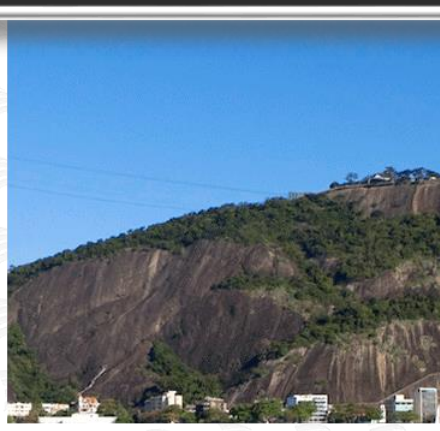
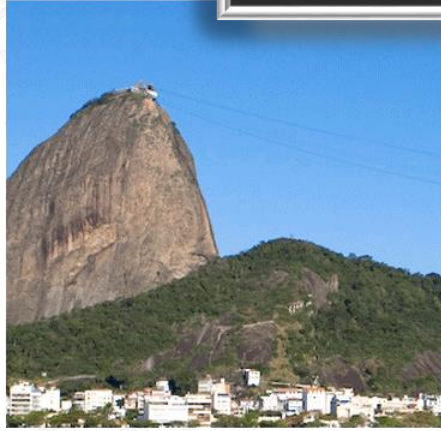




**PORTO
SEGURO**

**Conference Call
4Q19 and 2019
02/05/2020 at 09:00 am (NY time)**





**PORTO
SEGURO**

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.

 ***Executive Summary***

 ***Consolidated Results***

 ***Insurance Results***

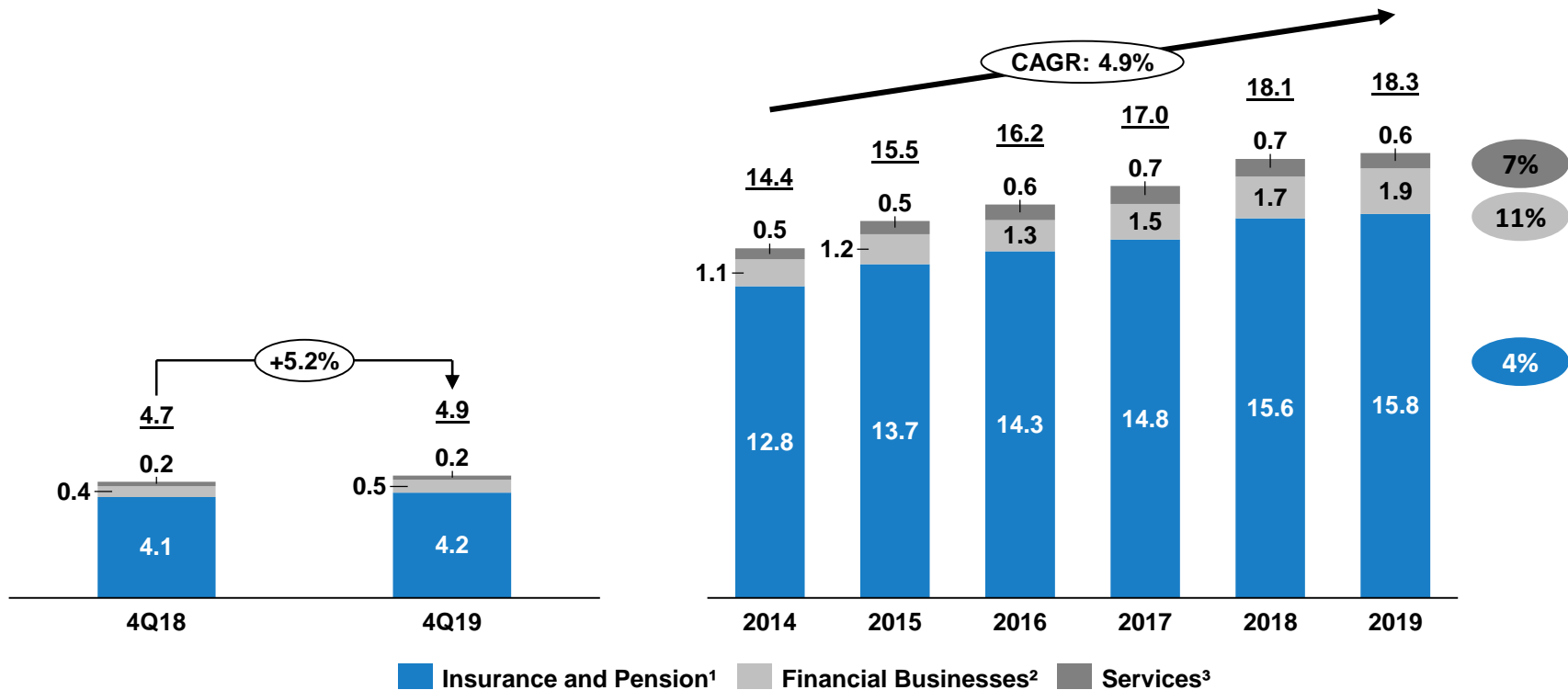
 ***Financial Businesses and Services Results***

 ***Financial Investments Results***

- In 2019, Porto Seguro achieved the highest recurring net earnings in history, mainly driven by a solid operational result as well as by the increase in returns from financial investments
- The acceleration in premiums in 4Q19 (+5% vs. 4Q18) has paved the way to present an annual growth of 1% (vs. 2018) – excluding Auto, the premiums grew 9% in the quarter and 6% in the year
- Auto insurance resumed its growth in 4Q19 (+2% vs. 4Q18), incrementing 63 thousand vehicles in 3 months – highlighting the performance of Azul, which exceeded 2 million insured vehicles
- Health insurance rose by double-digits in the year (+13% vs. 2018) and reached the best combined ratio from the last 5 years, improving product's profitability significantly
- The expenses ratio (G.A. + O.E.) decreased 0.5 p.p. in 2019 (vs. 2018), which represents an improvement of 3.6 p.p. over the last 4 years, due to efforts to enhance operational efficiency and leverage the business growth
- The yearly combined ratio remained 2.1 p.p. below the average of the last 10 years
- The result of Financial Businesses and Services improved substantially, due to the growth in Credit Card and Vehicle Financing and by the reduction in losses from other businesses (especially Conecta)
- The return from the financial investments achieved a nominal yield of 2.4% (191% of CDI) in the quarter and 10.2% (171% of CDI) in 2019
- Within the awards received, Porto Seguro was elected as the best company in the financial sector (Infomoney) in 2019 and the 16th most valuable brand in Brazil (Ranking Interbrand)

