



2Q21  
Earnings  
Conference Call

August 11<sup>th</sup>, 2021  
11:00am (EDT)

# Disclaimer

The forward-looking statements in the conference call are based on the beliefs and assumptions of Porto Seguro's management, and on currently available information.

It involves risks, uncertainties and assumptions related to future events and therefore depend on circumstances that may or may not occur in the time ahead.

Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Porto Seguro and cause results to differ materially from those expressed in such forward-looking statements.

# Agenda

**Executive Summary**

**Consolidated Revenues and Profitability**

**Insurance Vertical**

**Healthcare Vertical**

**Financial Businesses Vertical**

**Services Vertical**

**Financial Investment Results**

**ESG - Environmental, Social and Governance Factors**



# Executive Summary 2Q21



Robust revenue growth across all verticals (Insurance, Health, Financial Businesses and Services)



Second best combined ratio for the period in more than 10 years (90.5% in 2Q21)



Best delinquency rate of Credit Operations Portfolio in the last 5 years (NPL 90 days at 3.9%)



Consistent return on financial investments<sup>1</sup> (2.2% in 2Q21, equivalent to 283% of CDI)



High recurring profitability in the quarter (ROAE reached 31.9%)



Comfortable cash availability (excess capital of R\$ 2.4 billion at the end of 2Q21)



Advances in vertical organization strategy



Acquisition of 50% of Conectcar



Compensation to more than 3,000 families victims of the pandemic, more than 8,000 covered hospitalizations and performance of nearly 100,000 Covid tests

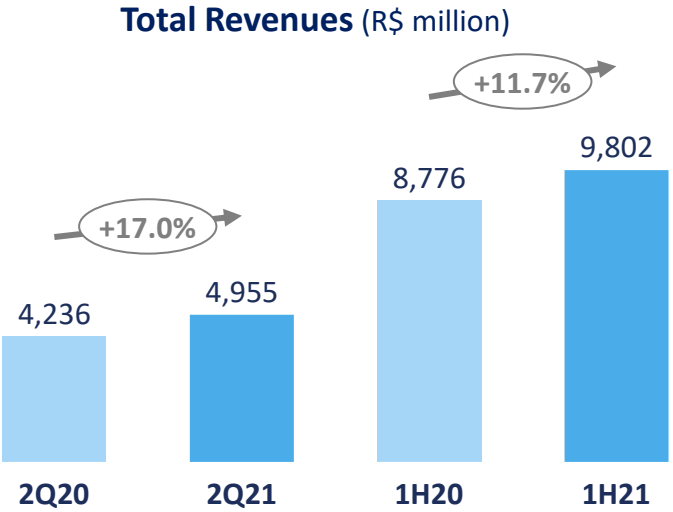


Porto Seguro was elected the 5th strongest brand in Brazil by Brand Finance<sup>2</sup>

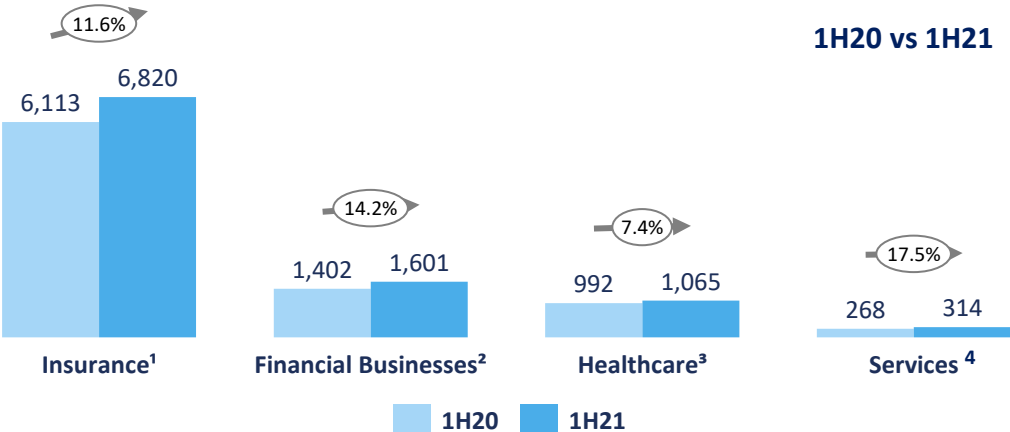
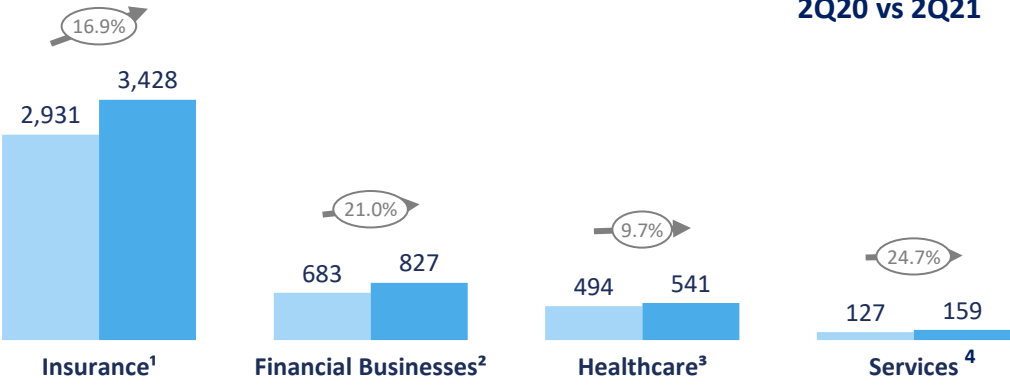
<sup>1</sup> Profitability ex. Pension

<sup>2</sup> Source: Brand Finance: the brand strength is an indicator that includes investment in marketing, consumer recognition, employee satisfaction and reputation. According to the methodology, it is an indicator of the future value of the brand;

Total revenue growth of 17% for the quarter (vs. 2Q20), due to a robust expansion in all verticals



