95,027)	(91,414)	(365,776)	(374,042)
Tax expenses - Other	(46,962)	(58,591)	(145,575)	(130,640)
Cost of services rendered	(96,848)	(80,514)	(338,769)	(284,168)
Other operating expenses - Insurance	(142,229)	(152,208)	(594,618)	(621,003)
Other operating expenses - Other	(208,766)	(175,590)	(747,629)	(669,141)
Total Expenses	<u>(4,359,466)</u>	<u>(4,172,646)</u>	<u>(16,668,858)</u>	<u>(16,128,382)</u>
Operating result before financial result	<u>174,750</u>	<u>8,952</u>	<u>401,944</u>	<u>119,506</u>
Financial revenues - Insurance	302,138	406,264	1,446,551	1,803,893
Financial revenues - Other	32,843	52,656	402,668	218,090
Financial expenses - Insurance	(162,809)	(161,398)	(660,981)	(728,606)
Financial expenses - Other	(18,189)	(26,901)	(57,496)	(74,871)
	153,983	270,621	1,130,742	1,218,506
Operating income	<u>328,733</u>	<u>279,573</u>	<u>1,532,686</u>	<u>1,338,012</u>
Income before Income and social contribution taxes	<u>328,733</u>	<u>279,573</u>	<u>1,532,686</u>	<u>1,338,012</u>
Income and social contribution taxes	<u>(61,241)</u>	<u>21,200</u>	<u>(434,448)</u>	<u>(426,666)</u>
Current	(65,732)	(11,628)	(400,984)	(432,954)
Deferred	4,491	32,828	(33,464)	6,288
Net income for the period	<u>267,492</u>	<u>300,773</u>	<u>1,098,238</u>	<u>911,346</u>
Attributable to				
- Shareholders of the Company	267,689	301,613	1,100,867	915,599
- In subsidiaries Not Controlling Minority Shareholders	(197)	(840)	(2,629)	(4,253)
Effective Tax Rate: Tax and Social Contribution Over Net Income before Tax ¹	18.6%	-7.6%	28.3%	31.9%

PORTO SEGURO S.A and Subsidiaries		
STATEMENTS OF CASH FLOWS		
FOR THE PERIODS ENDED IN DECEMBER, 31st		
(In thousands of reais)		
	<u>2017</u>	<u>2016</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	1,314,404	620,697
CASH FLOW FROM OPERATING ACTIVITIES	1,354,655	1,122,084
Net Income For The Quarter	1,098,238	911,346
Depreciation - property, plant and equipment	139,480	122,703
Depreciation - investments real estate properties	196	194
Amortization	86,721	84,582
Proceeds from sale of fixed assets	30,020	3,259
Increase / decrease in assets	248,978	(100,103)
Financial assets at fair value through profit or loss	(1,838,477)	(1,924,199)
Available-for-sale financial assets	245,042	510,839
Premiums receivable from policyholders	(269,315)	(7,510)
Credit operations	(222,373)	(79,348)
Notes and credits receivable	(652,645)	(500,390)
Reinsurance assets	(44,673)	(7,094)
Deferred income tax and social contribution	33,464	(6,288)
Tax and contribution recoverable	65,296	(32,779)
Assets for sale	10,863	(21,574)
Other assets	(2,093)	(136,862)
Acquisition costs of deferred contracts	(47,145)	(46,345)
Liabilities of insurance contracts	1,314,788	1,095,300
Insurance and reinsurance payables	8,210	7,047
Financial liabilities	1,251,670	642,818
Derivative financial instruments	(10,022)	49,027
Taxes and contributions payable	359,708	417,795
Provisions	1,646	25,193
Other liabilities	45,034	(85,733)
Other	(289,229)	(401,284)
Other comprehensive results	56,210	36,400
Non-controlling interest	2,631	4,383
Income tax and social contribution paid	(348,070)	(442,067)
CASH FLOW FROM INVESTMENT ACTIVITIES	(487,513)	(442,773)
Sales of fixed assets and intangible	46,313	13,185
Acquisition of fixed assets	(303,688)	(154,699)
Investments on Intangible	(230,138)	(301,259)
CASH FLOW FROM FINANCING ACTIVITIES	(442,383)	(450,761)
Treasury stocks	3,984	-
Dividends paid	-	(45,763)
Interests on Capital paid	(326,435)	(304,762)
Interests paid on funds raised	(119,932)	(100,236)
DECREASE IN CASH AND CASH EQUIVALENTS	384,508	(272,837)
Cash and Equivalents at Beginning of Period	882,067	1,154,904
Cash and Equivalents at End of Period	1,266,575	882,067