In 4Q19, Porto Seguro accelerated expansion in revenues (+5% vs. 4Q18) – growth acceleration is one of the key strategic objectives for the Company

Revenues by Business Lines (R\$ billion)



¹ Taking insurance written premiums and pension contribution into account

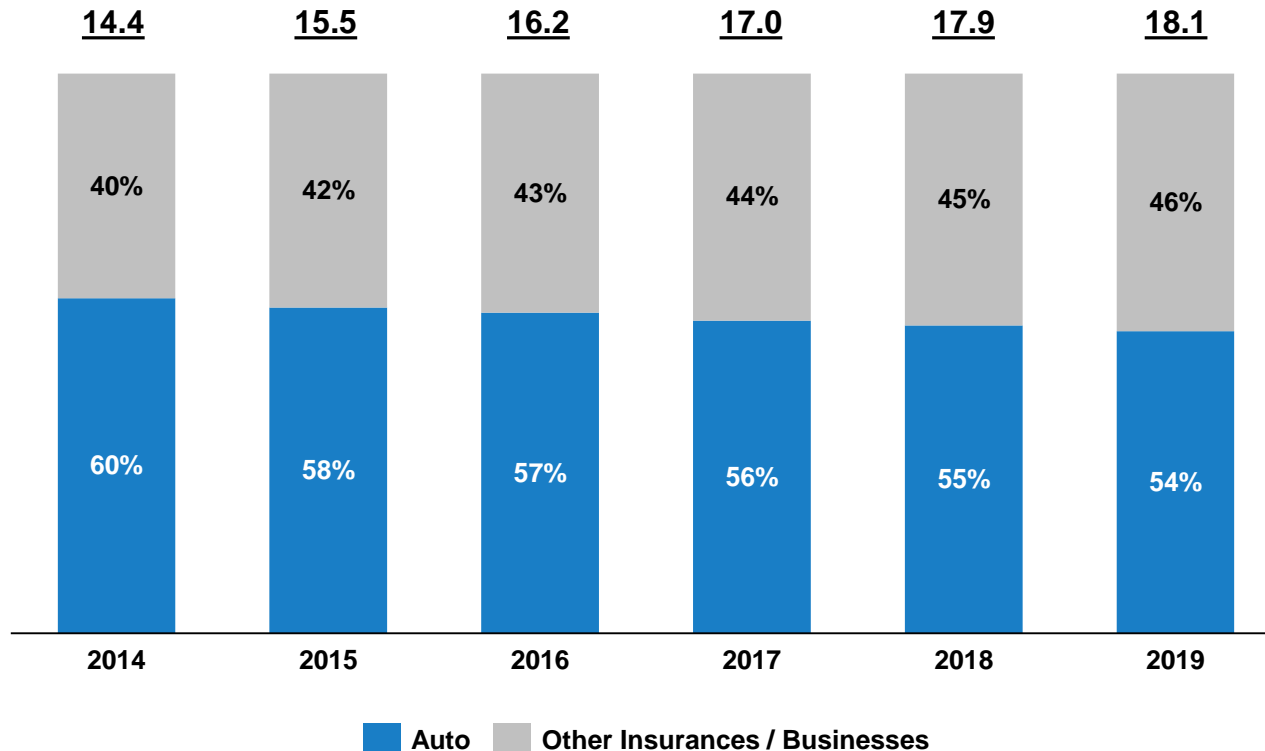
² Represents the revenues of Financial Products: Consortium, Credit Card, Financing and Asset Management

³ Represents the revenues of Services: Surveillance and Monitoring Services, Medical Services, H4Pet, Porto Carro Fácil etc

Porto Seguro has intensified its diversification of businesses along the time, hereby reducing the dependence on the Auto insurance through the growth in other insurances / businesses

Insurance Written Premiums Breakdown Auto vs. Other Businesses

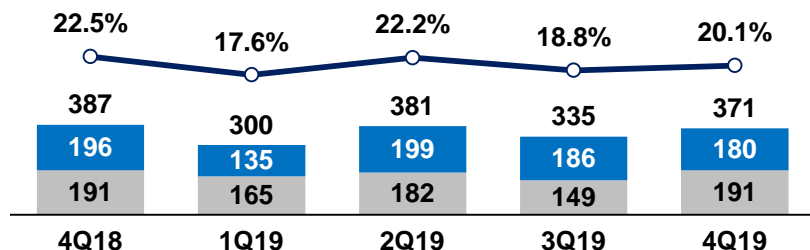
(Total Revenues in R\$ billions; % in Total Revenues)



Consolidated Results Profitability and ROAE 4Q19 and 2019

Recurring annual net earnings achieved the historical peak and the profitability remains at a high level, due to both a solid operational result as well as to greater returns from financial investments