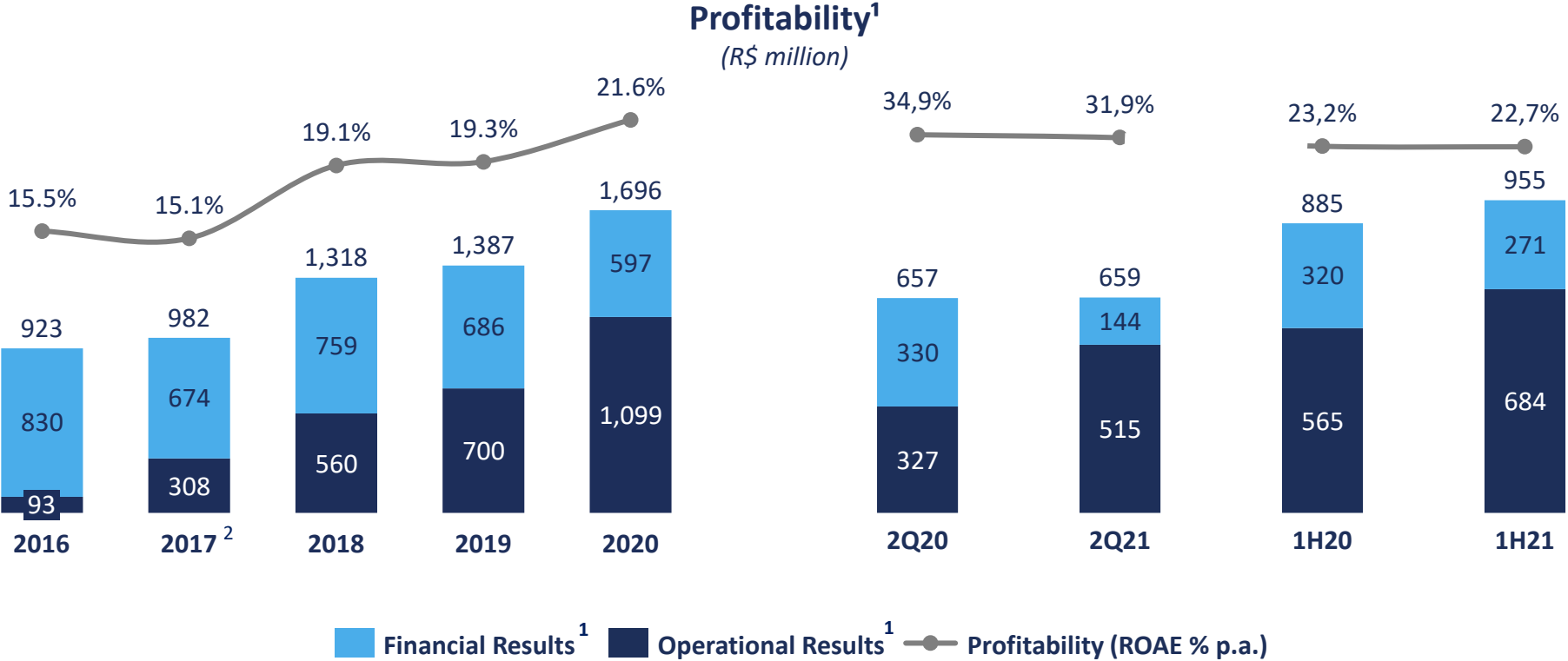
### Revenues by Business Vertical (R\$ million) 2T21 vs. 2T20



<sup>1</sup> Includes premiums and contributions from Auto, P&C, Live, Pension, Uruguai, Transportation, Rural and Responsibility insurances / <sup>2</sup> Includes premiums and revenues from Credit Card and Financing, Financial Risks, Consortium, Asset Management and Capitalization Securities / <sup>3</sup> Includes Corporate Health, Dental Insurance, Medical Services, Occupational Health and Portomed / <sup>4</sup> Includes Call Center, "Carro Fácil", Porto.Pet, Porto Faz, Reppara!, Renova, Vehicle Monitoring, among other services

# Consolidated Profitability

Porto Seguro presented high profitability in 2Q21 and 1H21, through solid operating and financial results

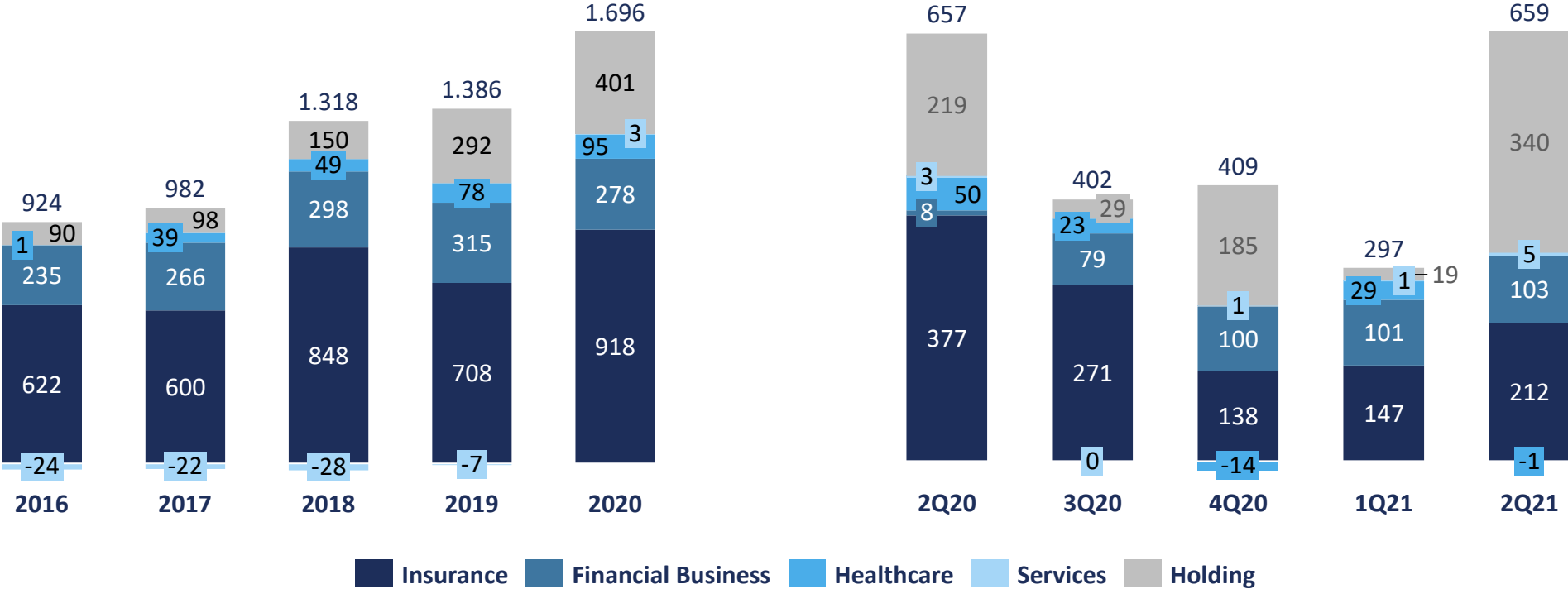


<sup>1</sup> The effective tax was applied to the financial result calculation, while the operational result is the difference between the net income (w/o business combination) and the financial result net of taxes  
<sup>2</sup> Not considering the effect of the sales of the share of IRB (Brasil Resseguros S.A.) with a net value of R\$ 126 million

# Consolidated Profitability by Business Vertical

Porto Seguro has been executing its business diversification strategy in recent years - the result of the Insurance vertical in 2Q21 mainly reflects the improvements in the underwriting and risk pricing and the positive effects of social isolation on the claims of Auto Insurance, while the Financial Businesses vertical was favored by business growth and low NPL

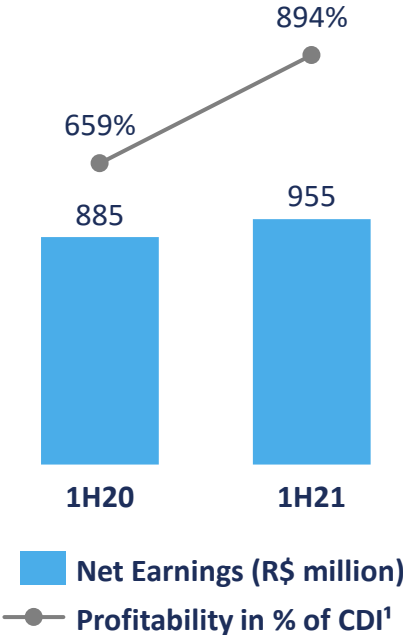
Net Earnings per Business Vertical<sup>1</sup>  
(R\$ million)