**PORTO
SEGURO**

Operating and Financial Highlights

4Q17 and 2017 Earnings Release

REVENUES (in R\$ million)						
	4Q17	4Q16	Var.%	2017	2016	Var.%
INSURANCE WRITTEN PREMIUMS, PENSION AND CAPITALIZATION REVENUES						
Porto Seguro – Auto	1,238.6	1,218.9	1.6	4,606.5	4,706.3	(2.1)
Azul Seguros – Auto	772.0	691.1	11.7	2,742.6	2,567.5	6.8
Itaú Auto e Residência - Auto	562.2	533.3	5.4	2,226.6	2,079.0	7.1
Total Auto	2,572.8	2,443.3	5.3	9,575.7	9,352.8	2.4
P&C - Porto Seguro and Azul Seguros	277.6	217.2	27.8	974.7	874.4	11.5
P&C - Itaú Auto e Residência	123.8	107.2	15.5	458.9	453.2	1.3
Total P&C	401.4	324.4	23.7	1,433.6	1,327.6	8.0
Health	309.6	264.4	17.1	1,150.0	1,015.8	13.2
Dental	27.6	26.6	3.8	110.0	98.4	11.8
Portomed (health care plan)	13.4	25.8	(48.1)	75.0	119.0	(37.0)
Total Health (Health + Dental + Portomed)	350.6	316.8	10.7	1,335.0	1,233.2	8.3
Life	198.6	172.4	15.2	780.5	671.8	16.2
DPVAT (Cars/Personal Injured Liability)	41.7	68.6	(39.2)	309.7	478.6	(35.3)
Porto Seguro Uruguay	67.4	68.5	(1.6)	266.1	245.4	8.4
Written Premiums VGBL	87.9	65.9	33.4	317.8	238.5	33.2
Cargo	47.1	40.9	15.2	181.1	151.6	19.5
Financial Risks	83.2	78.2	6.4	321.5	338.4	(5.0)
Other Insurance	18.0	14.2	26.8	60.0	61.2	(2.0)
Total Written Premiums	3,868.7	3,593.2	7.7	14,581.0	14,099.1	3.4
Other Operational Revenues - Insurance	10.8	10.6	1.6	49.6	40.1	23.6
Total Earned Premiums	3,539.3	3,439.8	2.9	13,865.0	13,649.0	1.6
Total Pension Revenues (PGBL + VGBL)	139.6	114.7	21.7	503.7	417.9	20.5
Capitalization Total Revenues	8.3	6.8	21.4	29.9	27.0	10.6
REVENUES FROM FINANCIAL AND SERVICE BUSINESSES						
	4Q17	4Q16	Var.%	2017	2016	Var.%
Credit Card and Financing	306.9	261.6	17.3	1,114.7	975.1	14.3
Consortium	72.7	66.3	9.7	282.0	257.5	9.5
Medical Services	51.7	48.8	5.9	193.9	188.6	2.8
Call Center	47.0	44.9	4.8	188.8	173.1	9.1
Surveillance and Monitoring Services	27.1	29.0	(6.5)	107.9	95.6	12.9
Mobile Operator	37.0	34.7	6.7	139.5	101.3	37.7
Asset Management	17.2	16.5	4.3	64.8	55.8	16.1
Other Revenues	32.4	23.9	35.6	107.3	84.8	26.6
Financial Businesses and Services - Total Revenues	592.1	525.7	12.6	2,199.0	1,931.8	13.8
Other Operational Revenues - Financial Businesses and Services	45.1	11.7	285.6	81.9	35.8	128.8
Real Estate Revenues	6.0	2.6	131.9	42.5	8.4	406.3
Total Revenues	4,582.6	4,199.4	9.1	17,169.7	16,321.6	5.2
FINANCIAL RESULTS						
	4Q17	4Q16	Var.%	2017	2016	Var.%