Quarterly Profitability*

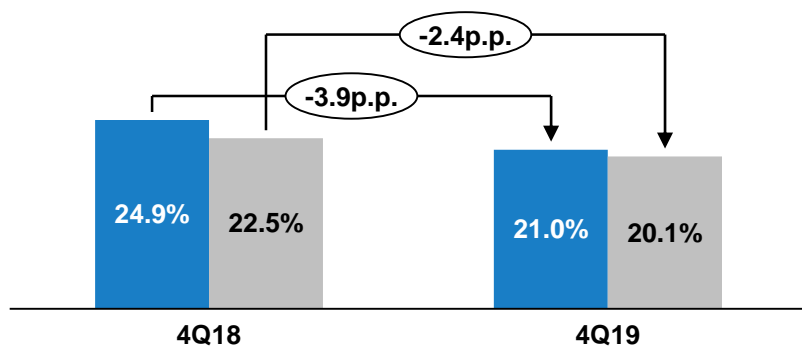


Financial Result (R\$ million) Operational Result (R\$ million) ROAE

Yearly Profitability*

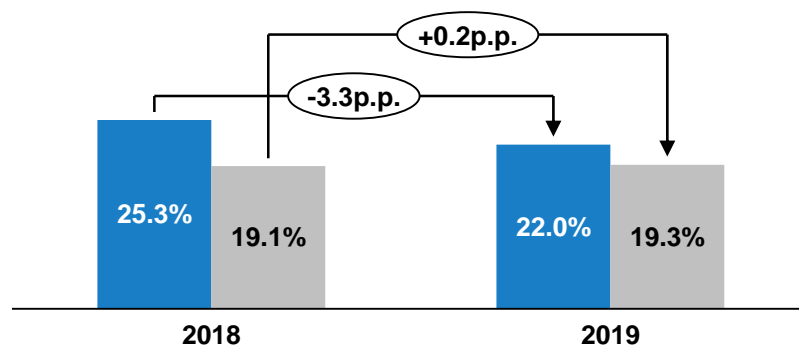


Quarterly ROAE



Adjusted ROAE** ROAE

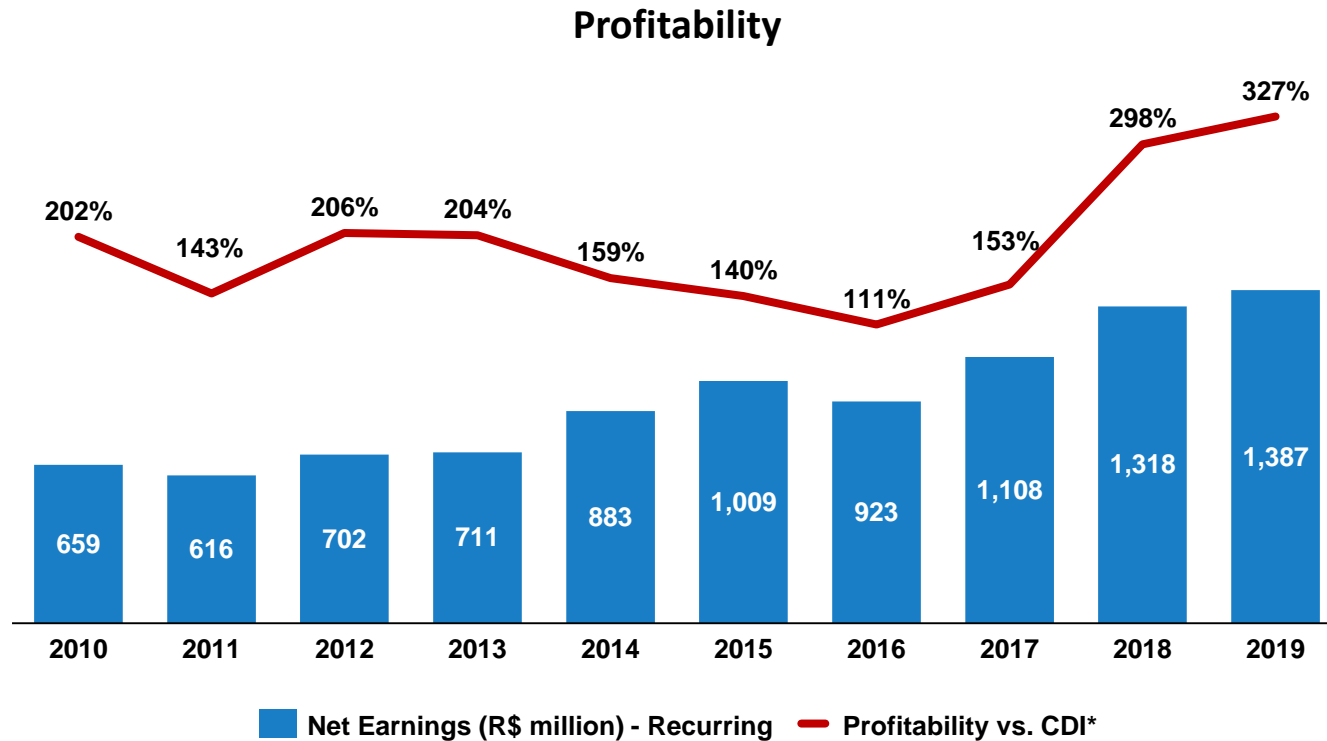
Yearly ROAE



* 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

** Profitability of the Company's businesses with adjusted capital (without capital surplus) while considering an investment return of 100% of CDI

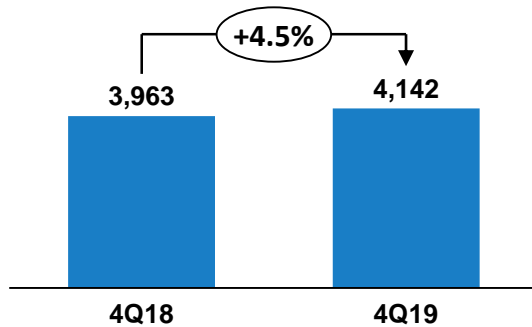
Porto Seguro has presented consistent operational results and strengthened its profitability, despite the fluctuations in interest rates – the profitability (ROAE) of 2019 related to the CDI was the highest in the last 10 years



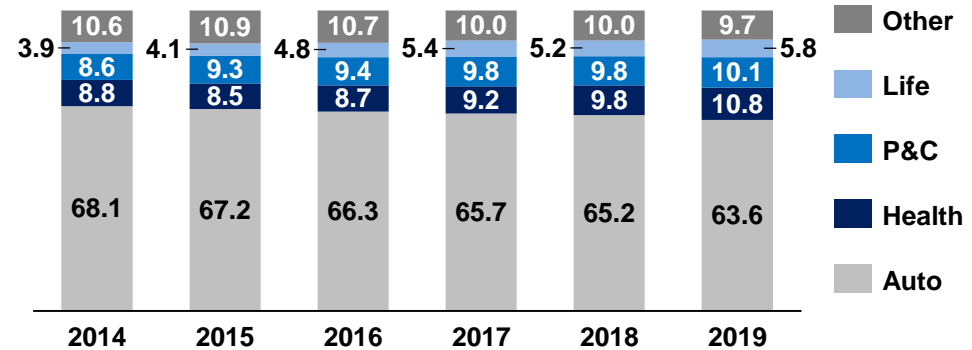
*Result from the division of ROAE by CDI
Source: CETIP and Porto Seguro