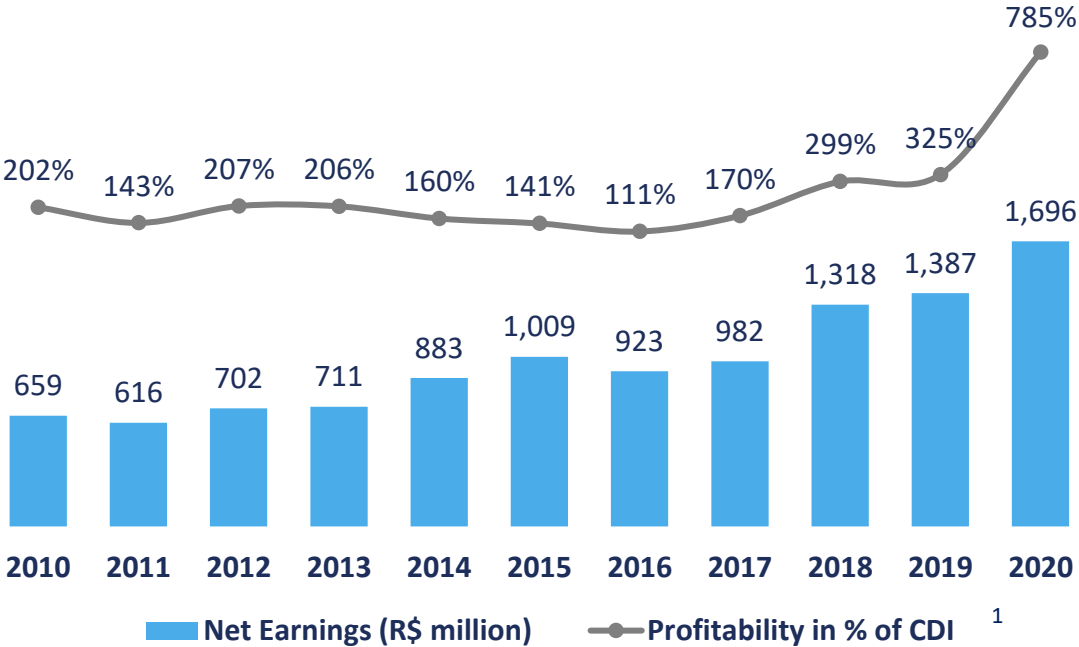
<sup>1</sup> Result with business combination calculated in accordance with IFRS 8, taking into account the internal financial reports of the performance of each segment, which are used by Management in conducting its business.

Porto Seguro has achieved consistent results, despite volatility of interest rates - the ROAE for the first half of 2021 was almost nine times higher than the base interest rate for the period (894% of the CDI)

### Profitability in the First Half of the Year



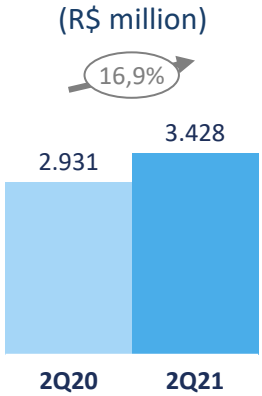
### Historical Profitability



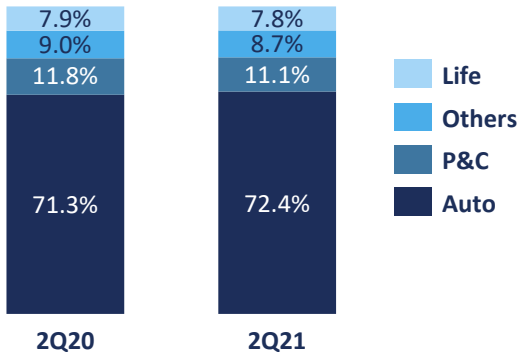
<sup>1</sup> Calculated by dividing the ROAE by the CDI rate  
Source: Porto Seguro, Central Bank of Brazil

The Insurance Vertical premiums expanded 16.9% (vs. 2Q20), driven by Auto (+18.7%), which had an increase of 386 k vehicles, reaching the largest insured fleet in Company's history (5.7 million vehicles) – P&C and Life premiums also grew in double digits (vs. 2Q20)

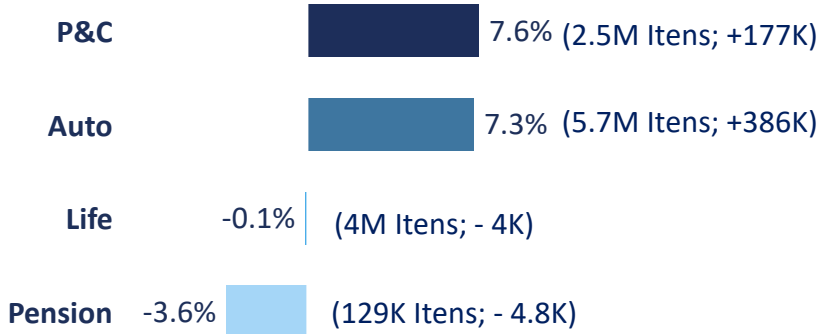
Total of Premiums Issued Insurance Vertical<sup>1</sup>



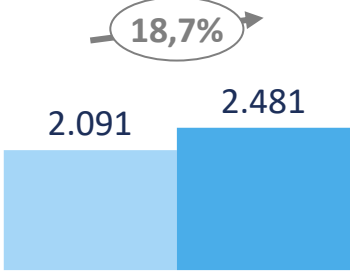
Breakdown of Premiums Issued Insurance Vertical (%)



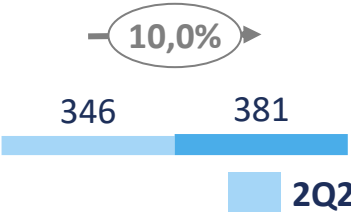
Growth of Members and Insured Items - 2Q21 vs. 2Q20



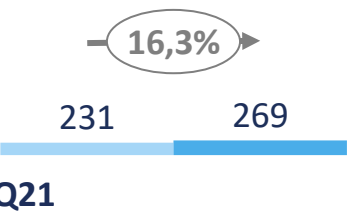
Auto Premiums (R\$ million)



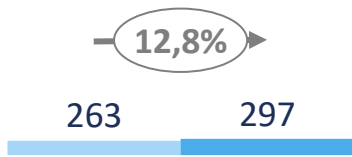
P&C Premiums (R\$ million)



Life Premiums (R\$ million)