Financial Results - Insurance	139.4	244.9	(43.1)	785.6	1,075.3	(26.9)
Financial Results - Other (Financial Businesses / Services / Holding)	14.5	25.7	(43.6)	345.1	143.2	141.0
Total Financial Results	153.9	270.6	(43.1)	1,130.7	1,218.5	(7.2)
INDEX (%)						
	4Q17	4Q16	Var. p.p	2017	2016	Var.%
LOSS RATIO						
Porto Seguro – Auto	51.8	55.5	(3.7)	54.0	54.4	(0.4)
Azul Seguros – Auto	55.2	63.3	(8.1)	60.7	62.7	(2.0)
Itaú Auto e Residência - Auto	56.0	60.7	(4.7)	59.6	62.2	(2.6)
Total Auto	53.7	58.8	(5.1)	57.2	58.5	(1.3)
P&C - Porto Seguro and Azul Seguros	27.2	34.8	(7.6)	29.2	34.1	(4.9)
P&C - Itaú Auto e Residência	30.2	31.4	(1.2)	29.5	31.5	(2.0)
Total P&C	28.2	33.6	(5.4)	29.3	33.1	(3.8)
Health	76.9	78.2	(1.3)	79.3	80.4	(1.1)
Dental	53.5	60.5	(7.0)	50.3	57.1	(6.8)
Portomed (Healthcare Plan)	103.0	95.3	7.7	88.0	99.9	(11.9)
Health (Health + Dental + Portomed)	76.1	78.1	(2.0)	77.4	80.5	(3.1)
Life	29.7	28.7	1.0	31.0	29.9	1.1
Total Loss Ratio	51.2	56.2	(5.0)	54.4	56.8	(2.4)
INSURANCE COMMISSION RATIO						
Acquisition costs - Insurance	20.7	20.8	(0.1)	20.7	20.3	0.4
INSURANCE - OPERATING AND ADMINISTRATIVE EXPENSES						
G&A – Insurance	16.3	15.6	0.7	15.3	15.0	0.3
Other Operational Revenues/Expenses - Insurance	3.7	4.1	(0.4)	3.9	4.3	(0.4)
Total Administrative and Operational Expenses	20.0	19.7	0.3	19.2	19.3	(0.1)
Tax - Insurance	2.7	2.7	-	2.6	2.7	(0.1)
MARGIN AND PROFITABILITY						
	4Q17	4Q16	Var. p.p	2017	2016	Var.%
Combined Ratio - Insurance - var.p.p	94.6	99.4	(4.8)	96.9	99.1	(2.2)
Amplified Combined Ratio - Insurance - var. p.p.	91.0	92.7	(1.7)	91.7	91.8	(0.1)
Shareholder's Equity w/o Business Combination - R\$ million - var. %	6,940.4	6,217.5	11.6	6,940.4	6,217.5	11.6
Shareholder's Equity with Business Combination - R\$ million - var. %	7,714.4	6,999.1	10.2	7,714.4	6,999.1	10.2
Net Earnings w/o Business Combination - R\$ million - var. %	269.6	303.5	(11.2)	1,108.4	923.2	20.1
Net Earnings with Business Combination - R\$ million - var. %	267.7	301.6	(11.2)	1,100.9	915.6	20.2
ROAE w/o Business Combination - p.p.	15.7	19.6	(3.9)	16.9	15.5	1.4
ROAE with Business Combination - p.p.	14.0	17.3	(3.3)	15.0	13.6	1.4
EPS w/o Business Combination - R\$ - var. %	0.83	0.94	(11.3)	3.41	2.86	19.2
EPS with Business Combination - R\$ var. %	0.83	0.93	(11.0)	3.43	2.83	21.2
# of thousand shares - var. %	323,293	323,293	-	323,293	323,293	-