In 4Q19, Porto Seguro improved premiums in all of the main insurance products – the expansion has been accelerating more in Health, P&C and Life, which has made the portfolio more diversified

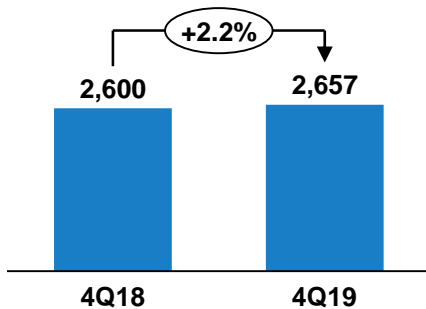
Total
Premiums (R\$ million)



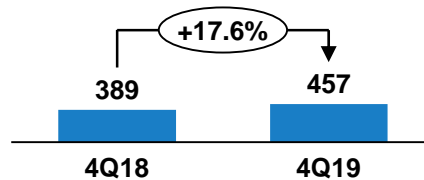
Insurance Written Premiums
Breakdown (%)



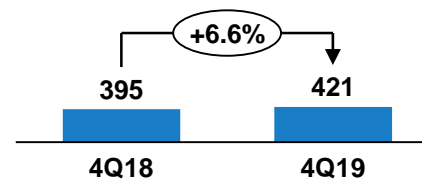
Auto
Premiums (R\$ million)



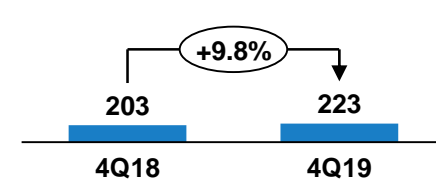
Health
Premiums (R\$ million)



P&C
Premiums (R\$ million)

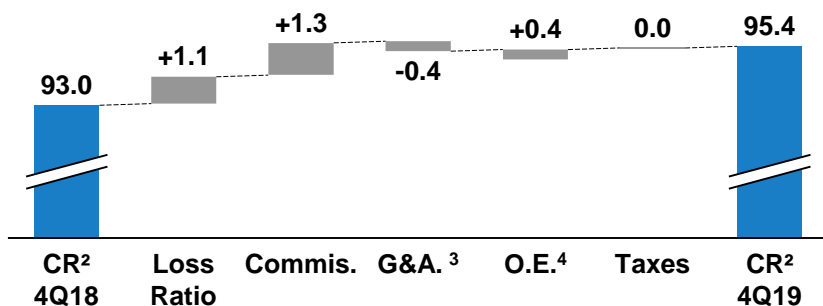


Life
Premiums (R\$ million)

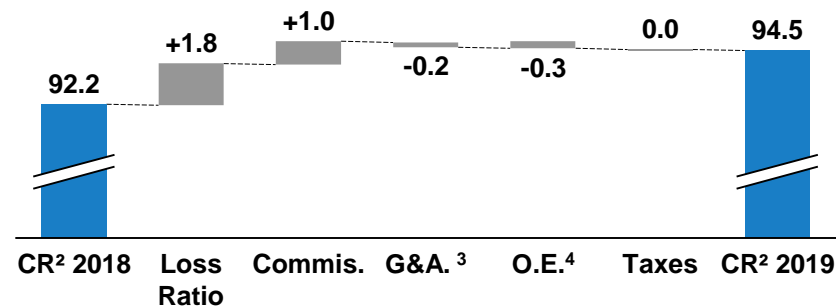


Despite the lower result, as a consequence of the increase in loss ratio and commission, the profitability of the insurance operation remains on high levels – ROAE of 17.7% in 2019

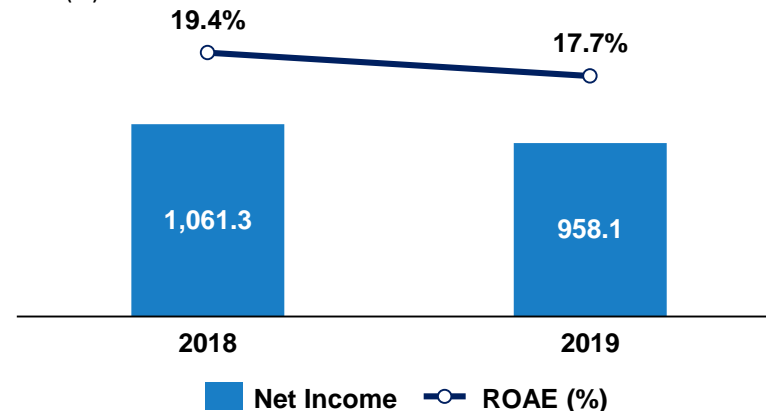
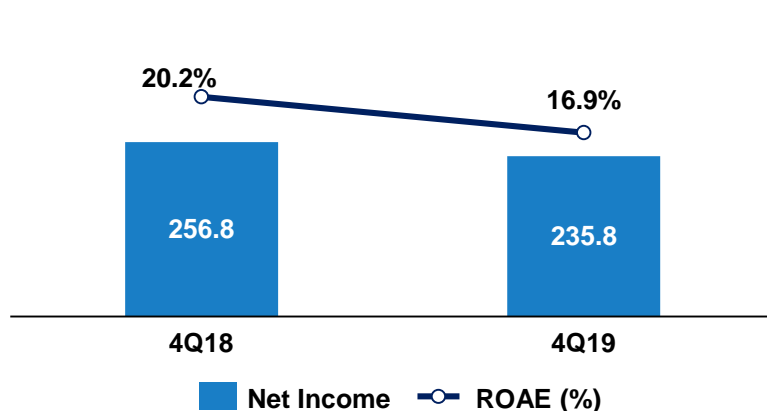
Combined Ratio 4Q19¹ (%)



Combined Ratio 2019¹ (%)