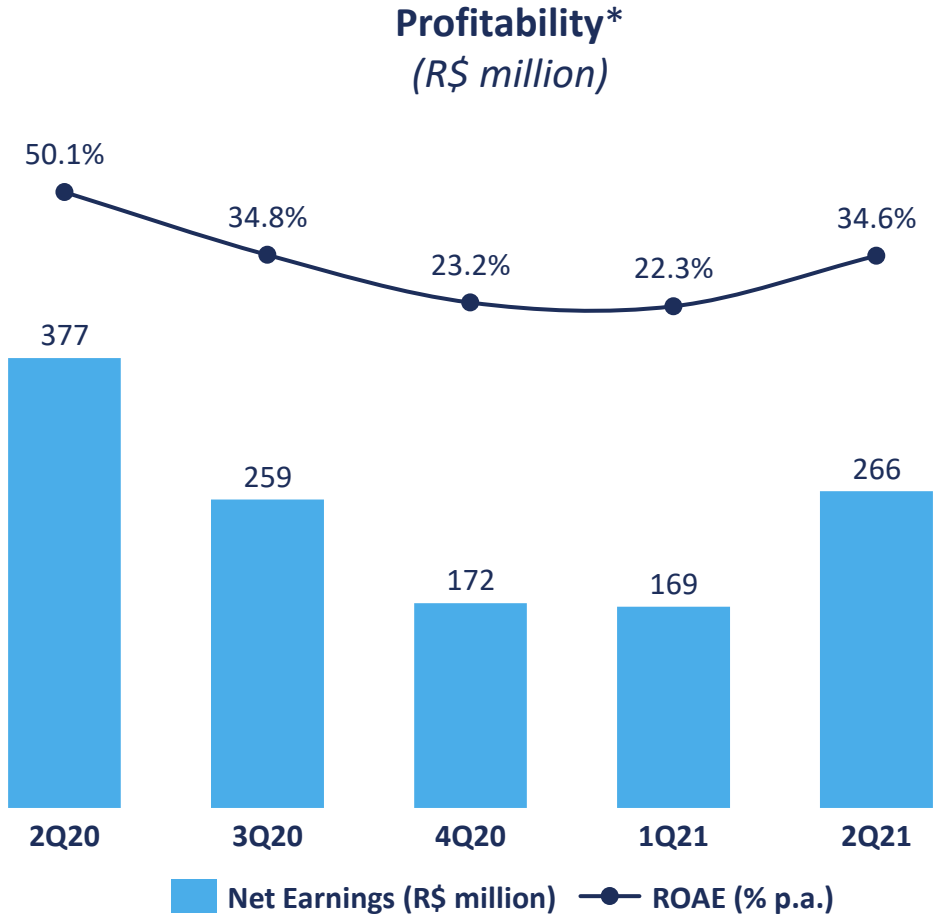
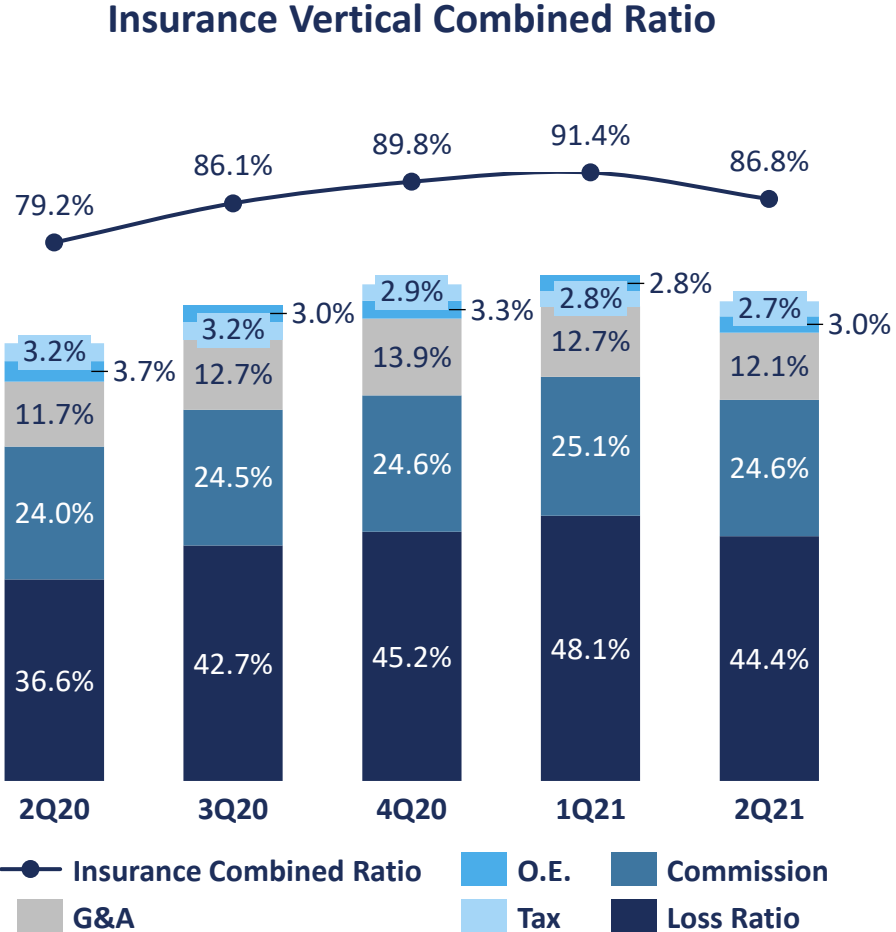


Others<sup>2</sup> Premiums (R\$ million)



<sup>1</sup> Includes premiums and contributions from Auto, P&C, Life, Pension, Uruguai, Cargo, Rural and Responsibility insurances  
<sup>2</sup> Includes premiums and contributions from Pension, Uruguai, Cargo, Rural and Liability insurances

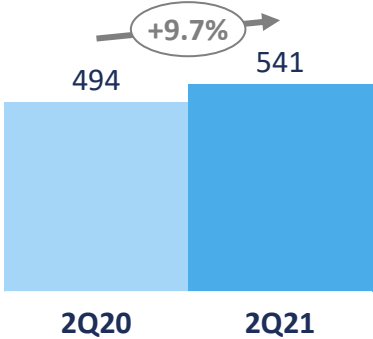
Insurance Vertical combined ratio stood at 86.8% in the quarter, favored by the low loss ratio and operational efficiency gains from recent years, resulting in high profitability in 2Q21 (34.6%)



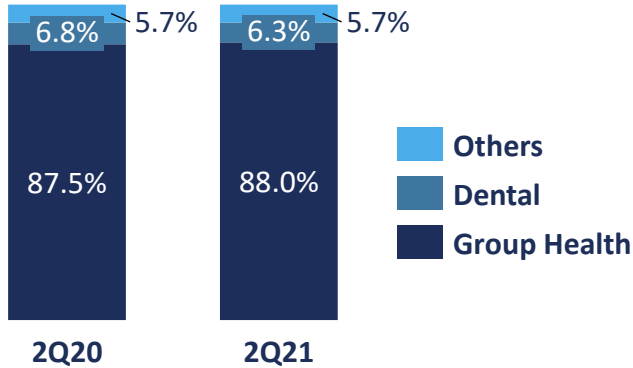
\* Excluding Pension results

The Health Vertical grew 9.7% in premiums and revenues and increased 219 k covered lives in the portfolio (vs. 2Q20), despite the challenges from the current health crisis