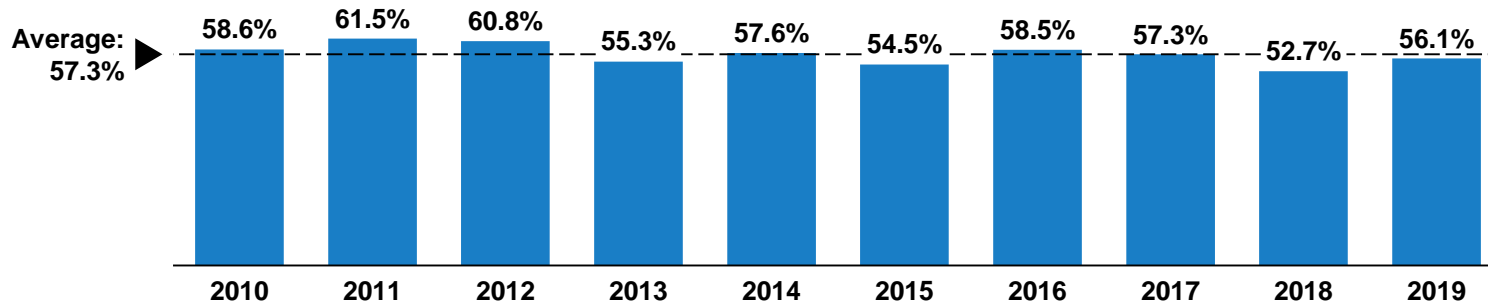
Insurance Results⁵ (%)



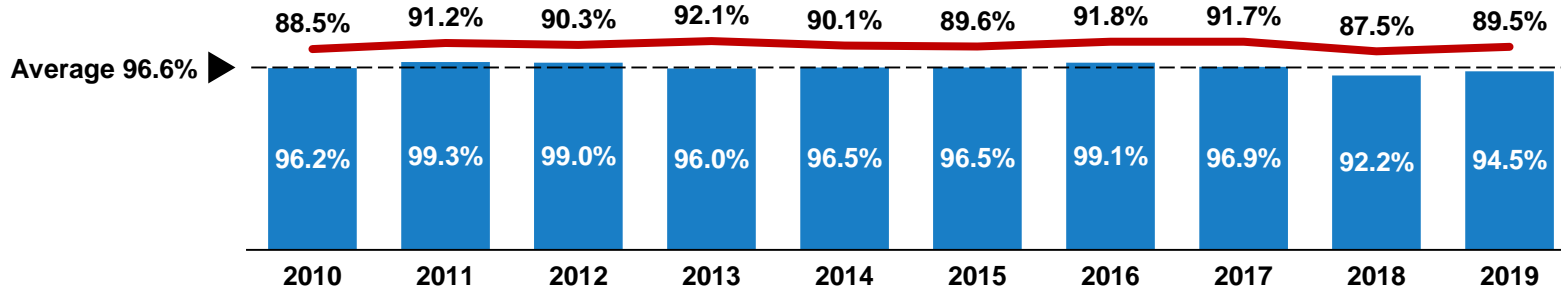
¹As of 2018, adjustments were made in our financial statements as a result of the Initial Hiring Costs, which are now recorded as Deferred Acquisition Costs (DAC), following the same appropriation system of the results according to the term and risk. Thus, we adjusted the 2018 and beyond numbers in the Press Release (pro forma) to maintain the same historical basis of comparison / ² Combined Ratio / ³ General and Administrative Expenses Ratio / ⁴ Other Expenses Ratio (Total other operational revenues and expenses / earned premium) / ⁵Including operational results from Insurance, Pension and Capitalization

Besides the increase in 2019, the loss ratio (56.1%; +1.8 p.p. vs. 2018) and the combined ratio (94.5%; +2.3 p.p. vs. 2018) remained, respectively, 1.2 p.p. and 2.1 p.p. lower than the average of the last 10 years

Historical Loss Ratio - Auto



Historical Combined Ratio¹ (%)



■ Combined Ratio — Amplified Combined Ratio

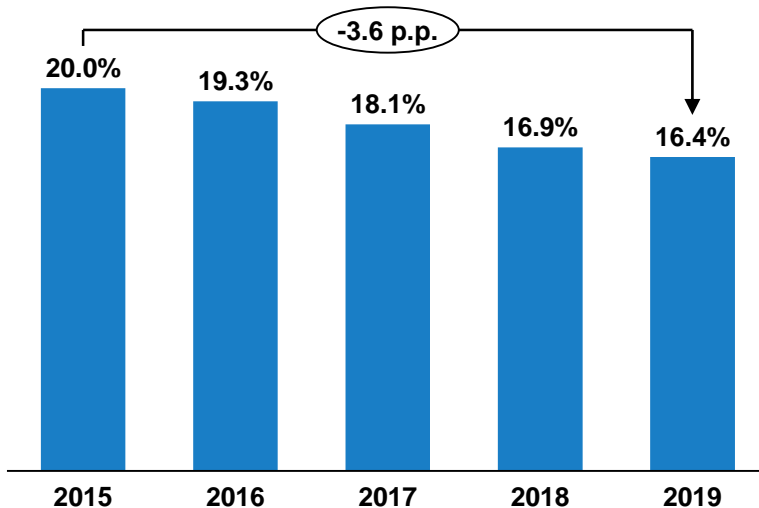
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Insurance Results

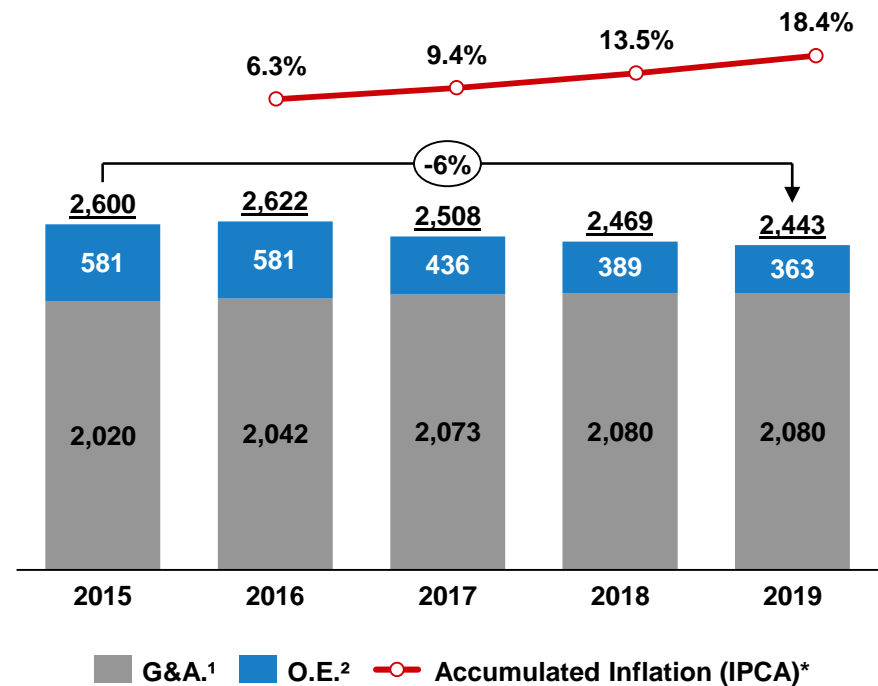
Administrative and Operational Expenses

The G&A + O.E. ratios reduced 3.6 p.p. over the last years, due to the operational efficiency gains – between 2015 and 2019, the consolidated G&A + O.E. ratio decreased 6%, compared to an accumulated inflation of 18% in the period

G&A¹ + O.E.² Ratio – Porto Seguro



Insurance G&A¹ and Other Operational Expenses (O.E)² – (R\$ million)



¹G&A = General and Administrative Expenses (Excluding profit sharing)

²O.E = Other Revenues – Operational Expenses

PS: As of 2018, adjustments were made in our financial statements as a result of the Initial Hiring Costs, which are now recorded as Deferred Acquisition Costs (DAC), following the same appropriation system of the results according to the term and risk. Thus, we adjusted the 2018 and beyond numbers in the Press Release (pro forma) to maintain the same historical basis of comparison

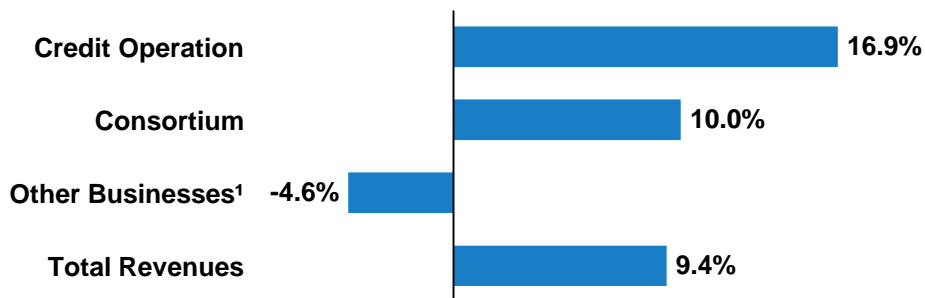
* Source: IBGE

Financial Businesses and Services Results

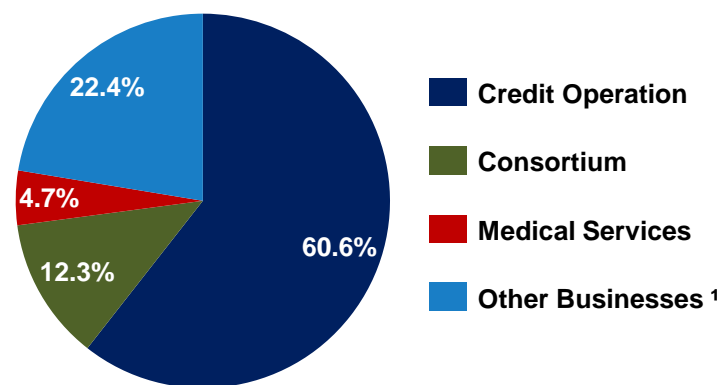
Main results of 4Q19 and 2019

The Financial Businesses and Services results increased significantly both in the quarter and the year, mainly propelled by the performance of Credit Operations and the reduction in costs related to other businesses, especially Conecta

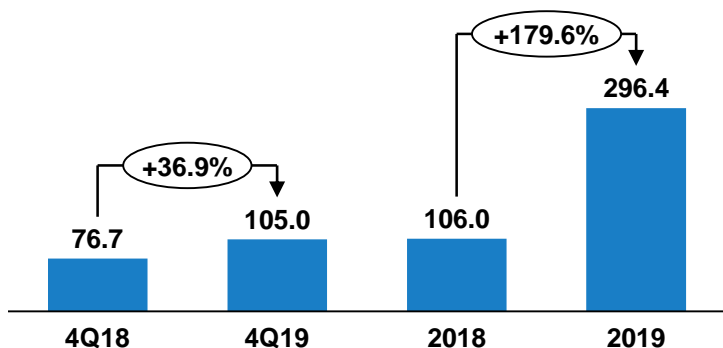
Revenues Evolution – 4Q19 vs. 4Q18



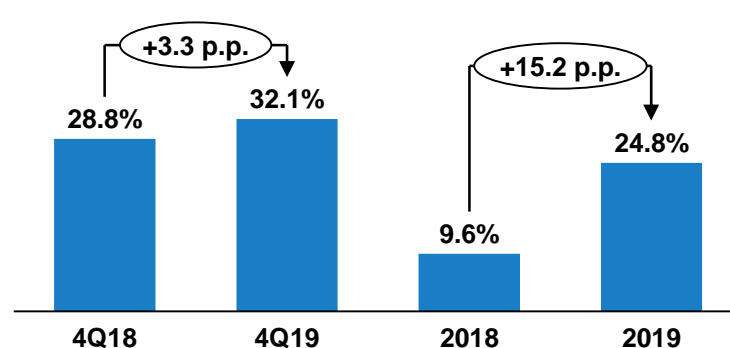
Revenues Distribution – 4Q19



Net Earnings (R\$ million)



ROAE (%)



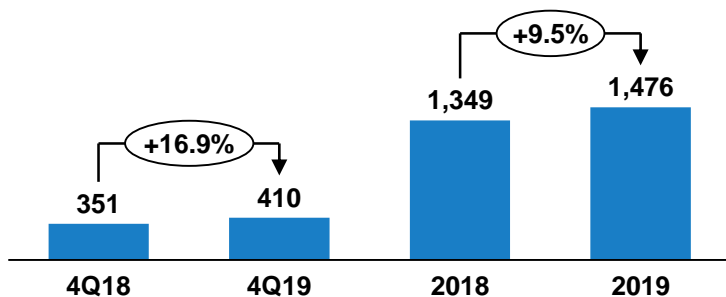
¹ Mostly represents the revenues from Surveillance and Monitoring Services, Call Center, Conecta, Asset Management, among others