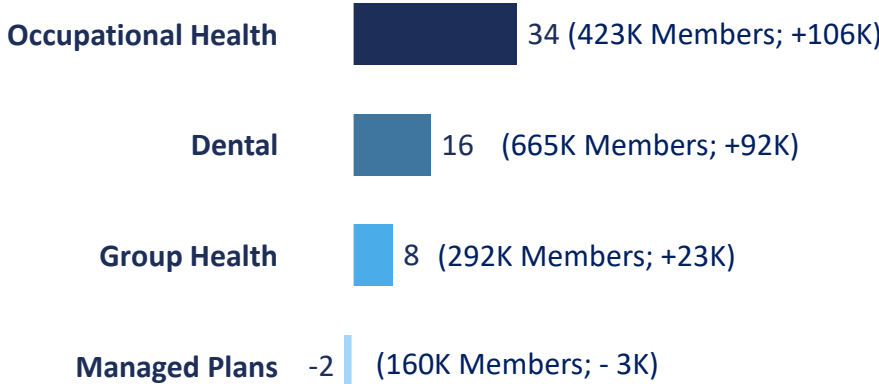
**Total Premiums and Revenues<sup>1</sup>**  
**Health Vertical**  
(R\$ million)



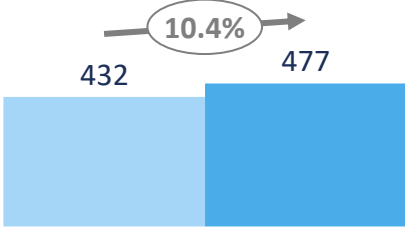
**Breakdown of Premiums and Revenues**  
**Health Vertical (%)**



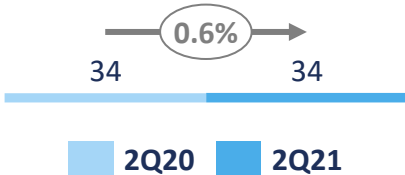
**Growth of Insured Members**  
**2Q21 vs. 2Q20**



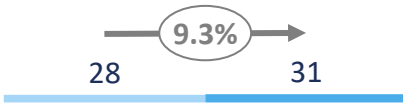
**Corporate Health**  
Premiums (R\$ million)



**Dental**  
Premiums (R\$ million)



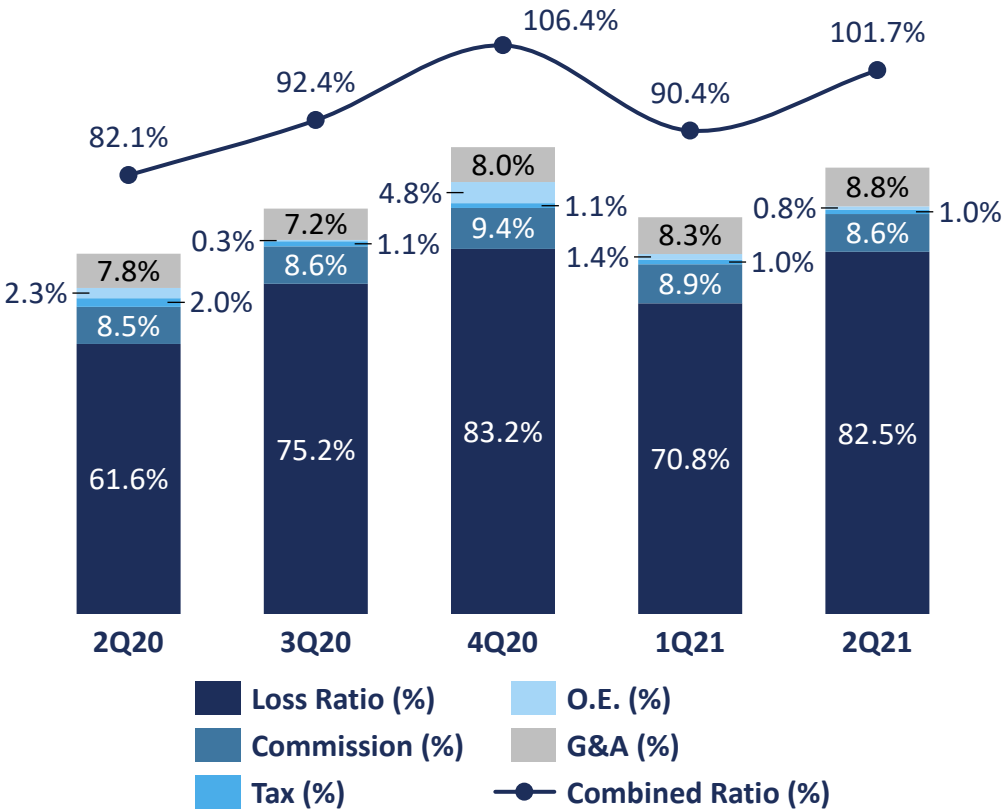
**Others<sup>2</sup>**  
Revenues (R\$ million)



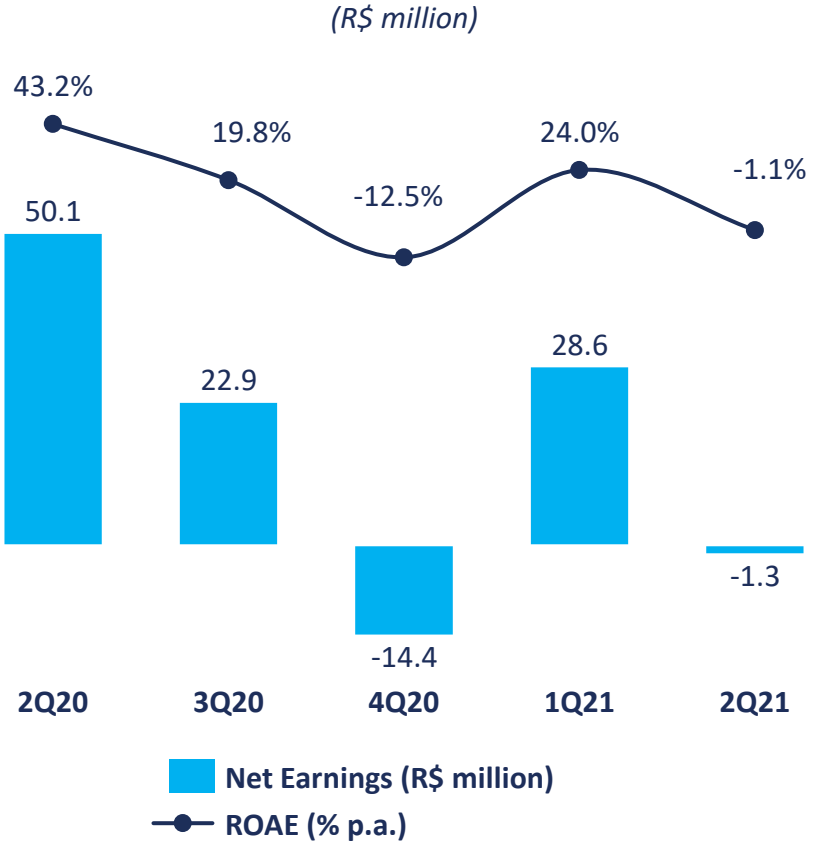
<sup>1</sup> Includes Corporate Health, Dental Insurance, Medical Services, Occupational Therapy and Portomed  
<sup>2</sup> Includes revenues from Occupational Therapy, Medical Services and Portomed