Financial Businesses and Services Results

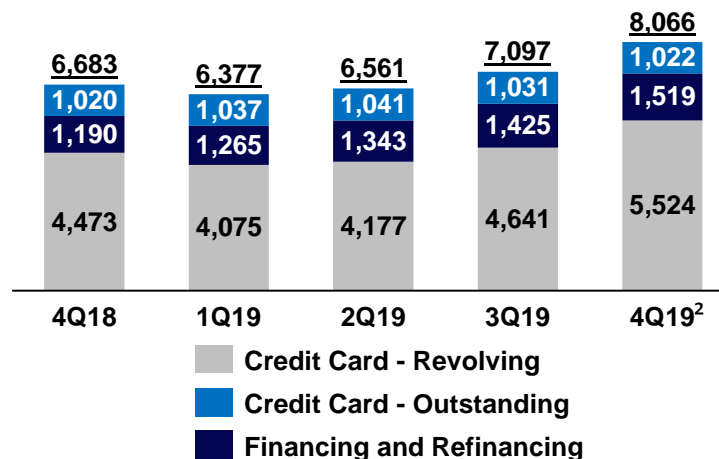
Credit Operations 4Q19 and 2019

Credit Operations revenues, driven by commercial campaigns, boosted the growth – Credit Card surpassed 1 million active clients (a total of 2.6 million clients) while the Financing portfolio exceeded R\$ 1.5 billion (+28% vs. 2018)

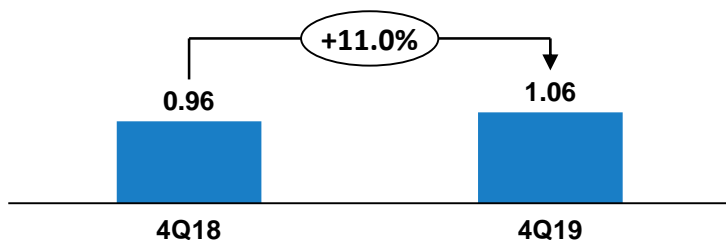
Revenues of Credit Card and Financing
(R\$ million)



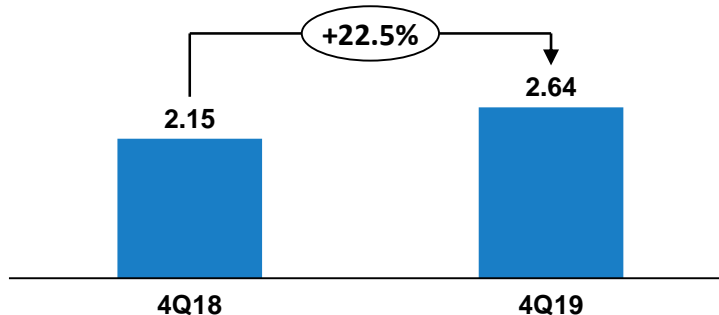
Credit Operation Portfolio¹ (R\$ million)



Active Credit Cards³
(million of units)



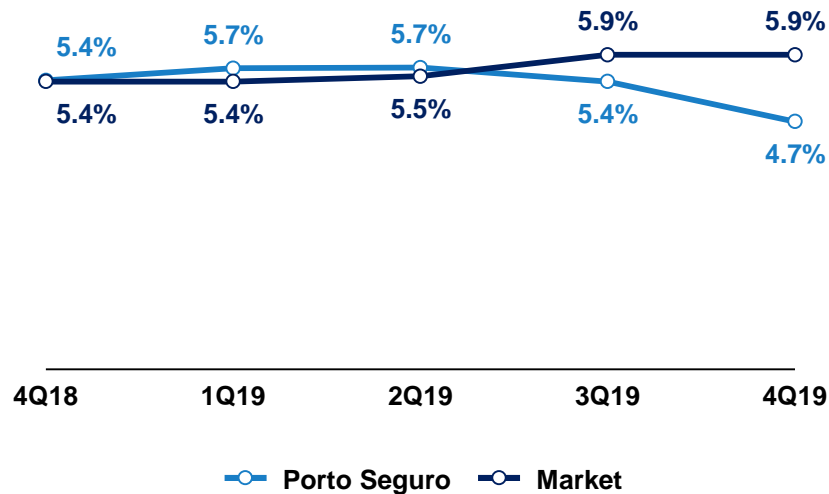
Total Credit Cards⁴
(million of units)



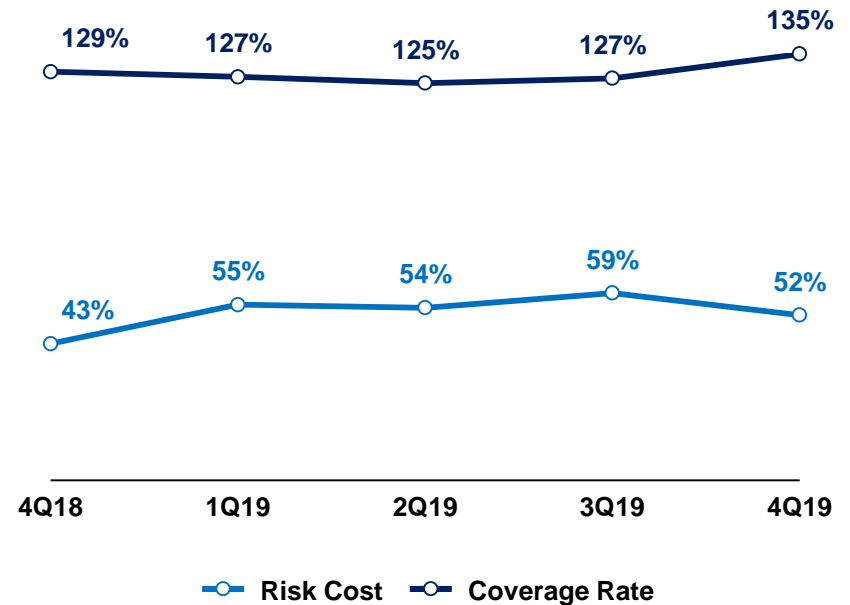
¹ The balance of credit card operations portfolio (excluding private label operations) amounted R\$ 7,084 MM (R\$ 5,272 MM in 4Q18) / ² The balance of credit card operations portfolio – excluding accrual operations, according to IFRS9, amounted to R\$ 8,030 MM (R\$ 6,657 in 2018) / ³ Cards that made transactions in the last 30 days / ⁴ Cards apt for use, including card holders and additional

The Credit Portfolio grew with risk under control, resulting in a reduction of the NPL (over 90 days)

NPL over 90 days¹



Coverage Rate² and Risk Cost³

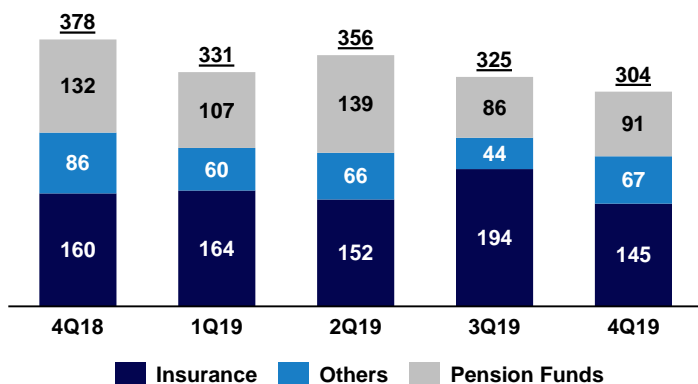


¹ The NPL over 90 days was adjusted to stay in line with the Central Bank methodology, which establishes that the balance of agreement operations related to late payments are not considered delinquent / ² A result of loan loss provisions balance related to the balance of overdue payments operation – considering late payments over 90 days within the active portfolio. Does not consider active agreement operations – (Central Bank Methodology) / ³ Credit Loss (Provision Costs + Credit Loss) / Net Revenues from Financial Intermediation

The results from financial investments were mainly boosted by the performance of inflation-linked bonds and equities – the quarterly profitability (ex-Pension) reached 2.4% (191% of the CDI) and 10.2% (171% of the CDI) in the year

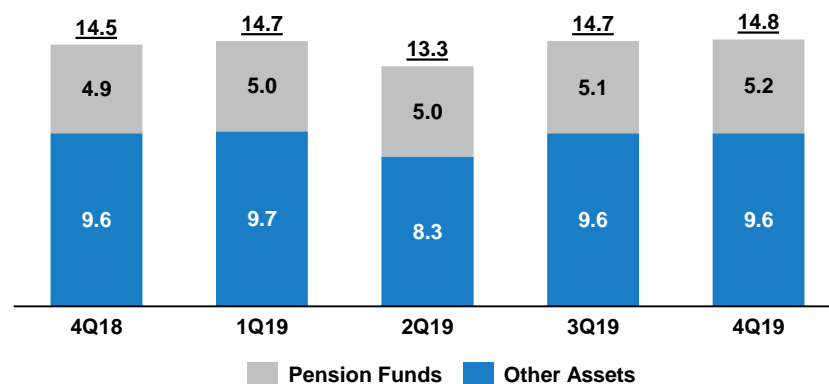
Revenue from Investments Assets

(R\$ million)

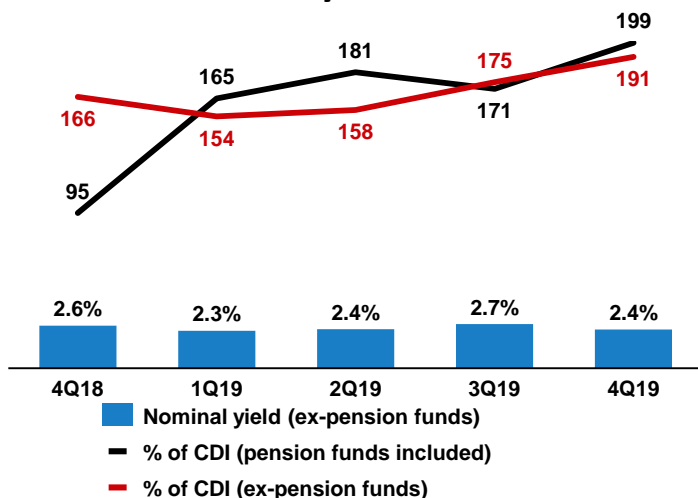


Investments Portfolio

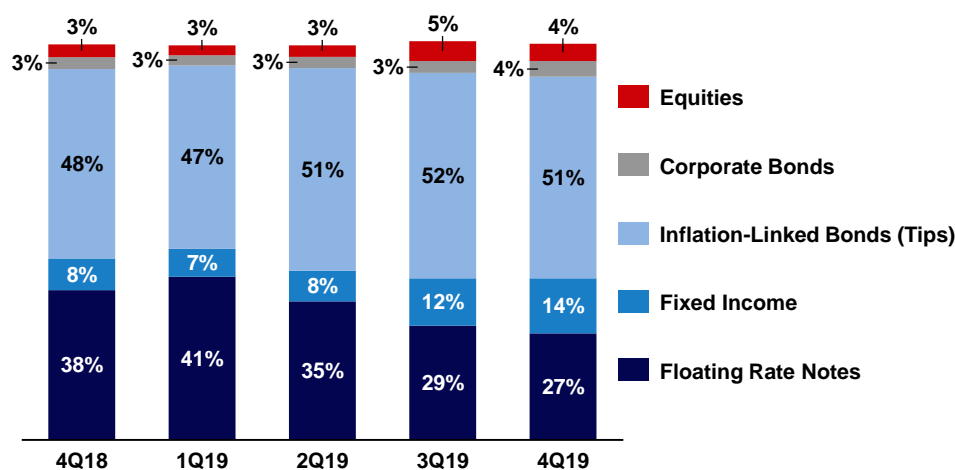
(R\$ billion)



Quarterly Performance



Allocation¹ (ex-Pension Funds)



¹ Includes exposure in derivatives (future markets)

Investor Relations

Alameda Barão de Piracicaba, 618 – 11º andar, Campos Elíseos

01216-010 – São Paulo, SP, Brazil

(55 11) 2393-7093

(55 11) 2393-7094

gri@portoseguro.com.br

www.portoseguro.com.br