The Health Vertical Combined Ratio was impacted by the expenses related to Covid-19 during the most severe period of the pandemic, affecting the profitability of the vertical in the 4Q20 and 1Q21, but the product should return to its historical profitability level as the health crises passes

### Health Vertical Combined Ratio

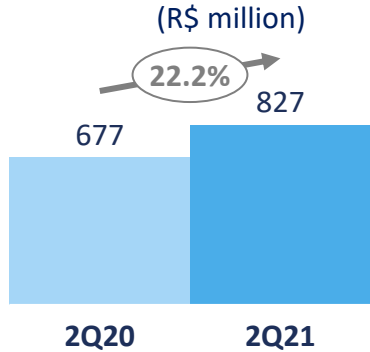


### Net Earnings and Profitability

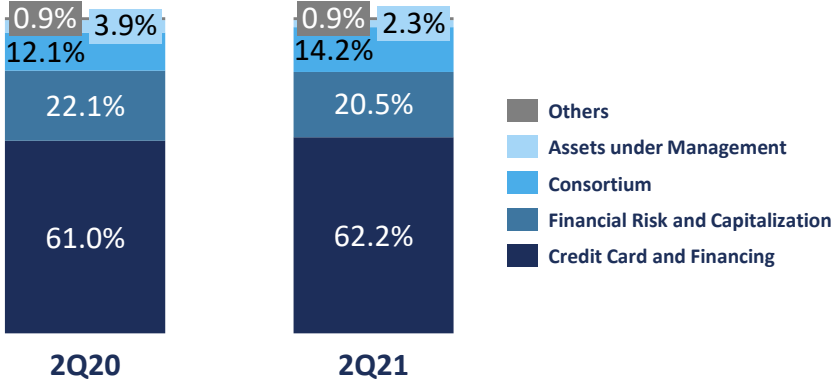


The Financial Businesses vertical achieved a 21.0% revenue growth (vs. 2Q20) and an annualized ROE of 30.2% in 2Q21, due to the consistent performance of its main products and services

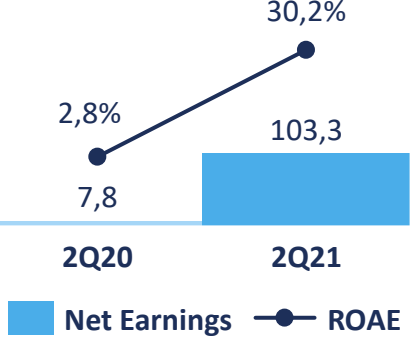
### Total Recurring Earnings<sup>1</sup> Financial Businesses Vertical



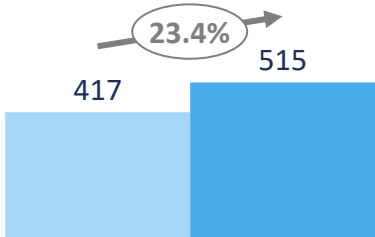
### Breakdown of Revenues Financial Businesses Vertical (%)



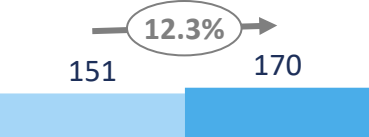
### Net Earnings Financial Businesses Vertical (R\$ million)



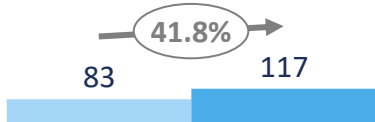
### Credit Card and Financing Revenue (R\$ million)



### Financial Risk and Capitalization Revenue (R\$ million)



### Consortium Revenue (R\$ million)



### Asset under Management Revenue (R\$ million)



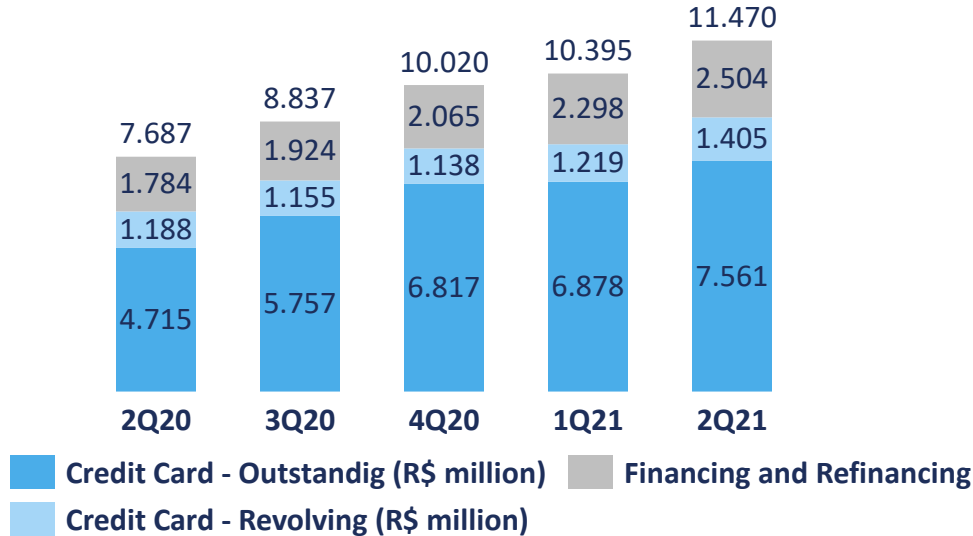
2Q20 2Q21

<sup>1</sup> Includes premiums and revenues from Credit Card and Financing, Financial Risks, Consortium, Asset Management and Capitalization Securities. The recurring revenues excludes the the refinement of the IFRS9 model, effective as of Mar/21, with impact on the credit portfolio, on income from financial intermediation (through the reversal related to the accrual of interest on arrears above 60 days)

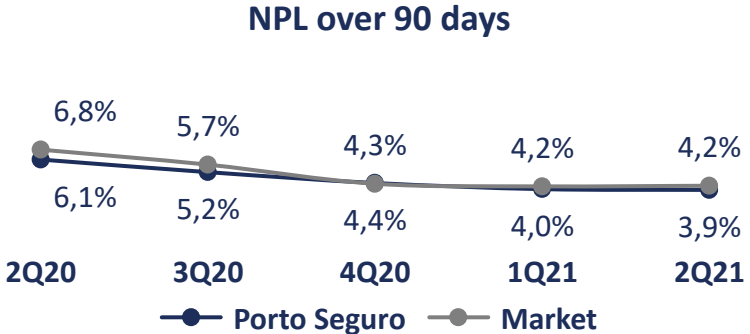
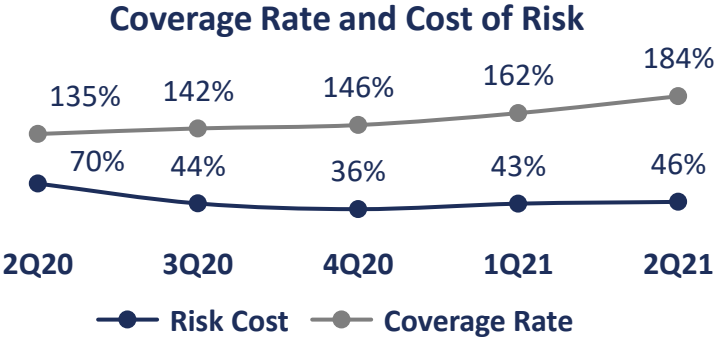
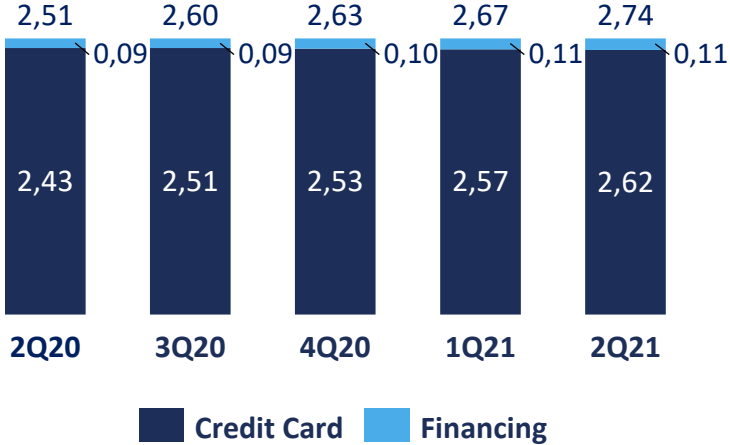
# Financial Businesses Vertical – Credit Operations

The Credit Operations portfolio grew 49.2% (vs. 2Q20), reaching R\$11.5 billion, and the number of clients reached 2.7 million (+8.7% vs. 2Q20) - delinquency reached the lowest level in the last 5 years (90 days NPL of 3.9%), as a result of the effective management of the portfolio and the actions taken to mitigate risk

Credit Portfolio



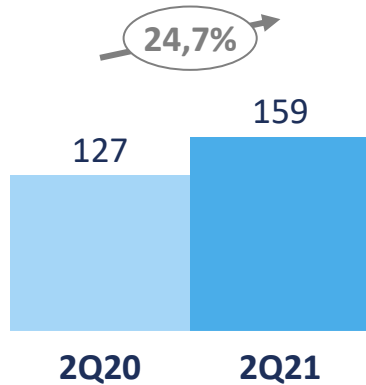
Credit Card and Financing Transactions  
(Million of units)



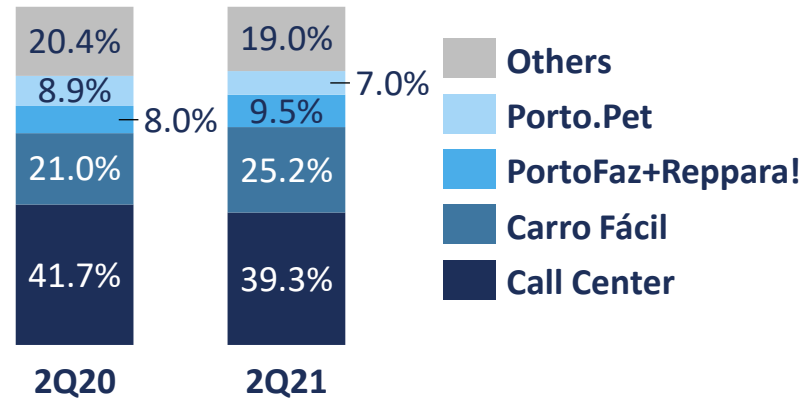
1 The refinement of the IFRS9 model, effective as of Mar/21, caused an impact on the credit portfolio, on income from financial intermediation (through the reversal related to the accrual of interest on arrears above 60 days) and from provisions (which used to postpone arrears over 360 days, and now starts to post for a period of more than 1,890 days for credit card operations, and 1,620 days for CDC operations).  
2 Source: Banco Central

The Services Vertical presented revenue growth of 24.7% in the quarter (vs. 2Q20), driven by Carro Fácil, which reached 8.1 thousand subscriptions as of the end of the period, and by Reppara, leveraged by the expansion of the services portfolio and sales channels

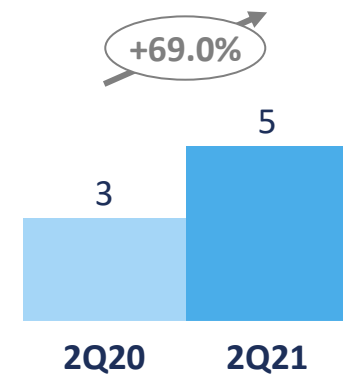
**Total of Revenues<sup>1</sup>**  
**Services Vertical**  
(R\$ million)



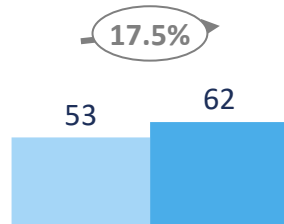
**Breakdown of Revenues**  
**Services Vertical (%)**



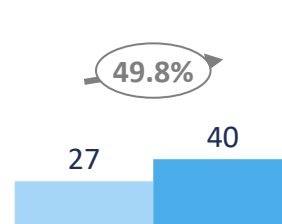
**Net Earnings**  
**Services Vertical**  
(R\$ million)



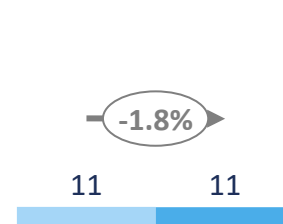
**Call Center**  
(R\$ million)



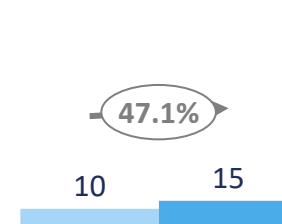
**Carro Fácil**  
(R\$ million)



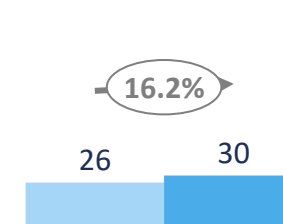
**Health for Pet**  
(R\$ million)



**Porto Faz + Reppara!**  
(R\$ million)



**Others**  
(R\$ million)

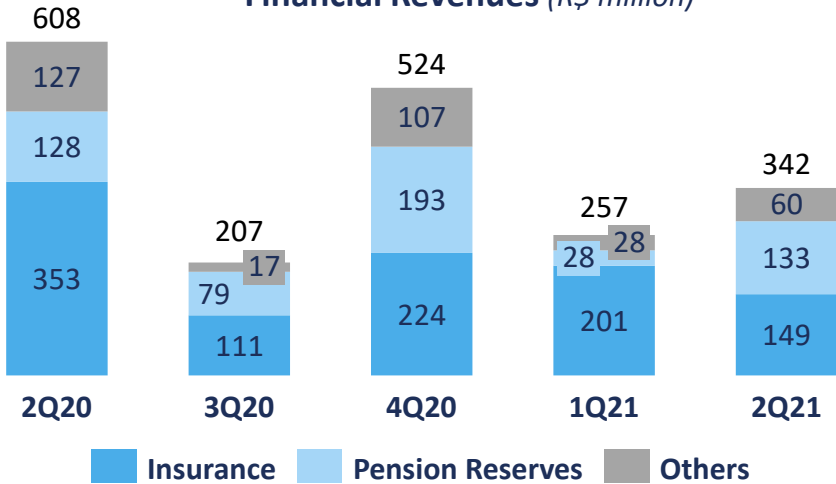


2Q20 2Q21

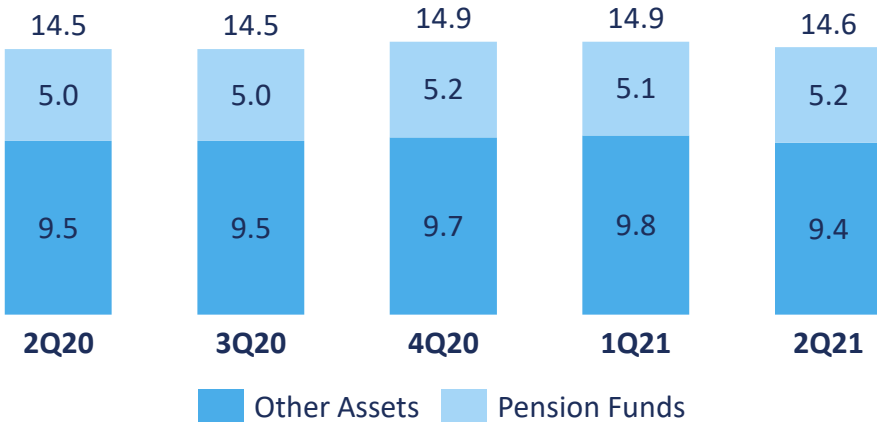
<sup>1</sup> Includes Call Center, "Carro Fácil", Porto.Pet, Porto Faz, Reppara!, Renova, Vehicle Monitoring, among other services, and excludes the revenues from Alarms and Video Monitoring business, due to the agreement made in January 2020 to transfer the portfolio to ADT Serviços de Monitoramento Ltda.

Financial investments were favored by the positive performance of allocations in inflation-linked bonds, equity, and corporate credit securities

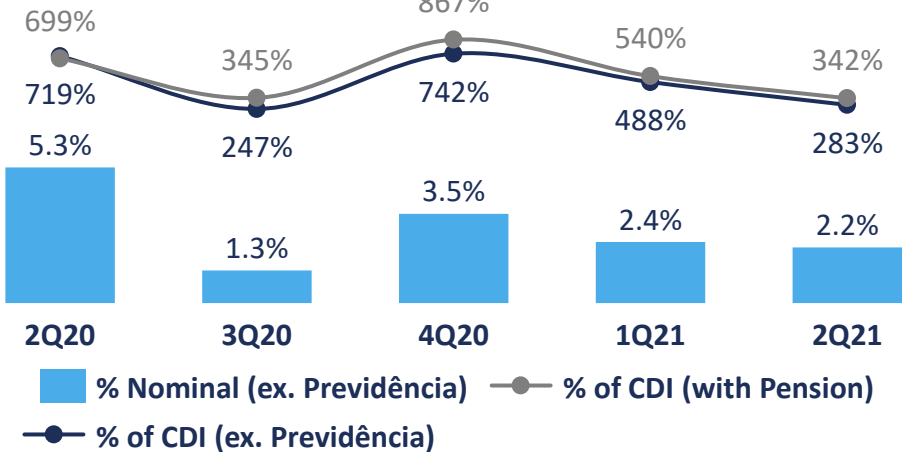
Financial Revenues (R\$ million)



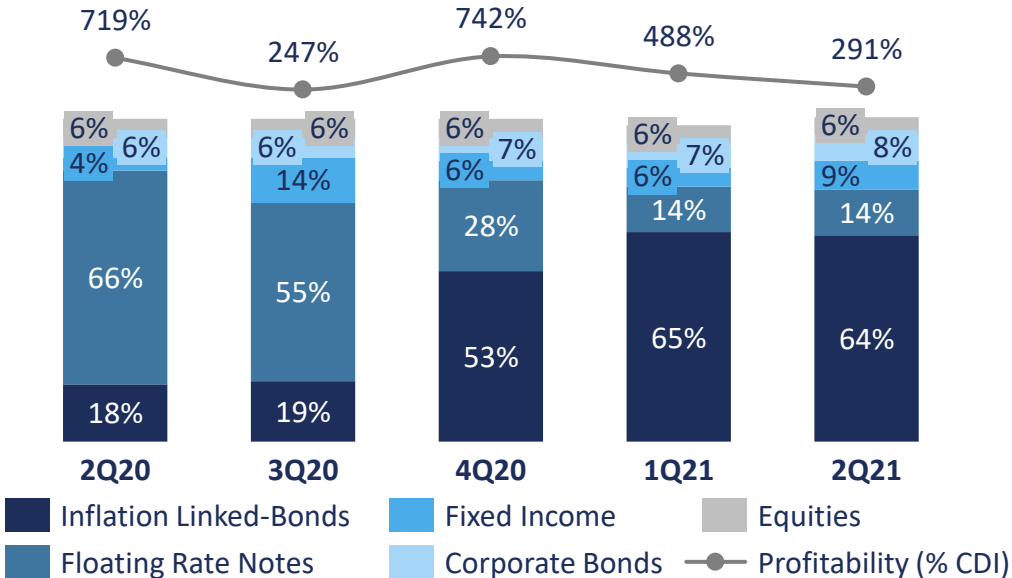
Investments Portfolio (R\$ billion)



Profitability



Breakdown of Investments Portfolio<sup>1</sup>



<sup>1</sup> Includes exposures in future markets securities

Through its products and services, Porto Seguro offered support to its customers in fighting the pandemic and continued to advance in environmental, social and corporate governance projects



## C O P I N G   W I T H   T H E   P A N D E M I C

- Compensation to 3,000 Covid-19 victim's families
- Coverage for more than 8,400 beneficiaries who needed to be hospitalized
- Approximately 100k Covid-19 tests performed
- Life insurance discounts for customers already vaccinated



## A Ç ã O   E D U C A   P R O G R A M

- The program aims to support the integral health pillar of children/adolescents and assisted families
- 168 children from around Campos Elíseos assisted after school hours
- 120 children/teenagers assisted by the program and psychological assistance
- 170 school kits together with hygiene kits containing three masks and an alcohol gel



## R E N O V A - C I R C U L A R   E C O N O M Y

- Reduced consumption of natural resources and environmental pollution
- Certification by the Automotive Quality Institute (IQA)
- 341 vehicles dismantled in 2Q21 (+248% vs. 2Q20) and 531 in 1H21 (+156% vs. 1H20)
- 8.5 thousand pieces sold in the quarter (+121% vs. 2Q20) and 15.3 thousand in the semester (+144% vs. 1H20)



## P O R T O   V O L U N T A R Y   P R O G R A M

- 343 volunteers in 40 actions
- 2,374 hours donated by volunteers
- 3,900 people and 17 social institutions benefited



2Q21

# Earnings Conference Call

August 11<sup>th</sup>, 2021

# Q&A

## **PORTO SEGURO IR TEAM**

**Roberto Santos** - CEO & IRO

**Emerson Faria** - Executive Manager

**Aleksandro Borges** - Coordinator

**Eduardo Marcelo** - Analyst

**Gustavo Scarnera** - Analyst

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